

**The Secretary of State for the Council of Ministers and  
Official Spokesperson for the Government of Timor-Leste  
Ágio Pereira**



**September 14, 2010  
Díli, Timor-Leste**

**The Xanana Gusmão Government has done more to fight graft than any other Government to date.**

The Xanana Gusmão Government, who recently announced that the World Bank estimates on poverty reduction in Timor-Leste showed a 9% decrease in poverty from 49.9% in 2007 to 41% in 2009<sup>1</sup>, confirmed that the resignation of the Vice Prime Minister Mario Carrascalão has been accepted and wished him well in his future endeavors. The claims now being circulated about the State of the nation of Timor-Leste should be clarified.

The Xanana Gusmão Government has implemented more anti-graft initiatives, checks and balances and procedural implementations than any other Government in Timor-Leste, including during the UNTAET transitional period, to ensure anti-corruption measures.

The Anti-Corruption Commission (ACC), considered best practice in function and duty, has been established and funded, and is in the process of institutionalizing its mandate. The ACC is the first independent institution to keep Government and Civil Service accountable, providing oversight and education to reduce and eliminate acts of corruption, nepotism and cronyism.

With a broad mandate to instigate and pursue criminal investigations into corruption offences as set out in the criminal code and conduct education and public outreach programs; the ACC is mandated to identify and promote measures that would lead to the prevention of corrupt practices.

The 2010 budget also cleared the way to double the number of judicial actors. More cases have been addressed in the courts on a national level than in the entire previous six years of successive Governments. In 2007/2008 alone 1,457 cases were addressed, compared to a mere 1,137 cases addressed in the period from 2000 – 2006.

The cases outside Díli have tripled; in 2007/2008 the courts addressed 336 cases, whilst between 2000-2006 only 125 cases were addressed. New 'mobile courts' have allowed judicial actors to travel to other districts and sub districts for greater accessibility to judicial outcomes for Timorese in remote areas. Areas of bottlenecks in within the system have been identified and rectified to allow for a more efficient and streamlined process.

Between August 2007 and October 2009, the public defenders attended, at the national level, an unprecedented number of cases: 2,253 criminal cases and 1,514 civil cases, 1,994 notifications of criminal proceedings and 672 civil proceedings.

<sup>1</sup> The estimates are detailed in **The Update of Poverty Incidence in Timor-Leste Survey to Survey Imputation Method report**, and were cross checked using the PovStat projection tool, a tool developed in the World Bank to simulate measures under alternative growth scenarios and to forecast or project poverty measures.

**M  
E  
D  
I  
A  
  
R  
E  
L  
E  
A  
S  
E**

In the Prosecutor General's Office (PGR), the number of cases processed increased dramatically. In 2006, 401 cases were processed; in 2007, 1,830 cases were processed and in 2008 and 2009, a total of 5,778 cases were processed.

The Office of the Prosecutor General has been strengthened and is headed by Ms. Anna Pessoa, a former vocal and active leader in 2007 and 2008 of the opposition Fretilin party.

Prime Minister Xanana Gusmão has always maintained the position that once a case is brought to the tribunal, action will be taken under a fair and balanced judicial environment but allegations and attacks of corruption motivated by political manipulation, a real tactic used in Timor-Leste by an aggressive opposition and young political system, will not be addressed outside the established justice system. The Prime Minister has asked Ms. Pessoa to bring any outstanding charges forward expeditiously to the tribunal this week.

The Civil Service Commission is now established with a strict code of conduct which holds public officials liable to new laws of civic duty. Education on avoiding corruption and practices leading to corruption has been initiated. The Civil Service Commission has provided disciplinary action; but above all, the newly established Commission is providing a clear code to support a new independent and professional civil service culture in Timor-Leste.

Reforms to Public Financial Management Reform in tandem with the World Bank and other Development Partners have put new systems and practices in place including checks and balances to ensure all State budget expenditure is qualified independently; with audited reports submitted to National Parliament.

The Inspector General has full access to all Ministry of Finance records and has cleared the Ministry, in line with Delloites reports, of any "loss" of State funds. All State expenditure is monitored daily on the Free Balance system. Procurement now has three levels of checks and balances before payment is rendered; approved by Line Ministry, reviewed and approved by Treasury and forwarded for final due diligence and execution of payment to the Banking and Payments Authority (BPA). Given the significant level of misinformation that had been disseminated on the budget process, transparency measures were deemed necessary to allow the public to be informed on budget management and project implementation in real time.

New technology is being produced with at least two e-portals for the public via a web-based interface. The first, a Transparency Portal where the public can access real time information on how the state funds are being executed; the second a Procurement Portal that gives access to information on the procurement plans of the Government, categorized into sectors; providing the business community equitable participation in the procurement process.

The independent Technical Procurement Secretariat and the independent Procurement Commission mandated by the Council of Ministers by Decree Law for enhanced oversight of larger contracts, which was supposed to have been established by the Office of the Vice Prime Minister, will now be established.

New systems and procedures have seen a dramatic increase in domestic revenue; despite decreasing the tax threshold to one of the lowest in the world; a clear indication that the anti-graft measures are working.

These results and the fall in poverty by nine points are attributed to strong economic performance, internal stability, increased consumption and to rapidly rising Government expenditure on social protection programs and labor based infrastructure works with funds clearly allocated under the State Budgets and approved by National Parliament.

Prime Minister Xanana Gusmão stands by all measures, procedures and checks and balances implemented by the Government that when followed, will bring fair, balanced and judicial outcomes, slowly eradicating the politicization of systems which led to a breakdown of State functions in 2006.

Secretary of State Pereira noted “The State Institutions are the strongest we have witnessed since 2002 and the results for the country the most positive and dramatic since we gained sovereignty. While I am sure the sensationalism of the media is much more interesting than the actual reality; the Government is functioning smoothly and will continue to do so with any recommendations Ms. Pessoa brings forward under the anti-graft measures the Prime Minister has initiated.’

‘Any action taken, now or in the future, will be done within a fair, balanced and non-politicized environment, considered a best practice approach and done so within the best interest of the people of Timor-Leste.’ **ENDS**

For further information:

**Ágio Pereira** +670 723 0011

E-mail:

[agiopereira@cdm.gov.tl](mailto:agiopereira@cdm.gov.tl)

or

[govtlmedia@gmail.com](mailto:govtlmedia@gmail.com)

Website:

[www.timor-leste.gov.tl](http://www.timor-leste.gov.tl)