Citizen Budget
Period 2022

Democratic Republic of Timor-Leste
Ministry of Finance
THE 2022 GENERAL STATE BUDGET (GSB)

The government of Timor-Leste promises to publish a citizen’s budget each year to ensure that citizens are informed of the state budget in an accessible way. It is designed by Ministry of Finance and seeks to inform citizens of the relevant aspects of the state budget, revenue to be raised and details of expenditure to be made.

The Government of Timor-Leste policies are guided by the Strategic Development Plan, with the objective of becoming an upper middle income country by 2030 to ensure that all citizens have access to basic necessity.

GOVERNMENT PRIORITIES FOR 2022

The approved Budget aims to finance the VIII Constitutional Government’s Program for the 2022 fiscal year. Six areas are defined as priorities for the 2022 Budget, as the Government’s mandate for the period of 2021-2023. Following the budget debate process, in December, the budget ceiling was increased to $1,943 billion (excluding Social Security). Below are the sequence of 6 (six) Government priorities for 2022.

### SIX GOVERNMENT PRIORITIES FOR 2022

1. **HOUSING AND SOCIAL INCLUSION**
   - $484 Million or 25% of the GSB
   - Housing
   - Clean Water
   - Electricity

2. **PRODUCTIVE SECTORS**
   - $370 Million or 19% of the GSB
   - Connectivity
   - Tourism
   - Environment
   - Agriculture

3. **DEVELOPMENT OF HUMAN CAPITAL**
   - $228 Million or 12% of the GSB
   - Health: $66 Million
   - Education & Training: $98 Million
   - $37.6 Million (plus some unused money from 2021)

4. **PRIVATE SECTOR DEVELOPMENT**
   - $97 Million or 5% of the GSB
   - Private Sector Participation
   - Facilitate Investment
   - Jobs Creation

5. **RURAL DEVELOPMENT**
   - $123 Million or 6.3% of the GSB
   - UKL
   - Promote Local Development
   - Strong capacity in all institutions

6. **GOOD GOVERNANCE**
   - $123 Million or 6.3% of the GSB
   - Fiscal Reform & Sustainability
   - Development of Key National Indicators
   - Public Financial Management Reform
Real gross domestic product is a measurement of economic output that accounts for the effects of inflation. Non-oil GDP does not include value added from the Oil industry.

A consumer prices index (CPI) measures changes in the average price level of a basket of consumer goods and services purchased by households. The change in CPI is inflation rate.

Forecast GDP 1.6% in 2021
Expected GDP to rise 2.7% in 2022

Inflation increased to 3.8% in 2021, then forecast to slow to 2.6% in 2022

Domestic revenue was $161.3 Million in 2021
Expected to $159.9 Million in 2022

ESI was $547.9 Million in 2021
Expected to rise $554.9 Million in 2022

Domestic Revenue is composed of tax revenues, fees and charges, interest on cash balances and revenues from autonomous agencies.

Estimated Sustainable Incomes (ESI) is the amount that can be withdrawn from the Petroleum Fund in 1 year in order to make sure the Petroleum Fund does not run out. It is set at 3% of the Petroleum Wealth.

New loans for 2022: $50.8 Million
To build
Seaport
Airport

Timor-Leste’s Petroleum Fund finances the majority of the state Budget.

For over 10 years the petroleum fund withdrawals have been greater than the sustainable amount (ESI).

The Government Timor-Leste is anticipating the depletion of the fund by creating Petroleum Fund investment portfolio into growth and liquidity.

Government Expenditure in 2022: $1,943 Billion

1. Rationalized the number of Government programs from 145 in 2021 to 45 programs in 2022
2. a) Focus not only on execution but also the results.
   b) Evaluates the program’s effectiveness and outputs through performance indicators and targets.
   c) Improves the efficiency and effectiveness of public expenditure.
   d) Increases transparency and accountability and enables data driven decision-making regarding resource allocation.
ECONOMIC RECOVERY PLAN

$244 Million for Three Major ERP Measures

- Electricity Installation: $90 Million
- Cooperative Production: $41 Million
- Village Development: $28 Million

BUDGET FOR MUNICIPALITY IN 2022

- Budget for municipality in 2022: $56.1 million or 4% from the GSB
- Atauro is becoming a Municipality in 2022

GENDER-RESPONSIVE BUDGETING

1. **GSB BY GENDER MARKER**
   - Principal $106.5M
   - Significant $472.4M
   - Not-Targeted $1,378B

2. **GSB BY CHILD MARKER**
   - Extended $307.6M
   - Specific $230.8M
   - Indirect $1,410B

3. **PROGRAM 980: GENDER EQUALITY & SOCIAL INCLUSION**
   - The Government has invested $233 Million towards a National Program promoting gender equality and social inclusion.

NATIONAL PROGRAM TO DEVELOP MUNICIPALITY IN 2022

1. National Direct Support $95 Million (Municipalities receive and implement)
2. National indirect Support $53 Million (National directly implement in the field)

- **UKL** $7M
- **PNDS** $17.6M
- **PDIM** $6M
- **PMOHA** $125,000

NATIONAL PROGRAM TO DEVELOP MUNICIPALITY PERIOD 2022

- Viqueque 8%
- Dili 2%
- Alieu 7%
- Ainaro 5%
- Ermera 13%
- Covalima 4%
- Baucau 13%
- Atauro 1%
- Bobonaro 19%
- Liquica 6%
- Lautem 8%
- Manatuto 7%
- Manufahi 7%
- RAEOA 4%
- PMOHA (Programa Nacional Dezenvolvimentu Suku)
- PDIM (Programa Dezenvolvimentu Integrado Munisipiu)
- UKL (Uma Kibi’it Laek)
- PNDS (Programa Nasional Dezenvolvimentu)
- PMOHA (Programa Movimentu Hafoun Aldeia)

OTHER INFORMATION


You can also access budget information on Budget Transparency Portal: [http://www.budgettransparency.gov.tl/].

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