

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

**September 9, 2010
Díli, Timor-Leste**



**Xanana Gusmão Government defies global benchmarks by delivering
unprecedented poverty reduction through reformist agenda.**

The Xanana Gusmão Government announced the initial estimates on poverty reduction have been released from the World Bank rendering a 9% decrease in poverty from 49.9% in 2007 to 41% in 2009.¹

The results and fall in poverty by nine points were attributed to strong economic performance, internal stability, increased consumption and to rapidly rising Government expenditure on social protection programs and labor based infrastructure works.

The turnaround of almost 15 percent since 2006 can be considered a new global benchmark for fast tracking development and poverty alleviation in post conflict and fragile nations. From 81 countries and 167 episodes of conflict, studies show the average growth rate achieved in five years after conflict was approximately 5%, starting from a growth rate of approximately 2% during conflict;² making Timor-Leste's economic performance a milestone given the conditions from which it emerged in 2006.

Despite some eight billion dollars of international assistance and attempts by successive Governments to foster a climate of development, between 2001 and 2007 poverty doubled and the non-oil GDP per capita had declined by 12%. In 2007, the Gusmão Government's reformist agenda began to show promising results with an increase each year from \$398 in 2007 to \$499 in 2008 to \$599 in 2010 with a total targeted spend during this period of 1.4 billion.

Expectations are the trend will continue given the comprehensive short and long term plans of the Strategic National Development Plan (2011-2030) to ensure by 2030, Timor-Leste will have joined the ranks of upper middle-income countries. Timor-Leste as a case study is now a model closely observed; with the Government approach innovative in both approach and practice, delivering rapid results to alleviate extreme poverty.

Secretary of State Ágio Pereira said, "These results in poverty reduction speak for themselves and cannot be reputed. They do not only reflect the policies, the initiatives and the will of an innovative, cohesive and hard -working coalition Government to make long lasting reforms and better the conditions of the people of Timor-Leste but signifies the self -determination and profound fortitude of the Timorese to build a future and participate in nation building hand in hand with the Government.'

'While the results are outstanding; and poverty has decreased markedly against extreme challenges, it should be remembered, poverty continues to remain prevalent in 41% of our population. This is not acceptable after a decade from our long term fight for independence.'

¹ The estimates are detailed in **The Update of Poverty Incidence in Timor-Leste Survey to Survey Imputation Method report**, and 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.

² Davies, 2008

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'In 2007, we as a Government and we, as a nation, together took ownership of our development and of our future. We made national unity and political maturity a priority and the nation embraced this idea, we now have continued stability. We demonstrated that political affiliation is about varying ideas, theories and important perspectives; but these can be discussed and cohesively worked into effective policy for the common purpose of improvement the way of life of our people in real terms. Above all, we did this with respect for each other as members of Government, and respect for our people for whom we serve. This is the only unity that can deliver successful outcomes. We, as a Government, will continue with the same uncompromising professionalism, pace and stride to deliver results."ENDS

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