



DEMOCRATIC REPUBLIC OF TIMOR-LESTE

**SPEECH BY HIS EXCELLENCY
THE PRIME MINISTER
KAY RALA XANANA GUSMÃO
ON THE OCCASION OF THE
GOVERNMENT AND DEVELOPMENT PARTNERS
PROGRAM ALIGNMENT 2010 MEETING**

Dili

15 June 2009

Vice Prime-Minister,
Ministers,
Heads of UN and World Bank Agencies,
Mr. Antonio and Mr. Finn,
Ambassadors and Heads of Delegations,
Heads of Agencies,
Ladies and Gentlemen,
Dear Friends,

Good morning and welcome to this meeting, marking yet another milestone in the forging of a closer and more effective partnership between Development Partners and the Government of Timor-Leste.

We, as a Government, have made considerable progress in enhancing the quality of our programs over the past year and a half. This progress has not been without its challenges and set-back, however we feel that at each and every stage, we have overcome these potential stumbling blocks, not alone, but with the support of our Development Partners who, most recently, at the Timor-Leste Development Partners Meeting (TLDPM) in April 2009, re-committed themselves to the development of Timor-Leste as a Nation and as a people.

In April you came together in this very room to underscore your willingness to better align your assistance with Government priorities, and I

am grateful that many of you have made good on your pledges and responded quickly. Let us gather here today, to bring with us this same energy and dedication displayed on previous occasions, for what we will achieve here today will undoubtedly have long term ramifications as to the success of this and subsequent governments, in providing the best quality support to the people of this Nation.

Ladies and Gentlemen,

2009 is an auspicious year for celebrating many anniversaries regarding the independence of our young nation. Yet as detailed at the first Consultative Conference on Fragile States last March, we learned that post-conflict countries such as Timor-Leste take an average of ten years to make the difficult transition from fragile state to developing nation, often with a series of struggles and challenges along the way. Our experiences have shown this to be an accurate depiction of events. It has been just over a year since this country's most recent threat to stability with Timor-Leste experiencing serious bouts of instability on average every two years since regaining independence. Each time we have recovered – with the help of the international community. The challenge faced by us all here today is how best to make this hard-won sovereignty work, so state institutions can deliver for the great majority of Timorese people throughout the country.

As you are all no doubt well aware, this Government is currently involved in a comprehensive and wide-ranging reform process. Such a process does not begin and end within the space of one year, within a budget cycle, or even within the term of one administration. **Reform processes such as ours are and must be ongoing.** Our reform process is pragmatic as it is constant. We knew that what we wished to achieve would not be completed in the short-term and now, as we find ourselves in the second year of this reform process, having learned many lessons, some difficult, we take this opportunity re-commit ourselves to the continuation of this very necessary and worthwhile endeavor.

Throughout this reform process we have learned that sometimes it is laws that must be reformed whereas, other times it is practices. While some reform can be done through the passing of legislation and the creation of regulatory bodies, other types of reform are of a much more personal nature. Reforming work-ethics, and similar attitudes, takes time, however, achieving success in all these areas will ensure that the institutional reform we are attempting will be maintained into the future.

In this journey of constant improvement, both personal and institutional, we must seek to work together and learn from each other.

While, reform must take place in terms of practice and thinking, similarly reform must take place at both an international and at a local level. The

Government of Timor-Leste, through the Ministry of Finance, is committed to international agreements such as the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action and the Principles for Good International Engagement in Fragile States amongst many others. We see our efforts in these high-level initiatives as demonstrated on the ground through events such as the Annual and Quarterly Development Partners Meetings, National Priority Working Groups and others – these occasions represent but one frontline of our reform process.

Ladies and Gentlemen,

Much has been achieved in the last 10 years, and we could not have made this progress without our friends and supporters represented this morning here in this hall. We are determined to move forward with equal speed and increase the pace of development over the next decade.

We have already achieved some strong markers indicating success. Last year we committed ourselves to securing peace and stability for the citizens of Timor-Leste – and we have done so. We announced that we wished to better align budget preparation to planning – and we did. Now, in 2009, we have made the decision to starting our planning for 2010 early allowing us to better allocate resources in order to maximize impact.

Dear Friends,

As agreed to in March at the first Consultative Meeting on Good International Engagement in Fragile States, it is the responsibility of this Government to engage in a strategic development planning process, in order to guide alignment efforts between both Ministries and between Government and Development Partners. This Government is committed to honoring this responsibility and my Office is currently doing so in the production of the Strategic Development Plan, a document which I know many of you are eager to see.

We wait for the day when this document is ready to be released, but as my Office works toward this goal we must not forget that documents such as the SDP require time, patience and foresight.

And so, let me update you briefly on where we stand on our preparations for the medium-to-long term Strategic Development Plan (SDP).

My Office (the Strategic Planning and Investment Unit) has been working hard with all Line Ministries and as promised, I will present this SDP to the National Parliament by September 2009.

