Government Policy Priorities:

Options for Budget 2027



June 2026

Ministry of Finance

Contents

Foreword i

Executive Summary iii

How PRC Ministers Can Respond to GPP Options iv

Government Policy Priority (GPP) Options vi

Introduction 1

1: Fiscal Space Creation 2

GPP 1: Petroleum Fund Protection 3

GPP 2: Strategic Borrowing 12

GPP 3: Investing in the Domestic Revenue System 14

GPP 4: Curbing Inefficiencies 16

GPP 5: Making Aid More Efficient 19

2: Central Government Policy Pressures 21

GPP 6: Controlling Staffing Levels and Professionalism 21

GPP 7: Infrastructure Strategy for Growth and Jobs 23

GPP 8: Known Unfunded New Policy Pressures 28

GPP 9: Visibility of Mandatory Expenses 29

GPP 10: Vehicles, Travel and Catering 29

GPP 11: Social Inclusion 33

GPP 12: Procurement, Contracts, Vendors and Paying Invoices 37

GPP 13: Other Pressures in Budget 2027 – Citizens and Politics 41

3: Sectoral Policy Opportunities and Pressures 49

GPP 14: Securing the Future: From Commitment to Decision on Petroleum and Minerals 49

GPP 15: Realizing Blue Economy Potential - Developing a $200m p.a. Fishing Industry 50

GPP 16: From Potential to Premium: Developing a $300m p.a. Niche Tourism Economy 58

GPP 17: Digital Jobs for the Youth - Creating a $350m p.a. Digital Services Economy 64

GPP 18: From Fibre to Function: Turning Connectivity into State Capability 71

GPP 19: Grow Timor 2037 for a $500m p.a. Agricultural Economy 73

GPP 20: Water Security and Basic Sanitation for Communities 80

GPP 21: High Costs of Energy, Roads and Bridges 82

GPP 22: Transparency and Efficiency of Social Protection 84

GPP 23: Education Efficiency and Multilingual Selective Schools 89

GPP 24: Tertiary Health Care as Social and Economic Infrastructure 94

GPP 25: Strengthening Public Order and Safety Function 99
GPP 26: Fiscal Fairness and Sub-National Government Operations 105
GPP 27: Private Property Rights for Growth 111
GPP 28: Foundations for Financial Sovereignty 115
4. New Policy Ideas from Ministers 118
New Policy Ideas Overview 118
New Idea Review Findings 120
Lessons Are Being Learned 121
Conclusion 123
Annexes 124
Annex 1: Fiscal Sustainability Analysis with Sunrise–Tasi Mane TLNG (AI v1) 125
Annex 2: Participatory Budget Consultation Outcomes 130
Annex 3: PM's Call for New Policy Ideas – Overall Assessment 156
Annex 4: PM's Call for New Policy Ideas – Analysis of Each New Policy Idea 175

Foreword

Budget 2027 marks a turning point for Timor-Leste. It is the first budget prepared under a new way of working: one that asks the Government to focus not only on how much each ministry receives, but on what policies should change, what results those changes should deliver, and how public resources can be used more strategically to secure our country's future. This is a profound shift in the way we prepare the State Budget. It reflects the reality that Timor-Leste can no longer rely on annual budget routines, historical spending patterns, or Petroleum Fund withdrawals alone to meet our development ambitions. We must make clearer choices, earlier choices, and better choices.

Policy-based budgeting means that the budget starts from Government priorities and policy decisions, not from rebuilding every ministry's budget from zero each year. Under the old approach, too much time and effort were spent reconstructing annual allocations, negotiating line items, and responding to fragmented claims on the budget. That made it difficult for the Council of Ministers to focus on the major decisions that matter most: how to protect fiscal sustainability, how to improve services, how to create jobs, and how to build a stronger non-oil economy. A policy-based approach changes this. It separates the cost of continuing existing services from the cost of new policy choices. It requires new proposals to be justified, costed, compared, and considered together. It makes trade-offs more visible and strengthens the discipline needed to allocate scarce resources to the highest national priorities.

The enabling condition for this reform is the introduction of rolling Forward Estimates. Forward Estimates provide the baseline cost of continuing existing policies and services over the budget year and the following four years. They allow Government to see the medium-term consequences of today's decisions before those decisions are made. They also end the need to rebuild the entire budget annually as if no previous decisions had been taken. Instead, the budget can now focus on change: which policies should be strengthened, which should be redesigned, which should be stopped, and which new priorities should be financed. This creates a more honest and more strategic budget process.

This matters because Timor-Leste faces a decisive economic and fiscal challenge. Our national development model remains highly dependent on petroleum wealth, while the need for jobs, productivity, private investment, and better public services is becoming more urgent. The country needs stronger sources of non-oil economic growth now. Budget 2027 must therefore be more than an accounting exercise. It must become a strategic tool for diversification, productivity, service delivery, and long-term fiscal resilience. It must help turn public expenditure into real national capability: better infrastructure, stronger institutions, more efficient services, and sectors that can create employment and income beyond oil and gas.

The new policy process gives the Council of Ministers a better way to govern the budget. By using Forward Estimates as the baseline, ministers can concentrate on the big policy questions rather than revisiting every existing allocation each year. The Government can ask which pressures are unavoidable, which expenditures are inefficient, which investments will support growth, and which reforms are necessary to protect the future. This is especially important at a time when fiscal space is limited and the consequences of weak prioritisation would be felt not only in the next budget, but over the next decade.

This paper is intended to support that new way of working. It presents Government Policy Priority options for Budget 2027 so that ministers can consider, compare, and sequence the choices before us. Not every option will proceed. Some will need more design, stronger costing, further consultation, or phased implementation. But the value of this process is that the choices are made explicit. The budget should no longer be the result of accumulated bids and annual rebuilding. It should be the result of disciplined policy decisions about the future we want to build together.

As Minister for Finance, I see Budget 2027 as the moment when Timor-Leste begins to use the budget more deliberately as an instrument of national transformation. The task is not simply to spend, but to spend with purpose and with wisdom. The Government must protect the fiscal foundations of the state, create room for higher-value priorities, and direct public resources toward policies that can generate lasting returns for citizens. If we succeed, Budget 2027 will mark the beginning of a more strategic, more transparent, and more sustainable approach to public finance — one capable of supporting the non-oil growth that we Timorese desperately need.

Minister for Finance

Santina José Rodrigues Ferreira Viegas Cardoso

Executive Summary

This paper sets out a structured set of Government Policy Priority (GPP) options for consideration in the 2027 Budget process, framed around Timor-Leste's central fiscal and development challenge: *how to preserve fiscal stability, reduce excessive dependence on the Petroleum Fund, and use the budget more strategically* to support growth, jobs, and long-term resilience. The paper argues that Budget 2027 is an important test of the Government's move to policy-based budgeting, requiring the PRC to make earlier and more explicit choices about which policy changes should be prioritised, how they should be financed, and what trade-offs should be accepted. The analysis is intended to support disciplined decision-making by identifying where fiscal space can be created, where expenditure pressures are rising, and where targeted policy shifts could improve both short-term budget performance and long-term national outcomes.

The first part of the paper focuses on fiscal space creation. It argues that Timor-Leste's current development model remains heavily dependent on Petroleum Fund withdrawals and that, without corrective action, the country faces increasing fiscal instability risks in the 2030s even if Greater Sunrise proceeds as anticipated. The paper therefore proposes a first set of GPP options aimed at strengthening fiscal sustainability: protecting the Petroleum Fund through fiscal rules and asset-value floors; developing a more active strategic borrowing approach to smooth expenditure and diversify financing; increasing domestic revenue through VAT and broader tax reform; reducing inefficiencies through better data use, responsible AI, and stronger controls; and improving the efficiency of development assistance by increasing the share of aid channelled through government systems. Together, these measures are presented not as stand-alone technical reforms, but as the core foundations for sustaining the budget and protecting development choices over time.

The second part turns to central government policy pressures, identifying areas where expenditure is high, growing, poorly controlled, or insufficiently aligned with priority outcomes. The paper highlights pressures in the civil service wage bill, infrastructure strategy, mandatory expenditure treatment, travel and administrative spending, cross-cutting social spending, procurement and contract management, and emerging political economy risks linked to elections, coalition management, and expenditure governance. The GPP options presented in this paper are designed to help the PRC bring greater discipline, visibility, and value for money to these areas. The underlying message is that the Government cannot create lasting fiscal space unless it also improves the quality of allocation and implementation inside the existing budget.

The third part focuses on sectoral policy opportunities and pressures, with a clear emphasis on areas that could help diversify the economy and support employment over the medium term. These include fisheries, niche tourism, digital jobs for youth, agriculture, energy and transport, social protection, education, tertiary health care, public order and safety, private property rights, and financial-sector development. In each case, the paper argues that Timor-Leste should move beyond incremental spending and instead consider multi-year investment and reform strategies with clearer sequencing, financing logic, and delivery arrangements. A central theme across these sector chapters is that future growth will depend less on petroleum and more on whether Government can convert public investment into productive assets, stronger institutions, and viable non-oil sectors.

The fourth part summarises the outcomes of the new policy idea scoping process. At the Prime Minister's request, ministers were invited to submit ideas for new policy funding to inform the 2027 Budget process and test whether additional priorities should be brought forward alongside the Government's existing policy agenda. The Ministry of Finance reviewed 119 submitted proposals against the emerging policy-based budgeting framework, assessing each idea for strategic alignment, policy rationale, fiscal implications, readiness for costing, relationship to existing baselines, implementation feasibility, and fit with the 28 Government Policy Priority options already identified in the Government Brief. The assessment found that most proposals sought funding for existing activities and did not require a separate priority framework. Seventy-five mapped directly to existing GPP options, while the remaining seven could be accommodated through sensible grouping, linkage, or clarification.

Indicative costings were provided for 69 out 112 proposals, totalling $2.0 billion over the medium term and $1.3 billion for Budget 2027, while the 35 proposals recommended to proceed account for $343 million. No submissions identified additional revenue, savings, or reprioritisation measures to finance the proposed new spending. Submission pathways were also uneven: only 29 proposals were routed through the relevant portfolio minister, compared with 33 through the Prime Minister's Office and 47 submitted directly to the Ministry of Finance.

Too many submissions were sent to MoF without ministerial clearance or coordination through the responsible ministerial portfolio. Given this is the first time a policy driven process was undertaken, this was not unexpected. Moving forward though, MoF should make efforts to ensure proposals go through the portfolio minister for review and endorsement.

For PRC members and their advisers, the core strategic message is that Budget 2027 should be treated as a pivot point. The decisions taken now will shape not only the next annual budget, but also the country's ability to avoid fiscal instability, preserve national savings, and build a more diversified and resilient economy over the next decade. The paper does not ask the PRC to endorse every option immediately. Rather, it provides a menu of policy directions and targeted submissions that can be commissioned through the GPP process.

The primary task for the PRC at this stage is to decide which GPP options should be approved for further development ahead of the August decision round. Where an option is approved, the relevant agency would be asked to prepare a new policy submission, including detailed costing and completion of the required budget submission template. Final decisions would then be taken in August once submissions have been reviewed by the Ministry of Finance, and the proposed costs have been assessed as realistic and consistent with the policy objectives.

The recommended approach is selective but disciplined: protect the fiscal base, tighten central government efficiency, and back a limited number of higher-value sector strategies that can generate growth, jobs, and broader national returns over time.

How PRC Ministers Can Respond to GPP Options

The paper currently presents a list of 28 Government Policy Priority (GPP) options, which a are summarised in Table 1 list below, covering fiscal space creation, central government policy pressures, and selected sectoral opportunities and risks. These options are intended as an initial structure menu for PRC consideration rather than a closed set of proposals.

Table 1. Fiscal Impact Summary of GPP Options

Item	BY27	FE1	FE2	FE3	FE4	Total
Total Fiscal Impact	**-14.9**	**205.9**	**148.8**	**22.6**	**29.6**	**391.5**
1: Fiscal Space Creation	-60.0	-65.0	-120.0	-200.0	-220.0	**-665.0**
2: Central Government Policy	23.0	53.0	39.0	2.00	-22.0	**95.0**
3: Sectoral Policy	17.1	213.9	229.8	221.6	272.6	**954.5**
4: New Ideas from Ministers	-	-	-	-	-	-

For each Government Policy Priority option, the responsible PRC Minister will have a clear set of decision pathways available. A proposal may be approved as presented where the policy case, fiscal implications, and implementation arrangements are judged to be sufficiently strong. It may be rejected where the proposal is unaffordable, lower priority, poorly designed, or inconsistent with the Government's broader policy direction. It may also be referred back for further work where additional information, costing, consultation, or design development is needed before a final decision can be taken. Finally, a proposal may be approved in principle but subject to a different roll-out strategy, including later commencement, phased implementation, narrower geographic coverage, or other sequencing changes designed to improve affordability, reduce risk, or align the reform more closely with delivery capacity. This framework helps ensure that PRC consideration is not limited to a binary approve-or-reject choice, but instead supports more disciplined, flexible, and implementation-aware decision-making.

Government Policy Priority (GPP) Options

GPP Option 1: on Petroleum Fund Protection 12
GPP Option 2: on Strategic Borrowing 13
GPP Option 3: on Investing in the Domestic Revenue System 16
GPP Option 4: on Curbing Inefficiencies 19
GPP Option 5: on Making Aid More Efficient 20
GPP Option 6: on Controlling Staffing Levels and Strengthening Professionalism 23
GPP Option 7: on An Infrastructure Strategy for Growth and Jobs 27
GPP Option 8: on Existing Known Unfunded New Policy Pressures 28
GPP Option 9: on Improving Visibility of Mandatory Expenses 29
GPP Option 10: on Vehicles, Travel and Catering 33
GPP Option 11: on Social inclusion: Gender, Children and Disabilities 37
GPP Option 12: on Procurement, Contracts and Vendors 41
GPP Option 13: on Managing Political Economy Pressures in Budget 2027 48
GPP Option 14: on Securing the Future: From Commitment to Decision on Petroleum and Minerals 50
GPP Option 15: on The Blue Economy: Fisheries Industry Development 57
GPP Option 16: on Niche Tourism Industry Development 63
GPP Option 17: on Digital Jobs for the Youth 70
GPP Option 18: on From Fibre to Function: Turning Connectivity into State Capability 72
GPP Option 19: on Agriculture: Grow Timor 2037 79
GPP Option 20: on Water Security and Basic Sanitation for Communities 81
GPP Option 21: on the High Costs of Electricity, Roads and Bridges 83
GPP Option 22: on Improving Transparency and Efficiency of Social Protection 88
GPP Option 23: on Improving Education Efficiency and Multilingual Selective Schools 93
GPP Option 24: on Tertiary Health Care as Social and Economic Infrastructure 98
GPP Option 25: on Strengthening the Public Order and Safety Function 104
GPP Option 26: on Fiscal Fairness of Sub-National Government Operations 110
GPP Option 27: on Private Property Rights for Growth 114
GPP Option 28: on Foundations for Financial Sovereignty 117

Summary of Recommendations

GPP Option 1: on Petroleum Fund Protection 12

MoF to bring forward a strengthened policy proposal on Petroleum Fund protection that sets out options for a legislated real asset value floor, medium-term fiscally sustainable withdrawal limits, and explicit fiscal rules anchored in forecasts of future Petroleum Fund revenues, investment returns, and withdrawal paths. The proposal should also assess the implications for forward estimates, fiscal stability, intergenerational equity, and the pace of adjustment required to reduce long-term dependence on Petroleum Fund financing. 12

Est. Fiscal Impact Over the FEs: $0..... 12

GPP Option 2: on Strategic Borrowing..... 13

MoF and the Infrastructure Fund to bring forward a strengthened policy proposal on strategic borrowing and lending that sets out a medium-term debt strategy to support fiscal sustainability, smooth expenditure over time, reduce pressure on Petroleum Fund withdrawals, and diversify budget financing sources. The proposal should assess the appropriate balance between concessional, domestic, and limited commercial borrowing; the institutional and legal reforms needed to strengthen debt management; the potential role of sovereign risk engagement and credit ratings; and the conditions under which borrowing could be used prudently to support fiscal stability and higher-value public investment. Policy-linked lending should also be considered, so that borrowing is guided by policy priorities rather than individual projects. 13

Est. Fiscal Impact Over the FEs: -$0.5b..... 13

GPP Option 3: on Investing in the Domestic Revenue System 16

MoF to bring forward a new policy proposal on VAT implementation, tax and customs compliance improvements, and a new user charge policy. The submission should set out a practical pathway for introducing a simple, broad-based VAT with a low initial rate, including transitional arrangements, threshold design, treatment of key goods and services, administrative readiness, taxpayer education, and the sequencing needed to minimise disruption to households and businesses. It should also identify complementary measures to strengthen revenue performance through better tax and customs compliance, including improved registration, filing, payment enforcement, risk-based audit, border controls, and data-sharing across revenue agencies..... 16

In addition, the proposal should set out options for a clearer and more coherent user charge framework across government services, with attention to affordability, cost recovery, equity, and the sectors where fees could be expanded or better enforced. The submission should assess expected revenue gains, implementation costs, distributional impacts, political and administrative risks, and the extent to which these reforms could reduce long-term reliance on Petroleum Fund financing while strengthening the domestic revenue base over time. 16

Fiscal Impact Over the FEs: -$165m 16

GPP Option 4: on Curbing Inefficiencies..... 19

MoF, MoH, MoE, MAFF, and CAC to bring forward a joint policy proposal on reducing inefficiencies, with a focus on strengthening data sharing, improving data quality and

management, and building systems to detect, deter, and respond to inefficiency, waste, and corruption more effectively. 19

Est. Fiscal Impact Over the FEs: -$50m..... 19

GPP Option 5: on Making Aid More Efficient 20

MoF, MoH, MoE, and MoA to bring forward a joint policy proposal on increasing the share of development assistance channelled through government systems, with a focus on improving aid efficiency, reducing delivery costs, strengthening country systems, and identifying the reforms and safeguards needed to improve the way as is captured in budgets and financial statements and increase donor confidence in government-managed implementation. 20

Est. Fiscal Impact Over the FEs: $0m (Budget Balance) + $50m Expenditures 20

GPP Option 6: on Controlling Staffing Levels and Strengthening Professionalism 23

CFP and MoF to bring forward a joint policy proposal on controlling the size and cost of the civil service, with a focus on strengthening establishment controls, managing staffing growth, improving workforce planning, and building a more professional, independent, and less politicised public service over time. 23

Est. Fiscal Impact Over the FEs: -$60m..... 23

GPP Option 7: on An Infrastructure Strategy for Growth and Jobs..... 27

MoF, MPIE and the Infrastructure Fund management teams should bring forward a strengthened review of the Infrastructure Strategy aimed at increasing non-oil growth, supporting trade, and creating more jobs through better prioritised and better sequenced infrastructure investment. The review should assess all existing and proposed Infrastructure Fund projects, including budget execution, delivery performance, recurrent cost implications, and value for money, but it should go further by testing the extent to which the current pipeline is aligned with the Government's higher-priority growth and human development strategies. 27

In particular, the review should examine whether infrastructure allocations are sufficiently supporting related GPP options on fisheries, agriculture, digital jobs, tourism, and tertiary health care, including the enabling investments these sectors need in roads, ports, power, water, digital connectivity, logistics, and supporting facilities. It should also include a structured priority alignment exercise to identify which projects are strongly linked to national diversification, food security, service delivery, and job creation objectives, which projects should be re-scoped or deferred, and where new infrastructure may be required to unlock higher-value sector outcomes. 27

The submission should therefore provide ministers with a clearer basis for shifting the Infrastructure Fund away from a broad pipeline approach and toward a more disciplined strategic investment framework that prioritises infrastructure with the strongest contribution to growth, productivity, fiscal sustainability, and long-term development impact. 27

A primary objective is to deliver a set of forward years estimates broadly in line with current levels FEs of around $250-$300m p.a. The $156m of existing new activities over 5 years approved via CAFI to be included in new forward year pipeline estimates. 27

Est. Fiscal Impact Over the FEs: $0 (s.t. new policies included from other GPPs)..... 27

GPP Option 8: on Existing Known Unfunded New Policy Pressures... 28

Electoral Commission to bring forward a costed policy submission on the fiscal implications of the 2027 Municipal Elections, setting out low, moderate, and high cost and quality options for Government consideration. 28

Electoral Commission to bring forward a costed policy submission on the fiscal implications of the 2027 Presidential Election and the 2028 Parliamentary Election, setting out low, moderate, and high cost and quality options for Government consideration. 28

Ministry of Foreign Affairs to bring forward a costed policy submission on the fiscal implications of hosting the 2029 ASEAN Summit and related CPLP events in 2027, setting out low, moderate, and high cost and quality options for Government consideration. 28

Infrastructure Fund, MPIE, Ministry of Foreign Affairs and Ministry of Tourism bring forward a submission on the ICCTL financing strategy or consider within GPPs 7 (Infrastructure Fund) or GPP 16 (Tourism). 28

Est. Fiscal Impact Over the FEs: $164.5m over 3 years (Lapsing) 28

GPP Option 9: on Improving Visibility of Mandatory Expenses 29

MoF, MSSI and MoJ to bring forward a policy proposal on improving the estimation and treatment of mandatory expenditures, including options for a parameter-based approach or direct estimate variation where appropriate. The submission should assess how these methods could be applied across key mandatory expenditure areas, including veterans' payments, social security, and major entitlement-based spending. 29

MoF to bring forward a policy proposal on the clearer classification and disclosure of special appropriations, so that Parliament and citizens can distinguish more easily between expenditures arising from existing primary legislation and those proposed through the annual Budget Law. This should include options for Budget 2027 to explicitly identify appropriations that derive from primary legislation. 29

Est. Fiscal Impact Over the FEs: $0.5m in BY27 29

GPP Option 10: on Vehicles, Travel and Catering 33

MoF, MoI, MoH, MoE and MoD to bring forward a policy submission on key administrative expenditure items, setting out the current policy and control settings for vehicles, travel, and catering, together with options to improve efficiency, strengthen expenditure discipline, and reduce unnecessary or low-value spending over time. 33

Est. Fiscal Impact Over the FEs: -$15m 33

GPP Option 11: on Social inclusion: Gender, Children and Disabilities 37

Secretary of State for Equality, MCLAN and MSSI to bring forward a joint policy submission with related entities on improving the efficiency, targeting, and transparency of financial assistance provided to gender, children, and disability-related programs and interest groups. The submission should assess current spending patterns, identify options to improve value for money and alignment with priority outcomes, and propose stronger criteria, safeguards, and reporting arrangements for future support. 37

Est. Fiscal Impact Over the FEs: $5m ($15m new $10m reprioritisation savings) 37

GPP Option 12: on Procurement, Contracts and Vendors 41

Infrastructure Fund, MoF, MoPW, RAEOA, and Municipalities to bring forward a joint policy submission on improving procurement and contract management performance, with a focus on strengthening contract execution, ensuring all contracts are recorded in the accounting system, improving data quality and transparency, and reducing the risk of weak oversight, delayed delivery, and poor value for money. 41

Est. Fiscal Impact Over the FEs: $-3m ($1m new $4m savings) 41

GPP Option 13: on Managing Political Economy Pressures in Budget 2027 48

The Ministry of Finance, MPIE, PRC ministries and Ministry of State Administration to bring forward a Government Policy Priority submission on managing political economy pressures in Budget 2027. The recommendation should set out practical options to strengthen rules-based allocation, improve transparency around politically sensitive expenditure pressures, and ensure that PRC decisions are tested not only for affordability but also for their effect on budget discipline, implementation quality, and the Government's ability to redirect resources toward higher-priority and higher-value uses over time. The policy option should provide a set aside fund for key political priorities and mechanism to quarantine high growth policies with safe guards and self-enforcement mechanisms. 48

Est. Fiscal Impact Over the FEs: $10m over 3 years (Lapsing) 48

GPP Option 14: on Securing the Future: From Commitment to Decision on Petroleum and Minerals 50

Ministry of Petroleum and Mineral Resources, Ministry of Finance, MPIE and the Infrastructure Fund to bring forward a budget submission on petroleum and mineral development, particularly the advancement of Greater Sunrise – TLNG setting out spending to date, progress toward Final Investment Decision, and any changes required to current investment decisions and monitoring frameworks. The submission should identify what has already been committed, what remains to be financed, the implications for the medium-term fiscal strategy, forward estimates and the decision points that have budget implications and will require PRC direction. 50

Est. Fiscal Impact Over the FEs: $0m 50

GPP Option 15: on The Blue Economy: Fisheries Industry Development 57

Infrastructure Fund, MPIE, Ministry of Agriculture Fishereis and Forestry, an Ministry of Defence bring forward a joint submission on a 10 year investment strategy to build a multi-million-dollar fisheries industry. Conditions for success should be clearly articulated including owners of the program. Over the medium to long term, the investment strategy should also prioritise sustainable marine management, while strengthening security and defence capabilities to combat illegal fishing activities and protect Timor-Leste's marine resources. 57

Est. Fiscal Impact Over the FEs: $156m 57

GPP Option 16: on Niche Tourism Industry Development 63

Infrastructure Fund, MPIE and Ministry of Tourism bring forward a joint submission on a 15 year investment strategy to build a multi-million-dollar niche tourism industry. Conditions for success should be clearly articulated including the leadership group for the program. 63

Est. Fiscal Impact Over the FEs: $156m 63

GPP Option 17: on Digital Jobs for the Youth 70

Ministry of Transport, Communications (MTC), Communication Technology Institute (TIC), MPIE and the Infrastructure Fund to bring forward a joint submission on a 10-year investment strategy to create up to 25,000 digital jobs for young people. The submission should provide an update on the status of the Timor-Leste fibre cable, including progress toward full operation, the arrangements required to ensure affordable and reliable connectivity, and any associated investment or policy decisions now needed. Conditions for success should be clearly articulated, including program leadership, implementation responsibilities, and the sequencing of supporting investments. 70

Est. Fiscal Impact Over the FEs: $76m 70

GPP Option 18: on From Fibre to Function: Turning Connectivity into State Capability 72

MTC, CTL, MoF, MoE, MoH and MAFF to bring forward a joint Government Policy Priority submission on a three-year Fibre to Function Program designed to convert the new submarine cable into stronger state capability and more efficient service delivery. The submission should set out a sequenced package of investment and reform focused on replacing obsolete computers and office devices, upgrading ministry software and secure records systems, strengthening cybersecurity and local networks, and modernising priority business processes across the six ministries. It should also identify the implementation and governance arrangements needed to ensure that improved connectivity is translated into practical gains in budgeting, procurement, administration, education management, health system administration, and agricultural and fisheries service delivery, rather than remaining an underused infrastructure asset. 72

Est. Fiscal Impact Over the FEs: $30m over 3 years 72

GPP Option 19: on Agriculture: Grow Timor 2037 79

Ministry of Agriculture, Ministry of Finance, MPIE, the Infrastructure Fund and relevant economic agencies to bring forward a joint submission on Grow Timor 2037 as a 10-year investment and reform strategy to lift agricultural productivity, strengthen food security, raise rural incomes, and create jobs. The submission should set out phased priorities, financing options, flagship value chains, and the governance and delivery arrangements needed to ensure implementation discipline and measurable results. 79

Est. Fiscal Impact Over the FEs: $156m 79

GPP Option 20: on Water Security and Basic Sanitation for Communities 81

Ministry of Public Works, ANAS, Bee Timor-Leste, MPIE and municipalities bring forward a joint Government Policy Priority submission on Water Security and Basic Sanitation for Communities, designed to respond directly to citizen consultation feedback that identified water and sanitation as one of the highest infrastructure priorities for Budget 2027. 81

The submission should set out a five-to-ten-year national program to expand reliable access to basic water supply and safe sanitation, with priority given to rural communities, peri-urban settlements, schools, health facilities, and underserved municipalities. It should combine rehabilitation of non-functioning water systems, targeted expansion of small-scale and town water schemes, climate-resilient source protection and storage, community and municipal maintenance arrangements, rural sanitation acceleration, and practical urban sanitation measures including fecal sludge management, drainage, and waste-water risk reduction where appropriate. 81

The proposal should go beyond construction alone by clarifying institutional responsibilities across central agencies, utilities, and municipalities; strengthening operations and maintenance; improving service reliability and local accountability; and embedding climate resilience into sector planning and asset design. It should also provide a sequenced delivery strategy, including quick wins in high-need areas in Budget 2027 and 2028, followed by broader system strengthening and scaled expansion over the medium term..... 81

The submission should assess capital and recurrent costs, financing and donor co-financing options, implementation risks, and measurable service targets, including improvements in basic water access, sanitation coverage, school and clinic WASH conditions, reductions in time spent collecting water, and stronger equity in service delivery across municipalities. .. 81

Est. Fiscal Impact Over the FEs: $40m–$90m..... 81

GPP Option 21: on the High Costs of Electricity, Roads and Bridges . 83

MoPW, MPIE and EDTL bring forward a submission on an investment strategy to improve cost recovery closer to 50% within 5 years, while also keeping access high and reducing time required to get electricity connections. Options for more cost-effective use of renewable energy sources should also be developed. 83

MoPW to also bring forward an update to the master plan for roads and bridges for Timor-Leste based on average annual spend of $100m p.a. over 5 years with the use of 5 year multi-year contracts. 83

Est. Fiscal Impact Over the FEs: $-230m..... 83

GPP Option 22: on Improving Transparency and Efficiency of Social Protection 88

MSSI and MoF bring forward a submission to improve the visibility and efficiency of social protection system. The submission is to include a proposal to establish GFS compliant reporting of Social Security Fund operations and consolidated general government reporting. In addition, a plan to increase social contributions and reduce net social benefits over the medium term to help deliver fiscal sustainability over the medium-to-long term. Measures including single unique ID and mandatory death certificates in municipalities to be elaborated. 88

The review should include an assessment of the public order and safety system to ensure a balance between achieving the peace dividend through enforcement of laws and deterrence and through positive incentives such as through the social protection system (see GPP 25). Savings options to be identified through actuarial-like assessment of eligibility demographics. 88

Est. Fiscal Impact Over the FEs: $-125m 88

GPP Option 23: on Improving Education Efficiency and Multilingual Selective Schools 93

MoE and MPIE to bring forward a competitive multilingual selective school system strategy delivered over five-to-ten years that is designed to attract the best and brightest Timorese students from all regions and backgrounds. The submission should set out options for a phased network of high-standard schools delivering education in Tetum, Portuguese, Malay and English, with transparent merit-based entry, equity measures for talented rural and low-income students, specialised teacher recruitment and training, and a curriculum linked to national economic priorities. It should also assess the likely benefits for trade, skilled employment, labour mobility, tertiary pathways, and Timor-Leste's ability to compete more effectively in Lusophone and Anglophone markets. 93

MoE should also bring forward options to improve efficiency across the wider education system, with a focus on teacher quality, deployment, professional development, and performance, alongside a coordinated program of school rehabilitation and expansion. An emphasis on improving learning outcomes data should be included. Major school infrastructure requirements should be scoped jointly with the Infrastructure Fund so that classrooms, sanitation, laboratories, furniture, and digital connectivity can be improved in a more systematic and fiscally sustainable way. 93

Est. Fiscal Impact Over the FEs: $35m 93

GPP Option 24: on Tertiary Health Care as Social and Economic Infrastructure 98

Ministry of Health, Ministry of Finance, MPIE and the Infrastructure Fund to bring forward a Government Project Proposal on building greater national self-sufficiency in tertiary health care through the establishment of a trusted tertiary referral hospital. The proposal should set out service-level options, including a full-service national hospital and a lower-cost secondary hospital model, together with capital and recurrent cost estimates, workforce and operating requirements, implementation phasing, governance arrangements, and financing options. It should also assess the expected impact on reducing overseas treatment costs, improving patient safety and clinical trust, supporting high-value tourism and investor confidence, and strengthening Timor-Leste's long-term economic and social resilience. 98

Est. Fiscal Impact Over the FEs: $0.1b - $0.5b 98

GPP Option 25: on Strengthening the Public Order and Safety Function 104

Investing in Public Order and Safety 104

Ministry of Justice, Ministry of Interior and MPIE, with support from the Ministry of Finance to bring forward a joint long-term Public Order and Safety strategy aimed at establishing a stronger and more visible national POS presence over the next 5–10 years. The strategy should focus on building core operational capacity in police, prisons and courts, including workforce planning, facility and equipment needs, geographic service coverage, and the medium-term recurrent and capital costs required to sustain improved service delivery. It should also include a stronger expenditure and performance tracking framework for fire services, so that spending can be more accurately classified, monitored and assessed as part of the broader POS system. The submission should set out phased options, financing requirements, implementation

responsibilities, and the expected contribution of a stronger POS presence to deterrence, rule of law, public confidence and long-term peace and stability. Options for financing for the strategy should be provided, including an assessment if social protection savings from efficiency improvements could cover additional funding needs. 104

Est. Fiscal Impact Over the FEs: $0 104

Developing the Court System 104

Ministry of Justice, the Court of Appeal, and MPIE with support from the the Ministry of Finance to bring forward a joint Government Policy Priority submission on Strengthening Higher Courts and Judicial Capacity, aimed at closing the gap between Timor-Leste's existing lower-level court presence and the incomplete establishment of a fully functioning higher court system. The submission should set out a phased five-to-ten-year program for building and operationalising higher court capacity, including court facilities, chambers, registry and case-management systems, judicial and prosecutorial workforce development, specialist legal training pathways, and the broader administrative and institutional support required for appellate and complex case functions to operate effectively. It should assess the current legal and operational gaps, identify options for sequencing physical infrastructure with recruitment and professional formation of qualified judges and support staff, and clarify how Government will avoid creating court structures that exist formally but remain under-functioning in practice. 104

The proposal should also explain how strengthened higher courts would support rule of law, constitutional order, property rights, commercial confidence, and the more efficient resolution of complex civil, administrative, and criminal matters. The submission should assess capital and recurrent costs, delivery and implementation risks, transitional arrangements, and measurable indicators of progress, including the establishment of functioning higher court facilities, improved appellate capacity, shorter delays in complex case resolution, and stronger confidence in the national justice system over time. 104

Est. Fiscal Impact Over the FEs: $15m–$40m 104

GPP Option 26: on Fiscal Fairness of Sub-National Government Operations 110

State Administration, RAEOA, and municipalities, in consultation with MoF, to bring forward a policy submission on sub-national government financing and reporting that proposes a simple, transparent, and equity-based allocation formula for municipalities and Oecusse, together with clear consolidation rules and a sub-national reporting framework broadly aligned to GFS sectorization principles. The submission should assess vertical and horizontal allocation options using objective indicators such as population and remoteness, draw on existing expenditure and per capita analysis to identify fiscal fairness issues, and set out a PEFA-aligned, rules-based transfer framework that can be implemented at low cost following structured consultation across Government. The submission should also provide options to improve the integrity of sub-national accounting and reporting while building a realistic pathway for municipalities to mobilise more of their own revenue as part of a gradual autonomy agenda. 110

Est. Fiscal Impact Over the FEs: $1m 111

GPP Option 27: on Private Property Rights for Growth 114

Ministry of Justice, Ministry of Finance, Ministry of Planning and Strategic Investment, and the relevant land administration authorities to bring forward a joint submission on a national land titling and property rights reform strategy. The submission should set out a realistic multi-year plan to settle land ownership, expand title issuance, strengthen dispute resolution, clarify the treatment of state, community, and private land, and build a transparent and trusted land information system. It should also identify the investment required, financing options, implementation arrangements, and the reforms needed to make secure private property rights a cornerstone of private investment, agricultural transformation, urban development, and long-term economic diversification. 114

Est. Fiscal Impact Over the FEs: $66m 114

GPP Option 28: on Foundations for Financial Sovereignty 117

Banco Central de Timor-Leste, and Ministry of Finance in support, to bring forward a submission on a ten-year plan to build the institutional foundations for greater monetary sovereignty before any possibility of fiscal instability risks intensifying. The submission should set out phased reforms to strengthen fiscal discipline, payments systems, reserve and liquidity management, domestic financial markets, and central bank capability, while also assessing the conditions under which Timor-Leste could credibly consider a future domestic or parallel-currency model. It should also include a strategy for deliberate sovereign risk engagement, including limited and prudent commercial borrowing to build a sovereign credit track record, stronger debt management capability, and the commissioning of sovereign credit ratings once the necessary fiscal and institutional preconditions are in place 117

Est. Fiscal Impact Over the FEs: $2m (net of CBTL own source funding)..... 117

Tables

Table 1. Fiscal Impact Summary of GPP Options v
Table 2. Base Case for Sunrise TLNG 9
Table 3. Slow and Low Scenario for Sunrise TLNG 10
Table 4. Fast and High Scenario for Sunrise TLNG 11
Table 5. Current Debts add stocks 12
Table 6. Programs with the biggest over budgeting problems 18
Table 7. Programs with the biggest under budgeting problems 18
Table 8. All Aid as % of Expenditure by COFOG 19
Table 9. Aid Channelled through Government as % of Expenditure by COFOG 20
Table 10. Largest Capital and Development Programs 2023-25 24
Table 11. Infrastructure Fund Financial Statements 2013-25 25
Table 12. Infrastructure Fund COFOG Expenditure Statements 2013-25 25
Table 13. Infrastructure Fund Program Pipeline 2026-2030 26
Table 14. Infrastructure Fund Pipeline 2026-30: Project Activities (>$20m over 6 yrs) 27
Table 15. Spending on Vehicles and Operations - 2013-25 (GFS) 30
Table 16. Spending on Travel - 2013-25 (GFS) 31
Table 17. Spending on Catering - 2013-25 (GFS) 32
Table 18. Biggest Spending on Gender Activities - 2013-25 34
Table 19. Spending on LGBx-Related Activities - 2013-25 34
Table 20. Biggest Spending on Children Activities - 2013-25 35
Table 21. Biggest Spending on Disability Activities - 2013-25 36
Table 22. Fisheries Sub-Sectors and Estimates of Potential Value ($190-240m p.a.) 51
Table 23. Fisheries Industry Investment Needs 51
Table 24. Fisheries Industry Development Financing Strategy 51
Table 25. Direct Job-Creation Estimates from Fisheries Industry Investment 52
Table 26. Total Job-Creation Estimates from Fisheries Industry Investment 52
Table 27. Niche Tourism Industry Estimates of Potential Value ($285–500m p.a.) 58
Table 28. Niche Tourism Industry Investment Needs ($700m-$950m) 58
Table 29. Niche Tourism Industry Development Financing Strategy 58
Table 30. Direct Job-Creation Estimates from Niche Tourism Industry Investment ... 59
Table 31. Total Job-Creation Estimates from Niche Tourism Industry Investment 59
Table 32. Digital Jobs for the Youth Estimates of Potential Value ($350–500m p.a.) ... 64
Table 33. Digital Jobs Investment Components 65
Table 34. Digital Jobs Created 66

Table 35. Digital Transformation Package 71
Table 36. Grow Timor 37 Impact on GDP: $420–610 million..... 73
Table 37. Grow Timor 2037 Investment Estimates ($285–500m p.a.)..... 74
Table 38. Grow Timor 37 Financing Strategy 75
Table 39. Job-Creation Estimates from Grow Timor 37 Investment 75
Table 40. Total Job-Creation Estimates from Niche Tourism Industry Investment 76
Table 41. Other Sub-Function as % of Exp – Timor-Leste Vs ASEAN 82
Table 42. Social Protection Function Spending Trends: 2013-25..... 85
Table 43. Social Protection Financial Statements: 2013-25..... 85
Table 44. Top 10 Social Protection Agencies: 2013-25..... 86
Table 45. Social Protection Aid as % of Social Protection Expenditures (All Channels) 87
Table 46. Social Protection Aid as % of Social Protection Expenditures (Govt Chan). 87
Table 47. Education Function Spending Trends: 2013-25 90
Table 48. Education Financial Statements: 2013-25 91
Table 49. Top 12 Education Agencies: 2013-25 91
Table 50. Education Aid as % of Government Education Expenditures (All Channels)91
Table 51. Education Aid as % of Education Expenditures (Government Channel) 91
Table 52. Health Function Spending Trends: 2013-2025..... 95
Table 53. Health Financial Statements: 2013-2025..... 95
Table 54. Top 15 Health Agencies: 2013-2025..... 95
Table 55. Health Aid as % of Government Education Expenditures (All Channels) 96
Table 56. Health Aid as % of Education Expenditures (Government Channel) 96
Table 57. Full Service National Hospital Costing Estimate 97
Table 58. Reduced Service Secondary Hospital Costing Estimate 97
Table 59. Public Order and Safety Spending Function Spending Trends: 2013-2025 100
Table 60. Public Order and Safety Financial Statements: 2013-2025 100
Table 61. Top 12 Public Order and Safety Agencies: 2013-2025 101
Table 62. Public Order and Safety Aid as % of Education Expenditures (All Channels) 101
Table 63. Public Order and Safety Aid as % of Education Expenditures (Gov Channel) 101
Table 64. Sub-National Government Spending by Municipality/Region 2013-25..... 106
Table 65. Sub-National Government Spending by COFOG 2013-25 106
Table 66. SNG Shares of Spending by Municipality/Region – excluding Dili 2013-25 107
Table 67. Per-Capital SNG Spending 2013-25 (2022 population) 107

Table 68. SNG Revenues by Municipality/Region 108
Table 69. SNG Revenues by GFS Economic Classification 108
Table 70. Indicative Land Titles Investment Needs by Component 113
Table 71. Indicative Year-by-Year for Land Titles Financing Path (7 Years) 113
Table 72. List of New Policy Ideas Submitted 118
Table 73. Stylised expenditure path 126
Table 74. PF Evolution 5-year snapshots – No Sunrise 126
Table 75. PF Evolution with Sunrise-Tase Mane TLNG inflows 128

Figures

Figure 1. Timor-Leste GNI Per Capita and Country Income Status 1
Figure 2. 7 Dimensions of Fiscal Space 2
Figure 3. Timor-Leste's Point in Time Fiscal Space 3
Figure 4. Timor-Leste's Net Worth Position (Petroleum Fund Asset Value) 4
Figure 5. Scenario 1 – Fiscal Instability: TLNG Delivers $13b Net Rev, $8b PF Floor & No Borrowing 6
Figure 6. Scenario 2 – Fiscal Smoothing: Borrowing Allowed 7
Figure 7. Scenario 3 – No Fiscal Instability: TLNG $28bm $8b PF Floor and Borrowing $1.6b 7
Figure 8. Scenario 4 – Scenario 1 with Higher Tax Growth 8
Figure 9. ASEAN Tax Take Trends 14
Figure 10. Highly Resource Dependent Country Tax Takes (Budgetary Central Govt) .. 14
Figure 11. Revenue as % of GDP (BCG) – including PF Grants - ASEAN 15
Figure 12. Expenditure as % of GDP (BCG) – ASEAN 15
Figure 13. Timor-Leste WDI Statistics - % of all WDI metrics by theme 17
Figure 14. Employee Compensation Comparators – ASEAN 21
Figure 15. Gross Pay – Actuals and Per Capita – Constant and Current 21
Figure 16. Gross Pay – by Employment Group (Constant and Current) 22
Figure 17. Trends in Number of Employees 22
Figure 18. Acquisition of Non-Financial Assets (GFS) 2013-25 US$ 23
Figure 19. Capital and Development by Program and Ministry Shares - 2013-25 23
Figure 20. Spending on Vehicles and Operations - 2013-25 30
Figure 21. Spending by Administrative Unit on Vehicles and Operations - 2013-25 30
Figure 22. Spending on Trave; - 2013-25 31
Figure 23. Travel Spending by Administrative Unit - 2013-25 32
Figure 24. Spending on Catering - 2013-25 32
Figure 25. Catering Spending by Administrative Unit- 2013-25 33
Figure 26. Spending on Gender - 2013-25 34
Figure 27. Gender Spending by Administrative Unit- 2013-25 34
Figure 28. Spending on Children - 2013-25 35
Figure 29. Children Spending by Administrative Unit on Travel - 2013-25 35
Figure 30. Spending on Disability - 2013-25 36
Figure 31. Disability Spending by Administrative Unit - 2013-25 36
Figure 32. Procurement Dashboard 37
Figure 33. Contracts Dashboard 38

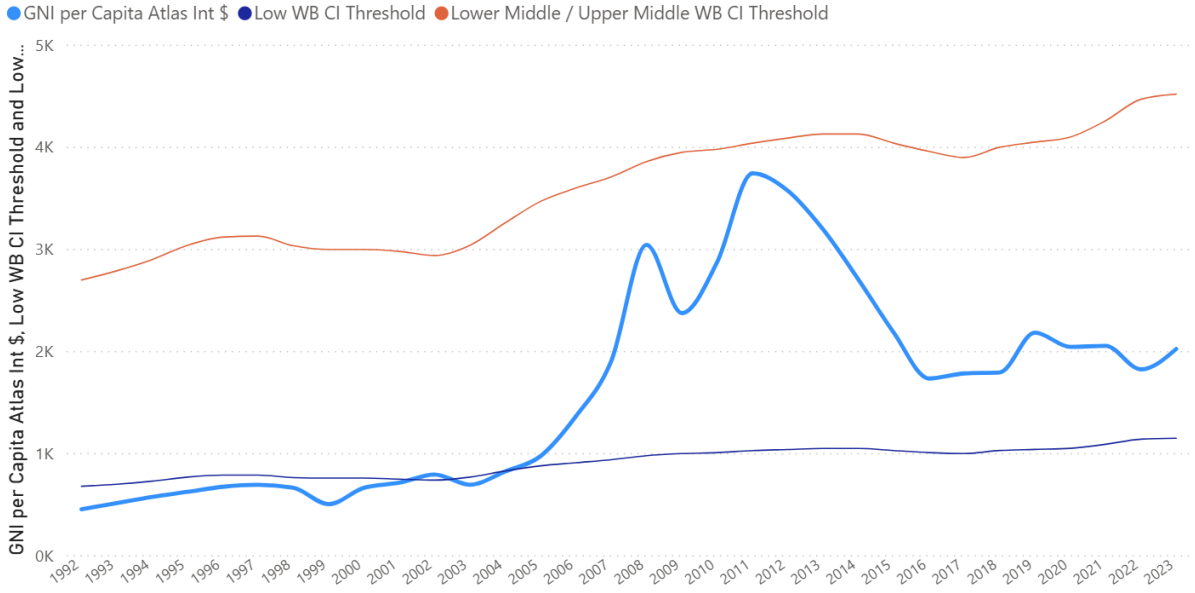
Figure 34. Repeat Contracts Dashboard (2021-25) 39
Figure 35. Multi-year Contracts Dashboard (2021-25) 39
Figure 36. Vendors Dashboard 40
Figure 37. Paying Valid Invoices Dashboard 41
Figure 38. Citizen Consultation Priorities for Budget 2027 44
Figure 39. Social Partner Priorities for Budget 2027 46
Figure 40. Fisheries Industry Development Timeline (10 Years) 51
Figure 41. Niche Tourism Industry Development Timeline (15 Years) 58
Figure 42. Digital Jobs for the Youth Development Timeline (15 Years) 65
Figure 43. Grow Timor 2037 Timeline (10 Years) $520–720 million 74
Figure 44. Trends in Electricity Performance – ASEAN comparators 82
Figure 45. Electricity Dashboard 83
Figure 46. Transport V's Fuel and Energy Function (2021-25) 83
Figure 47. COFOG Trends - % of Public Expenditures – ASEAN Vs TL (IMF) 84
Figure 48. Social Protection Trends - Budgetary Central Government– ASEAN 85
Figure 49. Trends in Social Protection Spending – Core Comparators 85
Figure 50. Education – BCG – ASEAN 89
Figure 51. Tends in Education Spending – Core Comparators 90
Figure 52. Education Outcome Indicators 2001-18 92
Figure 53. Pupil-Teacher Ratios- Primary and Secondary 2001-18 92
Figure 54. Health – BCG – ASEAN 94
Figure 55. Selected Health System Performance Metrics – ASEAN 94
Figure 56. Tends in Health Spending – Core Comparators 95
Figure 57. Public Order and Safety – BCG – ASEAN & g7+ (% of Exp) 99
Figure 58. Trends in Public Order and Safety Spending – Core Comparators 100
Figure 59. Aggregate Sub-National Government Spending Trends 2013-25 106

Introduction

This brief provides a range of new policy priority options for the consideration of the Prime Minster and his leadership group in the Policy Review Committee (PRC). It provides an outline of the fiscal space challenges and opportunities for achieving sustainability, mitigating potential fiscal cliff risks, and addressing both aggregate and sectoral demands while supporting peace and stability. It identifies policy pressures and potential responses to help the PRC prioritize actions for the 2027 Budget New Policy Priority process.

Timor-Leste's future prosperity depends on the policy and political choices made in upcoming budgets. At its petroleum production peak, the nation nearly reached upper middle-income status ($3,740 per capita), but has since dropped to $1,730, slightly above the low-income threshold of $1,146 (2023) and well below the upper middle-income benchmark of $4,515 (2023) (see Figure 2 below). This paper offers options to guide Timorese policymakers toward sustainable GNI growth and avoiding a return to a low-income country status.

Figure 2. Timor-Leste GNI Per Capita and Country Income Status



Source: TiFIS

Timor-Leste's Budget 2027 marks the country's first use of policy-based budgeting, an approach that emphasizes changes in government policy instead of allocating budget shares according to ministerial portfolios. A major difference is setting policy change priorities early in the process, when budget cabinet ministers weigh various resource demands and address multiple policy and political issues.

For reviewing new policy priorities, it is recommended to start by examining fiscal space, then assess fiscal sustainability, and consider major challenges at both central government and sector levels (such as health and education). Incorporating political issues into this framework aids handling trade-offs.

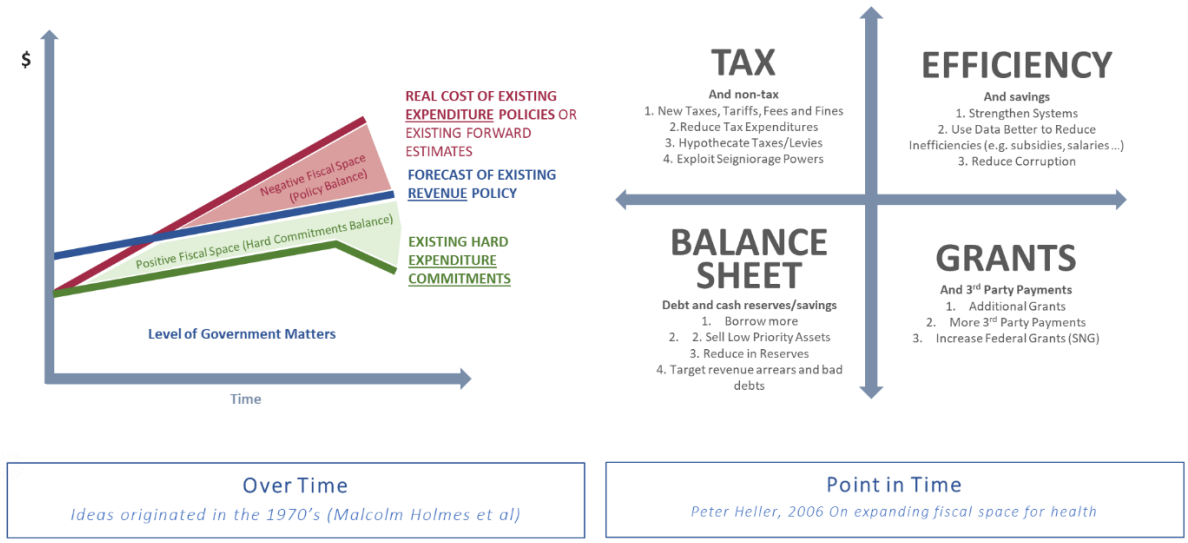
The brief is therefore structured in three parts that focus on the core fiscal challenges facing Timor-Leste: i) Fiscal Space Creation; ii) Central government Pressures; and iii) Sectoral Pressures. Each section presents a range of policy priority options that could be considered in the 2027 budget process, with a summary of all the options.

1: Fiscal Space Creation

Fiscal space is defined as "the government's ability to finance new higher priority policies without risking fiscal, economic, social and political instability". There are two types of fiscal space: i) over time; and ii) point in time (see Figure 3 below).

The over-time version of fiscal space looks at how much fiscal room there is over the medium-term given the policies the government has already committed to. This is often defined as existing policy. It is basically the difference between revenue forecasts and the estimated costs of existing and promised policies or hard commitments. Point in time fiscal space focuses on how much room there is to move in a particular year and the different sources of fiscal space available.

Figure 3. 7 Dimensions of Fiscal Space



This form of fiscal space is similar to the idea of fiscal sustainability, which means that a government can meet its current and future spending commitments without needing unrealistic increases in revenue, excessive borrowing, or disruptive cuts to services. In other words, the public finances remain stable, credible, and manageable over the long term. A more technical version is that fiscal sustainability is the ability of a government to maintain its debt and deficit levels at a trajectory that does not require abrupt policy changes or threaten economic, social or political stability over time, which is related to the concept of a fiscal cliff.

Timor-Leste's Fiscal Space can also be looked at from a point in time perspective. The point in time view is presented at Figure 3 above, with the results of analysis for Timor-Leste at Figure 4 below. This view of fiscal space – the governments room to move to spend more – is presented in four dimensions on how to: i) do more on tax; ii) be more efficient (e.g. do more with less); iii) get more from donors; and iv) borrow more (or spend saving or sell assets).

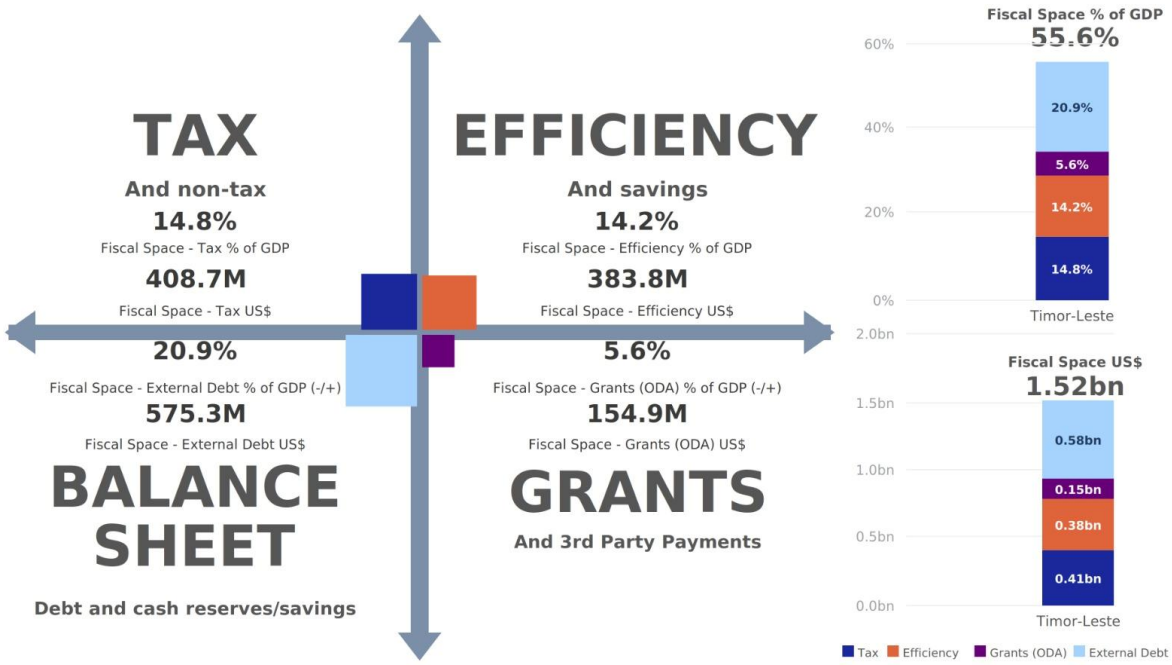
The need to create fiscal space is urgent. The government's main fiscal challenges are boosting tax revenue, improving spending efficiency, and avoiding unsustainable finances that could lead to fiscal cliffs, and delivering a fiscal strategy that delivers non-oil economic growth and development objectives.

MoF analysis of fiscal space reveals fiscal policy opportunities (see Figure 4 below). Four fiscal space metrics were followed: i) Tax as percent of GDP – proximity to threshold; ii) Debt as

percent of GDP– proximity to threshold; iii) Grants/3rd Party Payments as percent of GDP (development assistance) – Proximity to Absorptive Capacity Threshold; and iv) Losses From Inefficiencies caused by incompetence, corruption and weak systems – as percent of GDP.

Fiscal space parameter assumptions for Timor-Leste are: i) low tax to GDP threshold of 20%; ii) Weak debt issuance capacity at 30% of GDP; iii) moderate aid levels of 15% of GDP; and iv) no discounts on efficiency loss estimates. Results are provided at Figure 4 below.

Figure 4. Timor-Leste's Point in Time Fiscal Space



Source: TiFIS

The following four sections follow the four fiscal space dimensions, providing policy options to create fiscal space while tackling the challenges posed by fiscal cliff and fiscal sustainability pressures i) Reducing Dependency on Petroleum Savings (including delaying and diminishing the impact of a fiscal cliff); ii) Investing in Timor-Leste's Tax System; iii) Addressing expenditure inefficiencies; and iv) Making Aid More Efficient.

GPP 1: Petroleum Fund Protection

For over twenty years, the Petroleum Fund has been heavily relied upon to finance peace, political stability, and growth. Using these savings is often simpler than alternatives like raising taxes, increasing efficiency, or securing grants. However, this dependency poses significant risks, including inefficient spending, poor policy implementation, economic volatility, and unsustainable expenditures that could lead to a fiscal crisis.

Timor-Leste remains the most resource dependent country in the World. The Petroleum Fund provided 84% ($13b) of revenue from 2013-24 with government expenditure contributing 50%-90% of GDP. Net Worth (PF Value) is starting to decline in real terms, and a fiscal cliff is a possibility, even if Greater Sunrise materialises quickly. Best estimates of Sunrise cash flow forecasts indicate there will be an inability to meet future non-oil fiscal deficits if expenditure and non-oil economic growth remain on current trajectories. Moreover, if spending increases and ESI falls then a fiscal cliff will be realised more quickly.

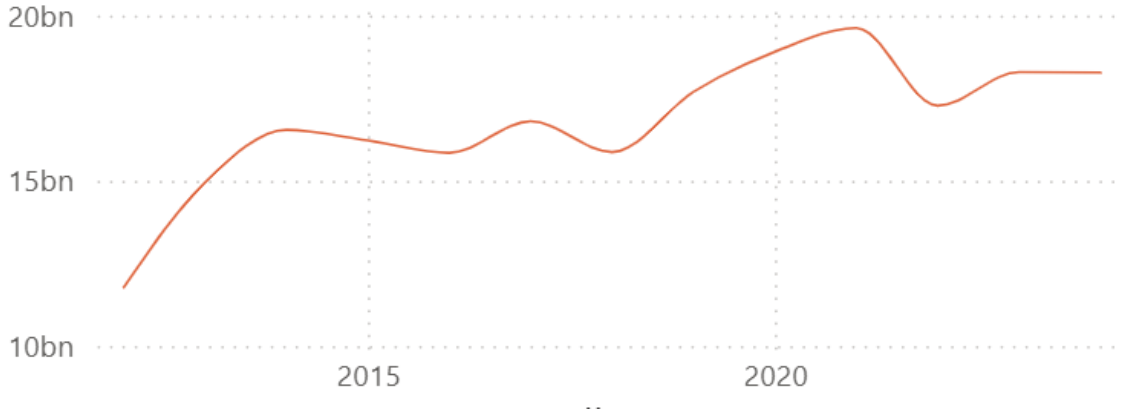
The impact of the dependency is that it is creating disincentives to increase taxes and improve efficiency because it's so easy to spend savings. It has no immediate impact on any group of people or special interest group. The other fiscal space sources do. Tax hurts companies and citizens. Grants comes with conditions. And improving efficiency often requires reducing rents available to incumbents or taking money from one group and giving to another group, which can be particularly difficult.

Fiscal Space analysis reveals that debt can provide over $0.5 billion to fund recurrent and capital expenditure but its use is subject to key risks. These include bringing forward the fiscal cliff, wastage, building unsustainable citizen and political expectations and creating conditions for political instability. However, there are benefits of issuing domestic and international debt including access to interest rates that are lower than the PF returns and an ability to default or enter into conditional revocable debt relief arrangements if the fiscal cliff materialized earlier than forecast.

Reducing the heavy dependency on Petroleum Fund (PF) savings can be achieved by establishing broader policy restraints. Proven ways to achieve this are to establish annual and medium-term budget tax-take and non-grant deficit targets that become major monitoring items during execution of the budget.

Use of PF savings and borrowing policy options for the Budget 2027 GPP process could also be considered. This would involve developing: i) PF savings use policies that could secure broad political consensus to gradually limit dependency on the petroleum fund; and ii) domestic and international borrowing policies to help reduce the costs of drawing down savings.

Figure 5. Timor-Leste's Net Worth Position (Petroleum Fund Asset Value)



Source: TiFIS

Implications of Fiscal Instability

A preliminary analysis has been conducted and supported by Artificial Intelligence (AI) on Timor-Leste's fiscal sustainability risks using only publicly available data. Results are in line with projections from other actors including the IMF.

Fiscal sustainability risk threshold is defined here as the moment when the Petroleum Fund (PF) is too small to "safely" finance a dominant share of budget expenditure. This is the point when stakeholders believe there is an impending disaster and budgets are forced to be reduced drastically – this can be thought of as the Petroleum Fund Balance "Panic" Threshold. An initial fiscal sustainability assessment was conducted to help understand its implications for fiscal policy.

Fiscal sustainability baselines include no Greater Sunrise and Greater Sunrise with Tase-Same TLNG onshore processing, with and without borrowing to top up PF (or deficit financing) and smooth out expenditures. Two scenarios were also analysed: conditions with fiscal instability and conditions for fiscal stability or smoothing.

The model is based on six principal assumptions:

I. the level of net revenue accruing to Timor-Leste from Greater Sunrise under a TLNG scenario (for example, $13 billion or $28 billion);
II. the level of budget expenditure, with the 2025 baseline set at $1.9 billion;
III. the proportion of expenditure financed through withdrawals, assumed at 80 per cent of total budget expenditure;
IV. the rate of expenditure growth, assumed at 1 per cent per annum;
V. the Petroleum Fund balance threshold at which a fiscal adjustment would be triggered, whether by government decision, external constraint, or legal requirement, set here at $8 billion; and
VI. the strength of tax reform, reflected in the annual growth rate of non-grant revenues, assumed initially at 2 per cent per annum.

The full set of model assumptions is presented in Figure 6 below. Additional assumptions include TLNG-related pre-Final Investment Decision (Pre-FID) expenditure of $1.2 billion, projected annual TLNG revenue flows, and alternative borrowing profiles, including scenarios in which borrowing is used to smooth expenditure over time.

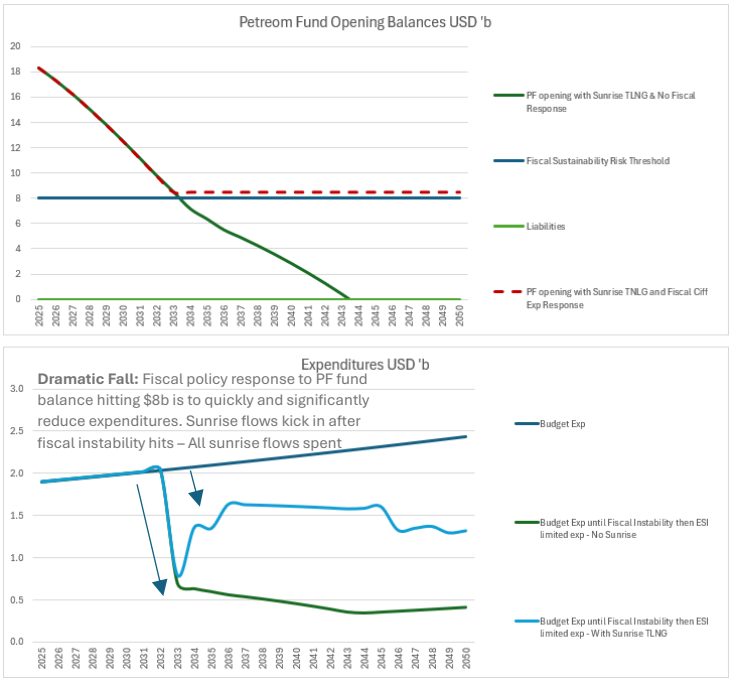
Four scenarios are presented for consideration: one in which fiscal instability occurs; one in which borrowing is used to moderate the severity of fiscal adjustment; one in which fiscal instability does not arise; and one where stronger growth in tax revenue is achieved.

Scenario 1: Fiscal Instability Occurs

Under the first scenario, fiscal instability is projected to emerge during the 2030s, depending on the underlying assumptions (see Figure 6). In this scenario, fiscal instability—defined as a significant reduction in expenditure—is triggered when the Petroleum Fund balance falls below $8 billion. Tax reform is assumed to be modest, with non-grant revenues increasing by 2 per cent per annum. On this basis, fiscal instability is projected to arise in 2031, under assumptions that Greater Sunrise TLNG generates $13 billion in revenue, requires upfront expenditure of $1.2 billion, and begins to yield net-revenue inflows from 2034.

The resulting fiscal adjustment could exceed $1 billion in reduced budget expenditure. Under certain assumptions, this period of fiscal instability could be prolonged or effectively permanent, particularly if public investment fails to generate non-petroleum sources of growth—such as from tourism, private sector development, agriculture and fisheries, or a more competitive tax regime—or if Greater Sunrise does not proceed as anticipated and downside risks materialise. In the absence of Sunrise revenues, annual budget expenditure would fall to approximately $0.5 billion, with Timor-Leste effectively relying on investment returns from an $8 billion Petroleum Fund.

Figure 6. Scenario 1 – Fiscal Instability: TLNG Delivers $13b Net Rev, $8b PF Floor & No Borrowing



Parameters	Amount
PF Investment Return	3.5
Withdrawal as % of Expenditure	80%
Expenditure Growth (i.e. inflation or policy)	1
PF Value when Fiscal Instability Emerges (for Tax & Exp Falls	8
Impact on revenues from FC - % of ESI	50%
Sustainable Exp Level (b) - Medium Term	1.5
Borrowing growth for Exp Smoothing	0
GS TLNG sensitivity parameter	1
DSA Threshold - Rev: 55% of Non-Grant Revenue	Moderate
DSA Threshold - GDP: 55% of GDP	
Tax Reform - Assumption	1.02
GDP - PF Dependency (Exp as % of GDP)	0.9
Post FID Revenue $'b for TL from TLNG as at 2050	13
Pre-FID costs for TLNG $'b	1.2
Total Borrowing $'b	0.0
Implied Gross TLNG revenues $'b	14.2
Min Level of PF Balances	8.5

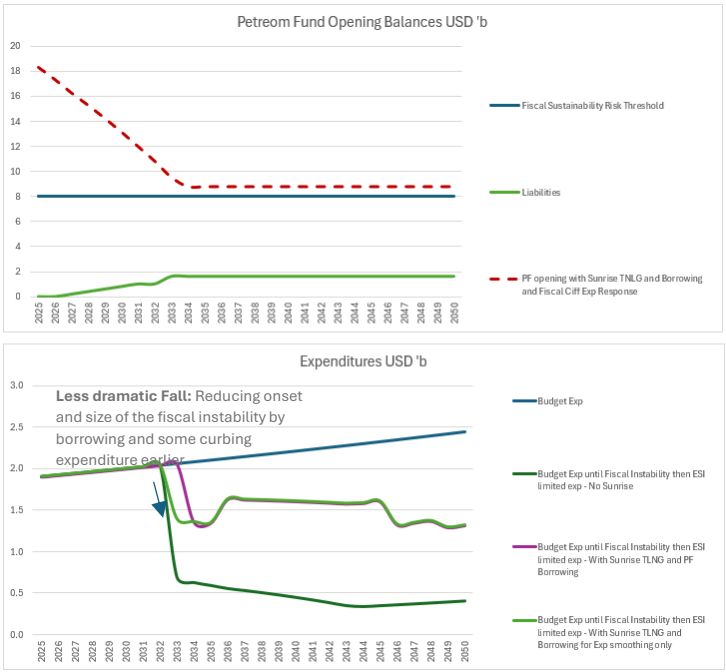
Scenario 2: Fiscal Smoothing By Borrowing

Under the second scenario, borrowing is used either to support the Petroleum Fund or to smooth expenditure toward a sustainable medium-term path. Borrowing to support the Petroleum Fund effectively finances earlier deficits and withdrawals. In this scenario, borrowing $1 billion over five years ($200 million per year) delays the point at which expenditure must decline (purple line in Figure 7 below). Additional borrowing to smooth expenditure later in the period reduces the severity of the fiscal adjustment. In this example, $0.6 billion is borrowed in 2033 (light green expenditure line). High levels of borrowing, though increases risk of debt distress.

Scenario 3: No Fiscal Instability:

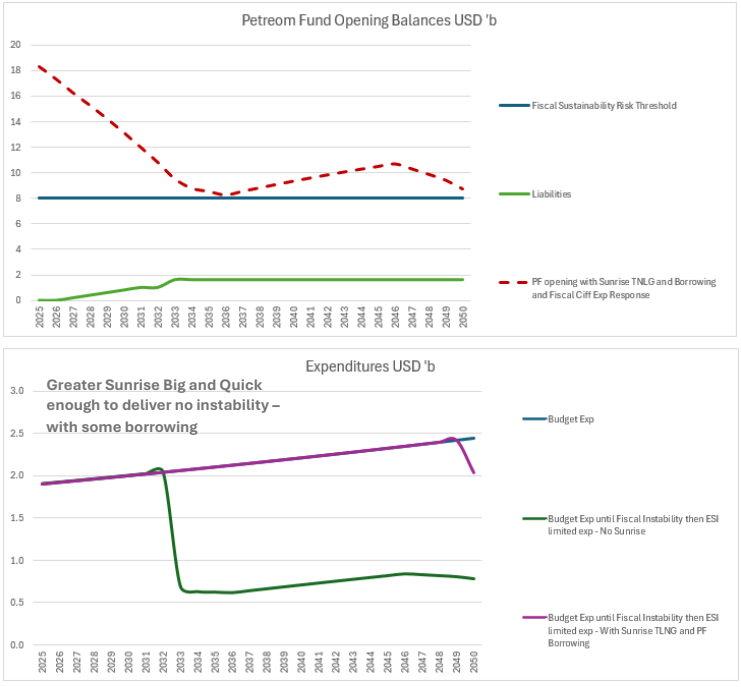
Under the third scenario, fiscal instability does not arise. This scenario assumes that Greater Sunrise TLNG starts quickly and generates $28 billion in revenue and that Petroleum Fund balance does not fall below $8 billion (see Figure 8 below). Borrowing is limited to $1 billion. Under these assumptions, the Petroleum Fund falls to a low of $8.7 billion in 2035, recovers to a peak of $10.8 billion in 2046, and then declines to $8.5 billion by 2050. Based on the cash flow assumptions, TLNG revenues of at least $22 billion would be required to keep the Petroleum Fund from falling below $8 billion. The main effect of borrowing in this scenario is to protect the Petroleum Fund balance, allowing it to reach a new peak of $11 billion in 2046.

Figure 7. Scenario 2 – Fiscal Smoothing: Borrowing Allowed



Parameters	Amount
PF Investment Return	3.5
Withdrawal as % of Expenditure	80%
Expenditure Growth (i.e. inflation or policy)	1
PF Value when Fiscal Instability Emerges (for Tax & Exp Falls	8
Impact on revenues from FC - % of ESI	50%
Sustainable Exp Level (b) - Medium Term	1.5
Borrowing growth for Exp Smoothing	0
GS TLNG sensitivity parameter	1
DSA Threshold - Rev: 55% of Non-Grant Revenue	Moderate
DSA Threshold - GDP: 55% of GDP	
Tax Reform - Assumption	1.02
GDP - PF Dependency (Exp as % of GDP)	0.9
Post FID Revenue $'b for TL from TLNG as at 2050	13
Pre-FID costs for TLNG $'b	1.2
Total Borrowing $'b	1.6
Implied Gross TLNG revenues $'b	15.8
Min Level of PF Balances	8.8

Figure 8. Scenario 3 – No Fiscal Instability: TLNG $28bm $8b PF Floor and Borrowing $1.6b

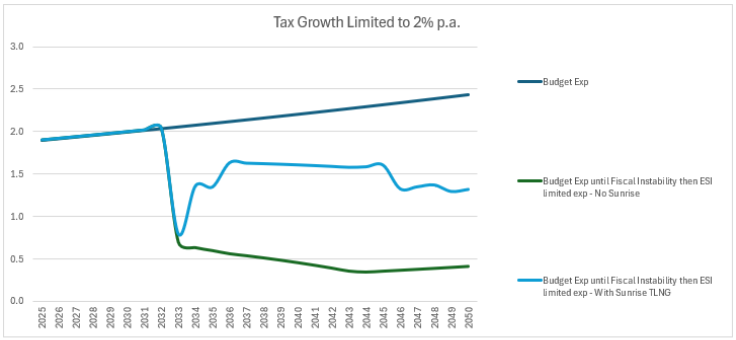


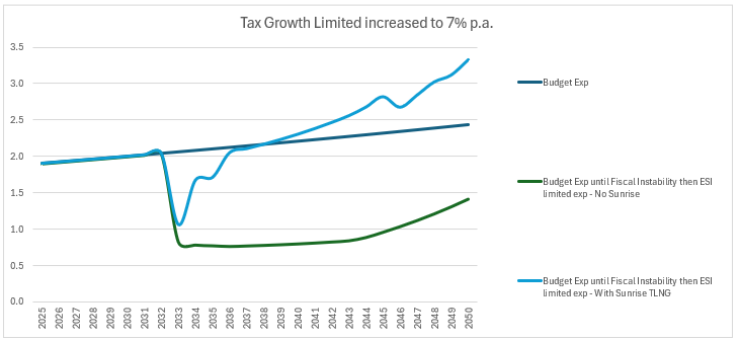
Parameters	Amount
PF Investment Return	3.5
Withdrawal as % of Expenditure	80%
Expenditure Growth (i.e. inflation or policy)	1
PF Value when Fiscal Instability Emerges (for Tax & Exp Falls	8
Impact on revenues from FC - % of ESI	50%
Sustainable Exp Level (b) - Medium Term	1.5
Borrowing growth for Exp Smoothing	0
GS TLNG sensitivity parameter	1.94
DSA Threshold - Rev: 55% of Non-Grant Revenue	Moderate
DSA Threshold - GDP: 55% of GDP	
Tax Reform - Assumption	1.02
GDP - PF Dependency (Exp as % of GDP)	0.9
Post FID Revenue $'b for TL from TLNG as at 2050	25.2
Pre-FID costs for TLNG $'b	1.2
Total Borrowing $'b	1.6
Implied Gross TLNG revenues $'b	28.0
Min Level of PF Balances	8.2

Scenario 4 – Scenario 1 with Higher Tax Growth

A fourth scenario applies higher tax growth to Scenario 1, resulting in significantly higher expenditure capacity and stronger protection of the Petroleum Fund. Under this scenario, tax reform lifts non-grant revenue growth from 2 per cent to 7 per cent per annum. As shown in Figure 9 below, this shortens the period of fiscal instability to a few years and supports higher expenditure than currently projected, creating greater scope for investment in development and trade-related growth.

Figure 9. Scenario 4 – Scenario 1 with Higher Tax Growth





Parameters	Amount
PF Investment Return	3.5
Withdrawal as % of Expenditure	80%
Expenditure Growth (i.e. inflation or policy)	1
PF Value when Fiscal Instability Emerges (for Tax & Exp Falls	8
Impact on revenues from FC - % of ESI	50%
Sustainable Exp Level (b) - Medium Term	1.5
Borrowing growth for Exp Smoothing	0
GS TLNG sensitivity parameter	1
DSA Threshold - Rev: 55% of Non-Grant Revenue	Moderate
DSA Threshold - GDP: 55% of GDP	
Tax Reform - Assumption	1.07
GDP - PF Dependency (Exp as % of GDP)	0.9
Post FID Revenue $'b for TL from TLNG as at 2050	13
Pre-FID costs for TLNG $'b	1.2
Total Borrowing $'b	0.0
Implied Gross TLNG revenues $'b	14.2
Min Level of PF Balances	8.5

Delaying and Diminishing the Impact of Fiscal Instability

As the previous scenarios reveal, limiting the impact of fiscal instability involves smoothing expenditure pathways, reducing the depth of instability and its length. Innovative policy options to help protect current and future generations and creating positive incentivises are available. These include establishing a floor on the real value of the Petroleum Fund. To protect and enforce such a policy, legalisation would need to be passed that requires a super majority (e.g. 2/3rds) to withdraw amounts below the floor (e.g. $8b). Timor-Leste's net worth is essentially PF asset values less debt. If a PF floor was to be considered, then a range of medium to long term expenditure paths for different floors could be presented to PRC for consideration.

Additional policy options include smoothing expenditure over the medium term within a sustainable fiscal strategy through lower spending, higher taxation, borrowing (as modelled above), and/or additional aid (see below). This would support a strategy aimed at strengthening non-oil and trade-related sources of growth. Such gains could be achieved by rebalancing public investment and improving efficiency, particularly in key sectors such as agriculture and fisheries, tourism, education (including digital jobs for youth), health, and social protection (see 3: Sectoral Policy Opportunities and Pressures on page 49).

A sustainable expenditure strategy would, however, ideally require broad political consensus across the major parties, given the strong incentives in any budget process to increase spending in order to secure electoral and/or political coalition advantages.

Implications for Forward Estimates

The three scenarios below are intended to frame the range of plausible fiscal implications for the forward estimates depending on how Greater Sunrise develops over time. They are not forecasts, but stylised planning cases designed to test how different combinations of timing, scale, and revenue outcomes could affect expenditure capacity, Petroleum Fund sustainability, and the degree of fiscal adjustment that may still be required. Taken together, they provide a

practical basis for considering how conservative or ambitious the Government should be in setting medium-term expenditure assumptions while uncertainty around Sunrise remains high.

The three scenarios are: i) Base case – for Sunrise materialising as anticipated; ii) Slow and Low – for Sunrise materializing; and iii) Fast and High.

Base Case

The base case assumes that Greater Sunrise proceeds on a central timetable and delivers revenues broadly in line with current working assumptions, without materially changing the medium-term fiscal pressures already facing the budget. Under this scenario, Sunrise improves the fiscal outlook relative to a no-Sunrise baseline, but it does not remove the need for restraint, stronger domestic revenue mobilisation, and tighter prioritisation of expenditure. In practical terms, the forward estimates would still need to be prepared on the basis that Petroleum Fund withdrawals remain structurally important, while future Sunrise inflows might arrive too late, or at too modest a level, to fully offset existing fiscal sustainability risks in the early years.

Table 2. Base Case for Sunrise TLNG

CG Consolidated Financial Statements (GFS)

GFS 1	Orig. Bud 2026	Orig. Bud 2026 (-TM)	BY2027 Baseline	2028 FE1	2029 FE2	2030 FE3	2031 FE4
1 REVENUE	2,032,571,556	2,032,571,556	2,033,871,416	2,045,077,087	2,053,459,564	2,052,952,297	2,064,687,204
11 Taxes	220,480,401	220,480,401	252,816,655	265,938,463	280,166,020	295,018,349	305,603,402
12 Social contributions	26,231,322	26,231,322	26,231,322	26,231,322	26,231,322	26,231,322	26,231,322
13 Grants	1,727,068,395	1,727,068,395	1,696,695,830	1,690,698,691	1,682,591,986	1,664,884,009	1,663,595,398
14 Other revenue	58,791,438	58,791,438	58,127,609	62,208,611	64,470,236	66,818,617	69,257,082
2 EXPENSE	1,771,399,230	1,590,166,018	1,591,465,877	1,591,654,336	1,594,081,996	1,593,574,729	1,605,309,635
21 Compensation of employees	527,634,669	525,906,670	525,906,670	520,058,427	518,704,086	518,124,152	523,194,058
22 Use of Goods & Services	432,341,424	356,336,211	356,881,100	357,436,601	358,003,223	358,581,187	365,743,175
24 Interest	8,027,687	8,027,687	8,782,657	14,786,107	18,515,204	18,515,204	18,515,204
25 Subsidies	313,893,707	282,893,707	282,893,707	282,351,457	281,817,341	281,291,236	280,773,023
26 Grants	86,960,268	19,960,268	19,960,268	19,960,268	19,960,268	19,960,268	19,960,268
27 Social benefits	342,241,475	336,741,475	336,741,475	336,761,475	336,781,875	336,802,683	336,823,907
28 Other expense	60,300,000	60,300,000	60,300,000	60,300,000	60,300,000	60,300,000	60,300,000
3 CHANGE IN NET WORTH	261,172,326	552,272,704	552,272,704	563,289,918	569,244,734	569,244,734	569,244,734
31 Net acquisition of nonfinancial assets	498,769,630	476,507,980	476,507,980	476,507,980	476,507,980	476,507,980	476,507,980
32 Financial assets	1,943,826	1,943,826	1,943,826	1,943,826	1,943,826	1,943,826	1,943,826
33 Liabilities (-)	239,541,130	73,820,898	73,820,898	84,838,112	90,792,928	90,792,928	90,792,928
Statistical Discrepancy	0	0	1	0	0	0	0

Expenditure by COFOG (unconsolidated)

COFOG1 (AFI)	Orig. Bud	Orig. Bud (_TM)	BY2027 Baseline	2028 FE1	2029 FE2	2030 FE3	2031 FE4
701-General public services	406,066,677	387,197,727	388,093,422	404,393,119	413,932,817	414,192,327	417,200,570
702-Defense	59,121,918	52,066,918	52,091,446	51,873,102	51,737,331	51,736,655	52,157,363
703-Public order and safety	121,097,055	120,369,056	120,402,523	118,702,306	118,686,274	118,592,423	119,650,949
704-Economic affairs	845,312,688	697,854,571	697,975,812	695,651,997	694,669,985	693,904,719	695,966,087
705-Environmental protection	6,166,790	6,166,790	6,170,465	5,964,440	5,898,364	5,847,735	5,872,116
706-Housing and community amenities	94,042,533	94,042,533	94,085,653	93,918,341	93,877,573	93,844,153	94,172,309
707-Health	156,508,027	152,158,027	152,243,364	152,263,340	152,307,786	152,406,290	153,884,717
708-Recreation, culture and religion	41,901,359	41,766,529	41,824,666	41,844,824	41,867,047	41,889,314	42,061,057
709-Education	175,242,026	173,242,026	173,258,109	173,236,403	173,251,314	173,270,690	175,550,914
710-Social protection	539,629,328	516,729,362	522,952,360	528,970,260	535,812,490	543,031,799	551,476,441
Total	2,445,088,401	2,241,593,539	2,249,097,818	2,266,818,132	2,282,040,981	2,288,716,106	2,307,992,523

Source: TiFIS

For forward estimates purposes, this means expenditure settings should remain cautious and should not assume that Sunrise will create large new fiscal space in the near term. The main value of the base case is that it may help delay or soften the fiscal adjustment otherwise implied by declining petroleum wealth, particularly if accompanied by tax reform, efficiency gains, and stronger non-oil growth. However, it would not justify a large step-up in recurrent commitments or a relaxation of discipline around new policy proposals. The appropriate policy stance under this scenario is therefore one of managed expectations: recognising the strategic upside of

Sunrise while keeping the budget anchored in conservative expenditure and financing assumptions. (See Table 2.)

Slow and Low

The slow and low scenario assumes that Greater Sunrise proceeds later than expected, delivers lower net fiscal returns, or both. This could reflect delays in concept selection, Final Investment Decision (FID), construction, first gas, cost escalation, weaker fiscal terms, or lower realised prices and production volumes. Under this scenario, Sunrise still contributes positively over the long term, but not enough, and not early enough, to materially change the underlying fiscal trajectory in the forward estimates period. The result is that Timor-Leste would remain highly exposed to declining Petroleum Fund balances and the risk of a sharper fiscal adjustment in the 2030s. The FEs under this scenario are determined by a policy position of around $1.5b expenditures in BY2027 (excluding grants to other general government entities) (see Table 3).

Table 3. Slow and Low Scenario for Sunrise TLNG

CG Consolidated Financial Statements (GFS)

GFS 1	Orig. Bud 2026	Orig. Bud 2026 (-TM)	BY2027 Baseline	2028 FE1	2029 FE2	2030 FE3	2031 FE4
1 REVENUE	2,032,571,556	2,032,571,556	2,033,871,416	2,045,077,087	2,053,459,564	2,052,952,297	2,064,687,204
11 Taxes	220,480,401	220,480,401	252,816,655	265,938,463	280,166,020	295,018,349	305,603,402
12 Social contributions	26,231,322	26,231,322	26,231,322	26,231,322	26,231,322	26,231,322	26,231,322
13 Grants	1,727,068,395	1,727,068,395	1,696,695,830	1,690,698,691	1,682,591,986	1,664,884,009	1,663,595,398
14 Other revenue	58,791,438	58,791,438	58,127,609	62,208,611	64,470,236	66,818,617	69,257,082
2 EXPENSE	1,771,399,230	1,590,166,018	1,193,599,408	1,193,740,752	1,195,561,497	1,195,181,047	1,203,982,226
21 Compensation of employees	527,634,669	525,906,670	394,430,003	390,043,820	389,028,064	388,593,114	392,395,544
22 Use of Goods & Services	432,341,424	356,336,211	267,660,825	268,077,451	268,502,417	268,935,890	274,307,381
24 Interest	8,027,687	8,027,687	6,586,993	11,089,580	13,886,403	13,886,403	13,886,403
25 Subsidies	313,893,707	282,893,707	212,170,280	211,763,593	211,363,006	210,968,427	210,579,767
26 Grants	86,960,268	19,960,268	14,970,201	14,970,201	14,970,201	14,970,201	14,970,201
27 Social benefits	342,241,475	336,741,475	252,556,106	252,571,106	252,586,406	252,602,012	252,617,930
28 Other expense	60,300,000	60,300,000	45,225,000	45,225,000	45,225,000	45,225,000	45,225,000
3 CHANGE IN NET WORTH	261,172,326	552,272,704	427,937,924	436,200,834	440,666,946	440,666,946	440,666,946
31 Net acquisition of nonfinancial assets	498,769,630	476,507,980	357,380,985	357,380,985	357,380,985	357,380,985	357,380,985
32 Financial assets	1,943,826	1,943,826	1,457,870	1,457,870	1,457,870	1,457,870	1,457,870
33 Liabilities (-)	239,541,130	73,820,898	69,099,069	77,361,980	81,828,092	81,828,092	81,828,092
Statistical Discrepancy	0	0	522,201,251	525,002,667	527,098,287	526,971,470	529,905,197

Expenditure by COFOG (unconsolidated)

COFOG1 (AFI)	Orig. Bud	Orig. Bud (_TM)	BY2027 Baseline	2028 FE1	2029 FE2	2030 FE3	2031 FE4
701-General public services	406,066,677	387,197,727	291,070,066	303,294,839	310,449,613	310,644,246	312,900,427
702-Defense	59,121,918	52,066,918	39,068,584	38,904,827	38,802,998	38,802,491	39,118,022
703-Public order and safety	121,097,055	120,369,056	90,301,892	89,026,730	89,014,706	88,944,317	89,738,212
704-Economic affairs	845,312,688	697,854,571	523,481,859	521,738,998	521,002,489	520,428,539	521,974,565
705-Environmental protection	6,166,790	6,166,790	4,627,848	4,473,330	4,423,773	4,385,802	4,404,087
706-Housing and community amenities	94,042,533	94,042,533	70,564,239	70,438,756	70,408,180	70,383,115	70,629,232
707-Health	156,508,027	152,158,027	114,182,523	114,197,505	114,230,839	114,304,717	115,413,538
708-Recreation, culture and religion	41,901,359	41,766,529	31,368,500	31,383,618	31,400,285	31,416,985	31,545,793
709-Education	175,242,026	173,242,026	129,943,581	129,927,302	129,938,485	129,953,017	131,663,185
710-Social protection	539,629,328	516,729,362	392,214,270	396,727,695	401,859,367	407,273,849	413,607,331
Total	**2,445,088,401**	**2,241,593,539**	**1,686,823,364**	**1,700,113,599**	**1,711,530,736**	**1,716,537,079**	**1,730,994,393**

Source: TiFIS

In forward estimates terms, this is the prudent downside case and should be treated as a serious planning benchmark. It implies that expenditure growth would need to be more tightly constrained, borrowing and Petroleum Fund protection policies would become more important, and additional pressure would fall on tax reform, efficiency achievements, and non-oil growth strategies. It also means that new spending commitments linked politically or implicitly to Sunrise would be especially risky. Under a slow and low Sunrise scenario, the central budget would need to assume that most of the adjustment burden still falls on domestic fiscal policy choices rather than on future hydrocarbon receipts.

Fast and High

The fast and high scenario assumes that Greater Sunrise progresses quickly, reaches production earlier, and generates stronger net fiscal returns than in the base case. This would require a combination of timely decision-making, successful execution, controlled costs, and a strong revenue profile to Timor-Leste over the life of the project. Under these conditions, Sunrise could materially improve the medium- to long-term fiscal outlook, protect Petroleum Fund balances for longer, and reduce the severity of the fiscal adjustment otherwise implied by current expenditure and revenue trends. It would provide the Government with more room to smooth expenditure over time and to finance a larger share of strategic investment without breaching prudent fiscal thresholds as quickly.

Table 4. Fast and High Scenario for Sunrise TLNG

CG Consolidated Financial Statements (GFS)

GFS 1	Orig. Bud 2026	Orig. Bud 2026 (-TM)	BY2027 Baseline	2028 FE1	2029 FE2	2030 FE3	2031 FE4
1 REVENUE	2,032,571,556	2,032,571,556	2,033,871,416	2,045,077,087	2,053,459,564	2,052,952,297	2,064,687,204
11 Taxes	220,480,401	220,480,401	252,816,655	265,938,463	280,166,020	295,018,349	305,603,402
12 Social contributions	26,231,322	26,231,322	26,231,322	26,231,322	26,231,322	26,231,322	26,231,322
13 Grants	1,727,068,395	1,727,068,395	1,696,695,830	1,690,698,691	1,682,591,986	1,664,884,009	1,663,595,398
14 Other revenue	58,791,438	58,791,438	58,127,609	62,208,611	64,470,236	66,818,617	69,257,082
2 EXPENSE	1,771,399,230	1,590,166,018	1,909,759,052	1,909,985,203	1,912,898,395	1,912,289,675	1,926,371,562
21 Compensation of employees	527,634,669	525,906,670	631,088,004	624,070,113	622,444,903	621,748,982	627,832,870
22 Use of Goods & Services	432,341,424	356,336,211	428,257,320	428,923,922	429,603,867	430,297,424	438,891,810
24 Interest	8,027,687	8,027,687	10,539,189	17,743,329	22,218,244	22,218,244	22,218,244
25 Subsidies	313,893,707	282,893,707	339,472,448	338,821,748	338,180,809	337,549,483	336,927,628
26 Grants	86,960,268	19,960,268	23,952,322	23,952,322	23,952,322	23,952,322	23,952,322
27 Social benefits	342,241,475	336,741,475	404,089,770	404,113,770	404,138,250	404,163,220	404,188,689
28 Other expense	60,300,000	60,300,000	72,360,000	72,360,000	72,360,000	72,360,000	72,360,000
3 CHANGE IN NET WORTH	261,172,326	552,272,704	651,740,528	664,961,185	672,106,964	672,106,964	672,106,964
31 Net acquisition of nonfinancial assets	498,769,630	476,507,980	571,809,576	571,809,576	571,809,576	571,809,576	571,809,576
32 Financial assets	1,943,826	1,943,826	2,332,591	2,332,591	2,332,591	2,332,591	2,332,591
33 Liabilities (-)	239,541,130	73,820,898	77,598,361	90,819,018	97,964,797	97,964,797	97,964,797
Statistical Discrepancy	0	0	-417,760,998	-420,002,135	-421,678,630	-421,577,176	-423,924,157

Expenditure by COFOG (unconsolidated)

COFOG1 (AFI)	Orig. Bud	Orig. Bud (_TM)	BY2027 Baseline	2028 FE1	2029 FE2	2030 FE3	2031 FE4
701-General public services	406,066,677	387,197,727	465,712,106	485,271,742	496,719,381	497,030,793	500,640,684
702-Defense	59,121,918	52,066,918	62,509,735	62,247,722	62,084,797	62,083,986	62,588,836
703-Public order and safety	121,097,055	120,369,056	144,483,027	142,442,768	142,423,529	142,310,908	143,581,139
704-Economic affairs	845,312,688	697,854,571	837,570,974	834,782,396	833,603,982	832,685,663	835,159,305
705-Environmental protection	6,166,790	6,166,790	7,404,557	7,157,328	7,078,036	7,017,282	7,046,539
706-Housing and community amenities	94,042,533	94,042,533	112,902,783	112,702,009	112,653,088	112,612,984	113,006,771
707-Health	156,508,027	152,158,027	182,692,036	182,716,007	182,769,343	182,887,548	184,661,661
708-Recreation, culture and religion	41,901,359	41,766,529	50,189,599	50,213,789	50,240,457	50,267,177	50,473,268
709-Education	175,242,026	173,242,026	207,909,730	207,883,684	207,901,577	207,924,828	210,661,096
710-Social protection	539,629,328	516,729,362	627,542,832	634,764,312	642,974,988	651,638,159	661,771,729
Total	**2,445,088,401**	**2,241,593,539**	**2,698,917,382**	**2,720,181,758**	**2,738,449,177**	**2,746,459,327**	**2,769,591,028**

Source: TiFIS

Even under this more favourable scenario, however, Sunrise should not be treated as a reason to abandon fiscal discipline. The main policy implication for forward estimates is that a stronger Sunrise outcome could create more space to sequence major investments, reduce the depth of future fiscal instability, and support a more gradual transition away from heavy Petroleum Fund dependence.

But much depends on how additional fiscal space is used. If stronger revenues were absorbed mainly into higher recurrent expenditure, the sustainability gains would be quickly weakened. The fast and high scenario therefore provides an upside case for medium-term planning, but it still points to the need for disciplined expenditure management, careful prioritisation, and a strategy focused on converting temporary resource revenues into lasting non-oil growth. The FEs under

this scenario are determined by a policy position of around $2.3b expenditures in BY2027 rising to $2.8b in FE3 2031 (see Table 3).

GPP Option 1: on Petroleum Fund Protection

MoF to bring forward a strengthened policy proposal on Petroleum Fund protection that sets out options for a legislated real asset value floor, medium-term fiscally sustainable withdrawal limits, and explicit fiscal rules anchored in forecasts of future Petroleum Fund revenues, investment returns, and withdrawal paths. The proposal should also assess the implications for forward estimates, fiscal stability, intergenerational equity, and the pace of adjustment required to reduce long-term dependence on Petroleum Fund financing.

Est. Fiscal Impact Over the FEs: $0

GPP 2: Strategic Borrowing

There is a growing case for increasing the use of debt rather than relying primarily on Petroleum Fund reserves to finance the budget. Public borrowing has previously been constrained to protect future generations, avoid financing recurrent expenditure such as social benefits, subsidies, and salaries, and limit exposure to unfavourable lending terms. While these concerns remain important, the case for expanding borrowing capacity has strengthened as concerns have increased about fiscal instability arising from a rapid decline in Petroleum Fund reserves below a prudent threshold, as well as the fiscal risks associated with the Greater Sunrise Tasi Mane TLNG project.

Current public debt stands at around $0.3 billion though, all of which is concessional (see Table 5 below). The signed level of existing debt is $0.9b. Any new borrowing strategy would need to include current debt levels and related grace periods, interest and charges and other repayment terms and conditionalities.

Table 5. Current Debts add stocks

Lender	Original Signed Amount ($)	Current Debt Levels ($)	Total Principal Repaid ($) (Mar)	Current Balance ($)
JICA	68,723,958	38,753,853	6,713,526	62,010,433
ADB	606,946,415	195,600,900	55,649,035	551,297,380
WB	134,179,040	63,187,121	12,960,866	121,218,174
Australia	45,000,000	-	-	45,000,000
Total	**854,849,414**	**297,541,873.65**	**75,323,427**	**779,525,987**

Robust borrowing and debt management capabilities enable the government to effectively address elevated debt risks. This is especially relevant during periods when revenues from Tasi Mane and TLNG processing of Greater Sunrise gas and condensates are inadequate to meet budgetary financing needs. Current estimates of net cash flows from arising from Tasi Mane and TLNG processing of Greater Sunrise resources creates a temporary level of fiscal instability. Bridging finance can address budget shortfalls until returns from Tasi Mane, TLNG, or other economic growth strategies increase tax revenue. Establishing robust debt management capacity in advance would be highly advantageous and would improve the low disbursement performance of the current loan portfolio.

As fiscal instability risks approaches, the ability of the government to push out the date when the fiscal instability risks materialize are determined by various factors. Borrowing lets the Government preserve petroleum savings while taking on more debt, with the option to default

or enter into strategic debt relief programs if investments do not reduce fiscal instability risks. Using savings directly offers no such fallback. Adhering to a medium- to long-term expenditure stabilization policy enables borrowing to defer the onset of a fiscal instability, regardless of when that point may arise.

Concessional and domestic borrowing are two areas that can be used to help push out the fiscal instability risks. Concessional borrowing at rates below petroleum fund investment rate of returns makes perfect sense if conditions are not too onerous. Domestic borrowing using instruments such as Treasury Bills is another option and can also help create a local investment culture in the country. The IMF will be providing assistance in August to help establish the necessary technical capacities to safely and effectively manage a T-Bill program. Further assistance might be necessary.

An expanded lending program can also leverage petroleum fund resources to help diversify financing sources for development reducing the need for high budget financing levels. This can also push out the fiscal instability risks. The recently approved Timorese development bank is a perfect instrument, if supervision, controls and investment strategies can be established and implemented well. Additional assistance may also be necessary to establish sufficient capacity.

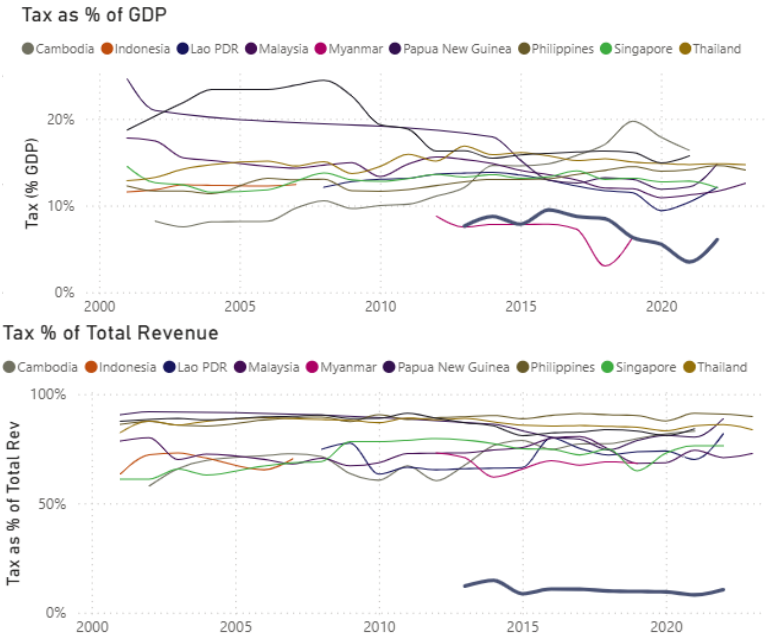
GPP Option 2: on Strategic Borrowing

MoF and the Infrastructure Fund to bring forward a strengthened policy proposal on strategic borrowing and lending that sets out a medium-term debt strategy to support fiscal sustainability, smooth expenditure over time, reduce pressure on Petroleum Fund withdrawals, and diversify budget financing sources. The proposal should assess the appropriate balance between concessional, domestic, and limited commercial borrowing; the institutional and legal reforms needed to strengthen debt management; the potential role of sovereign risk engagement and credit ratings; and the conditions under which borrowing could be used prudently to support fiscal stability and higher-value public investment. Policy-linked lending should also be considered, so that borrowing is guided by policy priorities rather than individual projects.

Est. Fiscal Impact Over the FEs: -$0.5b

GPP 3: Investing in the Domestic Revenue System

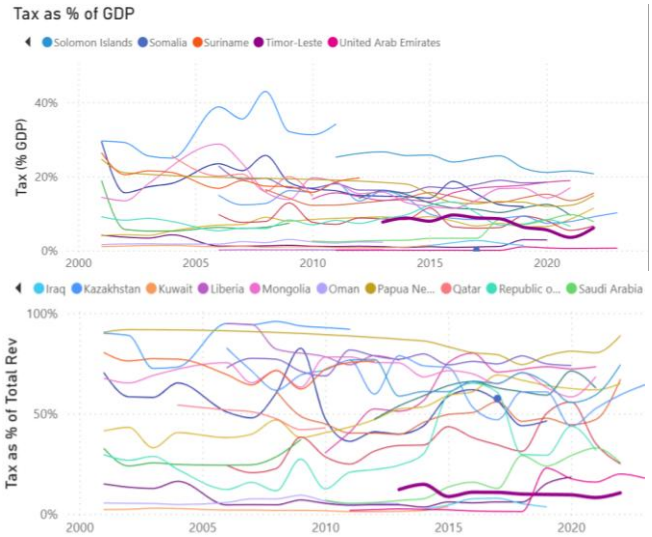
Figure 10. ASEAN Tax Take Trends



Source: TiFIS

Timor-Leste's central government tax take is among the lowest in the world, at around 11 per cent of total revenue, or approximately 5 per cent of GDP. This level is far too low to generate adequate domestic revenue, particularly given the country's limited natural resource horizon compared with other resource-rich states such as Iraq and the UAE. Timor-Leste's tax effort is lower than that of g7+ countries, ASEAN members (see Figure 10), G20 economies, and most other resource-dependent countries (see Figure 11). While Iraq and the UAE may record similarly low tax levels, both have resource reserves expected to last for more than a century.

