



REPÚBLICA DEMOCRÁTICA DE TIMOR-LESTE

# State Budget 2016

## Budget Overview

# Book 1

**“Be a Good Citizen. Be a New Hero to our Nation”**



República Democrática de Timor-Leste  
Ministério das Finanças  
**Gabinete Ministerial**



*“Seja um bom cidadão, seja um novo herói para a nossa Nação”*

## Book 1 – Budget Overview

### Preface

The Organic Law of the Ministry of Finance specifies the responsibility of the National Directorate of Budget to collect and manage financial information relating to the public sector and publish the statistical results.

In accordance with this provision and to promote the transparency of the public finances, the Ministry of Finance is publishing the final version of the documents relating to the 2016 State Budget, following to the Council Ministers approval.

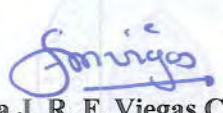
The documentation for the 2016 State Budget consists of the Budget Law, plus various supporting budget books:

<b>Book 1</b>	<b>: Budget Overview</b>
Book 2	: Annual Action Plans
Book 3A	: Districts
Book 3B	: RAEOA & ZEESM
Book 4AB	: Budget Line Items
Book 5	: Development Partners
Book 6	: Special Funds

Book 1 *Budget Overview* describes the overall budget strategy of the Government. It provides information on the international and domestic economic outlook, expected domestic and oilbased revenue including expected sustainable income, and overall expenditure in the medium term and the main new initiatives in the coming year.

Budget documentation is available on the website of the Ministry of the Finance, [www.mof.gov.tl](http://www.mof.gov.tl). Inquiries relating to this publication should be directed to the National Director of Budget, Mr. Salomão Yaquim on email [syaquim@mof.gov.tl](mailto:syaquim@mof.gov.tl) or telephone +670 333 9518.

I consider that this document will increase awareness and understanding of the Government's finances and help people to become good citizens and heroes to our nation by providing them with relevant information on the 2016 State Budget.

  
**Santina J. R. F. Viegas Cardoso**  
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## Acronyms

ADB	Asian Development Bank
ADF	Asian Development Fund
ANP	National Petroleum Authority
BU	Bayu-Undan
CFTL	Consolidated Fund of Timor-Leste
ASEAN	Association of Southeast Asian Nations
COP	ConocoPhillips
CPI	Consumer Price Index
CPLP	Community of Portuguese Language Countries
DHS	Demographic Health Survey
ESI	Estimated Sustainable Income
EU	European Union
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
GoTL	Government of Timor-Leste
HCDF	Human Capital Development Fund
IAB	Investment Advisory Board
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IF	Infrastructure Fund
IFC	International Finance Corporation
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
KPI	Key Performance Indicators
LFS	Labour Force Survey
LPG	Liquefied Petroleum Gas
MDG	Millennium Development Goal
MECAE	Minister of State, Coordinator of Economic Affairs
MoF	Ministry of Finance
OCR	Ordinary Capital Resources
PDID	Integrated District Development Planning
PF	Petroleum Fund
PFM	Public Financial Management
PMR	Performance Management Reform
PMU	Planning and Monitoring Unit
PPP	Public-Private Partnership
SAMES	Autonomous Drug and Medical Equipment Service
SDG	Sustainable Development Goal
SDR	Special Drawing Rights
SDP	Strategic Development Plan
TLSL	Timor-Leste Survey of Living Standards
WB	World Bank
ZEESM	Special Zone for Social Market Economy

## **Part 1: Speech of the Prime Minister**

# **Part 2: Description of the State Budget**

## **2.1: Executive Summary**

### **Government Policy**

The Annual State Budget lays out the Government of Timor-Leste's plans and policies for the coming year in order to meet its long-term objective of achieving middle income country status by 2030, as laid out in the country's Strategic Development Plan (SDP). In order to achieve this goal, the Government is prioritizing spending on infrastructure and key economic sectors (including tourism, agriculture and petroleum) and promoting investments in social, health and education sectors. Budget Book 1 summarizes how the Government plans on pursuing these policies in the coming fiscal year.

### **Economic Growth**

For Timor-Leste to become an upper-middle income country by 2030, strong, high-quality non-oil economic growth is required. From 2007 to 2012 the Government implemented economic policies that led to high rates of economic growth, with non-oil GDP growth averaging 10.6% per annum. These growth rates were driven by increases in Government spending associated with the Government's frontloading strategy, financing quality investment in infrastructure and human capital development to provide the necessary foundations for long-term sustainable private sector led development. In 2013, non-oil GDP growth slowed largely as a result of a decrease in Government capital expenditure associated with the phasing down of the electricity project. However, on balance, the economy performed well with strong growth in private sector investment and household consumption and a fall in inflation and the non-oil trade deficit.

In 2014, the transition to higher quality economic growth continued. Non-oil GDP is forecast to grow in the 4.1% to 7.5% range in the medium term. This strong growth forecast is driven by high execution of development capital expenditure and a balanced combination of increases in Government expenditure, private investment and household consumption. The medium-term outlook for Timorese consumers is also positive with consumption set to grow steadily, and annual inflation remaining below the Government's 4%-6% target range at around 2% over the 2015-2018 period.

### **Expenditure**

The 2016 State Budget is \$1,562.2 million (including loans). This is slightly lower than the amount in the 2015 Rectification Budget (see Table 2.1.1). The VI Constitutional Government is committed to ensuring a prudent level of spending by maintaining the overall size of the budget and reviewing existing programs to ensure maximum

returns on every dollar spent. Government expenditures have therefore been reviewed to prioritize programs and sectors with high returns and which are directly in line with the SDP objectives.

The Government is continuing to implement its frontloading policy to attract private investors. With the successful implementation of the electricity project, focus is now shifting towards investment in roads, ports, airports and bridges. As a result, expenditures, particularly on key sectors and priority infrastructure projects, will remain high until 2025. However by 2025, some SDP priority projects will begin to near completion and expenditure and excess withdrawals are expected to fall. Over the long-term (after 2026) expenditure will fall further and domestic revenue will increase, allowing excess withdrawals to fall.

### **Domestic Revenue**

Domestic revenue is forecasted to slightly increase in 2016 mainly due to a higher collection of fees and charges. This is triggered by an improvement in Government services to the public as well as by improvements in collection. Positive trends in domestic revenues are expected to continue in the medium term due to a combination of improvements in administration and strong economic performance (see Table 2.1.1).

### **Financing**

The non-oil deficit is equal to domestic revenue minus expenditure (see Table 2.1.1). The Government is using the Estimated Sustainable Income (ESI), excess withdrawals from the Petroleum Fund (PF), use of the cash balance and loans to finance the non-oil deficit in 2016. The non-oil deficit provides an approximate estimate of the amount of additional demand and money Government spending is contributing to the economy.

The ESI for 2016 is calculated at \$544.8 million and represents the amount that can be withdrawn from the PF, each year, forever, without the fund running out of money. The total amount budgeted to be withdrawn from the PF in 2016 is \$1,283.8 million, with excess withdrawals of \$739.0 million. The Government considers that excess withdrawals are necessary in the medium term to finance priority capital expenditures.

Loans are becoming an increasingly important tool for financing in the GoTL. The current loans contracted by the Government of Timor-Leste are used to finance key infrastructure projects and have relatively low rates of interest and significant grace periods. Total loan financing for 2016 is \$107.0 million.

Table 2.1.1: Fiscal Table with Memorandum Items (\$m)

	2012 Act.	2013 Act.	2014 Act.	2015 BB1 Rec	2016 Budget	2017	2018	2019	2020
<b>Total Expenditure by Appropriation Category (incl. loans)</b>	<b>1,247.0</b>	<b>1,081.4</b>	<b>1,359.1</b>	<b>1,570.0</b>	<b>1,562.2</b>	<b>1,980.0</b>	<b>2,493.7</b>	<b>2,095.3</b>	<b>1,743.4</b>
<b>Total Expenditure by Appropriation Category (excl. loans)</b>	<b>1,247.0</b>	<b>1,075.1</b>	<b>1,343.3</b>	<b>1,500.0</b>	<b>1,455.2</b>	<b>1,631.6</b>	<b>2,127.4</b>	<b>1,934.9</b>	<b>1,704.2</b>
<i>Recurrent</i>	708.8	730.9	912.7	1,147.7	1,127.3	1,171.0	1,225.0	1,278.7	1,330.3
Salary and Wages	130.7	141.8	162.5	177.5	181.5	188.8	196.3	204.2	212.4
Goods and Services (inc. HCDF)	358.2	392.0	458.7	515.7	470.4	487.8	514.5	539.8	561.8
Public Transfers	220.0	197.0	291.5	454.5	475.4	494.4	514.2	534.7	556.1
<i>Capital</i>	538.2	350.5	446.3	422.3	434.9	808.9	1,268.7	816.7	413.1
Minor Capital	46.8	40.0	53.3	31.0	16.6	17.2	17.9	18.6	19.4
Capital and Development (inc. Infrastructure & loans)	491.4	310.6	393.1	391.3	418.4	791.7	1,250.7	798.0	393.7
<b>Domestic Revenue***</b>	<b>142.2</b>	<b>151.1</b>	<b>168.0</b>	<b>170.4</b>	<b>171.4</b>	<b>180.9</b>	<b>190.5</b>	<b>200.6</b>	<b>210.3</b>
<b>Non-Oil Fiscal Balance</b>	<b>(1,104.8)</b>	<b>(930.3)</b>	<b>(1,191.1)</b>	<b>(1,399.6)</b>	<b>(1,390.8)</b>	<b>(1,799.1)</b>	<b>(2,303.2)</b>	<b>(1,894.7)</b>	<b>(1,533.1)</b>
<b>Financing</b>	<b>1,104.8</b>	<b>930.3</b>	<b>1,191.1</b>	<b>1,399.6</b>	<b>1,390.8</b>	<b>1,799.1</b>	<b>2,303.2</b>	<b>1,894.7</b>	<b>1,533.1</b>
Estimated Sustainable Income (ESI)	665.3	730.0	632.3	638.5	544.8	534.5	519.8	490.1	464.9
Excess Withdrawals from the PF	829.6	-	99.7	689.0	739.0	916.2	1,417.2	1,244.2	1,029.0
Use of Cash Balance	(390.1)	194.0	443.3	2.1	-	-	-	-	-
Borrowing/Loans	-	6.3	15.8	70.0	107.0	348.4	366.2	160.5	39.2

Source: National Directorate of Economic Policy, Ministry of Finance, 2015

## 2.2: Recent Reforms in Economic and Financial Management

### 2.2.1: Overview

The objective of the new VI Government is to enhance the efficiency, effectiveness and accountability in the use of public resources, particularly in implementing the Strategic Development Plan (SDP). For this purpose, it has reviewed and implemented new, necessary programs in key areas such as infrastructure, education or health.



The VI Constitutional Government has committed to reforming the public sector in order to increase its efficiency. Four major reform programs in the public sector have been approved and are currently being undertaken for this purpose: the Legislative Harmonisation and Judicial Reform, the Public Administration Reform, the Economic Reform and the Fiscal Reform, Performance Management Reform and Budget Performance Reform. The Government has also introduced new planning and monitoring structures to ensure greater integration between planning and budgeting, by setting up a Planning and Monitoring Unit (PMU) and is looking at gradually implementing a form of Program Budgeting. The following subsections expand the reforms in more detail.

### **2.2.2: The Four Reforms to the Public Sector**

The VI Constitutional Government has committed to four major reforms in the public sector throughout its mandate. These reforms are the Legislative Harmonization and Judicial Reform, the Public Administration Reform, the Economic Reform and the Fiscal Reform, Performance Management Reform, and Budget Performance Reform.

#### **2.2.2.1 The Legislative Harmonization and Judiciary Reform**

The Legislative Harmonization and Judiciary Reform aims to reinforce the path for a strong and efficient judicial system and will be led by the Legislative Reform and Justice Sector Committee.

The reform will follow a threefold strategy. Firstly, it will set up a new legal framework in line with regional and international standards. Secondly, it will enhance relations between the specific bodies and institutions in the judicial system. Finally, it will carry out a procedural reform, ensuring timely access to justice and easy exercise of the rights of citizens and legal entities. Overall, the reform will therefore aim to improve the legislative and judiciary sector's ability to guarantee and protect people's rights and contribute to sustainable development through national stability.

#### **2.2.2.2. The Public Administration Reform**

The objective of the Public Administration Reform is to put in place a system for an efficient, effective and responsible Government. The reforms will be led by the recently appointed Commissioners of the Civil Service Commission under the Prime Minister's tutelage, in close collaboration with relevant Government institutions, including the Ministry of State Administration, Ministry of Finance (MoF), the Commission of Anti-Corruption and the Ombudsman Office.

The reform will follow the following strategy. Firstly, it will carry out a human resource diagnostic analysis in order to review the existing legislative and policy procedures. Secondly, it will establish tools and procedures to enable better

enforcement of the rule of law and to create an avenue for better planning and an improved human resource management system. Finally, it will introduce an improved practice of human resource management through the establishment of competency standards that will allow clarity in expectations and development goals to facilitate better performance management.

In particular, the MoF has made significant progress in piloting a Public Administration Reform through the Performance Management Reform (PMR). For this purpose a joint PMR Task Force was created, highlighting connections between planning, integrity, accountability and institutional performance. The PMR is now undergoing eight key processes, which will hopefully expand to other Government institutions:

1. Identify an appropriate organizational structure to deliver the required results, culminating in the revision of the MoF Organic Law.
2. Approve the necessary legislation to conduct the reform.
3. Identify positions and competency standards.
4. Develop new job descriptions for all leadership and management positions complete with required competencies and Key Performance Indicators (KPIs).
5. Complete baseline diagnostic tests for 939 nominated Public Financial Management (PFM) professionals in all Ministries<sup>1</sup>.
6. Select professionals at the MoF on the grounds of merit.
7. Draw accurate job descriptions, work plans and individual capacity building plans.
8. Carry out an Institutional Capacity Development Plan.

### **2.2.2.3. The Economic Reform**

In 2016, the Government will be implementing the Economic Reform and Growth Program, coordinated by the Minister of State, Coordinator of Economic Affairs (MECAE). The reform operationalizes, plans and drives the implementation of actionable activities focused on developing, strengthening and supporting the overall private sector environment. The objective is to increase private investment, create sustainable jobs and diversify the economy. The reform consists of six major reforms designed to strengthen and improve the private sector environment. These major reforms are: (1) Land and Property Regulation Reform, (2) Economic Infrastructure Development, (3) Labour Market Reform and Workforce Development, (4) Reform of the Business Enabling Environment, (5) Reform of the Private Investment Regime, and (6) Private Sector Reform and Development.

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<sup>1</sup> PFM competencies include covering planning, budgeting, payments, procurement & contract management and asset & fleet management. Accounting and financial regulations and internal audit diagnostic tests will be the next to be administered.

Whilst overall reform coordination is the responsibility of MECAE, the implementation of specific activities will be coordinated across Ministries and relevant public entities. The reform closely complements the Fiscal Reform Program carried out by the MoF.

#### **2.2.2.4. The Fiscal Reform, Performance Management Reform, and Budget Performance Reform**

The Fiscal Reform, Performance Management Reform, and Budget Performance Reform aim to ensure the fiscal sustainability of Timor-Leste in the medium and long term by achieving a balance between State expenditures and revenues. As such, there are three interrelated reforms carried out by the Ministry of Finance each with its own set of goals.

The Fiscal Reform will increase non-petroleum resources, while guaranteeing the State's commitment to its citizens. In order to achieve this, the Fiscal Reform comprises measures in two broad areas. Firstly, it seeks to provide the Timorese Tax and Customs systems with an efficient body of legislation that enables the State to collect the necessary revenues for pursuing its mission. Secondly, it seeks to modernize and consolidate the Timorese Tax and Customs administrations through the modernization of IT systems and streamlining processes and procedures.

The Budget Performance Reform is to ensure that public resources are used as efficiently and effectively as possible in order to provide quality public services. The Budget Performance Reform agenda includes measures in four areas. The first is improving the quality of public expenditure through introducing a form of Program Budgeting, improving multi-year budgeting, and putting in place an effective system for monitoring and evaluating both the quantity and quality of public expenditure. The second area concerns improving the IT systems and processes and procedures of the public institutions that channel and execute public expenditure. The third area is the reform of the governance and cost structure of State-Owned Enterprises with a view towards achieving self-sustainability. The fourth area is the decentralization of public expenditure as part of the political decentralization agenda, which will require the development of Standard Operating Procedures, the deployment of IT Systems, and the training and capacity building of human resources in the area of PFM at the municipal level.

#### **2.2.3: Service Delivery and Performance Budgeting**

The VI Constitutional Government is committed to ensuring the Annual State Budget ensures that public service delivery is more efficient, effective and accountable. To further this purpose, the PMU has been created under the Prime Minister's Office (PMO), with the mandate to link planning and budgeting as well as monitor the results to feed into planning objectives, together with the MoF. The creation of the program classification will further help to better link planning and budgeting, and

allow for structured prioritisation and the efficient allocation of Government resources.

All of the Ministries are crucial stakeholders in the reform, and the Planning and Monitoring Unit (PMU) is working together with the MoF to support line ministries throughout the budget preparation process, including by helping every Government institution define their priority programs, and by carrying out quarterly monitoring of program expenditures.

In the context of the service delivery and performance budgeting initiative, the 2016 budget presents a classification of certain expenditures by program as well as the usual classification by appropriation category and institution. Each Ministry has identified its major programs and submitted a joint budget submission classified by program and activity. All budget books therefore include a Program Budgeting component, which breaks down expenditures within each line ministry by program and activity for 2016.

## **2.3 Economic Overview**

### **2.3.1 The International Economy**

#### **2.3.1.1 International Growth Trends**

Legacies from the financial and euro crises are still visible in many countries in the form of weak financial institutions and high levels of public and private debt, this will continue to shape the global economy's medium-term outlook. The varied impact of these legacies, the recent decline in global oil prices and increased exchange rate volatility make it difficult to categorize overall global economic growth trends in 2015.

In general, growth in the advanced economies will pick up due to improvements in global financial conditions, the Eurozone's gradual recovery and lower fuel prices, while in emerging and developing economies growth will slow down driven by lower international commodity prices and the slowdown in the Chinese economy. On balance (as seen in Table 2.3.1.1.1) global growth in 2015, projected at 3.3%, is likely to be marginally lower than in 2014. Despite a marginal slow down, the high demand for goods and services associated with high growth rates in emerging and developing Asia represents an important export opportunity for Timor-Leste.

**Table 2.3.1.1.1: Real Global and Regional Growth Rates (%)**

Country	Actual		Forecast	
	2013	2014	2015	2016
World	3.4%	3.4%	3.3%	3.8%
Advanced Economies	1.4%	1.8%	2.1%	2.4%
Emerging and Developing Economies	5.0%	4.6%	4.2%	4.7%
Emerging and Developing Asia	7.0%	6.8%	6.6%	6.4%
China	7.7%	7.4%	6.8%	6.3%
Timor-Leste *	2.8%	6.0% *	4.1%	5.1%

Sources: WEO Update 2015 (IMF), Ministry of Finance, 2015

\*Growth forecast

### 2.3.1.2 International Price Trends

Global inflation driven by falls in the price of oil and other commodities is expected to decrease from 3.5% in 2014 to 3.2% in 2015. The lower forecast inflation in the advanced economies of 0.4% reflects the declines in international commodity prices and continued weak demand in Japan and the Eurozone. In contrast, inflation is expected to increase marginally in the emerging and developing economies from 5.1% to 5.4% in 2015, although recent oil price and exchange rate volatility have added considerable uncertainty to this estimate.

**Table 2.3.1.2.1: Global and Regional Inflation Rates (%)**

	Actual		Forecast	
	2013	2014	2015	2016
World	3.9%	3.5%	3.2%	3.3%
Advanced Economies	1.4%	1.4%	0.4%	1.4%
Emerging and Developing Economies	5.9%	5.1%	5.4%	4.8%
Emerging and Developing Asia	4.8%	3.5%	3.0%	3.1%
Timor-Leste	9.8%	0.7%	1.4%	1.8%

Sources: WEO Database April 2015 (IMF)

### International Oil Prices

Oil prices fell significantly in the second half of 2014; by January 2015 the price of a barrel of oil had fallen by 60.8%<sup>2</sup> from its peak in June 2014 (see Chart 2.3.1.2.2). This brought an end to a four-year period of price stability at around \$105 per barrel. After a partial recovery in the first half of 2015 the price of oil began falling again. These recent falls in the price of oil have been driven by a combination of increased global supply and reduced global demand.

The global supply of oil has increased significantly in recent years due, in part, to new technologies such as hydraulic fracturing (fracking) and horizontal drilling. Arguably the biggest driver behind this price fall was the decision made by the oil

<sup>2</sup> Brent Spot Price, Energy Information Agency

market's swing producer<sup>3</sup> Saudi Arabia to maintain their current production levels despite the recent increase in global supply. On the demand side the continuation of Europe's slow recovery, the slowdown of the Chinese economy and the appreciation of the US dollar against other major currencies have all contributed to lower oil prices. Though oil prices are expected to recover slightly in 2016, the medium term outlook suggests that the price of oil will not return to 2014 levels in the near future.

As explained in Section 2.6.3, the current and projected price of oil affects the calculation of future petroleum revenues and the Estimated Sustainable Income (ESI), which in turn affects the Government's expenditure plans. The Government closely monitors changes in international oil prices and their impact on the ESI. However, by the end of 2015 it is estimated that approximately 89% of Timor-Leste's petroleum wealth will be held in international financial markets. This makes the Petroleum Fund's investment performance crucial and reduces the impact of oil price fluctuations on the ESI.

In addition, the decrease in oil prices will benefit both consumers and non-oil producers in Timor-Leste. The fall will benefit consumers through lower prices on fuel and products which use oil intensely in production. In addition, non-oil producers will benefit from lower transport and production costs, as well as from increases in consumers' disposable incomes.

### **International Food Prices**

A significant proportion of the food consumed in Timor-Leste is still imported and thus changes in international food prices can have a significant impact on both the rate of inflation and standard of living. According to the International Monetary Fund's (IMF) Food Price Index international food prices have fallen by 19.0% since January 2014, while the price of rice, the staple food for the majority of the Timorese people has fallen by 12.1% over this period. The IMF is forecasting that food prices will continue to fall throughout the rest of 2015 and then stabilise in 2016.

The international price of coffee, Timor-Leste's largest non-oil export, has been highly volatile in recent years and has fallen significantly over the past 12 months. This price fall will negatively impact the welfare of Timorese coffee farmers. This increases the importance of projects aimed at increasing productivity in this key sector and the Government's efforts to diversify into other sectors.

### **Foreign Exchange Rates**

The general appreciation of the US dollar against the currencies of Timor-Leste's trading partners, which began in early 2014, has continued into 2015. The US dollar appreciated by 11.5% against a weighted basket of Timor-Leste's major trading partners' currencies in the 12 months leading to July 2015. This was mostly driven by

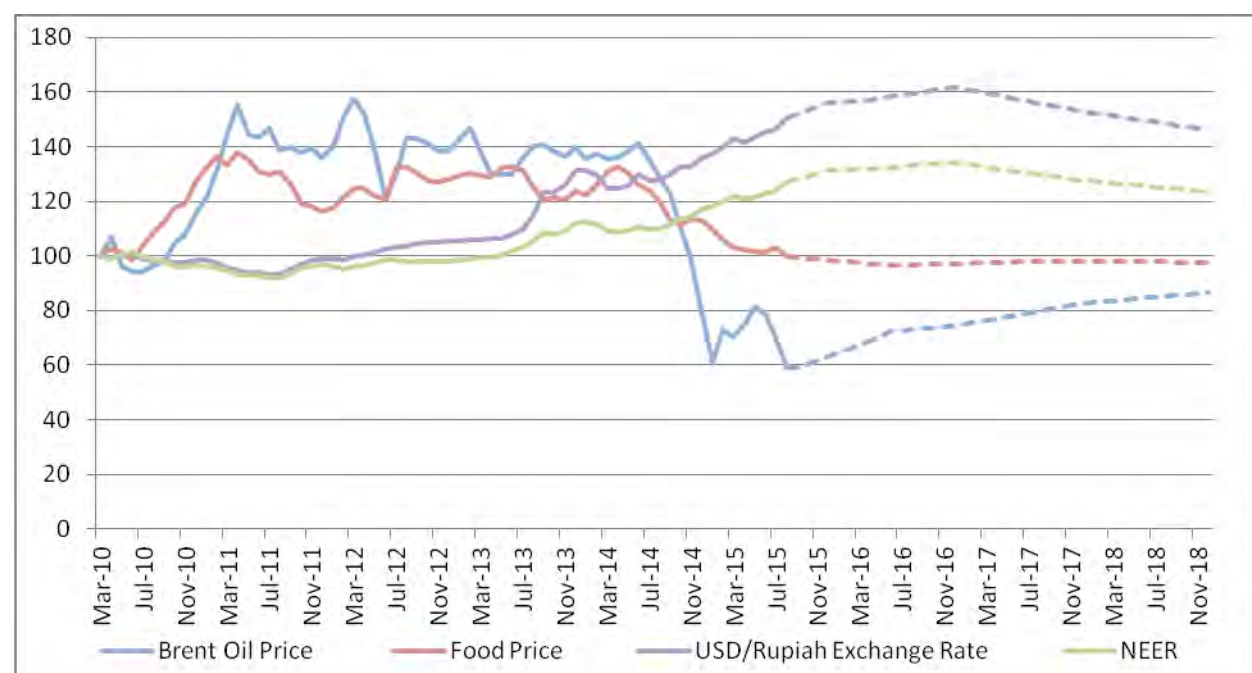
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<sup>3</sup> Producer who uses their spare capacity to increase or decrease supply to stabilize market prices.



a 14.4% appreciation of the US dollar against the Indonesian rupiah, the currency of Timor-Leste's largest trading partner. The appreciation has reduced the price of imports; this puts downward pressure on domestic inflation, benefiting Timorese consumers. However, this appreciation makes Timorese non-oil exports more expensive in international markets constraining the development of the country's exports sector. The appreciation of the US dollar against Timor-Leste's major trading partners is expected to continue into 2016, this will put further downward pressure on prices in Timor-Leste (see Chart 2.3.1.2.1).

**Chart 2.3.1.2.2: Actual and Forecast Commodity Price and Exchange Rate Indices**



Sources: Primary Commodity Prices (IMF), Bloomberg and Oanda

## 2.3.2 The Domestic Economy

### 2.3.2.1 Timor-Leste's Recent Economic Performance

In Timor-Leste total GDP fluctuates significantly from year to year based on changes in oil sector output. This sector has accounted for over 70% of Timorese output in recent years. This coupled with the relatively small level of employment in the oil sector means that total GDP, which declined by 13.9% in 2013, driven by an 18.7% contraction in the oil sector, is not an optimal measure of economic performance. Instead of focusing on total GDP, it is more useful to monitor economic performance using a comprehensive approach which utilizes a wide variety of indicators relating to the non-oil economy. This approach provides a more accurate indication of the real impact of changes in the economy on the people of Timor-Leste.

**Chart 2.3.2.1.1: GDP by Sector and GDP Growth (2010 Prices)**

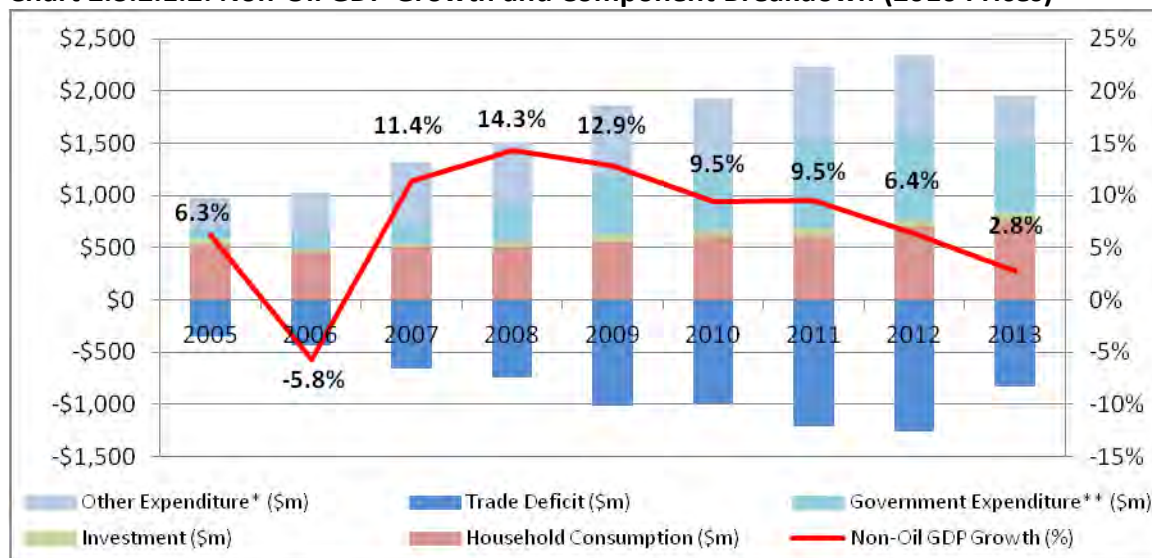


Sources: Timor-Leste National Accounts 2000-2013, General Directorate of Statistics, Ministry of Finance

### The Non-Oil Economy

In recent years Timor-Leste has experienced exceptionally high non-oil GDP growth, averaging 10.6% over 2007-2012. These growth rates were driven by increases in Government expenditure associated with the Government's frontloading strategy, see Chart 2.3.2.1.2.

**Chart 2.3.2.1.2: Non-Oil GDP Growth and Component Breakdown (2010 Prices)**



Sources: Timor-Leste National Accounts 2000-2013, General Directorate of Statistics, Ministry of Finance

\*Includes development partner expenditure and consumption of fixed capital

\*\*Excludes Government transfers, in line with the 2008 System of National Accounts methodology

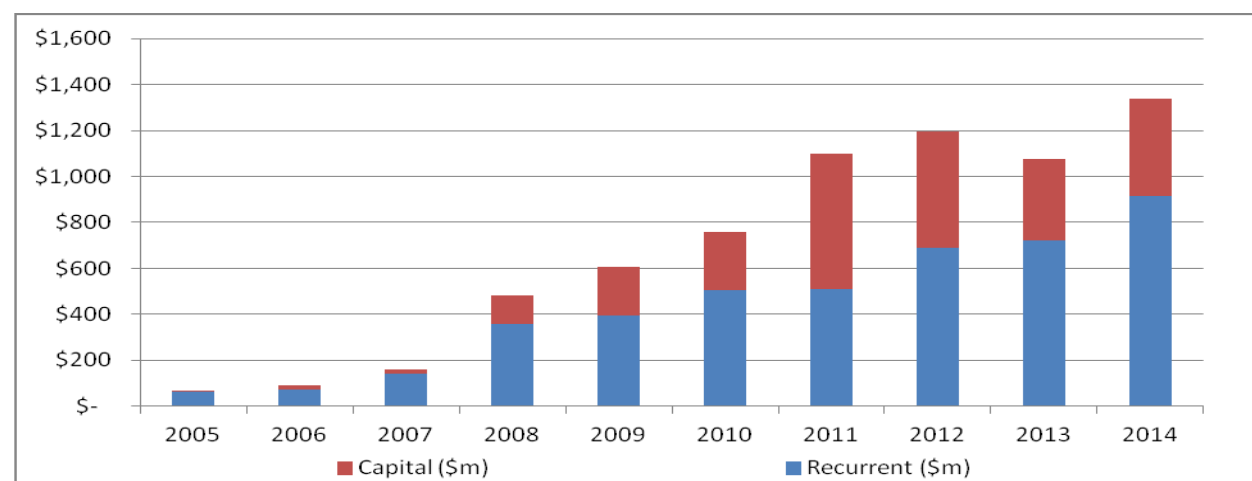
When the Government increases capital expenditure there will be a positive GDP impact. An initial boost in capital spending can create jobs and demand in the domestic economy for the duration of the project. To have a longer-term impact on

growth beyond the initial project, the Government invests in high quality projects such as infrastructure and human capital development which have lasting effects on the domestic economy. These Government expenditures can build the productive capacity of the economy through positively influencing the productivity of the private sector and raising the return on private capital, resulting in beneficial long-term effects.

