



COMMITTEE ON PUBLIC FINANCES

REPORT AND OPINION OF INITIAL ASSESSMENT OF
PROPOSED LAW No. 2/III (1)
GENERAL STATE BUDGET FOR 2013

[roughly translated from Portuguese by La'o Hamutuk]

*For more information and additional documents (including Portuguese originals)
and analysis relating to the proposed 2013 General State Budget for Timor-Leste,
see <http://www.laohamutuk.org/econ/OGE13/12OGE13.htm>*

Dili, 28 January 2013



PARLAMENTO
NACIONAL
República Democrática de Timor-Leste

COMMITTEE ON PUBLIC FINANCES

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I. INTRODUCTION

1.1 Admission

The Draft Law (PPL) n. º 2/III – approving the General State Budget for 2013 was presented by the Government to the National Parliament on 18 December 2012, under the terms provided of Article 95.3(d) and (e), article 97.1(c) and article 145.1 of the Constitution.

As provided in Article 162, Rules of the National Parliament, the proposed law for each fiscal year is presented to Parliament by 15 October, which is not the case here. However, considering the recent approval of the Rectification Budget, following significant changes to the organic government decided by the new executive, that delay can be understood as justified.

By order of His Excellency, President of the National Parliament, dated December 19, 2012, that same proposal was accepted, and was handed down to the Committee on Public Finance for issuing the Report and Opinion, and to the other Parliamentary committees, for the purpose of issuing sectoral opinions pursuant to the rules, as provided in Article 163 of the Rules.

1.2 Preview and appointment of rapporteur

The Committee considers that it has jurisdiction in the matter, to enjoy the legislative initiative allowed in formal terms and in relation to its content material.

Rapporteurs were designated Her Excellencies Maria Angelica R. C. dos Reis of the FRETILIN Parliamentary Bench and Izilda M. L. Pereira Soares, the CNRT Parliamentary Bench.

In preparing this report we observed, with adaptations, the provisions of Article 34 of the Rules.

1.3 Public Hearings

Under the rules, public hearings were held between 10 and 21 January 2013, in which the following entities were heard:

- The government as represented by their Excellencies the Ministers of Finance, State Administration, Petroleum and Mineral Resources, Public Works, Education, Health, Trade, Industry and Environment, and Tourism and the respective Secretaries of State;
- The Central Bank of Timor-Leste;
- The National Development Agency;
- The National Procurement Commission;
- The Major Project Secretariat;
- The Petroleum Fund Consultative Council;
- The National Petroleum Authority;
- The Public Company Timor GAP;
- The non-governmental organization Lao Hamutuk.



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During these hearings, the public and private entities referred to above, had the opportunity to express their views and inform MPs about their position in relation to Proposed Law no. 2/III (1.ª).

In addition to the information collected under the above hearings, the Committee decided, by consensus, to address a request for written information to the Ministers of Justice, Transport and Communications, and Tourism on the execution of public revenue under their responsibilities for the period between 1 January and 31 December 2012, and to the President of the National Parliament, a request for information on budget execution of this sovereign body for the same period and the analysis of inconsistencies detected between the proposed budget and the Private Budget for 2013 which was approved by the PN.

In order to complement the public hearing of the Minister of Finance with respect to budget execution in 2012 (sic), Committee C requested it she add to information already provided, a statement of the execution of State Revenues in 2012 and a statement of cash flows of open official Treasury accounts at this time, so that the information could be analyzed and included in this Report and Opinion.

The Committee notes that all Ministries and Agencies contacted by the Committee forwarded the requested information, lacking only the statement of cash flows from Treasury accounts, relative to 2012.

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II. LEGAL FRAMEWORK

The National Parliament, in constitutional terms, is responsible, in addition to the primary functions of representation and legislative activity, to monitor and supervise the executive, keeping the Government responsible, especially in financial and budgetary matters.

Under the joint terms of Articles 115.1(d) and 145.1 of the Constitution, and article 30.1 of Law no. 13/2009, October 21 - Law of Budget and Financial Management, the proposed State Budget is the exclusive initiative of the Government and shall be submitted to the National Parliament, in the form of the bill, by 15 October of each year. However, since the new government was formed in the second half of 2012 following legislative elections, that term does not apply to the State Budget for 2013, in accordance with Article 30.2(b) of Law no. 13/2009 of 21 October.

In terms of substantive law, the budget system, in addition to the Constitutional framework, is also governed by Law n. 13/2009 of 21 October - Budget and Financial Management.

Enjoying the PPL n. /III (1) in light of the requirements that must obey to be admissible, it appears that it complies with the provisions of Article 92, 96.2, 98 and 162 of the Rules, considering that it is written in Portuguese language, in the form of articles, contains a title which reflects its core purpose and is accompanied by an explanatory memorandum being submitted in accordance with the provisions of Article 34 cited above of Law no. 13/2009 of 21 October.

With regard to its external configuration, as act or normative instrument, the bill under consideration obeys, in general, the essential legislative rules, as well as the applicable legal and procedural rules, in particular those arising from article 34.2 of Law no. 13/2009 of 21 October and Article 167 of the Rules.

The Committee, therefore, complies with the formal requirements for submission of bills, as provided by law and the Rules.

With regard to organic requirements, it is exclusive parliamentary legislative competence pursuant to Article 95.2(q) and article 145.1 of the Constitution of the Republic, the that Parliament is the appropriate body to decide.

With regard to material content, we do not see any issues that compromise the viability of the proposal as such, that it, which should have given their non-admission, given the necessary requirements. Note, however, some terminological vagueness and in this regard, the Committee follows the view expressed in the technical note prepared under Division of Plenary Support (Technical Note no. 1/2013/DIPLN), which is hereby reproduced by and is attached, suggesting the collection of suggestions that are contained therein, for its usefulness and relevance.

Even with regard to the normative content, it appears that, under the proposal - Article 4 - the amount to be withdraw from the Petroleum Fund for credit in the State Budget for the year 2013, of \$1,197.8 million U.S. dollars (hereinafter designated only as dollars) which exceeds by \$410.8 million the limit of the Estimated Sustainable Income, which stood at \$787 million, for the same year and in accordance with Law no. 9/2005 of 3 August - Petroleum Fund Law, according to information released by the Ministry of Finance in the documentation attached to the budget proposal.

In light of the applicable legal framework, as has been said before regarding the proposed State Budget for 2012, this possibility depends on a parliamentary decision taken in strict accordance with the provisions of Law no. 9/2005. This means that it is up to Parliament, having been acquainted with the elements foreseen



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by law, to judge whether the reasons to consider transferring an amount greater than the Estimated Sustainable Income as being in the *long term interests of Timor-Leste* are justified in enough detail.

As set by law, the parliamentary decision in this context necessarily involves a judgment or evaluation of a political nature, but also based on consideration of factors of economic and financial nature, being the MPs who must verify the legally enforceable requirements for transferring above the Estimated Sustainable Income. Naturally, the question can and should also be discussed in the economic and financial outlook, as is done later in this report.

Thus, in a strictly legal sense, we see nothing that would impede the appreciation and vote in plenary part of the proposal, in accordance with laid down in Articles 166 and following the Rules of Procedure.

III. MACROECONOMIC FRAMEWORK

In Book 1 - “Budget Overview” accompanying Proposed Law no. 2/III (1) - “State Budget for 2013”, the Government outlines the domestic and international economic outlook for the year 2013, based on data published by the National Statistics Directorate, in the document “National Accounts of Timor-Leste between 2004 and 2010” in May 2012 and the data retrieved from the document “World Economic Outlook”, October 2012, produced by the International Monetary Fund.

For the preparation of this Report and Opinion, Committee C took into consideration not only the important macroeconomic information provided by the Government in aforementioned Book 1 but also other sources of economic information, such as reports published by the Central Bank of Timor-Leste (BCTL), World Bank (WB), the United Nations Development Program (UNDP), the International Labor Organization (ILO) and the Food Security Agency of the United Nations (FAO), in addition to contributions furnished by entities and Public agencies invited by the Committee for the seminar “State Budget - Outlook for 2013”, which took place on January 9, 2013 in Dili, and public hearings held by the Commission later while seeking an initial assessment of the proposed budget for 2013.

Generically, the concept of macroeconomics can be defined as follows: *“economic approach that focuses on studying the aggregate behavior of an economy, especially in relation to production, income generation, resource use, the behavior of prices and external trade. The principal objectives of macroeconomics are economic growth, full employment, price stability and control of inflation.”*

This definition brings out the most important indicators for measuring economic development, taking into account some macro analysis that intends to quantify economic growth (usually measured by GDP), prices of goods and services, unemployment and level of inflation. However, when we refer exclusively to economic growth alone we cannot determine the stage of development of a nation. To this must be equally considered a set of other indicators such as birth rates, life expectancy at birth, the average life expectancy of the population, the level of education, sanitation, etc. These human dimensions have been studied, among others, by the United Nations Development Program (UNDP), consisting of its annual reports. The latest available report is 2011.

It is for this reason that later in this Report and Opinion shall give attention not only to the main macroeconomic indicators of Timor-Leste, but also to the Human Development Index (HDI).

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3.1 INTERNATIONAL ECONOMIC OVERVIEW

3.1.1. ECONOMIC GROWTH

According to the analysis prepared by the Executive which appears in Book 1 that accompanies the proposed GSB law OGE for 2013, global economic growth will continue to be lower than desired levels and its evolution since 2010 is as follows:

Table 1 - World Economic Growth between 2011 and 2013

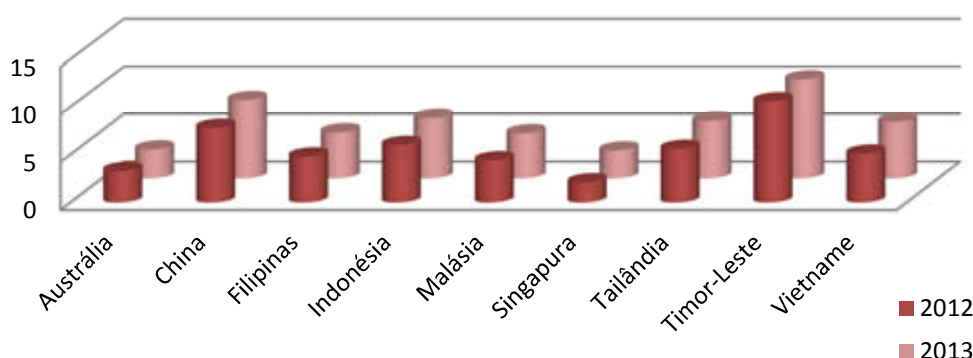
2010 real	2011 real	2012 real	Projected 2013
5.3 %	3.9%	3.3 %	3.6 %

Source: Ministry of Finance

The still moderate economic recovery that began to show up from 2012, resulted from the fact that the financial crisis that hit advanced economies from 2008 (and which still persists in the Eurozone), is being offset by a strong growth performance of Asian countries.

The growth rates of Gross Domestic Product (GDP) of the Asian region projected for 2012 and 2013, according to the National Bureau of Economic Policy of the Ministry of Finance, indicate mean values of 5.5% in 2012 and 5.8% in 2013, with Timor-Leste in the lead, with a rate exceeding 10% for any given year (for the non-oil sector), immediately followed by China. However, from our point of view, the double-digit growth expected for the non-oil economy of Timor-Leste in 2013, should be read with some caution and its scale in relative terms. Figure 1 reflects the evolution of GDP in Timor-Leste and in neighboring Asian economies between 2012 and 2013:

Graph 1 - GDP growth of major Asian economies between 2012 and 2013 (%)



3.1.2. UNEMPLOYMENT

In 2012, global unemployment soared, “leaving 197 million people without jobs”, representing more than four million over the previous year, according to the International Labor Organization (ILO).

In 2013 unemployment remains very high in the U.S. and Europe, and worldwide, surpassing the level of 202 million people, beating the all-time record of 199 million that it had set in 2009, according to the latest ILO



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estimates. In its annual report on global employment trends published in Geneva, the ILO provides that “despite a moderate recovery in output growth” expected for this year and next, “the unemployment rate is expected to rise again, and the number of unemployed in the world, will increase by 5.1 million in 2013, and three million in 2014.”

3.1.3. PRICES

According to government forecasts, the average price of a barrel of oil on world markets in 2012 will be \$106, dropping to \$105 the following year. The market predictions point to a downward trend in oil prices in the medium term, which will be continued by expectations of reduced global demand and a trajectory of increasing oil production.

With regard to the dynamics of prices of agricultural products, the latest figures from world markets point to some stability in 2013. The crisis that has led to increased volatility in food prices and food insecurity in the past five years, should be avoided in the short term, according to the available macroeconomic data (Book 1 of the State Budget for 2013).

The index of food prices fell slightly in December 2012, led by declines in the prices of cereals and oils, 7 percentage points compared to 2011, but still at historically high levels. According to the UN Food Security Agency (FAO), food prices should remain at historically high levels in 2013, despite the market situation will probably be calmer than the previous year, after a price spike in the summer, driven by drought in the United States (the largest soybean and corn producer in the world) in 50 years, causing concerns about a new food crisis. In summary, agricultural prices are high and will remain so in 2013, yet showing some stability under normal conditions.

As to the demand for food worldwide, it will only become greater in 2014, reducing the risk of supply shocks due to better coordination among exporting countries, it is expected that South America gets high yields, with record harvests in Brazil, this country that could surpass the United States as the largest global producer.

3.1.4. INFLATION

The evolution of world prices for agricultural products will have a strong impact on inflation in importing countries, such as Timor-Leste. We expect that the world inflation rate has dropped to 3.5% from 2012 to 2013, for the vast majority of world economies, as the result of a contraction in consumer demand, which can reach up to 5.8%, according to government projections. However, market volatility has been a constant and the situation can be changed.