Figure 11. Highly Resource Dependent Country Tax Takes (Budgetary Central Govt)



Source: TiFIS.

Nb: Resource dependent countries can collect resource rents through tax systems and through central government or as Timor-Leste does through extrabudgetary operations.

When including grants from the petroleum fund, Timor-Leste's dependency on natural resources becomes clear, especially when comparing other ASEAN countries. Revenue and expenditures as a percent of GDP is around 20% for ASEAN Countries. For Timor-Leste, it's well above 50% and has been around 90% (see Figure 12 and Figure 13 below).

Figure 12. Revenue as % of GDP (BCG) – including PF Grants - ASEAN

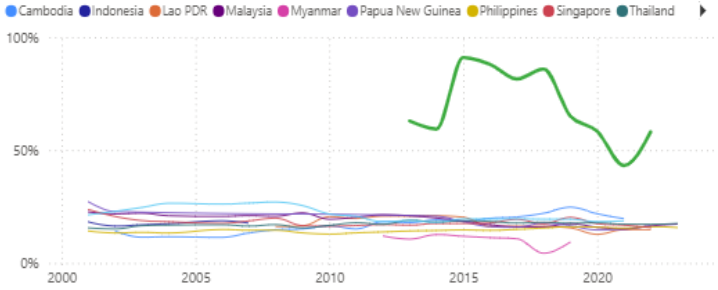
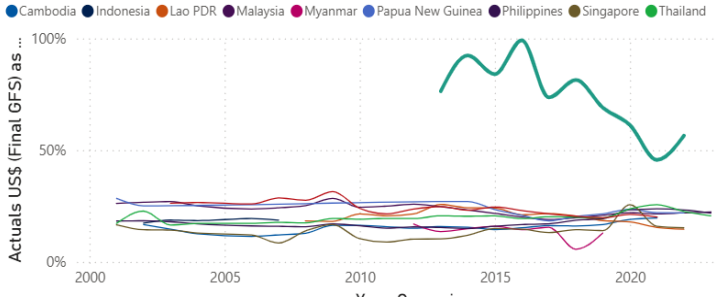


Figure 13. Expenditure as % of GDP (BCG) – ASEAN



Source: TiFIS

There is a strong case for developing both tax policy and tax administration measures to increase domestic revenue. VAT policy development is a positive first step, but it now needs to be translated into implementation and stronger revenue collection.

A major weakness in Timor-Leste's revenue strategy is that too little appears to be invested in the administration of the tax system itself. International evidence consistently shows that tax administration is one of the highest-return areas of core state capability investment. Across OECD and other participating administrations, the cost of revenue administration is typically around 0.5 to 1.5 per cent of net revenue collected, indicating that even relatively well-resourced systems operate at low administrative cost relative to the revenue they secure. This means if Timor invests $1 in tax administration, it will get $100 more in return.

More importantly for Timor-Leste, IMF cross-country work finds that strengthening tax administration capability can lift tax revenue by around 1.8 percentage points of GDP when administrations move from weaker to more moderate performance levels, while sustained reform episodes have delivered gains of 2 to 3 percentage points of GDP over time, and in some cases more after several years. More recent IMF analysis also suggests that improving tax administration effectiveness can raise revenue by around 0.6 per cent of GDP through VAT compliance alone, with wider spillover gains across other taxes taking the total to around 1.3 per cent of GDP.

The practical policy point is simple: every additional dollar spent well on the tax system can generate many multiples of that amount in additional revenue. The exact return depends on starting conditions and reform quality, but the international benchmark is clear that investment

in compliance systems, registration, filing enforcement, audit, data matching, customs controls, and large taxpayer administration is usually among the highest-yielding forms of public spending available to a finance ministry. For Timor-Leste, this implies that stronger tax administration should not be treated as a minor operating cost, but as a strategic fiscal investment capable of helping finance the state itself.

Fiscal space analysis indicates that taxation remains a major untapped source of additional fiscal capacity, estimated at more than $400 million, or around 15 per cent of GDP, although expanding the tax base will be politically challenging. A practical starting point would be to establish a broad-based tax system with low initial rates through the new policy proposal process, and then expand it gradually as political and technical conditions allow.

Sector-generated revenues are also very limited. Between 2013 and 2024, only $18.3 million was collected and deposited into the Treasury Single Account (TSA), of which 70 per cent ($13 million) came from university fees.

Revenue Policy Options for the 2027 Budget NPP process include:

- ***Develop tax policies that aim to cover recurrent expenditure*** over the medium term, starting with a simple but very low-rate VAT system implemented in 2027;
- ***Improve user charging*** in key sectors including public services, utilities and health; and
- ***Strengthen government employee contribution policies*** and systems related to personal use of government assets.

GPP Option 3: on Investing in the Domestic Revenue System

MoF to bring forward a new policy proposal on VAT implementation, tax and customs compliance improvements, and a new user charge policy. The submission should set out a practical pathway for introducing a simple, broad-based VAT with a low initial rate, including transitional arrangements, threshold design, treatment of key goods and services, administrative readiness, taxpayer education, and the sequencing needed to minimise disruption to households and businesses. It should also identify complementary measures to strengthen revenue performance through better tax and customs compliance, including improved registration, filing, payment enforcement, risk-based audit, border controls, and data-sharing across revenue agencies.

In addition, the proposal should set out options for a clearer and more coherent user charge framework across government services, with attention to affordability, cost recovery, equity, and the sectors where fees could be expanded or better enforced. The submission should assess expected revenue gains, implementation costs, distributional impacts, political and administrative risks, and the extent to which these reforms could reduce long-term reliance on Petroleum Fund financing while strengthening the domestic revenue base over time.

Fiscal Impact Over the FEs: -$165m

GPP 4: Curbing Inefficiencies

MoF estimates are that Timor is incurring losses from inefficiencies of around 14% of GDP (c$384m pa), which is caused by weak systems, non-productive institutional cultures and policy fragmentation (see Figure 4 above on page 3). Inefficiencies in expenditure is resulting in too

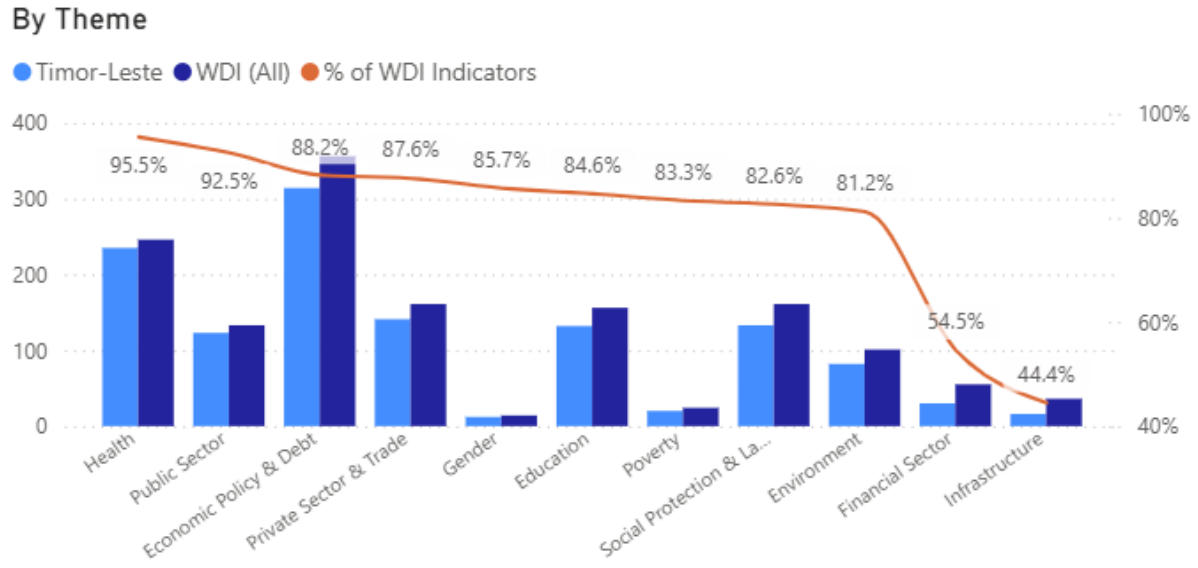
much spending in the wrong places and very poor value for money when spent on the right polices. Improving efficiency is very hard to address, both technically and politically but it can be achieved by focusing on solving the most important issues systematically through cumulative annual budget processes.

One gap in solving the inefficiency problem, is that financial and non-financial data held by different agencies are not used well enough to detect and solve inefficiency problems. MoF has started the process to better use available data to help reduce inefficiencies and develop options that support policy priorities. Only a first step has been taken by incorporating publicly available statistics provided by WDI into MoF systems, though WDI metrics have a 2-5 year lag and Timor have some low provision compliance in key areas such as Infrastructure, Environment and Social Protection (see Figure 14). More works is needed to enable MoF and spending agencies to have timely and reliable access to all databases in the government.

It is recommended that the Government focus each year on a limited number of major inefficiencies, selected from a broader list on the basis of political and technical feasibility. This would help ensure that reforms are implemented in a safe, systematic, and manageable way.

Problems of over and underbudgeting. Over-budgeting occurs when actual spending is lower than planned, while under-budgeting occurs when spending exceeds the budget. Both are significant forms of allocative inefficiency that weaken budget credibility and reduce the quality of expenditure. Programs with the biggest over budgeting (see Table 6) and biggest under budgeting problems (see Table 7 below) reveal hundreds of millions of dollars not being allocated efficiently.

Figure 14. Timor-Leste WDI Statistics - % of all WDI metrics by theme



Source: TiFIS

Effort should not be directed toward problems that are not currently realistic to address. A more practical approach is to tackle a small number of priority issues each year through the budget process and bring forward options for PRC consideration, including targeted action on persistent over- and under-budgeting and the most inefficient operations.

Table 6. Programs with the biggest over budgeting problems

B2A < 40% and Original Budget >$1m

Fiscal Year / Program	2022 Orig. Bud	2022 Est. Act	2022 B2A	2023 Orig. Bud	2023 Est. Act	2023 B2A	2024 Orig. Bud	2024 Est. Act	2024 B2A	Total Orig. Bud	Total Est. Act	Total B2A
A07 Contributory Capitalization Scheme				162,007,651			254,795,707	17,375,886	7%	**416,803,358**	**17,375,886**	**4%**
26 Roads and Bridges	96,969,040			100,358,920			5,011,459	489,789	10%	**202,339,419**	**489,789**	**0%**
148 Contingency	29,500,000			66,000,000			44,900,000	0	0%	**140,400,000**	**0**	**0%**
25 Administrative Decentralization and Local Power	28,360,065			99,952,950						**128,313,015**		
28 Rural and Urban Development	70,580,189			14,003,854						**84,584,043**		
23 Public Financial Management	43,680,108			36,489,008						**80,169,116**		
510 Functioning and Institutional Development				51,808,437	3,824,611	7%	13,882,538	3,570,636	26%	**65,690,975**	**7,395,247**	**11%**
809 Airport	38,539,116	3,865,350	10%	14,001,297	1,939,022	14%	4,301,437	318,087	7%	**56,841,850**	**6,122,460**	**11%**
805 Health	23,664,159	3,099,311	13%	19,720,302	2,221,430	11%	4,005,660	1,150	0%	**47,390,121**	**5,321,891**	**11%**
510 Good Governance and Institutional Management	40,050,313	7,087,157	18%							**40,050,313**	**7,087,157**	**18%**
401 Management of Petroleum And Mineral Resources							40,000,000	0	0%	**40,000,000**	**0**	**0%**
977 Maintenance, Rehabilitation and Response to the Structures Damaged by Calamity				1,657,100			30,000,000	0	0%	**31,657,100**	**0**	**0%**
980 Gender Equality and Social	28,820,000	1,742,056	6%	831,234	197,810	24%	1,195,138	199,369	17%	**30,846,372**	**2,139,235**	**7%**
867 Development and Strengthening of Areas with Special Administrative and Economic Treatment	5,707,778	252,431	4%	20,796,937	1,037,406	5%	4,206,264	217,959	5%	**30,710,979**	**1,507,796**	**5%**
867 Development and Reinforcement of Zones with Special Administrative and Economic Treatment	23,700,466	57,294	0%							**23,700,466**	**57,294**	**0%**
366 National Security	18,294,766	5,534,536	30%	3,700,879			1,500,000	0	0%	**23,495,645**	**5,534,536**	**24%**
802 Electricity	5,207,239	294,738	6%	2,000,000	754,778	38%	14,264,262	0	0%	**21,471,501**	**1,049,516**	**5%**
252 Telecommunications	15,500,000	5,798,695	37%							**15,500,000**	**5,798,695**	**37%**
979 Education and Training	4,100,000	594,249	14%	7,601,250	109,043	1%	82,432	0	0%	**11,783,682**	**703,292**	**6%**
977 Maintenance, Rehabilitation and Response to Disaster Damaged	11,628,710									**11,628,710**		
Total	**503,383,011**	**29,939,587**	**6%**	**640,968,429**	**15,959,477**	**2%**	**472,676,982**	**34,352,242**	**7%**	**1,617,028,422**	**80,251,305**	**5%**

Source: TiFIS

Expenditure remains unbalanced in some areas (too much or too little aggregate investment to achieve satisfactory outcomes) **and inefficient** in others (poor outcomes for the level of investment being made or money being allocated and distributed to low priority policies).

Another policy option to address the unbalanced problem is to adopt a range of medium-term fiscal performance benchmarks, comparators and targets to help different stakeholders understand where TL is relative to where it needs to be. With the adoption of a rolling FE system, such an approach is now feasible.

Table 7. Programs with the biggest under budgeting problems

Fiscal Year / Program	2022 Orig. Bud	2022 Est. Act	2022 B2A	2023 Orig. Bud	2023 Est. Act	2023 B2A	2024 Orig. Bud	2024 Est. Act	2024 B2A	Total Orig. Bud	Total Est. Act	Total B2A
802 Electricity	91,650,000	150,742,430	164%				2,049,983	3,508,609	171%	**93,699,983**	**154,251,039**	**165%**
983 Investment and Economic Diversification	1,690,137	50,577,587	2993%	11,000,000	21,111,111	192%				**12,690,137**	**71,688,699**	**565%**
980 Gender Equality and Social	42,036,495	67,360,055	160%	1,500,000	2,088,400	139%				**43,536,495**	**69,448,455**	**160%**
510 Good Governance and Institutional Management	4,167,561	6,946,612	167%	18,412,191	23,199,708	126%	17,352,651	35,957,098	207%	**39,932,403**	**66,103,419**	**166%**
805 Health	7,361,566	13,536,061	184%	15,758,910	27,135,434	172%	4,919,915	13,002,237	264%	**28,040,391**	**53,673,732**	**191%**
025 Administrative Decentralization and Local Power				0	26,091,323		26,839,094	25,742,732	96%	**26,839,094**	**51,834,055**	**193%**
023 Public Financial Management				0	23,340,265		29,099,664	27,355,510	94%	**29,099,664**	**50,695,775**	**174%**
979 Education and Training				15,923,403	34,467,467	216%				**15,923,403**	**34,467,467**	**216%**
366 National Security	17,488,085	29,661,893	170%	2,243,500	3,257,378	145%	693,994	676,610	97%	**20,425,579**	**33,595,881**	**164%**
26 Roads and Bridges				0	11,922,656		13,396,866	16,625,610	124%	**13,396,866**	**28,548,266**	**213%**
026 Roads and Bridges				0	13,179,931		9,114,598	10,547,314	116%	**9,114,598**	**23,727,245**	**260%**
529 Secondary and tertiary health care							6,000,000	16,199,892	270%	**6,000,000**	**16,199,892**	**270%**
510 Functioning and Institutional Development				1,110,973	1,457,166	131%	8,105,905	11,417,731	141%	**9,216,878**	**12,874,897**	**140%**
867 Development and Strengthening of Areas with Special Administrative and Economic Treatment	7,713,671	11,542,171	150%							**7,713,671**	**11,542,171**	**150%**
797 Agriculture				2,647,200	1,744,194	66%	2,095,500	5,250,796	251%	**4,742,700**	**6,994,990**	**147%**
028 Rural and Urban Development				0	4,526,879		1,831,426	1,826,345	100%	**1,831,426**	**6,353,224**	**347%**
867 Development and Reinforcement of Zones with Special Administrative and Economic Treatment	3,766,800	5,548,990	147%							**3,766,800**	**5,548,990**	**147%**
977 Maintenance, Rehabilitation and Response to the Structures Damaged by Calamity				1,024,419	2,116,371	207%	1,900,978	2,231,702	117%	**2,925,397**	**4,348,074**	**149%**
A08 Information and Communications Technology				1,397,522	2,331,957	167%	101,915	90,651	89%	**1,499,437**	**2,422,608**	**162%**
400 Timor-Leste Foreign Policy				700,000	1,737,106	248%	380,000	156,860	41%	**1,080,000**	**1,893,966**	**175%**
Total	**175,874,315**	**335,915,799**	**191%**	**71,718,118**	**199,707,346**	**278%**	**123,882,489**	**170,589,699**	**138%**	**371,474,922**	**706,212,845**	**190%**

Source: TiFIS

To create efficiencies generally, other new policy priorities options include:

1. **Reform,** such as improved policy and performance-based budgeting, use of Artificial Intelligence (AI) to help detect and deter all forms of inefficiency, building institutional cultures and targeting institutional corruption – these can be costed and brought forward.
2. **Targeting existing policies** programs, and projects that are not the highest priority of this government – these can be costed and brought forward; and
3. **Linking ongoing funding of existing activities to efficiency improvements** over the medium term using the parameter based forward estimates system (e.g. activities given 1-3 years to demonstrate efficiency on a declining funding scale). On suspected corrupt or poor performing activities, a range of these can be identified for parameter-based declines in funding, pending proof that existing interventions are efficient and delivering high priority policy outcomes.

GPP Option 4: on Curbing Inefficiencies

MoF, MoH, MoE, MAFF, and CAC to bring forward a joint policy proposal on reducing inefficiencies, with a focus on strengthening data sharing, improving data quality and management, and building systems to detect, deter, and respond to inefficiency, waste, and corruption more effectively.

Est. Fiscal Impact Over the FEs: -$50m

GPP 5: Making Aid More Efficient

Additional aid is small but still an important source of all fiscal space (c10%) at $155m. Aid can come with strings (e.g. tied aid and burdensome conditions) and can also be very inefficient due to high overheads and inputs linked to high income county levels (e.g. cost of World Bank staff or resident international consultants are 10-20 times that of expert national advisers).

Aid can be very inefficient. In 2023, aid delivered through all channels was equivalent to nearly 19 per cent of government expenditure, but aid channelled through government systems was much lower, at 4.9 per cent. This suggests significant scope to improve aid efficiency and effectiveness through greater use of country systems and lower-cost delivery models (see Table 8 and Table 9). Raising the share of aid channelled through government to 50 per cent would double the current amount administered through government channels, to approximately US$73 million.

Table 8. All Aid as % of Expenditure by COFOG

Item and Code 2011	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
705-Environmental protection	424.9%	128.6%	189.5%	308.9%	164.1%	293.2%	263.2%	224.2%	44.1%	58.2%	38.6%	**288.6%**
703-Public order and safety	91.1%	36.6%	25.7%	25.6%	30.2%	21.0%	24.7%	35.7%	39.9%	38.8%	34.5%	**147.3%**
701-General public services	23.6%	16.0%	15.7%	16.7%	31.3%	47.8%	21.8%	44.7%	35.6%	21.6%	31.0%	**57.7%**
707-Health	40.1%	41.9%	39.9%	45.2%	34.5%	26.1%	40.3%	26.1%	32.5%	30.6%	30.7%	**53.8%**
709-Education	33.4%	27.5%	23.4%	32.8%	30.8%	35.2%	42.9%	41.3%	27.6%	31.3%	29.7%	**53.7%**
706-Housing and community amenities	44.9%	41.8%	74.0%	67.0%	157.7%	186.9%	65.5%	26.1%	5.2%	1.5%	9.1%	**45.1%**
704-Economic affairs	16.7%	13.8%	14.5%	10.4%	16.3%	13.9%	18.2%	20.9%	13.4%	11.9%	13.7%	**20.6%**
710-Social protection	1.5%	9.8%	2.9%	1.5%	1.6%	6.2%	1.1%	0.6%	2.6%	2.3%	9.2%	**8.0%**
708-Recreation, culture and religion	2.4%	2.7%	1.4%	1.3%	0.9%	1.6%	0.9%	1.0%	1.4%	1.4%	0.7%	**4.3%**
Total	**24.1%**	**19.0%**	**16.9%**	**15.0%**	**20.7%**	**20.3%**	**20.4%**	**23.3%**	**18.4%**	**14.1%**	**19.0%**	**37.8%**

Source: TiFIS

Table 9. Aid Channelled through Government as % of Expenditure by COFOG

Item and Code 2011	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
705-Environmental protection	126.4%	27.0%	46.0%	74.9%	44.2%	31.6%	12.0%	27.8%	3.6%	8.5%	1.4%	**43.4%**
707-Health	10.6%	12.2%	6.6%	10.5%	10.1%	9.4%	15.3%	11.4%	7.5%	6.8%	10.2%	**11.1%**
704-Economic affairs	8.9%	8.7%	9.7%	6.5%	8.6%	9.0%	13.2%	10.8%	6.3%	6.8%	7.2%	**9.7%**
701-General public services	6.3%	4.5%	5.0%	4.9%	9.5%	13.0%	3.5%	11.8%	11.4%	2.7%	2.9%	**7.1%**
709-Education	7.2%	5.1%	8.0%	8.7%	7.3%	12.9%	16.4%	1.0%	0.8%	3.0%	1.6%	**6.9%**
706-Housing and community amenities	4.2%	2.0%	7.1%	17.5%	11.4%	5.4%	3.0%	1.0%	1.1%	1.1%	7.9%	**5.9%**
703-Public order and safety	6.0%	0.4%	0.3%	0.2%	0.0%	0.4%	0.0%	1.6%	0.2%	0.5%	7.5%	**1.6%**
710-Social protection	0.2%	0.3%	0.2%	0.3%	0.2%	0.2%	0.3%	0.1%	1.0%	0.0%	2.8%	**0.7%**
708-Recreation, culture and religion		0.8%	0.7%	0.4%	0.5%	0.9%	0.3%	0.1%	0.0%		0.1%	**0.3%**
Total	**6.7%**	**5.7%**	**6.4%**	**5.8%**	**7.0%**	**7.8%**	**8.8%**	**7.0%**	**4.6%**	**3.6%**	**4.9%**	**7.0%**

Source: TiFIS

Donor concerns about fiduciary and development risk can also constrain the volume and modality of aid. A practical response is to expand results-based or pay-for-performance arrangements, under which development partners disburse against independently verified outputs or outcomes rather than upfront spending inputs. This can help reduce concerns that transferred funds may be misused, while creating stronger incentives for delivery. Although public resources remain fungible in practice, such approaches can still improve accountability, strengthen monitoring, and make it easier for donors to justify larger use of country systems where performance can be demonstrated.

Options should be developed to increase the share of aid channelled through government systems, on terms acceptable to both donors and the Government of Timor-Leste. Raising this share to 75% would bring an additional $146 million under direct government management. The increase could be made conditional on satisfactory progress in key reforms and delivery areas that the government is already pursuing. Improvements to the way is all aid including in-kind assistance should brought on budget including consistency with IPSAS standards.

GPP Option 5: on Making Aid More Efficient

MoF, MoH, MoE, and MoA to bring forward a joint policy proposal on increasing the share of development assistance channelled through government systems, with a focus on improving aid efficiency, reducing delivery costs, strengthening country systems, and identifying the reforms and safeguards needed to improve the way as is captured in budgets and financial statements and increase donor confidence in government-managed implementation.

Est. Fiscal Impact Over the FEs: $0m (Budget Balance) + $50m Expenditures

2: Central Government Policy Pressures

Central government pressures are significant. The main areas of concern are in: i) high costs of the civil service salaries and allowances; ii) unbalanced investment in economic affairs, with very high electricity subsidies and very low electricity revenues; iii) high costs of narrow social protection policies; iv) low funding for public order and safety; v) inefficiencies caused by weak health and education policies; and v) unclear medium-to-long run infrastructure strategy.

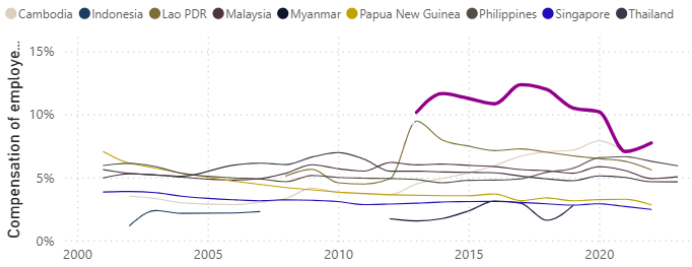
Other issues for the central government are linked to key expenditures such as fuel, travel and catering and cross cutting themes such as support for women, girls and the disabled. There are major budget implementation problems being revealed by poor budget execution performance and a significant increase in virements. There are positive developments with procurement and contracting which have resulted in good information on contractors and vendors.

GPP 6: Controlling Staffing Levels and Professionalism

Civil service staffing levels and costs are high because establishment controls are not operating effectively. As a share of GDP, Timor-Leste has the highest salary spending in ASEAN, which is not uncommon for a highly resource-dependent country (see Figure 15). However, both constant and current per capita salary costs have risen significantly (see Figure 16), driven mainly by growth in staff numbers (Figure 18). The analysis also found that average monthly wages have increased faster than inflation, special pay regimes have been used to compensate particular interest groups, casual staff and contractor numbers have grown steadily, and there are signs of pre-election increases in employment.

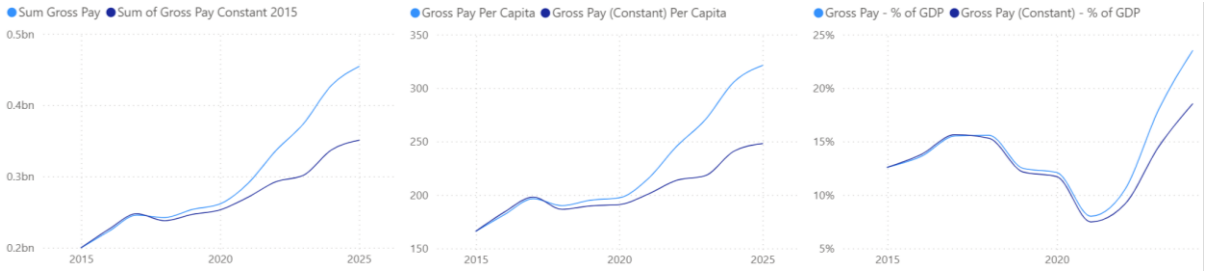
The largest increases were in casual employees, education, temporary staff, and defence (see Figure 18) prior to the last election. Casual employee numbers rose from a long-stable level of about 6,800 to 26,784 in 2025; Education increased from about 7,500 to 15,555 in 2025; Temporary staff grew from 806 in 2017 to 3,639 in 2023 before falling sharply in 2024; and Defence rose from about 2,200 to 3,424 in 2025. All of these increases occurred before the 2023 election.

Figure 15. Employee Compensation Comparators – ASEAN



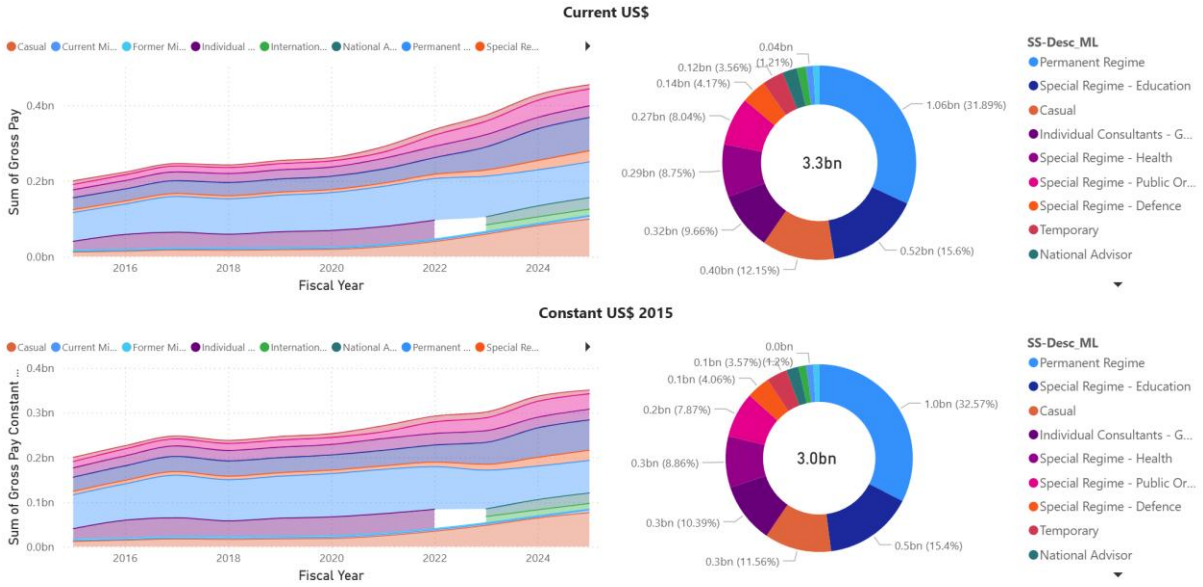
Source: TiFIS

Figure 16. Gross Pay – Actuals and Per Capita – Constant and Current



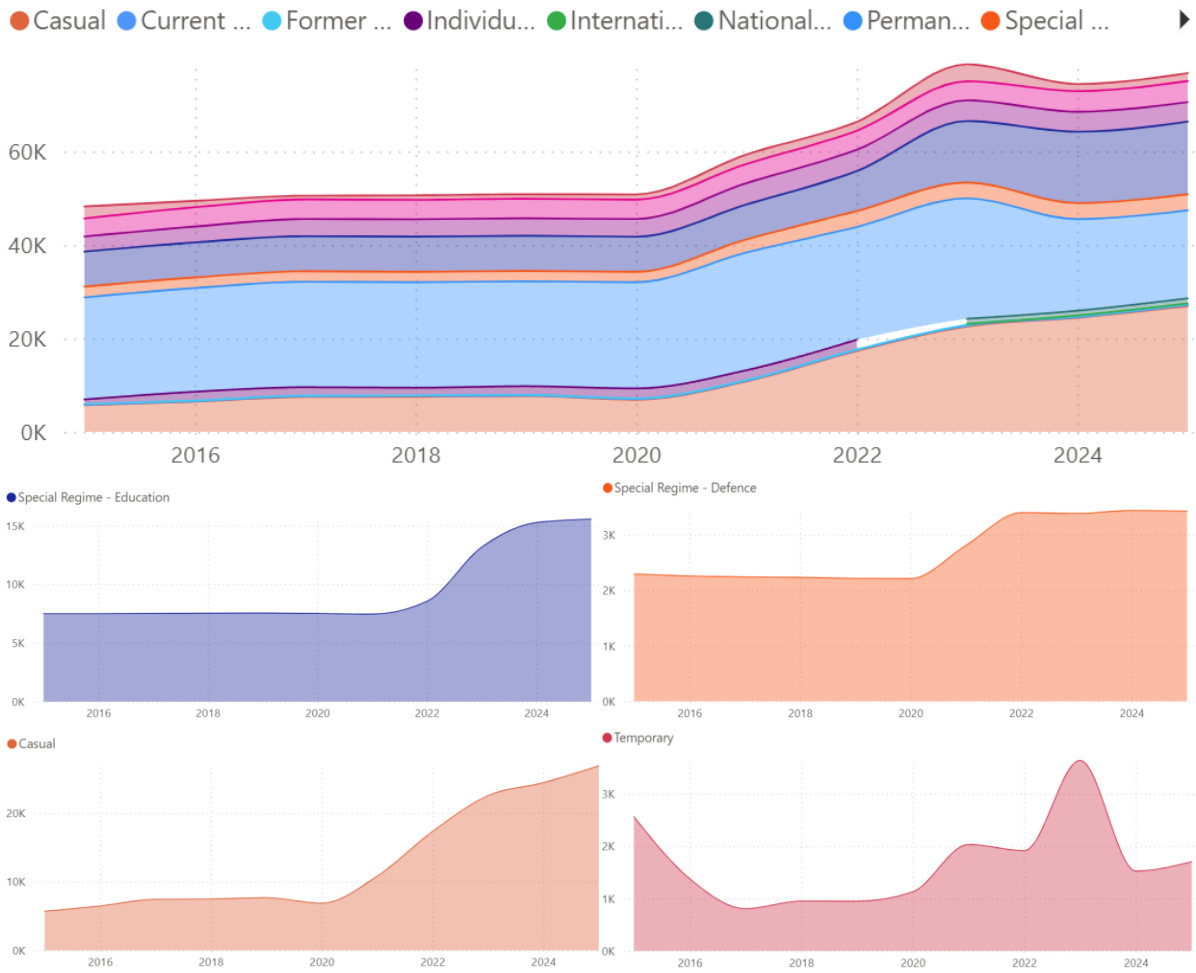
Source: TiFIS

Figure 17. Gross Pay – by Employment Group (Constant and Current)



Source: TiFIS

Figure 18. Trends in Number of Employees



Source: TiFIS

The result is an increasingly unfair and expensive civil service that is at risk of becoming increasingly inefficient. Policies need to be developed to further professionalize the civil service and reduce any problems of over-politicization.

GPP Option 6: on Controlling Staffing Levels and Strengthening Professionalism

CFP and MoF to bring forward a joint policy proposal on controlling the size and cost of the civil service, with a focus on strengthening establishment controls, managing staffing growth, improving workforce planning, and building a more professional, independent, and less politicised public service over time.

Est. Fiscal Impact Over the FEs: -$60m

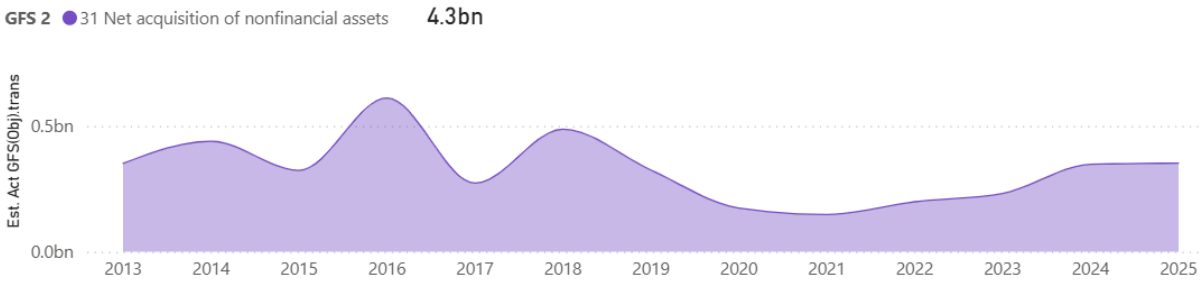
GPP 7: Infrastructure Strategy for Growth and Jobs

Non-Financial Assets and Capital and Development

$4.3b has been spent on Non-Financial Assets and $3.7b on capital and development since 2013. Peak investments occurred in 2016 with $0.6b spent, which then fell over time to a low of $150m by 2021, which since has picked up. Most of the spending was on building and structures ($3.3b), followed by machinery and equipment ($0.5b. (See Figure 19.)

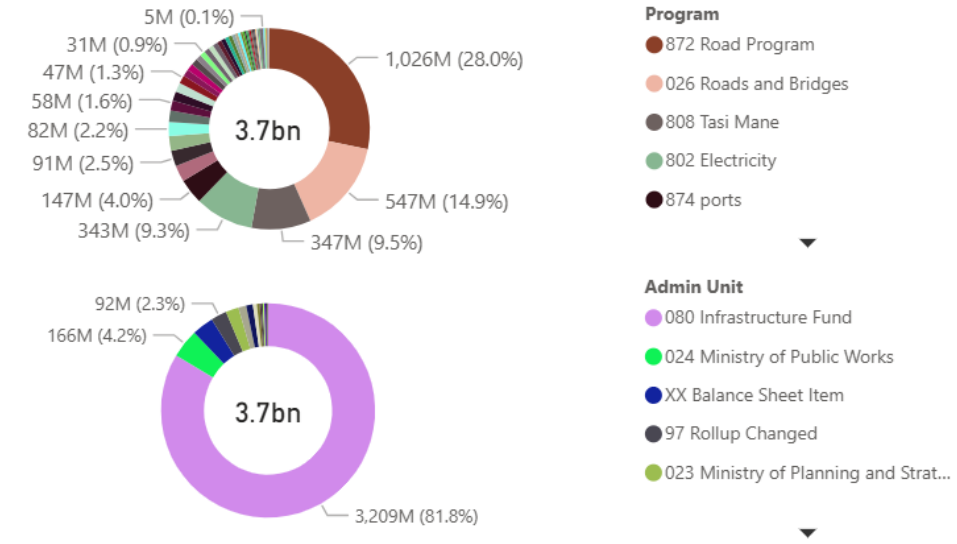
The three biggest programs under capital development spending category ($3.7b) accounted for $1.8b, which comprised Roads ($1.6b), Tasi Mane ($0.55b) and Electricity ($0.35b). 82% ($3b) of all capital and development spending was through the Infrastructure Fund. MoPW was second largest at 4.2% ($166m)(see Figure 20).

Figure 19. Acquisition of Non-Financial Assets (GFS) 2013-25 US$



Source: TiFIS

Figure 20. Capital and Development by Program and Ministry Shares - 2013-25



Source: TiFIS

The Roads and Bridges program accounted for more than half (54%) of all capital and development programs over the last three years (2023-25) at $441m of $814m. The second largest was maintenance and disaster response program ($62m at 8%), followed by IT ($53m at 7%) (see Table 10 below).

Table 10. Largest Capital and Development Programs 2023-25

Program	2023	2024	2025	Total
026 Roads and Bridges	99,264,920	149,250,969	192,791,544	**441,307,432**
977 Maintenance, Rehabilitation and Response to Disaster Damaged Structures	10,072,778	25,428,218	26,881,318	**62,382,315**
A08 Information and Communications Technology	16,123,629	26,209,575	11,061,786	**53,394,991**
028 Rural and Urban Development	8,484,566	18,921,578	4,633,563	**32,039,707**
510 Functioning and Institutional Development	5,965,835	6,783,873	12,572,157	**25,321,865**
867 Development and Strengthening of Areas with Special Administrative and Economic Treatment	13,865,764	4,202,531	4,043,588	**22,111,883**
A39 Agriculture, Horticulture, Coffee and Industrial and Annual Plants			21,065,891	**21,065,891**
797 Agriculture	5,202,590	11,629,421		**16,832,011**
980 Social Inclusion	3,138,553	8,089,260	5,053,592	**16,281,405**
809 Airport	1,695,698	499,371	14,003,839	**16,198,908**
802 Electricity	1,694,118	6,898,134	3,497,587	**12,089,840**
025 Administrative Decentralization and Local Authority			9,473,988	**9,473,988**
798 Water and sanitation	1,088,022	6,002,893	1,159,872	**8,250,787**
023 Public Financial Management	2,117,300	2,325,206	3,223,098	**7,665,605**
979 Education and Training	3,056,971	3,771,878		**6,828,849**
805 Health	3,523,653	3,149,636	46,490	**6,719,779**
388 National Defense	1,004,806	3,679,937	1,272,603	**5,957,346**
366 National Security	1,874,036	952,414	2,905,444	**5,731,894**
A32 Sustainable Increase in Productivity and Production		5,177,621		**5,177,621**
982 Tourism	40,494	4,596,600	511,503	**5,148,597**
Total	**187,187,705**	**300,142,327**	**326,912,531**	**814,242,563**

Source: TiFIS

The Infrastructure Fund

Infrastructure Fund Trends

Infrastructure Fund operations between 2013 and 2025 were dominated by capital formation, with spending overwhelmingly concentrated in the acquisition of fixed assets (see Table 11). Over the period, around $3.2 billion was spent through the Fund, and the dominant economic character of that expenditure was the acquisition of non-financial assets, especially major fixed infrastructure. This confirms that the IF has functioned primarily as the Government's central vehicle for long-term capital investment rather than as a broader multi-purpose financing instrument. In practice, the Fund has been used above all to build physical assets – roads, bridges, electricity infrastructure, public facilities, and other major works – with a much smaller role for recurrent or operational expenditure. The overall pattern therefore reinforces the view that the IF has been the main channel through which the state has attempted to convert petroleum wealth into visible public infrastructure.

By purpose of spending, IF resources were concentrated heavily in Economic Affairs, which accounted for around $2.9 billion of total expenditure between 2013 and 2025 (see Table 12). Within that, transport alone accounted for roughly $1.8 billion, making it by far the dominant sub-function, while energy accounted for around $0.4 billion. This means that most IF spending has been directed toward the core physical systems intended to support connectivity, mobility, and economic activity, with roads and related transport infrastructure clearly taking priority over other sectors. The scale of this concentration also helps explain why broader debates about the effectiveness of public investment in Timor-Leste often come back to the Infrastructure Fund: it has not simply been a financing mechanism, but the central instrument through which the Government has pursued its largest and most visible economic infrastructure ambitions.

Table 11. Infrastructure Fund Financial Statements 2013-25

GFS 1	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
1 REVENUE	52,053									3,325,558	1,548,335	0	0	4,925,946
11 Taxes	15,120									3,325,558	1,548,335	0	0	4,889,013
14 Other revenue	36,933												0	36,933
2 EXPENSE		-22,376		645,253	845,265	1,314,258	914,946	858,289	930,057	888,848	873,142	1,121,517	1,329,077	9,698,276
21 Compensation of employees					29,298	47,629	29,687	28,900	30,480	33,616	739,164	876,213	1,122,227	2,937,212
22 Use of Goods & Services		-22,376		645,253	812,368	1,260,629	876,119	818,139	886,677	855,232	133,978	245,304	206,850	6,718,173
27 Social benefits											0			0
28 Other expense					3,600	6,000	9,140	11,250	12,900					42,890
3 CHANGE IN NET WORTH	210,954,530	310,696,011	239,812,946	548,994,715	231,100,497	456,179,812	275,983,984	137,879,803	79,709,906	110,574,594	128,944,102	223,561,048	228,406,973	3,182,798,919
31 Net acquisition of nonfinancial assets	210,954,530	310,696,011	239,812,946	548,994,715	231,100,497	456,179,812	275,983,984	137,879,803	79,709,906	110,574,594	128,944,102	223,561,048	228,406,973	3,182,798,919
311 Fixed assets	210,954,530	310,696,011	239,812,946	548,994,715	231,100,497	456,179,812	275,983,984	137,879,803	79,709,906	110,574,594	127,039,839	223,266,434	228,406,973	3,180,600,041
314 Nonproduced assets											1,904,263	294,614	0	2,198,877
Net Lending/Borrowing	-210,902,477	-310,673,635	-239,812,946	-549,639,968	-231,945,762	-457,494,070	-276,898,930	-138,738,092	-80,639,963	-108,137,883	-128,268,909	-224,682,565	-229,736,049	-3,187,571,248

Source: TiFIS

Table 12. Infrastructure Fund COFOG Expenditure Statements 2013-25

COFOG1 (AFI)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
701-General public services	25,794,777	29,663,498	7,200,070	10,062,451	7,215,359	8,833,734	3,575,241	2,600,458	2,755,834	3,848,141	6,041,712	14,654,977	9,744,153	2,346,674	134,337,079
702-Defense	2,643,768	3,188,943	2,188,724	1,815,653	31,830	1,317,351	28,340	925,346	356,345	424,441	608,729	1,684,161	1,024,041	0	16,237,672
703-Public order and safety	2,843,852	2,675,743	1,604,932	1,668,108	401,368	625,767	3,013,556	43,106	2,510,240	968,330	4,514,512	930,043	4,253,363	975,697	27,028,617
704-Economic affairs	167,143,000	255,144,769	214,775,097	519,804,432	217,664,833	440,105,334	268,082,946	123,988,964	66,817,387	99,292,102	103,542,975	184,767,035	202,917,850	35,753,936	2,899,800,660
7041-General economic, commercial, and labor affairs	1,256,631	17,267,963	875,106	133,127,994	504,183	808,913	187,664	287,667	392,273	446,425	881,180	375,842	24,110	1,644,544	158,080,494
7042-Agriculture, forestry, fishing, and hunting	3,560,187	11,802,681	11,457,654	2,107,409	2,772,772	4,771,154	1,021,923	1,172,684	1,628,949	4,272,615	4,491,358	12,387,022	35,921,543	3,904,771	101,272,723
7043-Fuel and energy	86,592,050	117,110,485	56,556,872	59,877,196	13,494,673	26,022,250	16,926,037	3,107,640	870,144	5,638,956	1,855,751	5,412,474	3,661,712	16,972	397,143,215
7044-Mining, manufacturing, and construction												0	2,924,433	9,723,158	12,647,591
7045-Transport	73,849,245	97,871,986	131,875,317	245,202,876	175,223,629	349,884,618	216,317,214	103,904,890	61,237,102	79,320,071	75,007,243	94,048,008	130,844,436	19,402,738	1,853,989,373
7046-Communication	208,380	545,020	786,499	1,765,558	1,557,758	4,003,279	4,045,393	1,000,339		5,798,695	16,123,629	16,067,407	11,061,786	0	62,963,743
7047-Other industries	1,676,507	10,546,635	13,223,648	77,723,400	24,111,818	54,615,120	29,584,714	14,515,743	2,688,918	3,369,008	5,116,257	56,476,282	18,479,830	1,061,753	313,189,633
7048-R & D Economic affairs										446,332	67,556			0	513,888
7049-Economic affairs not elsewhere classified														0	0
705-Environmental protection	753,521	4,551,950	3,043,316	1,997,269	2,188,467	925,483	212,153	1,025,020	3,232,839	4,469,383	9,748,531	9,989,545	2,306,224	0	44,443,699
706-Housing and community amenities		2,403,462	4,396,518	1,214,138	1,382,114	2,876,458	1,252,683	7,102,266	3,324,186	1,295,698	1,218,078	4,882,817	1,254,082	1,149,970	33,752,471
707-Health	237,877	1,758,138	1,923,343	165,429	45,982	686,856	123,302	9,560		264,801	2,031,358	2,478,459	2,604,650	602,094	12,931,849
708-Recreation, culture and religion	1,514,940	1,341,329	915,236	3,571,841	1,958,131	1,970,864	464,885	3,043,373	588,243	151,159	828,208	2,296,490	3,424,176	937,494	23,006,370
709-Education	2,900,465	4,025,770	2,065,710	854,432	244,055	152,222	149,184		1,054,890	749,385	1,283,140	2,923,107	601,130	48,425	17,051,916
710-Social protection	7,129,370	5,920,026	1,700,000	8,486,216	813,622						0	75,932	1,606,380	0	25,731,546
Total	210,961,570	310,673,628	239,812,946	549,639,968	231,945,762	457,494,070	276,902,290	138,738,092	80,639,963	111,463,441	129,817,243	224,682,565	229,736,049	41,814,290	3,234,321,877

Source: TiFIS

Infrastructure Fund Pipeline

The current Infrastructure Fund pipeline indicates a very large forward program, with around $2 billion planned over the next six years, but most of this is not genuinely new (see Table 13 and Table 14). Only about $150 million of the pipeline appears to relate to new projects, while the remainder reflects projects already in the system and continuing over the forward period. The largest individual projects in the pipeline are those above **$**20 million, and these remain concentrated in familiar areas such as Tasi Mane, agriculture-related infrastructure, and roads.

The pipeline is heavily shaped by legacy commitments and previously approved investment directions rather than a major wave of newly emerging priorities. In that sense, the issue is less about an absence of projects and more about whether the existing pipeline is sufficiently well aligned to the Government's updated growth, diversification, and service-delivery priorities under the new policy-based budgeting framework.

A more immediate concern is the very heavy front-loading of the pipeline in 2027, where planned expenditure reaches around $903 million, a level that is unlikely to be realistic from an implementation or cash-flow perspective. There has been a long-standing habit of over-programming capital pipelines to provide flexibility, maintain options, and allow room for slippage across projects. While this may have had some practical logic under less predictable annual budgeting arrangements, it is harder to justify now that Timor-Leste is moving to multi-year policy-based budgeting with forward estimates, which should make funding flows more predictable over the medium term. Under this newer framework, there is less need to crowd so much expenditure into the first year simply to protect future options.

A more credible and disciplined approach would be to smooth the pipeline across the medium term, reduce unrealistic first-year peaks, and better match programmed expenditure to actual delivery capacity, procurement readiness, and strategic priorities. This would deliver high levels of predictable financing for the IF project managers.

Table 13. Infrastructure Fund Program Pipeline 2026-2030

Program	IF 2026	IF 2027	IF 2028	IF 2029	IF 2030	Total 6 years
026 Roads and Bridges	45,311,228.00	231,692,182	199,655,546.72	41,888,840.47		518,547,796.85
A18 Implementation of the Tasi Mane Project on the country's South Coast	51,220,284.00	224,722,440	21,900,000.00	21,900,000.00	21,900,000.00	341,642,723.90
A39 Agriculture, Horticulture, Coffee and Industrial and Annual Plants	13,190,814.00	65,079,754	98,809,671.82	10,015,740.74	0.00	187,095,980.34
	23,164,054.00	58,019,199	54,919,061.81	12,215,155.17	220,000.00	148,537,470.15
798 Water and sanitation	5,282,017.00	46,519,034	31,433,333.33	11,240,000.00	0.00	94,474,384.35
510 Functioning and Institutional Development	11,076,879.00	24,021,699	30,991,155.06	11,540,053.65	5,972,000.00	83,601,786.84
366 National Security	3,122,446.00	26,811,899	27,432,979.70	16,892,459.90		74,259,785.10
809 Airport	16,510,876.00	17,474,450	17,474,450.13	14,376,971.92		65,836,748.19
977 Maintenance, Rehabilitation and Response to Disaster Damaged Structures	17,573,703.00	32,407,733	8,651,526.71	1,440,378.43		60,073,341.38
A41 Fisheries, Aquaculture and Aquatic Resources Management	42,641.00	13,680,000	13,930,000.00	14,213,000.00	8,499,000.00	50,364,641.00
260 Gab.do Minister of Education	5,630,808.00	24,425,913	15,554,414.27	2,248,183.40		47,859,318.68
388 National Defense	1,637,284.00	4,525,000	12,739,141.80	21,328,283.60		40,229,709.40
983 Investment and Economic Diversification	4,580,966.00	17,462,389	9,711,627.03	2,914,397.00	2,714,170.00	37,383,549.12
024 Culture and Heritage	1,446,929.00	16,792,433	14,737,068.56	2,912,250.29		35,888,681.02
171 Bringing the Services of the Population Courts	1,895,223.00	13,622,439	13,620,438.55	3,107,903.91		32,246,004.01
522 Secondary Education	333,395.00	9,035,342	7,812,023.52	1,050,000.00	7,541,250.00	25,772,010.39
802 Electricity	7,467,894.00	11,500,000	5,466,000.00	36,000.00		24,469,894.00
502 Transport	1,802,999.00	6,087,000	5,767,000.00	5,127,000.00	4,822,000.00	23,605,999.00
A08 Information and Communications Technology	6,024,727.00	12,623,504	1,900,000.00			20,548,231.34
980 Social Inclusion	1,011,184.00	14,855,345	2,356,337.86	0.00		18,222,866.58
023 Public Financial Management	3,860,960.00	4,410,000	2,100,000.00	2,100,000.00	2,100,000.00	14,570,960.00
982 Tourism	1,501,749.00	4,528,029	3,288,977.21	3,551,332.53	1,170,700.63	14,040,788.38
528 Primary Health Care	2,862,448.00	7,701,599	2,394,521.49	855,303.31	20,000.00	13,833,871.37
028 Rural and Urban Development	4,444,274.00	2,369,406	3,018,264.78	1,722,619.58		11,554,564.85
529 Secondary and tertiary health care	3,591,178.00	1,426,429	1,969,078.18	616,811.00	12,000.00	7,615,496.50
171 Bring services closer to the Population Courts	650,000.00	4,909,506	1,090,779.00			6,650,284.50
521 Basic Education	1,185,047.00	1,627,500	1,047,500.00	530,000.00	515,000.00	4,905,047.00
874 ports	993,985.00	940,000	930,000.00	110,000.00	750,000.00	3,723,985.00
439 Ensuring Freedom of Expression and Access to Information	316,280.00	1,650,000	1,300,000.00	110,000.00	110,000.00	3,486,280.00
981 Protection and Conservation of the Environment	242,641.00	956,667	746,666.67	746,666.67	250,000.00	2,942,641.00
392 Access to Justice	834,443.00	640,168	238,277.50	337,500.00	100,000.00	2,150,388.00
984 Spatial Planning	145,641.00	1,070,490	43,641.00	43,641.00		1,303,413.00
261 Gab.Minister of Health	200,000.00					200,000.00
A27 Implementation of decent community housing	92,641.00	92,641				185,282.00
Total	**239,247,638.00**	**903,680,189**	**613,029,482.70**	**205,170,492.56**	**56,696,120.63**	**2,017,823,923.23**

Source: TiFIS

Table 14. Infrastructure Fund Pipeline 2026-30: Project Activities (>$20m over 6 yrs)

IF Pipeline

Subprogram	IF 2026	IF 2027	IF 2028	IF 2029	IF 2030	Total 6 years
A1801 Developing the infrastructure to support the Tasi Mane Project (eg Suai Supply Base and Highway Corridor)	51,220,284.00	224,722,440	21,900,000.00	21,900,000.00	21,900,000.00	341,642,723.90
A3904 Infrastructure Development for Agriculture, Horticulture, Coffee and Industrial and Annual Plants	13,190,814.00	65,079,754	98,809,671.82	10,015,740.74	0.00	187,095,980.34
2605 Roads	29,378,064.00	73,049,845	68,317,725.82	14,412,735.15		185,158,370.13
	23,164,054.00	58,019,199	54,919,061.81	12,215,155.17	220,000.00	148,537,470.15
02612 Road, Bridges and Flood Control	525,371.00	63,979,718	63,979,717.68	14,240,555.49		142,725,361.85
02605 Roads	6,623,618.00	59,101,570	46,501,182.78	10,207,603.37		122,433,974.46
2604 Bridges	4,264,996.00	48,103,248	31,048,077.71	4,382,135.79		87,798,457.77
79807 Water Maintenance	4,447,017.00	40,744,034	28,783,333.33	11,050,000.00		85,024,384.35
36613 Security	2,591,846.00	26,811,899	27,432,979.70	16,892,459.90		73,729,185.10
97706 Bridge and flood control	17,295,093.00	32,001,412	8,591,721.93	1,440,378.43		59,328,605.37
80901 Airports	13,904,572.00	15,407,984	15,407,983.97	13,148,486.42		57,869,026.35
A4103 Fisheries and Aquaculture Infrastructure Development	42,641.00	13,680,000	13,930,000.00	14,213,000.00	8,499,000.00	50,364,641.00
51005 Public Building	7,001,505.00	13,533,440	12,578,305.43	5,949,508.71	3,238,000.00	42,300,759.58
38811 Defense	1,512,284.00	4,525,000	12,739,141.80	21,328,283.60		40,104,709.40
17106 Courthouse buildings	2,545,223.00	18,531,944	14,711,217.55	3,107,903.91		38,896,288.51
98339 Development of Fiscal Infrastructures for Commerce	3,981,434.00	17,005,221	8,910,627.03	2,212,360.00	2,258,170.00	34,367,811.58
51004 Infrastructure of Administrative buildings	1,552,068.00	7,449,759	16,309,526.02	3,664,384.94	1,004,000.00	29,979,737.73
52213 Infrastructure and Facilities General Technical and Vocational Education	333,395.00	9,035,342	7,812,023.52	1,050,000.00	7,541,250.00	25,772,010.39
2418 Development of resistance Historical site	54,000.00	11,655,751	10,374,751.29	2,221,500.29		24,306,002.87
80201 Electrical Energy	7,331,894.00	11,464,000	5,430,000.00	0.00		24,225,894.00
50203 Land Transport Infrastructures	1,721,999.00	5,617,000	5,297,000.00	4,977,000.00	4,477,000.00	22,089,999.00
Total	**239,247,638.00**	**903,680,189**	**613,029,482.70**	**205,170,492.56**	**56,696,120.63**	**2,017,823,923.23**

Source: TiFIS

GPP Option 7: on An Infrastructure Strategy for Growth and Jobs

MoF, MPIE and the Infrastructure Fund management teams should bring forward a strengthened review of the Infrastructure Strategy aimed at increasing non-oil growth, supporting trade, and creating more jobs through better prioritised and better sequenced infrastructure investment. The review should assess all existing and proposed Infrastructure Fund projects, including budget execution, delivery performance, recurrent cost implications, and value for money, but it should go further by testing the extent to which the current pipeline is aligned with the Government's higher-priority growth and human development strategies.

In particular, the review should examine whether infrastructure allocations are sufficiently supporting related GPP options on fisheries, agriculture, digital jobs, tourism, and tertiary health care, including the enabling investments these sectors need in roads, ports, power, water, digital connectivity, logistics, and supporting facilities. It should also include a structured priority alignment exercise to identify which projects are strongly linked to national diversification, food security, service delivery, and job creation objectives, which projects should be re-scoped or deferred, and where new infrastructure may be required to unlock higher-value sector outcomes.

The submission should therefore provide ministers with a clearer basis for shifting the Infrastructure Fund away from a broad pipeline approach and toward a more disciplined strategic investment framework that prioritises infrastructure with the strongest contribution to growth, productivity, fiscal sustainability, and long-term development impact.

A primary objective is to deliver a set of forward years estimates broadly in line with current levels FEs of around $250-$300m p.a. The $156m of existing new activities over 5 years approved via CAFI to be included in new forward year pipeline estimates.

Est. Fiscal Impact Over the FEs: $0 (s.t. new policies included from other GPPs)

GPP 8: Known Unfunded New Policy Pressures

The following are known unfunded expenditure pressures:

1. Municipality Election in 2027
2. Presidential Election in 2027 & Parliamentary Election in 2028
3. Costing for ASEAN Summit in 2029
4. TL Hosting CPLP 2027 ($3Mil – MNEC budget suggested to put in WoG Budget)
5. International Convention Centre of Timor-Leste (ICCTL) ($150m)

These will need to be properly costed and scoped out for PRC consideration.

The biggest spending pressure is the ICCTL. Timor-Leste officially broke ground on a new International Convention Centre on 20 May 2026, during Independence Day celebrations. The Location is the Dili old port precinct, on the shoreline. Its purpose is to anchor facility for ASEAN Chairmanship 2029, including Heads of State Summit. Facilities include: i) Main convention building; ii) Multiple conference rooms; iii) Auditoriums; iv) Exhibition halls; v) Pedestrian waterfront promenade; vi) Aquarium; vii) Ferris wheel; and viii) Retail and entertainment precinct. The scale and scope (major convention centre and waterfront redevelopment including leisure attractions) is consistent with large-scale capital projects in the $150m–$360m range. The government is simultaneously undertaking other tourism-linked infrastructure in similar cost brackets: i) Dili Airport upgrade: $300 million; ii) Tibar Bay Port conversion to cruise terminal: major capital works; iii) Dili Waterfront Rehabilitation Project: also a multi-hundred-million-dollar urban redevelopment initiative. Existing funding for this can be reviewed within the context of the Infrsturcture Fund and Tourism GPPs.

GPP Option 8: on Existing Known Unfunded New Policy Pressures

Electoral Commission to bring forward a costed policy submission on the fiscal implications of the 2027 Municipal Elections, setting out low, moderate, and high cost and quality options for Government consideration.

Electoral Commission to bring forward a costed policy submission on the fiscal implications of the 2027 Presidential Election and the 2028 Parliamentary Election, setting out low, moderate, and high cost and quality options for Government consideration.

Ministry of Foreign Affairs to bring forward a costed policy submission on the fiscal implications of hosting the 2029 ASEAN Summit and related CPLP events in 2027, setting out low, moderate, and high cost and quality options for Government consideration.

Infrastructure Fund, MPIE, Ministry of Foreign Affairs and Ministry of Tourism bring forward a submission on the ICCTL financing strategy or consider within GPPs 7 (Infrastructure Fund) or GPP 16 (Tourism).

Est. Fiscal Impact Over the FEs: $164.5m over 3 years (Lapsing)

GPP 9: Visibility of Mandatory Expenses

As required under DL 42, the budget needs to consider the following mandatory expenditures:

- Commitment carryovers and arrears
- Personnel expenses
- Social Benefits (Special Appropriations)
- Debt (Special Appropriations)
- Realized contingent liabilities etc.

It is proposed that the process be reviewed closely to strengthen the estimation, classification and disclosure of mandatory expenditure items. This should include a clearer treatment of special appropriations, which are not created by the annual budget alone but arise from obligations established in primary legislation, such as entitlements for social benefits and debt-related payments.

These expenditures are effectively mandatory once the legal conditions are met and should therefore be presented more transparently so that Parliament and citizens can distinguish between appropriations that derive from existing law and those that are being sought through the annual Budget Law. Budget 2027 should explicitly identify appropriations that derive from primary legislation.

GPP Option 9: on Improving Visibility of Mandatory Expenses

MoF, MSSI and MoJ to bring forward a policy proposal on improving the estimation and treatment of mandatory expenditures, including options for a parameter-based approach or direct estimate variation where appropriate. The submission should assess how these methods could be applied across key mandatory expenditure areas, including veterans' payments, social security, and major entitlement-based spending.

MoF to bring forward a policy proposal on the clearer classification and disclosure of special appropriations, so that Parliament and citizens can distinguish more easily between expenditures arising from existing primary legislation and those proposed through the annual Budget Law. This should include options for Budget 2027 to explicitly identify appropriations that derive from primary legislation.

Est. Fiscal Impact Over the FEs: $0.5m in BY27

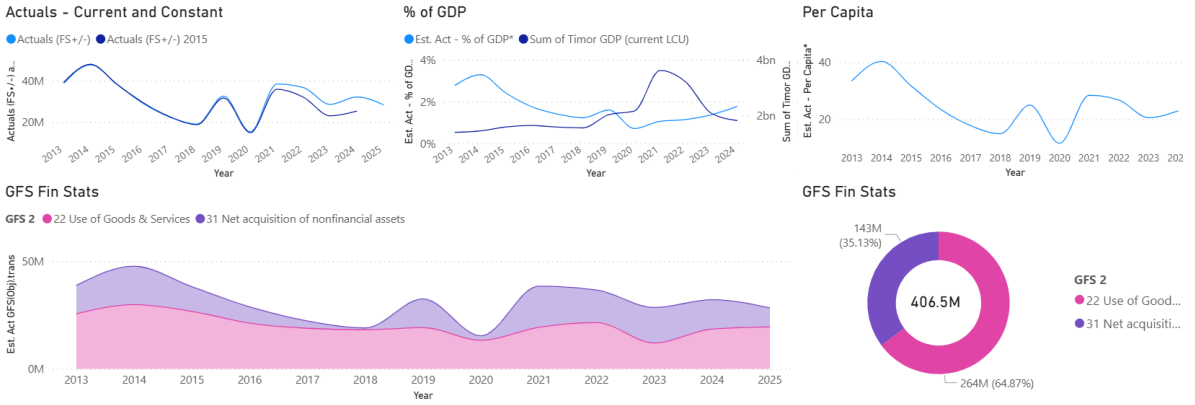
GPP 10: Vehicles, Travel and Catering

Vehicles

The Government spent $406.5m on vehicle purchases and operations between 2013 and 2025. This is around $31m p.a. $143m (35%) was on vehicle purchases (cars, motorcycles and boats), while $264m (65%) was spent on operations, of which $104 m (26%) was for maintenance (see Figure 21 and Table 15 below). Defence, Interior, State Admin, Agriculture and Health are the biggest spenders in this area (see Figure 22).

There are anecdotal complaints of poor value for money from the vehicle maintenance mechanism going through the public sector system, including excessive delays for completion of routine maintenance (e.g. months for a standard service instead of a few days/weeks).

Figure 21. Spending on Vehicles and Operations - 2013-25



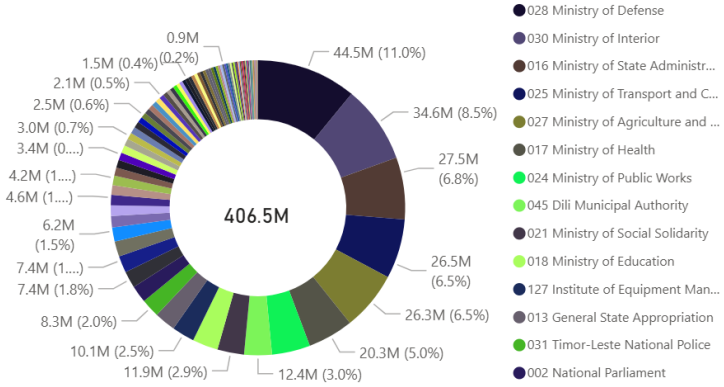
Source: TiFIS

Table 15. Spending on Vehicles and Operations - 2013-25 (GFS)

GFS 1	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
2 EXPENSE	**25,611,118**	**29,847,184**	**26,687,609**	**21,246,240**	**18,843,897**	**18,175,067**	**19,152,468**	**13,308,740**	**19,290,495**	**21,499,103**	**12,043,895**	**18,495,753**	**19,510,119**	**263,711,688**
22 Use of Goods & Services	**25,611,118**	**29,847,184**	**26,687,609**	**21,246,240**	**18,843,897**	**18,175,067**	**19,152,468**	**13,308,740**	**19,290,495**	**21,499,103**	**12,043,895**	**18,495,753**	**19,510,119**	**263,711,688**
221 Use of Goods & services	**25,611,118**	**29,847,184**	**26,687,609**	**21,246,240**	**18,843,897**	**18,175,067**	**19,152,468**	**13,308,740**	**19,290,495**	**21,499,103**	**12,043,895**	**18,495,753**	**19,510,119**	**263,711,688**
2211 Use of goods and services	**25,611,118**	**29,847,184**	**26,687,609**	**21,246,240**	**18,843,897**	**18,175,067**	**19,152,468**	**13,308,740**	**19,290,495**	**21,499,103**	**12,043,895**	**18,495,753**	**19,510,119**	**263,711,688**
6510 - Vehicle Maintenance	10,612,329	12,311,330	11,964,472	10,535,816	10,096,792	8,197,901	9,263,050	6,100,652	7,802,786	6,907,987				**93,793,115**
6500 - Vehicle Operation Fuel - Petrol	13,165,130	14,572,106	11,129,283	8,534,502	6,291,845	6,482,613	3,935,049	2,252,154	3,369,366	3,953,377				**73,685,425**
6520 - Vehicle rental & Insurance	1,832,774	2,851,094	3,557,946	2,173,797	2,274,272	3,081,103	1,828,379	1,824,565	2,668,871	3,716,373				**25,809,173**
5021002 - Vehicle Operation Fuel												9,282,318	9,531,190	**18,813,508**
6501 - Vehicle Operation Fuel – Diesel					81,362	126,000	4,114,115	2,927,286	5,408,872	5,641,316				**18,298,952**
5021701 - Maintenance of Vehicle												6,232,751	7,031,162	**13,263,913**
E021002 - Vehicle Operation Fuel											10,275,006			**10,275,006**
5023103 - Rentals of Vehicles												2,708,518	2,897,467	**5,605,985**
E040201 - Vehicles											1,768,889			**1,768,889**
4026 - Conting. Conbu Operac Vehicles		97,350			70,000	266,800		6,444		887,142				**1,327,736**
6503 - Rental of Vehicles	885	15,304	35,908	2,125	29,625	20,650	11,875	197,640	40,600					**354,612**
6504 - Vehicle Operation Fuel - Petrol - Elections										261,600				**261,600**
5027801 - Contingency Rentals of Vehicles												138,215		**138,215**
5025102 - Contingency for Vehicle Operating Fuel												91,805	0	**91,805**
6522 - Vehicle rental & Insurance - Elections										65,520				**65,520**
6512 - Vehicle Maintenance - Elections										65,388				**65,388**
5025201 - Contingency for Vehicle Maintenance												28,190		**28,190**
5023409 - Fuel CPLP													18,750	**18,750**
5023310 - Rentals of Vehicles EXPO													16,550	**16,550**
5023105 - Airplane Rentals													15,000	**15,000**
5023104 - Rentals of Ships (Vessels)												13,956	0	**13,956**
6521 - Rental of Vehicles - Elections										400				**400**
3 CHANGE IN NET WORTH	**13,182,585**	**17,819,252**	**11,469,282**	**7,524,007**	**3,392,388**	**832,123**	**13,378,720**	**2,029,050**	**19,107,781**	**15,158,659**	**16,440,720**	**13,642,037**	**8,830,642**	**142,807,244**
31 Net acquisition of nonfinancial assets	**13,182,585**	**17,819,252**	**11,469,282**	**7,524,007**	**3,392,388**	**832,123**	**13,378,720**	**2,029,050**	**19,107,781**	**15,158,659**	**16,440,720**	**13,642,037**	**8,830,642**	**142,807,244**
311 Fixed assets	**13,182,585**	**17,819,252**	**11,469,282**	**7,524,007**	**3,392,388**	**832,123**	**13,378,720**	**2,029,050**	**19,107,781**	**15,158,659**	**16,440,720**	**13,642,037**	**8,830,642**	**142,807,244**
3112 Machinery and Equipment	**13,182,585**	**17,819,252**	**11,469,282**	**7,524,007**	**3,392,388**	**832,123**	**13,378,720**	**2,029,050**	**19,107,781**	**15,158,659**	**16,440,720**	**13,642,037**	**8,830,642**	**142,807,244**
8101 - Vehicles	10,035,906	14,424,309	10,086,289	6,238,855	3,165,357	832,123	12,189,197	1,805,850	15,486,639	13,773,789				**88,038,313**
5040101 - Civil Vehicle												11,427,387	8,241,342	**19,668,729**
E130201 - Civil Vehicle											12,127,632			**12,127,632**
8100 - Motorcycles	2,731,802	1,469,920	1,240,593	1,175,916	227,031		1,100,223	23,200	3,037,876	850,795				**11,857,356**
E130202 - Military Vehicle											4,313,088			**4,313,088**
8102 - Boats/Vessels	414,877	1,925,023	142,400	109,236			89,300	200,000	583,266	534,075				**3,998,177**
5040102 - Military Vehicle												1,657,700	589,300	**2,247,000**
5045001 - Contingency for Civil Vehicle												556,950		**556,950**
5040301 - Passenger Vehicles													0	**0**
Total	**38,793,702**	**47,666,435**	**38,156,890**	**28,770,247**	**22,236,284**	**19,007,190**	**32,531,188**	**15,337,790**	**38,398,276**	**36,657,762**	**28,484,614**	**32,137,791**	**28,340,760**	**406,518,932**

Source: TiFIS

Figure 22. Spending by Administrative Unit on Vehicles and Operations - 2013-25

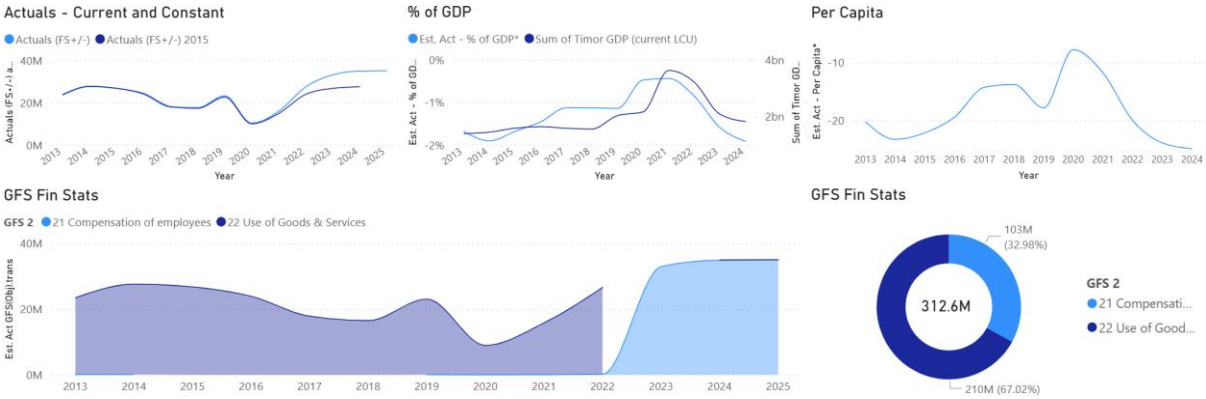


Source: TiFIS

Travel

The Government spent $313m on travel between 2013 and 2025. This is around $24m p.a. The payment mechanism went from paying through goods and services directly for travel costs (airfares etc) to paying via the allowance system through salary and wages category. $136m (44%) was for overseas travel. Lowest level of recorded travel was in 2018 and 2020 at $16.5m and $8.9m respectively. Peak year was 2024 at $32m. The biggest spenders were National Parliament, Education, Foreign Affairs, Agriculture, State Admin, Health and Defence.

Figure 23. Spending on Travel - 2013-25



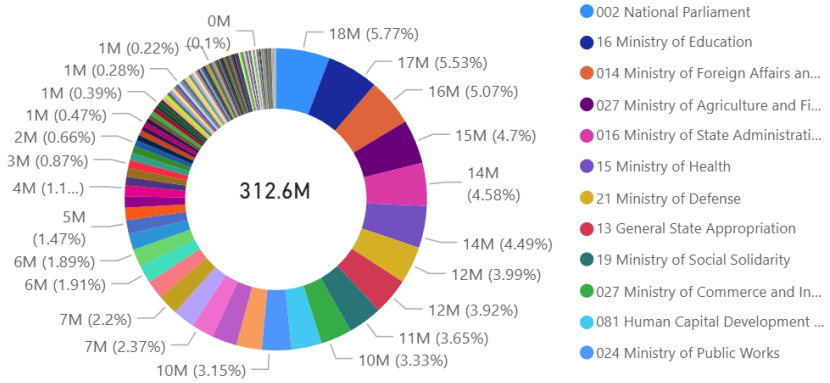
Source: TiFIS

Table 16. Spending on Travel - 2013-25 (GFS)

GFS 1	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
2 EXPENSE	23,400,544	27,536,472	26,693,746	23,846,689	17,793,639	16,459,447	22,983,964	8,945,289	15,762,976	26,506,489	32,880,333	34,863,013	34,929,717	312,602,318
22 Use of Goods & Services	23,291,544	27,464,472	26,693,746	23,846,689	17,793,639	16,459,447	22,947,569	8,929,278	15,705,677	26,310,531		47,598	15,000	209,505,189
221 Use of Goods & services	23,291,544	27,464,472	26,693,746	23,846,689	17,793,639	16,459,447	22,947,569	8,929,278	15,705,677	26,310,531		47,598	15,000	209,505,189
2211 Use of goods and services	23,291,544	27,464,472	26,693,746	23,846,689	17,793,639	16,459,447	22,947,569	8,929,278	15,705,677	26,310,531		47,598	15,000	209,505,189
6200 - Local Travel	8,067,679	11,191,013	11,343,006	11,033,968	9,566,638	9,023,888	11,267,188	7,414,465	13,071,195	17,063,934				109,042,976
6255 - Overseas Trav-Officials-Ticket	2,254,773	4,141,579	5,153,582	3,101,825	2,098,778	1,881,238	3,298,503	553,796	727,625	3,277,781				26,489,481
6254 - Overse.Trav-Officials-Perdiem	2,787,416	2,403,996	3,005,745	2,671,254	2,071,313	2,208,121	3,867,688	224,858	844,532	2,797,314				22,882,236
6258 - Overseas Travel-Others-Ticket	3,010,595	3,103,617	1,936,399	2,598,962	1,433,259	984,638	1,348,029	274,195	521,818	422,101				15,633,612
6252 - Overs.trav-Members Gov.Ticket.	3,251,641	2,729,453	2,330,973	1,639,297	951,231	679,674	1,456,586	94,405	189,167	684,156				14,006,585
6251 - Overse.Tra-Members Gov.Perdiem	3,172,280	2,268,798	1,903,449	1,807,932	904,244	537,079	945,316	20,338	179,508	527,806				12,266,751
6257 - Overseas Travel-Others-Perdiem	747,161	1,196,884	1,020,590	968,275	773,040	1,019,053	587,239	43,571	121,238	933,796				7,410,847
4022 - Conting. Foreign Travel		429,132		25,175		79,735	177,020	186,800	50,594	17,328				965,784
4021 - Local Travel Contingency						46,020		116,850		64,760				227,630
6272 - Overseas Travel-Officials-Ticket - Elections										213,515				213,515
6273 - Overseas Travel-Others-Perdiem - Elections										131,125				131,125
6307 - Staff Training Overseas - Perdiem										126,750				126,750
5027501 - Contingency Allowances for Overseas Business Travel												40,778		40,778
6308 - Staff Training Overseas - Ticket										29,705				29,705
6202 - Local Travel - Elections										20,460				20,460
5023105 - Airplane Rentals													15,000	15,000
5029301 - Contingency Allowances for Local Business Travel												6,820		6,820
6263 - Airplane Tickets/ Transport Cost for Scholarships HCDF Training Overseas					-4,865									-4,865
21 Compensation of employees	109,000	72,000					36,395	16,011	57,299	195,958	32,880,333	34,815,415	34,914,717	103,097,129
211 Compensation of employees: Wages and salaries	109,000	72,000					36,395	16,011	57,299	195,958	32,880,333	34,815,415	34,914,717	103,097,129
2111 W&S in cash	109,000	72,000					36,395	16,011	57,299	195,958	32,880,333	34,815,415	34,914,717	103,097,129
5022401 - Allowances for Local Business Travel												22,219,638	23,239,640	45,459,279
5022402 - Allowances for Overseas Business Travel												12,106,820	10,876,238	22,983,058
E010202 - Allowances for Local Business Travel											19,882,082	0		19,882,082
E010203 - Allowances for Overseas Business Travel											7,942,232			7,942,232
E010204 - Overseas Travel Allowance for Study Purposes											5,056,020			5,056,020
5022430 - Advance Allowances Local Business Travel												129,970	480,480	610,450
5022403 - Overseas Travel Allowance for Study Purposes												315,783	287,790	603,573
6250 - Expenses of President, Members of Government, Members of Parliament and Officials Overseas							36,395	15,426	57,299	195,958				305,078
6260 - Living Allowance Missions	59,000	32,000						585						91,585
6261 - Housing Allowance Missions	50,000	40,000												90,000
5022431 - Advance Allowances Overseas Business Travel												43,203	30,570	73,773

Source: TiFIS

Figure 24. Travel Spending by Administrative Unit - 2013-25

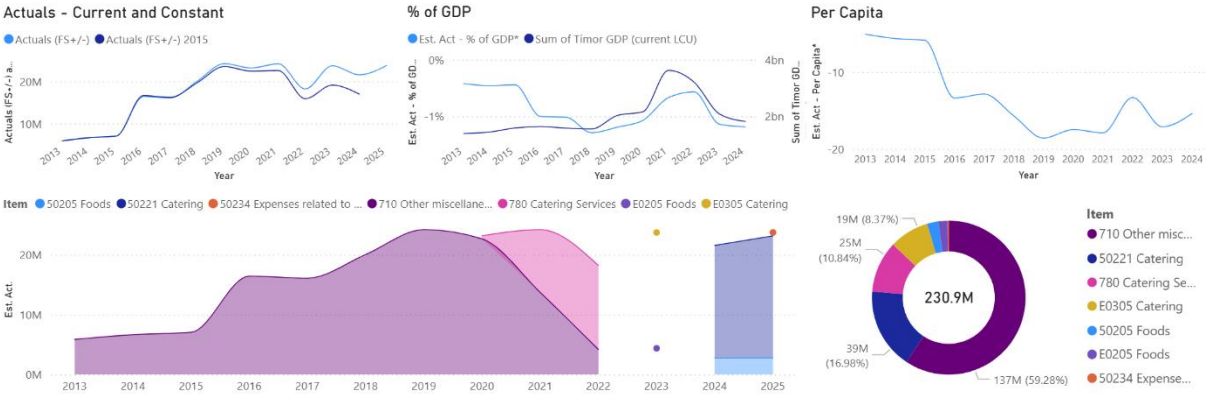


Source: TiFIS

Catering

$231 m was spent on catering and food between 2013 and 2025. Some significant increases occurred in 2016 and 2019. The two biggest spenders are Defence ($73m, 32%) and Ministry of Interior ($63m, 27%) followed by Health at ($14m, 6%).

Figure 25. Spending on Catering - 2013-25



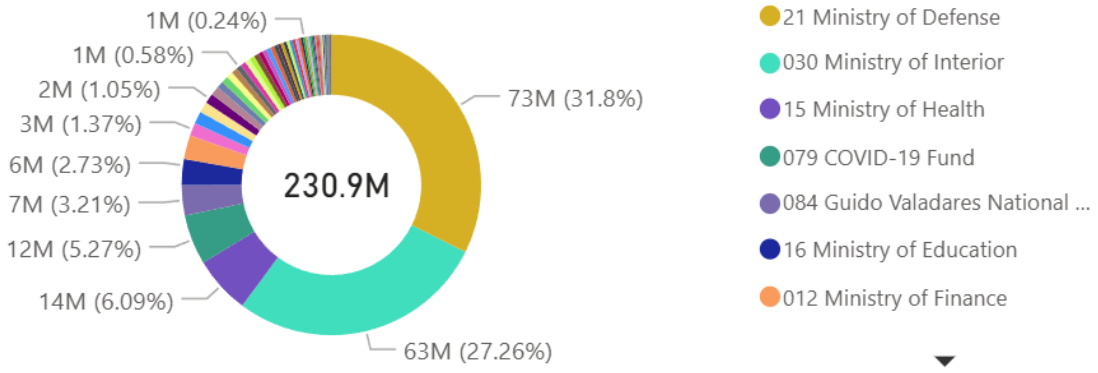
Source: TiFIS

Table 17. Spending on Catering - 2013-25 (GFS)

GFS 1	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
2 EXPENSE	**5,867,781**	**6,652,068**	**7,053,044**	**16,426,649**	**16,084,316**	**20,046,929**	**24,199,657**	**23,168,061**	**24,188,311**	**18,205,461**	**23,710,260**	**21,559,300**	**23,722,028**	**230,883,864**
22 Use of Goods & Services	**5,867,781**	**6,652,068**	**7,053,044**	**16,426,649**	**16,084,316**	**20,046,929**	**24,199,657**	**23,168,061**	**24,188,311**	**18,205,461**	**23,710,260**	**21,559,300**	**23,722,028**	**230,883,864**
221 Use of Goods & services	**5,867,781**	**6,652,068**	**7,053,044**	**16,426,649**	**16,084,316**	**20,046,929**	**24,199,657**	**23,168,061**	**24,188,311**	**18,205,461**	**23,710,260**	**21,559,300**	**23,722,028**	**230,883,864**
2211 Use of goods and services	**5,867,781**	**6,652,068**	**7,053,044**	**16,426,649**	**16,084,316**	**20,046,929**	**24,199,657**	**23,168,061**	**24,188,311**	**18,205,461**	**23,710,260**	**21,559,300**	**23,722,028**	**230,883,864**
7101 - Catering Services	5,867,781	6,652,068	7,053,044	16,426,649	16,084,316	20,046,929	24,199,657	22,649,451	13,708,769	4,168,854				**136,857,517**
5022101 - Catering												18,815,433	20,384,595	**39,200,028**
7801 - Office Catering								518,610	9,469,662	12,830,870				**22,819,142**
E030501 - Catering											19,335,093			**19,335,093**
5020504 - Other Foods												1,925,549	1,751,028	**3,676,578**
E020504 - Other Foods											3,410,971			**3,410,971**
5020501 - Unprocessed Food Products												818,318	1,017,486	**1,835,803**
7802 - Catering Services for Hospital									672,699	930,227				**1,602,926**
E020501 - Unprocessed Food Products											964,196			**964,196**
7803 - Catering Services for Prison									337,181	275,509				**612,690**
5023415 - Catering CPLP													568,920	**568,920**

Source: TiFIS

Figure 26. Catering Spending by Administrative Unit- 2013-25



Source: TiFIS

GPP Option 10: on Vehicles, Travel and Catering

MoF, MoI, MoH, MoE and MoD to bring forward a policy submission on key administrative expenditure items, setting out the current policy and control settings for vehicles, travel, and catering, together with options to improve efficiency, strengthen expenditure discipline, and reduce unnecessary or low-value spending over time.

Est. Fiscal Impact Over the FEs: -$15m

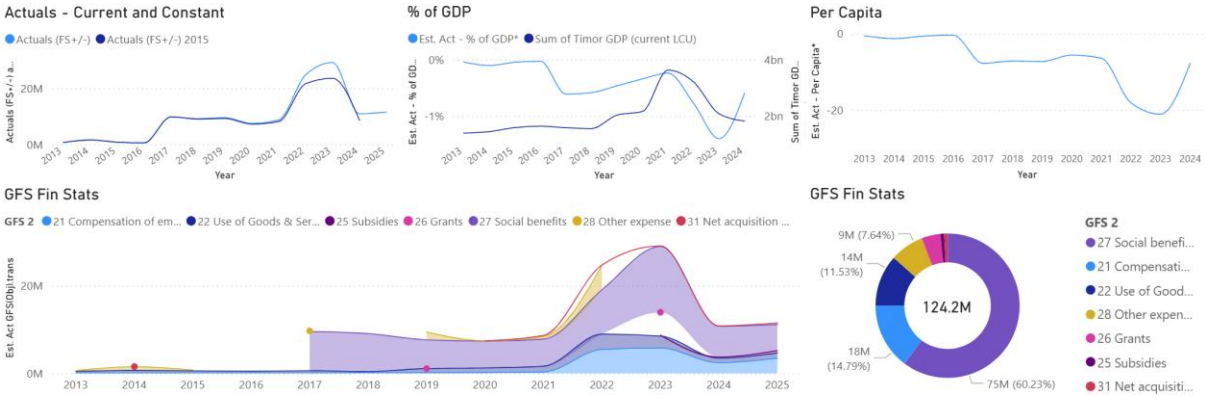
GPP 11: Social Inclusion

This section reviews trends over time spent on social inclusion, with a particularly focus on gender equality, children and disabilities. Analysis was undertaken using second generation tagging methodologies.

Gender

$124.2m was spent on gender equality between 2013 and 2025 with big increase between 2022-24. $75m (60%) was spent as "social benefits" and $18m (26%) as Salaries. The biggest direct program targeting women and girls was Bolsa da Mae $66.6m (53%). The biggest agencies were MoSSI ($80m, 65%), Health ($21m, 17%) and Secretary of State for Equality ($9m, 7%). Spending on support for political movement groups that focus on sexual orientation, gender identity and sex characteristics (e.g. LGBTQI+) was $2m between 2021-25 (includes some disability and inclusion), 72% of which was through Secretary for State for Equality with the remainder through the MoSSI (see Figure 27 to Table 19.)

Figure 27. Spending on Gender - 2013-25



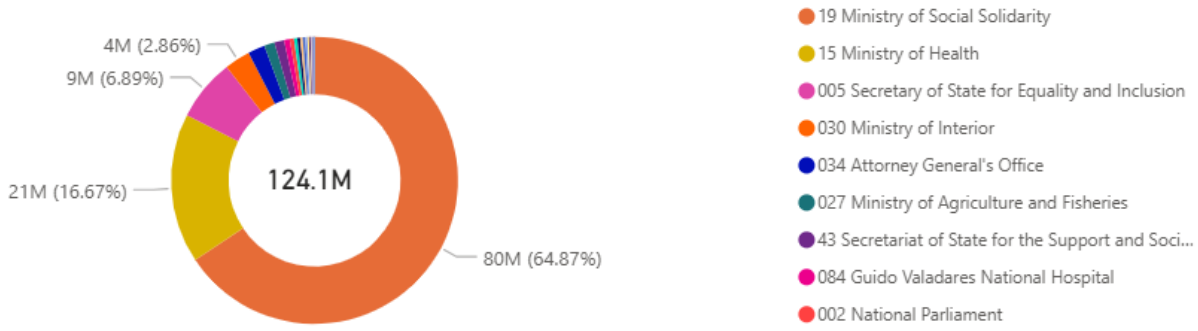
Source: TiFIS

Table 18. Biggest Spending on Gender Equality Activities - 2013-25

Activity	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
5800103 Bolsa da Mãe (conditional support allowance)					8,978,898	8,691,520	8,308,855	6,129,780	6,255,537					**38,364,590**
9804001 Bolsa da Mãe (conditional support allowance)										10,187,718	4,811,079	7,175,792	6,056,313	**28,230,901**
8053201 Inpatient care, including specialized medical services										10,368,332	10,056,690	700		**20,425,723**
9804003 Support new generation grants for Pregnant Women, children under 3 years and disabled children											12,042,283			**12,042,283**
7010101 Gender Development Policy Directorate	590,814	1,419,927	664,918	301,051	322,931	230,090	136,985	174,232						**3,840,948**
3920505 Notifications and participation in Mobile Criminal Trials, with special emphasis on crimes against children and gender-based violence										2,018,741	103,730	95,970	126,087	**2,344,528**
3662111 Management of human resources allocated to the provision of community conflict prevention services												1,180,870	1,133,657	**2,314,526**
A420401 Workforce for Field Service Activities													1,347,311	**1,347,311**
9800901 Support and assist Groups of Women, People with Disabilities, LGBTQI Community in the Development of Their Economic Skills										300,000	314,002	389,084	298,575	**1,301,661**
3840101 Support and assist Women's Groups in Developing their Economic							248,000	48,450	953,518	0				**1,249,968**
5100111 Implement the integrated gender policy approach					35,393	6,640	86,014	64,921	75,255	126,753	168,742	333,037	103,854	**1,000,609**
5280508 Maternal and Neonatal Health												123,394	529,588	**652,982**
4120408 Dissemination of practical information on the prevention of crimes related to domestic violence and GBV to local Authority and Community Leaders								592,058	60,675					**652,733**
9800603 Assistance to State Institutions and Agencies										106,642	294,946	182,131	911	**584,630**
9804002 Registration and verification data of Bolsa de MAE										409,348	53,186	10,190	49,313	**522,036**
1021501 Parliamentary Womens Group for Timor-Leste	45,515	125,560	101,200	77,311	73,434	32,730	27,947	28,371						**512,067**
9804905 Konstrusaun Uma Mahon Salele, Covalima												75,932	379,994	**455,925**
Total	**638,234**	**1,545,487**	**766,118**	**491,271**	**9,710,199**	**9,129,276**	**9,467,564**	**7,419,208**	**8,682,105**	**24,777,166**	**29,156,569**	**10,837,612**	**11,530,417**	**124,151,225**

Source: TiFIS

Figure 28. Gender Equality Spending by Administrative Unit- 2013-25



Source: TiFIS

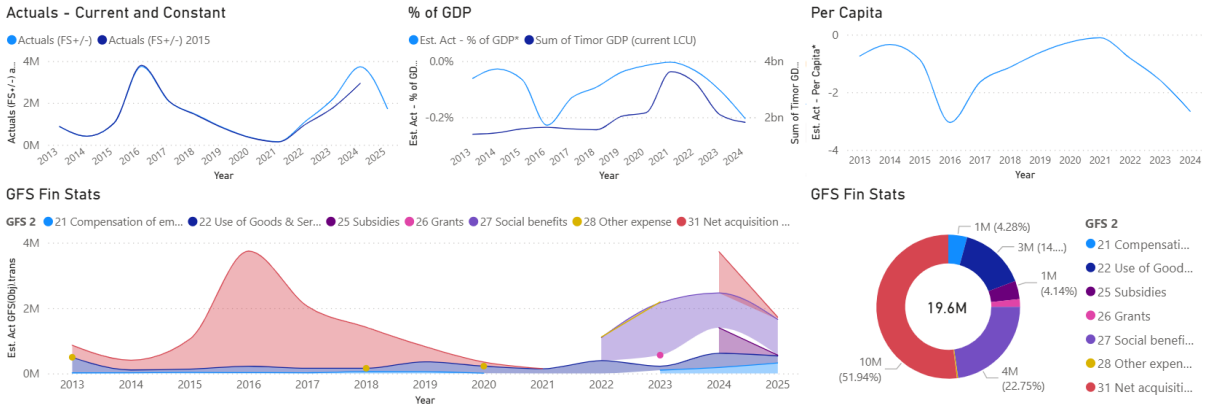
Table 19. Spending on LGBx-Related Activities - 2013-25

Activity	2021	2022	2023	2024	2025	Total
9800901 Support and assist Groups of Women, People with Disabilities, LGBTQI Community in the Development of Their Economic Skills		300,000	314,002	389,084	298,575	**1,301,661**
9801305 Specific support and social reintegration for victims of VBJ, VD, LGBTI, drug trafficking, and other vulnerable groups					332,562	**332,562**
9802605 Punctual support and social reintegration for victims of GBV, RV, LGBTI, trafficking, and other vulnerable groups				214,617		**214,617**
9803101 Empower Women, People with Disabilities, LGBTQI community members to carry out political functions at local and national level		21,316	77,392	44,266	62,041	**205,014**
5810107 Re-integration of LGBT, Human trafficking and elderly abandoned to the community	24,350					**24,350**
Total	**24,350**	**323,416**	**391,394**	**647,967**	**693,178**	**2,080,304**

Children

$19.6m was spent between 2013 and 2025 with peak spending in 2016 and 2024. $10m (52%) spent as "Acquisition of Non-Financial Assets" and $4m (23%) as "Social Benefits". The biggest single project/activity was funding scholarship for veterans ($4.5m). Construction of football stadiums was the dominant group of activities. The biggest spending agencies in this area are Infrastructure Fund ($10m, 51%), Veterans ($4m, 23%) and MoSS ($1m, 6%). (See Figure 29 to Figure 30.)

Figure 29. Spending on Children - 2013-25



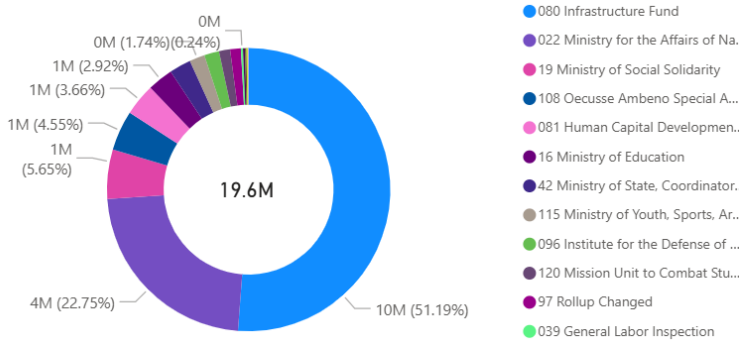
Source: TiFIS

Table 20. Biggest Spending on Children Activities - 2013-25

Activity	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
9805001 Attribution of scholarships to the children of National Liberation										703,975	1,603,100	1,062,650	1,089,450	**4,459,175**
9150102 Construction of new Football Stadium in Manufahi			551,750	980,562	222,825									**1,755,137**
9150104 Construction of new Football Stadium in Ermera				283,761	276,739	636,160	348,323	123,021						**1,668,004**
8000115 Design, construction and supervision of Stadion National		92,375	54,987	359,063	664,155	423,472								**1,594,052**
9821130 Rehabilitation room in China (PR) at the Children's Center (PR)												1,262,231	66,433	**1,328,664**
8000116 Design, construction and supervision Genasio multi-function "Indoor"	363,375	200,000	68,058	537,699	58,548	27,833								**1,255,513**
9150101 Construction of new Football Stadium in Maliana			240,441	777,656	230,101									**1,248,198**
9150103 Construction of new Football Stadium in Baucau				533,693	291,051	167,892								**992,636**
7600101 Nac.Children's Rights Commission	121,307	113,753	132,391	182,093	161,511	150,668	51,510	-133						**913,099**
5210501 School-feeding program for Primary School									1,460			781,496		**782,956**
8130101 Youth training	377,559													**377,559**
9801801 Awareness raising - protection of children rights targeted local communities including border military authority										111,558	49,746	56,404	55,747	**273,454**
9801701 Promotion of children										96,333	34,668	57,940	79,009	**267,951**
5280410 Implement a feeding program for pregnant women and children (0-7 years)													247,653	**247,653**
9800702 Implement social welfare policy for children and family										102,793	40,600	37,890	65,722	**247,005**
9803808 Youth Parliament											206,381			**206,381**
3150602 Subsidy for Veterans children (5 years, 2013-2018, 2014-2019 and 2015-2020)							110,100	73,746						**183,846**
5210505 School Emergency Program												179,385		**179,385**
4430204 School Assessment on corporal punishment, school meals (ME); Nutrition, Immunization (ISPA prevention) affected the Children -MS; Register Children and Legislation MJ							113,375	48,694						**162,069**
8132102 Grant for veterans and children of veterans (5 years, starts 2013-2018, 2014-2019 and 2015-2020)				90,475	24,725	40,256								**155,456**
9150105 Design, Construction and Supervision of the Bintang football field, in Dili					108,566									**108,566**
4430102 Awareness raising - protection of children rights targeted local communities including border military authority							36,150	33,798	27,365	0				**97,313**
Total	**862,240**	**406,128**	**1,047,627**	**3,745,001**	**2,068,218**	**1,442,250**	**809,347**	**344,220**	**147,596**	**1,123,883**	**2,192,140**	**3,725,162**	**1,720,196**	**19,634,009**

Source: TiFIS

Figure 30. Children Spending by Administrative Unit on Travel - 2013-25

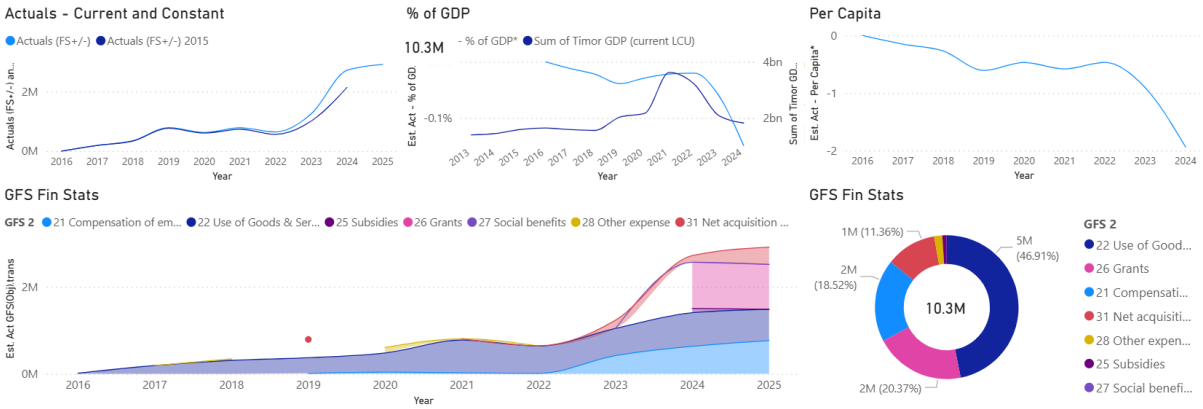


Source: TiFIS

Disabilities

$10.3m was spent between 2013 and 2025 with peak spending in 2025. $5m (47%) spent as "Goods and Services" and $5m (20%) as "Grants". The biggest project/activity was funding for rehabilitation services ($3m). The biggest agencies in this area were National Rehabilitation Center ($5m, 47%), Ministry of Youth and Sport ($3m, 26%) and MoSS ($2m, 15%). (See Figure 31 to Figure 32.)

