

Summation Points to TLDPM 2013
by Peter Maher for the European Union (on behalf of all Development Partners)
Dili, 20 June 2013

Honourable Ministers etc

I have been volunteered by my colleagues to deliver some summary remarks on behalf of all Development Partners – which synthesize some of the key themes and issues arising in the discussions today and yesterday. I have only four points and as a result I will be mercifully brief.

Firstly, a key area of concern for all Development Partners is that of **Capacity Building**:

Everyone has different views of what this is, what it should be, how it should be undertaken, what it should achieve and within what kind of timeframe. In this context, Development Partners are of the consensus view that each ministry and institution should each develop its own Capacity Development Framework or Plan that clearly distinguishes two key aspects;

- Support for medium-term and long-term capacity development goals and
- Support for line management ability to meet immediate delivery priorities.

Such an approach would help address inadvertent capacity substitution issues and would allow individual ministries and institutions to proceed at their own pace, according to their own priorities. Equally importantly it would help Development Partners avoid donor-driven prioritization as well as help them to focus their efforts on areas where the timing is right and the greatest commitment and ownership is demonstrated and evident.

The second key area of concern relates to **Coordination** by Government.

There needs to be greater understanding that “Coordination” is a resources intensive undertaking and cannot be effective unless adequate human and other resources are actually committed to it. In this context the Development Partners would like to see the Development Policy Coordination Mechanism become credibly operational through quarterly meetings, which are characterized by senior leadership and commitment by the key line ministries concerned. But such an operationalization will not be possible without adequate resources dedicated to support and underpin the processes leading to such quarterly meetings.

The third key area relates to overall **Economic Policy** and related public expenditure patterns.

Building solid economic foundations is a key goal in the New Deal Framework. And while there is an unquestionable need to build infrastructure and physical capital – Development Partners are again of a consensus view that this is only part of the requisite conditions necessary for success. Development Partners wish to emphasize an iron law of sustainable development - that there is no trade-off between investing heavily in Human Capital and economic growth and improvements in livelihoods. In fact the very recent historical experiences of Timor Leste’s neighbours in Asia demonstrate - beyond any doubt whatsoever - that investing in social sectors – is critical for sustained growth and inclusive economic development.

The fourth and final point also relates to that key pillar of the New Deal Framework – **TRUST**.

Trust is a two-way street that requires commitment and effort to build from all partners. Development partners are keen to strengthen the building of country systems by increasing the use of country systems. However, this involves risks. And development partners require the credible commitment of government to help manage and mitigate those risks so that the integrity of the emergence from fragility and transition to resilience has a solid foundation - upon which the independence and prosperity of Timor Leste can be reliably built.

Thank You