STATEMENT BY

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“AT THE SPECIAL BODY ON LEAST DEVELOPED, LANDLOCKED DEVELOPING AND PACIFIC DEVELOPING COUNTRIES”

THE 77th SESSION OF ESCAP

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(Full Extended Version)
Excellency Madam Executive Secretary of UN-ESCAP,
Excellency Madam High Representative for LDCs, LLDCs and SIDS,
Excellency Chairman of the CDP,
Excellencies representatives of the Member States, Associate Members and Permanent Observers,
Ladies and Gentlemen,

On behalf of the Government of the Democratic Republic of Timor-Leste, it is an honor to address this Special Body on Least Developed, Landlocked Developing and Pacific Island Developing Countries during the 77th Session of UN-ESCAP. In my intervention, I will address three main issues: (1) Timor-Leste’s progress in the implementation of the Istanbul Program of Action; (2) Timor-Leste’s Preparation for Graduation from the LDCs category; and (3) Recommendations to ESCAP and development partners to address the challenges faced by Timor-Leste, as LDC and SIDS.

Firstly, on Timor-Leste’s progress in the implementation of the Istanbul Program of Action,

Like many other countries in general and especially LDCs, LLDCs and SIDS, it is imperative to highlight that Timor-Leste faces a number of challenges in the implementation of the Istanbul Program of Action. The most significant one is the COVID-19 pandemic, which has
resulted in an economic and social predicament for Timor-Leste, affecting the country’s revenue, economic growth and increasing the unemployment rate. This challenge is prevalent in Timor-Leste and other Asia Pacific LDCs and SIDS due to their high dependency on the oil and gas industry, which value and price declined sharply because of the COVID-19 pandemic.

Therefore, the Fifth United Nations Conference of the LDCs in 2022 must include in its discussion the obstacles that hamper the implementation of the Istanbul Program of Action, achieving the SDGs by 2030 and overcoming the devastating impact of the COVID-19 pandemic.

**Secondly, on Timor-Leste's Preparation for Graduation from the LDCs category.**

Graduation from the LDC status is the desired goal of the Government of Timor-Leste. However, in the 2021 Triennial Review, Timor-Leste has respectfully requested the CDP to defer consideration of its graduation to the next triennial review in 2024. This was done because of the challenging circumstances the country facing, arising from (a) the COVID-19 pandemic, (b) the need to concretize the economic diversification plan into actionable programs and activities
to address its economic vulnerability and, (c) its human capacity constraints. During the meeting, Timor-Leste also requested the CDP to consider in its recommendations the importance of sustainability of graduation.

Timor-Leste appreciates that the CDP took into account the position and recommendations from Timor-Leste during the triennial review and deferred its decision on a recommendation on the graduation of Timor-Leste to the 2024 triennial review.

Timor-Leste recognizes that it is crucial for economic diversification plan to promote forward and backward linkages between the commodities sector and the rest of the economy, to be able to diversify export baskets and to increase the spillover benefits of growth in the commodity sector. The overall policy guidance on the Economic Diversification Plan of Timor-Leste has identified three sectors that need to be developed: Agriculture and Fisheries, Tourism and Manufacturing. In this regard, the Council of Ministers of Timor-Leste has given the Ministry of Foreign Affairs and Cooperation the mandates to coordinate a task force to develop Timor-Leste's Smooth Transition Strategy for graduation, which put economic diversification at its center.
Thirdly, on Recommendations to ESCAP and development partners to address the challenges faced by Timor-Leste, as LDC and SIDS.

I firmly believe that our strength, like a chain, is measured by the weakest link. Therefore, I would like to call on the international community to strengthening and expanding international support measures to LDCs, LLDCs and SIDS. Particularly, during this challenging time when many LDC, LLDC and SIDS have to recover and build back from the impact of COVID-19 and to build resilience to prevent future shocks.

In the specific situation of Timor-Leste, I would like to call for:

(1) a more detailed analysis of the consequences of graduation to support the preparation of a smooth transition strategy, and request UN-ESCAP to provide Timor-Leste with technical and financial assistance to support the preparation of the strategy.

(2) Request UN-ESCAP to consider enhancing support to Timor-Leste’s structural transformation and economic diversification through technical assistance and targeted capacity-building programs.

Thank you.