



PRIME
MINISTER

**SPEECH BY
HIS EXCELLENCY THE PRIME MINISTER OF THE
DEMOCRATIC REPUBLIC OF TIMOR-LESTE,
DR RUI MARIA DE ARAÚJO,
AT THE 2016 TIMOR-LESTE DEVELOPMENT PARTNERS MEETING**

“Financing for sustainable development in Timor-Leste”

**Dili Convention Centre
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Palácio do Governo,
Avenida Presidente Nicolau Lobato,
Dili, Timor-Leste

Your Excellencies

Distinguished Members of Parliament
Fellow Members of Government
President of the Authority for Special Administrative Region of Oe-cusse Ambeno
and Special Zones for Social Market Economy of Timor-Leste

Your Excellencies

WHO Regional Director for South East Asia Region
Secretary General for the SDG's
Representatives from the Diplomatic Corps, Civil Society Organisations and the
Private Sector
Representatives from the Development Partners
The g7+ Delegates
Distinguished guests

Ladies and Gentlemen,

It is a great pleasure to be here for another Timor-Leste Development Partners Meeting. This is where we come together every year – the Government and development partners - to discuss and share ideas on the challenges ahead, the lessons we have learned and the next steps to be taken by Timor-Leste on the path towards continued progress.

This is also the first Development Partners Meeting (TLDPM) after the adoption last year of the new Global Agenda for Sustainable Development. Every country in the world is now committed to achieving a set of 17 Sustainable Development goals by the year 2030 to respond to modern challenges faced by people of every nation. They are universal goals of poverty eradication, of prosperity, of climate action, of justice and equality, of which I am proud to declare that Timor-Leste is fully committed to their achievement.

As you know, the new global agenda for 2030 build on the the Millennium Development Goals, which guided and inspired our efforts between 2000 and 2015. Since the restoration of our independence in 2002, Timor-Leste has strived to achieve the MDGs so that we could improve the lives and the future of our people. Achieving the millennium development goals was incorporated into our nation's long-term vision for the future, as set out in a Strategic Development Plan 2011-2030.

Regrettably Timor-Leste, as well as other fragile or conflict-affected countries, failed to achieve the Millennium Development Goals. Conflict and instability distracted us from the path towards development and prosperity and we were left behind. Our story demonstrated that peace is truly a pre-condition for sustainable development.

Despite our challenges, Timor-Leste has made remarkable progress, which only became possible after we secured the conditions for development: peace and stability. Fortunately, we were not alone. Our path towards development was supported by the commitment of our friends in the international community, our development partners, who assisted us in so many ways. Together we saw improvements in the school enrolment rate, reduction of

maternal and child mortality rates, and decline in the prevalence of diseases such as tuberculosis and malaria – and these are but a few examples.

As a nation, we had the maturity to recognise our weaknesses, and then set priorities to lead our development. We also recognised our unique circumstances, and the need for national ownership of our development plans. And in so doing, we were able to demonstrate to our partners that we could be trusted, which in turn led to productive cooperation towards our development.

And now we have a new sustainable development framework, endorsed by the world last year, which will enable countries like Timor-Leste to better position themselves to achieve the global goals for sustainable development and to contribute to their success across the world.

The global goals for a better global future were set in the same year that our country underwent an historic transition of governance, where we entrusted the leadership of our nation to a younger generation, giving them the opportunity to lead our people. With this transition, the Sixth Constitutional Government introduced strategic reforms ensuring and consolidating continued investment in the social, economic, infrastructure and good governance sectors of the Strategic Development Plan that continues to guide our nation.

Ladies and Gentlemen

The Sixth Constitutional Government is well aware of the challenges we continue to face. We are striving to improve public service delivery, promote the diversification of our economy and improve the quality of our infrastructure. We are focused on improving our people's wellbeing and the quality of their lives.

In education, we are committed to building preschools because we know that a child's early years are critical to their successful future. We have also embarked upon a rehabilitation program for over 500 schools to make sure our children get the schools they need to learn and to prosper. We are also focusing on the distribution of school-meals and school equipment to enable teachers to teach and students to learn.

We have also implemented a new Curriculum for Preschool Education and for the 1st and 2nd Cycles of Basic Education – and we have trained teachers on this new curriculum to improve the quality of teaching.

In addition to that, as a consequence of the increasing realization that the mismatch between skills acquired at the education system and the labour market are hampering the access to jobs by our youth, we have started recalibrating our secondary schools towards more technical and vocational training.

In health, we are implementing the new Comprehensive Primary Health Care Package and the Health in the Family program, providing health care to thousands of families in every municipality. We are also committed to the National Vaccination Campaign, which has

successfully inoculated 96% of all children up to 15 years of age against polio, measles and rubella.

Our government also understands the importance of promoting gender equality with the Maubisse Declaration. We believe that the litmus test of our development is the situation of women and girls in our society.

Importantly, we are providing social support to children, adults, elderly people, disabled people and families in need. The Bolsa da Mãe Program in particular has benefitted over 50,000 people.