3.2. NATIONAL MACROECONOMIC OVERVIEW

Contrary to what would be desirable, the proposed budget for 2013 still does not relate public investment by each Ministry, with its contribution to the economy, there is no also no connection between projected expenses, the macroeconomic environment and production. Also negative, the fact that the Executive had made no allusion to the impact the end of the UNMIT mission will have in terms of unemployment and domestic inflation, especially in the city of Dili.

3.2.1. ECONOMIC GROWTH

Economic growth is closely related to the Gross Domestic Product (GDP), a measure of economic performance that is the sum of the values of all goods and services produced by a country during a year



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(private consumption, total private sector investment, state expenditures, the difference between imports and exports). Only real GDP truly translates as economic growth, by discounting the nominal GDP for inflation.

Until now, the economy in Timor-Leste is dominated by the oil sector (which in 2013 will pay for 67% of public expenditure), total real GDP in 2012, \$4,430.6 million, which falls short of values recorded in 2011, and reached the peak of about \$4,500 million.

Regarding the evolution of the non-oil economy between 2005 and 2011, preliminary estimates of the government show that real GDP will have risen 10.8% in 2011, reflecting the growth in the construction sector, strongly driven by public investment, rising 10.6% more in the following economic period. Since agriculture has been declining in real terms in the last two years, we hope with the Executive that the situation will be reversed as a result of the recovery in rice and corn production, which in 2012 will surpass domestic consumption.

Effectively the primary sector (agriculture, fishing, etc.) Has reduced its weight in the economy of Timor-Leste in recent years, to the detriment of the tertiary sector (services), while the secondary sector (industry) still has a residual weight, which represents slightly more than 10% (2010 data).

The Government shows its intention in the medium-term to develop the essential non-oil economic sectors such as agriculture and tourism and reduce inflation over the medium term to below 8%, a somewhat ambitious goal, but still difficult for Committee C to applaud.

3.2.2. UNEMPLOYMENT

According to the latest study of the Active Population (EPA) published in 2010, the characterization of the population of Timor-Leste is as follows:

Table 2 - Characterization of the population of Timor-Leste in 2010

Active population	262,000
Employed Labor force	252,000
Unemployed Active population	9000
Percentage of inactive people over 15 years	58.3%
Percentage of employed persons in urban areas	27.9%
Percentage of employed persons in rural areas	72.1%
Percentage of employed males	68.2%
Official unemployment in Timor-Leste	<4%

According to information provided by the Central Bank during its public hearing before the Committee, according to that entity supported by several studies on labor issues (2010 data), the number of young people aged 15 or more totals 366,000, of which 58% are inactive or unemployed, such as not participating in any economic activity. These data bring the need to reflect on ways to develop a stable formal sector to absorb this workforce.



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3.2.3. PRICES

As has been noted in previous Committee reports, developments in world prices for agricultural products have a strong impact on domestic inflation of Timor-Leste, as the weight of food and beverages (mostly imported) on the consumer price index (CPI) in the country corresponds to approximately 60% of total household expenditure.

The Consumer Price Index (CPI) is an economic instrument for measuring inflation through prices of key goods and services that are consumed by households. The evolution of the CPI reveals that in the case of Timor-Leste, since 2009, the average annual inflation rose from less than 2% to 13% in 2011, according to data from the Statistics Directorate of the Ministry of Finance.

In the short term, there are still uncertainties about demand and supply of food products in world markets and in the medium term price volatility of these products will continue to demand policies of governments that minimize the negative effects that result from, among others, population growth, rising incomes in emerging countries, energy prices associated with production and distribution, climate change etc., resulting in increased demand for agricultural goods.

In the case of Timor-Leste it is essential to increase domestic production of food and in this way reduce dependence on imported products, investing directly in irrigation projects, training and research (*Book 1, page 17, the Draft Law on 2013 State Budget*).

3.2.34. Domestic inflation

On page 22 of Book 1 of the Proposed OGE2013 Law, discussing the causes of domestic inflation, the Government states that the main reasons for inflation in Timor-Leste are depreciation of the dollar against the currencies of major trading partners, increased commodity prices, especially food and increased domestic demand driven by strong public investment.

Inflation is one of the greatest economic scourges and, in the case of Timor-Leste is particularly worrying, since in recent years it has reached extremely high values. Properly identifying the causes and implementing necessary corrective action is essential and urgent, since the growth of inflation has a perverse effect on the purchasing power of the population and therefore reduces their standard of living.

The Government estimates for 2013 an inflation rate of 7.6%, a value significantly below the projections made by the Central Bank, pointing to 8-9% in 2013, at the public hearing with Committee C. Regardless of this discrepancy of values, it is an important goal for the people of Timor-Leste, which will increase the ability of people to access essential goods. We point out that inflation in 2012 should have reached 12% after having been fixed at 13.5% in 2011. Eventually the decision to keep the overall value of the next state budget very similar to 2012, relates to an effort by the government to control the inflation figures. The Committee welcomes the beginning of the review process of the basket of goods used to calculate CPI in Timor-Leste.

3.2.4. HUMAN DEVELOPMENT INDEX

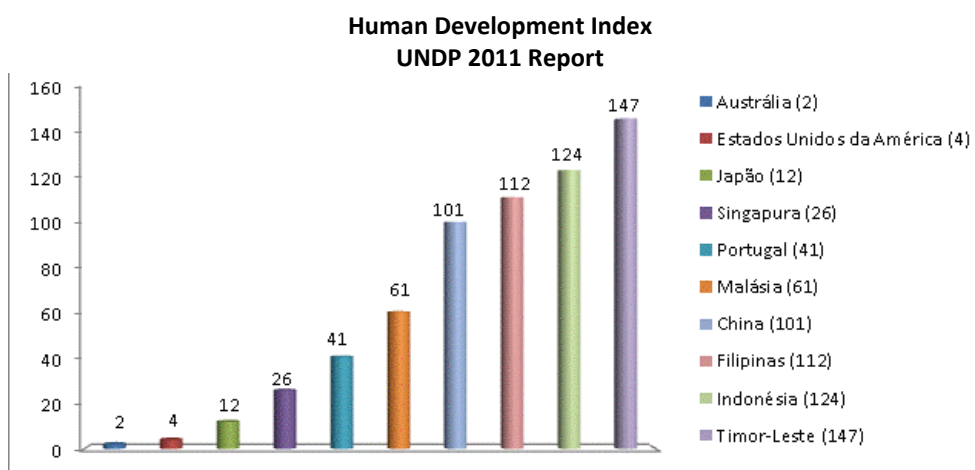
The nation of Timor-Leste ranks 147th in terms of Human Development Index (HDI) and its position compared with that of its major trading partners, is presented in Figure no. 2.

In the 2011 Report of the United Nations Development Program (UNDP), the Human Development Index (HDI) is defined as *a summary measure of human development. It measures the average achievements in a*

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country in three basic dimensions of development: a long and healthy life, access to knowledge and a decent standard of living. The HDI is the geometric mean of normalized indices measuring achievements in each dimension.

Graph 2 - HDI of Timor-Leste compared to its economic partners



The observation of the chart allows easily to conclude that the Human Development Index of Timor-Leste (which puts the country at 147th place in the world ranking) is still far from the minimum acceptable levels, even though the Timor-Leste economy continues in its strong growth trajectory.

IV. ECONOMIC AND FISCAL OBJECTIVES

The Government's national priorities for 2013 were listed by the Minister of Finance in her speech in the Seminar "State Budget - Budget for Panorama 2013" organized by the Committee to start the budget procedure in the National Parliament concretely, the continuation of the program of the previous government. investment in health and education, agriculture, social inclusion, security and decentralization.

The translation of the financial of economic policies of the Government for 2013 is this proposed law on the State Budget, the tables in Annexes I to V:

- Annex I - estimated revenue to be collected by autonomous services and funds;
- Annex II - expenses resulting from the transfers made to the autonomous funds and special funds and anticipating their autonomous expenditure of funds;
- Annex III - budgets by category of expenditure of autonomous services and funds that are financed by their own revenues;
- Annexes IV and V - appropriations for the Infrastructure Fund and the Human Capital Development Fund.

The Government has decided not to set concrete, measurable targets for poverty reduction, linking to the policy options in the proposed budget. In the debate on the generality of proposed state budget it would be important for the Government to clarify to the PN on the direct and indirect impacts on the improvement of living conditions of the population, associated with public expenditure to be made in 2013.



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The control of inflation is one of the concerns highlighted by the Government and their expectations are, as already mentioned, to an average rate of 7.6% in 2013 which, in the perspective of the Central Bank of Timor-Leste, is too optimistic a forecast and is far from its own forecasts which point to higher levels of inflation. The goals of Government is still interesting, but will be difficult to achieve in such a short space of time, given the escalating inflation seen in recent years, the continuing trend of devaluation of the exchange rate of the U.S. dollar.

Another bet identified by the Government for 2013 is the strong investment in human capital, in order to increase the qualification of human resources, supported by the Human Capital Development Fund (HCDF). In 2013 the funding for technical and vocational training, scholarships and other training can maintain a residual share in the state budget, accounting for only 2.5% of OGE 2013, with a maximum allocation of \$42.448 million, after including the balance of \$8.549 million left over from 2012, for lack of enforcement. Committee C believes that human resources are strategic to the economic development of Timor-Leste, therefore meriting further attention and suggests that the Government invests more strongly in this component.

It is observed that the Government remains committed to the development of basic infrastructure such as the electricity grid, sanitation, water supply, construction of roads, bridges and ports but it is important now to determine what failed in the years 2011 and 2012 with the infrastructure projects that reduced fulfillment of the economic and social return on these investments.

The high dependence on imports, in relation to the acquisition of specialized equipment and services for infrastructure production leaves weakens the national economy, further contributing to the increase in imported inflation in Timor-Leste, therefore, a planned bet and continuing qualification of human resources in strategic technology-driven areas, as well as vocational, will change the negative trend of the trade balance in favor of Timor-Leste.

V. STRUCTURE OF THE STATE BUDGET FOR 2013

5.1. REVENUES

The Ministry of Finance has referred in last January 24th to information requested by the Committee on the revenue collected until December 31, 2012, the cash balances in existing accounts in the Treasury at the end of the year and the amount of interest earned on deposits in the statutory accounts 2012. However, until the date of approval of this Report, the statements of cash flows from the Treasury accounts relating to 2012, still remained missing and it is necessary to send this information to the Committee before final approval of the overall state budget for 2013, as well as, the projected cash flows of the Treasury accounts for the following year.

The sources of state funding aimed at ensuring the realization of economic, social, environmental, security and national defense, justice, etc., keeping the administrative machinery of the state operational, developing the state business sector and providing for infrastructure construction that fosters economic growth and sustained development of the country, creating greater wealth for the population and raising the productive sector.

For the year 2013 the state estimates generating total revenue of \$2,987.8 million, of which \$2,797.9 million will be raised from oil revenues and only \$146.3 million in domestic revenue (tax and non-tax) to finance its



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expenditure, which in total will reach the level of \$1,997.9 million dollars (including contributions from Development Partners). Needless to say that 67% of public expenditure will be borne directly by the Petroleum Fund and the remaining costs will also be indirectly financed by this Petroleum Fund (via the balances carried forward from Special Funds which represent 2.3% of the State Budget for 2013) and by revenues produced by other economic agents (primary, secondary and tertiary) in addition to the loans contracted by the state.

The Estimated Sustainable Income (ESI) calculated for 2013 stands at \$787 million, representing an increase of 18.3 percentage points over the same period. The calculation of ESI for each year is based on a set of assumptions that “reflect international best practice and is based on recognized international standards”, but do are not yet free of assumptions that may change due to the volatility of financial markets, the *commodity* markets and changes in expectations of economic actors, among other factors. This means that the estimates may over time prove to be incorrect by changing the net present value of future income of the Fund, higher or lower.

The Government has chosen to withdraw large sums annually from the Petroleum Fund above the ESI and should take its future sustainability into account. Withdrawals made since the creation of this Fund already exceed \$5 billion with the 2013 budget and do not denote government’s intention to slow down the pace of withdrawals in the coming years (see p. 53 of Book 1 that accompanies the proposed State Budget for 2012). In 2012 the government chose to withdraw from the Petroleum Fund above their actual needs, confirmed by budgetary execution in that year. This decision is questionable, given that the level of predictable performance for each of the three funds at the end of the year and is also not justified because the Treasury bank accounts offer a lower return than that which can be obtained through the Petroleum Fund.

The pace of current and future withdrawals and the prospect of early exhaustion of the Petroleum Fund, led the Government to amend the investment policy associated with it, changing the law so that it can diversify the investment structure of the Fund, up to 50% of the same. The rate of return of the portfolio of fixed income securities, despite offering an interest rate lower in relative terms than the international equity portfolio (equity), has proportionately a much lower risk, beyond that financial speculation in the U.S. and Europe had the unfortunate, well known outcome. For these reasons, the Committee would again suggest special caution in relation to the latest investment solutions for the Petroleum Fund.

On December 31, 2012 (preliminary figures) the Treasury holds in deposits \$817,662 million, of which \$341 million was from the accounts of the Consolidated Fund of Timor-Leste. This is a substantial availability will allow, if the PN so come to understand, reduce the need to finance by withdrawing more than ESI from the Petroleum Fund in 2013. In turn, the analysis of the interest received in 2012 by the three Funds, FCTL, FI and HCDF (\$150,296 total) to suggest that the rate of return for these cases is extremely small. It is important to clarify the matter with the Minister of Finance, which was the average interest rate that deposits earned in 2012.

The execution of the tax revenue was very positive (105%) in 2012. Worse performance was achieved in non-tax domestic revenue, with just over \$37 million (corresponding to 91% of execution) for the whole economy of Timor-Leste.

The Ministry of Finance sent Committee C a table with the distribution of revenue sources for the corresponding items executed through the end of 2012. This information allowed us to cross the data provided on the same date by the Ministries of Transport and Communications, Justice and Tourism on the revenues collected by the entities they supervised that generate revenue for the state. None of the values



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coincided in both information sources and the situation is worrisome. It seems important to question and clarify the information that was sent to Committee C.

