

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

May 10, 2011
Díli, Timor-Leste



Transparency and the UNDP Timor-Leste Human Development Report 2011

In his most recent submission to ETAN, Jose Teixeira, spokesman for Fretilin, provided response to the UNDP's 2011 Human Development Report. The Secretary of State for the Council of Ministers Ágio Pereira noted Teixeira's remarks were flawed.

On July 22, 2010, the UNDP submitted a document for Government review titled **Timor-Leste Human Development Report 2010: Managing Natural Resources for Human Development: Developing the Non-Oil Economy** (TLHDR 2010). Its discussion of Timor-Leste's Human Development Index was based on data from and not beyond 2007, data captured in 2005-2006 and as far back as 2004. On page 50 of the 174 page draft report it was stated:

"The availability of these indicators has been improving in recent years, notably as a result of the 2007 Timor-Leste Survey of Living Standards (TLSLS). This has enabled an improved calculation and monitoring of the HDI during 2001-2007, as reported most recently in the 2009 Human Development Report (HDR), whose HDI calculations are based on 2007 data."

And later on that same page:

"We report on HDI trends, as presented in the Indices contained in Human Development Reports prior to and including the 2009 HDR. Whilst this enables us to provide an overall picture of trends since independence, it does not cover data and information collected since 2007."

On November 22, 2010 the Government submitted the draft report back to the UNDP with 880 comments citing inaccurate data and statistics with analysis provided. The 2010 report was never launched. The largest concern was why a Human Development Report for 2010 utilized 2007 data.

On May 3, 2011, six months later, the UNDP launched a different report titled **Timor-Leste Human Development Report 2011, Managing Natural Resources for Human Development, Developing the Non-Oil Economy to achieve the MDG's** (TLHR 2011). On page 30 it stated:

"Thus far in the TLNHDR, our analysis of human development conditions has been based largely on the data and information available nationally for the period to 2010. In the remainder of this chapter (The State of Human Development in Timor-Leste, Chapter 2), we report on HDI trends, as presented in the indices contained in the 2010 HDR" (a reference to 2010 Global HDR)".

The 2011 report led readers to believe new data and statistics had been compiled for the Human Development Index (HDI). However, a quick reference check tells a much different story:

The HDI for Timor-Leste is based on four indicators: Life Expectancy at Birth, Expected Years of Schooling, Mean Years of Schooling and GNI per Capita (PPP US\$) which are used to calculate the overall HDI value. The data sources for these indicators are:

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- a) **Life Expectancy at Birth-** “life expectancy at birth estimates” are from World Population Prospects 1950–2050: **The 2008 Revision** (UNDESA 2009d), the official source of UN population estimates and projections. UNDESA (2009d) classifies countries where HIV prevalence among people ages 15–49 was 1 percent or higher during **1980–2007. This indicator is outdated and inapplicable.**
- b) **Expected Years of Schooling** – The United Nations Statistics Division - Demographic and Social Statistics has no data on Timor–Leste under “expected years of schooling”. UNESCO Institute for Statistics (2010a) has an **estimated** data set with the figure of 11.2 years which has been the same since 2005. Each year on the UNESCO Institute for Statistics 2005, 2006, 2007, 2008, 2009 refers to this number and on the global HDI 2010 there is a footnote (a) that reads: **REFERS TO EARLIER YEAR THAN SPECIFIED**, no data collection year is specified (assumed 2004 census). The footnote (a) is exempt in Table 1 (page 30) in the published document presented by the UNDP May 3, 2011.
- c) **Mean Years of Schooling** - refers to the average number of years of schooling experienced by those in the population aged 25 years and older. Therefore this index does not reflect recent progress in the education sector. The source used is cited as Barro and Lee (2010). However, **Barro and Lee has no reference to Timor-Leste.** TLHDR 2010, however, refers to calculation estimated from the International Income Distribution Data Set (World Bank). In the Global HDI 2010 there is a footnote (a) referring to Mean Years of Schooling that notes: **REFERS TO EARLIER YEAR THAN SPECIFIED**, no data collection year is specified (assumed figures from pre-independence surveys since this index is for those who are now 25 and above). The Footnote (a) is exempt in Table 1 (page 30) in the published document presented by the UNDP May 3, 2011.
- d) **GNI Per Capita, US PPP (2008)** – Estimates were made by applying GDP growth estimates from the IMF to the World Banks' most recent data GNI per capita (PPP US\$). The most recent World Bank data on Timor-Leste's GNI is from 2009. However there is a footnote to this data: "Based on regression: others are extrapolated from the 2005 International Comparison Program Benchmark estimates". These details about data used are not referenced in the published document presented and distributed in Timor-Leste May 3, 2011.

