



**DEMOCRATIC REPUBLIC OF TIMOR-LESTE**

**ADDRESS BY**

**HIS EXCELLENCY THE PRIME MINISTER  
AND MINISTER OF DEFENCE AND SECURITY**

**KAY RALA XANANA GUSMÃO**

**ON THE OCCASION OF THE 66<sup>TH</sup> SESSION OF THE UNITED  
NATIONS GENERAL ASSEMBLY**

**New York, 23 SEPTEMBER 2011**

Your Excellency President of the General Assembly  
Your Excellency the Secretary-General  
Excellencies  
Ladies and Gentlemen

It is a great pleasure for me to be back at the United Nations Headquarters. Last February, I had the honour of taking part in the Security Council meeting, where I took the opportunity to thank the permanent members and all other nations that have been part of the Council for the generosity and care that have always been present in the resolutions on Timor-Leste.

Today, on behalf of the people of Timor-Leste, I want to take this opportunity to thank all members of this forum for the support they have given to Timor-Leste in the promotion of peace and security and in the building of our national institutions.

I am pleased to inform the General Assembly that we have come a long way as a people and as a state replacing intolerance with constructive dialogue, and the right to protest with the duty to protest responsibly.

We have taken firm steps away from the difficult circumstances of the past and we have renewed the confidence of the Timorese people in the institutions of the State. As such, we have already endorsed the Joint Transitional Plan for the withdrawal of the United Nations Integrated Mission in Timor-Leste by the end of 2012.

Ladies and Gentlemen,

We are in the last year of the five year mandate of the Coalition Government that I have the honour of leading – the Parliamentary Majority Alliance (AMP) Government that includes five different political parties. Under the Constitution of Timor-Leste, the Government is determined either by the party with the most elected representatives, or by an alliance of parties with a parliamentary majority, as it is the National Parliament that is elected directly by the people and not the government itself.

A government can only be constituted if it is supported by a parliamentary majority. Following the 2007 elections the party with the most parliamentary representatives did not have a majority in its own right so the President of the Republic, after formally meeting with all parties, endorsed a coalition government in order to provide the best opportunity for stable government.

This constitutional option served the best interests of the nation as we were living in a period of great fragility at that time as demonstrated by the instability and violence that were consequences of the 2006 crisis.

Having inherited an unstable domestic situation the AMP Government focused on restoring peace and stability and resolving the many social and political problems that stemmed from the 2006 crisis and that continued into 2008.

We were determined to put an end to the violent outbreaks that began in 2000 that were repeated every two years as though Timor-Leste was trapped in a vicious cycle of violence.

The key to breaking the cycle was to acknowledge and to admit that we had failed. We had to address the root causes of our problems and learn to deal with the frailty of our State institutions. Fortunately we were successful in conveying a strong political message about the need for stability.

The AMP Government committed itself to a reform agenda and by governing through dialogue was able to:

1. Initiate vital reforms in the defence and security sectors including capacity building and professionalising the police and the defence forces;
2. Implement structural reforms in the state administration's management;
3. Create systems and structures to ensure good governance, while continuing to support the capacity building in the justice sector;
4. Introduce fairer social policies to reduce the imbalance that existed in society, taking into account the physical, moral and psychological damage of a 24-year long war. I am speaking about veterans and the elderly, who sacrificed themselves for our independence and who directly or indirectly have suffered the consequences of a devastating war;
5. Encourage structured policies on education, health and agriculture;
6. Promote a coherent economic policy throughout Timor-Leste to encourage the fledgling private sector.

In 2009, on the 10<sup>th</sup> Anniversary of the Referendum, the Government launched a new motto 'Goodbye Conflict, Welcome Development'. The people of Timor-Leste embraced this motto wholeheartedly.

Looking forward to the period 2011 – 2020 we are confident that we are now truly becoming a more stable and tolerant society that is peaceful by nature. We also have the necessary optimism to initiate a bolder period of development.

Excellencies  
Ladies and Gentlemen,

Over the last four years we have been strengthening the institutional capacity of our public administration to defend the best interests of the state, to improve public service delivery and to promote good governance.

We have introduced reforms in the area of public finance management and we have created a Civil Service Commission.

We have also created an Anti-Corruption Commission and begun to establish a Chamber of Accounts to promote transparency and accountability in our public accounts.

Earlier this year we launched an on-line Transparency Portal and Procurement Portal, providing access to data that is updated daily on the process of the Timor-Leste State General Budget and its execution. These portals also allow public consultation on advertised public projects.

