

2010 Annual Timor-Leste & Development Partners Meeting (TLDPM)

**Dili Convention Centre
April 7th 2010**

TLDPM Proceedings - SUMMARY RECORD



Acknowledgements

This document provides a summary of statements made by representatives of the Government of Timor-Leste, multi-lateral agencies, UN agencies and civil society throughout the Timor-Leste Development Partners Meeting (TLDPM) in April 2010. A more comprehensive compilation of speeches, statements and other documents can be found at:

<http://www.mof.gov.tl/en/ae/TLDPM/tldpm2010.htm>

The conveners of 2010 TLDPM would like to thank the participating members from the Government of Timor-Leste, Development Partner representatives, Heads of Delegations, members of the United Nations system, representatives of the World Bank, civil society representatives and all those whose commitment and hard work made this TLDPM a resounding success.

April 2010

TLDPM Secretariat

Ministry of Finance



2010

Timor-Leste & Development Partners Meeting

7 April 2010, Mercado Municipal Conference Center,
Dili, Timor-Leste

“Goodbye Conflict, Welcome Development”

Tuesday, 6 April 2010	
All day	Arrival of delegations
19:00 – 22:00	Dinner for Heads of Delegations Host: H.E. Ms. Emilia Pires, Minister of Finance Location: Hotel Timor
Wednesday, 7 April 2010	
08:00 – 08:45	Registration Mercado Municipal Conference Center
09:00 – 09:15	Formal Opening Session Welcoming Remarks Co-Chair: H.E. Mr. Zacarias da Costa, Minister of Foreign Affairs Opening Remarks Co-Chair: H.E. Ms. Emilia Pires, Minister of Finance
09:15 – 10:45	Reflections on Timor-Leste’s Development Challenges Past and Present and Presentation of Timor-Leste’s Draft Medium to Long-Term Strategic Development Plan H.E. Mr. Kay Rala Xanana Gusmão, Prime Minister
10:45 – 11:15	Coffee Break
11:15 – 11:30	Lead Discussants Ms. Ameerah Haq, Special Representative of the Secretary General (SRSG) United Nations Integrated Mission in Timor-Leste (UNMIT) Mr. Ferid Belhaj, Country Director The World Bank Co-Chair: H.E. Mr. Zacarias da Costa, Minister of Foreign Affairs
11:30 – 13:00	Plenary Discussion From speakers list (5 minutes) <ul style="list-style-type: none"> ▪ <i>Circulation of written statements</i> ▪ <i>Ministers, Civil society groups representing the NGO Forum (FONGTIL), CNJTL, Redefeto and the private sector will be encouraged to engage in discussions</i> Co-Chair: H.E. Mr. Zacarias da Costa, Minister of Foreign Affairs

13:00 – 14:30	Lunch (<i>provided</i>)
14:30 – 15:30	Plenary Discussion (<i>continued</i>) Co-Chair: H.E. Ms. Emilia Pires, Minister of Finance
15:30 – 16:00	Coffee Break
16:00 – 17:30	Announcements by H.E. Ms. Emilia Pires, Minister of Finance, on agenda items for upcoming days Closing Remarks H.E Mr. Kay Rala Xanana Gusmão Prime Minister Press Conference (Government of Timor-Leste, UN SRSG and World Bank Country Director)
19:30	Reception for all TLDPM Delegates and Observers Host: H.E. Mr. Kay Rala Xanana Gusmão, Prime Minister Venue: Cristo Rei



SPEECH by:
H.E. ZACARIAS ALBANO DA COSTA, MINISTER OF FOREIGN AFFAIRS
Timor-Leste Annual Development Partners Meeting (TLDPM)
Opening Remarks
Dili, Timor-Leste
Thursday, 7 April 2010

President of the Republic,
President of the National Parliament,
President of the Court of Appeals,
Prime Minister and all members of Government,
Honorable Members of Parliament,
SRSG Ms Haq
Vice President of ADB Mr. Lawrence Greenwood
World Bank Country Manager,
Ambassadors of Timor-Leste,
Ambassadors and Heads of Delegations,
Heads of Agencies,
Representatives of the Church and Civil Society,
Representatives of the Private Sector,
Distinguished guests,
Ladies and Gentlemen,
Dear Friends,

On behalf of the Government of Timor-Leste and the Ministry of Foreign Affairs, let me welcome all of our distinguished guests to Timor-Leste's 8th Annual Timor-Leste Development Partners Meeting.

This meeting presents us with the unique opportunity to meet each other in a spirit of collaboration and good will.

I am glad to see many of my friends and colleagues from both Government and the international community joining us today. It is your presence, in larger numbers than ever before, that shows that our achievements as a nation has continued to draw the attention of the world.

Your presence, both those coming from abroad, and those who live with us, will undoubtedly contribute to an increased quality of discussions.

Through my travels abroad and within Timor-Leste, I can report back to you all that Timor-Leste truly at a turning point in our nation's young history. The consolidation of peace and security has and continues to yield dividends both socially and economically.

We are now entering our 25th month without conflict – we know this, but more importantly, the people of Timor-Leste know this.

Taking advantage of this period of peace and stability, Timor-Leste has made significant effort to further strengthen bilateral cooperation with our friends and partners overseas.

Since 2007, official visits have been made by Timorese leaders, including the President of the Republic, the President of the National Parliament, the Prime Minister and myself as Minister of Foreign Affairs as well as other members of the current government to Australia, South Africa, Brazil, Cuba, China, Japan, Ireland, Maldives, Portugal, Kuwait, Singapore, Thailand and Vietnam – each time seeking to deepen Timor-Leste's political and diplomatic relations as well as develop cooperation in the areas of economy, finance, education, culture and social issues.

I now wish to hand the floor over to my esteemed colleague Minister of Finance, H.E. Emilia Pires who will take you through Timor-Leste's development successes throughout 2009 and into 2010 in further detail.

But lastly, ladies and gentlemen, let me say again how pleased I am to see such a distinguished assembly gathered here today. Let us engage with each other as partners with a shared will to advance Timor-Leste to achieve a prosperous, sustainable and peaceful future.



SPEECH by:
H.E. EMILIA PIRES, MINISTER OF FINANCE
Timor-Leste Annual Development Partners Meeting (TLDPM)
Opening Remarks
Dili, Timor-Leste
Thursday, 7 April 2010

President of the National Parliament,
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Representatives of the Church and Civil Society,
Representatives of the Private Sector,
Distinguished guests,
Ladies and Gentlemen,
Dear Friends,

Welcome all, to the Annual Timor-Leste Development Partners Meeting (TLDPM) for 2010.

This is a very exciting time for us. Not only are we hosting this Annual Development Partners meeting, Timor-Leste's eighth TLDPM, but we are also engaged in two more events in the following days: the g-7 Plus Country Partners meeting and the 2 days International Dialogue on Peacebuilding and Statebuilding, sponsored by OECD.

I must say from the outset, how proud and honored I am to be part of such events and even more proud that I am leading a very enthusiastic and dedicated team of workers who, I have to say, have demonstrated that there is no limit to what they can achieve.

When I left here last night around midnight there was still an electric atmosphere. Everyone wanted to achieve the best work that could be done. And why?

Because everyone wants to demonstrate how far we have come in these two and half years.

Every day in cities around the world conferences like this happens as a norm. For us, it was an extraordinary step, a physical manifestation of what we can achieve together in the name of statebuilding.

To rehabilitate this venue in 54 days is short of a miracle. This is planning, this is implementation, this is what can be achieved when we work together.

From the paintings on the wall to the pavement on the ground, to the flags that are proudly hang out on every pole on the front of this building, from the documents on your desk, the food that you will eat, the plants and flowers alongside the corridors, it is all part of an incredible machine that is taken for granted in most places but for us it is a moment of glory. This is collaboration ladies and gentlemen! Collaboration between the public sector, the private sector, good citizenry, and the desire for every person to show that everyone in this country can be exceptional in their own endeavors.

We are going from fragility to agility and this, ladies and gentlemen, is an example of how to fast track development.

I dedicate this day to all the Timorese who have committed themselves to say goodbye conflict and welcome development. This my friends, does not happen when there is conflict. This only happens when we have peace and stability and work hard.

