

Timor-Leste Development Partners Meeting
(TLDPM)
April 2-4, 2009

TLDPM Proceedings
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SUMMARY RECORD

Extracted by La'o Hamutuk from larger summary document. Speeches and press releases in the original version of this document, as well as many others from the TLDPM, are available at

www.laohamutuk.org/econ/09TLDPMindex.htm.

Acknowledgements & Purpose

This document provides a summary of statements made by representatives of the Government of Timor-Leste, multi-lateral agencies, UN agencies and civil society throughout the Timor-Leste Development Partners Meeting (TLDPM) in April 2009. A more comprehensive document will be distributed to meeting participants including the full statements of presenting participants where available.

The conveners of 2009 TLDPM would like to thank the participating members from the Government of Timor-Leste, Development Partner representatives, Heads of Delegations, members of the United Nations system, representatives of the World Bank, civil society representatives and all those whose commitment and hard work made this TLDPM a resounding success.

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May 2009

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TLDPM Delegation Statements

Australia expressed its keen interest to align strongly with the priorities of the Government. Support to Timor-Leste was a high priority and the manifold links between the two countries included non-state actors, as evidence of strong partnership. Australia's engagement was long term, and acknowledged national ownership. The 2009 National Priorities were welcomed as useful guidance, while development of a medium-term strategy was critical. Australia's new country strategy focused more economic growth and delivering better aid results. Rural productivity increases would be targeted along with support to reach the MDGs. Capacity development aid extended to the security sector. In an uncertain global economic climate, the Government's revenue needed to be managed carefully. Australia would continue its assistance in monitoring aid effectiveness and harmonize with other donors.

Austria noted the UN role in strengthening Timor-Leste. As a contributor to EU programs, Austria would co-finance irrigation programs. Music education at the grass-roots level including in rural areas was being developed to strengthen communal ties and national heritage.

Brazil highlighted the compatibility of its assistance with Government priorities, respecting national sovereignty. Since the 2008 Brazilian Presidential visit to Dili, support had intensified. Special attention was given to school feeding, vulnerable groups and water harvesting techniques. Exchanges were organized for 300 students targeting skills building in various areas. Security, justice and infrastructure were high on the agenda for Brazil, as well as HIV/Aids and social security at district level. Brazil's contribution to Portuguese language training was noted, as 45 teachers were deployed to Timor-Leste.

Canada affirmed a positive outlook for Timor-Leste, applauding the NP 2009 Matrix presented at the Meeting. Canada would assist in institutional reforms, including for establishing a public utilities board. Although aid levels were unlikely to increase, the Canada Fund would remain available for local initiatives, including in for Human Rights and the Justice Sector.

China (delivering a statement in Portuguese) underlined its many areas of assistance through bilateral channels, especially major construction projects such as the Presidential palace or the F-FDTL future HQ building. More funding was provided for a hybrid rice program, and 50% more Timorese officials would receive training in China in 2009. Student scholarships and programs targeting young people were useful as stabilizing factors. Hong Kong and Macau cooperation with Timor-Leste intensified. Confirmation was received that Timor-Leste would participate in the 2010 Shanghai World Expo. Infrastructure, rural development and human capacity building were already key areas where China's assistance was compatible with Government priorities.

Cuba explained that its doctors were performing many life-saving interventions in Timor-Leste. Timorese medical students would return from Cuba to work in their native communities. A Joint Commission had been established to coordinate this and other areas of continuous assistance. USD 8m funding for an intensified illiteracy campaign would ensure all Timorese could read and write in

2 year's time. If Cuba was able to provide aid as a disinterested and blockaded country, so much more could be expected from other donors.

The Czech Republic (for the EU Presidency) noted the enhanced credibility of Timor-Leste's security forces. Prudent use of available financial resources was called for, since there was a crucial link between development and security. Prevention of impunity was instrumental for building a stronger future. Concern remained about the socio-economic situation, especially due to poverty and unemployment. A revised national development Plan was critical, since it offered donors a longer-term perspective for alignment in the spirit of the Accra Agenda. 823 m Euros had been disbursed since 2000 from the EU. The EU and its members were all supportive of the NP 2009 Program. The Government was asked to take full ownership of its development agenda.

The EC Delegation to Timor-Leste praised excellent progress made since the last TLDPM Meeting. While it was now possible to focus on the longer-term challenges, the situation remained fragile. Governance, humanitarian and security issues were interlinked. EC humanitarian assistance was being phased out, since the country was no longer in deep crisis, and follow-up instruments were being replaced.

France stated that the situation in Timor-Leste remained fragile, as 50% of its population lived below the poverty line. Fears existed about longer-term sustainability so public funds needed to be managed wisely. France welcomes the Prime Minister's embrace of the MDGs and looked forward to the holding of free and democratic elections.

Germany welcomed the 2009 national priorities and the consolidation of peace as well as state building. Bilateral aid would focus strongly on peace consolidation, employment and youth in accordance with Government priorities. The new Conflict Prevention and Management Fund of 3m Euros assisted young families in dispute settlement. Germany was interested in reducing transaction costs for foreign aid.

Indonesia stressed its interest in helping Timor-Leste catch up with other states. The aid focus was on developing human resources, given the cultural communalities with the Timorese. Scholarships and small mechanization donations enhanced the people-to-people contacts in the spirit of reconciliation.

Ireland noted increased poverty and high levels of food insecurity in Timor-Leste, which Irish aid addressed in the context of its global hunger relief work. Even after the conflict was over, scars and trauma remained. Debate of the CAVR Report in Parliament was important to help reduce trauma. Ireland's Special Envoy for Timor-Leste also covered UN Resolution 1325, documenting the resolve to engage more meaningfully in the advancement of women. The NP 2009 Program was more gender sensitive. Localized investments were needed in the context of large infrastructure programs.

Japan expressed readiness to target assistance areas along the National Priorities, and to coordinate closely with other partners in infrastructure development. Japan was especially supportive of the NP 4 area (Social Protection/ Health). As a good friend in Asia, Japan backed Timor-Leste's smooth admission to ASEAN.