The Government's frontloading strategy uses loan financing<sup>4</sup> and excess withdrawals<sup>5</sup> from the Petroleum Fund to finance high quality investment in infrastructure and human capital development. As outlined in Timor-Leste's Strategic Development Plan, the Government's high return investments will provide the necessary foundations for long-term sustainable private sector led development. These investments will stimulate economic growth, leading to higher domestic revenues and reduced Government spending in the long-term, which will allow excess withdrawals to return to levels consistent with the ESI. The frontloading policy has already allowed the Government to significantly upgrade road and electricity coverage throughout Timor-Leste, which has helped to improve both living standards and the business environment.

The below trend non-oil GDP provisional growth of 2.8%<sup>6</sup> seen in 2013 was largely the result of a decrease in Government capital expenditure (see Chart 2.3.2.1.3) associated with the phasing down of the electricity project. This type of economic slowdown is common in countries that have undertaken large-scale infrastructure projects and was to be expected. Excluding the impact of the phasing down of the electricity project the non-oil economy would have grown by 7.0% in 2013, demonstrating that the underlying growth trend continues to be strong.

**Chart 2.3.2.1.3: Nominal Recurrent and Capital Government Expenditure**



Source: National Directorate of Economic Policy, Ministry of Finance, 2015

<sup>4</sup> Loan financing is cheaper than financing through withdrawals from the Petroleum Fund when interest rates on loans are lower than the Petroleum Fund's average return.

<sup>5</sup> Withdrawals from the Petroleum Fund in excess of the ESI.

<sup>6</sup> This figure is provisional and likely to be revised following a rebasing of the GDP series.

On balance the economy performed well in 2013 with strong growth in private sector investment and household consumption and falls in inflation and the non-oil trade deficit. Household consumption growth of 7.0% suggests that living standards continued to increase rapidly in 2013. The 15.6% growth in private sector investment shows that, in line with the Strategic Development Plan (SDP) and the frontloading policy, strong progress is being made in developing the private sector.

### ***Sectoral Performance***

The performance across the major sectors of the Timorese economy has been mixed in 2013. Growth in the construction sector remains closely related to Government capital expenditure and lower capital spending in 2013 led to an 8.5% fall in construction sector output. Meanwhile, the strong 10.7% growth seen in the public administration sector was the result of the increase in recurrent Government expenditure in 2013.

Output in the agricultural sector grew by 0.3% in 2013, despite improvement in yields, agricultural output has remained constant <sup>7</sup> since 2009. Finally, the wholesale and retail trade sector contracted by 3.4% in 2013.

### ***Inflation***

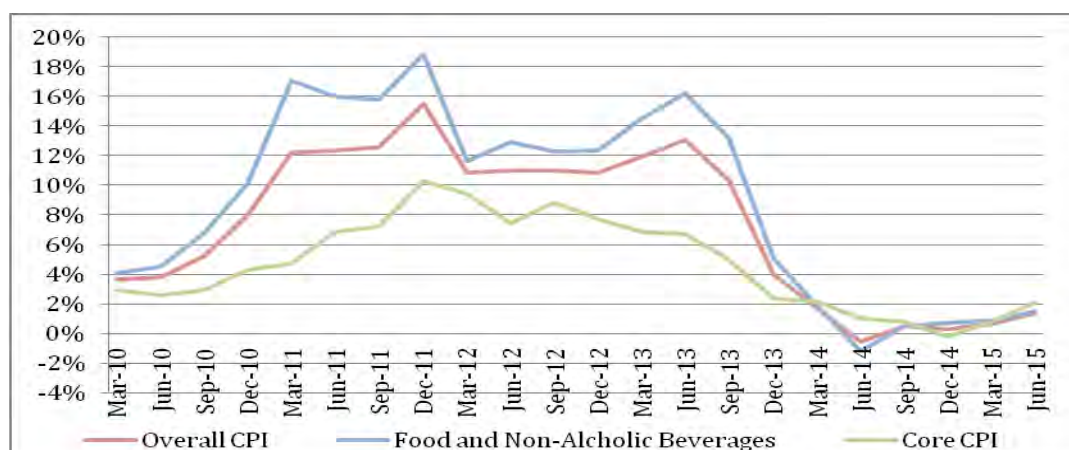
In 2013, inflation fell from double-digits to within the SDP's 4%-6% target range. Inflation in Timor-Leste had been in double-digits since March 2010, this was largely due to high food and non-alcoholic beverage inflation caused by unfavourable international conditions and increases in Government expenditure associated with the frontloading project.

In the second half of 2013 inflation began to fall rapidly, from 13.0% in June to 4.0% by December. This lower inflation can be attributed to both domestic and international factors. International factors such as the appreciation of the US dollar against the majority of Timor-Leste's trading partners and falls in the prices of key international commodities (see Chart 2.3.1.2.2) put downward pressure on inflation. It is likely that increases in domestic production and a slowdown in Government expenditure growth also helped to drive down inflation.

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<sup>7</sup> Excluding the poor harvest in 2011

**Chart 2.3.2.1.4: Consumer Price Index (CPI) - 2010-2015**

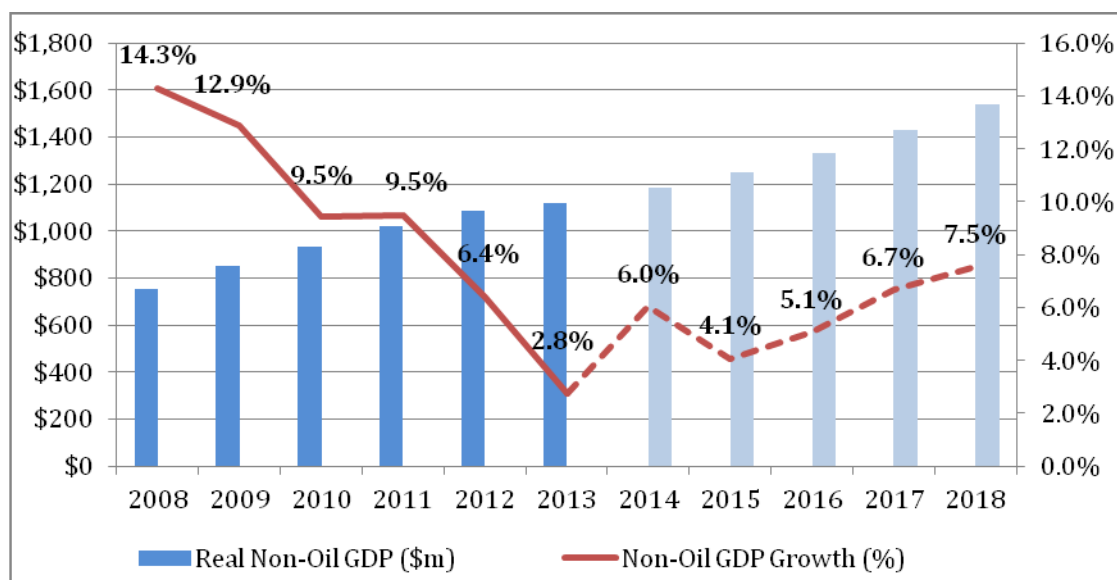


Source: Timor-Leste Consumer Price Index, General Directorate of Statistics, Ministry of Finance, 2015

### 2.3.2.2 Outlook for the Non-Oil Economy in the Medium Term

The Ministry of Finance is forecasting quality non-oil GDP growth in the 4.1% to 7.5% range in the medium term (see Chart 2.3.2.2.1). The strong growth forecast of 6.0% in 2014<sup>8</sup> is driven by high execution of development capital expenditure, while in the outer years growth is driven by a balanced combination of increases in private investment, household consumption and the Government's continued implementation of the frontloading policy in key sectors and infrastructure projects.

**Chart 2.3.2.2.1 Real Non-Oil GDP – Actual and Projection (%)**



Sources: Timor-Leste National Accounts 2000-2013, General Directorate of Statistics (MoF, 2015) and Economic Forecasts (National Directorate of Economic Policy, MoF, 2015)

Private sector investment is forecast to increase significantly in the medium-term with several large-scale multi-national projects projected to start in 2016. This picture is consistent with the frontloading strategy as the Government's high return

<sup>8</sup> 2014 is forecast as the latest National Accounts publication covers up to 2013.

investments in the road network, provision of electricity and education have played a key role in attracting these investors.

The medium-term outlook for consumption is positive with steady growth and annual inflation to remain below the Government's 4%-6% target range. Inflation is forecast to remain at around 2% over the 2015-2018 period largely due to favourable international commodity and exchange rate projections (see Chart 2.3.1.2.2).

Economic diversification will play a strong role in Timor-Leste's medium term outlook in terms of increasing growth and reducing export volatility. Diversification has the potential to create jobs through shifting employment from lower to higher productivity sectors. In Timor-Leste the opportunities for diversification through both import substitution and the region's sizeable export markets are high, especially in the agricultural and food processing sectors. Given the small domestic market, diversification should also be export driven and the Government will continue to improve the business environment and capacity of Timorese workers to ensure that the country's exports can compete in international markets. Furthermore, Timor-Leste's accession to the Association of Southeast Asian Nations (ASEAN) will create new trade opportunities, allowing Timorese businesses better access to the +600 million people in the ASEAN market.

### **2.3.2.3 The Domestic Labour Market**

The Labour Force Survey (LFS) 2013 is the second LFS to be carried out in Timor-Leste and the first in the world to adopt the new standards set out by the 19<sup>th</sup> International Conference of Labour Statisticians. It provides the latest information on the labour market in Timor-Leste. However, due to these methodological differences this survey cannot be compared with the Labour Force Survey 2010 and this survey should be thought of as the foundation upon which future analysis will be based.

According to the 2013 LFS there were 213,200 people in the Timorese labour force (residents between 15 and 64 either employed or actively seeking employment). Within the labour force 189,800 people were employed, while 23,400 were unemployed.

The employment to working age population rate in 2013 was 27.3%. This is a measure of the number of people employed in jobs as a ratio of the number of people between the age of 15 and 64. In Timor-Leste the employment to working age population rate is a better measure of the labour market, rather than the rate of unemployment, which fails to account for the subsistence labourers and those outside of the labour force. Of the working age population, 483,000 were estimated to be outside the labour force, and a significant proportion of these are part of the 178,900 people involved in subsistence food production.

The Government recognises that there are significant medium to long-term labour market challenges and its policies reflect this. The State Budget has allocated a



substantial amount of funding to infrastructure development throughout the country and these projects are estimated to create over 38,000 direct jobs in 2016. A large number of indirect jobs will be created through the frontloading policy. Finally, the Government, through the Ministry of Education and Human Capital Development Fund is investing in the labour force to ensure that businesses can find the skilled Timorese labour that they need to be competitive within the ASEAN region.

## **2.4: Socioeconomic Indicators**

### **2.4.1 Millennium Development Goals (MDGs)**

The MDGs are a global initiative under which the Government of Timor-Leste committed to striving towards the achievement of eight ambitious economic and social goals by 2015. As this period comes to an end, it is now time for Timor-Leste to review its progress and reflect on the main challenges faced, as we prepare for the implementation of the Sustainable Development Goals (SDG), which will soon replace the MDGs.

#### **Goal 1: Eradicate Poverty and Hunger**

The 2007 Timor-Leste Survey of Living Standards (TLSLS) indicated that 49.9% of Timorese people lived under the national poverty line of \$0.88 per day. Child malnutrition has fallen significantly over the past 7 years, from 49.9% in 2007 to 38% in 2013. However, and despite significant improvements, the prevalence of underweight children remains above the MDG target of 31% and very high on a global level. The Government is strongly committed to reducing this rate further through increasing agricultural production and endorsing programs such as “Merenda Escolar”, the National Plan for Hunger Free Timor-Leste, Zero Hunger Challenge and the “Juntos contra a Fome” initiative.

#### **Goal 2: Achieve Universal Primary Education**

Since independence, the net ratio for primary school enrolment in Timor-Leste has increased from 65.1% to 89.6% in 2014 – a 38% increase. However, and despite these efforts, Timor-Leste has not met the target of 100% net primary enrolment.

Education assumes a central role in the Government’s efforts towards national development. A wide range of policies have been devised to increase school enrolment and improve the quality of education, either by improving the curriculum or by making school enrolment a condition for social programs like Bolsa da Mãe.

#### **Goal 3: Promote Gender Equality and Empower Women**

Timor-Leste has achieved all targets under Goal 3 “Promote Gender Equality and Empower Women”. It has surpassed the targets set for ratios of girls to boys in primary, pre-secondary and secondary school, setting an example for gender equity in education, an achievement few other developing countries can claim. The

Government is putting in place important measures to encourage the role of women in the private sector, and subject to meeting certain standards, businesses operated by women are given preferential treatment in Government procurement. Between 2010 and 2014, 1,600 businesses run by women have been registered with the Institute for Business Support (IADE) and received training and assistance on planning, preparing credit proposals and improved market linkages.

The Government is committed to further reforms in institutions, politics, policy making and education to improve gender equality. Key activities include: running an advocacy campaign to increase awareness of gender responsive laws and policies and establishing a district female congress.

#### **Goal 4: Reduce Child Mortality**

According to the Demographic Health Survey (DHS) 2009-2010, Timor-Leste has already achieved its target of reducing under-five infant mortality by two thirds. The infant mortality rate decreased from 88 to 45 per 1,000 live births in 2001 and 2010 respectively. The number of children immunized against measles has also increased significantly, from 39% in 2001 to 74% in 2014.

Going forward the Government is determined to further improve child health. Key policies will include strengthening health services and further improving rates of immunization.

#### **Goal 5: Improve Maternal Health**

Maternal mortality has fallen since independence but is still high compared to other countries in the region. There were 557 maternal deaths per 100,000 live births in 2009/2010 compared to 660 deaths per 100,000 live births in 2000.

Timor-Leste has made very significant progress in the area of maternal health. Strengthening of human resources in the health sector is a strong focus of the Government as well as ensuring that health units are adequately equipped. Additionally, the Government has also led policies aimed at raising awareness on maternal health issues, improving the nutritional status of mothers and improving family planning services.

#### **Goal 6: Combat HIV/AIDS, Malaria and other Diseases**

Timor-Leste has made remarkable progress in decreasing incidence and death rates associated with Malaria. The number of children under 5 sleeping under an insecticide treated mosquito net has now risen to 89% and the death rate associated with malaria has gone down to 0.2 per 100,000 inhabitants in 2014 – a total of three malaria related deaths in a year. For this reason, most of the malaria related MDG indicators have been met.

The first case of HIV/AIDS was detected in Timor-Leste in 2003 and, since then, the number of cases has increased to 426, causing the deaths of 41 people. This implies that although the prevalence of HIV/AIDS is low in Timor-Leste it has been

increasing. Key policies in this area have been public health campaigns to increase awareness of HIV/AIDS and strengthening the ability of the health system to diagnose and treat this disease.

### **Goal 7: Ensure Environmental Sustainability**

The 2010 Census suggests that over 90% of the population uses wood as a source of energy for cooking which might be contributing to the slight loss of forest cover witnessed between 2001 and 2009, from 51% to 50%. The recent expansion of the national electricity grid may reduce demand for firewood and consequently lead to less deforestation. There are also plans to plant sandalwood, mahogany and teak, which will directly contribute to reforestation.

The proportion of the population using an improved water-drinking source has increased to 70.5% in 2012 – just 8 percentage points below our national target - and the proportion of the population using an improved sanitation facility has also increased in Timor-Leste to 38.9%. The Government has improved water and sanitation by strengthening planning, constructing new facilities and building the capacity of communities to maintain these facilities. Going forward there are plans to build a total of 65,000 latrines for vulnerable households by 2017 and develop water master plans for all districts.

### **Goal 8: Develop a Global Partnership for Development**

The Government is encouraging development partners to use national systems for Overseas Development Assistance. The Australian government and EU recently showed their confidence in national systems by providing direct budgetary support

Timor-Leste has strengthened its relationship with the international community through its leading role in the g7+ and presidency of the Community of Portuguese Language Countries (CPLP).

The Government also recognizes that in the context of a globalized economy, it is important to promote new technologies as this will be key for Timor-Leste to reach its development goals. In this area Timor-Leste has witnessed dramatic improvements with approximately half of the population now enjoying mobile phone access. There have also been similar improvements in internet access where currently approximately 25% of the population are able to get online.

### **Final remarks**

By and large, the Government of Timor-Leste acknowledges the positive role that the MDG initiative played in shaping the country's development throughout the first decade of its existence. However, as the MDGs come to an end, we have also learnt some valuable lessons about the shortcomings of this initiative. Perhaps the most important one is that while the MDGs are worthy goals, they cannot be achieved in the context of conflict and insecurity and must have indicators which can adapt to each country's reality. This realization is well reflected in the SDG initiative which will come to replace the MDGs, partly due to Timor-Leste's efforts and engagement at

the Global level, and through our coordination with other g7+ countries who came to similar conclusions about the MDG initiative.

### 2.4.1 Sustainable Development Goals

#### Introducing the SDGs

In 2012, the UN Secretary General established the High Level Panel of Eminent Persons, consisting of 27 members, with Timor-Leste represented by the former Minister of Finance and Chair of g7+. This panel established the first draft of the SDGs.

Goal 1	End poverty in all its forms everywhere
Goal 2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
Goal 3	Ensure healthy lives and promote well-being for all at all ages
Goal 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
Goal 5	Achieve gender equality and empower all women and girls
Goal 6	Ensure availability and sustainable management of water and sanitation for all
Goal 7	Ensure access to affordable, reliable, sustainable and modern energy for all
Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
Goal 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
Goal 10	Reduce inequality within and among communities
Goal 11	Make cities and human settlements inclusive, safe, resilient and sustainable
Goal 12	Ensure sustainable consumption and production patterns
Goal 13	Take urgent action to combat climate change and its impacts
Goal 14	Conserve and sustainably use the oceans, seas, and marine resources for sustainable development
Goal 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Goal 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
Goal 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development

The Council of Ministers has approved a resolution to adopt the SDGs approved at the United Nations General Assembly and the setting up of a Working Group to monitor their implementation.

## 2.5: Expenditure and Development Partners' Commitments

The 2016 combined sources of the State Budget total \$1,705.6 million. This is composed of \$1,562.2 million in Government expenditures - including \$107.0 million in loan-financed projects - and \$143.4 million from development partners.

Total Government expenditure (including loans) is slightly lower for 2016 compared to the 2015 Rectification Budget. The VI Constitutional Government has made a great effort to stabilize the level of expenditures in order to maintain a prudent level of expenditure, which prioritizes key investments that are aligned with the Strategic Development Plan (SDP).

### 2.5.1: Expenditures by Fund

Government expenditure is spread across three funds - the Consolidated Fund of Timor-Leste (CFTL), the Infrastructure Fund (IF) and the Human Capital Development Fund (HCDF) - and loans. CFTL and HCDF expenditures in 2016 have decreased by 5.0% and 17.2% respectively compared to the 2015 Rectification Budget; whilst IF and loan expenditures have increased by 9.1% and 52.9% respectively compared to the 2015 Rectification Budget figures.

The Government is committed to providing strong and necessary infrastructure for Timor-Leste and has therefore increased IF spending in 2016, following a review of all infrastructure projects. The Government is focused on ensuring that projects are executed in a timely manner and with high quality.

HCDF activities have been reduced in order to ensure channelling of funds to maximise returns. CFTL expenditures have been reduced to channel public funds towards productive expenditures, which will boost economic growth and increase the efficiency of Government administration.

Loan-financed expenditures for 2016 have increased by 52.9% in comparison to the 2015 Rectification Budget, reaching \$107.0 million in 2016. Several existing infrastructure projects are entering an intensive construction phase, which has

contributed to this increase in loan disbursements for 2016. In addition, the Government expects several new loan projects to be signed in 2016, the implementation of which would also contribute to increased disbursements.

**Table 2.5.1.1: Expenditure by Fund (\$m)**

	2014 Actual	2015 BB1 Rec	2016 Budget	2017	2018	2019	2020
<b>Combined Sources Budget</b>	<b>1,629.4</b>	<b>1,824.3</b>	<b>1,705.6</b>	<b>2,059.3</b>	<b>2,531.8</b>	<b>2,097.3</b>	<b>1,743.4</b>
<b>Government Expenditures by Fund</b>	<b>1,359.1</b>	<b>1,570.0</b>	<b>1,562.2</b>	<b>1,980.0</b>	<b>2,493.7</b>	<b>2,095.3</b>	<b>1,743.4</b>
CFTL	991.5	1,211.6	<b>1,151.5</b>	1,197.6	1,245.5	1,295.3	1,347.1
HCDF	35.2	41.1	<b>34.0</b>	34.0	42.5	48.9	51.3
Infrastructure Fund (excl. loans)	316.6	247.3	<b>269.7</b>	400.0	839.5	590.7	305.8
Loans	15.8	70.0	<b>107.0</b>	348.4	366.2	160.5	39.2
<b>Development Partner Commitments</b>	<b>270.3</b>	<b>254.3</b>	<b>143.4</b>	<b>79.3</b>	<b>38.1</b>	<b>2.0</b>	<b>-</b>

Sources: National Directorate of the Budget and Development Partners Management Unit, Ministry of Finance, 2015

## 2.5.2: CFTL Expenditures

The CFTL is the Government's central account and includes all expenditures for line ministries and autonomous agencies with the exception of the IF and HCDF. Within it, recurrent and capital expenditures are spread across five appropriation categories as laid out in table 2.5.2.1.

Expenditures in the CFTL will decrease by 5.0% in 2016 compared to the 2015 Rectification Budget. The VI Constitutional Government has reviewed and will stabilize the level of expenditures in order to control the growth of the public sector, minimize wasteful expenditures and therefore boost returns on investment. A smaller and more efficient public sector will provide an opportunity for greater private sector investment-led growth. Most of the cuts will be carried out on capital expenditures, which will decrease by 44.5% in 2016 compared to the 2015 Rectification Budget, particularly on minor capital. Recurrent expenditures will also decrease by 1.2% in 2016 compared to the 2015 Rectification Budget, particularly on goods and services. However, transfers to the Oecusse Special Zone for Social Market Economy (ZEESM) will continue to increase in 2016.



**Table 2.5.2.1: CFTL Expenditure by Fund (\$m)**

	2014 Actual	2015 BB1 Rec	2016 Budget	2017	2018	2019	2020
<b>Total CFTL Expenditure</b>	<b>991.5</b>	<b>1,211.6</b>	<b>1,151.5</b>	<b>1,197.6</b>	<b>1,245.5</b>	<b>1,295.3</b>	<b>1,347.1</b>
<b>Recurrent</b>	<b>877.6</b>	<b>1,106.6</b>	<b>1093.3</b>	<b>1,137.0</b>	<b>1,182.5</b>	<b>1,229.8</b>	<b>1,279.0</b>
Salary and Wages	162.5	177.5	181.5	188.8	196.3	204.2	212.4
Goods and Services	423.5	474.6	436.4	453.8	472.0	490.9	510.5
Public Transfers	291.5	454.5	475.4	494.4	514.2	534.7	556.1
<b>Capital</b>	<b>113.9</b>	<b>105.0</b>	<b>58.2</b>	<b>60.6</b>	<b>63.0</b>	<b>65.5</b>	<b>68.1</b>
Minor Capital	53.3	31.0	16.6	17.2	17.9	18.6	19.4
Capital and Development	60.7	74.0	41.7	43.3	45.1	46.9	48.7

Source: National Directorate of the Budget, Ministry of Finance, 2015

### 2.5.2.1: Salaries and Wages

Salaries and wages expenditures are expected to grow modestly by 2.3% in 2016 compared to the 2015 Rectification Budget. This is due to changes in the structures of some ministries and state institutions following new Organic Laws.

### 2.5.2.2: Goods and Services

Investments in new capital assets have been significant in recent years. These assets require additional resources for their operation and maintenance, so to ensure that they operate efficiently. The Goods and Services budget will reach \$436.4 million for 2016. There has been some reprioritization in Goods and Services expenditures to ensure they focus on areas in the SDP and hence contribute to the wider economy and society. Therefore there are reductions from cuts in items such as catering and travelling in an effort to boost expenditures with high and positive returns. This section first describes measures under this appropriation category and it then classifies investments.

#### Measures

The main measures for goods and services are:

- \$96.0 million to the Ministry of Public Works, Transport and Communication towards fuel and maintenance of electricity generators in Hera and Betano. This also includes \$1.9 million for maintenance of generators across the territory of Timor-Leste. Providing electricity throughout the whole country continues to be a cornerstone of the Government's economic development efforts. Ensuring effective maintenance of generators and the regular, adequate supply of fuel is essential for ensuring a reliable supply of electricity.

- \$16.5 million to the Whole of Government for the Counterpart Fund. This fund pays for the Government's contribution to projects undertaken with development partners that boost economic growth and reduce poverty.
- \$15.0 million to the Whole of Government for legal services. These are funds to enable the state to defend itself in various legal cases.
- \$13.4 million to the Ministry of Education towards the School Feeding program in public schools. Providing children with sufficient and adequate nutrition will improve both their educational attainment and their health.
- \$10.5 million to the Ministry of Health to buy medicines and food for patients. These expenditures will help improve the quality of health services provided in the country.
- \$9.2 million to the Ministry of Justice towards the program Ita nia Rai and the cadastral survey. These programs are important for improving land rights in Timor-Leste, which will contribute, to security and economic growth.
- \$7.2 million to the Ministry of Education for printing and supply of school materials and for supporting public schools.
- \$4.6 million to the Ministry of Agriculture and Fisheries towards the purchase of agricultural material and for the Suco Ida Produitu Ida (SIPI)/Centru Dezenvolvimentu Comunidade Agricola (CDCA) program. This agricultural material includes seeds, fertilizers, feed and animal medicine. This will contribute to the development of agriculture and food security.
- \$4.6 million to the Whole of Government for the Fiscal Reform, Performance Management Reform and Budget Performance Reform.
- \$3.5 million to the Whole of Government for the Community of Portuguese Language Countries (CPLP). This money will assist Timor-Leste during its two-year presidency of the CPLP (2014-2016) and promote dialogue and trade between Portuguese speaking countries. Timor-Leste's leading role in the CPLP will allow it to further influence the global community.
- \$3.5 million to the Whole of Government for external audit services.
- \$3.1 million to the Ministry of Commerce, Industry and Environment towards rice imports and the support of local products. This will support the local rice market, contribute to the School Feeding and Disaster Relief programs and ensure the basic access to food for the population.
- \$2.5 million to the Whole of Government for the paying of quotas to international institutions.

- \$2.3 million to the Whole of Government to support the “Tour de Timor” and the Dili Marathon. This also includes support for the international tourism event earlier organized by the Ministry of Tourism Art and Culture.
- \$1.8 million to the Whole of Government to support the program for statistics. This includes measures such as: census fo fila fali, Business Activity Survey (BAS), Civil Registration and Vital Statistics (CRVS), Demographic and Health Survey (DHS) and the Timor-Leste Standard of Living Survey (TLSLS). This enables the Government to collect detailed information regarding the standard of living of Timorese citizens.
- \$1.5 million to the Ministry of Justice towards biometric passports. This expenditure will make traveling abroad easier for Timorese citizens.
- \$1.3 million to the Ministry of State Administration in order to prepare for the general elections in 2017. The national elections reinforce the Government’s commitment towards promoting democracy and inclusive growth.
- \$1.3 million to the Ministry of State Administration in order to undertake administrative decentralization. Strengthening local communities will contribute to rural and inclusive development.
- \$1.2 million to the Ministry of State Administration for the celebration of days of national importance (20 May, 30 August, 28 November) and honour the struggle for Timorese independence.

## **Investments**

The Government considers that many expenses under CFTL goods and services complement other investments that contribute towards development. Boosting these investments has been the priority of the VI Constitutional Government. More specifically 44.0% of total goods and services expenditures in CFTL are classified as supporting physical and social investments.

### ***Physical Investments***

Funding to support physical investments total \$116.5 million, 25.0% of CFTL goods and services expenditure. This includes the counterpart contribution, purchase of seeds, fuel and maintenance for the generators and fuel for the Berlin Nakroma.

### ***Social Investments***

Social investments have direct positive outcomes for the welfare of the population. Funding to support these total \$75.7 million, which is 17.4% of total expenditure on goods and services.

### **2.5.2.3: Public Transfers**

Public transfers comprise all of the money the Government spends on public grants and consigned payments. They are the largest category in recurrent expenditures and are set to reach \$475.4 million in 2016, 4.6% higher than the 2015 Rectification Budget figure.

This section describes the main measures for this category and their investment classification.

#### **Measures**

The main measures for public transfers include:

- \$217.9 million to the Special Administrative Region of Oecusse Ambeno (ARAEOA) and the Oecusse Ambeno and Atauro Special Zones for Social Market Economy (ZEESM).
- \$144.1 million to the Ministry of Social Solidarity towards social programs, including the veterans', old age and disability pension schemes, Bolsa de Mãe, victims of natural disasters and for the medical treatment of veterans. These programs support vulnerable and deserving groups and contribute to reducing poverty.
- \$10.8 million to the Ministry of Petroleum and Mineral Resources to support the National Petroleum Authority (ANP), TIMOR GAP and the Institute of Petroleum and Geology (IPG). This money is required to ensure Timor-Leste maximises the benefits from its natural resources.
- \$10.0 million to the Ministry of State Administration for supporting the National Program for Village Development (PNDS). This program significantly contributes to rural development.
- \$10.0 million to the Whole of Government in order to capitalize the Central Bank of Timor-Leste (BCTL) and the National Commercial Bank of Timor-Leste (BNCTL). This capitalization will contribute to the development of the financial sector in the country.
- \$9.4 million to the Office of the Prime Minister towards supporting NGOs. The NGO sector in Timor-Leste provides a valuable service to the country and its people.
- \$9.2 million to the Secretariat of State for Vocational Training Policy and Employment (SEPFOPE) for the rural employment program, the self-employment program, construction of shelters, amongst other measures. This will contribute towards promoting job creation and economic growth.

