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Statement by the Hon. **HELDER LOPES**,  
Governor of the Bank for the **DEMOCRATIC REPUBLIC OF TIMOR-LESTE**

**Statement by the Hon. Helder Lopes,**  
Governor of the Bank for the Democratic Republic of Timor-Leste

Fellow Governors,

Timor-Leste would like to extend its gratitude to the World Bank Group and the International Monetary Fund for convening this year's Annual Meetings in Lima, Peru. We would also like to congratulate the Government of Peru for graciously hosting the meetings this year.

Timor-Leste recognizes the significance of the Annual Meetings as it provides venues to the members of these two financing institutions to converge, review and discuss global, regional and local conditions. As experienced in the past, the Annual Meetings also reinforce the importance of global integration and coordination between the developed and the developing; and between the emerging and established economies of the world. It certainly provides a vital mechanism each year from which members of these financial institutions can harmonize with current economic trends while re-calibrating to global conditions.

Since the start of new millennium, the global community has navigated some of the most tumultuous economic periods in history which has deeply affected our collective ability to concentrate on and address our most pressing global challenges. Not since the establishment of the Bretton Woods system has the world economy changed at such a rapid pace. As the events of the past year have demonstrated, the predictability of the world economy is waning and the quest for economic stability becoming ever more elusive.

High income economies, despite taking unprecedented measures, have recovered only moderately. Developing countries, faced with tighter financing conditions, slowing trade, a fall in commodity prices and a rise in the US interest rate, face significant obstacles in sustaining their previously high growth rates. Once again, policymakers navigate uncharted waters.

Whilst all countries suffer from economic instability, conflict-affected, fragile and post-conflict countries like Timor-Leste, are particularly vulnerable, for they must channel a sizeable amount of their resources towards peace building and state building exercises.

Multilateral institutions and bilateral partners have been unwavering in their support to countries like Timor-Leste. Development assistance has constituted a large share of the resources made available to us in the past, and has helped to keep us afloat at difficult moments, particularly at the beginning of our nation-building.

After 13 years of independence, however, Timor-Leste has learnt an important nation-building lesson, that is, strategic and consistent development, against a backdrop of peace and security, requires exercising control over one's own resources. And that the ability to mobilize one's own revenues to develop and utilize one's own systems is essential to ensure political gains in building the State's institutions. This will also help to ensure there is adequate financing available to implement important development initiatives such as the SDG's.

Strong institutions are critical for resource mobilization, and this is why Timor-Leste has been prioritizing institutional reform. Particularly high on its agenda is the reform of its tax

administration. However, the international development community, and the Breton Woods institutions in particular, have an important role to play in assisting governments like Timor-Leste to mobilize the necessary domestic resources to fund their chosen development paths. Developing countries lost 5.9 trillion in illicit financial flows alone between 2002 and 2011, stripping us of our much-needed national resources.

The global community has taken the first step towards curbing the illicit financial flows and tax evasion; by placing the item on the global agenda and creating a political space for discussion. In addition, a governance reform process of our economic multilateral organizations has begun, but has yet to be concluded. Timor-Leste urges the Breton Woods institutions to redouble their efforts to finalise these internal institutional reforms and to develop a clear global framework with which we can overcome these collective action problems.

Thank you.