



Building Healthy Communities and Strengthening Education: MCC, Timor-Leste Sign \$420M Grant

For Immediate Release

July 19, 2022

Contact: 202-521-3880

Email: press@mcc.gov

DILI, Timor-Leste (July 19, 2022) — The U.S. government’s Millennium Challenge Corporation (MCC) and the Government of Timor-Leste signed a \$420 million grant agreement today, partnering to deliver sustainable and inclusive economic growth for the people of Timor-Leste.

MCC Acting Vice President of Compact Operations, Cameron Alford and the Minister of the Presidency of the Council of Ministers, Fidelis Manuel Leite Magalhães, signed the compact today during a ceremony at the Ministry of Foreign Affairs and Cooperation in Dili. They were joined by the Prime Minister of Timor-Leste, the Honorable Taur Matan Ruak, as well as representatives from the U.S. and Timorese governments, civil society, and the international community.

“As the world responds to a growing list of challenges, including a global climate crisis, water security has become even more important,” said **Alford**. “The Timor-Leste Compact will strengthen water security by making safe, clean water available to residents in the capital city of Dili and the surrounding areas, while also improving secondary education at every secondary school in Timor-Leste.”

The Timor-Leste Compact seeks to improve the health and skills of people in Timor-Leste by reducing the disease burden caused by contaminated water sources and enhancing teaching and learning at the secondary school level. The compact is comprised of two projects:

- **Increasing Access to Clean Water.** The Water and Sanitation (WSD) project will introduce the country's first centralized sanitation and wastewater treatment system, improve related drainage, and supply clean drinking water for the capital city of Dili and four nearby municipalities. The WSD Project will ultimately supply disinfected water to 429,000 residents in Dili and 64,000 residents in the surrounding area.
- **Improving Education Outcomes.** The Teaching and Leading the Next generation of Timorese (TALENT) project aims to improve student learning outcomes through teacher and school leader education and training. The TALENT project will work with the government of Timor-Leste's education ministries to establish a Center of Excellence and ensure all students graduating from secondary education have the skills necessary to pursue higher education and enter the workforce, benefitting nearly a million Timorese students over the next twenty years.

As a part of the compact, the Government of Timor-Leste has committed an additional \$64 million that will support water, sanitation, and drainage infrastructure, including household-level connections for new systems, to ensure these benefits are brought directly into the homes of Dili citizens.

"I congratulate all the people whose efforts made this day possible and praise the individual and collective work, effort, and dedication of the Timor-Leste and MCC teams whose hard work will benefit the people of Timor-Leste, now and in the future," **said Minister Fidelis** during his speech. "I am confident in the success of this ambitious program that renews our commitment to investing in our people, recognizing the importance of ensuring a better skilled and healthier workforce to improve national conditions for investment and build a more sustainable economy."

The Timor-Leste compact follows the \$10.5 million MCC threshold program strengthened anti-corruption efforts and improved access to immunization services through the creation of a more effective community health system.

The Millennium Challenge Corporation is an independent U.S. government development agency working to reduce global poverty through economic growth. Created in 2004, MCC provides time-limited grants that pair investments in infrastructure with policy and institutional reforms to countries that meet rigorous standards for good governance, fighting corruption and respecting democratic rights.

###