And don't underestimate what every one of you sitting here today has contributed to these shared principles and values. In order to explore our possibilities and potentials, we must firmly look at the realities through our eyes, which is often difficult for us to express and for you to understand. But, if there is ever a time and a place, it is here, TODAY with you, our Development Partners.

Ladies and gentlemen, may I now introduce you to our Prime Minister Kay Xanana Gusmão who will give us a snapshot from where we have come, and a vision of the journey to which TOGETHER we will WORK towards.

Prime Minister, you have the floor!



DEMOCRATIC REPUBLIC OF TIMOR-LESTE

SPEECH BY

HIS EXCELLENCY THE PRIME MINISTER

KAY RALA XANANA GUSMÃO

AT THE START OF THE TIMOR-LESTE AND

DEVELOPMENT PARTNERS MEETING

Dili

7 April 2010

Excellencies

Ladies and Gentlemen,

It is with a mixed feeling of pride and satisfaction that I welcome you all, in my name and on behalf of the Government and people of Timor-Leste. Believe me when I say that these next four days mean a great deal to our Country which has the privilege of hosting you. I thank all those who came from afar, crossing oceans to be here. May you have an enjoyable stay in Timor-Leste.

Ladies and Gentlemen,

First and foremost, I would like to take this opportunity to announce that today we have the pleasure to officially open the “Dili Convention Centre”. This site where we are today has been built to provide suitable facilities for national and international conferences and workshops, and is another example of the progress that Timor-Leste has been making, particularly in regard to new building and construction in Dili.

As you all know, in the coming days we will have three meetings that are separate, yet intertwined. Today we have the normal Development Partners’ Meeting, tomorrow will be the “g7-plus” and in the last two days we have the “Dili International Dialogue”.

The central theme that will guide these three important meetings is the “Paris Declaration”, which sets five principles: “ownership, harmonisation, alignment, results and mutual accountability”.

For Timor-Leste, the youngest of the LDCs (Least Developed Countries), this is a unique opportunity to look at ourselves as a people, to understand our failures as a country, to consider the weaknesses of other countries and, above all, to understand exactly what both parties - donors and receivers – should do.

In September of 2009 we had the privilege of hosting a delegation from the Democratic Republic of Congo, Southern Sudan and the African Development Bank and their interventions helped us to reflect... a great deal.

In December, I took part in the II Democracy Forum in Bali, an initiative of President Susilo Bambang Yudhoyono. There, participants emphasised four fundamental principles:

1. The best foundation for democracy is development, as without development there is no democracy;
2. There are no ‘old democracy’ standards to be exported to ‘new democracies’;

3. Democracy should be applied to the reality of each country and be considered as an evolving process, rather than an end in itself; and
4. It is necessary to have good governance and transparency in public acts.

Ladies and Gentlemen,

Ten years after a political act – the 1999 referendum – sanctioned by the community of nations, which ended our long war for national liberation, I feel that my words today must include a historic retrospective of this country and its people.

Having lived in freedom for the past 10 years, and independently for the last 8, all Timorese have experienced an arduous period of State-building. Given this, I feel that I should say some words about what we were, what we are and what we want to be. Allow me to start by speaking of ourselves as a people, maybe similar to many and maybe different from some in the society of nations.

In today's world, where technology seeks the roots of the cosmos and knowledge of the start of everything from nothing, political sociology seeks explanations from our past and the reasons that make us a people.

1 – The Past

Centuries of colonial domination and recent military occupation

Timor-Leste, half a small island plus an enclave in the other half, is located in the southern arch of the great archipelago of 17 thousand large and small islands that make up Indonesia. Further south we have Australia and the Pacific Islands.

The various centuries of colonial occupation were filled with struggles for independence promoted by the different kingdoms. The last one was the Manufahi rebellion, in 1912. Still reeling from the consequences of war, we had the Japanese occupation from 1941 to 1945. Although short-lived, this occupation covered the entire country and caused great suffering to the Timorese, including the deaths of around 60,000 people. According to reliable opinions, this suffering could have been prevented if the Australian forces had not come to Timor-Leste in order to wage war here, so as to prevent the Japanese from invading Australia.

According to historians and researchers, the United States of America, England, Australia and New Zealand met in Washington D.C. in 1963 and secretly agreed to Timor-Leste's integration into Indonesia as the best solution for world peace. This was the time of the anti-colonial wars, and we got to see the result of this agreement in 1975!

In this infamous year, Timor-Leste suffered another brutal invasion, this time by Indonesia, with the green light from the United States of America, which recommended to President Suharto that it be finished quickly. This military occupation and the resulting war would not have lasted 24 years if the United States, the United Kingdom, France and Germany had not provided Indonesia with weapons, tanks, fighters and training, so as to annihilate the resistance of our small guerrilla army.

Adding insult to injury, after recognising the integration – the only Western country to do so – Australia signed an agreement with Indonesia, in 1989, to share the wealth of the Timor Sea. Meanwhile, around 200 thousand Timorese died trying to protect their rights during the 24 years of war.

The conflicts in our past were not between kingdoms and ethnicities, but instead between the Timorese and all those who came from the other side of the sea, the foreigners.

2. A post-liberation war country – violence and reconciliation

Ladies and gentlemen,

Having suffered and fought alone for over two long decades, without any military support from abroad, the Timorese people carry with them a character of dissent that can easily go from quietness to violence, without thought to the consequences of such actions.

If the preparation and the outcomes of the Referendum on 30 August 1999 had been accepted by all parties, thereby enabling a climate of greater tolerance between the opposing factions (the pro-integration and the resistance), there may not have been such moral, psychological and political destruction and such violence and physical destruction.

That destruction and that violence worsened the already weary psychological and political condition, as well as the already miserable living situation, of the people. On the brink of independence, the people of Timor-Leste were struggling to survive.

The Timorese people, however, once again showed their greatness of spirit, by forgiving their brothers and sisters and asking them to return, so that together we might build the nation. We also extended our hand to the Indonesian people, seeking more fraternal cooperation and solidarity, for the benefit of both nations.

2 – The Present

a) From 2000 to 2007

1. – Expectations about independence – vision 2020

In 2001, the Timorese people were invited to express their dreams about the independence of the country – the dreams that gave them strength and determination to accept all the sacrifices that were required of them. And the Timorese asked for the following:

- to be released from isolation
- access to schools for their children
- better health services
- improved agriculture
- better conditions for selling their products
- access to water and electricity
- better housing
- employment opportunities.

They asked for these outcomes legitimately and within a 20-year time frame, rather than in a mad dash towards a precipice. The objective of this consultation was to develop an ordered process of activities and alignment of effort to ease some of the difficulties the Timorese faced in ensuring the survival of their children.

Meanwhile, a poverty assessment review was taking place, which resulted in the 2001 State of the Nation Report. This showed that 36% of the Timorese population lived under the poverty line.

The first ever democratic elections in the quasi-State and the establishment of the Constituent Assembly further increased the hope of all that the leaders of this nation would be able to look after the interests of all people.

A National Development Plan was drafted, which included a strategy for reducing poverty. Still, the main priority was – as it had to be – the establishment of the necessary institutions and a legislative framework to enable the State to function.

2. State building – agencies, human resources and capability

On 20 May 2002, the Constitution of the Republic ensured Timorese citizenship to all children of Timor-Leste who lived inside and outside the country. All Timorese citizens were provided the same rights and duties, with the Constitution condemning all types of political, religious, gender and racial discrimination.

Regrettably, in our society there are people who are wise and people who are not so wise. The latter delude themselves by waving the banner of resistance, as if they were different from other people, in a display of unacceptable political discrimination. This is, however, also part of the social and political process of a post-liberation war country.

The euphoria of independence, celebrated in an atmosphere of jubilation and hope, eventually dissipated and made way to the weaknesses that are characteristic of a young State.

The Government had to start public administration from scratch, in order to implement the necessary programs for the survival of the State. This required the utmost care in the selection and deployment of human resources, which unfortunately were scarce and ill-prepared.

The need to establish the various State institutions required great effort and a lot of energy. We did not, however, give sufficient consideration to the issues of capability and professionalism when staffing those agencies.

The prolonged struggle, the complete destruction of 1999, which subjected the people to dire conditions of survival, the sense of sacrifice for the liberation of the country and the scarcity of employment opportunities were taking their toll on the people.