- \$7.6 million to the Ministry of Health for treatments abroad, a new cardiovascular centre, strengthening of laboratory services, subsidies to private clinics, support to public health activities and the Integrated Community Health Services (SISKA). These investments are important to further improving the quality of health services for the population.
- \$7.3 million to the Whole of Government for the provision of pensions for permanent civil servants under the contributory regime.
- \$7.3 million to the Ministry of State Administration to support suco councils and the administration of villages, contributing to rural development and inclusive growth.
- \$6.0 million to the Whole of Government in order to acquire a building for the embassy in Singapore.
- \$6.0 million to the National Electoral Commission. This expenditure will provide subsidies to political parties, which will contribute to the democratic process in Timor-Leste.
- \$5.0 million to the Secretary of State of Youth and Sports to support sport and artistic activities. Promoting culture and sports is important both for morale as well as to promote Timorese traditions.
- \$5.0 million to the Whole of Government as contributions for international financial support, including \$2.0 million for the International Cooperation Agency of Timor-Leste (ACITL). This will support the international community and allow Timor-Leste to further influence the global community.
- \$2.7 million to the Ministry of Education towards supporting universities, educational institutions and the School Feeding Programme in private schools.
- \$2.5 million to the Whole of Government for the g7+ secretariat. The work of this secretariat ensures that the voice of fragile states is heard and acted upon by the international community.
- \$2.0 million for the Ministry of Social Solidarity to support orphans, the handicapped and refuge shelters. The Government is committed to supporting these and other vulnerable groups in society.
- \$1.8 million to the Secretary of State for Social Communication to provide subsidy for Radio Television Timor-Leste (RTTL, E.P).
- \$1.5 million to the Whole of Government to support elections in São Tomé and Príncipe.

- \$1.0 million to the Ministry of Public Works, Transport and Communication to support the installation of solar panels in communities which do not have electricity. This will both contribute towards the Government's commitment to provide electricity across the whole territory as well as promote the use of renewable energy.

## **Investments**

Public transfers are payments made to other parts of government, non-governmental organizations, and individuals, for example war veterans. These transfers are categorized as physical and social investments. Public transfers that are considered to support investments add up to \$458.0 million, 96.3% of total budgeted public transfer expenditures in 2016.

### ***Physical Investments***

The Government has classified \$253.5 million of transfer spending as supporting the creation of physical investments, which are 53.3% of public transfers expenditure.

### ***Social Investments***

The Government has classified \$204.5 million, or 43.0% of transfer spending as supporting social investment.

## **2.5.2.4: Minor Capital**

Minor capital includes expenditures on vehicles, furniture and other movable assets. The 2016 budget for this category is significantly decreasing by 46.5% from the 2015 Rectification Budget. This is a result of the expenditures reprioritization process. Expenditure under the minor capital category is used towards the purchase of capital equipment such as vehicles and machines that last for several years and do not need to be repurchased in the near future.

This section first describes the main measures for this category and then their classification into different types of investment.

## **Measures**

The main measures for minor capital are:

- \$2.5 million to the Ministry of Public Works, Transport and Communication for the purchase of equipment, including \$0.70 million for the purchase of water and sanitation equipment and \$0.43 million for the purchase of a tanker and other special vehicles. This will contribute to improving the health and living environment of the Timorese people.
- \$2.2 million to the Council of Ministers for the purchase of equipment in order to produce high security documents and materials.

- \$0.5 million to the Ministry of Defense to buy equipment for the Special Forces.

## Investments

The Government considers that \$5.2 million of the minor capital budget is a social investment. This is 31.6% of total projected expenditures for minor capital in 2016.

### 2.5.2.5: Capital and Development

The CFTL fund includes all capital and development expenditures under \$1.0 million. From Table 2.5.2.5.1, CFTL capital and development expenditures have decreased 43.7% compared to the 2015 Rectification Budget, totalling \$41.7 million in 2016. The Government has conducted a review of all capital and development projects during 2015 and prioritized those with a high return on investment. CFTL capital and development expenditures are broken down into \$23.0 million for the Integrated District Development Planning (PDID) and \$18.7 million for other capital and development projects across line ministries.

**Table 2.5.2.5.1: PDID and Other Capital and Development Expenditures (\$m)**

	2014 Actual	2015 BB1 Rec	2016 Budget	2017	2018	2019	2020
<b>Total Capital and Development</b>	<b>60.7</b>	<b>74.0</b>	<b>41.7</b>	<b>43.3</b>	<b>45.1</b>	<b>46.9</b>	<b>48.7</b>
District Development Programs	29.2	32.8	23.0	23.9	24.9	25.9	26.9
Ministries / Agencies	31.4	41.2	18.7	19.4	20.2	21.0	21.8

Sources: National Directorate of Budget, MoF and ADN, Ministry of Planning and Strategic Investment, 2015

### 2.5.3: Infrastructure Fund

As set out in the SDP, developing core economic infrastructure such as electricity grids, roads, bridges, water supply, ports, and irrigation systems is one of the key elements to support sustainable economic growth and social transformation in Timor-Leste. For this purpose, the Government established the IF in 2011, which finances key large infrastructure projects (above \$1 million).

By means of a multi-year budgeting and a balance rollover arrangement, the IF guarantees funding for large scale infrastructure projects even if they span across several years (see Table 2.5.3.1). This ensures that money to pay contractors is effectively ring-fenced. It also simplifies budgeting, as project's budgets do not have to be recalculated every year and reduces the risk of non-payment to contractors. Since 2011, a total of \$2.675 billion has been approved and allocated to the IF to finance 22 programs, including Public Private Partnerships (PPPs) and external loans.

The Government's successful electrification project was the first step in laying out crucial basic infrastructure for the benefit of households and private investors. This

program has resulted in guaranteeing electricity to almost 75% of the territory. With the electricity program nearly at the stage of completion, the Government is now prioritising investment in national roads, ports, airports and dams, which would be mainly financed through loans. Major civil works on the roads and Tasi Mane programs have just commenced, and more than 60% of the IF budget in 2016 is allocated to these two programs.

The total budget for the IF (excluding loans) in 2016 is set to reach \$269.7 million (a 9.1% increase compared to the 2015 Rectification Budget) and is distributed into various programs. In line with the Government's policy mentioned above, the largest portions of the 2016 IF budget are allocated to the roads program (39.8%), the Tasi Mane Development Program (21.0%), the financial sector program (7.1%), and airports program (5.6%).

**Table 2.5.3.1: IF Expenditure by Program (\$m)**

Infrastructure Data, \$ millions	2015 Budget Rectification	2015 Forecasted Actual	Rollover 2015 to 2016	Continued Projects	2016 Budget
<b>Total Infrastructure (including loans)</b>	<b>317.3</b>	<b>275.9</b>	<b>41.4</b>	<b>335.3</b>	<b>376.7</b>
<b>Total Infrastructure (excluding loans)</b>	<b>247.3</b>	<b>247.3</b>	<b>0.0</b>	<b>269.7</b>	<b>269.7</b>
Agriculture and Fisheries	7.2	13.5	0.0	2.0	2.0
Water and Sanitation	4.6	3.3	0.0	10.2	10.2
Urban and Rural Development	9.6	7.2	0.0	12.2	12.2
Public Buildings	8.7	8.7	0.0	2.3	2.3
Financial Sector	19.1	19.1	0.0	19.1	19.1
Youth and Sport	2.8	2.8	0.0	3.4	3.4
Education	8.0	4.9	0.0	0.6	0.6
Electricity	47.1	47.1	0.0	6.3	6.3
Information Technology	1.4	1.4	0.0	1.6	1.6
Millennium Development Goals	6.5	5.0	0.0	4.8	4.8
Health	4.0	4.4	0.0	1.7	1.7
Security and Defense	11.0	8.1	0.0	2.8	2.8
Social Solidarity	0.0	0.0	0.0	0.0	0.0
Tasi Mane Project	35.1	35.1	0.0	56.6	56.6
Roads	44.8	50.0	0.0	107.5	107.5
Bridges	11.3	6.1	0.0	6.5	6.5
Airports	14.0	14.0	0.0	15.2	15.2
Ports	3.9	3.9	0.0	10.6	10.6
Oecussi Development	0.0	0.0	0.0	0.0	0.0
Tourism Sector	1.0	5.5	0.0	0.2	0.2
Preparation, Design and Supervision of New Projects	7.2	7.2	0.0	6.0	6.0
Transport	0.0	0.0	0.0	0.0	0.0
Loans Program	70.0	28.6	41.4	65.6	107.0

Source: Major Projects Secretariat, Ministry of Planning and Strategic Investment, 2015



Projections for outer years for the IF are summarized in Table 2.5.3.2. The pattern of expenditures in the IF is consistent with the Government's frontloading policy and current contractual obligations. The expenditure will increase in 2018 as core infrastructure constructions from several strategic investment projects such as Tibar Bay Port, Southern Coast Highway, Suai Supply Base, and the Tasi Mane Development Program jointly rise. In 2019 and 2020, infrastructure spending should then begin to fall due to a combination of some of the major programs being completed and alternative infrastructure financing mechanism being arranged to reduce the fiscal burden of large-scale infrastructure in a given year. To date these arrangements are Public-Private Partnerships (PPPs) or external loans.

**Table 2.5.3.2: Infrastructure Fund Projections (\$m)**

Infrastructure Data, \$ millions	2016 Budget	2017	2018	2019	2020
<b>Total Infrastructure (including loans)</b>	<b>376.7</b>	<b>748.4</b>	<b>1205.7</b>	<b>751.2</b>	<b>345.0</b>
<b>Total Infrastructure (excluding loans)</b>	<b>269.7</b>	<b>400.0</b>	<b>839.5</b>	<b>590.7</b>	<b>305.8</b>
Agriculture and Fisheries	2.0	6.1	49.7	33.0	9.5
Water and Sanitation	10.2	16.3	22.6	33.9	14.2
Urban and Rural Development	12.2	0.8	1.5	1.2	1.0
Public Buildings	2.3	21.9	101.5	58.1	27.8
Financial Sector	19.1	8.1	12.7	7.1	4.0
Youth and Sport	3.4	2.0	8.6	4.7	1.4
Education	0.6	11.7	47.2	36.0	4.5
Electricity	6.3	7.5	15.2	1.5	2.5
Information Technology	1.6	1.2	2.0	3.5	1.5
Millennium Development Goals	4.8	4.0	16.0	32.5	7.5
Health	1.7	3.4	3.4	1.2	1.7
Security and Defense	2.8	8.9	23.3	17.5	7.0
Social Solidarity	0.0	0.0	0.0	0.0	0.0
Tasi Mane Project	56.6	156.6	285.0	227.1	153.1
Roads	107.5	99.9	111.3	53.7	22.4
Bridges	6.5	5.5	4.3	1.0	1.2
Airports	15.2	24.7	79.8	48.2	36.5
Ports	10.6	17.7	50.9	27.0	6.8
Oecussi Development	0.0	0.0	0.0	0.0	0.0
Tourism Sector	0.2	2.2	1.1	0.0	0.0
Preparation, Design and Supervision of New Projects	6.0	1.5	3.5	3.5	3.5
Transport	0.0	0.0	0.0	0.0	0.0
Loans Program	107.0	348.4	366.2	160.5	39.2

Source: Major Projects Secretariat, Ministry of Planning and Strategic Investment, 2015

## 2.5.4: Human Capital Development Fund

The HCDF is the second of the two special funds established in 2011. Its purpose is to finance expenditures on scholarships and capacity development. For the 2016

budget, the HCDF is broken down into four major programs: Vocational Training, Technical Trainings, Scholarships and Other Types of Training.

Table 2.5.4.1 summarizes the budget appropriations for HCDF by program. The total 2016 budget is \$34.0 million, 17.2% lower than the 2015 Rectification Budget. This reduction is mostly due to the reallocation of funds from the Technical Assistance for the Judiciary Sector and Technical Assistance for Tertiary Education. Through these changes, the HCDF is therefore focusing on overall training programs that will benefit all sectors equally. Without these two programs, the 2016 budget for HCDF is 5.9% higher in 2016 compared to the 2015 Rectification Budget. The Government has reallocated expenditures across programs in order to prioritize technical training and scholarships.

**Table 2.5.4.1: Human Capital Development Fund by Program (\$m)**

	2015 Budget Rectification	Final 2016 Budget	2017	2018	2019	2020
<b>Total HCDF (by Program)</b>	<b>41.1</b>	<b>34.0</b>	<b>34.0</b>	<b>42.5</b>	<b>48.9</b>	<b>51.3</b>
Vocational Training	10.1	7.8	7.8	9.8	11.3	11.8
Technical Training	3.8	5.1	5.1	6.4	7.4	7.7
Scholarships	15.9	17.2	17.2	21.5	24.8	26.0
Other Training	2.2	3.8	3.8	4.8	5.5	5.8
Technical Assistance for Judiciary Sector	5.0	0.0	0.0	0.0	0.0	0.0
Technical Assistance for Tertiary Education	4.0	0.0	0.0	0.0	0.0	0.0

Source: Secretariat for the HCDF, 2015

## 2.5.5: Expenditure on Loan Financed Projects

Expenditure on loan-financed projects is presented in Table 2.5.5.1, which amounts to \$107.0 million in 2016. This is 52.9% higher than the 2015 Rectification Budget figure. A detailed description of these projects is presented in section 2.7.

**Table 2.5.5.1: Expenditure on Loan Financed Projects (\$m)**

	2015 Budget Rectification	2015 Forecasted Actual	Final 2016 Budget	2017	2018	2019	2020
<b>Loan Expenditure</b>	<b>70.0</b>	<b>28.6</b>	<b>107.0</b>	<b>348.4</b>	<b>366.2</b>	<b>160.5</b>	<b>39.2</b>

Source: Loans Unit, Ministry of Finance, 2015

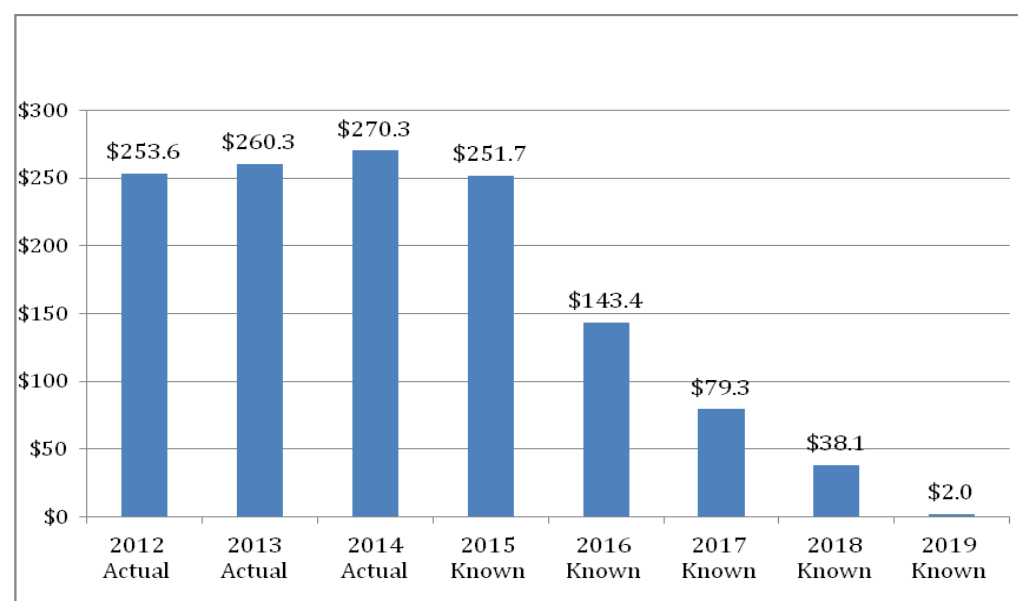
## 2.5.6: Development Partners' Commitments

Development Partners are set to contribute \$143.4 million in 2016. The details of these commitments are set out in Budget Book 5. It should be noted that these figures do not include loans. In addition, these figures are produced based on data

from the Aid Transparency Portal, a system that tracks donor's contributions at the activity level.

The dramatic drop in funding for outer years, as seen below, is due to two reasons: firstly, accurate planned disbursement information on the medium to long term is often difficult to predict, particularly at the project level; secondly, many donor projects only have single year budget cycles. It is also important to note that Timor-Leste's largest donor, the Government of Australia, has reduced its allocated budget by 5% for their 2015-16 fiscal year.

**Figure 2.5.6.1: Development Partners' Indicative Commitment 2012-2019 (\$m)**



Source: Development Partnership Management Unit, Ministry of Finance, 2015

## 2.6: Revenues

### 2.6.1: Overview of Revenue Projections

Table 2.6.1.1 shows forecasts for total revenues up to 2020, which are the sum of petroleum revenues and domestic revenues. Total revenues are projected to fall in 2016, due to the fall in petroleum revenues. Petroleum revenues<sup>9</sup> are decreasing due to a combination of lower international oil prices and declining oil production from Bayu-Undan and Kitan, which has now passed its peak production levels. In contrast, domestic revenues will slightly increase in 2016, due to a rise in fees and charges. Growing domestic revenues are projected to continue in outer years, following increasing economic activity and improvements in revenue administration and collection. Domestic revenue projections will be further updated in 2016, taking into account possible new tax policies that are currently under consideration, including the introduction of a VAT. Thus, medium term revenue projections are subject to change if the Parliament approves new legislation and tax policy.

<sup>9</sup> Petroleum Revenues include interest.

**Table 2.6.1.1: Total Revenue 2014 – 2020 (\$m)**

	2014 Actual	2015 BB1 Rec	2016 Projection	2017	2018	2019	2020
<b>Total Revenues</b>	<b>2,486.5</b>	<b>2,445.4</b>	<b>1,764.9</b>	<b>1,449.5</b>	<b>1,447.5</b>	<b>1,190.5</b>	<b>1,107.2</b>
Domestic Revenues	168.0	170.4	171.4	180.9	190.5	200.6	210.3
Petroleum Revenues	2,318.5	2,275.0	1,593.5	1,268.6	1,257.0	989.9	896.9

Sources: National Directorate of Economic Policy and the PF Administration Unit, Ministry of Finance, 2015

## 2.6.2: Domestic Revenue

Domestic revenues in Timor-Leste are composed of tax revenues, fees and charges, interest and revenues from autonomous agencies. Table 2.6.2.1 breaks down domestic revenues into these categories showing actual and projected amounts between 2014 and 2020. Total domestic revenues are expected to slightly increase by 0.6% in 2016 compared to the 2015 Rectification Budget figures. This is due to an increase in revenues from fees and charges, following a wider range of services provided by the Government and a more efficient collection of these fees and charges.

**Table 2.6.2.1: Domestic Revenue 2014 – 2020 (\$m)**

	2014 Actual	2015 BB1 Rec	2016 Projection	2017	2018	2019	2020
<b>Total Domestic Revenue</b>	<b>168.0</b>	<b>170.4</b>	<b>171.4</b>	<b>180.9</b>	<b>190.5</b>	<b>200.6</b>	<b>210.3</b>
<b>Taxes</b>	123.8	125.5	116.4	121.5	126.6	131.8	137.0
<b>Fees and Charges</b>	37.7	37.2	46.4	50.2	54.0	58.3	62.1
<b>Interest</b>	0.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Autonomous Agencies</b>	6.4	7.6	8.6	9.3	9.9	10.6	11.2

Source: National Directorate of Economic Policy, Ministry of Finance, 2015

### 2.6.2.1: Tax Revenues

Tax revenues comprise the largest source of domestic revenues in Timor-Leste, totalling 73.7% of total domestic revenues in 2014. Tax projections are summarized in Table 2.6.2.1.1 and are divided into direct taxes, indirect taxes and other tax revenues.

Tax collections are expected to decrease in 2016, reaching \$116.4 million, (a 7.3% fall compared to the 2015 Rectification Budget figure). This is due to a fall in indirect taxes, largely due to the reduction in the international price of oil.

Direct taxes are expected to slightly increase compared to the 2015 Rectification Budget, reaching \$52.2 million in 2016. This is due to expected higher withholding tax and individual income tax. Withholding tax is expected to increase in 2016, compared to the 2015 Rectification Budget figure, due to a number of new infrastructure projects, which will start during the second half of 2015. Similarly,

revenues from individual income are expected to increase compared to the 2015 Rectification Budget figure, following changes to the budget classifications of income tax.

Indirect taxes are expected to decrease in 2016 by 19.8% compared to the 2015 Rectification Budget figure, mainly due to a fall in the international price of oil. International oil prices fell across 2015, but are expected to stabilize in 2016, remaining below price levels in previous years. Currently, mineral fuels compose over a quarter of imports, a ratio that is expected to increase with the expansion of electricity supply and the number of motorized vehicles in the country. Lower prices of food products and the appreciation of the dollar are also reducing the value of imports, which are expected to continue in 2016. The combination of these factors, together with a lower volume of imports, explains the strong decline in indirect taxes for 2016.

The collection of indirect taxes, however, should improve in the medium term, following expected rises in international oil prices and the strengthening of the administration and collection systems.

**Table 2.6.2.1.1: Total Tax Revenue 2014 – 2020 (\$m)**

	2014 Actual	2015 BB1 Rec	2016 Projection	2017	2018	2019	2020
<b>Total Tax</b>	<b>123.8</b>	<b>125.5</b>	<b>116.4</b>	<b>121.5</b>	<b>126.6</b>	<b>131.8</b>	<b>137.0</b>
<b>Direct Taxes</b>	<b>52.9</b>	<b>45.7</b>	<b>52.2</b>	<b>56.3</b>	<b>60.3</b>	<b>64.4</b>	<b>68.5</b>
Income Tax	16.8	18.3	15.5	17.5	19.6	21.7	23.8
Individual Income	1.3	1.2	2.1	2.4	2.8	3.1	3.5
Individual Inc. Other	15.5	17.1	13.4	15.1	16.8	18.6	20.3
Corporate Tax	8.0	7.8	7.8	8.1	8.4	8.8	9.1
Withholding Tax	28.2	19.5	29.0	30.6	32.3	34.0	35.6
<b>Indirect Taxes</b>	<b>70.7</b>	<b>79.7</b>	<b>63.9</b>	<b>64.9</b>	<b>66.0</b>	<b>67.1</b>	<b>68.2</b>
Service Tax	3.2	3.6	2.8	2.9	3.0	3.1	3.3
Sales Tax	14.5	15.8	13.7	14.3	14.8	15.4	16.0
Excise Tax	39.6	44.4	35.6	35.5	35.3	35.2	35.1
Import Duties	13.4	15.9	11.8	12.3	12.8	13.3	13.9
<b>Other Tax Revenue</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>

Source: National Directorate of Economic Policy, Ministry of Finance, 2015

## 2.6.2.2: Fees & Charges

Fees & charges include a wide selection of categories from non-tax sources that contribute to domestic revenue. These comprise administrative fees, utility payments and endowments to the Government from natural resources other than petroleum. As shown in Table 2.6.2.2.1, most of the categories represent small amounts, which are rounded to zero in some cases.<sup>10</sup> The list is also often updated

<sup>10</sup> Categories presenting no revenues in Table 2.6.2.2.1 correspond to income collection of less than \$0.5 million and are thus rounded to \$0.0.

with new categories, reflecting regular changes to the revenue collection system in Timor-Leste, which are the result of the expansion of services provided by the Government, greater administrative efficiency and new delineation of responsibilities across line ministries. Table 2.6.2.2.1 shows the projections and has been updated to reflect the accommodation of the new autonomous agencies.

**Table 2.6.2.2.1: Fees & Charges Projections 2014 – 2020 (\$m)**

	2014 Actual	2015 BB1 Rec	2016 Projection	2017	2018	2019	2020
<b>Total Fees and Charges</b>	<b>37.7</b>	<b>37.2</b>	<b>46.4</b>	<b>50.2</b>	<b>54.0</b>	<b>58.3</b>	<b>62.1</b>
Postage Fees	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Property Rentals	2.7	3.4	4.3	4.5	4.7	4.8	5.0
Water Fees	0.1	0.2	0.2	0.2	0.2	0.2	0.3
Vehicle Registration Fees	1.2	1.1	1.9	2.3	2.6	2.9	3.3
Vehicle Inspection Fees	0.4	0.5	0.6	0.7	0.8	0.8	0.9
Vehicle Inspection Imported	0.0	0.1	0.2	0.2	0.2	0.2	0.2
Drivers License Fees	0.3	0.4	0.5	0.5	0.6	0.6	0.7
Franchising Public Transport Fees	0.4	0.7	0.2	0.2	0.2	0.2	0.2
Transport Penalties	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other Transport Fees	0.0	0.0	0.0	0.0	0.0	0.1	0.1
ID and Passport	0.9	0.9	1.0	1.1	1.1	1.2	1.2
Visa Fees	2.8	2.7	4.4	4.6	4.8	5.0	5.2
Court Fees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends, Profits, and Gains	0.6	1.0	4.0	4.2	4.4	4.5	4.7
Fines and Forfeits	0.1	0.1	0.2	0.2	0.2	0.2	0.2
Mining and Quarrying	0.0	0.1	0.5	0.7	0.8	1.0	1.2
Bid Document Receipts	0.1	0.2	0.1	0.1	0.1	0.1	0.1
Auctions	0.6	1.0	0.4	0.4	0.4	0.4	0.5
Embassy Fees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Productos Florestais	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Rental Government Property	0.1	0.2	0.1	0.1	0.1	0.1	0.1
EAIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sanitation Service Fees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Social Game Receipts	0.9	1.0	1.6	1.7	1.9	2.5	2.6
Rice Sales	1.2	1.7	2.0	2.1	2.1	2.2	2.3
Sales of Local Produce	0.1	0.1	0.2	0.3	0.3	0.3	0.3
Electricity Revenues	18.6	18.8	23.0	25.2	27.4	29.6	31.8
Other Fees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Non-Tax Revenues	4.7	1.0	0.6	0.7	0.7	0.7	0.7
Revenues from institutions that are now autonomous agencies	1.5	1.5	0.0	0.0	0.0	0.0	0.0

Source: National Directorate of Economic Policy, Ministry of Finance, 2015

Total fees & charges are expected to increase by 24.7% in 2016 in comparison to the 2015 Rectification Budget figure. This is mostly due to improvements in the

collection, administration and monitoring procedures in the line ministries, as well as the growing services that the Government provides. In particular, dividends profits and gains, visa fees, property rentals and vehicle registration fees are expected to increase. This is due to higher dividends from the Central Bank, greater controls in immigration, more follow ups on payment of Government property rentals and an increasing number of vehicles in Timor-Leste respectively. Projections for outer years are also expected to continue a positive trend, following the improvement and reinforcement of collection mechanisms in line ministries.

### **2.6.2.3: Interest**

Interest reflects interest payments received from cash held in the Consolidated Fund of Timor-Leste (CFTL), Human Capital Development Fund (HCDF) and Infrastructure Fund (IF) (see Table 2.6.2.1.1). Interest is expected to decrease to \$0.01 million in 2016 compared to \$0.04 million in the 2015 Rectification Budget.<sup>11</sup> This is due the fact that the Government now holds smaller cash reserves in the Government accounts compared to previous years, a trend which is expected to continue in the near future. Controlled, smaller cash reserves are a positive sign in that the Government has been running down cash balances before withdrawing money from the PF. This policy contributes to PF investment returns, as the yield on PF assets is higher than the interest rate on cash held in the Government's accounts.

### **2.6.2.4: Autonomous Agencies**

Over the past years many agencies have had their financial status changed to autonomous by law. Broadly speaking there are three types of autonomous entities:

- Public institutions that collect revenue
- Public institutions that do not collect revenue
- Public companies

All of the entities that are legally autonomous will now be set up in a manner such that none of their expenditure is subject to control or verification by the Ministry of Finance - instead all payments will be sent electronically to the Central Bank to be processed.

However, in order to provide the State the capability to monitor and evaluate the spending, all of these transactions will be undertaken using the Government Financial Management Information System (FMIS), which will also allow reporting through the Government Transparency Portal. Of the revenue collecting agencies, Table 2.6.2.4.1 has a list of their revenues for which they will be fully accountable to the Parliament.

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<sup>11</sup> Table 2.6.1.1. shows \$0.0 million for interest, as interest figures are expected to remain below \$0.5 million.

**Table 2.6.2.4.1: Autonomous Agencies' Revenues 2014 – 2020 (\$m)**

	2014 Actual	2015 BB1 Rec	2016 Projection	2017	2018	2019	2020
<b>Total Autonomous Agencies</b>	<b>6.4</b>	<b>7.6</b>	<b>8.6</b>	<b>9.3</b>	<b>9.9</b>	<b>10.6</b>	<b>11.2</b>
Timorese Resistance Archive and Museum	-	-	0.0	0.0	0.0	0.0	0.0
Conselho Imprensa	-	-	0.0	0.0	0.0	0.0	0.0
Institute for Business Support (IADE)	-	-	0.0	0.0	0.0	0.0	0.0
Specialized Investment Agency	-	-	0.0	0.0	0.0	0.0	0.0
Service for Registration and Verification of Entrepreneurs	-	-	0.4	0.5	0.5	0.5	0.6
Bamboo Center	-	-	0.0	0.0	0.0	0.0	0.0
Centro de Formação SENAI	-	-	0.0	0.0	0.0	0.0	0.0
Polícia Científica de Investigação Criminal	-	-	0.0	0.0	0.0	0.0	0.0
National Agency for Academic Assessment and Accreditation - ANAAA	-	-	0.0	0.0	0.0	0.0	0.0
Guido Valadares National Hospital	-	-	0.2	0.2	0.2	0.2	0.2
SAMES	0.0	0.0	0.0	0.0	0.0	0.0	0.0
National Laboratory	-	-	0.0	0.0	0.0	0.0	0.0
Institute of Health Sciences	-	-	0.0	0.0	0.0	0.0	0.0
National Rehabilitation Centre	-	-	0.0	0.0	0.0	0.0	0.0
Equipment Management Institute	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Administration of Airports and Air Navigation of Timor-Leste	1.6	2.1	2.5	2.6	2.7	2.8	2.9
Administrations of Ports of Timor-Leste	4.7	5.4	4.7	5.2	5.6	6.0	6.4
National Communication Authority	-	-	0.0	0.0	0.0	0.0	0.0
National Defense Institute	-	-	0.0	0.0	0.0	0.0	0.0
National University of Timor Lorosae	-	-	0.7	0.7	0.8	0.9	0.9

Source: National Directorate of Economic Policy, Ministry of Finance, 2015.



## 2.6.3: Petroleum Revenues and the Petroleum Fund

The petroleum revenues currently finance most of the state budget. The Petroleum Fund shall contribute to a wise management of the petroleum resources for the benefit of both current and future generations.

### 2.6.3.1 Inflows of Petroleum Revenues

The factors driving the inflow of petroleum revenues are prices, production and costs. Compared with the Budget 2014 and 2015, the oil price in this budget is significantly lower over the forecasting period. The total costs are slightly higher and there is also a slight change in production. As noted in previous budget documents, petroleum revenues from Bayu-Undan and Kitan peaked at \$3,559.1 million in 2012 and are now forecasted to decline. The revenues declined by almost half in 2014 to \$1,817 million compared to \$3,042 million received in 2013. The expected revenue in 2015 was revised down from \$1,374.3 million to \$861.9 million (see Tables 2.6.3.1.1 and 2.6.3.1.2).

