



DEMOCRATIC REPUBLIC OF TIMOR-LESTE

ADDRESS BY
HIS EXCELLENCY THE PRIME MINISTER
AND MINISTER OF DEFENCE AND SECURITY
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**“TIMOR-LESTE’S TRANSITION FROM CONFLICT TO
STABILITY”**

DEPARTMENT OF DEVELOPMENT
1 PALACE STREET, LONDON
7 MARCH 2011

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Ladies and Gentlemen,

It is a pleasure to be here and to speak to this Seminar on “Timor-Leste’s transition from conflict to development” and to share with you some reflections on international situations.

I would also like to thank the Department for International Development, for hosting this event, and the United Kingdom Government and the Foreign and Commonwealth Office, for their support during my short visit to London.

While I am here to talk about Timor-Leste’s transition, we are of course currently witness to rapid change in parts of the Arab world.

While we watch, with interest and concern, as events unfold, we must be clear in condemning all violence against citizens. And we must all hope, that the transition of these countries leads to a better life.

For this to happen - if Timor-Leste’s experience is any guide - people must move forward with empathy, good-will and a commitment to peace, reconciliation and dialogue.

Ladies and Gentlemen,

Timor-Leste’s transition from conflict to development has been difficult.

As with some other countries in South East Asia, our experience has involved terrible violence, loss and struggle.

We do not forget the pain we have experienced, and, it has become part of who we are. But we also remember the great acts of courage and sacrifice and the extraordinary determination of our people to prevail.

Our achievement of Independence was, however, just the start of our struggle. Now we face the ongoing challenge of Peacebuilding and Statebuilding.

While we have great hope and have made progress, we have also suffered setbacks and made mistakes. We have learned many lessons – lessons we are eager to share.

We share our experiences, however, knowing that we are not the only country emerging from conflict, and that there is no one template, or one model, to achieve development. Each country has its own history, its own lived experience and its own culture and context.

Any development program, that does not try to recognise the individual complexity of local circumstances, is sure to fail. And so, to be successful, development approaches must respond to the demands, needs and aspirations of people.

Ladies and Gentlemen,

Please let me put the lessons, we have learned in this context, and talk about our experience.

Timor-Leste is half of a small island with just over 1 million people. With the other half being part of Indonesia, we are located between the two regional giants, Indonesia and Australia.

Following the withdrawal of Portugal after over four centuries of colonial domination, we were invaded by Indonesia in 1975. This led to our 24 year war for independence, in which around 200,000 Timorese died. On 30 August 1999, our people voted overwhelmingly for independence, but the violence and destruction that accompanied the vote was also incredibly traumatic. After over two long decades of brutality and fighting, the Timorese people were scarred.

It was in this context that we embarked upon the arduous task of Statebuilding.

On 20 May 2002, following a period of United Nations administration, Timor-Leste became a sovereign and independent State.

This was a time of great hope, in which, Timorese dreamed of a future full of promise. However, many challenges threatened to destroy this dream.

We lacked infrastructure, human and financial resources and political experience in democratic governance. Coupled with the impact of trauma, poverty and historical division, the fragile nation of Timor-Leste began its history, with a cycle of unrest and violence.

This cycle included a crisis in 2006 which resulted in deaths and around 150,000 internally displaced people. The failure to address the causes of this crisis led, on 11 February 2008, to simultaneous attacks on both the President and myself.

From these crises we learnt that the path to development is difficult. We learnt that development is not a matter of taking some easy, and universally applicable, steps – like following a recipe in a cook book.

And most importantly, we learnt that we needed to directly address the root causes of our fragility.

To respond to our particular circumstances, we took steps that we considered necessary, while adhering to a simple yet essential principle: to govern in dialogue.

We began by focusing our effort on securing peace and stability – for there can be no development without security. We worked to heal wounds, to change mentalities and to address deep social problems.

These steps included:

1. solving the problem of our 150,000 internally displaced people through returning IDPs to their homes and closing the camps - we had to buy peace;
2. reforming the police and military forces and building trust and cooperation between them;
3. introducing a new framework of public sector governance and public financial management, including the establishment of a Civil Service Commission and an Anti-Corruption Commission;
4. introducing social justice policies to provide pensions to the vulnerable, the disabled and the elderly;
5. acknowledging and supporting our national heroes, the National Liberation Combatants, many of who were living in extreme poverty; and
6. supporting the emergence of a local private sector.