The statement therefore on page 30 of the 2011 the Human Development Report: 2011 Managing Natural Resources for Human Development, Developing the Non-Oil Economy to achieve the MDG's Report: Table 1 (the table referred to in Jose Teixeira's ETAN statement) “The table below reviews Timor-Leste progress in each of the HDI indicators, giving values for 2005 and 2010” is inaccurate, misleading and not applicable to Timor-Leste's human development in 2010.

Serious transparency issues regarding the TL HDR 2011 remain a concern.

- a) A Mr. Rui Gomes is cited originally in the July 22, 2010 document as “writer”.
- b) On a draft report on the UNDP intranet portal months later, Rui Gomes is cited as “Team leader and Report Editor” stating *“This report was produced under the direction of UNDP Dili's Human Development Centre, led by Rui A. Gomes, who is also the 2010 Report Editor. The Chief Technical Adviser for the Report was John G. Taylor. The Macro-Economic Framework for the Attainment of the Millennium Development Goals in Timor-Leste was devised by Hafiz A. Pasha”.*
- c) The published report distributed by the UNDP on May 3, 2011 now cites Rui Gomes as the ‘Coordinator’, with no reference to Mr. Gomes as writer or editor. John Taylor is now cited as the Principal Author.

- d) The macro economic models presented in the May 3 document were created in the Ministry of Finance with support by Dr. Pasha, a trusted advisor to the Ministry, funded by the EU and the UNDP.
- e) Charlie Scheiner revealed in the La'o Hamutuk Mid-Year Report, January – June 2010 that his team 'interacted' with the writers of the UNDP report. La'o Hamutuk states that their main work is to "research, monitor and analyze international institutions and global systems which effect people in Timor-Leste". If in fact the report as cited on his website was "three years in the making", there was plenty of time to plan, execute and monitor applicable data collection and submit to the UNDP authorities for accuracy on human development trends for 2010. A mere total of \$618.00 from the \$2,600.00 allocated was spent on research for the last financial year. While Mr. Scheiner was chosen to launch the report by UNDP, clearly signaling his active involvement, his participation remains unclear. Neither Mr. Scheiner, nor any member of his organization reviewed sources which would have revealed the indices were not applicable to the country circumstances in 2010.
- f) The commentary of Mr. A.M de Almeida Serra as per Mr. Teixeira's ETAN posting, is inapplicable as the indicators are not accurate for analytical assumptions on the economy in 2010 or 2011.
- g) Mr. Teixeira's analysis of the 2010 Health and Demographic Survey is incorrect. To say that the bottom 20% in Dili have 0.4% of "the wealth" displays an inordinate amount of economic illiteracy, the figures demonstrated that in Dili only 0.4% of citizens fall into the group of the lowest quintile; or the bottom 20% category of wealth - this is a positive sign since the days of the 150,000 refugees. The survey he refers to shows that 71% of Dili's residents are in the highest wealth quintile. The challenge is to ensure equitable wealth strategies and distribution in each of the thirteen districts.

While the Government appreciates international partners and NGO's, the Xanana Gusmão Government will continue to promote aid effectiveness reform through vehicles like the g7+ to ensure better development outcomes; specifically when it comes to independent report mechanisms. We would challenge and encourage all international donors to work transparently in the spirit of good international engagement." **ENDS**

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