

STRATEGIC PLANNING AGREEMENT  
FOR DEVELOPMENT

BETWEEN

THE GOVERNMENT OF TIMOR-  
LESTE

AND

THE GOVERNMENT OF AUSTRALIA

November 2011

# Timor-Leste – Australia Strategic Planning Agreement for Development

## 1. Objectives and Principles

- 1.1 The Strategic Planning Agreement for Development between the Government of Timor-Leste and the Government of Australia (the “partners”) establishes our shared vision to work together in close cooperation to improve the lives of all citizens of Timor-Leste and in so doing strengthen the bonds between our two peoples and our countries.
- 1.2 The Agreement is founded on the principles of mutual respect, friendship, and shared responsibility for improved development outcomes. Enabling the people of Timor-Leste to overcome poverty is at the heart of our development cooperation.
- 1.3 In accordance with the *Dili Development Pact*, the Agreement acknowledges Timor-Leste’s *Strategic Development Plan 2011-30 (SDP)* as the overarching framework for all project and program creation and implementation.

## 2. Commitments

- 2.1 The commitments made by each government will advance the Agreement by acknowledging and reinforcing Timor-Leste’s leadership and ensuring good international practice in development approaches.
- 2.2 The Government of Australia hereby confirms its commitment to the Government of Timor-Leste to:
  - deliver a program of high quality financial, technical and policy support to contribute to the implementation of the SDP;
  - participate in a review of the use of technical assistance, the use of non-government organisations for service delivery, and organisational capacity building strategies to ensure a consistent and effective use of resources;
  - incrementally strengthen and use country systems;
  - support joint analytical work that informs greater sharing of country context; and
  - ensure that information on development assistance is publically available through mechanisms including the Government of Timor-Leste’s Transparency Portal.
- 2.3 The Government of Timor-Leste hereby re-confirms its commitment as articulated in the SDP to the Government of Australia to
  - pursue sustainable and broad-based economic growth strategies that advance the welfare of all Timor-Leste citizens
  - pursue poverty reduction and improvements in health, education and other Millennium Development Goal (MDG) outcomes for all Timorese people
  - improve civil and economic governance, including sound macroeconomic policy and management of public resources, especially stronger public

financial management targeted at improving the delivery of basic services by line ministries

- improve transparency and accountability, including by sharing information in a timely fashion to facilitate better, outcome-oriented policy and decision making.

### **3. Agreement for Development Priorities**

- 3.1 The Governments of Timor-Leste and Australia will pursue specific Priority Outcomes from the SDP, while also reflecting Australia's broader commitment, to make Australian aid more effective.
- 3.2 In addressing Priority Outcomes from the SDP the Agreement should focus on the following key areas:
  - promoting sustainable economic growth by improving food security and agricultural productivity, and developing infrastructure, particularly rural roads and water and sanitation systems;
  - promoting opportunities for all by increasing access to quality education;
  - saving lives by increasing access to quality health services and increasing access to safe water and sanitation; and
  - promoting effective governance by strengthening public sector administration and governance to ensure the public sector has the capability to provide quality services to the Timorese people and implement the SDP in an effective and accountable way.
- 3.3 Specifically, in each of these areas the Government of Australia will work to support the Government of Timor-Leste to achieve the outcomes from Timor-Leste's *Strategic Development Plan 2011 – 2030* and aligned National Sector Strategic Plans, as set out in Annex 1 to the Agreement.

### **4. Governance and Review**

- 4.1 Annual Partner Dialogue between the two Governments will ensure shared, regular, evidence-based review of progress against the objectives and commitments of the Agreement. The Dialogue will consider key policy and programming issues that require high-level resolution to improve performance of the aid program
- 4.2 Development priorities will be determined by the Government of Timor-Leste. Specific outcomes and outputs for the forthcoming year will be determined at the annual dialogue between both Governments. The specific outcomes and outputs for 2012 are set out in Annex 1.
- 4.3 In addition to providing information through the Government of Timor-Leste's reporting systems, Australia's contribution to the development objectives will be reported and reviewed through the production of an *Annual Program Performance Report* prepared in concert with the Government of Timor-Leste through the National Directorate for Aid Effectiveness in the Ministry of Finance. This report will be made available to the public.

## 5. Levels of Development Assistance

- 5.1 The partners note Australia's intention to make a long-term, predictable and, where appropriate, increased commitment of development assistance, taking into account progress on objectives.
- 5.2 Australia will provide estimated financial commitments on a multi-year basis consistent with the achievement of objectives in the timeframe established in Timor-Leste's *Strategic Development Plan 2011 - 2030*. This will be subject to annual review.

## 6. Other Development Partners

- 6.1 Consistent with international commitments on aid effectiveness, the partners will align development assistance with Timor-Leste's established regulations, systems and procedures. Australia will encourage other donors to do the same.
- 6.2 The Government of Timor-Leste will manage the overall coordination of development partners and Australia will assist wherever it is appropriate and effective.

## 7. Other

- 7.1 This Agreement recognises the *Memorandum of Understanding (MOU) between The Government Of Australia and the Government Of The Republica Democratica De Timor-Leste On Technical Cooperation For Development* as a separate and related arrangement on the protocol and facilitation of Australia's development assistance to Timor-Leste. In the event of any inconsistency between this Agreement and the MOU, the MOU will prevail to the extent of the inconsistency.
- 7.2 Although referred to as an Agreement, this document is not legally binding and does not give rise to any international legal rights or obligations.