Korea outlined its contributions in construction projects and the Health Sector, soon to deliver a CT-Scan to Dili Hospital. Despite the global financial crisis, Korea remained committed to

supporting language training to Timorese for future employment with Korean firms. 1,400 job seekers were registered and 10,000 would be sent to Korea by 2013 to develop capacity in strategically important economic areas such as natural resources development.

Malaysia stated its continued assistance in human resources development for Timorese through the MTCP Program since 2001.

New Zealand articulated the interest of partners in understanding the Government's longer-term strategic planning. Over-reliance on oil as a national income source was questionable. Timor-Leste was encouraged to develop a more business-friendly environment. New Zealand was formulating a new country development strategy.

Nigeria recognized the TLDPM Meeting as a historic event, which it attended for the first time. Nigeria had been actively involved in UN peacekeeping in Timor-Leste through its 58-member UNPOL contingent. Nigeria provided technical assistance to Timor-Leste, running the same volunteer scheme as in Papua New Guinea.

Norway stressed its full commitment to the Paris Declaration, and wanted to align with Timor-Leste's priorities to live up to aid effectiveness standards. Norway expected the Government to embrace a sustainable growth strategy in view of falling oil prices despite respectable returns from the Petroleum Fund last year. Norway announced new support to the Justice Sector and pointed out that youth and gender programs had high relevance. Durable solutions were needed for IDPs and follow-up was required on the CAVR Report. Impunity had an impact on lasting reconciliation and was a prerequisite for stability through the rule of law and Justice.

The Philippines acknowledged that the TLDPM Meeting theme accurately captured Timor-Leste's aspirations. Human resources development, food security and health care were areas of Philippines assistance that had risen to national priority level. All Timorese trainees had returned to the country, due to excellent support from Philippines religious and lay organizations. Marine fisheries cooperation was envisaged to create employment and growth.

Portugal recognized Timor-Leste's efforts to get out of its fragile situation as a young state. The Portuguese aid framework corresponded to the priority setting of the Government and the aim was to align fully. 442m Euros had been transferred since 2001, as Portugal had a strategic interest in assisting Timor-Leste. State building and abiding by the rule of law were intertwined. Courage was needed to take the decisions required for entering development.

The Asian Development Bank (ADB) noted that conditions of fragility still existed in Timor-Leste but the country was moving forward. Labor-based programs for rural road networks were essential. The Government's medium- to long-term strategic framework was useful to help focus on results and plan for realistic and achievable growth. ADB was committed to the aid effectiveness principles and currently prepared its country strategy. Cross-border links were included in the strategy.

The IMF highlighted Timor-Leste's strong economic performance in 2008. Consumer prices were stabilizing and inflation had peaked. The world financial crisis did not leave Timor-Leste unaffected, but prudent management of the Petroleum Fund cushioned the impact. In a longer-term perspective, Government expenditure had to be reduced. Availability of credit remained limited and

diversification of the economy needed to be considered. The IMF Office in Dili would be closed in June, as it had served its purpose.

On behalf of the UN System, the Deputy SRSR/Resident Coordinator stated that Timor-Leste's development challenges remained enormous. Prudent long-term management of the national wealth was required. The medium-term development plan should be Timorese-led and owned to address basic social services, health and education, targeting the achievement of the Millennium Development Goals (MDGs). Resource mobilization through the UN Country Team would help secure a comprehensive financial envelope for the UN Development Assistance Framework (UNDAF) 2009 to 2013 for consolidating peace and stability in Timor-Leste. The UNDAF contained a National Population Census in 2010 as a special initiative. The UN supported the National Priorities as the single most important short-term planning and prioritization mechanism towards a comprehensive aid management system for Timor-Leste.

Singapore noted its contributions to UN peacekeeping in Timor-Leste, including through senior Mission managers and aviation assets as well as UNPOL members and Military Observers. Singapore trained Timorese officials and specialists, and its investors were already coming to Timor because the economic future was promising.

Spain stated that it wanted to stay engaged in Timor-Leste for the long haul. Independence had no value if people continued to live below the poverty line, in the words of PM Gusmao. The Spanish aid focus was on good governance and rural development. A MoU was signed with Portugal in 2008 for better quality of aid through coordination.

Sweden welcomed the improved security situation in recent months. Long-term development of Timor-Leste and cooperation with partners needed to be discussed according to the Accra Agenda. While the National Priorities process was important for development partners to harmonize programs, Government ownership was required for longer-term strategic planning. Sweden's assistance had a strong poverty reduction focus based on human rights and support to vulnerable groups, especially women, children and youth through life skills programs. Access to Justice was important for the poor. Sweden had committed 5m USD until 2011.

Thailand noted its interest in grass-roots programs for sustainable development. Training courses were offered under bi- or trilateral technical cooperation. Food security, public health and rural development were the pillars of Thailand's assistance.

The U.S. emphasized its engagement for promoting the rule of law and improved access to the formal Justice system. The sustainable fiscal environment was a concern for Government operations in the longer term. A sense of discipline regarding expenditures must prevail. Transparency in Government procurement policies and practices would help to combat corruption. There was no stronger partner than the U.S. to assist in this endeavor. Expansion of the private sector was needed, including through faster business registration. Almost 15 months of stability provided a chance for achieving greater prosperity.

CIVIL SOCIETY STATEMENT SUMMARIES

3 April 2009 / Afternoon Plenary Session

The NGO Forum, an umbrella group of Timorese NGOs, commented on remaining challenges towards sustainable and just development, including social and economic justice, criminal accountability. Achievement of the MDGs by 2015 was advocated as a longer-term approach through launching a 5-year plan this year. Open debate and discussion among people with varying needs are critical elements.

The Private Sector presented a picture of what the situation was like for the private sector in Timor-Leste at this time. The speaker indicated that most of the formal private sector is dedicated to winning tenders to provide goods and services to the Government and that the informal sector is mostly made of small shops, kiosks, markets and other small businesses scattered throughout the country. Challenges referenced related to the private sector still being in its early stages and facing struggles to maintaining their businesses into the future. Other challenges included administrative constraints in the process of business registration and licensing and access to capital to expand economic activities. The presentation finished with a reminder to all that a vibrant private sector will create employment, contribute to economic growth, and attract external investment, which in turn lead to peace and stability in Timor-Leste.

