

SPEECH TO BE DELIVERED BY H.E. MR. KAY RALA XANANA GUSMÃO

**PRIME MINISTER OF THE DEMOCRATIC REPUBLIC OF
TIMOR-LESTE**

ON THE OCCASION OF THE CONFERENCE ON

“2008 THE YEAR OF ADMINISTRATIVE REFORM”

Dili, 8 May 2008

Ministry of Foreign Affairs

Excellencies,

Ladies and Gentlemen,

Last year I announced that 2008 would be a Year of Administrative Reform to improve Government accountability and strengthen the civil service.

On coming to Government, we were determined to establish an effective institutional framework of good governance.

And I am pleased to announce today our progress in establishing this foundation of good governance – a foundation to ensure effective service delivery to our people and the ethical and proper use of public money.

The Government is committed to improving good governance because improved governance results in improved performance.

Since our nation won its independence in 1999, we have asked ourselves:

- What sort of a nation do we want?
- How we will create that nation?
- What do the people of Timor-Leste stand for?

And sometimes, we do not always agree – that's what a democracy is all about.

But by establishing an effective institutional framework of good governance, we continue to improve our country, our society and our democracy – by protecting that democracy with strong, independent bodies.

This is what the people of Timor-Leste voted for. This is what they deserve.

We will deliver improved governance through the initiatives of the Year of Administrative Reform. These reforms are:

- the establishment of a Civil Service Commission
- boosting the powers of the Office of the Inspector-General to enable it to become the Government's independent auditor, and
- the establishment of an Anti-Corruption Commission.

These important reforms will strengthen a culture of accountability and openness in the civil service.

They will create institutions that are independent of executive Government that will keep Government honest and accountable - institutions that can put the spotlight on Government failings and help us to improve our performance.

Together these reforms will deliver on our commitment to create high authorities for good governance.

They will also make the civil service – the service that delivers programs and helps the people of Timor-Leste – more approachable for the people it serves, the people of Timor-Leste.

It is a bold Government that gives such a priority to establishing strong independent institutions that can hold it publicly to account.

We have decided to go down this path because we believe that transparency and independent accountability are not obstacles to effective governing, but rather, they ensure that we govern well and in the interests of the people.

With these three reforms, we will have an open Government and a Government subject to independent, rigorous and public scrutiny.

Civil Service Commission

I am very pleased to announce today that the Council of Ministers has approved the framework for the establishment of the Timor-Leste Civil Service Commission.

This framework was developed following extensive consultation within Government.

The Civil Service Commission will be the driving force to develop a modern and professional civil service.

It will be an independent body with the key objectives of ensuring:

- employment in the civil service is based on merit and political impartiality
- the civil service provides quality services to the Government and people
- the civil service is efficient and effective
- employees are treated fairly and reasonably
- strong values and leadership are developed across the civil service.

This is a very exciting development for the Government and people of Timor-Leste.

An effective and efficient civil service is the necessary foundation for the delivery of services – whether it be it in health, education, justice, infrastructure or any of the other important services government provides.

The delivery of services is what the people of Timor-Leste expect from good government. The delivery of services from an effective and efficient civil service is the goal of the Government of Timor-Leste.

The framework for the Civil Service Commission is uniquely Timorese – it reflects our circumstances and aspirations.

The Civil Service Commission will be an independent body – it will not be subject to political interference or influence. It will report to the National Parliament and will not be subject to control or direction by the Government, the Prime Minister or any Minister.

The Commission will set standards and determine employee disputes and misconduct issues.

There will be no place in our civil service for political patronage, favouritism, corruption or bad performance, and it will be the role of the Civil Service Commission to ensure our managers and employees understand their responsibilities and obligations.

A Civil Service that eliminates political patronage, favouritism, corruption or bad performance is what the people of Timor-Leste deserve.

And it is what the Government has set out to achieve for the people of Timor-Leste.

It will take time to implement, but I am committed to delivering a civil service of which the people of Timor-Leste can be proud.

We also want to improve the performance of our civil service. The Civil Service Commission will help Ministries train their staff and design their jobs.

The Taskforce has now commenced work on the second stage of its work which includes the development of detailed legislation and an operating plan. The Chair of the Taskforce, Mr Greg Vines, will speak more about this in his presentation this morning.

The Taskforce will continue to consult widely with the civil service and I acknowledge the contribution many of you made to its development.

Boosting the powers of the Inspector-General

The second key reform of the Year of Administrative Reform is to boost the powers of the Inspector-General so that it becomes the independent government auditor reporting to the National Parliament.

