

Implementing the Sustainable Development Goals in Timor-Leste: Recommendation to the New VIII Constitutional Government of the Democratic Republic of Timor-Leste

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What are the Sustainable Development Goals (SDGs) and Why in Timor-Leste?

The new incoming Government of Timor-Leste has the opportunity to address urgently the Sustainable Development Goals (SDGs) which the previous VI Government had committed to in September 2015. Progress in achieving the SDGs since then has been painfully slow. The slow action in implementing the SDGs has occurred despite strong advocacy by the previous Prime Minister, with explicit instructions to all ministers to address the SDGs, and having a dedicated SDG implementation team under the Prime Minister's department. The assessment of slow SDGs progress is explained in a detailed report produced as part of my stay for six months at UNTL in 2016 and visiting again in July 2017. The report is available online from the La'o Hamutuk website at:

<https://www.laohamutuk.org/misc/TLSA2017/CourvisanosSDGRoadMapReportJul2017a.pdf>

All 193 countries under the United Nations (UN) became signatories to the SDGs *Agenda* in September 2015. The agreed *Agenda* sets out 169 targets within 17 broad-based goals (the SDGs). Sustainable development is achieved by meeting the 17 goals of removing poverty, providing good health and education, while delivering on jobs, equality, peace; and guaranteeing that the planet and its natural systems are no longer violated and abused. The full details of all 17 SDGs are set out on the UN website at:

<https://sustainabledevelopment.un.org/sdgs>

At the UN, Timor-Leste led the group of fragile countries (called 'g7+') in making sure that the goal on peace, stability and effective institutions (SDG #16) was fully included, offering detailed wording for targets related to developing countries. As a signatory to the UN Resolution on SDGs, Timor-Leste (TL) committed itself to 'setting its own national targets guided by the global level of ambition but taking into account national circumstances' and ensuring the targets specified are 'incorporated into national planning processes, policies and strategies'.

On 23 September 2015, the TL Government adopted the SDGs agenda and aimed to achieve the goals by 2030. The government set up a 'roadmap' to 'harmonise' the SDGs with the already established 2011-2030 Strategic Development Plan (SDP). This strategy had strong support from the whole government and the vast majority of the Parliament. The SDP is a 'big' development model approach that aims to maximise economic growth, while social and environmental issues are addressed as spill-overs arising out of the big development approach.

The dilemma in this roadmap approach is highlighted by former President, Jose Ramos-Horta who noted that despite TL being one of the most oil and gas dependent countries in the world, what is needed are: '...alternative economic models, vital to the growing global push towards renewable energy, fossil fuel divestment and urgent action on climate change.' Community development organisations in TL provide such alternatives, but they are very small and diverse without the critical mass needed to raise TL out of poverty. They also received very limited

support and encouragement from previous TL governments, which focused very much on fast economic growth. Government sees community development as too slow in delivering profits and jobs.

How did the VI Constitutional Government Address the SDGs?

The previous government used the roadmap as the basis for achieving in the short term big development projects for the country, while sustainable development (through the SDGs) were a longer term objective. The SDP identified 32 sustainable development targets, and this provided the ‘harmonisation’ link to the SDGs. The SDP has delivered on strong infrastructure spending, as well as setting up environmental impact statements (EIS) regulations and a legal framework. These achievements are noted. Yet, the previous government suffered many significant difficulties that have prevented the country from diversifying its economy away from the fossil fuel industry. In addition, the government found it hard to make any progress on its agreed social and environmental goals.

Since independence, outside of fossil fuel and construction works there has been virtually no domestic economic development. Import dependency continues to rise, with no change in the structure of the economy. Commercial advancement in agriculture, hospitality, manufacturing, trade, transport, and real estate have been very modest. The SDP has not been modified since its adoption. Since embracing the SDGs resolution, much new information has become available on the still serious state of poverty, the growing climate change problems, and continued underlying weakness in agriculture production. Decentralisation away from Dili has seen some successful small community development projects and regional administration has gone through a ‘deconcentration’ phase; but without any significant overall improvement in equality of services or input from the municipalities. Further, a well-intentioned directive for each line ministry to have their own priorities aligned to all the SDGs remained largely ignored. In summary, there has not been any impartial review of the SDP and its links to the SDG commitment. My report indicates that there was a lack of any ‘harmonisation’. In effect, the SDGs were only addressed in the annual government budgets *after* the SDP policy strategy was set in place.

There were some efforts by the previous government that showed movement in the sustainable development direction. Most notably in the Medium-term Coordinating Ministry (MECAE), which is responsibility for most economic policies outside of the large infrastructure projects. The MECAE is very committed to creating a business environment that encourages private investment and developing non-oil exports in domestic agriculture, community forestry and coffee exports, as detailed in the full report.

