

## **Security Council Open Debate on Post-Conflict Peacebuilding: Institution Building 21st January 2011, Security Council Chamber (GA-TSC-01)**

*Statement by Mr. José Luís Guterres, Deputy Prime Minister of Timor-Leste to the United Nations*

I thank the Secretary-General for his very informative briefing. May I, on behalf of Timor-Leste, thank you, Sir, and your country for holding this important thematic debate and for your kind invitation to us to join the Council on this very important occasion. My colleague, Minister of Finance Emilia Pires, Chair of the Group of Seven Plus (g7+), could not be with us as she is with the Prime Minister at our nation's Parliament, discussing the 2011 budget.

This year's budget is focused on developing our country's infrastructure and human capital. The budget process is a key enabling tool in support of our Nation's State-building agenda. Such is the level of public interest in this process that it is broadcast live on television and radio networks for 13 days to the entire country.

Today, the situation in East Timor speaks for itself. We all went through the global financial crisis, yet for three years running Timor-Leste has experienced an average of double-digit economic growth. This places us among the ranks of the top 10 fastest-growing economies in the world. Such growth has seen a 9 per cent decrease in poverty, reversing rising poverty levels that peaked at 50 per cent during the crisis. This decrease saw some 96,000 people lifted out of extreme poverty. The 2010 United Nations Human Development Index recently recorded a rise in rank of 14 places for Timor-Leste.

Unemployment has plummeted, with 96 per cent of men aged between 30 and 49 years currently employed and two in five women now working year round. In 2007, 85 per cent of all Timorese were employed in the agriculture sector; today, that figure stands at 67 per cent of men and 61 per cent of women. Much of this achievement has been underpinned by the strengthening of institutions.

From the professionalization of the public service to reform of the security sector and the nation's taxation system; and from promoting transparency through the establishment of civil service and anti-corruption commissions to reforming public financial management, institutions have all helped in sustaining peace through the better delivery of public services.

Very soon, data on Government expenditure will be available in real time to the people via an on-line portal, thus ensuring greater transparency and making public spending more efficient. Timor-Leste's national priorities process embodies this national home-grown strategic response to the challenges of post-conflict State-building. The identification of specific national priorities in a sequenced manner has allowed us to identify and then resolve specific issues. From establishing stability to ensuring food security, these issues have required immediate, coordinated and strategic solutions while not distracting us from the larger task of reform.

Emerging from crisis in 2006, our immediate challenge was to establish security and stability so that our people could begin to rebuild. At that crucial moment, Timor-Leste was faced with a defining decision. To whose voice, amidst the offers of international support, should we listen for direction? At this time, I would like to thank the Secretary-General and the Security Council for responding to our request for assistance in a timely manner.

The crisis of 2006 profoundly affected East Timor. During his visit to Timor-Leste, the Secretary-General visited tent camps in Dili, our capital. Around 150,000 internally displaced persons (IDPs) lived in tents in East Timor at that time. This is a problem that, in many places, takes decades to solve. In East Timor, we did our best, with the help of the international community and the representatives of the IDPs themselves, and by discussing ways to find solutions we were able to solve the problem in two years. We therefore thank the Secretary-General and all the countries and experts that helped us in that process.

At the time of the crisis, we enjoyed the support of many countries, 36 of which contributed to the United Nations police mission, reflecting a wide variety of policies and philosophies. Also at that time, we faced the daunting task of establishing public trust in our defence and security forces, as well as trust in our institutions in general. We therefore had to take ownership of the process. With the help of the United Nations, we began security sector reform. Existing divisions in the defence and security forces slowly began to be eliminated through professionalization and better oversight and management. There were also improvements in the security infrastructure and salaries and reforms to the promotions regime, ensuring that merit and ability were restored as key criteria for career advancement. Those reforms also helped to secure peace and stability and to ensure that the nation would not have another crisis.

A second key social programme that has served to support stability involves recognizing our veterans through the provision of pensions. We have allocated \$58 million in this year's budget for that purpose. All of us who have experience in conflict situations know how important it is to tackle veterans' issues. Those pensions formed part of a wider integrated social welfare package that now includes the elderly and female-headed households.

Those reforms heralded the beginning of a new compact between citizens and the State. Those successes now allow us to say goodbye to conflict with hope and determination, and welcome to development. That is our nation's motto today.

We find ourselves in a unique position. Having reflected upon our past failures and successes, we feel that we are better placed to communicate the lessons learned and to draw attention to what we consider to have been ineffective when it comes to how aid has been used to support institution-building in postconflict States.

