



República Democrática de Timor-Leste

# State Budget 2017

## Approved

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# Budget Overview

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# Book 1

*“Be a Good Citizen. Be a New Hero to our Nation”*



República Democrática de Timor-Leste  
Ministério das Finanças  
**Gabinete Ministerial**



“Seja um bom cidadão, seja um novo herói para a nossa Nação”

## Book 1 – Budget Overview

### Preface

The Organic Law of the Ministry of Finance specifies the responsibility of the National Directorate of Budget to collect and manage financial information relating to the public sector and publish the statistical results.

In accordance with this provision and to promote the transparency of the public finances, the Ministry of Finance is publishing the final version of the documents relating to the 2017 State Budget, following the approval of the National Parliament.

The documentation for the 2017 State Budget consists of the Budget Law, plus various supporting budget books:

<b>Book 1</b>	<b>: Budget Overview</b>
Book 2	: Annual Action Plan
Book 3A	: Infrastructure Fund
Book 3B	: Municipalities
Book 3C	: RAEOA & ZEESM
Book 4a and 4b	: Budget Line Items
Book 5	: Development Partners
Book 6	: Special Fund - FDCH

Book 1 *Budget Overview* describes the overall budget strategy of the Government. It provides information on the international and domestic economic outlook, expected domestic and oil based revenue including expected sustainable income, and overall expenditure in the medium term and the main new initiatives in the coming year.

Budget documentation is available on the website of the Ministry of the Finance, [www.mof.gov.tl](http://www.mof.gov.tl). Inquiries relating to this publication should be directed to the National Director of Budget, Mr. Salomão Yaquim on email [syaquim@mof.gov.tl](mailto:syaquim@mof.gov.tl) or telephone +670 333 9518.

I consider that this document will increase awareness and understanding of the Government’s finances and help people to become good citizens and heroes to our nation by providing them with relevant information on the 2017 State Budget.



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## Contents

<b>Part 1 : Speech of the Prime Ministers .....</b>	<b>2</b>
<b>2.1: Executive Summary .....</b>	<b>16</b>
<b>2.2: A Review of Current Reforms in the Public Sector.....</b>	<b>19</b>
<b>2.3: Economic Overview .....</b>	<b>23</b>
<b>2.4: Monitoring Socioeconomic Indicators.....</b>	<b>30</b>
<b>2.5: Expenditure and Development Partners' Commitments .....</b>	<b>36</b>
<b>2.6: Revenue .....</b>	<b>47</b>
<b>2.7: Financing .....</b>	<b>60</b>
<b>Part 3 : 2017 General State Budget Law .....</b>	<b>70</b>
<b>Part 4 : Supporting Documents .....</b>	<b>109</b>

# Part 1: Speech of the Prime Minister



**P R I M E  
M I N I S T E R**

**SPEECH  
BY HIS EXCELLENCY THE PRIME MINISTER  
DR RUI MARIA DE ARAÚJO  
PRESENTING THE  
STATE GENERAL BUDGET 2017  
TO PARLIAMENT**

National Parliament, Dili  
23 November 2016

Your Excellency

The Speaker of Parliament

Your Excellencies

The Deputy Speakers of Parliament

Your Excellencies

The Members of Parliament

Fellow Government Members

Ladies and Gentlemen

People of Timor-Leste,

It is a great honour and satisfaction for me to come before this Great House on behalf of the Sixth Constitutional Government in order to present the State General Budget (SGB) for 2017. This budget, which is the last one I have the privilege of presenting, continues implementing our political commitment up until the end of our mandate in August 2017.

The Government is also privileged to present in the present year the budget for social security which, in accordance with Law no. 12/2016, must be submitted to Parliament together with the State General Budget, although it is the subject of a separate debate.

Before I go any further I would like to congratulate this Great House for its initiative to hold a seminar on 9-10 November, in which the Government participated, with the purpose of debating the "2017 budget overview".

Government activities are ruled by transparency and rigour, since the State budget is a budget for everyone. As such, the Government cannot but support initiatives that contribute to making Parliament further promote transparency and scrutiny concerning the State public accounts. The Government would also like to see the civil society and other institutions conveying their opinions, so as to make the debate over the next few days even more rewarding.

The Government is ready to contribute to a dynamic discussion on the SGB 2017, centred around the policies and programmes that reflect its options and that have contributed to improve the living situation of our people.

Mr Speaker,

From this general perspective we could say that the public investment made by the State through the SGB is a very effective tool for combating poverty and misery; it is an important tool that seeks to transform Timor-Leste into the country we all dream it will become, as is

underlined in the vision contained in the Strategic Development Plan (SDP). It is also a decisive instrument for creating the necessary conditions so that social and economic development can be realistic, inclusive and sustainable. In view of this, the public investment we are doing through the SGB, using domestic revenues and Petroleum Fund revenues, will benefit the current and future generations of Timorese People throughout the national territory.

As such, it is due to the Government's front loading policy, i.e. *"a tax policy seeking to invest within the country an amount exceeding the estimated sustainable revenue of the Petroleum Fund in order to set the conditions for diversifying the non-petroleum economy"*, that public investments done by the State through the SGB from 2007 to 2014 have enabled economic development and have increased by 8.6% a year the non-petroleum Gross Domestic Product (GDP), i.e. the GDP not resulting from the petroleum and gas revenues. Additionally, over the same period investment by the private sector increased 17.3% and household consumption increased 9.8%.

This data shows that the front loading policy is yielding rather positive results and creating conditions that should enable more progressive economic and social development in the future.

Due to the importance of having public investment within the country, drafting the SGB is an exercise that requires great responsibility, transparency, rigour and realism. Consequently the Government has drafted the SGB for 2017 based on the set national priorities, namely education, health, agriculture and core infrastructure, including drinkable water, sanitation, road construction and maintenance, irrigation, bridges, ports and airports, while also strengthening the other sectors that contribute directly or indirectly to our country's social and economic development.

When drafting the SGB 2017, the Government also considered the following factors:

1. Fiscal sustainability within the perspective of domestic revenues, petroleum and gas revenues, Petroleum Fund revenues or profit, donor commitments and the possibility of obtaining concessional loans from international banks and financial agencies.
2. Budget execution capacity and quality by State agencies, as well as the market's capacity to absorb the investment from the SGB execution in order to boost the Timorese economy.
3. Continuing to implement the second stage of the Strategic Development Plan over the 2016-2020 period, focusing on efforts to develop infrastructures, consolidate the development of human resources and encouraging the development of the non-petroleum economy.
4. Implementing the commitments signed by Timor-Leste concerning the Sustainable Development Goals (SDGs), already ratified by Parliament and harmonised with the stages of the Strategic Development Plan, focusing in the short and medium terms, starting in 2017 with SDG 2 (end hunger, achieve food security and improved

nutrition and promote sustainable agriculture), SDG 3 (ensure healthy lives and promote well-being for all at all ages), SDG 4 (ensure inclusive and equitable quality education), SDG (gender equality), SDG 6 (drinkable water and sanitation) and SDG 9 (improve infrastructures).

5. The new electoral cycle that will take place in 2017.
6. Global economy perspectives, which predict that emerging and development markets, as is the case of the Timor-Leste market, will grow around 4.6% in 2017; that global inflation will be 2.8% and that oil will cost around US\$50 per barrel in 2017.

Mr Speaker, Messrs Deputy Speakers, Illustrious Members of Parliament, People of Timor-Leste

In view of the above, the Sixth Constitutional Government comes before this Great House to present the State General Budget 2017 as follows:

- 1) Total revenues: *one billion three hundred and twelve point six million* (US\$1,312.6 million), namely *two hundred and six million point two million* (US\$206.2 million) from domestic revenues and *one billion one hundred and six point three million* (US\$1,106.3 million) from petroleum and gas revenues.
- 2) Total expenditure (including loans): *one billion three and hundred eighty-six point eight million* (US\$1,386.8 million), divided by the following categories and figures:
  - Salaries and Wages: \$208.8 million
  - Goods and Services (including HCDF): \$395.8 million
  - Public Transfers: 421.3 million
  - Minor Capital: 11.9 million
  - Capital Development, including IF and loans: 349.0 million.

The expenditure proposed in the SGB 2017 will be funded as follows:

- Domestic revenues: US\$206.2 million.
- Estimated Sustainable Revenue, i.e. the profit from the Petroleum Fund in 2017: US\$481.6 million.
- Withdrawals above the Petroleum Fund's Estimated Sustainable Revenue: US\$597.1 million.
- Loans from International Agencies: US\$101.8 million.

This expenditure category may be divided from an economic perspective into two major classes: (1) *Recurring expenditure*, which is the expenditure sustaining the apparatus of the State, namely salaries and wages, goods and services and minor capital; and (2) *Capital expenditure*, which is the expenditure used for investments seeking to create economic and social capital and not for ensuring the operation of the apparatus of the State. This latter class includes public transfers and development capital.

The draft SGB 2017 contains *recurring expenditure* of US\$616.5 million and *capital expenditure* (excluding loans) of US\$668.5 million. If we cross this with the funding sources I have just mentioned we can see that domestic revenues and the Petroleum Fund's Estimate Sustainable Revenue for 2017 add up to US\$687.8 million. This figure alone is enough to fund recurring expenditure and still leaves US\$71.3 million for funding capital expenditure. This means that the figure from the money deposited by the Petroleum Fund, i.e. the amount withdrawn above the Petroleum Fund's Estimate Sustainable Revenue, is not meant to cover recurring expenditure or to sustain the apparatus of the State, but rather to cover capital expenditure that will have a direct impact on economic diversification by creating jobs and that in the medium and long terms will yield social, economic, fiscal and financial returns.

The best way to reduce our dependency from petroleum and gas revenues is to diversify the economy, which is not possible without investing in human capital and in infrastructures, since these elements are transversal to every sector, benefit the people and create conditions for attracting further national and foreign investment to Timor-Leste.

Presently the way in which to continue investing in the human capital and infrastructures of Timor-Leste should be a combination between "*the policy seeking to invest in the country an amount exceeding the Petroleum Fund's Estimate Sustainable Revenue, so as to prepare the conditions to diversify the non-petroleum economy*" and the concessional loan policy, i.e. loans with low interest when compared with the interest generated by the money deposited in the Petroleum Fund.

Mr Speaker, Messrs Deputy Speakers, Illustrious Members of Parliament, People of Timor-Leste

Looking at the revenues of the SGB 2017 we see that:

1. Domestic revenue has increased an average of 31% from 2013 to 2016, although the withholding tax (revenues from taxes charged directly to companies and consultants that sign contracts with the State) represents an average of 17% of domestic revenues. This means that while domestic revenues have increased, 17% of those revenues are basically transfers from the category of expenditure to the category of revenues.
2. Although progress has been made in the collection of domestic revenue, and while the projection indicates that that domestic revenue will continue the present average increase until 2021, (30%) of the public expenditure of Timor-Leste through the SGB will continue to depend mostly from the Petroleum Fund. It is estimated that an average of *one to one point seven billion dollars* will be withdrawn from the



fund every year from 2017 to 2021, leaving the Fund with around *twelve billion dollars* in 2021.

I am stating this in order to show that the criticisms conveyed against the fact that Timor-Leste will cease depending from the Petroleum Fund in the medium term are cheap, unrealistic and utopic populism – a mere daydream. The front loading policy is a responsible and realistic policy that invests in areas and projects that can yield social, economic, fiscal and financial returns, after striving to minimise the risks usually associated with public investments, namely inefficiency, waste and corruption. This is the effort that the Sixth Constitutional Government is making and will continue to make in 2017.

On the other hand, if we look at expenditure in 2017 we see that:

1. Total expenditure in 2017 decreases around 30.6% against the 2016 rectification budget. There are three reasons for this reduction: **firstly** the Sixth Constitutional Government has started revising the public expenditure policy in order to stabilise expenditure levels and to control the excessive increase of expenditure in the public sector, so as to be consistent with the fiscal sustainability policy; **secondly** the Sixth Constitutional Government wants to increase the quality of expenditure, while reducing inefficiency and eliminating superfluous and wasteful expenses; and **thirdly** the amount allocated to projects related with infrastructure, goods and services and public transfers has been reduced against the 2016 rectification budget.
2. The category of Salaries and Wages increases 14.8% against the 2016 rectification budget because the Government decided to adjust the salaries of the General Career Regime with inflation. The last salary adjustment for the General Career Regime took place in 2008, while inflation, i.e. loss in purchasing power over that period, was around 50%. This adjustment also affected 47% of General Career Regime civil servants with an increase of 12-26%.
3. The category of Goods and Services (excluding HCDF) decreases US\$46.4 million, i.e. an 11.2% reduction against the 2016 Rectification Budget. This reduction does not lower the quantity of key services to be provided to the people by the Public Administration. Instead, it increases efficiency and seeks to increase quality in expenditure, particularly by reducing superfluous expenses and waste related with catering, printing, office materials, fuel, vehicle maintenance, local travels and travels abroad. The expenses within this category, which are rather high (over US\$5 million) and have direct and significant impact in the social and economic development of Timor-Leste, are (a) fuel, operation and maintenance of the Hera and Betano power plants (US\$54.9 million); (b) school meals and subsidies to public schools, implemented by municipal authorities and administrations (US\$17.6 million); (c) general elections in 2017 (US\$15 million); (d) legal services seeking to safeguard the maritime sovereignty of Timor-Leste (US\$12.3 million); (e) drinkable water and sanitation in urban and rural areas (US\$9.6 million); (f) printing books and other school materials for public schools (US\$8.5 million); (g) medicine and food for inpatients (US\$7.7 million). The remaining Goods and Services, although not so expensive and related directly with expenses for sustaining the apparatus of the

State, also influence the social and economic development of Timor-Leste, albeit indirectly.

For instance, the budget for Goods and Services allocated for supporting fiscal reform, supporting the recurring expenditure of SERVE and Trade Invest or allocated as a counterpart fund for co-funding physical projects or some private investment will yield positive effects in terms of the quantity and quality of private internal and external investment in Timor-Leste, as well as boost our efforts to diversify the non-petroleum economy in the best possible way.

Another example is the expenditure allocated for Goods and Services in the Ministries of Education, Health and Social Security. While a large part of it is spent on sustaining the respective recurring expenses, it will indirectly improve the social situation of the people. This is an effect from the implementation of the policies and programmes that are part of the tasks of those ministries. Ultimately everything will contribute to the development of the economy by way of developing human capital and its capacity to produce goods and services for the market, thereby increasing household purchasing power.

If, on the other hand, we consider the expenditure with Goods and Services allocated to the ministries, namely the Ministry of State Administration and the municipalities, the Ministry of the Interior and PNTL, the Ministry of Defence and the F-FDTL, the Ministry of Justice and the Ministry of Foreign Affairs and Cooperation, there are those who say that these expenses only sustain the apparatus of the State, that they are wasteful, that they do not yield returns, etc. Actually these expenses are not wasteful at all, since these sectors contribute to ensure law and order across the land, the rule of law and justice and cooperation with partners all over the world. All of this helps creating an enabling environment for social and economic development in Timor-Leste.

4. The category of Public Transfers decreased 11.5% against the 2016 rectification budget. This category is not included in the economic classification of *Recurring Expenditure* – although from a public accounting perspective it can be considered as recurring expenditure, since it will be repeated in the following fiscal year and since the State will have to continue providing for expenses in this category in the budgets for the following years – as the amounts allocated therein seek not to sustain the apparatus of the State but rather to sustain programmes inserted in the classification of economic investment or social investment, which include management expenses.

The expenses within this category, which are rather high (over US\$5 million) and have direct and significant impact in the social and economic development of Timor-Leste, are US\$172.1 million for RAEOA/ZEESM; (b) US\$153.3 million for the social transfers programme, namely pensions for veterans and martyrs, pensions for the elderly and victims of natural disasters, the Bolsa da Mãe programme and expenses related with medical treatment of veterans; (c) US\$16 million for mineral resource management; (d) US\$11 million for the social solidarity budget concerning the State's 6% contribution as employer of permanent staff; (e) US\$8.2 million for

providing hospital care abroad and in Timor-Leste, as well as concerning cooperation with the Cuban Medical Brigade; (f) US\$7.7 million for the municipalities in order to support basic sanitation; (g) US\$6.5 million for the Episcopalian Conference in order to support the social programme in the area of education and health provided directly by the Episcopalian Conference bodies; (h) US\$6 million for subsidies to political parties seeking to support the democratic process in Timor-Leste, and (i) US\$5 million for capitalising the Central Bank of Timor-Leste, thereby contributing to the development of the banking sector in Timor-Leste.

The remaining Public Transfers, although of a smaller amount, will contribute directly to social and economic investment in the country, such as the US\$4 million allocated to the credit guarantee system for micro, small and medium companies; the US\$4.4 million allocated for supporting civil society; and the US\$3.3 million allocated to the rural employment programme.

5. The category of Minor Capital is used for acquiring movable assets such as motor vehicles, machinery, furniture and other office equipment. This category had its budget reduced by 37% against the 2016 rectification budget. Although this category is included in the class of recurring expenditure, the use of these goods and services contributes to the creation of conditions to provide quality services, thereby also contributing indirectly to the country's social and economic development. The expenses within this category, which are significant (over US\$11 million), include (a) \$3 million to Parliament for acquiring vehicles for the members elected in 2017; (b) US\$1.4 million for acquiring equipment for the National Health Laboratory; (c) US\$1.3 million for acquiring a CT Scan for National Hospital Guido Valadares; and (d) US\$1 million for acquiring prepaid meters for EDTL.
6. The budget for the Capital Development category is distributed as follows: US\$222.6 million to the Infrastructure Fund; US\$10.7 million to PDIM (Municipal Integrated Development Programme); and US\$13 million to the capital development project of the Ministries.

According to the Strategic Development Plan, investments in key economic infrastructures, namely electricity, roads, bridges, drinkable water, airports and irrigation systems, are important elements for achieving sustainable economic growth and social transformation in Timor-Leste.

As such, in 2011 the Government created the Infrastructure Fund, containing budget for funding large infrastructure projects costing over US\$1 million. Since 2011 the budget for this Fund covers twenty-two programmes, totalling *one billion two hundred and fifty million dollars*. After the electrification programme in Timor-Leste conveyed electrical power to around 75% of the national territory, budget allocation to the Infrastructure Fund continues to be focused mostly around priority investments, namely in national roads, ports, airports and irrigation systems.

The Infrastructure Fund in 2017 will be allocated as follows: 38.6% to the road programme; 22.1% to the development programme concerning the Tasi Mane

Project; and 4.3% to the road maintenance and rehabilitation programme. The remaining 35% will be used to fund the infrastructure programme in the areas of agriculture, drinkable water and sanitation, education, health, youth and sports, tourism, electricity, etc.

7. The State General Budget includes funding for the Human Capital Development Fund, which supports expenses with human capital training through scholarships and capacity building. The amount allocated to this Fund in 2017 is US\$27.2 million, distributed by four programmes: vocational training (US\$7.4 million); technical training (US\$2.5 million); scholarships (US\$15 million) and other types of training (US\$2.3 million). This budget is integrated within the budget category of Goods and Services, although in economic terms it should not be classified as budget sustaining the apparatus of the State. While part of this budget will be used for capacity building State officers, the amount allocated to this Fund may be considered as an investment in human capital, which will yield social and economic returns in the short, medium and long terms.

According to the Government's estimates, expenditure under the SGB 2017 will have the following macroeconomic impacts: (a) influence economic growth by around 4%. Although this growth is smaller than in 2016 (5.4%), it represents a moderate, inclusive and sustainable growth that is conducive to the economic, inclusive and sustainable development of Timor-Leste; (b) no impact on inflation. Estimated inflation in 2017 is smaller than the 4% foreseen in the SDP due to the interaction of factors such as supply (which will not be reduced) and demand (which can be reduced if expenditure in the SGB is also reduced), as well as favourable external factors such as the depreciation of the US dollar against Timor-Leste's other commercial partners (such as Indonesia); the price of agricultural commodities lowering prices in the international market; (c) although it is difficult to accurately estimate the impact of the SGB 2017 on the unemployment rate, we can state that a conservative estimate indicates that the amount allocated to Goods and Services, Minor Capital, Public Transfers and Capital Development can generate around 40 thousand jobs over the following year. This will have a positive impact on the unemployment rate, reducing the number of people with vulnerable jobs and increasing the workforce participation rate.

Mr Speaker, Messrs Deputy Speakers, Illustrious Members of Parliament, People of Timor-Leste

This extensive description of revenues and expenditure in 2017 shows once again that our domestic revenues alone are not enough to meet the expenditure we require for sustaining the apparatus of the State and particularly for making the public investments we need to diversify our non-petroleum economy.

This is the reality today and in the next ten to twenty years. Indeed, we have been using money deposited in the Petroleum Fund – around US\$3 billion – for making public investments in our economy since 2009. This is in addition to the interest from the Petroleum Fund, aka the Estimated Sustainable Revenue.

*People of Timor-Leste, kindly allow me to provide you with an example to illustrate what I am saying:*

*The Serakey family lives in Dili. Out of the entire household, only the head of the family is employed, earning a salary of US\$250 per month. The Serakey family has 5 children, all of whom are attending school, from pre-school to higher education. At the same time the Serakey family is supporting 4 cousins, nephews and nieces, even going so far as to pay their school fees.*

*The Serakey family does not own any land. It used a backyard that did not belong to it to build a simple and temporary house, even though the owner of the backyard – the Berelaka family – demanded the Serakey family to leave. Meanwhile, an inheritance from Serakey's parents enabled the family to open a bank account with \$250 thousand, earning 3% interest per year.*

*The grandparents and the Serakey family itself decided to spend only the interest from this deposit and to avoid using the deposited money, so as to ensure that future generations of the family will also benefit from the money. However, the monthly amount from the interest of the inheritance is only US\$625. Even adding the US\$250 from the salary of the head of the family, the overall amount is not enough to cover the daily living costs of the family and to pay for the school fees of the family's children, cousins, nephews and nieces, let alone to purchase a plot of land and to build a house.*

*If it were up to us, what would we do? Would we continue using only the interest and remain in the Berelaka backyard living in a temporary house? Or would we use the interest and some of the deposited money in order to buy a plot of land and build a house, so as to improve the well-being of the family? Alternatively we could also withdraw money to buy a microlet or to open some other business, thereby diversifying the family's sources of income.*

*Different people could provide different answers, however this example illustrates the reality faced by the State of Timor-Leste. To some, the Serakey should not touch the deposited money. Instead they should "tighten their belt" and use only the interest and the salary. Subsequently, when the children became of age and started working, the family could start to think about purchasing a plot of land and building a house. This is what we can call the "belt tightening" policy.*

*To others, the Serakey family should withdraw more than just the interest, so as to purchase a plot of land, build a house and invest in some business, thereby diversifying the family's sources of income. In other words, "withdrawing more than just the interest, not to purchase two beds but rather to improve the well-being of the family." This is the front loading policy that the Fifth and Sixth Governments have implemented, and that will continue in 2017.*

Mr Speaker, Messrs Deputy Speakers, Illustrious Members of Parliament, People of Timor-Leste

The Sixth Constitutional Government believes that the SGB 2017, as was presented, will contribute to the sustainability of the economic and social development of Timor-Leste, even though it withdraws an amount exceeding the Estimated Sustainable Revenue.

The reforms achieved by the Sixth Constitutional Government over the past two years will maintain the existing conditions for diversifying our economy and reducing our dependency from the Petroleum Fund.

**Firstly**, the current Economic Reform and Growth has revised the organic structures, the policies and the legislation with direct impact on private investment, including a revision of the way in which Trade Investis structured and operates and of the way SERVE operates. It also approved a number of laws, some of which have already been submitted to Parliament, namely the Law on Private Investment, the Law on Commercial Societies, the Law on Land and Property and the Mining Code, just to name a few.

**Secondly**, the current Fiscal Reform is focusing on the perspective of revenue and expenditure. Concerning revenue, the Government is working to revise the Tax Law, studying the introduction of Value Added Tax (VAT) while trying to reform the structure and the operation of the tax administration bodies. The Tax Law and the VAT Law are still being drafted, however the Government has already revised the Customs Code and approved the new organic statute for customs authorities and tax authorities, which should start being implemented in 2017.

Concerning expenditure, the Government has already started to implement the planning, monitoring and evaluation mechanism in line with the planning, budgeting and budget execution process. This will include the budgeting of programmes over ten ministries in 2017, to be followed by the preparation for revising the legal procurement framework. Autonomous bodies and services have been managing their own budgets since 2016 and this will be extended to municipalities starting in 2017, so as to give more responsibility to the managers of agencies with administrative and financial autonomy.

**Thirdly**, the Public Administration Reform focuses more on the systems and procedures within public administration, also taking into account that personnel management mechanisms are to be reformed in a way that rewards merit, so as to motivate staff and consequently contribute to the delivery of efficient and effective services and to the social and economic development of Timor-Leste. Steps have already been taken in this direction. The Government approved the Decree-Law on competency standards for Leadership and Management positions in the public service; approved the Decree-Law on commendations in the public service, which have already started to be bestowed in 2016; and made an adjustment to the salaries of civil servants under the General Career Regime.

**Fourthly**, the Justice and Legislative Reform seeks to harmonise and standardise around four hundred Timorese legislative documents, attempting to correct the incoherencies and inconsistencies that have a boomerang effect on our social and economic development process.

In addition to these reforms, which ensure that the public investment made through the SGB achieves its goal, the State has a legal and institutional framework that supervises the SGB implementation mechanism, thus minimising inefficiency and incorrect uses of the SGB. Under the applicable law, State Agencies, Autonomous Bodies and Autonomous Services are politically, financially and criminally responsible for executing their own budgets.

Parliament itself plays an important role in overseeing the implementation of the SGB. The Inspectorate-General of the State, the Chamber of Accounts and the Anti-Corruption Commission are tasked with conducting investigations and audits, as well as verifying eventual irregularities.

In order to strengthen good governance the Government took the initiative, in partnership with civil society, to create the Social Audit for receiving feedback from the beneficiaries concerning the delivery of services and the implementation of programmes and projects by the Government. All these checks and balances help to ensure good governance and that the money withdrawn from the Petroleum Fund is used in accordance with the set goals.

The economic sustainability of Timor-Leste also entails restoring our sovereignty over our Seas. We all know that the wealth of maritime resources contributes strongly to our development, however we can only know the entirety of our maritime wealth when we set our maritime boundaries. As such, the Sixth Constitutional Government, through the commitment of its Chief Negotiator and Minister of Planning and Strategic Investment, Maun Bo'ot Kay Rala Xanana Gusmão, began the process for negotiating maritime boundaries with our two neighbours: Australia and Indonesia. The outcomes of the restoration of maritime sovereignty will provide even greater certainties, particularly in relation to the wealth that we can take into account in the process towards economic diversification and sustainable development in Timor-Leste.

