

As delivered

Australian Statement
Timor-Leste Development Partners' Meeting
7 April 2010

As a close neighbour with a strong, developed economy, Australia is naturally a significant development partner with Timor-Leste. There are close links between Australians and Timorese in many areas, including partnerships between schools and towns, through the Church and community organisations and the Australian Government's approach reflects this closeness. But our engagement is not for altruistic reasons only. It is very much in Australia's interests that Timor-Leste becomes a strong and prosperous nation. A weak Timor-Leste would have difficulty managing problems which could impact on Australia like organised crime, money laundering, diseases of people, plants and animals, people smuggling, unregulated fishing etc. What happens here matters to us in a very real way. It is for this combination of reasons; the commitment of ordinary Australians to their friends, and the national interest of Australia in a strong and prosperous neighbour— that we are the largest donor to Timor-Leste. This is also why we responded to the request to contribute troops and police to back up the UN presence and build Timor-Leste's capacity to protect its citizens and its borders; a contribution which has helped create and sustain the safer and more peaceful security situation the country currently enjoys, and which provides the basis for addressing the key development needs we are here to discuss.

Some have argued that the trend in poverty from 2000 to 2007 shows that the efforts of government and its partners have been in vain. We must remember that this country is only now emerging from a volatile security situation: from 1999 to 2008, conflict and instability recurred approximately every two years. Timor-Leste is a post-conflict country which has not yet fully recovered from the wanton destruction of infrastructure and institutions. Sustained poverty reduction and progress on the Millennium Development Goals could not be achieved in these conditions. Much of the money spent in Timor-Leste over the last ten years, including by Australia, has been to rebuild those institutions and to guarantee the security which now enables politicians, bureaucrats and citizens to focus their attention on Statebuilding and Peacebuilding.

Over the years Australia has demonstrated flexibility and a willingness to respond to these changing priorities, from emergency and humanitarian assistance, to capacity building and service delivery. We are now benefiting from the longest period of calm in TL's short

history. Now is the time to harness all our energies on eradicating poverty, and achieving the Millennium Development Goals.

For this reason we look forward to a dialogue on the challenges and the options which confront the government. How should the government prioritise the use of its resources? And how can development partners like Australia add the most value in terms of finance and knowledge?

Thanks to the natural resources in the Timor Sea and the continued wise management of the Petroleum Fund, it is likely that Timor-Leste can look forward to a steady stream of revenue. But with such a rapidly growing population, the challenge of achieving sufficient growth to deliver services is huge. Nevertheless, with good policy decisions, careful management and intelligent investments, Timor-Leste can avoid the resource curse which has afflicted so many other post-conflict, resource rich nations. Labour-intensive, private-sector-led growth is the key to broad-based prosperity, and the Government has a vital role to play in setting the vision for the private sector, facilitating and regulating its activities but leaving business a clear field in which to do what it does best. With good judgement, hard work, and diversification of the economy through an enabling environment for the private sector, Timor-Leste can look forward to a prosperous future.

The government will consult widely with its citizens and its parliamentary colleagues; and with development partners, who have demonstrated their commitment to supporting Timor-Leste's aspirations and who have knowledge and experience as well as resources to offer. Perhaps citizens will not refer to the Millennium Development Goals—but we think it is very likely that people around the country will agree that water and sanitation, health and education must be a priority.

We look to dialogue around the SDP to open a new chapter in the government and donor relationship.

We believe that it is when we allocate our resources that our real priorities are revealed. We urge the government to work with development partners to produce a Medium Term Economic Framework for the first five years of the SDP.

Donors can contribute much more than money to the achievement of this potential. We have skills and knowledge as well as financial resources. We look for genuine partnership with government. We are not interested in simply financing projects.

The Paris Declaration, the Accra Action Agenda and the Principles for Good International Engagement in Fragile Situations set out the agreements between developing countries and their development partners. These documents capture the consensus of how developing countries and their partners should structure our relationship. In the coming days we will discuss these agreements at the Dili International Dialogue on Peacebuilding and Statebuilding. Our collective performance against these standards will be tested. Australia is willing to have our own performance critically evaluated. We are confident that there are lessons to improve our work here in Timor-Leste.

Mutual accountability and respect are fundamental to Paris and Accra ideals. If we are to meet the challenges set out in the Prime Minister's vision, both the government and its development partners need to re-commit to building a true partnership, based on the standards set out in Paris, Accra and the Fragile States Principles.

And as friends and partners we need to listen to each other. Australia commits to play its part in this dialogue.