



**DEMOCRATIC REPUBLIC OF TIMOR-LESTE**

**SPEECH BY**  
**HIS EXCELLENCY THE PRIME MINISTER**  
**KAY RALA XANANA GUSMÃO**  
**ON THE OCCASION OF THE 3<sup>RD</sup> ANNIVERSARY**  
**OF THE IV CONSTITUTIONAL GOVERNMENT**

**Main Hall, Lahane Palace**

**6 August 2010**

Your Excellency the President of the Republic  
Your Excellencies the Vice Presidents of the National Parliament  
Your Excellency the President of the Court of Appeal

Your Excellencies the Bishops of the Dioceses of Dili and Baucau

Distinguished Members of Parliament  
Distinguished Members of Government  
Your Excellencies the Directors  
Your Excellencies the Presidents of the Independent State Bodies

Your Excellency the Chief of the Defence Force  
Your Excellency the Commander of the PNTL  
Your Excellencies the Members of the Defence and Security Forces

Your Excellency the Special Representative of the Secretary-General of the United Nations  
Your Excellencies the Members of the Diplomatic Corps and Representatives of  
International Agencies

Your Excellencies the Representatives of the Civil Society, the NGOs, the Media and the  
Private Sector

Ladies and Gentlemen  
People of Timor-Leste,

First and foremost, I would like to thank you Your Excellency, the President of the  
Republic, for your kindness to give us your time and this venue for this simple ceremony.

Secondly, I would like to express my deep appreciation and thank all of you who have come  
here today which demonstrates the sense of collective responsibility that guides us to meet  
the higher interests of our People.

This ceremony is not a celebration. But it will serve to reflect upon the three years of  
governance of the IV Constitutional Government. And I can say that an environment of

increased national stability and of demonstrated confidence and democratic maturity, factors important and fundamental for our Country, was achieved thanks to the intervention of the President of the Republic as well as the organs of national sovereignty, and especially the role of the political parties as well as that of the Church and Civil Society and, above all, our People.

The AMP Government assumed three years ago the commitment to fulfil a reformist policy agenda that would guarantee to the Country, and above all to future generations, a promising program of social and economic development. And it is in this context that we are gathered here to reflect and evaluate whether or not we have responded in a positive way to the expressed political will for change.

Your Excellencies

Ladies and Gentlemen,

The merging of four political projects into one Government Program (which in 2008 was further strengthened with the addition of UNDERTIM) sought as a priority to systematize structuring reforms in vital sectors for national development, namely:

- The Reform of the **Defence and Security Sector** in order to ensure national stability;
- The Reform of **State Management** so as to improve governance;
- The Reform of the **Social Justice System** to ensure social assistance to the most vulnerable groups and the recognition of the National Liberation Heroes;
- The Reform of **Basic Infrastructure** enabling, among other things, the start of economic growth; and
- The Reform of the **Private Sector** promoting strategic partnerships between it and the Government, to promote sustainable development.

The first step for achieving this goal was the creation of a multi-disciplinary team, including a significant number of independent professionals, supported by a series of political principles and values that would bring together two vital aspects for the consolidation of a stable and responsible Government: restoring the confidence of the People in the Agencies of the State as a step to returning the power of decision making to those same People.

Despite the criticisms, which are sometimes unfair but other times needed, I must say that the men and women of this Government knew how to carry out their duties with dedication, having been tireless in the search for solutions to the challenges that they faced. They may not have achieved everything but they did their duty and they gave their best!

It is also with conviction that I can affirm that without the contribution of a strong opposition and without the participation of an increasingly more sophisticated Civil Society, as is occurring in our country, we would not have taken the leap in the direction of our affirmation as a sovereign State ruled by the values of transparency and good governance.

After three years of continued effort and commitment by the State Agencies and Civil Society, **ALL OF US have been moving Timor-Leste from the group of countries in ongoing conflict and with general suffering** and attained very significant achievements, which have been acknowledged internationally.

Excellencies

Ladies and Gentlemen,

At this stage, I would like to remind everyone of some the Government's achievements that we accomplished during the three years of mandate.

Firstly, **we have ensured political and social stability**, including the resolution of national security problems and the introduction of comprehensive reform in the sector of defence and security.

As you know, security and economic development walk hand in hand, since without peace, tranquillity and confidence among the People it is impossible to undertake the necessary steps for the economic, social and political growth of the Country.

Therefore, in 2007 and 2008, and in accordance with our Government Program, we gave absolute priority to the sector of security and defence.

I must give a word of appreciation to the F-FDTL and to PN'TL, which through the creation of the Joint Operational Command, during this troubled period in our Country's recent history, acted in a remarkable and extremely cooperative manner, in constant dialogue with the People, and were able to find the best solution to meet the reality of our situation.

By solving these complex problems we finally started to see a glimpse of national stability. This, along with the spirit of institutional cooperation and solidarity, enabled us to attain two major achievements: **restoring the confidence of the population in State Agencies** and **restoring the image of Timor-Leste** before the international community.

Secondly, we began 2008 as the year of **Administrative Reform**. And so, we made various legislative, administrative and financial reforms, reformed procedures, systems, processes and governance mechanisms, and established new Commissions to ensure the professionalism and transparency of the Civil Service.

