



PRIMEIRO
MINISTRO

**ADDRESS BY
HIS EXCELLENCY THE PRIME MINISTER
KAY RALA XANANA GUSMÃO
PRESENTING THE PROGRAM FOR THE FIFTH
CONSTITUTIONAL GOVERNMENT TO THE NATIONAL
PARLIAMENT**

National Parliament, Dili
12 September 2012



Palácio do Governo,
Avenida Presidente Nicolau Lobato,
Dili, Timor-Leste

Your Excellency, The Speaker of Parliament
Your Excellencies, The Members of Parliament
Fellow Members of Government
Ladies and Gentlemen,

Having being part of the Fourth Constitutional Government myself, it is with sincere humility that, on behalf of the Fifth Constitutional Government, I present our compliments to Your Excellency the Speaker of Parliament and to the honourable Members of Parliament. We sincerely wish every success to the Third Legislature and trust that it will properly serve all Timorese citizens.

Despite the remarkable progress achieved during the last decade, and particularly over the last three years, we are aware of the pressing needs of the nation and of the difficulties that Timorese endure every day.

This year we have been celebrating small victories in our country. We have celebrated the 10th Anniversary of the Restoration of our Independence and the holding of presidential and parliamentary elections that were peaceful, free and democratic. On November 28th we will also be celebrating the 100 year anniversary of the Manufahi revolt.

Importantly, we have also celebrated the visits by international leaders that wanted to see the reality of our country and witness our current atmosphere of peace and stability and hear of our confidence in the future.

Indeed, Timor-Leste is considered to be an international success story. In addition to benefitting from peace and stability, today Timor-Leste also enjoys a strongly growing economy, which has been reflecting in the general improvement in the living conditions of the Timorese people.

The leaders of this country, and of all State agencies, have the moral duty to support and promote the development of Timor-Leste and of striving to improve the living conditions of our people.

This is the overarching commitment of the Fifth Constitutional Government.

Our key goals are to further strengthen the State and to create a solid foundation for national development.

Now that we are already living in peace, we have a plan for the future.

We have concrete objectives and goals to transform Timor-Leste into a medium-high income country, creating opportunities for all in a fair and inclusive manner, and in doing so ensuring the growth of a dynamic economy that creates jobs.

Our vision for the country is the collective vision of the Timorese People expressed in the *Strategic Development Plan 2011-2030* – that is to have a population that is healthy, educated, safe and self-sufficient, with access to justice and to all essential goods and services.

Your Excellency, The Speaker of Parliament
Your Excellencies, The Members of Parliament
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Ladies and Gentlemen,

It is also with a deep sense of responsibility that I come before you, your Honour the Speaker of Parliament and the honourable Members of Government, to present the program of the Fifth Constitutional Government for the next five years.

In line with the Strategic Plan, the program of the Fifth Constitutional Government sets actual plans for what needs to be done in the short term (within the next five years), while also incorporating medium term strategies (5-10 years) and long term considerations (10-20 years).

Eliminating extreme poverty, and enabling our country to succeed, is dependent on our ability to implement the plan that we have set for our national development.

This is why we have come before the National Parliament to present a Program that is built on extensive knowledge of the needs of the people. We are fully open to receiving your contribution, so that the Program of the Fifth Constitutional Government may be the Program of all Timorese citizens.

As such, and prior to presenting the Program, I would like everyone to consider the following:

First – It was not five hundred Timorese who achieved independence, it was the entire people. Consequently it will not be a hundred Timorese, those of us who stand here today, who will put Timor-Leste on an unwavering path towards development – this must be achieved by society as a whole.

We will need civil society, political parties, non-governmental organisations, the Catholic Church and other religious groups, the private sector and all State agencies participating actively to implement the strategic agenda for development.

All Timorese – young, adult, men and women – will be an integral part of the development process. Every Timorese citizen who can do something for this Nation is called upon to contribute with his or her effort and work.

Second – Planning is a difficult task, especially when there are so many priorities. Planning national development involves managing a complex network of challenges.