Figure 31. Spending on Disability - 2013-25



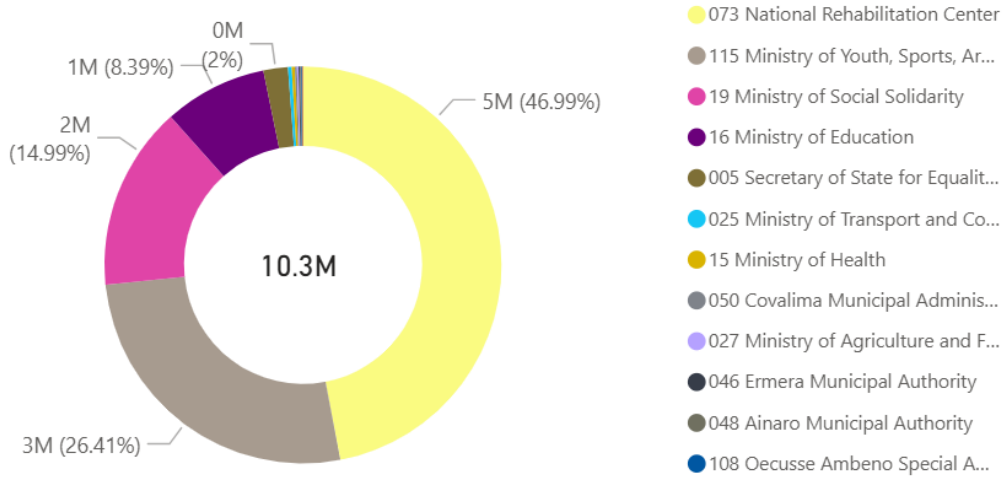
Source: TiFIS

Table 21. Biggest Spending on Disability Activities - 2013-25

Activity	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
9802301 Provide and monitor specialized rehabilitation services (clinical areas)							254,225	533,787	561,011	650,514	**1,999,536**
5840101 Provide and monitor specialized rehabilitation services (clinical areas)				545,722	230,254	238,444					**1,014,420**
5800101 Promote the rights, protection and inclusion of disabled citizens		109,840	295,147	12,462	311,594	-20,300					**708,743**
9802402 Support Materials and Equipments for disabled people							157,095	208,814	248,139	49,416	**663,464**
9805802 CRAM Operational Management									272,060	290,000	**562,060**
9806201 Construction of Multipurpose Field in Taibesse									122,723	328,492	**451,214**
5830102 Support Materials and Equipments for disabled people				26,211	24,788	385,483					**436,482**
9805801 Reinforcement Organizasaun Youth									220,862	210,999	**431,861**
9801203 Promotion of the Rights of Persons with Disabilities							35,145	113,490	30,786	247,857	**427,277**
9805803 Supported youth initiative									236,462	134,177	**370,639**
510022T Implementing the National Policy on Inclusive Education									58,037	274,363	**332,400**
9806101 Reinforces sports organizations									167,800	145,000	**312,800**
5830101 Raise awareness of CNR's services		21,054	17,532	147,151	33,395	68,569					**287,701**
9803101 Empower Women, People with Disabilities, LGBTQI community members to carry out political functions at local and national level							21,316	77,392	44,266	62,041	**205,014**
9805902 Performs Selebrasaun Loron Nasional Youth activity at Komemorasaun Masakre Santa Cruz									105,200	98,140	**203,340**
Total	**0**	**190,413**	**345,527**	**791,408**	**624,191**	**786,524**	**643,615**	**1,255,680**	**2,717,213**	**2,912,399**	**10,266,971**

Source: TiFIS

Figure 32. Disability Spending by Administrative Unit - 2013-25



Source: TiFIS

GPP Option 11: on Social inclusion: Gender, Children and Disabilities

Secretary of State for Equality, MCLAN and MSSI to bring forward a joint policy submission with related entities on improving the efficiency, targeting, and transparency of financial assistance provided to gender equality, children, and disability-related programs and interest groups. The submission should assess current spending patterns, identify options to improve value for money and alignment with priority outcomes, and propose stronger criteria, safeguards, and reporting arrangements for future support.

Est. Fiscal Impact Over the FEs: $5m ($15m new $10m reprioritisation savings)

GPP 12: Procurement, Contracts, Vendors and Paying Invoices

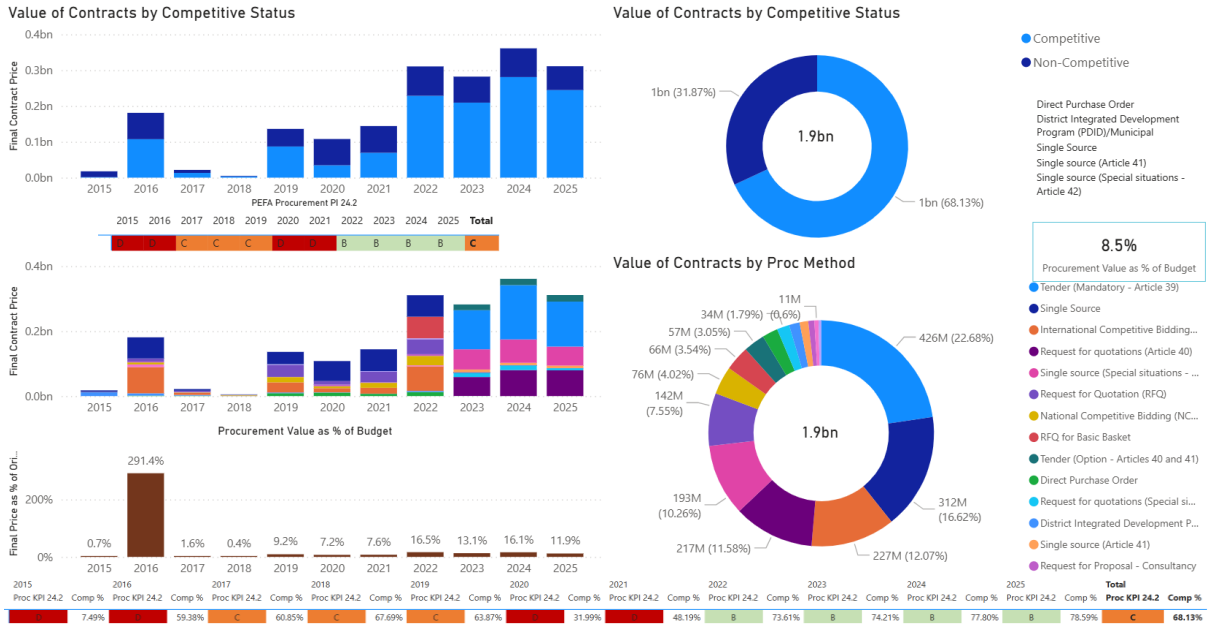
This section reviews performance in terms of procurement, contracting and vendors.

Procurement

There has been significant improvement in the use of the Procurement and Contracts Management Module of the accounting system since it was introduced in 2015. $1.9b in contracts have been tracked on the system between 2015-25.

A poor procurement record up to 2021 is evident, with not many contracts on the system and too many non-competitive methods when it was recorded. It has, however, improved significantly averaging "B" under PEFA for performance indicator number 24.2 between 2022-25 in terms of value on use of competitive methods. Over the whole period between 2015-25 68% of contracts on the system were procured using competitive methods. The best year was 2024 at 79%, being PEFA grade A, just 1% short of a Grade "A". The total value of contracts awarded as percent of the Budget is 8.5% on average between 2015-2025. The highest year was 2016 at 296% of the Budget, that was caused by a high number of contracts that were put on the system that did not become effective, spend any money, or spent very little. The next highest was 2022 at 16.5% (2024 was 16.1%). (See Figure 33 below.)

Figure 33. Procurement Dashboard



Source: TiFIS

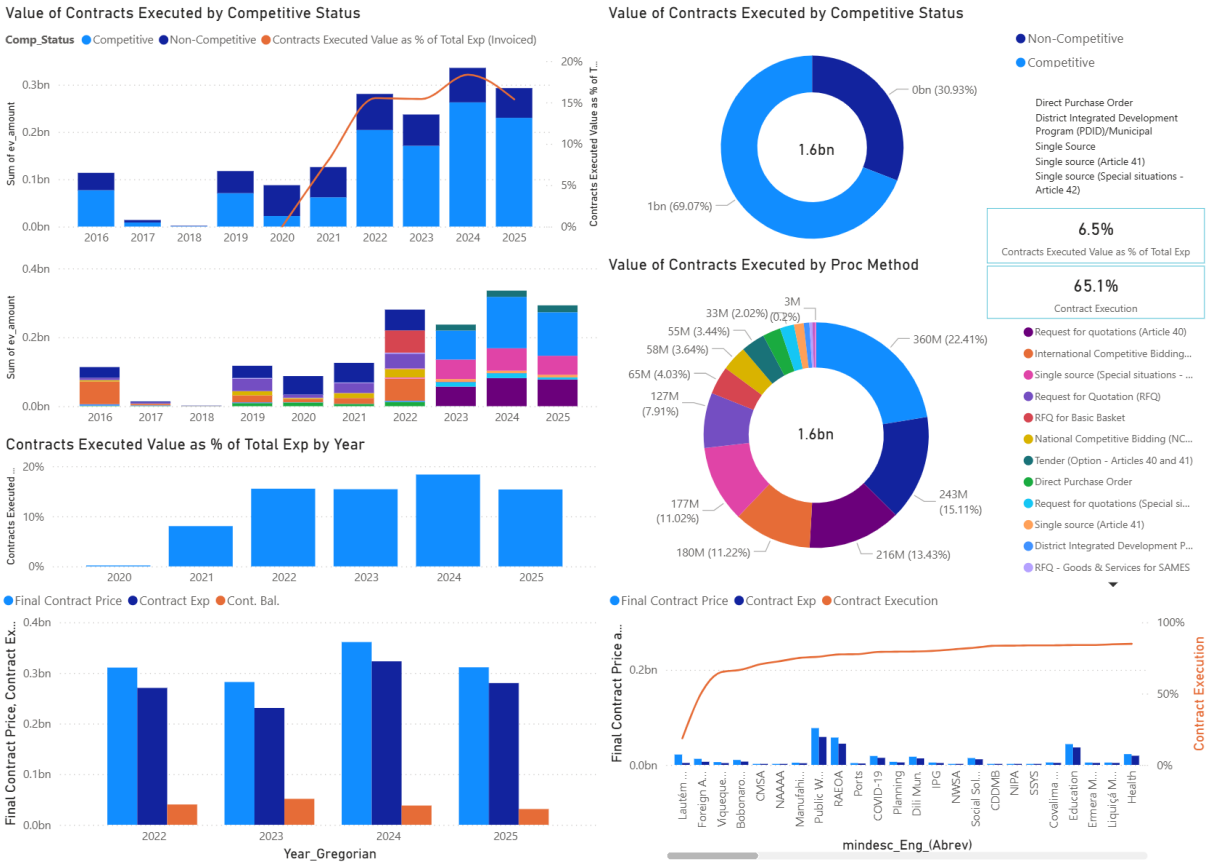
Contracts

Contract execution analysis using invoices reveals that a big improvement has been achieved since 2022. As a percentage of total expenditure, contract spending was 6.5% on average from 2016-2025. Levels increased dramatically from 1% between 2016-2019 to 16.2% in 2022-25 and 18.4% in 2024. Of the $1.6b awarded $1.2b was spent. Contracts executed using invoices was 65% from 2016-25 increasing to 87% for 2022-24. Municipalities, MoPW and RAEOA are having most problems with contract execution. Analysis also reveals that there are a lot of contract numbers without contract titles. (See Figure 34).

The Government's decision on the mandatory use of the new e-Procurement module will help ensure that all contracts are on the system and that money does not move unless contracts are on the system.

Between 2021-25 there were 61,000 contracts on the system and of these, there were 15 Repeat contracts in terms of contract descriptions with 60 or more repeats. Repeat contracts are normally only split within a year. There were 4 contracts repeated over 2 or more fiscal years. Agriculture, Police, SSPTE and Interior had the most amount of contracts on the sytems. There were 15 agencies that had more than 1,000 contracts recorded. There are 14 Vendors with 150 or more contracts with 6 vendors split over 2 or more years. Timor-Telecom was the outlier in terms of value or repeat contracts ($16.8m)

Figure 34. Contracts Dashboard

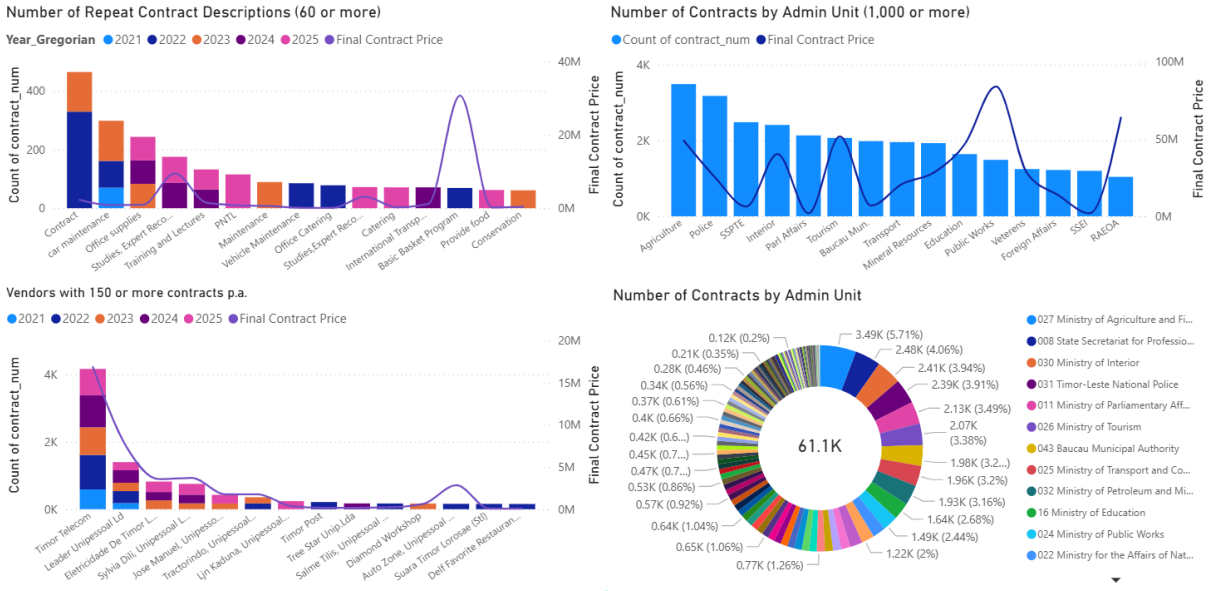


Source: TiFIS

Only 199 (0.1%) contracts were more than 2 years long valued at $2.4m over the period 2021-25. In terms of quantity of multi-year contracts, 17% of all contracts are 2 years long.

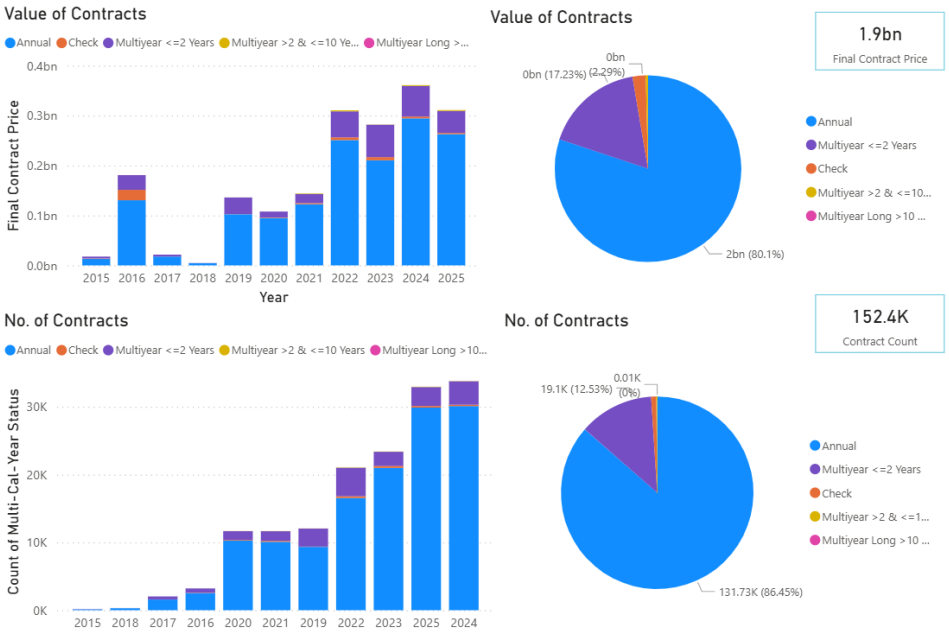
More multi-year contracts can be a higher priority under a multi-year budget framework. Multiyear contracts are good for tracking commitments in the forward years, estimating fiscal space, and saving time at the start of the year (e.g. no need to go through another procurement process to select the same supplier).

Figure 35. Repeat Contracts Dashboard (2021-25)



Source: TiFIS

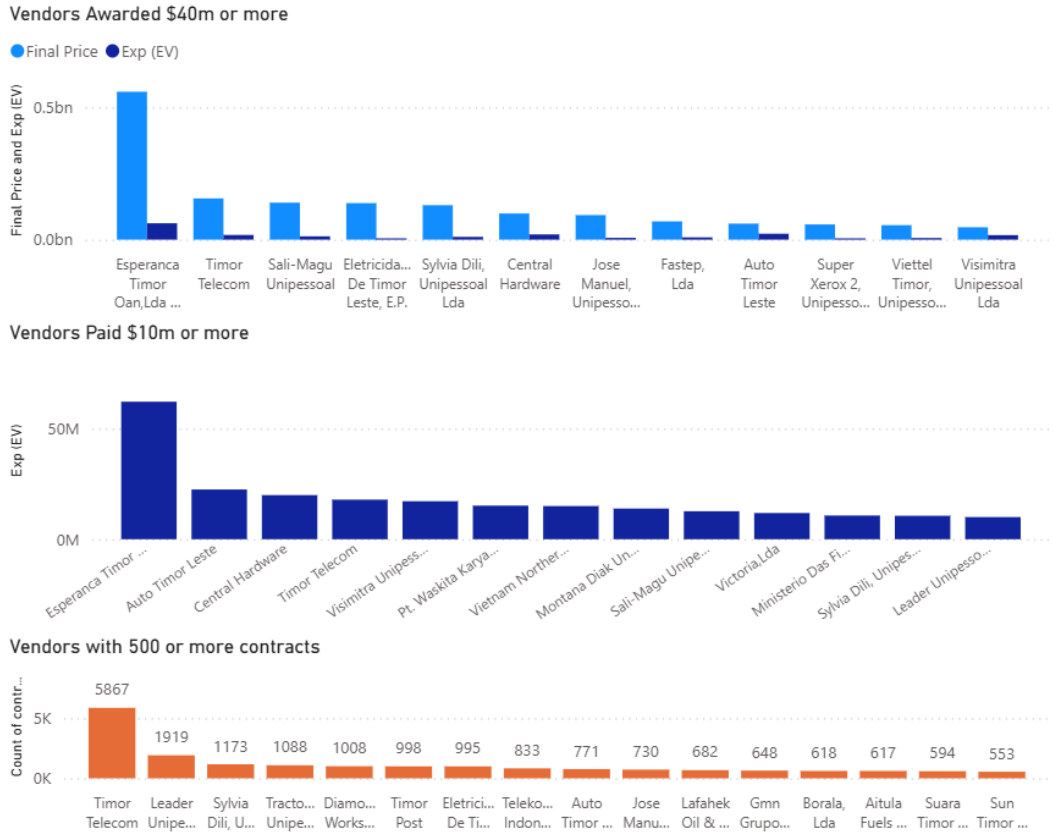
Figure 36. Multi-year Contracts Dashboard (2021-25)



Vendors Source: TiFIS

Vendor analysis reveals that 12 Vendors were awarded contracts totalling more than $40m over the period (2015-25). Esperança Timor was found to be the biggest awardee (but was paid only a fraction). There were 13 Venders that were actually paid more than $10m over the period. Esperança Timor was also the biggest paid vendor. There were 16 vendors with more than 500 contracts over the period. (See Figure 37).

Figure 37. Vendors Dashboard

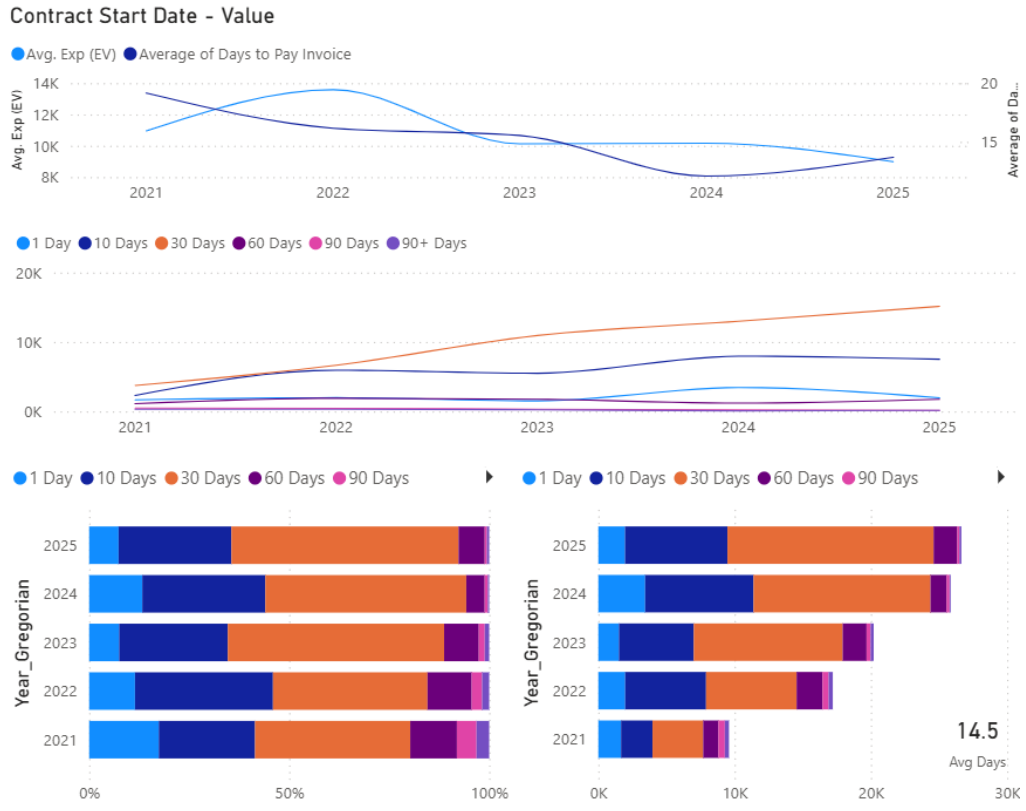


Source: TiFIS

Paying Valid Invoices

Dramatic improvements in the payment of valid invoices can be seen over the period 2021-25. The number of paid invoices tracked almost tripled, increasing from 10k in 2021 to 27k in 2025. Average processing time to pay a valid invoice has fallen to 14 days in 2024 from 19 days in 2021, though on average it should be around 20 if the government was earning money on cash balances held at banks. The 90+ day processing rate fallen from 3% to 0.5% while the 60+ day processing rate fallen from 11.7% in 2021 to 6.5%.

Figure 38. Paying Valid Invoices Dashboard



Year	1 Day	10 Days	30 Days	60 Days	90 Days	90+ Days	Pay invoices	Pay invoices 30+ days (%)	Pay invoices 60+ days (%)	Pay invoices 90+ days (%)
2025	1,959	7,517	15,132	1,741	151	145	26,796	7.6%	1.1%	0.54%
2024	3,436	7,953	12,988	1,191	205	85	26,063	5.7%	1.1%	0.33%
2023	1,516	5,489	10,927	1,752	301	223	20,509	11.1%	2.6%	1.09%
2022	1,971	5,935	6,648	1,901	448	304	17,655	15.0%	4.3%	1.72%
2021	1,670	2,306	3,721	1,118	470	304	10,059	18.8%	7.7%	3.02%
Total	**10,552**	**29,200**	**49,416**	**7,703**	**1,575**	**1,061**	**101,082**	**10.2%**	**2.6%**	**1.05%**

Source: TiFIS

GPP Option 12: on Procurement, Contracts and Vendors

Infrastructure Fund, MoF, MoPW, RAEOA, and Municipalities to bring forward a joint policy submission on improving procurement and contract management performance, with a focus on strengthening contract execution, ensuring all contracts are recorded in the accounting system, improving data quality and transparency, and reducing the risk of weak oversight, delayed delivery, and poor value for money.

Est. Fiscal Impact Over the FEs: $-3m ($1m new $4m savings)

GPP 13: Other Pressures in Budget 2027 – Citizens and Politics

Sentiment Analysis – What Timorese Citizens and Companies Are Discussing

Understanding what citizens and businesses are thinking is essential when setting policy priorities. Budget choices are not made in a vacuum: they are more likely to be effective, credible, and politically sustainable when they respond to the pressures, expectations, and concerns being experienced across the country. Public sentiment helps government identify where problems are being felt most sharply, where confidence is weak, and where visible action

is most needed. It therefore provides an important complement to fiscal, technical, and sectoral analysis when deciding which priorities should be elevated in the 2027 Budget process.

Public sentiment around the 2027 Budget Reform Agenda reflects a mix of optimism, caution, and rising expectations. Conversations across community meetings, local media, social platforms, and sector associations were analysed and show several recurring themes. These insights help explain where citizens and businesses see opportunities, where they feel pressure, and where they expect clearer government action.

1. Cost of Living Pressures and Household Stability

Citizens consistently highlight concerns about rising prices for food, transport, and basic goods. While inflation has moderated compared to the post-COVID period, households—especially in peri-urban and rural areas—report that wages and informal income have not kept pace with living costs. Key themes include:

- **Food security and price volatility**, particularly rice, cooking oil, and imported staples.
- **Transport costs**, driven by fuel price pressures and limited competition in public transport routes.
- **Housing affordability**, especially in Dili, where rental prices continue to rise faster than incomes.
- **Expectations for stronger social protection**, including more predictable support for vulnerable families and elderly citizens.

Overall sentiment: *"Life is getting more expensive, and support systems feel uneven."*

2. Service Delivery: Health, Education, and Local Infrastructure

Citizens express strong interest in improvements to frontline services. The most frequently mentioned issues include:

- **Health system reliability**, especially medicine availability, diagnostic capacity, and waiting times.
- **Education quality**, with concerns about teacher absenteeism, learning outcomes, and school maintenance.
- **Local infrastructure**, particularly roads, drainage, water supply, and electricity reliability outside Dili.
- **Digital connectivity**, increasingly seen as essential for education, business, and government services.

Overall sentiment: *"We want visible improvements in services we use every day."*

3. Employment, Skills, and Youth Opportunities

Youth groups, student associations, and community leaders consistently raise concerns about limited job opportunities. Key themes:

- **High youth unemployment**, especially for secondary and university graduates.
- **Skills mismatch**, with employers reporting difficulty finding workers with technical and digital skills.

- **Interest in vocational training**, particularly in construction, hospitality, agriculture, and ICT.
- **Migration pathways**, with many young people viewing overseas work programs as their most realistic option.

Overall sentiment: *"Young people need real pathways into work, not just training certificates."*

4. Private Sector Concerns: Predictability, Regulation, and Access to Finance

Companies, especially SMEs, are focused on the business environment and the predictability of government processes. Common themes include:

- **Regulatory uncertainty**, including licensing, inspections, and inconsistent enforcement.
- **Procurement transparency**, with businesses seeking clearer rules, faster payments, and more opportunities for local firms.
- **Access to finance**, particularly for small businesses lacking collateral or formal records.
- **Infrastructure bottlenecks**, such as logistics costs, port delays, and unreliable electricity in some municipalities.
- **Skills shortages**, which increase operating costs and reduce productivity.

Overall sentiment: *"The private sector needs stability, clarity, and a level playing field."*

5. Expectations Around Petroleum Revenues and Fiscal Sustainability

Citizens and businesses are increasingly aware of the long-term risks associated with declining petroleum revenues. Discussions often focus on:

- **The future of the Petroleum Fund**, including concerns about sustainability and intergenerational equity.
- **Diversification**, with strong public support for investment in agriculture, tourism, and manufacturing.
- **Transparency**, particularly around major infrastructure projects and SoEs.
- **Fairness**, with citizens wanting to see petroleum wealth translated into visible improvements in daily life.

Overall sentiment: *"People want reassurance that public money is being used wisely and that the country will not run out of money any time soon."*

6. Governance, Transparency, and Anti-Corruption

Across all groups – citizens, CSOs, and businesses – there is a strong desire for:

- **More transparent budgeting and procurement**
- **Clearer reporting on project progress and results**
- **Stronger accountability for misuse of public funds**
- **Simpler, more accessible information on government programs**

Overall sentiment: *"Trust improves when information is clear and results are visible."*

7. Optimism About Reform, Paired With Demand for Delivery

While concerns are real, there is also a notable sense of optimism about the government's reform agenda. Citizens and companies express support for:

- **Modernising public financial management**
- **Improving service delivery**
- **Strengthening local development**
- **Expanding economic opportunities**

However, they emphasise that reforms must translate into **tangible improvements**—better roads, better schools, more jobs, and more predictable government processes.

Overall sentiment: *"Reforms are welcome, but results must be felt on the ground."*

Citizen and Social Partner Consultations – Feedback on Priorities for Budget 2027

Citizens Feedback

The setting of priorities for the 2027 State Budget is being informed by community consultations. Under Section II of Decree Law 4/2025, the Government established a participatory budgeting process supported by consultations with citizens, social partners, and sovereign bodies. These Budgetary Sessions are intended to identify proposals for new national priorities that have budget implications. Preliminary findings from the citizen consultations are now available and have been captured through a semi-structured mixed-methods survey designed to reflect citizens' priorities, concerns, and lived experiences.

Figure 39. Citizen Consultation Priorities for Budget 2027



The consultation has produced a citizen-voice dataset capturing the priorities, concerns, and lived experiences of 1,214 respondents across all municipalities and administrative posts. It brings together the perspectives of community members, local leaders, service users, and frontline officials, providing a grounded picture of how people experience public services, infrastructure, economic opportunities, environmental pressures, and governance. Through a combination of structured questions and open-ended responses, citizens identified the most urgent challenges facing their communities and the actions they believe government should prioritise in 2027. This evidence base helps ensure that Budget 2027 reflects conditions on the ground and aligns national priorities with the voices of the people it serves.

The consultation findings provide a clear basis for prioritising limited fiscal space toward high-impact, widely supported spending areas, while also improving the effectiveness of existing expenditure. The strongest and most consistent signal across both citizens and social partners is that ***infrastructure should receive the largest share of available fiscal space***, especially ***roads and bridges***, followed by ***water and sanitation***. This is not viewed as competing with social sectors, but as the enabling platform for better access to health, education, markets, and services.

Within social sectors, the findings suggest fiscal space should be directed toward *targeted service delivery bottlenecks rather than broad expansion*. In education, this means prioritising *teacher quality, deployment, and retention*, especially in underserved areas. In health, the clearest priority is to address *medicine and equipment shortages*, along with health workforce gaps and access barriers in remote areas. In employment and economic development, the evidence points to *vocational and technical training, support for agriculture and rural livelihoods,* and *access to finance for small businesses* as the most credible uses of incremental resources to support job creation, especially for youth.

The findings also indicate that how money is spent is as important as where it is spent. A large share of respondents attribute project failure not to lack of funding, but to ***implementation delays, weak contractor performance, and poor maintenance***. This implies that part of any available fiscal space should be used to strengthen ***procurement, contract management, and delivery systems***, so that new allocations translate into visible results. Overall, the consultation supports a prioritisation approach that channels scarce fiscal space toward ***core infrastructure, targeted human capital bottlenecks, youth employment pathways, and stronger implementation capacity***.

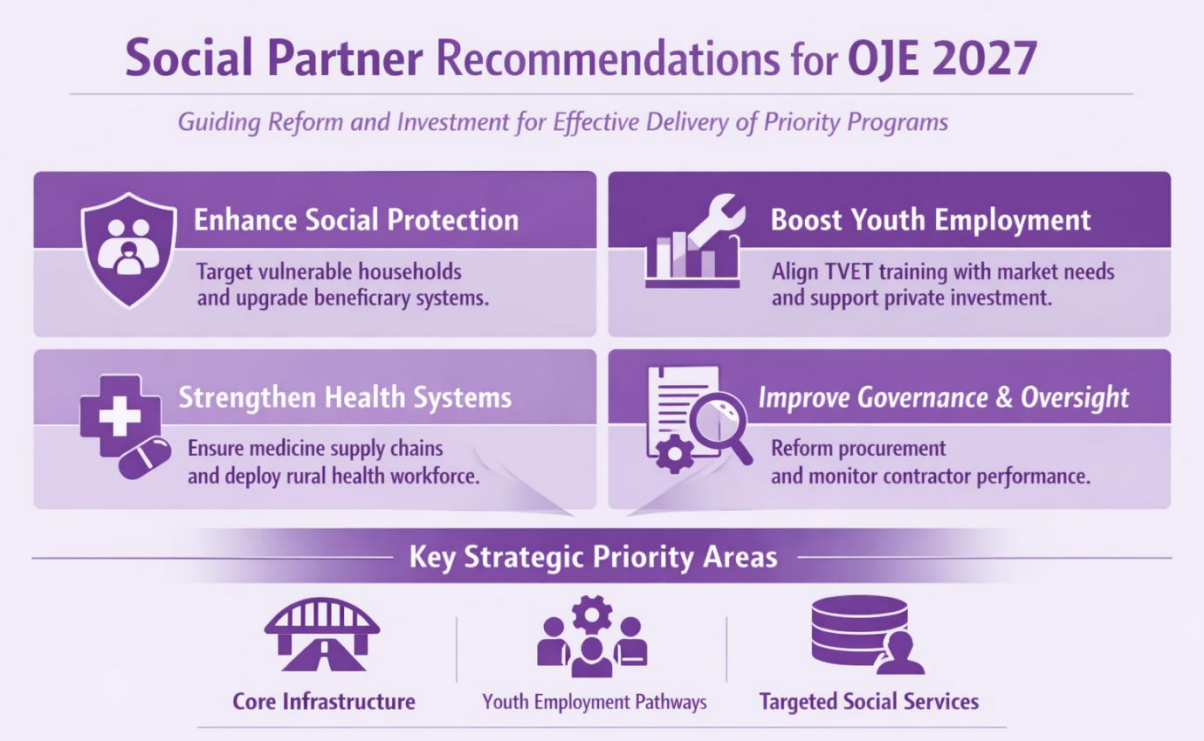
Social Partners

Social partner consultation provides a clear institutional perspective on the country's development constraints and priorities, complementing the geographically broad citizen survey with depth on program design and systemic barriers. The 40 participating organisations represent national NGOs, universities, labour unions, advocacy groups, and international partners. Although largely Dili-based, they carry national mandates and bring a level of technical and sectoral expertise that helps interpret the citizen signals. Their demographic profile is more balanced than the citizen stream, with nearly half women and a notably higher representation of persons with disabilities, reflecting deliberate inclusion of disability organisations.

Across sectors, social partners reinforce the same core priorities identified by citizens, but they add sharper diagnostic detail. In social protection, they emphasise that support for vulnerable low-income families remains the most urgent need, and they highlight youth employment linkages and beneficiary database improvements as essential for effective targeting. This moves the discussion beyond broad categories of vulnerability toward specific program adjustments that ministries can act on. Their feedback suggests that the challenge is not only the scale of support but the precision and administrative capability of the system delivering it.

On employment, social partners provide the most actionable structural analysis in the entire consultation. While citizens overwhelmingly prioritise vocational and technical training, *Social Partners explain why a persistent skills–market mismatch, limited private sector investment, and regulatory complexity are the main barriers preventing job creation*. This institutional diagnosis gives SEFOPE and MoE a clearer mandate – not just to expand TVET, but to align curricula with employer demand and address the regulatory and investment environment that constrains job growth. It reframes youth employment as a system problem rather than a training problem alone.

Figure 40. Social Partner Priorities for Budget 2027



Their assessment of health and governance issues also deepens citizen findings. Social partners confirm that medicine and equipment shortages remain the dominant health challenge, but they link this directly to supply-chain weaknesses and workforce deployment gaps. In governance, they echo citizens' concerns about implementation delays and weak contractor performance, identifying procurement and contract management as systemic failures rather than isolated municipal issues. This reinforces the need for stronger oversight mechanisms within MoF and line ministries, particularly for capital projects.

Taken together, the Social Partners' analysis provides ministers with a coherent institutional narrative: *the country's core priorities — infrastructure, youth employment, health system reliability, and social protection — are widely shared, but their resolution depends on fixing the systems that deliver them*. Their insights point toward targeted reforms in procurement, supply chains, beneficiary registration, and skills alignment. In this sense, the Social Partners stream does not contradict the citizen mandate; it explains it, offering the programmatic detail required to translate broad public priorities into implementable policy options for the 2027 budget.

Political Economy Considerations for PRC Trade-Offs and Prioritization

Budget choices are shaped not only by fiscal analysis and service delivery needs, but also by broader political economy pressures. Budgets must operate within a context of coalition management, inter-institutional bargaining, and the need to sustain workable political consensus. This can widen the range of spending claims beyond what efficiency or long-term development returns would justify. For Budget 2027, it is therefore important to recognise that some expenditure demands may arise from the need to preserve political stability, maintain governing arrangements, or respond to influential actors, even where this does not sit neatly with fiscal discipline and policy-based prioritisation.

The approaching electoral cycle is another important source of budget pressure. As municipal, presidential, and parliamentary contests draw closer, governments around the world commonly face stronger incentives to favour highly visible, short-term, or geographically dispersed spending that signals responsiveness to citizens and local constituencies. This does not in itself imply inappropriate behaviour, but it does increase the risk that short-term political incentives crowd out more disciplined investment in maintenance, institutional capability, and reforms whose benefits are significant but less visible. A clear medium-term fiscal framework is therefore important to balance electoral responsiveness with sustainability and policy coherence. One practical political advantage of forward estimates is that firm decisions can be taken now while the expenditure effects are phased into future years, allowing scope for review before full implementation.

External relations can also generate significant budget implications. Timor-Leste's relationships with key bilateral and regional partners carry strategic, diplomatic, and economic importance, but they can also create expectations for co-financing, hosting commitments, counterpart funding, protocol-related expenditure, or support for initiatives linked to international positioning. Engagements involving countries such as Portugal, Australia, Indonesia, China, and others can intersect with infrastructure, education, security, trade, and energy agendas, creating both opportunities and fiscal obligations. These are not foreign policy issues alone; they are also budget management issues because they can shape the composition and timing of expenditure and require careful balancing against domestic priorities.

A further issue is the risk that political and administrative pressures may weaken the quality of expenditure allocation and implementation. Where budget systems, procurement controls, and accountability arrangements are weak, resources are more likely to be steered toward low-priority projects, uneven geographic allocations, or spending with limited developmental value. This is best understood as a governance and integrity risk rather than solely a technical budgeting problem. The discussion of political policy differences should therefore also emphasise transparency, credible appraisal, strong procurement, and consistent monitoring of implementation. Strengthening these systems helps contain the risk that political pressures

translate into poor-quality spending, while preserving the Government's ability to respond to legitimate political and social demands in a more disciplined and equitable way.

A related political economy risk is the emergence of mutual vulnerability traps. These arise when political actors, institutions, and implementing agents become tied to one another through discretionary allocation, weak controls, or dependence on continued budget flows. In such settings, leaders may depend on expenditure commitments to maintain support, while agencies, contractors, or other actors become dependent on the same arrangements for resources or protection. The result is that even when inefficiencies or governance weaknesses are widely recognised, reform becomes harder because multiple actors face costs from changing the system. Over time, this can lock the budget into low-value expenditure, weaken accountability, and reduce the Government's ability to redirect resources toward higher-priority and higher-impact uses.

For the PRC, the implication is that budget decisions should be tested not only for fiscal affordability, but also for whether they reduce dependence on discretionary bargains and strengthen rules-based, higher-value allocation over time.

Taken together, these pressures reinforce the need to be holistic and for the PRC to treat Budget 2027 not only as a fiscal exercise, but as a test of whether policy-based budgeting can strengthen discipline, transparency, and strategic allocation under real political constraints.

GPP Option 13: on Managing Political Economy Pressures in Budget 2027

The Ministry of Finance, MPIE, PRC ministries and Ministry of State Administration to bring forward a Government Policy Priority submission on managing political economy pressures in Budget 2027. The recommendation should set out practical options to strengthen rules-based allocation, improve transparency around politically sensitive expenditure pressures, and ensure that PRC decisions are tested not only for affordability but also for their effect on budget discipline, implementation quality, and the Government's ability to redirect resources toward higher-priority and higher-value uses over time. The policy option should provide a set aside fund for key political priorities and mechanism to quarantine high growth policies with safe guards and self-enforcement mechanisms.

Est. Fiscal Impact Over the FEs: $10m over 3 years (Lapsing)

3: Sectoral Policy Opportunities and Pressures

GPP 14: Securing the Future: From Commitment to Decision on Petroleum and Minerals

Kuda Tasi and Jahal field development is an offshore oil project in Timor-Leste operated by Finder Energy in partnership with Timor Gap. The project is progressing toward a final investment decision, with first oil targeted for late 2027. The production is expected to be become Timor-Leste's first new oil output since Bayu-Undan, providing an important source of petroleum revenue, investment opportunities and helping reduce fiscal pressure.

Greater Sunrise is closer to real execution than at any point in 20 years, but it remains pre- Final Investment Decision (FID). FID is a critical milestone where the Government and investors formally approve the project and commit the necessary capital to move from planning to execution. The decisive moment is mid-2026, when Woodside and Timor-Leste must converge on a single development concept. All signals point toward Timor-Leste Liquified Natural Gas (TLNG) at Natarbora, though financial risks remain significant.

Economic urgency is intensifying. Timor-Leste's Petroleum Fund fell to $18 billion in 2026, with withdrawals exceeding income — increasing pressure to secure Sunrise revenues. Provided that the potential petroleum revenue from Kuda Tasi and Jahal is estimated to be relatively small, depending on production and global energy prices, securing Greater Sunrise is therefore not simply an energy-sector objective; it is central to the Government's medium-term fiscal strategy, its ability to avoid a sharper adjustment in the 2030s, and its wider ambition to convert remaining petroleum wealth into sustainable non-oil growth.

The Government has already committed around $20 million to early-stage technical surveys, including $5.6m geotechnical survey and $13m metocean survey. These are being run under a cooperation agreement between the Ministry of Petroleum & Mineral Resources and Woodside, aimed at maturing a Timor-based LNG concept. These surveys are explicitly described as essential for de-risking engineering design and offshore development planning.

Mid-2026 is now the decisive deadline for concept selection. Woodside and the Government have agreed to deliver a site selection recommendation by mid-2026, comparing TLNG at Natarbora (Timor-Leste) and Darwin LNG (Australia). President Ramos-Horta has publicly stated he expects the partners to announce TLNG in Timor-Leste as the chosen option by mid-2026.

Political momentum has shifted strongly toward "Timor Leste First". A major geopolitical shift occurred after the Timor-Leste LNG Cooperation Agreement with Woodside. The Government effectively forced a pivot toward onshore Timor processing, a long-standing political objective. Engineering teams are now evaluating modular LNG units for Natarbora to offset the ~US$5 billion cost premium of crossing the Timor Trough. This modular approach is intended to reduce capex and accelerate timelines.

Australia and Timor Leste have recommitted to fast tracking the project. In January 2026, both governments issued a joint declaration to: i) Conclude the Petroleum Mining Code; ii) Finalize the Greater Sunrise PSC; iii) Finalize the fiscal regime; and iv) Support the Sunrise Joint Venture (JV) to present a single Development Concept as soon as possible. Australia also announced it is committed to transfer at least one-third of its revenue share into a Timor-Leste Infrastructure Fund. The operations of this fund are yet to be determined.

The technical scope being matured by Woodside. Woodside is progressing feasibility studies for a c5 mtpa greenfield TLNG plant, including: i) Domestic gas supply; ii) Helium extraction; and iii) Commercial and technical maturation in parallel with legal/fiscal negotiations.

To improve monitoring of progress on Greater Sunrise – TLNG, reviews could be undertaken to track four essential elements: 1. whether strategic milestones are advancing (concept selection, legal and fiscal frameworks, FID readiness, and enabling infrastructure); 2. whether technical workstreams are de-risking the TLNG concept (geotechnical and metocean results, modular LNG design, pipeline engineering, and reservoir planning); 3. whether commercial and financial conditions remain viable (updated capex/opex, LNG market outlook, JV alignment, and funding strategy); and 4. whether governance and political coordination between Timor-Leste, Australia, and the JV is holding steady. Each review should update a live risk register and check for slippage on the critical path from concept selection through FEED, FID, construction, and first gas.

GPP Option 14: on Securing the Future: From Commitment to Decision on Petroleum and Minerals

Ministry of Petroleum and Mineral Resources, Ministry of Finance, MPIE and the Infrastructure Fund to bring forward a budget submission on petroleum and mineral development, particularly the advancement of Greater Sunrise – TLNG setting out spending to date, progress toward Final Investment Decision, and any changes required to current investment decisions and monitoring frameworks. The submission should identify what has already been committed, what remains to be financed, the implications for the medium-term fiscal strategy, forward estimates and the decision points that have budget implications and will require PRC direction.

Est. Fiscal Impact Over the FEs: $0m

GPP 15: Realizing Blue Economy Potential - Developing a $200m p.a. Fishing Industry

Timor-Leste has strong marine potential, but we are starting from an extremely low base. A $200–300 million sustainable fisheries sector is realistic with the right strategy, but will require investment, regulatory reform, and industrialisation. Research recently completed estimates that Timor-Leste has lost $407m between 2018 and 2024 due to the absence of a strong Timorese-led fishing industry, allowing foreign poaching to flourish. This is equivalent to losing $58m every year. A preliminary Ten-Year strategy has been developed as a testing case. The time horizon is 2027–2037 (see Figure 41).

The strategic goal is to: "Build a diversified, export-capable fisheries sector with sustainable coastal fisheries, industrial tuna, aquaculture, and value-added processing". This will require a sustained investment over ten years, but it will deliver growth, jobs and help diversify the economy and reduce long term strain on the petroleum fund.

Three Phase Ten Year Strategy

The investment would be delivered over three phases during the ten-year investment window (see Figure 41 below).

Initial estimates have fisheries producing around $200m p.a. in the tenth year. The total investment required to build such an industry is around $300m, graduating from low to higher over time (see Table 22 and Table 23).

Financing would come from various sources and in different forms including the Government, concessional loans from development partners, private sector and Petroleum/Development Fund investment (equity stakes) (see Table 24).

Figure 41. Fisheries Industry Development Timeline (10 Years)

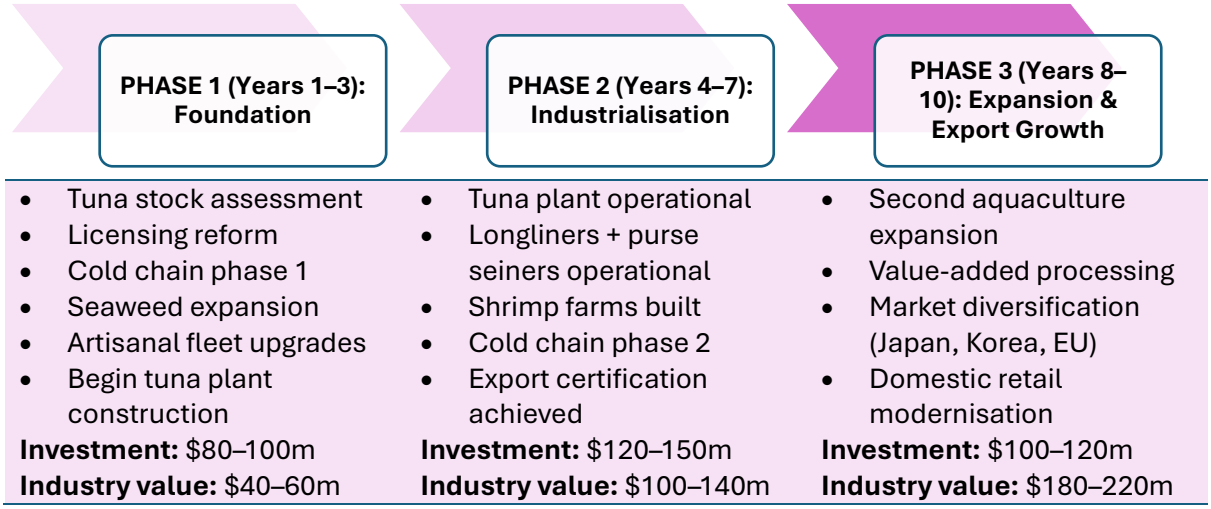


Table 22. Fisheries Sub-Sectors and Estimates of Potential Value ($190-240m p.a.)

Sub-sector	Annual Value (USD)	Share
Industrial tuna (longline + processing)	90–110m	45–55%
Coastal fisheries (artisanal + nearshore)	35–45m	18–22%
Aquaculture (seaweed, shrimp, grouper)	40–50m	20–25%
Licensing & access fees	15–20m	8–10%
Domestic retail & cold chain	10–15m	5–7%

Table 23. Fisheries Industry Investment Needs

Component	Cost (USD)
A. Industrial tuna development	120–150m
B. Aquaculture expansion	60–70m
C. Coastal fisheries upgrade	35–45m
D. Cold chain + logistics	40–50m
E. Regulatory + MCS + certification	20–25m
F. Research, training, extension	15–20m
G. Ports & enabling infrastructure	20–25m

Table 24. Fisheries Industry Development Financing Strategy

Source	Amount (USD)	Notes
Government of Timor-Leste	80–100m	Infrastructure, MCS, certification
Development partners (ADB, WB, JICA, EU, DFAT)	80–120m	Cold chain, aquaculture, coastal fisheries
Private sector (foreign + domestic)	120–150m	Tuna plant, fleet, shrimp farms

Sovereign wealth fund catalytic capital	20–30m	Equity in JV tuna ventures

Around 10,000 jobs can be created from an investment in the fisheries sector (see Table 25 and Table 26). This estimate is grounded in:

- Comparable island economies (Fiji, Palau, Seychelles, Cape Verde)
- Timor's labour intensity in fishery industry, and

The investment strategy focusing on north coast;

Table 25. Direct Job-Creation Estimates from Fisheries Industry Investment

Sector	Direct Jobs	Examples
Industrial Tuna (fleet + processing)	3,500–5,000	Longliners, purse seiners, processing plant workers, inspectors, logistics
Coastal Fisheries (artisanal + nearshore)	2,500–3,500	Fishers, landing-site staff, ice plants, small-scale processors
Aquaculture (seaweed, shrimp, finfish)	1,800–2,500	Farm technicians, hatchery staff, seaweed cooperatives
Cold Chain & Logistics	300–500	Drivers, cold-store operators, quality control
Total	**8,000-11,000**	

Table 26. Total Job-Creation Estimates from Fisheries Industry Investment

Category	Jobs Created
Direct	8,000-11,000
Indirect	6,000–9,000
Induced	4,000–6,000
TOTAL	**18,000–26,000**

In addition to the direct jobs there are indirect and induced jobs that get crated.

Indirect Jobs relate to the supply chain, where an additional 6,000–9,000 jobs can emerge. These are jobs created in: i) Boat building & repair; ii) Net making & gear supply; iii) Feed production (shrimp/finfish); iv) Transport & distribution; v) Packaging & ice production; vi) Fuel supply; vii) Engineering & maintenance; viii) Local manufacturing inputs; and ix) ICT & digital traceability services. Industrial tuna + aquaculture have very strong supply-chain multipliers.

Induced Jobs are those jobs created through the broader economic effects of fisheries income, as households and businesses linked to the sector spend their earnings on local goods and services.. Estimates in this category are around 4,000–6,000 induced jobs. These come from: i) Retail; ii) Local services; iii) Food markets; iv) Education; v) Transport; and vi) Small businesses supported by fishery-driven income.

How This Proposal Aligns with the Strategic Development Plan

1. It supports economic diversification away from petroleum

A central theme of the SDP is reducing dependence on oil and gas by building productive non-oil sectors.
The fisheries proposal does exactly that by developing a **new export-capable marine economy**, including:

- industrial tuna,
- coastal fisheries,
- aquaculture,
- processing,
- cold chain logistics, and
- supporting regulation and certification.

This is consistent with the SDP's emphasis on building a broader and more resilient economic base.

2. It promotes private sector-led growth and employment

The SDP places strong emphasis on **private sector development, job creation, and investment in productive sectors**.

The fisheries strategy is aligned with this because it is designed to:

- attract **private investment**,
- create a new commercial industry,
- generate **direct, indirect, and induced employment**, and
- build value chains rather than rely only on raw extraction.

That makes it consistent with the SDP's vision of growth driven by enterprise, production, and markets.

3. It strengthens rural livelihoods and coastal communities

The SDP highlights the need to reduce poverty and improve livelihoods outside Dili, especially in rural areas. The fisheries proposal contributes to this through:

- support for **artisanal and coastal fisheries**,
- upgrading small fishing fleets,
- community landing sites,
- ice and storage facilities,
- aquaculture expansion, and
- better domestic fish market systems.

This links the proposal not only to export growth, but also to **inclusive local development**.

4. It invests in enabling infrastructure, which is a major SDP priority

A major pillar of the SDP is the development of **core infrastructure** to unlock growth. The fisheries proposal fits this very closely because it depends on:

- port and landing-site upgrades,
- cold storage,

- transport and logistics,
- power reliability,
- processing facilities, and
- export systems.

So, the proposal is not just a sector strategy — it also supports the SDP's broader infrastructure agenda.

5. It contributes to food security and better domestic supply

The SDP places importance on improving domestic production and reducing vulnerability. By strengthening coastal fisheries, aquaculture, and cold chain systems, the proposal can:

- increase the domestic availability of fish,
- improve nutrition,
- reduce post-harvest losses, and
- strengthen domestic market supply.

That gives the proposal a **social and food security dimension**, not just a commercial one.

6. It builds human capital and institutional capability

The SDP also stresses the need to improve skills, institutions, and technical capacity. The fisheries proposal supports this through:

- fisheries training,
- aquaculture extension,
- research,
- certification systems,
- monitoring, control and surveillance,
- legal and licensing reform.

This is important because the SDP is not only about building assets, but also about building the capability to manage growth sustainably.

7. It uses Timor-Leste's comparative advantage in marine resources

The SDP encourages sectors where Timor-Leste has a natural strategic advantage. A fisheries strategy is aligned with that logic because Timor-Leste has:

- a large maritime area,
- valuable tuna resources,
- strong aquaculture potential,
- and significant untapped marine economic potential.

So the proposal is consistent with the SDP's aim of turning natural assets into long-term national development gains.

The Investment Strategy

A. Industrial Tuna ($120–$150m)

This would be the backbone of the investment strategy.

1. Tuna Processing Plant (HACCP/EU-certified1)

- 1 medium-scale plant (15,000–20,000 tonnes/year)
- **Cost: $35–45m**
- Location: Tibar or Com
- Output: loins, frozen tuna, value-added products
- Revenue potential: $60–80m/year

2. Industrial Fleet Development

Option A: Joint ventures with Japan, Korea, Taiwan
Option B: Domestic fleet (slower, higher capex)

- 12–15 longliners + 2 purse seiners
- **Cost: $50–60m**
- Revenue potential: $40–60m/year

3. Port & Landing Site Upgrades

- Deep-water landing, ice plants, fuel, inspection
- **Cost: $20–25m**

4. Tuna Stock Assessment + Licensing Reform

- Scientific surveys + VMS + observers
- **Cost: $5–8m**

B. Coastal Fisheries ($35–45m)

Goal: Lift artisanal productivity and sustainability.

1. 3,000–4,000 artisanal boats upgraded

- Fibreglass hulls, engines, safety gear
- **Cost: $15–20m**

2. Community landing sites (20–25 sites)

- Ice machines, storage, hygiene
- **Cost: $10–12m**

3. Coastal resource management

- MPAs, co-management, enforcement
- **Cost: $5–6m**

4. Domestic market development

- Retail cold chain, quality standards

[1] Hazard Analysis and Critical Control Points (HACCP) is an internationally recognised food-safety system used to ensure that fish and seafood are safe for human consumption. EU approval is considered the highest global benchmark. Once a country meets EU standards, it can usually access other premium markets (US, Japan, Korea) with minimal additional requirements. HACCP can be considered the operational system, and EU certification is the market gateway. Together, they are the non-negotiable foundation for Timor-Leste to: i) Export tuna and high-value seafood; ii) Attract investment; iii) Build processing capacity; and iv) Grow from a USD 20–40m coastal fishery to a USD 200m+ industry. Without HACCP/EU compliance, the fishing sector cannot scale beyond artisanal production.

- **Cost: $5–7m**

C. Aquaculture ($60–70m)

High-growth, export-oriented.

1. Seaweed expansion (10,000–15,000 tonnes)

- Inputs, drying platforms, cooperatives
- **Cost: $10–12m**
- Revenue: $20–25m/year

2. Shrimp aquaculture (2–3 industrial farms)

- 300–400 ha
- **Cost: $25–30m**
- Revenue: $40–50m/year

3. Marine finfish (grouper, barramundi)

- Hatcheries + cages
- **Cost: $15–18m**
- Revenue: $15–20m/year

4. Research + biosecurity

- **Cost: $8–10m**

D. Cold Chain & Logistics ($40–50m)

Critical for export viability.

1. National cold chain backbone

- 8–10 regional cold stores
- Blast freezers
- Reefer trucks
- **Cost: $25–30m**

2. Air freight & export logistics

- Agreements with Dili airport operators
- **Cost: $5–7m**

3. Digital traceability system

- QR-based catch documentation
- **Cost: $3–5m**

4. Power reliability (solar + backup)

- **Cost: $7–8m**

E. Regulation, MCS, Certification ($20–25m)

To unlock EU/Japan/US markets.

1. HACCP, EU, US FDA certification systems

- **Cost: $5–7m**

2. Monitoring, Control & Surveillance (MCS)

- VMS, AIS, drones, patrols

- **Cost: $10–12m**

3. Legal ***& institutional reforms***

- Licensing, quotas, enforcement
- **Cost: $3–5m**

F. Skills, Training, Research ($15–20m)

- Fisheries training centre
- Aquaculture extension
- Marine science partnerships
- **Cost: $15–20m**

GPP Option 15: on The Blue Economy: Fisheries Industry Development

Infrastructure Fund, MPIE, Ministry of Agriculture Fishereis and Forestry, an Ministry of Defence bring forward a joint submission on a 10 year investment strategy to build a multi-million-dollar fisheries industry. Conditions for success should be clearly articulated including owners of the program. Over the medium to long term, the investment strategy should also prioritise sustainable marine management, while strengthening security and defence capabilities to combat illegal fishing activities and protect Timor-Leste's marine resources.

Est. Fiscal Impact Over the FEs: $156m

GPP 16: From Potential to Premium: Developing a $300m p.a. Niche Tourism Economy

Timor cannot compete with Bali, Phuket, or Labuan Bajo on mass tourism, but it can compete in niche areas. A long-term investment will be needed if this potential is to be realised. Initial estimates are provided here.

Timor-Leste needs a Tourism Investment Strategy spanning a 10–15 Year Horizon. The value target is $300–500 million annual tourism economy by 2040. The proposed model is High-yield, low-volume, similar to Fiji and Palau, building on Timor's own unique identity.

Figure 42. Niche Tourism Industry Development Timeline (15 Years)

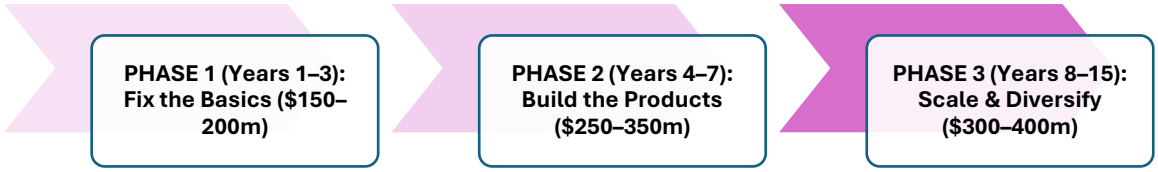


Table 27. Niche Tourism Industry Estimates of Potential Value ($285–500m p.a.)

Tourism Pillar	Annual Value (USD)	Share of Total
A. Adventure & Eco Tourism	$120–180 million	40–45%
B. Cultural & Heritage Tourism	$35–55 million	10–15%
C. Niche Luxury	$80–120 million	25–30%
D. Diaspora + Regional Weekend Travel	$50–80 million	15–20%

Table 28. Niche Tourism Industry Investment Needs ($700m-$950m)

Component	Cost (USD)
PHASE 1 (Years 1–3): Fix the Basics	**$150–200m**
A. Core Infrastructure	$100–130m
B. Tourism Enabling Systems	$10–15m
C. Anchor Product Development	$30–40m
PHASE 2 (Years 4–7): Build the Products	**$250–350m**
A. Atauro as the Flagship	$80–120m
B. Mountains & Culture	$40–60m
C. Dili as the Gateway	$60–80m
D. Access & Connectivity	$40–50m
PHASE 3 (Years 8–15): Scale & Diversify	**$300–400m**
A. High End Eco Luxury	$120–150m
B. Cruise & Yacht Tourism	$40–60m
C. Events & Creative Economy	$10–20m
D. Skills & Workforce	$30–40m

Table 29. Niche Tourism Industry Development Financing Strategy

Source	Share	Notes
Public Investment	**40–50%**	For: Airports, Roads, Waste management, Marine parks and Safety & standards
Private Investment	**40–50%**	For: Hotels, Eco-lodges, Dive centres, Restaurants and Transport services
Development Partners	**10–20%)**	For: Conservation, Skills, Digital systems and Community tourism

25,000 jobs can be created from such an investment. The job-creation estimate for the tourism strategy is focused on the four tourism pillars scaled towards a 300,000-visitor, high-yield model (up from record high of 80,000 per annum in pre-COVID 2019). This estimate is grounded in:

- Comparable island economies (Fiji, Palau, Seychelles, Cape Verde)
- Timor's labour intensity in tourism
- The investment strategy focusing on Atauro, Maubisse, Dili waterfront, heritage, eco-lodges, etc.; and
- A high-value, low-volume model (not Bali-style mass tourism)

Table 30. Direct Job-Creation Estimates from Niche Tourism Industry Investment

Pillar	Direct Jobs (p.a)	Examples
A. Adventure & Eco Tourism	7,000–10,000	Dive guides, boat crews, trekking guides, park rangers, eco-lodges
B. Cultural & Heritage Tourism	2,500–3,500	Museum staff, heritage guides, cultural centres, festivals
C. Niche Luxury	5,000–7,000	Boutique resort staff, wellness instructors, chefs, concierge
D. Diaspora + Regional Travel	3,500–4,500	Hotels, restaurants, transport, weekend-trip services
Total	**18,000–25,000**	

Table 31. Total Job-Creation Estimates from Niche Tourism Industry Investment

Category	Jobs Created
Direct	18,000–25,000
Indirect	10,000–15,000
Induced	7,000–10,000
TOTAL	**35,000–50,000**

In addition to the direct jobs there are indirect and induced jobs that get crated.

Indirect jobs relate to the supply chain, where an additional 10,000–15,000 jobs can emerge. These are jobs created in: i) Agriculture supplying hotels; ii) Fisheries supplying restaurants; iii) Transport & logistics' iv) Construction & maintenance; v) Handicrafts & local production; vi) Energy, water, waste services; vii) ICT & digital services for tourism operators. Tourism is extremely supply-chain intensive — especially eco-lodges and boutique resorts.

Induced Jobs are those jobs created by tourism-driven household spending. Estimates in this category are around 7,000–10,000 induced jobs. These come from: i) Retail; ii) Local services; iii) Food markets; iv) Education; v) Transport; and vi) Small businesses supported by tourism income.

Strategic Positioning: What Timor Should Be Selling

There are four key areas that Timor *can* compete on when the foundations are in place:

A. Adventure & Eco-Tourism

- Diving (Atauro is world-class)
- Hiking (Ramelau, Matebian, Kablaki)
- Whale migration routes
- Birding, endemic species

B. Community-Based Cultural & Heritage Tourism

- Portuguese colonial heritage

- Resistance history
- Sacred landscapes

C. Niche Luxury

- Small eco-lodges
- High-end diving resorts
- Wellness retreats

D. Diaspora + Regional Weekend Travel

- Timorese diaspora (Australia, Portugal)
- Short-stay visitors from Darwin, Kupang, Bali

These priorities should drive the investment strategy.

Timor's tourism strategy succeeds only if it avoids the "build everything everywhere" trap. The winning formula is: "*Invest heavily in 3–4 flagship destinations, build quality not quantity, and target high-spend niche markets.*"

How This Proposal Aligns with the Strategic Development Plan

1. It supports economic diversification and non-oil growth

The Strategic Development Plan places strong emphasis on reducing dependence on petroleum by building productive non-oil sectors. The niche tourism proposal is closely aligned with this objective because it is designed to build a **high-value tourism economy** based on adventure, eco-tourism, cultural heritage, niche luxury, and regional short-stay travel. This supports the SDP's broader objective of creating a more diversified and resilient economic base.

2. It promotes private sector-led growth and employment

The SDP gives priority to **private sector development, enterprise growth, and job creation**. The tourism proposal is aligned with this because it depends heavily on private investment in hotels, eco-lodges, dive centres, transport services, restaurants, and visitor experiences. It is also expected to generate large numbers of **direct, indirect, and induced jobs**, making it consistent with the SDP's focus on employment-generating growth.

3. It supports regional development and rural livelihoods

The SDP highlights the importance of spreading development beyond Dili and improving opportunities in rural and remote areas. The niche tourism strategy contributes directly to this by focusing on destinations such as **Atauro, Maubisse, Jaco, Baucau, and cultural and mountain circuits**, which can create income and employment opportunities in areas that currently have limited formal economic activity. This makes the proposal consistent with the SDP's emphasis on more balanced and inclusive territorial development.

4. It depends on and reinforces enabling infrastructure, which is a major SDP priority

A major pillar of the SDP is investment in **core infrastructure** as a foundation for growth. The tourism proposal is strongly aligned with this because it requires better airports, roads, ferry links, power, water, sanitation, waste management, digital systems, and public amenities in key tourism zones. In this sense, the proposal is not just a tourism strategy; it also reinforces the SDP's broader infrastructure agenda.

5. It builds on Timor-Leste's cultural and natural comparative advantages

The SDP encourages the development of sectors where Timor-Leste has distinctive national strengths. The niche tourism proposal follows this logic by building on **world-class diving, mountain landscapes, biodiversity, Portuguese and resistance heritage, sacred sites, and a distinctive national identity**. Rather than competing in mass tourism, it positions Timor-Leste around unique assets that can support a high-yield, low-volume model consistent with the country's scale and comparative advantage.

6. It contributes to human capital development and service quality

The SDP also stresses the need to improve skills, service standards, and institutional capability. The tourism proposal supports this through investment in **hospitality training, guide certification, culinary skills, safety standards, tourism policing, and digital tourism systems**. These investments are important not only for tourism itself, but also for building broader service-sector capability across the economy.

7. It strengthens Timor-Leste's international positioning and economic openness

The Strategic Development Plan envisions Timor-Leste as a more connected, outward-looking economy. A successful niche tourism sector would help increase international visibility, attract foreign visitors and investment, and strengthen links with the diaspora and nearby regional markets. In that sense, the proposal supports the SDP's broader ambition of integrating Timor-Leste more effectively into regional and global economic flows.

The Investment Strategy

A three phased 15 year investment strategy will build the foundations while generating growth and jobs. This strategy makes it clear on what should be built and in what order.

PHASE 1 (Years 1–3): Fix the Basics ($150–200m)

Objective: Make Timor "tourism-ready" — safe, clean, accessible.

A. Core Infrastructure

- Upgrade Dili Airport to ICAO Category 1
- Fix roads to Atauro, Baucau, Maubisse, Jaco
- Build reliable power + water in key tourism zones
- National waste management program

Investment: $100–130m

B. Tourism Enabling Systems

- Visa-on-arrival for all key markets
- Tourism police unit
- National tourism standards (accommodation, guides, safety)
- Digital tourism portal + booking integration

Investment: $10–15m

C. Anchor Product Development

- Atauro Marine Park management + jetties
- Ramelau trail infrastructure
- Dili waterfront clean-up

Investment: $30–40m

PHASE 2 (Years 4–7): Build the Products ($250–350m)

Objective: Create export-quality tourism assets.

A. Atauro as the Flagship

- 3–4 eco-resorts (PPP model)
- Dive centres + marine conservation
- Ferry terminal + fast ferry

Investment: $80–120m (mostly private)

B. Mountains & Culture

- Maubisse heritage town redevelopment
- Ramelau + Matebian trekking circuits
- Homestay program (200–300 homes)

Investment: $40–60m

C. Dili as the Gateway

- Waterfront promenade
- Museum of Resistance upgrade
- Boutique hotels (PPP)

Investment: $60–80m

D. Access & Connectivity

- Darwin–Dili–Bali triangle route incentives
- Domestic airstrip upgrades (Oecusse, Baucau)

Investment: $40–50m

PHASE 3 (Years 8–15): Scale & Diversify ($300–400m)

Objective: Move into high-yield, low-volume luxury and niche markets.

A. High-End Eco-Luxury

- 2–3 luxury lodges (Atauro, Jaco, Maubisse)
- Wellness + retreat centres

Investment: $120–150m (private)

B. *Cruise & Yacht Tourism*

- Small cruise terminal in Dili
- Yacht moorings in Atauro + Jaco

Investment: $40–60m

C. Events & Creative Economy

- Dili International Marathon
- Atauro Ocean Festival
- Heritage festivals

Investment: $10–20m

D. Skills & Workforce

- Hospitality training institute
- Guide certification
- Culinary school

Investment: $30–40m

GPP Option 16: on Niche Tourism Industry Development

Infrastructure Fund, MPIE and Ministry of Tourism bring forward a joint submission on a 15 year investment strategy to build a multi-million-dollar niche tourism industry. Conditions for success should be clearly articulated including the leadership group for the program.

Est. Fiscal Impact Over the FEs: $156m

GPP 17: Digital Jobs for the Youth - Creating a $350m p.a. Digital Services Economy

If our government wants youth jobs at scale, fast, and without waiting for airports, hotels, or factories, then small-scale IT + digital services is the single most realistic pathway. And unlike tourism or fisheries, this is a sector where Timor can leapfrog rather than catch up. Here's one strategy that can work in a low-infrastructure, low-cost, young-population environment like Timor-Leste.

The Digital Jobs for Youth Strategy for Timor-Leste would be delivered over 5–10 Years. The goal being to create 20,000–30,000 digital jobs and build a $350m p.a. digital services economy. The model being small-scale IT, Business Process Outsourcing (BPO), call centres, micro-freelancing, and digital entrepreneurship.

This sector is a good fit for Timor-Leste. The country has: i) Young population (median age ~20); ii) Low labour costs compared to Indonesia and Philippines; iii) English + Portuguese + Tetum + Malay means a huge multilingual advantage; iv) Digital work doesn't require perfect roads or airports; v) Diaspora and donor networks can be leveraged for contracts; and vi) Government can create jobs quickly with targeted training.

Digital Jobs Achievable Within 3-5 Years

This is one of the few sectors where Timor can realistically create thousands of jobs in 3–5 years.

Productivity Impact in this area is very high. Digital jobs have: i) High value-added per worker; ii) Low capital cost; iii) Exportable services (Australia, Portugal, Indonesia); iv) Strong multipliers (telecoms, IT services, logistics); v) Urban + rural inclusion (via digital hubs); vi) Female workforce participation (40–60% typical in BPO).

This is one of the highest-productivity sectors Timor can build outside oil and gas. The strategy is financially realistic because: i) Cost per job is low; ii) Most spending is operational, not heavy infrastructure; iii) Private sector co-invests in BPO centres; iv) Donors can fund skills and hubs; and v) Government digitisation is already needed regardless. This is one of the cheapest, fastest, highest-impact job strategies Timor can pursue.

The Timor-Leste fibre cable is therefore a strategic enabler of the entire digital jobs agenda, but only if it translates into real improvements in internet cost, quality, and reliability. On its own, landing the cable does not create jobs. The economic payoff comes when businesses, training providers, freelancers, call centres, and government digital services can access stable, high-speed connectivity at prices that make digital work commercially viable. If wholesale and retail internet prices remain too high, if outages continue, or if the benefits of the cable do not reach firms and communities through effective last-mile distribution, then the country will have built an important asset without unlocking the employment and productivity gains that justify it.

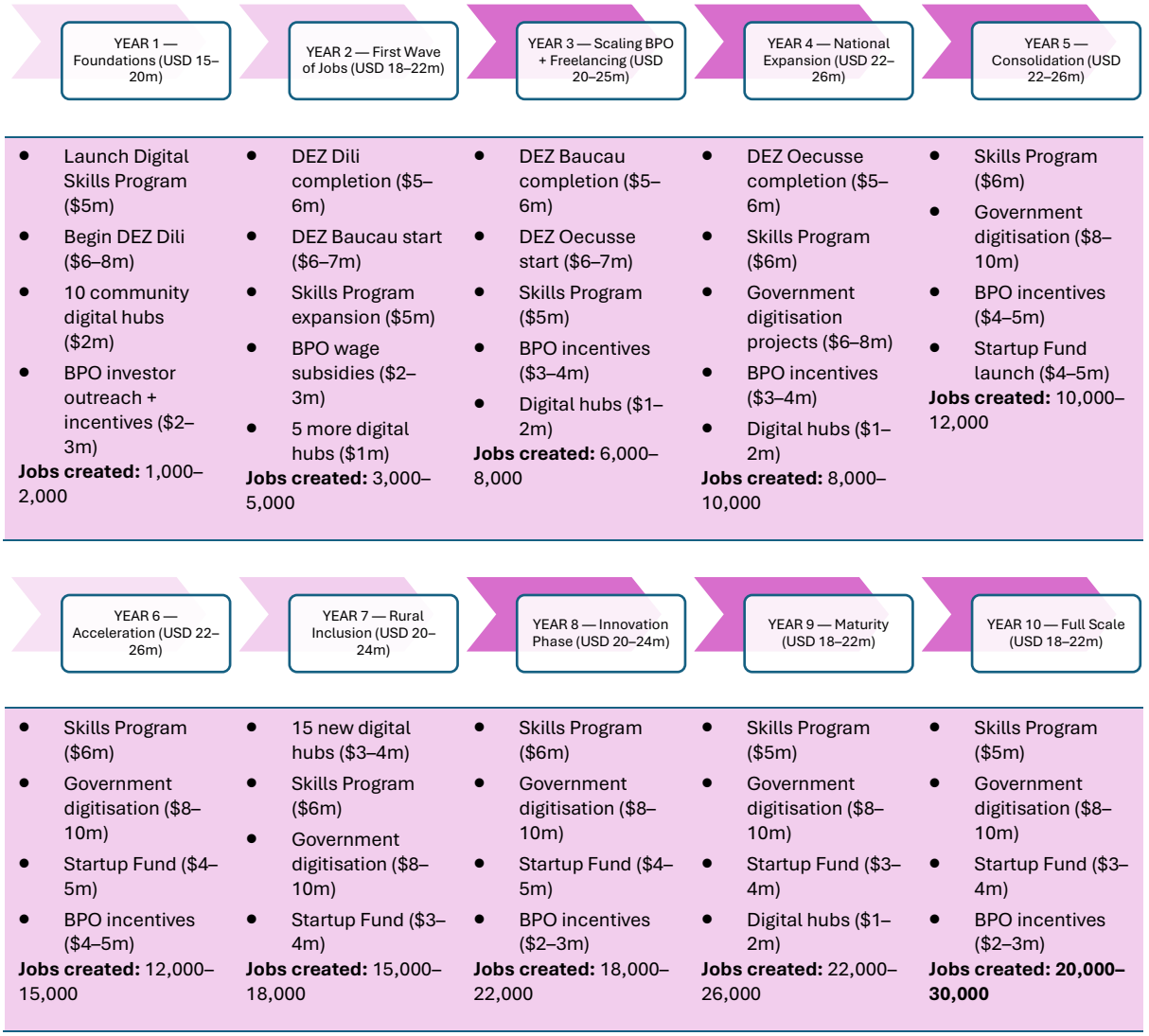
Table 32. Digital Jobs for the Youth Estimates of Potential Value ($350–500m p.a.)

Category	Annual Productivity (USD)
Direct	180–260m
Indirect	110–160m
Induced	60–80m
TOTAL	**350–500m**

Table 33. Digital Jobs Investment Components

Pillar	Cost (USD)	Notes
Digital Employment Zones (DEZs)	40–50m	Dili, Baucau, Oecusse
National Digital Skills Program	50–60m	20,000–30,000 youth trained
BPO/Call Centre Incentives	40–50m	Wage subsidies and investor incentives
Community Digital Hubs (50 hubs)	10–12m	Rural access
Government Digitisation (IT services)	40–50m	Creates domestic IT demand
Startup & Innovation Fund	20–25m	Grants + incubators
Connectivity & Power Upgrades	10–15m	Fibre + backup power
Total	**210-260m**	

Figure 43. Digital Jobs for the Youth Development Timeline (15 Years)



The core issue for Government is therefore not simply whether the cable is completed, but whether the wider enabling environment is put in place quickly enough to convert connectivity into jobs. This includes decisions on operational governance, wholesale access arrangements, retail competition, affordable pricing pathways, backup power, and the sequencing of complementary investments in Digital Employment Zones, community hubs, and training centres. For the 2027 Budget process, the key policy question is whether the fibre cable

will function as basic infrastructure only, or as a deliberate platform for a broader youth employment and private sector strategy. Without that link being made explicit, there is a risk that digital jobs ambitions will outrun the connectivity conditions needed to support them.

Four Pillars to the Digital Jobs for Youth Strategy

There are four pillars to the digital jobs for youth strategy that will create between 14,000 and 25,000 jobs (see Table 34).

Table 34. Digital Jobs Created

Pillar	Jobs Created
A. BPO & Call Centres	5,000–10,000
B. Micro Freelancing & Gig Work	5,000–8,000
C. Small Scale IT Services	3,000–5,000
D. Digital Entrepreneurship (jobs)	1,000–2,000
Total	**14,000–25,000**

A. BPO & Call Centres (5,000–10,000 jobs)

Timor can compete in:

- Customer support
- Data entry
- Back-office processing
- Content moderation
- Transcription
- Portuguese-language support (huge niche)

Why it works:

- Low capex
- Predictable work
- Easy to train
- High female participation
- Can be built in Dili, Baucau, Oecusse

What's needed:

- Reliable power + backup
- 50–100 Mbps fibre in designated zones
- 3–4 anchor tenants (Australian, Portuguese, Indonesian firms)
- Government wage subsidies for first 12 months

B. Micro-Freelancing & Gig Work (5,000–8,000 jobs)

This is the fastest job creator.

Youth can earn income doing:

- Graphic design
- Social media management
- Basic coding
- Virtual assistance
- Translation (Tetum, Portuguese, English)
- Online tutoring
- Simple digital tasks (Upwork, Fiverr, Remotasks)

Why it works:

- Zero need for foreign investors
- Works even in rural areas
- Scales infinitely
- Builds real digital skills

What's needed:

- National "Digital Work Academy"
- Government-negotiated access to platforms
- Micro-grants for laptops + connectivity
- Community digital hubs

C. Small-Scale IT Services (3,000–5,000 jobs)

Local digital economy jobs:

- Web development
- App maintenance
- IT suppo777rt
- Cybersecurity basics
- Digital payments support
- Government digitisation projects

Why it works:

- Government is the biggest client
- Local businesses need digitalisation
- Creates a domestic tech ecosystem

What's needed:

- Government procurement reform
- "Digital First" policy for ministries
- Startup incentives
- Tech incubators in Dili + Baucau

D. Digital Entrepreneurship (1,000–2,000 jobs)

Small startups in:

- E-commerce
- Logistics tech
- Agri-tech
- Tourism tech
- Fintech (payments, micro-loans)

Why it works:

- Creates long-term innovation
- Attracts diaspora investment
- Builds national capability

What's needed:

- Startup grants
- Angel investor incentives
- Regulatory sandbox
- University partnerships

How This Proposal Aligns with the Strategic Development Plan

1. It supports economic diversification and non-oil growth

The Strategic Development Plan places strong emphasis on reducing dependence on petroleum by building productive non-oil sectors. The digital jobs proposal is closely aligned with this objective because it is designed to build a **new exportable services economy** based on IT services, business process outsourcing, call centres, freelancing, digital entrepreneurship, and a stronger domestic digital ecosystem. This supports the SDP's broader objective of creating a more diversified and resilient economic base.

2. It promotes private sector-led growth and employment

The SDP gives priority to **private sector development, enterprise growth, and job creation**. The digital jobs proposal is aligned with this because it seeks to attract private investment in BPO operations, call centres, digital service firms, startups, and technology-enabled business activities. It is also expected to generate large numbers of **direct, indirect, and induced jobs**, making it consistent with the SDP's focus on employment-generating growth.

3. It directly addresses youth employment, which is a major national development priority

The Strategic Development Plan places strong emphasis on creating opportunities for Timor-Leste's young population. The digital jobs proposal is especially well aligned because it is explicitly designed to create employment pathways for young people through digital skills, online work, IT services, BPO, and entrepreneurship. This makes it particularly relevant to the SDP's goals of reducing unemployment, building human capital, and turning demographic pressure into an economic dividend.

4. It strengthens human capital and modern skills development

The SDP also stresses the importance of education, training, and workforce capability. The digital jobs proposal supports this through investment in **digital literacy, coding, business English, customer service, freelancing skills, and technical training**. These capabilities are not only relevant for the digital sector itself, but also strengthen the broader economy by improving the quality and adaptability of the workforce.

5. It depends on and reinforces enabling digital infrastructure, which is increasingly central to the SDP agenda

A major pillar of the SDP is investment in the infrastructure needed to unlock growth. The digital jobs proposal is aligned with this because it depends on **reliable fibre connectivity, affordable internet, backup power, digital hubs, and dedicated employment zones**. In this sense, the proposal is not just a labour market strategy; it also reinforces the SDP's wider infrastructure and modernisation agenda.

6. It supports balanced territorial development and broader inclusion

The SDP highlights the importance of spreading opportunity beyond Dili and ensuring that development reaches more of the country. The digital jobs proposal contributes to this by including **community digital hubs, multiple digital employment zones, and the potential for remote work**, allowing more young people in municipalities and secondary towns to participate in the economy. This makes the strategy consistent with the SDP's emphasis on inclusion and more balanced national development.

7. It strengthens Timor-Leste's international integration and competitiveness

The Strategic Development Plan envisions Timor-Leste as a more connected, outward-looking economy. A successful digital jobs sector would help Timor-Leste connect to **regional and global service markets**, attract foreign digital investors, leverage diaspora networks, and export services without needing large-scale physical trade infrastructure. In that sense, the proposal supports the SDP's broader ambition of integrating Timor-Leste more effectively into regional and global economic flows.

The Investment Strategy

1. Create 3 Digital Employment Zones (DEZs)

Locations: **Dili, Baucau, Oecusse** Features:

- 24/7 power
- Fibre internet
- Shared office space
- Tax incentives
- Security + transport

Cost: **USD 10–15m** Impact: **5,000–7,000 jobs in 3 years**

2. Launch a National Digital Skills Program

Train 20,000 youth in:

- English for business
- Customer service
- Basic IT
- Digital freelancing
- Coding fundamentals

Cost: **USD 5–8m/year** Impact: **Immediate employability**

3. Attract 3–5 Anchor BPO Investors

Target markets:

- **Australia** (Darwin proximity)
- **Portugal** (language niche)
- **Indonesia** (overflow work)

Incentives:

- 2-year payroll tax holiday
- Subsidised training
- Plug-and-play office space

Impact: **2,000–4,000 jobs per investor**

4. Build 50 Community Digital Hubs

For rural youth:

- Computers
- Internet
- Training
- Freelancing support

Cost: **USD 10–12m** Impact: **5,000+ rural digital workers**

5. Digitise Government Services

Government becomes the first big client:

- e-health
- e-tax
- e-procurement
- digital ID
- document digitisation

Impact:

- 1,000–2,000 IT jobs
- Strong domestic ecosystem

GPP Option 17: on Digital Jobs for the Youth

Ministry of Transport, Communications (MTC), Communication Technology Institute (TIC), MPIE and the Infrastructure Fund to bring forward a joint submission on a 10-year investment strategy to create up to 25,000 digital jobs for young people. The submission should provide an update on the status of the Timor-Leste fibre cable, including progress toward full operation, the arrangements required to ensure affordable and reliable connectivity, and any associated investment or policy decisions now needed. Conditions for success should be clearly articulated, including program leadership, implementation responsibilities, and the sequencing of supporting investments.

Est. Fiscal Impact Over the FEs: $76m

GPP 18: From Fibre to Function: Turning Connectivity into State Capability

The arrival of the Timor-Leste South Submarine Cable System marks a structural shift in the country's digital development trajectory. For many years, Timor-Leste's digital economy and digital public administration were constrained by slow, expensive and unreliable connectivity, limiting the scale of digital services, online business activity, modern data systems and remote work. The new fibre connection to Australia changes this constraint fundamentally. It should therefore be understood not merely as a telecommunications project, but as core economic and administrative infrastructure that can lower connectivity costs, improve reliability, reduce latency and create the basic conditions for a more modern state. If managed well, the cable can become the backbone for a wider digital transformation agenda that improves how government operates, how citizens interact with public institutions, and how the private sector participates in regional and global digital markets.

Government is already beginning to move from digital ambition toward practical implementation. Recent progress, including the launch of verify.gov.tl to support authentication of official documents and reduce the cost of secure document issuance, demonstrates that Timor-Leste is starting to build basic digital public infrastructure. These early reforms are important because they show that digital transformation is no longer only a future aspiration under long-term strategy documents, but an area where implementation has begun. The fibre cable now creates a more credible basis for scaling these efforts. Faster and more reliable connectivity can support stronger inter-agency data exchange, more efficient workflows, better records management, improved public verification systems, and wider delivery of digital services in both central and subnational administration. The strategic challenge for Budget 2027 is therefore to connect this new national infrastructure to a practical program of government modernisation.

Table 35. Digital Transformation Package

Category	2027	2028	2029	Total
Computers, devices and local office equipment	5	2.5	1	8.5
Core software, licences and productivity tools	1.5	1.8	1.7	5
Ministry workflow and business system upgrades	1.5	2.5	2	6
Connectivity, local networking and secure access	1.8	1.2	0.8	3.8
Cybersecurity, backup and resilience	0.8	0.8	0.9	2.5
Change management, training and support	1	1.4	1.8	4.2
Total	**11.6**	**10.2**	**8.2**	**30**

A practical first step would be a targeted $20 million Digital Government Transformation Package focused on the Ministry of Finance, Ministry of Education, Ministry of Health and Ministry of Agriculture. The purpose of this package would be to transform the way government does business in the sectors most central to fiscal management, human capital and fiscal performance analysis. The first priority should be a structured upgrade of computers, office devices, local networks and basic digital infrastructure across the four ministries, particularly in core finance, planning, procurement, administration and frontline service functions. This should be accompanied by modern productivity and business software, secure document and records systems, basic cybersecurity protections, and workflow improvements that reduce dependence on fragmented manual processes. A sequenced package of this kind would allow ministries to use the benefits of the fibre cable immediately, while also strengthening the foundations for

future interoperability, better data use, and more efficient service delivery. In policy terms, this is a disciplined and affordable way to convert national connectivity infrastructure into stronger state capability, with the potential for later expansion across the wider public sector once results are demonstrated.

The costing profile is deliberately front-loaded in the first two years to allow the four priority ministries to replace obsolete equipment, establish secure software environments, and undertake the initial workflow redesign needed to use the new fibre connectivity effectively. Expenditure then declines over time as the program shifts from capital refresh and basic systems deployment toward maintenance, cybersecurity hardening, targeted system enhancements, and continuous staff capability development. This produces a manageable five-year reform pathway that begins with visible operational improvements in MoF, MoE, MoH and MoAg, while also avoiding an unrealistic one-year technology procurement surge that ministries may struggle to absorb.

GPP Option 18: on From Fibre to Function: Turning Connectivity into State Capability

MTC, CTL, MoF, MoE, MoH and MAFF to bring forward a joint Government Policy Priority submission on a three-year Fibre to Function Program designed to convert the new submarine cable into stronger state capability and more efficient service delivery. The submission should set out a sequenced package of investment and reform focused on replacing obsolete computers and office devices, upgrading ministry software and secure records systems, strengthening cybersecurity and local networks, and modernising priority business processes across the six ministries. It should also identify the implementation and governance arrangements needed to ensure that improved connectivity is translated into practical gains in budgeting, procurement, administration, education management, health system administration, and agricultural and fisheries service delivery, rather than remaining an underused infrastructure asset.

Est. Fiscal Impact Over the FEs: $30m over 3 years

GPP 19: Grow Timor 2037 for a $500m p.a. Agricultural Economy

In 2027, Timor-Leste stands at a turning point. A generation after independence, the country has built the foundations of a modern state — schools, roads, health posts, electricity, and a national identity rooted in resilience. Yet one truth remains unchanged*: **the wellbeing of most Timorese families still depends on the land***.

For decades, agriculture has carried the weight of the nation without receiving the investment, technology, or market access needed to lift rural incomes. Farmers have worked hard, but too often with poor seed, unreliable water, limited extension support, and markets that reward volume rather than quality. Climate shocks have become more frequent, and young people have increasingly looked elsewhere for opportunity.

Grow Timor 2037 begins from a simple but powerful premise: **if agriculture grows, Timor-Leste grows.**

The next decade offers a rare alignment of opportunity. Petroleum revenues can still be used strategically. New budget reforms are strengthening planning, costing, and performance. Digital tools are reaching rural communities. Regional markets for food, feed, and horticulture are expanding. And Timor-Leste's young population is ready to build businesses if the right conditions exist.

Grow Timor 2037 can be the national plan to seize that moment. It is a shift from subsistence to productivity, from fragmented projects to coordinated investment, from short-term fixes to long-term systems. It focuses on irrigation corridors, modern seed and input systems, value-chain development, rural finance, youth entrepreneurship, and the infrastructure that links farms to markets. It is designed to be realistic in cost, phased over ten years, and anchored in the country's new policy-based budgeting framework.

Above all, Grow Timor 2037 is a commitment: *that rural families will have the tools, knowledge, and markets they need to build a more prosperous future — on their own land, in their own communities, and for the next generation*.

Grow Timor 2037 will add $420–610 million to the economy each year by 2037, driven by higher yields, stronger value chains, domestic processing, and reduced food imports. This represents 15–22% of current non-oil GDP, making agriculture the largest single contributor to economic diversification and rural income growth. Table 36 below provides the breakdown by impact channel.

Table 36. Grow Timor 37 Impact on GDP: $420–610 million

Impact Channel	Annual GDP Impact (USD)	What Drives It
Direct agricultural production	$180–260m	Higher yields, irrigated production, value-chain output
Indirect (supply chain & services)	$140–200m	Transport, logistics, inputs, processing, storage
Induced (household spending)	$60–80m	Rural income → consumption → services
Import substitution	$40–70m	Reduced rice, maize, poultry feed, horticulture imports
Export expansion	$20–30m	Premium coffee + niche horticulture

The Three Phases of Grow Timor 2037

Phase 1 — Laying the Foundations (2027–2030)

The first phase focuses on fixing the fundamentals that have held back agricultural productivity for decades. Timor-Leste begins by restoring water security in priority irrigation corridors, rebuilding the seed and input systems, and rebooting the national extension service so farmers finally receive practical, timely support. Market information systems are introduced to give farmers real-time price signals, and the Delivery Unit is established to coordinate ministries, donors, and municipalities. This phase is about **getting the basics right** — reliable water, better seed, functioning services, and clear governance — so that later investments can deliver results.

Phase 2 — Scaling for Impact (2031–2034)

With the foundations in place, the second phase shifts to scale. Irrigation expands to additional corridors, feeder roads and aggregation hubs are built to connect farmers to markets, and the country invests deeply in three to four flagship value chains: rice, maize and poultry feed, horticulture, and premium coffee. Rural finance instruments — guarantees, blended finance, and weather-index insurance — begin unlocking private investment. Processing and storage facilities grow across municipalities, and youth-led agri-SMEs emerge as a new engine of rural employment. This phase is about **moving from pilots to nationwide systems**, ensuring that productivity gains translate into income, jobs, and market-driven growth.

Phase 3 — Consolidation and Competitiveness (2035–2037)

The final phase focuses on making the system durable, competitive, and increasingly private-sector-led. Water user associations take full responsibility for irrigation O&M, digital extension tools reach national coverage, and value chains mature into export-ready industries. Processing, cold chain, and logistics become commercially viable, and Timor-Leste positions itself as a niche supplier of high-quality horticulture and premium coffee. The Delivery Unit transitions into a permanent institutional home, ensuring continuity beyond political cycles. This phase is about **locking in gains**, ensuring that agriculture becomes a stable, competitive pillar of the national economy.

Figure 44. Grow Timor 2037 Timeline (10 Years) $520–720 million

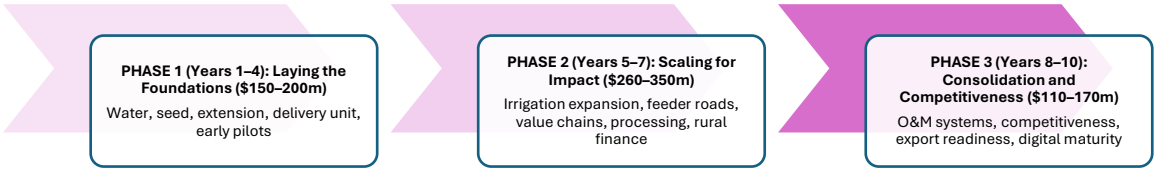


Table 37. Grow Timor 2037 Investment Estimates ($285–500m p.a.)

Pillar	10-Year Cost (USD)	Share of Total	Notes
1. Irrigation Corridors	$160–200m	31%	Largest driver; phased construction + O&M
2. Seed & Input Systems	$45–60m	9%	Certified seed + soil fertility program
3. Extension System Reboot	$40–55m	8%	Certified seed + soil fertility program
4. Feeder Roads & Aggregation	$120–160m	23%	300–400 km feeder roads + 20–30 aggregation hubs

Pillar	10-Year Cost (USD)	Share of Total	Notes
5. Flagship Value Chains	$45–70m	9%	Rice, maize/poultry, horticulture, coffee
6. Rural Finance & De-risking	$35–50m	7%	Guarantees + insurance + blended finance
7. Processing & Storage	$60–90m	12%	Mills, dryers, cold chain, solar storage
8. Youth in Agri-SMEs	$25–40m	5%	Grants, incubation, mechanisation services
9. Market & Price Information	$10–15m	2%	Digital + radio + analytics
10. Delivery & Governance Unit	$20–30m	4%	10-year PMO-linked unit

Table 38. Grow Timor 37 Financing Strategy

Financing Source	Low Estimate	High Estimate	Share of Total	What It Primarily Funds
Government Budget	$180m	$300m	35–45%	Irrigation, extension, feeder roads, seed systems, Delivery Unit
Donor Grants	$110m	$180m	20–30%	Digital extension, seed reform, youth SMEs, climate-smart pilots, TA
Development Banks (Concessional Loans)	$140m	$210m	20–30%	Irrigation expansion, feeder roads, processing/storage, rural finance
Private Sector Investment	$60m	$120m	10–20%	Mills, dryers, cold chain, mechanisation, logistics, contract farming
TOTAL	**$520m**	**$720m**	**100%**	

Table 38 above provides an initial financing Strategy for Grow Timor 2037. The Financing Logic is that: i) Government funds the backbone; ii) Donors fund reform, innovation, and capacity; iii) Development banks fund large, long-term infrastructure; and iv) Private sector funds value addition and jobs. This type of mix ensures fiscal sustainability while building a modern, competitive agricultural economy by 2037.

Table 39. Job-Creation Estimates from Grow Timor 37 Investment

Phase	Years	Job Creation	What Drives It
Phase 1 — Foundations	2027–2030	12,000–18,000	Irrigation rehab, extension reboot, seed systems, early value-chain pilots
Phase 2 — Scaling	2031–2034	32,000–45,000	Irrigation expansion, feeder roads, processing, rural finance, SME growth
Phase 3 — Consolidation	2035–2037	18,000–26,000	Export-ready value chains, mechanisation services, private-sector processing
Total		**62,000 – 89,000**	

Grow Timor 2037 will generate 62,000–89,000 new jobs over the next decade, driven by irrigation expansion, value-chain development, processing, rural finance, and youth-led agri-SMEs. Most jobs emerge in rural areas, directly supporting poverty reduction, food security, and economic diversification. (See Table 39.)

Table 40. Total Job-Creation Estimates from Niche Tourism Industry Investment

Category	Source	Job Estimate (10 yrs)	Share of Total
Direct	Jobs created inside agriculture and agri-value chains: farming, irrigation O&M, extension, seed production, processing, logistics SMEs	28,000 – 40,000	45–50%
Indirect	Jobs created in supporting sectors: input suppliers, transport, construction, equipment services, packaging, finance	20,000 – 28,000	32–35%
Induced	Jobs created from increased household spending: retail, services, food, construction, local commerce	14,000 – 21,000	18–23%
TOTAL		**62,000 – 89,000**	**100%**

How This Proposal Aligns with the Strategic Development Plan

1. It supports economic diversification and non-oil growth

The Strategic Development Plan places strong emphasis on reducing dependence on petroleum by building productive non-oil sectors. Grow Timor 2037 is closely aligned with this objective because it is designed to raise agricultural productivity, expand domestic value chains, reduce food imports, and build a larger market-oriented rural economy. This supports the SDP's broader objective of creating a more diversified and resilient economic base.

2. It strengthens food security and reduces import dependence

The SDP places importance on improving domestic production and reducing national vulnerability. The agriculture proposal is strongly aligned with this because it aims to increase output in rice, maize, horticulture, poultry feed, and other priority value chains, while also improving storage, irrigation, and market access. This would strengthen domestic food supply, reduce dependence on imports, and improve the resilience of households and the wider economy.

3. It promotes rural development, poverty reduction, and broad-based livelihoods

The Strategic Development Plan highlights the need to reduce poverty and improve opportunities outside Dili, especially in rural areas where most Timorese households still depend on agriculture. Grow Timor 2037 is directly aligned with this objective because it focuses on raising farm incomes, expanding rural employment, improving feeder roads and aggregation systems, and supporting youth-led agri-SMEs. This makes the proposal consistent with the SDP's emphasis on inclusive and territorially balanced development.

4. It depends on and reinforces enabling infrastructure, which is a major SDP priority

A major pillar of the SDP is investment in the infrastructure needed to unlock growth. The agriculture proposal is aligned with this because it relies heavily on irrigation corridors, feeder roads, storage, processing facilities, aggregation hubs, and rural logistics systems. In this sense,

Grow Timor 2037 is not just an agriculture strategy; it also reinforces the SDP's wider infrastructure and economic transformation agenda.

5. It supports private sector development and value-chain expansion

The SDP gives priority to private sector-led growth, enterprise development, and stronger market linkages. Grow Timor 2037 is aligned with this because it is designed not only to increase farm production, but also to stimulate investment in milling, storage, processing, logistics, contract farming, and input supply. By building commercially viable value chains, the proposal helps shift agriculture from subsistence toward a more productive and market-based system.

6. It builds human capital, technology adoption, and institutional capability

The SDP also stresses the importance of stronger skills, institutions, and service delivery systems. The agriculture proposal supports this through extension reform, improved seed and input systems, digital market information, climate-smart practices, and stronger implementation and coordination capability. These investments are important because the SDP is not only about increasing production, but also about building the technical and institutional foundations needed for sustained growth.

7. It helps turn Timor-Leste's natural resource base into long-term national development gains

The Strategic Development Plan encourages the country to make better use of its land, water, and natural assets to support long-term prosperity. Grow Timor 2037 follows this logic by focusing on irrigation, productive land use, higher-value agriculture, and better integration of farmers into domestic and export markets. In that sense, the proposal is consistent with the SDP's broader ambition of transforming Timor-Leste's natural resource base into a more productive, employment-generating, and sustainable economy.

Investment Strategy

This section sets out the investment strategy for Grow Timor 2037 by major cost component, with a more detailed breakdown of the proposed measures under each pillar. It is intended to show more clearly how the overall strategy is costed and where the main investment requirements would arise over the ten-year period.

1. Irrigation Corridors — $160–200m

- Corridor rehab (2 early corridors): **$60–75m**
- Expansion to 4–5 corridors: **$70–90m**
- Watershed management: **$10–15m**
- Water user associations + O&M: **$20m**

2. Seed & Input Systems — $45–60m

- National seed program + labs: **$15–20m**
- Local seed producers: **$10–15m**
- Fertilizer/lime access program: **$15–20m**
- Quality control + certification: **$5m**

3. Extension System Reboot — $40–55m

- Recruitment + training: **$15–20m**
- Motorbikes + field kits: **$10–12m**
- Digital extension tools: **$8–10m**
- Performance incentives: **$7–13m**

4. Feeder Roads & Aggregation — $120–160m

- Feeder roads (300–400 km): **$90–120m**
- Small bridges + culverts: **$10–15m**
- Aggregation centres (20–30): **$20–25m**

5. Flagship Value Chains — $45–70m

- Contract farming pilots: **$10–15m**
- Packhouses + cold chain: **$15–25m**
- Quality standards + certification: **$5–10m**
- Coffee upgrading: **$15–20m**

6. Rural Finance & De-risking — $35–50m

- Credit guarantees: **$15–20m**
- Interest buy-downs: **$10–15m**
- Weather-index insurance: **$5–8m**
- Blended finance facility: **$5–7m**

7. Processing & Storage — $60–90m

- Small/medium mills: **$20–30m**
- Dryers + storage: **$15–25m**
- Cold chain: **$15–20m**
- Solar energy solutions: **$10–15m**

8. Youth in Agri-SMEs — $25–40m

- Incubation + training: **$8–12m**
- Seed grants/loans: **$10–15m**
- Mechanisation services: **$7–13m**

9. Market & Price Information — $10–15m

- Platform build: **$4–6m**
- Data collection + analytics: **$3–4m**

- Radio/SMS/WhatsApp rollout: **$3–5m**

10. Delivery & Governance Unit — $20–30m

- Senior staffing + analytics: **$10–15m**
- Monitoring + problem-solving missions: **$5–8m**
- Annual performance reviews: **$5–7m**

GPP Option 19: on Agriculture: Grow Timor 2037

Ministry of Agriculture, Ministry of Finance, MPIE, the Infrastructure Fund and relevant economic agencies to bring forward a joint submission on Grow Timor 2037 as a 10-year investment and reform strategy to lift agricultural productivity, strengthen food security, raise rural incomes, and create jobs. The submission should set out phased priorities, financing options, flagship value chains, and the governance and delivery arrangements needed to ensure implementation discipline and measurable results.