Rede Feto Timor-Leste, representing women's groups, highlighted the priority issues for donor assistance such as Promotion of Gender Equality and Human Rights, Economy/Livelihood, Education, Health and IDPs. Exit strategies should also be incorporated to ensure national capacity building and sustainability. A Plan of Action had been prepared as the outcome of the 3rd National Women's Congress, held in September 2008; seven thematic areas covered Education, Health, Justice, Culture, Economy, Media and Politics.

Remarks on the National Priorities Process in 2009

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Ms. Emilia Pires, Minister of Finance

The Government took a series of measures through a Whole-of-Government Approach since 2007 to address pressing issues arising from the 2006 crisis such as IDPs, and petitioners. Much progress was made in 2008, including success stories in consolidating peace, healing wounds and strengthening dialogue among key security institutions of Timor-Leste. Effective coordination was put in place between the 3 D's (Defence, Diplomacy and Development), through the 3 C's approach (Coherent, Coordinated and Complementary).

Lessons learned from the 2008 National Priorities were incorporated into the 2009 Program, which consists of 7 Working Groups identified by the Government. Development Partners have been involved in the WGs since their inception, and have provided Lead Assistants supporting national Focal Points in each participating Ministry.

Since September 2008, the Government of Timor-Leste has also been committed to implementing the Accra Agenda for Action (AAA), which improved donor coordination. The AAA emphasizes aid predictability from partners over a 3-5 year period, reliance on country systems as preferred option to deliver aid, and a switch to conditions that are developed according to the country's own development objectives.

Government Presentations on National Priority Areas

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3 April 2009/ Afternoon Plenary Session

NP 1: AGRICULTURE AND FOOD SECURITY & NP 2: RURAL DEVELOPMENT

Presentation from Minister of Agriculture- H.E. Mariano Assanami Sabino

Minister Assanami stressed that food security, increased agricultural production and rural development are priorities of the entire Government of Timor-Leste, not just of the Ministry of Agriculture as there are too many hungry people and too many stunted children. He stressed the country's ambitious goal of 'elimination of our dependence on imports' by 2012. Because the Government NP1 focuses on self-sufficiency through increased production and leaves other urgent and important matters without sufficient attention, he asks that partners assist with; improvement in food security information, training and expertise, continued education, tackling the impacts of climate change, population growth and addressing particularly vulnerable mountain villages.

Presentation from the Minister of Commerce, Trade, Tourism and Industry – H.E. Gil Alves

The Minister reminded the audience of the difficulties of 2008 with rapidly rising food and fuel prices forcing the government to provide immediate assistance to the people. This included the purchase of rice and increased efforts to encourage rice production in order to be less reliant on foreign imports. This prompted the launch of the Economic Stabilization Fund. In 2009 the Ministry will focus on building the production base, purchasing and establishing markets for local goods. In terms of rural development the Ministry will focus on providing people with the tools and means to supply our own markets and building a viable private sector. The Minister noted that, as with many countries during this global economic crisis, the Government may need to enter the market at times to protect it.

Presentation from the Minister of Economy and Development – H.E. Joao Goncalvez

Minister Goncalvez stated that rural development is the trigger for the successful progress of Timor-Leste and the improvement of livelihoods in rural areas through the provision of power, water and sanitation, roads, telecommunications and irrigation. He stressed that two areas only can guarantee lasting improvements; agriculture and economic development through agribusiness and other industries. Ongoing interventions include construction of mini-markets, facilitation of cooperatives,

rehabilitation of rural roads and improved access to water sources and sanitation. The ministries vision for the next five years is to have well connected rural areas with diversified and sufficient food production. The Minister applauded the work of the ministry and development partners at the recent Seminar on Rural Development; the first of its kind.

Presentation from the Minister of Infrastructure – H.E. Pedro Lay da Silva

Minister Da Silva stressed the successful achievement of the 2008 NP through the employment in public works infrastructure through the creation of thousands of part time jobs. However, he noted that the private sector had not prospered as well. The Government is now taking on its first major project in providing continuous power supply to all districts and sub-districts. The Ministry's Medium-Term Infrastructure development plan will focus on: roads and bridges, ports and airports, dams, irrigation schemes and water supply, electricity and telecommunications. The Ministry looks forward to the continued support of the development partners.

PLENARY DISCUSSION – NP 1 AND NP2

The European Commission stated that they were in full agreement with what was said by the Ministers of Economy and Infrastructure and added that interventions needed to reduce fragility. According to them, a good example of reducing fragility is EC's support to rural infrastructure – they aim to use labor intensive approaches. They opt for a balance in machines and labour, however use of labour reduces fragility by employing people.

WFP on behalf of the UN system delivered a statement on NP 1/ Agriculture and Food Security. The WFP Country Director applauded the efforts the government has undertaken to stimulate agricultural production, subsidizing rice and supporting vulnerable groups and welcomed the opportunity of NP1 focus on food security to promote a variety of crops and strengthen District Food Security Committees. He also stressed that a concentration on increased rice production alone is not enough to accelerate the attainment of food security. Continued focus on diversification, policy reform, coordination, information systems and the monitoring of food insecurity will be required to attain the MDGs. Finally, he noted that the potential impacts of the global financial crisis should not risk the future human capital of the country by reducing our collective efforts.

ILO on behalf of the UN system delivered a statement on National Priority 2/ Two Rural Development . The ILO Chief Technical Adviser stated that revenues from the oil sector are critical to the economy of TL, however they are unlikely to will generate significant employment or private business opportunities, particularly for rural populations. The absence of meaningful non-farm employment opportunities in rural areas means investment in agricultural infrastructure to raise farm incomes is key for national growth; however we can not rely on this alone. Sustainable rural development must consider market conditions, access to information and market linkages. Mr. Assalino also stressed that equal property rights for women must be attained. Lastly, he stressed the importance of strong private sector growth.