Our government also recognises the central importance of economic growth and diversification to create jobs and improve the prosperity and lives of our people.

That is why we are so committed to creating an investment-friendly environment and nurture our local companies, building key economic infrastructure and preparing a legislative agenda to encourage investment.

To give you a few examples of the work we are doing in our agriculture sector; we are building three large irrigation systems and have completed another three; we have planted over 430 hectares of forests; we have maintained and rehabilitated over 210 hectares of coffee plantations; and we have extended the coffee plantations by 55 hectares, recognising that coffee is our major export commodity.

The growth and development of the private sector are very obvious when looking at over 8,400 commercial licencing certificates that have been issued and renewed and over 3,000 microbusiness licences issued.

One of our most important strategic industries is tourism where we can create jobs and opportunities for our people. We want to show our country to the world and we know that we can give tourists unique and special experiences. We are already implementing the Community Tourism Program to make sure all our people support and benefit from tourism and this year we will release a national tourism strategy to drive growth in this area.

The creation of a business-friendly environment is reflected in the construction of a brewery by Heineken Asia Pacific, which is expected to start production earlier next year. We will also see the TL Cement factory become a reality, with construction expected to start in early 2017.

We will also continue to invest in improving our core infrastructure. We are improving our basic infrastructure with projects for roads and bridges, water and sanitation, electricity, agriculture and others throughout the nation.

Master Plans for Water and Sanitation have been completed in several municipalities and we have also built 130 prefabricated houses and installed power meters throughout the

country. We have started constructing the Oe-cusse Ambeno airport, and have completed the construction of the Pante Makassar Power Plant.

Importantly, our government has just signed a Public-Private Partnership for the construction and operation of the new Tibar port, with construction to begin shortly and employing over 1,000 Timorese workers.

The government also recognises that it cannot achieve results and progress without good governance. Without transparency, accountability, openness and ethical leadership we cannot achieve sustainable development. That is why we are building on the good governance reforms of previous governments, conducting comprehensive audits of ministries and public service delivery and supporting anti-corruption efforts across our State.

We also know that one of our major challenges is developing the human resources that we need to build our nation. That is why we are focused on improving human capital development, allocating over 2,500 scholarships in the areas of health, engineering, education and public administration, as well as supporting over 15,000 people in technical training and specialised programs through the Human Capital Development Fund. Significantly, we have also facilitated hundreds of traineeships under the National Traineeship Program.

While we are doing all that we can to develop our country, we also know that the future sustainability of our nation depends upon achieving sovereignty over our seas.

Even with the great achievement of our independence, our maritime boundaries have been left undefined. This causes crippling uncertainty for our fishing, immigration, tourism and resource sectors.

We are pleased that our close friend Indonesia has agreed to negotiate maritime boundaries with us, and discussions have already started. Australia however, has refused to negotiate permanent maritime boundaries, and prevented our case from being adjudicated by an independent umpire.

And so, we were left with no choice but to initiate a compulsory conciliation process under the United Nations Convention of the Law of the Sea. While this process has never been tried before, we have faith in the rules-based global architecture, and the importance of international law to solve disputes and protect world peace and prosperity. As such, it is with great respect for our friend Australia that we ask the incoming government to look at the Timor Sea with fresh eyes, and that we work together to solve our dispute and gain credibility in building peace and prosperity in our region.

While establishing permanent maritime boundaries will be the final step for Timor-Leste in realising our full sovereignty; it is also vital to our self-sufficiency so that we can confront the great challenges of our development without our hands tied behind our backs.

Ladies and Gentlemen

Timor-Leste has been seeking to diversify and to boost its economy, to make it less dependent on the revenue from petroleum. Last year, at this very meeting, we spoke about a set of reforms being conducted by the Government. These reforms are also an incentive to investment, contributing to development and fiscal sustainability in our country.

I would like to emphasise that the legislative and justice reform, the public administration reform, the fiscal reform and the economic stimulation reform are of paramount importance to Timor-Leste, and will have great impact on our development partners and our investors.

The Legislative and Justice Reform Commission has been working to improve the capacity of the legislative and justice sector to ensure and protect the rights of citizens accessing justice.

We have created the Fiscal Reform Commission, whose implementation plan has already been approved. This Commission's program has begun to review proposals in terms of fiscal legislation, procedures and policies that will enable us to increase our revenues.

The Public Administration Reform has also resulted in approval of a Reform Guide. This Guide covers the strengthening of institutions and the civil service, the reform and capacity building of INAP and the strengthening of the State's administrative and financial management, creating better conditions for our public administration to operate effectively and provide quality and responsive services.

The Economic Stimulation Reform guide is also being implemented, under the coordination of the Economic Coordination Structure, which is responsible for implementing measures towards its execution.

Further, we decided at the start of our term that to improve the efforts on monitoring and evaluation of the execution of public spending it was necessary to create a Planning, Monitoring and Evaluation Unit for the whole of the Government. The purpose of this was to improve the link between planning, budgeting and implementation. The better the linkages between planning, budgeting and implementation, the stronger will be the impact of our measures in the lives of the people.

