



PRIME
MINISTER

**ADDRESS BY
HIS EXCELLENCY PRIME MINISTER
KAY RALA XANANA GUSMÃO**

**FREEBALANCE INTERNATIONAL STERRING COMMITTEE
(FISC) MEETING**

Díli

7 April 2025

Distinguished delegates from FreeBalance client countries,
Distinguished representatives from FreeBalance,
Members of Government
Government Officials
Ladies and Gentlemen

It is my honour to address you at the opening of the 2025 FreeBalance International Steering Committee Meeting here in Dili.

I extend my warmest welcome to all delegates who have travelled from across the world to participate in this important meeting. Your presence here today is a demonstration of our shared commitment to excellence in public financial management.

As a nation, Timor-Leste has embraced the transformative power of technology to support governance. We are honoured that Timor-Leste was chosen to host this year's FISC meeting, a decision that reflects our longstanding partnership with FreeBalance and our commitment to advancing good public financial management practices.

Since the Restoration of our Independence, Timor-Leste has been on a journey of nation-building. We had to build our country from the ashes. We had no institutions of government, no financial institutions, no civil service and limited human resources.

But we had a vision: to build a prosperous, just and sustainable society for all Timorese people. To do this we needed to build a functioning State.

Our journey has not been without challenges and setbacks. This is a common experience for fragile countries emerging from conflict. But step by step, we have consolidated peace and we have built our State.

Our partnership with FreeBalance has been instrumental in this journey, providing us with the technological foundation to manage our public finances effectively. This has allowed us to strengthen our State capacity and give our people confidence in the operation of government.

As FreeBalance's longest-standing client in the region, we have witnessed firsthand how the Government Resource Planning system has evolved to meet the complex needs of modern governance.

The IX Constitutional Government's program, approved in July 2023, focuses on six main areas: reaffirmation of the democratic rule of law, development of social capital, development of infrastructure, economic development, government consolidation and good governance and the fight against corruption.

FreeBalance's Government Resource Planning (GRP) system directly supports several of these priorities, particularly in the areas of government consolidation, good governance and anti-corruption efforts. By automating and streamlining budget execution and monitoring processes, the GRP system has become an essential tool in our governance framework.

Our government is committed to fiscal responsibility and sustainable development. The 2025 General State Budget of US\$2.617 billion reflects our strategic vision of building a more prosperous and just society. While the government determines budget priorities and allocations, the GRP system has been crucial in enabling us to efficiently execute and monitor this budget across 80 ministries, departments, and agencies, representing four levels of hierarchy in our government structure.

The implementation of the GRP system has allowed us to improve the efficiency of our public financial management practices in alignment with the broader goals of our government program. It has enhanced information flow between different government entities, ensuring that our financial resources, once allocated according to our national priorities, are properly tracked and accounted for.

Effective public financial management is not merely an administrative function – it is the backbone of our national development strategy. It encompasses planning and budgeting, accounting and reporting, internal control, auditing and external oversight. These elements are critical for ensuring that our public resources are used effectively to support national development goals and improve the welfare of our population.

FreeBalance's GRP system has significantly enhanced transparency and accountability in our public financial management. This transparency is not just about compliance with regulations – it is about building trust with our citizens. When people can see how public resources are being used, they are more likely to engage with government and hold public officials accountable. This, in turn, creates a cycle of improved governance and citizen participation.

The real-time information provided by the GRP system has also enabled better oversight by Parliament, civil society and the Timorese people. In doing this, it has also empowered these stakeholders to play a more active role in the governance process, ensuring that public resources are used in the best interest of the Timorese people.

I believe that the benefits of having a good and effective PFM system extend far beyond fiscal management. They touch every aspect of governance and have a direct impact on the lives of our people.

First, effective PFM promotes fiscal discipline and sustainability. Our PFM system enables us to make more informed decisions about resource allocation, ensuring that our spending is sustainable in the long term.

Second, it enhances transparency and accountability. The GRP system helps provide real-time information on budget execution, enabling better oversight by Parliament, civil society and citizens.

Third, it improves service delivery. The GRP system facilitates the transparent and efficient management of public funds through the budget execution process, supporting the government's intention to maximise the impact of our social spending and deliver services to intended beneficiaries.

Fourth, it strengthens our economic diversification efforts. As we work to reduce our dependence on petroleum revenues, effective PFM is crucial for allocating resources to productive sectors and creating an environment conducive to private sector growth. The GRP system helps provide the data and analytics needed to make strategic investments in key sectors of our economy.

Fifth, it supports our anti-corruption efforts. By increasing transparency and strengthening internal controls, the GRP system helps prevent misuse of public funds and detect irregularities when they occur.

As we continue our development journey, we are committed to further strengthening our PFM systems. We recognise that there is still work to be done to fully realise the potential of our partnership with FreeBalance and to address the challenges we face in public financial management.

I am particularly pleased to note that FreeBalance will be establishing a permanent office here in Dili immediately following this FISC meeting. This represents not just an expansion of business operations, but a deepening of our partnership and FreeBalance's commitment to Timor-Leste and the Asia-Pacific region.

This physical presence will enhance our collaboration, provide more immediate technical support and create opportunities for knowledge transfer that will benefit our public servants and our people alike. It is a testament to the strength of our partnership and our shared commitment to advancing public financial management in the region.

The FreeBalance GRP system will continue to play a central role in our PFM reforms, providing the technological infrastructure needed to implement modern PFM practices. We look forward to learning from the experiences of other FreeBalance client countries and to sharing our own experiences during this meeting.

We are also committed to investing in the capacity of our public servants to effectively use the GRP system and to implement sound PFM practices. This includes training programs, knowledge sharing initiatives and opportunities for professional development.

In closing, I would like to emphasise that effective PFM is not just about systems and processes – it is about improving the lives of our people. Every dollar saved through better financial management is a dollar that can be invested in education, healthcare, infrastructure and other critical needs.

I would also like to reinforce that while the GRP system is a powerful tool, it is the commitment of people like you – dedicated public servants, technology experts, and governance practitioners – that make sure that it is used effectively and for the benefit of our people.

I encourage all of you to engage fully in the discussions over the next few days, to share your experiences and insights and to learn from one another. The challenges we face in public financial management are complex, but by working together, we can find innovative solutions that advance our shared goals.

I would also invite you to take some time during your stay to experience the beauty and culture of Timor-Leste. Our country has a rich history and a vibrant culture and we are proud to share it with you.

I wish you all productive discussions and I hope that this meeting will strengthen our collective commitment to excellence in public financial management.

Obrigadu wa'in.
Thank you very much.

Kay Rala Xanana Gusmão