



Series of Focus Group Discussions (FGD)

**Toward the Advancement of Sustainable Development and Economic Diversification:
An assessment of Timor-Leste Strategic Development Plan 2011-2030 and
inputs to Timor-Leste Mid-Term Development Plan 2026-2035**

Dili, 16-17 September 2025

Terms of Reference

A. BACKGROUND AND CONTEXT

The Government of Timor-Leste, under the leadership of President Ramos-Horta and Prime Minister Xanana Gusmão, has launched an evaluation of the Strategic Development Plan (SDP) 2011–2030 and initiated preparations for the Medium-Term Development Plan (MTP) 2026–2035. This work has been commissioned to a Consortium comprising PT Meridian Kreatama Mandiri, Kiat LDA, Centre for Innovation Policy and Governance, and Nalar Institute (the Consortium, thereafter), effective from August 2025.

The Consortium, mandated to work solely for the Government of Timor-Leste, has been directly tasked by the Prime Minister to review the key achievements of the SDP 2011–2030 and to provide inputs for the MTP 2026–2035. The review focuses on four priority areas, i.e., human capital development, infrastructure, new economic sources, and institutional frameworks, alongside cross-cutting governance issues. The aim is to prepare strategic policy inputs for the Prime Minister that will address gaps in the implementation of the SDP 2011–2030 and set priorities for the next MTP term (2026–2035). If successful, this process will also lay the groundwork for defining the policy direction of the forthcoming SDP 2031–2050.

Initial Findings

Based on an initial desk study, field visits and observations, and a series of high-level interviews conducted in July–August 2025 with ministers, director-generals, government officials, development partners, civil society, and the business community, the Consortium has identified the following findings.



**MINISTÉRIO DO PLANEAMENTO
E INVESTIMENTO ESTRATÉGICO
IX GOVERNO CONSTITUCIONAL
GABINETE DO MINISTRO**



1. Timor-Leste's development trajectory continues to be influenced by structural constraints, fiscal instability, and political fragmentation. While improvements have been observed in human development indicators such as school enrolment and maternal health, these gains are offset by persistent shortages of skilled professionals and inconsistent budget execution.
2. Infrastructure deficits –particularly in public transportation, urban greening, digital connectivity, industrial development, water and sanitation, and agricultural irrigation—continue to impede service delivery and economic competitiveness.
3. Efforts to diversify the economy have yet to significantly reduce the country's reliance on petroleum revenues. High-potential sectors such as eco-tourism, agricultural produces (such as coffee and cashew, among others), and sustainable fisheries and marine resources remain underdeveloped due to limitations in human capital, restricted access to finance, weak land registration systems, which result in insufficient foreign direct investment. The government's extensive operational role in commercial activities, coupled with limited regulatory capacity, has further constrained private sector development.
4. Institutional challenges persist, including fragmented planning processes, policy discontinuity, and inadequate interministerial coordination, all of which undermine programme effectiveness. Development strategies frequently remain at the level of high-level documentation, with limited operationalisation and localisation. Budget transparency is minimal, and mechanisms for public accountability remain underdeveloped.

Nonetheless, the Consortium identified several strategic entry points for reform. These include:

- Strengthening human capital through targeted investments in education and health;
- Modernising infrastructure via integrated planning and climate-resilient development;
- Revitalising the private sector by improving regulation, credit access, and land tenure;
- Diversifying the economy through high-value agriculture, tourism, and marine resources; and
- Enhancing institutional capacity through regulatory harmonisation, governance reform, and strengthened accountability mechanisms.

A recalibration of state functions is essential – shifting from economic dominance to enabling private initiative, from fragmented planning to integrated governance, and from reactive spending to disciplined fiscal management. Achieving this transformation will require technical innovation, political consensus, and inclusive dialogue across all sectors of society.



Rationale for the Focus Group Discussions

To support this process, a series of high-level Focus Group Discussions (FGDs) will be convened, guided by foresight methodology. The FGDs are designed to deepen stakeholder engagement and generate actionable insights to enrich the initial findings and help identify the main drivers of change in Timor-Leste development. Participants will include representatives from key ministries, technical experts, development partners, civil society actors, and private sector stakeholders. Each participant group will play a critical role in addressing the structural and institutional challenges identified during the initial mission.

Ministries will be instrumental in clarifying sectoral priorities, identifying implementation bottlenecks, and evaluating budgetary frameworks with strategic objectives. Experts will contribute analytical depth and evidence-based recommendations, while development partners will offer comparative perspectives and support mechanisms for reform. Civil society and private sector representatives will provide grounded feedback on policy effectiveness, service delivery, and investment climate.

