

**The Secretary of State for the Council of Ministers and
Official Spokesperson for the Government of Timor-Leste
Ágio Pereira**



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Díli, Timor-Leste**

**Confidence by donors in Timor-Leste's financial reforms as Australia
announces the use of country systems to deliver aid dollars**

A milestone in Timor-Leste's statebuilding functions has been reached as Australia, a key donor, is demonstrating a major show of confidence in the near four year reform process of Public Financial Management (PFM) by making a commitment to begin using country systems to deliver the aid dollar.

"Using country systems" has been identified by g7+ countries as one of the key priorities in the peacebuilding and statebuilding process to enhance sustainable development. When donors use country systems, instead of their own systems to deliver aid, they strengthen the capacities of the State, contribute to building strong State institutions and establish trust.

In 2007, the Government of Timor-Leste embarked on a mass reform agenda of Public Financial Management including decentralization to expedite service delivery, the strengthening of line ministry functions and the building of a competent civil service qualified to meet the needs of the population. Automation and new systems have been the foundation of the reforms with the most progressive checks and balances implemented to track public funds as the training and professionalization of the civil service remains both a short and long-term commitment.

Transparency is the cornerstone of the reforms with the most advanced systems worldwide developed and launched in Timor-Leste, aptly named the Timor-Leste Transparency Model; the main mechanism is an on-line gateway which now allows anyone to navigate features including the budget past and present, daily execution and procurement.

As confidence is high, even donors have come on board to be the newest feature on the Transparency Portal with aid flows beginning to appear. Donors are even being trained alongside Timorese civil servants on how to utilize the system at the Ministry of Finance.

Australia is the first donor to commit to utilize country systems. Secretary of State Pereira noted "We greatly appreciate Australia's show of support in our reforms and confidence in our Public Financial Management system. It is a responsibility we will take with great care on behalf of both the people of Timor-Leste and Australia." **ENDS**

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