



REPÚBLICA DEMOCRÁTICA DE TIMOR-LESTE

**SPEECH BY HIS EXCELENCY THE PRIME
MINISTER
KAY RALA XANANA GUSMÃO
FOR THE OCASSION OF THE CLOSING
CERIMONY OF THE TIMOR-LESTE
DEVELOPMENT PARTNERS MEETING
28-29 MARCH 2008**

Díli, 29 March 2008

Excelencies,

At the closure of this meeting with Development Partners I thank the presence of those that came to share with us their concerns and endorse priorities, in a spirit of cooperation, which is part of Timor-Leste history in its relationship with the international community.

I thank especially the honesty with which various topics were discussed in this meeting. The involvement of the Partners since 1999, in the cause of Timor-Leste, leads us to accept as valid the contributions given, because the successes and failures are shared by us, Government of Timor-Leste and Development Partners, with the same intensity.

For a young nation like ours that is still learning the true meaning of Democracy and where the needs are many, the setting-up of priorities is not an easy decision.

I assure you however, that the decision was carefully considered! The six main priorities discussed during this meeting, we believe constitute the foundations necessary for the success of future programmes for the eradication of poverty through sustained economic growth and development capacities.

The implementation of this programme is certainly ambitious. But it is ambition for a better future for our People that motivate us and this gives us confidence.

In the most difficult times of struggle for independence, with scarce resources and tiredness, was the belief that freedom would be achieved "the next day" that allowed us to never quit.

The ambition, courage and international support in the past, allows us today to be here to discuss a development programme for the Democratic Republic of Timor-Leste.

We now have another cause, to give freedom to those who spent years living in a climate of threat and sacrifice! It is building a state of law, where all citizens enjoy the peace, stability and better living conditions - as a national challenge!

That our ambition is not to be confused with arrogance. The setbacks and mistakes of the past are being considered by this government and recommendations, including those outlined in this meeting, being analysed as part of a process that seek to be constructive.

We have been learning the profound importance of working together, to work in partnership, but this has to be well structured. This understanding guides us towards promoting greater dialogue with other State institutions, with the Civil Society and with international partners, creating wider consultation mechanisms that lead to the creation and implementation of development strategies focusing on results.

The recovery of confidence of citizens in the Democratic Institutions and in particular the government, through the achievement of improvements in the country, namely: law and order and security, a sense of stability, and the realization of aspirations through the main measures of social justice that were listed yesterday - motivate people to give their contribution in the process of national improvement of the quality conditions of life.

In way of conclusion, I would like to reinforce some points that were raised during the meeting yesterday:

The growth of our economy is largely linked to our ability to stimulate the private sector. However, apprehended risk of investing in Timor-Timor, leads to inhibition of a national entrepreneurship and the contraction of foreign investment.

The priorities, both in terms of public order and safety, social protection, as well as addressing the needs of young people who are the main actors of this cultural change, instilling a progressive spirit in the youth and developing skills

relevant to the pursuit of activities economic development of the country, could change this.

Furthermore, the Government is working towards providing legal certainty over property rights, which will, later this year, bridge the gap on the Rights of Property. Let me outline briefly the efforts in this direction:

1. The government concluded the Drafting of the Civil Code, amongst other legislation covering Real Rights and Property Rights, which will be very shortly submitted to the Council of Ministers and subsequently forwarded to the National Parliament;
2. We are also, through the Ministry of Justice, with the assistance of international partners, developing a Code of Land Registration and, simultaneously, training Timorese staff to develop the Department of Land Registration to deliver legal certainty to the economic sector;
3. Further, we have initiated the development of a National Registry Office, which will identify all land titles.

However, the question of property ownership should not raise false perceptions with regard to private sector development. We have carried out analyses on the subject, especially in the Asian regional context, and we have identified through other experiences that there are cases of success on the development of the sector in countries that share the same difficulties in terms of land ownership.

We face this challenge with optimism because, as I said, the priority that is being given to the consolidation of security and public order and regulation in order to provide legal security will increase the confidence of entrepreneurs and investors. In addition, the efforts that have been developed in order to create a system of National Insurance will strengthen the confidence of the sector.

On the essential improvement in the efficiency of public spending, reforms that are being developed in public administration, with special focus on the

Ministry of Finance which is assessing the obstacles to the implementation of the normal budgeting of State and a better system supply, allow us to predict solutions that will increase the capacity to provide public services in key areas, particularly in the areas of infrastructure, health and education.

This process is essential so that the development of the national private sector is not harmed, as it is more difficult to them to access loans and bank guarantees than it is for foreign entrepreneurs. Only through a genuine commitment to improve the efficiency of public spending, can we minimise unfair competition.

To improve the public sector to provide services, we are also looking at more efficient investment of the Oil Fund. This investment is increasing gradually, with potential for further returns on investment. Therefore, we are considering the current investment strategy and management of the Fund in order to exploit to the fullest the opportunities within the Law of the Petroleum Fund, in order to maximize the amount of revenue from this sector.

We have to learn to capitalize on this wealth, to then concentrate on long-term policies and sustainable development of the public sector. We do not want to see Timorese continually poor in a country supposedly rich.

It is still our intention, to ensure the objectives that we propose are met, to consider hiring foreign and technical assistance wherever it is not possible to use national human resources to ensure the implementation of public investment, especially in areas where specialized lack of local Know-How, undermines the achievement of the desired results.

Excelencies

Ladies and Gentlemen

Once again after this meeting, which I consider critical to the alignment of efforts, I note that the international community has shown readiness to support Timor-Leste in the priorities that the Government set for this new

stage of national development. We therefore commit to manage responsibly, ensuring the aid is channelled to our people.

The best contribution we can make to our Development Partners, in return for their generosity, but also, and not least, the moral support, is to ensure the transparency of procedures and funding and achieve concrete and quantifiable results, as proof of good performance.

To ensure the full implementation of the priorities that we are committed to, with your support, I endorse the establishment of coordination mechanisms, as this is essential to ensure the effectiveness of the Development Assistance to Timor-Leste. The willingness to continually work together, will allow the creation of efficient and coordinated mechanisms to ensure the success of the implementation of this 2008 project.

Its the responsibility of the Government of Timor-Leste to take courageous decisions, and directing the destiny of the Nation.

It is for the whole Timorese people to participate in this process.

On my behalf, and on behalf of the AMP Government, I reiterate my gratitude for your commitment and friendship. This great challenge becomes easier with your support!

Thank you very much.

Kay Rala Xanana Gusmão