Ladies and gentlemen, I will now address the topic:

3. State Frailty

In a poor economy, fed mostly by the 'consumption expenses' of the large international presence, the lack of financial capability of Timor-Leste was a major factor preventing the first constitutional Government from improving the living situation of the people.

It was obvious that the country could not help being so dependent on the assistance of the international community. This assistance included the capacity building of human resources and some priority physical investments, particularly in education, health and road maintenance.

Six months after the euphoric celebrations of 20 May we experienced the first social disturbance, in December 2002, during which some houses were set on alight. The lack of emotional control, worsened by a division between those seen as having fought and those seen as not having fought, brought people to the edge.

With this issue of 'State frailty' there is another important element to be considered by State servants/agents or institutions: the inexperience in solving immediate problems. This resulted in problems piling up and revealed that many institutions were somewhat lost, subjected as they were to multiple pressures and unable to foresee in advance the possibility of another social disturbance.

Two years later, in February 2004, another serious incident occurred, which fortunately did not escalate into widespread disturbance.

In the following year, in July 2005, the inability of the State to assess the dangers that might emerge from the persistence of the root problems causing social and political restlessness resulted in organised demonstrations for 19 consecutive days.

In February and then in April 2006, we had the start of what would eventually be called the 2006 crisis'. Today people believe that the skirmishes between soldiers and police officers in May 2006, at the peak of the crisis, were its cause, and speak about 'collapses' in the Forces and in the Police. The truth, however, is that the events of February, April and May were but consequences of something larger than the two forces: the political frailty of the State itself.

The first factor of the State's frailty resided in its incapacity to address the real causes of the problems. This led to a tendency towards self-satisfaction in 'overcoming' the crisis and other problems, rather than developing a serious and concerted action plan to provide broader solutions.

The second factor, that followed the evolution of the problems, was the lack of political will by State institutions to cooperate in the search for solutions, with each agency competing with the next to see which one had final decision making power and which one did not.

Naturally this caused the re-emergence of situations of discontent, with the root causes remaining poorly managed and neglected, and which helped to further fragment the social fabric already fragile as a result of the long conflict. The disorientation caused by the latent social and political restlessness was used to create a climate of great political intolerance that pushed the country towards a new cycle of violence and destruction, and consequently of destabilisation.

The third factor of State frailty was the unrestrained tendency by leaders to spin the situation politically, which prevented them from having the necessary insight to meet the crisis. Ladies and gentlemen,

On 11 February 2008 there were two simultaneous attacks against the President of the Republic and the Prime Minister, thereby providing the appearance of a dreaded cycle of crises every two years.

Being labelled a post-conflict country, we feel that many people believe that the Timorese never lived in peace, and that throughout the centuries we were killing each other another on account of ethnicity, possession of land or subsoil wealth.

Nevertheless, we must admit that currently there is a political divide among the Timorese which causes them to clash, sometimes violently.

As Timorese, we have been trying for the last ten years to understand how the world sees us, our past, our present and our future, how the world judges the ongoing process in Timor-Leste and how the world understands us.

And as for us, we agree with the general and common idea that internal disputes, regardless of their nature, create instability for the country and insecurity for the people. All the Timorese must realise this!

But we also see that people from outside only look at the present and expect efforts to be made to put an end to current problems – and we agree with this! It must be us Timorese who strive to be politically more mature, so that we never again engage our people in acts of violence and destruction!

We also, however, see that there are people outside our country that may benefit from the continuation of a situation of instability. What I mean is that if the situation of instability continues, this does not prejudice them, but on the contrary it benefits them.

There are also comments from people working in Timor-Leste, who unfortunately have already worked in many fragile States – leaving them in the same condition in which they found them – saying that our country will continue to be unstable. This is not surprising, as these persons want Timor-Leste to continue to be ranked as an unstable country, as they surely prefer working in Timor-Leste than in Afghanistan or in Iraq.

Other people are infiltrating NGOs who, in the name of democracy and human rights, only seek to misguide our people and to generate mistrust among the Timorese. To these freelancers, elections are an end in themselves, and they forget the many elections that took place in 2009 in countries which remain fragile and in which violence is commonplace.

If during the 24 years of resistance we had chosen to listen to and accept opinions and recommendations from freelancers or international agencies, today we would not be a post-conflict independent country, since up until May 1999 ‘the independence of Timor-Leste was already a lost cause’ for many such people, agencies and governments.

b) 10 years later

- i) August 2007 to December 2009

While stained by some incidents of violence, the 2007 parliamentary elections were nevertheless a demonstration of the political maturity of our people, who took to the polls to judge the actions of the leaders or support the action programs of politicians.

The outcome was the need to set up a coalition to form Government, as the stability of any government would be dependent upon securing a parliamentary majority. AMP (Parliamentary Majority Alliance), initially with four parties and later with five, presented its 5-year Program.

The main issues identified were:

- the high level of insecurity and the complete social instability
- the intolerance or very low level of political and social tolerance

From August 2007 to January 2008 the Government did much to try to find a balanced solution for the problems of Alfredo Reinado's group, of the petitioners and of the IDPs, without neglecting the interests of the State.

Starting on 7 February the petitioners began arriving in groups at the site prepared for them in Aitarak Laran, which led us to envisage positive progress on our other issues. Regrettably, on 11 February Alfredo Reinado and his group launched attacks on two heads of institutions of sovereignty, namely the Prime Minister and the President of the Republic. The latter was seriously injured and had to be evacuated to Darwin.

This time the State did not panic! The Government carried out all constitutional steps, seeking proper legal and political involvement of all parts of the State, from the Government to the National Parliament, and ultimately the Office of the President of the Republic, through an interim President.

We can say that this time we addressed one of the causes of State frailty, namely the inability to work in difficult situations. We managed to instil a culture of accountability, participation and debate, as well as a culture of checks and balances in policies and decisions made by the Government regarding critical situations faced by the Country. This may constitute a precedent for other situations the State may face in the future.

The joint operations that had the F-FDTL and the PNTL working in a true partnership, in the service of the national interest, protecting the safety of the people and the stability of the Country, were another vital factor that put an end to the refusal to work together towards common goals, which was apparent before the 2006 crisis.

Following the crisis, we also identified many needs. These were the need for:

- political reforms
- social policy to address inequalities and social injustices concerning elderly persons and veterans
- strengthening the capability of other State agencies
- reforms to public finance management
- a better system for fighting corruption given the existing lack of commitment
- guidance to the private sector towards its own development
- and the need to create confidence:
 - of the People in State institutions
 - among State institutions
 - among the civil service; and
 - among the police and the military.

Annual Action Plans, ladies and gentlemen, were the instrument best suited to address this situation.

In 2008 the national priorities were:

- Improving Public Safety
- Implementing Social Protection policies
- Needs of the Youth
- Employment and Income Creation
- Improving Service Delivery
- Setting Good Governance policies

In 2009 the national priorities became:

- Increasing food security
- Rural development

- Developing Human Resources
- Social Protection
- Public Safety
- Implementation of a Good Governance system
- Access to Justice

Meanwhile, all efforts were directed towards a radical change to State financial management in all State institutions, in order to have effective governance in regard to practical outcomes and good budget execution. I am proud to say that this reform was a success, although we are only at the beginning and we will require a good couple of years to complete it. But we are confident.

We are of confident of this outcome as we have already achieved superior economic growth – economic growth has increased by an average double digit amount since 2007. In 2008 it was 12.8% and in 2009 by 12.2%.

Ladies and gentlemen,

At the celebration in 2009 of the 10th anniversary of the Referendum that enabled our people to democratically choose independence, the Government decided to launch the motto 'Goodbye Conflict, Welcome Development'. The policy intention was to inform citizens of the need to put an end to political intolerance, as well as to violence and destruction. And our people received this message, in recognition that the country requires stability in order to take the necessary steps towards social, economic and physical development.

Meanwhile we have seen that the expectations of the people have not been met, even in crucial areas such as a national road network and the general access to water and sanitation for the population.