NP 3: HUMAN RESOURCES DEVELOPMENT

Presentation from the Minister of Education, H.E. Joao Cancio

The Minister stated that it is imperative to improve the quality of basic education. A restructuring of the education system has been undertaken since last year in order to effect changes for a better future for education. Quality education remains a fundamental national priority and in light of this, in October 2008, a new Base Law on Education 14/2008 and a new educational policy had been approved by the Timor-Leste government. A nine year compulsory education for Timorese nationals will be implemented. New school buildings and school mapping exercises are currently underway. The primary and secondary education curriculum would be readjusted. The technical education curriculum would also be readjusted to better prepare the students for the workforce. Quality control for higher education institutions had also been put in place in 2008. One university and four educational institutions had been accredited in April 2008. In August 2009, institutions that failed to gain accreditation the previous year would undergo a reassessment, while two institutions were closed.

The government recognizes that despite the efforts that had been undertaken, the quality of education remains low. Eighty percent of teachers are not qualified. The teachers' training competencies now cover language skills, technical skills and professional training. There is a lack of familiarity with the official language of Portuguese. From July to September last year, 3000 teachers were given language training and out of this, 300 teachers graduated. However, the mastery of the language is still generally low.

Half of the population in Timor-Leste is illiterate. The Ministry plans to tackle illiteracy by starting in Oecusse and Atauro and intends to abolish illiteracy in both districts by 2010. The Ministry also plans to increase access to education in both the urban and rural areas and also make education accessible to those with disabilities. The government will also explore the idea of providing distance education as this has been successful in countries such as Brazil.

Presentation from the Secretary of State for Vocational Training and Employment, H.E. Bendito Freitas

The Secretary of State noted the importance of human resource development to reduce poverty and to attain sustainable social and economic development. For 2009, the Secretariat will focus on youth and the development of skills for employment. Some of the strategies to reduce employment include the establishment of the National Labour Force Development Institute and support for vocational training. Skills development programmes in 2008 led to the creation of around 3,000 jobs, and will be continued in 2009. Vocational trainers' capacity was further developed through training in Indonesia.

The Secretariat of State stressed the importance of linkages and partnerships for the Government's programme of skills development. In the past, through cooperation with partners, including bilateral partners, another 600 opportunities for skills development were created.

In terms of policy, the National Employment Strategy and National Youth Employment Action Plan were prepared, and several District Employment and Career Guidance Centres have already been set up. The Secretariat will implement the bilateral agreement with South Korea regarding employment of Timorese in Korean industries. In 2009, skills development will focus on several areas including tourism, construction, agriculture, maritime and oil and gas.

NP 4: SOCIAL PROTECTION AND SOCIAL SERVICES

Presentation from the Minister of Social Solidarity, H.E. Domingas Alves

The government has identified Social Protection and Social Services as a National Priority in 2009. Three areas are to be focused upon, namely: 1) reintegration of IDPs 2) vulnerable groups and 3) former combatants of the national liberation.

To date, more than 12,000 IDPs had returned to their villages and only three out of the initial 65 IDP camps remains in the country. The government hopes to close all camps by 2009. A recovery and reintegration package totaling 27.84 million had been disbursed by the government to date. Eight dialogue teams together with a monitoring network had been established to monitor the acceptance and reintegration of IDPs and ensure that relations with the existing communities remain harmonious. There are several projects in the pipeline to improve living conditions of IDPs who return to their villages.

A study is currently underway to weigh the pros and cons of having a social security system for all Timorese workers. The government admitted that this is a long process. Currently, \$20 a month is given to disabled and elderly citizens in the country. This will amount to a total budget of \$60 million for 2009. However, the government is aware that cash handouts is not a long term solution. This is why it has also allocated a budget for NGOs to provide training and services to integrate disabled persons into the Timorese society. 4645 district families had been paid basic expenditure for their children. This year, the amount of families that would benefit would increase to 10,000.

Another area to focus upon is to prepare districts in order for them to respond promptly to natural disasters. \$700,000 had been disbursed to victims of natural disasters in the form of financial assistance.

In 2008, former national combatants of the liberation were paid pensions. There were a total of 2011 beneficiaries and the number would be increased this year. \$50 million has already been allocated for this purpose. Furthermore, scholarships would also be given for the children of the national liberators. All these measures are to publicly acknowledge the contribution by the heroes to the country.

Presentation from the Minister of Health, H.E. Nelson Martins

The Minister started by noting the importance of the support of the international community in the health sector. The Ministry leads the efforts to improve access to as well as quality of health care in Timor-Leste. A number of key challenges faced in the health sector include cultural practice and behaviour of the population, accessibility for those living in remote areas, and relate to the areas of capacity, planning and human resources management. Timor-Leste has very high infant and maternal mortality rates and high incidence of malaria, chronic and communicable diseases, and with the help of the international community, the Ministry will work hard to improve the situation in 2009. Good progress has been made to combat tuberculosis, with the current infection ratio below the MDG level.

Since 2008, the Ministry has been engaged in reform and has started implementing SISCA – the Integrated Community Health Services – and by the end of 2008, SISCA posts had been established in many parts of the country. Progress had also been made in the areas of family registration, planning and immunization, among other things. A school for nurses and midwives opened, and referral hospitals in the country have been rehabilitated. Internal norms were standardized in the pediatric ward of the Dili national hospital. In addition, the national budget has specific allocations for health at the sub-district level. The adhoc commission that in 2008 dealt with emergency stocks has now been replaced by the permanent procurement committee.

The Minister noted that the Ministry is committed to working with all, and that as far as cooperation with donors is concerned, there is room for improvement and a need for a closer understanding amongst each other. A unified planning and monitoring mechanism should be established.

PLENARY DISCUSSION – NP3 AND NP4

The US commented on a recent pilot program run by the US government on vocational training which garnered successful results. The program focused on tourism and of the 25 participants, 80% found employment in the hotel industry. This program has now been expanded and currently there is an enrollment rate of 120 students. The success of this program was due to the outreach efforts undertaken before the program was designed which took into account views from the tourism industry in its course development, standards and competencies.