Est. Fiscal Impact Over the FEs: $156m

GPP 20: Water Security and Basic Sanitation for Communities

Water and sanitation is emerging as one of the clearest infrastructure and service-delivery priorities for Budget 2027. Citizen consultation feedback already points in this direction, with water and sanitation ranking immediately behind roads and bridges as one of the most frequently identified infrastructure concerns. This matters because water and sanitation is not simply a narrow utility issue. It affects household welfare, public health, school attendance, health facility performance, women's time use, local economic productivity, and broader confidence in whether government is delivering visible improvements in daily life. In that sense, water and sanitation sits at the intersection of infrastructure, social policy, and state legitimacy.

Timor-Leste has made progress in this sector, but the pattern is still one of partial expansion rather than reliable universal service. Government and development partner activity over recent years shows that the sector is moving in the right direction. Institutional arrangements have been strengthened through ANAS and the development of Bee Timor-Leste as a more utility-style operating model, while externally supported investments are helping to expand urban water and sanitation systems and strengthen rural WASH planning and delivery. However, the gap between policy intent and conditions on the ground remains large. Basic water access has improved, but sanitation coverage continues to lag significantly behind, and the rural–urban divide remains pronounced. Many systems continue to struggle with maintenance, service reliability, asset deterioration, and unclear accountability for operations once infrastructure has been constructed.

The core policy problem is no longer just how to build more systems, but how to deliver water security and basic sanitation services more reliably, more equitably, and at a pace citizens can see. This is especially important outside Dili and other better-served areas, where communities often face a combination of unreliable supply, weak drainage, unsafe sanitation conditions, and slow repair responses when assets fail. The challenge is being intensified by climate pressures. Drought, heavier rainfall events, flooding, erosion, and water source stress are increasing the fragility of existing systems and raising the cost of doing nothing. If water and sanitation investment continues to be treated mainly as one-off construction, the country risks building assets that do not deliver durable service gains. A stronger approach would treat the sector as a long-term service system requiring source protection, operations and maintenance, local accountability, and climate-resilient design.

For Budget 2027, this creates a strong case for a focused Government Policy Priority on Water Security and Basic Sanitation for Communities. Such a proposal would respond directly to citizen feedback while also addressing a genuine structural weakness in Timor-Leste's infrastructure and human development system. The priority should not be framed as an open-ended commitment to fund everything at once. Instead, it should be designed as a phased five-to-ten-year program that combines quick wins in high-need communities with broader system strengthening over time. Priorities should include rehabilitation of non-functioning water schemes, small-scale and town water supply expansion, source protection, school and health facility WASH, rural sanitation acceleration, and practical urban sanitation and drainage measures where service deficits are most severe. Just as importantly, the proposal should clarify institutional responsibilities, improve maintenance arrangements, identify realistic delivery models for municipalities and communities, and set measurable service targets so ministers can assess whether additional spending is translating into visible gains in reliability, health, and equity.

GPP Option 20: on Water Security and Basic Sanitation for Communities

Ministry of Public Works, ANAS, Bee Timor-Leste, MPIE and municipalities bring forward a joint Government Policy Priority submission on Water Security and Basic Sanitation for Communities, designed to respond directly to citizen consultation feedback that identified water and sanitation as one of the highest infrastructure priorities for Budget 2027.

The submission should set out a five-to-ten-year national program to expand reliable access to basic water supply and safe sanitation, with priority given to rural communities, peri-urban settlements, schools, health facilities, and underserved municipalities. It should combine rehabilitation of non-functioning water systems, targeted expansion of small-scale and town water schemes, climate-resilient source protection and storage, community and municipal maintenance arrangements, rural sanitation acceleration, and practical urban sanitation measures including fecal sludge management, drainage, and waste-water risk reduction where appropriate.

The proposal should go beyond construction alone by clarifying institutional responsibilities across central agencies, utilities, and municipalities; strengthening operations and maintenance; improving service reliability and local accountability; and embedding climate resilience into sector planning and asset design. It should also provide a sequenced delivery strategy, including quick wins in high-need areas in Budget 2027 and 2028, followed by broader system strengthening and scaled expansion over the medium term.

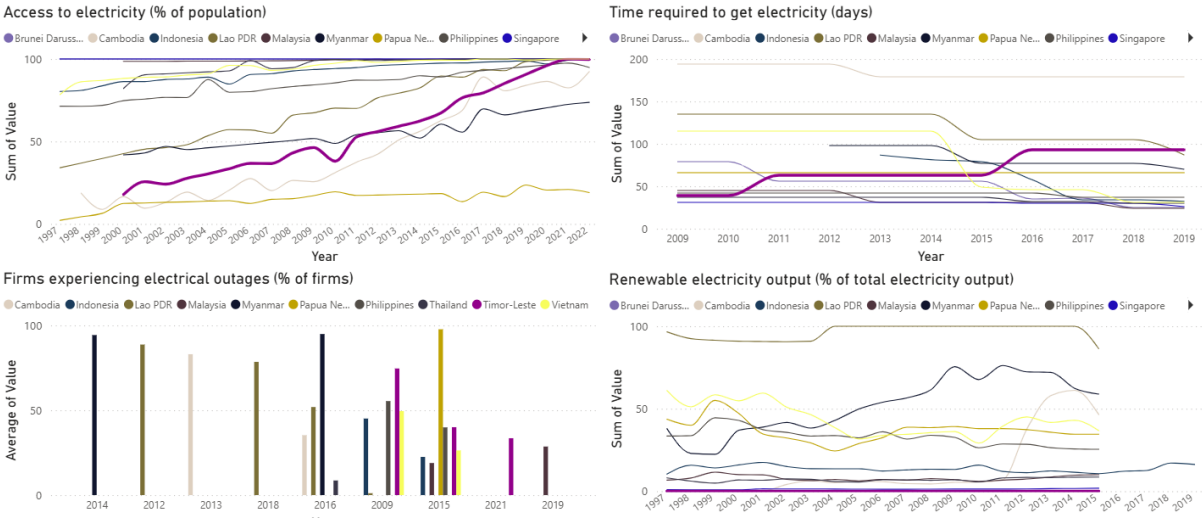
The submission should assess capital and recurrent costs, financing and donor co-financing options, implementation risks, and measurable service targets, including improvements in basic water access, sanitation coverage, school and clinic WASH conditions, reductions in time spent collecting water, and stronger equity in service delivery across municipalities.

Est. Fiscal Impact Over the FEs: $40m–$90m

GPP 21: High Costs of Energy, Roads and Bridges

Funding for economic affairs is high and needs rebalancing. Public investments made over a decade ago on electricity infrastructure have delivered much needed economic capacity, particularly outstanding improvement in access to electricity and sustained declines in outages. However, direct and indirect subsidies on electricity consumption are very high with energy taking up 12% of expenditures compared to the ASEAN average of 2% (see Table 41). In terms of share of expenditures, Timor-Leste spends three times the average level for g7+ countries and around 5 times of g20 countries The electricity sector remains inefficient and has very low levels of cost recovery (25%).

Figure 45. Trends in Electricity Performance – ASEAN comparators



Source: TiFIS

Table 41. Other Sub-Function as % of Exp – Timor-Leste Vs ASEAN

Timor BCG

L2 2011 COFOG	2022	2023	Total
7043-Fuel and energy	13.67%	9.96%	**11.96%**
7102-Old age	10.48%	6.74%	**8.75%**
7011-Executive and legislative organs, financial and fiscal affairs, external affairs	7.43%	9.70%	**8.48%**
7041-General economic, commercial, and labor affairs	10.79%	3.81%	**7.57%**
7045-Transport	5.95%	8.20%	**6.99%**
7062-Community development	9.13%	4.38%	**6.94%**
7091-Pre-primary and primary education	3.57%	5.93%	**4.66%**
7104-Family and children	0.62%	9.14%	**4.56%**
7109-Social protection not elsewhere classified	6.91%	0.55%	**3.97%**
7031-Police services	3.69%	4.02%	**3.84%**
7016-General public services not elsewhere classified	2.48%	3.22%	**2.82%**
Total	**100.00%**	**100.00%**	**100.00%**

ASEAN GG Averages (excl. TL)

L2 2011 COFOG	2022	2023	Total
7043-Fuel and energy	1.33%	4.42%	**2.40%**
7044-Mining, manufacturing, and construction	0.11%	0.18%	**0.14%**
7045-Transport	7.26%	6.05%	**6.84%**
7046-Communication	0.17%	0.12%	**0.16%**
7047-Other industries	0.35%	0.57%	**0.42%**
7048-R & D Economic affairs	-0.38%	0.22%	**-0.17%**
7049-Economic affairs not elsewhere classified	1.83%	0.23%	**1.27%**
7051-Waste management	0.01%	0.01%	**0.01%**
7052-Waste water management	0.01%	0.02%	**0.02%**
7053-Pollution abatement	0.03%	0.08%	**0.05%**
7054-Protection of biodiversity and landscape	0.02%	0.07%	**0.04%**
Total	**100.00%**	**100.00%**	**100.00%**

Source: TiFIS

Funding for roads and bridges has also established critical economic foundations and some longer-term employment and wealth creation opportunities but spending remains high in nominal and relative terms. The right balance between maintenance and construction to create efficient roads program is not yet achieved, but the foundations have already been laid to make substantial progress in this area.

Efficiency submissions for electricity and roads are warranted.

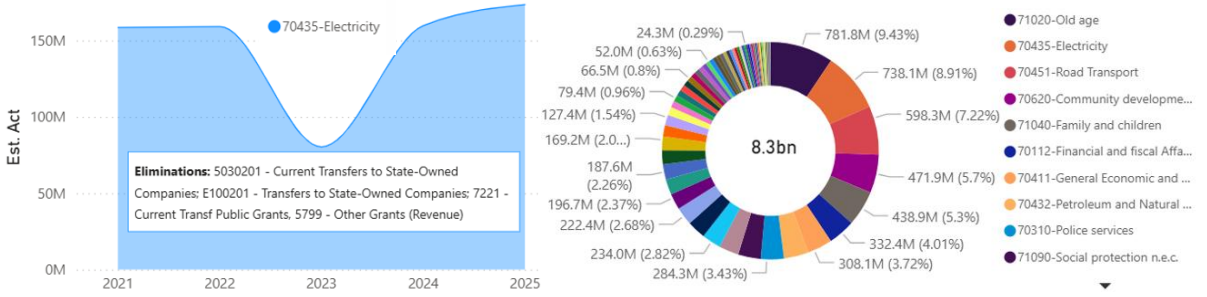
A policy review is needed to encourage more trade, employment and remittance related growth in areas such as in Agriculture, Tourism and IT services. These three areas are of need of additional investments to help secure sustainable growth, which will help reduce fiscal instability concerns.

Electricity and EDTL

$0.7b has been spent on electricity subsidies between 2021-25. Electricity is the 2nd largest function class after old age social protection. The subsidy to EDTL has been around $150m p.a. except for 2023 when it was $70m.

Figure 46. Electricity Dashboard

COFOG1 (AFI)	2021	2022	2023	2024	2025	Total
704-Economic affairs	**432,351,829**	**614,772,860**	**440,241,332**	**567,126,744**	**660,412,277**	**2,714,905,043**
7043-Fuel and energy	**235,369,688**	**237,893,055**	**148,052,852**	**209,212,357**	**213,599,986**	**1,044,127,940**
70435-Electricity	**158,781,912**	**161,995,922**	**80,553,443**	**162,387,399**	**174,414,449**	**738,133,125**
024 Ministry of Public Works	**157,933,907**	**148,653,498**	**70,189,663**	**148,809,631**	**163,571,896**	**689,158,594**
8023102 Supply Electricity to All	157,933,907	148,653,498	70,000,000	148,492,000	163,500,000	**688,579,405**
8023002 Prepare regulations and technical standards			105,470	114,018	30,225	**249,714**
8023003 Prepare electricity plans and technical studies			84,193	87,344	20,987	**192,524**
8023004 Monitor and Supervise Electrical Energies				116,269	20,683	**136,952**



Source: TiFIS

Roads and Bridges

$0.6b has been spent on electricity roads between 2021-25. Roads is the 3rd largest function class after old age social protection and electricity. The amounts spent on roads has increased from $68m in 2021 to $183m in 2025, representing 7% if all spending over the period.

Figure 47. Transport V's Fuel and Energy Function (2021-25)

COFOG1 (AFI)	2021	2022	2023	2024	2025	Total
704-Economic affairs	**432,351,829**	**614,772,860**	**440,241,332**	**567,126,744**	**660,412,277**	**2,714,905,043**
7043-Fuel and energy	**235,369,688**	**237,893,055**	**148,052,852**	**209,212,357**	**213,599,986**	**1,044,127,940**
70435-Electricity	158,781,912	161,995,922	80,553,443	162,387,399	174,414,449	**738,133,125**
70432-Petroleum and Natural Gas	76,587,777	75,897,133	67,499,410	46,824,958	39,185,537	**305,994,815**
7045-Transport	**71,118,945**	**103,713,757**	**122,640,538**	**145,606,958**	**204,165,695**	**647,245,893**
70451-Road Transport	68,355,622	93,028,975	113,331,273	140,197,233	183,392,552	**598,305,655**
70454-Air Transport	1,904,095	8,342,174	5,916,322	1,371,111	16,091,847	**33,625,549**
70452-Water transport	859,227	2,342,609	3,392,943	4,038,613	4,681,297	**15,314,688**

Source: TiFIS

GPP Option 21: on the High Costs of Electricity, Roads and Bridges

MoPW, MPIE and EDTL bring forward a submission on an investment strategy to improve cost recovery closer to 50% within 5 years, while also keeping access high and reducing time required to get electricity connections. Options for more cost-effective use of renewable energy sources should also be developed.

MoPW to also bring forward an update to the master plan for roads and bridges for Timor-Leste based on average annual spend of $100m p.a. over 5 years with the use of 5 year multi-year contracts.

Est. Fiscal Impact Over the FEs: $-230m

GPP 22: Transparency and Efficiency of Social Protection

Social protection has delivered valuable peace dividends but was achieved at great cost. Social protection spending is very high compared to other ASEAN countries (see Figure 48 and Figure 49) and these policies are potentially crowding out critical sustainable growth investments in other sectors. In terms of percent of expenditures, Timor-Leste is almost ten times that of the average g7+ country and double the size of average ASEAN country.

Improving the efficiency of social protection spending is a key policy pressure as rebalancing may reduce inequality and increase the risk of conflict (veterans and young males). Need to achieve sustainability of the expenditures over time means there is no room in the budget for more social prtotection expenditure without reducing and rebalancing current spending elsewhere.

Social Protection Spending Trends

Figure 50 below shows that Timor-Leste has maintained a consistently high level of social protection spending relative to core comparators, with the gap widening further in recent years. The most striking feature of the series is the sharp increase since 2021, which suggests that social protection has become an even more prominent part of fiscal policy rather than a temporary or narrowly targeted support mechanism. This helps explain the role the sector has played in supporting peace and social stability, but it also reinforces the concern that such a large and growing commitment may be limiting fiscal space for other priorities, including public order and safety, education quality, and productive infrastructure. The figure therefore points to a clear policy tension: social protection has delivered important political and social benefits, but its current scale raises questions about long-term affordability, efficiency, and whether the balance of spending across sectors remains sustainable.

Figure 48. COFOG Trends - % of Public Expenditures – ASEAN Vs TL (IMF)

Timor

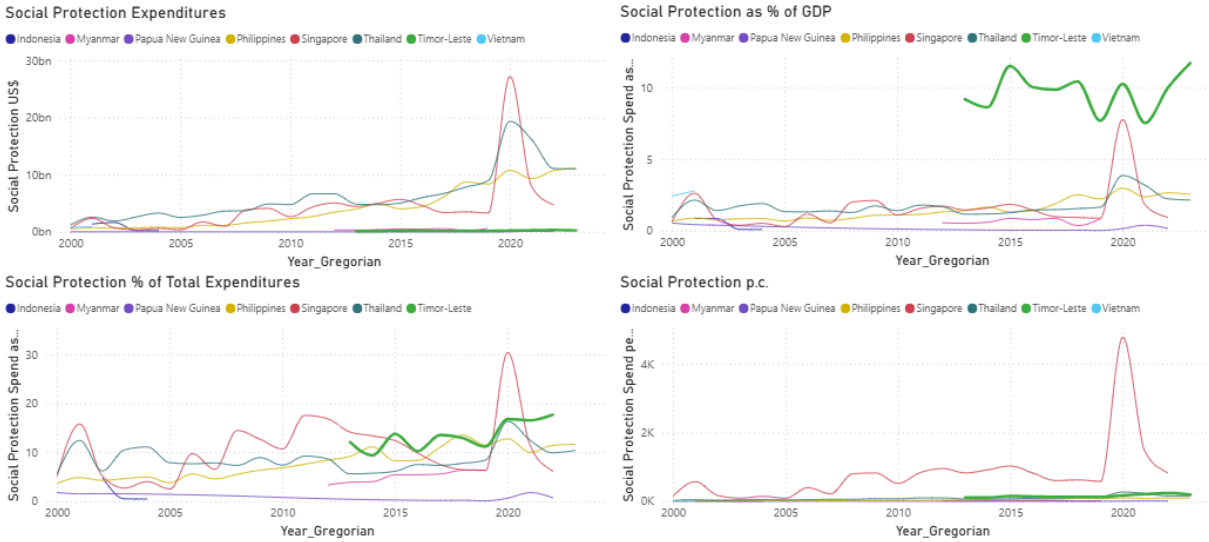
COFOG1 (AFI)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
701-General public services	20.41%	24.73%	20.09%	15.89%	16.37%	9.46%	17.09%	14.37%	12.80%	12.71%	15.86%	20.70%	16.72%
702-Defense	3.72%	3.26%	2.78%	2.09%	2.23%	2.31%	2.74%	2.22%	2.32%	2.47%	4.40%	2.89%	2.78%
703-Public order and safety	4.31%	4.74%	5.73%	4.05%	5.12%	5.51%	4.99%	4.74%	5.37%	4.97%	5.87%	4.59%	4.99%
704-Economic affairs	37.75%	36.99%	40.56%	54.74%	45.59%	49.60%	43.96%	31.40%	29.60%	35.37%	29.58%	32.02%	38.70%
705-Environmental protection	0.19%	0.48%	0.36%	0.22%	0.41%	0.19%	0.16%	0.20%	0.44%	0.59%	0.94%	1.47%	0.51%
706-Housing and community amenities	5.41%	4.08%	1.46%	1.00%	0.58%	0.48%	1.22%	1.95%	7.12%	10.45%	5.89%	5.33%	4.02%
707-Health	5.58%	4.75%	4.61%	3.55%	5.42%	7.41%	5.18%	14.76%	11.47%	6.11%	7.08%	7.16%	6.83%
708-Recreation, culture and religion	0.69%	0.73%	0.71%	0.77%	1.65%	1.33%	2.85%	1.97%	1.68%	1.52%	1.56%	1.72%	1.43%
709-Education	10.48%	11.03%	10.05%	7.55%	9.41%	9.69%	9.29%	8.85%	10.52%	7.45%	11.25%	9.02%	9.45%
710-Social protection	11.75%	9.21%	13.66%	10.15%	13.23%	14.03%	12.53%	19.53%	18.67%	18.36%	17.58%	15.09%	14.58%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

ASEAN Averages (excl. TL)

L1 2011 COFOG	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
701-General public services	47.93%	46.20%	38.87%	39.81%	35.58%	35.12%	38.00%	31.19%	35.97%	39.72%	47.52%	38.76%
702-Defense	3.55%	3.32%	3.54%	4.11%	7.70%	7.47%	7.99%	6.33%	6.85%	6.51%	3.84%	5.91%
703-Public order and safety	2.96%	3.00%	4.44%	4.51%	5.72%	5.28%	5.74%	4.97%	5.11%	4.55%	4.52%	4.77%
704-Economic affairs	22.65%	24.20%	23.92%	18.43%	17.65%	19.52%	16.24%	15.94%	17.29%	20.83%	15.19%	18.83%
705-Environmental protection	0.04%	0.05%	0.12%	0.14%	0.60%	0.69%	0.65%	1.73%	0.69%	0.48%	0.24%	0.58%
706-Housing and community amenities	1.41%	1.07%	1.16%	1.33%	2.59%	2.51%	1.95%	1.97%	2.09%	0.74%	0.80%	1.65%
707-Health	5.40%	6.36%	6.74%	7.69%	6.79%	6.48%	6.82%	6.88%	8.63%	7.87%	5.98%	7.01%
708-Recreation, culture and religion	0.69%	0.57%	0.53%	0.61%	1.11%	1.16%	1.23%	1.06%	1.01%	1.26%	0.66%	0.96%
709-Education	12.44%	12.33%	16.27%	18.00%	15.69%	14.35%	13.99%	13.33%	12.37%	10.48%	12.00%	13.43%
710-Social protection	2.93%	2.92%	4.41%	5.38%	6.55%	7.42%	7.39%	17.60%	10.00%	7.55%	9.24%	8.11%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

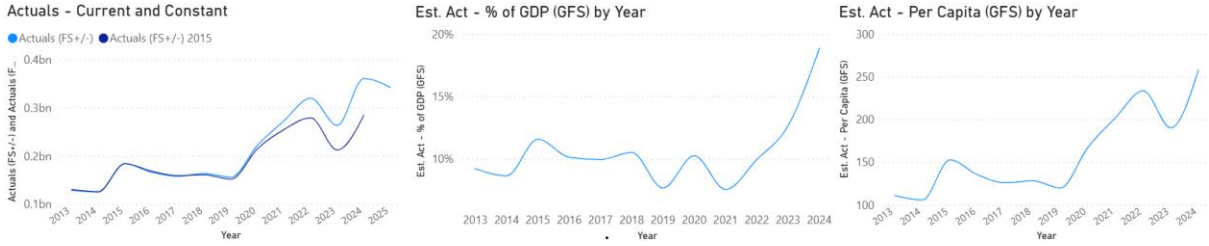
Source: TiFIS

Figure 49. Social Protection Trends - Budgetary Central Government– ASEAN



Source: TiFIS

Figure 50. Trends in Social Protection Spending – Core Comparators



Source: TiFIS

Table 42. Social Protection Function Spending Trends: 2013-25

COFOG1 (AFI)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
704-Economic affairs	**412,766,100**	**500,090,750**	**544,315,721**	**895,702,096**	**542,867,075**	**578,201,514**	**546,198,850**	**356,687,835**	**432,351,829**	**614,772,860**	**440,241,332**	**567,126,744**	**669,951,116**	**7,101,273,824**
701-General public services	**222,855,485**	**333,556,334**	**268,976,496**	**259,922,154**	**195,221,998**	**110,550,297**	**214,894,269**	**166,764,724**	**188,712,826**	**223,218,474**	**240,466,540**	**272,293,043**	**241,213,938**	**2,938,646,578**
710-Social protection	**128,459,330**	**124,893,930**	**183,892,832**	**166,027,512**	**157,539,068**	**163,538,531**	**155,639,400**	**222,042,068**	**272,994,943**	**319,859,023**	**263,061,639**	**360,486,160**	**342,085,950**	**2,860,520,386**
7102-Old age	3,925,137	3,297,678	3,983,806	4,365,334	100,380,720	106,968,693	92,781,916	96,857,542	152,511,236	182,696,842	100,957,242	192,985,586	152,578,796	**1,194,290,528**
7109-Social protection not elsewhere	114,931,470	112,474,244	175,070,119	150,571,302	43,599,617	45,332,128	49,804,372	115,480,342	104,385,163	120,394,895	8,128,828	30,254,736	16,123,859	**1,086,551,074**
7104-Family and children	811,489	669,320	717,085	846,005	10,533,653	9,335,798	8,518,927	6,742,689	6,602,291	10,815,011	136,862,090	120,723,691	163,363,140	**476,541,190**
7107-Social exclusion not elsewhere classified	1,547,373	2,465,394	2,308,333	1,647,585	1,557,900	1,376,135	3,601,230	2,227,299	8,061,529	3,911,953	5,366,483	5,766,154	6,980,136	**46,817,503**
7106-Housing	7,243,861	5,987,294	1,813,490	8,597,285	868,639	53,333	53,029	40,639			9,735,685			**34,393,254**
7101-Sickness and disability					180,954	267,584	769,826	619,811	757,244	1,257,461	1,962,671	7,010,463	2,528,326	**15,354,339**
7103-Survivors					417,586	204,861	110,100	73,746	653,360	782,861	48,640	3,745,532	511,693	**6,548,378**
7108-R & D Social protection									24,120					**24,120**
707-Health	**61,064,643**	**64,494,452**	**62,167,167**	**58,078,575**	**64,525,519**	**86,312,102**	**63,667,121**	**167,606,580**	**167,583,023**	**106,289,208**	**105,769,784**	**125,236,108**	**136,328,394**	**1,269,122,677**
703-Public order and safety	**47,168,870**	**64,271,282**	**77,205,092**	**66,345,875**	**60,956,409**	**64,311,345**	**61,572,666**	**52,232,898**	**77,891,032**	**85,913,678**	**87,160,002**	**80,407,034**	**83,586,819**	**909,023,002**
706-Housing and community amenities	**59,167,221**	**55,331,924**	**19,615,250**	**16,330,632**	**6,911,762**	**5,628,904**	**15,149,627**	**22,236,318**	**104,094,678**	**181,540,906**	**87,538,573**	**92,286,324**	**94,197,307**	**760,029,426**
702-Defense	**40,723,177**	**44,241,804**	**37,389,065**	**34,145,952**	**26,552,625**	**26,906,919**	**33,241,998**	**24,374,782**	**33,282,366**	**42,231,796**	**64,988,339**	**50,730,989**	**52,651,041**	**511,460,854**
708-Recreation, culture and religion	**7,540,227**	**9,935,754**	**9,545,979**	**12,579,415**	**19,606,799**	**15,495,595**	**35,471,806**	**22,410,188**	**24,615,439**	**26,389,847**	**23,232,406**	**27,245,330**	**30,394,722**	**264,463,505**
705-Environmental protection	**2,126,822**	**6,471,905**	**4,807,654**	**3,557,489**	**4,832,565**	**2,181,719**	**1,967,989**	**2,311,174**	**6,404,696**	**10,213,961**	**14,029,497**	**25,896,306**	**6,579,049**	**91,380,826**
Total	**1,093,502,073**	**1,356,941,943**	**1,347,162,190**	**1,636,309,226**	**1,191,217,512**	**1,166,129,419**	**1,243,842,918**	**1,137,549,967**	**1,462,463,960**	**1,742,822,109**	**1,497,484,238**	**1,760,119,791**	**1,812,320,836**	**18,447,866,183**

Source: TiFIS

Table 43. Social Protection Financial Statements: 2013-25

GFS 1	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
1 REVENUE					**65,194**	**80,471**	**250,360**	**108,941**	**5,102**		**660,432**	**24,843**	**0**	**1,195,343**
11 Taxes											660,312	24,843	0	**685,155**
12 Social contributions													0	**0**
13 Grants												0	0	**0**
14 Other revenue					65,194	80,471	250,360	108,941	5,102		120	0	0	**510,188**
2 EXPENSE	**120,044,606**	**116,212,177**	**178,141,727**	**154,613,618**	**156,653,733**	**163,232,279**	**153,983,859**	**220,933,517**	**272,181,506**	**312,283,153**	**261,433,102**	**340,570,421**	**339,285,661**	**2,789,569,359**
21 Compensation of employees	1,572,749	1,339,842	1,411,231	1,256,613	2,034,042	3,105,918	2,271,309	2,070,274	2,918,574	2,890,927	26,223,357	31,027,897	34,309,072	**112,431,806**
22 Use of Goods & Services	4,488,385	10,549,187	9,861,156	6,123,128	6,338,747	5,549,067	8,816,491	8,304,884	75,077,433	41,208,522	7,168,959	10,237,722	11,184,294	**204,907,976**
25 Subsidies											325,760	8,892,031	6,154,534	**15,372,325**
26 Grants							0			33	76,201,891	91,707,653	122,453,316	**290,362,893**
27 Social benefits	107,664,127	99,494,196	163,962,742	145,254,901	144,496,415	146,199,869	134,993,700	140,464,029	100,324,860	195,916,471	135,919,608	198,705,117	165,184,444	**1,878,580,480**
28 Other expense	6,319,345	4,828,952	2,906,598	1,978,976	3,784,529	8,377,424	7,902,359	70,094,330	93,860,640	72,267,200	15,593,527			**287,913,880**
3 CHANGE IN NET WORTH	**8,330,289**	**8,682,899**	**5,720,323**	**11,400,695**	**846,326**	**247,067**	**1,498,708**	**478,563**	**881,735**	**6,626,066**	**1,592,107**	**2,539,854**	**2,800,290**	**51,644,921**
31 Net acquisition of nonfinancial assets	8,330,289	8,682,899	5,720,323	11,400,695	846,326	247,067	1,498,708	478,563	881,735	6,626,066	1,592,107	2,539,854	2,800,290	**51,644,921**
Net Lending/Borrowing	**-128,374,895**	**-124,895,076**	**-183,862,051**	**-166,014,314**	**-157,434,865**	**-163,398,875**	**-155,232,207**	**-221,303,140**	**-273,058,139**	**-318,909,218**	**-262,364,777**	**-343,085,431**	**-342,085,950**	**-2,840,018,937**

Source: TiFIS

Table 44. Top 10 Social Protection Agencies: 2013-25

Admin Unit	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
021 Ministry of Social Solidarity	113,814,677	111,273,140	174,022,151	150,446,302	147,934,017	141,803,600	54,037,877	52,924,415	12,994,405	86,693,306	24,758,169	16,737,428	21,258,259	**1,108,697,746**
022 Ministry for the Affairs of National Liberation Combatants						93,474,176	88,190,830	91,936,780	92,129,339	97,845,874	109,110,691	107,245,951	147,954,538	**827,888,180**
013 General State Appropriation	4,120,892	3,372,678	4,145,944	4,365,334	4,671,358	13,818,760	4,852,988	4,921,491	62,903,260	87,267,584	101,198,009	117,188,255	146,070,780	**558,897,333**
079 COVID-19 Fund								64,256,231	97,325,504	5,780				**161,587,515**
106 National Social Security Institute												82,372,271	2,885,846	**85,258,117**
026 Ministry of Tourism										36,639,357	3,410	9,000	0	**36,651,767**
081 Human Capital Development Fund	377,559	82,406	67,132	135,999	605,214	669,512	119,166	73,746			7,133,550	8,821,172	12,142,503	**30,227,959**
080 Infrastructure Fund	7,129,370	5,920,026	1,700,000	8,486,216	813,622						0	75,932	1,606,380	**25,731,546**
005 Secretary of State for Equality and Inclusion	1,547,373	2,382,988	2,241,201	1,622,579	1,434,416	1,051,326	1,109,083	848,843	1,036,224	1,210,184	1,260,579	1,585,765	1,465,216	**18,795,776**
107 Social Security Reserve Fund												17,375,886	0	**17,375,886**
Total	**128,459,330**	**124,893,930**	**183,892,832**	**166,027,512**	**157,539,068**	**163,538,531**	**155,639,400**	**222,042,068**	**272,994,943**	**319,859,023**	**263,061,639**	**360,486,160**	**342,085,950**	**2,860,520,386**

Source: TiFIS

The function spending trends show that social protection has been one of the largest and most persistent spending functions across the period 2013–25 (see Table 42). The series suggests that expenditure has remained structurally high rather than reflecting a short-term spike, which is consistent with the political and social role that pensions, veterans' benefits, and other transfers have played in maintaining stability. At the same time, the composition of the function points to a strong concentration in a relatively narrow group of programs, meaning that high overall spending has not necessarily translated into a broad-based or highly diversified system of support. This raises an important policy question about whether the current distribution of benefits is the most effective way to reduce vulnerability while preserving fiscal space for future priorities.

The financial statements indicate that social protection spending is overwhelmingly driven by recurrent expenditure, especially transfer-type payments, rather than capital or asset-building investment (see Table 43). That is what would be expected in a system centred on pensions, benefits, and direct support payments, but it also means that the fiscal burden is ongoing and difficult to unwind once entitlements become politically or socially embedded. The figure therefore highlights the long-term budget rigidity associated with the sector: once benefit commitments are established, they tend to create durable expenditure pressures that can limit government flexibility elsewhere. In policy terms, this reinforces the importance of improving transparency, contribution settings, and targeting rules so that the system remains affordable while preserving its peace and equity objectives.

Another major transparency gap visible in the financial statements is the absence of consolidated social security data, particularly in relation to social contributions. Social contributions are compulsory or quasi-compulsory payments made by employers, employees, the self-employed, or government on behalf of insured persons to finance social security benefits such as pensions, old-age income support, disability, survivorship, and other social insurance entitlements. In fiscal and GFS terms, these flows are essential because they help show the extent to which social protection benefits are being financed from dedicated contribution revenue rather than from general budget transfers. Their absence from these financial statements are because extra-budgetary social security fund operations have not yet been properly consolidated into the GRP system, which means the true size, financing structure, and future liabilities of the social protection system are not yet fully visible.

This data is essential for fiscal sustainability analysis because it allows government to assess whether the social protection system is becoming more self-financing over time or whether rising benefit commitments will continue to increase pressure on the central budget. Without reliable information on contribution income, fund balances, benefit obligations, and the relationship between gross and net social benefits, it is difficult to estimate medium-term financing gaps, evaluate long-term liabilities, or design credible reforms to improve affordability. Better tracking and consolidation of social contributions is therefore not simply a technical

accounting issue; it is a core requirement for sound fiscal policy, stronger transparency, more accurate general government reporting, and a more informed debate about how to preserve the peace dividend of social protection while keeping the overall budget sustainable.

The top-agency figure shows that social protection spending is concentrated in a small number of institutions, confirming that a limited set of agencies carries most of the fiscal weight of the sector (see Table 44). This concentration is important because it suggests that any serious attempt to improve efficiency, transparency, or targeting can focus first on a relatively small number of administrative actors rather than the whole government system. It also indicates that policy risks are concentrated: if the largest agencies are not operating with strong controls, good data, and clear program rules, then a large share of total social protection spending may be exposed to inefficiency or weak oversight. The figure therefore supports a practical reform approach centred on better visibility over the biggest programs and institutions, combined with stronger reporting and policy review of the largest benefit streams.

Table 45. Social Protection Aid as % of Social Protection Expenditures (All Channels)

Item and Code 2011	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
705-Environmental protection	424.9%	128.6%	189.5%	308.9%	164.1%	293.2%	263.2%	224.2%	44.1%	58.2%	38.6%	**129.5%**
703-Public order and safety	91.1%	36.6%	25.7%	25.6%	30.2%	21.0%	24.7%	35.7%	39.9%	38.8%	34.5%	**35.4%**
707-Health	40.1%	41.9%	39.9%	45.2%	34.5%	26.1%	40.3%	26.1%	32.5%	30.6%	30.7%	**33.4%**
709-Education	33.4%	27.5%	23.4%	32.8%	30.8%	35.2%	42.9%	41.3%	27.6%	31.3%	29.7%	**31.8%**
701-General public services	23.6%	16.0%	15.7%	16.7%	31.3%	47.8%	21.8%	44.7%	35.6%	21.6%	31.0%	**25.4%**
706-Housing and community amenities	44.9%	41.8%	74.0%	67.0%	157.7%	186.9%	65.5%	26.1%	5.2%	1.5%	9.1%	**22.4%**
704-Economic affairs	16.7%	13.8%	14.5%	10.4%	16.3%	13.9%	18.2%	20.9%	13.4%	11.9%	13.7%	**14.4%**
710-Social protection	1.5%	9.8%	2.9%	1.5%	1.6%	6.2%	1.1%	0.6%	2.6%	2.3%	9.2%	**3.5%**
708-Recreation, culture and religion	2.4%	2.7%	1.4%	1.3%	0.9%	1.6%	0.9%	1.0%	1.4%	1.4%	0.7%	**1.3%**
Total	**24.1%**	**19.0%**	**16.9%**	**15.0%**	**20.7%**	**20.3%**	**20.4%**	**23.3%**	**18.4%**	**14.1%**	**19.0%**	**18.8%**

Source: TiFIS

Table 46. Social Protection Aid as % of Social Protection Expenditures (Govt Chan)

Item and Code 2011	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
705-Environmental protection	126.4%	27.0%	46.0%	74.9%	44.2%	31.6%	12.0%	27.8%	3.6%	8.5%	1.4%	**24.3%**
707-Health	10.6%	12.2%	6.6%	10.5%	10.1%	9.4%	15.3%	11.4%	7.5%	6.8%	10.2%	**9.8%**
704-Economic affairs	8.9%	8.7%	9.7%	6.5%	8.6%	9.0%	13.2%	10.8%	6.3%	6.8%	7.2%	**8.6%**
709-Education	7.2%	5.1%	8.0%	8.7%	7.3%	12.9%	16.4%	1.0%	0.8%	3.0%	1.6%	**6.2%**
701-General public services	6.3%	4.5%	5.0%	4.9%	9.5%	13.0%	3.5%	11.8%	11.4%	2.7%	2.9%	**6.2%**
706-Housing and community amenities	4.2%	2.0%	7.1%	17.5%	11.4%	5.4%	3.0%	1.0%	1.1%	1.1%	7.9%	**3.4%**
703-Public order and safety	6.0%	0.4%	0.3%	0.2%	0.0%	0.4%	0.0%	1.6%	0.2%	0.5%	7.5%	**1.6%**
710-Social protection	0.2%	0.3%	0.2%	0.3%	0.2%	0.2%	0.3%	0.1%	1.0%	0.0%	2.8%	**0.6%**
708-Recreation, culture and religion		0.8%	0.7%	0.4%	0.5%	0.9%	0.3%	0.1%	0.0%		0.1%	**0.3%**
Total	**6.7%**	**5.7%**	**6.4%**	**5.8%**	**7.0%**	**7.8%**	**8.8%**	**7.0%**	**4.6%**	**3.6%**	**4.9%**	**6.0%**

Source: TiFIS

Donors deliver most social protection aid through channels outside government systems. Over the period, total social protection aid disbursed through all channels was equivalent to 3.5% of government social protection spending. By contrast, social protection aid channelled through government systems amounted to only 0.6% of government education expenditure, and in 2023 the figure was significantly higher to just 2.8% (see Table 45Table 46 above). This suggests a strong case for working with development partners to identify mutually acceptable arrangements that would allow a greater share of education aid to be delivered through government channels over time.

Improving Transparency in Social Protection

Some measures have already been taken to improve the efficiency and targeting of the social protection system. These include stronger use of national identification and digital

registration systems to improve beneficiary verification, reduce duplication, and support more accurate targeting of eligible households. Under the Government's National Strategy for Social Protection 2021–2030, there has also been a broader shift toward better data integration, improved sector coordination, and more evidence-based policy design, including work to strengthen consolidated social protection statistics and reporting. In the child and maternal support area, reforms to the now closed Bolsa da Mãe and related programs have been accompanied by electronic registration, digital payment platforms, and improved monitoring systems, helping to make payments more transparent, timely, and auditable while reducing reliance on weaker paper-based processes.

Timor-Leste is moving toward a more integrated national social registry and has begun piloting more advanced targeting methods, including the use of detailed household census data and a machine-learning-enhanced ***Proxy Means Test***, to improve identification of vulnerable households and better align support with poverty, nutrition, and shock-response objectives.

These reforms matter because they go directly to the core efficiency problem in Timor-Leste's social protection system: how to preserve the peace and equity benefits of high spending while improving value for money and reducing leakage, mistargeting, and long-term fiscal pressure. Better targeting and cleaner beneficiary data make it easier to direct resources toward households with the greatest need rather than spreading benefits too broadly or maintaining outdated beneficiary lists. Digital registration, payment, and reporting systems also improve traceability, strengthen control over expenditure, and create a more credible basis for future policy choices about who should be covered, at what level, and under what conditions.

Over time, the development of a national social registry and stronger program-level data should allow Government to move toward a more adaptive and shock-responsive system that is better able to respond to crises without creating unnecessary permanent spending commitments. In that sense, improvements in targeting are not only administrative reforms; they are central to fiscal sustainability, because they help contain future expenditure growth, improve the quality of social spending, and support a more balanced reallocation of resources across competing policy priorities.

GPP Option 22: on Improving Transparency and Efficiency of Social Protection

MSSI and MoF bring forward a submission to improve the visibility and efficiency of social protection system. The submission is to include a proposal to establish GFS compliant reporting of Social Security Fund operations and consolidated general government reporting. In addition, a plan to increase social contributions and reduce net social benefits over the medium term to help deliver fiscal sustainability over the medium-to-long term. Measures including single unique ID and mandatory death certificates in municipalities to be elaborated.

The review should include an assessment of the public order and safety system to ensure a balance between achieving the peace dividend through enforcement of laws and deterrence and through positive incentives such as through the social protection system (see GPP 25). Savings options to be identified through actuarial-like assessment of eligibility demographics.

Est. Fiscal Impact Over the FEs: $-125m

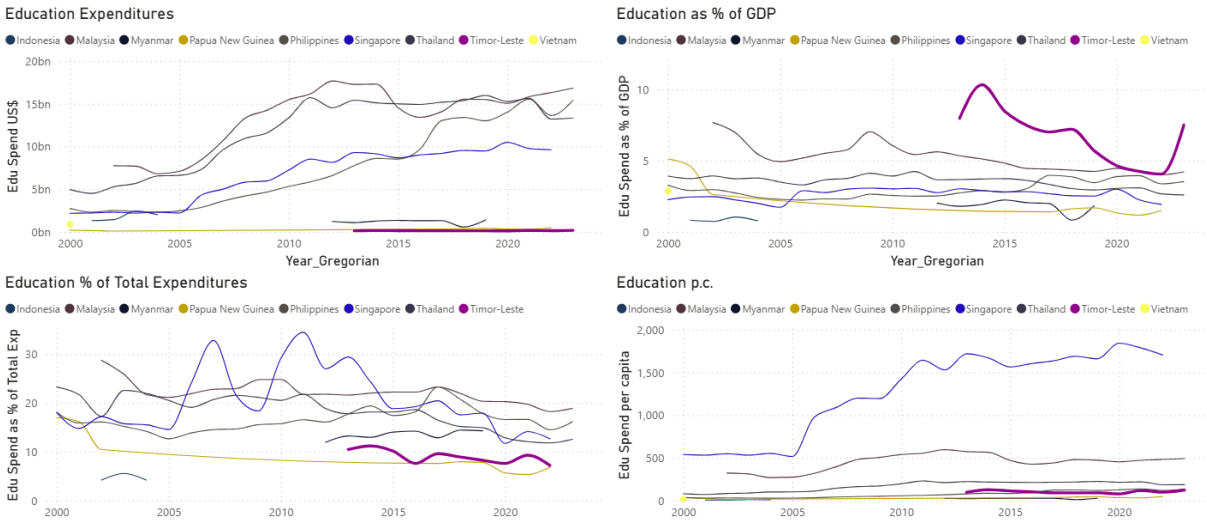
GPP 23: Education Efficiency and Multilingual Selective Schools

A similar investment story is in Education, which needs to improve school facilities and most importantly strengthen capacity to deliver good learning outcomes. Funding for education is relatively high in terms of percent of GDP but low in terms of percent of the budget (see Figure 51). Making sure children stay in school – especially boys, is also important for public order and safety as well as for growth. Low funding in terms of percent of expenditure, but high in terms of GDP was repeated.

Education Spending Trends

Education spending data indicates that Timor-Leste has maintained a significant level of investment in education over time, but the pattern and composition of that spending raise important policy questions. The comparator data (see Figure 52 below) indicates that, while education spending is relatively high when measured against GDP, it appears less prominent when assessed as a share of total government expenditure, pointing to competing fiscal pressures elsewhere in the budget. This suggests that the issue may not be only the overall level of funding, but also the extent to which education is being prioritised relative to other sectors.

Figure 51. Education – BCG – ASEAN



Source: TiFIS

The time-series data on education spending from 2013 to 2025 shows that expenditure declined in nominal, real, and relative terms between 2014 and 2020. Over the full period, education was the third-largest area of spending, accounting for $1.8 billion out of total expenditure of $18.4 billion. Recent improvements in spending classification have also strengthened visibility over the composition of education expenditure using COFOG standards. The data indicates that primary education accounted for 61 per cent of education spending in 2025 ($94 million), compared with 11 per cent for secondary education ($16 million) and 14 per cent for tertiary education ($21 million). Taken together, this suggests a strong concentration of spending at the primary level, with possible implications for progression into higher levels of education and the development of more productive skills.

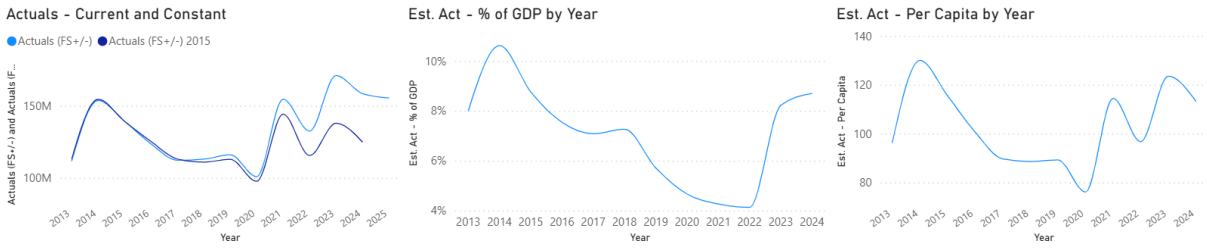
From an input perspective, Timor-Leste's education spending has become increasingly skewed away from capital formation and toward recurrent costs. Investment in non-financial assets accounted for just 3.3% of total education function spending in 2025, and only $56 million was spent on fixed assets over 2013–2025. This appears low by international standards. In OECD

systems, capital spending commonly represents a mid-single-digit to low-double-digit share of total expenditure, with around 8% of total spending at primary to tertiary level allocated to capital in recent years, although this varies across countries and over time. On that basis, Timor-Leste's 2025 level appears well below the rough international norm and suggests underinvestment in school buildings, classrooms, furniture, laboratories, equipment, and digital infrastructure. The composition of Timor-Leste's fixed-asset spending also appears narrow: the limited amount invested was split broadly evenly between buildings and machinery and equipment, while school and university construction delivered through the Infrastructure Fund amounted to only $17 million over the period. The policy issue is therefore not simply that capital spending is low in one year, but that the education system appears to have sustained a very low level of asset renewal and expansion over a long period, which is unlikely to support better learning conditions, stronger access in underserved areas, or the technological upgrading required for a modern education system.

Donors deliver most education aid through channels outside government systems. Over the period, total education aid disbursed through all channels was equivalent to 32% of government education spending. By contrast, aid channelled through government systems amounted to only 6% of government education expenditure, and in 2023 the figure fell to just 1.6% (see Table 50and Table 51). This suggests a strong case for working with development partners to identify mutually acceptable arrangements that would allow a greater share of education aid to be delivered through government channels over time.

The data on its own does not demonstrate whether spending has translated into stronger learning outcomes. Taken together, the figures underscore that the main challenge in education is not simply spending more, but improving the efficiency and effectiveness of existing expenditure so that investment in schools, teachers, and systems produces visible improvements in student learning.

Figure 52. Tends in Education Spending – Core Comparators



Source: TiFIS

Table 47. Education Function Spending Trends: 2013-25

COFOG1 (AFI)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
704-Economic affairs	412,766,100	500,090,750	544,315,721	895,702,096	542,867,075	578,201,514	546,198,850	356,687,835	432,351,829	614,772,860	440,241,332	567,126,744	669,951,116	7,101,273,824
701-General public services	222,855,485	333,556,334	268,976,496	259,922,154	195,221,998	110,550,297	214,894,269	166,764,724	188,712,826	223,218,474	240,466,540	272,293,043	241,213,938	2,938,646,578
710-Social protection	128,459,330	124,893,930	183,892,832	166,027,512	157,539,068	163,538,531	155,639,400	222,042,068	272,994,943	319,859,023	263,061,639	360,486,160	342,085,950	2,860,520,386
709-Education	111,630,198	153,653,806	139,246,934	123,619,525	112,203,691	113,002,495	116,039,193	100,883,401	154,533,126	132,392,356	170,996,126	158,411,753	155,332,499	1,741,945,104
7098-Education not elsewhere classified	27,394,954	51,277,375	41,993,585	40,974,827	32,911,052	39,238,156	82,743,433	75,024,386	89,417,182	17,012,984	12,858,564	86,448,471	16,642,301	613,937,269
7091-Pre-primary and primary education	39,903,802	43,169,288	40,560,841	42,563,724	45,650,089	42,186,665	5,473,011	2,689,521	27,338,222	62,257,884	88,737,229	21,242,330	94,128,090	555,900,695
7094-Tertiary education	14,194,114	15,543,123	21,376,652	15,470,359	13,665,625	17,328,472	16,328,085	14,580,848	6,010,692	10,924,936	14,830,361	21,702,315	21,055,274	203,010,855
7095-Education not definable by level	11,366,313	15,841,353	13,820,680	12,251,855	6,043,126	4,461,049	4,042,410	3,066,674	6,349,393	18,652,527	12,845,419	9,320,608	4,839,740	122,901,147
7096-Subsidiary services to education	10,552,734	17,343,254	10,783,934	1,840,410	2,785,072	1,410,968	4,538,627	3,519,957	8,466,825	12,246,044	22,800,041	2,123,755	1,078,073	99,489,693
7092-Secondary education	5,982,512	5,737,387	5,905,672	6,187,052	6,747,783	5,054,917	580,170	377,864	1,556,432	5,122,844	13,460,466	14,289,182	16,442,518	87,444,800
7093-Postsecondary nontertiary education	2,235,769	4,742,027	4,805,570	4,331,298	4,400,944	3,322,268	2,333,337	1,624,153	15,394,382	6,175,136	5,464,046	3,285,092	1,069,140	59,183,161
7097-R & D Education							120						77,364	77,484
707-Health	61,064,643	64,494,452	62,167,167	58,078,575	64,525,519	86,312,102	63,667,121	167,606,580	167,583,023	106,289,208	105,769,784	125,236,108	136,328,394	1,269,122,677
703-Public order and safety	47,168,870	64,271,282	77,205,092	66,345,875	60,956,409	64,311,345	61,572,666	52,232,898	77,891,032	85,913,678	87,160,002	80,407,034	83,586,819	909,023,002
706-Housing and community amenities	59,167,221	55,331,924	19,615,250	16,330,632	6,911,762	5,628,904	15,149,627	22,236,318	104,094,678	181,540,906	87,538,573	92,286,324	94,197,307	760,029,426
702-Defense	40,723,177	44,241,804	37,389,065	34,145,952	26,552,625	26,906,919	33,241,998	24,374,782	33,282,366	42,231,796	64,988,339	50,730,989	52,651,041	511,460,854
708-Recreation, culture and religion	7,540,227	9,935,754	9,545,979	12,579,415	19,606,799	15,495,595	35,471,806	22,410,188	24,615,439	26,389,847	23,232,406	27,245,330	30,394,722	264,463,505
705-Environmental protection	2,126,822	6,471,905	4,807,654	3,557,489	4,832,565	2,181,719	1,967,989	2,311,174	6,404,696	10,213,961	14,029,497	25,896,306	6,579,049	91,380,826
Total	1,093,502,073	1,356,941,943	1,347,162,190	1,636,309,226	1,191,217,512	1,166,129,419	1,243,842,918	1,137,549,967	1,462,463,960	1,742,822,109	1,497,484,238	1,760,119,791	1,812,320,836	18,447,866,183

Source: TiFIS

Table 48. Education Financial Statements: 2013-25

GFS 1	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
1 REVENUE	546,090	535,414	5,130,734	786,079	847,823	1,257,161	1,296,897	2,309,837	927,550	1,521,266	1,712,514	1,501,314	1,308,437	19,681,116
11 Taxes		1,224									160,670	64,022	5,053	230,968
14 Other revenue	546,090	534,190	5,130,734	786,079	847,823	1,257,161	1,296,897	2,309,837	927,550	1,521,266	1,551,845	1,437,293	1,303,385	19,450,148
2 EXPENSE	106,290,452	144,440,575	135,438,740	121,025,578	111,218,436	112,269,837	113,390,305	100,232,913	146,750,942	129,316,879	162,308,835	149,485,879	149,696,850	1,681,866,222
21 Compensation of employees	51,492,114	61,596,846	68,083,469	67,708,285	74,090,564	83,305,991	74,263,430	76,835,455	78,373,984	78,687,755	105,803,283	112,207,144	117,175,101	1,049,623,421
22 Use of Goods & Services	49,024,562	72,585,800	55,641,307	45,109,624	33,170,408	25,761,970	35,441,003	21,562,269	25,619,396	27,031,960	23,940,805	13,480,817	12,432,984	440,802,904
25 Subsidies											10,709,706	23,757,918	20,088,765	54,556,389
26 Grants	2,125,449	1,220,465	1,578,399	1,336,554	459,868	273,450	0				9,375,676	40,000		16,409,861
27 Social benefits	0				-1,099	11,724	770	3,666	89,700	8,416,428				8,521,189
28 Other expense	3,648,328	9,037,464	10,135,565	6,871,115	3,498,695	2,916,702	3,685,102	1,831,523	42,667,862	15,180,736	12,479,366			111,952,457
3 CHANGE IN NET WORTH	5,339,746	9,213,231	3,808,194	2,593,946	985,255	732,658	2,648,889	650,489	7,782,184	3,075,477	8,687,291	8,925,874	5,635,649	60,078,882
31 Net acquisition of nonfinancial assets	5,305,952	9,020,639	3,765,629	2,478,474	827,768	559,999	2,376,793	441,543	7,429,758	3,086,462	8,326,224	8,774,688	5,410,211	57,804,139
311 Fixed assets	5,305,952	9,020,639	3,765,629	2,478,474	827,768	559,999	2,376,793	441,543	7,429,758	3,086,462	8,300,583	7,445,567	4,832,044	55,871,209
3111 Buildings and Structures	3,059,738	4,497,026	2,427,796	1,358,654	530,254	259,088	210,281		2,696,965	2,611,151	3,342,605	4,404,444	3,151,461	28,549,464
3112 Machinery and Equipment	2,246,213	4,523,613	1,337,833	1,119,819	297,513	300,911	2,166,512	441,543	4,732,792	475,311	4,957,978	3,041,123	1,680,583	27,321,746
314 Nonproduced assets											25,641	1,329,122	578,167	1,932,930
32 Financial assets	33,794	192,592	42,565	115,473	157,487	172,658	272,095	208,946	352,427	-10,985	361,067	151,186	225,438	2,274,743
Net Lending/Borrowing	-111,084,108	-153,118,393	-134,116,200	-122,833,446	-111,355,868	-111,745,334	-114,742,297	-98,573,564	-153,605,577	-130,871,090	-169,283,611	-156,910,439	-154,024,062	-1,722,263,988

Source: TiFIS

Table 49. Top 12 Education Agencies: 2013-25

Admin Unit	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
018 Ministry of Education	79,084,664	110,747,714	102,576,625	98,845,154	82,301,435	121,397,426	78,765,045	73,879,329	102,113,188	90,143,685	117,614,720	110,536,928	109,175,883	1,277,181,796
105 National University of Timor-Leste	9,600,739	12,429,549	13,196,302	11,635,069	11,410,647	20,548,982	14,330,242	12,315,357	13,790,351	13,437,262	15,428,326	14,807,060	14,590,785	177,520,670
081 Human Capital Development Fund	16,571,172	19,807,899	19,074,795	5,893,217	4,772,278	3,989,152	5,423,973	3,739,199	3,159,247	5,708,262	5,358,743	708,517	855,835	95,062,287
020 Ministry of Higher Education						1,725,409	4,551,580	4,077,536	3,520,596	2,278,189	2,673,010	8,443,063	6,122,084	33,391,466
008 State Secretariat for Professional Training and Employment	1,458,658	1,907,129	2,272,301	2,377,707	1,407,909	1,039,015	1,782,820	1,917,338	3,390,600	1,186,399	1,624,133	2,608,872	2,402,605	25,375,486
019 Secretary of State for Youth and Sports	1,797,906	4,552,816	4,153,677	3,682,501	2,264,699	3,470,761	100,285	55,526		53,414	-50			20,131,535
080 Infrastructure Fund	2,900,465	4,025,770	2,065,710	854,432	244,055	152,222	149,184		1,054,890	749,385	1,283,140	2,923,107	601,130	17,003,491
045 Dili Municipal Authority					1,676,675	1,009,074	1,999,632	804,623	735,798	1,936,312	3,297,821	471,364	505,804	12,437,103
046 Ermera Municipal Authority					727,098	425,289	747,911	282,573	1,025,061	1,157,005	2,341,137	2,251,891	3,211,031	12,168,996
079 COVID-19 Fund									11,928,093	-188,115				11,739,978
044 Bobonaro Municipal Authority					1,070,291	656,221	1,034,088	310,557	774,980	1,143,724	1,984,820	1,863,861	2,563,924	11,402,466
051 Lautém Municipal Authority					586,724	671,881	724,584	355,787	981,851	954,205	1,539,388	1,450,981	2,036,661	9,302,062
Total	111,630,198	153,653,806	139,246,934	123,619,525	112,203,691	113,002,495	116,039,193	100,883,401	154,533,126	132,392,356	170,996,126	158,411,753	155,332,499	1,741,945,104

Source: TiFIS

Table 50. Education Aid as % of Government Education Expenditures (All Channels)

Item and Code 2011	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
705-Environmental protection	424.9%	128.6%	189.5%	308.9%	164.1%	293.2%	263.2%	224.2%	44.1%	58.2%	38.6%	**129.5%**
703-Public order and safety	91.1%	36.6%	25.7%	25.6%	30.2%	21.0%	24.7%	35.7%	39.9%	38.8%	34.5%	**35.4%**
707-Health	40.1%	41.9%	39.9%	45.2%	34.5%	26.1%	40.3%	26.1%	32.5%	30.6%	30.7%	**33.4%**
709-Education	33.4%	27.5%	23.4%	32.8%	30.8%	35.2%	42.9%	41.3%	27.6%	31.3%	29.7%	**31.8%**
701-General public services	23.6%	16.0%	15.7%	16.7%	31.3%	47.8%	21.8%	44.7%	35.6%	21.6%	31.0%	**25.4%**
706-Housing and community amenities	44.9%	41.8%	74.0%	67.0%	157.7%	186.9%	65.5%	26.1%	5.2%	1.5%	9.1%	**22.4%**
704-Economic affairs	16.7%	13.8%	14.5%	10.4%	16.3%	13.9%	18.2%	20.9%	13.4%	11.9%	13.7%	**14.4%**
710-Social protection	1.5%	9.8%	2.9%	1.5%	1.6%	6.2%	1.1%	0.6%	2.6%	2.3%	9.2%	**3.5%**
708-Recreation, culture and religion	2.4%	2.7%	1.4%	1.3%	0.9%	1.6%	0.9%	1.0%	1.4%	1.4%	0.7%	**1.3%**
Total	**24.1%**	**19.0%**	**16.9%**	**15.0%**	**20.7%**	**20.3%**	**20.4%**	**23.3%**	**18.4%**	**14.1%**	**19.0%**	**18.8%**

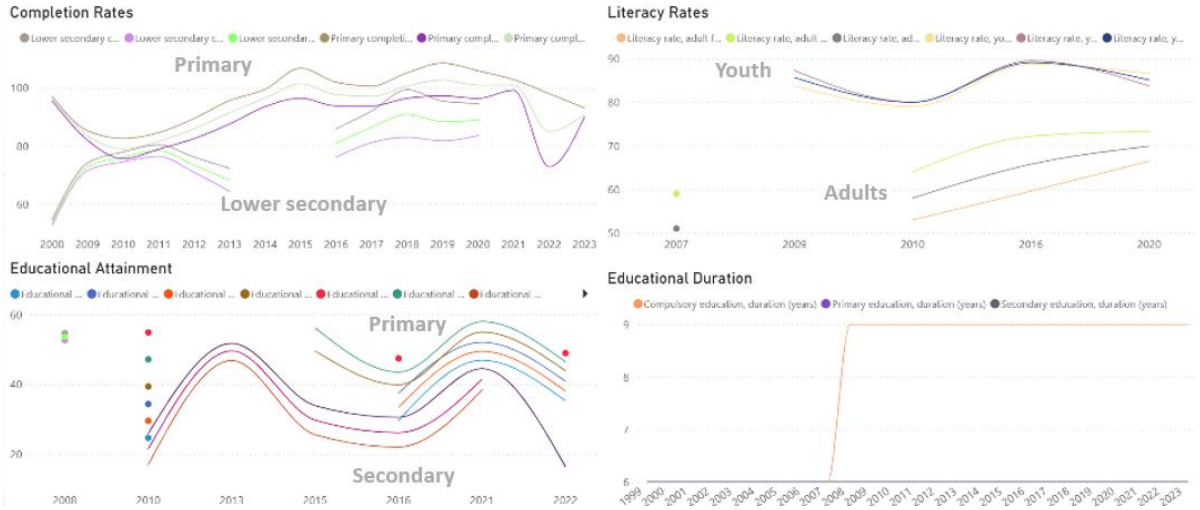
Source: TiFIS

Table 51. Education Aid as % of Education Expenditures (Government Channel)

Item and Code 2011	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
705-Environmental protection	126.4%	27.0%	46.0%	74.9%	44.2%	31.6%	12.0%	27.8%	3.6%	8.5%	1.4%	**24.3%**
707-Health	10.6%	12.2%	6.6%	10.5%	10.1%	9.4%	15.3%	11.4%	7.5%	6.8%	10.2%	**9.8%**
704-Economic affairs	8.9%	8.7%	9.7%	6.5%	8.6%	9.0%	13.2%	10.8%	6.3%	6.8%	7.2%	**8.6%**
709-Education	7.2%	5.1%	8.0%	8.7%	7.3%	12.9%	16.4%	1.0%	0.8%	3.0%	1.6%	**6.2%**
701-General public services	6.3%	4.5%	5.0%	4.9%	9.5%	13.0%	3.5%	11.8%	11.4%	2.7%	2.9%	**6.2%**
706-Housing and community amenities	4.2%	2.0%	7.1%	17.5%	11.4%	5.4%	3.0%	1.0%	1.1%	1.1%	7.9%	**3.4%**
703-Public order and safety	6.0%	0.4%	0.3%	0.2%	0.0%	0.4%	0.0%	1.6%	0.2%	0.5%	7.5%	**1.6%**
710-Social protection	0.2%	0.3%	0.2%	0.3%	0.2%	0.2%	0.3%	0.1%	1.0%	0.0%	2.8%	**0.6%**
708-Recreation, culture and religion		0.8%	0.7%	0.4%	0.5%	0.9%	0.3%	0.1%	0.0%		0.1%	**0.3%**
Total	**6.7%**	**5.7%**	**6.4%**	**5.8%**	**7.0%**	**7.8%**	**8.8%**	**7.0%**	**4.6%**	**3.6%**	**4.9%**	**6.0%**

Source: TiFIS

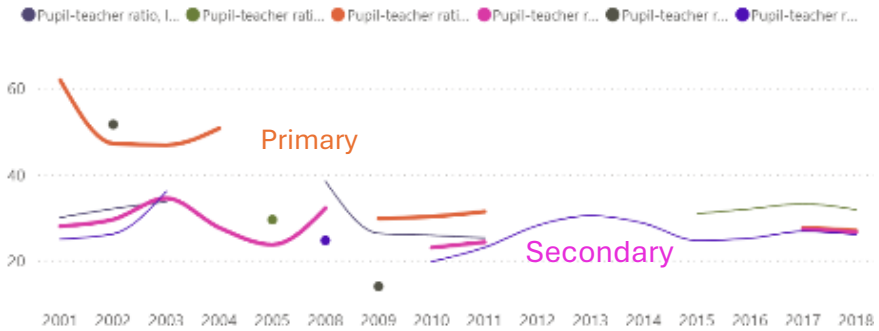
Figure 53. Education Outcome Indicators 2001-18



Source: TiFIS

Figure 53 and Figure 54 suggest that the main problem in education is not a shortage of teachers, but weak learning performance and uneven progression through the system. The pupil-teacher ratio data for primary and secondary education indicates that staffing levels were, at least historically, within a broadly reasonable range by international standards, rather than pointing to extreme overcrowding. However, the wider education indicators paint a much less positive picture. Completion rates improved for a period but have shown more recent deterioration; youth literacy rose up to the mid-2010s before trending downward; and adult literacy continues to improve only gradually, reflecting earlier gains working their way through the population rather than strong current performance. The broader attainment indicators also appear weak, particularly beyond primary level, suggesting that too many students are not progressing successfully through the system. The policy implication is that improving education outcomes is likely to depend less on further expanding staffing numbers and more on strengthening teaching quality, learning conditions, school leadership, retention, and system performance monitoring.

Figure 54. Pupil-Teacher Ratios- Primary and Secondary 2001-18



Source: TiFIS

Improving Education Efficiency and Multilingual Selective Schools

A strategic response is to establish a competitive multilingual selective school system designed to attract the best and brightest Timorese students from all regions and backgrounds. Such a system should be built around high academic standards and strong proficiency in Tetum, Portuguese, and English, with transparent merit-based entry, equity

safeguards for talented rural and low-income students, and a specialised teaching workforce capable of delivering high-quality trilingual education. The rationale is not only educational. A stronger multilingual elite school pathway would help produce graduates better equipped for tertiary study, public leadership, diplomacy, trade, tourism, digital services, and international labour mobility. In economic terms, high-standard multilingual education would strengthen Timor-Leste's ability to compete for investment, expand export-oriented services, connect more effectively with Lusophone and Anglophone markets, and improve access to skilled jobs at home and abroad. Properly designed, such a system would therefore function not as a narrow privilege, but as a national capability strategy to cultivate future leaders, professionals, and internationally competitive workers.

A further priority should be to improve efficiency within the education system by focusing on teacher quality and school infrastructure rather than relying mainly on additional staffing. On the recurrent side, this would require stronger policies on teacher recruitment, deployment, professional development, classroom practice, and performance management so that existing spending on personnel delivers better learning outcomes. On the capital side, there is a strong case for a more systematic program of school rehabilitation, classroom expansion, furniture, laboratories, sanitation, and digital connectivity, particularly in underserved areas. Given the low level of education capital spending through the ministry budget, major school infrastructure needs would be better planned and financed through the Infrastructure Fund, in close coordination with the Ministry of Education, so that the sector can address long-standing asset gaps while keeping the education budget focused on teaching, learning materials, and system performance.

GPP Option 23: on Improving Education Efficiency and Multilingual Selective Schools

MoE and MPIE to bring forward a competitive multilingual selective school system strategy delivered over five-to-ten years that is designed to attract the best and brightest Timorese students from all regions and backgrounds. The submission should set out options for a phased network of high-standard schools delivering education in Tetum, Portuguese, Malay and English, with transparent merit-based entry, equity measures for talented rural and low-income students, specialised teacher recruitment and training, and a curriculum linked to national economic priorities. It should also assess the likely benefits for trade, skilled employment, labour mobility, tertiary pathways, and Timor-Leste's ability to compete more effectively in Lusophone and Anglophone markets.

MoE should also bring forward options to improve efficiency across the wider education system, with a focus on teacher quality, deployment, professional development, and performance, alongside a coordinated program of school rehabilitation and expansion. An emphasis on improving learning outcomes data should be included. Major school infrastructure requirements should be scoped jointly with the Infrastructure Fund so that classrooms, sanitation, laboratories, furniture, and digital connectivity can be improved in a more systematic and fiscally sustainable way.

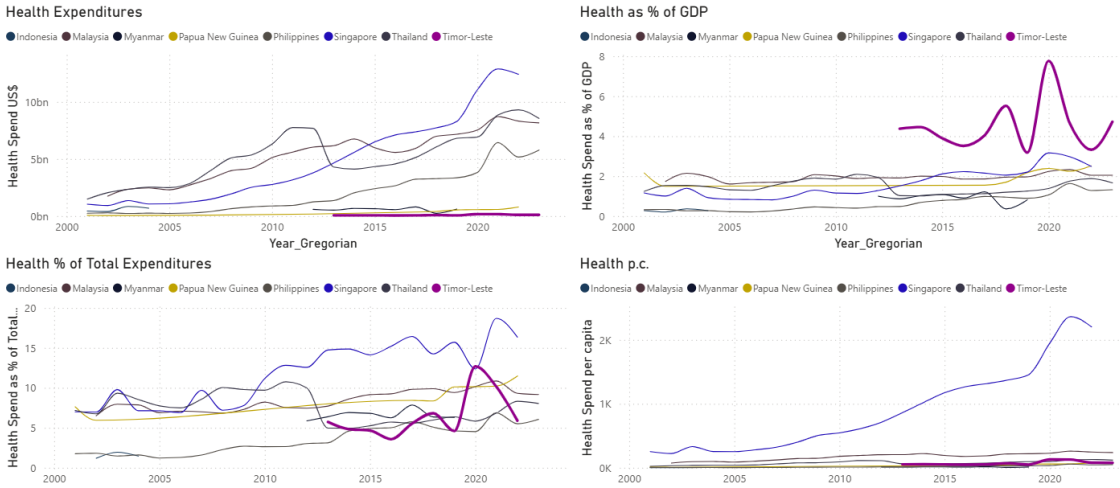
Est. Fiscal Impact Over the FEs: $35m

GPP 24: Tertiary Health Care as Social and Economic Infrastructure

Health Trends

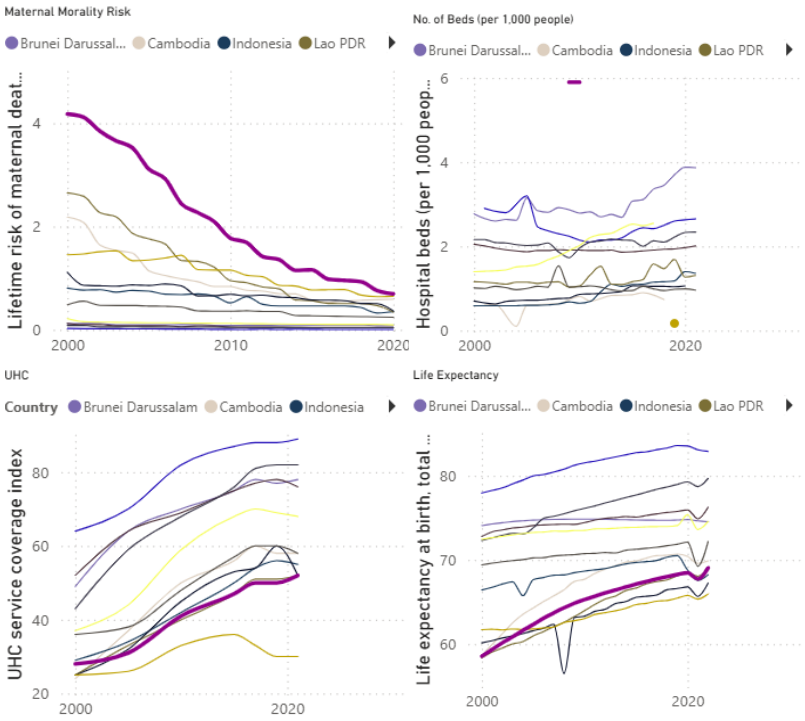
Tertiary health care capacity constraints are a major policy concern. Health spending is around 5 per cent of total expenditure, the second lowest share in ASEAN, although as a share of GDP it remains among the highest in the region (see Figure 55). Investment in non-financial assets through either the Ministry of Health or the Infrastructure Fund has been very limited. Upgrading the national hospital is therefore a key priority, alongside reducing the cost of overseas treatment. Better management of a subsidised user-charging policy for pharmaceuticals is also needed to strengthen inventory control and improve efficiency.

Figure 55. Health – BCG – ASEAN



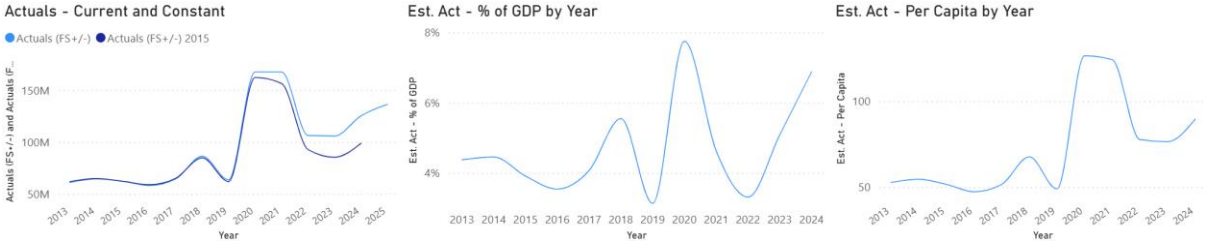
Source: TiFIS

Figure 56. Selected Health System Performance Metrics – ASEAN



Source: TiFIS

Figure 57. Tends in Health Spending – Core Comparators



Source: TiFIS

Table 52. Health Function Spending Trends: 2013-2025

COFOG1 (AFI)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
704-Economic affairs	412,766,100	500,090,750	544,315,721	895,702,096	542,867,075	578,201,514	546,198,850	356,687,835	432,351,829	614,772,860	440,241,332	567,126,744	669,951,116	7,101,273,824
701-General public services	222,855,485	333,556,334	268,976,496	259,922,154	195,221,998	110,550,297	214,894,269	166,764,724	188,712,826	223,218,474	240,466,540	272,293,043	241,213,938	2,938,646,578
710-Social protection	128,459,330	124,893,930	183,892,832	166,027,512	157,539,068	163,538,531	155,639,400	222,042,068	272,994,943	319,859,023	263,061,639	360,486,160	342,085,950	2,860,520,386
709-Education	111,630,198	153,653,806	139,246,934	123,618,525	112,203,691	113,002,485	116,039,193	100,883,401	154,533,126	132,382,356	170,996,126	158,411,753	155,332,498	1,741,945,104
707-Health	61,064,643	64,494,452	62,167,167	58,078,575	64,525,519	86,312,102	63,667,121	167,606,580	167,583,023	106,289,208	105,769,784	125,236,108	136,328,394	1,269,122,677
7074-Public health services	22,146,845	17,703,423	20,301,377	20,898,715	4,499,490	4,981,528	4,889,752	105,692,984	47,377,241	52,345,079	38,809,806	29,625,709	61,403,706	430,675,656
7076-Health not elsewhere classified	12,804,100	11,598,021	10,405,138	9,050,113	32,763,340	50,132,608	6,604,060	11,307,942	56,349,084	23,745,749	17,303,203	62,986,628	27,205,475	332,255,461
7073-Hospital services	18,494,151	32,878,823	29,172,358	18,034,085	14,386,690	12,095,273	24,967,259	22,751,751	29,488,550	26,904,721	38,719,639	15,135,766	31,051,326	314,080,392
7072-Outpatient services	6,636,052	1,010,121	1,268,717	2,965,543	3,809,697	7,749,504	25,495,250	26,979,022	31,814,656	2,198,294	8,908,635	15,483,796	4,577,044	138,896,331
7071-Medical products, appliances, and equipment	616,054	820,922	628,268	6,717,520	8,818,790	11,122,574	1,438,532	872,938	2,551,876	1,095,366	2,028,501	2,002,416	11,720,857	50,434,611
7075-R & D Health	367,441	483,143	391,310	412,599	247,512	230,615	272,269	1,942	1,616			1,793	369,986	2,780,225
705-Public order and safety	47,768,870	64,271,282	77,203,092	66,345,873	60,936,405	64,311,543	61,372,666	32,232,836	77,891,032	83,913,078	87,760,002	80,407,054	83,586,819	905,023,002
706-Housing and community amenities	59,167,221	55,331,924	19,615,250	16,330,632	6,911,762	5,628,904	15,149,627	22,236,318	104,094,678	181,540,906	87,538,573	92,286,324	94,197,307	760,029,426
702-Defense	40,723,177	44,241,804	37,389,065	34,145,952	26,552,625	26,906,919	33,241,998	24,374,782	33,282,366	42,231,796	64,988,339	50,730,989	52,651,041	511,460,854
708-Recreation, culture and religion	7,540,227	9,935,754	9,545,979	12,579,415	19,606,799	15,495,595	35,471,806	22,410,188	24,615,439	26,389,847	23,232,406	27,245,330	30,394,722	264,463,505
705-Environmental protection	2,126,822	6,471,905	4,807,654	3,557,489	4,832,565	2,181,719	1,967,989	2,311,174	6,404,696	10,213,961	14,029,497	25,896,306	6,579,049	91,380,826
Total	1,093,502,073	1,356,941,943	1,347,162,190	1,636,309,226	1,191,217,512	1,166,129,419	1,243,842,918	1,137,549,967	1,462,463,960	1,742,822,109	1,497,484,238	1,760,119,791	1,812,320,836	18,447,866,183

Source: TiFIS

Table 53. Health Financial Statements: 2013-2025

GFS 1	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
1 REVENUE	71,996	3,388,523	216,866	442,492	523,766	1,512,886	519,496	737,496	1,869,396	1,786,995	1,659,351	442,470	313,379	13,485,110
11 Taxes											655,322	239,992	36,893	932,207
13 Grants		3,350,159												3,350,159
14 Other revenue	71,996	38,365	216,866	442,492	523,766	1,512,886	519,496	737,496	1,869,396	1,786,995	1,004,029	202,478	276,486	9,202,745
2 EXPENSE	55,398,604	60,341,857	56,749,673	57,546,400	61,726,275	84,847,046	60,964,411	163,292,510	158,194,372	98,278,399	100,108,488	118,710,250	128,314,504	1,204,472,789
21 Compensation of employees	20,502,712	24,417,668	24,448,923	25,663,611	27,266,529	39,574,951	28,320,708	28,433,281	30,105,030	32,282,919	48,354,181	48,982,502	55,240,578	433,593,592
22 Use of Goods & Services	24,606,016	26,673,610	21,575,465	22,163,928	24,250,663	26,229,154	20,799,082	47,500,896	104,910,574	47,566,607	26,041,452	29,301,561	30,438,987	452,057,994
25 Subsidies											2,069,216	40,426,187	42,634,939	85,130,342
26 Grants											5,217,108			5,217,108
27 Social benefits	1,333,413				-295,476	7,654	45,736	207,200	32,400					1,330,927
28 Other expense	8,956,464	9,250,578	10,725,285	9,718,861	10,504,559	19,035,286	11,798,885	87,151,134	23,146,368	18,428,873	18,426,532			227,142,826
3 CHANGE IN NET WORTH	5,666,039	4,152,595	5,417,495	532,175	2,799,244	1,465,057	2,702,710	4,314,069	9,388,652	8,010,809	5,661,296	6,525,858	8,013,890	64,649,888
31 Net acquisition of nonfinancial assets	5,599,590	3,916,848	5,369,580	274,113	2,684,970	976,374	2,376,891	1,645,103	8,199,197	8,433,028	5,579,488	6,504,628	7,924,577	59,484,387
32 Financial assets	66,449	235,747	47,915	258,063	114,274	488,683	325,818	2,668,967	1,189,455	-422,219	81,808	21,230	89,313	5,165,502
Net Lending/Borrowing	-60,992,647	-61,105,929	-61,950,301	-57,636,084	-64,001,753	-84,799,217	-63,147,626	-166,869,084	-165,713,628	-104,502,213	-104,110,433	-124,793,638	-136,015,015	-1,255,637,567

Source: TiFIS

Table 54. Top 15 Health Agencies: 2013-2025

Admin Unit	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
017 Ministry of Health	57,971,768	62,233,365	62,648,724	40,273,102	41,222,036	69,859,383	42,285,241	39,529,955	48,838,445	52,432,265	65,875,559	66,555,461	75,567,104	725,292,409
079 COVID-19 Fund								109,918,022	93,135,820	26,558,954	7,678,387			237,291,183
084 Guido Valadares National Hospital				6,481,009	8,962,210	6,599,830	7,662,539	7,090,085	8,678,428	9,893,650	12,176,828	12,715,200	13,879,074	94,138,853
101 Autonomous Service of Medicines and Health Equipment, I.P.				5,533,509	7,919,341	11,359,455	7,320,912	6,685,544	9,626,964	8,542,788	8,701,558			65,690,070
126 National Institute of Pharmacy and Medical Products												15,714,378	15,577,998	31,292,375
041 Civil Society Support Services and Social												15,936,100		15,936,100
132 Office Support Civil Society													15,000,000	15,000,000
081 Human Capital Development Fund	2,692,497	283,394	45,242	3,194,892	2,026,639	2,184,975	790,974	259,365	753,712	600,067	310,139			13,141,896
080 Infrastructure Fund	237,877	1,758,138	1,923,343	165,429	45,982	686,856	123,302	9,560		264,801	2,031,358	2,478,459	2,604,650	12,329,755
103 National Ambulance and Emergency Medical Service									851,011	1,280,092	2,281,617	2,229,735	2,960,703	9,603,158
095 National Institute of Health				412,599	453,104	340,303	672,168	374,605	782,793	823,555	771,985	1,405,381	1,770,226	7,806,719
073 National Rehabilitation Center				663,546	598,451	497,012	326,698	277,799	347,056	687,201	921,656	1,220,912	1,180,109	6,720,440
099 National Health Laboratory				488,617	961,565	550,778	707,613	546,442	572,044	741,772	639,494			5,208,326
045 Dili Municipal Authority					293,503	300,100	432,579	306,239	304,498	358,674	474,233	440,921	1,014,219	3,924,967
043 Baucau Municipal Authority					271,853	281,336	319,823	238,436	346,597	319,912	324,154	389,436	331,577	2,823,124
Net Lending/Borrowing	61,064,643	64,494,452	62,167,167	58,078,575	64,525,519	86,312,102	63,667,121	167,606,580	167,583,023	106,289,208	105,769,784	125,236,108	136,328,394	1,269,122,677

Source: TiFIS

In terms of key health metrics, there are positive health trends indicating the system is working. While Timor-Leste has the third lowest life expectancy in ASEAN it has delivered the fastest improvement over time. Timor-Leste also has the highest maternal mortality risk in ASEAN but also with steady improvement. It has the second lowest universal health coverage in ASEAN but again with steady improvements. There were high bed numbers in the past but more recent data is limited (see Figure 56). This data indicates the system is functioning, but clear policy weaknesses are apparent (i.e. national hospital, overseas health care and pharmaceuticals).

Figure 57 to Table 54 reveal that the health sector has been expanding, but in a way that is increasingly driven by recurrent cost pressures rather than broad-based service transformation. The COFOG health function data indicates that health spending has risen over time in nominal terms, but that growth has not been especially strong relative to the overall budget, leaving Timor-Leste with a modest health share by regional standards despite a significant fiscal effort in GDP terms. Within that envelope, the financial statements show that the composition of spending has shifted sharply toward salaries and subsidies, pointing to a system that is becoming more expensive to operate even before major capital upgrading is undertaken.

The growth in salary costs is consistent with an expanding workforce and higher personnel commitments, while the rise in subsidies suggests increasing reliance on transfers and support mechanisms rather than direct investment in infrastructure or equipment. The biggest subsidies are for medical treatment abroad ($20m in 2025).

Investment in non-financial assets has been low with only $65m being spent over 13 years ($5m p.a.), of which $12m was via the Infrastructure fund (mostly for a paediatric wing for the hospital), another $12m from the COVID-19 Fund, and $22m via the MoH for rural health posts ($4.3m), National Hospital ($4.1m), Bacau Hospital ($1.6m) and vehicle and asset management ($4.8m).

Table 55. Health Aid as % of Government Education Expenditures (All Channels)

Item and Code 2011	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
705-Environmental protection	424.9%	128.6%	189.5%	308.9%	164.1%	293.2%	263.2%	224.2%	44.1%	58.2%	38.6%	**129.5%**
703-Public order and safety	91.1%	36.6%	25.7%	25.6%	30.2%	21.0%	24.7%	35.7%	39.9%	38.8%	34.5%	**35.4%**
707-Health	40.1%	41.9%	39.9%	45.2%	34.5%	26.1%	40.3%	26.1%	32.5%	30.6%	30.7%	**33.4%**
709-Education	33.4%	27.5%	23.4%	32.8%	30.8%	35.2%	42.9%	41.3%	27.6%	31.3%	29.7%	**31.8%**
701-General public services	23.6%	16.0%	15.7%	16.7%	31.3%	47.8%	21.8%	44.7%	35.6%	21.6%	31.0%	**25.4%**
706-Housing and community amenities	44.9%	41.8%	74.0%	67.0%	157.7%	186.9%	65.5%	26.1%	5.2%	1.5%	9.1%	**22.4%**
704-Economic affairs	16.7%	13.8%	14.5%	10.4%	16.3%	13.9%	18.2%	20.9%	13.4%	11.9%	13.7%	**14.4%**
710-Social protection	1.5%	9.8%	2.9%	1.5%	1.6%	6.2%	1.1%	0.6%	2.6%	2.3%	9.2%	**3.5%**
708-Recreation, culture and religion	2.4%	2.7%	1.4%	1.3%	0.9%	1.6%	0.9%	1.0%	1.4%	1.4%	0.7%	**1.3%**
Total	**24.1%**	**19.0%**	**16.9%**	**15.0%**	**20.7%**	**20.3%**	**20.4%**	**23.3%**	**18.4%**	**14.1%**	**19.0%**	**18.8%**

Source: TiFIS

Table 56. Health Aid as % of Education Expenditures (Government Channel)

Item and Code 2011	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
705-Environmental protection	126.4%	27.0%	46.0%	74.9%	44.2%	31.6%	12.0%	27.8%	3.6%	8.5%	1.4%	**24.3%**
707-Health	10.6%	12.2%	6.6%	10.5%	10.1%	9.4%	15.3%	11.4%	7.5%	6.8%	10.2%	**9.8%**
704-Economic affairs	8.9%	8.7%	9.7%	6.5%	8.6%	9.0%	13.2%	10.8%	6.3%	6.8%	7.2%	**8.6%**
709-Education	7.2%	5.1%	8.0%	8.7%	7.3%	12.9%	16.4%	1.0%	0.8%	3.0%	1.6%	**6.2%**
701-General public services	6.3%	4.5%	5.0%	4.9%	9.5%	13.0%	3.5%	11.8%	11.4%	2.7%	2.9%	**6.2%**
706-Housing and community amenities	4.2%	2.0%	7.1%	17.5%	11.4%	5.4%	3.0%	1.0%	1.1%	1.1%	7.9%	**3.4%**
703-Public order and safety	6.0%	0.4%	0.3%	0.2%	0.0%	0.4%	0.0%	1.6%	0.2%	0.5%	7.5%	**1.6%**
710-Social protection	0.2%	0.3%	0.2%	0.3%	0.2%	0.2%	0.3%	0.1%	1.0%	0.0%	2.8%	**0.6%**
708-Recreation, culture and religion		0.8%	0.7%	0.4%	0.5%	0.9%	0.3%	0.1%	0.0%		0.1%	**0.3%**
Total	**6.7%**	**5.7%**	**6.4%**	**5.8%**	**7.0%**	**7.8%**	**8.8%**	**7.0%**	**4.6%**	**3.6%**	**4.9%**	**6.0%**

Source: TiFIS

The agency data reinforces this picture. Spending is concentrated in a small number of institutions, with the Ministry of Health, the national hospital, and the Serviço Autónomo de Medicamentos e Equipamentos de Saúde (SAMES), which account for the largest shares of sector spending. This suggests that the health budget is being pulled in three directions at once: routine system-wide service delivery through the ministry, tertiary and referral pressures through the national hospital, and pharmaceuticals and medical supplies through the autonomous medicines and equipment agency. The broad narrative is therefore one of a health sector under

recurrent pressure, with rising staffing and subsidy costs, concentrated agency spending, and an underlying risk that too little of the increase is going toward the capital and quality improvements needed to strengthen tertiary care and overall system performance.

Donors deliver most health aid through channels outside government systems. Over the period, total health aid disbursed through all channels was equivalent to 33% of government education spending. By contrast, aid channelled through government systems amounted to only 9.8% of government health expenditure (see Table 55 and Table 56). This suggests a strong case for working with development partners to identify mutually acceptable arrangements that would allow a greater share of health aid to be delivered through government channels over time.

National Hospital as Social and Economic Infrastructure

A Government Project Proposal (GPP) is needed for CoM to take a strategic decision about the future shape of tertiary health care in Timor-Leste. The core policy issue is not only whether to invest in hospital infrastructure, but what level of service the country should aim to deliver domestically over the medium term. At present, weak tertiary capacity contributes to high costs for overseas treatment at around $20m p.a., service bottlenecks, and rising pressure on the existing health system. A well-structured GPP would therefore need to set out the service model, implementation path, recurrent cost implications, workforce requirements, and the expected contribution of the investment to stronger national self-sufficiency in specialist and referral care.

Table 57. Full Service National Hospital Costing Estimate

GRP Compliant GPP Statements

		Budget 2027	FE1	FE2	FE3	FE4	Total
Expenses		1,500,000	119,093,750	122,666,563	122,666,563	134,469,075	500,395,950
501	Salaries and Wages	-	-	-	-	7,293,688	7,293,688
502	Current Goods and Services	1,500,000	-	-	-	4,508,825	6,008,825
503	Public Transfers	-	-	-	-	-	-
504	Minor Capital	-	-	-	-	-	-
505	Capital Development	-	119,093,750	122,666,563	122,666,563	122,666,563	487,093,438

Table 58. Reduced Service Secondary Hospital Costing Estimate

GRP Compliant GPP Statements

		Budget 2027	FE1	FE2	FE3	FE4	Total
Expenses		500,000	25,750,000	26,522,500	26,522,500	36,070,600	115,365,600
501	Salaries and Wages	-	-	-	-	1,458,738	1,458,738
502	Current Goods and Services	500,000	-	-	-	8,089,363	8,589,363
503	Public Transfers	-	-	-	-	-	-
504	Minor Capital	-	-	-	-	-	-
505	Capital Development	-	25,750,000	26,522,500	26,522,500	26,522,500	105,317,500

One option is that Government pursues a full-service 250-bed national hospital at an estimated cost of $0.5 billion over five years including running costs of around $12m p.a. (see Table 57). This option would provide the strongest platform for building a top-tier tertiary referral hospital, with capacity for a broader range of specialist services, more advanced diagnostics and treatment, and a greater reduction in dependence on overseas care. It would also create the opportunity to establish a more credible long-term centre of excellence for training, clinical governance, and specialist workforce development. However, the scale of the investment is substantial and would require careful staging, strong leadership and project governance, and a clear multi-source financing strategy to ensure that capital costs, equipment, staffing, maintenance, and operational readiness remain fiscally manageable.

Under a second option, Government would deliver a reduced-service 100-bed secondary hospital at an estimated cost of $105 million over five years, with running costs of $9.5m p.a. (see Table 58 above). This option would be materially less expensive and easier to finance, and could still improve domestic service delivery by relieving some pressure on the current system and expanding bed capacity. However, it would not fully resolve the underlying tertiary care gap,

and the country would likely remain dependent on overseas treatment for a significant share of higher-complexity cases. The GPP should therefore present this as a lower-cost but lower-impact option, while making clear that the full-service 250-bed model offers a more transformative, though more fiscally demanding, pathway. The central policy choice is whether Government wishes to make an incremental improvement in hospital capacity, or use the investment to fundamentally reposition Timor-Leste's national tertiary health system over the next decade.

A national hospital should also be understood not only as social infrastructure, but as core economic infrastructure. A country that aims to build a high-value niche tourism industry, attract internationally mobile professionals, and secure major private investment cannot rely on a health system that lacks a trusted tertiary referral facility. High-spending tourists, international insurers, foreign firms, and project investors all place value on the availability of credible hospital care when assessing destination risk and operating conditions. This is particularly relevant for Timor-Leste's wider economic strategy, including niche tourism and major Final Investment Decision (FID)–related investments, where confidence in emergency response, specialist treatment, and patient safety can materially affect investment attractiveness. On that basis, the hospital should be framed not only as a health sector asset, but as enabling infrastructure for growth, confidence, and economic diversification.

GPP Option 24: on Tertiary Health Care as Social and Economic Infrastructure

Ministry of Health, Ministry of Finance, MPIE and the Infrastructure Fund to bring forward a Government Project Proposal on building greater national self-sufficiency in tertiary health care through the establishment of a trusted tertiary referral hospital. The proposal should set out service-level options, including a full-service national hospital and a lower-cost secondary hospital model, together with capital and recurrent cost estimates, workforce and operating requirements, implementation phasing, governance arrangements, and financing options. It should also assess the expected impact on reducing overseas treatment costs, improving patient safety and clinical trust, supporting high-value tourism and investor confidence, and strengthening Timor-Leste's long-term economic and social resilience.

Est. Fiscal Impact Over the FEs: $0.1b - $0.5b

GPP 25: Strengthening Public Order and Safety Function

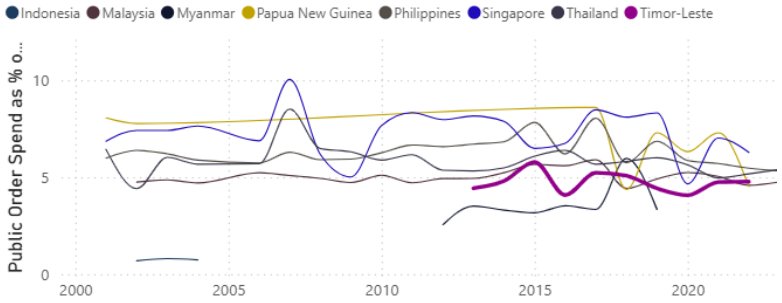
Public Order and Safety Spending Trends

Public Order and Safety spending is relatively low compared to other ASEAN and g7+ countries (see Figure 58). The reason is not clear why the low level of investment, but it may be due to historical social protection policy to invest in peace via veterans' policies. Public order and safety policy needs a detailed review to consider options for the right level of investment and performance outcomes and how to rebalance allocations from other sectors like social protection over the medium term.

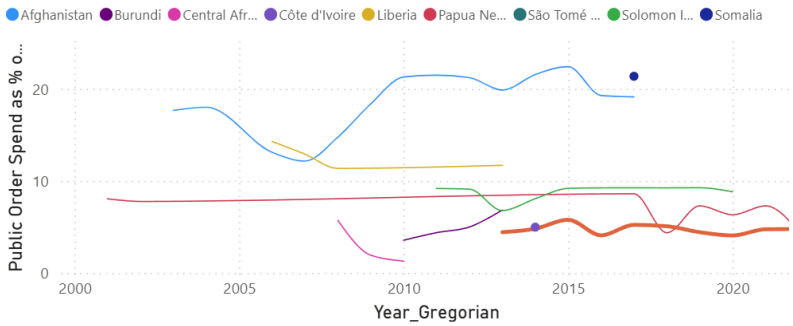
The composition of Public Order and Safety spending by COFOG is heavily dominated by police services, which account for about **$0.6 billion** of the roughly **$0.9 billion** spent over the 13-year period (see Table 59). Law courts are the next largest component at around **$140 million**, well behind policing but still materially larger than the remaining sub-functions. The figures also need to be interpreted with caution because the classification of fire services appears weak, suggesting some expenditure may be understated, misallocated, or not separately visible in a way that allows robust trend analysis.

Figure 58. Public Order and Safety – BCG – ASEAN & g7+ (% of Exp)

ASEAN

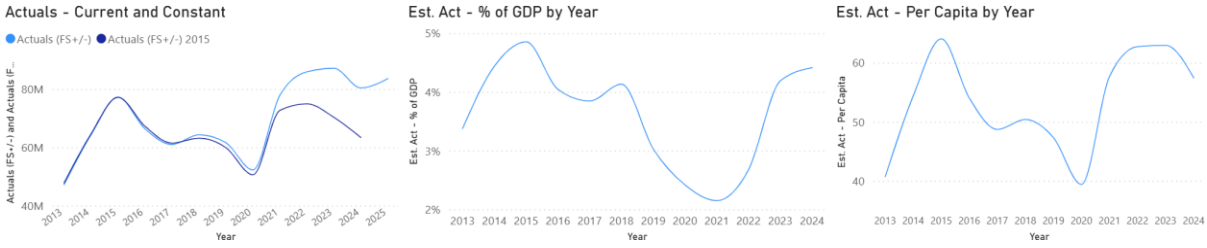


g7+



Source: TiFIS

Figure 59. Trends in Public Order and Safety Spending – Core Comparators



Source: TiFIS

Table 59. Public Order and Safety Spending Function Spending Trends: 2013-2025

COFOG1 (AFI)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
704-Economic affairs	412,766,100	500,090,750	544,315,721	895,702,096	542,867,075	578,201,514	546,198,850	356,687,835	432,351,829	614,772,860	440,241,332	567,126,744	669,951,116	7,101,273,824
701-General public services	222,855,485	333,556,334	268,976,496	259,922,154	195,221,998	110,550,297	214,894,269	166,764,724	188,712,826	223,218,474	240,466,540	272,293,043	241,213,938	2,938,646,578
710-Social protection	128,459,330	124,893,930	183,892,832	166,027,512	157,539,068	163,538,531	155,639,400	222,042,068	272,994,943	319,859,023	263,061,639	360,486,160	342,085,950	2,860,520,386
709-Education	111,630,198	153,653,806	139,246,934	123,619,525	112,203,691	113,002,495	116,039,193	100,883,401	154,533,126	132,392,356	170,996,126	158,411,753	155,332,499	1,741,945,104
707-Health	61,064,643	64,494,452	62,167,167	58,078,575	64,525,519	86,312,102	63,667,121	167,606,580	167,583,023	106,289,208	105,769,784	125,236,108	136,328,394	1,269,122,677
703-Public order and safety	47,168,870	64,271,282	77,205,092	66,345,875	60,956,409	64,311,345	61,572,666	52,232,898	77,891,032	85,913,678	87,160,002	80,407,034	83,586,819	909,023,002
7031-Police services	25,610,099	27,347,120	37,897,415	39,828,679	37,255,103	39,640,690	42,127,255	38,020,370	53,123,531	64,133,542	60,065,067	53,686,091	52,734,217	571,469,180
7033-Law courts	12,077,366	12,305,530	10,500,451	10,592,165	10,659,818	9,317,375	12,674,472	8,601,127	9,144,683	7,333,632	13,056,669	10,022,453	13,971,559	140,257,299
7036-Public order and safety not elsewhere classified	1,747,968	12,597,960	16,630,500	11,961,307	11,202,411	13,305,558	4,382,539	3,066,998	13,508,697	11,906,409	11,615,558	14,325,775	13,297,054	139,548,733
7034-Prisons	7,733,437	12,020,671	12,176,726	3,963,724	1,839,078	2,047,721	2,283,731	2,437,030	2,114,121	2,413,545	2,311,273	2,269,240	2,748,725	56,359,024
7032-Fire protection services							104,669	107,373		5,646	93,960	103,474	835,265	1,250,387
7035-R & D Public order and safety										120,904	17,476			138,380
706-Housing and community amenities	59,167,221	55,331,924	19,615,250	16,330,632	6,911,762	5,628,904	15,149,627	22,236,318	104,094,678	181,540,906	87,538,573	92,286,324	94,197,307	760,029,426
702-Defense	40,723,177	44,241,804	37,389,065	34,145,952	26,552,625	26,906,919	33,241,998	24,374,782	33,282,366	42,231,796	64,988,339	50,730,989	52,651,041	511,460,854
7021-Military defense	32,318,084	32,150,342	25,059,165	22,253,910	19,489,888	20,292,952	16,411,234	12,020,001	18,406,682	26,288,632	49,079,362	38,335,915	40,235,254	352,341,423
7022-Civil defense	8,405,093	11,987,694	11,285,398	8,358,078	5,455,937	5,021,564	13,828,150	10,002,077	12,394,991	14,953,041	14,470,626	11,099,813	11,246,013	138,508,477
7025-Defense not elsewhere classified		103,768	1,044,502	3,533,964	1,606,800	1,592,402	3,002,613	2,352,705	2,480,693	990,123	1,438,352	1,295,260	1,169,773	20,610,954
708-Recreation, culture and religion	7,540,227	9,935,754	9,545,979	12,579,415	19,606,799	15,495,595	35,471,806	22,410,188	24,615,439	26,389,847	23,232,406	27,245,330	30,394,722	264,463,505
705-Environmental protection	2,126,822	6,471,905	4,807,654	3,557,489	4,832,565	2,181,719	1,967,989	2,311,174	6,404,696	10,213,961	14,029,497	25,896,306	6,579,049	91,380,826
Total	1,093,502,073	1,356,941,943	1,347,162,190	1,636,309,226	1,191,217,512	1,166,129,419	1,243,842,918	1,137,549,967	1,462,463,960	1,742,822,109	1,497,484,238	1,760,119,791	1,812,320,836	18,447,866,183

Source: TiFIS

Over time, spending appears to have fallen noticeably between 2016 and 2020, indicating a period of compression before rebounding in the early 2020s (see Figure 59). A particularly striking feature of the financial statements (see Table 60) is the large increase in the **wage bill in 2021–22**, which suggests a step-up in staffing, pay, or both, and has likely shifted the spending mix further toward recurrent costs. By contrast, spending on **fixed assets** has remained relatively low across the period, pointing to limited long-term investment in stations, court infrastructure, detention facilities, and other core public order assets. Within capital items, however, **machinery and equipment** has been much more volatile, with sharper year-to-year movements that are more consistent with episodic procurement of vehicles, communications systems, and operational equipment rather than a stable investment pipeline. Taken together, the figures suggest a sector that has been driven more by recurrent operational pressures—especially policing and personnel costs—than by sustained capital development.