We all know that we still have a long way ahead of us to achieve economic diversification and sustainable inclusive development. We also know that we will be facing many challenges along that path. Still, a series of reports issued a few months ago show that our country's social and economic development process is on the right track. For instance:

1. In the present year the World Economic Forum conducted a Review on the Impact of Sustainable Economic Development, putting Timor-Leste in the 7<sup>th</sup> place in the list of the countries that had greater success in converting economic growth into well-being for the people between 2006 and 2014.
2. Recently the International Monetary Fund stated that the Timorese economy is growing at a satisfactory rate, while mentioning the need and the capacity to diversify the economy. The IMF considers the progress made by the customs and tax reform as being rather positive, since it is a way to collect more domestic revenues.
3. The Poverty Report issued by the Directorate-General of Statistics in September of the present year states that the percentage of Timorese citizens living in poverty dropped from 50.4% in 2007 to 41.8% in 2014.
4. In its September 2016 issue, Lancet – a medical scientific magazine that enjoys good reputation throughout the world – stated that Timor-Leste, followed by Bhutan and Colombia, was the country out of 188 countries that has made the most progress concerning the 33 health targets of the Sustainable Development Goals since 2000. This improvement was a result of the interventions by the Timorese Government in the areas of universal health care, access to drinkable water and sanitation and peace and stability.

5. Last October the World Bank issued its quarterly report, stating that investments in infrastructures and other reforms are starting to yield results and suggesting the use of resources for diversifying the economy and ensuring fiscal sustainability.

While the opinions saying we are on the right track make us optimistic, Timor-Leste still has to deal with issues concerning public investment risks, inefficiency, waste and corruption. Furthermore, we have two specific challenges in the commercial and banking areas that must be managed so that we may achieve sustainable social and economic development.

**Firstly**, the Central Bank's Economic Bulletin September 2016 issue states that Timor-Leste's balance of payments features a large deficit when we exclude petroleum and gas. Everyone knows that Timor-Leste imports many goods and services. Over the last five years, i.e. since 2011, the deficit in terms of goods and services reached one billion point four dollars each year, the equivalent to the current account deficit of US\$770 million, i.e. 58% of the non-petroleum GDP over that five-year period. This means that Timor-Leste **spent more than it produced**. Our effort to diversify the economy must reverse this equation, meaning that we **have to start producing more than we spend**. Although this is not an easy challenge to overcome we have had previous success in the area of agribusiness, if we take into account the production of coffee and horticultural produce.

**Secondly**, the Central Bank's Economic Bulletin September 2016 issue also states that the total deposits in the Timorese banking system continue to increase, having reached US\$818 million at the end of September 2016. Although 95.5% of these total deposits are abroad, the commercial bank of Timor-Leste loaned a total of US\$184.7 million up to September 2016, with an average interest of 14.5%. The great challenge that the State must overcome in this area is creating conditions for the deposits housed by the commercial bank to be able to re-enter the economy as loans to the private sector. For this purpose we have established a credit guarantee for micro, small and medium companies in 2017. We also expect the current Economic Reform and Growth to open new paths for these deposits to be transformed into private investments in our economy.

Mr Speaker, Messrs Deputy Speakers, Illustrious Members of Parliament, People of Timor-Leste

Before concluding this presentation of the SGB 2017 I would like to underline the Government's commitment to continue striving to remain on this path that, although it requires a few adjustments, will enable us to meet the State's goal of bringing prosperity to our people.

I also want to seize this opportunity to congratulate all Timorese citizens, particularly women and young people, who have contributed with dedication and commitment so that Timor-Leste may have peace and stability, social and economic development may continue at a good pace and individuals and families may enjoy better living conditions, as is acknowledged by the international community.

Furthermore, I want to congratulate all Timorese women for what they have achieved in the recent suco elections. The increase in the number of women in community leadership positions further completes and strengthens the role of women in political offices, which



should make every citizen proud. The Government is committed to continue working so that the implementation of the programmes and projects contained in the SGB 2017 may contribute greatly to the elimination of discrimination against women and to the increase of women participation in public offices.

Lastly, Mr Speaker, Messrs Deputy Speakers and Illustrious Members of Parliament, on behalf of the Sixth Constitutional Government I would like once again to thank you for the opportunity to have an open dialogue and a honest and constructive debate on the SGB 2017. The Government is aware of the challenges being faced by the People, the Nation and the State, and believes that the programmes and projects contained in this SGB, together with your collaboration, will enable us to overcome these challenges.

***Let us then move onward with self-confidence, for it is by working together that we build our Nation from the ground up and that we improve the living situation of our people!!!***

Thank you very much for your time.

23 November 2016

Dr. Rui Maria de Araújo

# Part 2: Description and Analysis of the 2017 State Budget

## 2.1: Executive Summary

### 2.1.1: Government Policy

The Government of Timor-Leste's policies as guided by Strategic Development Plan are laid out in the Annual State Budget, with the long-term objective to become an upper middle income country by 2030. Achieving this goal, the Government is investing in infrastructure and key economic sectors including tourism, health, education and agriculture. Budget Book 1 for 2017 summarizes the plans on pursuing these policies for the coming fiscal year.

**Table 2.1.1.1: Combined Sources Budget 2015-2021, \$ million**

	2015 Actual	2016 BB1 Rec	2017 Budget	2018	2019	2020	2021
<b>Combined Sources Budget</b>	<b>1,562.9</b>	<b>2,157.5</b>	<b>1,543.4</b>	<b>2,379.3</b>	<b>2,549.4</b>	<b>2,182.1</b>	<b>1,952.4</b>
<b>Government Expenditures by Fund</b>	<b>1,340.2</b>	<b>1,952.9</b>	<b>1,386.8</b>	<b>2,271.0</b>	<b>2,480.1</b>	<b>2,142.2</b>	<b>1,952.4</b>
CFTL (excl. loans)	1,068.8	1,811.9	1,257.8	1,930.4	1,986.3	1,788.1	1,694.4
HCDF	32.0	34.0	27.2	29.9	32.9	36.2	39.8
Infrastructure Fund (Special Fund, excl. loans)	215.6	-	-	-	-	-	-
Loans	23.8	107.0	101.8	310.7	460.8	317.8	218.2
<b>Development Partner Commitments</b>	<b>222.7</b>	<b>204.6</b>	<b>156.6</b>	<b>108.3</b>	<b>69.3</b>	<b>39.9</b>	<b>-</b>

Sources: National Directorate of Budget and Development Partnership Management Unit, Ministry of Finance, 2016

### 2.1.2: Economic Growth

Becoming an upper middle income country by 2030 requires strong, high-quality non-oil economic growth. Public investment seen from 2007 to 2014 through the frontloading fiscal policy has driven growth in the non-oil economy, averaging at 8.6% per year. This was aimed at providing necessary foundations for long-term sustainable private sector led development. The real non-oil GDP growth significantly increased in 2014 to 5.9%, up from 2.8% in 2013 following the completion of the electricity project. In particular, household consumption increased by 9.8% suggesting that living standards are continuing to increase in Timor-Leste. The 17.3% growth in private sector investment shows that, in line with the Strategic Development Plan (SDP) and the frontloading policy, strong progress is being made in developing the private sector.

## 2.1.3: Expenditure

Total expenditure in the 2017 budget is \$1,386.8 million (excluding donor funded activities). This is lower than the amount in the 2016 rectification Budget (see Table 2.1.3.1). The VI Constitutional Government is committed to ensuring a prudent level of spending by maintaining the overall size of the budget and reviewing existing programs to ensure maximum returns on every dollar spent. Government expenditures have therefore been reviewed to prioritize programs and sectors with high returns and which are directly in line with the SDP objectives.

The Government is continuing to implement its frontloading policy to attract private investment. With the successful implementation of the electricity project, focus is now shifting towards investment in roads, ports, airports and bridges. As a result, expenditures, particularly on key sectors and priority infrastructure projects, will remain high until 2025. However by 2025, some SDP priority projects will begin to near completion and expenditure and excess withdrawals are expected to fall. Over the long-term expenditure will fall further whilst domestic revenue will continue to increase, allowing excess withdrawals to fall.

**Table 2.1.3.1: Fiscal Table with Memorandum Items, \$ million**

	2013 Act.	2014 Act.	2015 Act.	2016 BB1 Rec	2017 Budget	2018	2019	2020	2021
<b>Total Expenditure by Appropriation Category (incl. loans)</b>	<b>1,081.4</b>	<b>1,337.4</b>	<b>1,340.2</b>	<b>1,952.9</b>	<b>1,386.8</b>	<b>2,271.0</b>	<b>2,480.1</b>	<b>2,142.2</b>	<b>1,952.4</b>
<b>Total Expenditure by Appropriation Category (excl. loans)</b>	<b>1,075.1</b>	<b>1,321.6</b>	<b>1,316.4</b>	<b>1,845.9</b>	<b>1,285.0</b>	<b>1,960.3</b>	<b>2,019.2</b>	<b>1,824.3</b>	<b>1,734.2</b>
<i>Recurrent</i>	730.9	912.7	1,033.7	1,106.9	1,025.7	1,068.6	1,113.1	1,159.6	1,208.2
Salary and Wages	141.8	162.5	173.3	181.9	209.7	217.2	225.9	234.9	244.3
Goods and Services (including HCDF)	392.0	458.7	427.5	449.0	395	413.3	431.6	450.8	471.0
Public Transfers	197.0	291.5	432.9	476.0	420.9	438.1	455.6	473.9	492.8
<i>Capital</i>	350.5	424.6	306.5	846.0	360.9	1,202.4	1,366.9	982.6	744.2
Minor Capital	40.0	53.3	33.8	18.8	12.1	12.3	12.8	13.4	13.9
Capital and Development (including all Infrastructure & loans)	310.5	371.4	272.8	827.2	349.0	1,190.1	1,354.1	969.2	730.3
<b>Domestic Revenue</b>	<b>151.1</b>	<b>170.2</b>	<b>170.0</b>	<b>171.4</b>	<b>206.2</b>	<b>219.3</b>	<b>233.3</b>	<b>247.9</b>	<b>263.3</b>
<b>Non-Oil Fiscal Balance</b>	<b>(930.3)</b>	<b>(1,167.1)</b>	<b>(1,170.2)</b>	<b>(1,781.5)</b>	<b>(1,180.6)</b>	<b>(2,051.7)</b>	<b>(2,246.8)</b>	<b>(1,894.2)</b>	<b>(1,689.1)</b>
<b>Financing</b>	<b>930.3</b>	<b>1,167.1</b>	<b>1,170.2</b>	<b>1,781.5</b>	<b>1,180.6</b>	<b>2,051.7</b>	<b>2,246.8</b>	<b>1,894.2</b>	<b>1,689.1</b>
Estimated Sustainable Income (ESI)	787.0	632.3	638.5	544.8	481.6	475.1	447.9	419.6	393.3
Excess Withdrawals from the PF	(57.0)	99.7	640.0	1,129.7	597.1	1,265.9	1,338.1	1,156.8	1,077.5
Use of Cash Balance	194.0	419.4	(132.2)	-	-	-	-	-	-

Borrowing/Loans	6.3	15.8	23.8	107.0	101.8	310.7	460.8	317.8	218.2
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Sources: National Directorate of Budget, National Directorate of Economic Policy, Petroleum Fund Administration Unit, Ministry of Finance 2016; and Major Projects Secretariat, Ministry of Planning and Strategic Investment 2016

## 2.1.4: Domestic Revenue

Domestic revenues are performing strongly in 2016, and are forecast to exceed their targets, due in part to some large one-off payments of arrears, but also due to improving performance by the revenue collection agencies. For 2017, domestic revenues are forecast to increase by 4.3%. This is triggered by an improvement in Government services to the public as well as by improvements in collection. Positive trends in domestic revenues are expected to continue in the medium term due to a combination of improvements in administration and strong economic performance (see Table 2.6.1.1).

## 2.1.5: Financing

The non-oil deficit is equal to domestic revenue minus expenditure (see Table 2.7.1.1.). The Government is using the Estimated Sustainable Income (ESI), excess withdrawals from the Petroleum Fund (PF), and loans to finance the non-oil deficit in 2017. The non-oil deficit provides an approximate estimate of the amount of additional demand and money Government spending is contributing to the economy.

The ESI for 2017 is calculated at \$481.6 million and represents the amount that can be withdrawn from the PF, each year. The total amount budgeted to be withdrawn from the PF in 2017 is \$1,078.8 million, with excess withdrawals of \$597.1 million. The Government considers that excess withdrawals are necessary in the medium term to finance priority capital expenditures.

Loans are becoming an increasingly important tool for financing in the Government of Timor-Leste. The current loans contracted by the Government of Timor-Leste are used to finance key infrastructure projects and have relatively low rates of interest and significant grace periods. Total loan financing for 2017 is \$101.8 million.

## **2.2: A Review of Current Reforms in the Public Sector**

### **2.2.1: Ongoing Reforms in the Public Sector**

There are four ongoing reforms that the VI Constitutional Government has instituted, including the Legislative Reforms, Public Administration Reforms, Economic Reforms and Fiscal Reform.

#### **2.2.1.1: The Legislative Reforms**

The objective of the legislative harmonization and judiciary reform is to create a strong and efficient judicial system and is being led by the Legislative Reform Committee. The reform will follow a threefold strategy. First, the reforms will establish a new framework in line with regional and international standards. For example, laws currently processing through Parliament include land entitlement law, expropriation of public utility law, drug laws and human trafficking law.

Second, the reforms will reinforce the relationship between the specific bodies and institutions in the judicial system with the establishment of an Advocacy and Discipline Council, akin to a Bar Association, now processing through Parliament. The reforms have already enabled the establishment of the Police Scientific Criminal Investigation (SPCI), the gradual increase in the quantity and quality of judges, prosecutors and public defenders and new infrastructure buildings in municipalities for delegations of the Public Prosecutor Office and Public Defenders Office. Currently the Ministry of Justice is working on the reform of the Judicial Training Centre (JTC), a center for improving the human resource capacity in the Justice sector.

Finally, it will carry out a procedural reform, ensuring timely access to the justice system and easy exercise of the rights of citizens and legal entities. The Government has started implementing two languages (Portuguese-Tetum) in law, including in the judiciary system, to guarantee all citizens are able to access justice.

Overall, the reform will improve the legislative and judiciary sector's ability to guarantee and protect people's rights and contribute to sustainable development through national stability.

#### **2.2.1.2: The Public Administration Reform**

The mandate of the VI Constitutional Government coincides with the beginning of the second mandate of the Civil Service Commission (CSC) 2015-2020. The priorities established by the Government for the reform of Public Administration are translated into the activities of the CSC which are categorized into five important pillars, known as the "5Rs":

The first pillar is the Revision of Regulatory Framework, which continues in 2017 with the revision of regulations governing Public Service in the area of recruitment, selection and promotion of staff and a proposal of an adequate career regime for different arrangements of contract service in the Public Service. The recruitment and selection process will become more agile and efficient in evaluating the technical knowledge, skills and professional experience of the candidates.

The second pillar is Restructuring. The Public Service workforce will undertake a diagnostic process to understand skill and capacity levels, to ensure a quality service to the population. The results of this diagnosis will guide the restructuring process of the Public Service to be implemented in 2017 with the goal of providing better services.

The third pillar is Revitalizing the Working Culture, through the approval and implementation of measures to improve the motivation of public servants, dissemination of good practices and promotion of work ethics in the workplace.

The fourth pillar is Reinvention of Human Resource Management. The CSC will promote training and capacity building activities for managers and provide support to the process of managers' empowerment. The objective of these exercises is to create conditions for these managers to carry out their functions effectively in the management and development of staff in their respective institutions.

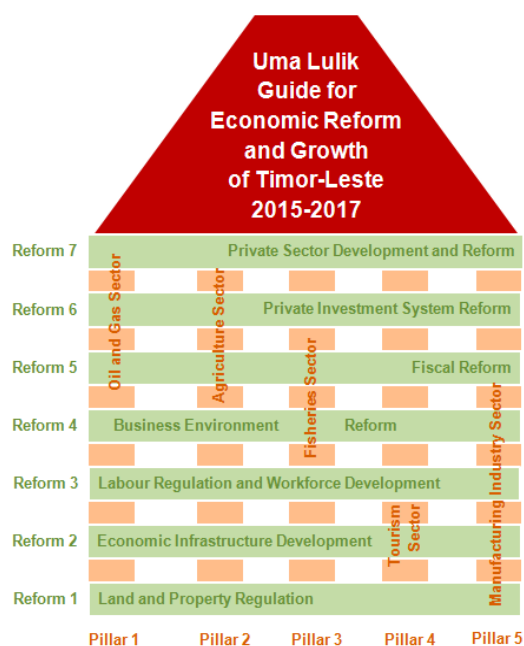
The fifth and final pillar is the Optimization of the Workforce, with the creation of working conditions for each institution of the Public Service to adequately define the organizational structure, from a mere financial perspective to a human resource management perspective.

### 2.2.1.3: The Economic Reform

The Office of the Minister of State, Coordinating Minister of Economic Affairs (MECAE) assists the Prime Minister in taking specific responsibility for the work and activities of the ministries and Secretary of State that provide support for economic development and private sector development.

In 2015 MECAE submitted to the Government the adoption of the Guide for Economic Reform and Growth for Timor-Leste 2015 - 2017 (GRFE) to ensure more effective and efficient coordination of economic affairs. This guide was approved by the Council of Ministers on 24 November 2015 and consists of five priority economic pillars: (1) oil and gas, (2) agriculture, (3) fisheries, (4) tourism, and (5) manufacturing industry, and seven reform areas: (1) land and property regulation, (2) economic infrastructure development, (3) labor market regulation and workforce development, (4) business environment reform, (5) fiscal reform, (6) private investment reform, and (7) private sector development reform.

**Figure 2.2.1.3.1 Uma Lulik guide for Economic Reform**



MECAE has been actively involved in coordinating line-ministries, secretary of state and agencies under its mandate to ensure policies are in place, programs and proper reforms are being implemented accordingly, implementation issues are addressed and resolved, ensure annual plans and their additional budget for recurrent activities are well captured in the Annual Action Plan 2017. MECAE has submitted and had approved by the Council of Ministers the following legal frameworks: Private Investment Law, Law of Commercial Companies, Law of Certificates of Origin, and Export Promotion Law. Further the Private Investment Law and the Law of Commercial Companies require approval by the Parliament.

In agriculture, MECAE in conjunction with Ministry of Agriculture and Fisheries has developed sectoral investment plans in the coffee sector and forestry sector. In tourism, MECAE is working with the Ministry of Tourism to develop a Tourism Policy and an economic model to estimate the impact of tourism expenditure in the economy. In the manufacturing sector, MECAE is developing an Industrial Policy in conjunction with the Ministry of Commerce, Industry and the Environment. MECAE is also working to reform the business environment by improving the operation of SERVE, reforming government's approach to investment promotion and facilitation and drafting policies and laws on competition, bankruptcy and insolvency and a commercial code.

#### 2.2.1.4: The Fiscal Reform

The Fiscal Reform aims to ensure the fiscal sustainability of Timor-Leste in the medium and long term by achieving a balance between State expenditures and revenues. It is the sum of two separate but interrelated reform processes, each with its own set of goals: Tax Reform and Public Expenditure Reform.

The Tax Reform aims to increase revenue from non-petroleum resources to 15% of non-oil GDP by 2020. In order to do this, the Tax Reform seeks to provide Timor-Leste with modern taxation legislation that will enable the Government to collect the necessary revenues for pursuing its Strategic Development Plan. The introduction of a Value-Added Tax (VAT) Law, the revision of the Tax and Duties Act, and the modernization of the Customs Procedures Code and the Tax Procedure Code are the main components of this area of reform.

Throughout the drafting stage of these laws, extensive public consultations were undertaken to inform and receive valuable inputs from the public and private sector, civil society and multilateral institutions (ADB, IMF, World Bank). A national public information campaign is in place and will continue in the coming months and years to support businesses, government, and the wider public during the implementation of these laws and reforms.

The other major area of the Tax Reform is the modernization of the Tax and Customs Administration through the updating of existing IT systems, provision of advanced training to Tax and Customs officers, and the streamlining of processes and procedures. A tax administration mission undertook intensive diagnostic and provided wide ranging and detailed recommendations aimed at a complete overhaul of the Tax Administration.

The Ministry of Finance through the Fiscal Reform Commission is also coordinating the work on the modernization of the Customs Administration being carried out in the wider context of Trade Facilitation. This includes intensive training to both customs officials and brokers, the upgrade of the ASYCUDA++ IT System to ASYCUDA World, the update of the Harmonized System (HS) codes and, in the coming months, the implementation of the new Customs Procedures Code. The Government is strongly committed to the reform of Customs and has passed a resolution on Trade Facilitation to support this commitment, as well as its intention to link Timor-Leste with both the ASEAN and CPLP Single Windows.

The Public Expenditure Reform component of Fiscal Reform seeks to ensure that public resources are used as efficiently and effectively as possible, resulting in an increase in the quantity and quality of public services and fostering productivity and economic diversification. The Public Expenditure Reform agenda includes measures geared towards increasing financial controls on public expenditure, eliminating wasteful and superfluous spending, improving the links between planning and budgeting to focus public expenditure on the development objectives outlined in the SDP, introducing an effective system for jointly monitoring and evaluating both the quantity and quality of Public Expenditure, and increasing the progressivity of public expenditure. The Fiscal Reform is also working on developing comprehensive legal and governance frameworks for fees and charges. This area of reform sits at the crossroads of Tax and Expenditure Reform, as it aims to simultaneously rationalize costs through more efficient service delivery in sectors such as electricity, water and sanitation, as well as to advance towards cost recovery in these



sectors. The Ministry of Finance through the Fiscal Reform Commission will intensify work in this reform area after the draft Tax and Customs legislative package is approved by Parliament.

Together, the reforms in all these areas will go a long way towards achieving fiscal sustainability. It is, however, an ambitious reform agenda that will require the sustained and concerted efforts of the public sector, the private sector, civil society, development partners, and the people of Timor-Leste.

## **2.3: Economic Overview**

### **2.3.1: International Economy**

#### **2.3.1.1: Trends in International Growth**

The IMF is expecting global growth in 2016 to be a moderate 3.1% following the gradual recovery in oil and financial markets in the early part of 2016. While emerging markets and developing economies are expected to recover and normalize out to 2017, growth in most advanced economies remains slow. The outcome of the UK referendum in favor of leaving the European Union has led to an increase in uncertainty and therefore a deterioration in the global outlook for 2016-17. This is most likely to affect advanced economies, particularly those within the EU.

The growth picture in the emerging markets and developing economies is diverse yet growth is overall projected to increase from 4.0% in 2015 to 4.1% in 2016 and 4.6% in 2017. The increase in the growth is driven by some improvement for a few large emerging markets—in particular Brazil and Russia, yet pulled down by Sub-Saharan Africa, where many of the larger economies are adjusting to lower commodity revenues. Despite China's transition to a more balanced growth path after a decade of strong credit and investment growth, Emerging and Developing Asia remains one of the world's high growth areas (see Table 2.3.1.1.1) and Timor-Leste is performing well within this group of economies. The increased demand for goods and services associated with the strong growth outlook in Asian markets represent an important export opportunity for Timor-Leste.

**Table 2.3.1.1.1 Real Economic Growth 2015–2017 (%)**

Country	Actual		Projections	
	2014	2015	2016	2017
World	3.4%	3.1%	3.1%	3.4%
Advanced economies	1.9%	1.9%	1.8%	1.8%
Emerging and Developing Economies	4.6%	4.0%	4.1%	4.6%
Emerging and Developing Asia	6.8%	6.6%	6.4%	6.3%
China	7.3%	6.9%	6.6%	6.2%
Euro area	0.9%	1.7%	1.6%	1.4%
Timor-Leste (non-oil)	5.9%	3.5%*	5.4%	3.9%

Sources: World Economic Outlook Update July 2016 (IMF), Ministry of Finance, 2016

\*Growth forecast

### 2.3.1.2: Trends in International Prices

According to the IMF, global inflation is projected to remain stable at 2.8% in 2016. Inflation in advanced economies is projected to increase slowly from 0.3% in 2015 to 0.7% in 2016 but remaining below most central bank targets, mostly as a result of the decline in oil prices. In contrast, commodity-exporting emerging market and developing economies are continuing to adapt to the decline in commodity prices and inflation is expected to fall to 4.5% in 2016, from 4.7% in 2015.

**Table 2.3.1.2.1: Global and Regional Inflation Rates (%)**

Country	Actual		Forecast	
	2014	2015	2016	2017
World	3.2%	2.8%	2.8%	3.0%
Advanced Economies	1.4%	0.3%	0.7%	1.5%
Emerging and Developing Economies	4.7%	4.7%	4.5%	4.2%
Emerging and Developing Asia	3.5%	2.7%	2.9%	3.2%
Timor Leste	0.7%	0.6%	-1.6%*	-

Sources: World Economic Outlook Update April 2016 (IMF), General Directorate of Statistics (MoF, 2016)

\* To July 2016

### Oil Prices

The international price of Brent oil has witnessed dramatic declines since June 2014 from highs of \$115<sup>1</sup> per barrel as a result of increased global supply, while global demand has decreased. More recently, however, the oil market has begun to recover from around late January 2016 and prices have bounced back, up by 67% to an average of \$46.53 per barrel in July 2016. The declines in excess oil supply, due predominantly to a gradual slowdown in

<sup>1</sup> Bloomberg data

non-OPEC production and some supply disruptions (notably in Nigeria and Canada), have helped push oil prices back up. This recovery is projected to continue out to 2017, with prices estimated to reach \$50 per barrel in 2017 (see Figure 2.3.1.2.2).

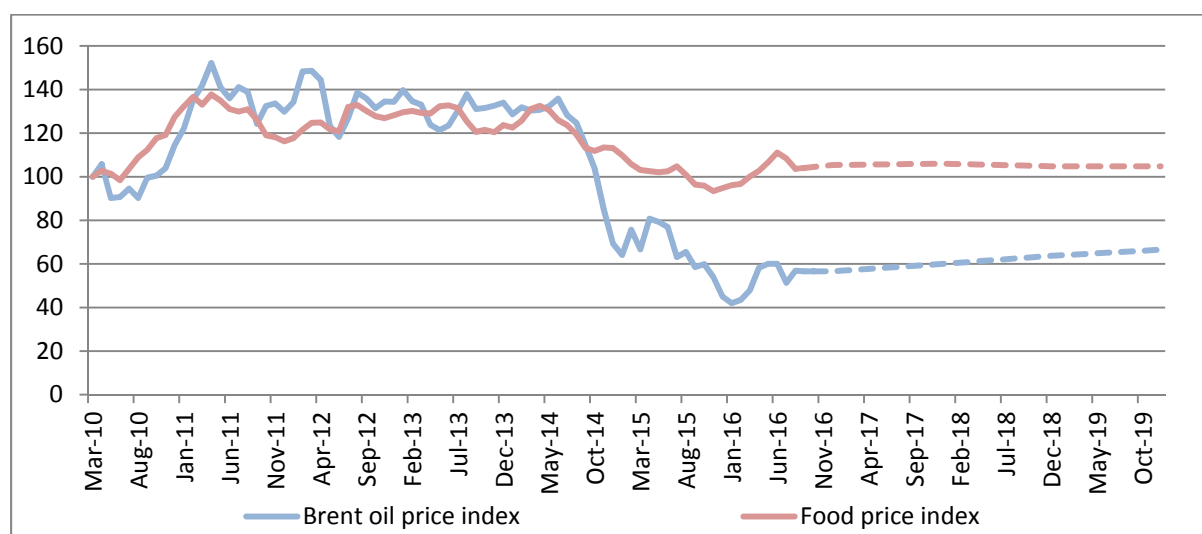
### Agricultural Commodity Prices

A significant proportion of the food consumed in Timor-Leste is imported and thus changes in international food prices can have a significant impact on both the rate of inflation and standard of living. According to the International Monetary Fund’s (IMF) Food Price Index international food prices fell by 29.0% between April 2014 and November 2015. Following this, food prices began to recover, increasing by 14% in 2016. The IMF is forecasting that food prices will continue to rise marginally throughout the rest of 2016 before stabilizing well below the highs witnessed in 2014 (see Figure 2.3.1.2.2). This will benefit poorer households in Timor-Leste.

