



P R I M E
MINISTER

**SPEECH BY HIS EXCELLENCY THE PRIME MINISTER OF THE
DEMOCRATIC REPUBLIC OF TIMOR-LESTE,
DR RUI MARIA DE ARAÚJO,
AT THE DEBATE ON THE
2013 GENERAL STATE ACCOUNTS**

**National Parliament
4 May 2015**

Your Excellency the Acting Speaker of Parliament
Your Excellencies the Vice-Speakers of Parliament
Your Excellencies the Members of Parliament
Fellow Government Members
Ladies and Gentlemen,

It is a great honour for me to address you on behalf of the Sixth Constitutional Government during this plenary meeting of Parliament in order to take part, for the first time, in the debate on the 2013 General State Accounts.

This constitutional requirement concerning the General State Accounts is based on the verification and assessment by the Audit Chamber of the High Administrative, Tax and Audit Court and on the policy consideration by Parliament. These are essential elements for democratic consolidation in our country and for enhancing governance accountability.

We, the members of the Sixth Constitutional Government, know that responsibility, ethics and transparency are basic conditions for ensuring the proper use of public assets. In view of the complex and dynamic nature of the State establishment, it is essential to create and to continuously improve oversight mechanisms that enable us to ascertain compliance with procedures, laws, regulations and other instruments supporting and regulating the operation of the State.

Our young democracy has a recent institutional framework that is being consolidated, but the truth is that, within the scope of their tasks and responsibilities, each of the various State agencies already fulfils an important role in overseeing and controlling the work, the choices, the projects and the actions undertaken by the Government and by public administration.

Undoubtedly, the contribution by the Audit Chamber to the promotion of transparency in public accounts is already a reality. Our control system is also essential to assess the financial management system and the quality of governance. It also helps to ensure that everyone's work contributes to the wellbeing of all citizens, the State and the Nation.

Evidently, drafting correct and clear statements on the results achieved by the public expenses carried out every year through the State General Budget is as important as ensuring and verifying compliance with the legal framework for public finance management.

I believe that we all acknowledge that over the past few years there has been remarkable progress in terms of public finance management, as well as a serious commitment to correcting the weaknesses found in the system. The Ministry of Finance and the whole of government have been implementing the recommendations of the Audit Chamber of the Court of Appeal and by Parliament in years 2011 and 2012.

The Sixth Government is committed to continuing to apply corrective measures and reforms ensuring that public monies injected into the State General Budget, most of which come from the Petroleum Fund, produce satisfactory results that improve the living situation of the Timorese.

As I stated when presenting the 2015 Rectification Budget, our goal is to continue moderating the level of public expenditure by reviewing every expenditure item, line and program and cutting all superfluous expenses that do not bring added value to our economy.

Having greater discipline when preparing annual programming priorities, including a hierarchy of goals, is also a key aspect for achieving this commitment, requiring better execution of public expenditure by government agencies.

Increasing organisation and efficiency and strengthening harmonisation between what is planned and budgeted, thereby strengthening the necessary monitoring and evaluation mechanisms, should enable us to achieve our goals and to be able to show it in a clear and transparent manner to Parliament and to civil society in general.

This is the only way we can fulfil our commitment of carrying out true social audits, in which governance indicators are perused with focus and responsibility, so that everyone takes part in the effort to ensure better service delivery to our people.

A legal regime on financial autonomy within the scope of state administration is a key instrument of the reforms that will contribute to better public finance management and to greater accountability by the parties.

The greater legislative harmonisation we are proposing also entails a stronger and more consistent legal framework and improvements in terms of efficiency and effectiveness regarding the operation of public structures and avoiding the repetition of tasks and in doing so saving resources.

All of this will be supported by more efficient and sustainable public administration and greater responsibility and accountability by public servants, as well as by a thorough revision of needs, recruitment and promotions in the civil service.

Additionally, and as I have already described to this Great House, we will also promote a sustainable model of public finance. As such, we will be working to improve the fiscal balance in the country, so as to collect more non-petroleum domestic revenues.

Your Excellencies
Ladies and Gentlemen,

The 2013 audited accounts, accepted as valid by the Audit Chamber of the Court of Appeal, include a detailed analysis on the budget process and on the execution of the revenues and expenses of the State, and will now be submitted for debate. The Minister of Finance and the other Government members will help to clarify and explain the accounts to the distinguished Members of Parliament.

Before that, I would like to reinforce again that the recommendations made for improving the budget drafting and management process have been received with responsibility. Indeed, we can see that most recommendations made in the 2011, 2012 and 2013 General State Account reports are either being implemented or have already been implemented. The Sixth Government is committed to continuing this mission.

In other words, the Government is serious about the need to correct the weaknesses, problems and inefficiencies when managing and applying public monies and assets set out in these important verification exercises.

Your Excellencies
Ladies and Gentlemen,

We are aware that drafting a State General Budget is always a significant responsibility and that it must rely on estimates and forecasts. However, it is our job to make those estimates and forecasts as accurate as possible, in accordance with the information available to us at a certain time. This is the only way we can have good performance and respond to the needs of the Timorese.

As such, this Government is very serious about the importance of reporting. We also want to ensure that the efficient and transparent management of public monies is not an aspiration but rather a reality that is strongly imbued in Timor-Leste's governing tradition.

We hope that the debate will result in good understanding in relation to the recommendations made by the Court of Appeal and by Parliament, so that together we may put the State accounts in order and improve the organisation of the mechanisms for implementing the financial management of State monies in the future.

Thank you very much for your attention.

Dili, 4 May 2015
Dr Rui Maria de Araújo