

**TIMOR-LESTE AND DEVELOPMENT PARTNERS' MEETING
2-4 April 2009, Dili, Timor-Leste**

Statement by the head of the New Zealand delegation

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The New Zealand Government is grateful for the invitation to attend the 2009 Development Partners' Meeting. The further consolidation of the relationship and the opportunity for dialogue between the Timor-Leste Government and development partners is important to us. We look forward to gaining a better understanding of Government priorities in order to align our own assistance in support of peace, security and development effectively. We remain strongly committed to our programme with Timor-Leste.

New Zealand adopts a whole-of-government approach to ensure that the different elements of our assistance combine together to help address a range of Timor-Leste's needs. Accordingly, the New Zealand Agency for International Development (NZAID) coordinates its efforts with colleagues from the New Zealand Ministry of Foreign Affairs, Defence Forces, Police, Volunteer Services Abroad and other Civil Society Organisations.

New Zealand acknowledges the progress made by the Timor-Leste Government over the past year, in particular the return of Internally Displaced People to their communities, the petitioner settlements, the pensioner payments, and an increase in budget expenditure. The leadership of the government on these measures, along with the prioritisation of security issues, have significantly improved the stability of the country.

No doubt there is still much to be done to ensure that peace and stability are sustainable and that development can progress. The 2009 National Priorities are a further step towards identifying the key development needs of Timor-Leste over the shorter term, building on the 2008 national priority process.

A National Development Plan that outlines the medium to long-term development priorities and aligns them with the budget planning cycle would seem to be a natural and desirable next step from the annual priorities process. It would assist the people of Timor-Leste and their friends from overseas to understand the longer-term aims of the government.

In that respect the Government will need, in the long term, a more diversified revenue base than one reliant solely on the petroleum sector. Timor-Leste is certainly not immune to the effects of the global financial and economic crisis which is affecting us all, despite the cushion of the petroleum reserve. Indeed the volatility of oil prices indicates the risk of over-reliance on that source of income.

It remains to be seen how deep and how long the recession will be, but now is the time to be thinking about how to prepare for, and speed up, the recovery. It is our impression that there is much work that could be undertaken now to create a more business friendly environment in Timor-Leste. Expanding the private sector is vital to this country's long term success, for employment, for exports, and for government revenue.

In another important area, it is encouraging to note the priority accorded to public safety and security, as well as human resource development, in the 2009 National Priorities. These are important foundations for the immediate and long-term development of Timor-Leste, and they are areas to which New Zealand will remain committed.

New Zealand is currently working with the Government of Timor-Leste, development partners, civil society, and other key stakeholders, to develop a country strategy to cover the period 2009-2015. The new strategy will incorporate a strong focus on sustainable economic development in the pursuit of poverty reduction and social equity. The strategy will be firmly grounded in the principles of the Paris Declaration and the Accra Agenda for Action: ownership, alignment and aid effectiveness.

Timor-Leste is becoming a more stable, secure and confident nation. There have been many positive developments over the past 12 months. At the same time, ensuring that recent progress is sustained will not be easy and there are many development challenges along the path ahead. New Zealand remains fully committed to walking that path with you and assisting where we can in making your development aspirations a reality.

[Scanned from printed text by La'o Hamutuk. More documents from the 2009 Development Partners meeting are at <http://www.laohamutuk.org/econ/09TLDPM/09TLDPMindex.htm>]