This exercise is ongoing and is already reflected in the 2017 budget. It will increase transparency and improve reporting, both in terms of investments and aid effectiveness. It will also be a key instrument for monitoring and setting priorities, which in turn makes it a good tool for improving the alignment between the Government and the development partners.

Ladies and Gentlemen

We are pleased to witness how far we have come, although we know we still have much to do before we can fulfil the commitments we have made. We are also thankful that we have never been alone in our journey. We are proud of the joint work we have been doing

alongside our people, civil society, the private sector and our development partners, and we want to build on this foundation of mutual trust and reciprocity.

The goals set by the new 2030 Sustainable Development Agenda provide several challenges that, if achieved, will benefit not just one people or one nation but rather all peoples and all nations. As such, we all must play our part to make it so.

Timor-Leste is deeply committed to achieving the targets and indicators that feed the Sustainable Development Goals. A few days before they were adopted by the United Nations, the Council of Ministers approved a Resolution adopting the SDGs. This position was further strengthened by Parliament, which instructed the Government to align these goals with our national planning and budgeting processes.

In order to affirm our commitment, the Government created a Task Force for mapping the ways in which these goals will be achieved and for disseminating them throughout the country, in close coordination and consultation with all government agencies, civil society organisations and development partners, so as to be able to monitor and present results on their implementation.

In view of the above, we have sought to harmonise these goals in our planning and budgeting exercise for 2017, linking them to the Strategic Development Plan and the Program of the Sixth Constitutional Government. After the evaluation on the 1st five years of implementation of the Strategic Development Plan, expected to be completed soon, we will also include the Sustainable Development Goals in the necessary revision of our Strategic Development Plan, seeking to have better alignment for greater and broader impact on our people. Until then we will hold a second series of consultations with the private sector and the local authorities, from municipalities to administrative posts and sucos, since they are essential to this process.

This process of strengthening the link between planning and budgeting, and to which was added the functioning and mapping of the SDGs, has also resulted in the articulation of the Government priorities for 2017, and they are: agriculture (combating hunger and malnutrition); health; education; water and sanitation; basic infrastructure and the elections next year.

Consequently, linking it to the SDGs, in 2017, the Government will be focusing on goals number 2 (nutrition and food security), number 4 (education) and number 9 (infrastructure), while in the short run, paying a lot of attention to other human development goals such as health (goal number 3), gender equality (goal number 5) and water and sanitation (goal number 6). This does not exclude the fact goals 7 to 15 are also being part of Government efforts throughout the short, medium and long run. Cumulatively, the focus on Goals 2 to 15, in conjunction with efforts on Goals 16 and 17, will ultimately lead Timor-Leste towards achieving Goal number 1 by 2030, which is similar to the vision enshrined in the Strategic Development Plan 2011-2030.

Recalling that the global focus of the Sustainable Development Goal is the “5 Ps” – **People; Planet; Prosperity, Peace and Partnerships** – we chose “Financing for sustainable development in Timor-Leste” as the principal theme for this meeting with the Development Partners. This principal theme seeks to reaffirm our commitment towards implementing the SDGs at a national level, and determining the best way to fund this. For us to achieve those plans, we need access to resources – our own resources, the revenue from which we can devote to the sustainable development for our people, as well as supplementary resources from development, philanthropic and private sector institutions.

We believe that the updated, aligned and harmonized Strategic Development Plan with the SDGs, and the instruments we have created to better make the links between planning, budgeting and implementation will set the scene for a better dialogue in the mobilization of additional financial resources to support the sustainable development of Timor-Leste.

As part of the efforts to mobilize domestic resources for the implementation of the Strategic Development Plan 2011-2030 and the SDGs, we became increasingly conscious of the fact that we could neither be forever dependent on development partners nor on our oil and gas resources. As such, since last year we have embarked on a series of reforms, namely the fiscal, economic, public administration and legislative reforms, aiming at diversifying our economy through the attraction of more national and foreign private investments.

Despite this, we are also cognizant that it is not easy to attract private sector investments to post-conflict and fragile states due to the perceived risks associated to political and governance instability. The contemporary initiative on “Blended finance” can be a promising remedy for this, and Timor-Leste is keen to learn more about this and be engaged in discussions regarding this resource mobilization modality.

Ladies and Gentlemen

I want to conclude by thanking all of you who have been working with Timor-Leste and supporting us at various levels and in the various sectors of our national priorities. The work we have been doing together has been extremely important and has improved the situation of both our people and our country.

And since we are here together in a meeting dedicated to financing sustainable development of Timor-Leste, I would like this day to be remembered as a day of “symbolic launching of the SDGs in Timor-Leste”, so that we all be the witnesses of the engagement and the commitment of each of the agencies we represent towards these global goals.

Let us be “One for all and all for one”!

Thank you very much.

4 July 2016

Dr Rui Maria de Araújo