We have begun to develop the capacity of our private sector by promoting competence, professional honesty and technical skills. Our aim is to transform the private

sector into a strong Government partner at this crucial period when we are building our country.

Across the country we have invested in agriculture to increase the productivity of the sector, as well as *Local and Decentralized Development Programmes*, focused on minor infrastructure projects to promote employment for young people in rural areas.

These measures have contributed to our economic growth and helped create jobs in the capital, Dili, and in rural areas and they have encouraged confidence in our state institutions and led to a spirit of optimism that has contributed to a change in mindset.

Ladies and Gentlemen,

Timor-Leste is a country blessed with great natural wealth, which means that we have the financial capacity to improve the living conditions of our people. However, we know that countries rich in natural resources often perform below their economic potential and that they are more vulnerable to conflict and more susceptible to bad governance.

As such, transparency and good governance, which are essential in any country, become even more imperative for countries that are rich in natural resources. Currently, the Timor-Leste Petroleum Fund of Timor-Leste has a balance of \$8.9 billion. We are the first country in Asia, and the third in the world, to be compliant with the Extractive Industries Transparency Initiative.

As a result of our good governance and prudent use of revenue, Timor-Leste has had double-digit growth in the last few of years. We believe that we are on the path to maintain this growth and we are confident that the institutions we have established to support the Fund will become stronger ensuring responsiveness and greater quality of work and execution.

We will diversify the investment of our petroleum fund equally in bonds and equities to guarantee long term sustainability so that future generations will benefit in the same way as the current post-war generation.

Having achieved our goal of stability, we were in a position to prepare a 20-year Strategic Development Plan that would substitute the annual plan for each fiscal year.

The Strategic Development Plan covers three vital areas: social capital, infrastructure and economic development. In terms of economic development we are focused on three strategic industry sectors – the hydrocarbon industry, the agriculture sector and tourism. We want to shift from an oil dependent economy to a non-oil dependent economy.

The strategies and actions set out in the Plan aim to transform Timor-Leste from a low-income country to an upper middle income country, with a healthy, well educated and safe population that is prosperous and self-sufficient in terms of food by 2030.

This new paradigm requires public investment in infrastructure and services and a dynamic private sector.

Many emerging economies, particularly in the Asian region have been growing, despite the serious international financial crisis.

Mr. President  
Excellencies  
Ladies and Gentlemen,

Next year will be very important for us to consolidate our State building process and to affirm ourselves as a sovereign, tolerant and democratic Nation. In 2012 we will hold presidential and legislative elections – the third democratic elections in Timor-Leste - which I am confident will be conducted peacefully.

Next year we will also celebrate vital historic dates that connect us to the more recent past of the struggle for independence and to the older roots that make us unique within the region and the world. In addition to celebrating the 10<sup>th</sup> Anniversary of the Restoration of the Independence, in 2012 we will celebrate the centenary of the Manufahi Revolt and the 500 year anniversary of the arrival of the first Portuguese navigators in Timor-Leste.

I would like to take this opportunity to invite you all to take part in these celebrations, in the same spirit of thanks and solidarity that we extended the invitation to our independence celebrations on 20 May 2002. After all, we were not alone on that important date and we continue to benefit from the generosity and support of nations throughout the world, as we pursue the challenge of nation building.

We are pleased to continue to strengthen and to expand our ties of solidarity with friendly countries from various continents with different stories, different beliefs and different ethnicities.

We are trying to be more active in our region and in the world, showing that it is possible to leave behind, or to close a period of conflict, even when it was long, and to focus our energy on humanist ideals of political and social tolerance for the dignity and development of all.

This is why we are intent on joining the Association of Southeast Asian Nations - ASEAN. Timor-Leste desires peace and shares the spirit of co-operation that led to the creation of this regional organization.

We are also continuing to build upon our relationships with other friends in Asia and the Pacific, including China, Japan, South Korea, Australia and New Zealand. Timor-Leste is strongly committed as well to our membership of the Community of Portuguese Speaking Countries which is formed by nations and peoples from the four corners of the world. We are observers in the Pacific Islands Forum and we have a good relationship with the European Union, which provides us significant support and assistance.

