



**P R I M E
M I N I S T E R**

**LECTURE BY HIS EXCELLENCY, THE PRIME MINISTER OF THE
DEMOCRATIC REPUBLIC OF TIMOR-LESTE KAY RALA XANANA
GUSMÃO AT THE LEE KUAN YEW SCHOOL OF PUBLIC POLICY AT
THE NATIONAL UNIVERSITY OF SINGAPORE**

**PEACE BUILDING AND STATE BUILDING: FROM FRAGILITY TO
RESILIENCE**

Singapore

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Excellencies,
Ladies and Gentlemen,

Today I would like to share with you a reflection on the Timorese experience – our difficult but successful transition from conflict to development, from fragility to resilience.

But first, I want to thank you for coming today, and I want to thank the Lee Kuan Yew School of Public Policy for organising this event.

It is a great honour to address such a distinguished audience, at such a prestigious university – the National University of Singapore.

Ladies and Gentlemen,

The Timorese people's struggle for self-determination and freedom has left the pages of our history marked with bloodshed; but they are also coloured by heroic deeds and humbling acts of sacrifice, and the final chapter tells of success as we achieved our dream of independence.

Other countries throughout the world have similar histories. We know we are not the only nation to work on peace building and Statebuilding, after emerging from a long period of conflict.

For example, Timor-Leste is just one of forty-nine countries the United Nations labels "Least Developed Countries".

We are one of the thirty countries labeled by the World Bank as "Fragile States".

We are also one of eighteen countries that have come together to form a group- known as the 'g7+' - to monitor, report and draw attention to the specific challenges faced by fragile states.

And we know that, around the world, there are still some 1.5 billion people living in extreme poverty.

So we are not alone but, we also know, our story is unique, as in a different way, Singapore's story is also unique.

As I share our story of struggle, of triumph, of transition and growth, I ask you to listen with an open mind, and understand that I am not advocating any kind of a model, that can be considered as the recipe to successful processes.

Development programs must be adapted to the cultural, social and economic context of each society as, I always say, the democratic process must also take into account the context of each reality. They must meet the needs and aspirations of the local population, and be accepted by them. The programs must be 'country owned, and country led'.

Ignoring local realities is often the reason why international assistance, to Least Developed Countries undergoing transition, fails.

Ladies and Gentlemen,

That is why I would like to briefly share Timor-Leste's journey. It was a long and difficult journey from colonial times and occupation to peace building and State building: from fragility to resilience.

Timor-Leste is half of an island, with the other half belonging to Indonesia. For over four centuries, we were administered as a colony of Portugal. On 28 November 1975, a year after the Portuguese Carnation Revolution, we made a unilateral declaration of independence. Nine days later we were invaded.

Singapore was one of the very few nations with the courage to immediately denounce the invasion. It was support like this that inspired us and gave us the necessary strength.

For 24 years, we persisted in a guerrilla resistance to the military occupation. Our people suffered and endured all kinds of sacrifice, but we held on to our dream of freedom. When we were granted a referendum on 30 August 1999, despite the climate of violence, our people decided and overwhelmingly voted for independence— but the result brought more killings and spread destruction all over the country.

Ladies and Gentlemen,

From late 1999, we were under the administration of the United Nations, which, with the support of the international community, helped us to build from scratch the foundations for the democratic institutions of the new State.

Finally, on 20 May 2002, we became the masters of our fate, and the Democratic Republic of Timor-Leste was reborn as an independent and sovereign nation.

While we had achieved our independence, we did not have the apparatus of a State.

We had no experience running a government and we lacked human resources and finance. We also lacked the basic infrastructure needed to run a productive economy or serve the essential needs of our people.

But our people had high expectations. Many believed that our freedom would end our suffering. After so much struggle, our people wanted a new life and better living conditions – and they wanted those things immediately.

For a family that struggles both in times of war and of peace, that lives in basic conditions with no access to health, education and other services, democracy could only be an abstract concept, and they demand the right answer to concrete needs.