### Foreign Exchange Rates

The general appreciation of the US dollar against the currencies of Timor-Leste’s trading partners, which began in early 2014, continued into the early part of 2016 but has now started to subside. The US dollar appreciated by only 0.3% against a weighted basket of Timor-Leste’s major trading partners’ currencies in the 12 months leading to July 2016. The appreciation in the last few years has reduced the price of imports, placing downward pressure on domestic inflation, benefiting Timorese consumers. However, this appreciation makes Timorese non-oil exports more expensive in international markets constraining the development of the country’s exports sector. Now that this appreciation is easing, the Timorese export market will be well-placed in the international market.

**Figure 2.3.1.2.2: Actual and Forecast Commodity Prices**



Source: Primary Commodity Prices (IMF), Bloomberg

## 2.3.2: Domestic Economy

### 2.3.2.1: Timor-Leste's Recent Economic Performance

In 2014, total (oil and non-oil) real GDP in Timor-Leste decreased by 27.8% to \$3,033 million (in constant 2010 prices). The large decrease is attributed to the decline in the oil sector (39.9%), which dominates the economy (see Table 2.3.2.1.1), as the volume of oil extracted decreased significantly across the year (31%) from 65.4 million barrels to 44.9 million barrels. The decrease in extraction volumes followed the low international prices of oil, as detailed in the Section 2.3.1.2.

However, given the relatively small level of employment in the oil sector, total GDP is not the best measure of economic performance for Timor-Leste. Instead, it is more useful to monitor economic performance using non-oil GDP together with a wide variety of other indicators relating to the non-oil economy. This approach provides a more accurate indication of the real impact of changes in the economy on the people of Timor-Leste.

**Table 2.3.2.1.1: Real GDP by Sector, Timor-Leste 2014**

	<b>GDP, \$ millions</b>	<b>Percent of Whole</b>
<b>Whole Economy</b>	<b>3,033</b>	<b>100%</b>
Petroleum Sector	1,859	61%
Non-petroleum Sector	1,174	39%

Source: Statistics Directorate, Ministry of Finance 2016

### 2.3.2.2: Non-Oil Economy

Timor-Leste has experienced exceptionally high non-oil GDP growth in recent years, averaging 8.6% per year over 2007-2014. These strong growth rates have been driven by increases in government expenditure associated with the government's temporary frontloading strategy to ensure that Timor-Leste has the necessary infrastructure to allow the private sector to flourish in the long-run. The Government's frontloading strategy uses loan financing and excess withdrawals<sup>2</sup> from the Petroleum Fund to finance high quality investment in infrastructure and human capital development. As outlined in Timor-Leste's Strategic Development Plan, the Government's high return investments will provide the necessary foundations for long-term sustainable private sector led development. These investments are stimulating economic growth, leading to higher domestic revenues and more sustainable government finances, which will allow excess withdrawals to return to levels consistent with the ESI. The frontloading policy has already allowed the Government to significantly upgrade road and electricity coverage throughout Timor-Leste, which has helped to improve both living standards and the business environment.

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<sup>2</sup>Withdrawals from the Petroleum Fund in excess of the ESI.

Table 2.3.2.2.1 shows that trend non-oil GDP growth significantly increased in 2014 to 5.9%, up from 2.8% in 2013. The high level of economic growth witnessed in 2014 is the result of a combination of strong growth in private sector investment, household consumption and increases in Government capital expenditure, associated with the frontloading policy. Aided by the low inflationary environment, household consumption increased by 9.8% suggesting that living standards are continuing to increase in Timor-Leste. The 17.3% growth in private sector investment shows that, in line with the Strategic Development Plan (SDP) and the frontloading policy, strong progress is being made in developing the private sector.

**Table 2.3.2.2.1: Real GDP 2008 - 2014, \$ millions**

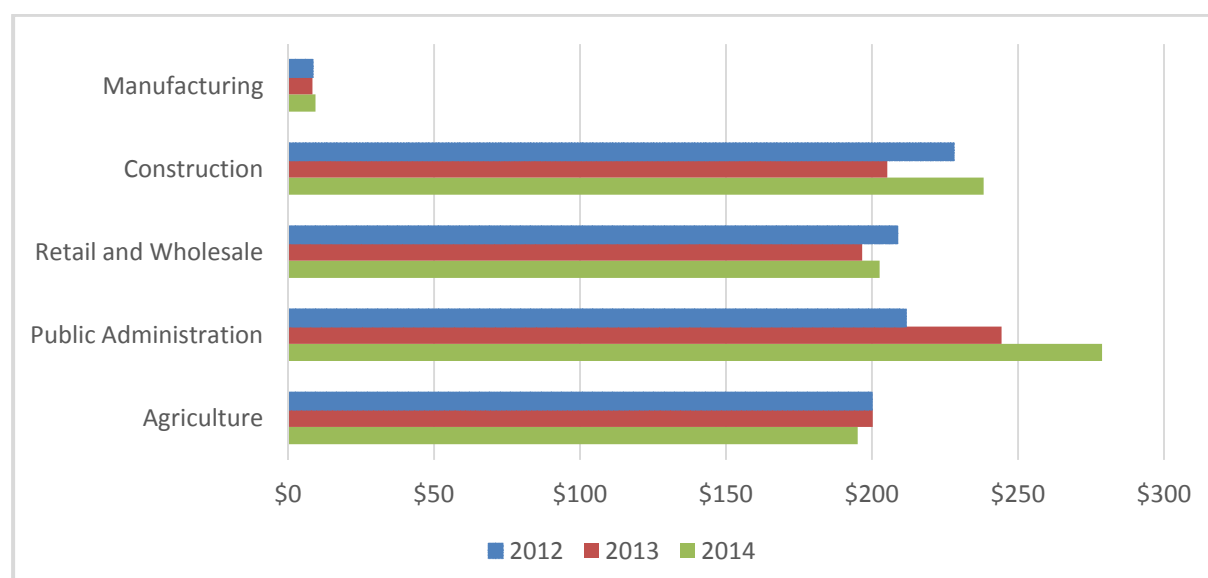
	2008	2009	2010	2011	2012	2013	2014
<b>Non-Oil Sector (\$m)</b>	756	854	941	1,019	1,078	1,109	1,174
<b>Non-Oil Sector Growth</b>	14%	13.0%	10.1%	8.2%	5.8%	2.8%	5.9%

Source: Statistics Directorate, Ministry of Finance 2016

### Sectoral Performance

The performance across the major sectors of the Timorese economy has been mixed in 2014. High growth levels were witnessed in the construction sector (16.1%) and the area of public administration, highly correlated with the increase in government capital expenditure linked to the frontloading strategy and an increase in public sector employment. Output in the agriculture sector decreased by 2.6% in 2014. Finally, the wholesale and retail trade sector increased by 3.0% in 2014.

**Figure 2.3.2.2.2: 2014 Real Non-Oil GDP by Industry 2012–2014, \$ million**

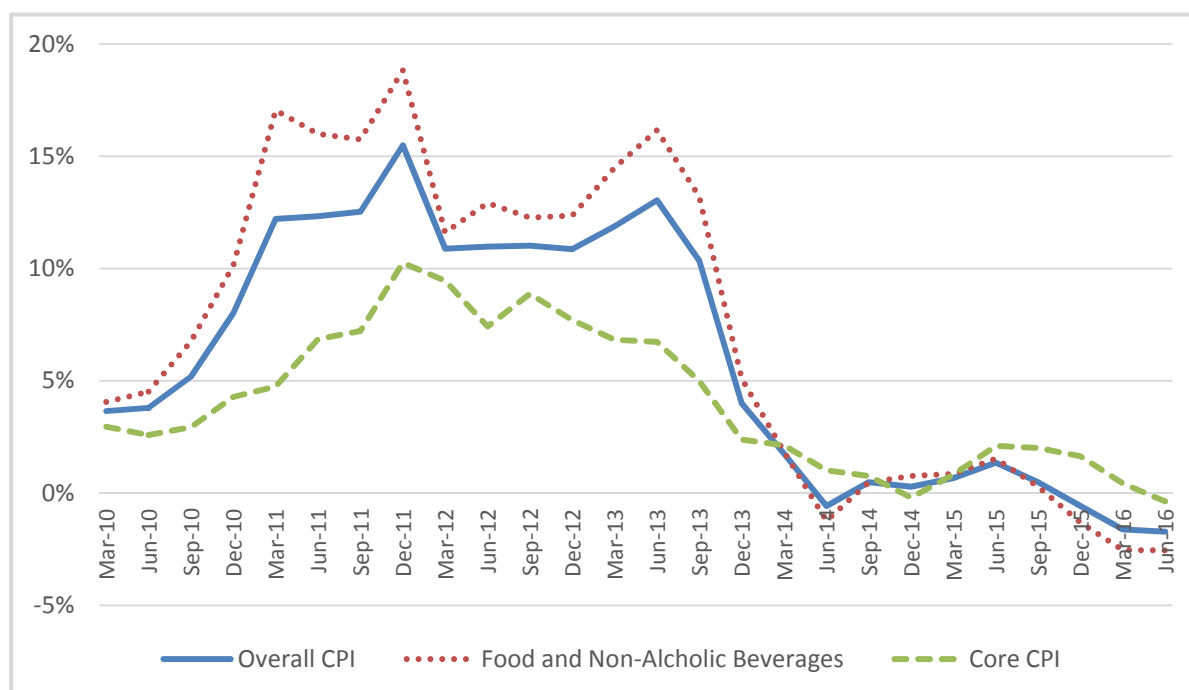


Source: Statistics Directorate, Ministry of Finance 2016

### Inflation

In 2014, year-on-year inflation in Timor-Leste was low, averaging 0.7% across the year. This low and stable inflationary environment followed a period of highly volatile prices between 2011 and 2013 and this new period of low and stable inflation is welcomed by both households and businesses. In 2015, year-on-year inflation remained low, averaging 0.6% across the year, before falling negative in 2016, averaging -1.6% up to August 2016. As detailed in Section 2.3.1.2, a strong dollar and lower international oil and food prices are the main reasons for Timor Leste’s low inflation rate. Lower prices in Timor-Leste is consistent with the Government’s poverty reduction strategy, providing Timorese consumers and business with greater purchasing power.

**Figure 2.3.2.2.3: Change in Consumer Price Index Timor-Leste 2010-2016 (%)**



Sources: National Directorate of Economic Policy and Statistics Directorate, Ministry of Finance 2016

### 2.3.2.3: Employment

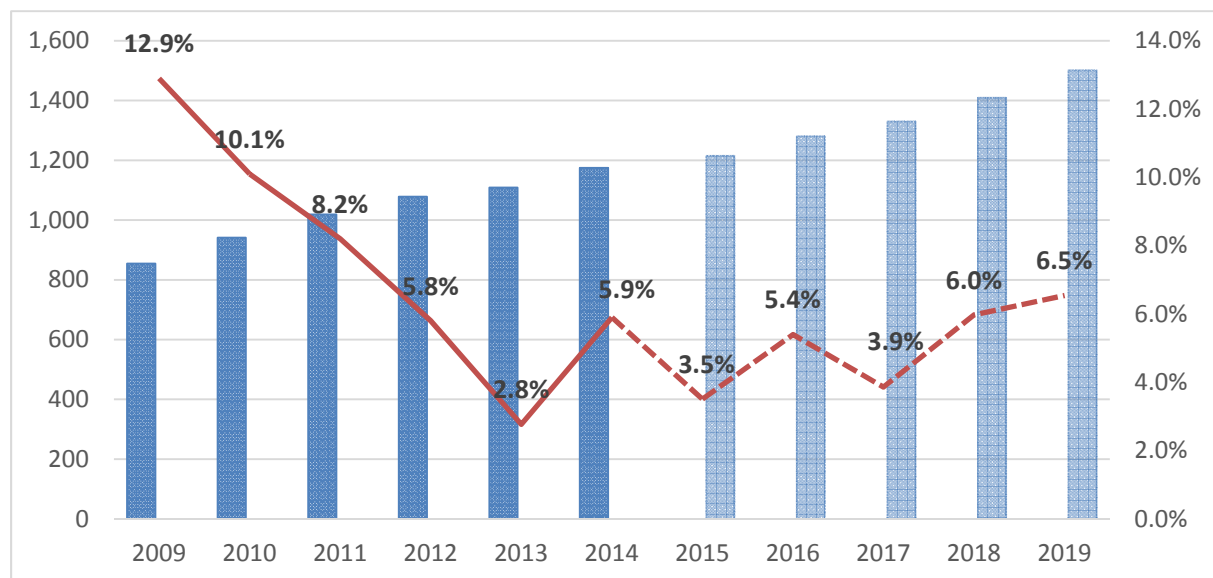
According to the Business Activity Index (BAS), there were 62,200 people formally employed in Timor-Leste businesses in 2014. This represented an 8% increase since 2013. The construction sector is the main contributor to the increase in formal sector employment, with formal construction jobs increasing by 23% between 2013 and 2014. The construction sector is the largest employer, responsible for almost one quarter of all formal sector employment.

Within the public sector, the number of Public and Civil Servants reached 33,800 in 2014. This represents an 18.9% increase since 2013 following the Government’s decision to give work contracts to around 4,000 volunteer teachers. In 2015, the number of Public and Civil Servants also increased once again, by 1.6%, to 34,300.

### 2.3.3: Short to Medium-Term Prospects (2015-2019)

The Ministry of Finance is forecasting non-oil GDP growth in the 3.5% to 6.5%<sup>3</sup> range in the medium term (see Figure 2.3.3.1). After the strong growth witnessed in 2014, a slightly slower rate of growth is expected in 2015 while government expenditure remains flat. Following this, growth is expected to pick up once again as large Government financed projects enter their high-spending phases, and the resulting infrastructure assets create a conducive environment for strong growth in private sector investment.

**Figure 2.3.3.1 Government Expenditure (\$m, LHS) and real non-oil GDP growth (RHS)**



Sources: Source: Timor-Leste National Accounts 2000-2014, General Directorate of Statistics (MoF, 2016) and Economic Forecasts (National Directorate of Economic Policy, MoF, 2016)

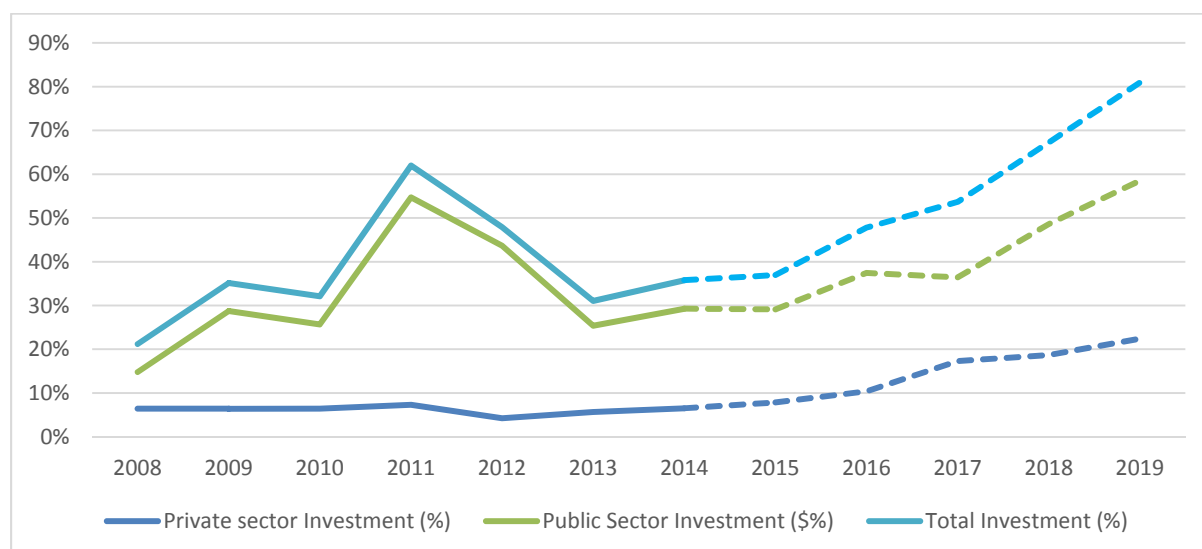
Over the medium-term, several large-scale private sector investments will commence resulting in a significant increase in private sector investment across the forecast period to 2019. 2016 is a strong year for private sector investment in Timor-Leste with the commencement of the Heineken manufacturing facility in Hera, the cement packing terminal in Liquica, and the expansion of existing commercial and retail properties throughout the country. 2017 will see construction begin on the Tibar Bay Port, and over the longer term other private sector investments will commence operations as illustrated in Figure 2.3.3.2. Such investments are consistent with the Government’s frontloading

<sup>3</sup> The real GDP growth forecasts are based on 2010 prices. In 2017, the National Accounts 2015 will be rebased to 2015 prices to ensure the data reflects a more current snapshot of the economy, improving the coverage of economic activities included in the GDP compilation framework. Rebasings is a normal statistical procedure undertaken by countries’ national statistical offices. This will, however, mean that the forecasts and the growth figures for future years will not be directly comparable.

strategy as investments in the road network, provision of electricity and education have played a key role in attracting these investors and consequently, creating jobs domestically.

The medium-term outlook for Timorese consumers is also positive with consumption set to grow steadily, boosted by a low inflationary environment. Looking forward across the medium-term, this environment is likely to continue given the world commodity price outlook and exchange rate projections (see Figure 2.3.1.2.2).

**Figure 2.3.3.2 Investment as a % of non-oil GDP, 2008-2019**



Sources: Timor-Leste National Accounts 2008-2014, General Directorate of Statistics (MoF) and Economic Forecasts (National Directorate of Economic Policy, MoF)

## 2.4: Monitoring Socioeconomic Indicators

### 2.4.1: Reviewing the Millennium Development Goals

#### Goal 1: Eradicate Poverty and Hunger

The 2007 Timor Leste Standard of Living Survey (TLSLS-2) indicated that 50.4% of Timorese people lived under the national poverty line of \$25.14 per month. The new 2014 TLSLS-3 indicates that the national poverty line has risen to \$46.37, but the proportion living below the poverty line has fallen to 41.8% and hence that the poverty rate has declined by 8.1 percentage points over the past seven years.

Child malnutrition has fallen slightly over the past 7 years, from 48.6% in 2007 to 45% in 2015. However, and despite some improvements, the prevalence of underweight children remains above the MDG target of 31% and very high on a global level.



## **Goal 2: Achieve Universal Primary Education**

Net enrolment rate in primary education has gone up substantially from 66% in 2007 to 82.7% in 2015, whilst the literacy rate of youth in Timor-Leste has decreased slightly between 2007 and 2015 by 6%. Overall Timor-Leste did not meet the 100% targets even though education has long assumed a central role in the Government's efforts towards national development.

## **Goal 3: Promote Gender Equality and Empower Women**

Timor-Leste has achieved all targets under Goal 3. The percentage of seats occupied by women in Parliament is now 39% and exceeds the MDG target of 35%. The country has also surpassed the targets set for ratios of girls to boys in primary, pre secondary and secondary school, setting an example for gender equity in education, an achievement few other developing countries can claim.

## **Goal 4: Reduce Child Mortality**

According to the Demographic Health Survey (DHS) 2009-2010, Timor-Leste has already achieved its target of reducing under-five infant mortality by two thirds. The infant mortality rate decreased from 60% to 45% between 2007 and 2015. The number of children immunized against measles in 2007 was 63%, shows 11% increase over the past 7 years.

## **Goal 5: Improve Maternal Health**

Maternal mortality has fallen dramatically from 450 per 100,000 live births in 2007 to 215 per 100,000 live births<sup>4</sup> in 2015 and therefore Timor-Leste has achieved the target of less than 252 per 100,000. Antenatal care of at least one visit also has been achieved due to a significant increase by approximately 20 percentage points over the past 7 years from 67.9% to 86%.

Also, Timor-Leste has made good progress in births attended by skilled health personnel, contraceptive prevalence and antenatal proportion of births attended by skilled health personnel. The proportion of births attended by skilled health personnel has increased significantly over the past 7 years by approximately 12%.

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<sup>4</sup> This figure is taken from the forthcoming 2015 Demographic and Health Survey.

## **Goal 6: Combat HIV/AIDS, Malaria and other Diseases**

Timor-Leste has made remarkable progress in decreasing incidence and death rates associated with malaria. The number of children under 5 sleeping under an insecticide treated mosquito net has now risen to 89% from 45% between 2007 and 2015 and the rate of incidence associated with malaria has gone down to 11.3% from 20.6% in 2014.

TB related cases have been made a good progress, however, Timor-Leste did not meet the MDG target by 2015. Moreover, the proportion of population aged 15-24 who has comprehensive knowledge of HIV/AIDS has increase slightly to 37% in 2015, from 12.9% in 2007.

## **Goal 7: Ensure Environmental Sustainability**

The 2010 Census suggests that 50% of land is covered by forest in 2015. The recent expansion of the national electricity grid may reduce demand for firewood and consequently deforestation. There are also plans to plant sandalwood, mahogany and teak which will directly contribute to reforestation.

The proportion of the population using an improved water drinking source has increased to 72% in 2015 which is just below the MDG target of 78%.

Following the achievements made by countries in the MDGs, through discussion processes among country members of UN, a post-2015 agenda known as Sustainable Development Goals (SDGs) has been established as a successor to the MDGs to respond to sustainable development issues including poverty and hunger, health and education and climate change.

### **2.4.2: Sustainable Development Goals (SDGs)**

#### **Introduction**

In 2012, the UN Secretary General established the High Level Panel of Eminent Persons, consisting of 27 members, with Timor-Leste represented by the Chair of G7+. This panel established the first draft of the SDGs. The table below shows the 17 goals of SDGs that have been approved in the UN general assembly and call upon countries to implement.

**Table 2.4.2.1 The 17 Sustainable Development Goals**

Goal 1	End poverty in all its forms everywhere
Goal 2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
Goal 3	Ensure healthy lives and promote well-being for all at all ages
Goal 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
Goal 5	Achieve gender equality and empower all women and girls
Goal 6	Ensure availability and sustainable management of water and sanitation for all
Goal 7	Ensure access to affordable, reliable, sustainable and modern energy for all
Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
Goal 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
Goal 10	Reduce inequality within and among communities
Goal 11	Make cities and human settlements inclusive, safe, resilient and sustainable
Goal 12	Ensure sustainable consumption and production patterns
Goal 13	Take urgent action to combat climate change and its impacts
Goal 14	Conserve and sustainably use the oceans, seas, and marine resources for sustainable development
Goal 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
Goal 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
Goal 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development

**SDG Working Group**

To ensure the implementation of SDGs in Timor-Leste, through the Government resolution number 34/2015, an SDG Working Group was established. The Group will facilitate the operationalization of the SDGs, including linking SDG programs to the annual government budget and monitor the progress made by the government in achieving the SDGs.

## Operationalization of SDGs

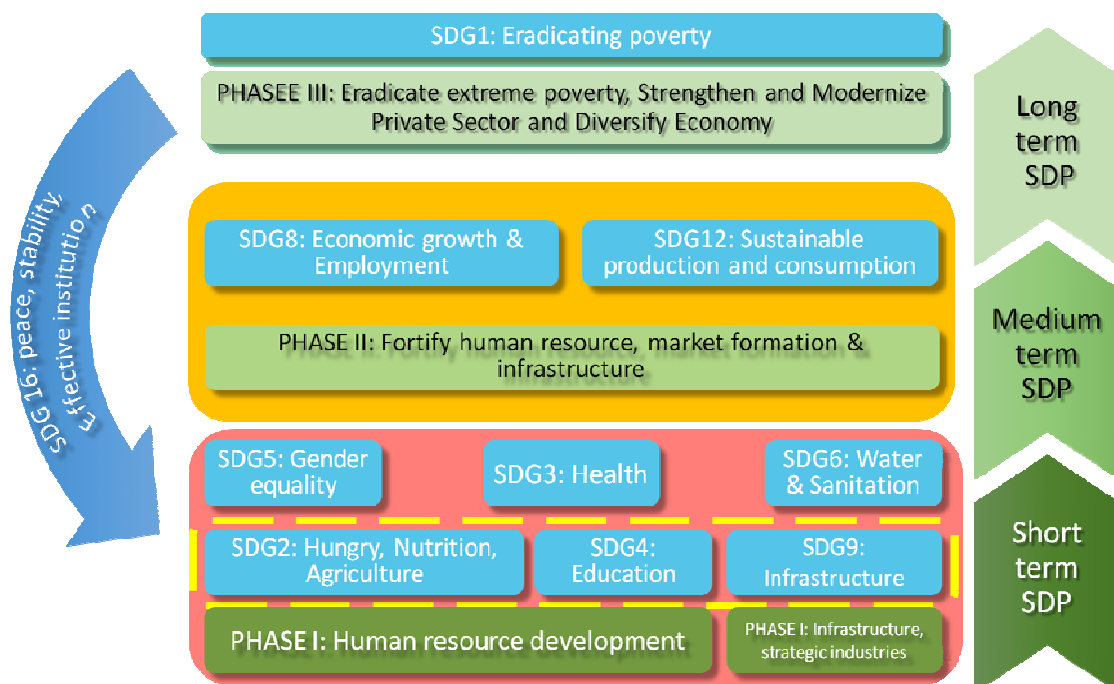
To ensure the implementation of the SDGs in Timor-Leste, the working group has established a short term work plan that is summarized below.

- Develop a centralized data collection and data sharing system that is accessible and practical;
- Establish a mechanism to verify data quality;
- Put together outputs from line ministries to monitor national achievements;
- Develop a monitoring framework of national indicators that is specific, measurable, accurate, realistic and time bound;
- Report annually on the government’s achievements; and issue a report every two years, and
- Develop a system to share the progress of implementation and achievement of SDGs with the public, both nationally and internationally.