Next week, I will be conducting an official visit to Portugal. Portugal shares ties with Timor-Leste that go back hundreds of years. Despite being in one of the worst economic and financial crises in its history, exacerbated by the global and European financial crisis, Portugal remains a steadfast partner of Timor-Leste, strengthening its bilateral cooperation in several areas. The first Timorese military personnel are being trained in Portugal to

integrate into the Portuguese contingent that will participate in the peacekeeping mission in Lebanon under UNIFIL.

Ladies and Gentlemen,

Timor-Leste is part of 50 States classified as 'Least Developed Countries', or 'LDCs' for short. We are also called 'fragile States'. This classification as fragile States results from institutional, political, economic, social and other factors.

In April last year we had the honour of hosting an International Dialogue in Dili on the subject of 'Peace building and State building', with the participation of LDCs from the 'g7+', which is presently chaired by Timor-Leste. It is a forum that allows fragile and post-conflict countries to come together and to talk about themselves, to learn from each other's experiences and to create new possibilities for facing the future with determination and optimism. The 'g7+' consists of 17 member countries, covering around 350 million people from Africa, Asia, the Caribbean and the Pacific.

The 'g7+' also aims to improve the transparency and efficiency of international aid. It provides member nations with an opportunity for dialogue with each other and the international community about aid programs and aid effectiveness.

It should also be noted that fragile States require a period of transition with greater flexibility in donor funding - a 'one size fits all' policy approach can interfere with the individual processes of each country.

Mr. President  
Excellencies  
Ladies and Gentlemen,

A High Level Forum on Development Assistance is scheduled to take place next November in Busan, South Korea. In this forum we will evaluate progress made in achieving the Millennium Development Goals (MDGs) and we will set new action frameworks.

Developing countries focus on meeting MDGs every day; however it will be very difficult to meet them by 2015. These countries face daily challenges and difficulties in pursuing objectives to combat mal administration and reduce poverty.

Democracy is a process and not an end in itself. Most of these countries are young democracies and have the arduous task of changing the mindset of their people that has been scarred by conflict. They must also deal with internal and external pressures that prevent them from paying too much attention to a series of "universal" criteria that are too idealized or standardized and not adjusted to the actual situation of those countries.

Understanding the specific circumstances of each developing country and motivating the people to cultivate a spirit of hope and belonging will surely yield more results than forcing situations where receiving countries cannot meet the conditions imposed on them immediately, thereby being put in a situation of moral, psychological, political and financial dependency that does little to help them move towards development.

It is in this context of balanced and sustained development that I raise the issue of aid effectiveness.

Poor countries also need a message of confidence, since all they hear about is transparency and accountability. Still, the international economic recession proves that the lessons taught by those that have all the power, the knowledge and the money may not always be the best.

Therefore, I believe that we must all change our attitudes – poor countries and donor countries. And, ladies and gentlemen, the UN has a vital role to play here in terms of correcting and adjusting aid to actual and local realities.

We remain divided into North and South, into rich and poor, into westerners and Arabs, into Asian and African, into Muslims and non-Muslims, into Christian and non-Christian. Even today, many of the people who hold or influence power still have a cold war mentality.

We need a new world order that is also political and economic, where conflicts and discord are replaced by dialogue, where democracy is used to give voice to the weak and vulnerable, where aid and solidarity are used appropriately to mitigate the suffering of the people.

We have to give voice to the peoples of the world and listen to their aspirations. Only through dialogue can we fight violence, which causes all kinds of misery. Only through peaceful solutions can we prevent the massive destruction caused by war.

The people of Timor-Leste, who have experienced the pain caused by destruction and violence, hope that their brothers and sisters throughout the world who are suffering today because of conflicts, may find peace.

Peace is not merely the absence of war. Peace, real peace, comes from within - the spirit of peace.

Thus, I appeal to the United States of America to show great spirit and humanity and lift the embargo on Cuba, which has lasted for more than 25 years.

In 1991, I was still in the mountains leading the resistance when the Referendum for the Western Sahara was first proposed; I was in prison in 1995 when Yasser Arafat, Shimon Perez and Yitzak Rabin received the Nobel Peace prize.

Two prominent Timorese citizens also received the Nobel Peace prize and Indonesia accepted the Referendum result, just as North Sudan did.

We hope that the people of Western Sahara and Palestine can find more viable, just and realistic ways to resolve their conflicts which are sadly becoming the oldest conflicts in the world.

We all need to reform our mindsets, attitudes and institutions. We all must start these reforms within our own nations, but I would like to suggest a common challenge: that these reforms begin right here in this building in the headquarters of the United Nations!

Thank you very much.  
23 September 2011