As the **Civil Service** is a vital component of our economy and promotes economic growth, we focused on its technical capability and administrative competence, i.e. productivity, professionalism, integrity and efficiency in Public Administration.

The primary outcome of this approach was the establishment of the **Civil Service Commission**, to seek to depoliticize the civil service and to instil a culture of professionalism, merit-based promotion and, consequently, the provision of better services to our communities.

The path is long but we have confidence that we going in the right direction. And I would like to take this opportunity to express the recognition of the IV Constitutional Government for the contribution of the civil service, and especially the Director Generals and the national and regional directors. Without your efforts, we would never have been able to achieve what we have to date.

Importantly, we also established the **Anti-Corruption Commission**, which is an independent body reporting to the National Parliament with strong and effective powers to fight corruption. This Commission has a vital role to play in improving governance, which is strategically crucial for us to efficiently mobilise our national resources to achieve economic growth and social development.

In addition, in regard to public administration reforms, we gave special attention to the Ministry of Finance, which has been significantly improving its systems and procedures. And further, the Ministry of Finance is decentralizing its powers and responsibilities in the areas of budget, procurement and treasury to line ministries, resulting, among other things, in a significant improvement in budget execution rates.

Thirdly, we started the process of paying pensions and allowances to our **Veterans and National Heroes, our elderly citizens, our widows, our orphans and other more vulnerable groups** of Timorese society.

Implementing these measures of social justice, for the first time, is essential for national stability and allows us to, by investing in the current generation, create the conditions for a next generation that is more educated, healthier and more prosperous.

By acknowledging the vital role our veterans played in the construction of the Nation, and by supporting our elderly and other vulnerable groups, we are also investing in our human capital, allowing many families to have access to health, education and wellbeing. And we are also contributing to the creation of small businesses, thereby further alleviating poverty.

Fourthly, we have started an ambitious plan of **planning and surveying the need for basic infrastructure** that are fundamental to the delivery of education and health services, agricultural and industrial development and employment creation.

Also in this sector, we have started a bold project to **generate electricity and energy** in order to supply electricity to the entire Country.

Fifthly, at the same time we removed the first of the obstacles to the **development of the private sector**, i.e. ensuring security and stability in the Country and increasing the

confidence to invest. We have started an open dialogue with national businesspeople, listening to their needs and difficulties, and importantly we supported the establishment of the Chamber of Commerce and Industry to improve and build this sector even further.

We are also following initiatives for the establishment of consortiums that will give more capacity to our companies.

We have also implemented the **Referendum Package**, which is a completely innovative measure that, among other things, enabled us to know and evaluate our local businesspeople better, and develop the private sector, particularly in rural areas. This initiative will be continued in the Decentralized Development Package.

This initiative is part of a gradual process to build the capacity of businesses and the local communities themselves, which will have a vital role to play in the identification and implementation of these projects, ensuring the delivery of increasingly more professional and better services.

We need to nurture employment creation, develop the economy and improve basic infrastructure, social responsibility and broad participation in a decentralized manner, as well as encourage development in rural areas.

**Employment cannot be created by way of decrees, and it is employment that will enable us to reduce poverty in our Country.** Hence the investments we are making are vital for creating jobs.

Your Excellencies

Ladies and Gentlemen,

During the three years of the mandate by this Government **we have increased public investment**, which enabled our towns and districts to grow; the creation of new jobs and the improvement of agricultural productivity; the growth of our tourism industry; the construction of houses, roads, schools and health clinics; the opening of shops and small businesses and the increase in the purchasing power of the Timorese.

And it was because of this public investment that in 2008, despite the serious financial crisis that affected the entire world, Timor-Leste managed to be ranked as **the second fastest growing economy in all the world**, after only Qatar, with a growth rate of 12.8%, and continued to have a two-digit growth rate in 2009.

As Prime Minister of the IV Constitutional Government I would like to give you my word of honour that the Government will not rest on its laurels.

On the contrary, we are encouraged to do more and better, being aware that these last two years until the end of our mandate will require great effort given the challenges to delivering the commitments we made in the Government Program.

As I travel the Country from East to West I think all the time about **what Timor-Leste wants to be 20 years from now**.

I believe it is a Country dedicated to the hydrocarbon industry, supported by other small industries. A Country with an urban expansion that is well distributed throughout the territory, and with rural urbanization enabling the populations to live in communities, where the delivery of basic services reaches every citizen.

The Strategic Development Plan will be essential for improving production, production capabilities and productive employment opportunities, by way of:

- the modernization of agriculture
- the increment of industry
- the provision of social services
- the development of human capital

Ladies and Gentlemen,

It is up to all of you and to the People of Timor-Leste to reflect whether the programs that have been implemented are adequate to respond to the needs of the Nation. It is up to us as Government to correct that which could be better and to continue selflessly to serve the People with boldness and ambition.



When we are talking about serving our beloved Timorese People, of sowing hope for a better future for our children, we can only be ambitious, we can only dream big.

Thank you very much!

Kay Rala Xanana Gusmão

6 August 2010