## Alignment to the Strategic Development Plan (SDP)

The SDGs working group will work to align the Strategic Development Plan and the SDGs, as summarized in the following diagram:

**Figure 2.4.2.2 SDP and SDGs alignment**



The red block shows the alignment of the SDP Phase 1 goals of developing human resources, strategic industries and infrastructure with the SDG goals on eradicating hunger, developing quality educations and infrastructure, ensuring a healthy population, gender equality and clean water and sanitation for all.

The yellow block shows the alignment of the SDP Phase 2 goals of further strengthening human resources, infrastructure and forming markets with the SDG goals of economic growth and employment, and sustainable consumption and production.

Finally, the third turquoise block shows the alignment of the SDP Phase 3 goal of ending extreme poverty, strengthening the private sector and modernizing and diversifying the economy with the SDG goal of ending poverty.

### Government priority on SDGs in 2017

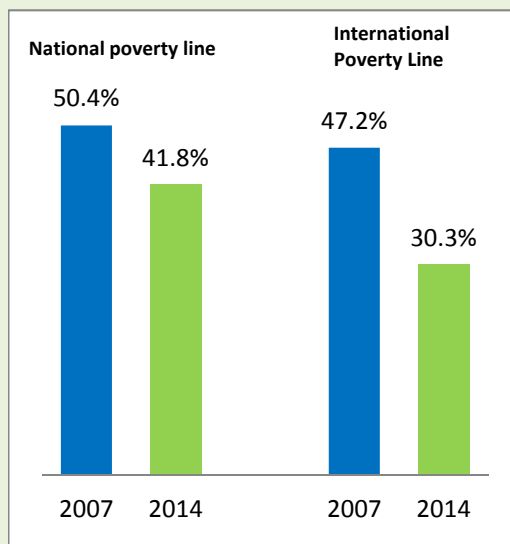
In 2017 the government will prioritize implementing goals on eradicating hunger, improve nutrition and increase agriculture production (SDGs2), continuing investing in quality of education (SDGs4) and improving infrastructure and industry (SDGs9).

### 2.4.3: Timor-Leste Survey of Living Standards 2014

The recent Timor-Leste Survey of Living Standards shows that inequality is low and stable in Timor-Leste. Inequality is usually measured using the Gini coefficient which varies between 0 and 1, with higher values indicating greater inequality. The Gini coefficient for per capita consumption is estimated at 0.29 for 2014 - only very slightly higher than the level of 0.28 estimated for 2007 and much lower than the average Gini coefficient in East Asia, estimated at 0.37<sup>5</sup>.

#### Timor-Leste Survey of Living Standards

The recently completed 2014-15 Timor-Leste Survey of Living Standards shows a significant reduction in poverty in the country over the past decade, with the proportion of Timorese living in poverty declining from 50.4% in 2007 to an estimated 41.8% in 2014, based on the national poverty line. This poverty estimate provides the most accurate measure of poverty in Timor-Leste given local conditions but is not directly comparable with poverty rates in other countries. Based on the internationally-comparable measure of extreme poverty, poverty in Timor-Leste has fallen from 47.2% in 2007 to 30.3% in 2014.



<sup>5</sup> World Bank Data, averaging Cambodia, Philippines, Vietnam, Thailand, Laos, Mongolia, 2012

## 2.5: Expenditure

The 2017 combined sources of the State Budget total \$1,543.4 million. This is composed of \$1,386.8 million in Government expenditures (including \$101.8 million in loan-financed projects) and \$156.6 million from development partners.

Total Government expenditure is substantially lower for 2017 compared to the 2016 Rectification Budget. This is mainly due to the decision of the Government to increase capital allocations in 2016 for projects that were advancing ahead of schedule, thus reducing the planned expenditure for 2017. In addition, 2017 is an election year and the Government understands that execution has historically been lower in election years.

### 2.5.1: Expenditures by Fund

Government expenditure is spread across the Consolidated Fund of Timor-Leste (CFTL), the Human Capital Development Fund (HCDF) and loans. As of 2016, the Infrastructure Fund is an autonomous agency under the CFTL. Compared to the 2016 Rectification Budget figures, all Government expenditures have decrease: HCDF expenditure (-20.0%), loan expenditure (-4.8%) and CFTL (-30.6%).

**Table 2.5.1.1: Expenditure by Fund, (\$m)**

	2015 Actual	2016 BB1 Rec	2017 Budget	2018	2019	2020	2021
<b>Combined Sources Budget</b>	<b>1,562.9</b>	<b>2,157.5</b>	<b>1,543.4</b>	<b>2,379.3</b>	<b>2,549.4</b>	<b>2,182.1</b>	<b>1,952.4</b>
<b>Government Expenditures by Fund</b>	<b>1,340.2</b>	<b>1,952.9</b>	<b>1,386.8</b>	<b>2,271.0</b>	<b>2,480.1</b>	<b>2,142.2</b>	<b>1,952.4</b>
CFTL (excl. loans)	1,068.8	1,811.9	1,257.8	1,930.4	1,986.3	1,788.1	1,694.4
HCDF	32.0	34.0	27.2	29.9	32.9	36.2	39.8
Infrastructure Fund (Special Fund, excl. loans)	215.6	-	-	-	-	-	-
Loans	23.8	107.0	101.8	310.7	460.8	317.8	218.2
<b>Development Partner Commitments</b>	<b>222.7</b>	<b>204.6</b>	<b>156.6</b>	<b>108.3</b>	<b>69.3</b>	<b>39.9</b>	<b>-</b>

Sources: National Directorate of the Budget and Development Partners Management Unit, Ministry of Finance, 2016

### 2.5.2: CFET / CFTL Expenditures

The CFTL is the Government's central account and includes all expenditures for line ministries and autonomous agencies with the exception of the HCDF. Within it, recurrent and capital expenditures are spread across five appropriation categories as laid out in table 2.5.2.1.

Budgeted expenditures in the CFTL will decrease by 30.6% in 2017 compared to the 2016 Rectification Budget. This is largely due to the decrease in infrastructure spending, which was accelerated in 2016. The VI Constitutional Government has also reviewed and will stabilize the level of expenditures in order to control the growth of the public sector, minimize wasteful expenditures and therefore boost returns on investment. A smaller and more efficient public sector will provide an opportunity for greater private sector investment-led growth. Recurrent expenditures have decreased by 6.9% in 2017 compared to the 2016 Rectification Budget, particularly on goods and services. Notably, transfers have decreased by 11.5%, predominantly due to a substantial reduction in transfers to the Oecusse Special Zone for Social Market Economy (ZEESM).

**Table 2.5.2.1: Breakdown of CFTL expenditure, (\$m)**

	2015 Actual	2016 BB1 Rec	2017 Budget	2018	2019	2020	2021
<b>Total CFTL Expenditure</b>	<b>1,068.8</b>	<b>1,811.9</b>	<b>1,257.8</b>	<b>1,930.4</b>	<b>1,986.3</b>	<b>1,788.1</b>	<b>1,694.4</b>
<b>Recurrent</b>	<b>1,001.7</b>	<b>1,072.9</b>	<b>998.7</b>	<b>1,038.7</b>	<b>1,080.2</b>	<b>1,123.4</b>	<b>1,168.4</b>
Salary and Wages	173.3	181.9	209.7	217.2	225.9	234.9	244.3
Goods and Services	395.6	415.0	367.8	383.3	398.7	414.6	431.2
Public Transfers	432.9	476.0	420.9	438.1	455.6	473.9	492.8
<b>Capital</b>	<b>67.1</b>	<b>739.0</b>	<b>259.1</b>	<b>891.7</b>	<b>906.1</b>	<b>664.7</b>	<b>526.0</b>
Minor Capital	33.8	18.8	12.1	12.3	12.8	13.4	13.9
Capital and Development	33.3	720.2	247.2	879.4	893.3	651.4	512.1
<i>Infrastructure Fund (Autonomous, excl. loans)</i>	-	676.7	222.6	853.8	866.7	623.7	483.3

Source: National Directorate of the Budget, Ministry of Finance, 2016

### 2.5.2.1: Salaries and Wages

Salaries and wages expenditures are expected to grow by 15.3% in 2017 compared to the 2016 Rectification Budget. This is due to changes in the structures of some ministries and state institutions following new Organic Laws and the implementation of a salary increase for the General Regime in 2017.

### 2.5.2.2: Goods and Services

Investments in new capital assets have been significant in recent years. These assets require additional resources for their operation and maintenance, so to ensure that they operate efficiently. The Goods and Services budget will reach \$367.8 million for 2017. There has been some reprioritization in Goods and Services expenditures to ensure they focus on areas in the SDP and hence contribute to the wider economy and society. Therefore, there are reductions from cuts in items such as catering and travelling in an effort to boost expenditures with high and positive returns. This section first describes measures under this appropriation category.

## Measures

The main measures for goods and services are:

- \$53.9 million to the Ministry of Public Works, Transport and Communication towards fuel and maintenance of electricity generators in Hera and Betano. Providing electricity throughout the whole country continues to be a cornerstone of the Government's economic development efforts. Ensuring effective maintenance of generators and the regular, adequate supply of fuel is essential for ensuring a reliable supply of electricity.
- \$17.6 million is allocated to the Municipalities for the School Feeding program in public schools, subsidies to school and operational costs and services for administrative authorities to help support the Municipalities.
- \$14.3 million to the Whole of Government to support the national elections. The national elections reinforce the Government's commitment towards promoting democracy and inclusive growth.
- \$12.3 million to the Whole of Government for legal services. These are funds to enable the state to defend itself in various legal cases.
- \$9.6 million to the Ministry of Public Works, Transport and Communication for a clean water and sanitation programme in Dili and rural and urban areas.
- \$8.5 million to the Ministry of Education for printing, supply of school materials, support for public schools and scholarship opportunities.
- \$4 million to the Whole of Government for the Counterpart Fund.
- \$4.9 million to SAMES for medication to help improve the quality of health services provided in the country.
- \$3.2 million to the Whole of Government for the Fiscal Reform, Performance Management Reform and Budget Performance Reform.
- \$2.8 million to the Ministry of Health to buy food for patients. These expenditures will help improve the quality of health services provided in the country.
- \$2 million to the Whole of Government for the paying of quotas to international institutions.
- \$2.3 million to the Administration of Ports of Timor-Leste for fuel for the Berlin Nakroma to ensure the operation of the ferry and continued access to Oecusse and Atauro for the population of Timor-Leste.



- \$2.0 million to the Ministry of Commerce, Industry and Environment towards rice imports and the support of local products. This will support the local rice market, contribute to the School Feeding and Disaster Relief programs and ensure the basic access to food for the population.
- \$1.8 million to the Ministry of Tourism, Art, and Culture to promote culture and tourism in Timor-Leste and to support the Expo and other international events.
- \$1.6 million to the Whole of Government for external audit services.
- \$1.3 million to the Office of the Institution of Equipment Management (IGE) for the maintenance of heavy equipment.

### 2.5.2.3: Public Transfers

Public transfers comprise all of the money the Government spends on public grants and consigned payments. They are the largest category in recurrent expenditures and are set to reach \$420.9 million in 2017, 11.6% lower than the 2016 Rectification Budget figure. This section describes the main measures for this category.

#### **Measures**

The main measures for public transfers include:

- \$171.8 million to the Special Administrative Region of Oecusse Ambeno (ARAEOA) and the Oecusse Ambeno and Atauro Special Zones for Social Market Economy (ZEESM).
- \$153.4 million to the Ministry of Social Solidarity towards social programs, including the veterans', old age and disability pension schemes, Bolsa de Mãe, victims of natural disasters and for the medical treatment of veterans. These programs support vulnerable and deserving groups and contribute to reducing poverty.
- \$16.0 million to the Ministry of Petroleum and Mineral Resources to support the National Petroleum Authority and Minerals (ANPM), TIMOR GAP and the Institute of Petroleum and Geology (IPG). This money is required to ensure Timor-Leste maximizes the benefits from its natural resources.
- \$11 million to the Whole of Government for the provision of pensions for permanent civil servants under the contributory regime.
- \$8.2 million to the Ministry of Health for treatments abroad, primary healthcare and the subsidy for Cuban Doctors in Timor-Leste. These investments are important to further improving the quality of health services for the population.

- \$7.7 million to the Municipalities to support urban cleaning activities, school feeding programs and school grants, contributing to rural development and inclusive growth.
- \$6.5 million to the Whole of Government to support the activities of the Church in Timor-Leste, in line with the plans and policies of the Government.
- \$6.0 million to the National Electoral Commission. This expenditure will provide subsidies to political parties, which will contribute to the democratic process in Timor-Leste.
- \$5.0 million to the Whole of Government in order to capitalize the Central Bank of Timor-Leste (BCTL. This capitalization will contribute to the development of the financial sector in the country.
- \$4.8 million to the Secretary of State of Youth and Sports to support sport and artistic activities. Promoting culture and sports is important both for morale as well as to promote Timorese traditions.
- \$4.4 million to the Office of the Prime Minister towards supporting NGOs. The NGO sector in Timor-Leste provides a valuable service to the country and its people.
- \$4.0 million to former Leaders and formers members of sovereign bodies for a lifetime pension due to the dedication and service provided to the country.
- \$4.0 million to the Whole of Government to support the creation of a Credit Guarantee Scheme for Small and Medium Enterprises to ensure Timorese businesses have access to funding, helping the business environment to develop in Timor-Leste.
- \$3.3 million to the Secretariat of State for Vocational Training Policy and Employment (SEPFOP) for the rural employment program. This will contribute towards promoting job creation and economic growth, particularly in rural areas.
- \$2.3 million to the Whole of Government for the g7+ secretariat. The work of this secretariat ensures that the voice of fragile states is heard and acted upon by the international community.
- \$3.3 million to the Secretary of State for Social Communication to provide subsidy for Radio Television Timor-Leste (RTTL, E.P).
- \$1.3 million to the Whole of Government to cover loan repayments.
- \$1.5 million to the Whole of Government as contributions for international financial support. This will support the international community and allow Timor-Leste to further influence the global community.

- \$1.2 million to the Ministry of State Administration to support the urban solid waste management program and the operational costs of the National Program for Village Development (PNDS), helping aid rural development.
- \$1.1 million to the Ministry of Education towards the funding of Portuguese teachers in Timor-Leste in Reference Schools through (CAFE).

#### 2.5.2.4: Minor Capital

Minor capital includes expenditures on vehicles, furniture and other movable assets. The 2017 budget for this category is significantly decreasing by 35.9% from the 2016 Rectification Budget. This is a result of the expenditures reprioritization process. Expenditure under the minor capital category is used towards the purchase of capital equipment such as vehicles and machines that last for several years and do not need to be repurchased in the near future. This section first describes the main measures for this category.

##### **Measures**

- \$3.0 million to the Parliament for the purchase of vehicles for new members of Parliament in 2017.
- \$1.4 million to the National Laboratory for the purchase of new laboratory equipment and machinery to allow further research.
- \$1.3 million to Guido Valadares National Hospital to purchase a CT scanner to improve the healthcare facilities offered in Timor-Leste.
- \$1 million to the Ministry of Public Works, Transport and Communication for the purchase of pre-paid electricity meters to ensure that electricity used is paid for across the country.

#### 2.5.2.5: Capital and Development

From Table 2.5.2.5.1, CFTL capital and development expenditures have increased due to the inclusion of the Infrastructure Fund (IF) as an autonomous agency under the CFTL. CFTL capital and development expenditures are broken down into \$222.6 million for the IF, \$10.7 million for the Integrated Municipal Development Planning (PDIM) and \$13.9 million for other capital and development projects across line ministries.

**Table 2.5.2.5.1: PDIM and Other Capital and Development Expenditures (\$m)**

	2015 Actual	2016 BB1 Rec	2017 Budget	2018	2019	2020	2021
<b>Total Capital and Development</b>	<b>33.3</b>	<b>720.2</b>	<b>247.2</b>	<b>879.4</b>	<b>893.3</b>	<b>651.4</b>	<b>512.1</b>
Infrastructure Fund (Autonomous, excl. loans)	-	676.7	222.6	853.8	866.7	623.7	483.3
District Development Programs	14.2	23.0	10.7	11.2	11.6	12.1	12.5
Ministries / Agencies	19.1	697.2	13.9	14.4	15.0	15.6	16.2

Sources: National Directorate of Budget, MoF and ADN, Ministry of Planning and Strategic Investment, 2016

### 2.5.3: Infrastructure Fund

As set out in the SDP, developing core economic infrastructure such as electricity grids, roads, bridges, water supply, ports, and irrigation systems is one of the key elements to support sustainable economic growth and social transformation in Timor-Leste. For this purpose, the Government established the IF in 2011, which financed key large infrastructure projects (above \$1 million). Since 2011, a total of \$3.25 billion has been approved and allocated to the IF to finance 22 programs, and includes Public Private Partnerships (PPPs) and external loans.

The Government has also introduced a new Maintenance and Rehabilitation program to emphasize the need for undertaking proper maintenance of infrastructure.

The Government's successful electrification project was the first step in laying out crucial basic infrastructure for the benefit of households and private investors. This program has resulted in supplying electricity to almost 75% of the territory. With the electricity program nearly at the stage of completion, the Government is now prioritizing investment in national roads, ports, airports and dams, some of which will be financed through concessional loans. Major civil works on the roads and Tasi Mane programs have commenced, and more than 50% of the IF budget in 2017 is allocated to these two programs.

The total budget for the IF (excluding loans) in 2017 is set to reach \$222.6 million and is distributed into various programs. In line with the Government's policy mentioned above, the largest portions of the 2017 IF budget are allocated to the roads program (38.6%), the Tasi Mane Development Program (22.1%), and maintenance and rehabilitation (4.3%).

Projections for outer years for the IF are summarized in Table 2.5.3.1. The pattern of expenditures in the IF is consistent with the Government's frontloading policy and current contractual obligations. The expenditure will increase in 2018 and 2019 as core infrastructure constructions from several strategic investment projects such as Tibar Bay Port, South Coast Highway, Suai Supply Base, and the Tasi Mane Development Program jointly rise. In 2020 and 2021, infrastructure spending gradually falls due to a combination of some of the major programs being completed and alternative infrastructure financing mechanisms being arranged to reduce the fiscal burden of large-scale infrastructure in a given year. To date these arrangements are Public-Private Partnerships (PPPs) and external loans.

**Table 2.5.3.1: Infrastructure Fund Projections (\$m)**

Infrastructure Data, \$ millions	2016 BB1 Rec	2017 Budget	2018	2019	2020	2021
<b>Total Infrastructure (including loans)</b>	<b>783.7</b>	<b>324.4</b>	<b>1,164.5</b>	<b>1,327.5</b>	<b>941.5</b>	<b>701.6</b>
<b>Total Infrastructure (excluding loans)</b>	<b>676.7</b>	<b>222.6</b>	<b>853.8</b>	<b>866.7</b>	<b>623.7</b>	<b>483.3</b>
Agriculture and Fisheries	2.5	3.2	14.3	45.5	32.8	16.3
Water and Sanitation	15.8	5.7	20.0	45.3	57.5	26.1
Urban and Rural Development	5.9	5.0	18.2	3.6	1.0	0.0
Public Buildings	3.9	7.9	42.8	88.5	68.0	13.7
Financial Sector	26.8	5.0	9.5	6.9	1.5	0.0
Youth and Sport	5.3	3.1	12.8	7.2	3.1	1.0
Education	0.9	2.4	17.6	35.0	33.7	9.5
Electricity	41.0	13.4	101.6	48.8	21.5	5.8
Information Technology	1.8	1.0	21.0	37.5	9.5	0.0
Millennium Development Goals	8.7	1.0	3.0	17.0	32.5	7.5
Health	1.6	2.0	5.2	8.9	10.3	2.6
Security and Defense	3.6	3.8	14.3	22.6	15.9	1.5
Social Solidarity	0.0	0.0	0.0	0.0	0.0	0.0
Tasi Mane Project	183.9	49.3	224.2	242.9	165.9	317.9
Roads	208.0	84.9	254.8	156.0	66.9	14.8
Maintenance and Rehabilitation	4.9	9.6	13.4	9.0	7.0	7.0
Bridges	2.1	2.8	9.2	10.2	12.9	1.4
Airports	24.5	16.4	34.5	43.6	65.8	52.5
Ports	131.3	2.0	30.9	31.3	13.3	2.5
Tourism Sector	1.1	1.5	2.6	1.4	0.4	0.0
Preparation, Design and Supervision of New Projects	3.1	2.6	4.0	5.5	4.5	3.5
Loans Program	107.0	101.8	310.7	460.8	317.8	218.2

Source: Major Projects Secretariat, Ministry of Planning and Strategic Investment, 2016

## 2.5.4: Expenditure on Loan Financed Projects

Expenditure on loan-financed projects is presented in Table 2.5.4.1, which amounts to \$101.8 million in 2017. This a 4.8% reduction compared to the 2016 Rectification Budget figure. A detailed description of these projects is presented in Section 2.7.

**Table 2.5.4.1: Expenditure on Loan Financed Projects (\$m)**

	2016 Budget Rectification	2016 F'casted Actual	Final 2017 Budget	2018	2019	2020	2021
<b>Loan Expenditure</b>	<b>107.0</b>	<b>50.3</b>	<b>101.8</b>	<b>310.7</b>	<b>460.8</b>	<b>317.8</b>	<b>218.2</b>

Source: Loans Unit, Ministry of Finance, 2016

## 2.5.5: Human Capital Development Fund

The purpose of the HCDF is to finance expenditures on scholarships and capacity development. For the 2017 budget, the HCDF is broken down into four major programs: Vocational Training, Technical Trainings, Scholarships and Other Types of Training.

Table 2.5.5.1 summarizes the budget appropriations for HCDF by program. The total 2017 budget is \$27.2 million, 20% lower than the 2016 Rectification Budget.

**Table 2.5.5.1 Human Capital Development Fund by Program, (\$m)**

	2016 Budget Rectification	Final 2017 Budget	2018	2019	2020	2021
<b>Total HCDF (by Program)</b>	<b>34.0</b>	<b>27.2</b>	<b>29.9</b>	<b>32.9</b>	<b>36.2</b>	<b>39.8</b>
Vocational Training	7.8	7.4	8.2	9.0	9.9	10.9
Technical Training	5.1	2.5	2.8	3.0	3.3	3.7
Scholarships	17.2	15.0	16.5	18.1	19.9	21.9
Other Training	3.8	2.3	2.6	2.8	3.1	3.4

Source: Secretariat for the HCDF, 2016

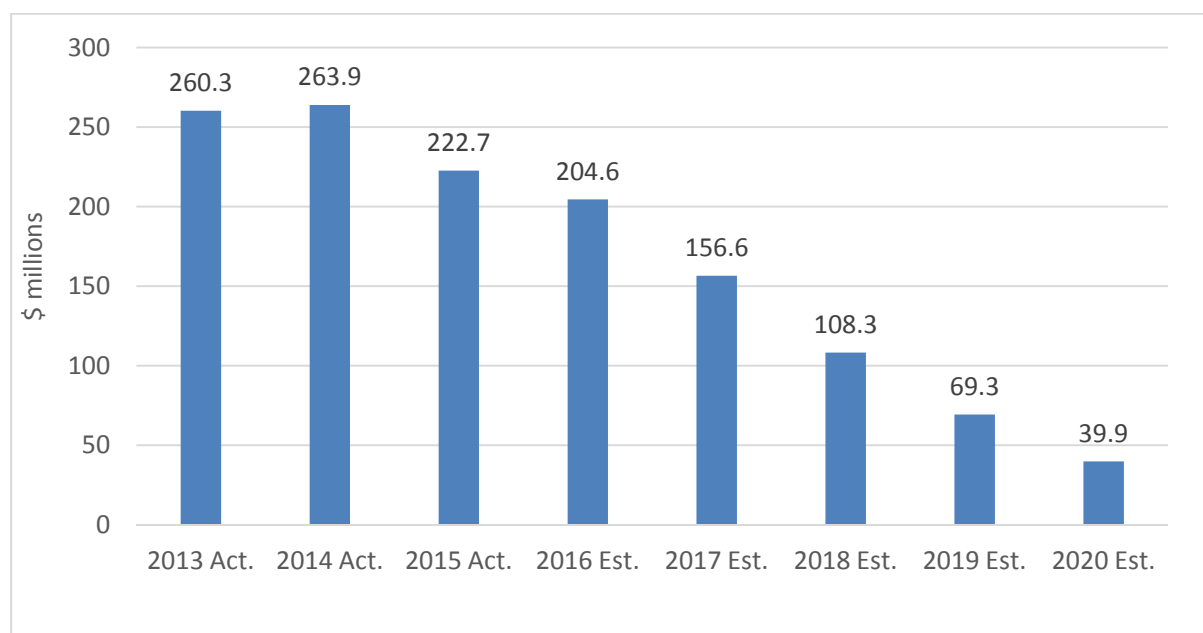
## 2.5.6: Development Partners' Commitments

Development Partners are set to contribute \$156.5 million in 2017. The details of these commitments are set out in Budget Book 5. It should be noted that these figures do not include loans. In addition, these figures are produced based on data from the Aid Transparency Portal, a system that tracks donor's contributions at the activity level.

There has been a contraction in the amount of donor funding made available to Timor-Leste, this, however is a natural part of the development process as the country becomes more self-reliant and moves away from donor support.

Future disbursements are also indicating that support will decrease dramatically in the next year and this trend will exponentially continue until 2020.

**Figure 2.5.6.1: Development Partners’ Commitments (Grants) 2013-2020, (\$m)**



Source: Aid Transparency Portal, Ministry of Finance, 2016.

