

## **European Commission and the Government of Timor-Leste sign strategic document on their cooperation for the period 2006-2007**

***The European Commission and the Government of Timor-Leste have signed today the Country Strategy Paper (CSP) for 2006-2007. Timor-Leste ratified the Cotonou Agreement in December 2005. The CSP foresees an envelope of € 18 million and is accompanied by a National Indicative Programme (NIP) that identifies sustainable rural development and institutional capacity building as the main areas for the EC cooperation in the next two years.***

European Commission President José Manuel Durao Barroso said : “This is a strong manifestation of the full support and solidarity of the European Commission with the people and government of Timor Leste, which I expressed in a letter to President Xanana Gusmao last week.”

The European Commissioner for Development and Humanitarian Aid, Louis Michel stated: “The Commission stands ready to continue assisting and accompanying Timor-Leste in its continuing efforts to build a new independent and democratic state, respectful of the Rule of Law and pursuing social and economic development.”

The CSP was signed by Minister of Planning and Finance, Mrs Maria Magdalena Boavida in the presence of Prime Minister Mari Alkatiri and Foreign and Defence Minister, José Ramos Horta.

The Country Strategy Paper bridges the gap between the end of the cooperation under the Asia and Latin America Regulation (to which Timor-Leste was ascribed before the ratification of Cotonou) and the programming of the 10th European Development Fund (EDF), starting in 2008. The amount of € 18 million will be devoted to finance projects to reduce poverty in all sectors and regions of the nation and to promote equitable and sustainable economic growth, improving health, education and well being of the people of Timor-Leste. The second focal sector, institutional capacity building, aims at achieving sustainable national capacity for effective planning, finance management and improved service delivery by the public institutions.

Gender, environment and governance are cross-cutting issues present in all aspects of the Strategy. Involvement of Non-State Actors (NSA) aims at ensuring local ownership and sustainability.

Of the total € 18 million, € 12 million are earmarked for rural development, while € 6 million will be devoted to capacity building, including a Technical Cooperation Facility that is intended to help the local authorities in the implementation of the aid package.

Under the 10<sup>th</sup> EDF, the European Commission has foreseen an indicative financial allocation of € 63 million for the period 2008-2013. The focal areas of EC support will be identified together with the Government of Timor-Leste in the coming weeks.

Since Timor-Leste is confronted with immediate urgent needs, the EC's Directorate General for Humanitarian Aid (ECHO) has fielded a mission to the country to assess the situation in coordination with other donors and agencies. This preliminary needs assessment mission is now completed and the Commission is confident that an appropriate response will follow swiftly.