For this year, 2010, the priorities are as follows:

- Infrastructure (roads, water and electricity)
- Food security, focusing on productivity
- Development of Human Capital
- Access to Justice
- increased decentralised service delivery
- Good Governance
- Public security

Our national priorities will not be altered significantly in 2011; instead they will only be strengthened and refined. In 2011, because we have more political and social stability the priorities will remain the same, we will be maintaining the listed priorities, focusing on certain areas within these guidelines in order to accelerate results leading to development.

The time has now come to put an end to the Annual Action Plans that sought to fill a gap in regard to long term planning. The 'yellow road' process, started by this Government, seeks only to implement the program of the IV Constitutional Government, which is mandated for 5 years.

A 5-year mandate by the Government cannot, however, cover medium and long term planning. And the country needs to develop, to grow economically.

If today we are living in a relatively more peaceful climate than in the last few years, that is not only because we succeeded in solving some of the major social and political problems, but also – and most importantly – because there was a greater focus on public investment, from infrastructure to social services.

This was all done with the assumption that a post-conflict society requires a different approach to that adopted in normal circumstances. Democracy does not run on an empty stomach. Hunger leads to frustration, unemployment promotes psychological weariness, and together they cause people to lose confidence.

Some of the necessary measures that the Government had to take included paying pensions to veterans and providing subsidies to the elderly, implementing the “*bolsa de mãe*” program, implementing the Economic Stabilization Fund to ensure food security and subsidising the sale of rice.

Unfortunately the Economic Stabilization Fund (ESF) was not approved by the Court, even though several countries were forced to adopt identical intervention approaches, in a manner suited to their circumstances, when the Global Recession hit.

The 2008 Report on the LDCs published by the United Nations said: *“The persistence of generalized poverty and the food price bubble indicate massive market failure. While Governments are not omnipotent, there is a need for creative solution based on public action which mobilizes key stakeholders, including in particular the private sector, to resolve common development problems and create development opportunities.”*

The creative solution of the Government was establishing the Economic Stabilization Fund, even though some international agencies tried to talk us out of it and told us to abide by only the laws of the market.

The same Report said: “In 2005, 36% of the total population of the LDCs lived in extreme poverty — that is to say on less than \$1 a day – and 76% subsisted on less than \$2 a day. Although the incidence of poverty is falling slowly, the number of people living on less than \$1 a day or on less than \$2 a day was larger in 2005 than in 2000.”

In a way we are relieved to learn that we were not the only LDC where the number of poor people increased. In Timor-Leste poverty went from 36% in 2001 to 49.7% in 2007!

The same report says: *“Within the LDCs in which GDP increased and poverty fell, many were unable to raise the rate of poverty reduction above 2% per year. At this rate it will take 34 years to halve the poverty rate”.*

This forces us to consider very carefully what we should and what we can do.

We also need to ask: who is responsible for questioning the efficiency of foreign aid to the LDCs? Is it the people of poor receiving countries? Or is it the tax-payers from the rich countries?

It is said throughout the world that the international community has already spent billions of American dollars in Timor-Leste. It is many billions... for a small country with a small population. We feel sad for the results... in building our State! A fragile State, in a postconflict country that is the poorest in the region!

Ladies and gentlemen,

We recognise that two consecutive years of double-digit economic growth does not necessarily mean poverty reduction at the sustainable level we are seeking, however, at the very least, this economic growth resulted from employment creation, which has created stability. And it has also contributed to a very important social factor: the trust of the people in their Government.

- ii) January 2010 to June 2012

Already in 1999, James Wolfensohn, who at the time was President of the World Bank, said that: *“Countries must be in the driver’s seat and set the course. They must determine the goals, and the phasing, the timing and sequencing of programs”.*

In 2002, the *Monterrey Consensus on Financing for Development* stated that ‘effective partnerships among donors and recipients are based on the recognition of national leadership and ownership of development plans’. All of this was reaffirmed at the G8 summit at Gleneagles in 2005, where it was agreed that: *It is up to developing countries themselves and their governments to take the lead on development. They need to decide, plan and sequence their own economic policies to fit with their own development strategies, for which they should be held accountable to all their people”.*

Timor-Leste, ladies and gentlemen, is located at the crossroads between Asia and the Pacific. This provides the country with very specific circumstances that must be taken into consideration in its international relations.

For the lack of a better view, speaking of international relations in Timor-Leste means to speak mostly of politics, security and economics. These should be the foundations for setting all our relations with the outside world.

In the past, Timor-Leste experienced the influence of the world's ideological divide. The two blocks in which international politics were divided also brought to Timor-Leste this state of antagonism, which only served to make our people suffer.

Today's world is considerably different from the world we had in 1974 and 1975, when the Timorese people yearned for their independence. In today's so-called globalised world, nations have turned from a focus on defending human rights towards the eradication of poverty.

And currently, climate change is also a big issue; with cooperation between developed and developing countries proving to be wanting in efficiency, since the number of poor people in our planet increased.

The new world order, which was so talked about in the late 70's and throughout the 80's, did not bring the necessary peace and understanding between peoples and nations. Even in today's globalized world, intolerance, hatred, vengeance, violence and destruction constitute an unfortunate state of affairs with no apparent end in sight, even in the longer term.

The world is still divided into rich and poor people, and the world economy is struggling under the brutal dependency on the rules imposed by the powerful. The free market is dependent on the large multinationals, making international trade less competitive.

Quasi-conventional wars continue and there are no indications that they will end anytime soon. The billions of dollars spent in those wars could help poor people produce food in sufficient quantity and in a sustainable manner. Many wars in the world have taken and are taking place because of the natural resources of poor countries. This also occurred in the recent history of Timor-Leste, and we hope that it will not happen again!

This is all important to us because we also try to understand the world so that we may find our place. The world must, on the other hand, understand our feelings.

Today we continue receiving signals saying that we cannot exist without a protector. Starting on 28 March the United States of America imposed an embargo on us because our port does not have a security mechanism against terrorism. What do they want from us? This is the dilemma all Timorese citizens face – what does the world want from us?

With the embargo now placed on Timor-Leste, does the United States of America wish to put us in the list of countries exporting terrorism to the USA? Has the London airport also been the subject of an embargo?

Or do they want us to declare open war on terrorism, so as to become even more vulnerable to this world phenomenon? – a phenomenon which has not resulted from the poor conditions of the Dili port!

1997 marked the emergence of the monetary crisis in Southeast Asia, and two years later all the world commenting how the IMF prescribed the same medicine for different illnesses.

And globalisation has enabled developed countries to produce generic drugs for all different illnesses in the LDCs and in developing countries.

I know that by now some of you may be asking what is the purpose of all I am saying.

This all comes to me because of the reports that have been released regarding Timor-Leste.

In these two and a half years, if this Government has not done everything, at least it has done everything that is possible.

During these two years, and despite the success we have achieved, we have noted a peaceful silence and saw that opinions tended to direct to hand-picked issues such as 'impunity concerning 'serious crimes', such as 'child mortality', 'violation of human rights by the PNTL' and 'corruption', with many of these issues concerning the period before this Government.

And, worst of all, reports that mention Timorese girls that have been attacked daily on their way to their primary and secondary schools make our blood boil.

And the justifications we hear is that the diplomats or representatives in our country cannot influence the decisions and opinions from above in their governments or their headquarters.

We have been seeing a certain disconnection between us and our partners.

This lack of understanding, I would say, is based on several factors:

- a) most only provide technical assistance and some insist that we should accept it in the areas of their choosing;
- b) others promise assistance but this assistance does not eventuate when we want to get things started;
- c) only a very small number agree to make physical investments, and when they do most of the money goes to their own consultants;
- d) yet others, due to strategies that only they know, want to impose action plans on us in areas where we disagree;
- e) and worst of all, if they are rejected by a ministry they just move on to the next ministry, and to the next one after that.

This is exactly why we, ladies and gentlemen, need to take into account the following considerations of the 2008 LDC Report:

- *"The fundamental priority for LDC Governments is to formulate and implement national development strategies that promote sustained development and poverty reduction."*

- Unfortunately, the Report finds that there are still major constraints on the ability of LDC Governments to exercise effective leadership in the design and implementation of their national development strategies and policies. This is so because of very high levels of dependence on donor finance, weak technical capacities, the continuing "bark and bite" of political constraints imposed on countries, the slow progress in aligning donor aid with country budgets and plans, and the choice by donors to fund only what they want.