Through this inclusive and multi-sectoral dialogue, the FGDs aim to foster consensus on the main development challenges, driving forces, priority areas, and key performance indicators that will both help identify gaps in Timor-Leste SDP 2011-2030 and inform the design of MTP 2026-2035.

B. OBJECTIVE

The planned series of Focus Group Discussions (FGDs) are confirmatory expert consultations (*delphi*) in nature. Their primary objective is to validate, refine, and enrich the preliminary findings, ensuring that they reflect the realities of Timor-Leste's development context as accurately as possible.

The outcomes of the FGDs will be systematically organised into four categories (see Appendix I):

1. Key development **trends** observed in Timor-Leste over the past 5–10 years;
2. Structural development **challenges** faced by the Government and its stakeholders;
3. Proposed development **priorities** in the four focus areas, i.e., human capital development, economic diversification, infrastructure, and institutional governance; and
4. **Targets** and **indicators** associated for each proposed priority.



The FGDs will provide a platform for stakeholders to assess whether the initial findings adequately represent the country's development realities, and to suggest how they may be improved.

By achieving this, the FGDs will generate deeper insights into the main drivers of change that shape Timor-Leste's development trajectory. These insights will form the basis for scenario-building exercises and forward-looking analysis, which will be undertaken at a later stage.

C. METHODOLOGY

Format

The FGDs are designed as a platform for confirmatory expert consultations (*delphi*), focusing on the validation, refinement, and enrichment of the initial findings. Each session will begin with a short introduction and background, followed by a brief presentation of the initial findings by the Team Leader of the Consortium.

Discussions will then proceed in four segments, i.e. trends, challenges, priorities, and targets/indicators. Equal time will be allocated to each segment to ensure balanced attention. The facilitator will encourage in-depth discussion, including constructive debate where necessary, while carefully managing the use of time. Where time constraints prevent full discussion, alternative means of input will be available, such as written comments on post-its. In addition, an invited expert will share observations and reflections during the session. Each FGD will conclude with a dedicated question-and-answer session for clarification before closing (See Appendix II – Invited Experts).

Facilitation Approach

The facilitation will be semi-structured and participatory. For each segment, the findings will be projected on screen and displayed in printed form around the room. This will allow participants to concentrate on providing inputs rather than recalling details. As much as possible, all inputs will be recorded live and projected onto the screen for transparency. Participants who cannot provide verbal inputs will be able to contribute through post-its, which will be attached to the displayed findings. This approach ensures that every participant has the opportunity to contribute, and that all feedback is captured and documented systematically (See Appendix III – List of facilitator and co-facilitators).

Tools and Materials

To support smooth and effective discussions, the following tools will be prepared:

- Printed copies of the initial findings for each participant (A4 format).
- A screen to project both the findings and real-time updates of the discussion.
- Large-format posters of the initial findings (A0 size) for direct written input using post-its.



D. RUNDOWN

The FGDs are scheduled as follows, organised by sector:

- FGD 1 – Economic Diversification : Tuesday, 16 September 2025 (08.30-12.00)
- FGD 2 – Infrastructure : Tuesday, 16 September 2025 (13.00-16.30)
- FGD 3 – Human Capital Development : Wednesday, 17 September 2025 (08.30-12.00)
- FGD 4 – Institutional Governance : Wednesday, 17 September 2025 (13.00-16.30)

All sessions will be held at Hotel Timor, R. António Heitor, Dili; lunch will be provided. General rundown of the session is as follows:

- 15' Introduction, Opening Remarks
- 15' Presentation of initial findings (Team Leader)
- 45' Facilitated discussion and validation: Trends and Challenges
Coffee Break (available during the session)
- 60' Facilitated discussion and validation: Priority and Targets-Indicators
- 15' Expert's observation and remarks
- 30' Open discussion
Closing

E. CLOSING REMARKS

The FGDs represent a critical step in ensuring that Timor-Leste's development planning is both reflective of past lessons and responsive to future challenges. Through structured consultation and collective analysis, stakeholders will have the opportunity to shape the priorities of the MTP 2026–2035 in a way that addresses persistent constraints while unlocking new opportunities for growth and resilience. This TOR outlines the framework within which this process will take place. Ultimately, the insights generated through these discussions will help chart a clear and credible path towards a more inclusive, diversified, and sustainable future for Timor-Leste, while informing the strategic direction of the forthcoming SDP 2031–2050.