For Timor-Leste, the International Dialogue on Peacebuilding and Statebuilding, which we co-chair with the United Kingdom, is a very important channel that we use to engage in open and frank exchanges with fellow member States, as well as with regions and our development partners. At the Dialogue's first meeting, which was hosted by Timor-Leste in April 2010, members indicated that they could not hear their voices echoed within the vast body of work dedicated to addressing conflict in our countries. We could not see ourselves in the road maps, strategies and policy notes put forward.

In response, members agreed to convene four working groups dedicated to combining the breadth of experience that conflict-affected States and international partners had to offer, in order to present a credible and legitimate plan of action for the international community to refer to. The working groups focus on capacity development, under the co-chairmanship of the Democratic Republic of the Congo and Japan; aid instruments, under the co-chairmanship of Afghanistan and Sweden; planning processes, under the co-chairmanship of Sierra Leone and the United Kingdom; and political dialogue, under the co-chairmanship of Liberia and the United Nations.

Over time, a bond has been established between countries with direct experience of conflict. In fact, that shared experience provides the bridge necessary to identify and connect with a diverse range of countries, all of which are united in the search for peace. A forum of post-conflict affected countries was thus built, with a foundation grounded in the same basic human challenges we all face and spanning a diversity of cultures, histories and languages. The forum, known as the Group of Seven Plus (g7+), is a new and independent forum of conflict-affected countries and regions that have come together to form a single collective voice to present to the international community.

At the forum's inaugural meeting, held in Dili last year, 13 countries and regions came together to recognize the strong spirit of solidarity between our countries and regions, reflecting a strong desire to work together in the g7+ to share experiences, challenges, failures and successes in order to make a rapid transition to sustainable peace and development. My colleague the Minister of Finance was honoured to have been nominated as Chair.

The g7+ now accounts for almost 350 million people. It is the intention of the Group to own our nation-building agendas, drawing upon the combined wisdom of those 350 million people to provide the international community with the tools necessary to bring about real change.

Given the experiences of Timor-Leste, and considering the experiences that our fellow States have expressed to us, it is clear that institutions play a critical role in sustaining the shift away from conflict towards the building of more stable, responsive and accountable State. We are therefore concerned when we repeatedly hear of situations where the actions of the international community in that regard fall short of its promises.

As we said at the Millennium Development Goals summit last year, aid delivery and programmes supported by international actors are often inapplicable, unsuitable and incompatible with our agendas and priorities, including with regard to institution-building. On that same occasion, the g7+ challenged the global community to commit to a new paradigm of international engagement in conflict-affected countries and regions.

Other friends tell us of delays in the setting up of trust funds that are not delivering rapidly and flexibly, and thus causing disruptions in aid flows that then impact negatively upon the abilities of emerging institutions to deliver visible results to people.

In my country as well as in other countries, the responsibility for coordinating our development partners' various conflicting policies and practices gives an additional responsibility to our institutions. In order to ensure that we can rely on our partners, we feel that urgent reform and support must be directed towards at least four key areas.

First, international partners must help us build our institutions by working within them. That includes a complete review of the way technical assistance is provided to our countries. This is critical if we seek to strengthen Statelegitimacy and to build people's trust in emerging institutions, particularly during delicate transitions.

Secondly, one cannot build a nation upon the principles of another. There is no overarching model that can be applied to solve the unique challenges facing our nations. International actors must appreciate the importance of historical context, culture, regional diversity, linguistic complexities, social differences, ongoing political dissonance and the national mentality. All of those are crucial elements in Statebuilding in post-conflict nations.

Thirdly, we must be absolutely clear as to the purpose that institutions are intended to serve, and then be relentless in that pursuit. Function over form must take priority. It is only when the tangible benefits of institutions are seen and felt that citizens' confidence, trust and engagement with State institutions will emerge.

Fourthly, sustained political dialogue within States — between the men and women who make up our communities and Government — is crucial to strengthening democracy and encouraging buy-in, thereby turning State-building into a nation-wide endeavour involving all peoples. In that regard, on behalf of the g7+, I would like to take advantage of the timely opportunity afforded by this debate to suggest the idea of a report of the Secretary-General devoted to the topic of institution-building in conflict-affected States.

In conclusion, all that we seek to achieve is difficult and requires time. However, what the g7+ has prioritized, and what I have presented to the Council today, are specific and, more important, actionable reforms to which the international community must now commit. We will work with our development partners through the International Dialogue to elaborate concrete actions that can improve international engagement in conflict-affected States. An action plan will be ready by the end of the year, and we would be happy to share the results.

As member States made clear in the g7+ statement, our countries understand that urgent action with international partnerships is critical at this time. As Prime Minister Xanana Gusmão recently said, this is not the time to be pessimistic — this is the time for hope and change. It is my sincere hope that the international community and members of the Security Council will take this message and work with us to ensure that our States and nations are also able to make a smooth transition towards peace and stability.