Today I can announce that the Council of Ministers has approved a policy framework to expand the mandate of the Office of the Inspector General to assume the role of the independent Auditor General of the State.

For the first time, Timor-Leste will have an independent body with responsibility to oversee and report on the use and management of public money.

This reform will ensure that the Government:

- is accountable to the National Parliament and to the people
- uses public money in an ethical, efficient and effective way
- acts in accordance with the rule of law in the use of funds.

These reforms will give the Office of the Inspector-General responsibility to undertake financial and performance audits of government departments and agencies.

And it will perform these functions independently of Government.

The current arrangements under which the Office of the Inspector-General reports to the Prime Minister will change, and instead, it will report directly to the National Parliament.

This initiative demonstrates the Government of Timor-Leste's commitment to openness and independent scrutiny.

The importance of independent financial auditing to good governance cannot be overstated.

It ensures that Government is accountable and transparent. An independent, well-resourced and independent audit body is a critical part of an open democracy.

An accountable and transparent Government is what the people of Timor-Leste deserve.

The Inspector-General will also be given a mandate to conduct any performance audit he or she considers necessary.

A performance audit will determine whether Government departments and agencies are achieving their purpose in an effective, efficient and lawful way.

These performance reviews will open the Government to independent scrutiny of whether it is effectively providing services to the people.

Financial and performance auditing have played an important function in the history of public administration.

It ensures that Governments and the people can be confident that their money is been spent properly and can be accounted for.

It is a significant part of the integrity systems of all developed nations and is central to the promotion of good governance. The audit process promotes an effective democracy through enhancing participation, accountability and effectiveness of Government.

With the approval by the Council of Ministers for boosting the powers of the Inspector-General, the drafting of legislation will now commence. The Inspector-General, Francisco de Carvalho, will speak more about this important reform in his presentation this morning.

The Anti-Corruption Commission

The third key initiative of the Year of Administrative Reform is the establishment of an Anti-Corruption Commission.

This Government is committed to minimising the risk of corruption in our country. To strengthen these efforts, we will establish an Anti-Corruption Commission with strong and coercive powers to fight corruption.

We must make sure that corruption does not pay in Timor-Leste – that the risks of engaging in corrupt behavior are real and substantial.

We need to take bold actions and strong measures – this is not a time for small steps and incremental change. It is critical that we do not allow corruption to take root in our new democracy. And we now have the strongest political will to prevent this from happening.

This is what the people of Timor-Leste deserve.

And the Government is committed to establishing an Anti-Corruption Commission is forward looking.

We are not interested in this body being used for political purposes – it will not be established to look at the sins of the past.

It will be a forward looking body that is independent of Government and which reports to the National Parliament.

There has already been debate about the best way to implement the Government's policy to establish an Anti-Corruption Commission.

International experience tells that for Anti-Corruption Commissions to be successful they must be supported by civil society.

And our Government will not establish this body without first talking to the people – to get their views on the best way forward. We will be working closely with civil society on the development of the Commission.

So today I can announce that the Government will commence a period of consultation with civil society and interested parties on the best way forward – on the structure, mandate and powers of the Anti-Corruption Commission.

To assist this process a discussion paper has been distributed today that sets out options for the establishment of an Anti-Corruption Commission.

The Government will now be undertaking an extensive consultation process. This will include the conduct of information sessions and workshops throughout the country.

In other words, the Government of Timor-Leste will consult with its own people about this important new body.

One which the people of Timor-Leste can have confidence will act without fear or favor to expose, root out and punish those who are guilty of corruption in our society.

And the Government will consult directly with interested stakeholders including Government agencies, authorities directly involved in fighting corruption, civil society organisations, business and industry associations, and donors.

And we will welcome submissions from you on the best way forward to establish an Anti-Corruption Commission with the strong support of both the Government and the people.

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When we came to Government we said that we would create an apolitical civil service that delivers to the people. We said we would deliver a clean, open and transparent Government. We said that we would minimise the risks of corruption.

That is why we are here today.

The initiatives of the Year of Administrative Reform will provide an effective framework for good governance. And improved governance will result in improved performance.

By establishing this governance framework, we will improve our country, our society and our democracy.

This is what the people deserve from Government.

These reforms will make sure that the Government is kept honest and accountable. They will create institutions that are independent of executive Government.

With these important reforms, we can all work together to strengthen democratic governance for Timor-Leste.

Thank you.

Kay Rala Xanana Gusmão