

2016 Timor-Leste & Development Partners Meeting

“Financing for Sustainable Development in Timor-Leste”

Bom Dia

Recognise the dignitaries

It is a privilege to speak today at the start of this two day meeting. The annual Timor-Leste Development Partner’s meeting is a great opportunity to reflect on the many successful achievements of Timor-Leste since restoration of independence 14 years ago in 2002. It is also an opportunity to recognise the remaining challenges that still face the country over the next 14 years to 2030, and how the goals of the national SDP and the global SDGs will help address the challenges.

In the short years since independence, Timor-Leste has maintained peace and security while developing infrastructure and social safety nets. At the same time there has been ambitious reforms in legislative, judiciary, administrative and economic spheres. Development partners have been proud and privileged to be invited by Timor-Leste to be part of this journey, and to provide support in many of these areas. Timor-Leste has also been active on the global stage, for example through the g7+ forum, CPLP and others. Most recently Timor-Leste had a prominent role in shaping the Sustainable Development Goals, particularly SDG 16: “promoting peaceful and inclusive societies for sustainable development”.

Under the MDGs, the precursor to the SDGs, Timor-Leste achieved some of the targets, most notably reducing infant and child mortality, improving school enrolment and maintaining a low malaria rate, while at the same time it has developed quality roads and a national electricity grid. However, other targets such as reducing poverty, addressing prevalence of malnutrition and underweight children, continuing burden from communicable and other diseases, and improving access to clean water and good sanitation are still challenges that we face today.

The successes have been achieved in an era when oil based revenue was reliable and with the strong financial and technical support from partners. However the financial environment for development initiatives is changing, and we might expect that the next ten years, and thereafter, would be very different as oil revenue falls and ODA financial support reduces. Now is the time to be innovative, to look to new partnerships for contributions to national development. **One approach to this would be to go further towards stimulating investment, for example through enhanced investment friendly legislation.**

At the launch of the SDG’s, the nations signing up committed to taking a leading role. Timor-Leste officially endorsed the SDGs in a Resolution on 23 September 2015, making it one of the first countries to do so. Timor-Leste went further in committing to be a global champion for the SDG’s, and joined a committee with 10 member states, including the likes of Brazil, Germany, and South Africa, in issuing a call for action for the implementation support of the SDG agenda. Timor-Leste is the only country from Asia on this committee

and this puts Timor-Leste at the fore in the region for leading the way to achieving sustainable development. It is a tall order but not insurmountable. The various constitutional governments since 2002 have had clear vision for development, commencing with the National Development Plan 2002 and reinforced by the Strategic Development Plan of 2011-2030 and the Zero Hunger Challenge 2014.

While the vision is clear, the implementation of that vision is the important challenge today. This is particularly urgent for the Timorese people who depend on these initiatives for alleviating poverty and ensuring a prosperous future where all citizens can take part. Also, the eyes of Asia will be on Timor-Leste in this time. Some of the implementation challenges are to prioritise and coordinate actions across all stakeholders and across line ministries while mobilising private sector investment, augmenting national capacities and managing the oil revenue within the time horizon that this is available. Real partnership, where all parties contribute towards a common goal, will be integral to success in implementation.

SDG17 focuses on strengthening the means of implementation through building partnerships between and within government, the private sector, and civil society. The establishment of the coordinating ministers and the mandate for KONSSANTIL are steps in this direction. Today's meeting itself is another milestone in coordination for financing of development. But there are still challenges in establishing collective goals, having mutually agreed priorities and in promoting coordinated and complementary activities.

All 17 SDGs are inter-related and success in 2030 will be measured against meeting all targets for all 17 goals. However, not everything can be done at once. Prioritisation is necessary. And how it is done is important. Finding the right balance among priorities for hard and social infrastructure now will build the foundations for development in the future. Prioritising ending hunger, ensuring healthy lives and an inclusive, equitable, quality education are the foundations for achieving gender equality, productive employment, making cities safe and promoting peace and justice.

Clear government leadership for all SDG's and ensuring buy-in for the SDGs across the whole country will support sustainability. This leadership is not just in setting vision but also in providing the space and resources for effective implementation. In this regard, we applaud the fiscal reforms already initiated by the Government to raise domestic revenues while creating space for private investment and innovative partnerships to share the burden. As I mentioned, traditional partnerships will continue to play a role but will probably be a smaller part of the overall picture in future.

To achieve the SDGs, everyone needs to contribute, not only governments. Partnerships for development need to be expanded to include the private sector. For the private sector to participate in long-term sustainable investment for development, they need a stable playing field with clear fiscal and legislative regulation to give confidence to investors. Unexpected changes can undermine investors' confidence in the long term viability of their ventures, and therefore make it more difficult to maintain their interest.

At the same time partnerships to support enhancement of the civil service capacities and to strengthen the key roles within line ministries would continue to be helpful. Traditional partners could continue to provide support by bringing experience in these areas from international best practice and providing technical support.

The national budget has been instrumental in leading development since restoration of independence and will continue to do so over the life of the SDGs. At the same time alternatives to ODA and oil revenues need to be explored and expanded further. Whether this is through encouraging private investment or taking advantage of concessional loans will be for the government to decide. What is clear is that the financial investment required to achieve the SDGs is not small and no one actor in isolation can achieve this. Collaboration with good governance, transparent accountability and effective coordination will be the catalyst for encouraging successful partnerships that benefit the population most. The role the development partners' play will likely be away from ODA towards providing high quality technical advice, support for innovation and guidance on best practice.

For example, the Government has recently embarked on the challenging task of making the budget for 2017 more strategic while at the same time reducing the overall budget size. To create a budget strategy around the vision of the SDP and the SDGs, and thereby orient the budget more towards the social and productive sectors, such as health, education and agriculture, could be one way of achieving the Government budget goal.

To conclude, Timor Leste has shown the way with a vision for inclusive and sustainable development. Now, with its leadership position on the SDGs, Timor-Leste has the opportunity to showcase its leadership in a new era of partnership across public, private, international and local partners. To do this, it needs to continue to make the necessary prioritisation for domestic financing while creating opportunities for complementary financing. And above all it needs to continue to develop the technical capacity and determination to implement the vision in an effective and efficient manner.

The development partners are proud to have been with Timor-Leste on its successful journey so far. We are ready to work shoulder to shoulder with you also in this new era, with new opportunities and challenges, towards the SDGs and towards the national goals.

I thank the Government of Timor-Leste again for facilitating this meeting and I look forward to joint discussions on innovative and fresh ideas to achieve the SDGs.

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