We can conclude that progress towards a sustainable development path has been very limited. Effective realisation of the nominated SDGs has been very slow. Further, each SDG and its related targets have been seen as boxes to be ticked in a linear roadmap way; that is going from one road stop to another. Instead, as the UN has envisaged, the 17 SDGs should be seen as ‘integrated and indivisible’. This means that we all live in one system called Earth and that it is unviable to separate each goal or target as one individual item which can be identified, aimed at, and ticked off once achieved. For example, increasing spending on oil and gas development for more jobs can also make it more difficult to have clean water around the development or provide opportunities for women in the region. Progress on all SDGs need to be seen as interconnected.

What is the Challenge for the VIII Constitutional Government to Implement the SDGs?

The challenge ahead for the new TL Government, new Parliament and the public servants serving the new TL Government is to recognise the critical limitations of the previous

government's approach to the SDGs. The consequences of remaining on the same unaltered SDP path, without any change to how the SDGs are to be achieved, is to keep failing. The former President Taur Matan Ruak in his speech to Parliament on 20 September 2016 noted four failings of the previous government: dependence on fossil fuels, lack of promotion of national resources, not sufficient jobs, and no citizen participation in transformation. These four failings point to the lack of focus on the SDGs because of the single-minded focus on the SDP and 'big' development.

The government-led top-down resource development approach, based on strong commitment to the SDP, is dependent on TL's oil and gas resources. This creates serious problems for the global natural environment through carbon emissions. Further problem is that there are very few jobs in this resource sector (with most going to overseas skilled personnel anyway). Overall, oil and gas are rapidly running out (lack of supply), and there is a commitment by China, and other major economies to end their dependence on fossil fuels (lack of demand). On the other hand, there is a very dedicated set of non-government organisations (NGOs), civil society organisations (CSOs), and cooperatives that conduct bottom-up community development. These organisations strongly support the SDGs agenda; especially in health, education and the environment. Yet, this community development approach, as noted previously, was not strongly supported by the previous government; the government expecting these organisations to do the domestic (inside the country) heavy-lifting on their own. Thus, two distinct and unconnected development models operate in TL. Both support the SDGs agenda. Yet, both on their own are not viable as long-term strategies for the sustainable development of the country. There needs to be a shift in focus.

For a shift in policy to sustainable development, the SDGs need to be adopted as one consistent and integrated set of actions with flexibility and strong resolution. Such a shift would need embracing the SDGs as central to the new economic, social and ecological pathway. There are two options to making this shift. The prime option is for the new TL Government to take the initiative and modify incrementally and carefully the SPD along the lines required by the SDG targets. That way, by 2030 both the SDGs, and the broad aims of the SDP for diversified economic development, will be a lot closer to being realised.

However, if reform does not come from the new TL Government, then the alternative option is for a critical mass from civil society to take the initiative and direct radical change by an indigenous cooperative "fulidaidai" movement. This movement needs to include all sectors of society, particularly farmers, infrastructure workers, consumers, and urban trained public servants. Women and youth – specifically named in the TL Constitution in terms of rights, duties and initiatives under Sections 17 (women) and 19 (youth) – have to be in the forefront of this movement. Such a path would be much more difficult to mobilise and organise (with failures and false moves along the way) than the prime option of government-led change.

The TL path to sustainable development, whichever way it comes about (government-led or civil action), needs to build on existing strong public sector investment. With this investment (like electricity supplied throughout the country) should come a sharing approach by the SDG leaders so that there is participation at the local level by farmers, cooperative managers, and new entrepreneurs who find opportunities for economic activity in a sustainable development direction (e.g. eco-tourism and natural food production).

The guide for this major shift must be the SDGs themselves, *not* the previous government's SDGs roadmap. The process of using the SDGs as the compass for a new pathway needs to ensure that economic policies change in a way so as to deliver a strong non-oil based diversified economy with both a viable profit-based private sector and a practical and strong financially-supported social sector. Small steps in the pathway change to the SDGs are needed.

Taking positive small steps towards the SDG pathway identified above, and away from ‘harmonisation’, can already be seen in some small economic developments across TL that directly address the SDGs in a radical way. Small steps work because they bring people together across political and economic divides in the country to meet the SDGs. All the country can be united by the SDGs. Strong drivers are needed from top-down big scale development actors (central government, multilateral organisations [e.g. World Bank], to government donors [e.g. Australian Foreign Affairs], and local-based Foreign Direct Investment drivers [e.g. *Deloitte* and *TradeInvest*]) Also, there is the strength of the community development organisations (NGOs, CSOs and cooperative movement) as drivers. The activities of MECAE show that there can be a meeting place in the middle, where the top and bottom can work together on development, guided by the SDGs lines. This is a true ‘harmonisation’ of the two development models (‘big’ and community).

In the true spirit of ‘harmonisation’, the new TL Government can look at the following suggested reforms that are along the SDGs pathway. These suggestions all emerged during the research for my report. They all require building...