- The weak ownership in the country causes negative consequences to the Government.

When politicians and decision-makers feel inhibited from saying and doing certain things because of the feeling of dependency from (foreign) assistance, the political qualities of a society that advocates free thinking are atrophied.

This is exactly it! An atrophied society, in a poor and hungry country, where it is easy to disorientate and confuse the people in relation to the problematic of democracy and human rights!

This brings to mind the Copenhagen Conference, where the most impressive thing was the brutality with which the Danish police charged on the people in the name of security! Such an action in Timor-Leste would have been called a 'gross human rights' violation by PNTL!

3 – The future – Vision 2020 expressed the desire by the people to see their living conditions improved by 2020.

1. We are ten years away from that date – 2020, which the people took as a reference.

Until June 2007, the general insecurity prevented any process to fight poverty from advancing, as projected in the National Development Plan presented on 1 May 2002. What does Timor-Leste want to be 20 years from now? Without a doubt, a country dedicated to the hydrocarbon industry. A country with urban expansion well distributed throughout the territory and with rural urbanisation enabling the populations to live in communities where the provision of basic services reach all citizens.

For this the country needs to accelerate the extension, diversification and modernisation of agriculture.

We also need to invest with haste in basic infrastructure such as roads, electricity, bridges, ports, airports and city urbanization in commercial or industrial centres.

Meanwhile, the country must take care of its children in health and education.

For this we need to invest. The people need us to create conditions to improve their lives. The people do not need 'cash' in American banks, to help pay American deficits. President Obama does not need our 5 billion dollars, since the near 3 trillion dollars provided by China are enough for the United States to overcome their problems. The people of Timor-Leste need the money here, to be invested in human capital, in agriculture, in industry, in infrastructure and in social services such as education, health and assistance to the vulnerable.

We are completing the Strategic Development Plan, which will cover the period from 2011 to 2030! This SDP will set a short term (2011 to 2015), a medium term (up to 2020) and a long term (up to 2030).

Unlike the National Development Plan, which only covered the first 5 years (2002-2007) of the creation of State institutions, the SDP will be guiding the country towards well-defined stages of integrated activity, where the person, the citizen, the Timorese, is the centre of the development program.

In macroeconomic terms, the Strategic Development Plan focuses on this new paradigm:

- production
- productive capability; and
- productive employment opportunities.

And this means that the priorities will be:

- modernising agriculture
- enhancing industry
- providing social services; and
- developing human capital.

If the needs of the country require fast and sustainable growth, we need to invest in basic infrastructure. And for this to be possible we need to unblock the mistaken policy of savings', in order to invest those revenues in the best way.

Let us use those revenues, or that national wealth, to develop the nation! Let us do it with prudence, without waste and without Dutch illnesses, but also without the Norwegian virus!

Let us use the revenues efficiently and responsibly!

The best return for the country is the happiness of the Timorese living in decent houses with electricity and water, close to schools for their children, clinics for the sick, good nutrition, good roads to the villages and productive activities that reward their efforts.

This is the only way Timor-Leste can escape the worst 'disease' there is: general poverty causing social discontent that can easily be used for political purposes – and which would in the end lead to the self-destruction of the people!

We are determined to take Timor-Leste out of the list of fragile and poor States and make it a medium income country in 15 to 20 years.

This is the future we will be deciding for ourselves. Beginning on 15 April, I will be travelling throughout all the territory of Timor-Leste to let the people know that we are committed to making their dreams true, their dreams expressed in Vision 2020.

In conclusion, I invite you all to read the Synopsis of the Strategic Development Plan that we are preparing. With this plan, I believe that the development partners will be justified in aligning their assistance, as we have always heard about the need for a long term plan

We Timorese are ready for this difficult battle! And we know that we will be victorious, because our people have always responded when the Homeland asks for our active participation!

In the past we have done it without hesitation. Today we will do it knowing that we are building the future for our children!

Thank you very much.

Kay Rala Xanana Gusmão

7 April 2010



**Speech by World Bank Country Director
Mr. Ferid Belhaj
Timor-Leste Development Partners Meeting 2010
7 April 2010**

Honorable Prime Minister, Mr. Xanana Gusmão,
Honorable Minister of Foreign Affairs, Mr. Zacarias Albano da Costa,
Honorable Minister of Finance, Ms. Emília Pires,
Honorable Ministers and representatives of the Government of Timor-Leste,
Members of the National Parliament,
Distinguished Guests,

Colleagues

I would like to thank you for the invitation to take part in this development partners meeting. This is my first visit to Timor-Leste, and I feel privileged to be here with you today. Timor-Leste's history and prominence on the international scene far outweighs its size. This is to the credit of its leadership and its people and a testimony to the great work they are doing in the pursuit of freedom and development.

Mr. PM. Timor-Leste has a bright future ahead of it. It has a historic opportunity provided by the Petroleum Fund. Managing the pressing needs of today, "the fierce urgency of now", and investing in the pressing requirements of tomorrow will be crucial elements of this bright future we are all looking forward to. With the dedication shown by the Government, parliament, civil society and the support from the development partners, Timor is in an extremely good position to succeed. This meeting is a gathering of partners of good will. What we want, what we are striving for, is true and full partnership. We view your development programs and priorities as ours and your vision for the future of this country will impact our own dialogue with your government and your people.

Looking ahead, investments in human development are of the utmost importance. Timor-Leste's youth are the real gold of this country. Investing in them, in their health and in their education will prove to be the best return on the dollar that this government can make. A healthy and educated young population can enter the labor market and launch the country into a new and rewarding path. These are long-term investments, with secured high rates of return. These are investments that need to be made now!

Mr. Prime Minister, colleagues, Timor-Leste will be hosting the first International Dialogue on Peacebuilding and Statebuilding this week. It is a timely reminder of the commitments we collectively made in Accra a year and a half ago. It is in the spirit of those commitments - constructive dialogue, mutual accountability, effective partnerships - that the Bank will participate in the Dialogue and support Timor-Leste's efforts to transition from a period of stabilization to a period of sustained growth and development.



**Speech by the Special Representative
of the Secretary-General for Timor-Leste and Head of UNMIT
Ms. Ameerah Haq
Timor-Leste Development Partners Meeting 2010
7 April 2010**

Your Excellency President of the National Parliament, Fernando “La Sama” Araujo,
Your Excellency Prime Minister Xanana Gusmão,
Your Excellency Minister of Foreign Affairs Zacarias Albano da Costa,
Your Excellency Minister of Finance Emilia Pires,
Excellencies the Ministers and representatives of the Government of Timor-Leste,
Members of the National Parliament,
Excellencies, Heads of Delegations and representatives of the international community, delegates and observers from fragile states partners,
Distinguished Vice President of the Asian Development Bank, Lawrence Greenwood,
Distinguished Country Director of the World Bank, Mr. Ferid Belhaj,
Distinguished delegates of the Church, civil society and the private sector,
Dear Colleagues and friends,

It is an honour and pleasure for me to address this important meeting, which is the eighth of its kind hosted by Timor-Leste. Once again, the TLDPM brings some 30 partner countries to the table, many of them from diplomatic representations based outside Dili.

Since my arrival in Timor-Leste in January, I have often remarked about the tremendous level of goodwill of the international community for Timor-Leste. The UN Security Council debate in February and my own consultations in New York confirmed the continuous support of these nations towards this country.

As you all know, the mandate of UNMIT was renewed last February for one additional year, and together with the UN agencies, funds, and programmes, we stand ready to “deliver as one” and continue our support in a way most suited to the country’s needs. The emphasis will be on capacity development. I would like to repeat this: the emphasis will be on capacity building. The expectation of the UN member states, and of the Government of Timor-Leste, is that UNMIT will draw down in 2012. Preliminary planning has already started for a smooth transition. This includes identifying tasks that will need to continue beyond the life of UNMIT and, of these, which need to be carried out by the UN agencies, fund and programmes, who are of course expected to remain in Timor-Leste for many years after the withdrawal of peacekeeping support. This process will require further consultations with the relevant development and other partners and the Government to ensure that the UN will continue to support agreed priority areas and that the necessary resources will be available either from the State budget or through development cooperation.

