



SPOKESPERSON
V CONSTITUTIONAL
GOVERNMENT



**MEDIA
RELEASE**

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2014 Budget Law Passed by National Parliament

The State Budget for 2014 has been endorsed unanimously by the National Parliament of Timor-Leste. The Draft Law No.10/III (2nd) "State Budget of 2014" was submitted to the final overall vote on Friday the 24th of January and passed with 64 votes in favour, 0 against and 0 abstentions. The Law will now go before the President of the Republic for promulgation.

The Prime Minister, H.E. Kay Rala Xanana Gusmão, reaffirmed that the role of the Budget was to serve the common goal: "to promote the growth of Timor-Leste in a manner that is inclusive, balanced and sustainable."

The total Budget for 2014 is 1.5 Billion USD. Its allocation reflects the priorities of the V Constitutional Government aligned with the Strategic Development Plan of Timor-Leste, namely:

- Investing in People, particularly in the areas of health, education and professional training,
- Developing Basic Infrastructure,
- Achieving integrated, inclusive and sustainable economic growth based on the agriculture, tourism and petroleum industry and
- Consolidating the institutional framework for good governance, peace and stability.

The Budget for the Ministry of Health has increased from \$62.1 million in 2013 to 67.2 million in 2014. Education related spending has increased by nearly 16% to \$178.6 million. This allocation includes commitments for the construction of new pre-schools, improvement of the school feeding program and development of a new curriculum.

To continue to the work of investing in quality basic infrastructure the 2014 Budget has appropriated \$368.6 million to the Infrastructure Fund. The Government has deferred spending on some projects and reduced the fund's budget in 2014 in order to ensure that all its programs can be executed to a high quality and at reasonable cost.

To provide a safety net for vulnerable people and support the principle of inclusive growth the State Budget for 2014 also includes \$336.3 million in public transfers. The main use of these allocated funds will be as



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pensions for War Veterans, pensions for the elderly and support for single mothers. Other measures to support geographically inclusive growth include a budget allocation of \$6.8 million for the Special Economic Zone Project in Oe-Cusse Ambeno.

The 2014 Budget is \$147.5 million less than in 2013.

The thorough Budget process has proceeded through many steps prior to the final vote on Friday. These steps promote inclusivity and transparency in the Public Financial Management of Timor-Leste. In May of 2013 two Yellow Road Workshops were held with a broad community of stakeholders to discuss the 2014 Budget. The draft budget law for 2014 was presented to the National Parliament and made available for public download on the 25th of October 2013. The Committee of Public Finance and various other parliamentary committees began their work of reviewing and reporting as required in the rules of National Parliament. Between the 4th and 18th of November public hearings were held in which numerous public and private entities were given the opportunity to express their opinions and inform Members of Parliament about their views on the Draft Budget Law.

Between the 9th and 11th of January 2014 the draft law was discussed in generality in the National Parliament. Then beginning on the 13th of January the Budget was discussed in speciality with proposed spending in every Ministry, Secretariat and Autonomous Agency closely reviewed. Amendments proposed in Parliament were reviewed by a multiparty Committee who then reported back for the final days of Plenary discussions. Besides cuts and additions to spending in various areas, the agreed amendments have included the enhancement of spending controls and measures for the periodic review and debate of Budget Execution in National Parliament throughout the year.

Spokesperson, Minister of State Agio Pereira noted “the budget process for 2014, although somewhat delayed by events in December, has now been finalised within the National Parliament. The process has been rigorous and consultative. It is commendable that National Parliament has addressed the 2014 State Budget in a positive and constructive way and the Government remains determined in 2014 to continue to serve the national interest, promoting the growth of Timor-Leste in a manner that is inclusive, balanced and sustainable, and serving the higher goal of improving the living conditions of Timorese families.” **ENDS**



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