



**Minutes for the Local Project Appraisal Committee (LPAC)
The Third National Human Development Report of Timor-Leste**

Date: Friday 20th June 2008 10:00 am

Venue: UN Agency Conference Room, UN House

Chaired by: Hiroko Takagi, Deputy Country Director (Programme)

Presentation by: Rui Gomes, Policy Adviser/Head of Pro-Poor Policy Unit

Ayako Higuchi, Programme Officer, Pro-Poor Policy Unit

Participants:

Name	Title	Organisation
Joao Goncalves	Minister	MoED
Alfredo Pires	SoS	OoPM/SoS of Natural Resources
Amandio Gusmao	Director Oil & Gas	OoPM/SoS of Natural Resources
Marcos Santos	Director General	OoPM/SoS of Energy Policies
Joao Mariano Saldanha	P.O.C	MCA
Anita Doraisamin	Macroeconomist	MoF
Gastao de Sousa	Manager AC	Banking & Payments Authority
Gregorio Soares	Official Macro	MoF
Elga	Staff	DNPG
Manuel Mendonca	Director	NSD
Christina da Silva Cruz	Management Facilitator	NSD
Charles Scheiner	Researcher	La'o Hamutuk
Christopher Samson	Director	Labelh
Tobias Rasmussen	Resident Representative	IMF
Ken Inoue	Chief DGSU	GDSU/UNMIT
Louis Gentile	Chief HRTJ, Representative OHCHR	HRTJ/UNMIT, OHCHR
Abraham Joseph	Senior Socio-Economic Affairs Adviser	SEDSU/UNMIT
Hernando Agudelo	Country Representative	UNFPA
Frederik Otino	Chief Technical advisor	UNFPA/NSD
Kazuyo Kaneko	PO	UNCDF
Hiroko Takagi	DCD/P	UNDP
Lin Cao	ACD	PME/UNDP
Jose Abel	PO	PRE/UNDP
Alexandre Sarmiento	PO	PRE/UNDP
Ruth Jorge	Monitoring Officer	CPR/UNDP
Sophie Khan	PO	Governance/UNDP
Mica B. Soares	PO	Governance/UNDP
Rui Gomes	Policy Adviser, Head of Unit	PPP/UNDP
Ayako Higuchi	PO	PPP/UNDP



Cornelio Barros	PA	PPP/UNDP
Marcelina Conceicao	Consultant	PPP/UNDP
Marcelino Moniz	Intern	PPP/UNDP

1. Opening remarks by Chairperson

The LPAC began with opening remarks by Ms. Hiroko Takagi, Deputy Country Director (Programme) of UNDP welcoming the participants, including the Minister of Economy and Development and Secretary of State of Natural Resources. She explained the purpose of the LPAC and the objective of the NHDR. She also introduced the two NHDRs published in the past, and gave a brief background of the country situation for the third NHDR.

2. Opening remarks by the Minister of Economy and Development

H.E. Mr. Joao Goncalves, Minister of Economy and Development, in his opening remarks thanked the UNDP for another important contribution to the country at a critical stage. He expressed his appreciation to UNDP for setting the objective of the project as strengthening the national statistical and analytical capacity to contribute to the national policy planning and programming for poverty reduction and achieving the Millennium Development Goals through the production of the Report.

3. Presentation of the NHDR Project

Rui Gomes, Policy Adviser/Head of Pro-Poor Policy Unit, and Ayako Higuchi, Programme Officer of Pro-Poor Policy Unit, made a 15-minute presentation on the NHDR Project. The presentation covered the situation analysis, the objective, the process, the management arrangements and the budget of the project. The theme and the structure of the Report were also presented, although it was mentioned that the content of the report may change according to the technical background papers (TBPs).

4. Discussion

After the presentation, the floor was opened for questions and comments. The issues raised were as follows:

- 1) **Mission abroad** – A question was raised on the criteria for choosing Norway, Qatar and Azerbaijan for the mission. It was also mentioned that there should be comparison with other oil-producing countries that are not doing well, e.g., Nigeria.

It was explained that Qatar and Azerbaijan were chosen because they have similar kind of management system for their oil, and successfully prevented conflict, by using the revenues to fund a housing policy for IDPs/returnees in Azerbaijan, and Qatar has the same demographic characteristics as Timor-Leste.

- 2) **Perspective on population** – It was suggested that analysis from the perspective of population and poverty reduction should be included in the Report. UNFPA agreed to provide a TBP on this. It was also suggested that the timeframe should be considered to incorporate new surveys coming out this year, e.g., demographic health survey.
- 3) **Management Structure** – It was suggested that the Secretary of State (SoS) of Natural



Resources be included in the Steering Committee. This was reinforced by the Minister.

- 4) **Evaluation of previous Reports** – A question was posed on whether evaluation was conducted or not for the last two Reports. The concern behind was that these Reports often analyse the current situation and do not include realistic recommendations for the future.

It was explained that the evaluation was not conducted after the Second NHDR due to crisis. However, after the launch of the Second Report, Government published a similar report, calling poverty reduction as a national case, which was an indication that the Report was accepted seriously by the Government.