Regarding support estimated for 2013 from Development Partners (DPs) in the form of grants on goods and services for ongoing and planned projects, amounting to \$200.4 million, representing about 10% of the total Combined Sources Budget, which these contributions increase to \$1,997.9 million dollars (p. 25 of Book 1 OGE 2013). In Budget Paper No. 5, page 5, the Executive states that “it is expected that the DPs will provide a total of \$216.3 million to Timor-Leste in 2013,” that this amount includes \$203.4 million relating to grants and \$12, 9 million in loans for two projects. It continues that “the concessions are currently categorized as extra-budgetary support,” but without giving any explanation for this new procedure, which is expected to continue in the future. It appears that the two books differ on the budget amount of support from the part of DPs, while Book 1 refers \$200.4 million, Book 5 records \$203.4 million and this issue deserves further clarification from the Government.

Table 2.6.3.1. of Book 1 provides information on Government borrowing, its object, debt maturity and fixed interest rates and their variable components. The law requires that in addition to this information, be provided an estimate of the total amount of interest payable over the life of each loan, and this requirement was not met by the Government in its budget proposal. The matter in question is relevant to the assessment of the PN and should be provided prior to the debate in speciality of the proposed state budget for 2013.

The Government chooses well in view of this Committee, to fund part of the costs assigned to the two special funds with balances carried forward from the previous year: \$401.263 million for the Infrastructure Fund (excluding the loan approved but not used 2012, amounting to \$43.1 million) and \$8.549 million for the Human Capital Development Fund but, what at first glance that might have served to reduce the use of the Petroleum Fund revenues, rather than to serve increase spending in both funds, when there leaves the notion that 2013 will have a strong chance of being located at the level of the previous year, taking into account the experience of the recent past. The information in the tables of PPL n. 2/III/1 (Annexes IV and V) induces even the erroneous readings, leading to the conclusion that the total expenses of the Special Funds in 2013 will be lower and that only due to integration of balances, total expenses will increase. In place of the final revision of the budget law, it is suggested to correct the statements of expenditure in Annexes IV and V, the column heading “Balance brought forward”, to read as follows: “Expenditure financed by balance brought forward.”

What was said before leads to an interesting conclusion: the government intends to use as the prime source of funding, the balances carried forward from previous years of Special Funds, although the same is not happening with the remaining balances of the Treasury accounts (expense realized in earlier years from the Consolidated Fund of Timor-Leste) or with the interest earned by these deposits (Book no. 1, p. 57).

In turn, it will be desirable that withdrawals above the ESI from the Petroleum Fund do not serve to establish once again a “reserve” in the Infrastructure Fund for the future, during the year 2013, to serve to finance additional current expenditure from the Consolidated Fund, using a new rectification budget.

Even with respect to revenue sources, reference should be made to the loans already approved with Development Partners, to fund ongoing projects in the amount of \$12.9 million (Book 5, page 5) and that “they are considered support within the budget.” This raises doubts about the respective ledger and statements of financing and revenue (Table II of Annex I of the proposed budget), and at first glance, this value was not contemplated. The loan of about \$43.1 million funding foreseen to finance the 2013 State



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Budget was already authorized in the previous year and only \$ 500,000 was added to the loan amount for 2013.

Another form of state funding goes through Public-Private Partnerships and the Government has finalized a policy and legal framework on Public-Private Partnerships (PPPs). These typically involve contracts between the State and the private sector, through which the latter drives a huge project for which they hold the necessary know-how and assume the financial risks in the short term, entering almost all the initial investment burden which the state will assume, years later, for a very high price. The state currently has two PPP projects underway in Timor-Leste (Dili airport and construction of Tibar Port), and is preparing to sign new agreements of this type. This is a very sensitive subject which, in Committee C's perspective, the National Government and Parliament should give careful attention to, promoting advance discussions to clarify the assumptions of each PPP and monitor the risk of these businesses to future generations, that will pay, and promote joint monitoring of processes. The PPP's bore major responsibility for the current financial situation in Portugal, and the same happened with other European countries.

It is important here to point out the reduced contribution of non-oil revenues to Gross Domestic Product (GDP). The \$146.3 million (tax and non-tax income), which are expected to raise tax and non-tax domestic revenue account for in 2013 (8% of global GSB) are just a "drop of water" and the Government will need to begin rethinking a new model of state funding. The increase in the tobacco tax, the passage of the entire sector of social games to the jurisdiction of the state, creating additional income by the Radio Television of Timor-Leste (sale of advertising space) and the National University of Timor-Leste (rental of premises and promoting play-teaching events, for example), increased oversight of economic activities, increased taxation on the income of companies and workers (by scale), a more effective control on tax evasion, etc.

Regarding "self-funded" entities which are in name only, because they depend almost entirely of injections of public money, besides that its budget management is beyond the control of the National Parliament, not integrated inside the perimeter of entities subject to regular parliamentary oversight. The revenue collected by them during the year should revert to finance them during the following year, because that's the process of self-financing. It is urgent to look into this matter and eventually change the legal framework to ensure greater transparency and profitability of those entities.

5.2. SPENDING

The overall expenditure of the State, scheduled for 2013, is \$1,797.5 million, not counting contributions from Development Partners and their distribution among the various Funds, the Consolidated Fund of Timor-Leste (CFTL), Infrastructure Fund (FI) and Human Capital Development Fund (HCDF) is contained in the following table:

Table 3 - Distribution of State Expenditure for 2013

Type of Fund	Amount (millions of USD)	Relative %
Consolidated Fund of Timor-Leste (CFTL),	1,002.2	55.7%
Infrastructure Fund (FI)	752.9	41.8%
Human Capital Development Fund (HCDF)	42.4	2.5%
Total expenditure in GSB 2013	1,797.5	100%

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The option for government to reduce spending on capital development (including all costs of infrastructure) in the next financial year, from \$1,000 million to \$891.9 million, reflects less an adjustment in planning in view of insufficient execution in 2012 (Infrastructure Fund held only 51.4% of the budget, in the case of existing commitments still originate payments until the end of the additional period and the category of Capital Expenditure allocated to the Consolidated Fund of Timor-Leste also presents for the period, short of an execution scheduled to reach at most 82.5% of the programmed expenditure) and more a way to nullify the effect of the increase made in current expenditure.

The 2013 Expenditure Budget reflects a reduction of \$9.0 million, what appears to be an effective effort to control government spending, but in reality it is a small part of the total. The Government has been increasing all recent expenditure items year after year and compensates for this growth in 2013 using the contraction of capital expenditure growth. The methodology is similar to that used by the Government to the State Rectification Budget of 2012, supporting operating expenses and transfers to the detriment of public capital projects (p. 5 of Budget Book. 1).

5.2.1. Consolidated Fund of Timor-Leste (CFTL)

The state agencies that contribute most to spending CFTL are, in order of magnitude, the Ministry of Public Works, Social Solidarity, the Prime Minister, Ministry of Education, Ministry of Finance, Ministry of Defense and Security and the Ministry of Health. Taken together, they represent 73% of total CFTL appropriations for 2013:

Table 4 – Expenses to be made in 2013 by the Ministry and other Government Services from CFTL

Unit: USD

CFTL – Ministry / State Secretariat / Other	GSB 2013
Presidency of the Republic	6,633,000
State Minister and Presidency of the Council of Ministers	3,318,000
Secretary of State for the Council of Ministers	1,314,000
Ministry of Finance	25,483,000
Ministry of Finance, Whole of Government	70,457,000
Prime Minister	103,446,000
Office of the Deputy Prime Minister, Coordinating Social Affairs	1,137,000
National Parliament	14,477,000
Secretary of State for Parliamentary Affairs	251,000
Ministries of Foreign Affairs and Cooperation	27,403,000
State Secretariat for Institutional Strengthening	697,000
Civil Service Commission	4,129,000
Ministry Of State Administration	47,649,000
Secretary of State Support and Promotion of the Private Sector	3,793,000
National Elections Commission	4,231,000
Ministry of Justice	16,570,000



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CFTL – Ministry / State Secretariat / Other	GSB 2013
Courts	3,329,000
Anti-Corruption Committee	1,448,000
Prosecutor-General's Office	3,505,000
Provedor for Human Rights and Justice	2,145,000
Secretary of State Policy of Vocational Training and Employment	12,853,000
Ministry of Social Solidarity	147,663,000
Secretary of State for the Promotion of Equality	1,867,000
Ministry of Youth and Sports	4,578,000
Ministry of Social Communication	1,593,000
Ministry of Commerce Industry and Environment	15,582,000
Ministry of Petroleum and Mineral Resources	9,301,000
Ministry of Agriculture and Fisheries	24,176,000
Ministry of Tourism	6,088,000
Health Ministry	61,508,000
Ministry of Education	91,827,000
Ministry of Education - National University of Timor-Leste	10,904,000
Ministry of Public Works	192,821,000
Ministry of Transport and Communications	12,359,000
Ministry of Defense and Security	64,507,000
Radio and Television of Timor-Leste (RTTL)	3,153,000
Total	1,002,195,000

The entry for “Appropriations for whole of government,” highlights the Contingency Fund with a high budget, which the Committee believes is unjustified. In recent years the use of these funds by most Ministries, has little to do with the essence of contingency funds that the Law of Budget and Financial Management defines as “urgent and unavoidable expenses.”

A special note on execution of the National Parliament budget in 2012 and for the Government's proposed budget for the PN for 2013. The total amount for the PN, \$15.569 million approved for 2012, was 76.4% executed, and the reason relates to the long period of disruption of parliamentary proceedings at the end of the Second Legislature. For this reason, the balance at the end of the year is 23.6%. For the remaining balance, the categories of “Goods and Services” and “Minor Capital” are main contributors. In “Minor Capital”, the PN inscribed for 2012, the funds required for the purchase of new vehicles for the MPs and communication equipment and the amount not spent by the end of the year reached 23.6%, because the vehicle delivery dragged on until December 2012, and therefore only the inspection report was completed in January 2013 and for this reason it is necessary to re-budget that amount (\$1,020,600) for the year 2013, being considered in the specialty of PPL no. 2/III 9 / (1). As for the expense category of “Capital Development”, the amount of \$80,000 which is contained in the PN budget for 2012, the result of a promised amount which was not yet paid by December 31, 2012, in relation to construction work already completed in the official residence of the President of PN, such as walls, railings, etc., whose request for

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payment was requested to the Ministry of Finance before the end of this year but has not been timely processed.

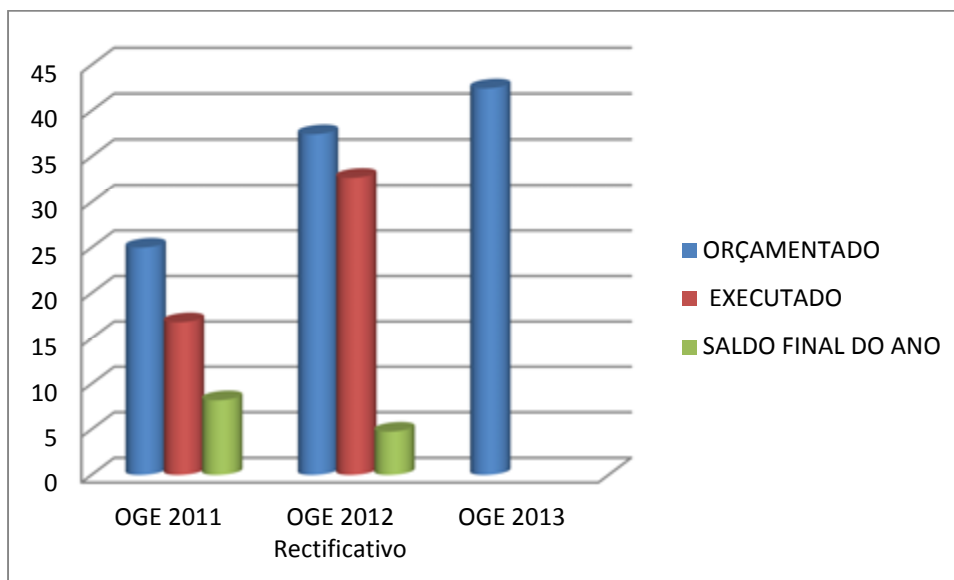
As for the PN Private Budget for 2013, the information included in Book 2 does not match what had been previously approved by the PN and remitted to the Government. The first situation can be rectified through an errata to Book 2, but the Annex 2 to the draft law itself (p.9) also has implications for improprieties that have in their own budgets, and should be corrected during consideration in specialty of PPL n. º 2/III (1), in agreement with the resolution of PN which approved its Private budget for 2013 and appearing as Annex III to this document.

5.2.2. Human Capital Development Fund (HCDF)

The Human Capital Development Fund (HCDF), established by Law no. 1/2011 of 14 February and regulated by Decree-Law no. 12/2011 of 23 March, aims to fund multiannual training programs and projects and qualification of human resources, with a view to boosting the development of State staff, and thereby, promoting national development in various areas, such as Health, Education, Finance, Justice, State Administration, territorial Planning, Natural Resources, Training and Employment, Youth and Sport, the PNTL and F-FDTL.

The following chart shows the evolution of HCDF from the moment of its creation in 2011 and leads to the conclusion that it has been growing, albeit slightly compared with other State Budget expenditures.

Figure 4 - Changes in Fund Human Capital Development (2011-2013)



The HCDF includes four different programs: Training, Technical Training, Scholarship and Other Development Programs.