Japan commented on three points: 1.) Employment is an important issue and Japan will continue to contribute towards job creation in the country. This will mainly come through infrastructure projects in rural areas in Timor-Leste; 2.) In Social Protection and Social Services, the Government deserved praise for its efforts to tackle the IDP issue. Japan has supported a social safety net program put in place by the government and by NGOs. Japan renewed its commitment to extend its assistance to these programs; 3.) For Mother and Child Healthcare, Japan has been providing assistance in this area through UNICEF since 2002. The government of Timor-Leste has generally increased its capacity in immunization but the conditions of mother-child healthcare in the country, and the high infection rate for malaria remain serious concerns. The Japanese government is now considering other forms of assistance it could render to the country in the future.

The European Commission noted that training of youth is important to reduce the chance that this group contributes to social fragility. He called for more emphasis to be given to training to civil society, and he provided the example of the support by Norway for work with the youth. It is important to support civil society organizations, as well as neighbourhood groups and for training to include technical training as well as civic education.

UNICEF on behalf of the UN system delivered a statement on National Priority 3/ Human Resources Development. The UNICEF Country Director commented that more than 60% of the population is below 25 years of age. However, only 12% of girls and 18% of boys complete secondary schools, which is below the Millennium Development Goals. He noted that keeping children in school and to move beyond 6th grade continues to be the biggest challenge. The UN is supporting the government in developing nine years basic education curriculum both in Tetun and Portuguese. Additionally, the UN is also assisting the government in areas of school feeding, water and sanitation and school gardening.

UNICEF observed that the training institutions in the country can only offer entry-level skills training and more partnerships with the industry have to be built to facilitate trainings at higher levels. The UN will continue to provide technical and financial support for the 'Youth Parliament', sports and culture, provision of learning opportunities and strengthening the function and out-reach of youth centres to sub-districts and *sucos*.

WHO on behalf of the UN system delivered a statement on National Priority 4/ Social Protection and Social Services. The WHO Representative commented on National Priority Four, Social Protection and Social Services. She stated that this national priority had gained rapid advances in 2008. More than 11000 IDPs had been given support by the government to return to their villages. Additionally, 72,000 elderly and disabled persons continue to benefit from the \$20 monthly payment. Seven thousand mothers continue to benefit from the Conditional Cash Transfer program. Pensions for former national combatants and food assistance for disaster affected families have also been provided.

However, despite the progress made, one should not be complacent and continue to ask if more can be done. UN assistance to the work of the Ministry of Social Solidarity and other relevant Government institutions will continue for the process of reintegration in communities affected by the 2006 crisis, improvement to infrastructure and enhancing preparedness for natural disasters.

The UN will support the government in strengthening of management of health systems and strengthening of health service deliveries at all levels. This requires good data that is sex-disaggregated and the strengthening of the Health Management Information System. Malnutrition is still a very serious problem and interventions to improve the nutrition status of children and women must be given top priority. Much has been mobilized by both the government and the UN but more is needed to contribute towards strengthening social services in Timor-Leste. Lack of capacity and money may hamper growth, but it is lack of positive thinking that is the biggest challenge of all.

Portugal stated that Portuguese corporations and organizations have been involved in both National Priority 3 and 4. As a result, progress has been made in several areas for example the training of teachers in the Portuguese language as 2000 of them, at both primary and secondary school levels, had been trained since September last year. A recent example of the consolidation of efforts is the

establishment of the Institute of Education of Portugal which provides curriculum training for teachers.

Additionally, more creative efforts such as translating news into Portuguese on television, helping civil servants and non-formal trainers to master the Portuguese language and supporting art exhibitions and films would be undertaken, as well as the development of Portuguese courses for secondary education. Portugal will work together with the National University of Timor-Leste as the former is planning to offer scholarships especially for university teachers. Portugal is proud that the Tibar vocational training centre is now considered a centre of excellence, which is capably led by a Timorese director. This centre promotes employability of youth and ensures sustainable development.

The Spanish Ambassador mentioned that Spain has made contributions to the health sector through the UNDP. A fund totaling 3.5 million has already been approved to tackle malnutrition in Timor-Leste.

Government Presentations on National Priority Areas

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4 April 2009/Morning Plenary Session

NP 5: SECURITY & PUBLIC SAFETY

Presentation from the Secretary of State for Defence Mr. Julios Thomas Pinto

Key Achievements of 2008 included Force 2020 presented to Council of Ministers, Implementation Instructions signed in September; Human Rights and humanitarian law training conducted as well as a seminar on the status of women in the F-FDTL; amendments were made to the Military Service Law to enable voluntary recruitment, and passage of an Organic Law for Secretariat of State for Defence.

Priorities for 2009 included finalisation of the National Security Policy; enhancement of maritime and border management capability; a seminar in May on National Security Policy and border management; reactivation of the Inter-Ministerial Maritime Security Working Group, and a Maritime Security Policy Coordinating Committee to be established by 30 June; a draft Decree Law to establish a Maritime Authority to be presented by 30 June; a Maritime Operational Threat Response Plan prepared by 30 September; completion of the draft National Maritime Strategy by end- 2009. Moreover, completion of integrated Border Management Joint Training for F-FDTL and PNTL with facilitation from UN and other partners by the last quarter of 2009 was a priority; developing a Training and Human Resources Action Plan for civil service staff, and F-FDTL capabilities for UN peace-keeping missions; draft legislation for F-FDTL internal administration (including Organic Law

on military police, F-FDTL Promotion Law, Pension Law, the National Defence Law), and creation of a Department of Justice in F-FDTL HQ and an operating Court Martial system.

National Security, Defence Strategy and Military Doctrine would focus on: Force Development Plan 2009-2012, Concept of Employment for F-FDTL, draft CIMIC Doctrine/Disaster Management Programme, working with the UN to establish an autonomous National Defence Institute, and MOUs to be finalised with various regional partners. Donor assistance will help Timor-Leste move forward and have a small but professional force, we will continue working slow but steadily.