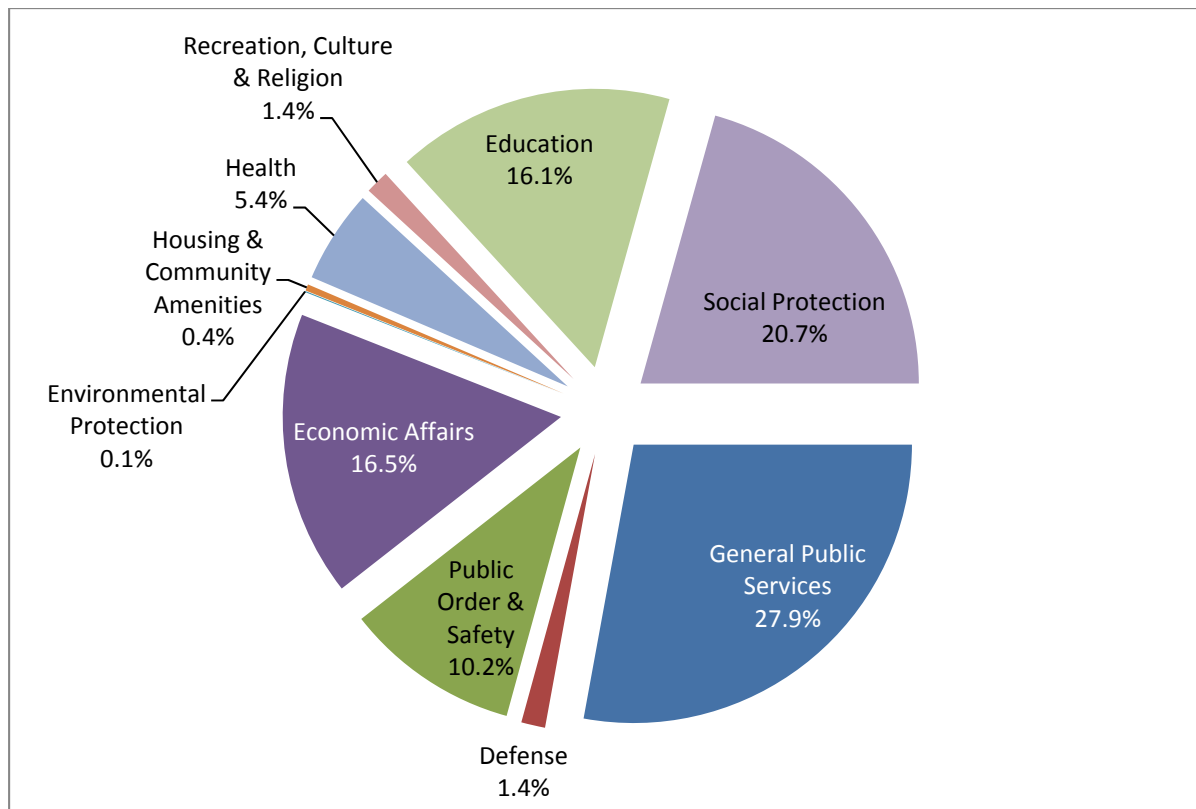
### 2.5.7: Classification of the 2017 budget by Sector

To examine 2017 budget allocations by sector we can use the standard United Nations Statistics Division ‘Functions of Government’ classification<sup>6</sup>. For the recurrent budget General Public Services has the largest allocation, this sector can be considered as the ‘machinery of government’ , but also covers recurrent transfers to the new municipalities and the ZEESM. Social Protection receives the second largest share, at 21%. This covers pension and social welfare payments, including Bolsa de Mae, the old age and other pensions, and the school feeding program. Economic Affairs includes fuel for EDTL power generation as the largest item, and other areas such as road maintenance, agricultural spending and maintenance of water and irrigation systems. Education is the fourth largest sector, and health fifth largest.

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<sup>6</sup> <http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=4>

**Figure 2.5.7.1 Recurrent expenditure by Sector for 2017**

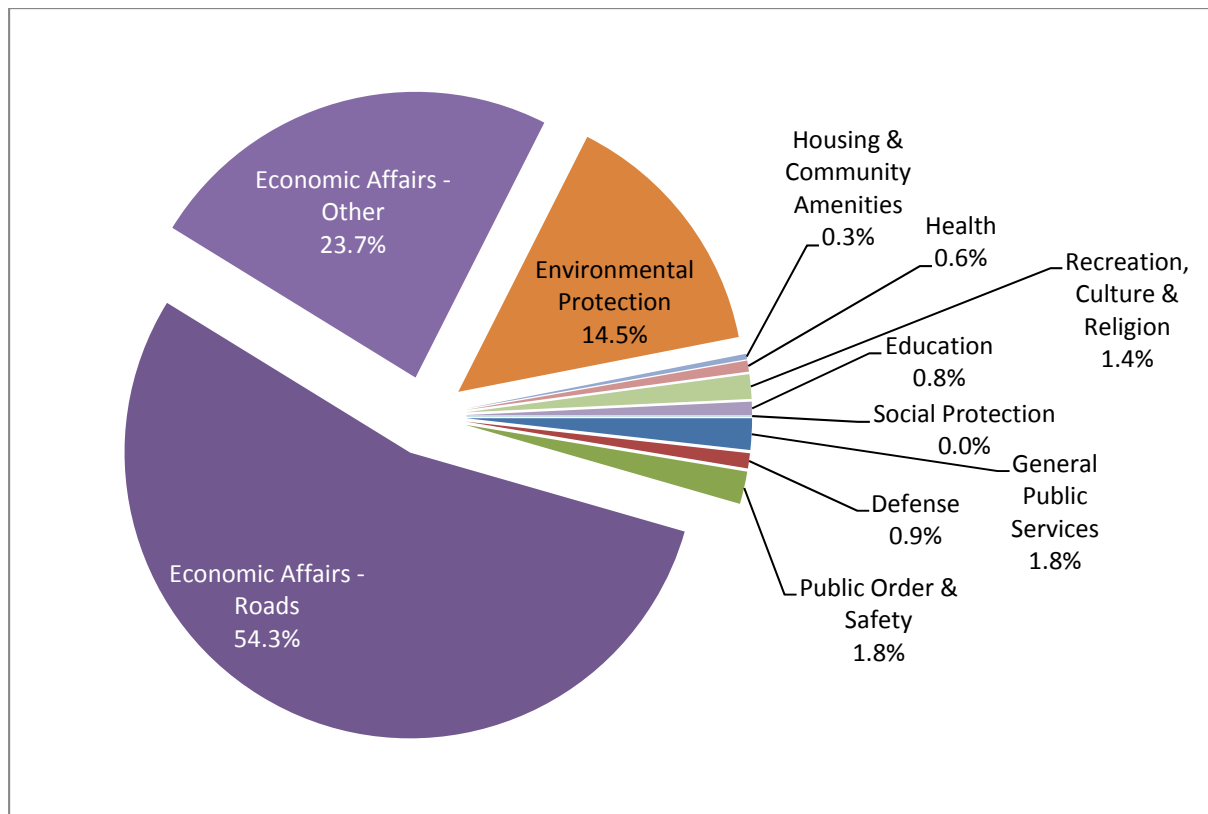


Source: Estimate based on proposed ministerial allocations, Ministry of Finance, 2016.

Looking at the sectoral division of the Infrastructure Fund, which covers 60% of capital spending, (ZEESM capital spending covers 33%, and other capital spending 7%). Economic Affairs covers 78% of IF spending, and road projects alone covering 54%. Roads are a stated priority in the Strategic Development Plan, and now that the electricity project has been largely completed, funding to the roads program is now the largest single component of the budget. Most road expenditure is loan financed, and details of these projects are in Section 2.7.3. Other than roads, Suai airport and supply base are the largest projects in the Economic Affairs sector, receiving a combined allocation of \$29.4 million. Environmental Protection is almost entirely the Dili Drainage project, which is allocated \$32 million in 2017. The remaining 7.5% of the Infrastructure Fund allocation covers the remaining sectors, including the construction of new public buildings, development of IT infrastructure, and other capital investments. Further details are provided in Part 1 of Budget Book 6.



**Figure 2.5.7.2 Infrastructure fund by Sector for 2017**



Source: Estimate based on proposed project allocations, Ministry of Finance, 2016.

## 2.6: Revenue

### 2.6.1: Overview of Revenue Projections

Table 2.6.1.1 shows the forecasts for total revenues up to 2021, which are the sum of petroleum revenues and domestic revenues. The gradual trend of petroleum revenues declining is in general set to continue as production from existing fields draws to a close.

Domestic revenues have been performing strongly in 2016, and are likely to exceed the original budget estimate of \$171 million. However domestic revenues continue to make up a small proportion of overall revenues and thus do not completely offset the decline from petroleum. This leads to a forecast of falling total revenues, which underlines the importance of focusing on domestic revenue streams going forward.

It is important to note that the forecasts presented do not include additional revenues from the Fiscal Reform detailed in Section 2.2, as these reforms are still to receive Parliamentary approval.

**Table 2.6.1.1 Total Revenue, 2015 – 2021, (\$m)**

	2015 Actual	2016 Projection	2017 Projection	2018	2019	2020	2021
<b>Total Revenues</b>	<b>1,127.5</b>	<b>1,261.3</b>	<b>1,312.6</b>	<b>1,126.0</b>	<b>1,106.6</b>	<b>958.7</b>	<b>1,062.6</b>
Domestic Revenues	170.0	197.8	206.2	219.3	233.3	247.9	263.3
Petroleum Revenues	957.5	1,063.5	1,106.3	906.7	873.3	710.7	799.3

Source: National Directorate of Economic Policy and Petroleum Fund Administration Unit, Ministry of Finance, 2016. Domestic revenues include tax revenues collected by ZEESM.

## 2.6.2: Domestic Revenues

Domestic revenues in Timor-Leste are composed of tax revenues, fees and charges, interest, revenues from autonomous agencies and tax revenue from the ZEESM. Table 2.6.2.1 breaks down domestic revenues into these categories showing actual and forecasted amounts between 2015 and 2021. Total domestic revenues are expected to increase by 4.3% in 2017 compared to the 2016 final estimated figures.

**Table 2.6.2.1: Domestic Revenue 2015 – 2021, (\$m)**

	2015 Actual	2016 Projection	2017 Projection	2018	2019	2020	2021
<b>Total Domestic Revenue</b>	<b>170.0</b>	<b>197.8</b>	<b>206.2</b>	<b>219.3</b>	<b>233.3</b>	<b>247.9</b>	<b>263.3</b>
Taxes	119.8	140.6	145.7	155.5	165.9	177.0	188.7
Fees and Charges	43.9	46.9	50.0	53.0	56.0	59.0	62.0
Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Autonomous Agencies	6.6	5.6	6.9	7.0	7.5	7.9	8.4
ZEESM (Taxes)		4.6	3.6	3.8	3.9	4.1	4.2

Source: National Directorate of Economic Policy, Ministry of Finance, 2016

### 2.6.2.1: Tax Revenues

Tax revenues comprise the largest source of domestic revenues in Timor-Leste, totaling 71% of total domestic revenues in 2016. Tax projections are summarized in Table 2.6.2.1.1 and are divided into Direct taxes, Indirect taxes and Other tax revenues.

Tax revenues are performing well, and are forecast to have grown by over 17% in 2016, exceeding their targets. This reflects the introduction of various reforms over the previous three years to streamline processes and procedures, in particular in Customs, which collects sales tax and excise revenue in addition to customs duties. Further, Customs has collected \$4 million in arrears in 2016, and over \$4 million was collected by the National Directorate of Revenue from arrears and penalties of corporate tax. These are 'one-off' payments that will not be repeated in 2017.

Looking to the future, tax revenues are forecast to increase in line with economic growth after adjusting for one-off payments in 2016, and will reach \$145.7 million in 2017.

Withholding tax has been performing strongly in recent years due to the number of publically funded infrastructure projects, and this is expected to continue through to 2021.

**Table 2.6.2.1.1: Total Tax Revenue 2015 – 2021, (\$m)**

	2015 Actual	2016 Projection	2017 Projection	2018	2019	2020	2021
<b>Total Tax</b>	<b>119.8</b>	<b>140.6</b>	<b>145.7</b>	<b>155.5</b>	<b>165.9</b>	<b>177.0</b>	<b>188.7</b>
<b>Direct Taxes</b>	<b>53.3</b>	<b>61.1</b>	<b>65.0</b>	<b>69.1</b>	<b>73.5</b>	<b>78.1</b>	<b>82.9</b>
Income Tax	17.5	18.7	19.6	20.5	21.5	22.4	23.4
<i>Individual Income</i>	5.4	9.8	10.2	10.7	11.2	11.7	12.2
<i>Individual Inc Other</i>	12.1	8.9	9.3	9.8	10.3	10.7	11.2
Corporate Tax	8.5	9.6	10.3	11.0	11.8	12.6	13.5
Withholding Tax	27.3	32.8	35.1	37.6	40.2	43.1	46.1
<b>Indirect Taxes</b>	<b>66.2</b>	<b>79.0</b>	<b>80.2</b>	<b>85.9</b>	<b>91.9</b>	<b>98.3</b>	<b>105.2</b>
Service Tax	3.1	3.0	3.2	3.4	3.7	3.9	4.2
Sales Tax	13.1	15.0	16.0	17.1	18.3	19.6	21.0
Excise Tax	37.9	43.3	46.3	49.5	53.0	56.7	60.7
Import Duties	12.1	17.8	14.8	15.8	16.9	18.1	19.3
<b>Other Tax Revenue</b>	<b>0.2</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>0.6</b>

Source: National Directorate of Economic Policy, Ministry of Finance, 2016

### 2.6.2.2: Fees and Charges

Fees and charges include a wide selection of categories from non-tax sources that contribute to domestic revenue. These comprise administrative fees, utility payments and royalty payments to the Government from natural resources other than petroleum.

Increases in Fees and Charges revenue in 2016 have been driven by higher electricity sales, which have increased 30% year-on-year in 2016. This shows a good performance by EDTL in expanding the number of connections and the use of electricity metering, as well as an indication of a growing economy. The average revenue projection for fees and charges is assumed to increase by 6.5% in 2017, with the largest contribution coming from electricity revenue, at 62% of the total revenue from Fees and Charges. It is estimated that the revenue from electricity will continue to increase as EDTL continue to distribute pre-paid meters and electricity coverage increases across the country. We assume that the contribution from transport, immigration and rental of government property will remain stable. The revenue from bid documents is expected to increase significantly as more private sector companies compete for government tenders.

Projections for outer years are also expected to continue a positive trend, following the improvement and reinforcement of collection mechanisms in line ministries.

**Table 2.6.2.2.1: Fees and Charges Projections 2015 – 2021, (\$000's)**

	2015 Actual	2016 BB1 Rec	2017 Projection	2018	2019	2020	2021
<b>Total Fees and Charges</b>	<b>43,919.4</b>	<b>46,906.1</b>	<b>49,950.4</b>	<b>53,007.5</b>	<b>55,992.9</b>	<b>58,994.7</b>	<b>62,013.6</b>
Postage Fees	35.8	39.9	44.4	48.7	53.0	57.4	61.7
Property Rentals	3,846.3	3,293.5	3,632.4	3,820.0	4,007.5	4,195.1	4,382.6
Water Fees	492.5	170.8	177.7	184.8	192.2	199.8	207.8
Vehicle Registration Fees	1,407.1	1,735.2	1,629.1	1,744.1	1,859.0	1,974.0	2,089.0
Vehicle Inspection Fees	535.6	663.2	689.7	717.3	746.0	775.9	806.9
Vehicle Inspection Imported	14.4	10.9	11.3	11.8	12.3	12.7	13.3
Drivers License Fees	354.5	356.9	371.2	386.0	401.4	417.5	434.2
Franchising Public Transport Fees	124.9	306.8	319.0	331.8	345.1	358.9	373.2
Transport Penalties	113.5	130.9	136.2	141.6	147.3	153.2	159.3
Other Transport Fees	54.8	38.1	39.7	41.2	42.9	44.6	46.4
ID and Passport	865.5	924.9	961.9	1,000.4	1,040.4	1,082.0	1,125.3
Visa Fees	3,879.5	3,637.1	3,782.6	3,933.9	4,091.2	4,254.9	4,425.1
Court Fees	258.5	179.3	186.5	194.0	201.7	209.8	218.2
Dividends, Profits, and Gains	4,492.7	729.9	759.1	789.5	821.0	853.9	888.0
Fines and Forfeits	109.7	130.2	135.4	140.8	146.5	152.3	158.4
Mining and Quarrying	362.4	350.0	364.0	378.6	393.7	409.5	425.8
Bid Document Receipts	84.1	2.7	162.8	189.1	215.3	241.6	267.9
Auctions	159.7	852.2	886.2	918.5	918.5	918.5	918.5
Embassy Fees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Productos Florestais	104.5	80.1	83.3	86.6	90.1	93.7	97.5
Rental Government Property	104.5	222.7	231.6	240.9	250.5	260.5	271.0
EAIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sanitation Service Fees	11.4	17.1	17.8	18.5	19.2	20.0	20.8
TL Internet Domain Revenue	22.6	86.9	90.3	93.9	97.7	101.6	105.7
Social Game Receipts	929.8	1,370.3	1,544.1	1,784.6	2,025.1	2,265.5	2,506.0
Rice Sales	1,382.7	1,333.5	1,386.9	1,442.4	1,500.0	1,560.1	1,622.5
Sales of Local Produce (Bamboo)	183.5	0.0	0.0	0.0	0.0	0.0	0.0
Sales of Local Produce (Bean, Corn, Rice)	10.8	147.4	153.3	159.4	165.8	172.4	179.3
Electricity Revenues	22,027.3	28,635.4	30,635.4	32,635.4	34,635.4	36,635.4	38,635.4
Other Fees	7.7	0.0	0.0	0.0	0.0	0.0	0.0
Other Non-Tax Revenues	587.2	1,460.1	1,518.5	1,573.8	1,573.8	1,573.8	1,573.8
Revenues from institutions that are now autonomous agencies	1,356.1	-	-	-	-	-	-

Source: National Directorate of Economic Policy, Ministry of Finance, 2016

### 2.6.2.3: Interest

Interest reflects interest payments received from cash held in Government funds. Given low interest rates, and low cash balances held by government, this is a small source of revenue. Interest is expected to reach \$20,400 in 2017 compared to \$19,600 in 2016.

#### 2.6.2.4: Autonomous Agencies

The number of autonomous agencies has been increasing steadily in recent years, reflecting government's desire to grant greater financial independence to institutions so to improve their efficiency. From a revenue perspective the port in Dili generates the majority of revenues for this group, as detailed in Table 2.6.2.4.1.

**Table 2.6.2.4.1: Autonomous Agencies 2015 – 2021, (\$000's)**

	2015 Actual	2016 Projection	2017 Projection	2018	2019	2020	2021
<b>Total Autonomous Agencies</b>	<b>6,580.8</b>	<b>5,584.5</b>	<b>6,924.5</b>	<b>7,004.0</b>	<b>7,461.6</b>	<b>7,921.8</b>	<b>8,384.8</b>
Timorese Resistance Archive and Museum	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Conselho Imprensa	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Institute for Business Support (IADE)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Specialized Investment Agency	0.0	2.6	4.4	4.6	4.8	5.0	5.2
Service for Registration and Verification of Entrepreneurs	0.0	241.0	250.6	260.7	271.1	281.9	293.2
Bamboo Center	0.0	46.2	48.0	49.9	51.9	54.0	56.2
Centro de Formação SENAI	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Polícia Científica de Investigação Criminal	0.0	0.0	0.0	0.0	0.0	0.0	0.0
National Agency for Academic Assessment and Accreditation - ANAAA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Guido Valadares National Hospital	0.0	168.5	175.2	182.2	189.5	197.1	205.0
SAMES	0.0	0.0	0.0	0.0	0.0	0.0	0.0
National Laboratory	8.2	3.5	3.7	3.8	4.0	4.1	4.3
Institute of Health Sciences	0.0	0.0	0.0	0.0	0.0	0.0	0.0
National Rehabilitation Centre	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment Management Institute	122.8	55.3	57.5	59.8	62.2	64.7	67.3
Administrations of Ports of Timor-Leste	4,146.1	4,436.0	4,959.8	5,351.3	5,742.8	6,134.3	6,525.8
National Communication Authority	0.0	0.0	0.0	0.0	0.0	0.0	0.0
National Defense Institute	0.0	0.0	0.0	0.0	0.0	0.0	0.0
National University of Timor Lorosae	0.0	631.3	656.6	682.8	710.1	738.6	768.1
ZEESM*	0.0	0.0	768.5	408.7	425.1	442.1	459.8
Infrastructure Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Authority for Food Inspection and Economic Activity	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: National Directorate of Economic Policy, Ministry of Finance, 2016

\*ZEESM revenue includes fees and charges only, tax revenue is presented separately. The figure for 2017 also includes revenue from fees and charges for 2016 as this was not represented in the 2016 Budget Book figures.

## 2.6.3: Petroleum Revenues and the Petroleum Fund

The Petroleum Fund currently finances most of the state budget. This section addresses the expected inflows into the Fund from petroleum revenues, the ESI calculation and provides an overview of the investment management of the Petroleum Fund.

### 2.6.3.1: Inflows of Petroleum Revenues

The inflow of petroleum revenues is determined by prices, production and costs. Compared with 2015 and 2016, the oil price in this budget is significantly lower over the forecasting period. The total costs are slightly lower and there is also a slight change in production. The revenues declined by more than half in 2015 to \$978.9 million compared to the \$1,817 million received in 2014. The expected revenue in 2016 was revised down from \$718.7 million to \$316.6 million (see Table 2.6.3.1.1).

**Table 2.6.3.1.1: Petroleum Revenues from Bayu-Undan and Kitan 2014-2020 (\$m)**

	2015 Actual	2016 Estimate	2017 Budget	2018	2019	2020	2021
<b>Total Petroleum Fund Revenue</b>	<b>957.5</b>	<b>1,063.5</b>	<b>1,106.3</b>	<b>906.7</b>	<b>873.3</b>	<b>710.7</b>	<b>799.3</b>
Petroleum Fund Investment Return	-21.4	747.0	842.9	824.1	788.1	681.6	708.2
Total Petroleum Revenue	978.9	316.6	263.4	82.5	85.3	29.1	91.1
BU FTP/Royalties	233.4	43.2	30.2	19.1	19.1	0.0	0.0
BU Profit oil	303.7	275.9	137.5	26.6	0.0	0.0	0.0
BU Income Tax	205.2	49.2	23.7	0.0	0.0	0.0	0.0
BU Additional Profit Tax	156.5	122.1	71.1	0.0	38.2	0.0	0.0
BU Value Added Tax	22.6	5.1	5.8	8.9	5.2	5.7	91.1
BU Other Payments	33.6	-178.9	-4.9	27.9	22.8	23.3	0.0
Kitan	23.8	0.0	0.0	0.0	0.0	0.0	0.0

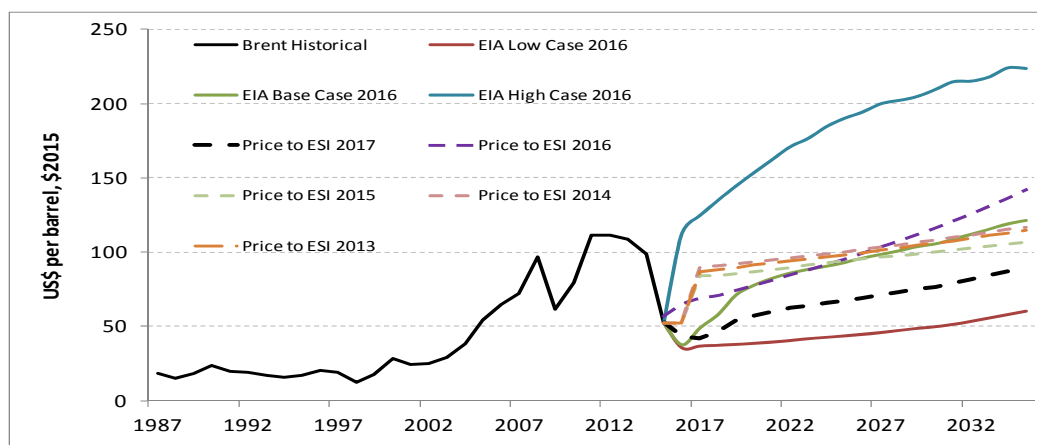
Source: Petroleum Fund Administration Unit, Ministry of Finance, 2016

### ***Petroleum prices***

Brent crude oil continues to be used in the petroleum wealth calculation as it represents a better indicator of the price of Bayu-Undan liquid products (condensate and LPG).

The oil price has substantially dropped since mid-2014 due to global over-supply and weak demand. The daily average oil price of Brent in 2015 was US\$52.3 per barrel and in 2016 for the period from 1 January to mid-September was \$41.5 per barrel. The estimated average oil price for 2016 as a whole is now \$42.7 per barrel, compared with the \$64.7 per barrel estimate in the Budget 2016. Future oil prices are now assumed to be significantly lower than previously forecasted (see Figure 2.6.3.1.1). Oil prices have been more volatile since mid-2014 and future oil price projections also are associated with higher uncertainty.

**Figure 2.6.3.1.1: Historical Changes and Future Projections for Brent Oil Price (\$ per barrel)**



Source: Petroleum Fund Administration Unit, Ministry of Finance, 2015

### **Petroleum Production**

The production forecast of liquids (condensate and LPG) for Bayu-Undan is lower compared with the Budget 2015 and 2016. The total petroleum production from Bayu-Undan (also including LNG) is estimated to have peaked in 2011 at 59 million barrels of oil equivalents and is now set to decline before ceasing in 2020.

Production in the Kitan field commenced in the 4th quarter of 2011. Operations were suspended in December 2015 due to the drop in prices and Kitan is currently excluded in the ESI calculation.

### **Costs**

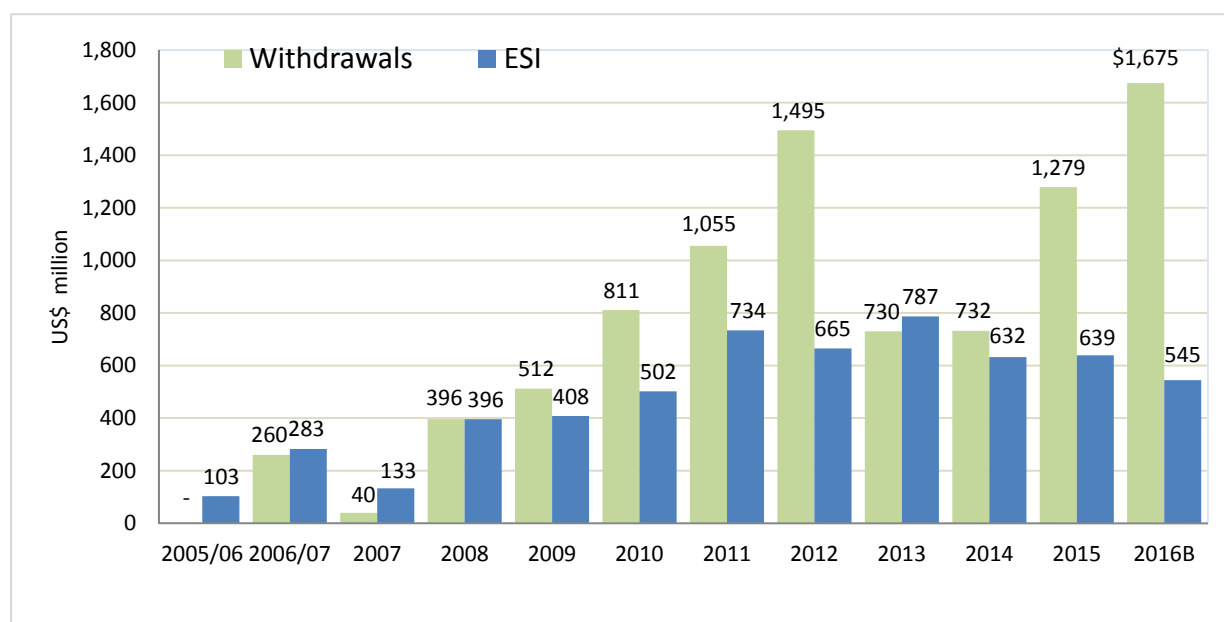
The forecasted total costs for the Bayu-Undan project are slightly lower in this Budget 2017 than in the Budget 2016. The change in the cost projections is primarily from the capital expenditures related to Phase 3 and other operational issues.