APPENDIX I:

Indicative Main Trends, Structural Development Challenges, and Priorities

Indicative Main Trends:

1. Increasing disparities in job opportunities between formal and informal sectors as well as in urban and rural areas.
2. Continuing regional inequality in terms of public service provision and access, economic growth and opportunity, and institutional capacity.
3. Increasing quantity of public services in health and education sectors.
4. Increasing school attendance at primary and secondary level, but low quality of HEI graduates.
5. Continuing poor quality of public services in health and education sectors.
6. Continuing low quality of human resources needed for development, particularly due to health and education.
7. Continuing development of infrastructure (including water and sanitation, road, digital connectivity, ports, etc.) and public services, but with disparities in access and maintenance.
8. Continuing low capacity in Science, Technology, and Innovation.
9. Continuing short-termism, consumption-driven economy.
10. Continuing reliance on the single revenue stream, i.e. petroleum fund.
11. Continuing lack of capacity in the production and market access in agriculture and marine sectors.
12. Continuing lack of integrated spatial planning, especially for developmental priorities including settlements, industries, and other productive sectors.
13. Declining environmental carrying capacity, worsened by poor waste management and climate change.
14. Declining institutional performance and weak state capacity due to fragmented governance and weak coordination, inefficient bureaucracy, and low transparency.
15. Increasing annual state budget but ineffective spending/disbursement (e.g. problem of targeting, prioritization).
16. Continuing overlapping government regulations and policies.
17. Continuing inconsistent government regulations and policies, including policy discontinuity.
18. Continuing inefficient procurement and ineffective spending.
19. Continuing low quality and quantity of civil servants due to lack of talent management.
20. Continuing weak protection of private property rights, particularly land title and eviction.
21. Increasing role of the church in public life dynamics.



Indicative Structural Development Challenges:

1. The need to establish public trust through a transparent, accountable, and effective government system and bureaucracy.
2. Overreliance on fossil fuels as the only source of economic growth, hence the needs to find new sources of growth.
3. Fragmented land use, lack of legal certainty on land titles, and limited spatial planning hinder effective land reform.
4. Weak regulatory framework and legal enforcement needed to support ease-of-doing-business (EODB) for private sector and investment.
5. Limited human capital capacity and unequal access to quality health and education services.
6. Persistent gaps in food self-sufficiency, safety, and security.
7. The need for adaptive social protection for all citizens.
8. Limited access to clean water and sanitation continues to undermine public health and resilience.
9. Unequal access and affordability to energy, particularly renewable energy.
10. Ability to manage environmental assets and natural resources for sustainable development, including in maintaining environment's carrying capacity.
11. Lack of anticipation and mitigation to the climate change.
12. Limited capacity in science, technology, and innovation.

Proposed Development Priorities in Four Sectors:

Human Capital Development

1. Building health service infrastructures with primary healthcare at the forefront and tiered hospital references accessible to all citizens.
2. Building the capacity and equal distribution of health workforces (medical doctors, specialists, nurses, midwives) to ensure quality health service delivery for all citizens.
3. Building education infrastructures at all levels from primary to higher education (schools, academies, universities), as well as vocational training facilities accessible to all.
4. Improving the quality of educators (teachers, lecturers, trainers), learning and teaching processes and materials (curriculum, references), and support schemes for excellence (focused scholarships) at all levels.
5. Creating a national scheme for comprehensive social protection for all, including social assistance for the poor based on different stages of human life cycle, and affirmative and targeted workforces (e.g., industrial workers, farmers, fishermen).
6. Ensuring integrated planning and budgeting (including proportional annual state budget allocation) as well as infrastructure development for health, education, and social protection reflecting these sectors as priorities.



Economic Diversification

1. Ensuring integrated planning and budgeting for the development of agricultural infrastructures and inputs for sustainable farming, plantation, and horticulture, forestry, fresh water fisheries, and live stocks (e.g., fields, irrigation, seeds, manures).
2. Improving the quality of workforces in agriculture (farmers, plantation and forestry workers, livestock farmers), providing access to post-harvesting processing, and opening market access for them.
3. Identifying and promoting high value agriculture produces (such as coffee, cashew, and sandalwood, among others), ensuring their innovative and sustainable production and responsible commercialisation.
4. Development of sustainable, cultural- and community-based tourism through identification of potential destinations, integrated planning and budgeting (particularly spatial planning), infrastructure development, and public-private partnership.
5. Improving the capacity of human resource in tourism sector through vocational education and training, community empowerment, and multistakeholder partnership.
6. Increasing the capacity for sustainable marine fisheries through zoning, modernization and upgrading of fishing vessels, and combating illegal, unreported, and unregulated (IUU) fishing.
7. Building the capacity for national fishing industry through technological innovation to ensure safe storage, post-fishing production, and responsible commercialization.
8. Promoting Micro, Small, Medium Enterprises (MSMEs) through capacity building to innovate, access to finance/capital, and access to market.