The table below was built from the budgetary execution of the HCDF as of December 31, 2012, Annex V of the proposed state budget law for 2013 and page 3 of Budget Paper No. 6, because the information is scattered and incomplete in each of these documents:

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Table 5 - Status of the Human Capital Development Fund (2012-2013)

Unit: million USD

Allocation at end of 2012 (after rectified GSB)	Expenses incurred in 2012 (paid, obligated or committed)	Maximum amount to be carried over for 2013 according to the statement of budget execution to December 31, 2012	Balance Carryover for 2013 according to the chart in Annex V of the proposed OGE 2013	Final HCDF allocation for 2013
37.448	32.,690	4.756	8.549	42.45

The table confirms the existence of a differential of \$3.793 million to move the balance between what is referred to in the statement of budget execution delivered by the Minister of Finance to Committee C (\$4,756,000) and statement of Annex V of the proposed 2013 GSB law Book 6 (\$8,549,000). Part of the difference has a simple explanation, it is clear from the positive difference calculated for auditing the accounts of 2011, more than \$1.101 million, for the remaining the balance for 2012 that later came to be reinstated in the Fund with the 2012 rectification budget, \$2.692 million more that remains unexplained. It is suggested that the PN questions the Minister of Finance during the general Plenary debate on the budget proposal.

The total expenditure incurred on behalf of the Fund by the end of 2012 is likely to reach \$32.69 million at the end of the additional period, according to the statement of budget execution to 31 December. We question the fact that execution is not disaggregated by project. In Book 6 accompanying the budget proposal for 2013 already allows a more rigorous analysis. First, it is understood that between 2013 and 2017 inclusive, the government estimates spending globally, only \$255.3 million for training their staff, technical education, scholarships and other types of training. It would be advisable to allocate more funding to this component of the budget to be in line with the strategic policy set by the Executive for 2013.

In 2013 the HCDF prioritizes scholarships for government officials, as has indeed been going on since its inception, allocating them 55% of the total allocation (corresponding to \$23.3 million).

Surprising that starting in 2014 the Government stops covering any funding for training and substantially reduce the coverage for other types of training, in favor of “New Allocations” without explaining what they are. Is that borrowing or increasing the administrative machinery of the state (accompanied by the respective growth of recruitment), and the Government should clarify the matter further and explain what constitutes the new allocations during the general debate of the proposed budget for 2013.

Much Ministries gamble on projects aimed at strengthening the capacity of their staff as much in 2012 as in 2013 through HCDF from Professional Training, Technical Training, State Scholarships and Other Types of Training. A repair cannot be done because, given the momentum that is intended to give the tourism sector as of 2013, the Ministry of Tourism has not been allocated any money, nor considered any subsequent years training for their staff (see p. 5 of Book 6 of GSB 2013). This reveals a contradiction between the apparent disinterest in the training of human resources in the Ministry of Tourism and the current Executive priorities for the sector, which are contained in the Government Program.

5.2.3. Infrastructure Fund (FI)

The list presented in Book 6 that accompanies the 2013 GSB bill repeats a new project, “Building a new building of the Ministry of Agriculture, Fisheries, Dili” (project no. 3 and 14) with a value of \$500,000. The apparent duplication needs clarification from the Minister of Finance.

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Table 6 - Infrastructure Fund Situation (2012-2013), including loans.

Unit: million USD

Allocation at end of 2012 (after rectified GSB)	Expenses incurred in 2012 (paid, obligated or committed)	Maximum amount to be carried over for 2013 according to the statement of budget execution to December 31, 2012 (sum of paid, obligated and committed)	Balance to carryover for 2013 according to the chart in Annex V of the proposed OGE 2013	Final FI allocation for 2013
875,133	449,923	384,458	444,351	752,877

The Infrastructure Fund Table in Budget Book 6, provides a greater amount of information as compared to that provided in the same book for the Human Capital Development Fund, as the former includes an estimate of execution until late 2012, by Program and Project.

Programs and Projects covered by the Infrastructure Fund for 2013 are distributed among the following areas:

Table 7 - Infrastructure Fund Programs and Projects for 2013

Unit: million USD

Agriculture and Fisheries	9,953
Water and Sanitation	11,398
Water and Sanitation (using loans) *	20,000
Urban and Rural Development	7,576
Electricity	173,904
Roads	115,973
Roads (using loans) *	23,588
Bridges	20,976
Airports	9,467
Ports	10,975
Computer Equipment	10,491
Public Buildings	48,991
Education	12,387
MDG	88,013
Health	2,650
Security and Defense	20,900
Social Solidarity	1,663
Tasi Mane	139,402
Preparation of Drawings and Supervision of new projects	25,218
TOTAL EXPENDITURE OF INFRASTRUCTURE FUND	752,877

(*) - Projects financed using loans totaling 43.588 million of U.S. dollars



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A total of 27 new infrastructure projects were contemplated to start in 2013, representing an additional budget of \$49.7 million (6.6% of the total allocation for the FI for the new year), which when added to ongoing projects rises the new budget to \$752.877 million dollars.

Again with this Special Fund, we detected sensing disparities in the statement of budget execution on the amount of balances carried over from 2012 for the following year, \$384.458 million including loans, while the statement of Annex V of the proposed law OGE 2013 and in Book 6, contained \$444.351 million dollars including loans, to be clarified.

The execution of expenditure from the Infrastructure Fund in 2012 reached a rate of 42.6% (cash expenses paid) and will, at best, reach 51.4% (if you add up the listed commitments and obligations) until the end of the additional period ending February 28. A performance of just over 50% cannot fail to merit a repair from Committee C. The information provided on execution through 31 December was not provided for the execution by program / project, but only overall execution. A simple mathematical exercise permits the conclusion that the budget projection for 2013 is not entirely realistic, with the budgeted figures rather overstated. But see, in 2012, by amending the State Budget, the Government has incorporated all the balances carried forward from the 2011 FI, valued at \$124.872 million, adding to \$800.261 million endowment that there already existed and then transferred \$50 million to pay recurrent CFTL expenses. Of the \$875.113 million total that remained there at the end, maximum execution was \$449.923 million in 2012. The trend to lower annual executions is a constant over the years, by which the high appropriation of 2013 (\$752.877 million) should be adjusted downward.

The evolution of costs under the “Tasi Mane” project for 2012 is generating concern among all major capital projects. This project has suffered several setbacks at the outset because the 2012 rectification budget withdrew \$50 million on the condition that it be returned in 2013, but this was not planned by the Government. Still, of the \$123.038 million remaining in the project, only 17.5% of the funds had been executed (\$21.586 million). Why does the “Tasi Mane” receive \$139.402 million in 2013? At first glance it does not seem to be predictable to its complete execution.

Also the execution of the Contingency Fund concerned the Committee, which would find information on the its use until the end of 2012 useful.

As for infrastructure projects encompassed in the Urban and Rural Development Program, there is a need to understand the reasons why they did not had any execution in 2012.

VI. CONCLUSIONS AND RECOMMENDATIONS

6.1. CONCLUSIONS

The first conclusion that emerges from the proposed budget for 2013 is that the total amount of the budget does not differ very significantly from the previous year, the government maintains a trajectory of growth in public spending that began years ago, and the second is the level of project execution from the Infrastructure Fund is lower than projected and deserves explanations from Government during the GSB discussion..

The Government provided on January 24, 2013 the execution of tax revenue, non-tax and oil, for the year 2012. The relatively low level of execution permitted the Committee confirm that, although there is no reason to justify the use of all of the transfers from the Petroleum Fund approved by PN for GSB 2012, the

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government chose to transfer all the money to the Treasury accounts. This makes it possible for the unused portion of those funds to now help fund the budget for 2013, if the National Parliament so decides.

The increased difficulties in reading and interpreting budget charts and tables, resulting from lack of information and / or data systematization, leads this Committee again to suggest that the Government introduce greater future rigor in relation to numerical representation and decimal places used, the identification and use of budget statements and appropriate terminology, replacing the Anglo-Saxon terminology or translations of the letter (e.g. virements, roll over, recurrent costs, etc.).

It is true that the proposed 2013 State Budget submitted to the National Parliament, provides an overall reduction of \$9 million compared to the 2012 rectified budget, this savings resulting from a decrease of \$108.1 million dollars spending on infrastructure, but unfortunately offset almost entirely by growth in recurrent expenditure of around \$101 million.

6.2 RECOMMENDATIONS OF COMMITTEE C

1. Mindful of the execution of expenditure supported by money from the Consolidated Fund of Timor-Leste in recent years, Committee C concludes that the Government has enough money available in the Treasury accounts (balances accumulated in CFTL for several years plus interest) to meet part of the appropriations allocated from that Fund for 2013 and, in this way, to reduce the impact of public expenditure on the Petroleum Fund. We therefore recommend that during the detailed discussion of the proposed budget law, priority be given to that financing source to reduce the amount of transfers to be made from the Petroleum Fund in 2013.
2. After approval of the 2012 Rectified Budget, the Government withdrew from the Infrastructure Fund, specifically the "Tasi Mane Project," \$50 million to cover primarily recurrent expenditures from the Consolidated Fund of Timor-Leste, promising in front of the National Parliament to reinstate this amount in the General State Budget for 2013, which has not come to pass. We recommend that when PN discusses the details of this law, it should include this transfer to the Infrastructure Fund, while reducing the "Contingency Fund" and "Appropriations for Whole of Government" (Provision for impact of special regimes, retroactive financing and funds for legal services).
3. The Government allocates \$29 million in the next budget for the Contingency Fund, an amount which, despite being consistent with the legislation in force (3% of the overall budget), is high. The use of money from the Contingency Fund during 2011 is questionable, and 2012 execution will probably confirm this. We recommend that the Ministry of Finance require strict adherence to fiscal discipline from all Ministries, in order to avoid systematic and indiscriminate resort to the Contingency Fund. Urgent operating needs that are not covered by initial allocations of various ministries can be overcome by using budget amendments during the year.
4. Taking into account the possible effects of public spending on the prices of goods and services in the domestic market, we recommend specific monitoring the evolution of the consumer price index (CPI), which can be addressed by quickly completing the updated consumer goods basket and quarterly collection of statistical information on this market basket, to analyze the evolution of domestic inflation.

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5. By considering the relevant suggestions already made by the Committee C in its last two reports, We return to recommend urgent adoption of the Official Plan of Public Accounting, in compliance with article 10 of Law no. 13/2009 of October 21.
6. Timor-Leste's economic growth has been almost entirely sustained by oil revenues, and the formal economy barely exists. The current situation is worrisome and requires the Government to increase efforts to gradually create the conditions necessary to increase non-oil revenues.
7. The increased concern with attracting foreign private investment, after the end of the UN mission in Timor-Leste which further accentuated the unemployment rate, leads Committee C to recommend that the Government proceed to implement concrete measures to minimize unemployment in Timor-Leste.
8. The macroeconomic projections for 2013 contained in the Budget Book 1 are superficial and inconsistent with reality, lacking for the future a more thorough and well-founded analysis from the Government. The discrepancy between the data presented in various budget books on the level of unemployment, as well as on national agricultural production, illustrate the situation.
9. Committee C recommends that the government be more realistic with regard to the execution of infrastructure projects included in the Special Infrastructure Fund and proceed to their planning and programming in a structured way, ensuring their quality and continually monitoring their evolution.
10. It is recommended that all ministries be sensitive to gender issues and reflect this sensitivity in allocation of funds in their budgets.
11. Despite the overall appropriation of the Private Budget for National Parliament approved for next year, which is correctly included in the Government's budget proposal, its distribution among the various categories of expenditure presents inaccuracies, so it is recommended that this be corrected during the detailed discussion of PPL No. 2/III(1), pursuant to the Parliamentary resolution which approved its Private Budget for 2013.
12. Encourages the Government to invest more strongly in renewable energy in 2013, especially in solar energy for electricity production, mainly in Dili and in remote areas of the country, in order to reduce energy and environmental bills, which we understand to be unaffordable in the medium term.
13. It is recommended that the Government quickly introduce a plan for cost recovery for the country's electrical infrastructure, given the massive investment that has been accumulated in the sector and the fact that Hera Power Station is now partially operational.
14. It is recommended that under general plenary debate of the proposed 2013 budget, the Government should provide criteria and information that underlie justification for allocating \$92.5 million for veterans' pensions and a projected growth of 4% per year for future years.
15. The Committee recommends that in the future, the Government mention in Budget Book 1, not only the amount of borrowing contracted by the state, but also the projected interest rates (fixed and variable) and the actual amount of global interest to pay through the end of the loan periods.
16. Finally, we recommend once again that the Government include in their budget proposals, an evaluation of the of economic, social and environmental impact of their economic, financial and fiscal policies on the population.



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VII. OPINION OF COMMITTEE C

Given the legal analysis of services recorded in Technical Note no. 1/2013/DIPLN, Committee C is of the opinion that the Proposed Law no. 2/III (1) - State Budget for 2013, meets the constitutional requirements, legal and regulatory requirements and is therefore able to ascend to the plenary for discussion and voting at general and specific, reserving for each parliamentary bancada its position in the general debate.

Called attention to the possibility of improving the PPL no. 2/III (1) at the level of ideas and concepts, according to financial and budgetary laws governing the establishment of the Budget, which is likely to happen during Plenary discussion and voting will be deemed relevant by the PN. The changes suggested in the Technical Note on Services prepared by Committee C follows, listed in Annex ii to this Report and Opinion.

The Opinions of all other permanent specialized committees are also part of this report and are included as Annex I of this document and its recommendations form Chapter VIII (*actually IX*) of the Report and Opinion of Committee C.

VIII. ADOPTION OF THE REPORT

This report and opinion was discussed and approved on January 28, 2013, and was approved unanimously. Dili National Parliament on January 28, 2013

Ms. Rapporteur

Izilda Manuela Pereira Soares da Luz

Ms. Rapporteur

Maria Angélica Rangel C. dos Reis

Committee President
Virgil Maria Dias Marcal

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IX. RECOMMENDATIONS OF OTHER PERMANENT AND SPECIALIZED COMMITTEES AND GROUP OF WOMEN PARLIAMENTARIANS

Committee A

Presidency of the Republic

1. Assigning a property of the state as temporary residence of the President of the Republic, while building the official residence.
2. Include the Office of the First Lady in the State Budget for the President, attributing to her the sum of \$131 000 that was destined to the Team for Development and Reform of the Security Sector.
3. Assigning a budget of \$90,000 to the Post-CAVR Secretariat for the digitization of audio and image files, which total more than 10,000, of which 5,000 are audio cassettes and 5,000 are audiovisual cassettes.