Although we all know what we want for our country, the challenge is in foreseeing the means and the ways to make our goals more likely to be achieved.

We know that we cannot respond to all priorities at the same time, even more so since our financial, human and logistical resources are still limited.

We cannot distance ourselves from the actual circumstances of our starting point. Our lack of specialised human resources, the stagnation of our productive sectors, the dependency on petroleum revenues – reserves which must be preserved for future generations as well as invested for today – and, often, our very culture and mentality, and particularly our still recent democratic history, are all obstacles to development.

Third – The presentation of the Government Program is the first exercise of the Third Legislature and requires careful and shared reflection. We hope to be able to have an open dialogue with all representatives of the people in this National Parliament, whether they belong to the parliamentary coalition or to the opposition. We are looking forward to a democratic debate on policy options and directions, as well as strong supervision by Parliament and the presentation of alternative proposals in a critical and constructive manner.

We can never lose sight of the fact that there are no winners and losers when we contribute to solving the problems of the country. What we have is over a million Timorese citizens who can benefit from increased freedom, safety, stability and tolerance, as well as from better living conditions.

Plans made in a coherent, sustained and responsible manner are always more likely to succeed, and this is reflected in the Program that we are presenting here today.

Your Excellency, The Speaker of Parliament
Your Excellencies, The Members of Parliament
Fellow Members of Government
Ladies and Gentlemen,

The development of social capital means placing people above all other interests. Valuing the Timorese, which are the true wealth of the Nation, means building a fair and developed Nation.

We vow to improve the quality of -- and access to -- health, education, professional training, information, social justice and culture.

In the health sector we will be making investments so that health services can be delivered with necessary efficiency, professionalism and promptness. This will include improving the institutional structures, management, support and resources.

The Government will be introducing new legislation in the sector and will focus on the agencies that can provide quality care, including the private health sector which will be

an integral part of the national health system, as well the provision of essential medication and blood supply diagnosis systems.

We will also strengthen the national health sector through capacity building, effective control over pharmacies and other retail stores and domiciliary health care programs as well as the efficient provision of ambulances and quality communication systems.

Improving the health sector requires large investments in human resources, including doctors, nurses, midwives and laboratory technicians, as well as on health infrastructure, including the rehabilitation and construction of health posts throughout the country, the rehabilitation of community health centres and the expansion of the National Hospital and of the five referral hospitals.

The Government's strategic agenda also includes other initiatives related with the promotion of general health, including nutrition programs, particularly for children and mothers, immunisation programs, access to drinking water and basic sanitation and access to preventative health education.

Maternal and child health, including reducing the child mortality rate, will still be a priority. Significant progress will be achieved through developing a broad child health policy, improving preventive and integrated care, including the expansion of immunisation services especially for polio, measles, tuberculosis, diphtheria and hepatitis B, in accordance with the Millennium Development Goals.

In education, we vow to improve school conditions including the state of classrooms, furniture, and education materials, as well as improve the quality of teachers through investing heavily in the teacher training.

We will review the curricula and teaching methods so that we may improve school and student performance. We will provide for mandatory schooling and an increase in learning ability to improve the intellectual growth of our children. This will enable the country to have young people who are better prepared, and able to take part, in the development of the nation.

This Government will regulate pre-school and basic education, guided by the principle of inclusiveness, so that no Timorese child is at a disadvantage, or has fewer opportunities, because she or he cannot understand what is said by the teacher during the first years of schooling because her or his maternal language is not used.

Secondary education will be divided into general secondary schools, directed to preparing students to move up to higher studies, and technical secondary schools, which will prepare students to enter the work force or to have access to higher technical education.

The Government will also promote an efficient polytechnic and university system to create opportunities for the children of the nation. The goal will be to progressively

regulate standards and criteria that ensure quality higher education, through the National Agency for Academic Evaluation and Accreditation, as well as to develop partnerships with higher education institutions in order to improve the management and coordination of universities. The Government will continue to encourage private higher education institutions including the improvement in their teaching quality and will look to providing the necessary support so that they can meet the required standards.