Meanwhile, the National Priorities 2010 that you have before you is the result of a collaborative exercise with distinguished members of the Council of Ministers and will be a guiding instrument for all of us. A series of Strategic Workshops titled “Timor-Leste’s Yellow Road” were held on

16 and 23 May 2009 at the Health Sciences Institute in Comoro, Dili to determine the structure of the National Priorities for 2010. As a result of discussion and reflection, the National Priorities for 2010 were approved at an extraordinary Council of Ministers meeting. It is now my pleasure to share with you, our Development Partners, the outcomes of this workshop:

The National Priorities for 2010 are:

- 1. Roads & Water**
- 2. Food Security (with a focus on Productivity)**
- 3. Human Resources Development**
- 4. Access to Justice**
- 5. Social Service & Decentralized Service Delivery**
- 6. Good Governance**
- 7. Public Safety**

These 7 National Priorities for 2010 are linked to the overarching themes of **medium-long term job creation** and **cross-cutting human resources development**. These two areas represent the themes upon which further goal and target setting will be based.

While these new National Priority areas may appear similar to those we selected for 2009, this time they will also serve as a strategic bridge to longer-term planning, into 2011 and 2012.

This National Priorities process has matured within the space of one year, and so in 2010, we will be increasingly able to look more and more at the quality and impact of targets that will be developed for each of these 7 National Priorities.

While we are committed to providing strong leadership in this area, the Government would also like to listen and consider your feedback when determining our focus areas for next year and for future years which, as we know, is a key principle found within the pages of the Paris Declaration on Aid Effectiveness.

Ladies and Gentlemen,

I am aware that many may have differing views on our priorities. However, I would like to state for the record that these priorities were chosen because we believe that their impact will provide the type of environment that will enable other activities to take place, which are also important for the development of the country, such as the private sector development.

We must not forget that we are still very much a fragile state. All that we have worked so hard to build can still be taken away from us if we do not continue to address the numerous daily struggles they face.

To illustrate this situation clearly, consider that only this week, IDPs from Metinaro camp on the outskirts of Dili will begin the long and sometimes difficult journey to return to their communities, or in some cases, to new homes in new communities. We must realize that the emergency phase may have passed but there is still work yet to be completed.

To maintain this, the government has embarked upon two parallel processes – a two track approach. We are addressing both the short term needs of our population while at the same time transitioning to addressing their medium to long term needs. This is why, for example, you will see that for 2010, human resources development and job creation underpin all of what we have prioritized. Clearly, a capable work-ready population with a strong and committed work-ethic will benefit the private sector in years to come.

Ladies and Gentlemen,

We seek from you an exchange of ideas and input for Timor-Leste's future. I appreciate the help we receive from the international community, both in terms of substantive assistance and planning support for reaching the

MDGs - they remain a medium to long term goal of the Government, and they are indeed part of everyone's agenda, including that of civil society.

I call upon you here, the Development Partners, to look closely at your programs as we are looking at our own programs. I ask that you ask yourselves what can be done to fast track alignment so that they compliment the National Priorities for 2010.

We know all too well that we, as a Government, cannot do everything, nor do we seek to at this point. We are conscious that many countries the world over, including some here with us today, are feeling the effects of the global financial crisis. While Timor-Leste has, in many respects, been shielded from some of the more devastating effects of this crisis, we are still vulnerable through future estimated revenues to give just one example. This is why we have sought to ensure that our overall fiscal envelope for FY2010 (637M) is sufficient to achieve our objectives on poverty reduction.

Considering this international financial climate, it is our aim to make the most of our Development Partner's contributions. To do this we say, here is our guidance, look at your priorities – let us highlight and build upon those programs that are already aligned with this Governments National Priorities while taking the time to address programs that fall outside these priority areas.

I would like very much if Development Partners could hold these conversations with Line Ministers over the next two weeks so that our the Budget Committee can make an informed final decision taking into consideration, for example, the location of various programs to ensure that spending is done with a geographic spread equal to need.

To give an example, last year I asked you to consider rural development as a focus area and very little changed in this regard as rural development continues to be a focus of this Government. And so it is important that in your discussions with Line Ministries you are able to get into the nitty gritty details to avoid program duplication and overlapping. When we make decisions, with the help of the Ministry of Finance, as to which of our development initiatives should go ahead – this type of information gained from your conversations with Line Ministries will be critical. For example if we wish to build a road, we must know so that we can ensure that roads that are distributed equally.

Ladies and Gentlemen,

Dear Friends,

I am convinced that we can continue to make a difference in reducing poverty, given that we are not just catching up on the aftermath of the 2006 crisis but we are doing so within a context of centuries of oppression.

The challenge this Government faces can be summed up as follows – how can we best allocate our limited resources in order to provide essential services to the population? The solution, of course, lies in our ability to align development programming so that our programs complement each other.

Complacency has no place in this Government! We must not allow ourselves to be sidetracked by our own success! Our sense of achievement must be tempered with consideration as to the work that still lies ahead.

In conclusion, I wish to state my thanks to all those present here this morning. Our mission is clear and our vision shared.

Let us all contribute here today in a spirit of mutual respect and appreciation of the fact that the sometimes difficult work we must set for ourselves today will no doubt result in a better future for the citizens of this nation.

Thank you.

Kay Rala Xanana Gusmão

15 June 2009