**Table 2.6.3.1.1: Petroleum Revenues from Bayu-Undan and Kitan 2014-2020 (\$m)**

	2014 Actual*	2015 Estimate**	2016 Budget	2017	2018	2019	2020
<b>Total Petroleum Fund Revenue</b>	<b>2,318.5</b>	<b>1,394.1</b>	<b>1,593.5</b>	<b>1,268.6</b>	<b>1,257.0</b>	<b>989.9</b>	<b>896.9</b>
Petroleum Fund Investment Return	501.6	532.2	874.8	919.4	921.6	883.1	845.3
<b>Total Petroleum Revenue</b>	<b>1,817.0</b>	<b>861.9</b>	<b>718.7</b>	<b>349.2</b>	<b>335.4</b>	<b>106.8</b>	<b>51.6</b>
BU*** FTP/Royalties	137.7	74.0	64.5	44.7	38.7	23.6	11.2
BU Profit oil	901.4	417.4	327.1	150.3	127.1	35.0	0.0
BU Income Tax	370.1	131.2	104.0	32.2	46.3	0.0	0.0
BU Additional Profit Tax	296.9	156.9	173.9	68.4	81.0	0.0	0.0
BU Value Added Tax	13.4	7.7	7.6	11.7	8.0	11.8	8.5
BU Wages Tax	9.0	10.7	10.4	15.7	10.5	15.3	10.8
BU Pipeline Payments	7.3	6.2	6.2	6.2	6.2	6.2	6.2
BU Other Payments	24.6	30.0	25.0	20.0	17.5	15.0	15.0
BU Withholding Tax	6.2	0.0	0.0	0.0	0.0	0.0	0.0
Kitan	50.2	27.8	0.0	0.0	0.0	0.0	0.0

\* Actual Cash flow for 2014

\*\* Estimated 2015 as of September 2015. From 2015 onwards BU Withholding Tax is included in BU Value Added Tax.

\*\*\* BU: Bayu Undan

Source: Petroleum Fund Administration Unit, Ministry of Finance, 2015

### **Petroleum prices**

As for last year, the Brent crude oil benchmark is used in the petroleum wealth calculation. Brent is a better indicator of the price of Bayu-Undan and Kitan liquid

products (condensate and LPG).<sup>12</sup> Section 2.6.3.2 on the Petroleum Wealth and ESI Calculation discusses this further.

The oil price has substantially dropped since mid 2014 by almost 50 per cent due to over-supply and weak demand. The daily average oil price of Brent in 2015 for the period from 1 January to 31 July was \$57.7 per barrel. The estimated average oil price for 2015 as a whole is \$56.7 per barrel. This is much lower than the average daily oil price in previous years; in 2013 and 2014 the oil price in 2015 dollars was \$97.9 and \$93.3 per barrel respectively. The oil price has been more volatile since mid-2014 and future oil price projections also are associated with higher uncertainty.

The Petroleum revenue forecasts in the Budget 2016 are based on a benchmark oil price of \$64.7 per barrel in 2016, compared with \$87.0 per barrel as estimated in the Budget 2015. From 2015 the oil price is now assumed to be significantly lower than previously forecasted (see figure 2.6.3.1.1).

**Figure 2.6.3.1.1: Historical Changes and Future Projections in the Brent Oil Price (\$ per barrel)**



Source: Petroleum Fund Administration Unit, Ministry of Finance, 2015

### **Petroleum Production**

The production forecast of liquids (condensate and LPG) for Bayu-Undan is projected to slightly change compared with the Budget 2015. The production is expected to extend another year until 2021; however, this will be offset by lower production in 2015-2016. The total petroleum production from Bayu-Undan (also including LNG) is estimated to have peaked in 2011 at 59 million barrels of oil equivalents and is now set to decline before ceasing in 2021 (see Table 2.6.3.1.2).

The Field Development Plan for the Kitan field was approved in 2010 and the production commenced in the 4th quarter of 2011. Based on the new data provided by the operator, ENI, Kitan is now forecasted to cease its production by end of 2015, four years earlier than previously forecasted. The total production from Kitan is

<sup>12</sup> The future prices on Bayu-Undan and Kitan liquids products (condensate and LPG) are estimated based on historical relationships with a benchmark price and the benchmark's forecast. Liquefied Natural Gas (LNG) prices are forecasted using the provisional price formula negotiated between sellers and buyers. The price formula is renegotiated every three years.

modest compared to the Bayu-Undan field. Kitan's Low Case to be 26.5 million barrels of oil over the lifetime of the project. The total revenue stream based on the low production case is estimated at \$623 million, or less than 3% of Bayu Undan.

### Costs

The estimated total costs for the Bayu-Undan project are forecasted as slightly higher in this Budget 2016 than in the Budget 2015. The change in the cost projections is primarily from the capital expenditures related to phase 3 and other operational issues.

**Table 2.6.3.1.2: Estimated Sustainable Income Calculations – Oil Price Assumptions, Production and Revenue. Actual 2002-2014, forecast 2015-2022**

Timor-Leste Petroleum sector				
	Average oil price, \$/Barrel	Production, million barrels oil equivalent	Total Discounted Petroleum Revenues (Factor of 5.7%), \$ millions	Total Undiscounted Petroleum Revenues, \$ millions
<b>Total</b>	<b>0.0</b>	<b>757.6</b>	<b>1,554.4</b>	<b>22,697.7</b>
<b>Total from 1 January 2016</b>	<b>0.0</b>	<b>132.0</b>	<b>1,554.4</b>	<b>1,719.7</b>
to 2002	0.0	0.0	0.0	14.8
2003	0.0	0.0	0.0	10.2
2004	41.5	16.9	0.0	170.8
2005	56.6	29.0	0.0	330.3
2006	66.1	57.1	0.0	611.9
2007	72.3	57.7	0.0	1,258.5
2008	99.7	64.2	0.0	2,284.2
2009	62.0	61.8	0.0	1,660.2
2010	79.5	57.3	0.0	2,117.2
2011	94.9	61.7	0.0	3,240.1
2012	111.6	68.0	0.0	3,559.1
2013	108.6	59.4	0.0	3,041.8
2014	99.0	44.8	0.0	1,817.0
2015	56.7	47.8	0.0	861.9
<b>2016</b>	<b>64.7</b>	<b>40.0</b>	<b>700.2</b>	<b>718.7</b>
2017	68.8	29.8	322.1	349.2
2018	70.7	25.8	292.4	335.4
2019	74.2	18.5	88.1	106.8
2020	77.5	12.0	40.2	51.6
2021	81.0	6.0	26.8	36.4
2022	84.7	0.0	84.6	121.5
2023	88.1	0.0	0.0	0.0
2024	91.5	0.0	0.0	0.0
2025	95.3	0.0	0.0	0.0

Note: \* Average WTI price from 2004-2010, then average Brent from 2011 onwards  
Source: Petroleum Fund Administration Unit, Ministry of Finance, 2015

### 2.6.3.2 Petroleum Wealth and ESI calculation

According to the Petroleum Fund Law, the Estimated Sustainable Income (ESI) is the maximum amount that can be appropriated from the Petroleum Fund in a fiscal year and leave sufficient resources in the Petroleum Fund for an amount of the equal real value to be appropriated in all later years. The ESI is set to be 3 percent of the Petroleum Wealth. However, the Government could withdraw an amount from the Petroleum Fund in excess of the ESI given an explanation that it is in the long term interest of Timor-Leste is provided to and that is approved by the National Parliament.

The Petroleum Wealth, which comprises the balance of the Fund and the Net Present Value of future petroleum revenue, is estimated to be \$18,159.6 million as of 1 January 2016. Accordingly, the ESI is estimated at \$544.8 million for 2016. This is about \$88.0 million less than what was the 2016 ESI as estimated in last year's budget. The key assumptions behind the calculations are listed in Table 2.6.3.2.1.

**Table 2.6.3.2.1: Key assumption behind ESI**

Asset recognition	Forecast petroleum revenues are included only for projects with approved development plans. This includes Bayu-Undan and Kitan.
Petroleum Reserves and Production Forecasts	Project operators provide production estimates. Low case production is used, consistent with a 90 percent probability that actual will exceed the forecast.
Oil price forecast	ESI for Budget 2016 is prepared using the average of Energy Information Agency (EIA) low case and reference case for Brent in its Annual Energy Outlook (AEO) for 2015.
Prices for specific petroleum products	Bayu Undan produces condensate, Liquefied Petroleum Gas (LPG) and Liquefied Natural Gas (LNG) while Kitan is producing only condensate. Forecast assumptions for each product are derived from historic differentials observed with Brent. Liquefied Natural Gas (LNG) prices are forecast using the provisional price formula negotiated between the Darwin LNG (DLNG) facility and Japanese LNG buyers. The price formula is renegotiated every three years.
Production costs	Central estimate of future capital and operating costs as provided by project operators.
Discount rate	Under Schedule 1 of the Petroleum Fund Law, the interest rate used to discount future petroleum revenue is the expected rate of return on the portfolio of financial assets held in the Fund. The Fund's investment guidelines have recently been changed to 60 percent bonds and 40 percent equities.

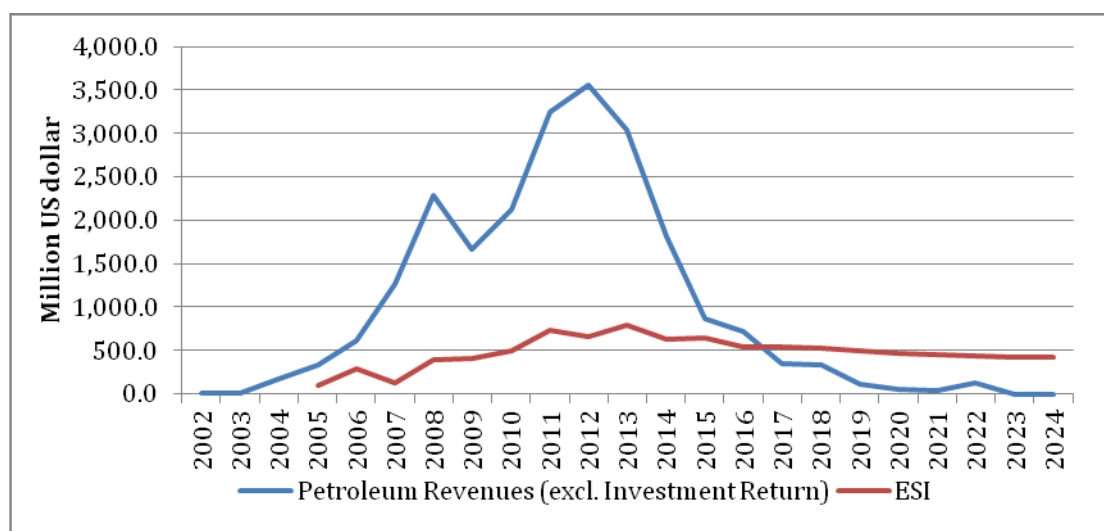
Table 2.6.3.2.2 shows that the estimated Petroleum Wealth and the ESI from 2015 and onwards, assuming that withdrawals from the Fund is equal to the projected withdrawals in Table 2.1.1.

**Table 2.6.3.2.2: Petroleum Wealth and the Estimated Sustainable Income (ESI)**

	2014*	2015*	2016 Budget	2017	2018	2019	2020
Estimated Sustainable Income (PWx3%)	632.3	638.5	544.8	534.5	519.8	490.1	464.9
Total Petroleum Wealth (PW)	21,076.3	21,254.7	18,159.6	17,815.9	17,326.1	16,335.5	15,497.6
Opening PF Balance	14,058.5	16,538.6	16,605.2	16,914.9	16,732.8	16,052.8	15,308.4
Net Present Value of Future Revenues	7,017.8	4,716.1	1,554.4	901.1	593.3	282.7	189.2

Source: Petroleum Fund Administration Unit, Ministry of Finance, 2015

Figure 2.6.3.2.1 depicts the main rationale behind using the ESI as a tool in the fiscal policy, i.e. smoothing the spending of temporarily high petroleum income. The extraction path of a non-renewable resource is typically bell-shaped with significant shorter-term swings. The ESI is meant to shield against this volatility and safeguard a sustainable development in public finances.

**Figure 2.6.3.2.1: Timor-Leste Petroleum Revenues and Estimated Sustainable Income 2002-2025**

Source: Petroleum Fund Administration Unit, Ministry of Finance, 2015

#### Changes in the ESI from 2015 to 2016

Figure 2.6.3.2.3 shows the key incremental changes in 2016 ESI since the Budget 2015. The main factors driving the difference are the oil price, petroleum production, and the discount rate.

##### *Actual data 2014*

The current ESI for 2016 incorporates the actual outcomes in 2014. Actual petroleum revenue was 7 per cent (or equivalent to \$112 million) higher than the estimated; however, the actual investment return was lower than the expected return which resulted in lower than estimated petroleum fund balance. Therefore, this decreased the 2016 ESI by \$1 million.

##### *Actual 2015 withdrawals from the Petroleum Fund*

The 2016 ESI as estimated in Budget 2015 is based on the assumption that the Government would withdraw the ESI plus the approved excess from the Petroleum

Fund in 2015. The Parliament has approved a budget for 2015 that involves withdrawals of \$689 million in excess of the ESI. There is no change in the assumption, hence no impact on the 2016 ESI.

#### *Oil prices*

As for last year's budget, the current ESI for 2016 assumes a benchmark (Brent) oil price of \$56.7 per barrel in 2015. This is based on the actual outcomes for the first half of the year (January to July) and future prices from September to December 2015. The oil benchmark forecast of \$64.7 per barrel used for ESI 2016 is lower than the forecast used for ESI 2015 of \$87.0. The change in Brent benchmark forecast results in a \$58 million decrease in the 2016 ESI.

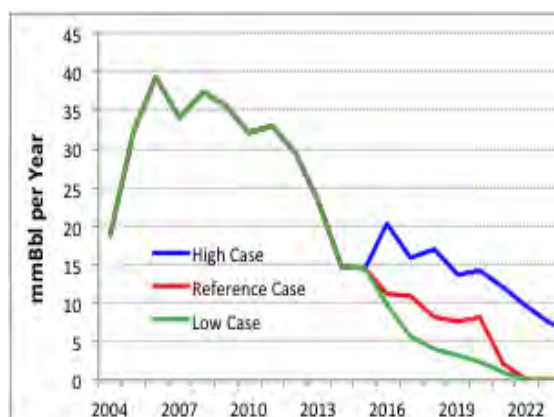
With regards to the estimating sustainable income, the Ministry of Finance has used prudent assumptions. Nevertheless, it should not be ruled out that oil prices might differ from the prices used in the calculations of Petroleum Wealth and Estimated Sustainable Income. The Sensitivity Analysis section (below) will discuss this further.

#### *Liquids production*

Production in 2016 is forecasted to be more or less the same as in Budget 2015. The first few years are now expected to be lower, however that is partly offset by production continuing for one year longer until 2021. Figure 2.6.3.2.2 shows Bayu-Undan's productions forecasts for Budget 2016 compared with the Budget 2015. The lower estimates resulted in ESI for 2016 decreasing by \$16 million.

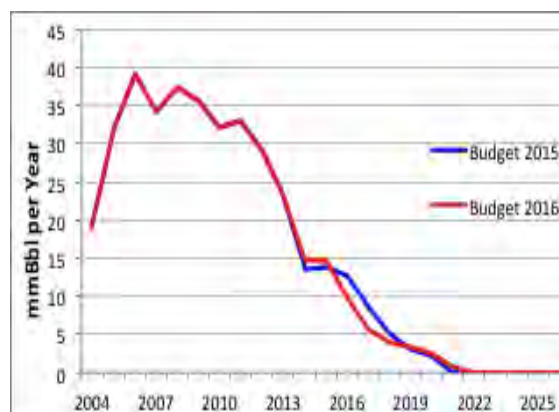
**Figure 2.6.3.2.2: BU Productions Forecasts for 2016**

**Figure 1. BU Liquids Forecasts for Budget 2016**

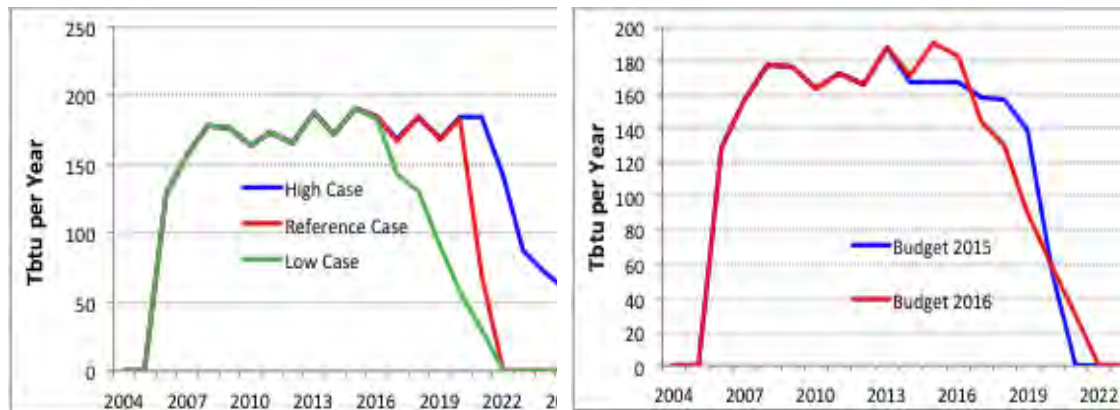


**Figure 3. BU Gas Forecasts for Budget 2016**

**Figure 2. BU Liquids, Budget 2016 vs. Budget 2015**



**Figure 4. BU Gas, 2016 Budget vs. 2015 Budget**



Source: Petroleum Fund Administration Unit, Ministry of Finance, 2015

#### *Liquids price differentials (condensate and LPG)*

The price for Bayu-Undan condensate products is forecasted based on the historical relationship with a benchmark price. This historical price differential is then projected forward on the back of the benchmark's forecast (as determined by EIA) to give an estimate of the future price on the products sold in the Timor Sea. As discussed above, the price of each Timor-Leste petroleum product is forecast in relation to the price of the Brent benchmark. The result of these new price differentials is a decrease in the ESI of \$4 million.

#### *Cost*

Production costs from the two operators (COP and ENI) are forecasted to be slightly higher in this Budget than in Budget 2015. However, these changes do not have impact on the 2016 ESI.

#### *Rates of return and discount rate*

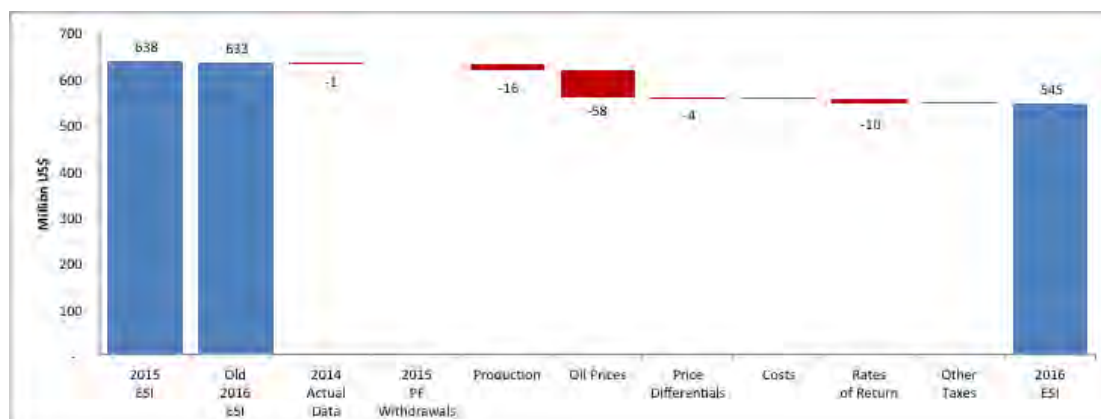
Under the requirement of Schedule 1 of the Petroleum Fund Law, the discount rate used in the Net Present Value (NPV) calculation of future petroleum revenues must equal the expected rate of return of the Petroleum Fund portfolio. The expected long-term nominal portfolio return remains unchanged from last year's forecast of 5.7 percent nominal per annum. Although the same discount rate is used in the calculation, due to lower expected investment return in 2015 (which is an average of actual returns to date and expected returns), the 2016 ESI decreased by \$10 millions.

#### *Other Taxes*

Other taxes include wage taxes, tax collections from subcontractors and exploration drilling. These taxes are forecast for Budget 2016 based on an analysis of recent collections and taking into account exploration work commitments as advised by ANP. There has not changed much in the forecast of other taxes as compared to previous year estimate, therefore it has no impact to 2016 ESI.



**Figure 2.6.3.2.3: Changes in the 2016 ESI (from Budget 2015 to Budget 2016)**



Source: Petroleum Fund Administration Unit, Ministry of Finance, 2015

### Sensitivity Analysis

The Government's objective is to prepare an ESI that is prudent overall, as required by the Petroleum Fund Law. The calculations are based on the best information available and advice from experts, each input is inherently subject to significant uncertainty. Figure 2.6.3.2.4 shows how the 2016 ESI changes when the key assumptions are changed individually.

The sensitivity analysis starts with the 2016 ESI of \$544.8 million and shows by how much ESI would change if a different assumption for each key variable were used. The analysis shows that the current ESI is much less affected by the change in petroleum assumptions such as changes in the oil price and production, compared to earlier years. This is because roughly estimated 90 percent of Petroleum Wealth will be in financial assets of the Petroleum Fund at the end of 2015.

As shown in Figure 2.6.3.2.4, if the average of low and base case production (which is labeled P70 Production<sup>13</sup>) were used in ESI 2015, rather than the low case, the ESI would increase by \$26 million to \$570.6 million.

If the Base Case LNG was used to calculate the ESI, the ESI would increase by \$38 million. If the Base Case Liquids was used, it would change the ESI by approximately \$14 million.

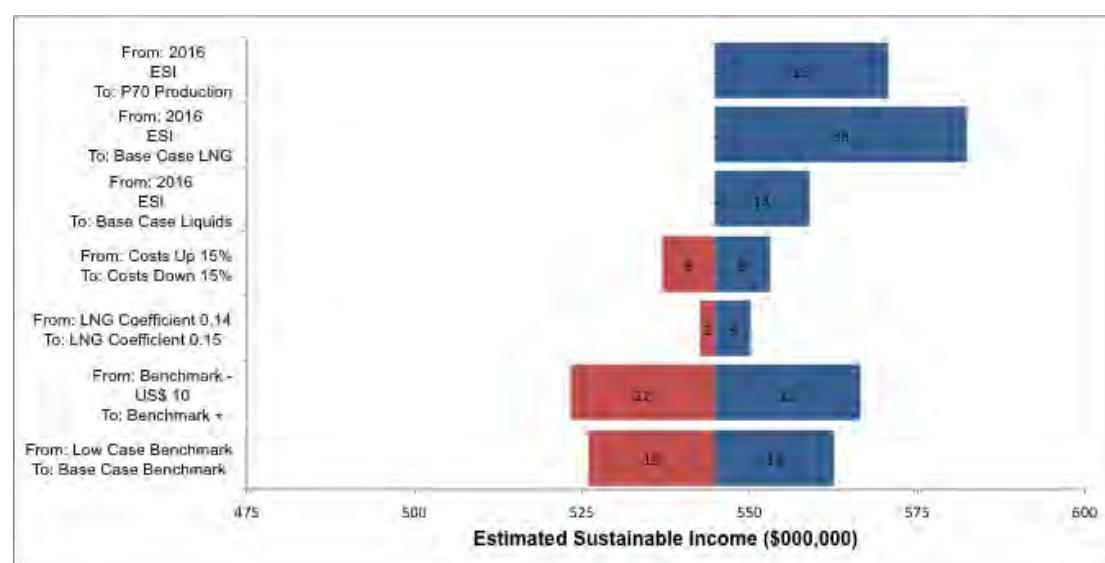
For each change in production costs by 15 percent would impact on the ESI (up or down) by \$8 million.

The change of the LNG slope coefficient between 0.14 and 0.15 would have a modest impact to the ESI by between negative \$2 million to \$5 million, respectively.

<sup>13</sup> The average of the low (P90) case and the base (P50) case is not exactly the same as the P70 case, but they are roughly equivalent, so the label P70 is used for convenience. As discussed in last year's budget, as a technical matter, it would be preferable to use the average of the low (P90) and the base (P50) forecasts for petroleum production, consistent with the methodology for petroleum prices. Therefore, it was recommended that further analysis on the reliability on the production data to be observed before this change in methodology is adopted for ESI calculation in the future years.



**Figure 2.6.3.2.4: Sensitivity Analysis – Estimated Sustainable Income (\$m)**



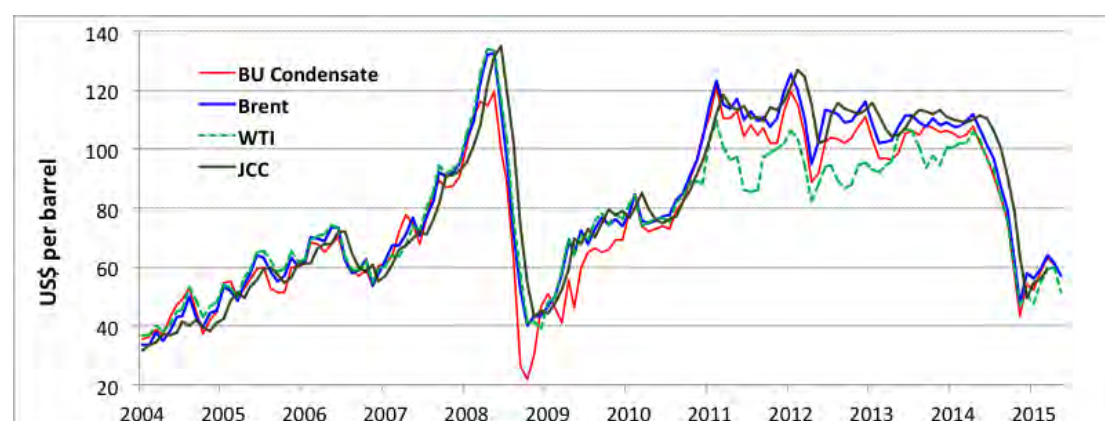
Source: Petroleum Fund Administration Unit, Ministry of Finance, 2015

As noted above, the forecast of future Brent prices, which is used to forecast prices for Timor petroleum prices, is based on the average of the AEO Low and Reference Cases. Instead of using the average, using the Low Case would decrease the ESI by \$19 million and using the Reference Case would increase the ESI by approximately \$18 million. In addition, it also shows that for a \$10 change in Brent prices compared to the forecast used in the ESI, which is the average of the Low and Reference Cases, ESI would change by approximately \$22 million.

### Review of methodology

Schedule 1 of the Petroleum Fund law requires the ESI to be estimated using prudent assumptions reflecting international best practice and based upon recognised international standards. The Ministry of Finance undertook a comprehensive review of the methodology for the ESI prepared for Budget 2016 with technical assistance from the IMF. This year there is no change in the forecast methodology. The oil price benchmark for Brent better tracks the Bayu-Undan products in recent years (see figure 2.6.3.2.5).

**Figure 2.6.3.2.5: BU Condensate Price vs. World Oil Prices**



Source: Petroleum Fund Administration Unit, Ministry of Finance, 2015

### 2.6.3.3 Managing the Petroleum Fund

#### *The Petroleum Fund Model*

The Petroleum Fund Law is designed to contribute to a wise management of Timor-Leste's petroleum resources for the benefit of both current and future generations. The Petroleum Fund is a tool that facilitates sound fiscal policy, where appropriate consideration and weight are given to the long-term interest of Timor-Leste's citizens. The Petroleum Fund helps policy makers to make well-informed budget decisions in an environment of fluctuating petroleum incomes that are temporarily at a high level. The decision on *how much to spend and how much to save* (i.e. spend later) is done in the state budget where all the Government's priorities are weighed against each other.

The petroleum fund mechanism implies that petroleum revenues are transferred in their entirety to the Fund and invested abroad in financial assets. The investment policy of the Fund aims at maximizing the risk-adjusted return. The Fund's only outflow is transfers to the central government budget, pursuant to parliamentary approval. The amount that may be transferred to the budget is guided by the Estimated Sustainable Income (ESI), which is defined as 3 percent of the petroleum wealth. The implied investment objective of the Fund is accordingly set at 3% real return, as a necessary condition to enable sustainability on the spending side in terms of maintaining the purchasing power of the petroleum wealth when spending is constrained by the ESI.

#### *Governing the Petroleum Fund*

Based on the "Santiago principles"<sup>14</sup>, the Petroleum Fund governance model is one of a high degree of transparency and disclosure of information. This helps build

<sup>14</sup> International Working Group's "Sovereign Wealth Funds: Generally Accepted Principles and Practices", otherwise known as the Santiago Principles. The Principles identify a framework of generally accepted principles and practices that properly reflect appropriate governance and accountability arrangements as well as the conduct of investment practices by Sovereign Wealth Funds (SWFs) on a prudent and sound basis.

public support for the wise management of petroleum revenues and reduces the risk of bad governance. *Transparency* ensures that information can be used to measure the authorities' performance and also guards against any possible misuse of powers. One of the fundamental elements of the Fund's governance structure is that no one person or institution is responsible for making and implementing investment decisions because each party is formally accountable to another for their role in the decision-making process. This degree of transparency serves to encourage *consensus* and enable *accountability*, which means authorities and whoever handles public money can be held responsible for their actions.

As the Executive, the Government through the Ministry of Finance is responsible for the overall management of the Petroleum Fund, on behalf of the people of Timor-Leste. The Petroleum Fund Law makes the Government accountable to Parliament through various reporting requirements. The operational management is carried out by the Central Bank, which invests the Fund's capital according to guidelines established by the Ministry of Finance and mandates developed by the Investment Advisory Board (IAB). The Ministry of Finance is required to seek advice from the IAB before making decisions on any matter relating to the investment strategy or management of the Petroleum Fund.

#### *Petroleum Fund Investment Policy*

The evolution of the Petroleum Fund's investments is described in the Petroleum Fund Annual Report for 2014. The Fund's equity allocation has increased to 40% in order to meet the 3% real return objective with a reasonable probability over the long run. The higher allocation to the more volatile asset class of listed equities will involve more short-term fluctuations in the Fund's investment returns. Modelling of the 40% equity allocation helps put this risk in context:

- The Fund is expected to experience a loss in one out of every five years.
- In the worst 5 years out of every 100, the loss will be 5.2 percent or higher. Based on a fund balance of \$16.9 billion, this represents a loss of US\$877 million.

While there will invariably be years where the Petroleum Fund posts losses, this short-term volatility in returns is integral to the asset allocation that allows us to meet our long-term return objective.

Table 2.6.3.3.1 shows the Petroleum Fund portfolio and manager structure as of June 2015. Diversification is a key principle underlying the Fund's investment strategy and helps to reduce volatility and remove unrewarded risks. The Fund diversifies across asset classes, securities, regions and currencies.

The Government is currently exploring ways to further diversify and enhance the equity and bond portfolios to improve its risk-return profile. The evolving investment allocation involves a sound and responsible process. Significant work is undertaken

to fully understand the characteristics and risk of potential new investments, their implementation and their complexity relative to the available governance resources.