Over the next five years the Government will begin establishing polytechnic institutes in strategic sectors, such as the Engineering Polytechnic in Suai, the Tourism and Hospitality Services Polytechnic in Lospalos, the Agriculture Polytechnic on the south coast and a Fishing Academy on the north coast.

One of the key strategies of the Government in the medium term is to expand the National University of Timor-Leste, a vital institution for developing our human capital, into seven faculties. The Faculties of Agriculture, Engineering, Science and Technology, Medicine and Health Sciences, Economics and Management, Education, Arts and Humanities and Law and Social Sciences will consolidate a national quality higher education system, with internationally recognised quality standards.

Supporting human capital development goes beyond formal education and training. The Government will continue to promote recurrent education and lifelong learning, as well as contribute to the eradication of illiteracy through the continuation of successful programs and the establishment of 65 Community Learning Centres.

We will implement the National Training Commitment in order to ensure that our young people have access to accredited and funded training programs. The creation and delivery of a national traineeship program will qualify young people to enter the work force or motivate them to start their own business.

With our professional training and employment policies, we will be investing to train young people in areas important to our strategic development such as the petroleum, agriculture, tourism and construction sectors. This strategy will include the training of trainers, the building of practical teaching and learning infrastructure and facilities and establishing a stronger connection between training centres and the private sector.

Ladies and Gentlemen,

A national development policy that is fair must respond to our most vulnerable citizens. The Government will continue to support our children, our women at risk of abuse, poor families, the elderly and, of course, our veterans.

For this purpose we will revise the Law on Veterans and establish Veteran Councils in the districts, so as to safeguard the credibility of the verification and validation of registrations and to complete appealed and contested cases.

We will also continue to provide financial support to the veterans and to provide scholarships to their children and to the children of the Martyrs, giving priority to the most underprivileged among them.

In compliance with the State's constitutional obligation to defend a fairer society that provides everyone with opportunities for personal fulfilment, the Government will establish effective mechanisms for supporting our elderly, our disabled and women and children at risk. To do this we will implement of a permanent social security system, that includes retirement pensions, that is economically sustainable for the State.

The Government will consider increasing the pensions for the elderly, widows and the disabled. As soon as the social security regime is established in a universal and contributory manner, the Government will also seek to ensure that all workers, either in the public or private sector, are entitled to pensions in case of retirement, disability or death.

A strong society is a vital cornerstone of an economically developed society. The Government will strengthen its commitment to ensuring that women have the same rights and opportunities as men in all areas of family, cultural, social, economic and political life. This approach will be adopted across Government, ensuring a gender sensitive administration in all activities of the State.

We will also promote a Zero Tolerance Policy regarding violence against women and children. This policy will be promoted in the context of children having a constitutional entitlement of special protection, particularly against all forms of abandonment, discrimination, violence, oppression, abuse and neglect.

We will implement the Child Protection Policy through awareness and education programs, as well as proactive measures such as efficient monitoring and evaluation systems for protecting children and the creation of a 24-hours a day, 7 days a week "child line", enabling people to report situations of child abuse by telephone.

We will also protect young people and encourage them to participate in their own development, providing them with greater access to education and professional training and to programs and initiatives that raise their potential, including participation in sporting, cultural, artistic or other activities that promote the values of ethics, tolerance and dialogue. We will do this to develop the intellectual capacity of our young people, so that they can become the true agents of the change we all want to see in the country.

Finally, and still in relation to the development of social capital, I must mention two key issues: access to knowledge, which is increasingly important in this 21st century, and the sustainable management of our environment, which is absolutely vital for the Timorese People.

The Government will promote the diversity and independence of the media and ensure access to information, freedom of speech and freedom of the press. These are vital

requirements for consolidating our democracy and for us to move towards a developed, prosperous and civilised Nation.

We must also protect our natural habitat, which means that we must conserve our marine and land biodiversity, effectively control pollution and mitigate, to the extent that we are able, the impacts of climate change.

