

P R I M E MINISTER

SPEECH BY HIS EXCELLENCY THE PRIME MINISTER KAY RALA XANANA GUSMÃO ON THE OCCASION OF THE NATIONAL SEMINAR ON

"RULES AND PROCEDURES IN THE DEVELOPMENT OF TIMOR-LESTE'S INFRASTRUCTURE"

Auditorium Hall of the Ministry of Finance, Dili 15 February 2024



Palácio do Governo Avenida Marginal Dili, Timor-Leste Your Excellencies

Vice-Prime Minister and Minister Coordinator for Economic Affairs and Minister of Tourism and Environment, Mr Francisco Kalbuadi Lay

Vice-Prime Minister and Minister Coordinator for Rural Development and Community Housing, Mr Mariano "Assanami" Sabino Lopes

Distinguished Members of Government

Your Excellencies,

President of the FRETILIN Bench in the National Parliament, Mr Aniceto Longuinhos Guterres Lopes

President of Commission E of the National Parliament, Mr Marcos Xavier

President of Commission C of the National Parliament, Ms Cidelizia Faria dos Santos

Ambassador of Australia to Timor-Leste, Ms Caitlin Wilson

Ambassador of Japan to Timor-Leste, Mr Kimura Tetsuya

President of the Chamber of Commerce and Industry of Timor-Leste, Mr Jorge Serrano

World Bank Representative for Timor-Leste, Mr Bernard Harborne

Asian Development Bank Representative for Timor-Leste, Ms Stefania Dina

Chief Representative of JICA in Timor-Leste, Mr ITO Mimpei

UNDP Resident Representative in Timor-Leste, Ms Katyna Argueta

Distinguished Rector of the National University of Timor Lorosa'e, Professor João Soares Martins

Representative of the University for Peace, Esteemed Director of the Faculty of Engineering, Mr José Manuel Maniquim

President of the NGO Forum of Timor-Leste – FONGTIL, Mr Valentim da Costa

Dear guests Ladies and gentlemen,

I am pleased to participate in this National Seminar on "Rules and Procedures in the Development of Timor-Leste's Infrastructure".

Between 2007 and 2017, infrastructure development was undoubtedly a major engine of national progress, and supported the leveraging of social capital, economic growth, job creation, and the consolidation of institutions.

The Government is committed to resuming these efforts and to move forward with an integrated infrastructure plan, with the best possible value, to support sustainable development in Timor-Leste.

I thank the Ministry of Planning and Strategic Investment for organising this Seminar. To the Minister, Mr Gastão de Sousa, and his team, my congratulations on the initiative, which will surely bring important lessons and recommendations for the sector.

And with the results of today's dialogue, with the sharing of experiences and lessons learned, with all these distinguished participants here today, I can only say: "let's get to work"!

The development of infrastructure is vital to national development. Infrastructure is the backbone of all the country's productive sectors.

It is no news that, if we want economic and social development for the Timorese, we must build and maintain a wide range of basic infrastructure that supports health, education, agriculture, people's mobility, industry, the growth of the private sector, and the general well-being of the people.

Investing in infrastructure is also about creating conditions for job creation and income generation, which are essential for national stability.

And if we talk about "rules and procedures" and "lessons learned", it is essential that we apply the utmost rigour and professionalism throughout the infrastructure development process, from the planning phase, to budgeting, procurement, monitoring, supervision, and evaluation of projects – with transparency and absolute compliance with legislation and the rules in force.

Our country has many infrastructure needs, but it also has opportunities.

Let me make a special reference to our Development Partners represented here today, most of which have been present since our independence 22 years ago.

You have been extraordinary in providing us with support, funding, and the transfer of skills and knowledge, so that we, the Timorese, can realise our projects and ambitions.

As such, I take this opportunity to thank you for your dedication, generosity, and patience.

As you must understand, a country rising from the ashes must necessarily have its own idiosyncrasies, priorities, and circumstances, which are not always fully appreciated by individuals, organisations, or Governments outside our reality and experience. A fragile state, as Timor-Leste continues to be, will always have more obstacles and challenges than easy roads and triumphs.

And yet, I know that the challenges Timor-Leste faces as a young country are already known to all. We have many institutional, infrastructure and human resource weaknesses, as well as challenges in access to knowledge and technology.