These steps increased the trust and confidence in the institutions of the State and created a foundation of security and stability, on which we could develop our nation.

During this time, as we were dealing with pressing demands, putting out fires and engaging in dialogue with our people, we experienced some tension with our international development partners. Our partners were asking us for medium and long term plans, so they could prepare their multi-year aid strategies. But during this time, we did not have the space or the luxury of developing a long term plan. Events were also changing so rapidly, that we needed to be able to change course, when necessary, to ensure the survival of the State.

During these periods, to be effective, donor nations need to be flexible and to have the capacity to adjust to new and emerging priorities. This means, in circumstances of fragility, development programs need to be able to respond rapidly to urgent needs, and must avoid locking in financial resources, to narrow modes of support or discreet policy areas.

Ladies and Gentlemen,

We have now enjoyed three years of peace and stability.

There is a great sense of confidence and goodwill on our streets and in our villages and Dili must now be one of the safest capital cities in the world.

Our stability has also fuelled the emergence of a strong national economy. Timor-Leste now has one of the fastest growing economies in the world.

Even with the global financial crisis, Timor-Leste has enjoyed a two-digit economic growth rate for the past three years. In 2009, our growth was 13% – one of the ten highest in the entire world.

Timor-Leste is now debt free, with \$7.4 billion dollars invested through our Petroleum Fund.

While our economic growth is a means, by which, we are reducing poverty we know it is not the only answer. That is why we are focused, on achieving the Millennium Development Goals and have developed programs to reach our people, across our country in our villages and in our towns.

While we are still a poor country, with enormous challenges, we have made the transition from conflict and are embracing the path to the development.

Ladies and Gentlemen,

The international community has been with us, since the beginning, and Timor-Leste has been fortunate to have the support of generous development partners.

We now want to do, what we can, to make a contribution to other nations of the world in this same spirit of solidarity and friendship.

Timor-Leste has the honour of being invited, to preside over the 'g7+' group, which enables countries, that are fragile or affected by conflict, to join together and speak with one voice. It allows us all, to learn from the wisdom and shared experience of 17 nations, from around the globe that represents 350 million people.

The g7+ gives us, a mechanism to use the space provided by the global development dialogue, to explore new possibilities for solidarity and action, in fragile States. It presents an opportunity, for our countries, to re-acquire ownership of the development program and to ensure that it does not weaken our self-determination.

The g7+ will allow weaker countries, as well as the strong ones, to contribute to the creation of knowledge, about development, and will enable us to hold the machinery of the development process, to account for its failures, while at the same time, celebrating its successes.

It will also provide a forum, to seek to grasp the consequences, and the lessons, of China's rise and of living in a world, where the most significant poverty reduction project, in human history, has been largely independent of foreign aid and financial market globalisation.

The invitation to chair the "g7+" resulted from Timor-Leste hosting, in April 2010, the International Dialogue on PeaceBuilding and StateBuilding. This Dialogue, which is co-chaired by Timor-Leste with our Minister of Finance, Emilia Pires and the United Kingdom with Ms Bella Bird, has enormous potential, to transform international development assistance relationships, and improve outcomes for the world's most vulnerable people.

Ladies and Gentlemen,

I would like to say one final point on development.

I am aware that many are cynical about the possibility, of countries of the third world, achieving development. They dwell on the failures of international aid rather than its successes.

In Timor-Leste, we are well placed to comment on the failure of development programs – we have lived through the experience and, in a profound way, felt the disappointment. But voicing these concerns is the easy way out. The more courageous path is, to work hard with optimism and hope, towards a better future.

Giving up on alleviating extreme poverty and improving the health and education of our people, is not an option.

Timor-Leste is fortunate to live in a region that, is home to most of the world's development success stories, including China, India, Malaysia, Indonesia, Singapore, South Korea and Thailand.

We can see clearly the promise of development.

I would like to thank the United Kingdom for its important role in supporting both the International Dialogue and the “g7+”, and for its commitment to fragile States.

I look forward to continuing our work together, not only to make Timor-Leste one more development success story, but to improve the lives of the people of the world's least developed countries.

Kay Rala Xanana Gusmão

7 March 2011