### **2.6.3.2 Petroleum Wealth and ESI calculation**

According to the Petroleum Fund Law, the Estimated Sustainable Income (ESI) is the maximum amount that can be appropriated from the Petroleum Fund in a fiscal year and leave sufficient resources in the Petroleum Fund for an amount of the equal real value to be appropriated in all later years. The ESI is set to be 3 percent of the Petroleum Wealth. The ESI is designed to help smooth government spending when petroleum revenues are temporarily high and in the subsequent years to protect the real value of the Petroleum Fund. The Government can withdraw an amount from the Petroleum Fund in excess of the ESI where National Parliament approves that it is in the long term interest of Timor-Leste.

Figure 2.6.3.2.1 depicts the actual withdrawals from 2005 to 2015 and approved for 2016 compared to the ESI.

**Figure 2.6.3.2.1: Actual withdrawals vs. ESI from 2005 to 2016 est. (US\$ million)**



From 2006/2007 until the end of 2015, the Government has withdrawn a total of \$7,309.4 million. This is about \$2,083.8 million higher than the cumulative ESI for that period. For the purpose of estimating ESI, it is assumed that the Government is expected to withdraw the full amount approved by the Parliament for 2016 of \$1,674.5 million, which would increase the total cumulative withdrawal to nearly \$9 billion or \$3.2 billion above the cumulative ESI.

The Petroleum Wealth is estimated to be \$16,054.6 million as of 1 January 2017, comprised of the Fund's balance of \$15,606.6 million and the Net Present Value of future petroleum revenue of \$448.0 million. Accordingly, the ESI is estimated at \$481.6 million for 2017. This is about \$52.8 million less than what was estimated in last year's budget. The key assumptions behind the calculations are listed in Table 2.6.3.2.1.

**Table 2.6.3.2.1: Key assumptions behind the ESI**

Asset recognition	Forecast petroleum revenues are included only for projects with approved development plans. This includes Bayu-Undan.
Petroleum Reserves and Production Forecasts	Project operators provide production estimates. Low case production is used, consistent with a 90 percent probability that actual will exceed the forecast.
Oil price forecast	ESI for Budget 2017 is prepared using the average of the Energy Information Agency (EIA) low case and reference case for Brent in its Annual Energy Outlook (AEO) for 2016.
Prices for specific petroleum products	Bayu Undan produces condensate, Liquefied Petroleum Gas (LPG) and Liquefied Natural Gas (LNG). Forecast assumptions for each product are derived from historic differentials observed with Brent. Liquefied Natural Gas (LNG) prices are forecast using the provisional price formula negotiated between the Darwin LNG (DLNG) facility and Japanese LNG buyers. The price formula is renegotiated every three



	years.
Production costs	Central estimates of future capital and operating costs as provided by project operators.
Discount rate	Under Schedule 1 of the Petroleum Fund Law, the interest rate used to discount future petroleum revenue is the expected rate of return on the portfolio of financial assets held in the Fund. The Fund's asset allocation is 60 percent bonds and 40 percent equities.

Table 2.6.3.2.2 shows that the estimated Petroleum Wealth and the ESI from 2015 and onwards, assuming that withdrawals from the Fund are equal to the projected withdrawals in Table 2.6.3.3.1.

**Table 2.6.3.2.2: Petroleum Wealth and the Estimated Sustainable Income (ESI)**

	2015*	2016*	2017 Budget	2018	2019	2020	2021
<b>Estimated Sustainable Income (PWx3%)</b>	<b>638.5</b>	<b>544.8</b>	<b>481.6</b>	<b>475.1</b>	<b>447.9</b>	<b>419.6</b>	<b>393.3</b>
<b>Total Petroleum Wealth (PW)</b>	<b>21,283.3</b>	<b>18,159.6</b>	<b>16,054.6</b>	<b>15,836.4</b>	<b>14,928.6</b>	<b>13,988.0</b>	<b>13,110.1</b>
Opening PF Balance			15,606.6	15,634.1	14,799.8	13,887.2	13,021.5
Net Present Value of Future Revenues			448.0	202.3	128.8	100.8	88.6

Note: \* ESI for 2015 & 2016 figures as estimated for in Budget 2015 and Budget 2016

### **Changes in the ESI from 2016 to 2017**

Figure 2.6.3.2.1 shows the key incremental changes in the 2017 ESI since the Budget 2016. The main factors driving the difference are the lower oil price, lower investment returns in 2015 and higher withdrawals following the 2016 rectification budget.

#### *Actual data for 2015*

The current ESI for 2017 incorporates the actual outcomes in 2015. Actual petroleum revenue was \$117 million higher (13.6 per cent) than estimated. However, the actual investment return was much lower than the long-run expected return, which resulted in a lower than estimated petroleum fund balance. In sum, this decreased the 2017 ESI by \$12 million.

#### *Actual 2016 withdrawals from the Petroleum Fund*

The 2017 ESI as estimated in Budget 2016 is based on the assumption that the Government would withdraw the ESI plus the approved excess from the Petroleum Fund in original 2016 budget. However, the Parliament approved a rectification budget for 2016 that involves

higher withdrawals, \$1,129.7 million in excess of the ESI. This has decreased the 2017 ESI by \$12 million.

#### *Oil prices*

The current ESI for 2017 assumes a benchmark oil price of \$42.7 per barrel in 2016. This is based on the actual outcomes from January to mid-September and forecasts of future prices from November to December 2016. The oil benchmark forecast for next year is \$42.2 per barrel, which is lower than the forecast previously used of \$68.8. The change in Brent benchmark forecast results in a US\$ 32 million decrease in the 2017 ESI.

#### *Production*

Production in 2017 is forecasted to be more or less the same as in Budget 2016. The first few years are now expected to be higher, however this is offset by the production ceasing one year earlier in 2020. These estimates resulted in ESI for 2017 increasing by \$1 million.

#### *Liquids price differentials (condensate and LPG)*

The price for Bayu-Undan condensate products is forecasted based on the historical relationship with the benchmark Brent price. This historical price differential is then applied to the EIA's forecasts for Brent prices to estimate the future price on the products sold in the Timor Sea. The result of these new price differentials is similar with what was previously used hence there is no impact on the ESI 2017.

#### *Cost*

Production costs from the two operators are forecasted to be slightly lower in Budget 2017 than in Budget 2016. This has increased the ESI 2017 by \$12 million.

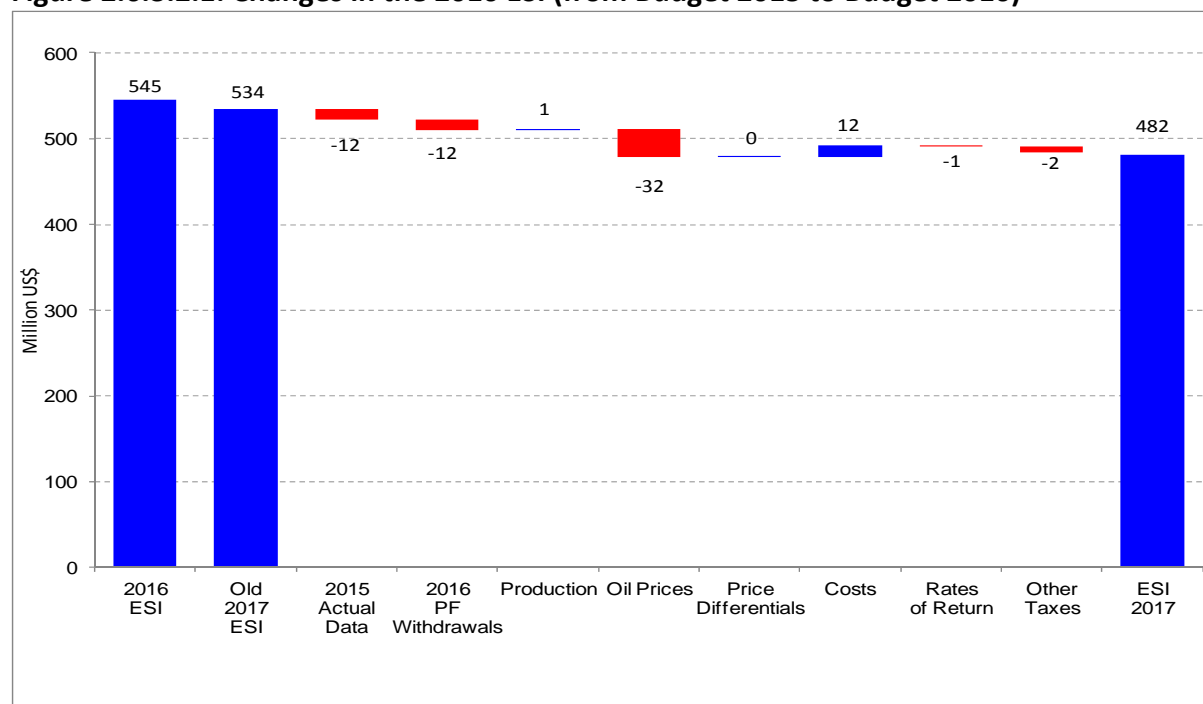
#### *Rates of return and discount rate*

The expected long-term nominal portfolio return remains unchanged from last year's forecast of 5.7 percent nominal per annum. This is applied in future years although for 2016 the expected investment return (which is an average of actual returns to date and expected returns) is lower. This decreases the ESI 2017 by \$1 million.

#### *Other Taxes*

Other taxes include wage taxes, tax collections from subcontractors and exploration drilling. These taxes are forecast for Budget 2017 based on an analysis of recent collections and taking into account exploration work commitments. This has decreased the ESI 2017 by \$2 million.

**Figure 2.6.3.2.1: Changes in the 2016 ESI (from Budget 2015 to Budget 2016)**



Source: Petroleum Fund Administration Unit, Ministry of Finance, 2016

### Sensitivity Analysis

The Government's objective is to prepare an ESI that is prudent overall, as required by the Petroleum Fund Law. The calculations are based on the best information available and advice from experts, however, each input is inherently subject to significant uncertainty.

Figure 2.6.3.2.3 starts with the ESI 2017 of \$481.6 million and shows by how much ESI would change if a different assumption for each key variable were used. The current ESI is much less affected by the change in petroleum revenue assumptions about oil prices and production, compared to earlier years when future petroleum revenues represented a greater share of Petroleum Wealth.

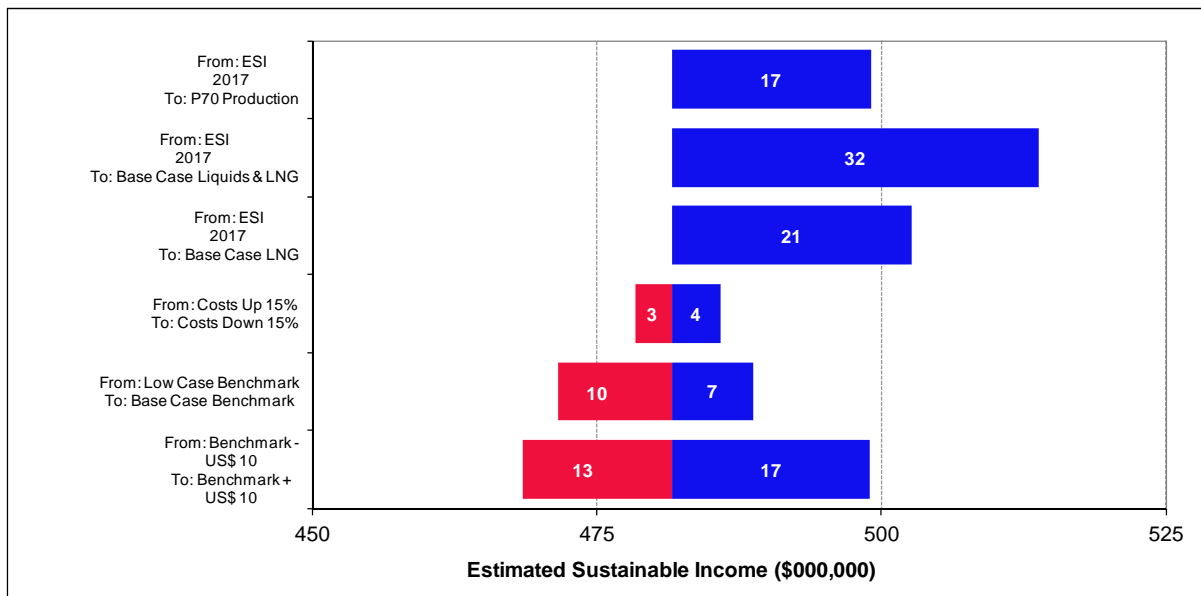
Note from Figure 2.6.3.2.3 that:

- If the average of the low and base case production (which is labeled P70 Production<sup>7</sup>) was used in ESI 2017, rather than the low case, the ESI would increase by \$17 million to \$499 million.
- If the Base Case for LNG production was used, it would change the ESI by approximately \$21 million. If the Base Case production for both Liquids and LNG was used, the ESI would increase by \$32 million.

<sup>7</sup> The average of the low (P90) case and the base (P50) case is not exactly the same as the P70 case, but they are roughly equivalent and the label P70 is used for convenience. Rather than using the low case in the ESI calculations, we have considered using the average of the low and the base forecasts for petroleum production calculations to be consistent with the methodology for petroleum prices.

- For each change in production costs by 15 percent, the ESI would change by \$3 to \$4 million.
- The forecast of future petroleum prices is based on the average of the AEO Low and Reference Cases for Brent. Using the Low Case instead would decrease the ESI by \$10 million and using the Reference Case would increase the ESI by approximately \$7 million. For a \$10 change in Brent prices relative to the average used, the ESI would change by \$13 million (down) to \$17 million (up).

**Figure 2.6.3.2.2: Sensitivity Analysis – Estimated Sustainable Income (\$m)**



Source: Petroleum Fund Administration Unit, Ministry of Finance, 2016

### 2.6.3.3 Managing the Petroleum Fund

#### *The Petroleum Fund Model*

The Petroleum Fund is set up to contribute to a wise management of Timor-Leste’s petroleum resources for the benefit of both current and future generations. The Petroleum Fund framework facilitates sound fiscal policy and well-informed budget decisions. Petroleum revenues are transferred directly in their entirety to the Fund and invested abroad in diversified financial assets. The Fund’s only outflow is the annual transfer made to the government budget. The amount withdrawn is guided by the ESI, defined as 3 percent of the petroleum wealth. Accordingly, the implied investment objective of the Fund is to earn a 3 percent real return per annum. This enables the Fund to preserve its purchasing power when spending is constrained by the ESI.

#### *Governing the Petroleum Fund*

The Petroleum Fund’s governance model is internationally recognized for its high degree of transparency and disclosure. The Ministry of Finance is responsible for the overall

management of the Fund. It sets investment policy and strategy, investment guidelines and exercises oversight. The Ministry of Finance is required to seek advice from the Investment Advisory Board before making any decision on investment strategy or management of the Fund. The operational management of the Fund is delegated to the Central Bank, which invests according to guidelines established by the Ministry of Finance. The framework encourages consensus and relevant stakeholders are accountable to one another for their role in the decision-making process.

#### *Petroleum Fund Investment Policy*

The Petroleum Fund's asset allocation of 40% equities and 60% bonds is designed to meet the 3% real return objective with a reasonable probability over the long run. While equities are expected to provide higher returns than bonds over the long-run, there is a corresponding increase in risk. Modelling of the Fund's 40% equity allocation helps put this risk in context:

- The Fund is expected to experience a loss in one out of every 5 years.
- In the worst 5 years out of every 100, the loss will be 5.5 percent or higher. Based on a fund balance of \$16.6 billion, this represents a loss of US\$913 million.

As such, it is important for stakeholders to understand that there will invariably be years where the Petroleum Fund posts losses. This was the case in 2015, when a small investment loss was recorded. The loss can potentially be much higher, as reported above. Investment returns require taking risk and that is attained through the equity allocation. If stakeholders prefer to reduce risk and the chance of losses, the equity allocation will need to reduce and the Fund's expected return will be lower.

As noted, financial markets are volatile so the Fund's performance will vary around the 3% real return target from year to year. Returns are uncertain even over longer periods. For example, it is not guaranteed that the 40% equity and 60% bond allocation will meet the real return objective of 3% per annum even over the long-term. The 40% equity allocation means we can expect a real return of 3% p.a. or more about two thirds of the time over a 20 year horizon. In other words, there is a one in three chance that actual returns will fall short of the target. This is likely to be exacerbated by the current low return environment, with government bonds yields at either very low levels or negative in developed markets.

The Petroleum Fund's balance has been declining since 2015 and that is expected to continue. The outflows from government withdrawals are exceeding the inflows from petroleum and investment revenue, requiring assets to be sold.

The investment strategy needs to account for the expected declines in capital. Adopting advice from the Investment Advisory Board, equities and bonds were sold in June 2016 and invested in cash to cover the expected withdrawals for the remainder of the year. In its advice to the Minister of Finance in September, the Board has recommended taking a

similar approach to fund the annual expected net withdrawals each year. The investment horizon is short given these amounts will be needed within 12 months. While returns are low, the low risk in cash is more suitable than the volatility associated with equities and longer maturity bonds.

The Fund's balance is \$16,637 million as of August 2016. This is an increase of \$419 million from the start of the year. The Fund balance is expected to be \$15,665.0 million by the end of 2016 after deducting the estimated withdrawal of \$1,674.5 million in 2016 adopted by Parliament.

The current forecast, as shown in Table 2.6.3.3.1, shows the total value of the Fund to be \$15,634.1 million by the end of 2017. The Fund balance is then forecast to decline to \$12,349.9 million by the end of 2021. This decrease is in nominal terms and therefore does not reflect the additional reduction in purchasing power from inflation. Petroleum Revenues are now relatively small, meaning that the level of withdrawals from the Fund and the return from investment are the main drivers of the size of the Petroleum Fund. The projections here adopt the long-run investment return assumption. As noted, yearly returns are volatile and there is potential for an investment loss to significantly detract from the Fund's value over the projection period.

**Table 2.6.3.3.1: Estimated Petroleum Fund Savings 2015-2021 (\$m)**

	2015 Actual	2016 Estimate	2017 Budget	2018	2019	2020	2021
Opening PF Balance	16,538.6	16,217.6	15,606.6	15,634.1	14,799.8	13,887.2	13,021.5
Petroleum Revenue (excluding PF Interest)	978.9	316.6	263.4	82.5	85.3	29.1	91.1
Petroleum Fund Interest	-21.4	747.0	842.9	824.1	788.1	681.6	708.2
Total Withdrawals	1,278.5	1,674.5	1,078.8	1,741.0	1,786.0	1,576.4	1,470.9
<b>Closing PF Balance</b>	<b>16,217.6</b>	<b>15,606.6</b>	<b>15,634.1</b>	<b>14,799.8</b>	<b>13,887.2</b>	<b>13,021.5</b>	<b>12,349.9</b>

Source: Petroleum Fund Administration Unit, Ministry of Finance, 2016

## 2.7: Financing

### 2.7.1: Definition of Financing

The total budgeted expenditure for 2017 is higher than the domestic revenue that will be collected over the same period. This results in a non-oil deficit (domestic revenue minus expenditure) which is financed by withdrawals from the Petroleum Fund (PF), loans and use of the cash balance. The total amount of financing is equal to the non-oil deficit and covers the gap between the budgeted expenditure and domestic revenue. Table 2.7.1.1 below shows the amount drawn from each of the financing items.

**Table 2.7.1.1: Financing 2017 to 2021, (\$m)**

	2017	2018	2019	2020	2021
<b>Total Financing</b>	<b>1,180.6</b>	<b>2,051.7</b>	<b>2,246.8</b>	<b>1,894.2</b>	<b>1,689.1</b>
Estimated Sustainable Income (ESI)	481.6	475.1	447.9	419.6	393.3
Excess Withdrawals from PF	597.1	1,265.9	1,338.1	1,156.8	1,077.5
Use of Cash Balance	0.0	0.0	0.0	0.0	0.0
Borrowing /Loans	101.8	310.7	460.8	317.8	218.2

Sources: National Directorate of Budget, Petroleum Fund Administration Unit and Major Projects Secretariat, Ministry of Finance, 2016

There are important economic reasons for distinguishing between domestic revenue and financing items. Domestic revenue results from taxes borne by companies and individuals in Timor-Leste. An increase in domestic revenue allows for an increase in Government spending in Timor-Leste but is also likely to decrease spending by companies and individuals. The impact on the total amount of money and demand in the economy is therefore broadly neutral.

In contrast, financing expenditures by withdrawing money from the Petroleum Fund increases the overall level of demand within the economy. This increase in demand, if not matched by an increase in ability of the economy to supply goods through imports or domestic production, can lead to higher inflation.

### 2.7.2: ESI and Excess Withdrawals

The ESI can be thought of as the amount that can be withdrawn from the PF each year, forever, without the fund ever running out of money. The ESI is equal to 3% of the net petroleum wealth and is \$481.6 million in 2017. Further details on the ESI and petroleum wealth can be found in Section 2.6.3 of the Budget Book.

In addition, the Government plans to withdraw \$597.1 million in excess of the ESI. This excess withdrawal is in line with the Government's policy on frontloading, and a detailed justification can be found in Annex 4.1. These excess withdrawals are being used to finance core infrastructure, which is necessary for long-term growth.

### 2.7.3: Loans

As established in the Strategic Development Plan 2011-2030 and in the Public Debt Law, concessional loans constitute a potential source of financing to be considered by the government for the purpose of financing strategic infrastructure projects. The rationale for drawing on concessional loans is three-fold. First, the all-in cost of concessional loans is less than the opportunity cost of withdrawing a similar amount from the Petroleum Fund. That is to say, the recourse to loans allows for net savings in terms of public expenditure. Second, loans make it possible to spread the financial cost of infrastructure projects over a period

that more closely matches the economic life of the assets in question, thereby increasing intergenerational equity. And third, concessional loans from development partners are often accompanied by significant technical assistance, helping the government to strengthen the standards for the implementation of these projects.

Loan mobilization is undertaken in accordance with the Public Debt Law (Law no. 13/2011), which establishes several key guiding criteria. In particular, it states that public debt management must be guided by principles of rigor and efficiency which include: upholding the middle- and long-run equilibrium of public finances; minimizing the direct and indirect costs over the long run; ensuring the availability of financing in each budget cycle; avoiding the excessive temporal concentration of debt servicing; avoiding excessive risk; and promoting the balanced and efficient functioning of financial markets.

To ensure that these principles are upheld, the recourse to external concessional loans is rigorously planned and implemented by the government within the parameters validated on an annual basis by the National Parliament. Moreover, the sustainability of public debt is assessed on a regular basis both internally by the Ministry of Finance and externally by the International Monetary fund. On its latest Article IV consultation 2016, IMF supported greater use of concessional financing for large infrastructure projects, which would reduce reliance on withdrawals from the Petroleum Fund while contributing to fiscal sustainability. In 2017, a maximum loan ceiling of \$500 million over a maximum period of 40 years has been agreed.

To date, the Government has signed seven loan packages, totaling approximately \$321 million, in support of infrastructure projects with high social and economic returns. However, because the loan funds are disbursed directly as a function of project progress, and because some of the projects are still in their early stages, actual public debt incurred as of July 2016 amounted to \$59.7 million.

Six of the loan packages taken on by the government are for the rehabilitation and upgrade of national roads, while one project is for the upgrade of the drainage infrastructure in Dili:

- Road Network Upgrading Project (RNUP), Dili-Liquica and Tibar-Gleno road sections (signed by GOTL and ADB in 2012).
- National Road No.1 Upgrading Project, Dili-Manatuto-Baucau (signed by GOTL and JICA in 2012).
- Road Climate Resilience Project, Dili-Ainaro (signed by GOTL and WB in 2013).
- Road Network Upgrading Sector Project (RNUSP), Manatuto-Natarbora (signed by GOTL and ADB in 2013).
- Additional Financing for Road Network Upgrading Project (Tasitolu-Tibar Dual Carriageway Road Project) (signed by GoTL and ADB in June 2015).
- Dili Drainage Infrastructure Project (signed by GoTL and China EXIM Bank in December 2015)



- Additional Financing for Road Network Upgrading Sector Project (Baucau-Lautem, Maubara-Karimbala and Atabae-Mota Ain) (signed by GoTL and ADB in March 2016)

The following paragraphs provide additional information on each of these loan-funded projects.

**a. Road Network Upgrading Project (Dili-Liquiça and Tibar-Gleno road sections)**

This loan package was signed with the Asian Development Bank (ADB) in 2012 to finance the rehabilitation and upgrade of the Dili-Tibar-Liquiça (28.7 km) and Tibar-Gleno (32 km) road sections. These are two important components of the inter-urban network with some of the highest traffic levels in the country. The loan package is comprised of two loans: a highly-concessional Asian Development Fund (ADF) loan in the amount of SDR 5,905,000 (approximately \$9.2 million) with a fixed interest rate of 1% per annum during the 8-year grace period and 1.5% thereafter; and a slightly less concessional Ordinary Capital Resources (OCR) loan for \$30.9 million with a variable interest rate of LIBOR+0.4%. Physical progress in the Dili-Tibar-Liquiça component was nearly 89% by late June 2016, while the Tibar-Gleno section was completed and inaugurated in June 2016.

Total interest and other charges paid on this loan package as of June 2016 was \$376,946. The repayment of the principal will commence on September 15, 2017.

**b. National Road No.1 Upgrading Project, Dili-Manatuto-Baucau**

The 116 km segment linking Dili-Manatuto-Baucau is a very important component of the road network, which connects three of the country's main cities. A loan in support of this project was signed with the Japan International Cooperation Agency (JICA) in 2012 for an amount of approximately 5.28 million Yen, which at the time amounted to approximately \$68.7 million. However, the subsequent devaluation of the Yen and an increase in the estimated costs of the works during the design phase made it necessary to undertake the financial structuring of this project. As a consequence, a decision was made to allocate the JICA loan entirely to financing Package I, between Hera-Manatuto, while the government is currently exploring the possibility of mobilizing an additional loan from ADB to finance the Manatuto-Baucau section. The interest rate on the JICA loan is a highly-concessional 0.7% per annum for the amount spent on civil works and 0.01% for the amount spent on consulting services. Procurement for this project has suffered considerable delays because of the need for the Government to wait for the non-objection letter from JICA in relation to the bidding documents, which was finally received in April 2015. Construction is expected to commence in the third quarter of 2016.

As of June 2016, total interest and charges paid on this loan amounted to \$286,058, for disbursements to cover expenses related to the design of the road.

**c. Road Climate Resilience Project, Solerema-Ainaro**

This loan package was signed with the World Bank in November 2013 and is comprised of two loans: a highly-concessional IDA loan in the amount of \$25 million with an interest rate of 1.25%, Plus basis adjustment and an IBRD loan in the amount of \$15 million with a variable interest rate of LIBOR+1%. This financing package supports the rehabilitation and upgrade of several sections of the north-south road that connects the capital Dili with the southern regions of Ainaro, Covalima and Manufahi. Completion of the works in the three lots that make up this loan-funded project is expected for March 2017 (Solerema-Bandudatu), November 2017 (Bandudatu-Aituto) and February 2018 (Aituto-Ainaro).