Office of the Prime Minister

4. Reduction of the budget allocated to the Advisor for Civil Society.

Ministry of Justice

5. Reduce by \$28,000 the amount of the category Salaries and Wages, because it was budgeted in excess.
6. Transfer \$108,000, assigned to the Criminal Investigation Police, MJ, for to Criminal Investigation Service, the PNTL, which has a budget of just \$49,000.

Courts

7. Increase funding for trips abroad, raising it to \$88,317.
8. Allocate a budget for the purchase of 17 vehicles for judges in the amount of \$1,160,743.
9. Allocate the amount of \$2.370 million for rehabilitation and expansion of the courts.

Civil Service Commission

10. Delegate recruitment, reserving for the CFP the supervisory role of the recruitment process. The slow adoption and execution of recruitment plans, constituting a huge embarrassment to the execution of human resource plans of these institutions, as well as the performance of its budget execution.

Anti-Corruption Commission

11. Allocate an amount of \$250,594, to include in the Goods and Services category, under the heading Vocational Training for the execution of the training and capacity-building program.
12. Allocate an amount of \$55,610 for the organization in Timor-Leste of an international conference.

National Elections Commission

13. The allowance referred to in Article 6 of Law 5/2006 (Electoral Management Bodies) shall be paid per day regardless of the number of meetings or sessions in a day.

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PDHJ

14. Approve additional money for internet and wages and salaries of \$34,602.
15. Reduce the amount of fuel for vehicles.

PGR

16. Assign an additional amount of \$922,759 (Capital Development and Goods and Services) (1) modernization of information technology management, (2) maintenance of buildings of PGR, (3) works to improve the existing infrastructure, (4) payment of 10% retention of works already completed, (5) purchase of computer equipment for installation of CMS (Justice System Database System-computerized process control), for the Dili District Prosecutor.

Criminal Investigation

17. Eliminate the proposed budget of \$108,000 for the Police Directorate of Criminal Investigation in the Ministry of Justice because there is no such directorate, and transfer this amount for the Criminal Investigation Service (SIC).
18. Transfer the sum of \$2,000,000 for construction of the building of Criminal Investigation to finance infrastructure works for justice institutions.
19. Strengthen Criminal Investigative Service - SIC, as a single unit of a criminal investigation.

RTTL

20. All revenues made by RTTL must be deposited to the account of the National Treasury.
21. A substantial improvement in the leadership and management of RTTL.

Other

22. The Government should carry out performance audits of entities and organizations receiving financial support from public funds and programs, in order to monitor and control the proper and correct application thereof.

Committee B

Given the proposed state budget for 2013 and after hearings with the entities mentioned above, the Committee concludes and recommends the following:

- Whereas there is a heightened concern for the Timorese authorities to attract foreign investment due to the end of the UN mission that further increased the unemployment rate, **it is recommended** to the government to implement concrete measures by the Foreign Ministry, in particular, to keep ambassadors and embassies informed about the country's macroeconomic data, the potential of the region, the legal regime applicable to the creation of companies, responsible entities and administrative procedures and the tax regime of Timor-Leste. The coordination and cooperation with the Ministry of Commerce, Industry and the Environment and the various organs and agencies of the state is critical and should be implemented.
- Considering that Timor-Leste will assume the presidency of CPLP in 2014/2016, the Committee **recommends** that during the year 2013 there are efforts to ensure that this event will be exemplary, because it will serve as a test for the future, when Timor-Leste is to join ASEAN, as is expected. ASEAN



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countries represented diplomatically in Timor-Leste will become aware of Foreign Ministry capabilities to organize this event, which will allow them to assess the real capabilities of the country to join an organization the size of ASEAN.

- The Committee **recommends** to intensify the process of delimitation of maritime and land boundaries and that the government has a firmer and more determined diplomatic action, using the diplomatic mechanisms at its disposal, such as strengthening the military and police presence at the borders to that the territory is not violated, particularly in the enclave of Oecussi as has occurred recently in the death of a national citizen.
- The Committee has no objection and **recommends** that the sum of \$2,085,239.98 for the purchase of arms and military equipment by the Ministry of Defense as is budgeted for the 2013 State Budget in order to take on commitments and thus provide the this equipment to F-FDTL.
- Considering that Timor-Leste has recently ratified the UN Convention on the Law of the Sea (UNCLOS) and that this legal instrument has implications for the role of the military component of the Naval and Maritime Police Unit of the PNTL, **recommends** that actions are designed to impart training in procedural changes in the scope of action of the PNTL and F-FDTL at sea under Timor-Leste's jurisdiction.
- The Committee welcomes the fact that the debts accumulated by PNTL will deserve the concern of the Ministry of Security and of having created a working group to verify and confirm the completion of the same, but **recommends** that this process be completed as soon as possible.
- **The PNTL will have** to review its procedures for the purchase of equipment and weapons and they must comply with the tendering rules in force, in addition to safeguarding and confirming the suitability of the companies with which it relates in such processes.
- The Committee **recommends** that to regulate a regime of administrative and financial autonomy, a key legal instrument for the F-FDTL and Security Forces and Services. The activity of these institutions is not compatible with the centralization and concentration of payments in the Ministry of Finance.
- The Committee **suggests** the creation of a public company dedicated exclusively to purchase equipment, weapons, uniforms and military and security equipment for the Defense Forces and Security Forces and Services.
- **It is recommended** that in future budget proposals, the SNI [National Intelligence Service] does not discriminate in detail all the activities intends to develop, because some of the information may be confidential and that knowledge should be restricted. Thus, it is suggested that in future budgets this type of information is only made known to the RDTL Intelligence System Oversight Council, to avoid that it will be easily accessible. The type of staff training, the courses conducted, the credit reporting agency which cooperates with the concerns and needs in terms of recruitment sources, should be very limited knowledge.
- The Committee **recommends** to regulate the system of classified expenses and administrative and financial autonomy of the SNI, to separate expenses for operating activities from logistics and administrative activity in general. This separation allows the SNI greater operationalization of the means for operational activity and greater oversight by Committee B, during the GSB process. Expenses are classified will be inspected immediately by the Director General, authorized by the Executive Committee and monitored by the Intelligence System Oversight Board.



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Committee D

Recommends the following to Committee C:

- Amend the category of minor capital budget allocated to the Ministry of Agriculture and Fisheries, under line 810 of the Budget Code, for the purchase of vehicles with the amount of \$375,000 because according to the analysis of Committee, the value is much higher than the market price in the capital Dili. It is suggested that the amount allocated in the budget should be transferred to the National Directorate of Forests, to hire staff or rangers for protected areas. In the case of keeping this amount in the budget, then you should reduce the value by \$56,000 and allocate it to the forest ranger directorate.
- The amount allocated in the budget of the National Directorate of Agriculture and Horticulture, in the category of goods and services, particularly in the line for operational procurement for buying **rice, corn and potato seeds**, should be reduced, to increase the purchase of local rice and corn seeds, organic fertilizers and soybean seeds.
- Decrease by \$1 million the amount to buy seeds for the National Directorate of Agriculture and Horticulture and transfer the funds to the National Directorate of Forests to carry out reforestation.
- The Secretary of State for Support and Private Sector Promotion should adopt a policy to transfer intellectuals or licensed farmers in the area of Agriculture, in order to strengthen the private sector, particularly revenues in the area of agriculture.
- The Secretary of State for Local Development should reduce the budget for reappropriations, because in fact the Secretary of State has not provided the list of payments for PDD I and PDD II.
- The Secretary of State for Vocational Training and Employment Policy should increase the budget allocation for the program of education and training in foreign languages to their workers, payment of attachés in Australia and South Korea and the continuation of the \$3 program.

Committee E

1. Ministry of Transport and Communication

- There is an urgent need to establish a telecommunications regulator (ORT) to regulate telecommunications services, since problems can arise in communications and liberalization presents no advantages for the best revenues of the economy of Timor-Leste. This body has to function with better and solid regulations in order to effectively exercise its authority and functions.
- With the liberalization of telecommunications, the Government must ensure a healthy and competitive environment between operators and there should be no discrimination; should facilitate the negotiation environment in “interconnection” services between operators to have better service and satisfy customers.
- Must create a national policy designed to improve the management of the transport system, as there are traffic accidents and traffic jams in the city of Dili, becoming a concern to the general public. So the Ministry is asked to undertake the rehabilitation and maintenance of traffic signals throughout the national territory and traffic lights in the city of Dili, in order to minimize these problems.
- Must create a policy to ensure the Post Office, since they are essential when sending and receiving orders and parcels inside and outside the country.



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- Should tabulate the integrated ways to implement existing laws and regulations for land transport, import of vehicles, licensing and charges for land transport, in order to constitute revenue for the state.
- It is recommended to conduct training for traffic agents in order to improve their services and, at the same time, minimize traffic jams in the city.
- To ensure the sustainability of transport to Oecussi and Atauro, the Ministry is asked to plan, design and allocate its budget, an amount to purchase of a new boat, as an alternative to the current Nakroma.

2. Ministry of Public Works (Secretary of State for Public Works)

- In order to develop public works according to the quality of work and international standards recommended by the Strategic Development Plan (SDP), it is recommended to create a competent agency with responsibilities under the tutelage of the Ministry of Public Works (MOP), to certify and monitor construction plants / drawings and analyze plants / drawings to be accompanied with the price list (BOQ).
- To ensure transparency, after the approval of MOP, drawings and BOQ should be verified by the National Development Agency (ADN), before being submitted to the National Procurement for the public procurement procedure.
- The MOP and ADN must recruit new technicians in the field of civil engineering and reinforce skilled human resources with technical equipment required to perform the services of monitoring, oversight, control and supervision of all physical works, from start to completion.
- It is urgent to improve the management of IGE (Institute of Equipment Management), provide them with an adequate budget to operate in coordination with the SE-OP and ADN in order to ensure compliance in the normalization of roads and floods and emergency response throughout the national territory.
- Committee E considers the Government Decree-Law on establishing CAFI is important, and recommends urgency in the creation of this institution, and recommends that the same will act with authority and responsibility to ensure the quality of work and service delivery for the development of physical construction, throughout the national territory.
- Construction, rehabilitation and maintenance programs for new roads made by SEFOPE, the Ministry of State Administration, Department, through PDD I, PDD II, SE-OP and some companies (own design and BOQ) can create more disadvantages in the future, since they have major implications for the quality of work, damaging the environment. It is recommended for proper coordination between these entities, giving each responsibility according to their skills, such as those who create jobs, those planning the design and construction of analysis and BOQ passage, who performs the tender and who implements and checks the project.
- The Daudere and Baer bridges require additional funding in the 2013 budget to enable completion of their construction, the projects have been completed one time but still require additional work in order to ensure the longevity and their use in the future.
- It is recommended to the Secretary of State for Strengthening Private Sector, establishing better coordination with all the companies under the umbrella of the Chamber of Commerce and Industry (CCI), conducting training and capacity-building for the management of its human resources, as well as creating adequate criteria to promote better vocational training partnerships.

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3. Ministry of Public Works (Secretary of State for Electricity - SEE)

- The medium voltage project should be directed to the quality of the work;
- The competent institution (SEE) must identify the project site, prepare the construction design and calculate the BOQ;
- Must be a competent body established to certify the drawings and BOQ before sending it to procurement, avoiding the direct receipt of drawings and BOQ by businesspeople;
- Calls to the SEE to strengthen its monitoring and oversight team and perform continuous monitoring of the physical progress on the ground from the beginning of the project through its completion.
- It is recommended that in future, all projects have a Notice Board with project data (value, duration of work and contractor), especially the medium voltage projects throughout the national territory.
- There is a need to regulate through laws and ministerial decrees, the proper use of electricity, creating additional revenue for the state through the implementation of the prepaid model in homes that currently consume electricity.
- Should accompany companies that perform electrical work, ensuring that the work is done with professionalism and without group interests.
- It is recommended to conduct a study to prepare the design and construction of the Jetty more quickly for the Hera and Betano Power Plants in order to allow the use of HFO alternative fuel (heavy fuel oil), which is more economical and allows reduction of GSB expenditures.

4. Ministry of Public Works (State Secretariat for Water, Sanitation and Urbanization)

- It is urgently required to identify and study on the potential of drinking water across the country, benefiting the entire population.
- Existing decree-laws and ministerial regulations must be implemented with rigor and authority in order to better regulate the use of water and ensure that remote areas also benefit from the water and contribute to increased state revenues.
- For the future and for better management, maintenance and operation of drinking water from its treatment in the ground through the channeling and distribution to consumers, must be turned over to an institution or autonomous enterprise in order to responsibly manage and ensure the sustainability - "water for all".
- The city of Dili was projected as the capital of a province, but is now the Nation's Capital, so the existing infrastructure cannot meet current requirements. It is therefore necessary to conduct an urban study of spatial and urban planning, which is consistent with current reality and anticipates the daily consequences harmful to the development of the city.

5. Ministry of State Administration

- The budget allocation for the PNDS promotes discrimination among districts, since it is intended only for sucos in four districts, while other sucos in the remaining nine districts were not included in the budget, could create misunderstandings in the grassroots. So it is necessary for the government to proceed with



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balance in the allocation for the PNDS based on population density and poverty line established by statistical data.

- You must comply with the rules of timely payment of the projects, according to the contract governed by Decree Law on the PDD in order to avoid such prejudice the achievement of physical progress and quality of work.
- The Ministry should promote coordination between the Ministry of Water and Sanitation and the Secretary of State for the Environment, in order to ensure a clean and healthy environment in the city and across the country.