Infrastructure

1. Ensuring the availability and accessibility of infrastructure for air, land, and sea transportation systems, including roads and ports.
2. Ensuring inclusive and affordable electricity access for all.
3. Establishing a nation-wide digital strategy and digitalization of government services, including digital sovereignty and cybersecurity.
4. Ensuring availability of telecommunication infrastructures to support digital transformation and e-government.
5. Reforming the energy sector, including reviewing energy subsidies and promoting renewable energy to ensure equitable and affordable access to all.
6. Ensuring the provision of clean water and sanitation for all.

Institutional Governance

1. Strengthening the regulatory and institutional framework to improve public service delivery and national competitiveness, including improvements in Ease-of-Doing-Business (EoDB).
2. Creating supportive enabling environment to public, business, and civil society activities through regulatory and legal certainty (particularly land administration, civic



**MINISTÉRIO DO PLANEAMENTO
E INVESTIMENTO ESTRATÉGICO
IX GOVERNO CONSTITUCIONAL
GABINETE DO MINISTRO**



property rights, protection of civil and political as well as ECOSOC rights), enforced by law.

3. Strengthening public sector reform for effective institutional coordination to improve public service delivery, create enabling environment for business and investment activities, innovation as well as safe space for civil society activism.
4. Promoting transparent and accountable government at all levels through innovative oversight mechanism in the development undertakings, particularly delivery of public services and engagement of private sector and civil society.
5. Strengthening administrative and bureaucracy reform through meritocracy-based talent management for civil services (recruitment, deployment, career progression, and retainment).
6. Embedding human rights principles and mainstreaming gender equality, disability, and social inclusion (GEDSI) perspectives into all national policies and programmes to drive inclusive, equitable, and rights-based development that leaves no one behind.
7. Integrating climate change adaptation, mitigation, and low-carbon strategies across all development policies and planning to enhance national resilience to disasters and climate challenges.



APPENDIX II:

Invited Experts

1. Prof. Ahmad Erani Yustika

Prof. Ahmad Erani Yustika is an economist from Universitas Brawijaya, former Director General at the Ministry of Villages, Disadvantaged Regions, and Transmigration, and former Head, Vice Presidential Secretariat, Ministry of State Secretariat of the Republic of Indonesia.

2. Wicaksono Sarosa PhD

Wicaksono Sarosa PhD is a social-development expert and former coordinator of expert team for the preparation of Indonesia's new capital city planning. Since 2023, he served as Team Leader for the Capital Investment Planning (CIP) project under the National Urban Development Programme – a collaboration between the World Bank and Indonesia's key ministries.

3. Meuthia Ganie-Rochman PhD

Meuthia Ganie-Rochman PhD is an institutional and governance expert and former member of Special Task Force on Acceleration of Legal Reform/Anti-Corruption, appointed by The Coordinating Ministry for Political, Legal, and Security Affairs of the Republic of Indonesia.

Invited Resource Person

1. Setyo Budiantoro

Setyo Budiantoro is a senior public policy and sustainable development expert, currently leading the Economic Development Pillar at Indonesia's SDGs National Secretariat (Bappenas). As an MIT Sloan Global IDEAS Fellow, he continues to refine his expertise in policy innovation, sustainability, and systems transformation.



APPENDIX III:

List of Facilitator and Co-Fasilitator

1. Dr. Yanuar Nugroho

Dr. Yanuar Nugroho is a senior public policy expert, academic, and governance practitioner with over 20 years of experience supporting national development planning, innovation policy, and institutional reform across Southeast Asia. Dr. Nugroho specializes in aligning research and evidence with policy, using foresight and innovation approaches to strengthen development planning expertise.

Dr Yanuar Nugroho is a Visiting Senior Fellow at ISEAS – Yusof Ishak Institute. He was the former Deputy Chief of Staff to the President of Indonesia 2015-2019. He is also a lecturer at Driyarkara School of Philosophy Jakarta and Honorary Fellow at the University of Manchester, UK.

2. Dr. Dimas Wisnu Adrianto

Dimas Wisnu Adrianto is an academic, researcher, and practitioner in urban and regional planning with over 20 years of experience. Currently serving as the Executive Director at the NALAR Institute, he has contributed to policy improvements across metropolitan, regional, climate change, and environmental sectors and enhanced public service. Specializing in Foresight, Dimas has facilitated numerous workshops to promote innovative and adaptive policy development across various levels of governance.