The Prime Minister made reference to the many successes over the past year. We have indeed reasons to be pleased with Timor-Leste’s good progress in consolidating peace and security. The world concurs that the country is once again stable. However, the fragility and continuing needs of this young nation and its institutions warrants the continued support of the international community and points to the need to continue to address systematically the four key areas of UNMIT’s mandate, viz., peace and security; justice and the rule of law; democratic governance; and socio-economic development. Good progress has been made in all these areas but further consolidation will be required to help ensure that when peacekeeping ends, the country will be firmly on a plateau from which it will not regress back into violent conflict. In this regard, I’d like to note that socio-economic challenges, particularly high population growth, youth

unemployment and lack of equity between urban and rural areas can easily become triggers of future tension and, possibly, violence.

Hand-over of policing responsibility from UNPOL to PNLT has already been accomplished in four districts and we expect that Ainaro and Baucau districts will follow on 12 and 16 April respectively [CONFIRM]. We are working with the Government to achieve the goal of handing over policing responsibility in all districts and units by the end of 2010, subject to the fulfillment of the mutually agreed criteria for the resumption process, including the availability of adequate logistical support for the PNLT.

I welcome the steps taken by the Government of Timor-Leste to interact actively with its citizens and to improve accountability, as evidenced by the recent appointment of the ACC Commissioner. I am also encouraged to note significant improvements in the functioning of the public service – an area that will undoubtedly receive even greater attention with the recent establishment of the Civil Service Commission. Likewise as I reported to the Security Council, I am pleased to note the increasing capacity of the National Parliament to discharge its critical oversight and legislative functions. The rule of law depends on sustainable, properly functioning justice institutions, including effective accountability mechanisms, as an integral part of development in Timor-Leste. In this regard, the recent Justice Sector Independent Comprehensive Needs Assessment, commissioned by the United Nations, has made a number of recommendations envisaging the deepening of the roots of the rule of law. All in all, I believe that Timor-Leste is making excellent progress in building its democratic institutions, in accordance with its constitutional requirements, but more still needs to be accomplished in the coming years.

We very much appreciate the Prime Minister's presentation of the Strategic Development Plan that is in the process of being finalized. We look forward to further consultations before the final adoption of the Plan as its medium to long-term vision is critical for the allocation of national resources and for the alignment of donor commitments with top government priorities. In this regard, I wish to take this opportunity to reaffirm our support to the Government of Timor-Leste in the operationalisation of the plan, taking into account the agreed objective of achieving the Millennium Development Goals, for which the Government will have to report at the General Assembly in September this year.

Ladies and Gentlemen,

As we move along towards the gradual drawdown of UNMIT, socioeconomic priorities will increasingly take center stage. Basic social services, particularly health and education, should continue to be at the core of the Government's efforts to eradicate poverty. Without investment in human capital, much of the workforce entering the labor market will remain unprepared for the demands of a modern economy.

Indeed, a renewed emphasis on building the human and institutional capacity of this country is a pre-condition to long-term peace, stability and prosperity.

I wish to congratulate the Government of Timor-Leste on its achievements in promoting macro-economic stability and pursuing sound policies of prudent fiscal management. I also welcome the strong Government's focus on private sector development as the basis for tackling the critical issue of employment generation. These efforts must be continued, and indeed strengthened, in the years to come. However, in the interim, we must emphasize the role of the public sector, e.g. in absorbing unemployed youth through labor-based public works programmes.

The UN was delighted to co-host, with the Government of Timor-Leste, the recent visit of Professor Jeffrey Sachs, who conveyed key messages to policy makers and academia, with a very optimistic outlook for the future. The Timorese economy is at a turning point from recovery to development. Policies and strategies should be directed to move the economy from oil-based to non-oil based development for sustainable growth, particularly in rural agriculture. In this regard, I agree with Professor Sachs that there should be bolder, yet fiscally responsible, withdrawals from the Petroleum Fund, to invest more heavily in human capital and productive physical assets to support strong socio-economic development in the years to come.

As he said, and I quote, "this requires an implementation strategy, a managerial team, control mechanisms, and those do not exist right now, so they need to be part of any plan for sure" unquote. Much has been said about the Government's capacity to spend its budgetary resources and much progress has been made in the past couple of years but more can

and should be done! And let me add this: If the necessary capacity is not available locally, go outside the country and buy it!

Distinguished Government partners, fellow delegates,

These are clear signs of prosperity in Dili and other urban areas. Timor-Leste's development challenges are enormous. But they can be overcome. Continued outside assistance will be required. I therefore echo the Prime Minister and the Government of Timor-Leste in encouraging all development partners to continue their assistance to Timor-Leste in a predictable manner. Similarly, I convey to the Government of Timor-Leste the continued expectation of the international community for a true partnership, where development partners, as well wishers, are not solely financial contributors to Timor-Leste but true participants in policy dialogue, led by the Government.

To conclude, allow me once again to congratulate the Government on its significant progress since our last meeting a year ago. I pledge the continued full support of the entire UN system in the years in all the broad areas of our mandate with an increased and firm focus on building human and institutional capacity as a prerequisite to long-term, sustainable poverty eradication.

I thank you and wish you all fruitful discussions and a successful meeting.

2010 Timor-Leste Development Partners Meeting (TLDPM) Summary Notes

Morning Session Plenary Discussion

On April 7th 2010, Development Partners (DP) from some 40 countries participated in the 2010 Timor-Leste Development Partners' Meeting in Dili, Timor-Leste. Most expressed welcoming remarks and congratulated the Government of Timor-Leste (GoTL) for hosting the TLDPM. In addition, DPs reiterated their commitment to continue providing technical and financial support to GoTL in its efforts to achieve sustainable development.

Lead discussant statements:

UNMIT SRSG - The SRSG noted the goodwill of the Development Partners in Timor-Leste (TL) as well as the United Nations. The SRSG shared that the UN Security Council recently committed to re-extend the mandate of UNMIT in TL until February 2011 so as to keep building the capacity of national counterparts in preparation for the UNMIT phase out expected to take place by the end of 2012.

On behalf of the United Nations, the SRSG congratulated the Government for its efforts in maintaining internal peace and security. However, issues of state fragility and the ongoing needs of the country point to a need to maintain support to key areas such as peace and security, democratic governance, and socioeconomic development. It was underlined that by the end of 2010, UNPOL will have handed over all districts to PNTL with fully operational logistical support.

The SRSG praised the positive measures undertaken by the government in setting up the Anti-Corruption Commission (ACC) and the Civil Service Commission (CSC), and in developing the 2010 and 2011 National Priorities and the National Strategic Development Plan (SDP). To this effect, the SRSG invited Development Partners to align their support and assistance to the priorities identified within the Government's strategic plan. Education as well as human and institutional capacity were deemed preconditions to the building of long-term peace and prosperity. Moreover, in line with the Accra Agenda for Action (AAA) and the Paris Declaration (PD) principles, the SRSG invited all cooperating partners to continue providing their technical and financial assistance in a predictable and sustainable manner.

World Bank stressed that TL's history far outweighs its size and the testimonies delivered in pursuing freedom and development. The Petroleum Fund requires proper strategic management to contribute to national development. It was reiterated that the population of TL should benefit from the Petroleum Fund, and positive remarks were expressed concerning the draft strategic Work Plan. The World Bank acknowledged the GoTL's genuine commitment and demonstration of positive political will toward transparency and building the capacity of its nation's population. The World Bank remarked that monitoring and evaluation should be a pre-requisite for sustainable development. The World Bank also welcomed the establishment of a Court of Accounts and stated support to the Government in deploying adequate resources to meaningfully invest in its youth.

Asian Development Bank congratulated the government on the progress made in its nation building process, economic growth and the delivery of essential services. ADB expressed that TL has benefited from robust growth over several years, political stability, and new large financial flows from oil funds which can now contribute to medium and long-term national efforts in reducing poverty. ADB called upon the government to save money by building roads and water supply systems that do not deteriorate by putting in place effective maintenance systems such as China and Vietnam are doing. ADB encouraged the GoTL to learn from successful macro-economic strategies and policies of other Asian countries and advised the Government not to rely on crash transfers stemming from oil. ADB encouraged the government to not only reflect on experiences from other Asian countries in the process of adopting sound policies supporting investments, but also to invest in human capital and tax public infrastructure delivery so as to create a broader tax base. Flexibility, pragmatism and humility were deemed key factors when developing strategies to reduce poverty.