6. Secretary of State for Vocational Training and Employment Policy (SEPFOP)

- It is recommended that physical projects be returned to MOP and that SEPFOP only concentrate on education and training of human resources in order to raise the professional capacity for creating and managing their own work. Thus, one can minimize unemployment and young people can create their own activity in the field of electricity infrastructure in the area and better compete abroad.

7. National Development Agency (ADN)

- ADN must follow the procedures of each project, from the beginning of the tender to implementation in order to guide the work according to contract specification on the quality of work. Before submitting the State Budget to the National Parliament, the ADN must certify the value of projects in accordance with BOQ and drawings, and should not reduce funding for projects that had already approved by the PN which makes oversight difficult.

Committee F

Based on the results of the public hearings, Committee F intends to present recommendations for the following ministries:

1. Ministry of Health

- The observation and analysis of the overall national budget for 2013, allow the conclusion that the Ministry of Health was allocated a budget of \$61.508 million, representing only 3.4% of the total state budget for 2013. Committee F considers that the allocated budget is not in proportion to the real problems that the ministry faces, especially for basic health infrastructure, which is still limited; For example, lack of health care equipment in hospitals and clinics, and with regard to human resources, insufficient continues to limit the provision of quality health care and to achieve cover the entire population of Timor-Leste, principally in rural areas.
- Considering that the question of human resources quality is important in health services, in order to provide proper health care and quality of the population, Committee F recommends that the Ministry of Health promote the realization of continuous training for health personnel in their respective areas of expertise and also intensive training on professional ethics in health work, in order to perform their services with quality.
- After implementing the special career regime for health professionals as a way to ensure their salary rights according to their grade and functions, Committee F recommends that the Ministry of Health make a special inspection in order to ensure the effectiveness of service delivery on the part of health professionals, according to the their grade and functions.

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- Considering that cases of HIV / AIDS have been increasing in the country, Committee F demonstrates its concern, asking the Government through the Ministry of Health to create a comprehensive and strategic policy framework for preventing the spread of the disease through an education program on prevention, public awareness about voluntary HIV / AIDS testing, counseling, consultation and intensive treatment to patients with the disease, including a package of social assistance.
- The Committee recommends that the ministry pay greater attention to focus on the direction of the work of the ministry in preventing HIV / AIDS, in order to facilitate its work to obtain concrete data on cases of the disease and prevention and strategic planning, and also treatment of patients.
- According to the reality of Timor-Leste, in many localities, especially in rural areas, there is no construction of basic health infrastructure, such as a center for health care for the population. Therefore, Committee F recommends that the Government accelerate the construction of basic health infrastructure and the needed equipment in order to facilitate the services, according to an integrated plan to ensure a health service that can respond to problems the people face, especially accelerate the construction of hospitals, health centers, clinics and health posts that are integrated into the plan and budget allocation.
- Under the existing reality, it is important to have ambulances to address urgent cases, particularly those that take place in rural areas. Therefore, Committee F continues to require to the Ministry of Health to pay attention to the issue of ambulances in order to put in hospitals and health centers, since the current ambulances were donated and are no longer in good conditions and some are already nonfunctional or damaged.
- The Autonomous Medicines and Health Equipment Service (SAMÉS) as the government agency which delivers medicines and health equipment to hospitals, health centers, clinics and health centers across the country. Currently SAMÉS faces problems related to the abuse of power in the management and administration in some biased practices that cause negative impact on the proper functioning of the Services. Moreover, Committee F demonstrates its concern about the destruction of drugs worth \$1.7 million, while hospitals and health centers in the districts face the lack of medicines. Therefore, Committee F recommends that the Government, through the Ministry of Health, should seek to resolve the situation and improve policy and management in the Autonomous Administration of Medicines and Health Equipment (SAMÉS) in order to ensure its effective operation and guarantee effective procurement and distribution of medicines and health equipment to hospitals, health centers, clinics and health posts across the country.
- Committee F asks, still, for the Ministry of Health to give maximum attention to medical students, through a consolidated work coordination between the ministry and the university (UNTL).
- Committee F asks the Ministry of Health to implement the requirement that the selection of doctors accompanying patients abroad should be impartial, since it implies high costs in the state budget. Committee F also recommends that the Government hire specialist international doctors to serve patients who need specialized care in order to reduce sending patients abroad.
- Calls on the Ministry of Health to coordinate with ADN, particularly at the district level infrastructure which are up to the Ministry of Health to decide.
- Considering that Guido Valadares National Hospital (HNGV) as the only national hospital providing health care to the public, including patients transferred from other hospitals or district referral hospitals.



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Accordingly, the Committee requests the Ministry of Health to provide better conditions at Guido Valadares National Hospital (HNGV), investing in terms of facilities and human resources in order to reduce patient appointments abroad that involve high costs to the state budget.

- Calls on the Ministry of Health to give greater attention through an integrated policy with an adequate budget for the maternal health package.
- Calls to the Ministry of Health to allocate an adequate budget for the issue of nutrition, according to existing data which show that there are still problems of children with malnutrition.
- Data shows that Timor-Leste has many cases of malaria and dengue. Accordingly, the Committee requests the Ministry of Health to give greater attention to allocate a proportional budget package to care for these cases.
- Calls to the Ministry of Health to conduct intensive health education in schools, community centers, and families through the media about the importance of health care, particularly primary care.
- Noting the high cases of maternal and infant mortality due to lack of medical assistance, Committee F asks the ministry to perform counseling and provide clear and concise information to the general public, particularly the group of women on the advantage of medical treatment during pregnancy through childbirth.
- Committee F asks to give maximum attention to the existence of private clinics and pay attention to the doctors and nurses who are civil servants, but they continue to work in private clinics which may cause conflicts of interest.
- Committee F asks the Ministry of Health to establish a laboratory in order to test consumables (food and beverage) as a way of being able to identify and prevent contamination by chemicals that can cause danger to human life.
- Asks the Ministry of Health to recruit legal professionals to work at Guido Valadares National Hospital and referral hospitals order to perform autopsies in cases of deaths caused by criminal motives.
- Committee F asks the Ministry of Health to put transport services to the national laboratory.
- Currently the Ministry of Health has a debt that totals nearly \$ 2 million related to the sending patients abroad, therefore, the Committee requests the Government to resolve the situation, paying off debts.

2. Ministry of Education

- Education is a key sector for the development of the nation, because it is through education that qualified human resources can be formed, major contributors and architects of national development. To achieve a quality education you need to have proper planning and sufficient resources to support the initiatives and plans made in the education sector. Therefore, we analyze the amount of the budget allocated to the Ministry of Education for the year 2013 in the amount of \$91,827,000 or represents 5% of the total 2013state budget proposal. Committee F considers that the allocated budget is insufficient and does not adequately reflect the real problems facing the ministry, since many of the problems and shortcomings need further attention of the Government, particularly the basic infrastructure, since many sites do not have schools and necessary facilities and there are few human resources (teachers) to cover all the schools in the country. Thus, Committee F asks the Government to choose education as its priority, allocating an adequate and proportional budget in order to respond to the problems and gaps.

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- The school lunch is a package of food to support child nutrition, but in reality it has been demonstrated that the issue continues to create problems in some localities, particularly in the matter of distribution and food quality. Therefore, Committee F asks the Ministry of Education to establish best distribution practices and create a more nutritious school lunch package, with the aim of developing the physical ability of children to address the learning process.
- Sanitation is an important area and should be immediately integrated in the planning of the construction of school buildings, so it is recommended that the Ministry of Education develop a plan with ministerial coordination to ensure access to basic sanitation including drinking water in all schools in the territory of Timor-Leste.
- Currently there are still many volunteer teachers who continue to be an issue in the question of statutes of teachers. Accordingly, the Committee requests the Ministry of Education to address adequately the statutes of teachers, in particular, the number of volunteer and hired teachers, by creating a new database to better identify the existence and status of teachers as a way to achieve a fair solution to the execution of the special career regime.
- Teachers working in rural areas face difficult situations incomparable with those who work in the cities due to lack of access to any resources. Thus the Ministry of Education should give special attention to these particular teachers, giving them an additional allowance as a way to motivate them.
- The reality is that many school buildings have low quality construction, so the Committee requests the Ministry of Education to have a consolidated policy in the process of planning, implementation, monitoring, evaluation and execution of education infrastructure construction projects.
- The National Development Agency (ADN) as the government agency whose job is to supervise all physical projects of the state, therefore, the Committee asks the Ministry of Education to have better coordination with ADN in relation to the execution of projects for education infrastructure from the national to the district level.
- The policy for granting scholarships should identify clear and transparent priorities and requirements, so that the results can meet existing needs. Therefore we request the Government, through the Ministry of Education to better define the policies and goals they want to achieve with the program of scholarships.
- Reality has shown that many adults are still unable to read and write in several districts of Timor-Leste, therefore, the Committee encourages the Ministry of Education to proceed with the implementation of the policy of non-formal education, especially the literacy program.
- Committee F suggests to the Ministry of Education that the construction package for Secondary Education be supplemented with lab, library, sports facilities and space for multidisciplinary practice, enabling students not only theoretical knowledge, but also facilitating academic practices and also extracurricular activities that allow students to freely express their intellectual abilities and talents. Therefore, you need better coordination between the Ministry of Education and development partners who provide support services to education, particularly related to financial support.
- Committee F asks the Ministry of Education to better monitor the plan and implementation process for educational television which can be a way to educate people in the rural areas.
- Calls to the Ministry of Education to carry out equivalency exams for members of the Police, F-FDTL and civil servants who served in the resistance.



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- Committee F asks, still, for the Ministry of Education to prepare a Master Plan for the new ministry building, since the current building is no longer able to accommodate.
- Reality shows that Timor-Leste students studying in Indonesia are faced with the problem of visa or KITAS, causing some students to return to Timor-Leste. Therefore, the Committee recommends to the Ministry of Education to coordinate services with the Ministry of Foreign Affairs in order to find solution to the problem that students have faced.

3. Ministry of Social Solidarity

- It was allocated to the Ministry of Social Solidarity (MSS) an amount of \$147,663,000 representing 8% of the total state budget. Committee F considers that this amount is too high, especially in the category of transfers which had a budget of \$140,863,000, that is corresponding to almost 95% of its budget to meet the payment process for veterans and seniors. So asks the Ministry of Social Solidarity to manage the state budget with transparency and in accordance with legal procedures in order to provide social assistance to worthy people, especially those most in need who deserve to receive it.
- Regarding the issue of veterans who continue to provoke problems, especially in data verification, we call on the Ministry of Social Solidarity, through the Secretary of State for Veterans and Homage Commission, to give greater attention throughout the process of data collection in order to promote a fair and credible tribute to veterans in accordance with the law.
- Committee F recommends that the Ministry create decent conditions for the Homage Commission through the construction of the Secretariat's building and also support Homage Commission transportation in order to facilitate and improve their work and follow-up care in question related to the tribute to veterans.
- Committee F asks the Ministry of Social Solidarity to establish coordination with the Ministry of Education regarding the granting of scholarships to the children of martyrs and veterans, and also with the Ministry of Health with regard to health care for veterans inside and outside the country in order to dignify them.
- Committee F asks the Ministry of Social Solidarity, through the Secretary of State for Social Security, to give attention to process payments to the elderly and disabled which continue to cause controversy among the people, given there are falsified documents.
- Request the Ministry of Social Solidarity, through the Secretary of State for Social Assistance and Natural Disasters, to better prepare your planning package as regards ways of preventing the risk of natural disasters and ways of preparation in order to effectively respond to disaster and minimize negative impacts on people's lives.
- To request the Ministry to give also more attention to national workers through the creation of a social security system that effectively guarantees the rights of these workers.
- Committee F asks the Ministry of Social Solidarity to have inter-ministerial coordination in order to provide hearses and urns for vulnerable groups and families with very low incomes.

4. Secretary of State for Youth and Sports



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- Committee F recommends that the State Secretariat for Youth and Sport have a policy framework that can meet the needs of young people, especially capacity development programs for young people in different areas of sport.
- Committee F asks, again, to have a fair and equal sport development policy for the different branches of sport and not just focus on one area.
- Request the Secretary of State to better coordinate services with youth services and sports facilities at national, district and suco levels, since in reality has shown a lack of coordination lines and effective work.
- Committee F recommends that the Secretary of State allocate an amount in the budget for the establishment of different branches of sports infrastructure and their facilities in order to create opportunities for youth to freely express their talents.
- The Committee further recommends that the Secretary of State give more attention to youth centers in sucos, particularly in the training of youth leaders in the area of management to empower them to effectively manage the centers.
- Committee F asks the Secretary of State to continue to monitor the activities of martial arts groups through the Martial Arts Regulation Commission.
- Asks the Secretary of State to allocate an amount in the budget to support the work of the November 12 committee in the events of removal of remains and others.

5. Secretary of State for the Promotion of Equality

- Committee F considers that the amount of the budget allocated to the Secretary of State for the Promotion of Equality is very small, that is, a little more than 0.10% of the total proposed 2013 State Budget, thus, the Committee recommends to Government to allocate a sufficient budget to said Secretary of State in order to be able to carry out planned activities, particularly related to gender sensitive issues.
- The Committee also recommends that the Secretary of State have its own building in order to carry out its work with effectiveness and must also have transport to be able to support its operational services.
- Committee F recommends that the Secretariat of State for the Promotion of Equality conduct integrated awareness raising about the issue of gender in all state institutions and society both at both national and rural level.
- Strengthen a continual socialization in society about the Law against domestic violence and promote civic education or counseling in families, schools and the media.
- Request the Secretary of State to coordinate work with the police, courts and health in relation to resolving cases of domestic violence.
- Request the Secretary of State to establish an integrated program of support and assurance to vulnerable groups, especially the group of rural women in order to realize their sustainable economic activities, as reality shows that many women are surviving on too little income.
- Committee F asks to enhance awareness through civic education in order to encourage women's participation in political life.