Table 60. Public Order and Safety Financial Statements: 2013-2025

GFS 1	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
1 REVENUE	4,004,409	2,719,620	4,123,594	3,839,633	4,126,670	3,473,019	4,920,284	3,953,067	4,397,696	5,007,183	2,090,532	1,286,189	657,135	44,599,031
11 Taxes						65,867	227,444	344,476	469,015	586,339	965,152	63,436	155,893	2,877,624
14 Other revenue	4,004,409	2,719,620	4,123,594	3,839,633	4,126,670	3,407,152	4,692,841	3,608,590	3,928,681	4,420,843	1,125,380	1,222,753	501,242	41,721,407
141 Property income	2,502,450	2,706,300	3,865,064	3,632,606	3,879,134	3,363,737	4,255,402	3,083,468	3,544,975	4,349,614				35,182,751
142 Sales of goods and services	1,501,959	13,319	258,530	207,027	247,536	43,415	437,439	525,122	333,367	71,229	664,951	813,919	99,593	5,217,406
1422 Admin. fees	1,500,543	13,319	258,530	207,027	247,506	39,161	435,651	512,648	332,917	54,598	664,951	813,919	99,593	5,180,364
1423 Incidential sales by nonmarket estab.	1,416			0	30	4,253	1,788	12,474	450	16,630				37,042
143 Fines, penalties, and forfeits									50,338			408,834	401,649	860,821
145 Miscellaneous and unidentified revenue											460,429			460,429
2 EXPENSE	41,607,878	56,935,798	71,054,190	61,975,275	59,847,979	63,688,012	55,132,419	51,021,270	68,943,424	76,809,295	76,255,824	74,503,430	78,309,880	836,084,673
21 Compensation of employees	17,927,783	17,973,534	22,805,138	24,292,973	25,805,066	29,223,199	30,127,247	28,819,272	37,187,383	51,103,834	56,669,890	58,532,749	62,916,369	463,384,436
22 Use of Goods & Services	17,566,197	28,891,152	37,910,773	36,069,666	33,755,590	34,314,511	24,811,141	22,148,476	30,419,972	25,313,384	19,585,934	15,955,681	15,393,511	342,135,988
25 Subsidies												15,000		15,000
27 Social benefits	5,132,901	8,565,960	8,375,640											22,074,501
28 Other expense	980,997	1,505,152	1,962,639	1,612,635	287,323	150,302	194,032	53,522	1,336,069	392,078				8,474,748
3 CHANGE IN NET WORTH	5,560,992	7,335,484	6,150,902	4,370,601	1,108,431	623,333	6,440,247	1,211,628	8,947,609	9,104,383	10,904,178	5,903,604	5,276,939	72,938,329
31 Net acquisition of nonfinancial assets	5,521,641	7,342,315	6,151,897	4,288,226	1,076,347	606,122	6,336,355	1,139,882	8,939,303	8,998,989	10,826,734	5,903,604	5,210,610	72,342,024
311 Fixed assets	5,521,641	7,342,315	6,151,897	4,288,226	1,076,347	606,122	6,336,355	1,139,882	8,939,303	8,998,989	10,826,734	5,888,998	5,210,610	72,327,419
3111 Buildings and Structures	3,525,734	3,466,442	2,448,778	2,185,314	403,411	599,696	3,086,190	541,096	3,045,314	1,981,742	5,274,320	1,708,928	4,517,838	32,784,804
3112 Machinery and Equipment	1,995,906	3,875,873	3,703,119	2,102,911	672,936	6,426	3,250,165	598,786	5,893,989	7,017,246	5,552,414	4,180,070	692,773	39,542,615
314 Nonproduced assets												14,606		14,606
32 Financial assets	39,351	-6,831	-995	82,375	32,084	17,210	103,891	71,746	8,306	105,394	77,444		66,329	596,305
Net Lending/Borrowing	-43,164,461	-61,551,663	-73,081,498	-62,506,242	-56,829,739	-60,838,326	-56,652,382	-48,279,831	-73,493,336	-80,906,496	-85,069,470	-79,120,844	-82,929,684	-864,423,971

Source: TiFIS

At the agency level, spending is concentrated in three institutions: the **Ministry of Interior**, the **Ministry of Justice**, and the **Police**, which together account for the largest share of

expenditure and largely explain the strong weighting toward police and justice-related functions within the overall COFOG profile (see Table 61).

Table 61. Top 12 Public Order and Safety Agencies: 2013-2025

Admin Unit	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
030 Ministry of Interior			35,668,816	37,284,965	35,324,238	57,445,674	39,194,031	36,767,989	50,300,189	61,572,731	7,232,414	5,750,667	6,055,514	372,597,228
015 Ministry of Justice	10,772,694	22,148,905	25,472,418	19,807,794	18,177,604	22,322,508	7,126,125	5,519,568	10,191,344	8,551,722	6,955,915	7,041,334	5,615,701	169,703,631
031 Timor-Leste National Police											48,384,574	46,320,517	45,457,015	140,162,107
028 Ministry of Defense	23,666,910	25,555,555	1,264,605											50,487,070
034 Attorney General's Office	3,078,727	3,238,868	2,783,308	2,855,895	3,128,389	4,751,770	3,622,488	3,798,376	4,049,964	3,606,844	5,000,329	3,553,906	3,665,301	47,134,165
033 Tribunals						2,977,140	6,093,027	4,523,456	5,202,572	4,885,475	5,580,544	4,470,924	4,528,014	38,261,151
021 Ministry of Social Solidarity	6,102,313	9,943,091	10,171,941	1,768,289	112,869	276,741	146,167	-133		84,761	17,554	52,604	13,600	28,689,795
080 Infrastructure Fund	2,843,852	2,675,743	1,604,932	1,668,108	401,368	625,767	3,013,556	43,106	2,510,240	968,330	4,514,512	930,043	4,253,363	26,052,920
037 Criminal Investigation Scientific Police				1,039,247	1,555,231	1,254,995	1,682,543	1,432,499	1,981,143	1,654,873	1,711,530	1,868,348	1,994,317	16,174,725
013 General State Appropriation											2,778,021	4,332,205	4,468,600	11,578,826
035 Ombudsman for Human Rights	1,406								1,574,669	1,431,765	1,606,535	1,827,484	1,745,347	8,187,207
074 Anti Corruption Commission					6,812	-1,508	-1,355	7,301	1,140,743	1,433,354	1,131,418	1,673,400	1,551,277	6,941,442
Total	47,168,870	64,271,282	77,205,092	66,345,875	60,956,409	64,311,345	61,572,666	52,232,898	77,891,032	85,913,678	87,160,002	80,407,034	83,586,819	909,023,002

Source: TiFIS

Donors deliver most Public Order and Safety aid through channels outside government systems. Over the period, total Public Order and Safety aid disbursed through all channels was equivalent to 35% of government education spending. By contrast, aid channelled through government systems amounted to 1.6% of government expenditure on Public Order and Safety (see Table 62 and Table 63). This suggests a strong case for working with development partners to identify mutually acceptable arrangements that would allow a greater share of health aid to be delivered through government channels over time.

Table 62. Public Order and Safety Aid as % of Education Expenditures (All Channels)

Item and Code 2011	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
705-Environmental protection	424.9%	128.6%	189.5%	308.9%	164.1%	293.2%	263.2%	224.2%	44.1%	58.2%	38.6%	**129.5%**
703-Public order and safety	91.1%	36.6%	25.7%	25.6%	30.2%	21.0%	24.7%	35.7%	39.9%	38.8%	34.5%	**35.4%**
707-Health	40.1%	41.9%	39.9%	45.2%	34.5%	26.1%	40.3%	26.1%	32.5%	30.6%	30.7%	**33.4%**
709-Education	33.4%	27.5%	23.4%	32.8%	30.8%	35.2%	42.9%	41.3%	27.6%	31.3%	29.7%	**31.8%**
701-General public services	23.6%	16.0%	15.7%	16.7%	31.3%	47.8%	21.8%	44.7%	35.6%	21.6%	31.0%	**25.4%**
706-Housing and community amenities	44.9%	41.8%	74.0%	67.0%	157.7%	186.9%	65.5%	26.1%	5.2%	1.5%	9.1%	**22.4%**
704-Economic affairs	16.7%	13.8%	14.5%	10.4%	16.3%	13.9%	18.2%	20.9%	13.4%	11.9%	13.7%	**14.4%**
710-Social protection	1.5%	9.8%	2.9%	1.5%	1.6%	6.2%	1.1%	0.6%	2.6%	2.3%	9.2%	**3.5%**
708-Recreation, culture and religion	2.4%	2.7%	1.4%	1.3%	0.9%	1.6%	0.9%	1.0%	1.4%	1.4%	0.7%	**1.3%**
Total	**24.1%**	**19.0%**	**16.9%**	**15.0%**	**20.7%**	**20.3%**	**20.4%**	**23.3%**	**18.4%**	**14.1%**	**19.0%**	**18.8%**

Source: TiFIS

Table 63. Public Order and Safety Aid as % of Education Expenditures (Gov Channel)

Item and Code 2011	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
705-Environmental protection	126.4%	27.0%	46.0%	74.9%	44.2%	31.6%	12.0%	27.8%	3.6%	8.5%	1.4%	**24.3%**
707-Health	10.6%	12.2%	6.6%	10.5%	10.1%	9.4%	15.3%	11.4%	7.5%	6.8%	10.2%	**9.8%**
704-Economic affairs	8.9%	8.7%	9.7%	6.5%	8.6%	9.0%	13.2%	10.8%	6.3%	6.8%	7.2%	**8.6%**
709-Education	7.2%	5.1%	8.0%	8.7%	7.3%	12.9%	16.4%	1.0%	0.8%	3.0%	1.6%	**6.2%**
701-General public services	6.3%	4.5%	5.0%	4.9%	9.5%	13.0%	3.5%	11.8%	11.4%	2.7%	2.9%	**6.2%**
706-Housing and community amenities	4.2%	2.0%	7.1%	17.5%	11.4%	5.4%	3.0%	1.0%	1.1%	1.1%	7.9%	**3.4%**
703-Public order and safety	6.0%	0.4%	0.3%	0.2%	0.0%	0.4%	0.0%	1.6%	0.2%	0.5%	7.5%	**1.6%**
710-Social protection	0.2%	0.3%	0.2%	0.3%	0.2%	0.2%	0.3%	0.1%	1.0%	0.0%	2.8%	**0.6%**
708-Recreation, culture and religion		0.8%	0.7%	0.4%	0.5%	0.9%	0.3%	0.1%	0.0%		0.1%	**0.3%**
Total	**6.7%**	**5.7%**	**6.4%**	**5.8%**	**7.0%**	**7.8%**	**8.8%**	**7.0%**	**4.6%**	**3.6%**	**4.9%**	**6.0%**

Source: TiFIS

Towards a Stronger Public Order and Safety Function

A stronger Public Order and Safety function is justified on both governance and development grounds, but any expansion in funding should be tied to clear reprioritisation and savings elsewhere in the budget rather than simply adding to aggregate expenditure. Timor-Leste's spending on public order and safety remains relatively low compared with the scale of the country's state-building needs, particularly in policing presence, prison management, court

functionality, and basic fire and emergency services. Weaknesses in these areas can impose wider economic and social costs: lower public confidence, weaker deterrence, slower dispute resolution, and greater vulnerability to localized instability. A stronger POS presence should therefore be understood not only as a security measure, but as part of the basic institutional platform needed for investment, service delivery, and long-term peace. However, given fiscal constraints and the broader need to reduce pressure on the Petroleum Fund, the preferred policy approach is to improve the strength of the POS function through expenditure switching and savings, rather than through a net increase in total budget spending.

Police

A stronger police service will require more than additional personnel alone. Timor-Leste also needs a phased program to modernise core police capabilities, including replacement of ageing vehicles and motorcycles, improved communications systems, basic protective and operational equipment, upgraded information and case-management tools, and more reliable facilities in municipalities and remote posts. Training needs are equally important. A credible police strengthening strategy should include regular in-service training in community policing, investigation, public order management, border and maritime awareness, evidence handling, leadership, and professional standards, supported by stronger supervision and performance management. Without sustained investment in equipment, mobility, communications, and training, increases in staffing are unlikely to translate into a more visible, trusted, and effective police presence on the ground.

Courts

Timor-Leste's justice system has expanded basic court access, but the higher court architecture remains incomplete. At the lower level, the country has succeeded in establishing a basic court presence capable of handling many routine and first-instance matters. This has been important for state presence, dispute resolution, and the visible functioning of public authority. However, the institutional pyramid above this level remains underdeveloped. The problem is no longer only one of legal design. It is also one of physical infrastructure, judicial staffing, professional depth, and the sustained administrative capacity required to operate a full hierarchy of courts effectively.

The core gap is that Timor-Leste still does not yet have a fully established higher court system that is consistently built, staffed, and functioning to the standard required of a mature national judiciary. In practice, this means that while lower-level or magistrate-type courts may exist and operate, the country has struggled to consolidate the higher layers of the judicial system through permanent facilities, qualified judges, specialist legal personnel, and sufficiently strong case-management and appellate capacity. This creates bottlenecks in the administration of justice, weakens legal certainty, slows the resolution of more complex disputes, and limits the country's ability to project a complete and credible rule-of-law system.

Four courts still need to be established: i) Constitutional Court; ii) Supreme Justice Court, iii) Administrative and Tax Court; and iv) Court of Accounts (to be separated from the Court of Appeal).

These four higher courts are important because together they complete the national justice architecture and strengthen the credibility of the state. A Constitutional Court helps protect the Constitution and resolve disputes over the legality of laws and government action; a Supreme Court of Justice provides a final and authoritative level of appeal and helps unify legal interpretation; an Administrative and Tax Court gives citizens and businesses a proper avenue to

challenge administrative decisions and tax matters; and a Court of Accounts strengthens oversight of public finances and the lawful use of state resources. Taken together, they would reinforce rule of law, checks and balances, property rights, commercial confidence, and trust in public institutions.

This matters well beyond the justice sector itself. A functioning higher court system is a core part of economic governance, investor confidence, constitutional order, and public trust. Businesses, citizens, and state institutions all depend on the availability of a court structure that can hear appeals, resolve complex civil and commercial matters, uphold administrative legality, and provide authoritative judicial interpretation. Where these functions are weak, delayed, or only partially institutionalised, the result is not simply inconvenience. It is a structural constraint on property rights, contract enforcement, public accountability, and the credibility of the state itself.

For Budget 2027, this creates a strong case for treating higher judicial capacity as a medium-term institution-building priority rather than a narrow justice administration issue. A future Government Policy Priority in this area should focus on the phased establishment and strengthening of the higher court system, including court infrastructure, judicial and prosecutorial workforce development, legal training pathways, case management systems, and the supporting administrative functions needed for sustained operation. The aim should not be to build expensive formal institutions without the people to run them. Rather, it should be to sequence physical, legal, and human-capacity investments so that Timor-Leste gradually closes the gap between having basic lower courts and having a complete and credible national court hierarchy.

Joint Submission

For PRC purposes, the GPP should therefore commission a joint submission that links POS strengthening directly to an identified savings pathway, phased implementation plan, and measurable service improvements. The submission should set out low, medium, and higher ambition options over a five- to ten-year horizon, with each option identifying the recurrent and capital costs involved, the financing source from verified savings, and the operational improvements expected in return. It should also assess trade-offs between investing in social protection as a peace dividend and investing in law enforcement and justice institutions as a peace-preserving function, with the aim of achieving a better overall balance across government. This would give PRC ministers a clearer basis for deciding not only whether to strengthen POS, but how to do so in a fiscally disciplined way that improves public safety, supports institutional credibility, and avoids simply layering new spending onto an already stretched budget.

GPP Option 25: on Strengthening the Public Order and Safety Function

Investing in Public Order and Safety

Ministry of Justice, Ministry of Interior and MPIE, with support from the Ministry of Finance to bring forward a joint long-term Public Order and Safety strategy aimed at establishing a stronger and more visible national POS presence over the next 5–10 years. The strategy should focus on building core operational capacity in police, prisons and courts, including workforce planning, facility and equipment needs, geographic service coverage, and the medium-term recurrent and capital costs required to sustain improved service delivery. It should also include a stronger expenditure and performance tracking framework for fire services, so that spending can be more accurately classified, monitored and assessed as part of the broader POS system. The submission should set out phased options, financing requirements, implementation responsibilities, and the expected contribution of a stronger POS presence to deterrence, rule of law, public confidence and long-term peace and stability. Options for financing for the strategy should be provided, including an assessment if social protection savings from efficiency improvements could cover additional funding needs.

Est. Fiscal Impact Over the FEs: $0

Developing the Court System

Ministry of Justice, the Court of Appeal, and MPIE with support from the the Ministry of Finance to bring forward a joint Government Policy Priority submission on Strengthening Higher Courts and Judicial Capacity, aimed at closing the gap between Timor-Leste's existing lower-level court presence and the incomplete establishment of a fully functioning higher court system. The submission should set out a phased five-to-ten-year program for building and operationalising higher court capacity, including court facilities, chambers, registry and case-management systems, judicial and prosecutorial workforce development, specialist legal training pathways, and the broader administrative and institutional support required for appellate and complex case functions to operate effectively. It should assess the current legal and operational gaps, identify options for sequencing physical infrastructure with recruitment and professional formation of qualified judges and support staff, and clarify how Government will avoid creating court structures that exist formally but remain under-functioning in practice.

The proposal should also explain how strengthened higher courts would support rule of law, constitutional order, property rights, commercial confidence, and the more efficient resolution of complex civil, administrative, and criminal matters. The submission should assess capital and recurrent costs, delivery and implementation risks, transitional arrangements, and measurable indicators of progress, including the establishment of functioning higher court facilities, improved appellate capacity, shorter delays in complex case resolution, and stronger confidence in the national justice system over time.

Est. Fiscal Impact Over the FEs: $15m–$40m

GPP 26: Fiscal Fairness and Sub-National Government Operations

Sub-National Government Spending Trends

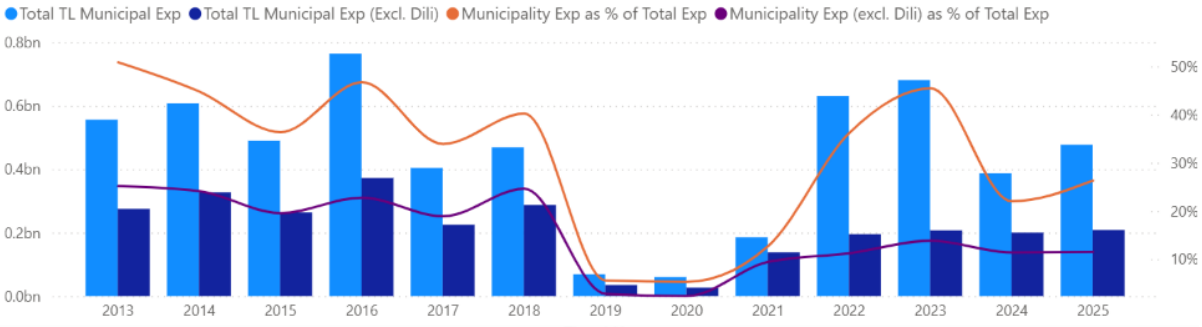
The following figures and tables provide an initial picture of how tracked sub-national expenditure has evolved across municipalities and Oecusse over time, and what that suggests about fiscal fairness. They are not sufficient on their own to determine whether current allocations are equitable, but they do help identify broad trends, territorial disparities, and possible anomalies in the data. Taken together, they indicate that the current pattern of tracked spending is uneven over time and across jurisdictions, and they provide a useful starting point for assessing whether a more transparent and rules-based allocation framework is needed.

Aggregate sub-national government spending outside Dili was relatively high in the earlier part of the period, with municipalities and Oecusse together accounting for more than 20 per cent of total expenditure between 2013 and 2018 (see Figure 60). This suggests that, at least on the face of the data, a significant share of public spending was being tracked at sub-national level during those years. That pattern then changed markedly in 2019 and 2020, when the series appears to flatline. It is not yet clear whether this reflects a genuine reduction in sub-national spending, a change in recording practices, or accounting and classification issues. Spending then rises again in the later years, but only to a level a little above 10 per cent of total expenditure, well below the earlier period. On any reading, the data points to an uneven and unstable picture of tracked sub-national expenditure over time.

In nominal terms, the largest volumes of tracked sub-national spending remain concentrated in the bigger and more established municipalities, reflecting both scale and longstanding expenditure patterns (see Table 64). What is notable in the later years is the appearance of Atauro in 2022 as a separately visible entity in the dataset, which changes the presentation of the territorial distribution from that point onward. This is important analytically because Atauro's emergence affects both the nominal rankings and the comparability of later-year shares with the earlier period. The data therefore needs to be interpreted with some care: part of the apparent shift in territorial patterns after 2022 may reflect a real change in resource allocation, but part may also reflect a structural change in how spending is being attributed and reported.

The COFOG table shows that Economic Affairs has been the dominant function in tracked sub-national spending over the period, indicating that municipal and Oecusse expenditures have been driven more by economic and infrastructure-related activities than by a balanced spread across service functions (see Table 65). In the early part of the series, this pattern was especially pronounced in Covalima, where spending linked to Tasi Mane appears to have been a major driver of the municipality's expenditure profile. This is important because it suggests that some of the largest territorial spending outcomes were shaped less by a stable sub-national allocation model than by the geographic concentration of major national projects. As a result, the table reinforces the need to distinguish between municipality-level spending that reflects underlying fiscal fairness and service delivery needs, and spending that is temporarily elevated by large, place-based national investments.

Figure 60. Aggregate Sub-National Government Spending Trends 2013-25



Source: TiFIS

Table 64. Sub-National Government Spending by Municipality/Region 2013-25

Country	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Timor-Leste	**556,101,122**	**607,637,009**	**489,741,731**	**764,350,022**	**403,898,627**	**468,907,710**	**69,188,321**	**60,089,236**	**185,451,072**	**630,715,807**	**680,634,089**	**387,217,682**	**477,070,772**	**5,781,003,201**
Aileu	11,347,755	13,306,215	9,269,559	11,887,835	5,365,006	6,663,555	2,278,236	1,696,966	7,624,160	11,027,599	20,861,104	8,503,642	14,729,632	**124,561,265**
Ainaro	25,565,940	25,995,677	24,156,399	22,744,887	19,034,142	20,735,534	2,959,579	2,035,018	7,359,679	6,864,030	6,791,248	12,169,827	12,361,125	**188,773,085**
Atauro										1,189,274	1,684,643	3,519,159	4,591,546	**10,984,623**
Baucau	32,433,152	34,066,582	25,663,873	27,533,323	25,248,330	23,576,919	4,352,274	3,373,341	17,678,130	30,654,483	29,878,161	34,584,824	24,639,959	**313,683,349**
Bobonaro	29,638,091	25,189,847	20,417,154	19,145,470	10,814,692	11,140,974	4,136,952	2,882,463	14,996,607	15,471,657	16,234,362	22,592,132	26,063,272	**218,723,674**
Covalima	22,302,752	46,667,759	55,149,615	132,299,454	95,674,495	137,138,570	3,886,701	2,563,976	9,003,894	8,349,686	10,067,037	12,989,906	10,665,208	**546,759,053**
Dili	280,934,885	280,594,801	226,228,758	392,068,655	179,002,708	181,886,754	34,593,272	33,661,051	47,620,332	435,200,753	473,578,652	187,301,459	268,952,105	**3,021,624,184**
Ermera	26,133,013	22,553,839	17,871,370	26,694,679	12,589,299	18,532,919	3,607,195	2,599,449	6,883,749	6,968,638	9,162,886	9,461,912	12,071,116	**175,130,065**
Lautém	20,057,824	22,070,513	16,618,122	13,309,998	7,335,563	6,851,065	2,835,684	2,402,992	12,251,223	11,910,478	9,055,910	11,769,843	11,308,018	**147,777,233**
Liquiça	20,447,492	18,454,572	12,995,452	9,413,933	6,597,943	11,157,921	900,078	1,718,154	4,925,384	8,901,245	8,975,051	8,180,938	9,089,436	**121,757,600**
Manatuto	15,654,673	21,045,364	19,321,892	30,031,643	15,685,864	16,900,695	3,459,681	2,289,015	13,189,874	16,957,859	9,025,064	12,609,015	16,505,911	**192,676,550**
Manufahi	23,445,704	27,486,370	17,716,266	23,508,374	14,108,512	19,326,330	3,100,077	2,456,544	5,657,858	8,217,940	5,469,716	8,466,402	6,564,875	**165,524,966**
Oecussi	18,730,197	44,430,109	15,762,393	9,153,670	2,271,166	2,004,863	108,939	126,277	25,145,804	55,416,987	63,388,057	40,652,469	44,139,118	**321,330,049**
Viqueque	29,409,645	25,775,361	28,570,878	46,558,102	10,170,906	12,991,611	2,969,652	2,283,990	13,114,378	13,585,178	16,462,198	14,416,155	15,389,452	**231,697,506**

Source: TiFIS

Table 65. Sub-National Government Spending by COFOG 2013-25

COFOG1 (AFI)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
701-General public services	93,682,556	99,981,463	96,887,553	78,721,437	39,613,459	2,373,369	35,868,655	30,046,592	36,486,542	95,191,041	102,300,567	37,796,915	34,820,536	**783,770,686**
702-Defense	13,075,091	15,164,876	11,331,941	11,310,704	9,811,578	10,728,540		15,775,419	11,746,211	39,297,773	46,972,084	7,179,872	6,954,498	**199,348,588**
703-Public order and safety	24,229,167	24,665,251	26,637,052	26,067,150	27,952,165	32,451,833	597,051	598,977	14,764,887	25,568,288	29,965,366	685,292	4,999,826	**239,182,304**
704-Economic affairs	224,361,284	282,882,311	208,692,429	504,449,083	218,430,103	316,063,993	17,157,303	6,687,941	70,227,454	243,832,477	319,152,406	163,841,335	300,187,371	**2,875,965,490**
705-Environmental protection	1,193,694	5,021,030	3,430,707	2,491,163	3,623,550	1,041,306			3,232,839	3,152,662	5,667,656	6,434,952	2,515,497	**37,805,055**
706-Housing and community amenities	56,322,314	54,048,061	17,231,374	14,134,110	3,467,658	3,315,445	924,819	107,484	27,362,551	48,497,371	58,925,660	46,171,004	83,473,905	**413,981,757**
707-Health	30,530,686	32,364,217	32,374,688	30,426,875	14,016,178	14,649,201	3,092,360	2,529,411	8,317,032	30,808,389	29,663,972	6,557,812	16,677,127	**252,007,946**
708-Recreation, culture and religion	4,904,519	5,532,170	3,695,418	5,013,697	2,810,015	2,781,432	507,441	226,204	588,243	4,778,039	8,548,300	1,398,690	2,297,686	**43,081,853**
709-Education	81,663,544	80,627,268	86,339,743	81,986,626	81,936,772	83,937,356	11,014,531	4,081,239	11,318,542	30,848,998	57,390,198	15,604,411	18,929,030	**645,678,258**
710-Social protection	26,138,269	7,350,365	3,120,827	9,749,176	2,237,149	1,565,234	26,161	35,968	1,406,772	108,740,768	22,047,881	101,547,398	6,215,297	**290,181,265**
Total	**556,101,122**	**607,637,009**	**489,741,731**	**764,350,022**	**403,898,627**	**468,907,710**	**69,188,321**	**60,089,236**	**185,451,072**	**630,715,807**	**680,634,089**	**387,217,682**	**477,070,772**	**5,781,003,201**

Source: TiFIS

When the data is expressed as shares of tracked sub-national spending, Atauro, Liquiça, and Aileu appear among the lowest in nominal terms (see Table 66). This is not surprising in Atauro's case, given its recent emergence as a separate administrative unit and its relatively small size. For Liquiça and Aileu, however, persistently low shares are more notable, particularly if they are sustained over time rather than driven by one-off annual effects. On its own, a low share does not prove unfairness, because some variation is expected based on population, functions, geography, and expenditure responsibilities. Even so, consistently small nominal shares should be treated as an analytical flag, especially when they sit alongside broader concerns about the absence of a clear, rules-based allocation framework.

The clearest fiscal fairness signal comes from the per capita analysis, which provides a simple first test of whether territories are receiving broadly comparable levels of tracked sub-national expenditure relative to population (see Table 67). On this basis, the data suggests that Ermera and Liquiça are very low outliers, standing well below other municipalities in per capita terms. This does not in itself establish that allocations are inequitable, since a fuller fairness framework would also need to consider remoteness, service delivery costs, inherited infrastructure deficits, and performance. However, it does indicate that the current allocation pattern warrants closer scrutiny. In policy terms, these outliers strengthen the case for moving toward a more transparent and formula-based system for sub-national allocations, using simple fiscal fairness metrics such as population and remoteness as an initial starting point.

Table 66. SNG Shares of Spending by Municipality/Region – excluding Dili 2013-25

Country	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Timor-Leste	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Covalima	**8.11%**	**14.27%**	**20.93%**	**35.54%**	**42.54%**	**47.78%**	**11.23%**	**9.70%**	**6.53%**	**4.27%**	**4.86%**	**6.50%**	**5.12%**	**19.81%**
Oecussi	**6.81%**	**13.59%**	**5.98%**	**2.46%**	**1.01%**	**0.70%**	**0.31%**	**0.48%**	**18.24%**	**28.34%**	**30.61%**	**20.33%**	**21.21%**	**11.65%**
Baucau	**11.79%**	**10.42%**	**9.74%**	**7.40%**	**11.23%**	**8.21%**	**12.58%**	**12.76%**	**12.83%**	**15.68%**	**14.43%**	**17.30%**	**11.84%**	**11.37%**
Viqueque	**10.69%**	**7.88%**	**10.84%**	**12.51%**	**4.52%**	**4.53%**	**8.58%**	**8.64%**	**9.51%**	**6.95%**	**7.95%**	**7.21%**	**7.39%**	**8.40%**
Bobonaro	**10.77%**	**7.70%**	**7.75%**	**5.14%**	**4.81%**	**3.88%**	**11.96%**	**10.91%**	**10.88%**	**7.91%**	**7.84%**	**11.30%**	**12.52%**	**7.93%**
Manatuto	**5.69%**	**6.44%**	**7.33%**	**8.07%**	**6.97%**	**5.89%**	**10.00%**	**8.66%**	**9.57%**	**8.67%**	**4.36%**	**6.31%**	**7.93%**	**6.98%**
Ainaro	**9.29%**	**7.95%**	**9.17%**	**6.11%**	**8.46%**	**7.22%**	**8.55%**	**7.70%**	**5.34%**	**3.51%**	**3.28%**	**6.09%**	**5.94%**	**6.84%**
Ermera	**9.50%**	**6.90%**	**6.78%**	**7.17%**	**5.60%**	**6.46%**	**10.43%**	**9.84%**	**4.99%**	**3.56%**	**4.43%**	**4.73%**	**5.80%**	**6.35%**
Manufahi	**8.52%**	**8.40%**	**6.72%**	**6.31%**	**6.27%**	**6.73%**	**8.96%**	**9.30%**	**4.10%**	**4.20%**	**2.64%**	**4.23%**	**3.15%**	**6.00%**
Lautém	**7.29%**	**6.75%**	**6.31%**	**3.58%**	**3.26%**	**2.39%**	**8.20%**	**9.09%**	**8.89%**	**6.09%**	**4.37%**	**5.89%**	**5.43%**	**5.36%**
Aileu	**4.12%**	**4.07%**	**3.52%**	**3.19%**	**2.39%**	**2.32%**	**6.59%**	**6.42%**	**5.53%**	**5.64%**	**10.08%**	**4.25%**	**7.08%**	**4.51%**
Liquiça	**7.43%**	**5.64%**	**4.93%**	**2.53%**	**2.93%**	**3.89%**	**2.60%**	**6.50%**	**3.57%**	**4.55%**	**4.33%**	**4.09%**	**4.37%**	**4.41%**
Atauro										**0.61%**	**0.81%**	**1.76%**	**2.21%**	**0.40%**

Source: TiFIS

Table 67. Per-Capital SNG Spending 2013-25 (2022 population)

Country	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Timor-Leste	**798.93**	**994.81**	**987.77**	**1,203.61**	**869.40**	**851.27**	**909.61**	**843.23**	**1,080.92**	**1,290.79**	**1,107.22**	**1,305.89**	**1,359.78**	**1,046.40**
Dili	865.11	864.07	696.65	1,207.34	551.22	560.10	106.53	103.66	146.64	1,340.16	1,458.34	576.78	828.21	**715.75**
Covalima	301.66	631.22	745.94	1,789.45	1,294.07	1,854.90	52.57	34.68	121.78	112.94	136.16	175.70	144.26	**568.87**
Oecussi	232.14	550.66	195.36	113.45	28.15	24.85	1.35	1.57	311.65	686.83	785.62	503.84	547.05	**306.35**
Manatuto	307.81	413.80	379.91	590.49	308.42	332.30	68.02	45.01	259.34	333.43	177.45	247.92	324.54	**291.42**
Atauro										115.52	163.64	341.83	446.00	**266.75**
Viqueque	366.81	321.48	356.35	580.70	126.86	162.04	37.04	28.49	163.57	169.44	205.33	179.81	191.95	**222.30**
Manufahi	386.48	453.08	292.03	387.51	232.56	318.57	51.10	40.49	93.26	135.46	90.16	139.56	108.22	**209.89**
Ainaro	349.67	355.55	330.39	311.08	260.33	283.60	40.48	27.83	100.66	93.88	92.88	166.45	169.06	**198.61**
Baucau	240.46	252.57	190.27	204.14	187.19	174.80	32.27	25.01	131.07	227.28	221.52	256.42	182.68	**178.90**
Aileu	208.89	244.94	170.63	218.83	98.76	122.66	41.94	31.24	140.35	203.00	384.01	156.54	271.14	**176.38**
Lautém	286.45	315.19	237.33	190.08	104.76	97.84	40.50	34.32	174.96	170.10	129.33	168.09	161.49	**162.34**
Bobonaro	277.93	236.22	191.46	179.54	101.41	104.47	38.79	27.03	140.63	145.08	152.24	211.86	244.41	**157.77**
Liquiça	244.42	220.60	155.34	112.53	78.87	133.38	10.76	20.54	58.88	106.40	107.28	97.79	108.65	**111.96**
Ermera	189.71	163.73	129.74	193.79	91.39	134.54	26.19	18.87	49.97	50.59	66.52	68.69	87.63	**97.80**

Source: TiFIS

SNG Revenue

SNG revenues remain low but data while accurate enough, should be interpreted with some caution. Around $540 million was recorded as collected at the sub-national government level between 2013 and 2025, with a sharp peak in 2024 and almost negligible recorded amounts in some earlier years. However, the quality, consistency, and classification of these accounting records may not yet be strong enough to support firm conclusions about the true scale or composition of local revenue effort over time. In particular, some recorded movements may reflect reporting changes, late recording, reclassification, or weaknesses in consolidation rather than genuine shifts in local own-source revenue performance. The dominant source of recorded revenue remains grants, which account for the majority of the total over the period, underlining that most sub-national entities are still highly dependent on transfers rather than generating significant autonomous revenue streams of their own.

Even with these accounting limitations, sub-national revenues should increasingly be seen as a fiscal space growth area in the medium term, particularly as municipalities move toward greater autonomy and more meaningful functional responsibility. A stronger municipal revenue base would not eliminate the need for central transfers, nor should local financing be expected to replace equalisation arrangements in a country with large geographic and economic disparities. But over time, better designed and better administered local revenues, fees, service charges, small property-related collections, market levies, licensing, and other municipal own-source revenues could create additional fiscal space at the margin while also improving the visibility of the local state. When citizens see that local revenues are collected transparently and translated into better roads, sanitation, markets, lighting, public safety, and municipal services, the result can be not only stronger fiscal capacity but also greater legitimacy, accountability, and

confidence in decentralised government. For that reason, the policy task is not simply to increase collections, but to improve the integrity of sub-national accounting and reporting while building a realistic pathway for municipalities to mobilise more of their own revenue as part of a gradual autonomy agenda.

Table 68. SNG Revenues by Municipality/Region

Country	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Timor-Leste	**5,022,941**	**29,780**	**959,957**	**96,654**	**81,308**	**55,367**	**21,206**	**9,159**	**26,520**	**4,248,932**	**193,015,997**	**304,147,109**	**32,448,805**	**540,163,734**
Aileu	27,610				33	977	0			90,340	599,389	112,687	0	**831,035**
Ainaro					31,750	602	141			38,503	83,135	166,998	8,103	**329,233**
Atauro										3,251	30,942	0	16,687	**50,880**
Baucau					384	2,165	1,273			393,543	609,612	474,766	0	**1,481,743**
Bobonaro					109	50,024		313	100	144,726	199,213	341,086	0	**735,571**
Covalima	407				354	1,755	630	188		43,998	103,777	135,013	62,669	**223,453**
Dili	4,942,799		959,957	4,628	9,630	4,206	13,312	9,655	25,998	2,869,584	160,662,516	299,607,254	6,106,192	**475,207,318**
Ermera					131	2,117	0			33,332	155,033	41,361	0	**231,975**
Lautém					61	2,452	2,661			171,251	90,668	187,293	0	**454,386**
Liquiça					65	5,660		509	1,200	82,824	159,440	152,439	0	**390,818**
Manatuto	23,665	29,780		92,026	38,672	5,142	3,189	1,595	779	195,246	89,178	584,156	590,945	**1,649,623**
Manufahi	28,460				62			90		25,473	41,656	52,753	0	**148,494**
Oecussi										42,936	29,987,679	2,112,259	25,789,548	**57,932,422**
Viqueque					58	0	0			113,924	203,757	179,044	0	**496,783**

Source: TiFIS

Table 69. SNG Revenues by GFS Economic Classification

GFS 1	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
1 REVENUE	**5,022,941**	**29,780**	**959,957**	**96,654**	**81,308**	**55,367**	**21,206**	**9,159**	**26,520**	**4,248,932**	**193,015,997**	**304,147,109**	**22,448,805**	**530,163,734**
11 Taxes	**3,613**	**29,780**		**96,184**	**44,622**	**10,086**	**12,979**	**7,765**	**26,520**	**3,931,182**	**142,928,834**	**3,450,746**	**2,421,885**	**141,198,762**
111 Taxes on income, profits, and capital gains	3,613	29,780		96,184	44,622	10,086	12,979	7,765	26,520	3,930,903	44,528,802	3,450,746	2,421,885	**42,798,451**
114 Taxes on goods and services										279	98,400,033	0	0	**98,400,312**
115 Taxes on international trade and transactions												0	0	**0**
116 Other taxes												0	0	**0**
13 Grants	**5,019,328**		**959,957**	**470**								**300,000,000**	**10,000,000**	**315,979,755**
131 Grants from foreign governments	2,019,292		857,647									0	0	**2,876,939**
132 Grants from international organizations	2,921,846													**2,921,846**
133 Grants from other general government units	78,190		102,310	470								300,000,000	10,000,000	**310,180,970**
14 Other revenue					**36,686**	**65,453**	**8,227**	**1,394**		**317,750**	**50,087,162**	**7,597,855**	**14,870,691**	**72,985,216**
141 Property income					764	17,158	6,322	999		45,403		1,040,167	557,255	**1,668,069**
142 Sales of goods and services					35,921	48,295	1,905	394		263,990	14,278,947	6,519,585	13,777,219	**34,926,255**
143 Fines, penalties, and forfeits										8,357		38,104	536,217	**582,678**
145 Miscellaneous and unidentified revenue											35,808,215	0		**35,808,215**
3 CHANGE IN NET WORTH												**0**	**10,000,000**	**10,000,000**
33 Liabilities (-)												**0**	**10,000,000**	**10,000,000**
331 Net incurrence of liabilities - Domestic debtors												0	10,000,000	**10,000,000**
Net Lending/Borrowing	**5,022,941**	**29,780**	**959,957**	**96,654**	**81,308**	**55,367**	**21,206**	**9,159**	**26,520**	**4,248,932**	**193,015,997**	**304,147,109**	**32,448,805**	**540,163,734**

Source: TiFIS

Fiscal Fairness Reform Opportunities

The earlier section on unfunded priorities linked to the 2027 municipal elections. It highlights that sub-national reform is not only a fiscal and administrative issue, but also a political one. If municipalities are to elect leaders and exercise greater responsibility over local priorities, there is a potential benefit in bringing decision-makers closer to citizens and giving local institutions greater visibility, responsiveness, and democratic legitimacy. In principle, this can strengthen the political process by creating clearer lines of accountability between communities and those responsible for local service delivery and development choices. At the same time, these potential gains need to be weighed against the well-known risks in a small state context, including the loss of economies of scale and scope, duplication of functions, and persistent capacity constraints at sub-national level. The case for reform is therefore strongest where political and governance benefits are real, but where the design of decentralisation keeps these fiscal and administrative costs within manageable bounds.

Timor-Leste's sub-national system remains at a transitional stage between deconcentration and fuller decentralisation. Functions, funding flows, and administrative responsibilities have increasingly been pushed outward to municipalities and to Oecusse, but the underlying fiscal architecture remains underdeveloped. In practice, this means that sub-national allocations are

still not clearly anchored in a transparent, rules-based framework that explains how much funding each territory should receive, on what basis, and for what mix of responsibilities. The current system therefore provides only a partial foundation for fiscal fairness, and it limits the Government's ability to demonstrate that resources are being distributed consistently across territories in line with objective need.

The direction of reform should now move toward an explicit equity-based allocation model covering both vertical and horizontal allocation issues. Vertically, Government needs to decide the overall scale of resources that should be assigned to the sub-national level relative to central government responsibilities. Horizontally, it then needs a clear method for distributing those resources across municipalities and Oecusse in a way that reflects differences in need, cost, and capacity. Over time, such a framework should incorporate both performance and need-based dimensions, supported by a transparent set of indicators. A practical starting point would be to use simple and defensible parameters such as population shares, remoteness, and other basic cost drivers, before moving gradually to a more sophisticated formula as data quality and institutional confidence improve.

There is already a reasonable analytical base from which to begin this work. The Ministry of Finance has expenditure data for municipalities and Oecusse covering the last 13 years, which makes it possible to examine historical allocation patterns and compare them across territories over time. Initial per capita analysis using 2022 data can provide an indicative snapshot of fiscal fairness and help identify obvious disparities in the current pattern of spending. This should be treated as a starting point rather than a final judgement, because a single-year per capita comparison cannot on its own capture differences in remoteness, service delivery costs, inherited infrastructure gaps, or the evolving balance of functions between levels of government. Even so, it is sufficient to establish the case for reform and to support the development of a more credible and transparent allocation method.

The next step should be the design of a new formula aligned with good international public financial management practice, including PEFA expectations around transparency, predictability, and rules-based intergovernmental transfers. Such a formula would not need to be complex at the outset. It could begin with a small number of clearly defined variables, such as a fixed base amount, population, and remoteness, with scope to incorporate other metrics over time as the system matures. The key requirement is that the formula be understandable, replicable, and capable of being defended publicly as a fair basis for distributing resources. This would improve budget credibility, strengthen accountability, and provide a more stable platform for future municipal elections, decentralisation policy, and clearer service delivery expectations at sub-national level.

At the same time, the case for deeper decentralisation should be approached with some care and should not be treated as self-evidently beneficial in all respects. Timor-Leste is, in population terms, managing issues that in larger countries might resemble the decentralisation of a relatively small city, and this raises legitimate questions about how much fragmentation of authority is desirable or efficient. There is also a broader governance consideration: where systems, controls, and administrative capability remain uneven, transferring additional functions and funding to lower levels without adequate safeguards can risk reproducing, or even dispersing, existing problems of weak management, poor oversight, and misuse of resources. For that reason, any move toward fuller decentralisation should be sequenced carefully and linked to stronger accountability, clearer fiscal rules, and demonstrable local capability, so that the

reform strengthens service delivery and fairness rather than simply relocating existing weaknesses.

That said, decentralisation can still be desirable in Timor-Leste's context where it produces clear political, governance, or legitimacy benefits and where the loss of economies of scale and scope can be kept within reasonable bounds. In particular, if stronger local representation, improved state visibility, and more responsive territorial governance are judged to have material value, there is a case for pursuing a carefully designed form of decentralisation even in a relatively small country. The key is to avoid assuming that all functions should move at once, or that each municipality must replicate the full machinery of central government. A more prudent approach is to decentralise selectively, retain shared or centralised provision where scale efficiencies are important, and sequence reforms so that political gains from local empowerment are not offset by unnecessary administrative duplication or higher long-term costs.

A further precondition for a credible sub-national financing system is a clear framework for consolidation, elimination, and reporting. If municipalities and Oecusse are to receive larger or more rules-based allocations, Government will need clear rules on how sub-national fiscal data are compiled and presented, including the treatment of transfers, shared activities, and transactions between levels of government. This should include a consistent approach to consolidating sub-national accounts and eliminating internal flows and municipal-level activities where appropriate, so that spending is not overstated or counted twice in aggregate reporting. Over time, Timor-Leste should move toward a sub-national reporting framework that is broadly analogous to Government Finance Statistics standards, allowing municipal and Oecusse operations to be classified, compared, and consolidated in a way that improves transparency, supports fiscal analysis, and strengthens the basis for monitoring fairness, sustainability, and service delivery performance across territories.

Importantly, this reform should not be expensive. The core analytical work can be undertaken using existing expenditure and population data, with modest additional effort to develop remoteness and other basic indicators. What matters more than new spending is a structured consultation process to build agreement across Government on the principles of allocation, the treatment of Oecusse, and the balance between equity, simplicity, and incentives for performance. A low-cost policy development process led by MoF, in consultation with relevant ministries, municipalities, and RAEOA, should therefore be sufficient to bring forward options for Government consideration. The main value of the exercise is not additional expenditure, but establishing a credible basis for fairer and more transparent sub-national financing and reporting over time.

GPP Option 26: on Fiscal Fairness of Sub-National Government Operations

State Administration, RAEOA, and municipalities, in consultation with MoF, to bring forward a policy submission on sub-national government financing and reporting that proposes a simple, transparent, and equity-based allocation formula for municipalities and Oecusse, together with clear consolidation rules and a sub-national reporting framework broadly aligned to GFS sectorization principles. The submission should assess vertical and horizontal allocation options using objective indicators such as population and remoteness, draw on existing expenditure and per capita analysis to identify fiscal fairness issues, and set out a PEFA-aligned, rules-based transfer framework that can be implemented at low cost following structured consultation across Government. The submission should also provide options to improve the integrity of sub-national

accounting and reporting while building a realistic pathway for municipalities to mobilise more of their own revenue as part of a gradual autonomy agenda.

Est. Fiscal Impact Over the FEs: $1m

GPP 27: Private Property Rights for Growth

Private Property Rights and Land Titles: For Growth, Investment, and Diversification

Land reform is one of the most important unfinished foundations of Timor-Leste's economic development. Secure and enforceable property rights are essential for private investment, agricultural modernisation, urban development, housing, infrastructure delivery, and social stability. Without greater certainty over who owns what land, under what legal basis, and with what protections, Timor-Leste will continue to face constraints on investment, difficulties in land acquisition for public purposes, and recurring disputes that weaken confidence in both state institutions and market development.

Timor-Leste has already made important progress in establishing the legal foundations for a modern land administration system. The key milestone was Law No. 13/2017, which established the special regime for defining ownership of immovable property, recognised prior Portuguese, Indonesian, customary, and possession-based claims, created the National Property Registry, and provided for the Land and Property Commission to deal with disputed cases. Since then, the legal framework has also been supported by Ministerial Order No. 32/2023 on cadastral survey procedures and, more recently, Decree-Law No. 36/2025 on the management and use of State-owned real estate, which amended aspects of the land registry information framework relating to State property. Taken together, these measures have helped strengthen the broader legal architecture for land administration, although the central challenge now lies in implementation at scale.

However, implementation remains incomplete, and ownership is still far from being settled at scale. The World Bank's *Timor-Leste Economic Report 2025* argues that fragmented land administration continues to create systemic barriers to inclusive growth, even though significant progress has been made in establishing the legal foundations of the system. In practice, the major gap is between recording parcels and claims on the one hand, and resolving competing claims and issuing legally reliable titles on the other. This means that Timor-Leste has the basic architecture of a modern land system, but it has not yet translated that framework into a trusted, complete, and scalable system of secure title and enforceable property rights.

The policy challenge is therefore no longer primarily about passing laws; it is about operational delivery, legitimacy, and trust. A functioning land system in Timor-Leste must be capable of determining ownership credibly, resolving disputes within a reasonable time, recognising legitimate community and customary interests, protecting women's land rights in practice, and providing clear public information on parcel status and legal rights. If these conditions are not met, land registration itself can become another source of conflict rather than a solution to it.

From a development perspective, settling land ownership should now be treated as a core national economic reform. Clear and enforceable property rights would help unlock private investment, support higher-productivity agriculture, reduce conflict over land, improve municipal

and infrastructure planning, strengthen domestic credit markets, and increase the value and usefulness of one of Timor-Leste's most important national assets. The World Bank's recent analysis is explicit that efficient land titling and secure and inclusive land rights are central to stimulating investment, creating jobs, and reducing poverty.

A practical next step would be to move from legal framework building to a time-bound national land titling completion strategy. This would involve prioritising the conversion of recorded parcels into legally finalised titles, fast-tracking clearly undisputed cases, strengthening dispute resolution mechanisms for contested claims, clarifying the boundary between state land, community land, and private land, and establishing a more transparent and accessible land information platform. Such a strategy should also include explicit measures to ensure that women's land rights are protected in practice and that community and customary tenure realities are dealt with credibly rather than bypassed.

The policy objective should be clear: to make secure title and respect for property rights a cornerstone of Timor-Leste's post-petroleum development model. That means treating land reform not as a narrow justice or cadastral issue, but as a cross-government economic priority linked directly to agriculture, housing, infrastructure, municipal development, investment promotion, and domestic revenue mobilisation. If done well, land reform could become one of the most important enablers of Timor-Leste's next phase of growth and state-building.

The Investment Strategy

A realistic national land titling and property rights reform program for Timor-Leste would need to be structured as a 7-year implementation program, with the first two years focused on institutional strengthening, systems design, legal-operational preparation, and piloting, followed by a 5-year scale-up period for systematic adjudication, dispute resolution, and title issuance.

A shorter timeframe would risk over-promising and under-delivering, particularly given the need to resolve competing claims, build public confidence, integrate cadastral and legal data, and strengthen the human and institutional capacity needed to sustain the system. A longer timeframe may be realistic in practice, but a 7-year horizon is a reasonable planning basis for budgeting and sequencing reforms.

The total indicative cost of such a program is likely to fall in the range of $85–120 million over seven years (see Table 70 and Table 71 below). This would depend on the pace of implementation, the number of parcels brought through final title, the intensity of dispute resolution required, and the extent to which digital systems and provincial service capacity need to be built from scratch.

This would not be unusually large for a national land administration reform program by international standards, but it is significant enough that careful phasing and a mixed financing strategy would be needed, combining budget funding, development partner support, and potentially concessional financing for systems and institutional infrastructure. Fit-for-purpose land administration approaches are generally designed precisely to keep systematic land registration and titling costs lower than traditional cadastral models.

Table 70. Indicative Land Titles Investment Needs by Component

Component	US$ Est.	Notes
1. National program management, policy coordination and delivery unit	$8–12m	PMO-linked or cross-government delivery structure, annual planning, monitoring, legal-policy coordination
2. Systematic adjudication and parcel titling operations	$28–40m	Field teams, claim collection, public display, adjudication support, parcel processing, title issuance
3. Dispute resolution and claims settlement	$10–15m	Strengthening commission functions, mediation panels, case handling, legal review, appeals support
4. Cadastral, registry and digital land information platform	$12–18m	Integrated cadastre-registry platform, digitisation of records, parcel maps, transaction/update capability
5. Community and customary land recognition framework	$5–8m	Mapping, consultation, legal recognition processes, collective tenure tools where appropriate
6. State land inventory and clarification	$6–10m	Identification and verification of state land, boundary clarification, interface with private/community claims
7. Municipal and local service delivery capacity	$6–9m	Local land offices, training, equipment, mobile teams, service point strengthening
8. Public communication, transparency and legal awareness	$4–6m	Public information campaigns, community notice systems, rights awareness, women's land rights communication
9. Gender inclusion, legal aid and social safeguards	$3–5m	Women's access, vulnerable groups, legal aid support, grievance handling, social protection safeguards
10. Training, professional development and change management	$3–5m	Survey, adjudication, registry, mediation, data management, institutional reform support
Total	**$85–120 m**	

Table 71. Indicative Year-by-Year for Land Titles Financing Path (7 Years)

Year	US$ Est.	Main Activities
Year 1	$8–12m	Program setup, delivery unit, legal-operational design, systems architecture, pilots, state land scoping
Year 2	$10–15m	Pilot titling, dispute-resolution strengthening, local office preparation, public awareness rollout, digital platform build
Year 3	$13–18m	Systematic registration expansion in priority urban and peri-urban zones, initial title issuance at scale
Year 4	$15–20m	Scale-up in municipalities, expanded dispute settlement, community/customary recognition pilots, state land clarification
Year 5	$15–20m	Peak implementation year: mass adjudication, title issuance, integration of registry and cadastral updates
Year 6	$13–18m	Continued national rollout, harder cases, appeals, completion of priority corridors and major urban areas
Year 7	$11–17m	Finalisation, backlog reduction, institutional transfer to routine administration, transition to maintenance mode
Total	**$85–120 m**	

GPP Option 27: on Private Property Rights for Growth

Ministry of Justice, Ministry of Finance, Ministry of Planning and Strategic Investment, and the relevant land administration authorities to bring forward a joint submission on a national land titling and property rights reform strategy. The submission should set out a realistic multi-year plan to settle land ownership, expand title issuance, strengthen dispute resolution, clarify the treatment of state, community, and private land, and build a transparent and trusted land information system. It should also identify the investment required, financing options, implementation arrangements, and the reforms needed to make secure private property rights a cornerstone of private investment, agricultural transformation, urban development, and long-term economic diversification.

Est. Fiscal Impact Over the FEs: $66m

GPP 28: Foundations for Financial Sovereignty

Strengthening Sovereignty: Building the Financial Foundations for De-Dollarization

There is a credible long-term argument for Timor-Leste to prepare for greater monetary sovereignty framed as a ten-year state-building agenda. Full dollarization has delivered important benefits, especially low and relatively stable inflation in a fragile post-conflict setting, but it also leaves Timor-Leste without some of the key policy levers that sovereign states normally use to manage liquidity, competitiveness, and macroeconomic shocks. This matters particularly in a country where the Petroleum Fund is carrying too much of the adjustment burden. In practice, the Fund is serving not only as an intergenerational savings vehicle, but also as the main fiscal buffer and de facto macroeconomic stabilisation instrument. Over time, a stronger domestic monetary and financial architecture could help reduce that dependence and broaden the set of tools available to protect the Petroleum Fund before the any fiscal cliff risks become acute.

The sovereignty case is therefore real, but the inflation and credibility risks mean that de-dollarization can only be approached gradually and conditionally. Under dollarization, Timor-Leste imports the credibility of the U.S. dollar, but it also imports monetary conditions that may not fit its own economic structure and gives up potential tools such as domestic liquidity management, exchange-rate flexibility, seigniorage, and local-currency debt market development. The IMF's recent analysis is clear that dollarization has helped anchor inflation, but that it may also be contributing to weaker competitiveness, and that any future consideration of a national currency would require major progress first in fiscal discipline, central bank capability, financial regulation, and broader structural reform. The right policy question is therefore not whether Timor-Leste should abandon the dollar now, but whether it should begin systematically building the institutional preconditions needed so that, within a decade, it has a credible monetary option especially if the Petroleum Fund is placed under much greater strain.

A realistic ten-year plan would need to proceed in phases. Phase 1 (Years 1–3) should focus on the institutional foundations: strengthening fiscal discipline, reducing structural deficits, improving macro-fiscal forecasting, deepening central bank capability, modernising the payments system, and expanding digital financial infrastructure. These efforts are already in happening. This phase should also include technical work on currency design options, legal frameworks, prudential safeguards, and public communications, without committing to a launch date. **Phase 2 (Years 4–7)** should focus on market and systems preparation: developing local-currency government securities in limited form, expanding domestic savings instruments, improving bank supervision, testing retail and wholesale digital payment platforms, and building the operational capacity needed for currency issuance, liquidity management, and foreign reserve management. **Phase 3 (Years 8–10)** should be conditional and decision-based: if macroeconomic stability, public confidence, and institutional readiness are sufficient, the Government and Banco Central de Timor-Leste could consider a phased introduction of a domestic currency or parallel-currency model; if not, the country would still benefit from having built much stronger financial and monetary institutions under continued dollarization.

A realistic financing strategy should also include deliberate sovereign risk engagement as part of the preparation process. One practical option would be to use a limited amount of well-structured commercial borrowing over the medium term, not because it is the cheapest source of finance, but because it would help Timor-Leste begin building a market-based sovereign credit

history and demonstrate debt servicing discipline outside purely concessional channels. This should be accompanied by a decision to commission formal sovereign credit ratings once the Government has established a clearer medium-term fiscal framework, a more credible borrowing strategy, and stronger debt management capability. The objective would not be immediate large-scale market issuance, but to ensure that before fiscal instability risks intensify Timor-Leste has already developed the basic sovereign risk infrastructure needed to access a wider set of financing options on more informed and credible terms. In that sense, sovereign risk engagement should be understood as part of the same state-building agenda as monetary sovereignty: both are about increasing the number of policy levers available to manage the transition beyond petroleum.

The central policy rationale for beginning this work now is that Timor-Leste needs more levers before any increased risk of fiscal instability arrives. At present, if the Government wants to protect the Petroleum Fund, the main tools are tighter fiscal policy, stronger taxation, borrowing, expenditure restraint, and faster non-oil growth. Those are all necessary, but they are overwhelmingly fiscal tools. A more developed domestic monetary and financial system would eventually allow the state to manage liquidity better, support local-currency savings and debt markets, reduce reliance on cash, and broaden the instruments available for macroeconomic adjustment. Even if Timor-Leste does not ultimately adopt a national currency within ten years, the act of preparing for monetary sovereignty would itself strengthen the economy and reduce vulnerability. This is why a ten-year foundation-building plan should now be treated as a prudent strategic option, not a symbolic project.

Investment Needs

The direct cost of a ten-year monetary sovereignty and de-dollarization readiness program is unlikely to be large in macro-fiscal terms, but it would still require sustained, ring-fenced investment. A realistic planning assumption would be in the order of ***$40–60 million over ten years,*** concentrated in payments modernisation, digital financial infrastructure, currency and reserve management systems, central bank capability, prudential supervision, legal and regulatory reform, public communication, and the technical preparation required for possible local-currency or parallel-currency operations. The cost would be heavily front-loaded in systems, people, and institutional design rather than in physical currency issuance itself. In practical terms, this means the objective is affordable if treated as a strategic capacity-building program, but it is too important to leave unfunded or to finance through ad hoc annual allocations.

A sensible financing strategy would be for Banco Central de Timor-Leste to lead the institutional investment program through a combination of retained earnings, dedicated budget support, and carefully targeted partner financing. Core central banking functions such as payment systems, reserve management capability, supervision, and currency operations should remain primarily financed through the central bank's own balance sheet and income over time, rather than through large direct withdrawals from the Petroleum Fund. This would reinforce institutional ownership and reduce the risk that de-dollarization preparation is seen as a fiscally reckless project. Budget financing should be limited to cross-government reforms with wider public-good benefits, such as digital ID integration, legal reform, and financial inclusion infrastructure, while development partners could support technical assistance and selected systems upgrades. The financing principle should therefore be clear: build monetary sovereignty gradually, fund the foundations prudently, and ensure that the cost of preparing new

macroeconomic levers does not itself add materially to the fiscal pressures the reform is intended to help manage.

GPP Option 28: on Foundations for Financial Sovereignty

Banco Central de Timor-Leste, and Ministry of Finance in support, to bring forward a submission on a ten-year plan to build the institutional foundations for greater monetary sovereignty before any possibility of fiscal instability risks intensifying. The submission should set out phased reforms to strengthen fiscal discipline, payments systems, reserve and liquidity management, domestic financial markets, and central bank capability, while also assessing the conditions under which Timor-Leste could credibly consider a future domestic or parallel-currency model. It should also include a strategy for deliberate sovereign risk engagement, including limited and prudent commercial borrowing to build a sovereign credit track record, stronger debt management capability, and the commissioning of sovereign credit ratings once the necessary fiscal and institutional preconditions are in place

Est. Fiscal Impact Over the FEs: $2m (net of CBTL own source funding)

4. New Policy Ideas from Ministers

New Policy Ideas Overview[2]

At the Prime Minister's request, ministers were invited to submit ideas for new policy funding to inform the 2027 Budget process and test whether additional priorities should be brought forward alongside the Government's existing policy agenda. The Ministry of Finance reviewed proposals against the policy-based budgeting framework, assessing each idea for strategic alignment, policy rationale, fiscal implications, readiness for costing, relationship to existing baselines, implementation feasibility, and fit with the 28 Government Policy Priority options already identified in the Government Brief.

119 new policy ideas were submitted for consideration in the 2027 Budget. Of these, 35 are recommended to proceed to the next stage, including six that met the high-quality proposal test; 82 were recommended to be held pending further clarification; and only two are recommended for screening out at this initial stage. Indicative costings were provided for 69 out 112 proposals, totalling $2.0 billion over the medium term and $1.3 billion for Budget 2027, while the 35 proposals recommended to proceed account for $343 million. No submissions identified additional revenue, savings, or reprioritisation measures to finance the proposed new spending. Submission pathways were also uneven: only 29 proposals were routed through the relevant portfolio minister, compared with 33 through the Prime Minister's Office and 47 submitted directly to the Ministry of Finance.

The central finding is that the June round has produced some good ideas, but they are not a materially new policy agenda outside the existing GPP framework. Almost all proposals already map directly to one of the 28 GPP options in the Government Brief, and the 40 priority ideas initially identified as "new" can also be accommodated within the same structure through sensible coordination, grouping, and absorption or linkage to existing options.

The full list is at Table 72 below. Annex 3: PM's Call for New Policy Ideas – Overall Assessment on page 156 provides more a more detailed summary of the overall assessment undertaken the by the PRC secretariat. Annex 4: PM's Call for New Policy Ideas – Analysis of Each New Policy Idea on page 175 provides the assessment against every submission by agency.

Table 72. List of New Policy Ideas Submitted

Parent portfolio	# of Policies	Summary	Total (US$)
Min. State Administration (MAE)	20	1. Hold presidential elections; MAE budget-allocation correction for; National Archive: national; MAE-A: Deepen administrative; MAE-B: Administrative simplification &; Aileu Municipal PIM 2027: capital; Ainaro Municipal PIM 2027: capital; Atauro Municipal PIM 2027: capital; +12 more	217,806,617 (+4 n/q)
Organs of Sovereignty	14	Strengthening the Public Prosecution &; Social Inclusion; Women's Empowerment; Management	9,990,000 (+10 n/q)

[2] Information in this section and Annexes 3 and 4 reflect new policy ideas received by the due date (22/6/2026)

Parent portfolio	# of Policies	Summary	Total (US$)
(outside the Government executive)		of the Women's Dormitory; Dili International Marathon 2027; Presidency institutional development; 'Dapur Ba Povu'; Support to Vulnerable Communities; +6 more	
Min. Agriculture, Livestock, Fisheries & Forests (MAPPF)	9	Food security & resilient agriculture; Water & resilient irrigation; Pest & plant-disease prevention &; National coffee-sector revitalisation; Resilient livestock development; Blue economy & fisheries development; Aquaculture development; Reforestation, water conservation &; +1 more	n/q (all 9)
Min. Higher Education, Science & Culture (MESCC)	8	Higher-ed data-system modernisation; Doctoral School + advanced faculty; National Qualifications System +; IPB-a: New Higher School of Hospitality; IPB-b: Strengthen teaching & research; Internationalisation of accreditation +; National Science, Technology &; Research capacity & institutional	34,519,283 (+6 n/q)
Min. Social Solidarity & Inclusion (MSSI)	7	1. Establishment of temporary center for; SANUTRIO; Solidarity House; CASPA; Solidarity Line 116;Funeral vehicle purchase; Registu Social Unico	9,920,008
Presidency of the Council of Ministers (PCM)	7	Digitalisation of the Official Gazette; Equality & inclusion priorities; PCM strategic activities: continuity; Preservation & promotion of the; Memory, human-rights & reparations; SECOMS-A: Public-service media; SECOMS-B: Journalism/community-media	26,260,824 (+2 n/q)
Min. Education (ME)	6	21st-century skills; National learning-assessment system; Foundational learning; Accelerate school infrastructure; Teacher Competency Framework; Science Centre + SEAMEO	136,730,760 (+1 n/q)
Min. Foreign Affairs & Cooperation (MNEC)	6	Acquisition of diplomatic properties; Diplomatic & protocol facilities; CPLP Pro Tempore Presidency 2027; ASEAN 2029 Presidency preparation +; ASEAN-New Zealand Country Coordinator; Coordination of ASEAN Sectoral Action	44,659,016 (+2 n/q)
Min. Planning & Strategic Investment (MPIE)	6	Strategic human-capital formation &; Public-procurement-code socialisation &; ADN-A: Public-project quality; ADN-B: Rural & urban development; ADN-C: Primary Health Care program; MPIE strategic infrastructure:	50,213,614 (+1 n/q)
VPM Economic Affairs / Tourism & Environment	4	National food-safety, inspection &; National Resilient Cooperatives; SEFOPE-A: Professional training; SEFOPE-B: Employment services +	23,000,000 (+2 n/q)

Parent portfolio	# of Policies	Summary	Total (US$)
Min. Transport & Communications (MTC)	4	Port HR/maritime training; MTC-A: Green transport; MTC-B: Transport infrastructure; MTC-C: Digital / telecom connectivity	42,625,000 (+2 n/q)
Min. Public Works (MOP)	4	National Heavy-Machinery Workshop Centre; Resilient roads; Resilient water; Resilient energy	836,000,000
Min. Defence (MDef)	4	Defense-A: National Integrated Maritime; Defense-B: Military infrastructure; Defense-C: Military Hospital; Defense-D: Support to populations	n/q (all 4)
Min. Interior (MI)	3	MI-PPG1: National Security & Stability; MI-PPG2: Integrated Border Management; MI-PPG3: National Resilience & Disaster	n/q (all 3)
Min. Petroleum & Mineral Resources (MPRM)	3	Petroleum-sector regulation: Greater; MPRM-A: Petroleum mega-projects; MPRM-B: Petroleum-sector institutional	367,700,000 (+1 n/q)
Min. Health (MoH)	3	Health infrastructure & access; Health service delivery; Health human capital	125,967,000 (+1 n/q)
VPM Social Affairs / Rural Dev. & Housing	2	1. Capacity building; Strengthening the national HIV-AIDS	3,227,817
Independent bodies (direct-to-State)	2	Strengthening the Press Council; Reform of public administration &	5,200,000
Min. Commerce & Industry (MCI)	2	MCI-A: National industrialisation; MCI-B: MSME development + trade	6,955,000 (+1 n/q)
Min. Youth, Sport, Art & Culture (MJDAC)	2	MJDAC-A: National youth skills; MJDAC-B: National cultural program	1,720,000
Min. Justice (MJ)	1	Reinforcement of Technical Skills e	16,000,000
Min. Combatants (MACLN)	1	Veterans recognition: pensions	n/q (all 1)
Min. Finance (MoF)	1	Public Finance Management reform +	911,272
TOTAL	**119**		**1,959,406,211 (+50 n/q)**

New Idea Review Findings

The central finding is that the June round has produced some good ideas, but they are not a materially new policy agenda outside the existing GPP framework. Almost all proposals already map directly to one of the 28 GPP options in the Government Brief, and the 35 priority

ideas initially identified as “new” can also be accommodated within the same structure through sensible grouping, absorption or linkage to existing options.

In practical terms, this means that all submissions can be considered within the context of the 28 existing GPPs rather than treated as an expanded or parallel list of priorities. The seven new ideas do not require creation of new GPP categories. The culture-related proposals and the food-safety initiative can be considered under the niche-tourism GPP for funding purposes; the MSSI funeral-vehicle request can be linked to the death-certificate measures, since mandatory death certification can be associated with the use and regulation of funeral cars; the transitional-justice proposals can feed into the courts and justice GPP; and the Presidency Community Initiative can be placed under GPP13, which already allows for small community grants.

The implication for the Committee is that the screening should focus less on whether proposals are formally “new” and more on whether they can be prioritised, costed and coordinated within the existing GPP architecture. The existing 28-GPP framework is broad enough to absorb the full set of submissions, including those that appear novel at first reading. This supports a disciplined budget process: proposals should be routed to the relevant GPP option, consolidated with related initiatives, and assessed against affordability, delivery capacity and duplication risks rather than used to expand the priority framework itself.

The recommended decision remains to endorse 35 proposals for further development, return 82 for clarification, and screen out or absorb 2 through the ordinary budget process. However, these decisions should be understood as decisions within the existing GPP envelope, not as decisions to add new policy categories or fiscal impact limits. The quantified cost of the approval tier is US$343 million, with a further 13 proposals not yet costed. Approval should therefore remain conditional on Ministry of Finance cost clearance, separation of genuinely new expenditure from existing baselines, and clearer treatment of recurrent versus one-off capital commitments.

The main fiscal and coordination risk is not the existence of new ideas, but the fragmentation of submissions across agencies and the possibility that routine, duplicated or capital-heavy items are treated as separate priorities. Several proposals would create permanent recurrent commitments in the Forward Estimates, including SANUTRIO, Linha Solidariedade 116, the Teacher Competency Framework, justice training, and CNR services. Large capital items should be routed through the Infrastructure Fund, while time-bound events such as the 2027 elections, CPLP 2027, and ASEAN 2029 should be provisioned but kept out of the recurrent baseline, and are already covered under the known unfunded sections of the GPP framework.

The Committee is therefore asked to confirm that the 28-GPP structure remains the controlling framework for the 2027 process, direct the initially “new” proposals into the relevant existing GPPs or set-asides, and require the clarification tier to isolate genuinely new costs from baseline activities. In practical terms, this means approving a smaller number of better-costed, better-coordinated priorities while avoiding the creation of additional GPP categories or a parallel priority list.

Lessons Are Being Learned

It should be noted that this is the first time agencies have been asked to prepare initial new policy proposals as part of a first-round long-listing process for the Budget, so the exercise should be understood as both a policy development process and a learning process. The submissions show that a good start has been achieved: agencies responded to the Prime

Minister's request, generated a substantial pool of ideas, and began testing how new spending proposals can be framed against government priorities, fiscal constraints, implementation readiness, and the emerging policy-based budgeting approach.

The strongest candidates were those with clear national policy rationale, legal or time-bound urgency, strategic alignment, and manageable implementation pathways, including election funding, justice-sector capacity, foundational education reforms, anti-stunting and social registry measures, civil protection, border management, digital government, accreditation, procurement, records, and public-finance reforms. However, too many proposals repackage baseline activities as new policy, lack indicative costings, sit with the wrong agency, or require consolidation across related sectors. The recommended approach if there was sufficient time, would be for PRC Secretariat to triage proposals into four pathways — approve for full costed submission, approve with revisions, hold for clarification, or screen out — with most approvals treated as permission to develop costed submissions rather than final funding decisions. The other option, which was to consider the proposals within the context of the existing 28 GPPs.

Too many submissions were sent to MoF without ministerial clearance or coordination through the responsible ministerial portfolio. Given this is the first time a policy driven process was undertaken, this was not unexpected. Moving forward though, MoF should make efforts to ensure proposal go through the portfolio minister for review and endorsement.

The next phase will also be a learning process, as agencies refine their proposals, separate genuinely new costs from existing baselines, strengthen costing, clarify institutional ownership, and improve the policy rationale for proposals taken forward. This process will build practical capability across government. By next year, agencies should be in a much stronger position to prepare better-quality new policy proposals, with improved competencies in policy design, costing, prioritisation, implementation planning, and alignment with the Forward Estimates framework.

Conclusion

Budget 2027 is a critical test of whether Timor-Leste can move from broad ambition to disciplined, policy-based prioritisation. The analysis in this paper shows that the core challenge is not simply to identify worthwhile ideas, but to make credible choices within a tightening fiscal context. That requires the PRC to focus first on protecting the fiscal base through stronger Petroleum Fund protection, better revenue mobilisation, more active efficiency reform, and a clearer approach to borrowing and aid. It also requires tighter control of central government spending pressures, stronger implementation discipline, and more realistic medium-term planning. Within that framework, a limited number of higher-value sector strategies should be advanced where they can support diversification, employment, and long-term national resilience. The immediate task for ministers is therefore to decide which options should proceed to full policy development and costing ahead of the August round, while maintaining a clear line between politically attractive spending and reforms that genuinely strengthen fiscal sustainability, growth, and public value over time.

For the PRC, the implication is that Budget 2027 should be treated as a forward-looking resource allocation exercise, not simply a reaction to immediate spending claims. The shift to policy-based budgeting gives ministers an opportunity to look further into the future and ask which pressures, reforms, and investment directions are most important to prepare for now so that future budgets are better aligned with fiscal sustainability, growth, and national priorities. At this stage, the PRC is not being asked to approve individual projects or lock in final expenditure decisions. Rather, it is being asked to identify which policy priorities are serious enough, strategically important enough, or fiscally material enough to justify further work so they can be properly costed, tested, and compared before final budget choices are made.

The process between now and August is therefore about commissioning and shaping the policy proposals the PRC wants to hear more about. Ministers would indicate which areas should proceed to the next stage, and the relevant ministries or agencies would then be required to prepare fuller submissions within the scope established by PRC. Those submissions should set out the policy rationale, delivery model, implementation risks, options, and detailed costing, using the agreed budget template and with Ministry of Finance review of the fiscal assumptions. In this way, the PRC uses the current round to decide which ideas deserve disciplined development and evaluation, rather than allowing every issue to proceed automatically into the budget process. This helps narrow the field, concentrate analytical effort on the most important priorities, and ensure that the August round is based on evidence and realistic costings rather than broad concepts or political claims alone.

The key distinction is that the PRC makes its final decisions in August, once the shortlisted proposals have been properly developed and assessed. That is the point at which ministers can decide whether to approve, reject, defer, scale, sequence, or reshape proposals in light of their full fiscal implications and strategic value. The current decision point is therefore about setting priorities for costing and evaluation, not approving projects, programs, or spending commitments themselves. Making that distinction explicit is important for budget discipline: it ensures that today's discussion is about what deserves serious consideration, while August remains the formal decision stage for determining which proposals will actually proceed into Budget 2027.

Annexes

Annex 1: Fiscal Sustainability Analysis with Sunrise–Tasi Mane TLNG (AI v1)

This is an initial analysis supported by AI on the Timor-Leste's Fiscal Sustainability risks. It is defined here as moment is when Petroleum Fund (PF) is too small to "safely" finance a dominant share of budget expenditure (i.e. when stakeholders believe there is impending disaster and budgets are forced to be reduced drastically).

Summary of Fiscal Sustainability Scenarios

Under assumptions, including 80% budget financing:

- **With Sunrise–Tasi Mane TLNG**, the **Petroleum Fund alone cannot indefinitely finance 80% of an inflation-growing budget**
- **What TLNG really buys** is:
    - A **later and smaller level of fiscal instability**,
    - A bigger window to **gradually reduce PF dependence** and raise non-oil revenue,
    - Some capacity to **rebuild or at least preserve** a non-zero PF stock into the 2040s–2050s.

Model assumptions:

- **Petroleum Fund (PF) starting stock:**
    - **$18.3b on 1 Jan 2024**, **$18.27b at 31 Dec 2024**.
    - **$18.3b** as the starting point.
- **PF investment return:**
    - Real return **3.5%/year** (roughly in line with long-run financial assumptions).
- **Budget structure:**
    - **80% of total expenditure financed by PF withdrawals**,
    - **20% from non-oil domestic revenue and other sources.**
- **Total government expenditure in 2025:**
    - Approx **$2.5–2.6b** (close to the 2025 budget around $2.6b noted in East Asia Forum).
    - **$2.5b** for round numbers.
- **Expenditure growth:**
    - **Inflation 3%/year**
    - **Real expenditure is flat** - nominal expenditure grows at **3%**.
- **Sunrise–Tasi Mane TLNG:**

- **Final Investment Decision (FID) around 2028**, first gas and fiscal flows **from 2034** (realistic, not optimistic).
- **Additional expenditures of $2.6b** required to get to FID
- **Annual TL fiscal inflows** from TLNG:
  - 2034–2035: **$0.6b/year**,
  - 2036–2045: **$0.9b/year**,
  - 2046–2050: **$0.5b/year**.
- These are stylised estimates, consistent with Timor-Leste capturing something like **$20–25b** over the life of Sunrise in a TLNG scenario.

IMF work and other commentary already warn that **if large withdrawals continue, the PF is on track for depletion by the end of the 2030s**, which is what this scenario also shows under the 80% budget financing assumption.

Modelling Steps

Step 1 – Baseline: spending and PF withdrawals

Key assumptions: PF finances 80% of the budget and expenditure is stable and grows only with inflation.

Table 73. Stylised expenditure path

Year	Total expenditure ($b)	80% from PF (withdrawal)	20% non–oil revenue
2025	2.50	2.00	0.50
2030	2.90	2.32	0.58
2035	3.36	2.69	0.67
2040	3.89	3.11	0.78

Result: PF withdrawals are large and rising in nominal terms.

Step 2 – Scenario A: no Sunrise–TLNG (PF finances 80% until it breaks)

Assumptions:

- PF opening 2025: **18.3b**
- Return: **3.5%** on opening balance
- Withdrawal: **80% of expenditure** (from the table above)

Table 74. PF Evolution 5-year snapshots – No Sunrise

Year	PF opening ($b)	Investment return 3.5%	Withdrawal (80% of exp.)	PF closing ($b)
2025	18.3	+0.64	-2.00	16.9
2030	16.9	+0.59	-2.32	15.2
2035	15.2	+0.53	-2.69	13.0
2040	13.0	+0.46	-3.11	10.3
2045	10.3	+0.36	-3.60	7.1
2050	7.1	+0.25	-4.18	3.2

Result: This is still conservative: the IMF warns that at **"large withdrawals" the PF could be fully depleted by the end of the 2030s**, and 80%-financing is indeed "large." These rough numbers show **steep erosion** and are entirely consistent with that warning, but complete erosion happens later.

Effective depletion (politically or legally) before 2040 if:

- **Spending is higher** than these levels (e.g., 2025's budget is already "over double the sustainable withdrawal level"), or
- Actual investment **returns are lower than 3.5%.**

Fiscal instability start, size and length in Scenario A

- **Hits:** **Fiscal contraction emerges around the late 2030's**
  - **The fiscal instability moment here is when PF is too small to "safely"** finance 80% of expenditure (i.e. when stakeholders believe there is impending disaster and budgets are forced to be reduced drastically)
  - Under these withdrawal rates, the PF is **heavily eroded by the late 2030s**, consistent with IMF estimates (i.e. ***unsafe PF balance is $12b or less***)
- **Size (shock):** Budget expenditures fall by a third to ESI plus non-oil revenues – From **$3.5b to $1b in current prices** or more than halved to c$0.8b in constant prices
  - You go from PF covering **80% of the budget** to **something close to zero**, unless you radically cut spending or find external finance. Late 30's it if PF balance is $10b the decision will be forced – cut and rely only on ESI plus tax and other non-oil revenues
  - That implies a sudden adjustment of on the order of **15–20% of GDP**, given how dominant the PF-financed budget is.
- **Length:** **Indefinite – A permanent, possibly catastrophic fiscal, economic and social shock** if no Sunrise
  - With no new large upstream revenue and failed economic growth and development policies, the fiscal inability is **long-lasting**—a decade or more of forced austerity and rising debt.

So: under "80% from PF, inflation-linked spending, no Sunrise TLNG," you hit a **large, enduring reduction to expenditure sometime between mid-2030s and 2040s**, depending on exact spending and returns.

Step 3 – Scenario B: with Sunrise–Tasi Mane TLNG

Assumptions: Same budget rule (PF finances 80% of a 3%-growing budget)

Sunrise-TLNG adds $2.6b in extra-budgetary expenditures by FID.

Add TLNG from 2034 and maintain the same expenditure path.

Sunrise TLNG delivers cash inflows from 2034:

- 2034–2035: **+0.6b/year**
- 2036–2045: **+0.9b/year**

- 2046–2050: **+0.5b/year**

For modelling purposes, **these are considered as additional revenue flows directly into the budget** (rather than into the PF) that reduces the net need to draw from the existing PF. It also assumes governments choose to be disciplined and do not increase spending further.

Table 75. PF Evolution with Sunrise-Tase Mane TLNG inflows

Year	PF opening ($b)	Investment return 3.5%	Withdrawal (80% of exp.)	Sunrise inflow	PF closing ($b)
2030	16.9	+0.59	-2.32	0	15.2
2033	15.8	+0.55	-2.51	0	13.8
2034	13.8	+0.48	-2.58	+0.6	12.3
2035	12.3	+0.43	-2.69	+0.6	10.6
2040	10.6	+0.37	-3.11	+0.9	8.8
2045	8.8	+0.31	-3.60	+0.9	6.4
2050	6.4	+0.22	-4.18	+0.5	3.0

Compared to **Scenario A**:

- The PF is still **eroding**, but **more slowly** once Sunrise kicks in.
- It **does not stabilise** under an 80%-financing rule with inflation-linked spending, even with TLNG; it just **pushes the year out further when fiscal instability occurs and makes it less dramatic**.

Step 4 – Comparing the fiscal instability in the two scenarios

Without Sunrise–TLNG (offshore processing or no project)

- **Fiscal contraction timing:** **Fiscal instability emerges around the late 2030's**
  - PF effectively exhausted (i.e. PF is too low to safely support 80% budgets) in the **late 2030s**, aligning with IMF warnings.
- **Fiscal contraction size:** **Expenditures fall to $1b in current prices** ($0.8b in constant)
  - A one-off effective loss of **up to 80% of current budget financing**, unless:
    - Spending is slashed,
    - Or new revenues/borrowing fill the gap.
- **Fiscal contraction duration:** **Indefinite – A permanent social shock**
  - **Prolonged**—no major new upstream inflow means no quick way out.

With Sunrise–Tasi Mane TLNG

- **Fiscal contraction timing:** **Fiscal instability still emerges around the late 2030's** due to extra expenditures required for Tasi Mane TLNG
  - Sunrise inflows from around **2034** flatten the depletion curve:
    - You still run down the PF in the 2020s and early 2030s,
    - But the **moment of "hard constraint" is pushed into the 2040s or beyond**, depending on discipline.

- **Fiscal contraction size:**
    - Instead of an **abrupt stop** in PF support, you get:
        - A **PF that is still declining but not collapsing**, and
        - A **new revenue stream** covering something like **20–30% of the budget** at peak (0.9–1.0b vs. a 3–4b budget).
- **Fiscal contraction duration:**
    - The real "danger window" becomes the **pre-Sunrise gap**:
        - **Late 2020s–early 2030s**: PF is being drawn down rapidly, but Sunrise revenue hasn't arrived.
    - If Sunrise is delayed beyond 2035 or underperforms, fiscal contraction risks re-emerges quickly.

Annex 2: Participatory Budget Consultation Outcomes

National Findings: Citizens and Social Partners

Ministry of Finance - General Directorate of Planning and Budget (DGPO) *June 2026* | *Citizens n = 1,214 (14 municipalities)* | *Social Partners n = 40* | *Combined N = 1,254*

This brief report follows the same structure as the full national report. Citizens' Survey and Social Partners' Consultation are kept analytically separate throughout and the two streams are combined only to identify convergent findings. **Dual stream** indicates both streams independently agree; these are the most robust evidence signals for OJE 2027 budget decisions. For the full analysis, data tables, municipal breakdowns, and open-ended findings, refer to the main report sections (S3–S8).

1. Overview

The OJE 2027 consultation reached all 14 municipalities and administrative territories of Timor-Leste between April and May 2026, engaging **1,254 participants** across two complementary tracks. The Citizens' Survey (n = 1,214) captured community-level priorities from institutionally engaged stakeholders across every municipality. The Social Partners' Consultation (n = 40) captured the institutional voice of organised civil society, trade unions, universities, and advocacy organisations - primarily Dili-based but with national mandates.

This is the largest and most geographically complete OJE consultation to date. The two streams converge on the same infrastructure mandate, the same youth employment priority, and the same implementation failure diagnosis. Where they differ, the difference reveals rather than contradicts - the SP stream provides sub-program depth (social protection priorities, employment creation barriers) that the citizen stream does not.

2. Participants Profile

Citizens (n = 1,214): Respondents are predominantly government representatives (74.3%), reflecting the Municipal Advisory Council structure of the consultation, with youth, civil society, women's organisations, private sector, and other institutional categories as distinct streams. There is a notable gender imbalance, 74% male, 23% female. Half of respondents are urban-based (50.5%), 37.6% rural, and 11.5% peri-urban. All 14 municipalities are represented, with response counts ranging from 63 (Lautém) to 128 (Baucau).

Social Partners (n = 40): Participants are drawn from NGOs and civil society (27.5%), universities and academic institutions (12.5%), labour organisations and trade unions (12.5%), international partner organisations (10.0%), and youth, women, and disability organisations. Gender skews slightly male (52.5% male, 47.5% female), and **87.5% are based in Dili** - reflecting the concentration of national organisations in the capital.

Notably, 15.0% identify as a person with disability, substantially higher than the 3.8% in the citizen sample, reflecting the purposive inclusion of disability organisations.

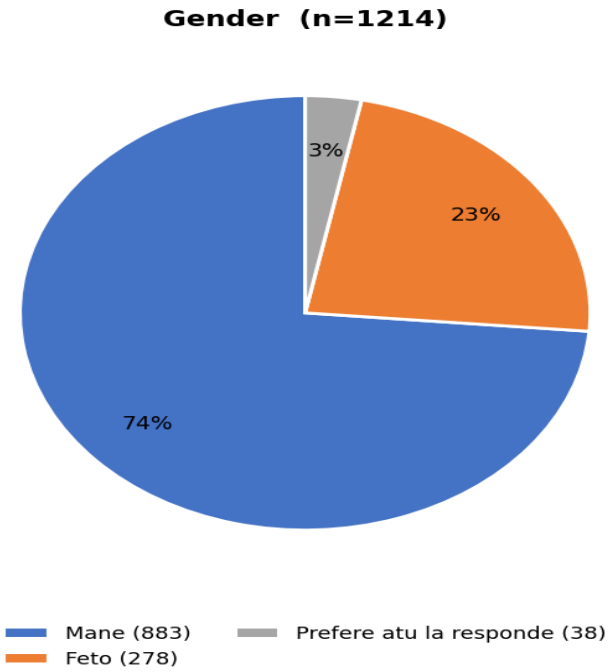


Figure 2.1: Gender distribution of citizen respondents (n=1,214).

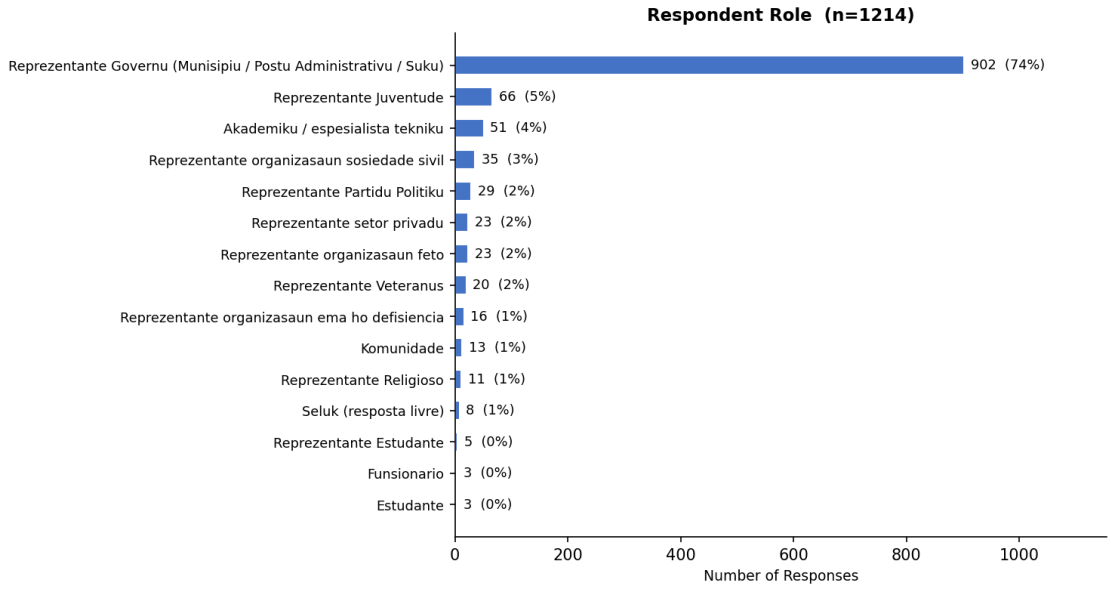


Figure 2.2: Respondent role / institutional category - citizen stream.

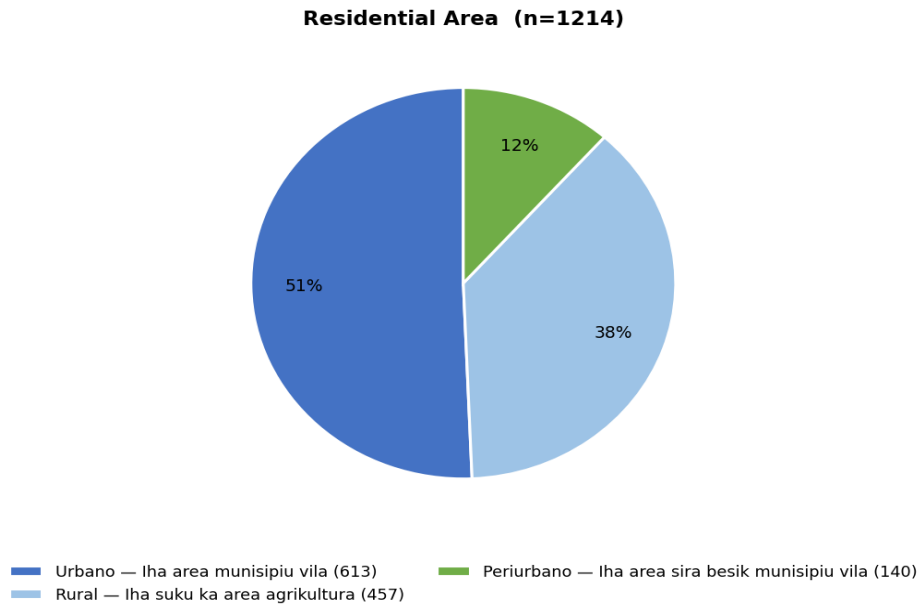


Figure 2.3: Residence type distribution - Urban, Peri-urban, Rural.

3. Social Capital - Education, Health, and Inclusion

Education

Dual-stream Teacher quality and capacity is the top education priority for both streams. Citizens rank it first (64.5%), followed by school infrastructure (54.9%) and access to schools (45.9%). Social Partners closely corroborate: 72.5% identify teacher training as the priority, and 52.5% flag teacher working conditions - pointing to a retention and deployment problem rather than a training-only issue. Vocational and technical education is a lower headline number nationally (19.3% of citizens) but ranks as the **top youth employment priority** at 89.0% - the highest selection rate of any multi-select option in the entire survey.

> **What is working well:** Education access is rated good or excellent by **75.0%** of citizen respondents, the most positively rated public service in the consultation. These findings are refinements to a functioning system, not a demand to rebuild it.

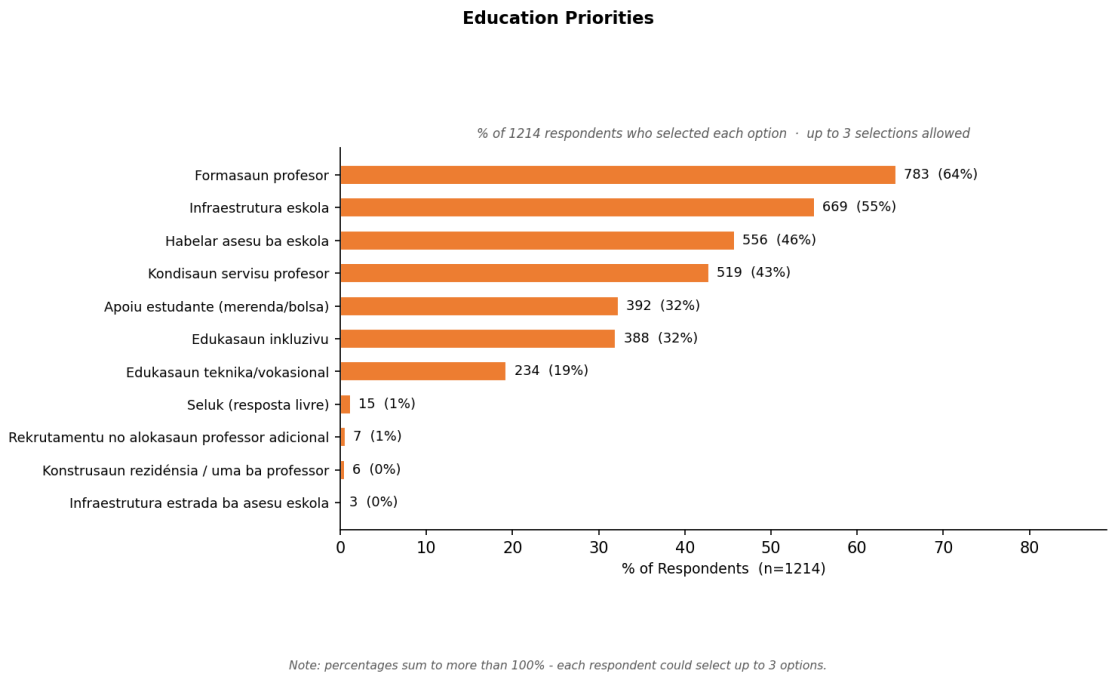


Figure 3.1: Education priorities - multi-select, citizens (n=1,214).

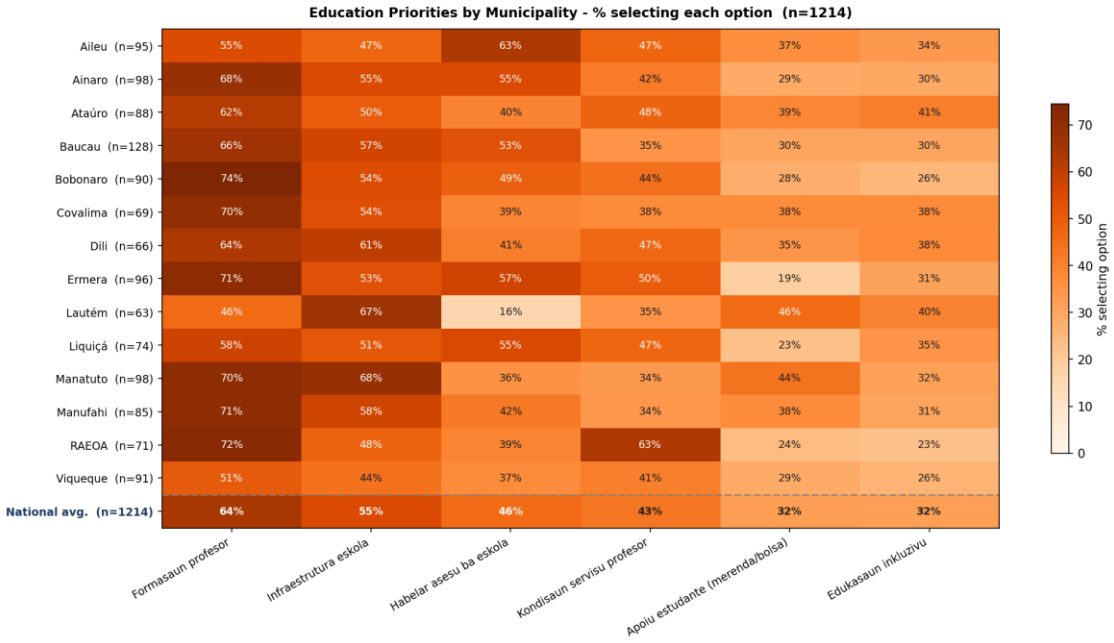


Figure 3.2: Education priorities heatmap - all 14 municipalities. National average row at bottom.

Health

Dual-stream Medicine and equipment shortages are the dominant health challenge for both streams: 68.0% of citizens and 77.5% of Social Partners identify this as the top

problem. Insufficient health personnel (63% citizens, 52.5% SP) and distance to facilities (51.5% citizens) complete the top three. This is a supply-chain and deployment failure, the same three challenges ranked in the same order as in 2026.

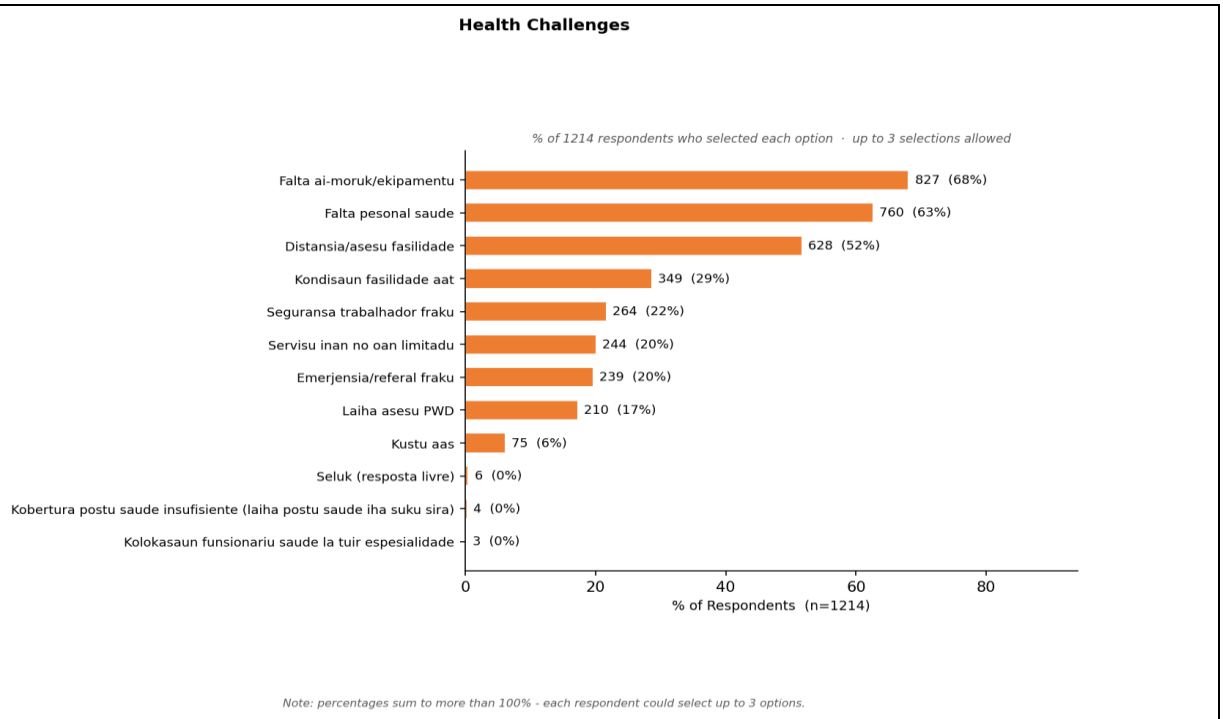


Figure 3.3: Health challenges - multi-select, citizens (n=1,214).