- 5) **Reference** – There was a question on how to coordinate with institutions who have conducted conflict analysis in the past. It was also pointed out that a paper written by Jennifer Drysdale on resource curse in Timor-Leste could be a good reference to the Report.

It was explained that the NHDR team was in touch with Jennifer Drysdale. Regarding the conflict analysis conducted in the past, it was mentioned that the new aspects will come out from this report, and of course, reference to previous reports was important.

- 6) **Private sector** – It was pointed out that the private sector in the petroleum industry was not mentioned, and suggestion was made to include the private sector in the discussion.
- 7) **Conflict** – There were issues regarding the theme on conflict:
- The meaning of the conflict is not clear.
 - Conflict/conflict prevention may not be the relevant topic now.
 - “Reduce conflict” does not fit the current country’s context, so it should be changed to “prevent recurrence of conflict.”

It was explained that there is always relevance for discussing conflict as can be seen from crisis happening in the country. *Conflict and peace* can be an overall topic, since it is relevant when for example, it is difficult to consolidate peace when there is high youth unemployment. However, it was also emphasised that the concept of the Report will evolve according to the discussions during the NHDR process as has been the case for the Second NHDR published in 2006. The final decisions for the title and the structure of the Report will take place after discussions with key stakeholders and receiving the TBP.

- 8) **Resource Curse** – There were various comments on the resource curse:
- Some participants mentioned that resource curse is not a timely/relevant topic because the issue was widely discussed in the past and there is a well-managed Petroleum Fund. It was also pointed out that there is already a lot written on the resource curse.
 - There were also opinions that preventing the resource curse and how to use oil/gas revenues were timely/relevant topics for current Timor-Leste taking into account that the Council of Ministers just passed the mid-year revised budget, and there was a huge increase in the budget. In addition, although a lot of papers have been written on



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- resource curse, the topic is timely since the Government has not adopted them.
- It was suggested that the Report should focus more on how to use the oil money, how to manage the oil/gas resource, and its consequences on poverty and economic development. There was a suggestion to include one or more topics on evaluation of the Petroleum Fund in poverty reduction and employment. Rapid economic growth and promoting economic justice was regarded as a better/positive approach rather than using the word “curse”.
 - A question was raised on how much time Andrew Rosser and Michael Ross will spend in Timor-Leste and with the Government.

It was clarified that the problem is not the Petroleum Fund, but how this is translated into poverty reduction and employment. It was also explained that the Report does not assume that Timor-Leste would experience resource curse. However, there was emphasis on the importance of raising awareness and promoting discussion on the issue given the weak institution and limited human resource capacity in the country. It was agreed that the perspective of economic justice will be included, and the relevant documents on resource curse will be reviewed and factored into the Report.

- 9) **Objective & outputs** – It was pointed out that the logical connection between the objective and the outputs is missing. It was suggested that the two outputs can be merged into one. For example, the first output to be production and dissemination of the Report. The second output as policy recommendation on natural resources and discussion with all stakeholders. The third output on capacity building. There was another opinion that it was a good idea to focus the objective on capacity building, rather than focusing on reducing poverty in a hasty manner.

It was clarified that some outcomes are unchangeable since linkage is required with the UNDAF. Regarding the outputs, it was explained that the project does not conclude with the publishing of the Report, but planned to have activities for advocacy beyond the launch event. It was agreed that the outputs would be adjusted to have logical connection with the objective.

- 10) **Situation Analysis** – Subsequently, the following comments were received immediately after the LPAC:
- UNTAET is not included in the list of Acronyms.
 - 2nd line “UNTAET” should be changed to “various missions” since the activities listed are not only UNTAET times.
 - Popular Consultation in 1999 is not considered as an election.
 - 8th line “significant violence which leaves it one of the region’s poorest countries” – It doesn’t necessarily mean that violence makes a country poorest in the region.
 - 8th line “one of the region’s poorest countries”, 12th line “poorest country in the ASEAN region”, and 26th line “among the lowest in East Asia” – There are reference to three regions. It was suggested to limit to one region to avoid confusion.
 - “Poorest country in the ASEAN region” should be changed since Timor-Leste is not a member of the ASEAN.
 - It was suggested to mention the year of the Human Development Indicators.
 - “Maternal mortality rate is also high, ranging at 660 to 880” – Need to mention out of



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how many pregnant women, and the reason for the range (region or year).

- The last line of the 1st paragraph – Data for men should be mentioned to show gender disparities.
- 2nd paragraph “led to 10% of the population, an estimated 145,000 people, internally displaced” – 10% and 145,000 people don’t match if the population is 1,200,000.
- 5th line of the 2nd paragraph “racial tensions” – It was pointed out that there is no racial tension in Timor-Leste, should be changed to “regional tensions.”
- Last sentence “This policy document seeks” should be changed to “This Report seek” to have a better flow.

5. Conclusion

After the discussion, it was agreed that the LPAC minutes and the revised project document, incorporating the comments received today, be sent out by Tuesday 24th June 2008. The final comments are expected by Friday 27th June 2008. Then, the project document will be finalised for signing in the week starting 30th June 2008.

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