Plenary Discussion:

Australia noted that they are a close neighbor of TL with a strong developed economy and are naturally a significant development partner. Australia mentioned that Timor-Leste's development is in the interest of Australia and its efforts in tackling organized crime, money laundering, people smuggling and unregulated finishing. Australia expressed their willingness to embrace genuine partnership with the Government of Timor-Leste rather simply financing projects. Australia reaffirmed its commitment to upholding the Paris Declaration, Accra Action Agenda and Principles for Good International Engagement in Fragile States and Situations. Australia suggested the development of a medium term economic framework to guide the implementation throughout the first five years of the National Strategic Development Plan.

China praised the progress made by the government in achieving economic growth and maintaining peace. China acknowledged the country's strides in improving the agricultural sector, increasing the non-oil economy, and building capacity of human resources. Within this framework, China noted how they have contributed to Timorese economic growth by signing an agreement of 3M Yen in aid to TL; constructing the Presidential Palace; and building 100 houses for military as well as a primary schools; signing an agreement to promote cultivation of new varieties of hybrid rice; providing more than 50 Timorese with specific trainings in China; and providing the Ministry of Foreign Affairs with furniture.

European Commission praised the Government's efforts in maintaining peace, stability and economic growth while mentioning that the country still needed to overcome important challenges such as socioeconomic development in rural areas; private sector and oil sector development; and reinforcement of good governance principles such as accountability and transparency of public finances. The EC praised the recent establishment of the Anti-Corruption Commission and also committed EU support in supporting government's policies for the achievement of the Millennium Development Goals and the empowerment of women, especially in communities. Moreover, the EC committed support to reform the security sector in particular the resumption process of PNTL from UNPOL. Finally, the EC reaffirmed its commitment to abide by the Paris Principles and AAA and called upon the government of TL to embrace true accountability of the CAVR on issues of serious crimes and impunity.

Germany welcomed the Strategic Development Plan and pledged commitment in support of its implementation. More specifically, Germany announced that they would provide Euro 45 M for technical development interventions; peacebuilding strategies; rural development programs; and education activities. Germany called on other DPs to be willing to strengthen coordination mechanisms so as to avoid overlaps and maximize impact of development strategies and the utilization of resources. Germany expressed positive remarks on the peaceful Suco elections hoping that municipal elections will be conducted in the same spirit. Germany expressed that the TLDPM was a good opportunity to share information and experiences.

Japan praised the government's efforts in promoting development. Japan shared that the President' and Prime Minister's visits to Japan have enabled and strengthened friendly relationships between the two countries. Within this



framework, Japan mentioned that their financial and technical assistance to TL will be assured even beyond 2012. Japan pointed out the main key thematic areas supported by Japan, namely institutional building; infrastructure; rural development; and peacebuilding. Moreover, support to the Ministries of Finance and Foreign Affairs, and to the University of Timor-Leste will continue in the years to come.

New Zealand stressed the importance of maintaining peace and security for the development of Timor-Leste. New Zealand's alignment to TL's national development plan was deemed to be a pre-condition for further assistance. New Zealand emphasized their assistance to the security sector through the deployment of military and police officers providing mentoring to PNTL and F-FDTL officials. New Zealand also congratulated the Government for its achievements in relocating all the Internally Displace People and conducting peaceful Suco elections.

Portugal acknowledged the progress achieved by the Government of Timor-Leste in terms of economic and social development. Emphasis was also stressed on the numerous challenges that the Government still needs to overcome, especially in the process of strengthening democracy and rule of law, and ensuring long-term peace and stability. Portugal praised the Government of Timor-Leste for the development of the first national strategic plan, in line with the aid effectiveness principles stressed in the Paris and Accra declarations. Portugal also stressed the need to strengthen donor coordination so as to maximize the impact of development cooperation interventions amongst cooperating partners. Finally, Portugal reiterated their support to the implementation of the TL's strategic plan in the years to come.

Philippines congratulated the Government of Timor-Leste for its achievement in consolidating peace. Furthermore, Philippines expressed their willingness in aligning development cooperation support to the national priorities of the government of Timor-Leste.

Singapore welcomed the positive developments made by the government of Timor-Leste in achieving peace and improving economic development. Singapore shared that they are supporting TL in the security sector and have deployed police officers to support PNTL and provided four helicopters. Singapore restated the country's support in building human resource capacity, addressing climate change issues, guaranteeing food security and fostering sustainable environment. Finally, Singapore stressed that the upcoming visit of Singapore's Minister of Foreign Affairs to TL will contribute toward the efforts of strengthening ties between the two countries.

UNMIT DSRSG praised the Government's commitment in developing and implementing the National Priorities and the National Strategic Plan. The DSRSG noted the positive progress in the closure of the IDP camps and in the conduct of peaceful Suco elections. The DSRSG congratulated the positive steps undertaken by the government in allocating funds to widows and the elderly but expressed concern that this initiative could create a long term dependency on the government. The DSRSG also congratulated the Government for the establishment of the Civil Service Commission



which now plays an important role in ensuring transparency in public administration. The DSRSG encouraged the government to invest in private sector and agriculture as opposed to dependency on oil revenue.

The DSRSG also stressed the need to mainstream gender equality in the Government's policies and interventions. The DSRSG stressed on the financial gaps that UN faces in the implementation of the UN Development Assistance Framework in saying words to the effect that *'if UN has to support the Government, it is expected that cooperating partners will scale up their financial assistance to the UN'*.

Petroleum funds were deemed important but not the only resources to be sought in the development of the Country. The DSRSG stressed the importance of the language in the nation building process.

The United States of America reiterated support to the Paris Declaration principles. The USA emphasized the need to strengthen coordination among donors and between donors and the Government. Support to the implementation of the 2010 National Priorities was also underlined.

SEPI mentioned that gender focal points have now been nominated in all ministries. SEPI advocates for women empowerment in all areas and especially in terms of service delivery. SEPI shared that they prepared and submitted the report of CEDAW to the Committee on CEDAW, and thereafter participated in the dissemination of the CEDAW reports concluding observations and recommendations.

Rede Feto emphasized the need for the government to invest in programs that empower women economically to take up active roles in the community. Rede Feto welcomed the fund provided to widows and elderly and highlighted the challenges observed in the manner PNLT are handling cases of domestic violence. Rede Feto expressed concern regarding human trafficking in Timor-Leste, especially regarding women, and the lack of proper laws to curb the vice. Rede Feto called upon the government to investigate all cases of inequality against women especially within the workplace noting that women earn less than men for equal work and have no maternity leave.

FONGTIL mentioned the development of economic and social rights is a matter of concern calling on the government to take positive steps to make improvements. FONGTIL expressed concerns over cases of human rights violations that have not been investigated. FONGTIL also noted that the Timorese population should be given the opportunity to participate in decision making and development programs to achieve good governance. FONGTIL called upon the government to consider consultation with civil society when preparing the state budget and requested for all Parliamentary laws to be drafted in Tetum so that all Timorese can understand.

*Plenary discussion resumed in the afternoon. The session was chaired by the **Minister of Finance (MoF)** who acknowledged the importance of the meeting as a means to bridge gaps between Timor-Leste and the development partners.*

Brazil stressed the importance of Portuguese influence in Timor-Leste and emphasized the sentiment of solidarity Brazil has towards Timor-Leste. Brazil congratulated the government for the Strategic Development Plan and agreed that efforts made by Development Partners should be aligned with the guidelines and timeframe defined by the government of Timor-Leste. Brazil highlighted that Brazilian cooperation focuses more on capacity-building rather than the transferring of funds. Brazil's programmes focus on fundamental areas such as education, justice and security, as well as food security, infrastructure and support to small businesses and enterprises. Brazil congratulated the Government of Timor-Leste for the successful Suco elections held in October 2009 and for the work of the Civil Service Commission.

Norway informed all about the support Norway has been giving to the management of the Petroleum Fund and highlighted the importance of petroleum revenue being used wisely and in a transparent way for the benefit of this and future generations. Norway referred to unemployment as a major concern and stressed that more assistance has to be directed to the rural areas. In terms of gender equality, Norway agreed Timor-Leste is on the right track as demonstrated by the number of women in the National Parliament and in the Government.