As of June 2016, interest and other charges paid on this loan package amounted to \$241,368. The repayment of the principal will begin in March 2019.

**d. Road Network Upgrading Sector Project, Manatuto-Natarbora**

The second loan package entered into with Asian Development Bank (in November 2013) finances the rehabilitation and upgrade of another major north-south axis, between Manatuto and Natarbora. It is comprised of a OCR component worth \$40 million with variable interest of LIBOR+0.5% per annum, and an ADF loan with a 2% fixed interest rate in the amount of SDR 6.672 million (around \$10 million). As of June 2016, physical progress was 18% in the Manatuto-Laclubar section and 13% in the Laclubar-Natarbora section. Expected dates of completion are July 2017 and March 2018, respectively.

Total interest and other charges paid as of June 2016 amounted to \$211,356. The repayment of the principal will commence in April 2019.

**e. Additional Financing for Road Network Upgrading Project, Tasitolu-Tibar Dual Carriageway Road**

This financing package was signed with ADB on 24 June 2015 to complement the ongoing Road Network Upgrading Project, so as to cover the construction of a four-lane road linking Tasitolu to the entrance of the future Tibar Bay Port (a total of 5.2km). The total loan amount is \$11.8 million and the interest rate (variable) is LIBOR+0.6% per annum. The procurement process for the contractor is currently being finalized.

Total charges paid as of June 2016 amounted to \$9,915. The repayment of principal will begin in September 2019.

**f. Dili Drainage Infrastructure Project**

The Dili Drainage Infrastructure Upgrading Project is intended to reduce frequent flooding events and improve public health and safety conditions in Dili, ultimately contributing to the economic growth of the city and Timor-Leste as a whole. The drainage components to be constructed include retarding basins, canals, and road drainages. The loan agreement in support of this project was signed with China EXIM Bank in December 2015. The loan

amount is \$50 million and the interest rate (fixed) is a concessional 2% per annum. The implementation of the project will commence upon approval of the signed loan agreement by the Audit Court.

**g. Additional Financing for Road Network Upgrading Sector Project, Baucau-Lautem, Maubara-Karimbala and Atabae-Motain**

This loan package is an additional financing to the ongoing Road Network Upgrading Sector Project and is meant to support the rehabilitation and upgrade of three additional sections of the North Coast road corridor: Baucau-Lautem, Maubara-Karimbala and Atabae-Motain. Total financing in the amount of \$76.2 million will be provided by ADB as per the agreements signed in March 2016: one for an OCR loan worth \$53 million (LIBOR+0.6% interest) and the other for an ADF loan in the amount of SDR 16.754m (around \$23.2 million, with 2% fixed interest). At present, this project is still in the procurement stage.

As to date, no payment has been made for interest or other charges. The repayment of the principal will begin in April 2021. The total projected loan disbursements, over the period 2017-2021, can be seen below in Table 2.7.3.1.

**Table 2.7.3.1: Projected Total Loan Financing 2017-2021, (\$m)**

	<b>Total</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Loans	1,409.4	101.8	310.7	460.8	317.8	218.2

Sources: National Directorate of Budget and Major Projects Secretariat, Ministry of Finance, 2016

Details about each of the loan agreements are summarized in Table 2.7.3.2.

**Table 2.7.3.2 Loan Agreement Summary**

	JICA Loan	ADB - 2857	ADB - 2858	ADB - 3021	ADB - 3020	ADB-3341	ADB-3342	WB - 5303	WB-8290	ADB - 3181	CHINA EXIM BANK PBC NO. 2015 (3) TOTAL NO. (345)
<b>Parties:</b>	The Government of the Democratic Republic of Timor-Leste and Japan International Cooperation Agency	The Government of the Democratic Republic of Timor-Leste and Asian Development Bank	The Government of the Democratic Republic of Timor-Leste and Asian Development Bank	The Government of the Democratic Republic of Timor-Leste and Asian Development Bank	The Government of the Democratic Republic of Timor-Leste and Asian Development Bank	The Government of the Democratic Republic of Timor-Leste and Asian Development Bank	The Government of the Democratic Republic of Timor-Leste and Asian Development Bank	Democratic Republic of Timor-Leste and International Development Association	Democratic Republic of Timor-Leste and International Bank for Reconstruction and Development	The Government of the Democratic Republic of Timor-Leste and Asian Development Bank	The Government of the Democratic Republic of Timor-Leste and China EXIM Bank
<b>Agreement Date:</b>	19-Mar-12	02-May-12	02-May-12	18-Nov-13	18-Nov-13	04-Mar-16	04-Mar-16	18-Nov-13	18-Nov-13	24-Jun-15	18-Dec-15
<b>Amount:</b>	Yen 5,278,000,000 (US\$63,300,551)	USD 30,850,000	SDR 5,905,000	SDR 6,672,000	USD 40,000,000	USD 53,000,000	SDR 16,574,000	USD 25,000,000	USD 15,000,000	USD 11,780,000	USD 50,000,000
<b>Grace Period</b>	10 years	5 years	8 years	5 years	5 years	5 years	5 years	5 years	8 years	5 years	5 years
<b>Repayment period:</b>	20 Years (20 September 2022 – 20 March 2042)	20 Years (15 September 2017 – 15 March 2037)	23.5 Years (15 September 2020 – 15 March 2044)	20 Years (15 April 2019 - 15 October 2038)	20 Years (15 April 2019 - 15 October 2038)	20 Years (15 April 2021 - 15 October 2040)	20 Years (15 April 2021 - 15 October 2040)	20 Years (15 March 2019 - 15 September 2038) - Commencing 15 March 2019 to and including 15 Sept 2028 - 1.65% of principal amount - Commencing 15 March 2029 to and including 15 Sep 2038 - 3.35% of principal amount	20 Years (15 March 2022 - 15 September 2041) - Commencing 15 March 2022 through 15 Sept 2040 - 2.56% of principal amount -including 15 March 2041 to 2.72% of principal amount	20 Years (15 September 2019 - 15 March 2039)	15 Years (14 July 2022 - 14 January 2037)
<b>Interest rates:</b>	0.7% per annum payable Semi-annually on the principal withdrawn for Civil Works and 0.01% p.a. interest on consulting services (Capitalized)	The sum of LIBOR + 0.60% less credit of 0.20% on the loan withdrawn payable on 15 March and 15 September each year (Capitalized).	1% per annum during the grace period and 1.5% per annum thereafter on the withdrawn amount.(Grace period prior to the first Principal Payment Date.) Payable on 15 March and 15 September each year (Capitalized)	2% p.a (During and after grace period) - Capitalized	LIBOR + (0.60% - 0.20%) + 0.10% p.a maturity premium (during and After Grace Period) - Capitalized	LIBOR + (0.60% - 0.10%) + 0.10% p.a maturity premium (during and After Grace Period) - Capitalized	2% p.a (During and after grace period) - Capitalized	(1.25 p.a + Basis adjustment) - to be paid directly under State Budget	Ref Rate + Fixed Spread (1%) - Capitalized	LIBOR + (0.60% - 0.10%) + 0.10% p.a maturity premium. - Capitalized	2% p.a (During and after grace period) -be paid from State Budget

	JICA Loan	ADB - 2857	ADB - 2858	ADB - 3021	ADB - 3020	ADB-3341	ADB-3342	WB - 5303	WB-8290	ADB - 3181	CHINA EXIM BANK PBC NO. 2015 (3) TOTAL NO. (345)
Commitment Charge	0.1% per annum payable semi-annually on total unused amount budgeted for all works and services excluding commitment charges. (Commitment charges is also lent to the borrower) - Capitalized	0.15% per annum on full amount of the loan (less amounts withdrawn) from 60 days after the date of the loan agreement payable on 15 March and 15 September each year- Capitalized	-	-	0.15% per annum on full amount of the loan (less amounts withdrawn) from 60 days after the date of the loan agreement - Capitalized	0.15% per annum on full amount of the loan (less amounts withdrawn) from 60 days after the date of the loan agreement - Capitalized	-	1/2 of 1 % p.a (Unwithdrawn Financing Balance) - to be paid directly under State Budget	-	0.15% per annum on full amount of the loan (less amounts withdrawn) from 60 days after the date of the loan agreement payable on 15 March and 15 September each year - Capitalized	0.25 % p.a (Unwithdrawn Financing Balance) - be paid from State Budget
Service Charge	-	-	-	-	-	-	-	The greater of (3/4 of 1% p.a + basis adjustment) or 3/4 % p.a - to be paid directly under State Budget	-	-	-
Front End Fee	-	-	-	-	-	-	-	-	USD 37,500 (0.25% of loan amount)	-	USD 125,000 (0.25% of loan amount)
Dates of repayment:	Semi-annually on 20 March and 20 September. Principal: Refer to Schedule 3 Loan Agreement	15 March and 15 September each year. Principal: Refer to Schedule 1 Loan Agreement	15 March and 15 September each year. Principal: Refer to Schedule 2 Loan Agreement	Interest and other charges: payable on 15 April and 15 October each year. Principal: Refer to Schedule 1 Loan Agreement	Interest and other charges: payable on 15 April and 15 October each year. Principal: Refer to Schedule 2 Loan Agreement	Interest and other charges: payable on 15 April and 15 October each year. Principal: Refer to Schedule 2 Loan Agreement	Interest and other charges: payable on 15 April and 15 October each year. Principal: Refer to Schedule 1 Loan Agreement	Interest and other charges: payable on 15 March and 15 September each year. Principal: Refer to Schedule 3 Loan Agreement	Interest and other charges: payable on 15 March and 15 September each year. Principal: Refer to Schedule 3 Loan Agreement	Interest and other charges: payable on 15 March and 15 September each year. Principal: Refer to Schedule 2 Loan Agreement	Interest and other charges: payable on 14 January and 14 July each year. Principal: subject to the amount disbursed at end of grace period
Loan closing date		30-Jun-17	30-Jun-17	30-Jun-20	30-Jun-20	30-Jun-21	30-Jun-21	31-Dec-18	31-Dec-18	30-Jun-18	2021 (Estimated)
Project completion date:	Jun-17	30-Dec-16	30-Dec-16	31-Dec-19	31-Dec-19	31-Dec-20	31-Dec-20	-	-	31-Dec-17	2018 (Estimated)

## 2.7.4: Use of the Cash Balance

The use of the cash balance for the Consolidated Fund of Timor-Leste (CFTL) at the end of 2015 is forecast to be insignificantly small, and hence no cash balance will be included to finance expenditures in the 2017 State Budget. Similarly, there is also no forecasted rollover of cash balances for the IF and HCDF from 2017.

**Table 2.7.4.1 Use of Cash Balance in 2017**

<b>Total</b>	<b>0.0</b>
HCDF Rollover	0.0
Drawdown of Cash Balances from the Treasury Account	0.0

Source: General Directorate of Treasury, Secretariat for the Human Capital Development Fund, 2016

## 2.7.5: Public Private Partnerships

Public-Private Partnerships (PPP) are long-term relationships between the government and a private partner for the provision of infrastructure or other public services. They make it possible to tap into the know-how, experience and innovation of the private sector, to improve the standards in the provision of public services, and to allocate risks in ways that are more efficient (for example, by the private partner taking responsibility for the timely completion of the infrastructure, subject to payment of compensation in the event of delays).

Timor-Leste began exploring PPPs as a modality for project implementation around 5 years ago, and started out by establishing a PPP Policy, PPP legislation and a dedicated PPP Unit in the Ministry of Finance. All of these seek to ensure that only high-quality projects, which have high social and economic returns and which are aligned with the government's strategic priorities, are considered for implementation through a PPP modality. For example, the legislation on PPPs includes a requirement that all PPP projects undergo both a pre-feasibility study and a full-fledged feasibility study prior to proceeding to the procurement phase. Each candidate project is carefully considered from the technical, economic, financial, legal, environmental and social perspectives, and compared to the alternative of standard public sector provision, to ensure that there is value for money in pursuing a PPP modality.

The government is aware of the negative experiences that some other countries have had with public-private partnerships, and has drawn on those experiences to avoid making the

same mistakes and to maximize the benefits of PPP. For the most part, those negative experiences elsewhere have been due to poor project selection, an inadequate legal and institutional framework, inadequate risk allocation, and the use of PPP to overcome budget restrictions. In the case of Timor-Leste, the screening of the projects during the feasibility stage is especially rigorous; a dedicated PPP unit and specific legislation were created prior to the first project being implemented; the shifting of risks to the private partner (especially demand risk in commercially viable projects like Tibar Bay Port) is a key consideration; and PPP are not used to circumvent budget restrictions, but rather to mobilize private sector know-how, experience and innovation.

There are currently four projects in the PPP pipeline: Tibar Bay Port, Dili Water Supply, Electricity Sector, and Medical Diagnostic Service. Tibar Bay Port recently entered the implementation stage following the signing of the concession agreement between the government and Bolloré Consortium on 3 June 2016. The concessionaire will design, co-finance, build, operate and transfer back a world-class container and cargo port, which will make it possible to overcome the limitations of the existing Dili Port and significantly boost Timor-Leste's international connectivity. Construction of the port is expected to begin in mid-2017, after the design documents and environmental studies have been completed, and completion of the facility is scheduled for mid-2020.

Dili Water Supply PPP, Electricity Sector PPP and Medical Diagnostic Services PPP are all in the feasibility stage, undergoing detailed analyses aimed at providing the government with the information required to make a fully-informed decision on whether to pursue one of various possible modalities of private sector involvement (concession, lease, management contract, etc.). In addition to these, a few additional PPP projects have recently entered the conceptual stage which precedes the formal PPP cycle: these include Tibar Bay Investment Project (an industrial park at Tibar to take advantage of synergies with the future port) and two projects in the tourism sector (the Dili waterfront redevelopment, and the development of hot spring sites).

## Part 3: 2017 General State Budget Law



PARLAMENTO  
NACIONAL  
República Democrática de Timor-Leste

Lei n.º /2016

### ORÇAMENTO GERAL DO ESTADO PARA 2017

O Orçamento Geral do Estado para 2017 engloba o Orçamento do Estado (OE) e o Orçamento da Segurança Social (OSS), discriminando todas as receitas e despesas do Estado e da Segurança Social, para o ano financeiro de 2017.

O Anexo I à presente lei estabelece as receitas e as despesas do Orçamento do Estado, de janeiro a dezembro de 2017, sistematizadas da seguinte forma:

Tabela I– Estimativa de receitas a serem cobradas e financiamento das despesas do Orçamento do Estado para 2017, provenientes de todas as fontes, petrolíferas e não petrolíferas (fiscais, não fiscais e provenientes de empréstimos).

O total estimado de receitas é de 1.414,4 milhões de dólares.

Tabela II – Dotações Orçamentais para 2017 sistematizadas da seguinte forma:

1. 209,701 milhões de dólares para Salários e Vencimentos;
2. 395,047 milhões de dólares para Bens e Serviços;
3. 420,964 milhões de dólares para Transferências Públicas;
4. 12,075 milhões de dólares para Capital Menor;
5. 349,039 milhões de dólares para Capital de Desenvolvimento.

O total das despesas dos serviços sem autonomia administrativa e financeira e dos órgãos autónomos sem receitas próprias é de 982,747 milhões de dólares.

Tabela III – Serviços e fundos autónomos incluindo Autoridade da Região Administrativa Especial de Oe-Cusse Ambeno (RAEOA) e Zona Especial de Economia Social de Mercado de Oe-Cusse Ambeno e Ataúro (ZEESM).

O total das despesas dos serviços e fundos autónomos em 2017 incluindo as despesas financiadas por empréstimos é de 376,879 milhões de dólares. O total da estimativa das despesas para a Autoridade da Região Administrativa Especial de Oe-Cusse Ambeno (RAEOA) e Zona Especial de Economia Social de Mercado de Oe-Cusse Ambeno e Ataúro



(ZEESM) é de 171,860 milhões de dólares, a serem financiados através de dotação do OE no valor de 171,091 milhões de dólares.

Tabela IV – Dotações Orçamentais para 2017 do Fundo de Desenvolvimento do Capital Humano, no total de 27,2 milhões de dólares.

O total estimado das despesas do OE é de 1.386,826 milhões de dólares.

O total máximo aprovado para financiamento com recurso ao endividamento público, em 2017, é de 101,826 milhões de dólares.

As receitas não petrolíferas estimadas, incluindo as dos serviços e fundos autónomos, são de 206,2 milhões de dólares.

O total das receitas cobradas pelos serviços e fundos autónomos é de 6,9 milhões de dólares.

Assim, o défice fiscal não petrolífero é de 1.180,584 milhões de dólares, o qual é financiado em 1.078,8 milhões de dólares, a partir do Fundo Petrolífero, dos quais 481,6 milhões de dólares corresponde ao Rendimento Sustentável Estimado e 597,1 milhões de dólares acima do Rendimento Sustentável Estimado, e em 101,826 milhões de dólares através do recurso ao crédito público.

O Anexo II à presente lei estabelece as receitas e as despesas do Orçamento da Segurança Social, de janeiro a dezembro de 2017, sistematizadas da seguinte forma:

Tabela I – Total de Receitas Globais da Segurança Social, no total de 26.994.345,00 dólares americanos, assim discriminados:

- a) Contribuições para a Segurança Social, no valor de 22.752.189,00 dólares americanos;
- b) Juros provenientes da aplicação dos excedentes de tesouraria, no valor de 13.000,00 dólares americanos;
- c) Transferências Correntes do Orçamento do Estado, no valor de 4.229.156,00 dólares americanos.

Tabela II – Total de Receitas do Regime Contributivo de Segurança Social, no valor de 26.905.189,00 dólares americanos.

Tabela III – Total de Receitas de Administração da Segurança Social, no valor estimado de 89.156,00 dólares americanos.

Tabela IV – Total de Despesas Globais da Segurança Social, no valor previsto de 4.951.127,00 dólares americanos, assim discriminadas:

- a) Aquisição de bens e serviços, no valor de 86.156,00 dólares americanos;
- b) Transferências correntes, no valor de 4.861.971,00 dólares americanos;
- c) Outras despesas correntes, no valor de 3.000,00 dólares americanos.

Tabela V – Total de Despesas do Regime Contributivo de Segurança Social, no valor previsto de 4.861.971,00 dólares americanos.

Tabela VI – Total de Despesas de Administração da Segurança Social, no valor previsto de 89.156,00 dólares americanos.

Prevê-se que haja um saldo positivo entre o valor das despesas e receitas da Segurança Social, a reverter para o Fundo de Reserva da Segurança Social, após o final do ano financeiro de 2017.

O Parlamento Nacional decreta, nos termos da alínea d) do n.º 3 do artigo 95.º e do n.º 1 do artigo 145.º da Constituição da República, para valer como lei, o seguinte:

## **CAPÍTULO I**

### **Definições**

#### **Artigo 1.º**

### **Definições**

Para os efeitos da presente lei, entende-se por:

- a) "Administração da Segurança Social", as despesas e as receitas de administração e gestão do sistema de segurança social da responsabilidade da instituição que gere o sistema de segurança social;
- b) "Categoria de Despesa" – O agrupamento das despesas sob as cinco categorias seguintes:
  - i) "Salários e Vencimentos", o montante global que um órgão pode gastar com Salários e Vencimentos para os titulares e membros dos órgãos de soberania, funcionários e agentes da Administração Pública e trabalhadores contratados pelos órgãos e instituições do Estado;
  - ii) "Bens e Serviços", o montante global que um órgão pode gastar na aquisição de Bens e Serviços;
  - iii) "Transferências Públicas", o montante global que um órgão pode gastar em subvenções públicas e pagamentos consignados;
  - iv) "Capital Menor", o montante global que um órgão pode gastar na aquisição de bens de Capital Menor;
  - v) "Capital de Desenvolvimento", o montante global que um órgão pode gastar em projetos de Capital de Desenvolvimento;
- c) "Componente de capitalização do regime contributivo", a componente do regime contributivo de segurança social que é gerida obedecendo ao método de capitalização pública de estabilização;
- d) "Componente de repartição do regime contributivo", a componente do regime contributivo de segurança social que é gerida obedecendo ao método de repartição ("*pay-as-you-go*");
- e) "Despesas Compensadas pelas Receitas", as despesas suportadas pelas receitas próprias cobradas pelos serviços e fundos autónomos, desde que o montante não exceda o valor total das receitas que deram entrada nas contas relevantes do Tesouro;
- f) "Dotação Orçamental", o montante máximo inscrito no OE a favor de um órgão com vista à realização de determinada despesa;
- g) "Órgão/Órgãos", o termo genérico adotado no OE para indicar o setor público administrativo sujeito à disciplina orçamental, que inclui os serviços que não dispõem de autonomia administrativa e financeira e os órgãos autónomos sem receitas próprias e que, segundo a classificação orgânica, se pode dividir em títulos, tais como Gabinete do

Presidente da República, Parlamento Nacional, Governo (Gabinete do Primeiro-Ministro, Ministros de Estado, Presidência do Conselho de Ministros, Ministérios e Secretarias de Estado), Tribunais, Procuradoria-Geral da República, bem como outras instituições que constam da Tabela II do Anexo I;

- h) “Órgãos Autónomos sem receitas próprias” os que tenham autonomia administrativa e financeira e não cobram receitas próprias para cobertura das suas despesas;
- i) “Regime Contributivo de segurança social”, o regime de segurança social que pressupõe uma relação contributiva em que as prestações sociais criam direitos, e que integra o regime geral e o regime transitório de segurança social;
- j) “Regime transitório de segurança social”, o regime de segurança social na velhice, invalidez e morte para os trabalhadores do Estado, criado pela Lei n.º6/2012, de 29 de fevereiro, cujos beneficiários são integrados no regime geral, tendo em conta o princípio da tutela dos direitos adquiridos e dos direitos em formação;
- k) "Rubricas de Despesa", as rubricas de despesa desagregada dentro de cada Categoria de Despesa, com base na estrutura de código de contas de despesa mantida pelo Tesouro;
- l) “Segurança Social”, o regime contributivo de segurança social e a instituição responsável pela gestão do sistema de segurança social;
- m) “Serviços e Fundos Autónomos” os que satisfaçam, cumulativamente, os seguintes requisitos:
  - i) Não tenham natureza e forma de empresa, fundação ou associação pública, mesmo se submetidos ao regime de qualquer destas por outro diploma;
  - ii) Tenham autonomia administrativa e financeira;
  - iii) Disponham de receitas próprias para cobertura das suas despesas, nos termos da lei.

## **CAPÍTULO II**

### **Orçamento do Estado**

#### **Artigo 2.º**

#### **Aprovação**

É aprovado o Orçamento do Estado para o período compreendido entre 1 de janeiro e 31 de dezembro de 2017, nos seguintes termos:

- a) O total das receitas por agrupamentos, incluindo as receitas próprias dos serviços e fundos autónomos, as da Autoridade da Região Administrativa Especial de Oe-Cusse Ambeno e da Zona Especial de Economia Social de Mercado de Oe-Cusse Ambeno e Ataúro, e financiamento proveniente de empréstimos, constantes da Tabela I do Anexo I à presente lei, dela fazendo parte integrante;
- b) O total das despesas por agrupamentos, incluindo as verbas destinadas aos serviços e fundos autónomos, para financiamento da diferença entre as suas receitas próprias e o total das respetivas despesas constantes da Tabela II do Anexo I à presente lei, dela fazendo parte integrante;

- c) O total das receitas dos serviços e fundos autónomos, incluindo as da Autoridade da Região Administrativa Especial de Oe-Cusse Ambeno e da Zona Especial de Economia Social de Mercado de Oe-Cusse Ambeno e Ataúro, e das despesas a serem financiadas a partir das suas receitas próprias e do Orçamento do Estado, constantes da Tabela III do Anexo I à presente lei, dela fazendo parte integrante;
- d) O total das despesas correspondentes à dotação do Fundo de Desenvolvimento do Capital Humano, constantes da Tabela IV do Anexo I à presente lei, dela fazendo parte integrante.

### **Artigo 3.º**

#### **Impostos e taxas**

1. Durante o ano de 2017, o Governo está autorizado a cobrar os impostos e taxas constantes da legislação em vigor.
2. Não obstante o disposto no número anterior, em 2017 é suspensa a sujeição de armas e munições, para a PNTL e F-FDTL, a pagamento de imposto seletivo de consumo, nos termos do artigo 11.º e anexo II da Lei n.º 8/2008, de 30 de junho, Lei Tributária.
3. É suspensa a sujeição a retenção na fonte sobre pagamentos relacionados com assistência médica no estrangeiro, quando exista um acordo entre o beneficiário do rendimento e o Ministério da Saúde e a assistência se enquadre ao abrigo do Decreto-Lei n.º 9/2010, de 21 de julho, alterado pelo Decreto-lei n.º 49/2011, de 30 de novembro, referente à assistência médica no estrangeiro.

### **Artigo 4.º**

#### **Pagamento de impostos sobre importações**

O Tesouro fica autorizado a estabelecer e implementar um mecanismo de contabilidade para o registo e controlo das receitas e despesas, correspondente ao pagamento de impostos sobre importações efetuadas pelos órgãos ou em seu nome.

### **Artigo 5.º**

#### **Limite autorizado para financiamento do OE**

Nos termos e para os efeitos do disposto no artigo 7.º da Lei n.º 9/2005, de 3 de agosto, Lei do Fundo Petrolífero, na redação que lhe foi dada pela Lei n.º 12/2011, de 28 de setembro, o montante das transferências do Fundo Petrolífero para 2017 não excede 1.078,8 milhões de dólares, sendo a transferência de 481,6 milhões de dólares efetuada após o cumprimento do disposto no artigo 8.º e a transferência de 597,1 milhões de dólares efetuada após o cumprimento das alíneas a), b), c) e d) do artigo 9.º da Lei do Fundo Petrolífero.

### **Artigo 6.º**

#### **Montante máximo de endividamento autorizado**

1. Com o objetivo de fazer face às necessidades de financiamento relacionadas com a construção de infraestruturas estratégicas para o desenvolvimento do País, fica o Governo autorizado, nos termos do artigo 20.º da Lei n.º 13/2009, de 21 de outubro, sobre Orçamento e Gestão Financeira, alterada pelas Leis n.º 9/2011, de 17 de agosto, e

n.º 3/2013, de 11 de setembro, e do artigo 3.º da Lei n.º 13/2011, de 28 de setembro, sobre o Regime da Dívida Pública, a recorrer ao endividamento externo concessional, adicional, até ao montante máximo de 500 milhões de dólares, com um prazo máximo de 40 anos.

2. Sem prejuízo do disposto no número anterior, em 2017, o financiamento proveniente de empréstimos, já contratados, não excede 101.826 milhões de dólares.