## 8. Conclusion

- 8.1 Through this landmark Agreement based on the *Strategic Development Plan 2011-2030*, the Government Australia establishes its commitment to begin a new era of cooperation, to support the Government and People of Timor-Leste to meet their collective challenges and build a strong and prosperous nation.

Signed on behalf of Australia

Signed on behalf of Timor-Leste

Kevin Rudd  
Minister for Foreign Affairs

Emilia Pires  
Minister for Finance

*Insert Date*

*Insert Date*

## Priorities for Development 2012 – 2015

This annex contains expected contributions for 2012 in the agriculture sector and the water and sanitation sector. Expected contributions for other areas will be determined at annual dialogue as per Paragraph 4.2 of the *Strategic Planning Agreement for Development*.

### SDP PILLAR: ECONOMIC DEVELOPMENT

#### Agriculture

- *SDP vision*
  - To achieve our primary goal of food security by 2020 and to expand our agriculture sector, by improving farming practices and taking action to boost the production of specific crops.
- *SDP 2015 Targets to which the Partners will contribute*
  - The tonnage for rice (grain adjusted for losses) will have increased from 37,500 tonnes to 61,262 tonnes; and
  - The productivity of maize will have increased from 1.25 to 1.54 per ha.
- *Expected contributions of the Partners in 2012*
  - An additional 49,000 farmers will be using higher-yielding seed varieties.

### SDP PILLAR: INFRASTRUCTURE DEVELOPMENT

#### Water, Sanitation and Hygiene

- *SDP vision*
  - By 2030, all citizens in Timor-Leste will have access to clean water and improved sanitation.
- *SDP 2015 Targets to which the Partners will contribute*
  - 75% of Timor-Leste's rural population will have access to safe, reliable and sustainable water (MDG target), and
  - 55% of Timor-Leste's rural population will have access to improved sanitation (MDG target).
- *Expected contributions of the Partners in 2012*
  - 90,000 additional rural people will gain access to safe, reliable and sustainable water supply (both Government of Australia and Timor-Leste water systems);
  - 20 additional schools will gain access to safe, reliable and sustainable water supply;
  - 50% of new systems fully functioning after one year (an increase from 30% in 2007); and
  - 35,000 additional people with access to basic sanitation.

## **Roads**

- *SDP vision*
  - Maintain our current road network, including a major program of road rehabilitation, repair and improvement. New roads will only be built if they serve important economic or social objectives.
- *SDP 2015 Targets to which the Partners will contribute*
  - All rural roads will have been rehabilitated by locally based contractors to a minimum standard;
  - Rural Roads Master Plan will be developed that will set out a program for the rehabilitation of rural roads over its five year period; and
  - Road condition monitoring surveys will have been carried out each year on all improved roads to determine maintenance needs.

## **SDP PILLAR: SOCIAL CAPITAL**

### **Education and Training**

- *SDP vision*
  - By 2030, the people of Timor-Leste will be living in a nation where people are educated and knowledgeable, able to live long and productive lives, and have opportunities to access a quality education that will allow them to participate in the economic, social and political development of their nation.
- *SDP 2015 Targets to which the Partners will contribute*
  - At least one half of all Timorese children, boys and girls alike, between three and five years old will be enrolled in and receiving quality pre-school education;
  - Quality basic education will be available for 93% of Timorese children;
  - A paradigm shift in the quality and relevance of secondary education will have occurred, allowing students to acquire the practical skills to enter employment or to learn the core scientific-humanistic knowledge needed to continue their studies in higher education; and
  - A Technical and Vocational Education and Training Plan will have been developed.

### **Health**

- *SDP vision*
  - By 2030, Timor-Leste will have a healthier population as a result of comprehensive, high quality health services accessible to all Timorese people.
- *SDP 2015 Targets to which the Partners will contribute*
  - Sucos with a population between 1,500 and 2,000 located in very remote areas will be serviced by Health Posts delivering a comprehensive package of services;

- 70% of pregnant women will receive antenatal care at least four times
- 65% of women will have an assisted delivery;
- 90% of children will be immunized against polio, measles, tuberculosis, diphtheria and hepatitis B;
- There will be increased awareness of HIV/AIDS, tuberculosis and malaria and other vector-borne diseases; and
- 90% of Ministry of Health buildings will have access to electricity, water and basic sanitation.

## **SDP PILLAR: INSTITUTIONAL FRAMEWORK**

### **Security**

This section relates to Australian Official Development Assistance for security reform only. Defence engagement with Timor-Leste is governed by the 2006 Exchange of Letters and annexed Status of Forces Arrangement for the International Stabilisation Force, and the 2002 Exchange of Notes that covers the conduct of the Defence Cooperation Program.

- *SDP vision*
  - The *Policia Nacional de Timor-Leste* (PNTL), will be fully reformed and operating with skilled and committed professionals supported by modern infrastructure and equipment and governed by regulations that support the sector's effectiveness, accountability and good governance.
- *SDP 2015 Targets to which the Partners will contribute*
  - Security sector reconstruction and reform will have delivered the human resources and institutional framework necessary to provide effective operational capacity across key areas, including crime prevention and investigation, public safety and border control.

### **Public Sector Management and Good Governance**

- *SDP vision*
  - A second round of public administration and good governance reform to ensure that the public sector has the capability to implement the Strategic Development Plan, provide quality services to the people of Timor-Leste and build the foundation for the future as a modern and prosperous nation.
- *SDP 2015 Targets to which the Partners will contribute*
  - A comprehensive system and culture of performance management will be instituted across the Timor-Leste civil service;
  - An executive development program for all senior managers will be in place;
  - A culture and practice of workforce planning in the civil service; and
  - Establishment of a Financial Management Training Centre.