Presentation from the Secretary of State for Security Mr. Francisco da Costa Guterres

The fourth constitutional government has made security sector development one of the foremost priorities of Timor-Leste. 2008 has seen many achievements in the sector, including stability in uncertain times, community development and increasing the salaries, providing equipment and infrastructure, as well as improving the knowledge and skills of PNTL, and creating legal frameworks. PNTL and F-FDTL continued to work together harmoniously with trust and friendship forming at all levels.

While this remained very much a nationally owned and nationally directed effort, the SoSS thanked the several key partners for their contributions. Australia's approach in the Timor-Leste Police Development Program (ILPDP) of complementing – but not seeking to take over or direct – the Government's effort is a model for all to emulate.

Challenges in the reform process over the past 12 months, included: lack of qualified human resources, Lack of discipline as the most pressing area of everyday concern in the PNTL, due to: lack of training: 3-4 months is insufficient to convert new recruits from a civilian to a police mentality. It results in high absenteeism and lack of dedication. Without promotion, salary and pension regimes in place lack of motivation is increasingly evident in the profession. A re-training program for the whole police force was started and legislation on promotion and salary regimes has been approved and promulgated.

Insufficient everyday equipment/ infrastructure: Without basic equipment such as a radio network, the police cannot do their duties. Assistance has been ad hoc, and not well coordinated but funds have been allocated to address this problem. Lack of suitable buildings and sanitary facilities are demotivating but \$2m have been allocated to start building new police stations.

Achievements for 2009 include: resumption of responsibilities by the PNTL as key. Staff from the Secretary of State for Security have taken the lead in developing an assessment tool with the UN to facilitate this process. Lautem and Manatuto will be the first districts in which the PNTL resume responsibilities. All of the National Priority Goals for the first quarter of 2009 and 75% of the Goals for the second quarter have been achieved. Regarding Public Safety, this includes: Promulgation of the PNTL Organic Law, trialing of a new community policing concept with New Zealand Police and UNPol, establishment of a National Directorate for Community Conflict Prevention to prevent and resolve problems at a grass roots level; Conceptual Clarification and Filling of Legislative Gaps includes: creation of an advisory committee to assist in the formation of policy including the National Security Policy, and the Internal Security Act; Development and Promulgation of: the Organic Law for the Ministry of Defence and Security, the PNTL Career regime, the Organic Law for the PNTL, Drafting of the organic laws for: the National Directorates of Administration, Civil

Protection, Building and Security, and the Immigration Service, and a 5-year plan for development of the Secretary of State for Security, in addition to a 20-year vision also including PNLT.

Reconstitution of PNLT achieved: Commander-General and Deputy Commander-General appointments to lead the PNLT, a Commission to Review the Supplemental Arrangement, and an Assessment tool, have been established for the resumption of police responsibilities, retraining of the PNLT commenced in partnership with TLPDP and UNPol, procedures and rules of recruitment are being established, work is underway on legislation on investigation, intelligence and the cabinet of general inspection, enhancement of traffic and road safety has commenced, the national operations centre has been enhanced for tasks relating to PNLT and Command and Operational Units, discussions over the strengthening of the Maritime Unit have continued with the Government of Japan, and the Immigration Service has been created with the assistance of the Australian Government funded IOM Project.

Better Working Conditions were created by: improving salaries and conditions of work for the PNLT, improving the institution's supply of computers, vehicles and radio and communication equipment, mending the relationship between F-FDTL and PNLT including continued joint meetings to ensure cooperation and coordination.

Priorities for the remainder of 2009 include: Leadership training, Conflict Prevention training, new recruitment and Basic Training rules, implementation of Career and Salary Regimes, draft National Security Policy to be revised and adopted no later than the end of the year, equipment and infrastructure for PNLT, drafting the Strategic Planning for the Secretary of State for Security, equipment for the Maritime Unit, revision of PNLT Disciplinary Law. The Government of Timor-Leste is committed to security sector reform, which is reflected in the 2009 state budget. This is a nationally owned and directed process. International support is important but it should assist and complement, not subsume the Government's program.

PLENARY DISCUSSION – NP5

The UNMIT DSRSG- SSR/ROL on behalf of the UN system delivered a statement on National Priority 5/ Security & Public Safety. The DSRSG noted that the UN system cannot underscore enough the importance of a legislative and policy framework for this sector. A clear demarcation of roles between PNLT and F-FDTL is particularly critical. The National Security Law will mark a significant step in this direction. Coherence between the creation of legislation and its implementation is the only way that security sector institutions can “sustainably plan” their development, and operationalize the vision this Government outlined in the 2007-2012 Program. Developments must be made visible to the Timorese public, particularly where the PNLT is concerned. Law enforcement officials must be empowered to enforce the letter of the law.

With a new Penal code and a new PNLT organic law to be implemented, and a National Security Law and National Security Policy to be developed, the challenges are daunting. The UN is committed to supporting the mechanisms that enhance security sector discipline and accountability. In particular, it is important that the PNLT emerges strengthened from this process. The UN will do this in accordance with their mandate and in collaboration with bilateral and multilateral partners.

Ireland commented on the issue of FFDTL recruitment with targets for recruiting women, and a strategy to that effect. SoSD Pinto responded that 9% of FFDTL are women, which is higher than many other countries; the target is 10% of the 900 new recruits; neither men nor women are prioritised in recruitment, there is no specific mechanism for attracting women to the F-FD'TL. In a follow-up question on mechanisms for citizens complaining about FFDTL and PNTL actions or behaviour, and reporting complaints up the chain of command within the institutions/ lessons learned, SOSD replied that the Military Discipline Law details the process for misconduct sanctions; in line with a focus this year on the justice section of FFDTL, 2 months ago sanctions were imposed on some soldiers who had committed the same offences on several occasions, and they were punished with 1 or 2 months imprisonment within the F-FD'TL; in addition to asking soldiers to comply with correct procedures we must also enable them to comply by giving them the correct resources. SoSS Guterres responded that there are clear mechanisms for taking actions against police violations. There are institutions in place to deal with any public complaints, including the Judiciary.