However, we also have opportunities. Timor-Leste is creating conditions to be a more active and dynamic economic partner in the region, including the accession process to ASEAN and the joining of the World Trade Organisation on 26 February.

I believe that full membership in these international organisations will also provide foreign companies and investors with the confidence and security to invest in our country, which in turn will necessarily require the infrastructure to support these investments. As such, public investment in infrastructure continues to be a national priority.

For this reason, it is now more important than ever to talk about rules and procedures in the context of infrastructure development.

Rules and procedures bring certainty and security, including the protection of people and goods.

Rules and procedures instil greater effectiveness and efficiency in construction processes and projects, allowing for

better time management and better management of financial and human resources.

Rules and procedures instil quality and sustainability on infrastructure construction, as well as safeguard impacts on social life and the environment.

Lastly, rules and procedures make the country more credible and qualified as a partner or recipient of development assistance or investment.

Compliance with rules and procedures ensures conformity with legislation and regulations in force, which is a key factor for a Rule of Law that operates with transparency, integrity, and professionalism, preventing disputes and litigation, and promoting the needs of every part of society, and with consideration to the inequalities in our country.

Your Excellencies Ladies and gentlemen,

The goals of the *Strategic Development Plan 2011-2030*, to develop social capital, the economy and infrastructure, and strengthen good governance, were reinforced in the Programme of the Ninth Constitutional Government.

The Government, however, plans to revise the SDP to update it in light of current national and global circumstances.

Diversifying the economy remains one of the main goals to be achieved by this Government. This will go hand in hand with creating fiscal, legal, and bureaucratic conditions enabling greater confidence for national and international investors to take a chance on Timor-Leste, and for Development Partners to continue to trust our institutions.

We aim to diversify the economy through the development of productive sectors (agriculture, forestry, livestock, fishing, tourism, petroleum and minerals, and manufacturing), and we wish to promote the growth of the private sector, which will gradually lead to the substitution of imported products with those that can be produced locally. Further, we want to invest more in the sectors of transportation, energy, and telecommunications.

Infrastructure and a comprehensive and transparent financial market facilitate investment in strategic sectors and drive economic growth within a sustainable and diversified non-oil economy.

We also believe that the creation of a Timor-Leste Development Bank will facilitate access to long-term financing, with affordable interest rates, including for the development of our infrastructure.

And we want to keep up with current global trends, by launching energy efficiency and waste management projects, as well as a more sustainable agricultural, fisheries, and livestock sector. This will require integrated planning of basic infrastructure. As you are probably aware, Timor-Leste is in the initial stages of the Blue Economy development programme, which will include not only economic diversification and income generation but also the protection and conservation of ecosystems, protecting biodiversity and marine habitats.

Yet, we know that basic sanitation is essential for human health, for the environment, and for the sustainability of water resources, including the ocean and seas. The lack of adequate basic sanitation can lead to water contamination and the emergence of diseases, affecting the health of coastal communities and populations that depend on the sea for their subsistence.

Pollution caused by the lack of basic sanitation also harms marine ecosystems, leading to the loss of biodiversity, and compromising fishing and aquaculture activities, as well as other economic activities related to the sea.

As such, developing basic sanitation infrastructure is also essential for the development of the Blue Economy, ensuring the protection of the ocean and the quality of life of Timorese communities.

In short, from the Blue Economy to the country's electrification, from renewable energy to the building of ports and airports, from roads, bridges, and riverbank containment to access to health, education, and leisure centres, and to primary economic activities – infrastructure is the backbone of our country's socioeconomic development.

It is in this sense that rules and procedures are fundamental to the nation's development, especially where it concerns infrastructure.

A healthy administration of processes and systems provides guidance, consistency, and security to infrastructure development. Over these last 22 years, we can say that we already have a wealth of experience for learning and correcting mistakes, to set the country on the right course.

I believe, ladies and gentlemen, that your contributions today will reinforce this Government's commitment to managing public investment projects transparently and in accordance with approved legislation and procedures, because on this rests the credibility, well-being, and future of the country.

If we all contribute to solving problems, and if we all meet challenges with efficiency and rigour, we can do more and better for the Timorese people.

Thank you very much.

Kay Rala Xanana Gusmão