Norway reiterated their support to UNMIT and UN agencies and noted that the process of reducing the UN presence in Timor-Leste should be accompanied by a progressive transfer of responsibilities and be focused on preparedness of national counterparts rather than a time-focused process. Norway reinforced the long-term commitment Norway has with the Government of Timor-Leste and the Memorandum of Understanding (2008-2012), defining strategic areas of cooperation namely in the sectors of democracy and good governance and the rule of law and sustainable management of natural resources. Norway finally noted the continued support of the Norway Refugee Council and of Bishop Gunar in assisting the CAVR and highlighted that Norway is looking forward to the National Parliament consideration on a follow-up mechanism.

Cuba focused its presentation on practical results of the Cuban cooperation with Timor-Leste, namely in the health and education sectors. In the area of health Cuba mentioned the support of 200 Cuban doctors and medical experts in area of pediatrics, healthcare provided in households (home visits), support to pregnant women and new born babies as well as surgical procedures, microbiology and laboratory tests. Furthermore, Cuba is also providing medical training to Timorese students. In the area of education, Cuba highlighted the contribution of Cuba to the goal of eradicating illiteracy in the country, noting that Ataúro was already declared an area free of illiteracy and the goal is that soon the Oecussi enclave will receive the same status.

The Secretary of State (SoSS) for Security highlighted the progress registered in the security sector and the period of calm and stability that Timor-Leste is going through. The SoSS welcomed the approval by the National Parliament of the National Security Law which clearly defines rules and responsibilities in terms of community police, and which should contribute to promote accountability and transparency in the security sector. The SoSS stressed the professionalism of PNTL and the way they have been positively responding to challenges. The SoSS stressed alleged cases of human rights violations are often regarding specific incidents and should not be generalized. The SoSS finally mentioned that cooperation in the security sector has been very smooth; following objectives established by the state and respecting Timorese culture and values.

The SoS for Defense began by commenting on how the recent successful recruitment process for the armed forces went smoothly, with the assistance of Portugal and civilian oversight of Ministry of Defense (MoD) personnel. The SoSD discussed the recent training the armed forces have received, namely in human rights and media and the several investments in F-FDTL infrastructure. Finally, SoSD welcomed the recent approval by the National Parliament of the National Security Law, the Internal Security Law and the National Defense Law.

The Minister of Health (MoH) highlighted progress made in recent years and stressed the need for continuous investment in the health sector. MoH remarked that the funds committed should be effectively and efficiently used by focusing on government priorities, particularly investing in infrastructure, as good infrastructure is essential to the good performance of the MoH.

The Minister of Agriculture and Fisheries (MAF) observed that the number of poor people in Timor-Leste continues to increase and that a major challenge is to assist these people and meet their aspirations to get out of poverty; for this a major investment in agriculture is essential. MoAF thanked all development countries who are investing in agriculture sector.



The Minister of Economy and Development (MED) reminded the mandate of the MED as stated in the IV Constitutional Government Constitutive Law, particularly its mandate to support the development of the private sector as a means to create jobs and foster economic development and asked for development partners support in this goal.

The Representative of Youth stressed that to guarantee sustainable development, the Government of Timor-Leste needs to act in strategic areas namely, to have a policy less dependent on oil revenue, improve infrastructure throughout the country, accelerate the decentralization process and, combat corruption and nepotism.

The Minister of Education (MoE) highlighted significant improvements in the quality of the education sector, which have occurred over recent years, particularly after the approval of the National Education Policy. The MoE is currently working on an evaluation of learning outcomes, investing in teacher training and in getting a better student to teacher ratio. MoE highlighted the Timorese complex linguistic reality and stressed that the challenge of mastering the two official languages is very striking and more resources are needed to achieve this goal. MoE underscored the disparity between urban and rural areas and mentioned that the MoE will be using radio and TV to provide people in the districts with access to quality education. MoE also mentioned that the technical and vocational education area needs more support. In terms of higher education MoE highlighted the recent approved UNTL Charter and in the area of non-formal education, MoE reaffirmed the goal of declaring Timor-Leste free of illiteracy in the years to come. MoE finally referred to the area of culture and the approval of the National Cultural Policy as a major accomplishment to the preservation of the Timorese cultural patrimony and mentioned that UNESCO has taken the initiative to lobby potential donors regarding the construction of a national museum.

The Minister of Justice (MoJ) said development partners should align their projects in the justice sector through the Justice Coordination Council. MoJ highlighted the importance of strengthening the formal sector of justice (for instance with the development of the High Administrative Tax and Audit Court and the Criminal Police).

Closing Remarks

The Prime-Minister (PM) started by thanking all participants for their interventions and reinforced the idea that the success of Timor-Leste is and will always be part of the success of its development partners. Recognizing the shortcomings and acknowledging some mistakes that might have been made, the Prime-Minister reiterated his wish to seek successful solutions to reduce poverty in Timor-Leste and stressed that a new chapter in the history of Timor-Leste has started with the presentation of the Strategic Development Plan which reflects the vision and dreams of the Timorese people. The Prime-Minister asked development partners to align their priorities with those established in the Strategic Development Plan and reminded that even if financial and technical assistance are important, moral support is also essential. The PM concluded by thanking the organizers and the partners for their assistance, commitment and convergence of minds demonstrated in the meeting.

PRESS RELEASE

The Secretary of State for the Council of Ministers and
Official Spokesperson for the Government of Timor-Leste

Ágio Pereira
April 8, 2010
Dili, Timor-Leste

Timor-Leste Development Partners Meeting (TLDPM) expresses confidence in the Government and progress of Timor-Leste

Over 300 people from 45 countries gathered at the Timor-Leste Development Partners Meeting (TLDPM) yesterday to review progress, discuss challenges and look to future plans of the Government and aid delivery institutions. The meeting launched a week of meetings including the g7+ summit and the Dili International Dialogue conference.

The Government, members of National Parliament, representatives of the international community, representatives from civil society and some 40 development partners and country representatives were present at the newly refurbished Dili Convention Centre to engage in robust dialogue; ultimately to better aid effectiveness.

Prime Minister H.E. Kay Rala Xanana Gusmão delivered a bold speech, highlighting a Timorese perspective of the past, the present and future. The Prime Minister noted that significant progress has been made in Timor-Leste despite seemingly insurmountable challenges, he said “We have managed to instill a culture of accountability, participation and debate, as well as a culture of checks and balances in policies and decisions made by the Government regarding critical situations”. The Prime Minister ended the speech by launching the summary of Timor-Leste’s National Strategic Plan (SDP) 2011 – 2030, which begins a process of national consultation with the Timorese.

Development partners expressed their continued commitment to Timor-Leste and their confidence in the progress, direction and policies of the Xanana Gusmão Government.

The Head of the United Nations Mission in Timor-Leste, Special Representative of the Secretary General, Ms. Ameerah Haq, expressed her congratulations to the Government for the achievements of 2009 in maintaining economic stability and prudent fiscal management’. She welcomed ‘the steps taken by the government of Timor-Leste to improve accountability, culminating with the recent appointment of the Anti Corruption Commission Commissioner.”

The Special Representative expressed the common view that “the Timorese economy is at a turning point from recovery to development’. She suggested there ‘should be bolder, yet fiscally responsible, withdrawals from the Petroleum Fund, to invest more heavily in human capital and productive physical assets to support strong socio-economic development in the years to come”. Deputy Special Representative Reske-Nielsen also noted “the Oil Fund still ranks as a model of prudent management to conserve wealth for future generations but this does not rule out increased investment today.

In the afternoon session several members of the Government outlined recent accomplishments and areas where progress is being made; supported by the launch of the Mid- term Government Achievement Report, The Path to Peace and Progress. Secretary of State Ágio Pereira said “The spirit of partnership in the meeting yesterday and the confidence expressed by development partners in the directions and policies of the Government are a validation of what we Timorese know, that we are heading out of conflict into a period of rapid development. It seems after two and half years of prudent fiscal management and double-digit economic growth, the international community supports our plans to make better use of the Petroleum Fund in the development process, particularly in regards to infrastructure. This demonstrates a confidence in the Government”

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