

Timor-Leste Development Partners' Meeting
Dili, March 28, 2009

Opening Remarks

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Your Excellencies Interim President Lasama, Prime Minister Gusmao, Honorable Ministers, Distinguished Officials, Distinguished SRSG, Colleagues, ladies and gentlemen.

Thank you for giving me the opportunity to address this important meeting.

I'd like to begin by extending the World Bank's very best wishes to President Jose Ramos Horta for a speedy recovery and return to his duties.

The events of February 11 are a heavy reminder of how close this country has come once again to chaos. While we should commend the manner in which the Government has maintained its focus on the business of state, there is no escaping the fragility of Timor-Leste's political situation---and the need to approach each day as if it were borrowed time.

This is the context in which the Government has produced its 2008 National Priorities---and this is the context in which we as international partners need to focus on helping deliver them.

This Government believes it is very short of time, and that it must deliver real, visible benefits to a population disillusioned by the promises of politicians and the self-congratulatory rhetoric of the international community. I agree with the Government---we have to approach the economic agenda in a spirit of emergency. The public is impatient and action is needed. That requirement extends to the development partners. We as donors have all spent too much time on process and on planning, and too little on delivering basic services.

The 2008 National Priorities are, I believe, an attempt to ask the following question: "What do we, as a Government, *have* to do to ensure the survival of this state?"

It's the right question---and the 2008 National Priorities are, I believe, a pretty good answer. The six Priority Areas are consistent with the policy statements this Government has made since assuming office, and capture the basic requirements for national stability: providing security and justice, addressing the needs of those who have fought for their country, have suffered, or who are disadvantaged---and building the basis of an economy that can provide jobs, hope and a stake in the future.

The World Bank fully supports the concept behind the Government's 2008 Results-Oriented Matrix: the notion that the attention of the PM and his Cabinet should be focused on delivering a limited list of very specific actions by the end of 2008. We in the World Bank will make it our business to help the Government fulfill the commitments it is now making by publishing this Matrix.

I want to be brief---we have a long day and we are all keen to hear from Honorable Ministers how they plan to ensure the delivery of these 2008 National Priorities. So let me just raise two issues.

The first is the question of refining the 2008 Results-Oriented Matrix. The Government's paper admits that the identifications exercise was not perfect, and that the Matrix could use some improvement. I would agree with this----the Matrix is good, but it could use another round of improvements to focus it further, reduce the number of specific actions and make the outputs even more specific. I would urge the Government to go back after this meeting and carry out one more round of compression--- make one more attempt to be specific in those areas that are still vague, and to scale back targets that, in all reality, may not be achievable. And at that point I would suggest that the Government freeze the Matrix----and put all its energy into delivering the program. There's a danger that constant refinements will disperse everyone's energy. There's also a risk that Government officials will feel less accountable if they believe that Matrix benchmarks can be adjusted at a later date.

My second concern is how we can ensure that the 2008 National Priorities remain at the top of the Government's agenda---and that their implementation remains front and center of the donor effort. Doing so requires timely, simple, high-profile monitoring. The Government's document explains how a small secretariat, headed by the Ministry of Finance, will be established within the Inter-Ministerial Committee for Economic Development, and how it will provide monthly reports to the IMCED as well as quarterly evaluations of the Matrix. This is very useful, as long as these arrangements are put in place at once. The Government's document also mentions an independent 'peer review' process to be led by the World Bank and supported by other donor partners. The World Bank is happy to accept this role.

It is important, though, that the 2008 National Priorities are used as a means to help focus donor activity on the essentials for stability. A good way to do so would be for the Government to form six working groups---one for each Priority Area---and invite relevant donors to participate in them. Those working groups would focus strictly on the implementation of the program that has been laid out in the Matrix.

Let me close by saying that committing ourselves to these 2008 National Priorities is no small matter. If we fail to follow up and deliver this program, we will have failed this country and its people, and we will have lost an opportunity that may not come round again. Success though, will go a long way to restoring stability, and putting the country back onto a path towards normality.