**Table 2.6.3.3.1: Petroleum Fund Portfolio and Managers Structure**

Number	Managers and Mandates, as of August 2015	Weight	Market Values, \$ millions	Return since inception
<b>Total Petroleum Fund Portfolio</b>		<b>100.0%</b>	<b>16,650</b>	<b>3.9%</b>
<b>International Fixed Interest Portfolio (Bonds)</b>		<b>61.8%</b>	<b>10,281</b>	<b>2.9%</b>
1	3-5 years US Treasury bonds Banco Central de Timor-Leste -BCTL	41.3%	6,878	1.29%
2	5-10 years US Treasury bonds Bank for International Settlement - BIS	10.5%	1,752	1.9%
3	Non US Sovereign Developed Bonds			
	AllianceBernstein	5.1%	841	-10.5%
	Wellington Management	4.9%	811	-7.0%
<b>International Equity Portfolio</b>		<b>38.3%</b>	<b>6,370</b>	<b>9.4%</b>
4	MSCI World Index, enhanced Schroders Investment Management - Schroders	4.8%	794	9.6%
5	MSCI world State Street Global Advisors - SSgA	16.7%	2,779	11.1%
6	BlackRock Investment Management	16.8%	2,797	9.1%

BCTL - Petroleum Fund Monthly Aug 2015 Report

\* Inception dates for different managers are not equivalent thus since inception returns are not directly comparable  
Source: Petroleum Fund Administration Unit, Ministry of Finance, 2015

#### *Projected Petroleum Fund development*

The Fund's balance is \$16,863 million as of June 2015. This is an increase of \$324 million from the start of the year. The Fund balance is expected to be \$16,605 million by the end of 2015 after deducting the estimated withdrawal of \$1,327.5 million in 2015 adopted by Parliament.

The current forecast, as shown in Table 2.6.3.3.2, shows the total value of the Fund to be \$16,932.3 million by the end of 2016. The Fund balance is then forecast to decline to \$14,658.9 million by the end of 2020. . This is in nominal terms and therefore does not reflect the additional reduction in purchasing power. As noted, Petroleum Revenues are declining along with production meaning that the level of withdrawals from the Fund and the return from investment are the main drivers of the size of the Petroleum Fund.

**Table 2.6.3.3.2: Estimated Petroleum Fund Savings 2014-2020 (\$m)**

	2014 Actual*	2015 Estimate**	2016 Budget	2017	2018	2019	2020
<b>Opening PF Balance</b>	<b>14,952.1</b>	<b>16,538.6</b>	<b>16,605.2</b>	<b>16,914.9</b>	<b>16,732.8</b>	<b>16,052.8</b>	<b>15,308.4</b>
Petroleum Revenue (excluding PF Interest)	1,817.0	861.9	718.7	349.2	335.4	106.8	51.6
Petroleum Fund Interest, Net*	501.6	532.2	874.8	919.4	921.6	883.1	845.3
Total Withdrawals	732.0	1,327.5	<b>1,283.8</b>	1,450.7	1,936.9	1,734.3	1,494.0
<b>Closing PF Balance</b>	<b>16,538.6</b>	<b>16,605.2</b>	<b>16,914.9</b>	<b>16,732.8</b>	<b>16,052.8</b>	<b>15,308.4</b>	<b>14,711.4</b>

\* net of management and market  
revaluation

Source: Petroleum Fund Administration Unit, Ministry of Finance, 2015

## 2.7: Financing

### 2.7.1. Definition of Financing

The total budgeted expenditure for 2016 is higher than the domestic revenue that will be collected over the same period. This results in a non-oil deficit (domestic revenue minus expenditure) which is financed by withdrawals from the Petroleum Fund (PF), loans and use of the cash balance. The total amount of financing is equal to the non-oil deficit and covers the gap between the budgeted expenditure and domestic revenue. Table 2.7.1.1 below shows the amount drawn from each of the financing items.

**Table 2.7.1.1: Financing (\$m)**

	2016	2017	2018	2019	2020
<b>Total Financing</b>	<b>1,390.8</b>	<b>1,799.1</b>	<b>2,303.2</b>	<b>1,894.7</b>	<b>1,533.1</b>
Estimated Sustainable Income (ESI)	544.8	534.5	519.8	490.1	464.9
Excess Withdrawals from PF	739.0	916.2	1,417.2	1,244.2	1,029.0
Use of Cash Balance	0.0	0.0	0.0	0.0	0.0
Borrowing /Loans	107.0	348.4	366.2	160.5	39.2

Source: National Directorate of Economic Policy, Ministry of Finance, 2015

The economic impact of the financing items is different from that of domestic revenue. Domestic revenue, which is collected from taxes and charges paid by individuals and companies in Timor-Leste, represents a transfer of income from one sector of the economy to another. Consequently, there is no significant change in the overall demand in the economy, as the increase in demand from Government spending is approximately matched by a reduction in demand from private spending (companies and individuals).

On the other hand, withdrawals from the PF (both the Estimated Sustainable Income (ESI) and excess withdrawals) and financing through loans will increase demand in the year that such expenditure occurs, which will cause inflation. In the case of

loans, this will be followed by a negative impact on overall demand in the future when the Government begins to repay the loans.

### **2.7.2: ESI and Excess Withdrawals**

The ESI can be thought of as the amount that can be withdrawn from the PF each year, forever, without the fund ever running out of money. The ESI is equal to 3% of the net petroleum wealth and is \$544.8 million in 2016. Further details on the ESI and petroleum wealth can be found in Section 2.6.3 of the Budget Book.

In addition, the Government plans to withdraw \$739.0 million in excess of the ESI. This excess withdrawal is in line with the Government's policy on frontloading, and a detailed justification can be found in Annex 4.1. These excess withdrawals are being used to finance core infrastructure, which is necessary for long-term growth.

### **2.7.3: Loans**

In order to finance major infrastructure projects, the Government has a choice between taking loans and withdrawing excess amounts from the Petroleum Fund. Withdrawing money from the Petroleum Fund, instead of taking loans, reduces the Fund balance, and potential interest earnings. Over the past few years, the Government has adopted a prudent policy of using concessional loans with grace periods from development partners, because such loans have a number of advantages for Timor-Leste. Loans allow greater budgetary flexibility, and in particular, reduce pressure upon any one year's budget envelope.

The Government will take loans to finance infrastructure projects when the financial cost of borrowing is lower than the return on the Petroleum Fund. The Government is well aware of the potential disadvantages of excessive indebtedness, and has ensured that all loans agreed to date have a cost of borrowing below the return on the Petroleum Fund as stated in the Public Debt Law, thus ensuring that the future debt repayments remain well within the country's capacity to pay.

To date five there have been (5) Loan Agreements for financing road projects. They are all for upgrading and strengthening arterial roads, these are:

- Road Network Upgrading Project (RNUP) of Dili-Liquica and Tibar-Gleno (signed by GoTL and Asian Development Bank (ADB) in 2012)
- Road Upgrading Project of Dili-Baucau (signed by GOTL and JICA in 2012)
- Road Network Upgrading Project (RNUSP) of Manatuto-Natarbora (signed by GOTL and ADB in 2013)
- Road Climate Resilience Project of Dili-Ainaro (signed by GoTL and World Bank in 2013)

- Tasitolu-Tibar Dual Carriageway Road Project (signed by GoTL and ADB in June 2015).

#### ***a. Road Network Upgrading Projects of Dili-Liquica and Tibar-Gleno***

The focus of this loan project is for upgrading the Dili-Liquica and Tibar-Gleno roads. The Dili-Liquica road is the road in the inter-urban network with the highest level of traffic. The Tibar-Gleno road is important in that it is a main coffee production route.

Two loans have been utilized from the ADB: the first from the Ordinary Capital Resources (OCR) of \$30.9 million and the second from the Asian Development Fund (ADF) of \$9.2 million<sup>15</sup>. OCR is a LIBOR-based lending instrument with respective maturity and grace period of 25 years and 5 years. The ADF loan has a grace period of eight years and maturity of 32 years. The rate of interest for the OCR is equal to LIBOR rate plus 0.4% per annum and for ADF is fixed at 1% per annum during the grace period and 1.5% thereafter. The agreements were signed on 2 May 2012 and became effective on 13 June 2012.

#### ***b. Road Upgrading Project of Dili-Manatuto-Baucau***

This section is an important road connecting three main cities in the northeast of the country. The road works will upgrade a total of 116 Km. The Loan Agreement with Japan International Cooperation Agency (JICA) was signed in March 2012 and is for JpY 5,278 million<sup>16</sup>. The loan has a grace period of 10 years, maturity of 30 years and annual interest rate of 0.7% for construction works and 0.01% for other consultancy services.

#### ***c. Road Climate Resilience Project of Solerema-Ainaro***

This section is an important road connecting the main cities in the central region to the southern regions of Ainaro, Covalima and Manufahi. A sum of \$40.0 million has been borrowed from the World Bank for this project. The loan was signed in November 2013 and procurement has been completed.

The loan comprises two parts: an International Development Agency (IDA) Credit of \$25.0 million and an International Bank for Reconstruction and Development (IBRD) Loan of \$15.0 million. The IDA Credit has a grace period of five years, maturity period of 25 years and interest rate fixed at 2%, while the IBRD Loan has grace period of eight years, maturity period of 28 years and a variable interest rate of LIBOR+1%.

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<sup>15</sup> As the loans are denominated in Special Drawing Rights (SDR) the dollar values are subject to small variation.

<sup>16</sup> USD 63.3 million, based on the exchange rate of 83.38 JpY per dollar as of the date of signing the loan.

#### ***d. Road Upgrading Project Manatuto-Natarbora***

A second road project using loan assistance from the ADB concerns upgrading the North-South link between Manatuto and Natarbora. ADB financing comprises an ADF loan of \$10.0 million and an OCR loan of \$40.0 million, while the Government counterpart contribution amounts to an estimated \$73.0 million.

The OCR loan has a maturity of 25 years, grace period of 5 years and a variable interest rate of LIBOR+0.5%. The ADF loan has a grace period of 5 years, maturity of 25 years and a 2% fixed interest rate.

#### ***e. Tacitolu-Tibar Dual Carriageway Road Project.***

This project was initiated after studies concluded that a realignment of the road section between Tacitolu and Tibar Bay would reduce the road length by 2 km and widening of this section to four lanes all the way to the entrance of the future Tibar Bay Port would bring about significant economic benefits and justify the additional cost of the works.

To finance this project, the government and ADB signed a new loan agreement in June 2015 in the amount of \$11.78m. This is an OCR loan with an interest rate of LIBOR+0.6%, 5 years grace period and 25 years maturity.

In addition to the aforementioned projects, there are some potential loan-funded projects for 2016, which are currently in various stages of preparation or negotiation. These projects include: Dili Drainage Infrastructure Upgrading Project, Dili International Airport, Suai-Beaco Highway, Baucau-Viqueque road upgrade project, Baucau-Lautem road upgrade project, and Aituto-Gleno road upgrade project.

Thus, the total program budget is \$107.0 million in 2016. These amounts do not include the Government's contribution. The total projected loan disbursements, over the 2016-2020 period, can be seen below in Table 2.7.3.1.

**Table 2.7.3.1: Total Loan Disbursement 2016-2020**

	Total	2016	2017	2018	2019	2020
Loans	1,021.2	107.0	348.4	366.2	160.5	39.2

Source: Loans Unit, Ministry of Finance 2015

Details about each of the loan agreements are summarized in Table 2.7.3.2 below.



Table 2.7.3.2: LOAN AGREEMENT SUMMARY:

	JICA Loan	ADB - 2857	ADB - 2858	ADB - 3021	ADB - 3020	WB - 5303	WB-8290	ADB - 3181
<b>Lender:</b>	Japan International Cooperation Agency	Asian Development Bank	Asian Development Bank	Asian Development Bank	Asian Development Bank	International Development Association	International Bank for Reconstruction and Development	Asian Development Bank
<b>Agreement Date:</b>	19-Mar-12	2-May-12	2-May-12	18-Nov-13	18-Nov-13	18-Nov-13	18-Nov-13	24-Jun-15
<b>Amount:</b>	Yen 5,278,000,000 (US\$63,300,551)	USD 30,850,000	SDR 5,905,000	SDR 6,672,000	USD 40,000,000	USD 25,000,000	USD 15,000,000	USD 11,780,000
<b>Grace Period</b>	10 years	5 years	8 years	5 years	5 years	5 years	8 years	5 years
<b>Repayment period:</b>	<b>20 Years</b> (20 September 2022 – 20 March 2042)	<b>20 Years</b> (15 September 2017 – 15 March 2037)	<b>23.5 Years</b> (15 September 2020 – 15 March 2044)	<b>20 Years</b> (15 April 2019 - 15 October 2038)	<b>20 Years</b> (15 April 2019 - 15 October 2038)	<b>20 Years</b> (15 March 2019 - 15 September 2038) - Commencing 15 March 2019 to and including 15 Sept 2028 - 1.65% of principal amount - Commencing 15 March 2029 to and including 15 Sep 2038 - 3.35% of principal amount	<b>20 Years</b> (15 March 2022 - 15 September 2041) - Commencing 15 March 2022 through 15 Sept 2040 - 2.56% of principal amount -including 15 March 2041 to 2.72% of principal amount	<b>20 Years</b> (15 September 2019 - 15 March 2039)
<b>Interest rates:</b>	0.7% per annum payable Semi-annually on the principal withdrawn for Civil Works and 0.01% p.a. interest on consulting services (Capitalized)	<b>The sum of LIBOR + 0.60%</b> less credit of <b>0.20%</b> on the loan withdrawn payable on 15 March and 15 September each year (Capitalized).	<b>1%</b> per annum during the grace period and <b>1.5%</b> per annum thereafter on the withdrawn amount. (Grace period prior to the first Principal Payment Date.) Payable on 15 March and 15 September each year (Capitalized)	2% p.a (During and after grace period) - Capitalized	LIBOR + (0.60% - 0.20%) + 0.10% p.a maturity premium (during and After Grace Period) - Capitalized	(1.25 p.a + Basis adjustment) - <b>to be paid directly under State Budget</b>	Ref Rate + Fixed Spread (1%) - Capitalized	LIBOR + (0.60% - 0.10%) + 0.10% p.a maturity premium. - Capitalized
<b>Commitment Charge</b>	0.1% per annum payable semi-annually on total unused amount budgeted for all works and services excluding commitment charges. (Commitment charges is also lent to the borrower) - Capitalized	<b>0.15%</b> per annum on full amount of the loan (less amounts withdrawn) from <b>60 days after the date</b> of the loan agreement payable on <b>15 March and 15 September each year-</b>	-	-	0.15% per annum on full amount of the loan (less amounts withdrawn) from 60 days after the date of the loan agreement - Capitalized	1/2 of 1 % p.a (Unwithdrawn Financing Balance) - <b>to be paid directly under State Budget</b>	-	0.15% per annum on full amount of the loan (less amounts withdrawn) from 60 days after the date of the loan agreement payable on 15 March and 15 September each

Table 2.7.3.2: LOAN AGREEMENT SUMMARY:

	JICA Loan	ADB - 2857	ADB - 2858	ADB - 3021	ADB - 3020	WB - 5303	WB-8290	ADB - 3181
		<b>Capitalized</b>						year - Capitalized
<b>Service Charge</b>	-	-	-	-	-	The greater of (3/4 of 1% p.a + basis adjustment) or 3/4 % p.a - <b>to be paid directly under State Budget</b>	-	-
<b>Front End Fee</b>	-	-	-	-	-	-	USD 37,500 (0.25% of loan amount)	-
<b>Dates of repayment:</b>	Semi-annually on 20 March and 20 September.	15 March and 15 September each year.	15 March and 15 September each year.	Interest and other charges: payable on 15 April and 15 October each year.	Interest and other charges: payable on 15 April and 15 October each year.	Interest and other charges: payable on 15 March and 15 September each year.	Interest and other charges: payable on 15 March and 15 September each year.	Interest and other charges: payable on 15 March and 15 September each year.
<b>Loan closing date</b>	<b>13-Jul-19</b>	30-Jun-17	30-Jun-17	30-Jun-20	30-Jun-20	31-Dec-18	31-Dec-18	30-Jun-18
<b>Project completion date:</b>	Jun-17	30-Dec-16	30-Dec-16	31-Dec-19	31-Dec-19	-	-	31-Dec-17

Source: Loans Unit, Ministry of Finance, 2015

## 2.7.4. Use of the Cash Balance

The use of the cash balance for the Consolidated Fund of Timor-Leste (CFTL) at the end of 2015 is forecast to be insignificantly small, and hence no cash balance will be included to finance expenditures in the 2016 State Budget. Similarly, there is also no forecasted rollover of cash balances for the Special Funds (IF and HCDF) in 2016.

**Table 2.7.4.1: Use of the Cash Balance in 2016**

<b>Total</b>	<b>0.0</b>
Infrastructure Fund Rollover excluding loans, net of deductions	0.0
HCDF Rollover	0.0
Drawdown of Cash Balances from the Treasury Account	0.0

Source: General Directorate of Treasury, Secretariat for the Human Capital Development Fund, Secretariat for the Infrastructure Fund, 2015

## 2.7.5: Public Private Partnerships

Public-Private Partnerships (PPP) are an economic relationship between a public sector authority and a private sector company whereby the private sector company provides a public interest good or service and shares the respective financial, technical and operational risks. The underlying rationale for PPPs in Timor-Leste stems from the fact that this type of business arrangement potentially allows the Government to benefit from the private sector expertise and financing, which then results in higher quality and efficiency, as well as lower risk borne by the Government. However, in the case of Timor-Leste, such projects are only undertaken if they are aligned with the Government's development objectives and have high rates of both economic and social return.

Having completed a PPP policy and legal framework, Timor-Leste has now approved one PPP, namely the Tibar Port, and is developing feasibility studies for several other projects. The projects in the project cycle for 2016 are in the transports, energy, health and water sector. During 2015, four potential projects in those areas are in the PPP project cycle.

The Tibar Bay Port is a crucial infrastructure for the development of the country and a national priority. The Council of Ministers decided to proceed with the PPP modality as a 30-year concession, thus advancing to the stage of procurement and selection of a private partner. That selection is being made through a competitive international tender, which is currently on going, that will allow the Government to control the design and the terms and conditions of the concession, as well as use competition to select the best partner and minimize the government subsidy. Four bidders are qualified, the contract is expected to be signed between the end of 2015 and the beginning of 2016 and the construction to start one year after that date.

Consequently, it is widely believed that it will alleviate congestion as well as address some of the limitations of the existing Dili Port, which has very limited expansion possibilities and is capable of berthing only small vessels. This is viewed as necessary due to the expected increase in the demand for imports given the forecasted increase in economic growth in

Timor-Leste. In terms of construction, the project has three main components: the preparation of the site, the installation of the port facilities and their respective maintenance, both during and after its implementation.

The Tibar Bay Port is expected to be funded partially through the Infrastructure Fund and partially through concessional loans from the World Bank, the European Investment Bank, the Asian Development Bank (ADB) and/or other multilateral partners.

The Dili Water Supply System is another project in the PPP project cycle. The final pre-feasibility report was presented to the Council of Ministers and approved to proceed for the feasibility study. Further to this, the Government has decided to pursue a more detailed investigation for possible private sector participation in the construction and/or operation and/or management of the Dili Water Supply sector through a PPP modality. The purpose of this on going study is to provide information and analysis that will allow the Government to decide whether to pursue reform for the water services in the capital city of Dili. The study is expected to be concluded in the beginning of 2016. Further to this and if a PPP modality is selected for the reform, the Government will launch an international tender to select the private partner.

In the power sector, the Government has made a very significant investment in the last few years. Two power plants have been built in Hera and Betano and are currently producing energy, and a network of transmission lines supplying electricity to all parts of the country has been nearly completed. However, the Government is currently facing another challenge: how to manage, operate and maintain these power plants, and how to adequately transmit and distribute electricity to the Timorese people.

The Government, with support from the ADB, undertook an initial assessment with a view to see the potential for PPP activities. In 2016 the Government will develop a full feasibility study to identify what activities can be selected to implement through the PPP modality.

The Government is also looking for possible partnerships with the private sector in the health sector. Improving health outcomes is critical to stability, economic growth and poverty reduction in Timor-Leste. Timor-Leste's Constitution establishes that medical care is a fundamental right for all citizens and imposes a duty on the government to promote and establish a national health system that is universal, general, free of charge and, as far as possible, decentralized and participatory. The health system has been rebuilt since 1999, but the Government is aware of the challenges it faces and has identified a number of areas in which it believes that PPPs may play a role in improving health services.

An initial assessment was undertaken with the support of the International Finance Corporation (IFC) and some possible projects were identified. An initial pilot project was chosen and the full feasibility studies will be developed until the end of 2016.



## Part 3: General State Budget Law Text



### VI GOVERNO CONSTITUCIONAL

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**Proposta de Lei nº ...../.....**

**de.....de.....**

#### **Orçamento Geral do Estado para 2016**

O Orçamento Geral do Estado para 2016, doravante designado por OGE, engloba todas as receitas e despesas do Estado para o ano financeiro de 2016.

O Anexo I à presente lei estabelece o total estimado das receitas do Estado, de Janeiro a Dezembro de 2016, provenientes de todas as fontes: petrolíferas e não petrolíferas (fiscais, não fiscais e provenientes de empréstimos).

O total estimado de receitas é de 1.871,9 milhões de dólares.

O Anexo II à presente lei estabelece todas as dotações orçamentais, sistematizadas da seguinte forma:

1. 181,529 milhões de dólares para Salários e Vencimentos;
2. 468,988 milhões de dólares para Bens e Serviços;
3. 475,775 milhões de dólares para Transferências Públicas;
4. 17,565 milhões de dólares para Capital Menor;
5. 418,376 milhões de dólares para Capital de Desenvolvimento.

O total das despesas dos serviços sem autonomia administrativa e financeira e dos órgãos autónomos sem receitas próprias é de 1.111,189 milhões de dólares.

O total das despesas para os serviços e fundos autónomos em 2016 é de 40,334 de dólares. O total da estimativa das despesas para a Autoridade da Região Administrativa Especial de Oe-cusse

Ambeno e Zona Especial de Economia Social de Mercado de Oe-cusse Ambeno e Ataúro é de 217,939 milhões de dólares, a serem financiados através de dotação do OGE.

O total da dotação orçamental para o Fundo das Infra-Estruturas é de 376,71 milhões de dólares, incluindo empréstimos, e de 269,707 milhões de dólares, excluindo empréstimos.

O total da dotação orçamental para o Fundo de Desenvolvimento do Capital Humano é de 34 milhões de dólares.

O total estimado das despesas do OGE é de 1.562,233 milhões de dólares.

O total máximo aprovado para financiamento com recurso ao endividamento público, em 2016, é de 107,003 milhões de dólares.

As receitas não petrolíferas estimadas, incluindo as dos serviços e fundos autónomos, são de 171,4 milhões de dólares.

O total das receitas cobradas pelos serviços e fundos autónomos é de 8,6 milhões de dólares.

Assim, o défice fiscal é de 1.390,833 milhões de dólares, o qual é financiado em 1.283,8 milhões de dólares, a partir do Fundo Petrolífero, dos quais 544,8 milhões de dólares corresponde ao RSE e 739 milhões de dólares acima do RSE e em 107,003 milhões de dólares através do recurso ao crédito público.

O Governo apresenta ao Parlamento Nacional, ao abrigo da alínea c), do n.º 1 do artigo 97.º e do n.º 1 do artigo 145.º da Constituição da República, a seguinte Proposta de Lei:

## **Capítulo I**

### **Definições e aprovação**

#### **Artigo 1.º**

##### **Definições**

Para os efeitos da presente lei, entende-se por:

- a) "Categoria de Despesa" – O agrupamento das despesas sob as cinco categorias seguintes:
  - i) "Salários e Vencimentos", o montante global que um Órgão pode gastar com Salários e Vencimentos para os titulares e membros dos órgãos de soberania, funcionários e agentes da Administração Pública e trabalhadores contratados pelos órgãos e instituições do Estado";
  - ii) "Bens e Serviços", o montante global que um Órgão pode gastar na aquisição de Bens e Serviços;
  - iii) "Transferências Públicas", o montante global que um Órgão pode gastar em subvenções públicas e pagamentos consignados;
  - iv) "Capital Menor", o montante global que um Órgão pode gastar na aquisição de bens de Capital Menor;

- v) "Capital de Desenvolvimento", o montante global que um Órgão pode gastar em projetos de Capital de Desenvolvimento;
- b) "Despesas Compensadas pelas Receitas", as despesas suportadas pelas receitas próprias cobradas pelos serviços e fundos autónomos, desde que o montante não exceda o valor total das receitas que deram entrada nas contas relevantes do Tesouro;
- c) "Dotação Orçamental", o montante máximo inscrito no OGE a favor de um Órgão com vista à realização de determinada despesa;
- d) "Órgão/Órgãos", o termo genérico adoptado no OGE para indicar o setor público administrativo sujeito à disciplina orçamental, que inclui os serviços que não dispõem de autonomia administrativa e financeira e os órgãos autónomos sem receitas próprias e que, segundo a classificação orgânica, se pode dividir em títulos, tais como Gabinete do Presidente da República, Parlamento Nacional, Governo (Gabinete do Primeiro-Ministro, Ministros de Estado, Presidência do Conselho de Ministros, Ministérios e Secretarias de Estado), Tribunais, Procuradoria Geral da República, bem como outras instituições que constam do Anexo II;
- e) "Órgãos Autónomos sem receitas próprias" os que tenham autonomia administrativa e financeira e não cobrem receitas próprias para cobertura das suas despesas.
- f) "Rúbricas de Despesa", as rúbricas de despesa desagregada dentro de cada Categoria de Despesa, com base na estrutura de código de contas de despesa mantida pelo Tesouro;
- g) "Serviços e Fundos Autónomos" os que satisfaçam, cumulativamente, os seguintes requisitos:
  - i. Não tenham natureza e forma de empresa, fundação ou associação pública, mesmo se submetidos ao regime de qualquer destas por outro diploma;
  - ii. Tenham autonomia administrativa e financeira;
  - iii. Disponham de receitas próprias para cobertura das suas despesas, nos termos da lei.

## **Artigo 2.º**

### **Aprovação**

É aprovado o Orçamento Geral do Estado para o período compreendido entre 1 de Janeiro e 31 de Dezembro de 2016, nomeadamente:

- a) O total das receitas por agrupamentos, incluindo as receitas próprias dos serviços e fundos autónomos, dos fundos especiais e dos empréstimos, constantes do Anexo I à presente Lei, dela fazendo parte integrante;
- b) O total das despesas por agrupamentos, incluindo as verbas a serem transferidas do Orçamento Geral do Estado para os órgãos e os serviços e fundos autónomos em 2016, para financiamento da diferença entre as receitas próprias e o total das despesas, constantes do Anexo II à presente Lei, dela fazendo parte integrante;



- c) O total das despesas e receitas dos serviços e fundos autónomos, incluindo as da Autoridade da Região Administrativa Especial de Oe-cusse Ambeno e da Zona Especial de Economia Social de Mercado de Oe-cusse Ambeno e Ataúro, a serem financiadas a partir das suas receitas próprias e do Orçamento Geral do Estado, constantes do Anexo III à presente Lei, dela fazendo parte integrante;
- d) O total das despesas correspondentes à dotação do Fundo das Infra-Estruturas para 2016, incluindo despesas financiadas através do recurso ao endividamento público, constantes do Anexo IV à presente lei, dela fazendo parte integrante;
- e) O total das despesas correspondentes à dotação do Fundo de Desenvolvimento do Capital Humano para 2016, constantes do Anexo V à presente lei, dela fazendo parte integrante.

## **Capítulo II**

### **Receitas**

#### **Artigo 3.º**

##### **Impostos e taxas**

1. Durante o ano de 2016, o Governo está autorizado a cobrar os impostos e taxas constantes da legislação em vigor.
2. Não obstante o disposto no número anterior, em 2016 é suspensa a sujeição de armas e munições, para a PNTL e F-FDTL, a pagamento de imposto seletivo de consumo, nos termos do artigo 11.º e anexo II da Lei n.º 8/2008, de 30 de Junho (Lei Tributária).

## **Capítulo III**

### **Autorização para transferência do Fundo Petrolífero**

#### **Artigo 4.º**

##### **Limite autorizado para financiamento do OGE**

Nos termos e para os efeitos do disposto no artigo 7.º da Lei n.º 9/2005, de 3 de Agosto, na redação que lhe foi dada pela Lei n.º 12/2011, de 28 de Setembro (Lei do Fundo Petrolífero), o montante das transferências do Fundo Petrolífero para 2016 não excede 1.283,8 milhões de dólares, sendo a transferência de 544,8 milhões de dólares efectuada após o cumprimento do disposto no artigo 8.º e a transferência de 739 milhões de dólares efectuada após o cumprimento das alíneas a), b) e c) do artigo 9.º da Lei n.º 9/2005, de 3 de Agosto.

## **Capítulo IV**

### **Constituição de dívida pública e parcerias público-privadas**

#### **Artigo 5.º**

##### **Montante máximo de endividamento autorizado**

1. Com o objectivo de fazer face às necessidades de financiamento relacionadas com a construção de infra-estruturas estratégicas para o desenvolvimento do País, fica o Governo autorizado, nos termos do artigo 20.º da Lei n.º 13/2009, de 21 de Outubro, alterada pelas Leis n.ºs 9/2011, de 17 de Agosto, e 3/2013, de 7 de Agosto, sobre Orçamento e Gestão Financeira, e do artigo 3.º da Lei n.º 13/2011, de 28 de Setembro, sobre o Regime da Dívida Pública, a recorrer ao endividamento externo concessional, adicional, até ao montante máximo de 850 milhões de dólares, com um prazo máximo de 40 anos.
2. Sem prejuízo do disposto no número anterior, em 2016 o financiamento proveniente de empréstimos não excede 107,003 milhões de dólares.

#### **Artigo 6.º**

##### **Montante máximo autorizado para acordos de parcerias público-privadas**

1. Em 2016, o Governo fica autorizado a assinar acordos de parcerias público-privadas até ao montante máximo de 500 milhões de dólares.
2. Para efeitos do número anterior e, da administração e gestão das participações do Estado, é competente a entidade responsável para tal, nos termos da lei.

## **Capítulo V**

### **Execução orçamental**

#### **Artigo 7.º**

##### **Regras complementares de execução orçamental**

1. A execução orçamental pelos órgãos e pelos serviços e fundos autónomos deve obrigatoriamente ser feita com recurso ao Sistema Informático de Gestão Financeira, com excepção dos procedimentos relativos à segurança nacional, à Região Administrativa Especial de Oe-cusse Ambeno e à Zona Especial de Economia Social de Mercado de Oe-cusse Ambeno e Ataúro.
2. Em 2016, a fiscalização da execução orçamental pelo Parlamento Nacional incide particularmente sobre todas as despesas recorrentes.
3. A contratação pública por ajuste direto apenas é permitida a cada Órgão até 10% do total das respectivas dotações orçamentais para 2016, sem prejuízo da observância das normas legais sobre a sua admissibilidade.
4. O disposto no número anterior não se aplica no âmbito do Orçamento das Dotações para Todo Governo nem aos aprovisionamentos relativos a questões de segurança nacional,

nem aos da Região Administrativa Especial de Oe-cusse Ambeno e à Zona Especial de Economia Social de Mercado de Oe-cusse Ambeno e Ataúro.