The truth is that there are no shortcuts for consolidating democracy and development. It is necessary to walk a long and difficult path, in order to change the mindset of society and to give meaning to our values to change the experiences of every citizen, taking

into account a people scarred by a long conflict.

In our early years, the challenges we faced were enormous and the expectations so high, that we struggled with political and social intolerance.

Our beloved country was gripped by a cycle of violence, which saw conflict erupt every two years. And then, in 2006, we had a serious political crisis that led to confrontations between the police and the military, opening the way to hundreds of thousands of internally displaced people.

But we pulled together and, from this crisis, we learned our first major lesson: we urgently needed to deal with the fragility of our State, and address the root causes of our problems.

We had to encourage State institutions to cooperate and work together to find solutions, rather than focusing on old rivalries and on the political dimensions of every situation.

We focused our efforts on establishing peace and stability, as well as solving the most critical problems of the country, knowing that, without addressing the problem of stability and internal security, any development effort would be in vain.

It was through constant dialogue and genuine cooperation between all bodies of the State and civil society, together with the introduction of social justice measures and government reform that we managed to break the cycle of conflict.

And so, we embarked on a new process - of peacebuilding to Statebuilding.

Income started to flow from oil reserves in the Timor Sea and we made sure we had systems in place, to be able to provide for the urgent needs of today, while protecting income for future generations. We established a Petroleum Fund that has grown from \$1.8 billion in 2007 (the year of instability) to over \$13 billion today.

We were the first in Asia, and third in the world, to be compliant with the EITI (Extractive Industry Transparency Initiative), so that every dollar that comes in, from petroleum revenue, is publicly disclosed and matched with the records of the resource companies.

We established a National Petroleum Authority that employs some of Timor-Leste's most educated women and men, to manage and regulate petroleum activities in Timor-Leste's exclusive jurisdictional areas, and in the Joint Petroleum Development Area with Australia.

We are creating a highly transparent financial system, where anyone in the world eventually will be able to track the budget being executed in real time, track aid expenditure, track procurement and most importantly, track results.

We invested in capacity building in the security sector to improve professionalism in the Police and in the Military, bringing about a new stage of cooperation and solidarity among the two institutions.

We provided pensions to our veterans, the elderly, the disabled, widows and orphans and introduced similar social justice measures for other vulnerable groups such as women, children and youth.

Most importantly, we reflected deeply on our recent experience and realised that, without peace and internal reconciliation, there can be no inclusive development.

And so, together as a nation, we forged peace. After breaking our cycle of conflict and enjoying many years of peace, we were able to move to a new stage focused on long term planning and State building.

We said goodbye to conflict, and we welcomed development.

Ladies and gentlemen,

Having established a foundation of peace and security, we could begin long term planning and enter a new phase of our development.

In 2011, we released the *Timor-Leste Strategic Development Plan 2011-2030* that provides a comprehensive framework to transform our country from a low income nation to a country with upper-middle income levels by 2030, with a population that is secure, educated and healthy.

We have begun to implement our Plan and we are already achieving some outstanding results.

Our progress can be measured in many ways. One way is through economic growth, and Timor-Leste has been growing at an average of 11.9%, since 2007 as the year of reference, and the International Monetary Fund predicts that this level of growth will continue into the future.

But we also know that growth must be balanced and the benefits shared in an inclusive way. We have adopted local development programs to create jobs and improve living conditions of the population in the rural areas, especially with assistance in health, power supply, water and sanitation and access to education and to markets. In addition to this, we have started to build community neighbourhoods in various locations.

That is why we are implementing large programs to build infrastructure projects in every village in the nation.

Our economic growth also means an expanding private sector that is creating more jobs for our people and paying more taxes to fund the provision of basic public services.

Our progress can also be measured by looking at health and education.

Child mortality rates have also seen a sharp decline from 83 to 64 per thousand live births, between 2003 and 2009/2010. Life expectancy at birth has also increased from 59.5 in 2006 to 64.6 in 2011.

