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Díli, Timor-Leste

## **Ten-year anniversary and more than ten billion in Petroleum Fund marks new milestone for Gusmão Government's good governance structures in management of Petroleum Sector**

As the Gusmão Government ends its first mandate and the nation celebrates the ten-year anniversary of the restoration of independence, Timor-Leste is in its best position ever for continued sustained development with **US \$10.54 billion in the Petroleum Fund as of the end of April 2012.**

While research tells us it takes 20-40 years for basic government statebuilding transformations in post conflict nations, Timor-Leste has been lauded for defying this statistic by fast tracking the establishment of best practice institutions, systems and mechanisms to manage the petroleum sector.

The Gusmão Government has increased revenues from oil and gas through wise diversification investment strategies and comprehensive tax audits on resource companies, and the sector continues to be effectively managed by an active independent regulator, the National Petroleum Authority (ANP). The independent operation of the ANP, without interference, is critically important to separate any future politicization of resource management conforming to international best practice.

Despite being criticized for expansionary fiscal and social policies, the results of the Petroleum Fund prove that the Gusmão Government has been fiscally responsible while using the fund responsibly to accelerate economic and social development. Poverty has been substantially reduced, last recorded at a 9% decrease, core infrastructure like electricity has been built and communities have been included in statebuilding through innovative consultative development funding. The Gusmão Government has been praised for the extent of its formal safety net programs, unique among low-income countries, with around 13% of the non-oil GDP devoted to public transfers in 2010.

The result of the Petroleum Fund performance proves that the Gusmão Government has managed petroleum wealth through new good governance institutions and with world's best practice mechanisms.

Secretary of State Ágio Pereira noted, "The performance of the Petroleum Fund is an outstanding result which should give the People of Timor-Leste confidence that their resource wealth is being managed wisely and budget spending is being prudently balanced. The entire Civil Service across Ministries and institutions involved in the Petroleum Sector should be congratulated for this result and we applaud them for their dedication and commitment to safeguard the resources and wealth of the nation." **ENDS**

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