5. O Parlamento Nacional realiza um debate trimestral, sobre a execução orçamental de cada ministério, secretaria de Estado, órgão autónomo sem receitas próprias e serviço e fundo autónomo, com a presença dos respectivos membros do Governo e dirigentes máximos.
6. Quando o saldo da conta do Tesouro for inferior a 200 milhões de dólares, o Governo pode recorrer à transferência do Fundo Petrolífero acima do Rendimento Sustentável Estimado, informando previamente o Parlamento Nacional.
7. Os pedidos de uso da reserva de contingência devem ser devidamente justificados nos termos do n.º 3 do artigo 7.º e do artigo 37.º da Lei n.º 13/2009, de 21 de Outubro, alterada pelas Leis n.ºs 9/2011, de 17 de Agosto, e 3/2013, de 11 de Setembro, sobre Orçamento e Gestão Financeira, e devem conter a descrição detalhada das atividades a realizar.
8. As regras de execução orçamental aplicáveis aos órgãos e serviços e fundos autónomos são definidas no diploma do Governo sobre a execução orçamental.

#### **Artigo 8.º**

##### **Pagamento de impostos sobre importações**

O Tesouro fica autorizado a estabelecer e implementar um mecanismo de contabilidade para o registo e controlo das receitas e despesas, correspondente ao pagamento de impostos sobre importações efectuadas pelos Órgãos ou em seu nome.

#### **Artigo 9.º**

##### **Dotações para todo o Governo**

De acordo com os critérios claros e precisos estabelecidos relativamente às despesas públicas, o Governo inscreve no orçamento das Dotações para Todo o Governo as seguintes dotações, cuja gestão fica a cargo do Ministério das Finanças:

- a) Fundo de Contrapartidas;
- b) Auditoria Externa;
- c) Reserva de Contingência;
- d) Quotas de Membro de Instituições Internacionais;
- e) Pensões aos Ex-Titulares e Ex-Membros dos Órgãos de Soberania;
- f) Serviços de Postos Integrados na Fronteira;
- g) Provisão para g7+;
- h) Provisão para Serviços Legais;
- i) Provisão para Fundo de Pensões do Regime Contributivo;
- j) Apoio às Reuniões da Comunidade de Países de Língua Portuguesa – CPLP;
- k) Apoio Financeiro Internacional;

- l) Provisão para Programa de Estatísticas, incluindo realização do Sensos Fo Fila Fali, Levantamento das Atividades Empresariais, Registo Civil, Levantamento Demográfico e de Saúde e Levantamento das Condições de Vida;
- m) Provisão para a Reforma Fiscal, Reforma da Gestão do Desempenho e Reforma do Desempenho Orçamental;
- n) Provisão para Capitalização do Banco Central de Timor-Leste;
- o) Provisão para Parcerias Público-Privadas e Empréstimos;
- p) Provisão para Oficina de Manutenção de Veículos do Governo;
- q) Provisão para Desalfandegamento Rápido;
- r) Provisão para Capitalização do Banco Nacional de Comércio de Timor-Leste;
- s) Provisão para Governo Eletrónico - ITC;
- t) Provisão para a Autoridade da Região Administrativa Especial de Oe-cusse Ambeno e Zona Especial de Economia Social e de Mercado de Oe-cusse Ambeno e Ataúro;
- u) Provisão para adesão à Associação de Nações do Sudeste-Asiático;
- v) Provisão para Eleições em São Tomé e Príncipe;
- w) Provisão para pagamento de Empréstimos;
- x) Provisão para Campanha de Sensibilização Internacional;
- y) Provisão para Aquisição do Edifício da Embaixada em Singapura;

## **Capítulo VI**

### **Serviços e fundos autónomos e fundos especiais**

#### **Artigo 10.º**

##### **Receitas**

1. As previsões das receitas domésticas, incluindo as receitas a serem cobradas pelos serviços e fundos autónomos constam do Anexo I.
2. As receitas próprias dos serviços e fundos autónomos devem ser usadas unicamente para os fins dos mesmos.
3. As receitas resultantes das transferências a partir do OGE para os serviços e fundos autónomos e para os fundos especiais, bem como a previsão das respectivas despesas, constam do Anexo II.
4. Os orçamentos por categoria de despesa relativos aos serviços e fundos autónomos, incluindo a Autoridade da Região Administrativa Especial de Oe-cusse Ambeno e a Zona Especial de Economia Social de Mercado de Oe-cusse Ambeno e Ataúro, bem como as receitas a serem cobradas pelos mesmos constam do Anexo III.
5. A dotação do Fundo das Infra-Estruturas consta do Anexo IV.

6. A dotação do Fundo de Desenvolvimento do Capital Humano consta do Anexo V.

## **Capítulo VII**

### **Disposições Finais**

#### **Artigo 11.º**

##### **Financiamento através de doadores independentes**

1. Cada Órgão só pode estabelecer acordos com doadores independentes para o fornecimento de recursos adicionais ou complementares ao financiamento contido nas afetações orçamentais na presente lei mediante parecer prévio obrigatório do ministro responsável pela área das Finanças.
2. A gestão do financiamento previsto no número anterior deve ser feita de acordo com as diretivas emitidas pelo Ministério das Finanças e com os requisitos dos doadores.

#### **Artigo 12.º**

##### **Responsabilidade**

1. A assinatura de contratos sem cabimento orçamental gera responsabilidade política, financeira, civil e criminal, nos termos do artigo 46.º da Lei n.º 13/2009, de 21 de Outubro, alterada pelas Leis n.ºs 9/2011, de 17 de Agosto, e 3/2013, de 7 de Agosto, sobre Orçamento e Gestão Financeira.
2. Para efeitos de efetivação da responsabilidade financeira prevista no número anterior, considera-se que o titular do cargo político procede, com tal conduta, a um pagamento indevido, sujeito a condenação em reposição da quantia correspondente, nos termos dos artigos 44.º e seguintes da Lei n.º 9/2011, de 17 de Agosto, na redação que lhe foi dada pela Lei n.º 3/2013, de 7 de Agosto, que aprova a Orgânica da Câmara de Contas do Tribunal Superior Administrativo, Fiscal e de Contas.
3. Os responsáveis dos órgãos autónomos sem receitas próprias e serviços e fundos autónomos respondem política, financeira, civil, e criminalmente pelos atos e omissões que pratiquem no âmbito do exercício das suas funções de execução orçamental, nos termos da Constituição e demais legislação aplicável, a qual tipifica as infrações criminais e financeiras, bem como as respetivas sanções, conforme sejam ou não cometidas com dolo.

#### **Artigo 13.º**

##### **Entrada em vigor**

A presente lei entra em vigor no dia 1 de Janeiro de 2016.

Aprovada em Conselho de Ministros de 20 de outubro de 2015.

**O Primeiro-Ministro,**

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**Dr Rui Maria de Araújo**

**A Ministra das Finanças,**

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**Santina J.R.F. Viegas Cardoso**

## ANEXO I

### Estimativa de receitas a serem cobradas e financiamento das despesas do Orçamento Geral do Estado para 2016 (US \$ milhões)\*

Tabela I - Estimativa de receitas

<b>1</b>	<b>Receitas Totais</b>	<b>1,871.9</b>
<b>1.1</b>	<b>Receitas Petrolíferas</b>	<b>1,593.5</b>
1.1.1	Imposto sobre Lucros Petrolíferos	327.1
1.1.2	Impostos do Mar de Timor (incluindo Kitan)	64.5
1.1.3	Imposto sobre o Rendimento	104.0
1.1.4	Imposto sobre Lucros Adicionais	173.9
1.1.5	Outros Impostos e Taxas Petrolíferas	49.3
1.1.6	Juros do Fundo Petrolífero	874.8
<b>1.2</b>	<b>Receitas Não Petrolíferas</b>	<b>162.8</b>
1.2.1	Impostos Diretos	52.2
1.2.2	Impostos Indiretos	63.9
1.2.3	Outras Receitas e Taxas	0.2
1.2.4	Taxas e Encargos	46.4
1.2.5	Juros da Conta do Tesouro	0.0
<b>1.3</b>	<b>Doações</b>	<b>-</b>
<b>1.4</b>	<b>Receitas Próprias dos Serviços e Fundos Autônomos</b>	<b>8.6</b>
<b>1.6</b>	<b>Empréstimos</b>	<b>107.0</b>

\*Valores arredondados

**Tabela II – Financiamento das Despesas**

Receitas não petrolíferas incluindo receitas próprias dos serviços e fundos autônomos	171.4
Transferências do Fundo Petrolífero	1,283.8
Empréstimos	107.0
<b>Total</b>	<b>1,562.2</b>

\*Valores arredondados

## ANEXO II

### Dotações Orçamentais para 2016 (US \$'000)

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
<b>Total de Despesas do OGE Incluindo Empréstimos</b>	<b>181,529</b>	<b>468,988</b>	<b>475,775</b>	<b>17,565</b>	<b>418,376</b>	<b>1,562,233</b>
<b>Total de Despesas do OGE Excluindo Empréstimos</b>	<b>181,529</b>	<b>468,988</b>	<b>475,775</b>	<b>17,565</b>	<b>311,373</b>	<b>1,455,230</b>
<b>Total das Despesas dos Serviço sem Autonomia Administrativa e Financeira, dos Serviços e Fundos Autónomos e dos Órgãos Autónomos sem Receitas Próprias</b>	<b>181,529</b>	<b>434,988</b>	<b>475,775</b>	<b>17,565</b>	<b>41,666</b>	<b>1,151,523</b>
<b>Total das Despesas dos Serviços sem Autonomia Administrativa e Financeira e dos Órgãos Autónomos sem Receitas Próprias</b>	<b>165,253</b>	<b>411,464</b>	<b>475,775</b>	<b>17,116</b>	<b>41,581</b>	<b>1,111,189</b>
<b>Total Despesas dos Serviços sem Autonomia Administrativa e Financeira</b>	<b>154,127</b>	<b>387,389</b>	<b>468,845</b>	<b>14,880</b>	<b>41,496</b>	<b>1,066,736</b>
<b>Total Despesas dos Serviços e Fundos Autónomos</b>	<b>16,277</b>	<b>23,523</b>	<b>-</b>	<b>449</b>	<b>85</b>	<b>40,334</b>
<b>Total Despesas dos Órgãos Autónomos sem Receitas Próprias</b>	<b>11,126</b>	<b>24,075</b>	<b>6,930</b>	<b>2,237</b>	<b>85</b>	<b>44,453</b>
<b>Total Fundos Especiais</b>	<b>-</b>	<b>34,000</b>	<b>-</b>	<b>-</b>	<b>269,707</b>	<b>303,707</b>
<b>Fundos Especiais - Nova Dotação</b>	<b>-</b>	<b>34,000</b>	<b>-</b>	<b>-</b>	<b>269,707</b>	<b>303,707</b>
<b>Fundos Especiais - Saldo Transitado 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Empréstimos</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107,003</b>	<b>107,003</b>
<b>Empréstimo - Nova Dotação</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,570</b>	<b>65,570</b>
<b>Empréstimo - Saldo Transitado 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,433</b>	<b>41,433</b>
<b>Presidência da República</b>	<b>799</b>	<b>5,851</b>	<b>-</b>	<b>150</b>	<b>-</b>	<b>6,800</b>
Gabinete do Presidente da República	-	750	-	-	-	750
Casa Civil	799	4,193	-	50	-	5,042
Casa Militar	-	909	-	100	-	1,009
<b>Parlamento Nacional</b>	<b>4,713</b>	<b>8,913</b>	<b>930</b>	<b>611</b>	<b>-</b>	<b>15,167</b>
Parlamento Nacional	3,347	2,752	-	-	-	6,099
Gabinete do Presidente do Parlamento	73	602	-	-	-	675
Bancadas Parlamentares	-	-	930	-	-	930



	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
Gabinete do Secretário-Geral do Parlamento	-	397	-	-	-	397
Comissão A	-	103	-	-	-	103
Comissão B	-	87	-	-	-	87
Comissão C	-	98	-	-	-	98
Comissão D	-	101	-	-	-	101
Comissão E	-	121	-	-	-	121
Comissão F	-	107	-	-	-	107
Comissão G	-	95	-	-	-	95
Conselho de Fiscalização do Sistema Nacional de Inteligência de Timor-Leste	-	100	-	-	-	100
Conselho Consultivo do Fundo Petrolífero	-	334	-	24	-	358
Grupo de Mulheres Parlamentares de Timor-Leste	-	117	-	-	-	117
Direção de Administração	1,293	3,005	-	157	-	4,454
Direção de Apoio Parlamentar	-	507	-	422	-	929
Direção de Pesquisa e Informação Técnica	-	263	-	-	-	263
Divisão de Tecnologia de Informação e Comunicação	-	84	-	4	-	87
Divisão de Relações Internacionais, Protocolo e Segurança	-	39	-	5	-	44
<b>Primeiro-Ministro</b>	<b>84</b>	<b>3,066</b>	<b>9,884</b>	<b>40</b>	-	<b>13,073</b>
Gabinete de Apoio ao Primeiro-Ministro	84	2,618	450	40	-	3,192
Gabinete de Apoio à Sociedade Civil	-	306	9,434	-	-	9,740
Apoio à Residência Oficial do Primeiro-Ministro	-	30	-	-	-	30
Governo Electrónico ITC (e-government)	-	112	-	-	-	112
<b>Ministro de Estado da Presidência do Conselho dos Ministros Incluindo SECM, SEAP e SECS</b>	<b>2,132</b>	<b>4,915</b>	<b>2,079</b>	<b>3,284</b>	-	<b>12,410</b>
<b>Ministro de Estado da Presidência do Conselho dos Ministros Excluindo SECM, SEAP e SECS</b>	<b>883</b>	<b>3,281</b>	-	<b>25</b>	-	<b>4,189</b>
Gabinete do Ministro de Estado da Presidência do Conselho de Ministros	77	578	-	-	-	655

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
Direção Nacional de Administração e Finanças	692	981	-	25	-	1,699
Direção Nacional dos Serviços de Tradução	59	84	-	-	-	143
Direção Nacional de Recursos Humanos	-	15	-	-	-	15
Direção Nacional de Aprovisionamento	-	15	-	-	-	15
Direção Nacional de Logística e Património	-	15	-	-	-	15
Direção Nacional de Informação e Tecnologia	-	2	-	-	-	2
Unidade de Planeamento, Orçamentação, Monitorização e Avaliação	-	2	-	-	-	2
Unidade de Apoio Jurídico	36	360	-	-	-	396
Centro de Formação e Técnica de Comunicação	6	60	-	-	-	66
Gabinete do Diretor-Geral	13	14	-	-	-	27
Gabinete do Porta-Voz do Governo	-	705	-	-	-	705
Comissão para a Reforma Legislativa e do Sector Justiça	-	450	-	-	-	450
<b>Secretaria de Estado do Conselho de Ministros</b>	<b>151</b>	<b>938</b>	-	<b>3,155</b>	-	<b>4,244</b>
Gabinete do Secretário de Estado	63	561	-	-	-	624
Gráfica Nacional	88	377	-	3,155	-	3,620
<b>Secretaria de Estado Assuntos Parlamentares</b>	<b>85</b>	<b>64</b>	-	<b>4</b>	-	<b>153</b>
Gabinete da Secretária de Estado	85	64	-	4	-	153
<b>Secretaria de Estado da Comunicação Social</b>	<b>1,012</b>	<b>633</b>	<b>2,079</b>	<b>100</b>	-	<b>3,824</b>
Gabinete do Secretário de Estado	85	352	79	6	-	522
Apoio à RTTL, E.P.	793	-	1,760	-	-	2,553
Direção de Disseminação de Informação	77	182	-	49	-	308
Centro de Rádios Comunitárias	57	99	240	45	-	441
<b>Ministro de Estado, Coordenador dos Assuntos Sociais</b>	<b>208</b>	<b>644</b>	<b>400</b>	<b>100</b>	-	<b>1,352</b>
Gabinete do Ministro de Estado, Coordenador dos Assuntos Sociais	178	542	400	48	-	1,167
Comissão Nacional dos Direitos da Criança	30	103	-	52	-	185
<b>Secretaria de Estado para o Apoio e Promoção Sócio-Económica da Mulher</b>	<b>274</b>	<b>1,110</b>	<b>263</b>	<b>26</b>	-	<b>1,673</b>

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
Gabinete da Secretária de Estado	65	243	-	-	-	308
Direção-Geral	42	86	-	-	-	128
Direção Nacional da Administração, Logística e Finanças	55	592	263	26	-	936
Direção Nacional de Abordagem Integrada do Género e da capacitação da Mulher	98	164	-	-	-	262
Gabinete de Inspeção e Auditoria	14	25	-	-	-	39
<b>Secretaria de Estado da Juventude e do Desporto</b>	<b>467</b>	<b>2,478</b>	<b>5,400</b>	<b>30</b>	-	<b>8,375</b>
Gabinete do Secretário de Estado	69	196	306	-	-	571
Direção-Geral	10	14	-	-	-	24
Direção Nacional de Administração e Finanças	155	522	-	26	-	703
Direção Nacional da Juventude	48	41	843	-	-	932
Direção Nacional do Desporto	46	42	3,450	-	-	3,538
Direção Nacional de Estudos e Planeamento	36	77	499	-	-	612
Direção Nacional de Comunicação e Novas Tecnologias	41	49	201	-	-	291
Direção Nacional de Arte Juvenil	34	6	101	-	-	141
Gabinete de Inspeção e Auditoria Interna	28	32	-	4	-	64
Programa para Evento Internacional do Turismo, e Tour de Timor e Maratona de Díli	-	1,500	-	-	-	1,500
<b>Ministro de Estado, Coordenador dos Assuntos Económicos</b>	<b>104</b>	<b>2,214</b>	<b>500</b>	<b>73</b>	-	<b>2,891</b>
Gabinete do Ministro de Estado, Coordenador dos Assuntos Económicos	104	2,214	500	73	-	2,891
<b>Secretaria de Estado para a Política da Formação Profissional e Emprego</b>	<b>1,327</b>	<b>3,029</b>	<b>9,152</b>	<b>10</b>	<b>300</b>	<b>13,818</b>
Gabinete do Secretário de Estado	75	278	-	-	-	353
Inspeção-Geral do Trabalho	198	181	-	-	-	379
Direção-Geral de Gestão e Planeamento	-	100	-	10	-	110
Direção Nacional de Administração e Finanças	342	1,168	-	-	-	1,510
Direção Nacional do Aproveitamento	27	38	-	-	300	365

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
Direção Nacional de Informação do Mercado de Trabalho	21	35	-	-	-	56
Direção Nacional da Prevenção de Risco Profissional	30	47	-	-	-	77
Direção Nacional da Colocação, Emprego e Proteção do Desemprego	31	35	-	-	-	66
Direção Nacional da Segurança e Proteção Social	30	40	-	-	-	70
Direção Nacional da Política de Formação e Emprego	76	71	-	-	-	147
Direção Nacional de Emprego	101	384	9,152	-	-	9,637
Direção Nacional das Relações de Trabalho	72	73	-	-	-	145
Secretaria de Apoio ao Conselho Nacional de Trabalho	22	25	-	-	-	47
Gabinete de Assistência Jurídica	12	53	-	-	-	65
Instituto Nacional do Desenvolvimento de Mão-de-Obra	27	67	-	-	-	94
Fundo de Emprego e Formação Profissional	11	31	-	-	-	42
Adido do Trabalho na Coreia do Sul	204	79	-	-	-	283
Direção Nacional de Recursos Humanos	15	40	-	-	-	55
Direção Nacional de Planeamento, Monitorização e Avaliação	23	35	-	-	-	58
Direção Municipal de Baucau	-	14	-	-	-	14
Direção Municipal de Bobonaro	-	14	-	-	-	14
Direção Municipal de Manufahi	-	14	-	-	-	14
Direção Municipal de Covalima	-	10	-	-	-	10
Direção Municipal de Viqueque	-	10	-	-	-	10
Direção Municipal de Aileu	-	10	-	-	-	10
Direção Municipal de Ainaro	-	10	-	-	-	10
Direção Municipal de Ermera	-	14	-	-	-	14
Direção Municipal de Lautém	-	10	-	-	-	10
Direção Municipal de Liquiçá	-	10	-	-	-	10
Direção Municipal de Manatuto	-	10	-	-	-	10
Direção-Geral da Política de Formação Profissional e Emprego	10	123	-	-	-	133

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
<b>Ministro de Estado, Coordenador dos Assuntos da Administração do Estado e Justiça</b>	<b>142</b>	<b>507</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>664</b>
Gabinete do Ministro de Estado, Coordenador dos Assuntos da Administração do Estado e Justiça	142	507	-	15	-	664
<b>Secretaria de Estado do Fortalecimento Institucional</b>	<b>114</b>	<b>1,037</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>1,161</b>
Gabinete do Secretário de Estado	114	1,037	-	10	-	1,161
<b>Ministério da Educação</b>	<b>56,510</b>	<b>39,844</b>	<b>2,709</b>	<b>350</b>	<b>-</b>	<b>99,413</b>
Gabinete do Ministro	42	74	-	-	-	116
Gabinete do Vice-Ministro I	65	33	-	-	-	98
Gabinete do Vice-Ministro II	65	33	-	-	-	98
Instituto Nacional das Ciências e Tecnologia	27	136	-	-	-	162
Gabinete do Inspetor-Geral	116	86	-	-	-	202
Gabinete Jurídico	30	36	-	-	-	66
Direção-Geral de Administração e Finanças	64	98	-	-	-	162
Direção-Geral do Ensino Superior das Ciência e Tecnologia	31	125	-	-	-	156
Direção Nacional de Finanças, Administração e Logística	301	8,816	-	139	-	9,256
Direção Nacional dos Recursos Humanos	9,980	146	-	-	-	10,126
Direção Nacional de Aproveitamento	42	93	-	-	-	135
Direção Nacional do Ensino Superior Universitário	612	572	631	-	-	1,815
Direção Nacional do Ensino Superior Técnico	62	205	-	-	-	267
Gabinete de Coordenação do Apoio ao Estudante	46	72	-	-	-	118
Direção Nacional de Ação Social Escolar	103	13,445	1,412	-	-	14,960
Serviço da Unidade do Currículo Nacional	78	4,553	-	-	-	4,631
Direção Nacional de Educação Pré-Escolar	1,285	194	74	-	-	1,553
Direção Nacional do Ensino Básico	33,682	3,275	487	-	-	37,444
Direção Nacional do Ensino Secundário Geral	4,407	492	77	63	-	5,039

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
Direção Nacional do Ensino Secundário Técnico-Vocacional	1,214	1,666	29	52	-	2,961
Direção Nacional do Ensino Recorrente	196	1,156	-	-	-	1,351
Instituto Nacional de Formação de Docentes e Profissionais da Educação (INFORDOPE)	1,369	2,724	-	-	-	4,093
Serviços Distritais de Educação de Díli	401	42	-	-	-	443
Serviços Distritais de Educação de Baucau	189	55	-	-	-	244
Serviços Distritais de Educação de Aileu	171	49	-	-	-	220
Serviços Distritais de Educação de Ainaro	208	46	-	-	-	254
Serviços Distritais de Educação de Bobonaro	259	58	-	-	-	317
Serviços Distritais de Educação de Ermera	177	61	-	-	-	239
Serviços Distritais de Educação de Lautém	169	64	-	-	-	233
Serviços Distritais de Educação de Liquiçá	174	50	-	-	-	225
Serviços Distritais de Educação de Manatuto	146	52	-	-	-	198
Serviços Distritais de Educação de Manufahi	193	56	-	-	-	249
Serviços Distritais de Educação de Covalima	224	59	-	-	-	283
Serviços Distritais de Educação de Viqueque	170	61	-	-	-	231
Direção-Geral Pré-Escolar e Ensino Básico	26	23	-	-	-	49
Direção-Geral do Ensino Secundário	21	43	-	-	-	64
Direção Nacional da Media Educativa e Biblioteca	33	171	-	-	-	204
Serviço do Centro de Impressão	65	385	-	96	-	546
Direção-Geral da Política, Planeamento e Parcerias	22	30	-	-	-	52
Direção Nacional de Infraestruturas Educativas	-	419	-	-	-	419
Direção Nacional de Política, Planeamento, Monitorização e Avaliação	22	50	-	-	-	72
Direção Nacional das Parcerias e Cooperação	22	40	-	-	-	62
<b>Ministério da Agricultura e Pescas</b>	<b>6,019</b>	<b>13,744</b>	<b>-</b>	<b>500</b>	<b>2,080</b>	<b>22,343</b>
Gabinete do Ministro	37	43	-	-	-	80

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
Gabinete do Vice-Ministro	65	40	-	-	-	105
Direção-Geral de Florestas, Café e Plantas Industriais	16	12	-	-	-	28
Direção Nacional da Conservação da Natureza	129	360	-	-	-	489
Direção Nacional de Inspeção das Pescas	88	129	-	-	-	217
Direção-Geral de Agricultura	16	12	-	-	-	28
Direção Nacional de Veterinária	111	479	-	-	-	590
Direção Nacional de Recursos Humanos	113	507	-	-	-	620
Direção Nacional de Aproveitamento	43	18	-	-	-	61
Direção Nacional de Agro-Comércio	63	88	-	-	-	151
Direção Nacional de Administração e Finanças	245	1,705	-	371	-	2,321
Gabinete de Inspeção, Fiscalização e Auditoria	30	17	-	-	-	47
Direção Nacional de Pesquisa e Serviços Especiais	230	634	-	-	-	864
Direção Nacional de Quarentena e Biossegurança	252	339	-	129	-	720
Direção Nacional de Formação Técnica Agrícola	497	580	-	-	-	1,077
Direção Nacional de Política, Planeamento, Monitorização e Assuntos Jurídicos	109	45	-	-	-	154
Direção Nacional de Agricultura, Horticultura e Extensão	323	3,541	-	-	-	3,864
Direção Nacional de Aquicultura	93	716	-	-	-	809
Direção Nacional de Segurança Alimentar e Cooperação	45	327	-	-	-	372
Direção Nacional de Florestas e Gestão de Bacias Hidrográficas	133	914	-	-	-	1,047
Direção Nacional de Irrigação e Gestão da Utilização de Água	150	209	-	-	2,080	2,439
Direção Nacional de Café e Plantas Industriais	120	741	-	-	-	861
Direção Nacional de Pecuária	149	743	-	-	-	892
Delegação Municipal de Aileu	136	67	-	-	-	203
Delegação Municipal de Ainaro	174	78	-	-	-	252
Delegação Municipal de Baucau	313	108	-	-	-	421
Delegação Municipal de Bobonaro	313	128	-	-	-	441

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
Delegação Municipal de Covalima	286	125	-	-	-	411
Delegação Municipal de Ermera	175	75	-	-	-	250
Delegação Municipal de Liquiçá	180	85	-	-	-	265
Delegação Municipal de Lautém	271	109	-	-	-	380
Delegação Municipal de Manatuto	238	111	-	-	-	349
Delegação Municipal de Manufahi	260	115	-	-	-	375
Delegação Municipal de Viqueque	277	121	-	-	-	398
Gabinete do Secretário-Geral	25	11	-	-	-	36
Director-geral de Pecuária e Veterinária	10	12	-	-	-	22
Director-geral de Pescas	10	12	-	-	-	22
Direção Nacional das Pescas e Gestão de Recursos Pesqueiros	171	291	-	-	-	462
Delegação Regional I (Baucau)	21	15	-	-	-	36
Delegação Regional II (Ainaro)	21	15	-	-	-	36
Delegação Regional III (Ermera)	21	15	-	-	-	36
Delegação Municipal de Díli	60	52	-	-	-	112
<b>Ministério da Administração Estatal</b>	<b>6,119</b>	<b>10,743</b>	<b>17,282</b>	<b>150</b>	-	<b>34,294</b>
Gabinete do Ministro	44	73	-	-	-	117
Unidade de Aprovisionamento Descentralizado	43	28	-	-	-	71
Unidade de Apoio Jurídico e Assessoria Técnica	10	18	-	-	-	28
Unidade de Tecnologia da Informação e da Comunicação	21	19	-	-	-	40
Gabinete do Coordenador das Relações com a Autoridade da RAEOA	11	23	-	-	-	34
Gabinete do Vice-Ministro	64	1,310	-	-	-	1,374
Gabinete do Secretário de Estado da Decentralização Administrativa	64	70	-	-	-	134
Direção-Geral da Decentralização Administrativa	24	26	-	-	-	50
Direção Nacional de Finanças Município	47	20	-	-	-	67
Direção Nacional para a Modernização Administrativa	27	20	-	-	-	47



	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
Inspeção-Geral da Administração Estatal	73	35	-	-	-	108
Direção-Geral de Serviços Corporativos	26	68	-	-	-	94
Secretariado Técnico do PNDS	1,529	500	10,000	-	-	12,029
Direção Nacional da Administração e Finanças	125	3,794	-	150	-	4,069
Direção Nacional para o Desenvolvimento e Avaliação de Políticas Públicas	71	32	-	-	-	103
Direção Nacional de Recursos Humanos	497	22	-	-	-	519
Direção Nacional de Protocolo e Comunicação Social	60	28	-	-	-	88
Arquivo Nacional	128	131	-	-	-	259
Secretariado Técnico da Administração Eleitoral	372	1,651	-	-	-	2,023
Direção-Geral para a Organização Urbana	16	56	-	-	-	72
Direção Nacional para a Higiene e Ordem Pública	27	30	-	-	-	57
Direção Nacional Toponímia	84	20	-	-	-	104
Direção Nacional para a Mobilidade Urbana	21	20	-	-	-	41
Direção Nacional de Apoio à Administração de Sucos	55	35	-	-	-	90
Direção Nacional da Administração Local	66	35	-	-	-	101
Administração Municipal de Díli	781	1,283	1,010	-	-	3,074
Administração Municipal de Baucau	192	134	937	-	-	1,263
Administração Municipal de Aileu	140	114	468	-	-	722
Administração Municipal de Ainaro	156	111	381	-	-	648
Administração Municipal de Bobonaro	188	135	715	-	-	1,038
Administração Municipal de Ermera	163	124	865	-	-	1,152
Administração Municipal de Lautém	171	124	518	-	-	813
Administração Municipal de Liquiçá	128	101	401	-	-	630
Administração Municipal de Manatuto	169	133	395	-	-	697
Administração Municipal de Manufahi	151	120	456	-	-	727
Administração Municipal de Covalima	197	146	480	-	-	823

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
Administração Municipal de Viqueque	157	124	656	-	-	937
Secretariado de Apoio á Instalação dos Municípios	21	30	-	-	-	51
<b>Ministério dos Negócios Estrangeiros e Cooperação</b>	<b>13,109</b>	<b>13,216</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>26,375</b>
Gabinete do Ministro	-	450	-	-	-	450
Gabinete de Inspeção-Geral e Auditoria	-	150	-	-	-	150
Instituto Diplomático	-	200	-	-	-	200
Agência de Cooperação de Timor-Leste	-	182	-	-	-	182
Gabinete do Vice-Ministro	-	51	-	-	-	51
Direção-Geral para os Assuntos da ASEAN	-	180	-	-	-	180
Secretário-Geral	13,109	3,427	-	-	-	16,536
Desvalorização do Dólar	-	150	-	-	-	150
Celebração dos Dias Nacionais	-	50	-	-	-	50
Direção-Geral dos Assuntos Consulares e Protocolares	-	80	-	-	-	80
Direção-Geral para os Assuntos Bilaterais	-	460	-	-	-	460
Gabinete de Apoio á Presidência Rotativa da CPLP	-	526	-	-	-	526
Direção-Geral para os Assunto Multilaterais e Regionais	-	230	-	-	-	230
Missão Permanente em Nova Iorque	-	432	-	-	-	432
Embaixada - Lisboa	-	333	-	-	-	333
Embaixada - Jacarta	-	240	-	-	-	240
Consulado-Geral de Denpasar	-	131	-	-	-	131
Consulado - Kupang	-	49	-	-	-	49
Embaixada - Washington	-	442	-	-	-	442
Embaixada - Camberra	-	259	-	-	-	259
Consulado-Geral de Sidney	-	127	-	-	-	127
Consulado - Darwin	-	190	-	-	-	190
Embaixada - Kuala Lumpur	-	225	-	-	-	225