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- Committee F recommends, again, that the Secretary of State promote counseling to all state institutions on gender sensitive budgeting.
- Ask SEPI that in the future, establish gender centers in all districts.
- Committee F calls on the Government to allocate an adequate budget in order to create conditions necessary for the effective functioning of the Secretariat and worthy of the CEDAW Committee, since it represents the state of Timor-Leste abroad regarding the issue of gender.

6. National University of Timor-Leste (UNTL)

- Recommended to the Government to better define the Statutes of UNTL, particularly in terms of administrative and financial powers.
- Committee F requests better work coordination between the Ministry of Education and UNTL particularly in academic activities involving large amounts in the budget.
- Currently, the UNTL is faced with a huge debt amounting to almost \$2.2 million, from the Human Capital Development Fund, and we therefore ask the Government, namely the Ministry of Education to pay off that debt.
- Asks the UNTL, from when a contract of professional work at the international level is signed, there has to be coordination with the Government, especially the Ministry of Education, since it involves large amount of money in the state budget.

GMPTL (Group of Women Parliamentarians)

Recommendation

In general, Committee F and GMPTL agree with the amounts for each ministry but would recommend allocation of more funds for Education, Health and the Secretary of State for the Promotion of Gender (sic) as well as the creation of initiatives to boost the country's development and ensure, simultaneously, environmental protection. With the purpose of facilitating the work of annual plans, we propose the following recommendations for each agency supported by the 2013 State Budget in order to obtain a more Gender-sensitive budget, inspired by the guidelines of the 2011 - 2030 Strategic Development Plan and seeking to achieve the MDGs.

Executive

Ministry of Finance

General State Budget - CFTL	25,483,000
Percent of Budget in 2013: 4.8%	
Recurrent	
Salaries and Wages	4,062,000
Goods and Services	16,070,000
Public Transfers	500,000
Capital	



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Minor Capital	117,000
Capital Development	234,000
Combined Sources Budget	
Recurrent	25,132,000
Capital	351,000

1. Macroeconomic Analysis of Gender - It is necessary to analyze the impacts of different growth models, inflation developments, the future accession to ASEAN, etc., on men and women and some inequality that may result;
2. Responsibility Systems - Monthly reports must include an analysis of expenses that is sensitive to Gender;
3. Good Governance and Public Sector - The diagnosis of human resources of all Ministries and Secretaries of State shall include analyzes of the ability, training, leadership and management, disaggregated by sex and highlighting inequalities.

Ministry of Foreign Affairs and Cooperation

General State Budget - CFTL	27,403,000
Percent of Budget in 2013: 1.52%	
Recurrent	
Salaries and Wages	10,735,000
Goods and Services	13,576,000
Public Transfers	500,000
Recurrent	2,000,000
Combined Sources Budget	
Recurrent	24,811,000
Capital	2,592,000

1. Congratulations to the 50% target of women in recruitment, 20% in merit promotions and 30% of staff in the NAM. There is a need for disaggregated targets courses diplomacy, comparative studies and participation in international events;
2. Relative to Gender working groups, plans and funds are needed to promote regular meetings, training and workshops in order to increase the understanding of Gender issues and performing Gender evaluations and audits.

Civil Service Commission

General State Budget - CFTL	4,129,000
Percent of Budget in 2013: 0.28%	
Recurrent	
Salaries and Wages	846,000
Goods and Services	3,125,000



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Other Sources of Confirmed Funds	
Recurrent	14,000
Combined Sources Budget	
Recurrent	3,971,000
Minor Capital	158,000

1. Recruitment, promotion, training and development - is necessary to establish goals for women around the annual plan, including the recruitment and training plan - for example, strengthening the leadership and management skills to facilitate career progression of women. Disaggregated reports should be regularly generated from the PMIS, the database and the career regime;
2. There must be a monitoring of the recruitment process in order to achieve greater speed and a gender perspective in the recruitment process;
3. Socialization of labor rights is needed, especially the rights of paternity and maternity, as well as the prohibition of sexual harassment in the workplace;
4. It is recommended that a mechanism for responding to cases of Gender Based violence, including harassment and abuse, as well as other violations of the Labor Law and other laws regulating the Civil Service;
5. Strategies must be developed to encourage the participation of women in the Civil Service, in order to achieve a minimum of 30% participation of women at all levels of work in the future.

Legislative

National Parliament

General State Budget - CFTL	14,477,000
Percent of Budget in 2013: 1.18%	
Recurrent	
Salaries and Wages	4,103,000
Goods and Services	8,139,000
Public Transfers	436,000
Other Sources of Confirmed Funds	
Recurrent	2,000,000
Combined Sources Budget	
Recurrent	12,678,000
Minor Capital	1,799,000

1. GMPTL's budget should be increased as approved in Parliament and consider increasing the amount further to reflect its tasks, including its role in promoting the development of cooperation with the Network of Women Parliamentarians of the Portuguese language, given that Timor-Leste will lead the CPLP countries in 2014, as well as to support its role as representative of the Timorese MPs abroad.



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National Elections Commission

General State Budget - CFTL	4,231,000
Percent of Budget in 2013: 0.30%	
Recurrent	
Salaries and Wages	542,000
Goods and Services	645,000
Public Transfers	3,000,000
Capital	
Minor Capital	44,000

1. The recruiting, training and development (internal) must have objectives for women and men;
2. The training department should maintain statistics disaggregated by sex;
3. The number of women enrolled in the Timorese electoral registration is available. But not the number of voters (women and men) on election day. One might consider a way to collect this information;
4. It is recommended to support the activities of encouraging the presentation of women candidates for the next elections;
5. It is recommended more support for activities designed to encourage women's participation in elections and more civic education.

Justice

Ministry of Justice

General State Budget - CFTL	16,570,000
Percent of Budget in 2013: 1.08%	
Recurrent	
Salaries and Wages	3,007,000
Goods and Services	5,084,000
Public Transfers	8,000,000
Combined Budget Funds	
Recurring	16,091,000
Capital	479,000

1. The recruitment and professional training should include an objective for men and women to facilitate employment equity and equality in developing Gender policies and strategies in legal areas.
2. You need to socialize the Civil Code, the Law Against Domestic Violence and the Labor Law (including the rights of paternity and maternity).
3. The body of Timorese jurists specialized in legislative drafting should receive training on Gender Equality to ensure the development of laws sensitive to this important dimension.

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4. With respect to the National Plan of Action on Gender-Based Violence, the Ministry of Justice is a key institution for implementing the law that fits. It is necessary to disseminate information to victims regarding their rights and judicial proceedings in relation to domestic violence cases and Gender based violence. It is recommended the dissemination of legal texts and specialized courses on Gender-based Violence and Domestic Violence in order to explain the application of the Law against Domestic Violence and the interaction between the Criminal Code and Criminal Procedure Code.
5. The Working Group to analyze the Law Against Domestic Violence must ensure the harmonization of legal frameworks. It should work with the Court to establish a “safe room” to separate victims, witnesses and the accused (alleged perpetrators) as well as a way for witnesses to testify without having to face the accused in the Courtroom. For the administration of the new cases in the Prosecutor-General, courts and prisons, it is recommended that data of domestic violence and Gender based violence cases are collected and are processed quickly.
6. Regarding the Gender working groups, it is necessary to devise plans and mobilize funds for regular meetings, training and workshops to increase understanding of the issues of Gender and conducting Gender evaluations and audits.
7. Must socialize the Land and Property, Nationality, Civil Registration, Notary and Domestic Violence Laws, a time that these laws have the potential to affect the lives of women. Women’s access should be facilitated, especially vulnerable women as single mothers and widows, to certificates of land title and real estate financial funds.
8. It is recommended to carry out discussions with national institutions and civil society on customary law and community justice mechanisms in relation to Gender Equality and the Law against Domestic Violence.
9. Must be finalized the Law on the Prevention, Suppression and Punishment of the Crime of Trafficking and the Law Mediation and Arbitration.
10. It is recommended that a study on how to make justice more accessible to . Gender and investigate the impact of the Law Against Domestic Violence in rural areas, to ensure its successful implementation.

Courts

General State Budget - CFTL	2,145,000
Percent of Budget in 2013: 0.26%	
Recurrent	
Salaries and Wages	495,000
Goods and Services	984,000
Combined Sources Budget	
Recurrent	1,479,000
Minor Capital	668,000

(sic – this data is correct for PDHJ, but not the courts. – LH)

1. Specific objectives and data disaggregated by sex for the recruitment, training and development are needed.



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2. The Annual Plan on Gender based violence - are necessary training and education on domestic violence and gender-based violence for lawyers
3. It is recommended to form a Gender working group, requiring the definition of plans and appropriation of funds to facilitate regular meetings, training and workshops to increase understanding of Gender issues and conducting Gender evaluations and audits.

Provedor for Human Rights and Justice

General State Budget - CFTL	2,145,000
Percent of Budget in 2013: 0.11%	
Recurrent	
Salaries and Wages	495,000
Goods and Services	984,000
Combined Sources Budget	
Recurrent	1,479,000
Capital	668,000

1. Recruitment, promotion, job training, training. The human resources policy and operations manual should be sensitive to gender. Targets for the recruitment and training of women must be established for legal officers, employees responsible for research and analysis of data for report at the national and regional level.
2. In the development of the electronic system of managing complaints, it is important disaggregate data by sex and include domestic violence cases and cases that are related to the SISCA program.
3. It is recommended to have good measures of involvement and participation of women during the training under PNTL, F-FDTL, police guards, inspectors and School Principle positions. The training should focus on women's rights and address the proper treatment of cases of domestic violence.
4. Plans should include a strategy for the preparation of the report to the CEDAW committee. The annual plan should also include information about implementation of the recommendations of CEDAW.
5. Plans must be designed for socialization and advocacy on legislative Initiatives and mechanisms of protection and assistance to the most vulnerable, including victims of human trafficking, migrant workers and custody cases.

Anti-Corruption Commission

General State Budget - CFTL	1,448,000
Percent of Budget in 2013: 0.12%	
Recurrent	
Salaries and Wages	387,000
Goods and Services	1,011,000
Public Transfers	436,000
Capital	



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Minor Capital	50,000
Combined Sources Budget	
Recurrent	1,398,000
Capital	50,000

1. Recruitment and training. The annual plan already has a 50% target for women, but does not include objectives for all activities;
2. The Annual Plan contains several activities to raise public awareness about the fight against corruption and promote the prevention of it, - these activities include associations to motivate of women to fight corruption - but these activities do not distinguish the different ways to fight corruption, different priorities and different impacts of corruption on men and women.

Social Protection

Ministry of Youth and Sports

General State Budget - CFTL	4,578,000
Percent of Budget in 2013: 0.39%	
Recurrent	
Salaries and Wages	441,000
Goods and Services	1,537,000
Public Transfers	2,500,000
Combined Sources Budget	
Recurrent	4,578,000
Capital	100,000

1. Recruitment, promotion, job training, education and awards - there are already some strong goals but all activities must have goals for women and girls and where you can try to get equality between men and women. Should consider increasing the number of women participating in citizenship training and education in order to allow access to all youth.
2. It is recommended to make an analysis and recognition of the differences between women and men in the areas of sport, art and music. It is recommended to include more activities that are practiced by women, such as badminton, swimming, tennis, volleyball, basketball etc. In the case of football, taekwondo etc., consider ways to encourage women's participation in the activities. It is recommended to support a training center for athletics in order to also provide opportunities for men and women in this sport.
3. Socialize people in rural and remote areas about the benefits of participation in sports.
4. It is recommended to form a Gender working group, requiring the definition of plans and allocation of funds to facilitate regular meetings, training and workshops to increase understanding of Gender issues of and conducting Gender evaluations and audits.



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5. It is recommended to link the youth parliament with the parliament and consider the creation of the group of young women in the youth parliament in order to better address the needs of young women in Timor-Leste.

Ministry of Social Solidarity

General State Budget - CFTL	147,663,000
Percent of Budget in 2013: 8.47%	
Recurrent	
Salaries and Wages	1,834,000
Goods and Services	3,743,000
Public Transfers	140,863,000
Combined Sources Budget	
Recurrent	146,440,000
Capital	1,223,000

1. Recruitment and professional training should include an target for men and women to facilitate equal employment and equal development of Gender policies and strategies in the social sphere;
2. Ensure the implementation of the National Action Plan on Gender-based violence;
3. Ensure the establishment of shelters for victims of Gender Based violence;
4. Evaluation of the existing access to the service reception centers in districts and identify their special needs;
5. Design policy recommendations on the implementation of the Law against Domestic Violence for the good of the victims;
6. Need to include in the Annual Plan a set of specific activities for the Gender Working Group, such as regular meetings, workshops and training plan and socialization of information on Gender and make an Gender assessment and audit on. Funds to support these activities to be included in the budget.

Secretariat of State for Vocational Training Policy and Employment (SOFPOE)

General State Budget - CFTL	12,853,000
Percent of Budget in 2013: 3.07%	
Recurrent	
Salaries and Wages	1,295,000
Goods and Services	883,000
Public Transfers	10,623,000
Capital	
Minor Capital	52,000
Combined Sources Budget	
Recurrent	12,801,000
Capital	52,000



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1. Ensure that all recruitment, workshops, training objectives are for women and men;
2. It is recommended to form a Gender working group, requiring the definition of plans and allocation of funds to facilitate regular meetings, training and workshops to increase understanding of Gender issues of and conducting Gender evaluations and audits;
3. Disaggregate all data by sex;
4. Disseminate information about the Labor Law, including maternity and paternity rights and the prohibition of sexual harassment in the workplace;
5. Consider the idea of hiring local women to make school uniforms - could create more than 2,000 jobs for local people.