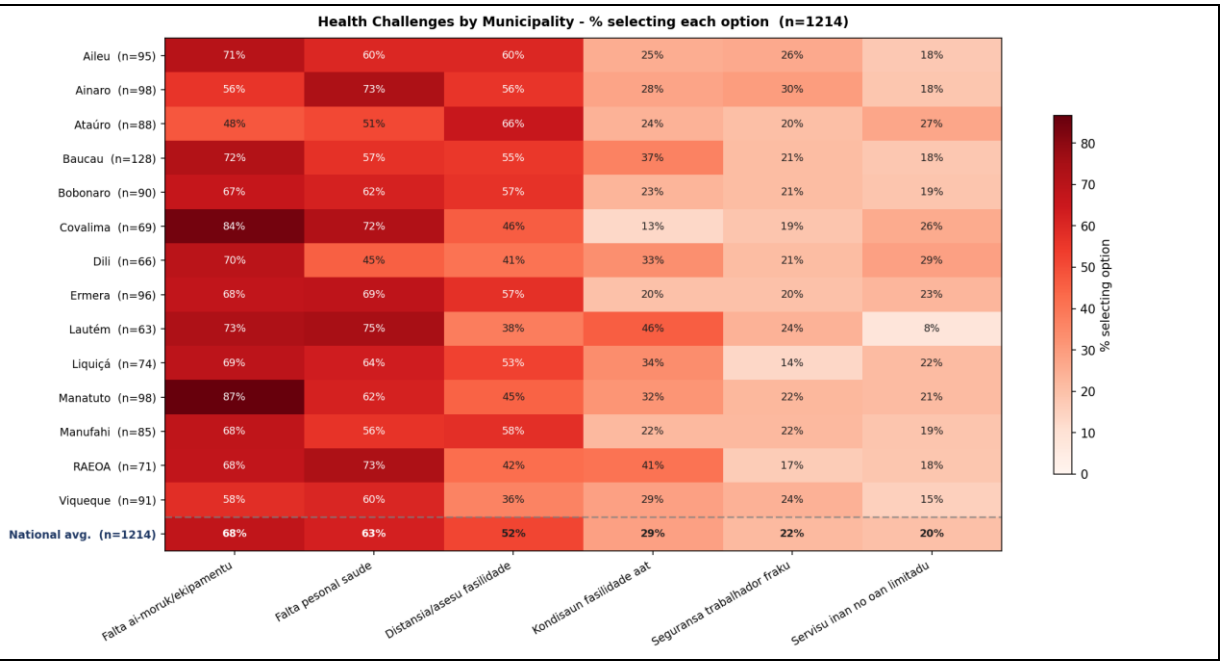


Figure 3.4: Health challenges heatmap - all 14 municipalities. National average row at bottom.

Social Inclusion and Vulnerable Groups

Government support for vulnerable groups is rated as only somewhat effective by 46.5% of citizens and 17.7% say it is not effective. People with disabilities rank first as the group most needing additional support (65.0%), followed by low-income families (51.9%) and youth (52.0%). Social Partners identify vulnerable families (75.0%) and children at risk (42.5%) as the highest need populations and specifically flag beneficiary registration gaps as a systemic barrier to effective targeting.

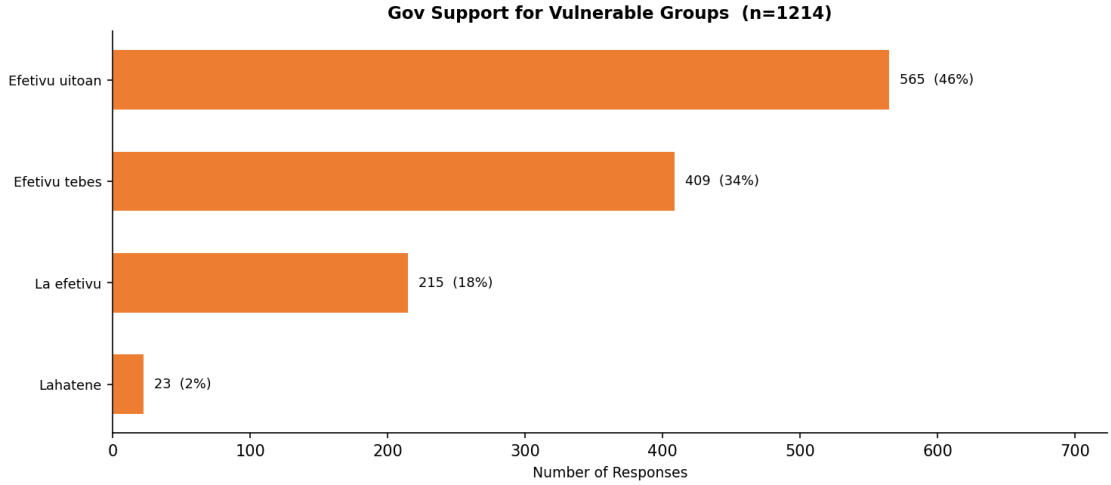


Figure 3.5: Rating of government support effectiveness for vulnerable groups - citizens (n=1,214).

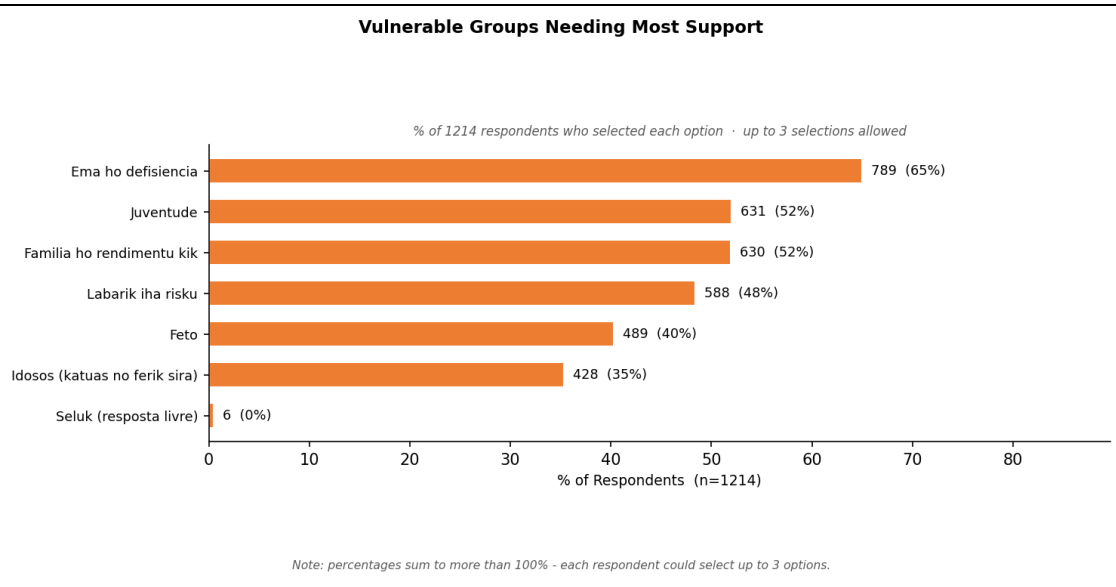


Figure 3.6: Groups most needing additional government support - multi-select, citizens.

Environment

Waste management and pollution is the top environmental challenge nationally, cited most prominently in urban municipalities. Deforestation and flooding/drainage are the second and third concerns, with flooding particularly acute in Manatuto, Liquiçá, and Bobonaro.

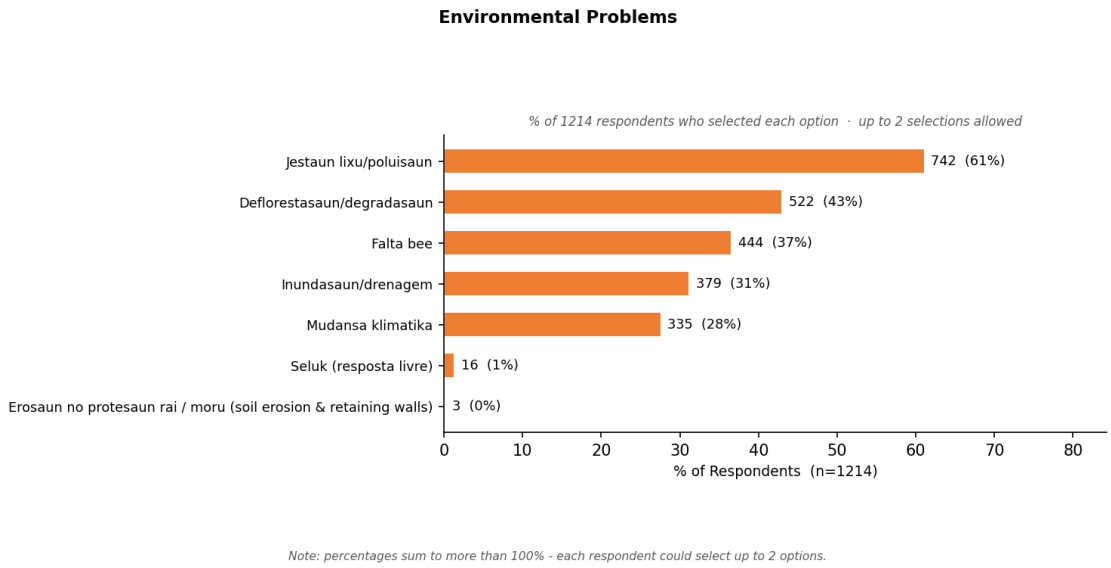


Figure 3.7: Environmental challenges - multi-select, citizens (n=1,214).

4. Infrastructure - The Dominant Signal

Both streams Infrastructure is the single clearest, most consistent finding across both streams and all 14 municipalities.

- **82.9%** of citizens identify roads and bridges as an urgent infrastructure need - the highest figure for any option in the survey; Social Partners corroborate at a comparable rate
- **69.5%** of citizens name roads and bridges as their single top infrastructure priority for OJE 2027
- **60.3%** of citizens choose Infrastructure Development as the budget pillar that should receive the largest OJE 2027 share - more than the other three pillars combined; Social Partners independently converge on the same choice
- **44.4%** of citizens rate road conditions as poor; this rises to **55.8%** among rural respondents
- Water and sanitation are a clear second infrastructure priority: **77.2%** identify it as urgent, and **14.9%** rank it as their single top priority - a new signal relative to 2026

What is working well: Electricity access has reached most of the population - **88.7%** of respondents have electricity, with 32.5% rating reliability as very good. The infrastructure challenge is now reliability and last-mile coverage, not the initial roll-out.

This mandate is convergent across municipalities, demographics, and residence types. It is not an average concealing disagreement - it is a uniform signal.

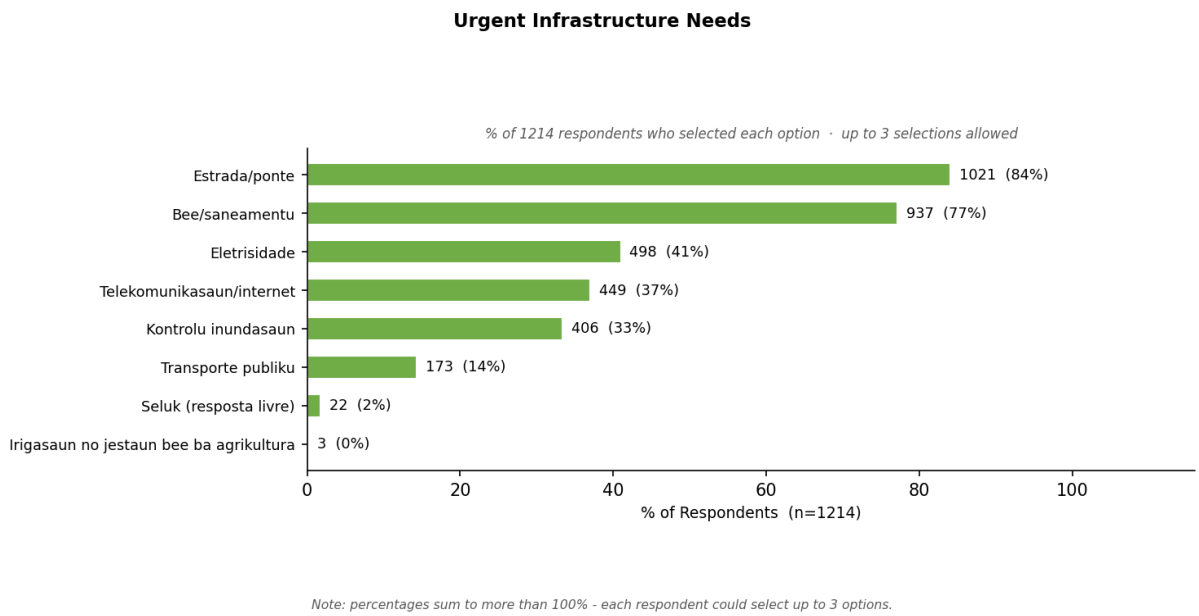


Figure 4.1: Urgent infrastructure needs-multi-select, citizens (n=1,214). Roads and bridges lead at 82.9%.

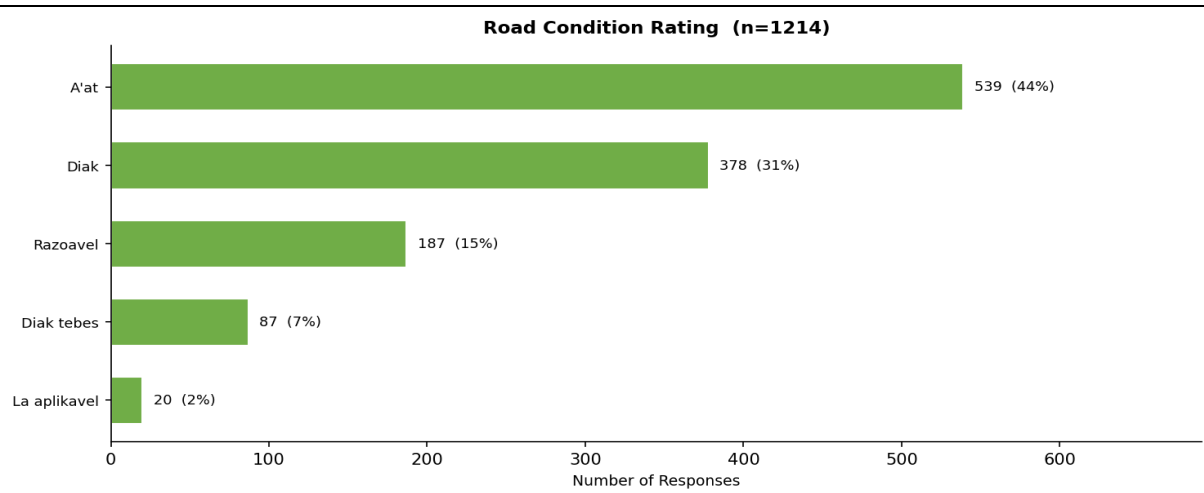


Figure 4.2: Road condition rating - citizens (n=1,214).

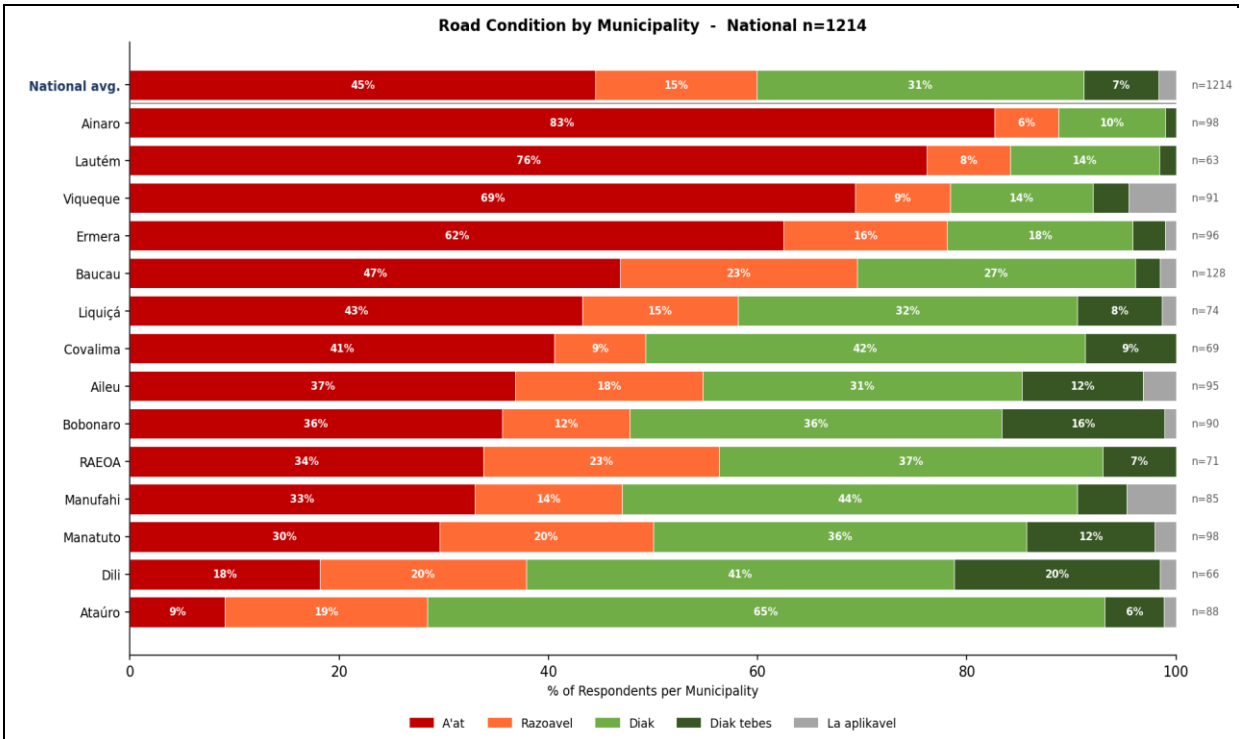


Figure 4.3: Road condition by municipality - all 14 municipalities. National average shown.

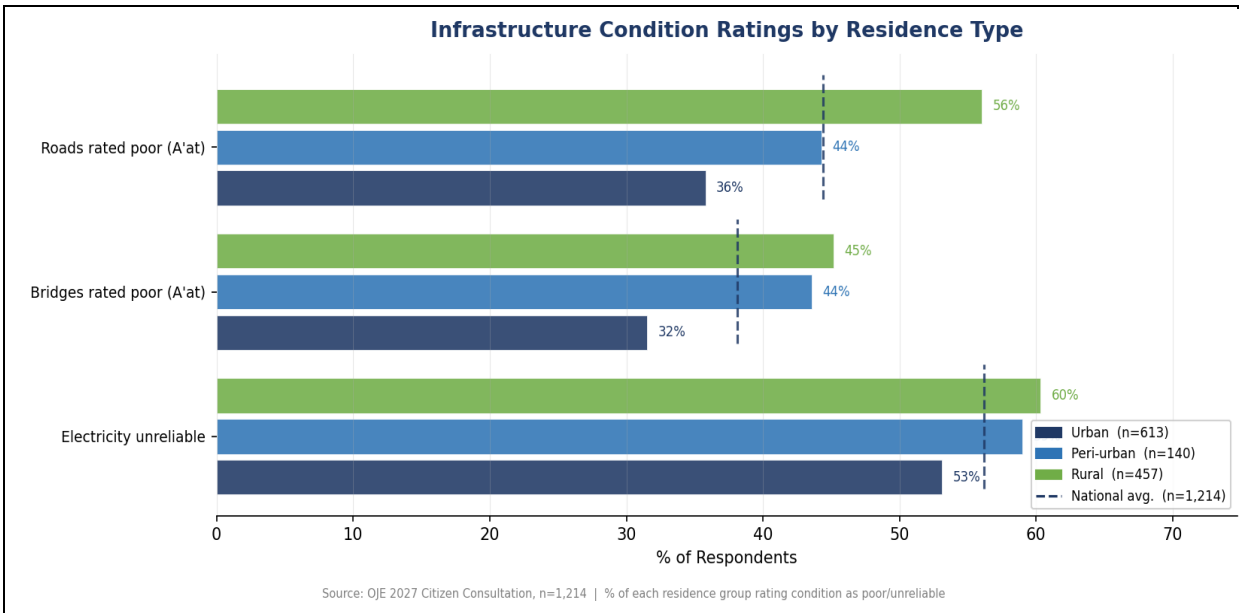


Figure 4.4: Infrastructure condition ratings by residence type. Rural respondents rate road condition significantly worse.

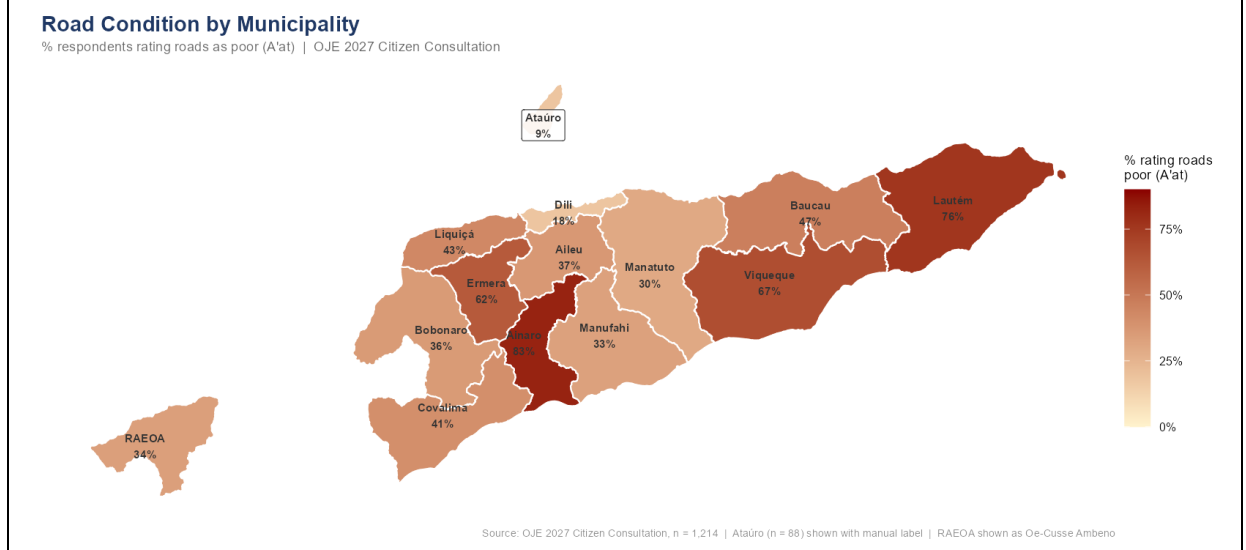


Figure 4.5: Road condition map - municipality-level ratings. Darker shading = worse condition.

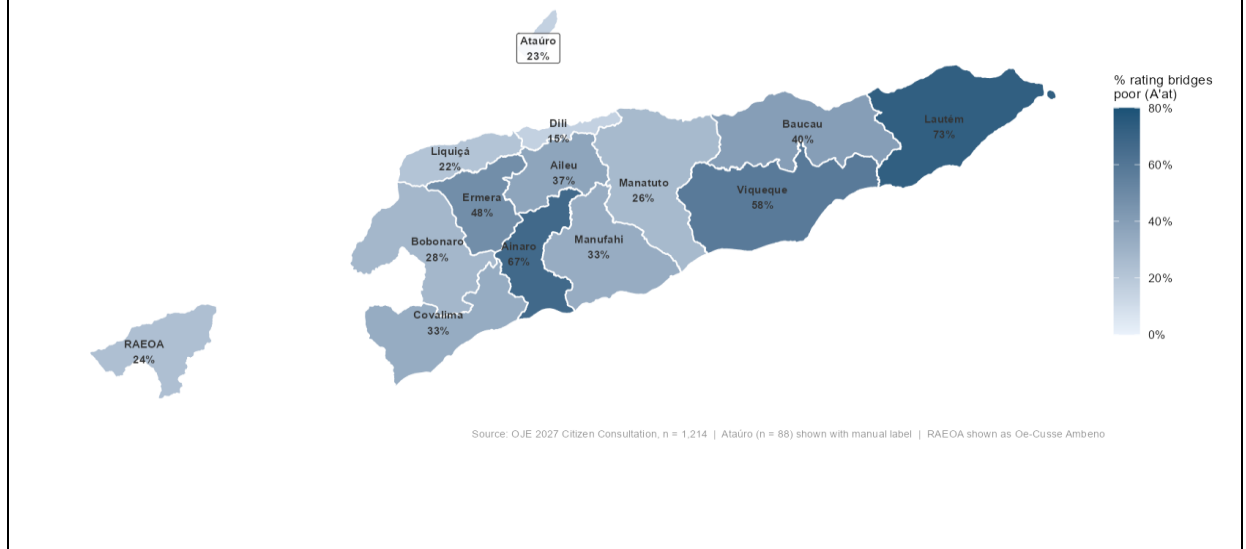


Figure 4.6: Bridge condition map - municipality-level ratings.

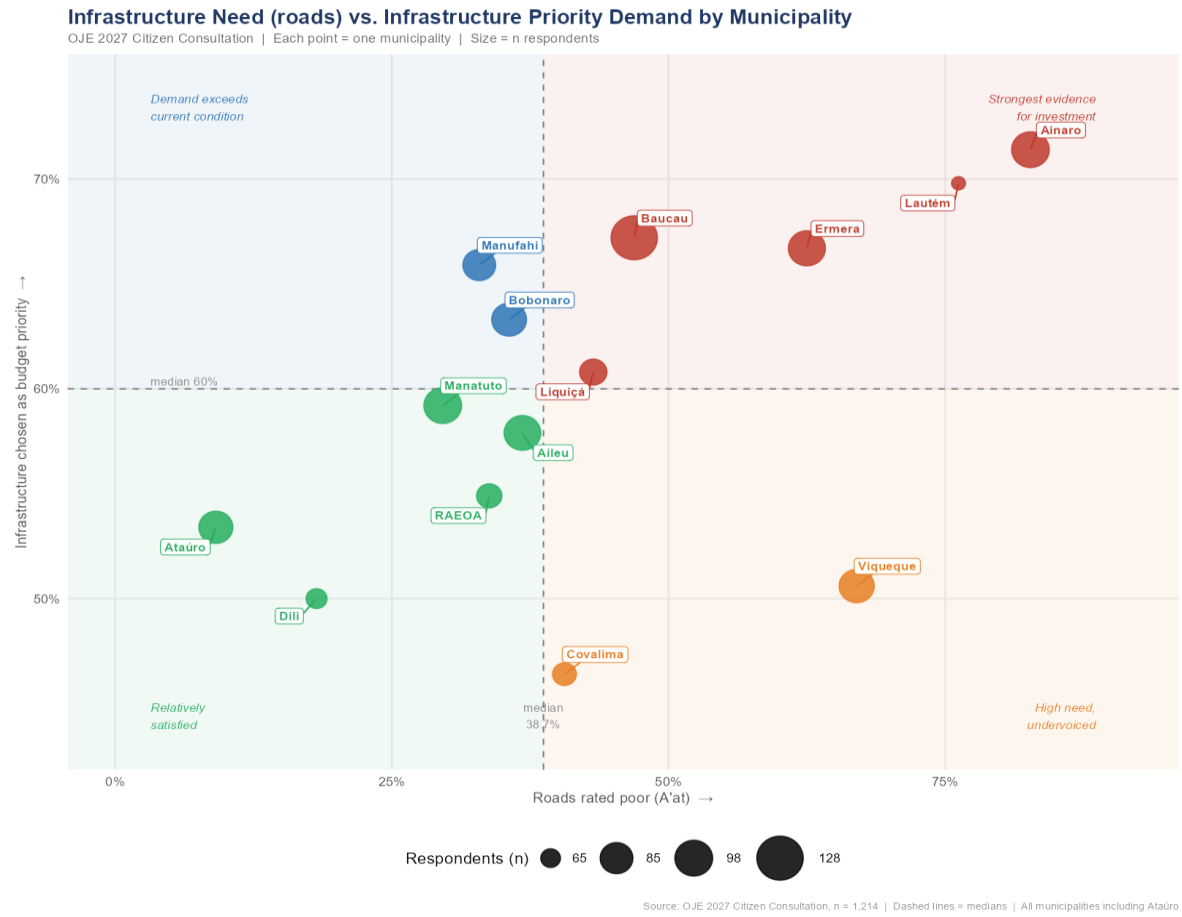


Figure 4.7: Infrastructure urgency vs pillar demand by municipality. Upper-right quadrant = municipalities with both high infrastructure urgency and high budget pillar demand - the strongest mandate for capital investment.

5. Economic Development

Limited employment is the top economic challenge (42.4%), followed by low agricultural productivity (22.2%) and limited market access (15.4%). **Agriculture and rural development** are the priority sector for employment creation, identified by **63.5%** of citizens - a strong and stable signal relative to 2026.

Youth employment priorities are the most concentrated signal in the economic data: **88.1%** cite vocational and professional training as the top priority, 76.4% cite access to finance for small businesses, and 60.0% cite support for SMEs and cooperatives. This describes an entrepreneurship pathway, not a demand for formal employment.

(Dual-stream - SP-exclusive depth) Social Partners were asked two questions not in the citizen survey: - **Q29 Employment creation barriers** - identifying the structural obstacles that prevent job creation in Timor-Leste. The top barriers named are skills-market mismatch (70.0% of SP), limited private sector investment, and regulatory complexity. This provides SEFOPE with a policy target beyond the demand-side TVET signal from citizens. - 61.0% of citizens rate the business environment as at least

somewhat easy - a majority positive baseline that suggests barriers are specific and addressable rather than systemic.

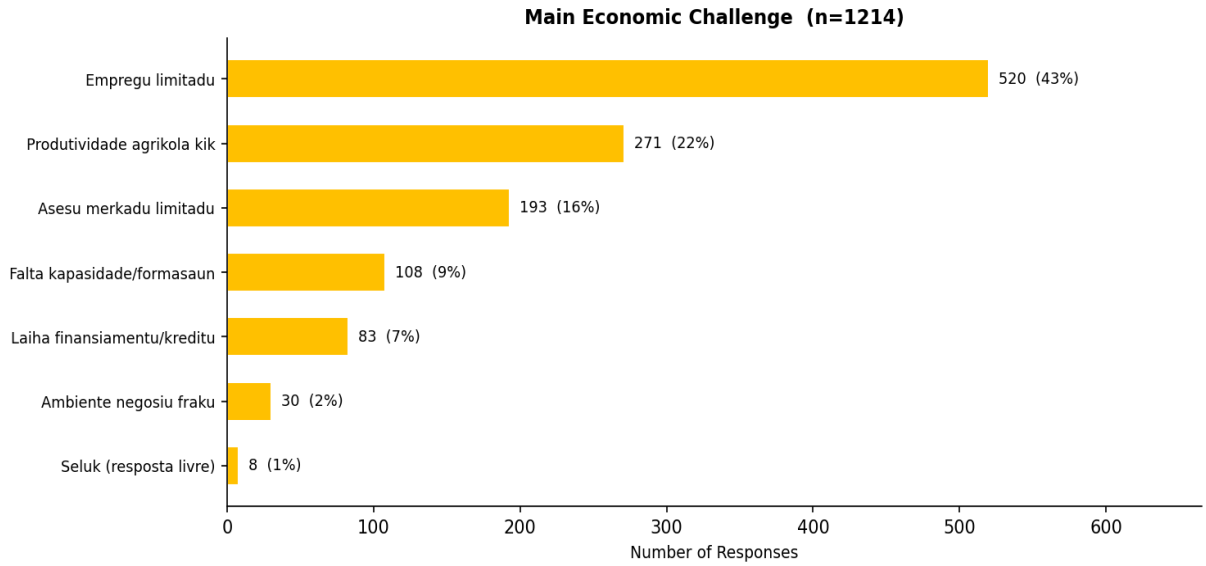


Figure 5.1: Main economic challenges - citizens (n=1,214). Limited employment leads at 42.4%.

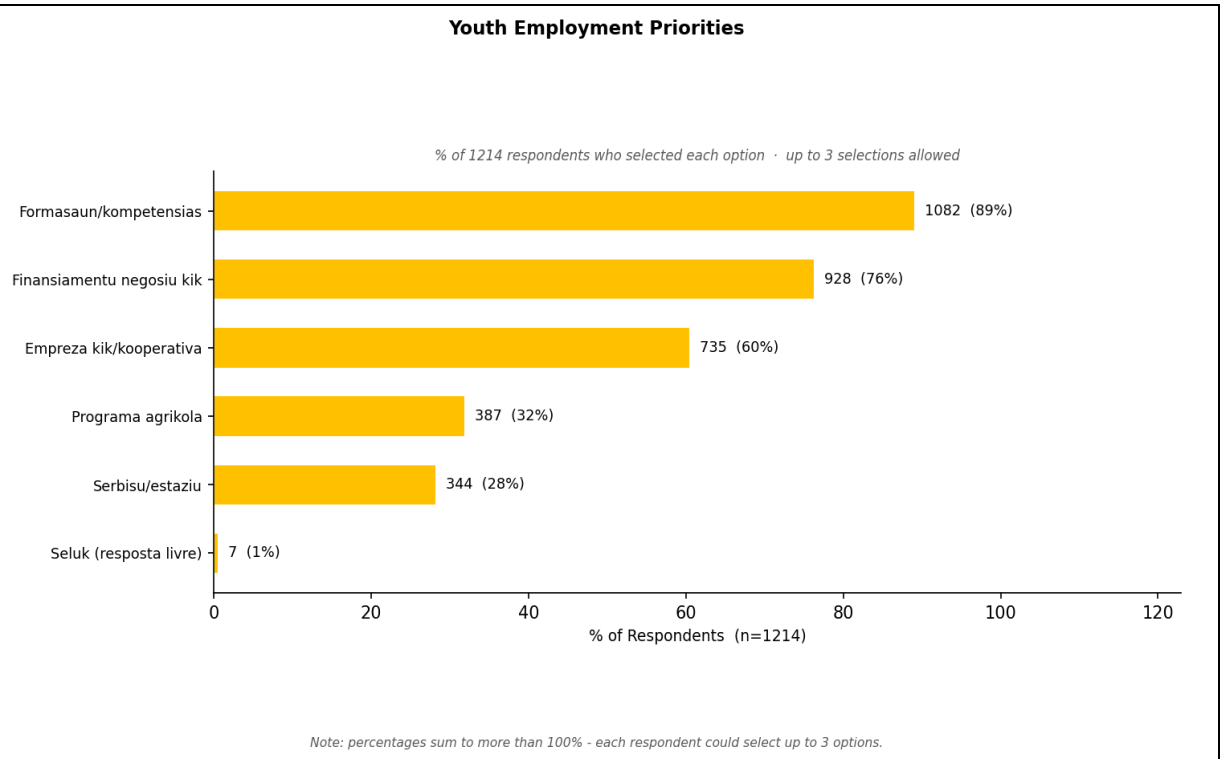


Figure 5.2: Youth employment priorities - multi-select, citizens. TVET leads at 88.1% - highest rate of any multi-select option in the survey.

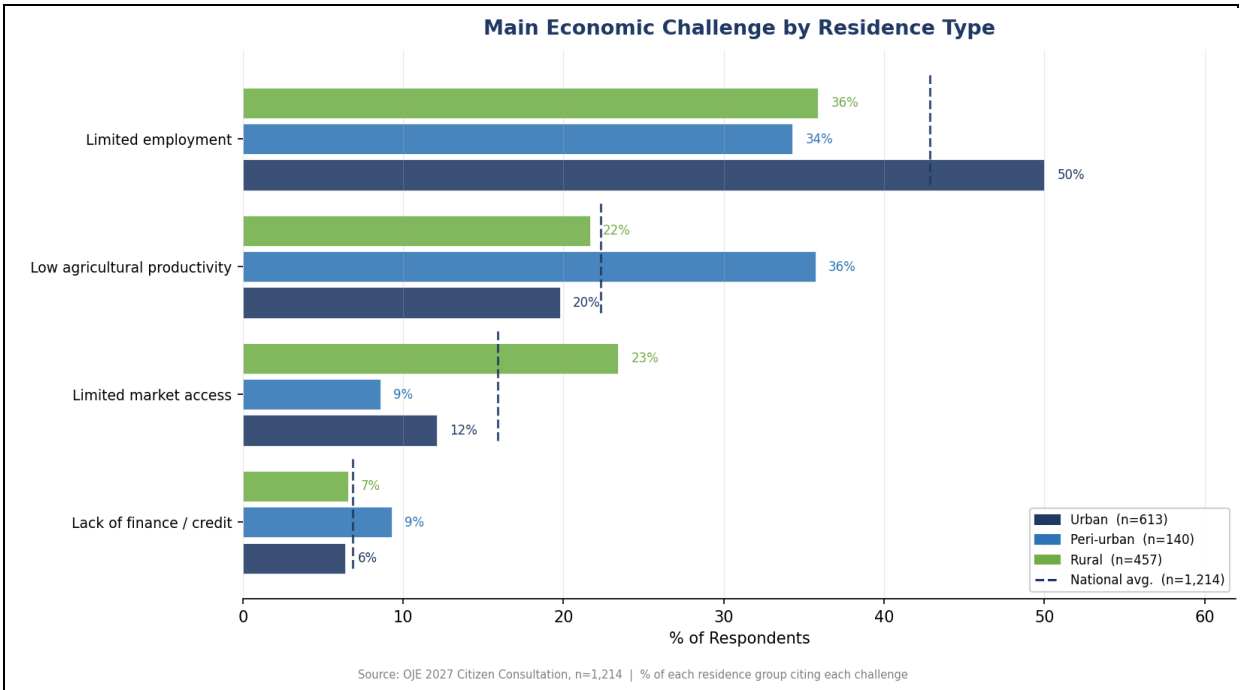


Figure 5.3: Main economic challenge by residence type.

6. Governance and Public Services

Public service quality is rated good or very good by **69.9%** of citizens and similarly by Social Partners - a broadly positive baseline. The governance findings identify *specific* access and delivery failures rather than a generalised loss of trust.

Access barriers: Distance to services is the top barrier for rural respondents; administrative requirements and documentation complexity (bureaucracy) is the top barrier for urban respondents. Community meetings are the preferred communication channel, followed by radio - pointing to low-technology, community-based dissemination as the most effective reach model.

Governance reform priority: Municipal administration is the top area citizens identify for improvement, consistent across municipalities and streams.

Implementation failure: **75.4%** cite implementation delays and **61.1%** cite weak contractor performance as the primary reasons government projects fail. Lack of maintenance and absence of transparency complete the picture. **Dual-stream** Social Partners corroborate these failure modes at comparable rates, pointing to a procurement and contract management problem - not a budget problem.

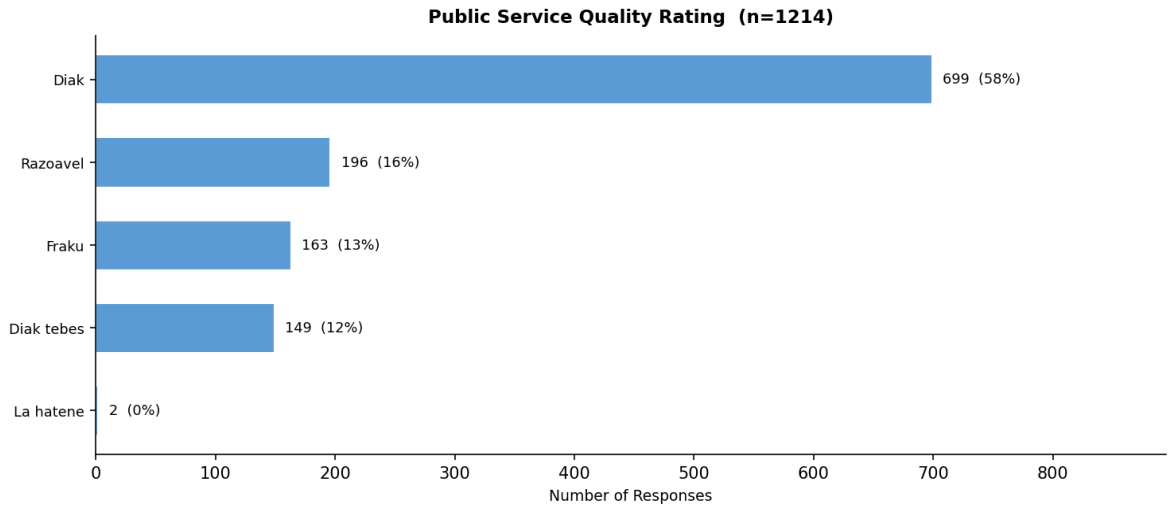


Figure 6.1: Public service quality rating - citizens (n=1,214). 69.9% rate as good or very good.

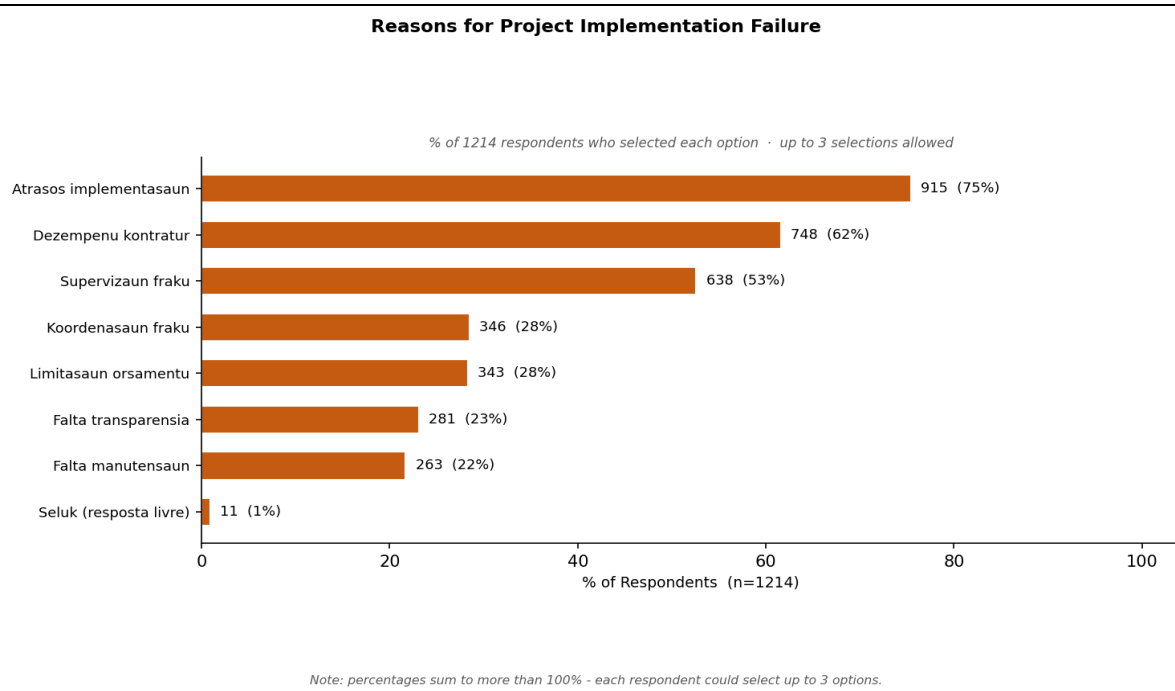


Figure 6.2: Reasons government projects fail - multi-select, citizens. Implementation delays (75.4%) and contractor performance (61.1%) lead.

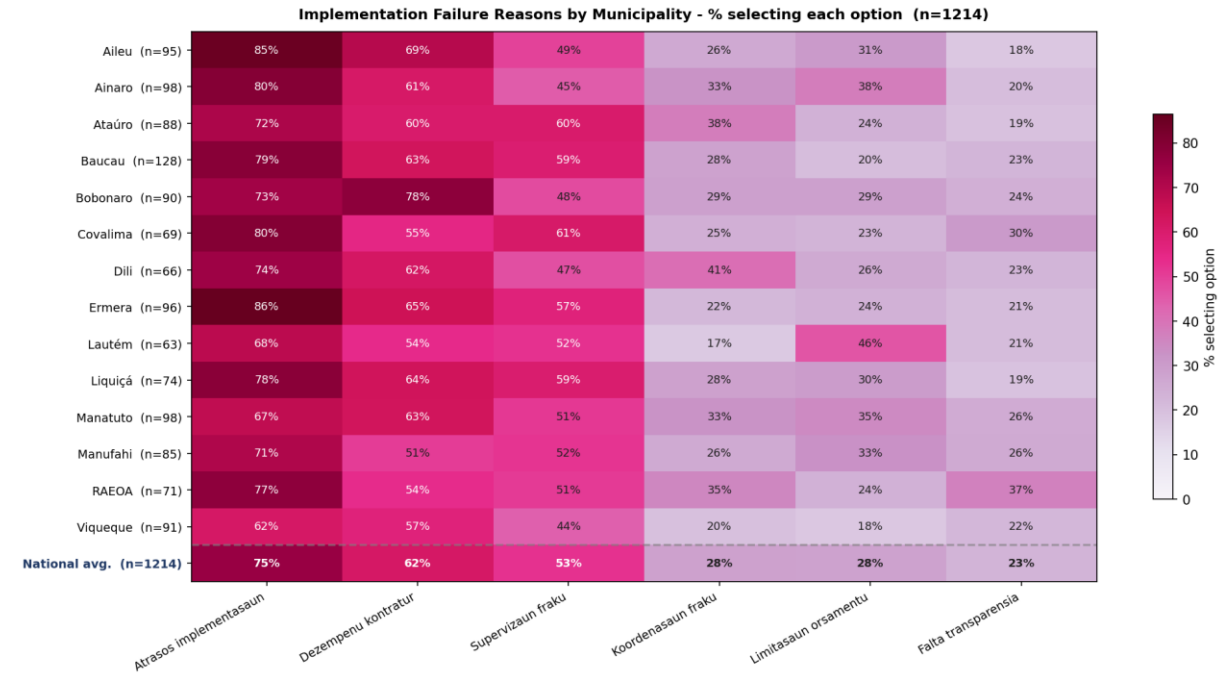


Figure 6.3: Implementation failure reasons heatmap - all 14 municipalities. Delays and contractor performance are consistent across all municipalities.

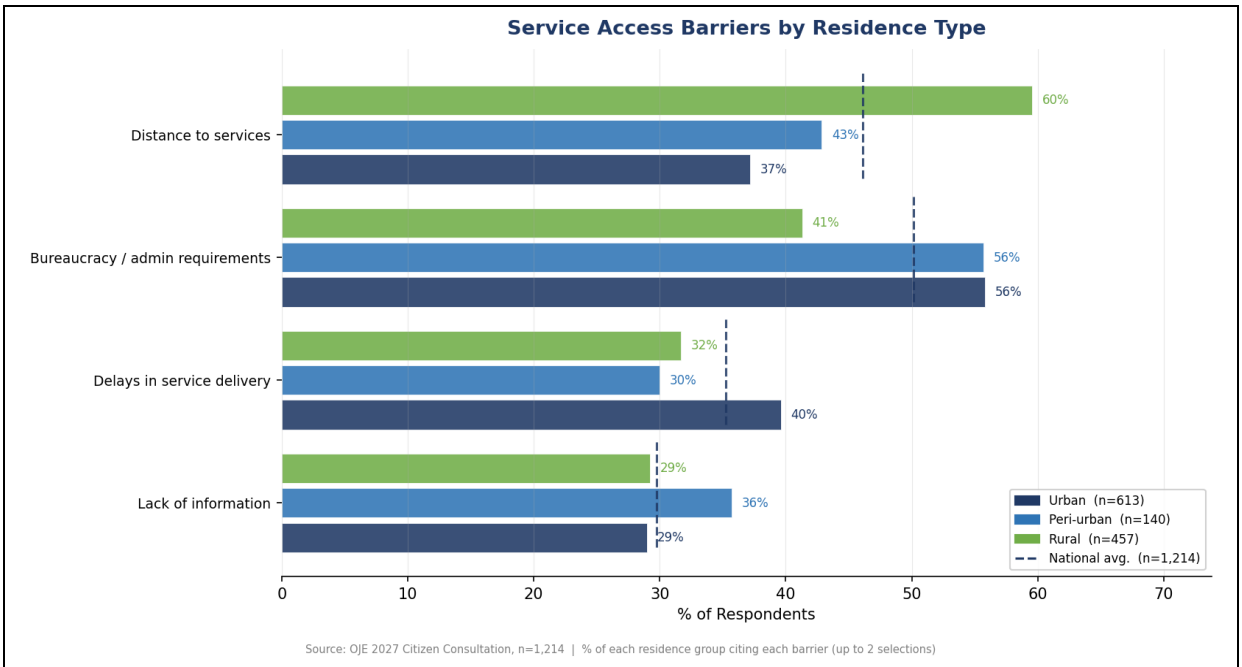


Figure 6.4: Service access barriers by residence type. Distance dominates for rural respondents; bureaucracy for urban.

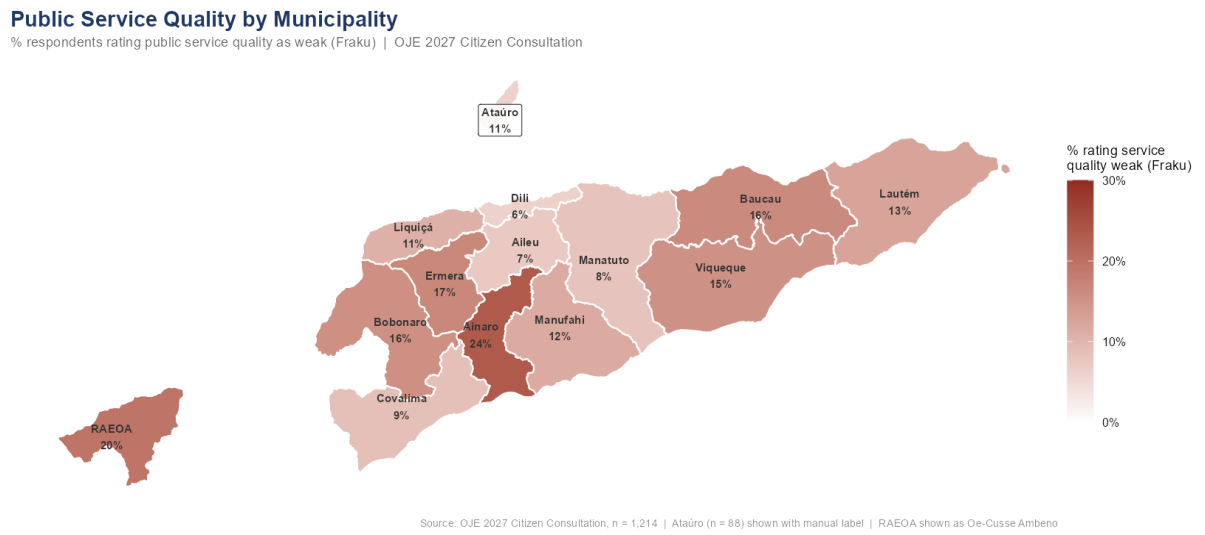


Figure 6.5: Public service quality rating map - municipality-level aggregates. Reveals geographic clustering in service quality perceptions.

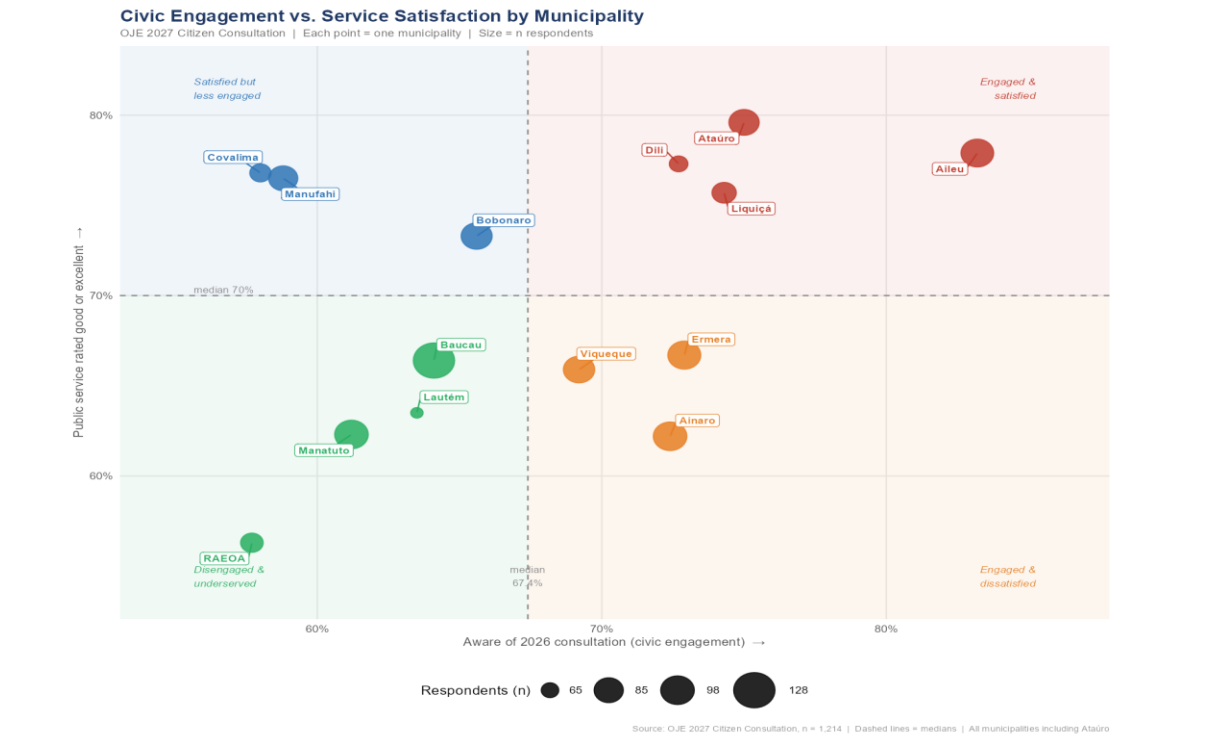


Figure 6.6: Engagement level vs service quality rating by municipality. Municipalities in the upper-left quadrant (high engagement, low service quality) represent the most urgent governance investment targets.

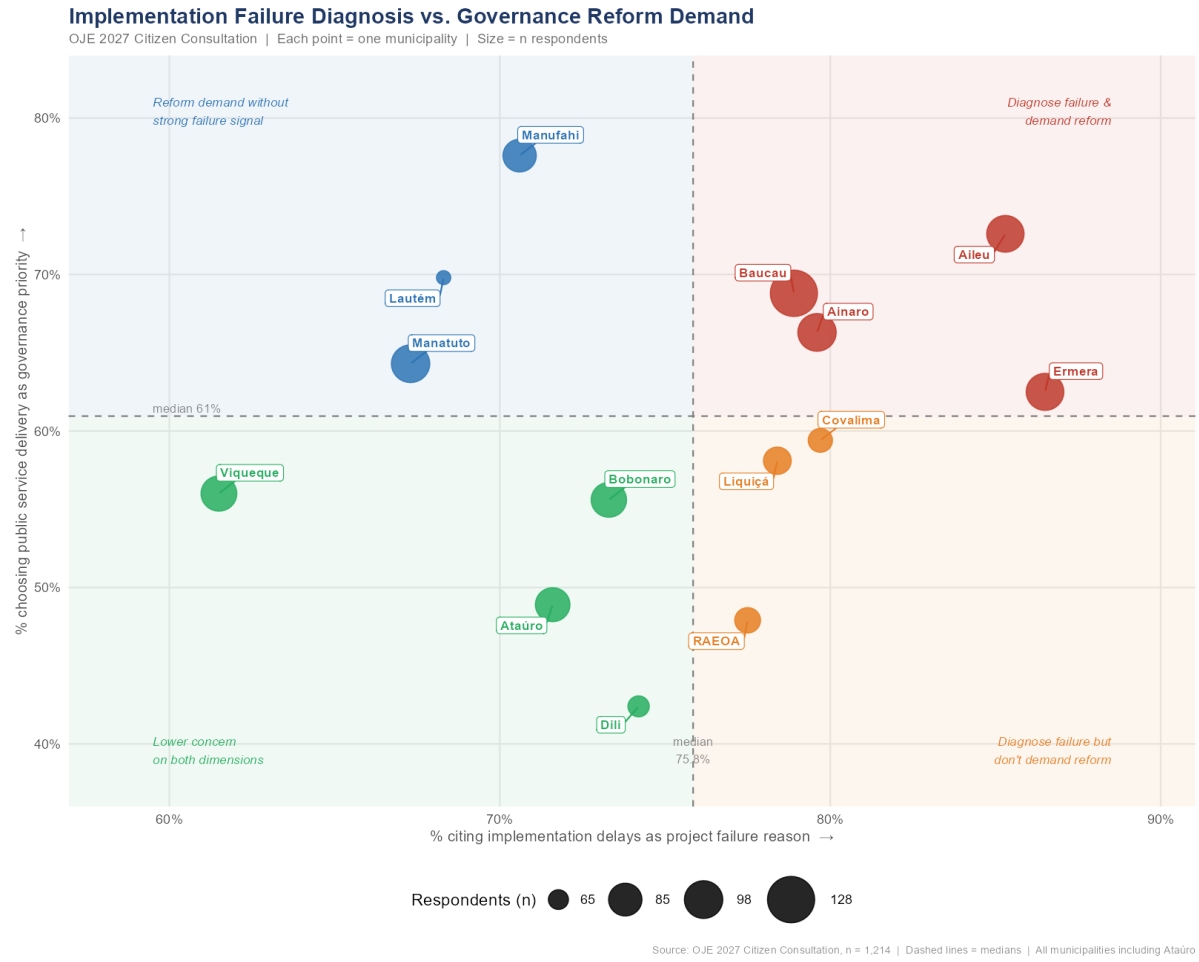


Figure 6.7: Implementation failure rate vs governance reform demand by municipality. Upper-right = municipalities where both failure rates and reform demand are high - consistent governance accountability signal.

7. Budget Priorities and Accountability

Citizens are clear about both what they want funded and how they want it decided:

- **60.3%** choose Infrastructure as the top budget pillar (Economic 20.2%, Social Capital 15.2%, Governance 4.2%)
- **67.3%** say urgency of need should be the top factor guiding budget decisions; employment creation potential (39.5%) and number of people affected (32.8%) follow
- **68.0%** of citizens are aware that their 2026 consultation input influenced the national budget - a meaningful accountability signal, though a 32% gap in awareness remains

The infrastructure-over-social-capital ranking is not a contradiction: citizens experience infrastructure failure as the root cause of poor health, education, and economic

outcomes. The mandate is not to choose between sectors - it is to fix the physical platform that enables all other services to function.

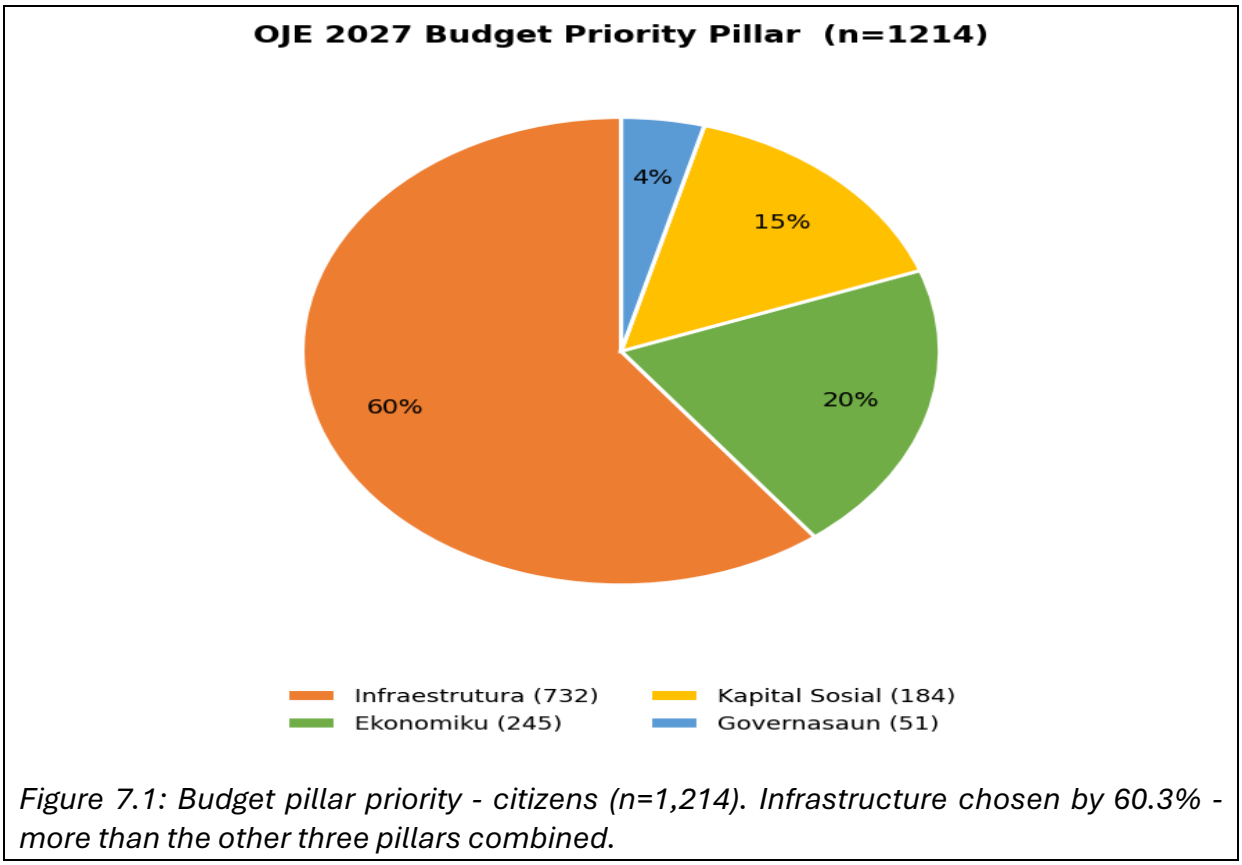


Figure 7.1: Budget pillar priority - citizens (n=1,214). Infrastructure chosen by 60.3% - more than the other three pillars combined.

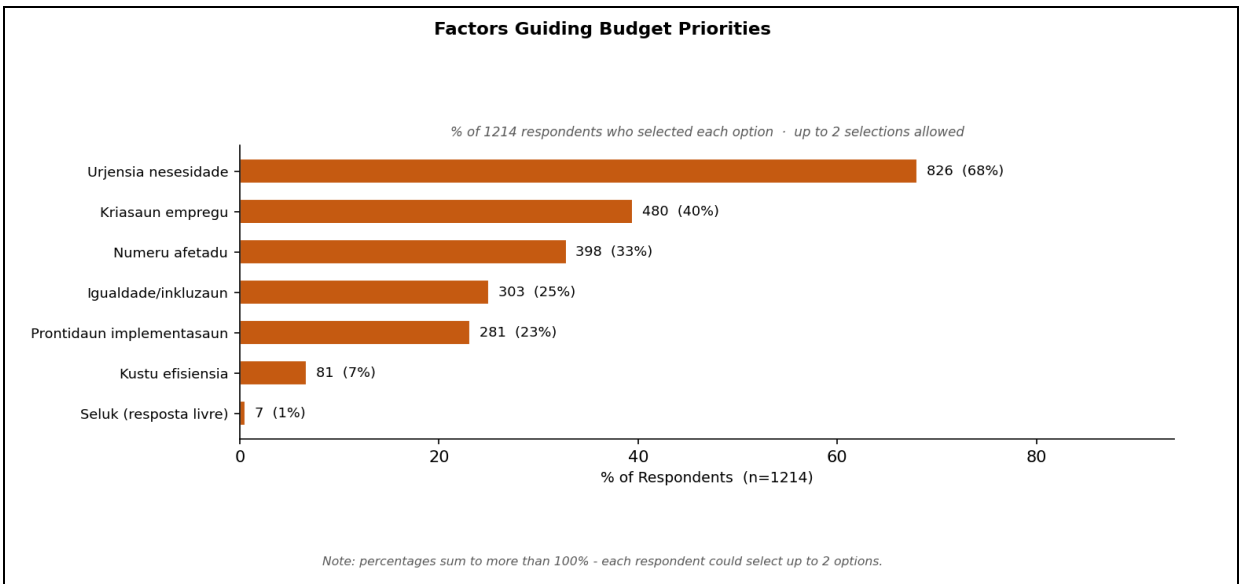


Figure 7.2: Factors that should guide OJE 2027 budget allocations - multi-select, citizens. Urgency of need leads at 67.3%.

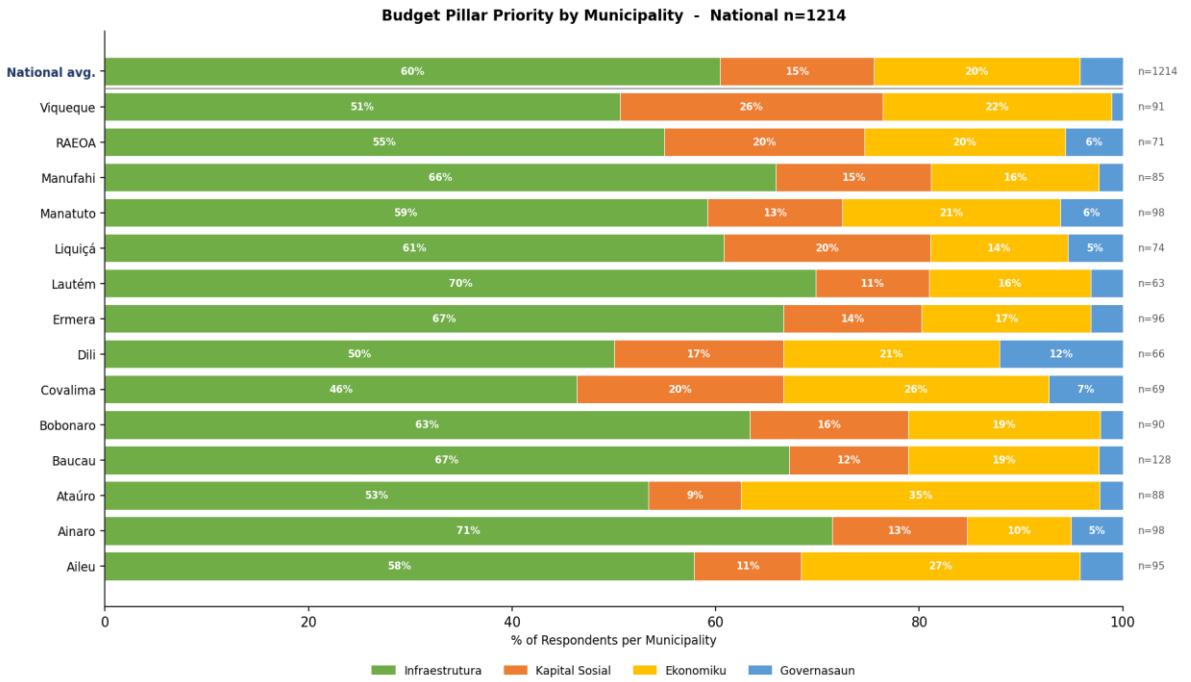


Figure 7.3: Budget pillar priority by municipality - Infrastructure leads in all 14 municipalities.

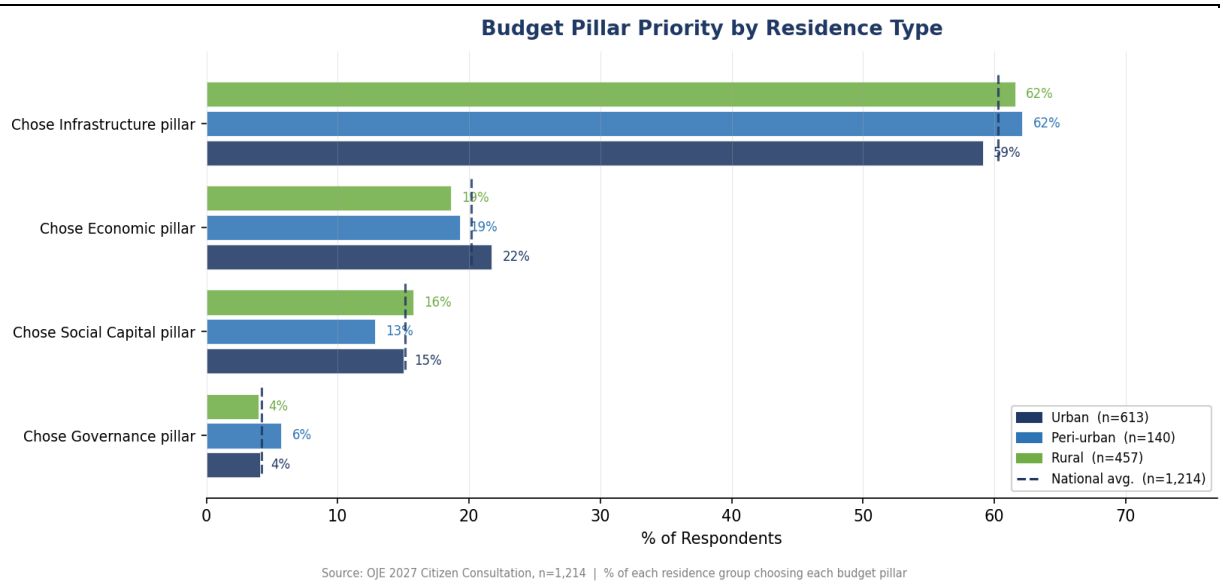


Figure 7.4: Budget pillar priority by residence type. Infrastructure mandate holds across urban, peri-urban, and rural.

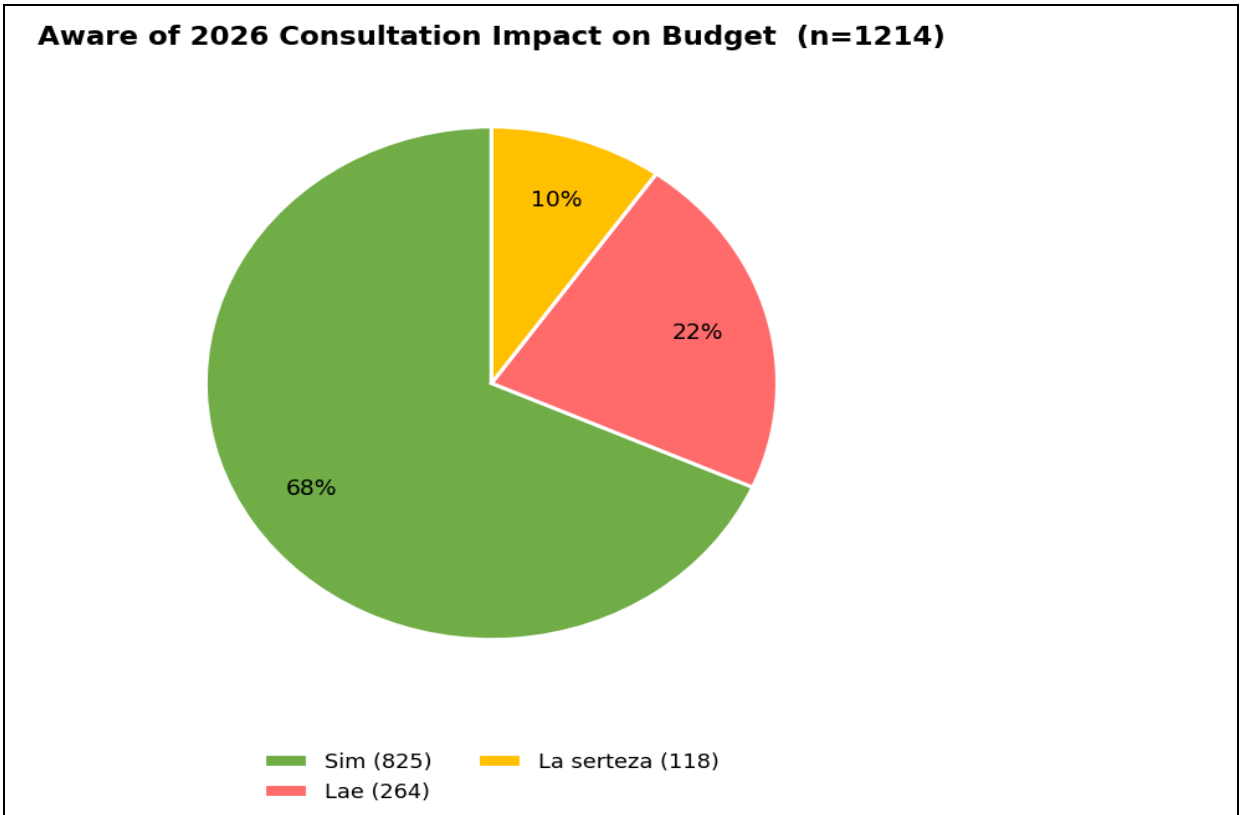


Figure 7.5: Awareness that 2026 consultation results influenced the national budget - citizens. 68.0% aware; 32% gap remains.

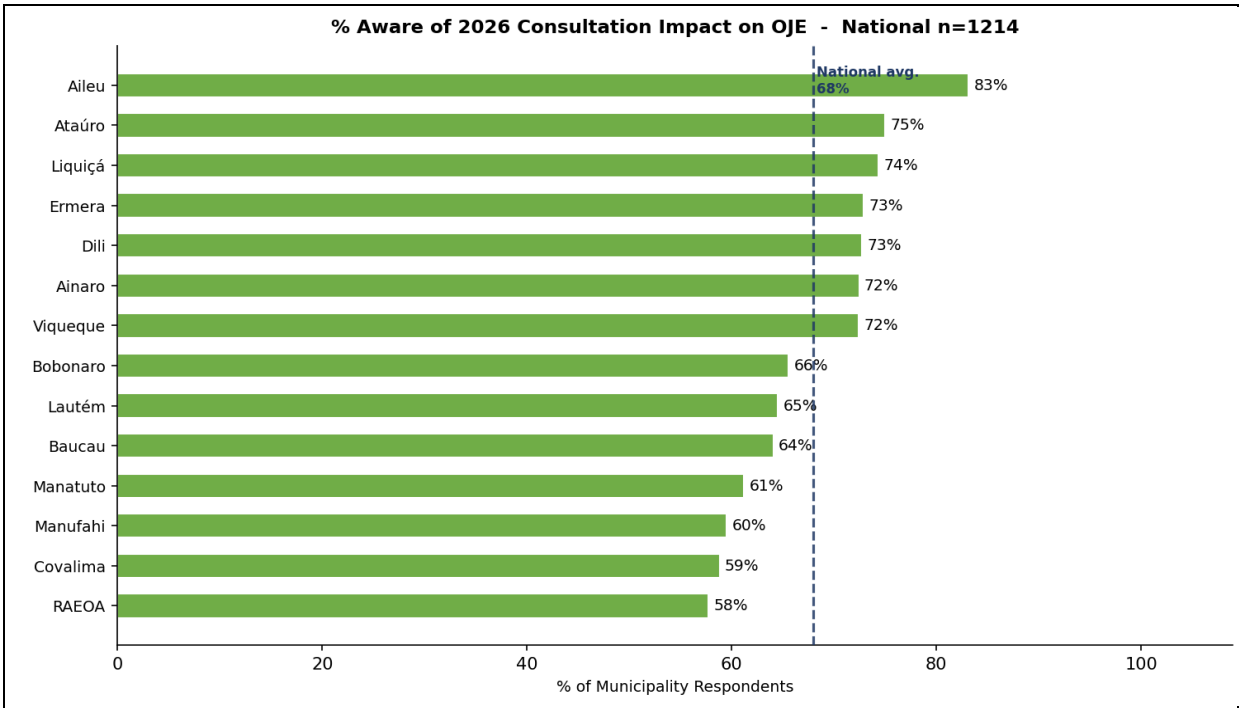


Figure 7.6: Consultation awareness by municipality - municipal variation points to differentiated dissemination needs.

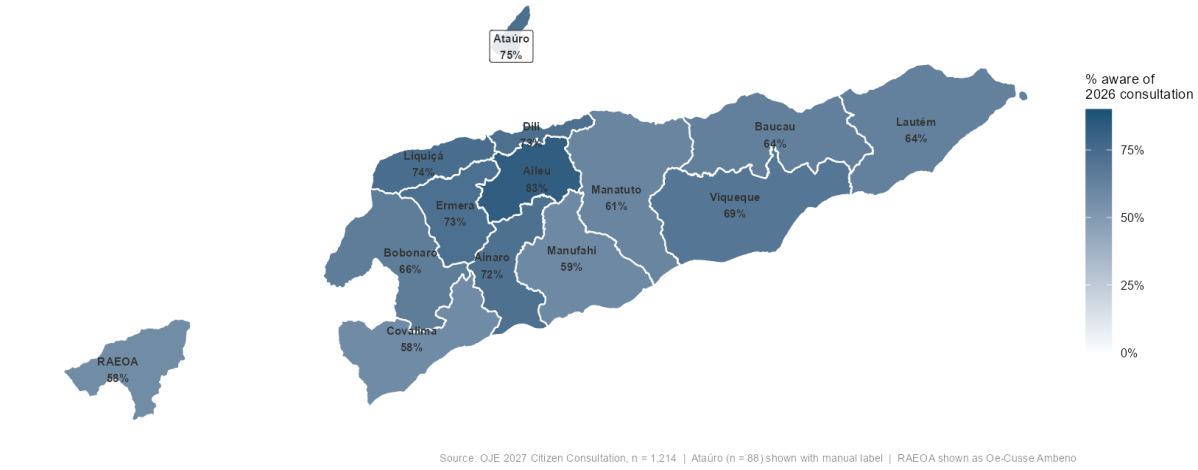


Figure 7.7: Consultation awareness map - % of respondents per municipality aware that 2026 consultation results influenced the budget. Geographic awareness gaps identify priority dissemination targets for OJE 2028.

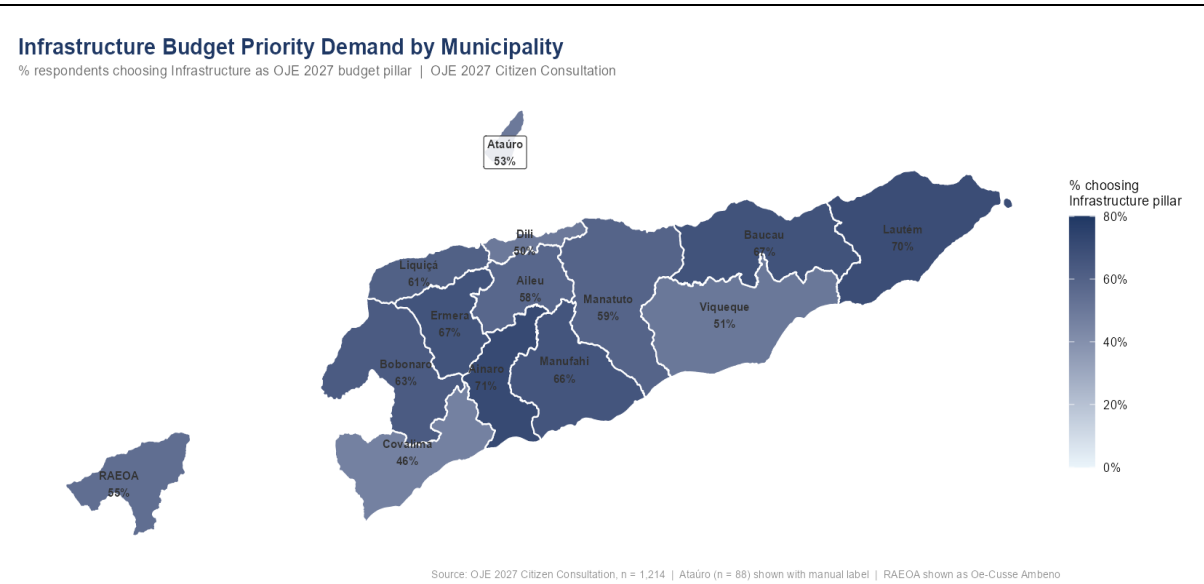


Figure 7.8: Infrastructure pillar demand map - % of respondents per municipality choosing Infrastructure as top OJE 2027 pillar. Uniformly high demand across all municipalities confirms this as a national-level mandate.

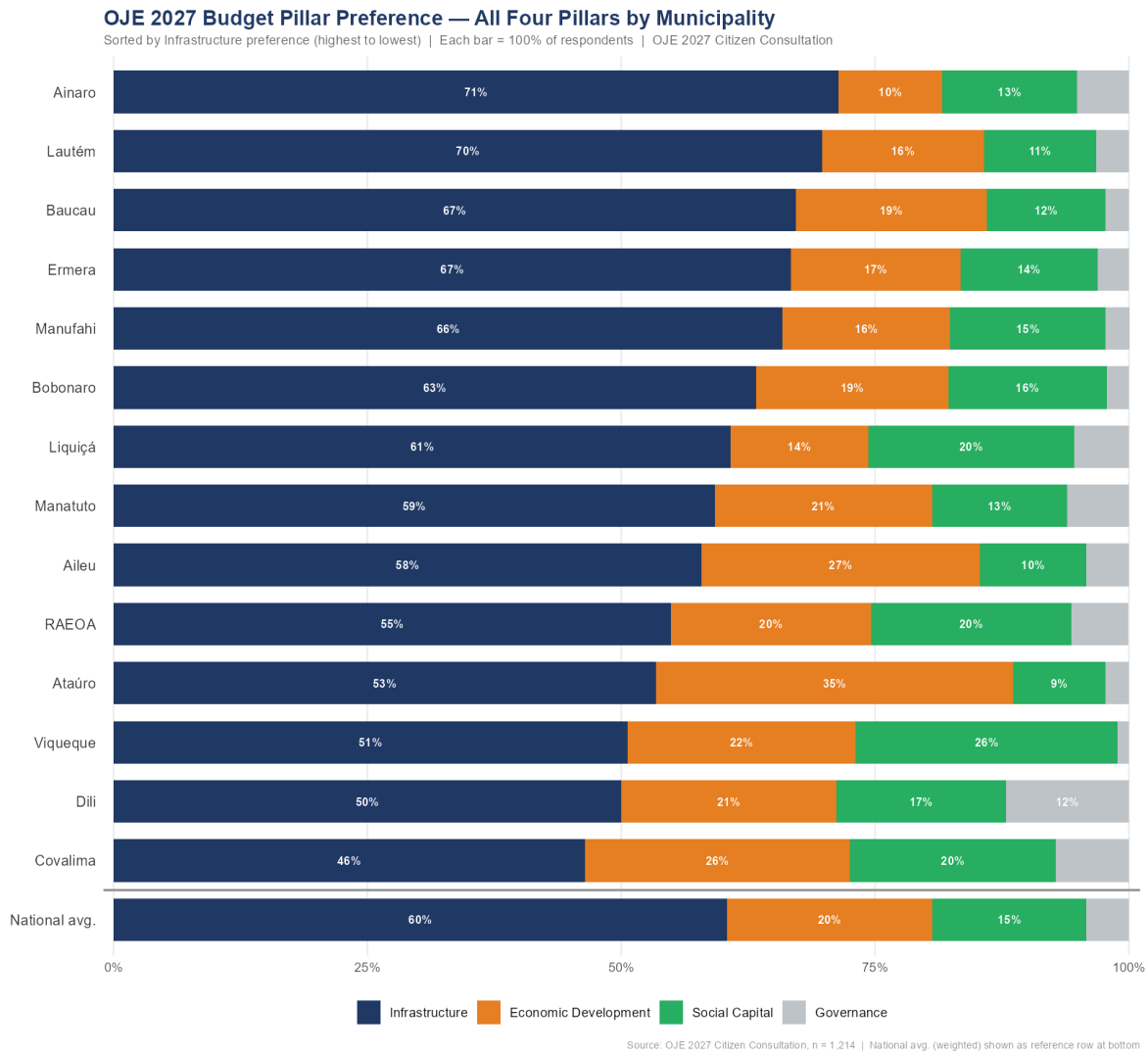


Figure 7.9: Budget pillar preference overview - all four pillars across all municipalities. Visualises the dominance of Infrastructure and the relative weight of Economic, Social Capital, and Governance preferences.

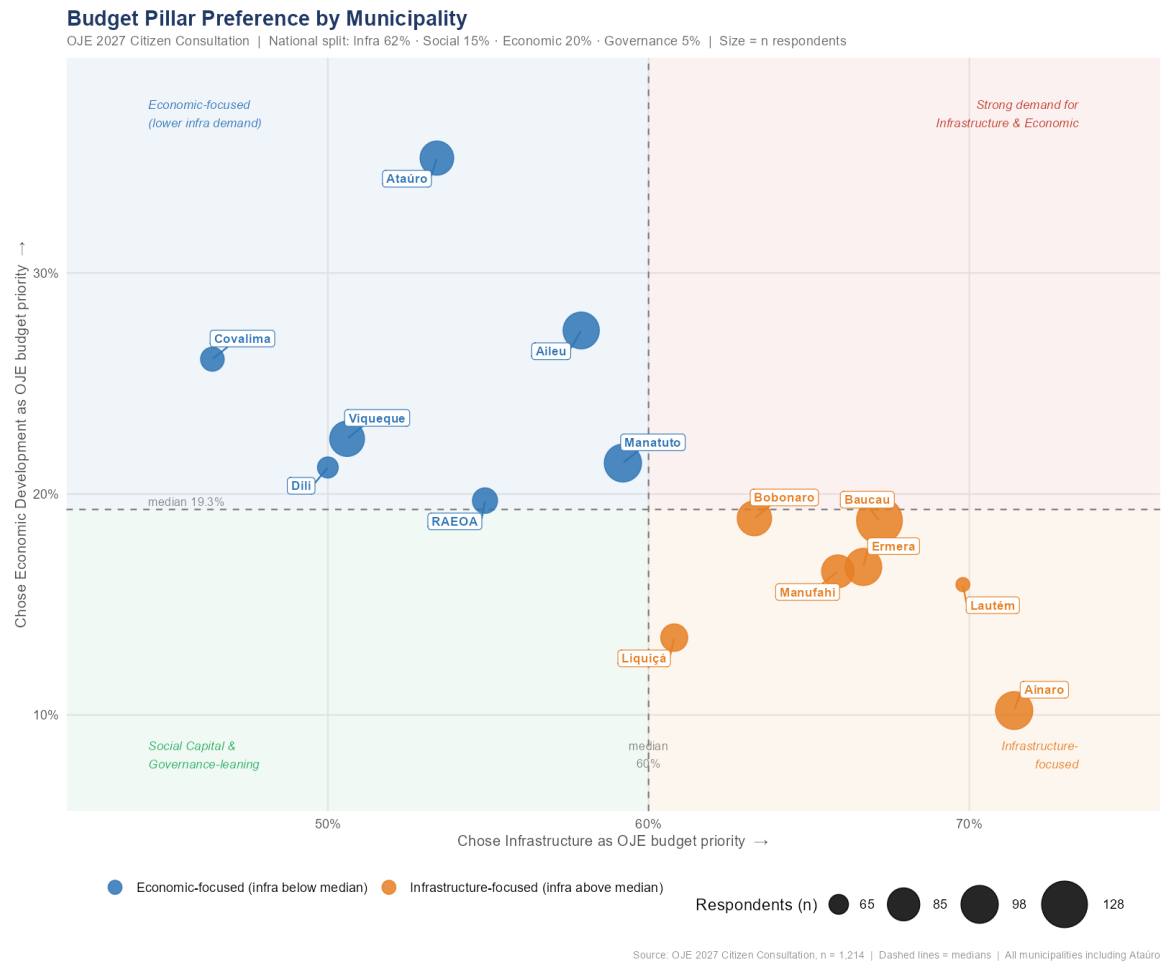


Figure 7.10: Pillar preference quadrant - Infrastructure vs Economic demand by municipality. Municipalities are positioned by their relative preference for each pillar.

8. Social Partners - Exclusive Institutional Findings

Two questions were asked only of Social Partners, providing sub-program depth not available from the citizen stream:

Q15 Social Protection Priorities - Social Partners ranked specific social protection interventions by priority. Support for vulnerable families with low incomes tops the list, followed by youth employment linkages and beneficiary database improvement. These rankings provide MoSS with direct sub-program budget inputs for OJE 2027 social protection allocations.

Q29 Employment Creation Barriers - Social Partners identified the structural barriers preventing employment growth. Skills-market mismatch, limited private sector investment, and regulatory complexity are the top three. This is a supply-side diagnostic that complements the demand-side TVET signal from citizens, and is the most directly actionable finding for SEFOPE.

Representation gap: Women made up only 47.5% of Social Partner respondents. Targeted outreach to women-led organisations should be embedded in the design of future consultation rounds.

9. Cross-Cutting: Where Both Streams Agree

The following findings hold across both streams and across all municipalities. These are the consultation's most robust signals.

Signal	Citizens	Social Partners	Strength
Infrastructure as top budget pillar	60.3%	Comparable	★★★ Act now
Roads and bridges urgent	82.9%	Comparable	★★★ Act now
TVET as top youth employment priority	88.1%	70.0%+ (skills-market mismatch)	★★★ Act now
Medicine/equipment shortage - top health challenge	68.0%	77.5%	★★★ Act now
Implementation delays cause project failure	75.4%	Comparable	★★ Strong
Weak contractor performance	61.1%	Comparable	★★ Strong
Gov. vulnerable group support - limited effectiveness	80.2% only somewhat+	SP corroborate	★★ Strong
PSQ rated good or better	69.9%	Comparable	★ Context
Awareness of 2026 consultation impact	68.0%	Comparable	★ Context

Where the streams diverge usefully: Social Partners provide sub-program depth (Q15, Q29) that citizens cannot. Citizens provide geographic granularity (14 municipalities) that the Dili-concentrated SP stream cannot. The two streams are complements, not substitutes.

> **Table note:** "Comparable" indicates the SP trend points in the same direction as citizens but the SP survey used a different question format - a direct SP percentage is not available for these rows. ★ system: ★★★ = both streams

strongly agree, high magnitude, clear action target · ★★ = both streams agree, policy translation needed · ★ = consistent baseline, not a call to action.

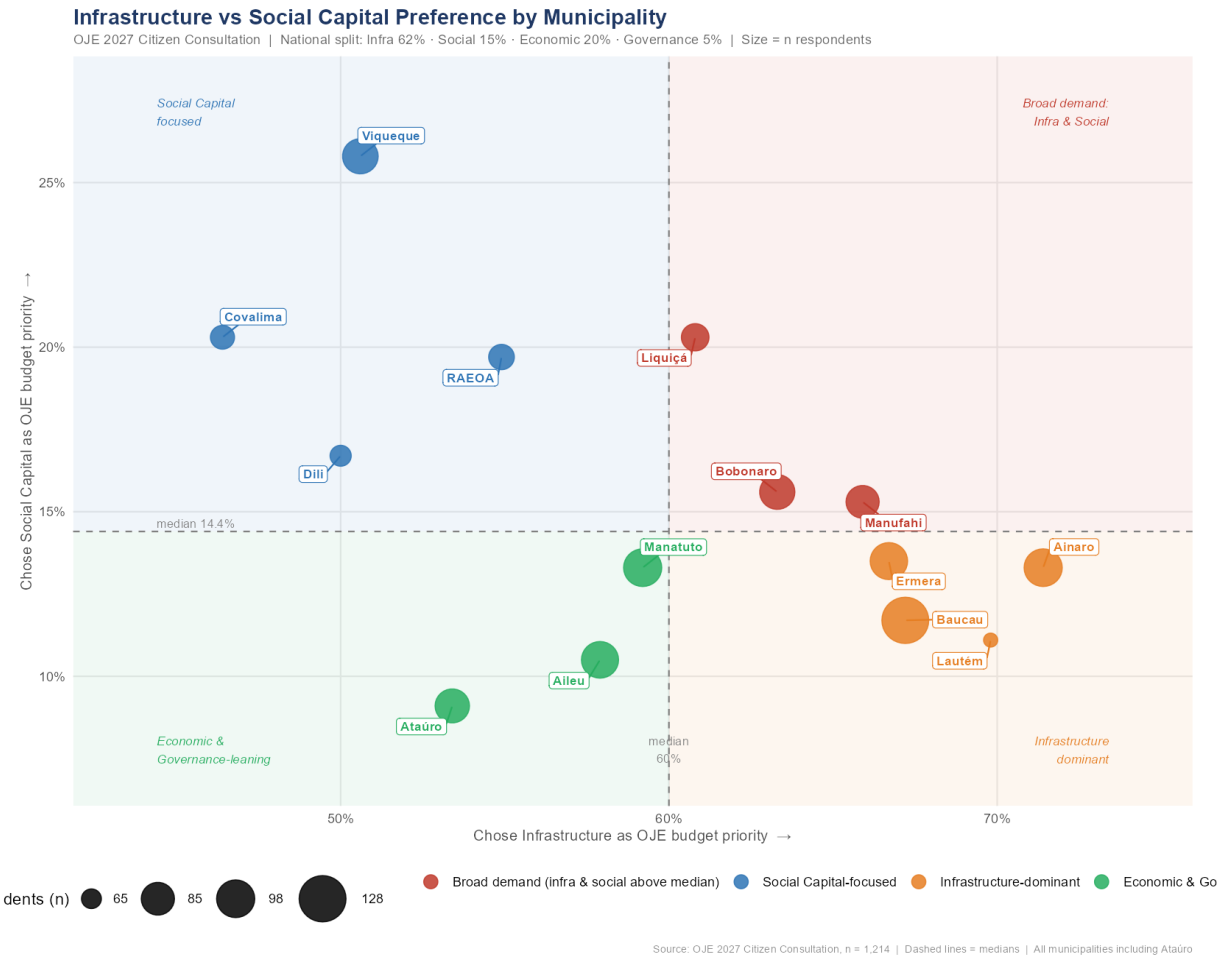


Figure 9.1: Infrastructure vs Social Capital preference by municipality. The vast majority of municipalities cluster toward Infrastructure - confirming the infrastructure mandate is not an artefact of the national average but a consistent signal across the country. Municipalities with higher Social Capital preference are also visible, providing a basis for differentiated sectoral investment.

10. Immediate Policy Priorities - Summary

Drawing on both streams, the following actions have the strongest multi-source evidence basis for OJE 2027:

Infrastructure (MoP) - Prioritise road rehabilitation and bridge repair in the 2027 capital budget - universal mandate, both streams, all municipalities - Expand water and sanitation infrastructure - second strongest infrastructure signal, new in 2027

Education (MoE + SEFOPE) - Invest in teacher deployment and retention incentives for rural and remote postings - not just training, but the conditions that make retention

possible **dual-stream** - Expand TVET capacity at municipal level with employer-aligned curricula - strongest single signal in the youth data **dual-stream**

Health (MoH) - Fix the medicine and equipment supply chain - same problem, same rank, two consecutive years **dual-stream** - Strengthen rural health personnel deployment - bonded deployment and rural incentives schemes

Social Protection (MoSS) - Use SP Q15 findings to guide sub-program budget allocations - vulnerable families and youth linkages are the top institutional priorities - Address beneficiary registration gaps - flagged directly by Social Partners as a delivery bottleneck

Accountability (MoF - DGPO) - Strengthen contract management and procurement oversight - both streams identify the same failure mode; this is a systemic issue, not municipality-specific - Close the awareness gap: only 68% of citizens and a similar share of SP know their 2026 input mattered - post-report dissemination via community meetings and radio is essential for the 2028 cycle

For full analysis, data tables, open-ended findings, and municipal-level detail: see the main report, Sections 3–8.

OJE 2027 National Citizen Consultation - Ministériu Finansas, DGPO - June 2026

Annex 3: PM's Call for New Policy Ideas – Overall Assessment

This Annex presents the analysis making the case that the 119 submitted Government Policy Priority proposals do not create a materially new policy agenda for Budget 2027, because all can be accommodated within the existing 28-GPP framework. Most submissions already map directly to existing GPP options, while the few initially identified as "new" can be absorbed through sensible links to tourism, justice, death certification, political set-asides, or other established categories. The key issue for the Committee is therefore not whether to expand the priority framework, but how to screen, consolidate, cost, and coordinate proposals within it. The recommended approach is to endorse 35 proposals for further development, return 82 for clarification, and screen out or absorb 2 through ordinary budget processes, with approvals conditional on Ministry of Finance cost clearance, clearer separation of new costs from baselines, and careful treatment of recurrent, capital, and time-bound commitments, though this should be done through the next phase of the budget process for the costing and new policy budget submission development process.

Executive Summary of Overall Assessment

This briefing assesses 119 Government Policy Priority (GPP) proposals submitted for consideration in the 2027 Budget. Of these, 35 are recommended to proceed to the next stage, including six that met the high-quality proposal test; 82 should be held pending further clarification; and only two are recommended for screening out at this initial stage. Indicative costings were provided for 69 proposals, totalling $2.0 billion over the medium term and $1.3 billion for Budget 2027, while the 35 proposals recommended to proceed account for $343 million. No submissions identified additional revenue, savings, or reprioritisation measures to finance the proposed new spending. Submission pathways were also uneven: only 29 proposals were routed through the relevant portfolio minister, compared with 33 through the Prime Minister's Office and 47 submitted directly to the Ministry of Finance.

The central finding is that the June round has produced some good ideas, but they are not a materially new policy agenda outside the existing GPP framework. Almost all proposals already map directly to one of the 28 GPP options in the Government Brief, and the 40 priority ideas initially identified as "new" can also be accommodated within the same structure through sensible grouping, absorption or linkage to existing options.

In practical terms, this means that all submissions can be considered within the context of the 28 existing GPPs rather than treated as an expanded or parallel list of priorities. The seven new ideas do not require creation of new GPP categories. The culture-related proposals and the food-safety initiative can be considered under the niche-tourism GPP for funding purposes; the MSSI funeral-vehicle request can be linked to the death-certificate measures, since mandatory death certification can be associated with the use and regulation of funeral cars; the transitional-justice proposals can feed into the courts and justice GPP; and the Presidency Community Initiative can be placed under GPP13, which already allows for small community grants.

The implication for the Committee is that the screening should focus less on whether proposals are formally "new" and more on whether they can be prioritised, costed and coordinated within the existing GPP architecture. The existing 28-GPP framework is broad enough to absorb the full set of submissions, including those that appear novel at first reading. This supports a disciplined budget process: proposals should be routed to the relevant GPP option, consolidated with related initiatives, and assessed against affordability, delivery capacity and duplication risks rather than used to expand the priority framework itself.

The recommended decision remains to endorse 40 proposals for further development, return 77 for clarification, and screen out or absorb 2 through the ordinary budget process. However, these decisions should be understood as decisions within the existing GPP envelope, not as decisions to add new policy categories or fiscal impact limits. The quantified cost of the approval tier is US$343 million, with a further 13 proposals not yet costed. Approval should therefore remain conditional on Ministry of Finance cost clearance, separation of genuinely new expenditure from existing baselines, and clearer treatment of recurrent versus one-off capital commitments.

The main fiscal and coordination risk is not the existence of new ideas, but the fragmentation of submissions across agencies and the possibility that routine, duplicated or capital-heavy items are treated as separate priorities. Several proposals would create permanent recurrent commitments in the Forward Estimates, including SANUTRIO, Linha Solidariedade 116, the Teacher Competency Framework, justice training, and CNR services. Large capital items

should be routed through the Infrastructure Fund, while time-bound events such as the 2027 elections, CPLP 2027, and ASEAN 2029 should be provisioned but kept out of the recurrent baseline, and are already covered under the known unfunded sections of the GPP framework.

The Committee is therefore asked to confirm that the 28-GPP structure remains the controlling framework for the 2027 process, direct the initially "new" proposals into the relevant existing GPPs or set-asides, and require the clarification tier to isolate genuinely new costs from baseline activities. In practical terms, this means approving a smaller number of better-costed, better-coordinated priorities while avoiding the creation of additional GPP categories or a parallel priority list.

1. At a glance

Policies assessed	**119**
Indicative cost of All Proposals	US$ 1,959,406,211 (+50 not quantified)
Approve (priority / with revisions)	35 (7 priority / 28 with revisions)
Hold - clarification	82
Screen out / absorb	2
Indicative cost of 'Approve' tier (quantified)	US$ 343,405,768 (+13 not quantified)
Cross-entity overlap clusters (coordinate)	13 (PR fragmentation; GPP 11/SEII; NIC; petroleum; media; human-capital; justice; events GPP 8; digital GPP 17/18; health; decentralisation; large-capital -> Infrastructure Fund; water - MAPPF/MOP/Health)

2. Submission overview

Bodies submitted 119 policy proposals for the 2027 Budget, from 62 implementing units across 43 submissions, grouped under 23 parent portfolios of the IX Constitutional Government. 96 of the 119 match one of the 28 options in the Government's own GPP Brief; 23 may be considered new ideas. This includes the three Wave-2 submissions received 27-Jun-2026 (Health, Public Works and Agriculture), decomposed into 15 policies.

2.1 Policies by parent ministry

Each policy is grouped under its parent portfolio (Decreto-Lei 11/2026). The cost is shown in two columns: "2027 (Year 1)" is the first-year budget ask (multi-year programs annualized as total/N - e.g. Public Works, IGEADI, the FDCH scholarships), and "Total / multi-year" is the full program commitment. The two are equal for single-year/annual proposals and diverge for multi-year ones. n/q = not quantified (not yet costed). "Profile" flags whether a portfolio contains any multi-year program. The largest single block is the Organs of Sovereignty (outside the Government executive) - the Presidency of the Republic and the Public Prosecution (Attorney-General) - constitutional bodies that sit OUTSIDE the executive and submit directly (not via a ministry), so their direct submission is not treated as fragmentation; the bulk is the Presidency's 13 small sectoral programs.