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
Embaixada - Bruxelas	-	336	-	-	-	336
Embaixada - Banguedouque	-	122	-	-	-	122
Embaixada - Tóquio	-	268	-	-	-	268
Embaixada - Pequim	-	233	-	-	-	233
Embaixada - Maputo	-	195	-	-	-	195
Embaixada - Havana	-	158	-	50	-	208
Embaixada - Manila	-	127	-	-	-	127
Missão Permanente em Genebra	-	318	-	-	-	318
Embaixada - Santa Sé	-	159	-	-	-	159
Embaixada - Brasília	-	197	-	-	-	197
Embaixada - Seul	-	169	-	-	-	169
Missão Permanente - CPLP/UNESCO	-	229	-	-	-	229
Embaixada Pretória	-	149	-	-	-	149
Embaixada - Luanda	-	212	-	-	-	212
Embaixada - Singapura	-	444	-	-	-	444
Embaixada - Hanói	-	158	-	-	-	158
Agente de Consulado em Atambua	-	53	-	-	-	53
Embaixada - Londres	-	371	-	-	-	371
Embaixada - Wellington	-	224	-	-	-	224
Embaixada - Vienciana	-	132	-	-	-	132
Embaixada – Naypyidaw	-	151	-	-	-	151
Embaixada – Phnom Penh	-	108	-	-	-	108
Embaixada – Bandar Seri Begawan	-	139	-	-	-	139
<b>Ministério das Finanças</b>	<b>4,029</b>	<b>14,206</b>	<b>-</b>	<b>680</b>	<b>-</b>	<b>18,915</b>
Gabinete Executivo	169	-	-	-	-	169
Direção-Geral dos Serviços Corporativos	854	14,206	-	680	-	15,740

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
Direção-Geral das Finanças do Estado	805	-	-	-	-	805
Direção-Geral do Tesouro	377	-	-	-	-	377
Direção-Geral de Impostos	393	-	-	-	-	393
Direção-Geral das Alfândegas	792	-	-	-	-	792
Direção-Geral de Estatísticas	398	-	-	-	-	398
Unidades Orgânicas do Ministério	241	-	-	-	-	241
<b>Dotações para todo o Governo</b>	-	<b>72,430</b>	<b>254,489</b>	<b>2,558</b>	-	<b>329,476</b>
Fundo de Contrapartidas	-	16,500	-	-	-	16,500
Auditoria Externa	-	3,500	-	-	-	3,500
Reserva de Contingência	-	12,131	-	-	-	12,131
Quotas de Membro de Instituições Internacionais	-	2,500	-	-	-	2,500
Pensões aos Ex-Titulares e Ex-Membros dos Órgãos de Soberania	-	-	4,000	-	-	4,000
Serviços de Postos Integrados na Fronteira	-	1,603	-	80	-	1,683
Provisão para g7+	-	-	2,500	-	-	2,500
Provisão para Serviços Legais	-	15,000	-	-	-	15,000
Provisão para Fundo de Pensões do Regime Contributivo	-	-	7,300	-	-	7,300
Apoio às Reuniões da Comunidade de Países de Língua Portuguesa	-	3,500	-	-	-	3,500
Apoio Financeiro Internacional	-	-	5,000	-	-	5,000
Provisão para Programa de Estatísticas (Censos fo fila fali, LAE,RC,LDS e LCV)	-	1,757	-	-	-	1,757
Provisão para a Reforma Fiscal, Reforma da Gestão do Desempenho e Reforma do Desempenho Orçamental	-	4,632	-	268	-	4,900
Provisão para Capitalização do Banco Central de Timor-Leste	-	-	5,000	-	-	5,000
Provisão para Parcerias Público-Privadas e Empréstimos	-	1,477	-	10	-	1,487
Provisão para Oficina de Manutenção de Veículos do Governo	-	1,100	-	700	-	1,800
Provisão para Desalfandegamento Rápido	-	4,000	-	-	-	4,000
Provisão para Capitalização do Banco Nacional de Comércio de Timor-Leste	-	-	5,000	-	-	5,000

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
Provisão para Governo Electrónico ITC	-	1,230	-	1,500	-	2,730
Provisão para Autoridade da Região Administrativa Especial de Oe-cusse e Zona Especial de Economia Social e de Mercado de Oe-cusse Ambeno e Ataúro	-	-	217,939	-	-	217,939
Provisão para Adesão à Associação de Nações do Sudeste Asiático	-	500	-	-	-	500
Provisão para eleições em São Tomé e Príncipe	-	-	1,500	-	-	1,500
Provisão para pagamento de Empréstimos	-	-	250	-	-	250
Provisão para a Campanha de Sensibilização Internacional	-	3,000	-	-	-	3,000
Provisão para Aquisição de Edifício da Embaixada em Singapura	-	-	6,000	-	-	6,000
<b>Ministério da Justiça</b>	<b>3,189</b>	<b>15,226</b>	<b>-</b>	<b>240</b>	<b>515</b>	<b>19,170</b>
Gabinete do Ministro	78	53	-	-	-	131
Gabinete do Secretário de Estado de Terras e Propriedades	63	45	-	-	-	108
Direção-Geral	40	107	-	53	-	200
Gabinete de Inspeção e Auditoria	70	77	-	6	-	153
Direção Nacional de Administração e Finanças	224	10,545	-	10	-	10,779
Direção Nacional de Assessoria Jurídica e Legislação	97	78	-	4	-	179
Direção Nacional dos Direitos Humanos da Cidadania	92	102	-	8	-	202
Direção Nacional dos Registos e do Notariado	524	2,083	-	65	-	2,672
Direção Nacional dos Serviços Prisionais e Reinserção Social	734	1,033	-	13	215	1,995
Centro de Formação Jurídica	91	96	-	7	-	194
Defensoria Pública	672	322	-	6	300	1,300
Direção Nacional de Terras, Propriedades e Serviços Cadastrais	504	685	-	69	-	1,258
<b>Ministério da Saúde</b>	<b>21,922</b>	<b>12,715</b>	<b>7,750</b>	<b>-</b>	<b>-</b>	<b>42,387</b>
Gabinete do Ministro	126	685	-	-	-	811
Gabinete da Vice-Ministra	64	156	-	-	-	220
Gabinete de Inspeção, Fiscalização e Auditoria	116	110	-	-	-	226
Gabinete do Director-geral de Serviços de Saúde	128	223	-	-	-	351

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
Direção Nacional de Recursos Humanos	2,164	1,072	4,750	-	-	7,986
Direção Nacional do Plano e Gestão Financeira	191	564	-	-	-	755
Direção Nacional de Saúde Pública	377	1,179	100	-	-	1,656
Direção Nacional da Política de Saúde e Cooperação	162	121	-	-	-	283
Direção Nacional de Serviços de Apoio Hospitalar e Emergência	211	159	2,900	-	-	3,270
Hospital de Referência de Baucau	1,073	1,020	-	-	-	2,093
Hospital de Referência de Maliana	652	630	-	-	-	1,282
Hospital de Referência de Maubisse	528	590	-	-	-	1,118
Hospital de Referência de Suai	627	597	-	-	-	1,224
Serviços Municipais de Saúde de Aileu	860	239	-	-	-	1,099
Serviços Municipais de Saúde de Ainaro	904	231	-	-	-	1,135
Serviços Municipais de Saúde de Baucau	1,750	256	-	-	-	2,006
Serviços Municipais de Saúde de Bobonaro	1,241	312	-	-	-	1,553
Serviços Municipais de Saúde de Covalima	1,121	208	-	-	-	1,329
Serviços Municipais de Saúde de Díli	2,011	494	-	-	-	2,505
Serviços Municipais de Saúde de Ermera	1,237	314	-	-	-	1,551
Serviços Municipais de Saúde de Lautém	1,168	309	-	-	-	1,477
Serviços Municipais de Saúde de Liquiçá	991	192	-	-	-	1,183
Serviços Municipais de Saúde de Manatuto	1,242	343	-	-	-	1,585
Serviços Municipais de Saúde de Manufahi	1,020	272	-	-	-	1,293
Serviços Municipais de Saúde de Viqueque	1,425	365	-	-	-	1,790
Gabinete da Ética e Controlo de Qualidade	70	75	-	-	-	145
Direção Nacional Administração, Logística e Gestão de Equipamento	116	446	-	-	-	562
Direção Nacional de Aprovisionamento	82	234	-	-	-	316
Direção Nacional de Gestão de Farmácia e Medicamentos	216	1,179	-	-	-	1,395
Gabinete do Director-geral dos Serviços Corporativos	49	140	-	-	-	189

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
<b>Ministério da Solidariedade Social</b>	<b>1,619</b>	<b>8,000</b>	<b>146,637</b>	<b>150</b>	<b>1,753</b>	<b>158,159</b>
Gabinete da Ministra	78	150	100	-	-	<b>328</b>
Gabinete do Vice-Ministro	66	119	-	-	-	<b>185</b>
Direção de Nacional Regime Contributivo de Segurança Social	50	401	1,300	-	-	<b>1,751</b>
Direção de Nacional Regime Não Contributivo de Segurança Social	94	343	30,600	-	-	<b>31,037</b>
Inspeção e Auditoria Interna	37	77	-	-	-	<b>114</b>
Direção-Geral dos Serviços Corporativos	47	81	-	-	-	<b>128</b>
Centro Regional de Solidariedade Social de Díli	48	56	-	-	-	<b>104</b>
Centro Regional de Solidariedade Social de Baucau	112	65	-	-	-	<b>177</b>
Centro Regional de Solidariedade Social de Bobonaro	100	60	-	-	-	<b>160</b>
Centro Regional de Solidariedade Social de Ermera	72	43	-	-	-	<b>115</b>
Centro Regional de Solidariedade Social de Manatuto	49	45	-	-	-	<b>94</b>
Centro Regional de Solidariedade Social de Manufahi	66	58	-	-	-	<b>124</b>
Unidade de Apoio Técnico	6	52	-	-	-	<b>58</b>
Unidade de Tecnologias de Informação	6	164	-	-	-	<b>170</b>
Unidade de Comunicação Social e Protocolo	6	46	-	-	-	<b>52</b>
Centro de Solidariedade Social do Município de Aileu	7	37	-	-	-	<b>44</b>
Centro de Solidariedade Social do Município de Liquiçá	7	34	-	-	-	<b>41</b>
Centro de Solidariedade Social do Município de Ainaro	7	41	-	-	-	<b>48</b>
Centro de Solidariedade Social do Município de Viqueque	7	44	-	-	-	<b>51</b>
Centro de Solidariedade Social do Município de Lautém	7	42	-	-	-	<b>49</b>
Centro de Solidariedade Social do Município de Covalima	7	33	-	-	-	<b>40</b>
Direção Nacional do Plano, Finanças, Aprovisionamento e Logística	136	1,414	-	150	637	<b>2,337</b>
Direção Nacional de Administração e Recursos Humanos	82	1,096	-	-	-	<b>1,178</b>
Direção Nacional dos Assuntos dos Antigos Combatentes da Libertação Nacional	135	1,980	104,000	-	1,116	<b>107,231</b>
Direção Nacional de Assistência Social	138	618	8,383	-	-	<b>9,139</b>

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
Direção Nacional de Desenvolvimento Social	135	287	2,000	-	-	2,422
Direção Nacional de Gestão de Riscos e Desastres	104	561	254	-	-	919
Direção-Geral de Proteção Social e dos Assuntos dos Combatentes da Libertação Nacional	10	57	-	-	-	67
<b>Ministério do Comércio, Indústria e de Ambiente</b>	<b>2,112</b>	<b>9,810</b>	<b>500</b>	<b>274</b>	-	<b>12,696</b>
Gabinete do Ministro	158	458	-	-	-	616
Gabinete do Vice-Ministro	66	152	-	-	-	218
Gabinete de Auditoria Interna	35	57	-	-	-	92
Gabinete Jurídico	10	60	-	-	-	70
Direção-Geral de Administração e Finanças	454	2,534	500	274	-	3,762
Direção-Geral do Comércio	634	1,112	-	-	-	1,746
Direção-Geral da Indústria e Cooperativas	230	714	-	-	-	944
Direção-Geral do Ambiente	339	735	-	-	-	1,074
Inspeção Alimentar e Económica	65	248	-	-	-	313
Fundo de Segurança Alimentar	121	3,740	-	-	-	3,861
<b>Ministério do Turismo, Arte e Cultura</b>	<b>857</b>	<b>3,758</b>	-	<b>250</b>	-	<b>4,865</b>
Gabinete do Ministro	75	369	-	-	-	444
Gabinete de Inspeção e Auditoria Interna	35	34	-	-	-	69
Gabinete da Secretária de Estado da Arte e Cultura	63	110	-	-	-	173
Direção-Geral do Turismo	23	188	-	-	-	211
Direção Regional de Turismo I (Município de Díli)	9	19	-	-	-	28
Direção Regional de Turismo II (Município de Baucau)	11	19	-	-	-	30
Direção Regional de Turismo III (Município de Ainaro)	13	20	-	-	-	33
Direção Regional de Turismo IV (Município de Ermera)	11	20	-	-	-	31
Direção-Geral da Cultura	80	250	-	39	-	369
Inspeção-Geral de Jogos	52	86	-	-	-	138



	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
Direção Nacional de Museus e Biblioteca	51	79	-	-	-	130
Direção Nacional do Património Cultural	62	178	-	-	-	240
Direção Nacional de Artes, Cultura e Indústrias Criativas Culturais	39	99	-	-	-	138
Direção Nacional de Marketing do Turismo	32	123	-	-	-	155
Direção Nacional do Plano e Desenvolvimento Turístico	30	135	-	-	-	165
Direção Nacional de Empreendimentos, Atividades e Produtos Turísticos	38	129	-	-	-	167
Direção Nacional dos Museus	37	130	-	-	-	167
Academia de Arte e Indústria Criativas Culturais	-	153	-	-	-	153
Gabinete do Direção-Geral da Administração e Finanças	19	470	-	-	-	489
Direção Nacional de Administração dos Recursos Humanos	31	64	-	-	-	95
Direção Nacional de Gestão Financeira	31	85	-	-	-	116
Direção Nacional de Aproveitamento e Logística	55	753	-	211	-	1,019
Direção Nacional de Pesquisa e Desenvolvimento	39	57	-	-	-	96
Centro de Convenções de Díli	22	188	-	-	-	210
<b>Ministério das Obras Públicas, Transportes e Telecomunicações</b>	<b>6,090</b>	<b>109,598</b>	<b>1,000</b>	<b>3,000</b>	<b>10,502</b>	<b>130,190</b>
Gabinete do Ministro das Obras Públicas	77	647	-	-	-	724
Gabinete do Vice-Ministro I	63	224	-	-	-	287
Gabinete do Vice-Ministro II	63	211	-	-	-	274
Direção-Geral dos Serviços Corporativos	562	1,392	1,000	3,000	10,502	16,456
Direção-Geral das Obras Públicas	1,095	1,598	-	-	-	2,693
Direção-Geral da Eletricidade	2,264	101,246	-	-	-	103,510
Direção-Geral de Água, Saneamento e Urbanização	1,186	2,793	-	-	-	3,979
Direção-Geral dos Transportes e Comunicações	780	1,487	-	-	-	2,267
<b>Ministério do Petróleo e Recursos Minerais</b>	<b>251</b>	<b>1,425</b>	<b>10,800</b>	<b>30</b>	<b>-</b>	<b>12,506</b>
Gabinete do Ministro	60	321	-	-	-	381
Direção Nacional de Administração e Finanças	156	703	10,800	30	-	11,689

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
Secretariado TL- EITI	4	301	-	-	-	305
Direção Nacional dos Minerais	31	101	-	-	-	132
<b>Ministério de Defesa Incluindo F-FDTL</b>	<b>9,302</b>	<b>14,854</b>	-	<b>1,656</b>	-	<b>25,812</b>
<b>Ministério de Defesa Excluindo F-FDTL</b>	<b>1,044</b>	<b>4,940</b>	-	<b>1,156</b>	-	<b>7,140</b>
Gabinete do Ministro	45	1,373	-	-	-	1,419
Direção-Geral	12	28	-	-	-	40
Gabinete de Inspeção e Auditoria	18	41	-	-	-	59
Direção Nacional de Administração e Finanças	33	90	-	-	-	124
Direção Nacional de Planeamento e Intercâmbio Internacional	841	588	-	-	-	1,429
Direção Nacional de Aprovisionamento	36	2,730	-	1,156	-	3,922
Direção Nacional do Património	34	56	-	-	-	90
Direção Nacional de Recursos Humanos	24	34	-	-	-	58
<b>FALINTIL-Forças de Defesa de Timor-Leste</b>	<b>8,258</b>	<b>9,914</b>	-	<b>500</b>	-	<b>18,672</b>
FALINTIL-Forças de Defesa de Timor-Leste	-	8,209	-	425	-	8,634
Quartel Geral das F-FDTL	8,258	1,705	-	75	-	10,038
<b>Ministério do Interior Incluindo PNTL</b>	<b>17,429</b>	<b>19,422</b>	-	<b>1,203</b>	<b>8</b>	<b>38,062</b>
<b>Ministério do Interior Excluindo PNTL</b>	<b>4,036</b>	<b>5,048</b>	-	<b>818</b>	-	<b>9,902</b>
Gabinete do Ministro	76	458	-	-	-	534
Gabinete do Director-geral dos Serviços Corporativos	70	100	-	96	-	266
Gabinete de Inspeção e Auditoria	52	20	-	-	-	72
Direção Nacional de Administração e Finanças	104	501	-	205	-	810
Direção Nacional Logística e Gestão do Património	39	15	-	-	-	54
Direção Nacional de Proteção Civil	1,250	501	-	184	-	1,935
Direção Nacional de Segurança de Património Público	1,724	2,295	-	101	-	4,120
Direção Nacional de Prevenção de Conflitos Comunitários	119	200	-	2	-	321
Direção Nacional de Aprovisionamento	71	29	-	26	-	126

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
Serviços de Migração	431	875	-	140	-	1,446
Gabinete do Director-geral dos Serviços Operacionais	22	31	-	52	-	105
Gabinete de Assessoria	10	9	-	-	-	19
Autoridade Nacional Segurança Rodoviária	27	7	-	12	-	46
Direção Nacional Recursos Humanos	40	9	-	-	-	49
<b>Polícia Nacional de Timor-Leste</b>	<b>13,393</b>	<b>14,374</b>	<b>-</b>	<b>385</b>	<b>8</b>	<b>28,160</b>
Direção Nacional de Administração e Finanças	13,393	6,765	-	385	8	20,551
Unidade Especial da Polícia	-	2,271	-	-	-	2,271
Unidade de Patrulhamento das Fronteiras	-	1,135	-	-	-	1,135
Unidade Marítima	-	1,208	-	-	-	1,208
Comando Nacional de Operações	-	878	-	-	-	878
Centro da Formação da Polícia	-	690	-	-	-	690
Região I	-	480	-	-	-	480
Região II	-	463	-	-	-	463
Região III	-	370	-	-	-	370
Região Oe-cusse	-	115	-	-	-	115
<b>Ministério do Planeamento e Investimento Estratégico</b>	<b>198</b>	<b>8,836</b>	<b>-</b>	<b>151</b>	<b>26,090</b>	<b>35,275</b>
Gabinete do Ministro	136	1,568	-	20	-	1,724
Secretariado do FDCH	-	213	-	74	-	287
Agência de Desenvolvimento Nacional	-	3,064	-	10	26,090	29,164
Comissão Nacional de Aprovisionamento	-	2,340	-	43	-	2,383
Secretariado dos Grandes Projetos	-	804	-	4	-	808
Unidade de Missão para o Desenvolvimento Regional Integrado	-	710	-	-	-	710
Direção Nacional de Habitação e Planeamento Urbano	62	138	-	-	-	200
<b>Tribunais</b>	<b>1,534</b>	<b>1,546</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>3,280</b>
Conselho Superior da Magistratura Judicial	31	7	-	-	-	38

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
Tribunal de Recurso	1,162	1,156	-	200	-	2,518
Tribunais Distritais	341	383	-	-	-	724
<b>Procuradoria-Geral da República</b>	<b>1,402</b>	<b>1,176</b>	<b>-</b>	<b>120</b>	<b>85</b>	<b>2,783</b>
Procuradoria-Geral da República	982	1,097	-	120	85	2,284
Procuradoria Distrital de Baucau	191	36	-	-	-	227
Procuradoria Distrital de Suai	151	26	-	-	-	177
Procuradoria Distrital de Oecusse	78	17	-	-	-	95
<b>Provedoria dos Direitos Humanos e Justiça</b>	<b>520</b>	<b>561</b>	<b>-</b>	<b>50</b>	<b>248</b>	<b>1,379</b>
Provedoria dos Direitos Humanos e Justiça	406	480	-	50	248	1,184
Direções Direitos Humanos e Boa Governação	114	82	-	-	-	196
<b>Comissão Nacional de Eleições</b>	<b>542</b>	<b>1,748</b>	<b>6,000</b>	<b>100</b>	<b>-</b>	<b>8,390</b>
Comissão Nacional de Eleições	542	1,748	6,000	100	-	8,390
<b>Comissão Anti-Corrupção</b>	<b>827</b>	<b>663</b>	<b>-</b>	<b>76</b>	<b>-</b>	<b>1,566</b>
Comissão Anti-Corrupção	827	663	-	76	-	1,566
<b>Comissão da Função Pública</b>	<b>684</b>	<b>1,463</b>	<b>-</b>	<b>55</b>	<b>-</b>	<b>2,202</b>
Comissão da Função Pública	684	1,463	-	55	-	2,202
<b>Universidade Nacional de Timor Lorosae (Serviço e Fundo Autónomo)</b>	<b>8,476</b>	<b>3,276</b>	<b>-</b>	<b>75</b>	<b>85</b>	<b>11,911</b>
Universidade Nacional de Timor Lorosae	8,476	3,276	-	75	85	11,911
<b>Arquivo e Museu da Resistência Timorense (Serviço e Fundo Autónomo)</b>	<b>-</b>	<b>1,376</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,376</b>
Arquivo e Museu da Resistência Timorense	-	1,376	-	-	-	1,376
<b>Serviço Nacional de Inteligência (Órgão Autónomo sem Receitas Próprias)</b>	<b>-</b>	<b>1,567</b>	<b>-</b>	<b>910</b>	<b>-</b>	<b>2,477</b>
Serviço Nacional de Inteligência	-	1,567	-	910	-	2,477
<b>Conselho para a Delimitação Definitiva das Fronteiras Marítimas (Órgão Autónomo sem Receitas Próprias)</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500</b>
Gabinete das Fronteiras Marítimas	-	500	-	-	-	500

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
<b>Conselho de Imprensa (Serviço e Fundo Autónomo)</b>	<b>136</b>	<b>404</b>	-	<b>160</b>	-	<b>700</b>
Conselho Imprensa	136	404	-	160	-	<b>700</b>
<b>Instituto de Apoio ao Desenvolvimento Empresarial (Serviço e Fundo Autónomo)</b>	<b>458</b>	<b>673</b>	-	<b>146</b>	-	<b>1,277</b>
Instituto de Apoio ao Desenvolvimento Empresarial	458	673	-	146	-	<b>1,277</b>
<b>Agência Especializada de Investimento (Serviço e Fundo Autónomo)</b>	-	<b>1,009</b>	-	<b>8</b>	-	<b>1,017</b>
Agência Especializada de Investimento	-	1,009	-	8	-	<b>1,017</b>
<b>Serviço de Registo e Verificação Empresarial (Serviço e Fundo Autónomo)</b>	-	<b>738</b>	-	<b>23</b>	-	<b>761</b>
Serviço de Registo e Verificação Empresarial	-	738	-	23	-	<b>761</b>
<b>Instituto de Pesquisa, Desenvolvimento, Formação e Promoção do Bambu (Serviço e Fundo Autónomo)</b>	-	<b>346</b>	-	<b>8</b>	-	<b>354</b>
Bambu	-	346	-	8	-	<b>354</b>
<b>Centro de Formação SENAI (Serviço e Fundo Autónomo)</b>	<b>93</b>	<b>70</b>	-	-	-	<b>163</b>
Centro de Formação SENAI	93	70	-	-	-	<b>163</b>
<b>Inspeção-Geral do Estado (Órgão Autónomo sem Receitas Próprias)</b>	<b>319</b>	<b>506</b>	-	<b>15</b>	-	<b>840</b>
Inspeção-Geral do Estado	319	506	-	15	-	<b>840</b>
<b>Agência Nacional para Avaliação e Acreditação Académica (Serviço e Fundo Autónomo)</b>	<b>21</b>	<b>176</b>	-	-	-	<b>197</b>
Agência Nacional para Avaliação e Acreditação Académica	21	176	-	-	-	<b>197</b>
<b>Instituto Nacional de Administração Pública (Órgão Autónomo sem Receitas Próprias)</b>	<b>306</b>	<b>142</b>	-	-	-	<b>448</b>
Instituto Nacional de Administração Pública	306	142	-	-	-	<b>448</b>
<b>Polícia Científica de Investigação Criminal (Serviço e Fundo Autónomo)</b>	<b>998</b>	<b>176</b>	-	<b>10</b>	-	<b>1,184</b>
Polícia Científica de Investigação Criminal	998	176	-	10	-	<b>1,184</b>
<b>Hospital Nacional Guido Valadares (Serviço e Fundo Autónomo)</b>	<b>3,715</b>	<b>2,545</b>	-	-	-	<b>6,260</b>
Hospital Nacional Guido Valadares	3,715	2,545	-	-	-	<b>6,260</b>

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
<b>SAMES (Serviço e Fundo Autónomo)</b>	<b>227</b>	<b>5,719</b>	-	-	-	<b>5,946</b>
SAMES	227	5,719	-	-	-	5,946
<b>Instituto de Ciências da Saúde (Serviço e Fundo Autónomo)</b>	<b>266</b>	<b>252</b>	-	-	-	<b>518</b>
Instituto de Ciências da Saúde	266	252	-	-	-	518
<b>Laboratório Nacional (Serviço e Fundo Autónomo)</b>	<b>276</b>	<b>228</b>	-	-	-	<b>504</b>
Laboratório Nacional	276	228	-	-	-	504
<b>Centro Nacional de Reabilitação (Serviço e Fundo Autónomo)</b>	<b>35</b>	<b>656</b>	-	-	-	<b>691</b>
Centro Nacional de Reabilitação	35	656	-	-	-	691
<b>Instituto de Gestão de Equipamentos (Serviço e Fundo Autónomo)</b>	<b>889</b>	<b>1,497</b>	-	-	-	<b>2,386</b>
Instituto de Gestão de Equipamentos	889	1,497	-	-	-	2,386
<b>Administração de Aeroportos e Navegação Aérea de Timor-Leste (Serviço e Fundo Autónomo)</b>	<b>375</b>	<b>693</b>	-	-	-	<b>1,068</b>
Administração de Aeroportos e Navegação Aérea de Timor-Leste	375	693	-	-	-	1,068
<b>Administração dos Portos de Timor-Leste (Serviço e Fundo Autónomo)</b>	<b>167</b>	<b>2,406</b>	-	-	-	<b>2,573</b>
Administração dos Portos de Timor-Leste	167	2,406	-	-	-	2,573
<b>Autoridade Reguladora das Comunicações (Serviço e Fundo Autónomo)</b>	-	<b>488</b>	-	-	-	<b>488</b>
Autoridade Reguladora das de Comunicações	-	488	-	-	-	488
<b>Instituto de Defesa Nacional (Serviço e Fundo Autónomo)</b>	<b>145</b>	<b>795</b>	-	<b>19</b>	-	<b>959</b>
Instituto de Defesa Nacional	145	795	-	19	-	959

**ANEXO III**

**Serviços e Fundos Autônomos, incluindo Autoridade da Região Administrativa Especial de Oe-cusse Ambeno e Zona Especial de Economia Social de Mercado de Oe-cusse Ambeno e Ataúro**

	<b>Despesas</b>	<b>Receitas</b>	<b>Diferença</b>
<b>Arquivo e Museu da Resistência Timorense</b>			
Salários e Vencimentos	-		
Bens e Serviços	1,376		
Transferências Públicas	-		
Capital Menor	-		
Capital Desenvolvimento	-		
<b>Total</b>	<b>1,376</b>	<b>-</b>	<b>1,376</b>
<b>Conselho de Imprensa</b>			
Salários e Vencimentos	136		
Bens e Serviços	404		
Transferências Públicas	-		
Capital Menor	160		
Capital Desenvolvimento	-		
<b>Total</b>	<b>700</b>	<b>-</b>	<b>700</b>
<b>Instituto de Apoio ao Desenvolvimento Empresarial</b>			
Salários e Vencimentos	458		
Bens e Serviços	673		
Transferências Públicas	-		
Capital Menor	146		
Capital Desenvolvimento	-		
<b>Total</b>	<b>1,277</b>	<b>-</b>	<b>1,277</b>
<b>Agência Especializada de Investimento</b>			
Salários e Vencimentos	-		
Bens e Serviços	1,009		
Transferências Públicas	-		
Capital Menor	8		
Capital Desenvolvimento	-		
<b>Total</b>	<b>1,017</b>	<b>9</b>	<b>1,009</b>
<b>Serviço de Registo e Verificação Empresarial</b>			
Salários e Vencimentos	-		
Bens e Serviços	738		
Transferências Públicas	-		
Capital Menor	23		
Capital Desenvolvimento	-		
<b>Total</b>	<b>761</b>	<b>411</b>	<b>350</b>
<b>Instituto de Pesquisa, Desenvolvimento, Formação e Promoção do Bambu</b>			
Salários e Vencimentos	-		
Bens e Serviços	346		
Transferências Públicas	-		
Capital Menor	8		
Capital Desenvolvimento	-		
<b>Total</b>	<b>354</b>	<b>7</b>	<b>347</b>
<b>Centro de Formação SENAI</b>			
Salários e Vencimentos	93		