In the other sector, from 2010 to 2011, the total number of children enrolled in school, increased by 5%, 8% and 17% in basic, general secondary and secondary technical education respectively.

We have completed the largest infrastructure project in our people's history, by building a national electricity grid with generation and distribution across the country.

And we are embarking on an infrastructure program to provide a basis for a nation's sustainable economic future, which will include a new national port, a major airport upgrade, a national road network and the extensive development of our south coast to become a sub-regional centre for the petroleum industry.

We have established a Human Capital Development Fund to build the human resources of our nation and already our students are spread out around Asia and the world to learn the skills necessary for State building.

We are heading in the right direction as a nation and we are building our State.

In recognition of our progress, last year the last United Nation's Mission left Timor-Leste. We now stand firmly on our own two feet.

We are pleased that the withdrawal of the United Nation's Mission has not impacted the momentum of our progress or the security of our country.

Our transition from fragility to resilience has been possible because we took control and ownership of our future.

We know that we still face many challenges and that the process of State building is ongoing. But we have a plan and we have the same commitment to developing our nation as we did to freeing it.

Ladies and gentlemen,

Our transition from fragility to resilience has also given us the space to look beyond our own shores and allowed us to enhance our international engagement.

Just as the international community has done so much to support our people, now we want to be able to contribute something in return.

Part of our international focus is on supporting and working with other fragile countries around the world. An important part of this is working with the g7+, which is an important new collaboration between 18 fragile States.

The group was formed in 2010 to provide a united voice for fragile countries and to advocate for change in global development policies. The g7+ knows, from bitter

experience, that without peace and stability there can be no development. Not one fragile or conflict affected nation has achieved even one Millennium Development Goal.

This means that it will not be possible to eradicate poverty in the world, without first addressing the issues of fragile and conflict affected countries. That is why the g7+ nations have worked together to ensure that the post-2015 development agenda addresses the need for peace and stability, and that the perspectives of fragile States are central to the global dialogue.

As you know, the world is finalising its dialogue on the post-2015 development agenda on the expiry of the MDGs. Timor-Leste is proud of our Finance Minister, Emilia Pires, being a member of the High Level Panel that advised the United Nations Secretary General on this agenda.

To assist this work, in February this year, Dili hosted the leaders from around the world, including from the Asia Pacific and Africa, at an International Conference on the post-2015 Development Agenda.

As a result of our discussions and deliberations, we formulated the 'Dili Consensus' –a document that set out our priorities, and hopes, for the post 2015 development agenda. Importantly, it stated that we must set out a credible, responsible and realistic pathway to development.

Timor-Leste has also made an application to join ASEAN. ASEAN has been an international success story in establishing a region of peace, cooperation and development. As Timor-Leste is part of Southeast Asia we also want to be part of ASEAN and together contribute to regional growth, social progress and cultural development.

We also know we must work together on regional issues, including the management of cross border security threats and cooperate on humanitarian assistance, disaster relief, environmental management and the tackling of climate change.

And in April this year, Timor-Leste was honoured to take over the Chair of the 69th session of the United Nations Economic and Social Commission for the Asia Pacific. And so I have the privilege to Chair this session over the next year and work with ESCAP, and the nations of the Asia Pacific, to make further progress and improve human development.

In the meantime, Timor-Leste is supporting the APRC (the Asian Peace and Reconciliation Council), established last year, in Bangkok, which comprises former Heads of State, former members of Government from across Asia and academics. The Council aims to help facilitate dialogue within societies and between nations, in order to put an end to frictions or prevent confrontations. Timor-Leste values this noble ideal and mission, to help nurture a culture of peace in our region.

Again, all of these contributions are also part of Timor-Leste's progress towards resilience, as we take our place in the international community.

Ladies and gentlemen,

Last May, we celebrated eleven years of independence.

It has been a long road for our people, and we still have a long way to go, but we are travelling in the right direction and the future looks promising.

I urge you to continue to follow our progress and to visit our beautiful country to see for yourself the achievements of our people.

Thank you for listening.

Kay Rala Xanana Gusmão