Parent portfolio	Implementing agencies	# of Policies	Summary	2027 (Year 1) (US$)	Total / multi-year (US$)	Profile
Min. State Administration (MAE)	18	20	1. Hala'o eleisaun ba prezidente; MAE budget-allocation correction for; National Archive: national; MAE-A: Deepen administrative; MAE-B: Administrative simplification &; Aileu Municipal PIM 2027: capital; Ainaro Municipal PIM 2027: capital; Atauro Municipal PIM 2027: capital; +12 more	217,806,617 (+4 n/q)	217,806,617 (+4 n/q)	annual
Organs of Sovereignty (outside the Government executive)	2	14	Strengthening the Public Prosecution &; Social Inclusion; Women's Empowerment; Management of the Women's Dormitory; Dili International Marathon 2027; Presidency institutional development; 'Dapur Ba Povu'; Support to Vulnerable Communities; +6 more	9,990,000 (+10 n/q)	9,990,000 (+10 n/q)	annual
Min. Agriculture, Livestock, Fisheries & Forests (MAPPF)	1	9	Food security & resilient agriculture; Water & resilient irrigation; Pest & plant-disease prevention &; National coffee-sector revitalisation; Resilient livestock development; Blue economy & fisheries development; Aquaculture development; Reforestation, water conservation &; +1 more	n/q (all 9)	n/q (all 9)	annual
Min. Higher Education, Science &	5	8	Higher-ed data-system modernisation; Doctoral School + advanced faculty; National Qualifications System +; IPB-a: New Higher School of Hospitality; IPB-b:	34,519,283 (+6 n/q)	34,519,283 (+6 n/q)	annual

Parent portfolio	Implementing agencies	# of Policies	Summary	2027 (Year 1) (US$)	Total / multi-year (US$)	Profile
Culture (MESCC)			Strengthen teaching & research; Internationalisation of accreditation +; National Science, Technology &; Research capacity & institutional			
Min. Social Solidarity & Inclusion (MSSI)	2	7	1. Estabelesimentu sentru temporariu ba; SANUTRIO; Uma Solidaria; CASPA; Linha Solidariedade 116; Funeral vehicle purchase; Registu Social Unico	9,920,008	9,920,008	annual
Presidency of the Council of Ministers (PCM)	6	7	Digitalisation of the Official Gazette; Equality & inclusion priorities; PCM strategic activities: continuity; Preservation & promotion of the; Memory, human-rights & reparations; SECOMS-A: Public-service media; SECOMS-B: Journalism/community-media	26,260,824 (+2 n/q)	26,260,824 (+2 n/q)	annual
Min. Education (ME)	1	6	21st-century skills; National learning-assessment system; Foundational learning; Accelerate school infrastructure; Teacher Competency Framework; Science Centre + SEAMEO	136,730,760 (+1 n/q)	136,730,760 (+1 n/q)	annual
Min. Foreign Affairs & Cooperation (MNEC)	1	6	Acquisition of diplomatic properties; Diplomatic & protocol facilities; CPLP Pro Tempore Presidency 2027; ASEAN 2029 Presidency preparation +; ASEAN-New Zealand Country Coordinator; Coordination of ASEAN Sectoral Action	44,659,016 (+2 n/q)	44,659,016 (+2 n/q)	annual
Min. Planning & Strategic	3	6	Strategic human-capital formation &; Public-procurement-code socialisation &; ADN-A: Public-project quality; ADN-B:	18,213,614 (+1 n/q)	50,213,614 (+1 n/q)	incl. multi-year program(s)

Parent portfolio	Implementing agencies	# of Policies	Summary	2027 (Year 1) (US$)	Total / multi-year (US$)	Profile
Investment (MPIE)			Rural & urban development; ADN-C: Primary Health Care program; MPIE strategic infrastructure:			
VPM Economic Affairs / Tourism & Environment	3	4	National food-safety, inspection &; National Resilient Cooperatives; SEFOPE-A: Professional training; SEFOPE-B: Employment services +	15,500,000 (+2 n/q)	23,000,000 (+2 n/q)	incl. multi-year program(s)
Min. Transport & Communications (MTC)	2	4	Port HR/maritime training; MTC-A: Green transport; MTC-B: Transport infrastructure; MTC-C: Digital / telecom connectivity	42,625,000 (+2 n/q)	42,625,000 (+2 n/q)	annual
Min. Public Works (MOP)	2	4	National Heavy-Machinery Workshop Centre; Resilient roads; Resilient water; Resilient energy	202,700,000	836,000,000	incl. multi-year program(s)
Min. Defence (MDef)	1	4	Defense-A: National Integrated Maritime; Defense-B: Military infrastructure; Defense-C: Military Hospital; Defense-D: Support to populations	n/q (all 4)	n/q (all 4)	annual
Min. Interior (MI)	3	3	MI-PPG1: National Security & Stability; MI-PPG2: Integrated Border Management; MI-PPG3: National Resilience & Disaster	n/q (all 3)	n/q (all 3)	annual
Min. Petroleum & Mineral Resources (MPRM)	2	3	Petroleum-sector regulation: Greater; MPRM-A: Petroleum mega-projects; MPRM-B: Petroleum-sector institutional	367,700,000 (+1 n/q)	367,700,000 (+1 n/q)	annual
Min. Health (MoH)	1	3	Health infrastructure & access; Health service delivery; Health human capital	125,967,000 (+1 n/q)	125,967,000 (+1 n/q)	annual

Parent portfolio	Implementing agencies	# of Policies	Summary	2027 (Year 1) (US$)	Total / multi-year (US$)	Profile
VPM Social Affairs / Rural Dev. & Housing	2	2	1. Fortalesimentu kapasidade; Strengthening the national HIV-AIDS	3,227,817	3,227,817	annual
Independent bodies (direct-to-State)	2	2	Strengthening the Press Council; Reform of public administration &	1,200,000	5,200,000	incl. multi-year program(s)
Min. Commerce & Industry (MCI)	1	2	MCI-A: National industrialisation; MCI-B: MSME development + trade	6,955,000 (+1 n/q)	6,955,000 (+1 n/q)	annual
Min. Youth, Sport, Art & Culture (MJDAC)	1	2	MJDAC-A: National youth skills; MJDAC-B: National cultural program	1,720,000	1,720,000	annual
Min. Justice (MJ)	1	1	Reforco de Competencias Tecnicas e	16,000,000	16,000,000	annual
Min. Combatants (MACLN)	1	1	Veterans recognition: pensions	n/q (all 1)	n/q (all 1)	annual
Min. Finance (MoF)	1	1	Public Finance Management reform +	911,272	911,272	annual
TOTAL	**62**	**119**		**1,282,606,211 (+50 n/q)**	**1,959,406,211 (+50 n/q)**	

Reading the totals: the Year-1 (2027) ask is US$ 1,282,606,211 and the full multi-year commitment is US$ 1,959,406,211 (+50 not quantified). Both include US$ 354,000,000 / US$ 354,000,000 for MPRM-A (petroleum mega-projects), recommended as a scope-out to the Petroleum Fund - excluding it, the GPP-relevant figures are US$ 928,606,211 (2027) and US$ 1,605,406,211 (total). For the MAE municipalities the cost shown is the 505 Capital Development (PIM) only; the full 2027 municipal proposal is US$409.86m (vs 2026 US$161.43m, +153%) - the difference is largely recurrent baseline growth, detailed per municipality in Section 5 and the notes. Two of the municipal-area entities run through separate Special Development Funds and are tagged distinctly from the 12-mainland municipal-PIM stream (~US$114.65m): Atauro via its FEDA (code 083) and RAEOA/Oecusse (a Special Autonomous Region) via its FED (code 109, ~US$68.2m, $0 in the municipal PIM tab). Figures are indicative; large capital (Health hospitals, Public Works) is mostly one-off and donor-financed, belonging in the Infrastructure Fund pipeline.

2.2 Policies by submitting body

The body that would implement each policy. The Presidency of the Republic alone accounts for 13 (its set of small sectoral programs); Agriculture follows with 9, then Education, Foreign Affairs and Social Solidarity with 6 each.

Body	Code	Policies
PR	001	13
MAPPF	027	9
MSSI	021	6
ME	018	6
MNEC	014	6
MDef	028	4
MESCC	020	3
MAE	016	3
MTC	025	3
ADN	057	3
MoH	017	3
MOP	024	3
IPB	098	2
MPIE	023	2
MCI	113	2
MPRM	032	2
SECOMS	121	2
SEFOPE	008	2
MJDAC	115	2
AIFAESA	064	1
STAE	100	1
CNR	073	1
INTL	085	1
SEII	005	1
INDDICA	096	1
MJ	015	1
MACLN	022	1
ANAAA	060	1
INCT	092	1
UNTL	105	1
PNTL	031	1
MI	030	1
APC	038	1
MF	012	1
MP	034	1
SECOOP	009	1
PCM	004	1
ANP	067	1
APORTIL	056	1
AMRT	061	1
CNC	070	1
INSCIDA	093	1
CI	077	1
CFP	075	1
IGE	127	1
ANTL	062	1
CNA	122	1
Aileu	047	1
Ainaro	048	1
Atauro	049	1
Baucau	043	1
Bobonaro	044	1
Covalima	050	1
Dili	045	1
Ermera	046	1
Lautem	051	1
Liquica	052	1
Manatuto	053	1
Manufahi	054	1
Viqueque	055	1
RAEOA	108	1
AtauroFEDA	083	1
TOTAL		**119**

2.3 New ideas beyond the Government Brief

Most proposals converge with the Government's own Brief. The following 23 can be thought of as new ideas not directly mapped to one of the 28 existing GPP options, but there are clear indirect links as shown below:

Submitting body	Policy	Theme	Indirect GPP Option
AIFAESA	National food-safety, inspection & consumer-pr	No clear Brief option - completely new i	GPP16 - Tourism
MSSI	Anexo 5: Funeral vehicle purchase (replacement	No Brief option - operational asset repl	GPP22- Social Protection
AMRT	Preservation & promotion of the resistance arc	Cultural heritage / national identity	GPP16 - Tourism
CNC	Memory, human-rights & reparations program (	Human rights / transitional justice	GPP25- POS
PR	PR-8: Presidential Art & Culture program	Cultural heritage	GPP16 - Tourism
PR	PR-12: Presidential Community Initiative	Community / social	GPP- Other
PR	PR-13: National Reconciliation Initiative	Human rights / transitional justice	GPP25- POS
MoH	H1: Health infrastructure & access - 3 new hos	Health service access (confirm Brief opt	GPP- 24- Tertiary Health
MoH	H3: Health human capital - recruit 2,460 healt	Rural health staffing (confirm Brief opt	GPP24- Tertiary Health
MAPPF	A1: Food security & resilient agriculture - su	Food security / climate resilience (conf	GPP19- Grow 37
MAPPF	A2: Water & resilient irrigation infrastructur	Climate resilience / rural infrastructur	GPP- 20 WatSan
MAPPF	A3: Pest & plant-disease prevention & control	Agriculture resilience	GPP19- Grow 37
MAPPF	A4: National coffee-sector revitalisation - re	Economic diversification / exports	GPP19- Grow 37
MAPPF	A5: Resilient livestock development - genetic	Food security / economic diversification	GPP19- Grow 37
MAPPF	A6: Blue economy & fisheries development - fis	Blue Economy / economic diversification	GPP15 Fisheries
MAPPF	A7: Aquaculture development - freshwater & mar	Blue Economy / food security	GPP15 Fisheries
MAPPF	A8: Reforestation, water conservation & climat	Climate adaptation / environment	GPP19- Grow 37
MAPPF	A9: Nino Konis Santana Biosphere integrated ma	Environment / Blue Economy	GPP15 Fisheries
MPIE	MPIE strategic infrastructure: economic-corrid	Infrastructure / blue economy (confirm B	GPP15 Fisheries
MDef	Defense-A: National Integrated Maritime Securi	Maritime security / blue economy (confir	GPP15 Fisheries
MDef	Defense-C: Military Hospital - dedicated armed	Health infrastructure (coordinate with M	GPP- 24- Tertiary Health
MDef	Defense-D: Support to populations, national re	Disaster resilience / HADR	GPP25- POS
MJDAC	MJDAC-A: National youth skills, entrepreneursh	Youth employment / MSME (confirm Brief o	GPP17- Youth Jobs

Most of these 23 proposals are not truly separate priorities, but refinements or extensions of the Government's existing GPP agenda: they cluster around six main themes — economic diversification and productive sectors, especially agriculture, fisheries, aquaculture, coffee, livestock and blue economy initiatives linked mainly to GPP15 and GPP19; enabling infrastructure and climate resilience, including irrigation, water conservation, rural infrastructure and economic corridors linked to GPP20, GPP19 and GPP15; health access and health infrastructure, including hospitals, health workforce expansion and a military hospital linked to GPP24; youth employment and skills linked to GPP17; public order, safety, maritime security, disaster response, reconciliation and transitional justice linked to GPP25; and cultural heritage, national identity, resistance archives, arts and tourism-related proposals linked to GPP16. A small number of items — such as funeral vehicle replacement, presidential community initiatives and food-safety/consumer protection — are more operational or cross-cutting, but can still be handled through existing GPP channels rather than creating a separate priority framework.

Overall, the proposals reinforce the usefulness of the 28 GPP structure: most can be absorbed by clarifying scope, grouping related proposals under the relevant lead GPP, and requiring the responsible ministries to bring forward coordinated, costed submissions rather than treating each idea as a stand-alone budget priority.

2.4 Submission channel and fragmentation

Who each submission was sent to and by whom, read from the signed cover letters and the Ministry of Finance dispatch slips.

Channel	Policies
Direct to the Ministry of Finance	47
To the Prime Minister (Ministry of Finance copied)	33
Through the parent ministry	29
Not in signed-scan set (softcopy)	10
TOTAL	**119**

Fragmentation: 12 policies came from a tutelage body or Secretary of State that submitted in its own name instead of through its parent ministry. Submissions from the organs of sovereignty, the independent bodies and the line ministries themselves (including the Wave-2 Health, Public Works and Agriculture ministries) are not counted as fragmentation.

3. Method

Each policy was screened against the GPP Prioritisation Criteria: gates G1 (PM letter), G3 (genuinely new vs the 2026 Annual Plans), G4 (cannot be absorbed); criterion 2 (Brief alignment) is an informational positive signal, not a gate; merit = C5 capacity + C6 impact (each /5). New-vs-existing is evidenced against ; costs are split into recurrent (Forward-Estimates baseline) vs one-off/capital.

4. Recommended for approval (with revisions)

35 policies passed the first round. 7 policies reach the priority threshold (merit >=8); 28 passed the remaining gate-passing policies are sound but conditional on the revisions noted. Strongest fits to the existing GPP options are flagged.

Entity	Policy	GPP Option	Merit	Indicative cost (US$)
Ministerio da Solidaried	Anexo 1: SANUTRIO - conditional Bolsa da Mae (	22	9	5,735,000
Ministerio da Educacao	E5: Teacher Competency Framework (TCF) operati	23	9	2,110,000
Ministerio da Justica	Reforco de Competencias Tecnicas e Especializa	25	8	1,350,000
Ministerio da Solidaried	Anexo 6: Registu Social Unico (RSU) - national	22	8	not quantified
Ministerio da Educacao	E2: National learning-assessment system	23	8	5,200,000
Ministerio da Educacao	E3: Foundational learning (literacy & numeracy	23	8	not quantified
Secretariado Tecnico de Administracao Eleitoral (STAE)	2027 Presidential & municipal elections	2.3 / 9	8	~US$18m (lapsing)
Ministerio da Saude (MoH)	H1: Health infrastructure & access (3 new hospitals + CHC rehab, WASH, equipment)	-	7	94,250,000
Centro Nasional Rehabili	1. Estabelesimentu sentru temporariu ba atendi	11	7	400,008
Ministerio da Solidaried	Anexo 4: Linha Solidariedade 116 - GBV/child r	11	7	not quantified
Min. Ensino Superior (MESCC)	M2: Doctoral School + advanced faculty training	23	7	not quantified
Min. Ensino Superior (MESCC)	M3: Qualifications System + Standard Curriculum + BOK	23	7	not quantified
Min. Negocios Estrangeiros (MNEC)	MNEC-3: CPLP Pro Tempore Presidency 2027	8	7	1,000,000
Min. Interior (MI) - Migration/PNTL	MI-PPG2: Integrated Border Management	25	7	not quantified
Min. Interior (MI) - Civil Protection	MI-PPG3: National Resilience & Disaster Mgmt	5	7	not quantified
Min. Comercio e Industria (MCI)	MCI-A: National industrialisation (salt, food-courts, Tasi-Mane PPP)	27	7	10,000,000+
AIFAESA	National food-safety, inspection & consumer-pr	-	6	8,000,000
Imprensa Nacional	Digitalisation of the Official Gazette + secur	17/18	6	1,440,000
Min. Ensino Superior	Higher-ed data-system modernisation (SGDES) +	17/18	6	2,800,000
Ministerio da Educacao	E1: 21st-century skills (curriculum reform, En	23	6	0
Ministerio da Educacao	E4: Accelerate school infrastructure construct	23	6	110,300,000

Entity	Policy	GPP Option	Merit	Indicative cost (US$)
Agencia Nac. Avaliacao/Acreditacao (ANAAA)	Internationalisation of accreditation + digital transformation	17/18	6	not quantified
Min. Negocios Estrangeiros (MNEC)	MNEC-2: Diplomatic & protocol facilities	8	6	750,000
Min. Negocios Estrangeiros (MNEC)	MNEC-5: ASEAN-NZ Country Coordinator 2027	8	6	not quantified
Sec. Estado Cooperativas (SECOOP)	National Resilient Cooperatives Programme 2027-31	27	6	1,200,000
Min. Administracao Estatal (MAE)	MAE-B: Digital local governance (Portal Municipal, one-stop-shops)	17/18	6	not quantified
Min. Comercio e Industria (MCI)	MCI-B: MSME development + trade promotion (INTE 2027)	27	6	not quantified
Min. Transportes e Comunicacoes (MTC)	MTC-A: Green transport - electric-bus pilot (Dili)	17/18	6	not quantified
Sec. Estado Comunicacao Social (SECOMS)	SECOMS-B: Journalism support + countering disinformation	17/18	6	not quantified
Ministerio da Solidaried	Anexo 2: Uma Solidaria - housing for vulnerabl	11/22	5	90,000
Ministerio da Solidaried	Anexo 3: CASPA - social-service post construct	11	5	1,500,000
Ministerio da Educacao	E6: Science Centre + SEAMEO climate-resilience	23	5	12,000,000
Inst. Politecnico de Betano (IPB)	IPB-a: New Hospitality & Tourism School, Lospalos	23	5	not quantified
Inst. Nac. Ciencias e Tecnologia (INCT)	National Science, Technology & Innovation Plan 2027-30	23	5	not quantified
Min. Negocios Estrangeiros (MNEC)	MNEC-1: Acquisition of diplomatic properties abroad	7/8	5	39,660,000

Priority candidates (merit >=8), assessed as the strongest cases for prioritisation - high impact with adequate delivery capacity (Q1): MSSI SANUTRIO anti-stunting transfer (merit 9), Education E5 Teacher Competency Framework (9), Education E2 national assessment system (8), MJ justice training + court installation (8). High-impact but delivery-conditional (Q2: strengthen delivery first): MSSI Registu Social Unico / national social registry (8 - confirm data governance) and Education E3 foundational learning (8 - cost still a placeholder). All are strong fits to Brief Options 22 (social protection), 23 (education) and 25 (justice). These are assessment inputs for DGPO/MoF; the funding decision rests with leadership. Separately, the 2027 elections (STAE) reach the priority tier as a recognised mandatory commitment that must be funded - cost via the low/moderate/high scenarios the Brief requested.

5. Hold - clarification needed

- Secretaria de Estado da Igualdade e Inclusao - Equality & inclusion priorities (4 strategic programs): SEII is the designated lead for Brief Opt 11 (Gender/Children/Disabilities). Largely continuation; its main value here is as the coordination hub for the disability/children submissions (CNR, INDDICA)
- Instituto para a Defesa dos Direitos da Crianca - 1. Fortalesimentu kapasidade instituisional 2. monitorizasaun implementasaun politika no programa labarik 3. sensibilizasaun no edukasaun le...: US$1.14m (2027) + US$0.78m (2028). Submitted DIRECT to PM (cc VPM/MCAS & MoF) - bypassed parent consolidation. Mostly institutional strengthening, capacity-building, monitoring & CONTINUATION of INDDI
- Inst. Politecnico de Betano (IPB) - IPB-b: Strengthen teaching & research quality, Ermera: quality uplift of an existing IPB school; likely part-absorbable in baseline operating - needs a costed split of genuinely-new (e.g. labs/equipment) vs recurrent operating before a GPP call.
- Universidade Nac. Timor Lorosa'e (UNTL) - Research capacity (Anexo I) + full annual budget bid US$31.72m: the US$31.72m is UNTL's institutional annual envelope (largely baseline/continuation), not a discrete GPP increment - isolate and cost the new research-capacity component; the bulk routes through the UNTL baseline appropriation (Div 1050101), not a new GPP.
- Min. Negocios Estrangeiros (MNEC) - MNEC-4: ASEAN 2029 preparation + ACNOC: the bulk is the existing ASEAN Affairs baseline ($2.95m); isolate the genuinely-new GPP increment (+$301k + ACNOC operationalisation) before funding.
- Min. Negocios Estrangeiros (MNEC) - MNEC-6: ASEAN sectoral action-plans coordination: largely an existing MNEC/DGAA coordination mandate within current operations - fund the bulk in baseline; only limited additional TA is new.
- Min. Interior (MI) / PNTL - MI-PPG1: National Security & Stability: mostly the existing PNTL baseline - isolate the genuinely-new (Police Academy/ISCP, Dili security infrastructure, phased recruitment) and model the large recurrent ongoing salary cost of 2,500-3,000 new officers.

6. Screen out or absorb (handle in the ordinary budget, not as a new GPP)

These proposals should not be funded as new Government Policy Priorities. "Screen out" means it fails an eligibility gate - it is outside the Prime Minister's letter, or it is already being delivered (not genuinely new). "Absorb" means it is real but needs no new money - it is statutory/mandatory or can be paid for within existing funds. Both are handled through the ordinary annual budget.

- Ministerio da Solidariedade Social - Anexo 5: Funeral vehicle purchase (replacement): Asset replacement, not a policy. Recommend ABSORB in baseline minor-capital, not elevate to a GPP.
- Ministerio dos Combatentes - Veterans recognition: pensions, subventions, scholarships, monuments: Overwhelmingly existing/statutory (veterans pensions & recognition). Screen out - not a new GPP; fund via baseline as a mandatory expense (Brief Opt 9).

7. Coordination & duplication findings

Coordination is the core payoff of the screening. The full 12-cluster map (with leads and recommended coordination) is in the Coordination Map sheet of the workbook; the headline findings:

- Presidency fragmentation: the Presidency submitted ~13 small sectoral programs that largely duplicate line-ministry mandates. Recommend the Presidency convene/champion but NOT run sectoral delivery - route each via the relevant ministry (disability/women -> SEII; vulnerable/community-kitchen -> MSSI; health -> MoH; art/culture -> MESCC/Tourism; Marathon/Christmas/Asia-Horasis events -> Tourism/Youth/MNEC; reconciliation -> CNC).
- Opt 11 (Gender/Children/Disabilities): consolidate under SEII (the Brief Opt 11 lead) - CNR, INDDICA, MSSI Linha 116, plus the PR disability + women proposals.
- National Information Centre (NIC): build ONE NIC under MESCC M1; fold the ANAAA accreditation/digital build in - do not fund two platforms.
- Petroleum: the MPRM mega-projects (~US2bn, Greater Sunrise/Bayu-Undan) are Petroleum-Fund/strategic - scope out of the GPP recurrent stream; MPRM institutional capacity + ANP regulation = one cluster.
- Media/records: coordinate SECOMS (public media/RTTL, journalism, anti-disinformation), the Press Council, INTL and the National Archive as one sector ask.
- Human-capital/skills: coordinate MPIE, SEFOPE, ADN training, MCI MSME training and Education TVET via the Human Capital Development Fund - avoid duplicate training funding.
- Justice: MJ (courts) + MP (Public Prosecution) + Tribunals as one Opt 25 / Theme 9 justice-sector ask.
- Major events (Opt 8) 2027-29: CPLP 2027 + ASEAN 2029 + elections under one security & logistics plan; events are one-off/lapsing - keep out of the Forward-Estimates baseline.
- Health: route ADN primary-health-care via MoH (misplaced at a development agency); coordinate INSCIDA HIV with MoH.
- Large capital -> Infrastructure Fund (Opt 7): MCI industrialisation, MTC ~US00m transport infra, ADN rural/urban, IGEADI ~US3m machinery centre, Education infra, MNEC property - route via the Infrastructure Fund and coordinate the list of planned projects, not the GPP recurrent stream.

Water cluster: MAPPF irrigation, Public Works rural water and Health WASH overlap - coordinate so the same systems are not funded more than once. Large-capital items (the Health hospitals and the Public Works roads/water/energy plan) route through the Infrastructure Fund (Opt 7), not the municipal/recurrent stream.

8. Forward-Estimates implications

Recurrent commitments that lock into the FE baseline: SANUTRIO, Linha 116, Teacher Competency Framework, MJ training, CNR. These build a permanent ongoing cost.

Large one-off / capital - route through the Infrastructure Fund (Brief Opt 7), not as recurrent: Education school infrastructure (US$110.3m), SEAMEO/Science Centre (US$12m), CASPA (US$1.5m), INTL printing (US$1.44m).

Time-bound / lapsing - provision in the Forward Estimates but keep out of the recurrent baseline: STAE 2027 elections (~US8m on the electoral cycle), CPLP 2027 and ASEAN 2029 events. Statutory and already mandatory: MACLN veterans pensions.

The large new capital asks are mostly one-off and heavily donor-financed (Public Works 60-75% donor; Health hospitals are capital), so they belong in the Infrastructure Fund pipeline, not the recurrent baseline. The agriculture (MAPPF) programs are not yet costed; health service delivery and health human capital carry recurrent tails to be quantified.

9. Disclosures

- Brief alignment shown per policy (positive convergence, not a disqualifier).
- New vs existing vs expansion evidenced against the 2026 Annual Plans, with program/activity codes.
- Cost profile: recurrent annual cost vs one-off/capital.
- Parent-ministry overlap flagged, especially for direct (non-parent) submissions.
- Costing gaps (below Annex-B standard): Education foundational (placeholder figure), MSSI Linha 116 & RSU, MI (multi-component) - to be costed.

10. Recommendation

It is recommended that the Committee:

1. **Endorse the 35 proposals** in Section 4 for development, subject to mof cost clearance and the noted revisions;
2. **Return the 82 proposals** in Section 5 for clarification (isolate genuinely-new from baseline; complete costings);
3. **Screen out / absorb the 2 proposals** in Section 6 (statutory/mandatory or routine - fund via baseline);
4. **Direct the Presidency to route its ~13** sectoral programs through the relevant line ministries rather than running them from the Presidency (see the Coordination Map);
5. **Direct SEII (the Brief Opt 11 lead) to consolidate** the Gender/Children/Disabilities cluster - CNR, INDDICA and MSSI Linha 116 route their Opt 11 elements through SEII as one package;
6. **Build a single National Information Centre (NIC) under MESCC M1** - fold the ANAAA accreditation/digital component in, to avoid funding two platforms;
7. **Coordinate the remaining cross-entity clusters** - Opt 25 (MJ courts + MI police) and the 2027-29 events cluster (MNEC CPLP/ASEAN + STAE elections + MI event security) - under single plans, keeping one-off events out of the Forward-Estimates baseline.

11. Abbreviations & glossary

Policy IDs: E1-E6 = the six Ministry of Education sub-policies; M1-M3 = the three MESCC ministry-level sub-policies; PPG1-PPG3 = the three Ministry of the Interior sub-policies; Anexo I-IV = the MNEC submission annexes.

Term	Meaning
ACNOC	National Committee for the Organization of the ASEAN Presidency
ADN	Agencia de Desenvolvimento Nacional - the National Development Agency
AIFAESA	Food Inspection and Supervision of Economic, Health and Food Activity Authority (admin code 064)
ANAAA	National Agency for Academic Assessment and Accreditation (admin code 060)
APC	Autoridade de Protecao Civil - the Civil Protection Authority (admin code 038)
ASEAN	Association of Southeast Asian Nations
BOK	Body of Knowledge - the discipline-specific knowledge/competency standard
C5	Criterion 5 - institutional capacity (scored 1-5)
C6	Criterion 6 - alignment & impact (scored 1-5)
CASPA	the MSSI social-service post program (extends services to administrative-post level)
CLN	Combatentes da Libertacao Nacional - National Liberation Combatants
CNR	Centro Nacional de Reabilitacao - the National Rehabilitation Centre (admin code 073)
CoM	Council of Ministers
CPLP	Comunidade dos Paises de Lingua Portuguesa - the Community of Portuguese Language Countries
DGAA	Direcao-Geral dos Assuntos da ASEAN - the Directorate-General for ASEAN Affairs (within MNEC)
DGPO	Directorate-General for Planning and Budget - the Ministry of Finance unit running this screening
DL	Decreto-Lei - Decree-Law
DOI	Digital Object Identifier
FE	Forward Estimates - the multi-year recurrent baseline projection
G1	Gate 1 - complies with the Prime Minister's letter
G3	Gate 3 - genuinely new versus the 2026 Annual Plans
G4	Gate 4 - needs new resources (cannot be absorbed in the baseline)
GBV	Gender-Based Violence
GPP	Government Policy Priorities (the screening process)
HQ	Headquarters
ICT	Information and Communication Technology
IES	Instituicoes de Ensino Superior - Higher Education Institutions
INCT	National Institute of Sciences and Technology (admin code 092)
INDDICA	Institute for the Defense of Children's Rights (admin code 096)
INTL	Imprensa Nacional de Timor-Leste - the National Press (admin code 085)
IPB	Betano Polytechnic Institute (admin code 098)
ISCP	Instituto Superior de Ciencias Policiais - the Higher Institute of Police Sciences

ISSN	International Standard Serial Number
IT	Information Technology
KPI	Key Performance Indicator
MACLN	Ministry for the Affairs of National Liberation Combatants (admin code 022)
MAE	Ministry of State Administration (admin code 016)
MCAE	Coordinating Ministry of Economic Affairs
MCAS	Coordinating Ministry of Social Affairs
ME	Ministry of Education (admin code 018)
MESCC	Ministry of Higher Education, Science and Culture (admin code 020)
MI	Ministry of the Interior (admin code 030)
MJ	Ministry of Justice (admin code 015)
MNEC	Ministry of Foreign Affairs and Cooperation (admin code 014)
MoF	Ministry of Finance
MSSI	Ministry of Social Solidarity and Inclusion (admin code 021)
n/q	not quantified - no costed figure provided in the submission
NIC	National Information Centre - for recognition of higher-education qualifications
NZ	New Zealand
OGE	Orcamento Geral do Estado - the State General Budget
PCM	Presidency of the Council of Ministers (admin code 004)
PED	Plano Estrategico de Desenvolvimento - the Strategic Development Plan 2011-2030
PESI	Plano Estrategico de Seguranca Interna - the Internal Security Strategic Plan 2026-2040
PM	Prime Minister
PN	Parlamento Nacional - National Parliament
PNTL	Policia Nacional de Timor-Leste - the Timor-Leste National Police (admin code 031)
PPG	Prioridades de Politica Governamental - the Portuguese/Tetum name for the Government Policy Priorities process
PR	President of the Republic
PWD	People with Disabilities
RSU	Registu Social Unico - the Single Social Registry
SANUTRIO	the conditional 'Bolsa da Mae' maternal health & nutrition cash-transfer program (anti-stunting)
SEAMEO	Southeast Asian Ministers of Education Organization
SEII	Secretary of State for Equality and Inclusion (admin code 005)
SGDES	Sistema de Gestao de Dados do Ensino Superior - the Higher Education Data Management System
SNQ	Sistema Nacional de Qualificacoes - the National Qualifications System
STAE	Secretariado Tecnico de Administracao Eleitoral - the Technical Secretariat for Electoral Administration (admin code 100)
TA	Technical Assistance
TBD	to be determined
TCF	Teacher Competency Framework
TIC	Information and Communication Technologies (the 'TIC Timor' agency)
TL	Timor-Leste
UNDRR	United Nations Office for Disaster Risk Reduction

UNTL	National University of Timor-Leste (admin code 105)
Vol IIB	Volume IIB of the 2026 Annual Plans - the budget baseline used for the 'genuinely new' check
VPM	Vice Prime Minister

Annex 4: PM's Call for New Policy Ideas – Analysis of Each New Policy Idea

As at 27/6/2026

This annex assesses new policy ideas submitted for the 2027 Government Policy Priority process and finds that, while there is strong demand for new spending, proposal quality is highly uneven, and many submissions are not yet decision ready. The strongest candidates are those with clear national policy rationale, legal or time-bound urgency, strategic alignment, and manageable implementation pathways, including election funding, justice-sector capacity, foundational education reforms, anti-stunting and social registry measures, digital government, accreditation, and procurement. However, many proposals repackage baseline activities as new policy, lack indicative costing for Forward Estimates, bundle capital and recurrent items, sit with the wrong agency, or require consolidation across related sectors. The recommended approach, if there were sufficient time, would be for the PRC Secretariat to triage proposals into four pathways - approve for full costed submission, approve with revisions, hold for clarification, or screen out - with most approvals treated as permission to develop robust costed submissions rather than final funding decisions. The other option is to consider the proposals within the context of the existing 28 GPPs.

Executive Summary of Consolidated Policy Assessment of Ministerial New Policy Ideas

Purpose. This annex consolidates the assessment of new policy ideas submitted for the 2027 Government Policy Priority process across a range of different implementing agencies. It applies a common screening framework to test whether each proposal complies with the Prime Minister's call for new policy ideas, represents a genuinely new policy change, requires additional resources, and has sufficient policy merit, implementation capacity and strategic alignment to proceed to the next stage of budget consideration.

Overall finding. The submissions show strong demand for new spending but very uneven proposal quality. A small number of proposals are clear priority candidates, particularly where they are legally mandated, time-bound, well aligned with national priorities, or create foundational systems for service delivery and fiscal management. Many other proposals should be held for clarification because they are continuation-heavy, insufficiently costed, bundled with baseline activities, or routed through the wrong institution. Several large capital or commercial proposals should not be treated as ordinary GPP recurrent bids and should instead be routed through the Infrastructure Fund, Petroleum Fund or other strategic-investment channels.

Priority candidates. The strongest proposals are those with a clear national-policy rationale and manageable implementation pathway. These include electoral funding for STAE, justice-sector court installation and technical capacity, foundational education reforms such as national learning assessment, foundational literacy and numeracy, and teacher competency reform, MSSI's SANUTRIO anti-stunting measure and Registu Social Unico, civil protection and border-management reforms, and selected digital-government, accreditation, records, procurement, and public-finance reforms where the genuinely new increment can be clearly isolated.

Main screening issues. The assessment identifies four recurring problems. First, many submissions repackage existing baseline activities as new policy proposals, especially institutional strengthening, training, maintenance, statutory payments and routine asset replacement. Second, several proposals are fragmented across agencies, particularly in gender, children, disability, social protection, digital transformation, higher education quality, media, and petroleum regulation. Third, many proposals lack the costing detail required for Forward Estimates decisions, including capital-versus-recurrent splits, phasing, staffing implications and recurrent operating costs. Fourth, some submissions sit with the wrong implementing agency and should be rerouted to the responsible line ministry before funding is considered.

Capital and strategic-investment treatment. A significant share of the proposed fiscal pressure comes from large infrastructure, buildings, facilities, transport, telecommunications and petroleum-sector investments. These should not be approved through the GPP recurrent stream without further decomposition. School infrastructure, diplomatic properties, protocol facilities, municipal buildings, police and civil-protection buildings, ports, transport infrastructure, science and research facilities, and new higher-education campuses should be routed through the Infrastructure Fund or other capital prioritisation processes. Petroleum mega-projects such as Greater Sunrise and Bayu-Undan-related investments should be treated as strategic commercial investments outside the ordinary budget bid process.

Recommended PRC Secretariat approach. The PRC Secretariat should use this annex to triage proposals into four decision pathways: approve priority candidates for full costed submission; approve with revisions where the policy case is strong but design, costing or routing must be

improved; hold for clarification where the new-policy increment is unclear; and screen out proposals that are baseline, statutory, routine operational expenditure or outside the GPP scope. In most cases, approval at this stage should mean approval to develop a robust costed submission, not final approval of funding.

Immediate next steps. MoF should request revised submissions from agencies where the policy case is potentially strong but the proposal is not yet decision-ready. Revisions should isolate the genuinely new component, confirm whether existing baseline funding can absorb the activity, provide multi-year costings, separate capital from recurrent costs, identify delivery risks, and demonstrate coordination with related agencies. Cross-cutting clusters should be consolidated before August decisions, especially social inclusion, child protection, disability, digital transformation, higher education quality, justice, petroleum regulation, election readiness, and infrastructure-linked proposals.

001 - Presidencia da Republica

Parent portfolio: Organs of Sovereignty (outside the Government executive) | *Policies: 13*

PR-1: Social Inclusion - support for People with Disabilities (assistive technology, e.g. laptops for disabled students)

Submitting entity: Presidencia da Republica (PR) - Casa Civil

Indicative cost & profile

Indicative cost: US$ 100,000 | Cost profile: Mixed

Forward Estimates: small Presidential-program initiative. Indicative costs across the 13 PR proposals range ~US$50k-210k each (e.g. disability ~$100k, women empowerment ~$65k, Asia Horasis forum ~$125-210k) - ~US$1-1.5m combined. Events (Marathon, Christmas, Asia Horasis) are one-off/lapsing. Most duplicate a line-ministry mandate. [PR submission total US$6.88m per registry across 13 programs; not individually costed; components n/q] [PR.pdf cover (p2) cites a priority table with indicative costs; registry total 6.88m across 13 programs; components not individually extracted - n/q, needs manual reconciliation]

Baseline check (vs 2026 Annual Plans)

Status: Expansion / New | Dimension: Beneficiary

- Disability support overlaps existing SEII/MSSI social-inclusion programs (admin 005/021). Small new program run by the Presidency (admin 001).

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 5

Recommendation

Hold - clarification needed

Strengths

- Addresses a real need (assistive technology for disabled students); small, contained cost (~$100k).
- Aligns the Brief's Opt 11 (disabilities).

Issues / required revisions

- Delivery via the Presidency is the wrong channel - disability support is SEII's Opt 11 mandate; consolidate under SEII (005) to avoid fragmentation (G3 = needs info).
- Confirm it does not duplicate existing SEII/MSSI disability programs.

Parent-ministry overlap (confirm)

PR Casa Civil (001) - but disability support is SEII's Opt 11 mandate; ANOTHER Opt 11 fragmentation signal. Route via SEII (005)/MSSI rather than the Presidency.

PR-2: Women's Empowerment (Empoderamento da Mulher)

Submitting entity: Presidencia da Republica (PR) - Casa Civil

Indicative cost & profile

Indicative cost: US$ 65,000 | Cost profile: Mixed

Forward Estimates: small Presidential-program initiative. Indicative costs across the 13 PR proposals range ~US$50k-210k each (e.g. disability ~$100k, women empowerment ~$65k, Asia Horasis forum ~$125-210k) - ~US$1-1.5m combined. Events (Marathon, Christmas, Asia Horasis) are one-off/lapsing. Most duplicate a line-ministry mandate.

Baseline check (vs 2026 Annual Plans)

Status: Expansion / New | Dimension: Beneficiary/Scope

- Presidency (admin 001). Overlaps the SEII (005) mandate - this is a Presidential delivery of a sectoral program.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 5

Recommendation

Hold - clarification needed

Strengths

- Addresses a real need within the Presidential 'National Unity' program.
- Small, contained cost.

Issues / required revisions

- Duplicates the SEII (005) mandate - Presidential delivery of a sectoral program is a fragmentation signal; route via that ministry (G3 = needs info).
- Confirm it does not duplicate existing line-ministry programs; provide costing.

Parent-ministry overlap (confirm)

Duplicates SEII's gender-equality mandate (Opt 11) - route via SEII (005), not the Presidency.

PR-3: Management of the Women's Dormitory donated by the UAE

Submitting entity: Presidencia da Republica (PR) - Casa Civil

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: small Presidential-program initiative. Indicative costs across the 13 PR proposals range ~US$50k-210k each (e.g. disability ~$100k, women empowerment ~$65k, Asia Horasis forum ~$125-210k) - ~US$1-1.5m combined. Events (Marathon, Christmas, Asia Horasis) are one-off/lapsing. Most duplicate a line-ministry mandate.

Baseline check (vs 2026 Annual Plans)

Status: New | Dimension: Beneficiary/Scope

- Presidency (admin 001). Overlaps the SEII/MSSI mandate - this is a Presidential delivery of a sectoral program.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 5

Recommendation

Hold - clarification needed

Strengths

- Addresses a real need within the Presidential 'National Unity' program.
- Small, contained cost.

Issues / required revisions

- Duplicates the SEII/MSSI mandate - Presidential delivery of a sectoral program is a fragmentation signal; route via that ministry (G3 = needs info).
- Confirm it does not duplicate existing line-ministry programs; provide costing.

Parent-ministry overlap (confirm)

Women's shelter/dormitory - SEII (005)/MSSI (021) mandate; route via the line ministry; confirm recurrent operating cost.

PR-4: Dili International Marathon 2027

Submitting entity: Presidencia da Republica (PR) - Casa Civil

Indicative cost & profile

Indicative cost: not quantified | Cost profile: One-off / lapsing

Forward Estimates: small Presidential-program initiative. Indicative costs across the 13 PR proposals range ~US$50k-210k each (e.g. disability ~$100k, women empowerment ~$65k, Asia Horasis forum ~$125-210k) - ~US$1-1.5m combined. Events (Marathon, Christmas, Asia Horasis) are one-off/lapsing. Most duplicate a line-ministry mandate.

Baseline check (vs 2026 Annual Plans)

Status: New | Dimension: Beneficiary/Scope

- Presidency (admin 001). Overlaps the Youth/Sport (MJSAC 115) / Tourism mandate - this is a Presidential delivery of a sectoral program.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass

G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 2 / 5 | Merit: 4

Recommendation

Hold - clarification needed

Strengths

- Addresses a real need within the Presidential 'National Unity' program.
- Small, contained cost.

Issues / required revisions

- Duplicates the Youth/Sport (MJSAC 115) / Tourism mandate - Presidential delivery of a sectoral program is a fragmentation signal; route via that ministry (G3 = needs info).
- Confirm it does not duplicate existing line-ministry programs; provide costing.

Parent-ministry overlap (confirm)

Sporting event - Youth/Sport/Tourism mandate; one-off/lapsing; route via the relevant ministry.

PR-5: Presidency institutional development (data systems, advisory support)

Submitting entity: Presidencia da Republica (PR) - Casa Civil

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Recurrent-heavy

Forward Estimates: small Presidential-program initiative. Indicative costs across the 13 PR proposals range ~US$50k-210k each (e.g. disability ~$100k, women empowerment ~$65k, Asia Horasis forum ~$125-210k) - ~US$1-1.5m combined. Events (Marathon, Christmas, Asia Horasis) are one-off/lapsing. Most duplicate a line-ministry mandate.

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Beneficiary/Scope

- Presidency (admin 001). Overlaps the PCM/Presidency baseline mandate - this is a Presidential delivery of a sectoral program.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Needs info

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 2 / 5 | Merit: 5

Recommendation

Hold - clarification needed

Strengths

- Addresses a real need within the Presidential 'National Unity' program.

- Small, contained cost.

Issues / required revisions

- Duplicates the PCM/Presidency baseline mandate - Presidential delivery of a sectoral program is a fragmentation signal; route via that ministry (G3 = needs info).
- Confirm it does not duplicate existing line-ministry programs; provide costing.

Parent-ministry overlap (confirm)

Presidency's own institutional strengthening - largely PCM/Presidency baseline; absorb.

PR-6: 'Dapur Ba Povu' (Community Kitchen / food support)

Submitting entity: Presidencia da Republica (PR) - Casa Civil

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: small Presidential-program initiative. Indicative costs across the 13 PR proposals range ~US$50k-210k each (e.g. disability ~$100k, women empowerment ~$65k, Asia Horasis forum ~$125-210k) - ~US$1-1.5m combined. Events (Marathon, Christmas, Asia Horasis) are one-off/lapsing. Most duplicate a line-ministry mandate.

Baseline check (vs 2026 Annual Plans)

Status: Expansion / New | Dimension: Beneficiary/Scope

- Presidency (admin 001). Overlaps the MSSI (021) mandate - this is a Presidential delivery of a sectoral program.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 5

Recommendation

Hold - clarification needed

Strengths

- Addresses a real need within the Presidential 'National Unity' program.
- Small, contained cost.

Issues / required revisions

- Duplicates the MSSI (021) mandate - Presidential delivery of a sectoral program is a fragmentation signal; route via that ministry (G3 = needs info).
- Confirm it does not duplicate existing line-ministry programs; provide costing.

Parent-ministry overlap (confirm)

Food/social support - MSSI (021) social-protection mandate; route via MSSI; confirm overlap with existing schemes.

PR-7: Support to Vulnerable Communities

Submitting entity: Presidencia da Republica (PR) - Casa Civil

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Recurrent-heavy

Forward Estimates: small Presidential-program initiative. Indicative costs across the 13 PR proposals range ~US$50k-210k each (e.g. disability ~$100k, women empowerment ~$65k, Asia Horasis forum ~$125-210k) - ~US$1-1.5m combined. Events (Marathon, Christmas, Asia Horasis) are one-off/lapsing. Most duplicate a line-ministry mandate.

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Beneficiary/Scope

- Presidency (admin 001). Overlaps the MSSI (021) mandate - this is a Presidential delivery of a sectoral program.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Needs info

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 5

Recommendation

Hold - clarification needed

Strengths

- Addresses a real need within the Presidential 'National Unity' program.
- Small, contained cost.

Issues / required revisions

- Duplicates the MSSI (021) mandate - Presidential delivery of a sectoral program is a fragmentation signal; route via that ministry (G3 = needs info).
- Confirm it does not duplicate existing line-ministry programs; provide costing.

Parent-ministry overlap (confirm)

Vulnerable-community assistance - MSSI mandate; route via MSSI; likely overlaps existing social programs.

PR-8: Presidential Art & Culture program

Submitting entity: Presidencia da Republica (PR) - Casa Civil

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: small Presidential-program initiative. Indicative costs across the 13 PR proposals range ~US$50k-210k each (e.g. disability ~$100k, women empowerment ~$65k, Asia Horasis forum ~$125-210k) - ~US$1-1.5m combined. Events (Marathon, Christmas, Asia Horasis) are one-off/lapsing. Most duplicate a line-ministry mandate.

Baseline check (vs 2026 Annual Plans)

Status: New | Dimension: Beneficiary/Scope

- Presidency (admin 001). Overlaps the MESCC (culture) / Tourism mandate - this is a Presidential delivery of a sectoral program.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 2 / 5 | Merit: 4

Recommendation

Hold - clarification needed

Strengths

- Addresses a real need within the Presidential 'National Unity' program.
- Small, contained cost.

Issues / required revisions

- Duplicates the MESCC (culture) / Tourism mandate - Presidential delivery of a sectoral program is a fragmentation signal; route via that ministry (G3 = needs info).
- Confirm it does not duplicate existing line-ministry programs; provide costing.

Parent-ministry overlap (confirm)

Arts/culture - MESCC culture/Tourism mandate; route via the line ministry.

PR-9: Presidential Health program

Submitting entity: Presidencia da Republica (PR) - Casa Civil

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: small Presidential-program initiative. Indicative costs across the 13 PR proposals range ~US$50k-210k each (e.g. disability ~$100k, women empowerment ~$65k, Asia Horasis forum ~$125-210k) - ~US$1-1.5m combined. Events (Marathon, Christmas, Asia Horasis) are one-off/lapsing. Most duplicate a line-ministry mandate.

Baseline check (vs 2026 Annual Plans)

Status: Expansion / New | Dimension: Beneficiary/Scope

- Presidency (admin 001). Overlaps the Ministry of Health (017) mandate - this is a Presidential delivery of a sectoral program.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 2 / 5 | Merit: 4

Recommendation

Hold - clarification needed

Strengths

- Addresses a real need within the Presidential 'National Unity' program.
- Small, contained cost.

Issues / required revisions

- Duplicates the Ministry of Health (017) mandate - Presidential delivery of a sectoral program is a fragmentation signal; route via that ministry (G3 = needs info).
- Confirm it does not duplicate existing line-ministry programs; provide costing.

Parent-ministry overlap (confirm)

Health initiative - MoH (017) mandate; route via MoH; confirm overlap.

PR-10: 'Natal Ho Povu' (Christmas with the People)

Submitting entity: Presidencia da Republica (PR) - Casa Civil

Indicative cost & profile

Indicative cost: not quantified | Cost profile: One-off / lapsing

Forward Estimates: small Presidential-program initiative. Indicative costs across the 13 PR proposals range ~US$50k-210k each (e.g. disability ~$100k, women empowerment ~$65k, Asia Horasis forum ~$125-210k) - ~US$1-1.5m combined. Events (Marathon, Christmas, Asia Horasis) are one-off/lapsing. Most duplicate a line-ministry mandate.

Baseline check (vs 2026 Annual Plans)

Status: New | Dimension: Beneficiary/Scope

- Presidency (admin 001). Overlaps the MSSI / social mandate - this is a Presidential delivery of a sectoral program.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 1 / 5 | C6 Alignment & impact: 2 / 5 | Merit: 3

Recommendation

Hold - clarification needed

Strengths

- Addresses a real need within the Presidential 'National Unity' program.
- Small, contained cost.

Issues / required revisions

- Duplicates the MSSI / social mandate - Presidential delivery of a sectoral program is a fragmentation signal; route via that ministry (G3 = needs info).
- Confirm it does not duplicate existing line-ministry programs; provide costing.

Parent-ministry overlap (confirm)

Seasonal community event - one-off/lapsing; social/MSSI; absorb or route via the line ministry.

PR-11: Asia Horasis Meeting (international economic forum hosting)

Submitting entity: Presidencia da Republica (PR) - Casa Civil

Indicative cost & profile

Indicative cost: US$ 125,000 | Cost profile: One-off / lapsing

Forward Estimates: small Presidential-program initiative. Indicative costs across the 13 PR proposals range ~US$50k-210k each (e.g. disability ~$100k, women empowerment ~$65k, Asia Horasis forum ~$125-210k) - ~US$1-1.5m combined. Events (Marathon, Christmas, Asia Horasis) are one-off/lapsing. Most duplicate a line-ministry mandate.

Baseline check (vs 2026 Annual Plans)

Status: New | Dimension: Beneficiary/Scope

- Presidency (admin 001). Overlaps the MNEC / Tourism mandate - this is a Presidential delivery of a sectoral program.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 5

Recommendation

Hold - clarification needed

Strengths

- Addresses a real need within the Presidential 'National Unity' program.
- Small, contained cost.

Issues / required revisions

- Duplicates the MNEC / Tourism mandate - Presidential delivery of a sectoral program is a fragmentation signal; route via that ministry (G3 = needs info).

- Confirm it does not duplicate existing line-ministry programs; provide costing.

Parent-ministry overlap (confirm)

International forum hosting - MNEC/Tourism/events; one-off/lapsing; coordinate under the Opt 8 events cluster.

PR-12: Presidential Community Initiative

Submitting entity: Presidencia da Republica (PR) - Casa Civil

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Recurrent-heavy

Forward Estimates: small Presidential-program initiative. Indicative costs across the 13 PR proposals range ~US$50k-210k each (e.g. disability ~$100k, women empowerment ~$65k, Asia Horasis forum ~$125-210k) - ~US$1-1.5m combined. Events (Marathon, Christmas, Asia Horasis) are one-off/lapsing. Most duplicate a line-ministry mandate.

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Beneficiary/Scope

- Presidency (admin 001). Overlaps the MSSI / MAE mandate - this is a Presidential delivery of a sectoral program.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Needs info

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 2 / 5 | Merit: 4

Recommendation

Hold - clarification needed

Strengths

- Addresses a real need within the Presidential 'National Unity' program.
- Small, contained cost.

Issues / required revisions

- Duplicates the MSSI / MAE mandate - Presidential delivery of a sectoral program is a fragmentation signal; route via that ministry (G3 = needs info).
- Confirm it does not duplicate existing line-ministry programs; provide costing.

Parent-ministry overlap (confirm)

Community engagement - MSSI/MAE mandate; route via the line ministry; likely baseline.

PR-13: National Reconciliation Initiative

Submitting entity: Presidencia da Republica (PR) - Casa Civil

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: small Presidential-program initiative. Indicative costs across the 13 PR proposals range ~US$50k-210k each (e.g. disability ~$100k, women empowerment ~$65k, Asia Horasis forum ~$125-210k) - ~US$1-1.5m combined. Events (Marathon, Christmas, Asia Horasis) are one-off/lapsing. Most duplicate a line-ministry mandate.

Baseline check (vs 2026 Annual Plans)

Status: Expansion / New | Dimension: Beneficiary/Scope

- Presidency (admin 001). Overlaps the CNC (070) / PCM mandate - this is a Presidential delivery of a sectoral program.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 5

Recommendation

Hold - clarification needed

Strengths

- Addresses a real need within the Presidential 'National Unity' program.
- Small, contained cost.

Issues / required revisions

- Duplicates the CNC (070) / PCM mandate - Presidential delivery of a sectoral program is a fragmentation signal; route via that ministry (G3 = needs info).
- Confirm it does not duplicate existing line-ministry programs; provide costing.

Parent-ministry overlap (confirm)

Reconciliation/national unity - overlaps CNC (070, row 83) transitional-justice mandate; coordinate, do not run separately from the Presidency.

004 - Presidencia do Conselho de Ministros

Parent portfolio: | *Policies: 1*

PCM strategic activities: continuity, documentation & parliamentary diplomacy (Vice-Min. Parliamentary Affairs)

Submitting entity: Presidencia do Conselho de Ministros (PCM)

Indicative cost & profile

Indicative cost: US$ 4,310,000 | Cost profile: Recurrent-heavy

Forward Estimates: PCM-proper = parliamentary-affairs coordination (Subprograma 4.998, Vice-Min. Parliamentary Affairs) - representing Government in Parliament, the legislative process and parliamentary oversight; flags heavier 2027 parliamentary load incl. from decentralisation/local-power. Largely institutional continuity; limited new resource ask. Not costed. [cost: DGPO registry figure, carried 2026-06-27; confirm vs full proposal at costing stage] [PCM registry 4.31m (ASEAN/comms priorities, narrative). NOTE: PCM.pdf p27 reproduces the hypothetical national-hospital EXAMPLE from "Response Letter Templates - Budget 2027.docx" (entity guidance) - illustrative figure only ($400m/$100m), NOT a real proposal; EXCLUDED from this analysis (verified: absent from all cost cells)]

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Intensity

- PCM parliamentary-affairs function (admin 004, Subprograma 4.998) - mostly existing operations; isolate any genuinely-new element.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Needs info

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 2 / 5 | Merit: 5

Recommendation

Hold - clarification needed

Strengths

- Maintains essential Government-Parliament coordination and the legislative/oversight process; load rises with decentralisation.
- Whole-of-government convening role.

Issues / required revisions

- Largely continuity (Subprograma 4.998) - little clearly new (G3/G4 = needs info); fund the bulk in baseline.
- Specify any genuinely-new costed increment; PCM.pdf also bundles INTL (085, row 14), CNC (070, row 83) and AMRT (061, row 82), assessed on their own rows.

Parent-ministry overlap (confirm)

PCM (004). NOTE the PCM.pdf submission also bundles INTL-085 (assessed, row 14), CNC-070 and AMRT-061 (assessed separately) - this row = PCM-proper only.

005 - Secretaria de Estado para a Igualdade e Inclusao

Parent portfolio: | *Policies: 1*

Equality & inclusion priorities (4 strategic programs)

Submitting entity: Secretaria de Estado da Igualdade e Inclusao

Indicative cost & profile

Indicative cost: US$ 9,143,815 | Cost profile: TBD

Forward Estimates: Mostly continuation of standing GBV/empowerment programs (recurrent). Isolate any new element.

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: n/a

- SEI standing programs (PEI 2023-2028): Institutional Development; GBV Prevention; Women's Economic Empowerment; Women's Political Participation - largely continuation. SEII is the Brief Opt 11 LEAD. (Confirm exact program codes under PCM tutela.) Programa 980 Inclusao Social (e.g. Ativ 9801702 igualdade de genero, 9801705, 9803201), admin 005 - largely continuation; isolate any genuinely-new element.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Needs info

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Hold - clarification needed

Strengths

- SEII is the designated Brief Opt 11 lead (Gender/Children/Disabilities) - the natural coordination hub for CNR, INDDICA and the other disability/children submissions.
- Strong strategic alignment with the human-capital and inclusion priorities.

Issues / required revisions

- Largely continuation of existing programs - separate any genuinely-new element from the baseline mandate (G3 = needs info).
- Test whether the ask can be absorbed in baseline (G4 = needs info).
- Action the Opt 11 consolidation: bring CNR, INDDICA and MSSI Linha 116 under SEII to remove fragmentation.

Parent-ministry overlap (confirm)

Submitted direct (under PCM tutela). SEII is the Brief Opt 11 lead - CNR & INDDICA should consolidate UNDER it.

008 - Secretaria de Estado da Formacao Profissional e Emprego

Parent portfolio: VPM Economic Affairs / Tourism & Environment | Policies: 2

SEFOPE-A: Professional training (training centres, skills development)

Submitting entity: Sec. Estado Formacao Profissional e Emprego (SEFOPE)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: Professional/vocational training - training centres, skills aligned to the labour market. Mostly the existing SEFOPE training baseline + any new capacity. [SEFOPE submission total US$5,600,000 per DGPO registry; not yet split across rows [116, 117]; per-component costs n/q pending full proposal] [SEFOPE.pdf p22 budget table (rotated); registry total 5.6m; components 116/117 n/q]

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Intensity

- Vocational training is delivered via the national training centres - Programa 983 Investimento e Diversificacao Economica, Subprog 98315 Atividades de Formacao Vocacional (US$115,197, CNEFP-Tibar 071) - plus workforce-standards body INDMO (094, Programa 983 Subprogs 98302/98303/98304, US$171,550). GPP expands training capacity.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 4 / 5 | Merit: 7

Recommendation

Hold - clarification needed

Strengths

- Skills development is a high-impact Brief priority for a young labour force.
- Established delivery (training centres).

Issues / required revisions

- Mostly existing SEFOPE training - isolate genuinely-new (G3 = needs info); provide costing from the PAA tables.
- Coordinate with the human-capital cluster (MPIE/FDCH, ADN, MCI, Education TVET) to avoid duplication.

Parent-ministry overlap (confirm)

SEFOPE (008) lead; STRONG human-capital overlap with MPIE/FDCH (067), ADN-A training (109), MCI-B MSME training (105), Education TVET - coordinate as one cluster.

SEFOPE-B: Employment services + youth-employment + overseas employment

Submitting entity: Sec. Estado Formacao Profissional e Emprego (SEFOPE)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: Employment services, labour-market matching, youth-employment programs, overseas employment. Youth-employment elements are genuinely new.

Baseline check (vs 2026 Annual Plans)

Status: Expansion / New | Dimension: Scope

- Builds on the employment-services baseline (SEFOPE 008) and INDMO workforce development (094, Programa 983, US$171,550; Subprog 98346 Promocao Aptidoes de Mao-de-Obra). Genuinely-new = youth-employment scheme (expansion).

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 4 / 5 | Merit: 7

Recommendation

Hold - clarification needed

Strengths

- Jobs/youth-employment are high-impact Brief priorities; addresses youth unemployment.
- Concrete employment-service + overseas-employment channels.

Issues / required revisions

- Isolate genuinely-new (youth-employment programs) from the employment-services baseline (G3 = needs info); provide costing.
- Coordinate with MJSAC (youth) and the human-capital cluster.

Parent-ministry overlap (confirm)

SEFOPE (008) lead; coordinate youth-employment with MJSAC (115, youth) and the human-capital cluster.

009 - Secretaria de Estado das Cooperativas

Parent portfolio: | *Policies: 1*

National Resilient Cooperatives Program (PNCR) 2027-2031

Submitting entity: Sec. Estado das Cooperativas (SECOOP)

Indicative cost & profile

Indicative cost: US$ 15,000,000 (opt 1) / US$ 25,000,000 (opt 2) | Cost profile: Mixed

Forward Estimates: New national cooperatives program. Option 1 ~US$0.95m / Option 2 (recommended) ~US$1.2m. Mix of recurrent (training, support) + some capital. Modest, contained cost. [cost: SECOOP.pdf 2027-28 pilot USD 15-25m indicative; full 2029-32 50-80m; was 0.95m]

Baseline check (vs 2026 Annual Plans)

Status: New | Dimension: n/a

- New national program (PNCR) - not in the 2026 baseline (admin 009). Strengthens/modernises the cooperative sector.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 4 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 7

Recommendation

Approve with revisions

Strengths

- New, well-bounded national program with a modest costed envelope (~$0.95-1.2m).
- Aligns economic diversification and private-sector growth; cooperatives reach rural producers.

Issues / required revisions

- Confirm activity-level costing and the recurrent vs capital split.
- Coordinate with MCI (MSME) and Agriculture to avoid overlapping cooperative-support schemes.

Parent-ministry overlap (confirm)

SECOOP (009) lead; coordinate with MCI (113) on MSME/private-sector and with Agriculture/MAF on agri-cooperatives; ASEAN cooperation noted.

012 - Ministerio das Financas

Parent portfolio: | *Policies: 1*

Public Finance Management reform + Tax/Domestic-Revenue reform (MoF own policy measures)

Submitting entity: Min. das Financas (MF) - own measures

Indicative cost & profile

Indicative cost: US$ 911,272 | Cost profile: Recurrent-heavy

Forward Estimates: fiscal-reform measures under the IX Government Program - (1) structural tax/fiscal reform + modernise tax administration (collection, taxpayer registration, audit) + DGM optimisation; (2) digitalise & optimise the revenue-management system (e-tax: digital filing/payment). The e-tax/revenue digitalisation is the concrete new element with revenue upside; the rest is largely the ongoing MoF reform agenda + donor TA. [cost: MF.pdf p15 Capital-Development table total US$911,272; recurrent PFM measures separate/n/q]

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Intensity

- Existing under Programa 023 Gestao das Financas Publicas (US$7,483,071) - Subprogs 02331 Cobranca de Receitas e Mobilizacao de Financiamento (US$4,617,762), 02333 Execucao Orcamental/Auditoria (US$526,282), 02321 Melhoria da Despesa Publica, 02322 Aumento da Arrecadacao de Receitas Domesticas - plus Programa 510 Funcionamento (US$2,175,098). GPP PFM + domestic-revenue reform = expansion of these (continuation-heavy). [MF 012]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Needs info

Merit (criteria 5-6)

C5 Capacity: 4 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 7

Recommendation

Hold - clarification needed

Strengths

- Fiscal sustainability + a stronger revenue base are top Brief priorities; the e-tax/revenue digitalisation has clear revenue upside.
- MoF has strong delivery capacity.

Issues / required revisions

- Isolate the genuinely-new (revenue-system digitalisation/e-tax) from the ongoing MoF reform agenda + donor TA (G3 = needs info).
- As the screening body, MoF own bid needs an independent cost check (done by a body outside MoF); coordinate e-tax with the Opt 17/18 digital cluster.

Parent-ministry overlap (confirm)

MoF (012) is also the screening body - confirm the reform measures are not already in the MoF baseline/donor-funded; coordinate with PFM partners.

014 - Ministerio dos Negocios Estrangeiros e Cooperacao

Parent portfolio: Min. Foreign Affairs & Cooperation (MNEC) | *Policies: 6*

MNEC-1 (Anexo I): Acquisition of diplomatic properties abroad (Lisbon, Jakarta, Brussels)

Submitting entity: Min. Negocios Estrangeiros (MNEC)

Indicative cost & profile

Indicative cost: US$ 39,660,000 | Cost profile: One-off / capital

Forward Estimates: Large one-off capital ~US$39.66m (Lisbon 12.96 + Jakarta 24.0 + Brussels 2.7, incl. admin). Converts recurrent rent to State assets - recurrent saving offsets over time. Route via Infrastructure Fund.

Baseline check (vs 2026 Annual Plans)

Status: New | Dimension: n/a

- NOT in 2026 plan - missions currently rent (Programa 510 Politica Externa, admin 014). Property acquisition = new capital asset.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 5

Recommendation

Approve with revisions

Strengths

- Converts recurrent rent into permanent State assets - long-term fiscal saving (e.g. Lisbon rent ~$420k/yr vs purchase).
- Strengthens diplomatic presence and consular service capacity; supports CPLP/ASEAN positioning.

Issues / required revisions

- Very large one-off capital (~US$39.66m) - route via the Infrastructure Fund (Opt 7) with a proper buy-vs-rent cost-benefit and structural valuation per property (the submission itself recommends this).
- Overseas property acquisition is complex - MNEC capital-delivery capacity is a risk; phase by property.

Parent-ministry overlap (confirm)

MNEC (014) lead; route via Infrastructure Fund (080); confirm buy-vs-rent cost-benefit.

MNEC-2 (Anexo II): Diplomatic & protocol facilities (VIP/VVIP, meeting/press spaces) at MNEC

Submitting entity: Min. Negocios Estrangeiros (MNEC)

Indicative cost & profile

Indicative cost: US$ 750,000 | Cost profile: Mixed

Forward Estimates: Construction of VIP/VVIP & protocol facilities (~US$750k, ADN design) = one-off capital; reduces recurrent event-venue rental (~US$500k/yr). Press/storage component not costed. Route via Infrastructure Fund.

Baseline check (vs 2026 Annual Plans)

Status: New | Dimension: Scope

- NOT in 2026 plan - new protocol facilities (Programa 510, admin 014). ADN design >5yr old - re-evaluate via Infrastructure Fund.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Approve with revisions

Strengths

- Reduces recurrent spend on renting event venues (~$500k/yr) and supports CPLP 2027 / ASEAN hosting.
- Improves protocol capacity and the State's institutional image for high-level visits.

Issues / required revisions

- Construction (~$750k, plus an uncosted press/storage component) - route via the Infrastructure Fund and re-evaluate the >5-year-old ADN design.
- Confirm demand projection and operating model before building.

Parent-ministry overlap (confirm)

MNEC (014) lead; route construction via Infrastructure Fund (080); tie to CPLP/ASEAN hosting need.

MNEC-3 (Anexo III): CPLP Pro Tempore Presidency 2027 (events program)

Submitting entity: Min. Negocios Estrangeiros (MNEC)

Indicative cost & profile

Indicative cost: US$ 1,000,000 (opt 1) / US$ 2,000,000 (opt 2) | Cost profile: One-off / lapsing

Forward Estimates: One-off 2027 event: Scenario 1 US$1.0m (normal activities) / Scenario 2 US$2.0m (incl. Heads-of-State Summit in TL). Lapsing - does NOT enter the FE baseline. Doc recommends Scenario 1.

Baseline check (vs 2026 Annual Plans)

Status: New | Dimension: n/a

- NOT a recurrent baseline item - one-off 2027 CPLP Pro Tempore presidency (TL holds it Jan 2026-Jul 2027).

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 4 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 7

Recommendation

Approve with revisions

Strengths

- Exactly the Brief's Opt 8 (major events) - a time-bound 2027 obligation with clear diplomatic/economic returns.
- One-off and lapsing - no permanent recurrent annual cost; Scenario 1 ($1m) is normal practice.

Issues / required revisions

- Confirm Scenario (1 vs 2) - Scenario 2 ($2m) only if the President decides to host the Heads-of-State Summit in TL.
- Coordinate event security with MI (PPG1-B) and protocol facilities (MNEC-2) to avoid funding twice.

Parent-ministry overlap (confirm)

MNEC (014) lead; coordinate event security with MI (PPG1-B) and the summit decision with the Presidency.

MNEC-4 (Anexo IV-1): ASEAN 2029 Presidency preparation + ACNOC institutional strengthening

Submitting entity: Min. Negocios Estrangeiros (MNEC)

Indicative cost & profile

Indicative cost: US$ 3,249,016 | Cost profile: Mixed

Forward Estimates: US$3,249,016 within the ASEAN Affairs 2027 budget vs US$2,947,716 in 2026 = +US$301,300 (+10.1%). Mostly EXISTING ASEAN Affairs baseline; genuinely-new GPP increment = the +$301k + ACNOC operationalisation. Critical infra (airport, convention centre, hotels) sits in sector-ministry budgets.

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Intensity/Scope

- ASEAN Affairs baseline (Programa 510, admin 014); ACNOC created by Gov Resolution 12/2026. Increment +$301k is the new element. ASEAN Affairs within Programa 510 (e.g. Ativ 5100109/5100112), admin 014.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 4 / 5 | Merit: 7

Recommendation

Hold - clarification needed

Strengths

- Strategic national priority (ASEAN 2029) with a legal basis (Gov Resolution 12/2026); early preparation lowers later cost/risk.
- Leaves permanent institutional capacity (protocol, event management, coordination).

Issues / required revisions

- Bulk is the existing ASEAN Affairs baseline ($2.95m); isolate the genuinely-new GPP increment (+$301k + ACNOC operationalisation) - HOLD pending that split.
- Critical-infrastructure items (airport, convention centre, hotels) belong in sector-ministry budgets - this proposal only coordinates them.

Parent-ministry overlap (confirm)

MNEC (014) lead; critical-infra acompanhamento sits in sector ministries (airport=MTC, convention centre, hotels) - those are their own budgets.

MNEC-5 (Anexo IV-2): ASEAN-New Zealand Country Coordinator role 2027 (incl. Dili meeting)

Submitting entity: Min. Negocios Estrangeiros (MNEC)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: One-off / lapsing

Forward Estimates: Within the ASEAN Affairs 2027 budget (reinforced lines for the high-level ASEAN-NZ meeting in Dili: 10 ASEAN states + Secretariat + NZ). Mostly one-off event cost; confirm the incremental amount vs baseline.

Baseline check (vs 2026 Annual Plans)

Status: New | Dimension: Scope

- New 2027 role (TL is ASEAN-NZ country coordinator). Within ASEAN Affairs baseline (Programa 510, admin 014).

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Approve with revisions

Strengths

- Concrete 2027 commitment (TL is ASEAN-NZ coordinator) and a useful rehearsal for the 2029 Presidency.
- Hosting the Dili meeting raises TL's regional profile.

Issues / required revisions

- Funding is folded into the ASEAN Affairs budget - confirm the incremental cost of the Dili meeting vs baseline.
- One-off/lapsing - keep out of the recurrent FE baseline.

Parent-ministry overlap (confirm)

MNEC (014) lead; one-off hosting - coordinate with MI (security) for the Dili meeting.

MNEC-6 (Anexo IV-3): Coordination of ASEAN Sectoral Action Plans 2026-2030 (MNEC/DGAA)

Submitting entity: Min. Negocios Estrangeiros (MNEC)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Recurrent-heavy

Forward Estimates: Mostly within MNEC/DGAA current operations; limited additional needs (specialist TA, capacity, monitoring tools) - to confirm with MoF. Largely an existing coordination mandate.

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Intensity

- Existing DGAA national-ASEAN-coordination mandate (Programa 510, admin 014); only limited additional TA is new.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Needs info

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Hold - clarification needed

Strengths

- Addresses a real integration risk (fragmented, multi-ministry ASEAN commitments) with a coordinating mechanism.

- Largely uses existing DGAA capacity - low incremental cost.

Issues / required revisions

- Mostly an existing DGAA coordination mandate within current operations - little genuinely new (G3/G4 = needs info); fund the bulk in baseline.
- Only limited additional TA/monitoring is new - HOLD pending that small increment being specified.

Parent-ministry overlap (confirm)

MNEC/DGAA (014) coordinating role across sector ministries; not an ACNOC responsibility.

015 - Ministerio da Justica

Parent portfolio: | *Policies: 1*

Reforco de Competencias Tecnicas e Especializacao Profissional (justice training + court installation)

Submitting entity: Ministerio da Justica

Indicative cost & profile

Indicative cost: US$ 16,000,000 | Cost profile: Recurrent-heavy

Forward Estimates: Training is recurrent (~$1.2m/yr); only $50k capital in 2027. Multi-year recurrent commitment. [cost: MJ registry US$16m (source has 9 multi-year activity budgets); was 1.35m=one line item]

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Geographic + intensity

- Existing under Programa 392 Acesso a Justica (US$5,656,326) - Subprogs 39201 Acesso a Justica (US$31,600), 39213 Desenvolvimento de RH em areas Tecnicas (US$147,240) - plus Programa 510 Funcionamento (US$1,856,986). Genuinely-new = court/procuradoria installation + specialised technical training (expansion). [MJ 015]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 4 / 5 | C6 Alignment & impact: 4 / 5 | Merit: 8

Recommendation

Approve - priority candidate

Strengths

- Strong alignment to Brief Opt 25 (justice/public order); the genuinely-new element is court/procuradoria installation.
- Builds specialised technical competence in the justice sector.

Issues / required revisions

- Partly continuation of past justice training - isolate the new court-installation component from recurrent training.
- $3.65m over 3yr: confirm the capital vs recurrent split and coordinate with MI (Opt 25 cluster).

Parent-ministry overlap (confirm)

Line ministry; confirm vs CFJJ/INAP existing training lines and Brief Opt 25 court program.

016 - Ministerio da Administracao Estatal

Parent portfolio: Min. State Administration (MAE) | *Policies: 3*

MAE budget-allocation correction for 2027 (municipal funding transfer) [1 of a 3-part MAE submission]

Submitting entity: Min. Administracao Estatal (MAE)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Recurrent-heavy

Forward Estimates: Letter ref 434 corrects the municipal budget-allocation values (per-municipality US$ figures) in ref 428. Appears to be annual municipal budget allocation, not a discrete new policy. [MAE submission total US$25,450,761 per DGPO registry; not yet split across rows [81, 102, 103]; per-component costs n/q pending full proposal] [MAE.pdf p25 budget table: national-days section ~US$22.5m (Salarios 9.02m + Bens/Servisu 11.76m + Transf 2.2m); text states USD 22,488,880; registry total 25.45m - source-table found, reconcile across the 3 MAE components at costing]

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: n/a

- Annual municipal budget allocation - spans Programa 025 Descentralizacao Administrativa e Poder Local (US$1,018,787) plus the Municipal Authorities own budgets (043-055). This is a budget-process correction (ref 434 corrects 428), not a new program line. [MAE 016]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Needs info

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 2 / 5 | Merit: 5

Recommendation

Hold - clarification needed

Strengths

- Municipal/decentralisation funding supports rural service delivery (Brief priority 2).
- Concrete per-municipality figures provided.

Issues / required revisions

- Appears to be an annual municipal budget-allocation correction (ref 434 corrects ref 428), NOT a discrete new policy - confirm scope; likely belongs in the annual-budget process, not the GPP stream.
- Obtain MAE's substantive new-policy submission (ref 428) if one exists separately.

Parent-ministry overlap (confirm)

MAE (016); STAE (row 8) is the other MAE-cluster submission. SCOPE: appears to be annual budget allocation - confirm whether MAE's substantive new-policy ideas (ref 428) are a separate document.

MAE-A: Deepen administrative decentralisation + install local-power representative bodies (municipal assemblies, municipal elections, assembly buildings, legal framework)

Submitting entity: Min. Administracao Estatal (MAE)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: Multi-component: install municipal assemblies + organise local-power (municipal) elections (one-off) + construct municipal assembly/authority buildings (capital - Infrastructure Fund) + legal framework + revise municipal financing. Option 3 recommended; not costed.

Baseline check (vs 2026 Annual Plans)

Status: Expansion / New | Dimension: Scope

- Existing under Programa 025 Descentralizacao Administrativa e Poder Local (US$1,018,787) - Subprogs 02502 Descentralizacao Administrativa (US$439,546), 02501 Desenvolvimento Local (US$351,260), 02504 Instalacao dos Orgaos do Poder Local (US$98,241) - plus Programa 510 (US$6,527,848). GPP deepens decentralisation + municipal elections (expansion); coordinate with STAE. [MAE 016]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Hold - clarification needed

Strengths

- A major decentralisation step (installing elected local-power bodies) - aligns the Brief rural-service-access/decentralisation priority.
- Strengthens democratic local governance and service delivery closer to citizens.

Issues / required revisions

- Multi-component - decompose; isolate the genuinely-new (elections, assembly buildings, legal framework) from the ongoing decentralisation baseline (G3 = needs info).
- Coordinate municipal elections with STAE (100); route building capital via the Infrastructure Fund; provide costing (Option 3 not quantified).

Parent-ministry overlap (confirm)

MAE (016) lead; municipal elections overlap STAE (100) - coordinate; route assembly-building capital via Infrastructure Fund (080).

MAE-B: Administrative simplification & digitalisation of local governance (Portal Municipal, Balcao Unico one-stop-shops, Administrative Modernisation Centre)

Submitting entity: Min. Administracao Estatal (MAE)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: Portal Municipal + Balcao Unico (one-stop-shop) network expansion + Administrative Modernisation Centre. Digital build (one-off) + recurrent operating. Option 3 recommended; not costed.

Baseline check (vs 2026 Annual Plans)

Status: Expansion / New | Dimension: Scope

- Builds on Programa 025 Descentralizacao Administrativa e Poder Local (US$1,018,787) - Subprog 02502 Descentralizacao Administrativa (US$439,546), 02503 Planeamento Integrado Municipal (US$129,740) - plus Programa 510 Funcionamento (US$6,527,848). GPP digital one-stop-shops (Portal Municipal, Balcao Unico, Modernisation Centre) = expansion/new local-service digitalisation. [MAE 016]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Approve with revisions

Strengths

- Concrete digital-service infrastructure (one-stop-shops, municipal portal) - improves service delivery and transparency; aligns Opt 17/18.
- Reduces the administrative burden for citizens at municipal/posto level.

Issues / required revisions

- Coordinate the digital build with the Opt 17/18 cluster and TIC Timor (059) to avoid duplicate platforms.
- Provide costing (Option 3 not quantified); confirm the recurrent operating cost.

Parent-ministry overlap (confirm)

MAE (016) lead; coordinate with the Opt 17/18 digital cluster (MESCC M1, TIC Timor-059); links to public-administration reform (CFP-075).

017 - Ministerio da Saude

Parent portfolio: Min. Health (MoH) | *Policies: 3*

H1: Health infrastructure & access - 3 new hospitals (Ermera, Manufahi, Psychiatric), CHC/post rehab, WASH, equipment, 14 vehicles

Submitting entity: Ministerio da Saude

Indicative cost & profile

Indicative cost: US$ 94,250,000 | Cost profile: One-off/capital

Forward Estimates: Mostly one-off/capital; new hospitals add small recurrent O&M tail.

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Geographic/Scope

- MoH 017 (Vol IIA) - health infrastructure programs; new hospitals are additional to baseline

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 4 / 5 | Merit: 7

Recommendation

Approve with revisions

Strengths

- Responds directly to 76.4% citizen demand (Lian Sidadaun) on health infrastructure.
- 3 new municipal/psychiatric hospitals address major access gaps.

Issues / required revisions

- Split genuinely-new (new hospitals) from baseline CHC/post rehab & maintenance.
- Large capital - route via Infrastructure Fund (Opt 7).
- Costs indicative - need BOQ/feasibility.

Parent-ministry overlap (confirm)

Confirm vs MoH baseline construction lines + Infrastructure Fund pipeline.

H2: Health service delivery - medicines & vaccines supply, maternal-child health & nutrition, TB/leprosy, school health, health promotion

Submitting entity: Ministerio da Saude

Indicative cost & profile

Indicative cost: US$ 31,717,000 | Cost profile: Recurrent-heavy

Forward Estimates: Recurrent supply/treatment costs; builds a recurrent baseline.

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Intensity/Beneficiary

- MoH 017 (Vol IIA) - primary care + medicines (INFPM) programs

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Maternal-child health & stunting reduction (<40%) aligns Brief Opt 22.
- Targets medicine stock-outs (>95% availability).

Issues / required revisions

- Separate the NEW increment from the recurrent medicines/primary-care baseline - double-funding risk.
- Specify the recurrent annual cost for the Forward Estimates.

Parent-ministry overlap (confirm)

Overlaps MSSI SANUTRIO (Opt 22) + Mission Unit to Combat Stunting (120).

H3: Health human capital - recruit 2,460 health professionals (continuous), career progression, simulation training (INSP-TL)

Submitting entity: Ministerio da Saude

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Recurrent-heavy

Forward Estimates: Recurrent salary tail for 2,460 staff - not quantified.

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Beneficiary/Volume

- MoH 017 (Vol IIA) - personnel; staffing standard 1 doctor/2 nurses/2 midwives per post

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Needs info

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Addresses rural staffing gap (60% citizen demand); fixed multidisciplinary teams per post.

Issues / required revisions

- Recurrent salary tail for 2,460 staff not quantified - model it.
- Confirm GPP vs DL42 personnel/mandatory route.

Parent-ministry overlap (confirm)

Confirm vs DL42 personnel/mandatory process (as with MI recruitment).

018 - Ministerio da Educacao

Parent portfolio: Min. Education (ME) | *Policies: 6*

E1: 21st-century skills (curriculum reform, English/ICT, entrepreneurship)

Submitting entity: Ministerio da Educacao

Indicative cost & profile

Indicative cost: US$ 6,740,000 | Cost profile: Mixed

Forward Estimates: Curriculum/training = recurrent; modest. Pilot-scale figures in submission. [cost: source doc 01 TOTAL US$6,740,000 (was 0)]

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope

- Programa 510 curriculum-reform activities (Ativ 510022T Implementar a Politica; 510022V Elaboracao de reforma) + secondary-curriculum programs. Expansion: adds English (Cycle 2), ICT mentoring, entrepreneurship.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Approve with revisions

Strengths

- Curriculum modernisation (21st-century skills, English/ICT) aligned to Brief Opt 23.
- Modestly costed (pilot) - low fiscal risk.

Issues / required revisions

- Specify costed scale-up beyond the pilot.

- Confirm sequencing with E2 (assessment) and E5 (teacher framework).

Parent-ministry overlap (confirm)

Confirm vs existing curriculum lines.

E2: National learning-assessment system

Submitting entity: Ministerio da Educacao

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: IT hardware ~$0.8m capital; printing/training recurrent. $5.2m over 2yr. [cost: prior internal estimate US$5.2m NOT found in submission - n/q, entity to confirm]

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope

- Existing assessment functions sit inside the school-system programs - Programa 521 Ensino Basico (US$65,993,690), esp. Subprog 52115 Sistema de Gestao e Administracao (US$65,818,358) and the teacher-quality subprogs 52110/52206 - plus Programa 510 Funcionamento (US$6,411,536). No standalone assessment line; the GPP creates a dedicated national learning-assessment system (expansion - scope/intensity). [EDU 112]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 4 / 5 | C6 Alignment & impact: 4 / 5 | Merit: 8

Recommendation

Approve - priority candidate

Strengths

- Foundational assessment reform; measurable; aligns Brief Opt 23.
- Enables evidence-based teaching and system monitoring.

Issues / required revisions

- Confirm the recurrent cost of running national assessments.
- Sequence with E3 (foundational learning) and E5 (TCF).

Parent-ministry overlap (confirm)

Confirm vs existing exam/assessment lines.

E3: Foundational learning (literacy & numeracy)

Submitting entity: Ministerio da Educacao

Indicative cost & profile

Indicative cost: US$ 5,580,760 | Cost profile: Mixed

Forward Estimates: Materials + decentralised teacher development. Cost NOT finalised in submission (placeholder). [cost: source doc 03 USD 5,580,760 (was n/q)]

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope + intensity

- Basic-education curriculum/teacher programs (Programa 510 reform activities 510022T/510022V); scales foundational literacy/numeracy materials + decentralised teacher development.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 5 / 5 | Merit: 8

Recommendation

Approve - priority candidate

Strengths

- High-impact, evidence-based (foundational literacy & numeracy); strong Brief Opt 23 fit.
- Among the highest-return education actions.

Issues / required revisions

- BELOW-STANDARD costing - figure left as placeholder 'XXX'; must be costed before approval.
- Specify the recurrent materials/training cost.

Parent-ministry overlap (confirm)

Confirm vs existing curriculum/teacher-training lines.

E4: Accelerate school infrastructure construction/rehab

Submitting entity: Ministerio da Educacao

Indicative cost & profile

Indicative cost: US$ 110,300,000 | Cost profile: One-off / capital

Forward Estimates: Large capital ($110.3m/2yr). One-off construction; adds recurrent maintenance cost after build. [cost: source doc 04 Grand Total US$110.3m - confirmed]

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Geographic

- Programa 520 / Subprog 52011 (construcao, reabilitacao e fornecimento de facilidades escolares) + Ativ 510021Z (Construcao de novos edificios). Accelerates EXISTING school construction (geographic expansion, rural priority).

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 4 / 5 | Merit: 6

Recommendation

Approve with revisions

Strengths

- Addresses a real school-infrastructure backlog; aligns Brief Opt 23.
- Large, visible capital delivery.

Issues / required revisions

- Large capital ($110.3m) - route through the Infrastructure Fund / Opt 7 prioritisation, not the GPP recurrent stream.
- Confirm against the existing school-construction list of planned projects to avoid funding twice.

Parent-ministry overlap (confirm)

Coordinate with Infrastructure Fund (Brief Opt 7) - large capital should sit in the IF list of planned projects.

E5: Teacher Competency Framework (TCF) operationalisation

Submitting entity: Ministerio da Educacao

Indicative cost & profile

Indicative cost: US$ 2,110,000 | Cost profile: Recurrent-heavy

Forward Estimates: Framework development + rollout = mostly recurrent ($2.11m/2yr). Builds career/PD systems. [cost: source doc 05 USD 2.11m - confirmed]

Baseline check (vs 2026 Annual Plans)

Status: New / Expansion | Dimension: Scope

- Subprog 52009 (garantir a qualidade dos educadores; Ativ 5200904 Formacao especializada) + teacher programs. Operationalises the newly-created Teacher Competency Framework.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 4 / 5 | C6 Alignment & impact: 5 / 5 | Merit: 9

Recommendation

Approve - priority candidate

Strengths

- Teacher quality is the highest-impact action; strong Brief Opt 23 fit.
- Reasonable cost; operationalises an existing framework.

Issues / required revisions

- Confirm the recurrent cost of TCF operation (appraisal, CPD).
- Sequence with E1/E2 reforms.

Parent-ministry overlap (confirm)

Confirm vs existing teacher-training/INFORDEPE lines.

E6: Science Centre + SEAMEO climate-resilience centre

Submitting entity: Ministerio da Educacao

Indicative cost & profile

Indicative cost: US$ 12,000,000 | Cost profile: One-off / capital

Forward Estimates: Large capital new institution ($12m 2027 +$5m+ 2028). One-off build + new recurrent operating cost. [cost: source doc 06 USD 12m - confirmed]

Baseline check (vs 2026 Annual Plans)

Status: New | Dimension: n/a

- NOT in the 2026 baseline - new institution (national Science Centre + regional SEAMEO climate/disaster-resilience centre).

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 5

Recommendation

Approve with revisions

Strengths

- Ambitious new national Science Centre + regional SEAMEO climate/disaster-resilience centre; regional profile.
- Aligns Brief Opt 23 + climate resilience.

Issues / required revisions

- Capacity & recurrent-funding risk for a new institution.
- Large capital ($12m 2027 + $5m+ 2028) - phase and coordinate with the Infrastructure Fund; confirm the recurrent operating cost.

Parent-ministry overlap (confirm)

Coordinate capital with Infrastructure Fund; confirm recurrent operating funding.

020 - Ministerio do Ensino Superior, Ciencia e Cultura

Parent portfolio: Min. Higher Education, Science & Culture (MESCC) | *Policies: 3*

Higher-ed data-system modernisation (SGDES) + National Information Centre

Submitting entity: Min. Ensino Superior (MESCC)

Indicative cost & profile

Indicative cost: US$ 2,800,000 (opt 1) / US$ 1,500,000 (opt 2) | Cost profile: Mixed

Forward Estimates: System development = capital; ongoing data administration = recurrent. Full 77pp bundle not yet decomposed.

Baseline check (vs 2026 Annual Plans)

Status: Expansion / New | Dimension: Scope

- Programa 524 Ensino Superior / Subprog 52415 Sistema de garantia de qualidade (Ativ 5241501 Criacao de plataforma; 5241502 acreditacao; 5241504 fortalecimento). The SGDES modernisation + National Information Centre build on this existing quality-assurance/platform work.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Approve with revisions

Strengths

- Foundational digital infrastructure (SGDES + National Information Centre) for evidence-based higher-ed policy.
- Supports Tokyo/Global Convention qualifications recognition; aligns Brief Opt 17/18 + 23.

Issues / required revisions

- Consolidate the National Information Centre (NIC) build with the ANAAA proposal (row 55) to avoid duplication.
- Split system development (capital) from ongoing data administration (recurrent) for the Forward Estimates.
- Bundle now decomposed into rows 51-57 - assess each on its own admin code.

Parent-ministry overlap (confirm)

Covers the higher-ed tutela (INCT-092, UNTL-105, IPB-098, ANAAA-060) - now decomposed to entity rows 51-57 carrying each entity's own admin code. NIC/data thread overlaps the ANAAA proposal (row 55) - consolidate under this lead.

M2: Doctoral School + advanced faculty training (Escola Doutoral)

Submitting entity: Min. Ensino Superior (MESCC)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: Mostly recurrent (training, scholarships from 2028) + one-off setup (legal diploma, establishment commission). Recurrent annual cost emerges 2028; not costed in submission.

Baseline check (vs 2026 Annual Plans)

Status: New | Dimension: n/a

- NOT in 2026 plan as a Doctoral School (Programa 524 Ensino Superior). Faculty postgrad study currently via Human Capital Development Fund (081) - confirm no overlap.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 4 / 5 | Merit: 7

Recommendation

Approve with revisions

Strengths

- Builds faculty research capacity - addresses a real higher-ed quality gap; aligns Brief Opt 23.
- Phaseable (Option 1 minimal institutionalisation first) to contain cost and risk.

Issues / required revisions

- Not costed (low/moderate/high options only) - obtain Annex-B figures.
- Coordinate scholarships with the Human Capital Development Fund (081) to avoid duplication; recurrent annual cost emerges from 2028.

Parent-ministry overlap (confirm)

MESCC policy lead; coordinate with CUIS, ANAAA and Fund 081 (scholarships).

M3: National Qualifications System + Standard Curriculum + Body of Knowledge

Submitting entity: Min. Ensino Superior (MESCC)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: Mostly recurrent operating (workshops, technical groups, monitoring) + one-off BOK development. Modest scale; not costed.

Baseline check (vs 2026 Annual Plans)

Status: Expansion / New | Dimension: Scope

- Programa 524 / Subprog 52415 quality-assurance system (acts 5241501-03). SNQ/curriculum instruments existing-in-approval; 2027 implementation + BOK = new activity.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 4 / 5 | Merit: 7

Recommendation

Approve with revisions

Strengths

- Operationalises approved national instruments (SNQ + Standard Curriculum) + BOK - strengthens quality, comparability and ASEAN recognition; aligns Brief Opt 23.
- Builds on instruments already in final Council-of-Ministers approval.

Issues / required revisions

- Not costed - specify workshops, technical groups, pilots.
- Strong overlap with ANAAA (accreditation/qualifications recognition) and convergence with M1 - coordinate.

Parent-ministry overlap (confirm)

MESCC (DGESC) lead; ANAAA overlap on qualifications/recognition - coordinate.

021 - Ministerio da Solidariedade Social e Inclusao

Parent portfolio: Min. Social Solidarity & Inclusion (MSSI) | *Policies: 6*

Anexo 1: SANUTRIO - conditional Bolsa da Mae (health & nutrition, anti-stunting)

Submitting entity: Ministerio da Solidariedade Social

Indicative cost & profile

Indicative cost: US$ 5,735,000 | Cost profile: Recurrent-heavy

Forward Estimates: Conditional cash + LNS = recurrent subsidy; builds a recurrent baseline cost. ~10,000 beneficiaries.

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope + beneficiary

- Builds on Bolsa da Mae (Programa 980 Inclusao Social) and Programa 528 Cuidados de Saude Primarios; adds conditional health/nutrition (LNS, SANUTRIO) per Decreto-Lei 29/2025.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 4 / 5 | C6 Alignment & impact: 5 / 5 | Merit: 9

Recommendation

Approve - priority candidate

Strengths

- Legally mandated (DL 29/2025) and anti-stunting - strong alignment to Brief Opt 22.
- High-impact conditional transfer (Bolsa da Mae) with a clear national outcome.

Issues / required revisions

- Recurrent subsidy - confirm the marginal cost vs the existing Bolsa da Mae to avoid funding the same thing twice.
- Specify the recurrent annual cost for the Forward Estimates.

Parent-ministry overlap (confirm)

Confirm vs existing Bolsa da Mae lines; legally mandated by Decreto-Lei 29/2025.

Anexo 2: Uma Solidaria - housing for vulnerable families

Submitting entity: Ministerio da Solidariedade Social

Indicative cost & profile

Indicative cost: US$ 90,000 | Cost profile: Mixed

Forward Estimates: Construction = capital per unit ($6k x 15 = $90k/yr). Small; recurring annual builds. [cost: Uma source cites US$90k/1yr AND US$300k/2yr - kept 90k, entity to confirm]

Baseline check (vs 2026 Annual Plans)

Status: New | Dimension: n/a

- Programa 980 Inclusao Social - new disability-accessible social-housing sub-line (15 units in 2027).

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 2 / 5 | Merit: 5

Recommendation

Approve with revisions

Strengths

- Addresses vulnerable-family housing; aligns Brief Opt 11/22.
- Small, contained cost ($90k/yr; $300k/2yr for 30 units).

Issues / required revisions

- Modest scale - consider scaling up or absorbing within existing social-housing programming.
- Confirm targeting and siting with the MSSI network.

Parent-ministry overlap (confirm)

Confirm vs MDRHC community-housing lines and any other housing submitters.

Anexo 3: CASPA - social-service post construction (sub-national)

Submitting entity: Ministerio da Solidariedade Social

Indicative cost & profile

Indicative cost: US$ 1,500,000 | Cost profile: One-off / capital

Forward Estimates: Capital construction ($1.5m). One-off; small recurrent operating cost after build.

Baseline check (vs 2026 Annual Plans)

Status: New / Expansion | Dimension: Geographic

- Programa 980 Inclusao Social + Programa 510 institutional - new sub-national social-service posts (posto administrativo level).

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Approve with revisions

Strengths

- Extends social services to posto administrativo level - improves rural access.
- Capital infrastructure with a clear coverage rationale.

Issues / required revisions

- Coordinate siting with the existing MSSI service network to avoid overlap.
- Confirm the recurrent operating cost once posts are built.

Parent-ministry overlap (confirm)

Confirm vs MSSI service-delivery network and capital lines.

Anexo 4: Linha Solidariedade 116 - GBV/child referral system

Submitting entity: Ministerio da Solidariedade Social

Indicative cost & profile

Indicative cost: US$ 320,000 | Cost profile: Recurrent-heavy

Forward Estimates: 24/7 call centre + case management = recurrent operating cost. Builds a recurrent annual cost. [cost: Linha 116 source doc TOTAL US$320,000 (was n/q)]

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Geographic + scope

- Programa 980 Inclusao Social (GBV/child protection) - national operationalisation of the referral system (Call Center, SIGAS, CPIMS+).

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 4 / 5 | Merit: 7

Recommendation

Approve with revisions

Strengths

- Important GBV/child-protection referral system; high impact (C6=4); aligns Brief Opt 11.
- National-scale protection infrastructure.

Issues / required revisions

- Cost not quantified - specify before funding.
- Coordinate with SEII (Opt 11 lead) and INDDICA to avoid duplication.

Parent-ministry overlap (confirm)

Strong overlap with SEII (Opt 11 lead) GBV work and INDDICA child protection - consolidate under Opt 11.

Anexo 5: Funeral vehicle purchase (replacement)

Submitting entity: Ministerio da Solidariedade Social

Indicative cost & profile

Indicative cost: US$ 600,000 | Cost profile: One-off / capital

Forward Estimates: One-off minor-capital asset replacement. No policy content; belongs in baseline minor capital.

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: n/a

- Operational asset under Programa 510/980 - funeral-vehicle replacement (Bemori centre). Routine minor capital.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Fail

Merit (criteria 5-6)

C5 Capacity: - / 5 | C6 Alignment & impact: - / 5 | Merit: not scored (gate-driven)

Recommendation

Absorb in baseline - not a GPP

Strengths

- Maintains a needed service function (funeral transport) - operationally reasonable.

Issues / required revisions

- Asset replacement, not a policy - absorb in baseline minor-capital; do not elevate to a GPP.
- Screen out of the GPP stream.

Parent-ministry overlap (confirm)

Routine operational item.

Anexo 6: Registu Social Unico (RSU) - national social registry

Submitting entity: Ministerio da Solidariedade Social

Indicative cost & profile

Indicative cost: US$ 1,275,000 | Cost profile: Mixed

Forward Estimates: Platform build = capital; ongoing data maintenance = recurrent. Foundational system. [cost: RSU source doc TOTAL US$1,275,000 (was n/q)]

Baseline check (vs 2026 Annual Plans)

Status: New | Dimension: n/a

- Spanning several programs (Programa 980 + 510) - no existing single-registry line; RSU is a new foundational system underpinning all social-protection targeting.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 5 / 5 | Merit: 8

Recommendation

Approve - priority candidate

Strengths

- Foundational social registry - strong fit with Brief Opt 22 (social-protection efficiency/visibility).

- Reduces benefit duplication across programs - high system-wide value.

Issues / required revisions

- Cost to be specified (currently n/q).
- Confirm data-sharing/governance arrangements across MSSI programs.

Parent-ministry overlap (confirm)

Spanning several programs - underpins ALL social-protection programs; coordinate with MoF (Brief Opt 22 names MoSS+MoF).

022 - Ministerio dos Assuntos dos Combatentes da Libertacao Nacional

Parent portfolio: | *Policies: 1*

Veterans recognition: pensions, subventions, scholarships, monuments

Submitting entity: Ministerio dos Combatentes (MACLN)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Recurrent-heavy

Forward Estimates: Veterans pensions/subventions are mandatory recurrent (Programa 980). Already in baseline. [MACLN.pdf = narrative priorities list, no budget table; veterans pensions = statutory/mandatory process (screen-out)]

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: n/a

- Programa 980 Inclusao Social - Ativ 9800306 (reconhecimento veteranos), 9801101 (protecao social CLN), 9805001 (bolsas filhos CLN), 9804902 (monumentos/cemiterios) + Programa 510. MACLN's own plan tags all 'Actividade Em curso' (existing/statutory).

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Fail
G4 Needs new resources	Fail

Merit (criteria 5-6)

C5 Capacity: - / 5 | C6 Alignment & impact: - / 5 | Merit: not scored (gate-driven)

Recommendation

Screen out - already delivered

Strengths

- Recognises veterans - high political/social legitimacy; aligns Brief Opt 9 (mandatory).
- Clear legal/statutory basis.

Issues / required revisions

- Overwhelmingly existing/statutory (veterans pensions & recognition) - not a new GPP; fund via baseline as a mandatory expense (Opt 9).
- Screen out of the GPP discretionary stream.

Parent-ministry overlap (confirm)

Line ministry; pensions are statutory mandatory expenses.

023 - Ministerio do Planeamento e Investimento Estrategico

Parent portfolio: Min. Planning & Strategic Investment (MPIE) | *Policies: 2*

Strategic human-capital formation & professional-cadre training (via Human Capital Development Fund)

Submitting entity: Min. Planeamento e Investimento Estrategico (MPIE)

Indicative cost & profile

Indicative cost: US$ 40,000,000 (opt 1) / US$ 5,070,000 (opt 2) | Cost profile: Mixed

Forward Estimates: (4-page submission): strategic human-capital formation / professional-cadre training, channelled through the Human Capital Development Fund (FDCH). Options ~US.76m / ~US.x m / ~US.07m, plus a larger multi-year capital reference. Largely an FDCH-routed investment - isolate the genuinely-new increment from the FDCH baseline. [cost: MPIE registry US$4.49m; was 2.76m] [cost: MPIE.pdf = FDCH human-capital/scholarship program USD 40m over 5yrs (~8m/yr); CORRECTED from wrongly-carried infra registry 4.49m. NB a separate MPIE infrastructure submission (reg131, 4.49m) may be unrepresented - verify] [this row = FDCH scholarship program (implementing entity FDCH 081, a tutelage child of MPIE 023); the MPIE strategic-infrastructure submission ref131 is now row 136]

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Intensity/Scope

- MPIE 2026 plan = Programa 510 Funcionamento (US$1,174,504), Programa 984 Ordenamento do Territorio (US$496,017), Programa 023 GFP/BNDTL (US$194,550), Programa 980 Inclusao Social (US$15,300) - no human-capital-formation line; the scholarship/professional-formation program would run via the Human Capital Development Fund (FDCH, admin 081). New on the MPIE baseline. [MPIE 116]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Hold - clarification needed

Strengths

- Human capital is a core Brief priority; aligns the medium-term plan and the Human Capital Development Fund (the Minister chairs the FDCH board).
- Phaseable options (~US.76m minimal to ~US.07m full).

