

## **Fourth Retreat of the 8th Constitutional Government**

The 8<sup>th</sup> Constitutional Government members gathered in retreat, on October 21<sup>st</sup>, 2020, in the Ministry of Finance's auditorium, within the scope of the 2021 General State Budget (GSB) discussion.

During the meeting, the main methodological changes applied to the 2021 GSB were analysed, namely in relation to program budgeting, in which, for the first time, all General State Budget expenses are now presented and specified by programs, in addition to the economic and organic classifications already used.

This new form of presentation makes it possible to transmit more information to the National Parliament, namely on the budget allocation's objectives, alongside with information on the author of the expenditure (organic classification) and the type of expenditure (economic classification).

The program budgeting model aims to increase transparency, to foster the spending priorities definition and to contribute to greater responsibility and control. The programs are designed to achieve specific outcomes in the medium and long term (3-5 year) and reflect the provision of services, which are linked to the Government's Programs and Priorities, to the Strategic Development Plan (PED) objectives and to the Sustainable Development Goals (SDGs). Each program must have a result indicator and plans for its execution. Each program is composed of subprograms, with short-term results and for each subprogram there are activities, to be carried out annually to produce immediate results.

The main advantages of program budgeting are increased accountability, with an awareness of the goals that must be achieved and knowledge of the resources needed to be allocated to achieve the results, increased efficiency and effectiveness, as the focus is the results, and that funds are allocated to achieve concrete and quantifiable objectives, reducing unnecessary costs and increasing transparency, allowing Parliament and citizens in general an objective and effective assessment of the use of the public resources' results.

Program budgeting allows for a greater rationalization of public resources, with a direct correlation between the allocation of funds for a given expenditure and the planning of the respective activities, so that these resources are made with the aim of fulfilling well-determined and specific actions, so that the results assessment may be carried out objectively, in order to make wide-range changes that have a real impact on the population's well-being.

url: <http://timor-leste.gov.tl?lang=en&p=25958>