

[CHECK AGAINST DELIVERY]



Timor-Leste Development Partners' Meeting 2010

7th April 2010

**Consolidated Statement of the UNCT
by Deputy SRSG, UN Resident and Humanitarian Coordinator for
Timor-Leste, Mr. Finn Reske-Nielsen**

Excellencies,

On behalf of my colleagues, the Heads of UN agencies, funds, and programmes, I would like to join the previous speakers in congratulating the Government for once again convening a high-level meeting with its development partners. I also welcome the good progress in the National Priorities Program, now in its third year of operation under national leadership. All seven Working Groups have met in 2010 and are monitoring their targets. Pending the finalization of the Strategic Development Plan, the NP system has served as the guiding framework for both Government and development partners. However, it remains an important goal for the Government to fully align its budgetary process with the national priorities and for the development partners to also ensure that their resources are fully brought to bear in support of the agreed goals and targets.

I commend the many notable achievements of the Government of Timor-Leste in the past year, including the implementation of the National Recovery Programme and closure of the IDP camps and transitional shelters, whereby 17,356 families received recovery assistance. A few challenges remain in terms of the reintegration process, including land disputes, but the progress made so far is truly remarkable. I would also like to join the SRSG in congratulating the Civil Service Commission for their work in overseeing senior public service recruitment action, critical to ensure the neutrality, independence and professionalism of the civil service. Similarly, I am delighted to see the excellent performance of the economy, which has posted growth figures that make most countries envious in these trying times of global financial crisis. I also commend the Government for boosting its cash transfers to vulnerable groups including the veterans, the elderly and female-headed households and I hope this support system will be further developed in the months and years to come with a keen eye on ensuring that it will not create long-term dependency on government hand-out for those who would be physically able to be gainfully employed. Indeed, the development of this country, and the accompanying realization of improved economic and social rights for all citizens, must focus on the sustainable development of the non-oil economy by attracting domestic and foreign capital that will generate much-needed jobs, not least for the large population of young people.

Despite some laudable improvements, Timor-Leste's standards and needs in basic social services, particularly in health and education, remain enormous. We hope that these areas will be prioritized in the upcoming 2010 Rectification Budget. In this respect, I wish to encourage the Government to ensure that, in the budgeting process, donor contributions to those key sectors mirror, rather than replace, the Government's own investment.

It is a positive step that the Government has revived the National MDGs Steering Committee to ensure a sustained focus on the achievement of key targets within a realistic timeframe. The UN system is proud to continue to provide assistance to this effort. Several Ministries have received expert briefings and have started to incorporate MDG targets into their strategic planning. In this context, I am delighted to note that both the demographic and health survey and the national population census are well under way and will provide much-needed up-to-date data in key areas.

The policy of the Government to put in practice the slogan "good-bye conflict, welcome development" calls for increased efforts, and increased resource allocation, for poverty reduction and socio-economic development, particularly in rural areas. Private sector development, with particular focus on the agriculture sector, will be critical if Timor-Leste is to achieve non-oil economic growth. This will require stimulating small- and medium sized enterprises, passage of foreign investment legislation, and other improvements in the investment climate.

The UN agencies, funds and programmes remain ready to assume their increased responsibility as the peacekeeping mission draws down over the next three years. However, an initial review of the resources available for the current UN Development Assistance Framework, the UNDAF covering the period 2009 - 2013, shows that some of the programmes - agreed to as priority areas for UN support with the government and all the development partners - have financing gaps that in some areas exceed 40%. If the UN agencies are to continue playing an active role in the coming years, the necessary financing would have to be made available from a variety of sources. As the economy grows, the government may wish to consider cost-sharing some priority programmes.

The SRSB already made reference to last week's visit by Professor Jeffrey Sachs and his invigorating comments on the prospects for a bright future for Timor-Leste. The Petroleum Fund still ranks as a model of prudent management to conserve wealth for future generations but this does not rule out increased investment today, bearing in mind that the fruits of such increased investment will only be reaped if the appropriate safeguards, parliamentary oversight and auditing mechanisms are in place to guarantee productive benefits for all. There is also an overriding need to ensure that any investment be planned and implemented in an environmentally sustainable manner to avoid over-exploitation of scarce natural resources to the detriment of future generations. In this context, let me also note the importance of incorporating gender concerns into

also development planning with the aim of ensuring that men and women, boys and girls benefit equally from the development process.

Before concluding, allow me to raise one other challenge, which has recently become the subject of much public debate, namely the language issue. I am sure we all agree that the question of language is fundamental to nation-building and long-term stability and I hope that the broad prescriptions contained in the Constitution will soon be translated into a medium- to long-term language policy, including the further development of Tetum. Clearly, this is an important issue and one that only the Timorese themselves can solve. However, as development partners, we may well have a role to play in helping to operationalise and implement whatever policy is adopted.

Finally, I would like to echo the intervention of other delegates about the need for continued, constructive, and meaningful dialogue between the Government and the development partners. Following the good principles of aid effectiveness, donor engagement is only effective when all partners have the space to engage meaningfully in the development process, under the overall leadership of the Government.

Thank you very much!

[CHECK AGAINST DELIVERY]