Issues / required revisions

- Largely runs through the existing FDCH (081) - isolate the genuinely-new increment from the fund baseline and avoid funding the same thing twice (G3 = needs info).

- Strong human-capital overlap with SEFOPE (071) and Education TVET - coordinate as one cluster; confirm activity-level costing.

Parent-ministry overlap (confirm)

MPIE (023) lead; the Minister also chairs the FDCH board - confirm this is not already funded via FDCH (081) to avoid funding the same thing twice.

MPIE strategic infrastructure: economic-corridor connectivity + blue-economy job creation (~600/yr) + water & sanitation infrastructure + land acquisition technical design

Submitting entity: Ministerio do Planeamento e Investimento Estrategico

Indicative cost & profile

Indicative cost: US$ 4,487,689 | Cost profile: Mixed (infrastructure capital + studies)

Forward Estimates: Registry figure US$4,487,689 (reg131). Economic-corridor connectivity + blue-economy + water/sanitation + land-acquisition design.

Baseline check (vs 2026 Annual Plans)

Status: TBD | Dimension:

- MPIE 023 (Vol IIA) - planning/strategic investment programs

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Economic-corridor connectivity with blue-economy job creation (~600/yr).
- Water & sanitation infrastructure for rural development.

Issues / required revisions

- MISSED in first pass: MPIE lodged TWO submissions - FDCH scholarships (ref129, row 67) AND this strategic infrastructure (ref131); only FDCH was assessed. Added 2026-06-27.
- Registry-only - NO signed scan located; obtain the submission.
- Confirm genuinely-new vs baseline.

Parent-ministry overlap (confirm)

Confirm overlap with MOP water (PW2) and MAPPF blue economy (A6).

024 - Ministerio das Obras Publicas

Parent portfolio: Min. Public Works (MOP) | *Policies: 3*

PW1: Resilient roads - routine maintenance 2,500km + climate-proof rehab 800km + community/GPS monitoring

Submitting entity: Ministerio das Obras Publicas

Indicative cost & profile

Indicative cost: US$ 280,000,000 (opt 1) / US$ 350,000,000 (opt 2) | Cost profile: One-off/capital

Forward Estimates: Large capital; ~60% donor-financed (ADB/JICA/Australia).

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Intensity (climate-proofing)

- MOP 024 (Vol IIA) - Programa 6 (Estradas e Pontes); plan continues baseline

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Shift to maintenance protects $3bn+ legacy investment (World Bank: rehab costs ~3x maintenance).

Issues / required revisions

- Largely maintenance of existing assets (continuation, not new) - confirm GPP eligibility vs MOP baseline.
- Indicative costs - need feasibility/BOQ.
- Route via Infrastructure Fund (Opt 7); ~60% donor.

Parent-ministry overlap (confirm)

Confirm vs MOP baseline Programa 6 (16 subprograms, ~700 activities).

PW2: Resilient water - rehab 500 rural systems + reservoirs in 7 municipalities + Dili/Baucau/Suai treatment (Phase 2)

Submitting entity: Ministerio das Obras Publicas

Indicative cost & profile

Indicative cost: US$ 180,000,000 (opt 1) / US$ 240,000,000 (opt 2) | Cost profile: One-off/capital

Forward Estimates: Large capital; ~70% donor-financed (World Bank/ADB/UNICEF).

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Scope/Intensity

- MOP 024 (Vol IIA) - Programa 6 (Agua e Saneamento)

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- 90% safe-water access target; climate-resilient systems.

Issues / required revisions

- Overlaps MAPPF-A2 irrigation & Health WASH - water cluster, avoid triple-funding.
- Indicative costs; ~70% donor.
- Route via Infrastructure Fund.

Parent-ministry overlap (confirm)

Overlaps MAPPF irrigation (A2) + Health WASH (H1) - water cluster.

PW3: Resilient energy - 150MW new solar + 30MW hydro rehab + rural transmission / last 10 villages

Submitting entity: Ministerio das Obras Publicas

Indicative cost & profile

Indicative cost: US$ 250,000,000 (opt 1) / US$ 320,000,000 (opt 2) | Cost profile: One-off/capital

Forward Estimates: Large capital; ~75% donor-financed (Green Climate Fund/JICA/Portugal).

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope (renewables shift)

- MOP 024 (Vol IIA) - Programa 6 (Electricidade); EDTL

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- 50% renewable target; cuts 70% diesel dependence; solar cost down ~70% in a decade.

Issues / required revisions

- Indicative costs; ~75% donor.
- EDTL coordination.
- Route via Infrastructure Fund.

Parent-ministry overlap (confirm)

EDTL coordination on generation/transmission.

025 - Ministerio dos Transportes e Comunicacoes

Parent portfolio: Min. Transport & Communications (MTC) | *Policies: 3*

MTC-A: Green transport - electric-bus pilot for Dili (2027-2028)

Submitting entity: Min. Transportes e Comunicacoes (MTC)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: Electric-bus pilot for Dili: route identification, technical/operational regs, donor + private-sector green-transport financing. Genuinely new, modest.

Baseline check (vs 2026 Annual Plans)

Status: New | Dimension: n/a

- NOT in MTC 2026 plan - new green-transport pilot (admin 025).

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Approve with revisions

Strengths

- Genuinely new, climate-aligned (green transport); modest, phaseable pilot.
- Donor/private co-financing potential.

Issues / required revisions

- Confirm the recurrent operating model and financing for scale-up beyond the pilot.
- Coordinate urban mobility with MOP and the municipality.

Parent-ministry overlap (confirm)

MTC (025) lead; mobilise donor + private financing; coordinate urban mobility with MOP (024) and Dili Municipal Authority.

MTC-B: Transport infrastructure - ports, airports & maritime system for ASEAN 2029 (~US$200m)

Submitting entity: Min. Transportes e Comunicacoes (MTC)

Indicative cost & profile

Indicative cost: US$ 40,000,000 | Cost profile: One-off / capital

Forward Estimates: ~US$200m transport infrastructure (ports, airports, maritime for ASEAN 2029), via Infrastructure Fund + ADB/World Bank. Largely the ongoing infrastructure capital

program. [cost: MTC.pdf p28 ADB concessional ~USD 40m for 2027; broader infra via Infrastructure Fund; prior 200m estimate REMOVED (unconfirmed)]

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Scope

- Existing under Programa 502 Transportes (US$1,383,737) - Subprogs 50203 Infraestruturas de Transportes Terrestres (US$481,756), 50204 Transporte Maritimo (US$215,393) - plus Programa 510 (US$3,228,334). The ~US$200m new transport capital sits beyond this - route via the Infrastructure Fund (080). [MTC 025]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Hold - clarification needed

Strengths

- Large, multilateral-co-financed infrastructure supporting connectivity + ASEAN 2029 readiness.
- Visible national-development capital.

Issues / required revisions

- ~US$200m is Infrastructure-Fund/multilateral territory, NOT the GPP recurrent stream - route there (G3 = needs info).
- Isolate any genuinely-new from the ongoing program; coordinate ASEAN-2029 transport with MNEC.

Parent-ministry overlap (confirm)

MTC (025) lead; route via Infrastructure Fund (080) + ADB/World Bank; ASEAN-2029 transport overlaps MNEC ASEAN - coordinate.

MTC-C: Digital / telecom connectivity

Submitting entity: Min. Transportes e Comunicacoes (MTC)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: Digital/telecom connectivity expansion (recurrent + any system capital). Not separately costed.

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Scope

- MTC baseline: Programa 558 Servicos Postais (US$233,285) + Programa 510 Funcionamento (US$3,228,334; incl. Parcerias 51003). GPP digital/telecom connectivity = expansion; isolate the genuinely-new from the communications baseline. [MTC 025]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Hold - clarification needed

Strengths

- Connectivity underpins digital transformation and private-sector growth (Brief priorities).
- Sector-regulatory reach.

Issues / required revisions

- Isolate genuinely-new from the comms baseline (G3 = needs info).
- Coordinate the digital ask with the Opt 17/18 cluster; provide costing.

Parent-ministry overlap (confirm)

MTC (025) lead; coordinate with the Opt 17/18 digital cluster (MESCC M1, MAE-B, MF e-tax, INTL, National Archive).

027 - Ministerio da Agricultura, Pecuaria, Pesca e Florestas

Parent portfolio: Min. Agriculture, Livestock, Fisheries & Forests (MAPPF) | *Policies: 9*

A1: Food security & resilient agriculture - superior drought-resistant seed distribution, national seed multiplication, mechanisation, agricultural water management

Submitting entity: Min. Agricultura, Pecuaria, Pesca e Florestas

Indicative cost & profile

Indicative cost: not quantified | Cost profile: TBD

Forward Estimates: Not quantified - MAPPF to submit detailed costed proposal.

Baseline check (vs 2026 Annual Plans)

Status: Mixed | Dimension: Scope

- Agriculture 027 (Vol IIA) - agriculture/livestock/fisheries/forestry programs

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Reduces food-import dependence; drought/El Nino resilience; aligns food-security priority.

Issues / required revisions

- Uncosted (approval-in-principle letter) - MAPPF to submit detailed costed proposal.
- Confirm new-vs-baseline split against 027 Vol IIA programs.

Parent-ministry overlap (confirm)

Coordinate water/irrigation with MOP & Health (water cluster); school feeding with ME/MSSI.

A2: Water & resilient irrigation infrastructure for El Nino - rehab/maintain irrigation, reservoirs, water storage, modern irrigation tech

Submitting entity: Min. Agricultura, Pecuaria, Pesca e Florestas

Indicative cost & profile

Indicative cost: not quantified | Cost profile: TBD

Forward Estimates: Not quantified - MAPPF to submit detailed costed proposal.

Baseline check (vs 2026 Annual Plans)

Status: Mixed | Dimension: Scope

- Agriculture 027 (Vol IIA) - agriculture/livestock/fisheries/forestry programs

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Irrigation resilience for El Nino; supports food security.

Issues / required revisions

- Uncosted (approval-in-principle letter) - MAPPF to submit detailed costed proposal.
- Confirm new-vs-baseline split against 027 Vol IIA programs.

Parent-ministry overlap (confirm)

Coordinate water/irrigation with MOP & Health (water cluster); school feeding with ME/MSSI.

A3: Pest & plant-disease prevention & control - national monitoring, early-warning, phytosanitary services, national laboratory

Submitting entity: Min. Agricultura, Pecuaria, Pesca e Florestas

Indicative cost & profile

Indicative cost: not quantified | Cost profile: TBD

Forward Estimates: Not quantified - MAPPF to submit detailed costed proposal.

Baseline check (vs 2026 Annual Plans)

Status: Mixed | Dimension: Scope

- Agriculture 027 (Vol IIA) - agriculture/livestock/fisheries/forestry programs

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Rapid-response capacity to climate-driven pest/disease spread.

Issues / required revisions

- Uncosted (approval-in-principle letter) - MAPPF to submit detailed costed proposal.
- Confirm new-vs-baseline split against 027 Vol IIA programs.

Parent-ministry overlap (confirm)

Coordinate water/irrigation with MOP & Health (water cluster); school feeding with ME/MSSI.

A4: National coffee-sector revitalisation - rehab state/community coffee, superior seedlings, organic certification, post-harvest infrastructure

Submitting entity: Min. Agricultura, Pecuaria, Pesca e Florestas

Indicative cost & profile

Indicative cost: not quantified | Cost profile: TBD

Forward Estimates: Not quantified - MAPPF to submit detailed costed proposal.

Baseline check (vs 2026 Annual Plans)

Status: Mixed | Dimension: Scope

- Agriculture 027 (Vol IIA) - agriculture/livestock/fisheries/forestry programs

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Raises coffee productivity, quality and export value; rural family income.

Issues / required revisions

- Uncosted (approval-in-principle letter) - MAPPF to submit detailed costed proposal.
- Confirm new-vs-baseline split against 027 Vol IIA programs.

Parent-ministry overlap (confirm)

Coordinate water/irrigation with MOP & Health (water cluster); school feeding with ME/MSSI.

A5: Resilient livestock development - genetic improvement, Murrah buffalo/semen import, artificial insemination centre, fodder banks, veterinary services

Submitting entity: Min. Agricultura, Pecuaria, Pesca e Florestas

Indicative cost & profile

Indicative cost: not quantified | Cost profile: TBD

Forward Estimates: Not quantified - MAPPF to submit detailed costed proposal.

Baseline check (vs 2026 Annual Plans)

Status: Mixed | Dimension: Scope

- Agriculture 027 (Vol IIA) - agriculture/livestock/fisheries/forestry programs

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Climate-resilient livestock; fodder banks for El Nino.

Issues / required revisions

- Uncosted (approval-in-principle letter) - MAPPF to submit detailed costed proposal.
- Confirm new-vs-baseline split against 027 Vol IIA programs.

Parent-ministry overlap (confirm)

Coordinate water/irrigation with MOP & Health (water cluster); school feeding with ME/MSSI.

A6: Blue economy & fisheries development - fishing ports, cold chain, landing centres, fisheries support infrastructure

Submitting entity: Min. Agricultura, Pecuaria, Pesca e Florestas

Indicative cost & profile

Indicative cost: not quantified | Cost profile: TBD

Forward Estimates: Not quantified - MAPPF to submit detailed costed proposal.

Baseline check (vs 2026 Annual Plans)

Status: Mixed | Dimension: Scope

- Agriculture 027 (Vol IIA) - agriculture/livestock/fisheries/forestry programs

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Implements Blue Economy policy; cuts post-catch losses, improves market access.

Issues / required revisions

- Uncosted (approval-in-principle letter) - MAPPF to submit detailed costed proposal.
- Confirm new-vs-baseline split against 027 Vol IIA programs.

Parent-ministry overlap (confirm)

Coordinate water/irrigation with MOP & Health (water cluster); school feeding with ME/MSSI.

A7: Aquaculture development - freshwater & marine aquaculture, fingerling production centres, community ponds, private investment

Submitting entity: Min. Agricultura, Pecuaria, Pesca e Florestas

Indicative cost & profile

Indicative cost: not quantified | Cost profile: TBD

Forward Estimates: Not quantified - MAPPF to submit detailed costed proposal.

Baseline check (vs 2026 Annual Plans)

Status: Mixed | Dimension: Scope

- Agriculture 027 (Vol IIA) - agriculture/livestock/fisheries/forestry programs

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Diversifies protein sources; food-security resilience.

Issues / required revisions

- Uncosted (approval-in-principle letter) - MAPPF to submit detailed costed proposal.
- Confirm new-vs-baseline split against 027 Vol IIA programs.

Parent-ministry overlap (confirm)

Coordinate water/irrigation with MOP & Health (water cluster); school feeding with ME/MSSI.

A8: Reforestation, water conservation & climate adaptation - reforest degraded land, national parks, watershed rehab, agroforestry, fire prevention

Submitting entity: Min. Agricultura, Pecuaria, Pesca e Florestas

Indicative cost & profile

Indicative cost: not quantified | Cost profile: TBD

Forward Estimates: Not quantified - MAPPF to submit detailed costed proposal.

Baseline check (vs 2026 Annual Plans)

Status: Mixed | Dimension: Scope

- Agriculture 027 (Vol IIA) - agriculture/livestock/fisheries/forestry programs

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Ecosystem resilience and national water security.

Issues / required revisions

- Uncosted (approval-in-principle letter) - MAPPF to submit detailed costed proposal.
- Confirm new-vs-baseline split against 027 Vol IIA programs.

Parent-ministry overlap (confirm)

Coordinate water/irrigation with MOP & Health (water cluster); school feeding with ME/MSSI.

A9: Nino Konis Santana Biosphere integrated management - biodiversity conservation, marine/terrestrial ecosystem protection, ecotourism

Submitting entity: Min. Agricultura, Pecuaria, Pesca e Florestas

Indicative cost & profile

Indicative cost: not quantified | Cost profile: TBD

Forward Estimates: Not quantified - MAPPF to submit detailed costed proposal.

Baseline check (vs 2026 Annual Plans)

Status: Mixed | Dimension: Scope

- Agriculture 027 (Vol IIA) - agriculture/livestock/fisheries/forestry programs

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Biodiversity protection and ecotourism; continuation.

Issues / required revisions

- Uncosted (approval-in-principle letter) - MAPPF to submit detailed costed proposal.
- Confirm new-vs-baseline split against 027 Vol IIA programs.

Parent-ministry overlap (confirm)

Coordinate water/irrigation with MOP & Health (water cluster); school feeding with ME/MSSI.

028 - Ministerio da Defesa

Parent portfolio: Min. Defence (MDef) | *Policies: 4*

Defense-A: National Integrated Maritime Security System - situational awareness, operational presence, inter-institutional coordination; F-FDTL re-equipment

Submitting entity: Ministerio da Defesa

Indicative cost & profile

Indicative cost: not quantified | Cost profile: TBD

Forward Estimates: Not quantified - 15pp narrative proposal, no budget table; detailed costing would follow.

Baseline check (vs 2026 Annual Plans)

Status: Mixed | Dimension:

- Defence 028 (Vol IIA) - F-FDTL programs

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Protects sovereignty, combats illicit maritime activity, supports blue economy & regional (ASEAN) security.

Issues / required revisions

- Uncosted (n/q) - narrative strategic proposal; provide costed activities.
- Confirm new-vs-baseline against F-FDTL (028) baseline; military hospital to coordinate with MoH.

Parent-ministry overlap (confirm)

Defense-C military hospital overlaps Ministry of Health; Defense-D HADR overlaps Civil Protection (APC) & disaster programs.

Defense-B: Military infrastructure - Porto de Hera, barracks at detached posts, Hatubela training centre, Metinaro, language centre, operational bases

Submitting entity: Ministerio da Defesa

Indicative cost & profile

Indicative cost: not quantified | Cost profile: TBD

Forward Estimates: Not quantified - 15pp narrative proposal, no budget table; detailed costing would follow.

Baseline check (vs 2026 Annual Plans)

Status: Mixed | Dimension:

- Defence 028 (Vol IIA) - F-FDTL programs

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Phased military infrastructure aligned to operational priorities and budget availability.

Issues / required revisions

- Uncosted (n/q) - narrative strategic proposal; provide costed activities.
- Confirm new-vs-baseline against F-FDTL (028) baseline; military hospital to coordinate with MoH.

Parent-ministry overlap (confirm)

Defense-C military hospital overlaps Ministry of Health; Defense-D HADR overlaps Civil Protection (APC) & disaster programs.

Defense-C: Military Hospital - dedicated armed-forces health infrastructure (articulated with Ministry of Health), dual-use for emergencies/HADR

Submitting entity: Ministerio da Defesa

Indicative cost & profile

Indicative cost: not quantified | Cost profile: TBD

Forward Estimates: Not quantified - 15pp narrative proposal, no budget table; detailed costing would follow.

Baseline check (vs 2026 Annual Plans)

Status: Mixed | Dimension:

- Defence 028 (Vol IIA) - F-FDTL programs

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info

G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Dedicated forces health facility; dual-use complement to civilian health access in emergencies.

Issues / required revisions

- Uncosted (n/q) - narrative strategic proposal; provide costed activities.
- Confirm new-vs-baseline against F-FDTL (028) baseline; military hospital to coordinate with MoH.

Parent-ministry overlap (confirm)

Defense-C military hospital overlaps Ministry of Health; Defense-D HADR overlaps Civil Protection (APC) & disaster programs.

Defense-D: Support to populations, national resilience & HADR - rapid disaster response, military engineering (dual-use), water boreholes, housing for vulnerable

Submitting entity: Ministerio da Defesa

Indicative cost & profile

Indicative cost: not quantified | Cost profile: TBD

Forward Estimates: Not quantified - 15pp narrative proposal, no budget table; detailed costing would follow.

Baseline check (vs 2026 Annual Plans)

Status: Mixed | Dimension:

- Defence 028 (Vol IIA) - F-FDTL programs

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Dual-use military engineering for disaster response, reconstruction and territorial development.

Issues / required revisions

- Uncosted (n/q) - narrative strategic proposal; provide costed activities.

- Confirm new-vs-baseline against F-FDTL (028) baseline; military hospital to coordinate with MoH.

Parent-ministry overlap (confirm)

Defense-C military hospital overlaps Ministry of Health; Defense-D HADR overlaps Civil Protection (APC) & disaster programs.

030 - Ministerio do Interior

Parent portfolio: | *Policies: 1*

MI-PPG2: Integrated Border Management (migration control, e-Visa/e-gates, migration attaches; Border Patrol + Maritime Police)

Submitting entity: Min. Interior (MI) - Migracao & PNTL

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: Mixed: recurrent (migration-attache salaries, professionalisation, post operations) + capital (vigilance posts, naval/maritime means - via Infrastructure Fund). Digitalisation (e-Visa/e-gates) = one-off build + recurrent.

Baseline check (vs 2026 Annual Plans)

Status: Expansion / New | Dimension: Scope

- Builds on existing migration control (admin 030; PESI Obj 02). Genuinely-new scope: integrated border-management system, e-gates, migration attaches in embassies, maritime surveillance. Servico de Migracao Programa 366 (e.g. Ativ 3661301/3661304/3661305), admin 030.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 4 / 5 | Merit: 7

Recommendation

Approve with revisions

Strengths

- Strengthens border sovereignty and security while facilitating legitimate movement; aligns Brief Opt 25 + the maritime-economy policy.
- Genuinely-new capability: integrated border-management system, e-Visa/e-gates digitalisation, migration attaches, maritime surveillance.

Issues / required revisions

- Naval means and vigilance posts are high-cost capital - route via the Infrastructure Fund and phase.
- Coordinate migration attaches with MNEC (embassies) and border control with Customs/SNIE/PCIC; confirm the recurrent operating cost.

Parent-ministry overlap (confirm)

MI (030) tutela; exec Servico de Migracao + PNTL units (031); coordinate with Customs/SNIE/PCIC and MNEC (attaches/embassies); naval capital via Infrastructure Fund.

031 - Policia Nacional de Timor-Leste

Parent portfolio: | *Policies: 1*

MI-PPG1: National Security & Stability consolidation (PNTL: prevention, event security, community policing, Police Academy, infrastructure)

Submitting entity: Min. Interior (MI) / PNTL

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: Large mixed package. Recurrent: phased recruitment of 2,500-3,000 officers = significant permanent ongoing salary cost (big FE impact). Capital: Police Academy + ISCP, Comando-Geral building, Dili stations/network - via Infrastructure Fund. Funding mix: OGE + Infra Fund + Human Capital Dev Fund + CPLP/ASEAN.

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Intensity/Scope

- Mostly existing PNTL baseline (admin 031; PESI Obj 01). Genuinely-new: Police Academy/ISCP, Dili security infrastructure, recruitment expansion. PNTL/police Programa 366 (operations) + 388 (Seguranca Publica/Academia), admin 031.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 4 / 5 | Merit: 7

Recommendation

Hold - clarification needed

Strengths

- Well-structured Annex-B submission with SMART objectives, options analysis, KPIs and risk assessment.
- Addresses a real police-ratio gap (1:365 vs 1:300 standard) and secures the 2027-29 event cycle; the Police Academy builds lasting capability.

Issues / required revisions

- Mostly the existing PNTL security baseline - isolate the genuinely-new (Police Academy/ISCP, Dili security infrastructure, recruitment expansion) from recurrent policing (G3 = needs info) - HOLD/decompose further.
- Phased recruitment of 2,500-3,000 officers is a large permanent recurrent ongoing salary cost - model the FE impact and phase against fiscal space.
- Route buildings via the Infrastructure Fund; coordinate event security with MNEC (CPLP) and the electoral calendar.

Parent-ministry overlap (confirm)

MI (030) tutela; exec PNTL (031); event-security overlaps MNEC-3 (CPLP) and elections (STAE); buildings via Infrastructure Fund (080).

032 - Ministerio do Petroleo e Minerais

Parent portfolio: Min. Petroleum & Mineral Resources (MPRM) | *Policies: 2*

MPRM-A: Petroleum mega-projects (Greater Sunrise GNL + Bayu-Undan 2.0) [STRATEGIC - out of GPP recurrent scope]

Submitting entity: Min. Petroleo e Recursos Minerais (MPRM)

Indicative cost & profile

Indicative cost: US$ 354,000,000 | Cost profile: One-off/capital (upstream) - scope-out to Petroleum Fund

Forward Estimates: Registry budget figure US$354m (exploratory/appraisal drilling + field development). NOTE: the 12 bilhao / 40 bilhao / 2 bilhao-per-year figures in the MPRM letter are TOTAL PROJECT INVESTMENT and economic-impact/revenue scale (Bayu-Undan 2.0 / Greater Sunrise - largely private consortium capital + future State revenue), NOT a 2027 budget ask. Upstream petroleum capital - route via the petroleum-sector / Petroleum Fund, not the GPP recurrent stream.

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Scope

- Outside the recurrent OGE - the strategic petroleum mega-projects (Greater Sunrise GNL + Bayu-Undan 2.0, ~US2bn) are financed via the Petroleum Fund / consortia, not an Annual-Plan line (admin 032; regulator ANP 119). Scope OUT of the GPP recurrent stream.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Needs info

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 4 / 5 | Merit: 7

Recommendation

Hold - clarification needed

Strengths

- Transformational national fiscal significance (~US$40bn revenue / ~US$2bn/yr GDP) - the single largest strategic value in the set.
- Clear downstream-industry / diversification rationale.

Issues / required revisions

- OUT of GPP recurrent scope - the ~US$12bn mega-projects are strategic/commercial (Petroleum Fund / consortia / strategic-investment route); confirm the scope decision with MoF.
- Assess only the GPP-relevant slice separately (MPRM-B); coordinate with ANP (079).

Parent-ministry overlap (confirm)

SCOPE: route via the Petroleum Fund / consortia / strategic-investment process (coordinate with MoF, Petroleum Fund), NOT the GPP recurrent stream; coordinate with ANP (079).

MPRM-B: Petroleum-sector institutional, HR & regulatory capacity (the GPP-relevant slice)

Submitting entity: Min. Petroleo e Recursos Minerais (MPRM)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Recurrent-heavy

Forward Estimates: Institutional development + human-resource capacity + regulatory/negotiation capability to manage the petroleum sector (Greater Sunrise negotiation, sector oversight). The GPP-relevant part of the MPRM submission.

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Intensity

- The petroleum-sector regulator (ANP, admin 119) is funded under Programa 510 Funcionamento e Desenvolvimento Institucional (US$3,961,599); the MPRM ministry's own plan is held separately. GPP = institutional/HR/regulatory capacity - isolate the genuinely-new increment from the ANP/MPRM baseline; coordinate with ANP (row 79). [MPRM/ANP]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Hold - clarification needed

Strengths

- Builds lasting national capacity to manage a transformational sector.
- Supports the Greater Sunrise negotiation and sector oversight.

Issues / required revisions

- Isolate the genuinely-new institutional/HR/regulatory increment from baseline (G3 = needs info); provide costing.
- Coordinate with ANP (079) as one petroleum cluster (avoid two overlapping bids).

Parent-ministry overlap (confirm)

MPRM (032) lead; STRONG overlap with ANP (079, regulation) - one petroleum cluster; coordinate negotiation capacity with MoF/Petroleum Fund.

034 - Procuradoria-Geral da Republica

Parent portfolio: | *Policies: 1*

Strengthening the Public Prosecution & justice system (human resources, infrastructure, equipment, training)

Submitting entity: Ministerio Publico / Procuradoria-Geral (MP)

Indicative cost & profile

Indicative cost: US$ 9,700,000 | Cost profile: Mixed

Forward Estimates: strengthen the Public Prosecution across (1) access to justice / social inclusion, (2) anti-corruption & prevention of abuse of power, (3) legal certainty for sustainable private-sector/investment, plus HR (prosecutors/staff), infrastructure, equipment and training. Aligns SDG 16. Recruitment = recurrent ongoing salary cost; infrastructure/equipment = capital. Not costed. [cost: DGPO registry figure, carried 2026-06-27; confirm vs full proposal at costing stage]

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Intensity/Scope

- Existing under Programa 392 Acesso a Justica (US$415,326) - Subprogs 39213 Desenvolvimento de RH em areas Tecnicas (US$318,686), 39205 Gestao de Processos-Crime (US$96,640) - plus Programa 510 Funcionamento (US$4,852,516). GPP strengthens prosecution capacity/HR (expansion); coordinate with MJ (Opt 25). [MP/PGR 034]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 4 / 5 | Merit: 7

Recommendation

Hold - clarification needed

Strengths

- Justice-system strengthening + anti-corruption are explicit Brief priorities (Theme 9, SDG 16); legal certainty also supports private-sector investment.
- Constitutionally central institution with a clear strengthening rationale.

Issues / required revisions

- Mostly strengthens an existing mandate - isolate the genuinely-new recruitment/infrastructure from baseline (G3 = needs info); model the recurrent ongoing salary cost.
- Coordinate with MJ (015) and Tribunals (033) as one justice-sector ask (Opt 25 / Theme 9).

Parent-ministry overlap (confirm)

MP/PGR (034); strong overlap with the justice-sector cluster - coordinate with MJ (015) and Tribunals (033) under Brief Opt 25 / Theme 9.

038 - Autoridade de Protecao Civil

Parent portfolio: Min. Interior (MI) | *Policies: 1*

MI-PPG3: National Resilience & Disaster Management (early warning, single emergency number, firefighter career, infrastructure)

Submitting entity: Min. Interior (MI) - Protecao Civil

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: Mixed: recurrent (200 new staff in 2027 + firefighter career reform incl. food-allowance-to-subsidy conversion = permanent ongoing salary cost) + capital (single emergency number, response equipment, evacuation centres/warehouses, APC buildings - via Infrastructure Fund). Funding: OGE (mostly minor capital) + Infra Fund + HCDF + UNDRR/ASEAN.

Baseline check (vs 2026 Annual Plans)

Status: Expansion / New | Dimension: Scope

- Civil Protection Authority (admin 038; Bombeiros; PESI Obj 03). Genuinely-new: single emergency number, integrated protection-and-rescue ops system, firefighter career framework, early-warning consolidation. Aligns the Sendai Framework. Protecao Civil Programa 366 (e.g. Ativ 3661311-3661316) + Bombeiros Programa 502, admin 038.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 4 / 5 | Merit: 7

Recommendation

Approve with revisions

Strengths

- Directly matches the Brief's disaster-resilience priority and the Sendai Framework; high impact for an exposed country (floods, quakes, cyclones, tsunamis).
- Genuinely-new system elements: single emergency number, integrated protection-and-rescue operations system, firefighter career framework, early-warning consolidation.

Issues / required revisions

- 200 new staff in 2027 + the firefighter career reform (food-allowance-to-subsidy conversion) is a permanent recurrent ongoing salary cost - model the FE impact and phase.
- Route APC buildings/evacuation centres via the Infrastructure Fund; complete the missing legal framework (rev. Law 12/2020, Firefighter Statute, National Civil Protection Council) in parallel.

Parent-ministry overlap (confirm)

MI (030) tutela; exec Civil Protection Authority (038) + Bombeiros; coordinate with PNTL, F-FDTL; infra via Infrastructure Fund; UNDRR/ASEAN cooperation.

043 - Autoridade Municipal de Baucau

Parent portfolio: Min. State Administration (MAE) | *Policies: 1*

Baucau Municipal PIM 2027: capital investment (505 Capital Development) within the municipal budget proposal

Submitting entity: Autoridade Municipal de Baucau

Indicative cost & profile

Indicative cost: US$ 14,274,698 | Cost profile: Annual (recurrent baseline + PIM capital)

Forward Estimates: 2027 PIM/Capital (505) US$14,274,698. Full 2027 municipal proposal US$30,782,778 vs 2026 baseline US$13,802,085 (increment +US$16,980,693, +123%).

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope/Volume

- Baucau municipal budget (Vol IIA admin 043); 2026 baseline US$13,802,085

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Decentralised local development: Baucau PIM capital US$14,274,698 for municipal infrastructure/services.
- Baseline-vs-proposed is explicit: 2026 US$13,802,085 -> 2027 US$30,782,778.

Issues / required revisions

- SEPARATE genuinely-new PIM/capital from baseline recurrent growth - the 123% jump is largely recurrent (salaries/goods/transfers), not all new policy.
- Confirm against MOP/PNDS/Infrastructure-Fund to avoid double-funding.

Parent-ministry overlap (confirm)

Coordinate municipal capital with MOP (water/roads), PNDS and the Infrastructure Fund to avoid funding the same works twice.

044 - Autoridade Municipal de Bobonaro

Parent portfolio: Min. State Administration (MAE) | *Policies: 1*

Bobonaro Municipal PIM 2027: capital investment (505 Capital Development) within the municipal budget proposal

Submitting entity: Autoridade Municipal de Bobonaro

Indicative cost & profile

Indicative cost: US$ 13,075,000 | Cost profile: Annual (recurrent baseline + PIM capital)

Forward Estimates: 2027 PIM/Capital (505) US$13,075,000. Full 2027 municipal proposal US$28,897,226 vs 2026 baseline US$12,806,671 (increment +US$16,090,555, +126%).

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope/Volume

- Bobonaro municipal budget (Vol IIA admin 044); 2026 baseline US$12,806,671

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Decentralised local development: Bobonaro PIM capital US$13,075,000 for municipal infrastructure/services.
- Baseline-vs-proposed is explicit: 2026 US$12,806,671 -> 2027 US$28,897,226.

Issues / required revisions

- SEPARATE genuinely-new PIM/capital from baseline recurrent growth - the 126% jump is largely recurrent (salaries/goods/transfers), not all new policy.
- Confirm against MOP/PNDS/Infrastructure-Fund to avoid double-funding.

Parent-ministry overlap (confirm)

Coordinate municipal capital with MOP (water/roads), PNDS and the Infrastructure Fund to avoid funding the same works twice.

045 - Autoridade Municipal de Dili

Parent portfolio: | *Policies: 1*

Dili Municipal PIM 2027: capital investment (505 Capital Development) within the municipal budget proposal

Submitting entity: Autoridade Municipal de Dili

Indicative cost & profile

Indicative cost: US$ 9,145,828 | Cost profile: Annual (recurrent baseline + PIM capital)

Forward Estimates: 2027 PIM/Capital (505) US$9,145,828. Full 2027 municipal proposal US$32,383,980 vs 2026 baseline US$19,502,642 (increment +US$12,881,338, +66%).

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope/Volume

- Dili municipal budget (Vol IIA admin 045); 2026 baseline US$19,502,642

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Decentralised local development: Dili PIM capital US$9,145,828 for municipal infrastructure/services.
- Baseline-vs-proposed is explicit: 2026 US$19,502,642 -> 2027 US$32,383,980.

Issues / required revisions

- SEPARATE genuinely-new PIM/capital from baseline recurrent growth - the 66% jump is largely recurrent (salaries/goods/transfers), not all new policy.
- Confirm against MOP/PNDS/Infrastructure-Fund to avoid double-funding.

Parent-ministry overlap (confirm)

Coordinate municipal capital with MOP (water/roads), PNDS and the Infrastructure Fund to avoid funding the same works twice.

046 - Autoridade Municipal de Ermera

Parent portfolio: | *Policies: 1*

Ermera Municipal PIM 2027: capital investment (505 Capital Development) within the municipal budget proposal

Submitting entity: Autoridade Municipal de Ermera

Indicative cost & profile

Indicative cost: US$ 8,487,077 | Cost profile: Annual (recurrent baseline + PIM capital)

Forward Estimates: 2027 PIM/Capital (505) US$8,487,077. Full 2027 municipal proposal US$25,981,731 vs 2026 baseline US$14,112,994 (increment +US$11,868,737, +84%).

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope/Volume

- Ermera municipal budget (Vol IIA admin 046); 2026 baseline US$14,112,994

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Decentralised local development: Ermera PIM capital US$8,487,077 for municipal infrastructure/services.
- Baseline-vs-proposed is explicit: 2026 US$14,112,994 -> 2027 US$25,981,731.

Issues / required revisions

- SEPARATE genuinely-new PIM/capital from baseline recurrent growth - the 84% jump is largely recurrent (salaries/goods/transfers), not all new policy.
- Confirm against MOP/PNDS/Infrastructure-Fund to avoid double-funding.

Parent-ministry overlap (confirm)

Coordinate municipal capital with MOP (water/roads), PNDS and the Infrastructure Fund to avoid funding the same works twice.

047 - Autoridade Municipal de Aileu

Parent portfolio: Min. State Administration (MAE) | *Policies: 1*

Aileu Municipal PIM 2027: capital investment (505 Capital Development) within the municipal budget proposal

Submitting entity: Autoridade Municipal de Aileu

Indicative cost & profile

Indicative cost: US$ 6,453,470 | Cost profile: Annual (recurrent baseline + PIM capital)

Forward Estimates: 2027 PIM/Capital (505) US$6,453,470. Full 2027 municipal proposal US$18,911,254 vs 2026 baseline US$9,497,727 (increment +US$9,413,527, +99%).

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope/Volume

- Aileu municipal budget (Vol IIA admin 047); 2026 baseline US$9,497,727

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Decentralised local development: Aileu PIM capital US$6,453,470 for municipal infrastructure/services.
- Baseline-vs-proposed is explicit: 2026 US$9,497,727 -> 2027 US$18,911,254.

Issues / required revisions

- SEPARATE genuinely-new PIM/capital from baseline recurrent growth - the 99% jump is largely recurrent (salaries/goods/transfers), not all new policy.
- Confirm against MOP/PNDS/Infrastructure-Fund to avoid double-funding.

Parent-ministry overlap (confirm)

Coordinate municipal capital with MOP (water/roads), PNDS and the Infrastructure Fund to avoid funding the same works twice.

048 - Autoridade Municipal de Ainaro

Parent portfolio: Min. State Administration (MAE) | *Policies: 1*

Ainaro Municipal PIM 2027: capital investment (505 Capital Development) within the municipal budget proposal

Submitting entity: Autoridade Municipal de Ainaro

Indicative cost & profile

Indicative cost: US$ 12,181,237 | Cost profile: Annual (recurrent baseline + PIM capital)

Forward Estimates: 2027 PIM/Capital (505) US$12,181,237. Full 2027 municipal proposal US$24,522,192 vs 2026 baseline US$9,752,205 (increment +US$14,769,987, +151%).

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope/Volume

- Ainaro municipal budget (Vol IIA admin 048); 2026 baseline US$9,752,205

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Decentralised local development: Ainaro PIM capital US$12,181,237 for municipal infrastructure/services.
- Baseline-vs-proposed is explicit: 2026 US$9,752,205 -> 2027 US$24,522,192.

Issues / required revisions

- SEPARATE genuinely-new PIM/capital from baseline recurrent growth - the 151% jump is largely recurrent (salaries/goods/transfers), not all new policy.
- Confirm against MOP/PNDS/Infrastructure-Fund to avoid double-funding.

Parent-ministry overlap (confirm)

Coordinate municipal capital with MOP (water/roads), PNDS and the Infrastructure Fund to avoid funding the same works twice.

049 - Administracao Municipal de Atauro

Parent portfolio: Min. State Administration (MAE) | *Policies: 1*

Atauro Municipal PIM 2027: capital investment (505 Capital Development) within the municipal budget proposal

Submitting entity: Administracao Municipal de Atauro

Indicative cost & profile

Indicative cost: US$ 4,041,391 | Cost profile: Municipal admin + Special Fund (Atauro FEDA, code 083)

Forward Estimates: 2027 administrative capital (505) US$4,041,391. Full 2027 admin budget US$7,449,564 vs 2026 baseline US$2,713,532 (+175%). FUNDING STREAMS: this row is Atauro Municipal Administration (049) ADMINISTRATIVE funding. Atauro's separate FEDA special-capital fund (US$19.43m, code 083) is shown as its own line at row 160. Per Total Proposta (authoritative).

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope/Volume

- Atauro municipal budget (Vol IIA admin 049); 2026 baseline US$2,713,532

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Decentralised local development: Atauro PIM capital US$4,041,391 for municipal infrastructure/services.
- Baseline-vs-proposed is explicit: 2026 US$2,713,532 -> 2027 US$7,449,564.

Issues / required revisions

- SEPARATE genuinely-new PIM/capital from baseline recurrent growth - the 175% jump is largely recurrent (salaries/goods/transfers), not all new policy.
- Confirm against MOP/PNDS/Infrastructure-Fund to avoid double-funding.

Parent-ministry overlap (confirm)

Coordinate municipal capital with MOP (water/roads), PNDS and the Infrastructure Fund to avoid funding the same works twice.

050 - Autoridade Municipal de Covalima

Parent portfolio: Min. State Administration (MAE) | *Policies: 1*

Covalima Municipal PIM 2027: capital investment (505 Capital Development) within the municipal budget proposal

Submitting entity: Autoridade Municipal de Covalima

Indicative cost & profile

Indicative cost: US$ 11,685,202 | Cost profile: Annual (recurrent baseline + PIM capital)

Forward Estimates: 2027 PIM/Capital (505) US$11,685,202. Full 2027 municipal proposal US$23,766,694 vs 2026 baseline US$9,517,979 (increment +US$14,248,715, +150%).

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope/Volume

- Covalima municipal budget (Vol IIA admin 050); 2026 baseline US$9,517,979

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Decentralised local development: Covalima PIM capital US$11,685,202 for municipal infrastructure/services.
- Baseline-vs-proposed is explicit: 2026 US$9,517,979 -> 2027 US$23,766,694.

Issues / required revisions

- SEPARATE genuinely-new PIM/capital from baseline recurrent growth - the 150% jump is largely recurrent (salaries/goods/transfers), not all new policy.
- Confirm against MOP/PNDS/Infrastructure-Fund to avoid double-funding.

Parent-ministry overlap (confirm)

Coordinate municipal capital with MOP (water/roads), PNDS and the Infrastructure Fund to avoid funding the same works twice.

051 - Autoridade Municipal de Lautem

Parent portfolio: | *Policies: 1*

Lautem Municipal PIM 2027: capital investment (505 Capital Development) within the municipal budget proposal

Submitting entity: Autoridade Municipal de Lautem

Indicative cost & profile

Indicative cost: US$ 4,050,558 | Cost profile: Annual (recurrent baseline + PIM capital)

Forward Estimates: 2027 PIM/Capital (505) US$4,050,558. Full 2027 municipal proposal US$16,903,190 vs 2026 baseline US$8,494,839 (increment +US$8,408,351, +99%).

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope/Volume

- Lautem municipal budget (Vol IIA admin 051); 2026 baseline US$8,494,839

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Decentralised local development: Lautem PIM capital US$4,050,558 for municipal infrastructure/services.
- Baseline-vs-proposed is explicit: 2026 US$8,494,839 -> 2027 US$16,903,190.

Issues / required revisions

- SEPARATE genuinely-new PIM/capital from baseline recurrent growth - the 99% jump is largely recurrent (salaries/goods/transfers), not all new policy.
- Confirm against MOP/PNDS/Infrastructure-Fund to avoid double-funding.

Parent-ministry overlap (confirm)

Coordinate municipal capital with MOP (water/roads), PNDS and the Infrastructure Fund to avoid funding the same works twice.

052 - Autoridade Municipal de Liquica

Parent portfolio: | *Policies: 1*

Liquica Municipal PIM 2027: capital investment (505 Capital Development) within the municipal budget proposal

Submitting entity: Autoridade Municipal de Liquica

Indicative cost & profile

Indicative cost: US$ 5,467,560 | Cost profile: Annual (recurrent baseline + PIM capital)

Forward Estimates: 2027 PIM/Capital (505) US$5,467,560. Full 2027 municipal proposal US$22,389,663 vs 2026 baseline US$8,468,045 (increment +US$13,921,618, +164%).

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope/Volume

- Liquica municipal budget (Vol IIA admin 052); 2026 baseline US$8,468,045

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Decentralised local development: Liquica PIM capital US$5,467,560 for municipal infrastructure/services.
- Baseline-vs-proposed is explicit: 2026 US$8,468,045 -> 2027 US$22,389,663.

Issues / required revisions

- SEPARATE genuinely-new PIM/capital from baseline recurrent growth - the 164% jump is largely recurrent (salaries/goods/transfers), not all new policy.
- Confirm against MOP/PNDS/Infrastructure-Fund to avoid double-funding.

Parent-ministry overlap (confirm)

Coordinate municipal capital with MOP (water/roads), PNDS and the Infrastructure Fund to avoid funding the same works twice.

053 - Autoridade Municipal de Manatuto

Parent portfolio: | *Policies: 1*

Manatuto Municipal PIM 2027: capital investment (505 Capital Development) within the municipal budget proposal

Submitting entity: Autoridade Municipal de Manatuto

Indicative cost & profile

Indicative cost: US$ 6,253,000 | Cost profile: Annual (recurrent baseline + PIM capital)

Forward Estimates: 2027 PIM/Capital (505) US$6,253,000. Full 2027 municipal proposal US$15,854,372 vs 2026 baseline US$9,626,242 (increment +US$6,228,130, +65%).

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope/Volume

- Manatuto municipal budget (Vol IIA admin 053); 2026 baseline US$9,626,242

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Decentralised local development: Manatuto PIM capital US$6,253,000 for municipal infrastructure/services.
- Baseline-vs-proposed is explicit: 2026 US$9,626,242 -> 2027 US$15,854,372.

Issues / required revisions

- SEPARATE genuinely-new PIM/capital from baseline recurrent growth - the 65% jump is largely recurrent (salaries/goods/transfers), not all new policy.
- Confirm against MOP/PNDS/Infrastructure-Fund to avoid double-funding.

Parent-ministry overlap (confirm)

Coordinate municipal capital with MOP (water/roads), PNDS and the Infrastructure Fund to avoid funding the same works twice.

054 - Autoridade Municipal de Manufahi

Parent portfolio: | *Policies: 1*

Manufahi Municipal PIM 2027: capital investment (505 Capital Development) within the municipal budget proposal

Submitting entity: Autoridade Municipal de Manufahi

Indicative cost & profile

Indicative cost: US$ 11,815,643 | Cost profile: Annual (recurrent baseline + PIM capital)

Forward Estimates: 2027 PIM/Capital (505) US$11,815,643. Full 2027 municipal proposal US$26,013,441 vs 2026 baseline US$9,661,613 (increment +US$16,351,828, +169%).

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope/Volume

- Manufahi municipal budget (Vol IIA admin 054); 2026 baseline US$9,661,613

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Decentralised local development: Manufahi PIM capital US$11,815,643 for municipal infrastructure/services.
- Baseline-vs-proposed is explicit: 2026 US$9,661,613 -> 2027 US$26,013,441.

Issues / required revisions

- SEPARATE genuinely-new PIM/capital from baseline recurrent growth - the 169% jump is largely recurrent (salaries/goods/transfers), not all new policy.
- Confirm against MOP/PNDS/Infrastructure-Fund to avoid double-funding.

Parent-ministry overlap (confirm)

Coordinate municipal capital with MOP (water/roads), PNDS and the Infrastructure Fund to avoid funding the same works twice.

055 - Autoridade Municipal de Viqueque

Parent portfolio: | *Policies: 1*

Viqueque Municipal PIM 2027: capital investment (505 Capital Development) within the municipal budget proposal

Submitting entity: Autoridade Municipal de Viqueque

Indicative cost & profile

Indicative cost: US$ 11,749,077 | Cost profile: Annual (recurrent baseline + PIM capital)

Forward Estimates: 2027 PIM/Capital (505) US$11,749,077. Full 2027 municipal proposal US$25,253,841 vs 2026 baseline US$10,686,240 (increment +US$14,567,601, +136%).

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope/Volume

- Viqueque municipal budget (Vol IIA admin 055); 2026 baseline US$10,686,240

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Decentralised local development: Viqueque PIM capital US$11,749,077 for municipal infrastructure/services.
- Baseline-vs-proposed is explicit: 2026 US$10,686,240 -> 2027 US$25,253,841.

Issues / required revisions

- SEPARATE genuinely-new PIM/capital from baseline recurrent growth - the 136% jump is largely recurrent (salaries/goods/transfers), not all new policy.
- Confirm against MOP/PNDS/Infrastructure-Fund to avoid double-funding.

Parent-ministry overlap (confirm)

Coordinate municipal capital with MOP (water/roads), PNDS and the Infrastructure Fund to avoid funding the same works twice.

056 - Administracao dos Portos de Timor-Leste

Parent portfolio: Min. Transport & Communications (MTC) | *Policies: 1*

Port HR/maritime training (STCW/ISPS), port rehabilitation (Atauro, Oecusse) & equipment maintenance (11 components)

Submitting entity: Administracao de Portos de Timor-Leste (APORTIL)

Indicative cost & profile

Indicative cost: US$ 2,625,000 | Cost profile: Mixed

Forward Estimates: 11 components, total ~US$2.625m: HR/maritime training (recurrent) + port rehabilitation (Atauro) + equipment/hydrography maintenance (minor capital). Mostly maintenance/training.

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Intensity

- Existing under Programa 502 Transportes - Subprog 50207 Operacao dos Navios de Passageiros e de Cargas (US$433,303) - plus Programa 510 Funcionamento (US$1,147,086). Port maintenance + STCW/ISPS HR training is largely baseline operating; isolate the genuinely-new. [APORTIL 056]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Hold - clarification needed

Strengths

- Costed submission (~US$2.625m) with concrete components; maritime training (STCW/ISPS) builds compliance capacity.
- Supports port infrastructure and connectivity (Brief priority).

Issues / required revisions

- Mostly maintenance + HR training = baseline operating - isolate the genuinely-new (e.g. Atauro rehabilitation) from baseline (G3 = needs info).
- Coordinate with the parent MTC submission (row 70); route rehabilitation capital via the Infrastructure Fund.

Parent-ministry overlap (confirm)

APORTIL (056) under MTC (025); coordinate with the MTC submission (row 70); route port-rehabilitation capital via Infrastructure Fund.

057 - Agencia de Desenvolvimento Nacional

Parent portfolio: Min. Planning & Strategic Investment (MPIE) | *Policies: 3*

ADN-A: Public-project quality management + institutional functioning + professional training (ADN core)

Submitting entity: Agencia de Desenvolvimento Nacional (ADN)

Indicative cost & profile

Indicative cost: US$ 900,000 | Cost profile: Mixed

Forward Estimates: ADN core: public-project quality management (~US$300k) + institutional functioning/development (~US$600k) + professional training. Mostly ADN's existing mandate. [ADN submission total US$4.28m per registry; components approx] [ADN.pdf multi-program; Social Inclusion prog ~USD 3m (p5, scan ambiguous); registry total 4.28m; per-component n/q - entity to confirm]

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Intensity

- Existing under Programa 028 Desenvolvimento Rural e Urbano - Subprog 02811 Implementacao de Projetos das LM (US$60,000; Ativ 0281101 adjudicacao/inspecao de projetos) - plus Programa 510 (US$527,939). GPP = expansion of public-project quality oversight; continuation-heavy. [ADN 057]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Needs info

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Hold - clarification needed

Strengths

- ADN public-project quality role directly supports the Brief quality-of-public-investment priority (Opt 4).
- Modest, costed core programs.

Issues / required revisions

- Mostly ADN baseline - isolate any genuinely-new from existing operations (G3/G4 = needs info).
- Coordinate training with SEFOPE/FDCH to avoid duplication.

Parent-ministry overlap (confirm)

ADN (057) under MPIE (023); project-quality aligns Brief Opt 4; coordinate training with SEFOPE/FDCH human-capital cluster.

ADN-B: Rural & urban development program

Submitting entity: Agencia de Desenvolvimento Nacional (ADN)

Indicative cost & profile

Indicative cost: US$ 2,800,000 | Cost profile: Mixed

Forward Estimates: Rural/urban development program ~AUD4.28m (~US$2.8m) - capital + delivery. Route via Infrastructure Fund.

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Scope

- Existing under Programa 028 Desenvolvimento Rural e Urbano (US$60,000) + Programa 980 Inclusao Social/Declaracao de Maubisse (US$3,000). GPP = expansion of the rural & urban development program; isolate the genuinely-new increment. [ADN 057]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Hold - clarification needed

Strengths

- Rural/urban development supports the Brief rural-service-access priority.
- Costed (~AUD4.28m).

Issues / required revisions

- Convert AUD figure; route capital via the Infrastructure Fund (G3 = needs info).
- Coordinate with MOP / rural-development programs to avoid overlap.

Parent-ministry overlap (confirm)

ADN (057) under MPIE (023); route capital via Infrastructure Fund (080); coordinate with MOP and rural-development bodies.

ADN-C: Primary Health Care program [MISPLACED - route via Ministry of Health]

Submitting entity: Agencia de Desenvolvimento Nacional (ADN)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: Primary-health-care program (reduce infant mortality, improve access). Spanning several programs - but health delivery is the Ministry of Health mandate, not ADN.

Baseline check (vs 2026 Annual Plans)

Status: Expansion / New | Dimension: Beneficiary

- Primary health care is the Ministry of Health mandate (Programa 528 Cuidado de Saude Primarios). ADN's own plan shows only Subprog 52809 Infraestruturas de CSP (US$69,452, construction). Route the health program to MoH (017); not an ADN line. [ADN 057]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 5

Recommendation

Hold - clarification needed

Strengths

- Addresses a real need (primary health, infant mortality).
- Spanning several programs development rationale.

Issues / required revisions

- MISPLACED at ADN - primary health care is the Ministry of Health (017) mandate; route there and confirm it does not duplicate existing MoH programs (G3 = needs info).
- Provide costing.

Parent-ministry overlap (confirm)

ROUTE VIA the Ministry of Health (017) - a development agency (ADN) delivering primary health care is a misplaced mandate; consolidate under MoH.

060 - Agencia Nacional para a Avaliacao e Acreditacao Academica

Parent portfolio: Min. Higher Education, Science & Culture (MESCC) | *Policies: 1*

ANAAA: Internationalisation of accreditation + digital transformation

Submitting entity: Agencia Nac. Avaliacao e Acreditacao (ANAAA)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: Digital platform/e-archive = one-off capital; ongoing accreditation ops = recurrent. Avoid duplicating M1 server/NIC spend.

Baseline check (vs 2026 Annual Plans)

Status: Expansion / New | Dimension: Scope

- ANAAA Div 0600101, Programa 524 / Subprog 52415 quality-assurance & accreditation (acts 5241501-03). Internationalisation + digitalisation = new scope on existing accreditation mandate.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Approve with revisions

Strengths

- Strengthens international recognition of TL accreditation (ASEAN/global) - real value for mobility and quality; aligns Brief Opt 17/18 + 23.
- Digitalises accreditation processes (platform, e-archive).

Issues / required revisions

- STRONG overlap with MESCC M1 - the National Information Centre (NIC) appears in both; consolidate the NIC/data build under one lead (M1) to avoid duplication.
- Not costed; separate the one-off digital build from recurrent accreditation operating.

Parent-ministry overlap (confirm)

Tutelage of MESCC; NIC/data overlap with MESCC M1 and partial overlap with TIC Timor (059) - coordinate.

061 - Arquivo e Museu da Resistencia Timorense

Parent portfolio: Presidency of the Council of Ministers (PCM) | *Policies: 1*

Preservation & promotion of the resistance archive/museum (heritage, digitisation, education)

Submitting entity: Arquivo e Museu da Resistencia Timorense (AMRT)

Indicative cost & profile

Indicative cost: US$ 10,573,937 | Cost profile: Mixed

Forward Estimates: AMRT resistance archive/museum - (a) exhibitions/museology (permanent exhibition at HQ, temporary/itinerant exhibitions on the Resistance), (b) conservation + DIGITISATION of the historical archive + archive-management system, (c) multimedia/TV studio producing Resistance programs. Heritage + digitisation; mix of recurrent + capital. Not costed. [cost: DGPO registry figure, carried 2026-06-27; confirm vs full proposal at costing stage]

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Intensity

- Existing under Programa 024 Cultura e Patrimonio (US$1,315,120) - Subprog 02412 Realizacao de Exposicoes, Pesquisa e Arquivo - plus Programa 510 Funcionamento (US$1,131,690). GPP = expansion (scope/intensity) of preservation/promotion; largely continuation. [AMRT 061]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 2 / 5 | Merit: 4

Recommendation

Hold - clarification needed

Strengths

- Preserves nationally significant resistance heritage; digitisation + multimedia modernise access and support civic education.
- Clear mandate basis.

Issues / required revisions

- Mostly the existing archive/museum mandate - isolate the genuinely-new (digitisation, multimedia studio) from baseline (G3 = needs info).
- Coordinate digitisation with the National Archive (062); modest impact/capacity; provide costing.

Parent-ministry overlap (confirm)

AMRT (061) under PCM (004) - submitted within the PCM bundle (PCM.pdf); coordinate with National Archive (062) on digitisation.

062 - Arquivo Nacional de Timor-Leste

Parent portfolio: Min. State Administration (MAE) | *Policies: 1*

National Archive: national document/records preservation & archive digitisation [CORRECTED - was mis-read as ANTL Communications]

Submitting entity: Arquivo Nacional de Timor-Leste (National Archive)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: CORRECTION: the file (ANTL NO STAE.pdf) is the Arquivo Nacional de Timor-Leste (National Archive, admin 062) bundled with STAE electoral content - NOT the Communications Authority (earlier mis-read). National Archive = document/records preservation + archive digitisation/management system. The file electoral pages (President/municipal elections; electoral registration/BDRE for the 2028 Parliament ~US$2.5m) are STAE statutory electoral function (row 8). [ANTL National Archive forwarded via STAE/MAE; no separate budget table located in scan; entity to confirm]

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Intensity

- Existing under Programa 024 Cultura e Patrimonio (US$61,620) - Subprogs 02415 Gestao Documental, 02416 Preservacao e Conservacao, 02417 Acesso e Difusao - plus Programa 510 (US$272,940). GPP = expansion (digitisation + national records preservation program). [ANTL 062]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 2 / 5 | Merit: 5

Recommendation

Hold - clarification needed

Strengths

- Preserves and modernises access to national records (digitisation); supports transparency and administration.
- Clear mandate basis.

Issues / required revisions

- Mostly the existing archive mandate - isolate the genuinely-new digitisation/records-management from baseline (G3 = needs info).
- Coordinate digitisation with AMRT (061) and the Opt 17/18 cluster; the bundled electoral registration is STAE statutory (row 8), not a separate GPP policy.

Parent-ministry overlap (confirm)

National Archive (062) under MAE (016); coordinate digitisation with AMRT (061, resistance archive) and MAE-B digital local governance (103); the bundled electoral content is STAE statutory (row 8).

064 - Autoridade de Inspecao e Fiscalizacao da Atividade Economica, Sanitaria e Alimentar

Parent portfolio: VPM Economic Affairs / Tourism & Environment | *Policies: 1*

National food-safety, inspection & consumer-protection modernisation

Submitting entity: AIFAESA

Indicative cost & profile

Indicative cost: US$ 8,000,000 | Cost profile: Mixed

Forward Estimates: Lab/metrology equipment = capital one-off; inspection operations = recurrent. Split needed.

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope + intensity

- Inspection is EXISTING - Programa 983 / Subprog 98334 Controlo da Qualidade de Produtos Alimentares (Ativ 9833400-9833405) and Subprog 98335 Controle de atividades economicas (Ativ 9833500-9833510 inspecao/supervisao). Proposal = scope/intensity expansion (labs, legal metrology, anti-contraband).

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 4 / 5 | Merit: 7

Recommendation

Approve with revisions

Strengths

- Genuinely new national capability - food-safety inspection & consumer protection, not in the Brief or baseline.
- Strengthens market integrity and public health; routed via the parent (VPM-MCAE-MTA).

Issues / required revisions

- Provide a costed split of laboratory capital vs recurrent inspection operating before funding.
- Confirm institutional readiness to stand up inspection functions at scale.

Parent-ministry overlap (confirm)

Submitted to VPM/MCAE/MTA (coordinating minister), cc MoF - VIA PARENT (good coordination, unlike INDDICA).

067 - Autoridade Nacional do Petroleo e Minerais

Parent portfolio: Min. Petroleum & Mineral Resources (MPRM) | *Policies: 1*

Petroleum-sector regulation: Greater Sunrise/Tasi Mane legal regime, field development supervision, onshore/offshore exploration tenders

Submitting entity: Autoridade Nacional do Petroleo (ANP)

Indicative cost & profile

Indicative cost: US$ 13,700,000 | Cost profile: Mixed (regulatory/institutional + study/HSE)

Forward Estimates: ANP itemised ~US$13.7m across ~9 activities (Greater Sunrise legal/fiscal regime US$2m; KTJ supervision US$0.5m; licensing round US$1m; PDIMS US$2m; institutional development US$6m; ASEAN energy US$0.5m; downstream regime US$0.5m; HSE monitoring US$0.2m; joint study US$1m). Was wrongly recorded n/q.

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Scope

- Existing - the regulator's mandate is ongoing under ANP Programa 510 Funcionamento e Desenvolvimento Institucional (US$3,961,599). GPP overlaps MPRM-B (row 113); coordinate as one petroleum cluster. Continuation-heavy. [ANP 119]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Hold - clarification needed

Strengths

- ANP regulation underpins the major petroleum-sector value (Greater Sunrise/Tasi Mane/Bayu-Undan).
- Concrete regulatory deliverables (legal regime, exploration tenders).

Issues / required revisions

- Strongly overlaps the MPRM submission (row 69) - coordinate as ONE petroleum cluster, not two bids.
- Ongoing regulatory mandate - isolate genuinely-new (G3 = needs info); the mega-project investment is Petroleum-Fund/strategic, not GPP recurrent.

Parent-ministry overlap (confirm)

ANP (067) under MPRM (032) - STRONG overlap with the MPRM submission (row 69); assess as ONE petroleum-sector cluster. The mega-project investment is Petroleum-Fund/strategic, not GPP recurrent.

070 - Centro Nacional Chega

Parent portfolio: Presidency of the Council of Ministers (PCM) | *Policies: 1*

Memory, human-rights & reparations program (Chega!/CAVR legacy: memorialisation, legal framework for reparations)

Submitting entity: Centro Nacional Chega! (CNC)

Indicative cost & profile

Indicative cost: US$ 793,072 | Cost profile: Mixed

Forward Estimates: CNC (Chega!/CAVR legacy) - memorialisation, human-rights education, and a REPARATIONS program requiring a policy + legal framework; CNC to define annual priorities, financial framework and HR. Mix of recurrent (memory/education) + a potential reparations recurrent annual cost. Not costed. [cost: DGPO registry figure, carried 2026-06-27; confirm vs full proposal at costing stage] [cost: CNC.pdf p12 total US$793,072 (2027 remedial measures 1-4) - EXACT registry match]

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Scope

- CNC (admin 070) has no separate 2026 Annual Plan entry; its memory / human-rights / reparations work is its existing mandate - confirm the baseline funding line.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 5

Recommendation

Hold - clarification needed

Strengths

- Addresses the Chega!/CAVR legacy - memory, human rights, reconciliation; nationally significant.
- Clear mandate and a concrete reparations/legal-framework proposal.

Issues / required revisions

- Isolate the genuinely-new reparations program + legal framework from the existing memory/human-rights mandate (G3 = needs info).
- A reparations program creates a recurrent annual cost - cost it; coordinate the legal framework with MJ (015); transitional-justice theme (distinct from Opt 11).

Parent-ministry overlap (confirm)

CNC (070) under PCM (004) - submitted within the PCM bundle; transitional-justice theme (distinct from Opt 11); coordinate with MJ (015) on the reparations legal framework.

073 - Centro Nacional de Reabilitacao

Parent portfolio: Min. Social Solidarity & Inclusion (MSSI) | *Policies: 1*

1. Estabelesimentu sentru temporariu ba atendimentu no rahabilitasaun iha munisipiu Baucau hanesan medida estratejika ida atu aumenta asesu ...

Submitting entity: Centro Nasional Rehabilitasaun

Indicative cost & profile

Indicative cost: US$ 400,008 | Cost profile: Recurrent-heavy

Forward Estimates: ~98% of the 5yr envelope is recurrent (personnel $56,563/yr + operations $19,900 rising to $23,488). Only $9,000 equipment is one-off. Builds a permanent ~$76-80k/yr ongoing cost that locks into the baseline FEs.

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Geographic + beneficiary

- Rehabilitation is EXISTING under Programa 980 Inclusao Social - Subprog 98024 (sensibilizacao/promocao); Ativ 9802402 (equipment for PWD, $179,280); 9802401 (socialisation of CNR services). GPP extends coverage to the eastern municipalities (+150 users/yr).

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 4 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 7

Recommendation

Approve with revisions

Strengths

- Complete, well-structured Annex-B submission (problem, SMART objectives, options, M&E, multi-year costing).
- Clear access gap for PWD in the rural east; measurable KPIs (baseline 2,678 users; +150 new/yr).
- Endorsed by the MSSI Minister - went through the parent ministry (good coordination).

Issues / required revisions

- Predominantly-recurrent expansion: confirm the marginal eastern cost is incremental, and test absorption in the MSSI/CNR baseline rather than elevating to a GPP.
- Capacity/recruitment risk: 4 rehabilitation professionals in a thin specialist labour market.
- Baseline overlap: CNR rehabilitation sits under its own Programa 980 (Inclusao Social); the eastern expansion is incremental, not duplicating MSSI HQ lines.
- Cross-submission duplication (vs SEII / other disability submitters): consolidate under SEII (Opt 11 lead).

Parent-ministry overlap (confirm)

Via parent (MSSI Minister approved) - coordinated; confirm no fund the same thing twice with MSSI disability lines.

075 - Comissao da Funcao Publica

Parent portfolio: Independent bodies (direct-to-State) | *Policies: 1*

Reform of public administration & civil-service human-resource management

Submitting entity: Comissao da Funcao Publica (CFP)

Indicative cost & profile

Indicative cost: US$ 5,000,000 (opt 1) / US$ 8,000,000 (opt 2) | Cost profile: Recurrent-heavy

Forward Estimates: two civil-service reform measures - (1) legal reform & modernisation of the careers system, (2) progressive implementation of a unified career regime + functional/structural career-system development. Plus digital transformation, administrative discipline, decentralised services. Mostly technical reform within the CFP mandate; limited new resource ask. Not costed. [cost: DGPO registry figure, carried 2026-06-27; confirm vs full proposal at costing stage] [cost: CFP.pdf p7 Opt1 US$5-8m/5yr (or Opt2 5-15m/3yr); registry 5m = low bound]

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Intensity

- Existing under Programa 510 Funcionamento e Desenvolvimento Institucional (US$60,000) - Subprog 51041 Politicas, Legislacao e Regulamentos (US$36,000), 51043 Revitalizar a cultura de trabalho (US$11,000). GPP = expansion of the civil-service-reform mandate; modestly funded in baseline. [CFP 075]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Needs info

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 2 / 5 | Merit: 5

Recommendation

Hold - clarification needed

Strengths

- Public-administration/HR reform supports public-sector effectiveness (a Brief priority).
- CFP is the mandated civil-service body.

Issues / required revisions

- Mostly the ongoing CFP careers/reform mandate - isolate any genuinely-new resourced increment (G3/G4 = needs info); much may be baseline.
- Coordinate with MoF, the State-reform agenda and MAE-B digital governance; provide costing.

Parent-ministry overlap (confirm)

CFP (075, independent); coordinate with MoF (public-sector reform) and the State-reform agenda.

077 - Conselho de Imprensa

Parent portfolio: Independent bodies (direct-to-State) | *Policies: 1*

Strengthening the Press Council (journalist training, institutional capacity, press-freedom support)

Submitting entity: Conselho de Imprensa (CI)

Indicative cost & profile

Indicative cost: US$ 200,000 | Cost profile: Recurrent-heavy

Forward Estimates: Small institutional strengthening: staff recruitment (recurrent) + journalist training. Not costed at this pass. [cost: DGPO registry figure, carried 2026-06-27; confirm vs full proposal at costing stage] [cost: CI.pdf p3 itemised total US$200,000 (vehicles/copiers/cameras/1 adviser); registry had 208k]

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Intensity

- Existing under Programa 439 Garantir a Liberdade de Expressao (US$184,841) - Subprogs 43904 Competencia de Jornalistas (US$44,167), 43911 Autorregulacao (US$13,187), 43912 Gestao Institucional/Advocacia (US$88,019) - plus Programa 510 (US$219,918). GPP = expansion (journalist training + anti-disinformation). [CI 077]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 2 / 5 | Merit: 4

Recommendation

Hold - clarification needed

Strengths

- Press freedom and media quality support transparency (a Brief priority).
- Clear constitutional/mandate basis (press freedom).

Issues / required revisions

- Small institutional strengthening of an existing mandate - isolate any genuinely-new element (G3 = needs info).
- Coordinate with SECOMS/INTL to avoid a fragmented media-sector ask; provide costing.

Parent-ministry overlap (confirm)

Press Council (077); coordinate with the media cluster - SECOMS (121), INTL (085) - to align the press/media asks.

083 - Fundo Especial de Desenvolvimento de Atauro (FEDA)

Parent portfolio: Min. State Administration (MAE) | *Policies: 1*

Atauro Special Development Fund (FEDA) 2027 - capital investment program (24 infrastructure projects)

Submitting entity: Fundo Especial de Desenvolvimento de Atauro (FEDA)

Indicative cost & profile

Indicative cost: US$ 19,425,199 | Cost profile: Special capital fund (Atauro FEDA, code 083) - separate from Atauro admin budget (049)

Forward Estimates: 2027 FEDA capital US$19,425,199 (24 infrastructure projects, FEDA tab). SEPARATE special-capital fund (code 083), distinct from and ADDITIONAL to Atauro Municipal Administration (049) administrative budget (US$7.45m incl US$4.04m capital, row 140). Per Total Proposta the FEDA sits outside the admin 501-505 envelope, so it is shown here as its own special-fund line.

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension:

- Atauro FEDA (admin code 083)

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Atauro Special Development Fund: US$19.43m capital for island infrastructure (24 projects).

Issues / required revisions

- Separate special-capital fund (FEDA 083) - confirm new-vs-baseline and overlap with Atauro admin capital (049) and PNDS.
- First-pass - score merit on full review.

Parent-ministry overlap (confirm)

Coordinate with Atauro admin capital (049), MOP and PNDS to avoid double-funding the same works.

085 - Imprensa Nacional de Timor-Leste

Parent portfolio: | *Policies: 1*

Digitalisation of the Official Gazette + secure printing capacity

Submitting entity: Imprensa Nacional (INTL)

Indicative cost & profile

Indicative cost: US$ 1,440,000 | Cost profile: One-off / lapsing

Forward Estimates: Mostly capital (secure printing equipment + digital platform). Limited recurrent annual cost.

Baseline check (vs 2026 Annual Plans)

Status: New / Expansion | Dimension: Scope

- Existing under Programa 510 - Subprog 51057 Servico Imprensa (Ativ 5105702 Producao) and Subprog 51026 Comunicacao estrategica. Proposal digitalises/modernises this gazette/printing function.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Approve with revisions

Strengths

- Joint PCM+INTL submission - good vertical coordination via the parent.
- Digitalises the Jornal da Republica + legislative process and reinforces secure ballot/printing capacity for 2027-28 elections.

Issues / required revisions

- Confirm the split between one-off digital build (capital) and recurrent platform operating.
- Coordinate the digital ask with MESCC M1 and ANAAA (Opt 17/18 cluster).

Parent-ministry overlap (confirm)

Joint PCM+INTL submission via PCM - VIA PARENT (coordinated).

092 - Instituto Nacional de Ciencias e Tecnologia

Parent portfolio: | *Policies: 1*

INCT: National Science, Technology & Innovation Plan 2027-2030 (HQ + R&D units; science publishing/ISSN/DOI)

Submitting entity: Inst. Nac. Ciencias e Tecnologia (INCT)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: Large one-off capital (HQ/R&D building, Opt 1) + small recurrent (publishing/ISSN/DOI ops + new building operating cost). Route building via Infrastructure Fund; not costed.

Baseline check (vs 2026 Annual Plans)

Status: New | Dimension: n/a

- INCT Div 0920101, Programa 524 / Subprog 52425 (acts 5242501-03). HQ building, R&D units and national publisher/ISSN/DOI not in 2026 plan = genuinely new.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 5

Recommendation

Approve with revisions

Strengths

- The science-dissemination component (National Science Publisher + ISSN Centre + DOI Agency) is low-cost, high-value national governance infrastructure.
- Aligns Brief Opt 23 (research) + Opt 17/18 (digital).

Issues / required revisions

- Multi-component - decompose: approve the low-cost dissemination piece; route the HQ/R&D building (Option 1, large capital) via the Infrastructure Fund (Opt 7) and phase.
- Capacity risk for a young institute delivering a capital project; not costed.

Parent-ministry overlap (confirm)

Tutelage of MESCC; coordinate capital with Infrastructure Fund; ISSN/DOI is a national mandate (coordinate with National Archive/Library 062).

093 - Instituto Nacional de Combate ao HIV-SIDA

Parent portfolio: | *Policies: 1*

Strengthening the national HIV-AIDS response (HR recruitment, prevention, treatment, awareness)

Submitting entity: Inst. Nac. Combate ao HIV-SIDA (INSCIDA)

Indicative cost & profile

Indicative cost: US$ 1,301,346 | Cost profile: Mixed

Forward Estimates: HIV/AIDS Prevention Program 2027 - prevention, treatment, awareness + HR recruitment (international + national technicians). Activity-costed table (Salaries/Goods&Services). Recurrent salary + programmatic cost. Strengthens the national HIV-AIDS response. [cost: DGPO registry figure, carried 2026-06-27; confirm vs full proposal at costing stage] [cost: INSCIDA.pdf p8 table total US$1,301,345.50 - EXACT registry match]

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Intensity

- Existing under Programa 980 Inclusao Social (US$525,250) - Subprog 98056 Promocao, Prevencao e Comunicacao - plus Programa 510 Funcionamento (US$289,404). GPP scales the national HIV-AIDS response (expansion); coordinate with MoH. [INSCIDA 093]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Hold - clarification needed

Strengths

- HIV-AIDS response protects a vulnerable group and public health; aligns capital-human/service priorities.
- Strengthens national institutional capacity.

Issues / required revisions

- Mostly strengthens an existing mandate - isolate the genuinely-new HR/program expansion from baseline (G3 = needs info); model the recruitment ongoing salary cost.
- STRONG overlap with the Ministry of Health (017) HIV programs - coordinate/route via MoH to avoid duplication.

Parent-ministry overlap (confirm)

INSCIDA (093) in the social-inclusion cluster (VPM-MCAS/MSSI tutela); STRONG overlap with the Ministry of Health (017) HIV programs - coordinate to avoid duplication.

096 - Instituto para a Defesa dos Direitos da Crianca e do Adolescente

Parent portfolio: | *Policies: 1*

1. Fortalesimentu kapasidade instituisional 2. monitorizasaun implementasaun politika no programa labarik 3. sensibilizasaun no edukasaun le...

Submitting entity: Instituto para a Defesa dos Direitos da Crianca

Indicative cost & profile

Indicative cost: US$ 1,926,471 | Cost profile: Recurrent-heavy

Forward Estimates: Recurrent annual cost ~$0.78-0.85m/yr (salaries $311,820 + goods/services $470-537k). ~$0.30m capital in 2027 (minor $70k + development $225k, incl. continuation of the INDDICA building) is one-off. Recurrent annual cost is the FE concern.

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Scope

- Most activities map to Programa 510 Funcionamento e Desenvolvimento Institucional - Subprog 51001; Ativ 5100109 (inspecao/auditoria), 5100112 (apoio juridico / child-protection law / VAC). Building = continuation. Isolate any genuinely-new element.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 5

Recommendation

Hold - clarification needed

Strengths

- Genuinely important policy area (child protection; CRC, PANL); aligns with the human-capital priority and Brief Opt 11.
- Explicit national/legal anchoring (Constitution, CRC, National Action Plan for Children).

Issues / required revisions

- Submitted DIRECT to the PM (cc VPM/MCAS & MoF) - bypassed parent-ministry consolidation (fragmentation signal); route via SEII (Opt 11 lead).
- Mostly continuation of the 2026 Programa 510 institutional program - little clearly new (G3 = needs info).
- Below Annex-B standard: no options analysis, activity-level costing, timeline/Gantt, or KPIs/baselines/targets.
- Over-claims alignment with nearly all 9 priorities; narrow to the genuine focus.

Parent-ministry overlap (confirm)

Submitted DIRECT (bypassed VPM/MCAS coordination) - CHECK overlap with the coordinating ministry and social-sector child lines.

098 - Instituto Politecnico de Betano

Parent portfolio: Min. Higher Education, Science & Culture (MESCC) | *Policies: 2*

IPB-a: New Higher School of Hospitality & Tourism, Lospalos

Submitting entity: Inst. Politecnico de Betano (IPB)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: One-off / capital

Forward Estimates: New-school capital build + new recurrent operating/staff cost. Not costed in submission. Route capital via Infrastructure Fund; recurrent annual cost flows into FEs once operating.

Baseline check (vs 2026 Annual Plans)

Status: New | Dimension: n/a

- NOT in IPB 2026 plan (Div 0980101, Programa 524 - existing activities are Escola Superior de Agronomia e Zootecnia). New hospitality/tourism school = genuinely new.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 5

Recommendation

Approve with revisions

Strengths

- Genuinely new (IPB's 2026 baseline is Agronomy/Zootechnics) - links higher ed to the tourism sector; aligns Brief Opt 23.
- Addresses a regional skills/diversification gap.

Issues / required revisions

- Not costed; capital build + new recurrent operating/staff cost - significant delivery, enrolment and sustainability risk for a new municipal campus.
- Route capital via the Infrastructure Fund (Opt 7); confirm tourism-sector demand and recurrent funding (similar risk to E4/E6).

Parent-ministry overlap (confirm)

Tutelage of MESCC; coordinate with Min. Tourism on demand and Infrastructure Fund on capital.

IPB-b: Strengthen teaching & research quality, Higher School of Studies & Research, Ermera

Submitting entity: Inst. Politecnico de Betano (IPB)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: TBD

Forward Estimates: Mixed/TBD - quality uplift mostly recurrent operating; any equipment = one-off. Needs costing.

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Intensity/Scope

- IPB Div 0980101, Programa 524 Ensino Superior - existing school; this is an intensity/quality expansion of baseline provision.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Needs info

Merit (criteria 5-6)

C5 Capacity: 2 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 5

Recommendation

Hold - clarification needed

Strengths

- Improves teaching/learning and research quality at an existing IPB school - incremental, lower-risk than a new build.
- Aligns Brief Opt 23 (quality).

Issues / required revisions

- Quality uplift of an existing school is likely part-absorbable in baseline operating (G3/G4 = needs info).
- Needs a costed split of genuinely-new (e.g. labs/equipment) vs recurrent operating before a GPP call - HOLD.

Parent-ministry overlap (confirm)

Tutelage of MESCC.

100 - Secretariado Tecnico de Administracao Eleitoral

Parent portfolio: | *Policies: 1*

1. Hala'o eleisaun ba prezidente Republika, atu halaó iha semtre dahuluk tinan 2027 nian 2. halao eleisaun prezidente do Municipio, vice pre...

Submitting entity: Secretariado Tecnico de Administracao Eleitoral

Indicative cost & profile

Indicative cost: US$ 11,500,000 | Cost profile: One-off / lapsing

Forward Estimates: Electoral-cycle spend (PR $11.5m, municipal $4.0m, BDRE/PN prep $2.5m) for 2027-28. Lapsing - recurs only on the ~5yr electoral cycle. Keep OUT of the recurrent baseline; provision in FEs as time-bound. [cost: STAE source (ANTL-NO-STAE.pdf p4) ORCAMENTO ALOCADO US$11.5m for President+Municipal elections; registry had US$2.85m - RECONCILE (full election cost vs GPP increment)]

Baseline check (vs 2026 Annual Plans)

Status: New (cyclical event - 2027 cost not in the recurrent baseline) | Dimension: Volume

- Electoral administration is EXISTING - Programa 510 / Subprog 51049 Administracao Eleitoral (Ativ 5104901 Recenseamento Eleitoral; 5104902 Educacao Eleitoral). The 2027 PR + municipal elections scale up these existing activities (cyclical).

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 4 / 5 | C6 Alignment & impact: 4 / 5 | Merit: 8

Recommendation

Approve - priority candidate

Strengths

- Constitutionally mandated and time-bound - the 2027 Presidential and municipal elections are obligatory.
- STAE has proven electoral-delivery capability.
- Explicitly requested by the Brief (2.3 known unfunded new pressures) - a recognised commitment to fund.

Issues / required revisions

- Provide the low/moderate/high costed scenarios the Brief requested (Electoral Commission submission).
- Coordinate within the 2027-29 events & elections cluster.
- Provision as one-off/lapsing in the Forward Estimates (recurs on the ~5-year cycle); keep out of the recurrent baseline.
- Confirm the submitting channel (no cover letter in the file).

Parent-ministry overlap (confirm)

Under MAE; confirm against MAE 2026 plan (electoral operations sit with electoral bodies - low overlap expected).

105 - Universidade Nacional Timor Lorosae

Parent portfolio: | *Policies: 1*

UNTL: Research capacity & institutional development (Anexo I) [+ full annual budget bid US$31.7m]

Submitting entity: Universidade Nac. Timor Lorosa'e (UNTL)

Indicative cost & profile

Indicative cost: US$ 31,719,283 | Cost profile: TBD

Forward Estimates: Full annual bid US$31.72m (Salaries 15.72m, Goods&Services 7.23m, Minor Capital 2.31m, Dev Capital 6.47m, Transfers 0.006m). Mostly recurrent institutional baseline; new research-capacity increment not separable yet.

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Intensity (research)

- UNTL Div 1050101, Programa 524 Ensino Superior - existing annual institutional plan; submission is largely the 2027 institutional budget plus a research-capacity expansion.

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Needs info

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Hold - clarification needed

Strengths

- Research & institutional-development capacity (Anexo I) is a legitimate higher-ed quality action; aligns Brief Opt 23.
- Detailed, structured annual budget submission.

Issues / required revisions

- The US$31.72m is UNTL's full institutional annual envelope (largely baseline/continuation), NOT a discrete GPP increment - avoid funding the same thing twice against the GPP envelope.
- Isolate and cost the genuinely-new research-capacity component; the bulk routes via the UNTL baseline appropriation (Div 1050101) - HOLD.

Parent-ministry overlap (confirm)

Tutelage of MESCC; bulk is UNTL baseline appropriation, not GPP - avoid funding the same thing twice against the GPP envelope.

108 - Regiao Administrativa Especial de Oe-Cusse Ambeno (RAEOA)

Parent portfolio: | *Policies: 1*

RAEOA Municipal PIM 2027: capital investment (505 Capital Development) within the municipal budget proposal

Submitting entity: Regiao Administrativa Especial de Oe-Cusse Ambeno (RAEOA)

Indicative cost & profile

Indicative cost: US$ 68,201,677 | Cost profile: Capital US$68.2m = ~US$15m new FED + ~US$53m re-appropriation (RAEOA FED, code 109)

Forward Estimates: 2027 capital (505) US$68,201,677 = US$15,168,535 new FED investment + US$53,033,143 RE-APPROPRIATION (existing funds redirected) - so only ~US$15m is genuinely NEW (the FED project tab is US$14.24m, 96 new projects). Full 2027 proposal US$110,752,982 vs 2026 baseline US$22,788,994 (+386%). FUNDING STREAM: RAEOA (Oecusse) = Special Autonomous Region; unlike Atauro, its FED is already INCLUDED in the Total Proposta 505. SOURCE: Total Proposta authoritative.

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope/Volume

- RAEOA municipal budget (Vol IIA admin 108); 2026 baseline US$22,788,994

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Decentralised local development: RAEOA PIM capital US$68,201,677 for municipal infrastructure/services.
- Baseline-vs-proposed is explicit: 2026 US$22,788,994 -> 2027 US$110,752,982.

Issues / required revisions

- SEPARATE genuinely-new PIM/capital from baseline recurrent growth - the 386% jump is largely recurrent (salaries/goods/transfers), not all new policy.
- Confirm against MOP/PNDS/Infrastructure-Fund to avoid double-funding. RAEOA DATA CONFLICT: shown as US$0 ("tama iha FED") in the Lista-PIM tab but US$110.75m here in Total Proposta - reconcile which applies; RAEOA is a special autonomous region (may be funded via FEDA).

Parent-ministry overlap (confirm)

Coordinate municipal capital with MOP (water/roads), PNDS and the Infrastructure Fund to avoid funding the same works twice.

113 - Ministerio do Comercio e Industria

Parent portfolio: Min. Commerce & Industry (MCI) | *Policies: 2*

MCI-A: National industrialisation (salt industry, food-court/modern markets, Tasi-Mane PPP, industrial zone Ulmera-Maubara)

Submitting entity: Min. Comercio e Industria (MCI)

Indicative cost & profile

Indicative cost: US$ 6,955,000 (opt 1) / US$ 5,000,000 (opt 2) | Cost profile: One-off / capital

Forward Estimates: Capital-heavy: National Salt Industry (multi-municipality), food-court/modern markets ~US$5m, Tasi-Mane PPP ~US$10m (World Bank), Ulmera-Maubara industrial zone. Route via Infrastructure Fund. [cost: MCI registry total US$6.955m (not split MCI-A/B); prior 5m+5m deep-read estimate removed] [cost: MCI.pdf p8 - salt industry 10m (PPP/World Bank), food court 5m (Infrastructure Fund), cooking-oil 1m, ASEAN coop 110k, night-market 70k, festival 25k; large items NOT GPP recurrent; registry GPP figure 6.955m]

Baseline check (vs 2026 Annual Plans)

Status: New | Dimension: n/a

- NOT in MCI 2026 plan (admin 113) - new industrial capital (salt industry, markets, PPP).

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 4 / 5 | Merit: 7

Recommendation

Approve with revisions

Strengths

- Concrete economic-diversification capital (salt industry, agro-industry, modern markets) - aligns the Brief private-sector priority.
- Multilateral co-financing potential (World Bank PPP).

Issues / required revisions

- Large capital - route via the Infrastructure Fund (Opt 7); salt industry + Tasi-Mane PPP need feasibility/business cases.
- Confirm against the existing market-construction list of planned projects; sequence/phase the components.

Parent-ministry overlap (confirm)

MCI (113) lead; coordinate salt industry with Agriculture/MAF + World Bank; route industrial/market capital via Infrastructure Fund (080).

MCI-B: MSME development + trade promotion (export-readiness, business training, ASEAN/WIPO cooperation, trade fairs + INTE 2027)

Submitting entity: Min. Comercio e Industria (MCI)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: Programmatic: MSME export-readiness, municipal export capacity, business/financial training, ASEAN/WIPO cooperation; trade fairs + INTE 2027 international exhibition (events = one-off). Not separately costed. [cost: part of MCI US$6.955m registry total (row 104); n/q pending split]

Baseline check (vs 2026 Annual Plans)

Status: Expansion / New | Dimension: Scope

- Existing under Programa 983 Investimento e Diversificacao Economica (US$1,558,195) - Subprogs 98313 Politicas Economicas e Comercio (US$752,989), 98314 Promover Actividades Comerciais (US$192,679) - plus Programa 510 (US$2,001,421). GPP = expansion (MSME export-readiness + trade promotion incl. INTE 2027). [MCI 113]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Approve with revisions

Strengths

- Builds the private sector and jobs (MSME export-readiness, ASEAN trade promotion).
- Concrete trade-promotion vehicle (INTE 2027).

Issues / required revisions

- Coordinate MSME training with SEFOPE/IADE to avoid duplication (human-capital cluster).
- Provide activity-level costing; keep one-off expos out of the recurrent baseline.

Parent-ministry overlap (confirm)

MCI (113) lead; coordinate MSME training with SEFOPE (rows 116-117) + IADE (086); INTE 2027/expos in the Opt 8 events cluster.

115 - Ministerio da Juventude, Desporto, Arte e Cultura

Parent portfolio: Min. Youth, Sport, Art & Culture (MJDAC) | *Policies: 2*

MJDAC-A: National youth skills, entrepreneurship & young-enterprise (MSME) program - mapping, training, financial literacy, incubation, formalisation, M&E

Submitting entity: Ministerio da Juventude, Desporto, Arte e Cultura

Indicative cost & profile

Indicative cost: US$ 1,260,000 | Cost profile: Recurrent (program)

Forward Estimates: 2027 indicative US$1,260,000 (6 components: mapping 120k, training 350k, entrepreneurship 180k, incubation 420k, formalisation 120k, M&E 70k).

Baseline check (vs 2026 Annual Plans)

Status: New | Dimension:

- MJDAC 115 (Vol IIB) - youth/culture programs

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Targets youth not in employment/education/training (NEET); practical skills + MSME formalisation; municipal/private/bank partnerships.

Issues / required revisions

- Confirm new-vs-baseline and overlap with SEFOPE/MCI youth-employment & MSME lines.
- Score merit on full review.

Parent-ministry overlap (confirm)

Coordinate with SEFOPE (training/employment), MCI (MSME) and FDCH (human capital) to avoid double-funding youth programs.

MJDAC-B: National cultural program - Tais diversification & cultural industry, Dili V CPLP Capital of Culture 2027, ASEAN/COCI cultural cooperation

Submitting entity: Ministerio da Juventude, Desporto, Arte e Cultura

Indicative cost & profile

Indicative cost: US$ 460,000 | Cost profile: One-off/event + recurrent

Forward Estimates: 2027 indicative US$460,000 (Tais/cultural industry 60k + Dili CPLP V Capital of Culture 2027 + ASEAN/COCI cooperation).

Baseline check (vs 2026 Annual Plans)

Status: Expansion | Dimension: Scope/Event

- MJDAC 115 (Vol IIB) - culture programs

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: / 5 | C6 Alignment & impact: / 5 | Merit:

Recommendation

Hold - clarification needed

Strengths

- Dili V CPLP Capital of Culture 2027 is a time-bound recognised event (Opt 8); Tais supports cultural-industry diversification.

Issues / required revisions

- Isolate the one-off 2027 event cost from recurrent cultural-industry support.
- Coordinate with MNEC CPLP 2027 events cluster.

Parent-ministry overlap (confirm)

Dili CPLP Capital of Culture 2027 = Opt 8 events cluster (coordinate with MNEC CPLP 2027 + the 2027-29 events program).

121 - Secretaria de Estado da Comunicacao Social

Parent portfolio: Presidency of the Council of Ministers (PCM) | *Policies: 2*

SECOMS-A: Public-service media strengthening (RTTL public broadcaster, public access to information)

Submitting entity: Sec. Estado da Comunicacao Social (SECOMS)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: Public-service media + RTTL public broadcaster + public access to information. Recurrent operating + any equipment/digital capital. [SECOMS submission total US$4,190,000 per DGPO registry; not yet split across rows [114, 115]; per-component costs n/q pending full proposal] [SECOMS.pdf p30 budget table (rotated, items 150k-800k); registry total 4.19m; components 114/115 n/q]

Baseline check (vs 2026 Annual Plans)

Status: Existing-continuation | Dimension: Intensity

- SECOMS funded under Programa 510 Funcionamento e Desenvolvimento Institucional (US$751,701); public-service media (RTTL) sits in the media-sector baseline. GPP = continuation + modernisation; isolate the genuinely-new. [SECOMS 121]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Hold - clarification needed

Strengths

- Public-service media supports transparency and an informed citizenry (Brief priority).
- Clear public-broadcaster vehicle (RTTL).

Issues / required revisions

- Mostly public-media continuation - isolate genuinely-new (G3 = needs info); provide costing.
- Coordinate with the media cluster (INTL, RTTL, CI/Press Council).

Parent-ministry overlap (confirm)

SECOMS (121) lead; coordinate with RTTL, INTL (085) and the National Archive (062) - media/records cluster.

SECOMS-B: Journalism/community-media support + countering disinformation

Submitting entity: Sec. Estado da Comunicacao Social (SECOMS)

Indicative cost & profile

Indicative cost: not quantified | Cost profile: Mixed

Forward Estimates: Support to journalists/community media, journalist training, and countering disinformation. Anti-disinformation is genuinely new.

Baseline check (vs 2026 Annual Plans)

Status: Expansion / New | Dimension: Scope

- Beyond the SECOMS Programa 510 baseline (US$751,701); anti-disinformation + community-media support is the genuinely-new element (expansion). Coordinate with the Press Council Programa 439 (CI). [SECOMS 121]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Pass
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 3 / 5 | Merit: 6

Recommendation

Approve with revisions

Strengths

- Countering disinformation + supporting independent/community media protects an informed citizenry.
- Strengthens press freedom (with the Press Council).

Issues / required revisions

- Coordinate with the Press Council (CI, 077) and INTL to avoid a fragmented media-sector ask.
- Provide costing; confirm the recurrent vs one-off split.

Parent-ministry overlap (confirm)

SECOMS (121) lead; coordinate with the Press Council (CI, 077) and INTL (085) - media cluster.

122 - Comissao Nacional de Aprovisionamento

Parent portfolio: Min. Planning & Strategic Investment (MPIE) | *Policies: 1*

Public-procurement-code socialisation & implementation program (procurement modernisation)

Submitting entity: Comissao Nacional de Aprovisionamento (CNA)

Indicative cost & profile

Indicative cost: US$ 2,025,925 (opt 1) / US$ 1,025,025 (opt 2) | Cost profile: Mixed

Forward Estimates: Procurement-code socialisation/implementation: Option ~US$600,000 / ~US$1,025,025. Mostly recurrent (training, socialisation) + system support. The CNA file also contains an Annual Plan (PAA) - this row = the PPG procurement-code piece. [cost: CNA registry US$2.03m; was 0.6m] [cost: CNA.pdf p5-6 budget table (landscape/rotated, figures ~1.5m+); registry total 2.03m - source-consistent]

Baseline check (vs 2026 Annual Plans)

Status: Expansion / New | Dimension: Scope

- Existing under Programa 023 Gestao das Financas Publicas - Subprog 02302 Execucao Orcamental e Prestacao de Contas (US$1,465,420; Ativ 0230208 strengthen procurement services, 0230209 workshops) - plus Programa 510 (US$132,447). GPP = expansion (procurement-code socialisation/implementation across contracting entities). [CNA 122]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 2 / 5 | Merit: 5

Recommendation

Hold - clarification needed

Strengths

- Procurement-code socialisation improves the quality/integrity of public investment (a Brief priority); costed (~$0.6-1.0m).
- Reaches all contracting entities - system-wide value.

Issues / required revisions

- Confirm the PPG procurement-code program vs the Annual Plan (PAA) bundled in the same file (scope).
- Mostly recurrent socialisation/training - confirm the new vs baseline split; coordinate with MoF procurement reform.

Parent-ministry overlap (confirm)

CNA (122) under MPIE (023); procurement modernisation aligns Brief Opt 4 (quality of public investment); coordinate with MoF procurement reform.

127 - Instituto de Gestao de Equipamentos e Apoio as Infraestruturas

Parent portfolio: | *Policies: 1*

National Heavy-Machinery Workshop Centre (equipment management, machinery maintenance, spare parts, rehabilitation)

Submitting entity: Inst. Gestao Equipamentos e Apoio Infraestruturas (IGEADI)

Indicative cost & profile

Indicative cost: US$ 126,000,000 | Cost profile: Mixed

Forward Estimates: Option 2 (Establish a national heavy-machinery/road-maintenance workshop centre) - Infrastructure US$12m + Equipment US$8m + Operations US$13m = ~US$33m (Option 1 status quo = US$0, not recommended). Large capital - route via Infrastructure Fund. Centralises machinery maintenance + spare parts currently fragmented. [cost: IGEADI.pdf p19 USD 126m over 5yrs (~25m/yr); was 33m. (2-3.1bn there = 20yr national value, not ask)]

Baseline check (vs 2026 Annual Plans)

Status: New | Dimension: Scope

- Existing equipment role under Programa 026 Estradas e Pontes - Subprog 02606 Gestao e Instalacao de Equipamentos (US$2,050,961) - plus Programa 510 (US$1,332,856). GPP = NEW centralised National Heavy-Machinery Workshop Centre (capital), beyond the current maintenance line (expansion - scope/scale). [IGEADI 127]

Eligibility gates (criteria 1, 3, 4)

Gate	Result
G1 Complies with PM letter	Pass
G3 Genuinely new	Needs info
G4 Needs new resources	Pass

Merit (criteria 5-6)

C5 Capacity: 3 / 5 | C6 Alignment & impact: 2 / 5 | Merit: 5

Recommendation

Hold - clarification needed

Strengths

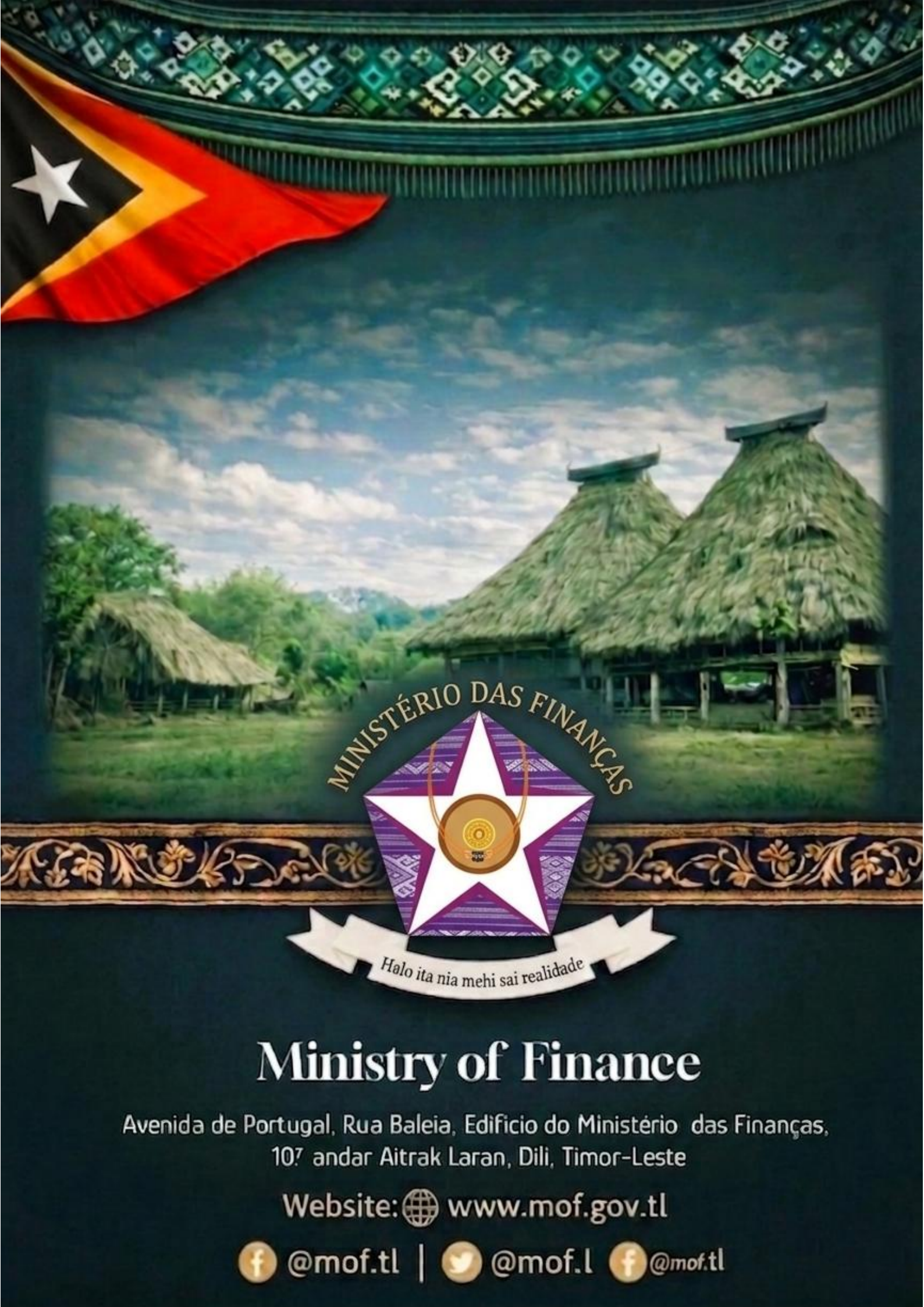
- A national machinery workshop could cut equipment downtime/cost for public works and reduce fragmented arrangements.
- Clear costed option (~US$33m) with infrastructure + equipment breakdown.

Issues / required revisions

- Large capital (~US$33m) - route via the Infrastructure Fund (Opt 7) and provide a demand/utilisation + cost-benefit case vs outsourcing (G3 = genuinely new but justify the build).
- Coordinate with Public Works/MOP (024) infrastructure delivery.

Parent-ministry overlap (confirm)

IGEADI (127) under Public Works/MOP (024); route workshop/machinery capital via Infrastructure Fund (080); coordinate with MOP infrastructure delivery.



Ministry of Finance

Avenida de Portugal, Rua Baleia, Edificio do Ministério das Finanças,
10.º andar Aitrak Laran, Dili, Timor-Leste

Website: www.mof.gov.tl

@mof.tl | @mof.l @mof.tl