Secretary of State for the Promotion of Equality

General State Budget - CFTL	1,867,000
Percent of Budget in 2013: 0.11%	
Recurrent	
Salaries and Wages	277,000
Goods and Services	1,357,000
Capital	
Minor Capital	33,000
Combined Sources Budget	
Recurrent	1,834,000
Capital	33,000

1. Regarding the continued implementation of LCVD (Law against Domestic Violence) and the Annual National Plan more coordination at the local level is required to continue the dissemination of law and develop strategies to combat domestic violence (targets should include men and women) because the rate of violence is greater in the districts and rural areas.
2. Greater coordination is needed with GMPTL for information about the activities at the CPLP (the GMPTL's mission is to coordinate with the networks of CPLP women).
3. We support the SEPI budget for better conditions for SEPI employees facing logistical difficulties, there is the need for an office that accommodates their employees decently.
4. There is a need to collect data on the achievement of the Millennium Development Goals (MDGs) and coordination with relevant ministries and parliamentary members to produce reports and develop a post-2015 strategy.
5. The training of Gender focal points should be strengthened and its role should be displayed in work places so that staff understand their function.



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Externalities

Ministry of Commerce, Industry and the Environment

General State Budget - CFTL	15,582,000
Percent of Budget in 2013: 0.86%	
Recurrent	
Salaries and Wages	2,339,000
Goods and Services	11,990,000
Public Transfers	1,000,000
Combined Sources Budget	
Recurrent	15,239,000
Capital	343,000

1. Recruitment, promotion, training and development - The Ministry has a good target of 55% for internal training but needs other objectives for the entire annual plan, including a database disaggregated by sex;
2. Targets are needed for programs related to access to credit, the increase of capital investment for cooperatives and support to small business owners;
3. Regarding the Gender working groups it is necessary to define plans and allocate funds to facilitate regular meetings, training and workshops to increase understanding of Gender issues and conducting evaluations and audits of Gender;
4. As part of the environmental impact studies, it is necessary to analyze the effects of different projects on human rights, including the dimensions of intellectual property, health etc., as well as the effects of projects on vulnerable people, particularly women.

Ministry of Tourism

General State Budget - CFTL	6,088,000
Percent of Budget in 2013: 0.33%	
Recurrent	
Salaries and Wages	944,000
Goods and Services	3,379,000
Public Transfers	1,500,000
Capital	
Minor Capital	285,000
Combined Sources Budget	
Recurrent	5,823,000
Capital	265,000

1. Recruitment, promotion, training and development - targets are needed for the entire annual plan, notably in the dimensions of qualifications and professionalism of tourism operators;



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- Regarding the Gender working groups, it is necessary to define plans and allocate funds to facilitate regular meetings, training and workshops to increase understanding of the issues of Gender and conducting evaluations and audits of Gender.

Ministry of Agriculture and Fisheries

General State Budget - CFTL	24,176,000
Percent of Budget in 2013: 1.89%	
Recurrent	
Salaries and Wages	5,779,000
Goods and Services	11,515,000
Public Transfers	1,000,000
Combined Sources Budget	
Recurrent	18,294,000
Capital	5,882,000

- Recruitment, promotion, training and development - some of the data are broken down, but there are only 11 farmers who are women. It is recommended in order to put the entire annual plan (for example, the ability of farmers and technicians, for groups of farmers and students).
- It is recommended to form a Gender working group, requiring the definition of plans and allocation of funds to facilitate regular meetings, training and workshops to increase understanding of the issues of Gender and conducting evaluations and audits of Gender;
- The annual plan talks about the integration of Gender and some activities include a 30% target for economic activities within the animal production system (feeding dairy cows and vaccination of pigs), as well as the celebration of International Women's Day, etc., but the targets for women could cover all programs.
- There must be kept and analyzed statistics about men and women who are working in agriculture and a strategy be formed to ensure that women who work in agriculture are paid.

Ministry of Petroleum and Mineral Resources

General State Budget - CFTL	9,301,000
Percent of Budget in 2013: 1.18%	
Recurrent	
Salaries and Wages	253,000
Goods and Services	1,940,000
Public Transfers	7,000,000
Capital	
Minor Capital	108,000
Combined Sources Budget	
Recurrent	9,193,000
Capital	178,000

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1. The recruitment of people, skills and training (internal) must have targets for women and men;
2. It is recommended that the publication of the information be sensitive to gender and that all women have access to them, including people in rural and remote areas;
3. It is recommended to define plans and endowment funds for the Gender working group with a view to holding regular meetings, training and workshops to increase understanding of the issues of Gender and conducting evaluations and audits of Gender;
4. It is recommended to consult with women on the subject of oil, minerals and other natural resources to reduce the negative impacts of activities, as well as the risk of human trafficking and sexual violence in traditionally male sectors and in remote and isolated locations ;
5. The intellectual property rights should be considered in studies of new methods of energy for the future;
6. It should be released a study on alternative energy for rural households and investigate the effects of burning wood and kerosene and the negative effects of exhaust fumes on people's health, especially women in the home.

Social Services

Ministry of Health

General State Budget - CFTL	54,219,000
Percent of Budget in 2013: 3.82%	
Recurrent	
Salaries and Wages	22,468,000
Goods and Services	21,088,000
Public Transfers	10,663,000
Capital	
Minor Capital	7,289,000
Combined Sources Budget	
Recurrent	54,219,000
Capital	7,289,000

1. Disaggregate data by sex;
2. Collect data on victims of domestic violence, HIV / AIDS, maternal mortality and sexually transmitted diseases;
3. You need to define how many men and women will receive training, support through scholarships etc.;
4. Encourage the participation of men in reproductive health;
5. Ensure good hospital care to victims of domestic violence, including children, and ensure that the national plan against domestic gender violence has sufficient resources for its implementation;
6. Ensure the implementation of the National Plan on Domestic and Gender Violence;
7. Ensure the implementation of the National Strategic Plan on Maternal Health;



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8. Include domestic violence, reproductive health and good nutrition in the general curriculum;
9. Achieve 50% of men and women in the organizational structure;
10. Provide adequate financial support for the services of midwives and health workers in rural areas and the provision of ambulances for these areas;
11. Ensuring the dissemination of information on different aspects of health by non-traditional means (such as theater, design, etc.)

<i>Governance of the Ministry Of Health</i>		
<i>Strengthen the role of leadership and governance of the Ministry of Health in implementing the Government's policy for the health sector through micro definition and regulation of the National Health System</i>		
<i>Institutional reorganization of the Service Centers</i>	<i>Need to define the percentage of women and men for new management positions and Leadership</i>	
<i>Represent the interests of the Ministry of Health Conferences / Seminars and Meetings Inter-regional on global health</i>	<i>Ensure participation in conferences / Seminars on reproductive health including maternal mortality and also HIV / AIDS.</i>	
<i>Develop the national collection and recording of health information and epidemiological surveillance in all health facilities</i>	<i>Disaggregate data by sex to the local and national level.</i>	
<i>Provision of Basic Health Services</i>		
<i>Development of informative leaflets for health education and promotion</i>	<i>Campaigns on nutrition, reproductive health, HIV / AIDS and maternal mortality. It is important to involve both men and women in the campaign.</i>	<i>It is important to emphasize the importance of good nutrition for everyone but especially for pregnant women to prevent maternal mortality and other diseases.</i> <i>To continue the activities for the socialization of family planning and sexual education (with M.Ed. and M Des sports and youth) in urban and rural areas, aimed primarily at teenagers and involving young men</i>
<i>Implementation of the program of integrated community health services in the sucos.</i>	<i>ensure access to services for women and continue the program SISCA in rural and remote areas</i>	<i>Build maternity centers and health posts in subdistricts for pre and post-natal pregnancy care</i>
<i>Implementation of the strategy of maternal, infant and child health.</i>	<i>Design a strategy and campaign to reduce the number of maternal deaths for 2015, taking into account the main causes in the Timorese context.</i> <i>Consider developing a law for this purpose (as was done in the Philippines)</i>	<i>Major reasons for the high maternal mortality rate - Mal nutrition, insufficient midwives and doctors to assist childbirth, distance between the centers of health, lack of information about options for labor and the high number of births per woman.</i> <i>Increase the number of midwives and</i>



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		<p><i>encourage memoranda of understanding so other countries can provide midwives in Timor-Leste</i></p> <p><i>Disseminate information about cervical cancer and breast cancer</i></p>
<p><i>Implementation of the strategy for control of major diseases</i></p>	<p><i>Continue programs for socialization and prevention of sexually transmitted diseases, especially HIV / AIDS</i></p> <p><i>Collect data at local and national level on the rate of HIV / AIDS in East Timor</i></p> <p><i>Provide information to pregnant women about sexually transmitted diseases and HIV / AIDS, and offer confidential testing and support to affected people.</i></p> <p><i>Ensure operation of the blood cleaning machine</i></p>	

Ministry of Education

General State Budget - CFTL	91,827,000
Percent of Budget in 2013: 6.8%	
Recurrent	
Salaries and Wages	47,004,000
Goods and Services	38,309,000
Public Transfers	436,000
Other Sources of Confirmed Funds	
Capital	2,500,000
Combined Sources Budget	
Recurrent	87,813,000
Minor Capital	4,014,000

1. Emphasize the social inclusion policy, with the aim of achieving Gender balance in schools - universal education - by 2015, according to the Millennium goal number 2 (achieve universal primary education)
2. Gender-sensitive concepts should be integrated in teacher training and curriculum.
3. With respect to the National Action Plan on Gender Violence, the ministry should do an analysis of the reports and a review of the curriculum to include good nutrition, reproductive rights, issues of human rights and gender and its application to Article 11 of the Law Against Domestic Violence

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4. Regarding the Gender working groups, are needed to define plans and allocate funds to facilitate regular meetings, training and workshops to increase understanding of the issues of Gender and conducting evaluations and audits of Gender;
5. You must implement regulations based on Civil Service Law with respect to physical and sexual violence against students.
6. It is necessary to analyze the different reasons for the dropout of girls and boys to develop a strategy for increasing the rate of graduates;
7. Ensuring that young people who had to interrupt their education due to pregnancy can have continuity of education;
8. Ensure that schools have an adequate system of sanitation;
9. Where possible, provide state transport (e.g. microlets) to go to schools that are far away from cities and villages. In the future, planning with the ministry of public works, should plan the construction of roads to facilitate access to schools.

Infrastructure

Ministry of Public Works

General State Budget - CFTL	192,821,000
Percent of Budget in 2013: 36.4%	
Recurrent	
Salaries and Wages	6,441,000
Goods and Services	137,804,000
Public Transfers	6,000,000
Capital	
Minor Capital	11,076,000
Capital Development	31,500,000
Combined Sources Budget	
Recurrent	150,245,000
Capital	42,576,000

1. Gender targets are needed for the entire annual plan, including participation in seminars, international events, etc.;
2. The database should be disaggregated by sex. It is recommended to disaggregate data on women's involvement in the construction of roads and the management of drinking water supply;
3. The Gender working group - activities should include training, comparative studies on Gender and allocate space for the Gender group's work in the work place.

ADN

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The National Development Agency covers all government projects through the Strategic Plan for the Development of Timor-Leste 2011-2030 - there are many possibilities to affect the lives of women, especially through programs related to decentralization, local development, development of sucos, emergencies, rural employment, and community projects. All should be sensitive to gender. A goal has to be established for the new recruitment and training in the Department of Project Assessment and Feasibility, the Department of Inspection and Project Quality Certification, Departments of PDD1 and PDD2 and Department of MDG suco. In the future, will also be necessary to set targets the establishment of a new economic policy and the investment agency that will assume control of ADN.

Monitoring of implementation of the 5 houses in each village project, since the total of homes were reduced to 9,000 homes, rather than 11,448 homes, and the amount in the budget increased, disregarding the approved budget in 2011, and the quality of the work not is always good.

Major Project Secretariat (SGP)

Although the SGP has not been included in the annual plan of Prime Minister /Ministry of Finance - the main recommendations would be to establish targets for recruitment and training, as well as examine the Gender sensitivity of Major Projects, including the Roads (e.g. accessibility and pedestrian safety), Hera Project on Electricity (safety of pregnant workers) and Suai Base (the increased risk of sexual exploitation due to the high number of men in the labor force).

National Procurement Commission (CNA)

Targets are needed for training, including in-service training, mentoring / tutoring, workshops and formal training from international experts.

Ministry of Transport and Communications

General State Budget - CFTL	12,359,000
Percent of Budget in 2013: 2.58%	
Recurrent	
Salaries and Wages	1,514,000
Goods and Services	7,274,000
Capital	
Minor Capital	2,951,000
Capital Development	620,000
Combined Sources Budget	
Recurrent	8,788,000
Capital	3,571,000

1. It has targets for women's participation in Portuguese and English courses but need to have targets for other courses like internet access etc.;
2. Regarding the Gender working groups, need to define plans and allocate funds to facilitate regular meetings, training and workshops to increase understanding of the issues of Gender and conducting evaluations and audits of Gender;



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3. The participation of women in the operation of services is necessary.

Defense and Security

Ministry of Defense and Security

General State Budget - CFTL	64,507,000
Percent of Budget in 2013: 4.79%	
Recurrent	
Salaries and Wages	25,870,000
Goods and Services	31,771,000
Public Transfers	200,000
Capital	
Minor Capital	5,841,000
Combined Sources Budget	
Recurrent	57,841,000
Minor Capital	6,666,000

1. Specific targets and sex-disaggregated data for recruitment, training, training and promotions are needed.
2. Gender sensitive Concepts, sexual harassment and Gender-based violence should be integrated into the code of conduct and humanitarian assistance work force.
3. Need to integrate the annual National Gender-based violence plan.
4. Regarding the Gender working groups, need to define plans and allocate funds to facilitate regular meetings, training and workshops to increase understanding of the issues of Gender and conducting evaluations and audits of Gender.