Your Excellency, The Speaker of Parliament
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Ladies and Gentlemen,

Infrastructure development is the driving force of national development. Basic infrastructure will enable us to develop social capital and a dynamic and productive economy that can create jobs and consolidate a strong and organised institutional framework throughout our nation.

We vow to invest in the development of infrastructure, in a planned and staged manner, and recognising the needs in terms of finance, technical expertise and skilled labour.

Over the next five years we will undertake a large investment program to update, repair, improve or build key infrastructure to enable access to health, schools, markets, industries and businesses.

We will invest in the following:

- The full reconstruction of all national, district and rural roads, including the connections between Dili, Manatuto and Baucau; the connection between Manatuto and Natarbora; the road project linking Dili, Liquiçá and Bobonaro; and we will begin the road project linking Dili, Aileu, Maubisse, Aituto, Ainaro and Cassa.
- The design of a national motorway ring road.
- Begin the reconstruction and maintenance of over 450 bridges in the country, both large and small.
- Installation of at least 400 drinking water systems providing for around 25,000 rural homes, the construction of community latrines, the provision of technical expertise and the recruitment of 88 water and sanitation facilitators.
- The development of a District Centre Master Plan, in order to gradually restore water and sanitation infrastructure, including piping, so as to provide clean water to the people.

- The implementation of the Díli Drainage and Sanitation Master Plan to dramatically reduce drainage, address floods risks and improve sanitation and community health.
- Expansion of the power network to provide reliable electricity throughout the country with the use of renewable energies including solar and wind power projects.
- Construction of a new multi-purpose national port in Tibar able to receive commercial and passenger vessels.
- Establishment of a logistics base for the petroleum sector in Suai, where a new port will be a key development
- Design and deliver a regional port-building program in order to build, repair and expand facilities in Laga, Lautém, Ataúro, Kairabela, Oecussi and Manatuto.
- Expansion of President Nicolau Lobato International Airport, in Díli, and develop of an aviation plan for the districts to rehabilitate runways in the districts of Suai, Oecussi, Lospalos, Maliana, Viqueque, Ataúro and Same.
- Developing the Baucau airport so that it can cater for cargo and military uses.
- Connecting Timor-Leste to the world through a sub-sea fibre optic cable to provide high speed broadband services and significantly improve telecommunications in the country.

In view of the vital importance of these projects, and of the need to ensure cost effectiveness and quality technical implementation, the National Procurement Commission will supervise procurement processes, with support from a specialised international procurement firm, so as to guarantee transparency and professionalism in the implementation of complex and large projects.

Your Excellency, The Speaker of Parliament
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 Fellow Members of Government
 Ladies and Gentlemen,

To realise the full potential of Timorese people we need economic development and job creation. We believe that investing in economic development is a policy and social principle that promotes freedom, safety and national stability.

We vow to build a modern and diversified economy, based on agriculture, tourism and the petroleum industry, with a growing private sector and the creation of opportunities for all Timorese citizens.

We want to replace subsistence agriculture with commercial agriculture, so as to achieve food self-sufficiency in the medium term and, later, to export.

As such, we will continue supporting improved agricultural practices in order to achieve higher yields of rice and maize and to promote the growth of staple crops such as coffee, vanilla, nutmeg and coconut oil. This goal can only be achieved if we invest in the rehabilitation of irrigation systems and in the improvement of water supplies, including through the use of dams.

We will also promote improved farming skills and the provision of technical assistance, as well as increase the number of agricultural extension officers and while building more Agriculture Service Centres in the districts.

Over the next five years the Government also vows to improve the Integrated Animal Husbandry Plan, promoting basic animal health care, including free inoculation. We will also expand fishing and aquaculture activities by implementing deep sea commercial fishing strategies and the National Aquaculture Development Strategy, which will contribute to the food and nutritional security of the Timorese.

Along with environmental protection and nature preservation, the Government will develop a sustainable forestry industry and prepare a Forest Management Plan that promotes reforestation and sustainable land use. This policy will include study on the use of local wood, including the commercialisation of bamboo, and the development of community nurseries. Starting in 2015, we will also plant 1 million trees every year.

