



**Statement of the European Union to the Timor Leste Development Partners Meeting  
(TLDPM) on 7<sup>th</sup> April 2010**

Mister President,  
Prime Minister, Ministers and members of State Institutions,  
Distinguished Members of the International and Development Community of Timor-Leste,  
Representatives of Civil Society,  
Ladies and Gentlemen,

On behalf of the European Union, I would like to congratulate and thank the Government and state institutions of the Democratic Republic of Timor Leste for organising this Partners meeting, as well as the United Nations and the World Bank for their substantive contribution.

The EU welcomes all efforts made by the Government striving to achieve long-term stability and ensure sustainable development in all spheres of "public life" (mainly peace and stability and economic performance) but this cannot eclipse the situation of fragility.

The EU welcomes, in addition, positive developments regarding democratic governance, the rule of law, and the legislative framework on national security.

Despite the remarkable progress made in the two last years, some challenges remain, which have to be overcome by the Government, with the support of the Development Partners. Our suggestions concerning these challenges are:

***On Social and Economic Development:*** The EU supports Government's efforts to achieve sustainable socio-economic development. In this context, by paying special attention to rural areas the incidence of poverty could be significantly reduced. .

***On MDG.*** The EU supports the Government's efforts to attain the MDG targets, which in our opinion is possible within a reasonable time frame taking into account the recent performance of the national economy. We congratulate the Government for such impressive achievement, which constitutes a basic element of growth to support the target of reducing effectively poverty. Education and health remain fundamental priorities and can be enhanced by supporting rural development (mainly agriculture, food security and rural infrastructures).

***Concerning the Non-oil sector and the private sector.*** The continuous growth of the non-oil GDP, would be a main element contributing to the effective diversification of the national economy. This should be done jointly with the private sector, which could be one of the major actors for achieving sustainable economic growth and generating employment. In the report of WB on "*Doing business*" 2010, Timor-Leste is ranked 164 out of 183 economies, therefore significant efforts need to be made to improve this situation, and there is room for improvement, in particular in streamlining the business registration process.

***On Good Governance.*** This issue is of paramount importance for the EU and its Member States, as well as for the international community and friends of Timor-Leste. Accountability



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and transparency in public finance are necessary conditions to attract partners from the International Community and the private sector. We welcome the progress made in good governance, including the recent establishment of the Anti-Corruption Commission and the nomination of the Commissioner. To ensure accountability the planned creation of the Court of Auditors is a very positive development. The EU is fully committed to assisting the Government to put in place this vital governance institution.

*The Decentralization* is also considered a necessary step to improve the delivery of services so as to reduce poverty and to develop the country in a sustainable and equitable way. In this respect a good balance between the capital city of Dili and the districts is necessary. This would contribute positively to arresting current rural to urban migration and to reducing unemployment.

*In relation with the Strategic Development Plan.* The EU supports the Government's long term strategic vision and growth strategy which gives priority to rural and human development with a gender approach. Indeed, the role of women on development and nation building is essential and should be taken into due consideration. It is expected that the adoption of the Strategic Development Plan would be the result of a wide consultation and would receive the approval of the Parliament. It is also expected that it would be linked to a credible medium term macroeconomic framework in order to achieve a necessary growth rate and contribute to the attainment of the MDGs. Moreover, this document would represent the framework within which development partners could consider to channel aid through the national budget process.

**On National Security Policy.** Continuous efforts to develop the National Security Policy need to be made by the Government of Timor-Leste. Reforms in the **security sector** with strong ownership by the Timorese Government are the key to consolidating and maintaining peace and stability in the country. The EU welcomes the continuation of the handing over of **policing** responsibilities that started in May 2009, thereby upholding to the agreed criteria and to completing the certification process of the police to allow for a proper handover.

*Concerning Cooperation for Development.* The European Union and its Members States remain among the main partners of Timor-Leste and are major contributors of assistance to the country's development, with a focus on peace and security, rule of law and democratic governance, as well as long term economic and social development of the country, including support to the attainment of MDGs. Following the Paris Declaration and the Accra Agenda for Action we are promoting coordination, division of labour and aid effectiveness among the donor community. At internal EU level, and following the relevant code of conduct, we are working jointly towards a common approach and a reinforced frank political dialogue as provided for under the article 8 of the Cotonou Agreement.

I will conclude by doing a correlation between the title of the meeting, "Goodbye Conflict, Welcome Development", and the need for a true reconciliation based on justice and accountability for past human rights violations. The EU welcomes Parliament's resolution of December 2009 on a follow-up institution to CAVR and CTF and calls for the expeditious establishment of this institution charged with implementing measures recommended by these Commissions and which would be credible in the eyes of victims.



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**The EU** thank again the Government for organizing this Meeting and reiterates the full support of the EU and its Members States to achieving further positive results on the path to stabilization, as a basic requirement for achieving sustainable socio-economic development.