- (i) participatory decentralisation, with genuine decision-making in the regions;
- (ii) local-based formal learning and learning-by-doing (for farmers, cooperative managers, seasonal workers, promising entrepreneurs);
- (iii) financial system that supports sustainable development innovations of the type listed in (iv)-(ix) below;
- (iv) sustainable agriculture into good farming practice and away from subsistence;
- (v) local food production with a strong market presence;
- (vi) market in eco-tourism and away from limited adventure tourism;
- (vii) historical tourism for domestic and foreign links to memory of TL’s past (colonial, World War II, occupation resistance and violence);
- (viii) strong local NGOs in partnership with foreign donors and business experts; and
- (ix) local State and private sector sustainable manufacturing with Foreign Direct Investment supported by strong EIS requirements.

The above are only examples of how government and community can get together to provide innovative activities that move towards reaching the targeted SDGs. The one common thing across all these examples is moving away from dependence purely on the unsustainable fossil fuel industry. Instead, TL needs a shift to areas with potential competitive strength that could grow into viable economic sectors with favorable social and environmental sustainability. These should be sustainable sectors of the economy, which meet every-day needs for locals and visitors by providing necessary services and goods.

Why Must Timor-Leste Embrace the SDGs as Guiding Path for the Future?

The SDGs should be the stimulus for innovation that generates environment-friendly private and social enterprises (called eco-innovations). These two types of enterprises can provide a counter to the relative large government-led public sector. Inequality arising from the private sector can be balanced by social and cooperative enterprises that adopt and practice. Such balance will operate against greedy and non-transparent behaviour from dominating economic activity in TL. For example, the *Timor Global* private coffee processing company and its supply chain is interacting with NGOs on producing and distributing a *Timor Vita* vitamin child supplement. *Timor Global* is also developing a sustainable supply chain with coffee farmers in the Ermera municipality.

The one requirement for the above alternative path of eco-innovation to work is the need for all participants in the development process to follow well established and clear ‘rules of the road’, which guide behaviour. This requirement starts with the government taking the lead and

settling land tenure effectively, removing red tape, and not tolerating corruption. For the economy to be viable, legal protection of property and contract are critical, especially for entrepreneurial activities whether by joint social ownership in cooperatives or individual rights protection. Such structures allow opportunities to blossom and grow. Entrepreneurship is all about opportunities, but they cannot be taken without legal protection due to the high risks of start-up enterprises. Further, these rules must be established by an inclusive process in governance, which include those traditional customary values that support the principles of the SDGs. Thus, agreement across both power relations (government/public servant elite and customary elders) is critical to any genuine alternative path for achieving the SDGs.

In a new country like TL, there is a huge need for assistance to guide entrepreneurs and cooperative managers through the maze of all the new 'rules of the road'. Providing mentors with advice, as well as idea identification, network contacts and incubation facilities to start-up ventures and cooperatives is required. Such provision is carried out by the Chamber of Commerce and Industry Timor-Leste (CCITL) which should be much better resourced and promoted. Finance is needed for start-up and continuing growth in identified innovations with competitive strength that also meet SDGs, as this is a major limitation in the existing system that must be overcome. Finally, building strong local connections and networks among financial institutions, universities, associations, networks, media, and regulatory bodies should assist in supporting risky new activities.

The issue remains on how to communicate effectively across all TL communities on the need for the SDGs to become a vital part of all peoples' hearts and minds. This communication, and action that follows, must crucially engage the two groups in TL society that in the past have had relatively little input into decision-making in the country. These are the youth which now forms the majority of the population (and now have political party members in Parliament), and women who have been traditionally excluded from customary and formal decision-making roles (but is being addressed with equality of Parliament members).

Youth and women are critical for this new path of addressing SDGs as part of every-day life. The youth, referred to in developing countries as the large 'army of the young', is a large group that has to be included in any dialogue on the future path of their country. It is the young generation throughout the world that is pushing strongly the sustainability issue into the social, environmental and political spheres. Women, in terms of gender equality, is a crucial development issue with the need for economic, social and political empowerment. Women need to be able to demonstrate their own agency and do their 'own thing'. One example in developing countries of such collective female empowerment is the promotion and support for female entrepreneurship that facilitates the firm growth process, and the role of family support for such business activity.

This alternative path can be a reality in TL because what unites the country – from bottom to top, west to east, female and male – is a 'common civic identity' exemplified in TL in many ways, but particularly the self-determination ballot in 1999. This civic value is described by a UNTL public policy academic, Victor Soares, as a sense of ongoing revolution begun by the older generation in 'the fight to free the country' and is continuing by the younger generation in 'the fight to free the people'. Soares says: 'Now the fight to free the people from poverty and illiteracy has become a great concern for the State and all the people of Timor-Leste.' The VIII Constitutional Government should lead this fight and reject the alternative which Victor Soares calls 'the lazy revolution' in which everyone considers this challenge too hard and simply defends the existing unsustainable development position. The exact details of how this SDGs challenge is implemented depends on the new TL Government and its ability to bring all the people of TL together on this inspiring journey.