Ladies and Gentlemen,

The petroleum sector will be a cornerstone of the development of the country, making the most of our natural wealth and multiplying its dividends so as to benefit every Timorese citizen.

Within his context, and along with the capacity building of our National Petroleum Company – Timor GAP EP., we will ensure that:

- Petroleum revenues continue to be fully transparent and used for the economic and social development of the country;
- The petroleum sector is developed with maximum participation by Timorese citizens and companies;

- The necessary human resources for exploring this sector are improved and developed, including by way of training Timorese citizens in geology, chemical and petroleum engineering, and petroleum finance and management; and that
- The south coast is developed with proper infrastructure, in order to support the expansion of our petroleum industry.

The Tasi-Mane Project is a multiyear development of three industrial clusters: the supply base of Suai, the petrochemical refinery and industry in Betano; and the liquefied natural gas facility in Beaço.

With our nation's natural beauty, unique history and culture the tourism sector also offers great potential for our economic development. As such, the Government will focus on developing the tourism industry, which includes professional training, the refurbishing of buildings relevant to the sector and tourist promotion at home and abroad which will include participation in the 2015 Milan World Expo.

The program's strategy to develop tourism highlights the following areas of the country:

- The eastern tourist area, with pristine beaches, mountain landscapes and adventure activities. We will properly develop both ecological and cultural tourism in National Park Nino Konia Santana and historical and adventure tourism in Mount Matebian.
- The central tourist area, particularly the island of Ataúro and the region of Maubisse, which will be the starting point for treks to Mount Ramelau. We will also promote the existing cultural institutions in Díli.
- The western tourist area, which in addition to its beaches also provides access to historic sites at Balibo, to the hot springs of Marobo and to the coffee lands in Ermera, where we will develop local hospitality and ecological tourism.

By expanding agriculture, the petroleum industry and tourism and by implementing the infrastructure programme, the Government will create direct employment in the public sector, as well as private sector jobs and the attraction of foreign investors and building of the Timorese private sector.

Your Excellency, The Speaker of Parliament
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In order for it to be successful, this strategy must be supported by effective economic policies. This includes the development of credit agencies, business regulations and the capacity building of the private sector.

Consequently we would like to highlight the following priorities, to which the Government will give its full attention:

- Improvement of the business environment, including a new investment law, the improvement and simplification of the business registration process and the strengthening of the Chamber of Commerce and Industry;
- Establishing an effective Investment Promotion Agency and producing a comprehensive information package for potential investors;
- Development of Public-Private Partnerships;
- Establishment of a National Development Bank and consolidation of the National Commercial Bank of Timor-Leste;
- Establishment of Special Economic Zones, with a clear regulatory and tax environment, so as to attract foreign investment and international companies; and
- Land tenure legislation, implementing fair and equitable rules that protect land ownership and transfer, including the registration of properties and the issuing of land titles.

Lastly, I must stress that in order for development to be fair and inclusive it must include rural areas.

To ensure that this is the case we will be creating the National Planning Framework, which will identify development opportunities based on the specific characteristics of certain regions, so as to reduce regional asymmetries and the gap between urban and rural areas.

The Business Development Support Institute has Business Development Centres set up in Baucau, Dili, Maliana, Maubisse, Suai, Lospalos, Ermera, Viqueque and Oecussi, which will provide training in every district. We are also planning to expand these Business Development Centres to every district and to broaden the range of services that they provide.

Through the Government's decentralisation policies we will support the development of the private sector in rural areas and increase local democratic participation. This will be guided by a belief that governance should be as close to the people as possible, in order to promote self-determination and dignity.

The Government will introduce a new level of municipal government, seeking to establish three to five municipalities by the end of its mandate. For this purpose we will be creating the Municipality Preparatory Committees in all thirteen districts and

undertaking an ongoing review on whether they meet the minimum requirements for creating municipalities, so that we may introduce electoral procedures.

