



DEMOCRATIC REPUBLIC OF TIMOR-LESTE

**ADDRESS BY HIS EXCELLENCY
THE PRIME MINISTER
KAY RALA XANANA GUSMÃO
ON THE OCCASION OF THE CLOSING SESSION
OF THE TIMOR-LESTE DEVELOPMENT
PARTNERS' MEETING
2-4 APRIL 2009**

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4 April 2009

Your Excellencies,
Ladies and gentlemen,

As Prime Minister addressing you here today at the end of these three days of work, I feel both satisfied and encouraged with the productive manner in which this meeting was held.

In these ten years since 1999, and especially during the more difficult situations that we have had to overcome, we have learned how important it is to work alongside the International Community in a mission of cooperation, friendship and honesty.

I thank our Development Partners for their participation, input and recommendations. I appreciate not only the consensus we have reached here, but also the more frank comments that caused us to reflect on our vision for the future.

It is exactly this frankness, during our discussions of the most relevant issues for Timor-Leste's development, which have made this meeting a success. And it is also this frankness by the Government of Timor-Leste and the Development Partners that will enable us to continue to strengthen the plans to develop our young Nation.

Ladies and gentlemen,

It is an obvious conclusion from this meeting that our Partners acknowledge the efforts made by the Government and the progress we have achieved, especially in regard to improving national security and stability. However, the situation remains fragile and there are still many challenges to overcome.

Well, the IV Constitutional Government is not going to rest on the successes it has achieved.

We will continue to work tirelessly in order to achieve our sustainable development goals, and we will continue to do so with the cooperation of the International Community that continues to believe in Timor-Leste.

It also appears to me that our relationship has matured – and with maturity comes greater responsibility.

The establishment of efficient planning mechanisms and coordinated processes to align our work and drive the achievement of our priorities, along with rigorous monitoring and

transparency of our program implementation and, importantly, the courage to review and reassess our decisions and our progress, will be the most effective and responsible way to fulfil our commitments.

Ladies and gentlemen,

This meeting takes place following exhaustive work by this Government's members in considering and making decisions on programs that form the 7 national priorities. These priorities were presented in detail by the Ministers and Secretaries of State in their areas of responsibility.

By agreeing with our priorities and focusing on rural, infrastructure and human resources development, our Development Partners commit not only financial assistance but also moral support.

And moral strength, ladies and gentlemen, is the driving force for transforming our society.

Ladies and gentlemen,

The international financial crisis and its impact on our financial stability is another great challenge that we must overcome – but, after all, we are used to dealing with challenges.

Upon solving our pressing situation in relation to stability and security to enable development, we see the impact of the financial crisis that is affecting the world economy and the oil revenues of Timor-Leste.

The Strategic Development Plan will meet this challenge, taking our macro-economic context into account and developing basic infrastructure to enable the growth of our productive sectors and the increase in competitiveness of the Country.

We want to increase our non-oil revenues to free ourselves from the dependence on our natural wealth. It is here that we need the entire labour force of our population, especially in the rural areas where the poorest reside and where agriculture, the Country's main activity, is undertaken.

Ladies and gentlemen,

While I need not repeat the Government plans for achieving this goal, which we discussed thoroughly during this meeting. I will emphasise that the Government's strategy will focus exactly on the sectors that can contribute most to economic growth.

The private sector has a key role to play in the Country's economic growth and sustainable development. As such, it is a Strategic Partner of the Government.

We believe that one of the factors that cause our Country to have such a low private investment rate is the poor condition of our business environment. Therefore, this year we are giving priority to improving our systems to support business development.

In order to develop our business environment we will be improving the conditions for private companies to have access to credit, through reinforcing microfinance institutions, especially in rural areas, and developing mechanisms for the creation of a National Development Bank. We will also be accelerating short term measures such as:

- eliminating the minimum capital required for starting a company;
- reviewing labour rules so as to increase flexibility;
- developing construction rules;
- continuing to simplify business establishment procedures;
- improving coordination among the various stakeholders; and
- strengthening the capacity of institutions (including technical, human, financial and training resources) and businesspeople.

Honourable delegates,
Ladies and gentlemen,

The commitment by your countries in participating in Timor-Leste's development efforts was evident in your contributions during this Meeting. On behalf of the Government, I can say that we feel privileged in the number of projects that have been implemented in our Country with your support.

The new stage we will now embrace will enable all Timorese to know the work we have been carrying out together, especially in the rural areas, as we are going to invest more in those areas which are more distant from the Country's activity and decision-making centre.

Ladies and gentlemen,

In conclusion, I thank those who have made this meeting possible: the World Bank, the United Nations and the Government members and staff, in particular the Ministry of Finance and the Ministry of Foreign Affairs, for organising such a successful event.

I would also like to say the name of each country represented here, in order to underline my gratitude, but fortunately there are too many! Countries from all parts of the world have been supporting Timor-Leste through bilateral and multilateral cooperation.

To everyone, an embrace of gratitude!

Thank you very much.

Kay Rala Xanana Gusmão

4 April 2009