Japan stated appreciation of the clear explanation by Secretary of State for Security, Japan appreciates Government efforts on policy and laws, and expects the structure of security and the state to be enhanced by civilian control. SoSS Guterres stated that a civilian oversight mechanism is defined in the draft National Security Policy. The mechanism highlighted by UNMIT DSRSG is envisaged in this policy. Since we took office we have tried to clarify the line between military and police to prevent interference in command decisions. The Organic Law establishes very clearly that civilian oversight is an important issue for this Government. Resumption of PNTL responsibilities marks important progress, with stability important for state building. Other districts should proceed with this process, in cooperation with the Government and UNMIT. Japan has been working to create a workbook for PNTL, and would like to continue to provide such assistance. Japan is open for considering assistance to the Government with the new maritime strategy. SoSS Guterres responded that he visited the Japanese coast guard who are committed to supporting the police maritime unit. Cooperation will provide a strong maritime unit to control resources in the sea. The Japanese National Defence Academy will accept F-FD'TL members from 2010. Following a year of Japanese language study, the officers would then undertake the regular course, while living in barracks with Japanese soldiers for 4 years. Based on flowing principles and a scientific way of thinking, this will contribute to the human resources who will take on the future of Timor-Leste.

Portugal stated that SSR has strategic value and is of great importance to state building; it must be awarded the highest priority now and in the future by both the government and development partners. Cooperation must be improved and enhanced, which includes the two Secretaries of State. It is essential that we all respect sovereignty of Timor-Leste so that this is a Timorese-led process. SoSS Guterres Responded that an SSR committee exists, with representatives of the Offices of the President and Prime Minister, and Secretaries of State for Security and Defence all present at these meetings.

NP 6: CLEAN AND EFFECTIVE GOVERNMENT

Presentation from the Vice Prime Minister, Mr. Mario Viegas Carrascalao

The Vice Prime Minister, Mr. Mario Viegas Carrascalao started the session by mentioning the serious efforts made by the Government to make its machinery more efficient and effective. He

listed the measures taken by the Government to fight corruption and end the growing culture of impunity: the soon to be established Civil Service Commission (CSC) and Anti-Corruption Commission (ACC), and especially the strengthening of the Office of the Inspector General (OIG). Among the measures taken to increase Government's effectiveness and efficiency, he also mentioned the forthcoming decentralization process. Then, he spelled out his responsibilities as recently appointed Deputy Prime Minister in charge of coordinating the management and administrative affairs of the State: coordination of the OIG, cooperation with the ACC/CSC, auditing of the Government, supervision of the management of ministries, supervision of infrastructure projects to ensure inter-ministerial communication, and coordination of decentralization. Despite his determination to eradicate corruption and nepotism within the Government structures, he clearly stated that he has neither proper materials and human resources nor sufficient funds secured to fulfill his tasks. He therefore urged the donors with whom he had some previous discussions on this issue, among others the US and AUS Ambassadors, the WB, the ADB, and UNDP to materialize their commitments. He ended this presentation by sharing his conviction that with adequate support, his office could bring about the changes that were desired by the people of Timor-Leste.

Presentation from the Minister of State Administration and Territorial Management, Mr. Arcangelo de Jesus Gouveia Leite

The Minister of State thanked the audience for the opportunity he was given to express his commitment for the future, and expose the challenges on the road to development. He stressed that the theme of the meeting reflected well how conflict and development were indeed incompatible. He mentioned that principles of Good Governance were enshrined in the constitution, and that all State institutions were expected to work for the public interest and closer to the population. He then stressed the two main goals of the public sector reform: improving public services delivery and developing the management capacities of the civil service staffs, and pointed out all the reforms undertaken in 2008 mainly through enacting legislative frameworks such as the Civil Service Act, Career Regime, Performance Evaluation, and CSC Act. He also mentioned the scholarship program for civil servants coordinated by INAP, and further detailed the current decentralization process, and its importance to decrease poverty. Finally, he called development partners for an increased effort in supporting the reform process carried out by his ministry.

Presentation by the Director-General of the Secretariat of the CSC, Mr. Liborio Pereira

The Director-General stressed the series of changes that occurred in 2008 as the Year of Administrative Reform, especially regarding the Career Regime. Having been approved and started being implemented this year, the Career Regime now provides civil servants with a path for career advancement, based on merit and competences. He also mentioned the key role that the CSC and its Secretariat will have to play to guarantee an apolitical, merit-based and professional civil service. He further explained the current institutional arrangements made for the Secretariat until the CSC is set-up, and stressed its needs for increased support as its responsibilities to oversee the human resources of the whole civil service are tremendous. In that respect, he mentioned that a work force plan for the civil service staff has been designed for the first time in Timor-Leste. He finally listed the four major areas of the Secretariat's responsibilities: human resource policies and practices, management and performance, training and development, and disciplines and administrative processes.

PLENARY DISCUSSION – NP6

Norway remarked that the ACC shall have enough resources to fulfill its tasks. In addition, it is important that the regulation provides with very clear definition guidelines on corruption, and that public awareness programs are designed on this matter.

The EC Delegation welcomed the set-up of the ACC, and noted the importance of measures that could ensure its full independence. It was mentioned that the Delegation is willing to support the ACC as it is believed that the ACC is part of the commitments made by the Government with the Delegation in the governance area.

UNDP on behalf of the UN system delivered a statement on National Priority 6/ Clean and Effective Government. The UNDP Country Director presented the UN views on the goal for a clean and effective government as a continued key priority for the Government in 2009. Reflecting on the lessons learned during 2008, some proposals were made on how to bolster the 2009 National Priorities for a Clean and Effective Government, especially the need for an increased capacity for development planning, implementation and monitoring.

Sweden emphasized the importance of clean and effective government, mentioning that it shall include transparent and accountable processes, and provide public access to public documents. Further, two questions were raised on whether TL did or not ratify the UN Convention against Corruption, and on what will be the division of labors between the Provedor and the ACC.

