



REPÚBLICA DEMOCRÁTICA DE TIMOR-LESTE
MINISTÉRIO DAS FINANÇAS

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Minister of Finance of East Timor signed Statement of Understanding for multi-donor support to improve planning and financial management

Today, the Minister for Finance of East Timor, Ms. Emilia Pires, and representatives from the World Bank, Australia, Norway, Ireland, New Zealand, European Union and the United Kingdom signed the Statement of Understanding, which formalizes the implementation of a new aid delivery agreement, **the Planning and Financial Management Capacity Building Program (PFMCBP)**.

The PFMCBP is a multi-year program funded by seven (7) donor-partners. It aims to strengthen planning, budgeting, public expenditure management and revenue administration for growth and poverty reduction in Timor-Leste. The program encompasses expenditure, revenue, and macroeconomic functions, together with support for reforms and state administration, transparency and anti-corruption of the Ministry, Ministry-wide systems, and program implementation.

The program will be managed by a Steering Committee, chaired by Pires and comprise of senior officers of the Ministry as well as senior representatives from other implementing line agencies across the Government of Timor-Leste.

Responsibility for day to day delivery of various programs will be delegated to the Technical Assistance Management Unit (TAMU), which is centrally located within the Ministry of Finance. Among others, the key responsibilities for TAMU include coordinating program implementation with lead implementing agencies and district representatives, monitoring implementation progress across the program and identifying issues affecting successful implementation, developing and monitoring implementation of Annual Action Plans and Results Frameworks jointly with lead implementing agencies and coordinating procurement proposals for required resources, including preparation of Terms of Reference for adviser contracts.

To ensure transparency, all advisers employed by PFMCBP shall be directly managed and supervised by the Government of Timor-Leste. Measures of accountability include regular submissions of performance reporting against Government objectives with semi-annual progress reports provided by TAMU.

“This is a giant step forward for the Government” the Minister noted today “I am proud that the AMP Government is implementing world’s best practice approach to integrate donor support into the day to day management of the country’s financial operations for capacity building. In this approach, we, in the Government, will be more in control of how the aid programmes are delivered and we will be able to hold those responsible for delivering the programmes accountable, which I believe is the cornerstone of good governance. I expect that the efficient performance of PFMCBP therefore will radically improve the delivery of effective outcomes to the people of Timor-Leste.”

Pires, whose agenda includes reforming the financial operations of the country and establishing best practice economic management for the nation’s coffers, concluded by expressing her gratitude to the donors who

give generously to the PFMCBP and in the overall effort to renew the hope for building a brighter future in the country. **ENDS**

For further information please contact: Ms Ines Almeida, mobile: +670 723 0032.