The Government will also continue to support the Millennium Development Goals Program for the Sucos, building an additional 55,000 houses as we review community development across the 2,225 villages. These houses will include solar power, water supply and basic sanitation.

We want to improve living conditions in rural areas and to introduce a community spirit of mutual assistance and solidarity among neighbours. In this way, people may assist in building houses for their more vulnerable neighbours. In line with this, we will also start the National Programme for Developing the Sucos, which will last 8 years.

Finally, in order to achieve economic development the Government will be investing in agribusinesses and in the cooperative sector, by providing support to the cooperatives, including credits for purchasing equipment and tools and for setting up markets. The Government will also improve infrastructure such as cooperative head offices.

Your Excellency, The Speaker of Parliament
Your Excellencies, The Members of Parliament
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Ladies and Gentlemen,

The consolidation of the institutional framework is essential to sustain our development ambitions. Without a strong public sector, without internal security and national stability, and without a credible justice system that safeguards the rights and guarantees of the Timorese, we cannot consider ourselves a modern and democratic State and we cannot defend a foreign policy that encourages the international community to believe in the progress of Timor-Leste.

We vow to promote good governance and to develop a public sector that is professional, respectable, responsible and efficient. The public sector is presently the main driving force of economic growth, which means that we must continue investing strongly in this sector.

We will be continuing reforms to public administration, including the strict control over public expenditure, the improvement of financial management systems, the capacity building of civil servants and the accountability and transparency of the information provided to the public, including through the Transparency Portals, which will be duly updated.

We will also draft and apply a Code of Conduct for the members of Government. This code will provide strict rules and duties in relation to matters such as conflicts of interest and commercial activities.

We will create an electronic platform that will provide useful information to the public on the activities of the Government, strengthening the current Government Portal and increasing the services available to the Timorese citizens through a new “e-government” initiative.

By defending a fairer society, the Fifth Constitutional Government could not neglect the improvement of the justice sector. We will continue to capacity-build Timorese human resources and to improve national advocacy ability.

We will also be investing in the training of criminal investigators in all necessary specialities, so as to ensure greater credibility in the cases that go to court. We vow to review the legislation already approved and to draft new legislation that reflects the country’s development level and that is adjusted to our social and economic reality.

Finally, we will continue the reforms we introduced in the sector of defence and security, enabling a more professional and efficient Armed Forces and Police. This Government will always give priority to ensuring safety and stability.

In relation to our foreign policy, we will continue investing in the development of cooperation and friendly relations with all the countries in the world, with special attention to our closest neighbours, to our brothers and sisters of the CPLP, and to our strategic partners in Asia, particularly the ASEAN countries. And we will look to becoming an effective member of ASEAN very soon.

We must never forget that Timor-Leste is in a highly strategic geographic location, which means that our security and the protection of our natural resources are dependent upon a responsible and diplomatic foreign policy.

Our strong involvement with the CPLP countries will be demonstrated when we shall preside over this community of Portuguese-speaking countries in 2014. The Government will also continue to lead the g7+, supporting this group of fragile nations to help them secure peace, stability and prosperity, as Timor-Leste has done.

Your Excellency, The Speaker of Parliament
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Ladies and Gentlemen,

The Program of the Fifth Government may be considered ambitious, but it is feasible. It is bold, but carefully thought through. It is expensive, but absolutely necessary.

Most of all, it is a program that is based on the will to ensure the continuity of the progress achieved so far, leading public administration towards goals of efficiency and effectiveness, so as to improve service delivery to our People.

It is a program that will be implemented by a government team that wants to do more and to do better for the country, with the conviction that the public interest, the interest of the Timorese people, is above any individual interest.

Our development has never been constrained by a lack of quality of our people, but simply, by a lack of opportunities!

The Government Program seeks to change this situation, knowing that the challenges are enormous but that the will to overcome them is even greater.

As it was in the past, the will of the Timorese people is the most decisive factor for success in implementing this strategic agenda.

I thank you in advance, honourable Members of Government, for your valuable input so that together we may develop our beloved Nation.

Kay Rala Xanana Gusmão
12 September 2012