	Despesas	Receitas	Diferença
Bens e Serviços	70		
Transferências Públicas	-		
Capital Menor	-		
Capital Desenvolvimento	-		
<b>Total</b>	<b>163</b>	<b>-</b>	<b>163</b>
<b>Polícia Científica de Investigação Criminal</b>			
Salários e Vencimentos	998		
Bens e Serviços	176		
Transferências Públicas	-		
Capital Menor	10		
Capital Desenvolvimento	-		
<b>Total</b>	<b>1,184</b>	<b>-</b>	<b>1,184</b>
<b>Agência Nacional para Avaliação e Acreditação Acadêmica</b>			
Salários e Vencimentos	21		
Bens e Serviços	176		
Transferências Públicas	-		
Capital Menor	-		
Capital Desenvolvimento	-		
<b>Total</b>	<b>197</b>	<b>-</b>	<b>197</b>
<b>Hospital Nacional Guido Valadares</b>			
Salários e Vencimentos	3,715		
Bens e Serviços	2,545		
Transferências Públicas	-		
Capital Menor	-		
Capital Desenvolvimento	-		
<b>Total</b>	<b>6,260</b>	<b>157</b>	<b>6,103</b>
<b>SAMES</b>			
Salários e Vencimentos	227		
Bens e Serviços	5,719		
Transferências Públicas	-		
Capital Menor	-		
Capital Desenvolvimento	-		
<b>Total</b>	<b>5,946</b>	<b>1</b>	<b>5,945</b>
<b>Laboratório Nacional</b>			
Salários e Vencimentos	276		
Bens e Serviços	228		
Transferências Públicas	-		
Capital Menor	-		
Capital Desenvolvimento	-		
<b>Total</b>	<b>504</b>	<b>-</b>	<b>504</b>
<b>Instituto de Ciências da Saúde</b>			
Salários e Vencimentos	266		
Bens e Serviços	252		
Transferências Públicas	-		
Capital Menor	-		
Capital Desenvolvimento	-		
<b>Total</b>	<b>518</b>	<b>-</b>	<b>518</b>
<b>Centro Nacional de Reabilitação</b>			
Salários e Vencimentos	35		



	Despesas	Receitas	Diferença
Bens e Serviços	656		
Transferências Públicas	-		
Capital Menor	-		
Capital Desenvolvimento	-		
<b>Total</b>	<b>691</b>	<b>-</b>	<b>691</b>
<b>Instituto de Gestão de Equipamentos</b>			
Salários e Vencimentos	889		
Bens e Serviços	1,497		
Transferências Públicas	-		
Capital Menor	-		
Capital Desenvolvimento	-		
<b>Total</b>	<b>2,386</b>	<b>148</b>	<b>2,238</b>
<b>Administração de Aeroportos e Navegação Aérea de Timor-Leste</b>			
Salários e Vencimentos	375		
Bens e Serviços	693		
Transferências Públicas	-		
Capital Menor	-		
Capital Desenvolvimento	-		
<b>Total</b>	<b>1,068</b>	<b>2,460</b>	<b>(1,392)</b>
<b>Administração dos Portos de Timor-Leste</b>			
Salários e Vencimentos	167		
Bens e Serviços	2,406		
Transferências Públicas	-		
Capital Menor	-		
Capital Desenvolvimento	-		
<b>Total</b>	<b>2,573</b>	<b>4,730</b>	<b>(2,157)</b>
<b>Autoridade Reguladora das Comunicações</b>			
Salários e Vencimentos	-		
Bens e Serviços	488		
Transferências Públicas	-		
Capital Menor	-		
Capital Desenvolvimento	-		
<b>Total</b>	<b>488</b>	<b>-</b>	<b>488</b>
<b>Instituto de Defesa Nacional</b>			
Salários e Vencimentos	145		
Bens e Serviços	795		
Transferências Públicas	-		
Capital Menor	19		
Capital Desenvolvimento	-		
<b>Total</b>	<b>959</b>	<b>-</b>	<b>959</b>
<b>Universidade Nacional de Timor Lorosae</b>			
Salários e Vencimentos	8,476		
Bens e Serviços	3,276		
Transferências Públicas	-		
Capital Menor	75		
Capital Desenvolvimento	85		
<b>Total</b>	<b>11,911</b>	<b>690</b>	<b>11,221</b>
<b>Total Serviços e Fundos Autónomos</b>	<b>40,334</b>	<b>8,613</b>	<b>31,203</b>

	Despesas	Receitas	Diferença
<b>Autoridade da Região Administrativa Especial de Oe-cusse Ambeno e Zona Especial de Economia Social de Mercado de Oe-cusse Ambeno e Ataúro</b>			
	Despesas	Receitas	Diferença
<b>Total</b>	<b>217,939</b>	<b>-</b>	<b>217,939</b>

## ANEXO IV

### Dotações Orçamentais para 2016 do Fundo das Infraestruturas (US\$'000)

Nome do Programas/Subprogramas	Despesas financiadas por saldo transitado de 2015	Salário e Vencime nto	Bens e Serviço s	Transferê ncia Públicas	Capital Menor	Capital Desenvolvi mento (reforço em 2016)	Total das Despesas
<b>Total Incluindo Empréstimos</b>	<b>41,432</b>	-	-	-	-	<b>335,277</b>	<b>376,710</b>
<b>Total Excluindo Empréstimos</b>	-	-	-	-	-	<b>269,707</b>	<b>269,707</b>
<b>Total Empréstimos</b>	<b>41,432</b>	-	-	-	-	<b>65,570</b>	<b>107,003</b>
Programa de Agricultura e Pescas	-	-	-	-	-	2,035	2,035
Programa de Água e Saneamento	-	-	-	-	-	10,236	10,236
Programa Desenvolvimento Urbano e Rural	-	-	-	-	-	12,182	12,182
Programa de Edifícios Públicos	-	-	-	-	-	2,346	2,346
Programa de Sistema Financeiro e Suportas de Infra-estruturas	-	-	-	-	-	19,097	19,097
Programa do Setor Juventude e Desporto	-	-	-	-	-	3,414	3,414
Programa do Setor Educação	-	-	-	-	-	585	585
Programa de Eletricidade	-	-	-	-	-	6,300	6,300
Programa Informática	-	-	-	-	-	1,600	1,600
Objetivos de Desenvolvimento do Milénio	-	-	-	-	-	4,800	4,800
Programa do Setor Saúde	-	-	-	-	-	1,701	1,701
Programa de Defesa e Segurança	-	-	-	-	-	<b>2,808</b>	<b>2,808</b>
Sub Programa de Segurança	-	-	-	-	-	1,516	1,516
Sub Programa de Defesa	-	-	-	-	-	1,292	1,292
Programa de Solidariedade Social	-	-	-	-	-	-	-
Programa de Desenvolvimento Tasi Mane	-	-	-	-	-	56,634	56,634
Programa de Estradas	-	-	-	-	-	107,464	107,464
Programa de Pontes	-	-	-	-	-	6,485	6,485
Programa de Aeroportos	-	-	-	-	-	15,220	15,220
Programa de Portos	-	-	-	-	-	10,600	10,600
Programa de Desenvolvimento Região Oe- cusse	-	-	-	-	-	-	-
Programa do Setor Turismo	-	-	-	-	-	200	200

Nome do Programas/Subprogramas	Despesas financiadas por saldo transitado de 2015	Salário e Vencime nto	Bens e Serviço s	Transferê ncia Públicas	Capital Menor	Capital Desenvolvi mento (reforço em 2016)	Total das Despesas
Preparação de Desenhos e Supervisão-Novos Projetos	-	-	-	-	-	6,000	6,000
Programa de Transportes	-	-	-	-	-	-	-
<b>Programa de Empréstimos</b>	<b>41,432</b>					<b>65,570</b>	<b>107,003</b>

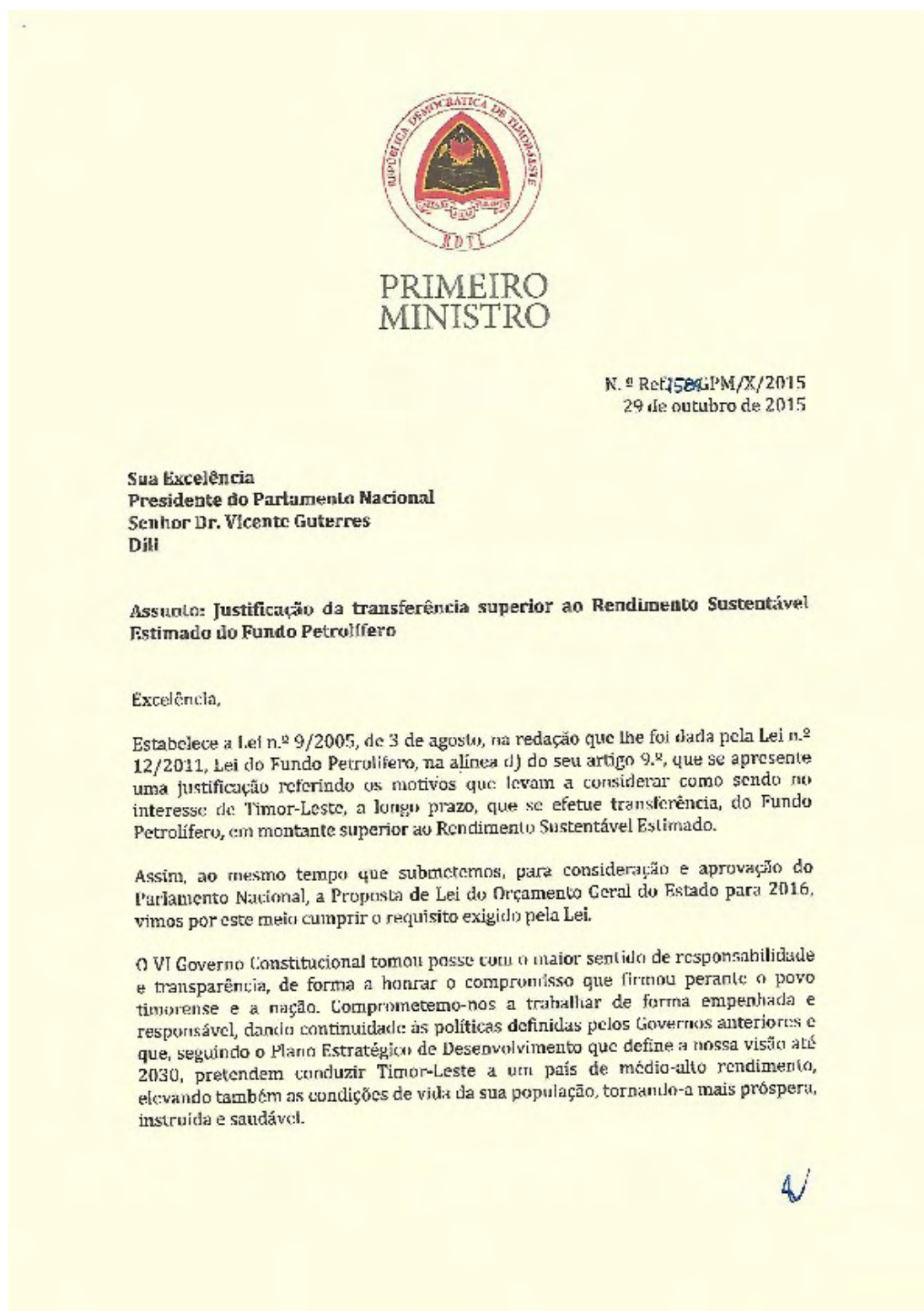
## ANEXO V

### Dotações Orçamentais para 2016 do Fundo de Desenvolvimento do Capital Humano (US\$'000)

Nome do Programas/Subprogramas	Despesas financiadas por saldo transitado de 2015	Salário e Vencimento	Bens e Serviços (reforço em 2015)	Transferência Públicas	Capital Menor	Capital Desenvolvimento	Total das Despesas
<b>Total</b>	-	-	<b>34,000</b>	-	-	-	<b>34,000</b>
Formação Profissional	-	-	7,835	-	-	-	7,835
Formação Técnica	-	-	5,115	-	-	-	5,115
Bolsas de Estudo	-	-	17,233	-	-	-	17,233
Outros Tipos de Formação	-	-	3,817	-	-	-	3,817

## Part 4: Supporting Documentation

### 4.1: Justification for Transfer from the Petroleum Fund



Sabemos que a governação e o rumo do país são da nossa responsabilidade. Por isso estamos empenhados em continuar com os esforços que conduzirão Timor-Leste à sua plena soberania, a um franco desenvolvimento, mantendo o ambiente de paz e segurança numa situação de estabilidade social e política.

Temos consciência de que as decisões que forem tomadas terão um impacto a curto, médio e longo prazo. São decisões que se refletem diretamente no país e no povo agora mas terão também influência no nosso futuro. Reconhecemos, por isso, a importância de tomar decisões ponderadas e pensadas de forma cautelosa.

Também neste sentido o VI Governo Constitucional apresenta uma estrutura renovada, mais funcional e eficiente, sobretudo em setores-chave como os assuntos sociais, os assuntos económicos e os assuntos da administração do Estado e da justiça, de forma a prestar melhores serviços à população.

Sabemos que foi com este espírito de interesse nacional, pensando nas gerações atuais e futuras, que foi criado o Fundo Petrofílico e a possibilidade de recorrer às suas receitas, que são o resultado da exploração dos nossos recursos naturais. A gestão destas receitas tem de ser feita de forma prudente e transparente, considerando sempre os interesses e necessidades da nossa população. É, por isso, nossa obrigação utilizar estes mesmos recursos de forma responsável, equilibrada e clara, dando continuidade ao processo de construção da nação e impulsionando o crescimento sustentável e o desenvolvimento do país.

Temos bem presente as aspirações que o povo timorense tem para o nosso país, e que assentam em quatro setores fundamentais para o desenvolvimento nacional: social, infraestruturas, económico e o setor da boa governação. Estes são setores que enfrentam ainda grandes desafios mas para os quais estamos preparados para implementar políticas concretas que conduzam ao seu desenvolvimento sustentável.

A preparação do Orçamento Geral do Estado para 2016 foi um exercício feito com muito rigor. Avaliámos, com o máximo pormenor, os programas e as atividades e os respetivos orçamentos propostos por cada órgão e instituição, de forma a reduzir desperdícios e aumentar a eficácia e eficiência daquilo que é prioritário.

Tivemos, naturalmente, em consideração a conjuntura mundial, com o preço do barril de petróleo a baixar, o que afeta as economias do mundo inteiro, não sendo a nossa nem as nossas receitas exceção. Ao mesmo tempo, devemos continuar a apostar na diversificação da economia, através de um investimento inteligente e ponderado em áreas que consideramos uma mais-valia para Timor-Leste.

Por isso, a proposta de Orçamento Geral do Estado para 2016 tem necessidade de recorrer ao levantamento acima do Rendimento Sustentável Estimado, de forma a darmos continuidade à estratégia de desenvolvimento e ao investimento em infraestruturas que proporcionem o crescimento económico do país e a melhoria das condições de vida da população.





Excelência,

O Fundo das Infraestruturas foi criado para implementar projetos plurianuais e que têm vindo a ser desenvolvidos para dar resposta às necessidades do país criando, em todos os municípios, condições para potenciar a diversificação económica.

Sabemos também que não há desenvolvimento nacional sem que se criem acessos rodoviários, por isso continuamos com o programa de alargamento e recuperação da rede de estradas. Uma rede rodoviária abrangente e de qualidade que assegure a equidade no desenvolvimento nacional e facilite o transporte de mercadorias, permitindo uma melhor prestação de serviços públicos e promovendo a agricultura e o crescimento do setor privado.

Pensar no desenvolvimento do país é também pensar em projetos como o do Tasi Mane, que vai ser o embrião da indústria petrolífera de Timor-Leste e que assegura as infraestruturas necessárias para apoiar esta crescente indústria nacional.

Projetos como a construção e melhoria de aeroportos, em todo o território nacional, são pensados para satisfazer a futura procura de tráfego aéreo, apoiar operações aeroportuárias e responder ao desenvolvimento da indústria do turismo. O desenvolvimento do Programa de Portos, nomeadamente do porto de Tibar, a reabilitação do porto de Díli e dos portos regionais, é também essencial para permitir a importação e exportação de bens e equipamentos fundamentais à construção de grandes infraestruturas e ao fortalecimento da nossa economia.

A merecer, também, o nosso foco de investimento continua a ser o Programa de Água e Saneamento, onde se inclui o plano de drenagem para Díli, cujo benefício é transversal às áreas da saúde, educação, ambiente e redução da pobreza e imprescindível para reduzir o número de doenças, aumentando a qualidade de vida.

O Estado tem também a obrigação de prover o país com bens e serviços que não só sustentem o nosso desenvolvimento, como o façam de forma abrangente.

Importa referir que grandes investimentos, como o que foi feito na eletrificação nacional, foram impulsionadores de desenvolvimento, da melhoria das condições de vida e do crescimento económico. O nosso contínuo investimento neste setor, tem permitido a Timor-Leste fazer grandes progressos na geração e distribuição de energia elétrica. Em 2007, apenas 22% das famílias tinham acesso a eletricidade, em 2014 o número de agregados familiares com acesso a eletricidade aumentou para cerca de 71%. Além disto, a capacidade de gerar energia aumentou mais de 130% considerando os 110 megawatts, em 2010, para os atuais 256 megawatts.

Neste sentido, o combustível e a manutenção dos geradores de eletricidade é crucial para continuar o fornecimento de energia para todo o país e é a pedra angular dos esforços do Governo no que concerne ao desenvolvimento económico, beneficiando os cidadãos mas também potenciando o desenvolvimento de empresas e indústrias.





O Estado assume também o compromisso de, em conjunto com os parceiros de desenvolvimento, levar a cabo projetos que impulsionem o crescimento económico e reduzam a pobreza, pelo que é essencial a contribuição destes pressupostos.

O nosso desenvolvimento inclusivo não pode descurar o investimento crucial no programa da merenda escolar das escolas públicas. Proporcionar às crianças e jovens estudantes uma alimentação adequada e equilibrada vai refletir-se na melhoria dos resultados obtidos e, sobretudo, na sua saúde. Assim, continuaremos a apoiar os produtos locais e a produção de arroz nacional mas também a importação de arroz, contribuindo para a segurança alimentar da população.

Outra das nossas preocupações é a necessidade de garantir medicamentos e alimentação adequados aos nossos pacientes. Estes são essenciais para a melhoria da qualidade dos serviços de saúde prestados no país.

O contínuo apoio ao setor social é condição *sine qua non* para fortalecer o povo e, consequentemente, fortalecer a nação. Por isso, é necessário dar continuidade aos programas que representem uma melhoria significativa nas condições de vida da população, pelo que as transferências públicas assumem aqui um papel central.

O desenvolvimento da Região Administrativa Especial do Oe-Cusse Ambeno e a criação da Zona Especial de Economia Social de Mercado de Oe-Cusse Ambeno e Ataúro são exemplos de projetos de desenvolvimento integrado onde é crucial apostar. A construção de infraestruturas básicas, portos, estradas e a continuação da construção do aeroporto são projetos que não só beneficiam a população como desenvolvem o potencial económico da região.

Por outro lado, é importante continuar a contribuir significativamente para o desenvolvimento rural, através do Programa Nacional de Desenvolvimento dos Sucos, que tem e continuará a ter um impacto inegável para a população.

Também os programas sociais que apoiamos, contribuem para a redução da pobreza e para a justiça social, onde se incluem os compromissos que assumimos com os nossos veteranos e com o tratamento das suas doenças, com os idosos, as pensões para os inválidos, o apoio através da Bolsa da Mãe e também às vítimas de desastres naturais.

Ainda na senda de uma melhor prestação de serviços à população, salienta-se o apoio nos necessários tratamentos no exterior mas também, e sobretudo, no desenvolvimento das condições das infraestruturas de saúde locais, como o novo centro cardiovascular, no fortalecimento dos serviços de laboratório, em subsídios para clínicas privadas, no apoio a atividades de saúde pública, nos serviços de saúde comunitários integrados com a SSKA e no recentemente introduzido programa Saúde na Família.

Estamos conscientes da necessidade de crescimento e desenvolvimento do país e dos timorenses e sabemos que, para atrair investidores e investimentos e diversificar a nossa economia, temos de diversificar as nossas apostas e o



investimento das receitas dos nossos recursos naturais, na certeza de que não há melhor aposta que no capital humano.

Desenvolver os recursos humanos não só é um investimento de retorno incalculável para o crescimento do país como nos torna mais competitivos. O Fundo de Desenvolvimento do Capital Humano tem-se constituído um enorme apoio à formação de muitos timorenses que são já hoje parte ativa nas mais variadas áreas, constituindo um importante pilar do nosso desenvolvimento.

Estamos, também, a iniciar a implementação de reformas estratégicas para continuar a avançar para o próximo estágio de desenvolvimento. Assim, a Reforma e o Fomento Económico para o período de 2016-2017, que abrange 5 pilares - os setores do petróleo e do gás, a agricultura, as pescas, o turismo e a indústria manufatureira -, vai contar com 6 reformas específicas, nomeadamente: a regulação de terras e propriedades, o desenvolvimento de infraestruturas económicas, a regulação laboral e o desenvolvimento da força de trabalho, o ambiente de negócios, a reforma fiscal, o regime do investimento privado, a reforma e o desenvolvimento do setor privado.

Estas reformas dinamizarão a implementação de medidas económicas estruturantes sob cada uma das áreas prioritárias identificadas no Programa do VI Governo e no Plano Estratégico de Desenvolvimento, e contribuirão para inverter o atual paradigma de financiamento público da economia para um modelo de financiamento privado, como alavanca essencial do desenvolvimento económico de Timor-Leste até 2030.

Mais especificamente, a Reforma Fiscal - que abrange as políticas da receita e da despesa, os sistemas de gestão financeira pública, a administração fiscal e aduaneira, a monitorização por resultados com especial enfoque na prestação de serviços e os recursos humanos -, vai-nos permitir aumentar as receitas do Estado. Estas reformas vão ter repercussões que beneficiam inquestionavelmente o futuro de Timor-Leste.

Excelência,

Por outro lado, temos também de acompanhar e saber aproveitar a globalização e o facto de sermos hoje, com muito orgulho, um país reconhecido como um caso de sucesso em vários *fora* internacionais. Para isso tem contribuído, entre outros, o nosso empenho na tentativa de atingir metas tão difíceis como os Objetivos de Desenvolvimento do Milénio e o nosso compromisso, mais recente, na adoção dos Objetivos de Desenvolvimento Sustentável.

Temos ajudado os países frágeis do g7+ na construção do Estado e da paz, apoiámos com êxito a Guiné-Bissau no seu processo eleitoral, e contamos apoiar São Tomé e Príncipe, contribuindo também para a estabilidade política deste outro país irmão. Queremos, também, continuar o legado da Presidência da CPLP com a mesma dinâmica e sucesso que temos conseguido até aqui.





Toda esta política de continuidade de investimento, refletida no Orçamento Geral do Estado para 2016 e que submetemos para aprovação do Parlamento Nacional, vai permitir que Timor-Leste alcance outro nível de desenvolvimento, não só ao nível de infraestruturas como de indicadores sociais, o que nos vai conduzir a um país de médio-alto rendimento.

Para terminar, junto o “Relatório com a estimativa do montante em que ficará o Rendimento Sustentável Estimado dos exercícios orçamentais subsequentes, por força de transferência a partir do Fundo Petrolífero de montante superior ao Rendimento Sustentável Estimado”, cumprindo assim o requisito legal, da alínea b) artigo 9.º da Lei do Fundo Petrolífero, bem como o “Relatório do Auditor Independente que certifique as estimativas de redução do rendimento sustentável estimado”, conforme o prescrito na alínea c) do mesmo artigo.

Aceite, Excelência, o testemunho da minha mais alta consideração.



**Dr. Rui Maria de Araújo**  
Primeiro-Ministro

## 4.2: ESI Report 1: Requirement for Transfers from the Petroleum Fund for 2015 ESI



República Democrática de Timor-Leste  
Ministério das Finanças  
Gabinete Ministerial



*"Seja um bom cidadão, seja um novo herói para a nossa Nação"*

No: \_\_\_\_\_ / VI/GMF / 2015-

Dili, 26 October 2015

H.E. Dr. Rui Maria de Araujo  
Prime Minister  
Democratic Republic of Timor-Leste

**SUBJECT: REQUIREMENT FOR TRANSFERS FROM PETROLEUM FUND**

Excellency,

This report is provided in accordance with Article 8 a) and b) of the Petroleum Fund Law No. 9/2005, of 3<sup>rd</sup> August as amended by Law No. 12/2011, of 28<sup>th</sup> September.

The Estimated Sustainable Income is calculated in accordance with provisions outlined in Schedule 1 of the Petroleum Fund Law.

Estimated Sustainable Income For Financial Year: 2016	Amount (USD) \$544.8 million
Estimated Sustainable Income For preceding Financial Year: 2015	Amount (USD) \$638.5 million

A review of the methodology which the ESI-calculations are based on is included in the Budget 2016. According to Article 8 c) of the Petroleum Fund Law, the Independent Auditor shall certify the amount of the Estimated Sustainable Income. Please find attached the certification report.

Yours sincerely,

Santina JRF Viegas Cardoso  
Minister of Finance

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## 4.3: ESI Report 2: Requirement for Transfers from the Petroleum Fund for medium term ESI



República Democrática de Timor-Leste  
Ministério das Finanças  
Gabinete Ministerial



*"Seja um bom cidadão, seja um novo herói para a nossa Nação"*

No: \_\_\_\_\_ / VI/GMF / 2015-

Dili, 26 October 2015

H.E. Dr. Rui Maria de Araujo  
Prime Minister  
Democratic Republic of Timor-Leste

**SUBJECT: REQUIREMENT FOR TRANSFERS FROM PETROLEUM FUND**

Excellency,

This report is provided in accordance with Article 9 b) of the Petroleum Fund Law No. 9/2005, of 3<sup>rd</sup> August as amended by Law No. 12/2011, of 28<sup>th</sup> September.

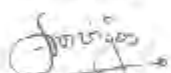
As required in Article 9 b), the table below shows the reduction of Estimated Sustainable Income for Fiscal Years commencing after 2016, as a result of the proposed transfer from the Petroleum Fund of an amount in excess of the Estimated Sustainable Income in 2016:

Fiscal Year	Estimated Sustainable Income Withdrawals in 2016	
	\$544.8 million	\$1,283.8 million
2017	557.2	534.5
2018	571.4	548.0
2019	586.8	562.8
2020	602.7	578.1
2021	619.0	593.7
2022	635.8	609.9
2023	653.2	626.5
2024	671.0	643.6
2025	689.4	661.2

According to Article 9 c) the Independent Auditor shall certify the estimates of reduction in the Sustainable Income. Please find attached the certification report.

All calculations have been carried out by technical experts in the Ministry of Finance and with external professional assistance.

Yours sincerely,

  
Santina JRF Viegas Cardoso  
Minister of Finance

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## 4.4: Deloitte Report on the ESI



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Her Excellency Santina JRF Viegas Cardoso  
Ministry of Finance  
Democratic Republic of Timor-Leste  
Edificio No. 5, Res-do-Cao  
Palacio do Governo, Dili, Timor-Leste

23 October 2015

Dear Minister

### **Report on Factual Findings relating to the estimated reduction in the Estimated Sustainable Income (Article 9)**

In accordance with Contract RDTL 83683 and subsequent addenda we have performed certain agreed upon-procedures solely for the purpose of providing a report to the Government of the Democratic Republic of Timor-Leste in accordance with Article 9 (c) of Law 9/2005 *Petroleum Fund Law* as amended by Law 12/2011 *First Amendment to Petroleum Fund Law*. Our engagement was performed in accordance with the International Standard on Related Services (ISRS) 4400 *Engagements to Perform Agreed-upon Procedures Regarding Financial Information*. This report should be read in conjunction with our contract which sets out the basis on which our work was performed.

#### **Scope of work and statement of responsibility**

At your request and agreement, we performed the procedures set out in the table below. The scope of our work was limited solely to those procedures. You are responsible for determining whether the scope of our work is sufficient for your purposes and we make no representations regarding the sufficiency of these procedures for your purposes. If we were to perform additional procedures, other matters might have come to our attention that would be reported to you.

This report should not be taken to supplant any other enquiries and procedures that may be necessary to satisfy the requirements of the recipients of the report.

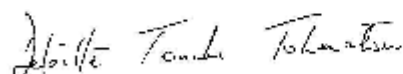
The procedures we performed did not constitute a review or an audit of any kind and we have not expressed any opinion or drawn any conclusions on the procedures we have performed. We did not subject the information contained in this report or given to us by the Ministry of Finance to checking or verification procedures except to the extent expressly stated below. This is normal practice when carrying out such limited scope procedures, but contrasts significantly with, for example, an audit. The procedures we performed were not designed to and are not likely to have revealed fraud or misrepresentation by the Ministry of Finance. Accordingly, we cannot accept responsibility for detecting fraud (whether by management or by external parties) or misrepresentation by the management of the Ministry of Finance.

This report is provided solely for your exclusive use and solely for the purpose of satisfying the requirements Article 9 (c) of Law 9/2005 *Petroleum Fund Law* as amended by Law 12/2011 *First Amendment to Petroleum Fund Law*. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. We accept no duty, responsibility or liability to any other party in connection with the report or this engagement.

#### Procedures and Findings

Procedures	Findings
1. Obtain the underlying calculations which support the report of Government that is to be provided to Parliament pursuant to Article 9(b).	1. The underlying calculations which support the report of Government to be provided to Parliament pursuant to Article 9(b) were obtained from the Ministry of Finance on 9 October 2015.
2. Agree the calculation methodology to the Estimated Sustainable Income calculation for the Fiscal Year Budget 2016 as previously obtained by Deloitte.	2. The calculation methodology was agreed to that of the Estimated Sustainable Income calculation used for the Fiscal Year Budget 2016 as previously obtained by Deloitte.
3. Obtain the value of the proposed Government transfer being an amount in excess of the Estimated Sustainable Income calculated by the Government for purposes of the Fiscal Year Budget 2016 and agree the value to the updated underlying calculation, which incorporates the proposed Government transfer.	3. A Government transfer of US\$1,283.8 million was advised by the Ministry of Finance to Deloitte and is noted to exceed the Estimated Sustainable Income of US\$544.8 million as previously calculated by the Government for purposes of the Fiscal Year Budget 2015, by US\$739 million. The US\$1,283.8 million was incorporated into the updated underlying calculation.
4. Re-perform the calculation of the estimated reduction in the Estimated Sustainable Income for the Fiscal Years commencing 1 January 2017 that results from the proposed Government transfer from the Petroleum Fund in Fiscal Year 2016.	4. The calculation of the estimated reduction in the Estimated Sustainable Income for future Fiscal Years commencing 1 January 2017 was re-performed without exception. The estimated reduction in the Estimated Sustainable Income in each future year from 2017 to 2025 ranged from US\$22.58 million to US\$28.2 million over the period as set out in Appendix A.
5. Provide a report to Government in accordance with of Law 9/2005 <i>Petroleum Fund Law</i> as amended by Law 12/2011 <i>First Amendment to Petroleum Fund Law</i> .	5. Report herewith.

Yours faithfully



Deloitte Touche Tohmatsu

**APPENDIX A****Projected future payments**

As required in Article 9 b), the table below shows the reduction of Estimated Sustainable Income for Fiscal Years commencing after 2016, as a result of the proposed transfer from the Petroleum Fund of an amount in excess of the Estimated Sustainable Income in 2016:

Fiscal Year	Estimated Sustainable Income Withdrawals in 2016	
	\$544.8 million	\$1,283.8 million
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Prepared for the  
Government of the Democratic Republic of Timor-Leste  
by the



**MINISTRY OF FINANCE**

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