In his reply, the Deputy Prime Minister mentioned that the Provedor was not well equipped to fulfill its tasks as required by law: it had no adequate mechanism for dealing with crimes, and despite its reports related to corruption cases, they were not properly followed-up as not enough evidences were collected. The Deputy Prime Minister further stated that the major issue was related to the lack of experts to collect solid evidences, and to a Timorese mentality that tends to be willing to rely only on Nationals. He however opined that given the critical lack of capacity of Timorese Nationals, international advisors were still very much needed to train and mentor them. He further stated that for recruitment and promotion, ability shall come first. He reiterated his commitment to fulfill his new task as Deputy Prime Minister, but further stressed the importance of getting proper donors support in terms of materials and human resources.

The Prime Minister made brief intervention about Timor-Leste's ratification of the UN Convention against Corruption, and division of responsibilities between the Provedor and the ACC. He also noted that unlike the Indonesian Penal Code, the newly promulgated Penal Code includes provisions on corruption that shall now allow new cases to be brought to Court.

NP7: ACCESS TO JUSTICE

Presentation from the Minister of Justice – H.E Ms. Lucia Lobato

The Minister stressed that Timor-Leste is an independent and sovereign country based on popular will and respect for all individuals. Its Constitution, based on human rights principles and standards,

aims at promoting and ensuring freedoms of citizens. Within this framework, it was highlighted that the Country is subordinated to the Rule of Law, and its citizens equal before the law. The Minister highlighted challenges faced in building the justice system. She pointed out that national efforts to strengthen the justice sector and its institutions require a scaled up financial and technical assistance from the international community. However, it was acknowledged that capacity building is a long-term process and therefore development partners should keep providing their support for the years to come.

The Minister shared that efforts to improve the national legal system should not be concentrated only in urban areas and but should also tackle urban areas where access to justice is currently a challenge. Some laws need to be improved while others need to be enacted for the sake of strengthening the national legal framework. It was noted how formal justice institutions based in rural areas are not currently efficient because of lack of trained justice actors and resources. The Minister reckoned that the justice system, currently dependent on international aid, faces a high number of pending legal cases that wait to be processed. Among other challenges, the Minister deemed that access to justice is hampered by the fact that the two official languages – Tetum and Portuguese –are not spoken by the majority of the population. The Minister added that capacity and skills of justice actors need to be strengthened for the justice system to be effective. The ongoing national consultation process to draft customary law was praised.

The Minister informed that a Strategic Plan for a period of five years is currently being developed with the aim of defining justice priorities to which development partners' assistance and programmes will be aligned. To this effect it was shared that the next consultation process to discuss the development of such a Plan will take place on April 6th and 7th 2009. Development partners were also invited to coordinate their support to the justice sector and abide by the five Paris Declaration principles. Moreover, it was stated that communication and synergies among Government and the international community need to be strengthened.

PLENARY DISCUSSION – NP7

UNMIT- AJSU on behalf of the UN system delivered a statement on National Priority 7/ Access to Justice. The AJSU Section Head shared that the process of strengthening rule of law entails efforts in building capacity of justice institutions. Such a process requires national ownership and leadership. UNMIT praised the Ministry of Justice's efforts in defining National Priorities for 2009 and shared that the United Nations is committed in ensuring that its technical and financial assistance is addressed towards them. With the aim of strengthening the justice sector the United Nations is currently assisting Timor-Leste in the development of a comprehensive needs assessment of the justice sector.

UNMIT noted that though the justice system will benefit from the recent promulgation of the penal code it also requires the adoption of the law against domestic violence and the civil code. Moreover, it was shared that the United Nations is committed to support the Government in the development of a legal framework aiming at strengthening relationship between formal and traditional justice systems. For the justice sector to be empowered, synergies between the police and the Prosecutor General's Office need to be strengthened. National efforts in improving the prison service and strengthening capacity of its staff were also praised.

The US congratulated the leadership of the Ministry of Justice in the development of National Priorities for the justice sector. It was noted how national ownership and leadership in addressing these priorities is a “sine qua non” condition in achieving the rule of law. Moreover, the Ambassador stated USA’s commitment in providing technical and financial support to the justice sector, and particularly to the courts’ and the Public Defender’s Office’s needs.

Portugal shared that an efficient justice system is essential in a democratic Country like Timor-Leste. In this regard, it was highlighted that the Timorese Civil Law system can benefit from the technical expertise of the Portuguese Civil Law system. Moreover, it was acknowledged how the justice system capacity building process is a lengthy one and to this effect, the international community should commit its assistance on a long-term basis.

The European Union praised the Minister of Justice for her leadership in the justice sector. Having stressed the complexity of this sector, the Ambassador stressed on the need to strengthen coordination and harmonization of donors’ programmes in support to the justice system. It was mentioned that the development of the Action Plan would assist in defining priorities and coordinating donors’ response to the sector. Furthermore, the European Union committed to support the Institutio Nacional de Linguistica and make use of the European Development Fund to assist the Government in translating justice related documents into Tetum.

The NGO Forum recommended a more active engagement of the Government in addressing the language problem and strengthening the use of Tetum. The Youth Forum expressed similar concerns and mentioned that by the NGO Forum vis-à-vis of the language barriers. It was emphasized that in order for the justice system to be effective, a stable and peaceful environment should prevail.

Spain shared that a significant contribution of two million Euros had been granted to UNDP in support of the implementation of the Justice System Programme.

Japan praised the efforts of the Minister in enhancing the justice sector. The Ambassador informed that Japan envisages providing short-term trainings on law drafting and that technical assistance has already been provided to the national directorate of land for the finalization of land property rights.

The Minister of Justice thanked all donors for their contributions and welcomed all the proposed recommendations. With reference to the need to strengthen linkages between formal and traditional law, the Minister acknowledged the important role played by traditional justice institutions and shared that UNDP is currently supporting the Government in carrying out a national consultation process with the overall goal of developing and drafting a customary law. With reference to the language barriers, the Minister acknowledged to importance of scaling up language education and translating the law into Tetum. The Minister pointed out that for the justice sector to be efficient, violence against women should be criminalized.