



ADRESS BY JOSÉ RAMOS-HORTA

NOBEL PEACE LAUREATE (1996)

PRESIDENT OF THE REPUBLIC

AT THE OPENING OF THE *EITI CONFERENCE*

ON TIMOR-LESTE TRANSPARENCY MODEL

Dili, 25 August 2011

Excellencies,

Ladies and gentlemen,

My apologies that i have not distributed a written version of my remarks. I partly worked on it during the flight Seoul/Singap/Dili and was not able to send it out for proper printing and distribution.

I have just arrived from a very brief visit to Seoul where I addressed academics, students, business groups. The Republic of Korea is a country that I most admire.

Colonized, invaded, reduced to rubbles during the Korean War, its annual per capita income in the 60's was less than Timor-Leste's today. RoK does not possess mineral wealth, oil, gas, gold and diamonds. Then how has it been able to transform itself from the humble status of an impoverished rural, simple society, into a major world economic power? The answer to this question is simple - through massive investment in it's people, providing them with the best in education, science, technology. But this would not have been enough. A society might be armed with much knowledge, but it has also to be a very proud one, imbued with a profound sense of patriotism, discipline, hardworking. These are some of the qualities I admire in the Korean people.

Ladies and gentlemen,

Thank you for being here with us today. It is an honor to host so many distinguished guests. A special word of welcome for Dr. Sri Mulyani who honor us with her visit both as a respected Indonesian scholar, an acclaimed Asian woman, as well as a competent Managing Director of the World Bank. The Bank has been a generous, steady friend and partner of Timor-Leste even though we are not borrower!

You come to Timor-Leste at a particular time and for this, too, I think, this conference is aptly named Beyond EITI.

Just two months ago Prime Minister Xanana Gusmão launched the National Strategic Development Plan 2011-2030. Next year, as we celebrate the 10th anniversary of the Restoration of Independence, Timor-Leste will hold scheduled Presidential and Legislative elections, after which the current UN mission in our country will end.

We look forward to develop our economy and improve the welfare of our people in an atmosphere of stability and peace. Our country has come a long way in a fairly short time, emerging from the ruins and violence of a very recent past, from fragility to the demanding tasks of building solid institutions and effective public services.

Thus, it is a reason for celebration that we were granted compliance status by the board of the Extractive Industries Transparency Initiative in July last year.

Transparency and good governance are always a work in progress in any country - and more so in our Nation emerging from a long, drawn-out conflict.

We are in the process of establishing solid state institutions and financial system. Despite the well-meaning expectations of some of our friends in countries with well-established public institutions, the truth is that we must walk before we can run. But make no mistake, we can also sprint as we proudly found out in the second Dili International Marathon held in June this year when our compatriot Ms. Juventina Napoleão became the first woman athlete to cross the finishing line.

I am confident that a little creativity and innovation and a fair share of hard work will help us overcome the challenges we face.

Concrete steps like Timor-Leste Transparency Portal or the Procurement Portal to be launched tomorrow come to my mind as they can be considered ultimate tools in the pursuit of transparency.

We see EITI all along as a cornerstone of our institutional framework to ensure transparency. We are committed to proper management and safeguard of our natural resource wealth.

I recall that in Timor-Leste the work on EITI was instigated by the previous government led by Prime Minister Mari Alkatiri who is well-known to most of you involved in the setting up of EITI. It has continued and further progressed under the current government led by Prime Minister Xanana.

But the celebration of EITI compliance is also important because we recognise the principle that the country's natural resource wealth belongs to the Timorese people. Our State and society are united on the principle of Transparency of the state wealth.

Colonised for centuries, we understand the value of ownership and one does not have to look far to be aware of the powerful role that oil, gas and other natural resource wealth play in geo-politics. The government is the steward of our national wealth and sees that it is used for the good of our people.

Finally, the recognition of EITI compliance has been for us a cause of celebration because the use of our natural resources wealth will have a strong bearing on the shaping of the country's future.

Back in 1999, we received a country in ruins, our national infrastructure destroyed, the fabric of our society, as a crafty wooven *fais*, was deeply torn. We start rebuilding from the wreckage and rubble, our hearts heavy with sadness as much as quickened by hope.

In 2011, Timor-Leste is on a trajectory to development as highlighted by social and economic indicators. As some of you may have noticed, the recently released UNDP Human Development Report accords Timor-Leste a Human Development Index for 2010 that jumped to the value of 0.502, placing our country in the medium human development category. In 2005, Timor-Leste's Human Development Index was 0.428, and at independence in 2002 was 0.375.

Since 2005, life expectancy at birth in Timor-Leste increased by more than two years and now averages 62.1 years. Average annual growth has exceeded 10 percent for the last four years and real non-Oil GDP growth remain strong as we

speak. According to forecasts by The Economist, Timor-Leste is among the nine fastest growing economies of the world in 2011.

School enrolment jumped from a modest 63 per cent in 2006 to 90 per cent now for basic Education, according to the 2010 National Census. More than 100,000 adults have also graduated from illiteracy to functioning literacy in the few years. Illiteracy will be eliminated by 2015.

Infant mortality and child mortality under five have been halved. Incidences of malaria, dengue and poverty have decreased significantly in the last four years. With less than one case of leprosy per 10,000 people, Timor-Leste is now considered by the WHO to be free from this centuries-old disease.

As much as we are proud of our achievements thus far we are equally mindful that we have a long way ahead of us.

Poverty has seen significant reduction as its prevalence declined from 49% in 2007 to 41% two years later according to estimates by the World Bank. But this means poverty is still high and remains a major challenge.

Like most of our g7+ colleagues it is unlikely that we will meet all our Millenium Development Goals. The g7+ is now leading the international community towards a recognition that key Peacebuilding and Statebuilding goals are necessary conditions to achieve the MDGs.

Our good economic growth figures are still primarily driven by Government spending and in time this has to give way to solid growth driven by a strong, sustainable private sector.

Timor-Leste's National Development Plan establishes the priorities for major investments required fully rebuilding our infrastructure and developing capabilities and training of our human resources and, in the short term, these investments will have to be funded primarily from the Petroleum Fund. The effective and transparent use of the fund is, thus, critical to continue to move us along the development path.

The granting of compliance status by EITI was an occasion to celebrate within a journey that continues day by day.

Ladies and Gentlemen: may we also celebrate this particular occasion – the first Asia Pacific Regional Conference of the EITI. Timor-Leste is committed to being a good regional partner and this first conference in our capital city, Dili, is a symbol of our pursuit of transparency and accountability on the path to improving the welfare of our people and also a token of our willingness to learn from each other's experiences.

The g7+ group that Timor-Leste is now chairing represents 350 million of the most vulnerable citizens on the globe, living in fragile, conflict affected states, many of which are resources rich. The EITI partners – governments, enterprises, civil society non-profit organizations and international global institutions – all stakeholders engaged in the natural resources industry, we must change the ways we do business, both to ensure the better possible deal for our peoples and a sustainable development that doesn't exclude anyone. We cannot change the

past but we can certainly shape the future for the better and, inspired by our female marathon winner Juventina, I suggest that towards our common goals we sprint on our way to a better development path!

May God, The Almighty and The Merciful Bless Us All.