### **Artigo 7.º**

#### **Dotações para todo o Governo**

São inscritas em Dotações para Todo o Governo as seguintes dotações, cuja gestão fica a cargo do Ministério das Finanças:

- a) Fundo de Contrapartidas;
- b) Auditoria Externa;
- c) Reserva de Contingência;
- d) Quotas de Membro de Instituições Internacionais;
- e) Pensões dos Ex-Titulares e Ex-Membros dos Órgãos de Soberania;
- f) Serviços de Postos Integrados na Fronteira;
- g) Provisão para g7+;
- h) Provisão para Serviços Legais;
- i) Provisão para a Autoridade da Região Administrativa Especial de Oe-Cusse (RAEOA) e Zona Especial de Economia Social de Mercado de Oe-Cusse Ambeno e Ataúro (ZEESM);
- j) Provisão para Garantia de Crédito;
- k) Provisão para Eleições Nacionais 2017;
- l) Apoio à Conferência Episcopal de Timor-Leste;
- m) Programa de Melhoramento de Infraestruturas Rurais;
- n) Contribuição do Estado para o Regime Contributivo da Segurança Social;
- o) Apoio às Atividades da Comunidade dos Países de Língua Portuguesa;
- p) Apoio Financeiro Internacional;
- q) Provisão para a Reforma Fiscal, Reforma da Gestão do Desempenho e Reforma do Desempenho Orçamental;
- r) Capitalização do Banco Central de Timor-Leste;
- s) Provisão para Parcerias Público-Privadas e Empréstimos;
- t) Provisão para Oficina de Manutenção de Veículos do Governo;
- u) Provisão para Governo Eletrónico ITC;
- v) Provisão para Adesão à Associação de Nações do Sudeste Asiático – ASEAN;
- w) Provisão para Pagamento de Empréstimos;
- x) Provisão para a Campanha de Sensibilização Internacional.

## **Artigo 8.º**

### **Receitas dos serviços e fundos autónomos e fundo especial**

1. As previsões das receitas domésticas, incluindo as receitas a serem cobradas pelos serviços e fundos autónomos e RAEOA e ZEESM, constam da Tabela I e Tabela III do Anexo I.
2. As receitas próprias dos serviços e fundos autónomos devem ser usadas unicamente para os fins dos mesmos.
3. As receitas resultantes das transferências a partir do OE para os serviços e fundos autónomos e para o Fundo de Desenvolvimento do Capital Humano constam das Tabelas III e IV do Anexo I.

## **Artigo 9.º**

### **Regras complementares de execução do Orçamento do Estado**

1. A execução orçamental pelos órgãos e pelos serviços e fundos autónomos deve obrigatoriamente ser feita com recurso ao Sistema Informático de Gestão Financeira, com exceção dos procedimentos relativos à segurança nacional, medicamentos, insumos médicos e equipamentos médico-hospitalares, à Região Administrativa Especial de Oe-Cusse Ambeno e à Zona Especial de Economia Social de Mercado de Oe-Cusse Ambeno e Ataúro.
2. As verbas atribuídas aos órgãos e serviços sem autonomia administrativa e financeira que não forem gastas até ao final do ano financeiro devem ser repostas na Conta do Tesouro.
3. A contratação pública por ajuste direto apenas é permitida a cada órgão até 10% do total das respetivas dotações orçamentais para 2017, sem prejuízo da observância das normas legais sobre a sua admissibilidade.
4. O disposto no número anterior não se aplica aos aprovisionamentos no âmbito das Dotações para Todo o Governo, aos relativos a questões de segurança nacional, medicamentos, insumos médicos e equipamentos médico-hospitalares, aos do Planeamento de Desenvolvimento Integrado Municipal e aos da Região Administrativa Especial de Oe-Cusse Ambeno e Zona Especial de Economia Social de Mercado de Oe-Cusse Ambeno e Ataúro.
5. As alterações orçamentais no âmbito das Dotações para Todo o Governo seguem o disposto no artigo 38.º da Lei n.º 13/2009, de 21 de outubro, sobre Orçamento e Gestão Financeira, alterada pelas Leis n.º 9/2011, de 17 de agosto e n.º 3/2013, de 11 de setembro, com exceção da Reserva de Contingência.
6. O Parlamento Nacional realiza um debate trimestral, sobre a execução orçamental de cada ministério, secretaria de Estado, órgão autónomo sem receitas próprias e serviço e fundo autónomo, com a presença dos respetivos membros do Governo e dirigentes máximos.

7. Quando o saldo da conta do Tesouro for inferior a 200 milhões de dólares, o Governo pode recorrer à transferência do Fundo Petrolífero acima do Rendimento Sustentável Estimado, informando previamente o Parlamento Nacional.
8. Os pedidos de uso da reserva de contingência devem ser devidamente justificados nos termos do n.º 3 do artigo 7.º e do artigo 37.º da Lei n.º 13/2009, de 21 de outubro, sobre Orçamento e Gestão Financeira, alterada pelas Leis n.º 9/2011, de 17 de agosto e n.º 3/2013, de 11 de setembro, e devem conter a descrição detalhada das atividades a realizar.
9. Em 2017, em caso de necessidade urgente e imprevista, o Ministro das Finanças pode alterar parte de uma dotação orçamental para despesas de contingência para um programa de órgãos com autonomia administrativa e financeira sem receita própria, de serviços e fundos autónomos e de autoridades municipais e administrações municipais.
10. Os pedidos de uso de reserva de contingência para um programa de um órgão com autonomia administrativa e financeira sem receita própria e de autoridades municipais ou de administrações municipais devem ser justificados e assinados pelo seu responsável ou em quem ele delegar.
11. Os pedidos de uso de reserva de contingência para um programa de um serviço e fundo autónomo, devem ser conjuntamente justificados e assinados pela respetiva tutela e pelo responsável do serviço e fundo autónomo.
12. No âmbito dos contratos celebrados cuja eficácia se encontre suspensa, o Governo fica autorizado a suspender a respetiva garantia de execução até se encontrarem reunidas as condições para a plena eficácia dos referidos contratos.
13. As regras de execução do Orçamento do Estado são definidas no diploma do Governo sobre a execução orçamental.
14. Em 2017, o Fundo das Infraestruturas fica autorizado a gastar o saldo devidamente programado, após o final do ano financeiro.
15. O Governo estabelece as regras de contabilização dos compromissos assumidos pelo Estado resultantes de contratos de parcerias público-privadas, incluindo a contabilização dos montantes executados para pagamento da participação públicas nesses projetos.

#### **Artigo 10.º**

##### **Compromissos plurianuais**

1. No ano financeiro de 2017, ficam todas as entidades do perímetro orçamental autorizadas a assinar contratos públicos que constituam compromissos plurianuais.
2. Para efeitos da presente lei, consideram-se compromissos plurianuais os compromissos que constituem obrigação de efetuar pagamentos em mais do que um ano financeiro ou em anos financeiros distintos do ano em que o compromisso é assumido.

### **Artigo 11.º**

#### **Financiamento através de doadores independentes**

1. Cada Órgão só pode estabelecer acordos com doadores independentes para o fornecimento de recursos adicionais ou complementares ao financiamento contido nas afetações orçamentais na presente lei, mediante parecer prévio obrigatório do ministro responsável pela área das Finanças quando os mesmos tenham impacto no Orçamento Geral do Estado.
2. A gestão do financiamento previsto no número anterior deve ser feita de acordo com as diretivas emitidas pelo Ministério das Finanças e com os requisitos dos doadores.

## **CAPÍTULO III**

### **Orçamento da Segurança Social**

#### **Secção I**

#### **Normas aplicáveis ao Orçamento da Segurança Social**

### **Artigo 12.º**

#### **Perímetro Orçamental**

O Orçamento da Segurança Social, em 2017, integra:

- a) O orçamento do regime contributivo de segurança social, que inclui:
  - i. A componente de repartição do regime contributivo, composta pelo regime geral e pelo regime transitório de Segurança Social;
  - ii. A componente de capitalização do regime contributivo.
- b) O orçamento da Administração da Segurança Social.

### **Artigo 13.º**

#### **Princípios e regras**

1. As receitas do Orçamento da Segurança Social são consignadas ao financiamento das despesas da segurança social.
2. O Orçamento da Segurança Social especifica as despesas e as receitas globais, bem como as da Administração da Segurança Social e do Regime Contributivo de Segurança Social.
3. Sem prejuízo do disposto nos números anteriores, os princípios e as regras orçamentais previstos nos artigos 3.º a 11.º da Lei n.º 13/2009, de 21 de outubro, aplicam-se, com as necessárias adaptações, ao Orçamento da Segurança Social.
4. Os saldos anuais da componente de repartição do Regime Contributivo de Segurança Social revertem obrigatoriamente a favor do Fundo de Reserva da Segurança Social, a gerir em capitalização, a regulamentar pelo Governo.
5. O Orçamento da Segurança Social está sujeito ao mesmo controlo orçamental, administrativo, jurisdicional e político do Orçamento do Estado.



6. O Orçamento da Segurança Social está sujeito às mesmas regras de prestação de contas, relatórios e responsabilidade financeira que o Orçamento do Estado.
7. A instituição responsável pela gestão do sistema de segurança social é autorizada a abrir uma ou mais contas bancárias comerciais, para movimentação das verbas de tesouraria da segurança social.
8. As verbas afetas à Segurança Social não são consideradas dinheiros públicos nos termos a que se refere o artigo 12.º da Lei n.º 13/2009, de 21 de outubro.

#### **Artigo 14.º**

##### **Conteúdo e estrutura do Orçamento da Segurança Social para o ano financeiro de 2017**

1. O Orçamento da Segurança Social contém:
  - a) Informação geral sobre o orçamento;
  - b) As dotações das despesas e as previsões das receitas da segurança social.
2. No Orçamento da Segurança Social são inscritas obrigatoriamente as receitas provenientes de todas as fontes de financiamento, incluindo as transferências do Orçamento do Estado, as contribuições sociais e outras receitas afetas à segurança social.
3. No Orçamento da Segurança Social são inscritas obrigatoriamente as dotações necessárias para cobrir o financiamento de prestações sociais, previstas na lei.

#### **Secção II**

##### **Taxa e cobrança**

#### **Artigo 15.º**

##### **Taxa contributiva**

1. O valor da taxa contributiva em 2017 é de 10%, distribuída da seguinte forma:
  - a) 6 % da responsabilidade da entidade patronal;
  - b) 4 % da responsabilidade do trabalhador.
2. Para os anos seguintes, o valor da taxa contributiva será fixado pelo Governo, após consulta com os parceiros sociais, tendo em conta o cálculo atuarial do equilíbrio de longo prazo entre contribuições e responsabilidades, e será refletido anualmente no Orçamento da Segurança Social.

#### **Artigo 16.º**

##### **Cobrança de contribuições**

Durante o ano de 2017, o Governo está autorizado a cobrar as contribuições devidas à Segurança Social, nos termos da lei em vigor.

### **Secção III**

#### **Aprovação**

#### **Artigo 17.º**

#### **Aprovação**

É aprovado o Orçamento da Segurança Social para o período compreendido entre 1 de janeiro e 31 de dezembro de 2017, nos seguintes termos:

- a) Total de receitas globais da Segurança Social, constantes da Tabela I do Anexo II à presente lei, da qual faz parte integrante;
- b) Total de receitas do Regime Contributivo de Segurança Social e da Administração da Segurança Social, constantes das Tabelas II e III do Anexo II à presente lei, da qual faz parte integrante;
- c) Total de despesas globais da Segurança Social, constantes da Tabela IV do Anexo II à presente lei, da qual faz parte integrante;
- d) Total de despesas do Regime Contributivo de Segurança Social e da Administração da Segurança Social, constantes das Tabelas V e VI do Anexo II à presente lei, da qual faz parte integrante.

### **Secção IV**

#### **Gestão e execução do Orçamento da Segurança Social**

#### **Artigo 18.º**

#### **Alterações orçamentais e execução do Orçamento da Segurança Social**

1. A entidade responsável pela gestão das verbas afetas à Segurança Social, é competente para proceder às alterações das dotações de despesa, constantes das Tabelas IV a VI do Anexo II à presente lei, dentro dos limites da dotação total, autorizada pelo Parlamento Nacional e respeitadas as respetivas finalidades.
2. A gestão e execução do orçamento da segurança social são feitas com base num sistema informático de gestão financeira próprio.
3. Pela gestão da Segurança Social é competente a entidade responsável para tal, nos termos da lei.
4. As regras de execução do Orçamento da Segurança Social são definidas em diploma do Governo sobre a execução orçamental da Segurança Social.

### **CAPÍTULO IV**

#### **Disposições finais**

#### **Artigo 19.º**

#### **Responsabilidade**

1. A assinatura de contratos sem cabimento orçamental gera responsabilidade política, financeira, civil e criminal, nos termos do artigo 46.º da Lei n.º 13/2009, de 21 de outubro, sobre Orçamento e Gestão Financeira, alterada pelas Leis n.º 9/2011, de 17 de agosto, e n.º 3/2013, de 11 de setembro.

2. Para efeitos de efetivação da responsabilidade financeira prevista no número anterior, considera-se que o titular do cargo político procede, com tal conduta, a um pagamento indevido, sujeito a condenação em reposição da quantia correspondente, nos termos dos artigos 44.º e seguintes da Lei n.º 9/2011, de 17 de agosto, que aprova a Orgânica da Câmara de Contas do Tribunal Superior Administrativo, Fiscal e de Contas, na redação que lhe foi dada pela Lei n.º 3/2013, de 11 de setembro.
3. Os responsáveis dos órgãos autónomos sem receitas próprias e serviços e fundos autónomos respondem política, financeira, civil e criminalmente pelos atos e omissões que pratiquem no âmbito do exercício das suas funções de execução orçamental, incluindo reporte e reconciliação, nos termos da Constituição e demais legislação aplicável, a qual tipifica as infrações criminais e financeiras, bem como as respetivas sanções, conforme sejam ou não cometidas com dolo.
4. Os responsáveis da entidade que gere as verbas afetas à Segurança Social respondem política, financeira, civil e criminalmente pelos atos e omissões que pratiquem no âmbito do exercício das suas funções de gestão e execução, incluindo reporte e reconciliação, nos termos da Constituição e demais legislação aplicável, a qual tipifica as infrações criminais e financeiras, bem como as respetivas sanções, conforme sejam ou não cometidas com dolo.

**Artigo 20.º**  
**Entrada em vigor**

A presente lei entra em vigor no dia seguinte ao da sua publicação, produzindo efeitos a partir de 1 de janeiro de 2017.

Aprovada em 9 de Dezembro de 2016.

O Presidente do Parlamento Nacional,

Adérito Hugo da Costa

Promulgada em 28 de Dezembro de 2016.

Publique-se.

O Presidente da República,

Taur Matan Ruak

## ANEXO I

### RECEITAS E DESPESAS DO ORÇAMENTO DO ESTADO PARA 2017

**TABELA I - Estimativa de receitas a serem cobradas e financiamento das despesas do Orçamento do Estado para 2017 (milhões de dólares norte-americanos) \***

#### I.1 - Estimativa de receitas

<b>1</b>	<b>Receitas Totais</b>	<b>1,414.4</b>
<b>1.1</b>	<b>Receitas Petrolíferas</b>	<b>1,106.3</b>
1.1.1	Imposto sobre Lucros Petrolíferos	137.5
1.1.2	Impostos do Mar de Timor (incluindo Kitan)	30.2
1.1.3	Imposto sobre o Rendimento	23.7
1.1.4	Imposto sobre Lucros Adicionais	71.1
1.1.5	Outros Impostos e Taxas Petrolíferas	0.9
1.1.6	Juros do Fundo Petrolífero	842.9
<b>1.2</b>	<b>Receitas Não Petrolíferas</b>	<b>199.3</b>
1.2.1	Impostos Diretos	65.0
1.2.2	Impostos Indiretos	80.2
1.2.3	Outras Receitas e Taxas	0.5
1.2.4	Taxas e Encargos	50.0
1.2.5	Juros da Conta do Tesouro	0.0
1.2.6	Imposto da ZEESM	3.6
<b>1.3</b>	<b>Doações</b>	<b>-</b>
<b>1.4</b>	<b>Receitas Próprias dos Serviços e Fundos Autônomos</b>	<b>6.9</b>
<b>1.5</b>	<b>Empréstimos</b>	<b>101.8</b>

\*Valores arredondados

#### I.2 – Financiamento das Despesas

Receitas não petrolíferas incluindo receitas próprias dos serviços e fundos autônomos	206.2
Transferências do Fundo Petrolífero	1,078.8
Empréstimos	101.8
<b>Total</b>	<b>1,386.8</b>

\*Valores arredondados

TABELA II

## Dotações Orçamentais para 2017 (milhares de dólares norte-americanos)

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital de Desenvolvimento	Total das Despesas
<b>Total de Despesas do OE Incluindo Empréstimos</b>	<b>209,701</b>	<b>395,047</b>	<b>420,964</b>	<b>12,075</b>	<b>349,039</b>	<b>1,386,826</b>
<b>Total de Despesas do OE Excluindo Empréstimos</b>	<b>209,701</b>	<b>395,047</b>	<b>420,964</b>	<b>12,075</b>	<b>247,213</b>	<b>1,285,000</b>
<b>Total das Despesas dos Serviços sem Autonomia Administrativa e Financeira, dos Serviços e Fundos Autónomos e dos Órgãos sem Receitas Próprias</b>	<b>209,701</b>	<b>367,847</b>	<b>420,964</b>	<b>12,075</b>	<b>349,039</b>	<b>1,359,626</b>
<b>Total das Despesas dos Serviços sem Autonomia Administrativa e Financeira e dos Órgãos Autónomos sem Receitas Próprias</b>	<b>191,777</b>	<b>338,098</b>	<b>420,964</b>	<b>7,295</b>	<b>24,613</b>	<b>982,747</b>
<b>Total Despesas dos Serviços sem Autonomia Administrativa e Financeira</b>	<b>160,717</b>	<b>295,452</b>	<b>406,317</b>	<b>3,109</b>	<b>24,507</b>	<b>890,101</b>
<b>Total Despesas dos Serviços e Fundos Autónomos (incluindo as despesas financiadas por empréstimos)</b>	<b>17,924</b>	<b>29,749</b>	<b>-</b>	<b>4,780</b>	<b>324,426</b>	<b>376,879</b>
<b>Total Despesas dos Órgãos com Autonomia Administrativa e Financeira sem Receitas Próprias</b>	<b>31,060</b>	<b>42,646</b>	<b>14,647</b>	<b>4,186</b>	<b>106</b>	<b>92,646</b>
<b>Total Fundo de Desenvolvimento do Capital Humano</b>	<b>-</b>	<b>27,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,200</b>
<b>Fundos de Desenvolvimento do Capital Humano - Nova Dotação</b>	<b>-</b>	<b>27,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,200</b>
<b>Fundos de Desenvolvimento do Capital Humano - Saldo Transitado</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Presidência da República</b>	<b>1,073</b>	<b>4,800</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>6,074</b>
Gabinete do Presidente da República	-	250	-	-	-	250
Casa Civil	1,073	3,898	-	200	-	5,172
Casa Militar	-	652	-	-	-	652
<b>Parlamento Nacional</b>	<b>5,116</b>	<b>7,934</b>	<b>930</b>	<b>3,620</b>	<b>96</b>	<b>17,696</b>
Parlamento Nacional	3,347	2,844	-	2,925	-	9,115
Gabinete do Presidente do Parlamento	74	825	-	-	-	898
Bancadas Parlamentares	-	-	930	-	-	930
Gabinete do Secretário-Geral do Parlamento	-	132	-	-	-	132
Comissão A	-	30	-	-	-	30
Comissão B	-	30	-	-	-	30
Comissão C	-	30	-	-	-	30
Comissão D	-	30	-	-	-	30
Comissão E	-	30	-	-	-	30
Comissão F	-	30	-	-	-	30
Comissão G	-	30	-	-	-	30
Conselho de Fiscalização do Sistema Nacional de Inteligência de Timor-Leste	-	100	-	-	-	100
Conselho Consultivo do Fundo Petrolífero	-	445	-	116	-	561
Grupo Mulheres Parlamentares de Timor-Leste	-	112	-	-	-	112
Direção de Administração	1,696	2,794	-	230	96	4,815
Direção de Apoio Parlamentar	-	235	-	83	-	318

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital de Desenvolvimento	Total das Despesas
Direção de Pesquisa e Informação Técnica	-	115	-	142	-	257
Divisão de Tecnologia de Informação e Comunicação	-	94	-	125	-	219
Divisão de Relações Internacionais, Protocolo e Segurança	-	29	-	-	-	29
<b>Primeiro-Ministro</b>	<b>104</b>	<b>2,750</b>	<b>4,450</b>	<b>-</b>	<b>-</b>	<b>7,304</b>
Gabinete de Apoio ao Primeiro-Ministro	104	2,334	-	-	-	2,438
Gabinete de Apoio à Sociedade Civil	-	224	4,450	-	-	4,674
Apoio à Residência Oficial do Primeiro-Ministro	-	66	-	-	-	66
Unidade do Governo Eletrónico (e-government)	-	126	-	-	-	126
<b>Ministro de Estado e da Presidência do Conselho de Ministros Incluindo SECM, SEAP e SECS</b>	<b>1,145</b>	<b>4,145</b>	<b>3,562</b>	<b>-</b>	<b>-</b>	<b>8,852</b>
<b>Ministro de Estado e da Presidência do Conselho de Ministros Excluindo SECM, SEAP e SECS</b>	<b>639</b>	<b>2,833</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,472</b>
Gabinete do Ministro de Estado e da Presidência do Conselho de Ministros	106	138	-	-	-	244
Direção Nacional de Administração e Finanças	99	290	-	-	-	389
Direção Nacional dos Serviços de Tradução	84	103	-	-	-	187
Unidade de Apoio Jurídico	76	288	-	-	-	364
Centro de Formação e Técnica de Comunicação	13	56	-	-	-	69
Gabinete do Diretor-Geral	27	6	-	-	-	33
Gabinete do Porta-Voz do Governo	-	251	-	-	-	251
Comissão para a Reforma Legislativa e do Setor da Justiça	-	749	-	-	-	749
Direção Nacional de Recursos Humanos	64	24	-	-	-	88
Direção Nacional de Aprovisionamento	75	2	-	-	-	77
Direção Nacional de Logística e Património	83	918	-	-	-	1,001
Direção Nacional de Informação e Tecnologia	13	8	-	-	-	21
<b>Secretaria de Estado do Conselho de Ministros</b>	<b>177</b>	<b>699</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>876</b>
Gabinete do Secretário de Estado	76	218	-	-	-	293
Gráfica Nacional	102	482	-	-	-	583
<b>Secretaria de Estado para os Assuntos Parlamentares</b>	<b>86</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>146</b>
Gabinete da Secretária de Estado	86	60	-	-	-	146
<b>Secretaria de Estado da Comunicação Social</b>	<b>243</b>	<b>553</b>	<b>3,562</b>	<b>-</b>	<b>-</b>	<b>4,358</b>
Gabinete do Secretário de Estado	64	303	-	-	-	367
Direção de Disseminação de Informação	117	152	-	-	-	269
Centro de Rádios Comunitárias	62	98	240	-	-	400
Apoio à RTTL, E.P.	-	-	3,322	-	-	3,322
<b>Ministro de Estado, Coordenador dos Assuntos Sociais</b>	<b>273</b>	<b>567</b>	<b>540</b>	<b>43</b>	<b>-</b>	<b>1,423</b>
Gabinete do Ministro de Estado, Coordenador dos Assuntos Sociais	222	412	540	-	-	1,174
Comissão Nacional dos Direitos da Criança	52	155	-	43	-	249
<b>Secretaria de Estado para o Apoio e Promoção Sócio-Económica da Mulher</b>	<b>321</b>	<b>1,053</b>	<b>146</b>	<b>-</b>	<b>-</b>	<b>1,520</b>
Gabinete da Secretária de Estado	68	224	-	-	-	292
Direção-Geral	46	76	-	-	-	122

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital de Desenvolvimento	Total das Despesas
Direção Nacional da Administração, Logística e Finanças	100	658	-	-	-	758
Direção Nacional de Abordagem Integrada do Género e da capacitação da Mulher	89	91	146	-	-	326
Gabinete de Inspeção e Auditoria	18	5	-	-	-	23
<b>Secretaria de Estado da Juventude e Desporto</b>	<b>569</b>	<b>1,200</b>	<b>4,750</b>	-	-	<b>6,519</b>
Gabinete do Secretário de Estado	71	200	1,102	-	-	1,373
Direção-Geral	69	-	-	-	-	69
Direção Nacional de Administração e Finanças	132	833	-	-	-	965
Direção Nacional da Juventude	51	20	895	-	-	966
Direção Nacional do Desporto	69	14	2,290	-	-	2,373
Direção Nacional de Estudos e Planeamento	38	67	194	-	-	299
Direção Nacional de Comunicação e Novas Tecnologias	57	34	113	-	-	204
Direção Nacional de Arte Juvenil	50	7	156	-	-	213
Gabinete de Inspeção e Auditoria Interna	32	25	-	-	-	57
<b>Ministro de Estado, Coordenador dos Assuntos Económicos</b>	<b>78</b>	<b>1,739</b>	-	<b>10</b>	-	<b>1,827</b>
Gabinete do Ministro de Estado, Coordenador dos Assuntos Económicos	78	1,739	-	10	-	1,827
<b>Secretaria de Estado para a Política da Formação Profissional e Emprego</b>	<b>1,535</b>	<b>2,558</b>	<b>4,116</b>	-	<b>42</b>	<b>8,251</b>
Gabinete do Secretário de Estado	97	265	-	-	-	361
Inspeção Geral do Trabalho	309	198	-	-	-	507
Gabinete Direção-Geral de Gestão e Planeamento	25	70	-	-	-	95
Direção Nacional de Administração e Finanças	100	651	-	-	-	751
Direção Nacional do Aprovisionamento	30	35	-	-	42	107
Direção Nacional de Informação do Mercado de Trabalho	44	39	-	-	-	83
Gabinete de Inspeção e Auditoria	27	35	-	-	-	62
Direção Nacional da Política de Formação Profissional	84	71	500	-	-	655
Direção Nacional da Política de Emprego	109	414	3,523	-	-	4,046
Direção Nacional das Relações de Trabalho	82	88	3	-	-	173
Secretaria de Apoio ao Conselho Nacional do Trabalho e ao Conselho de Arbitragem do Trabalho	41	35	-	-	-	76
Gabinete de Apoio Jurídico	14	56	-	-	-	70
Fundo de Emprego e Formação Profissional	10	29	60	-	-	99
Adido do Trabalho na Coreia do Sul	204	85	-	-	-	289
Adido do Trabalho na Austrália	108	107	-	-	-	215
Direção Nacional de Recursos Humanos	44	49	30	-	-	122
Direção Nacional de Planeamento Monitorização e Avaliação	42	35	-	-	-	77
Direção Municipal de Baucau	13	24	-	-	-	37
Direção Municipal de Bobonaro	24	22	-	-	-	46
Direção Municipal de Manufahi	15	21	-	-	-	36
Direção Municipal de Covalima	15	20	-	-	-	35
Direção Municipal de Viqueque	11	17	-	-	-	28
Direção Municipal de Aileu	11	22	-	-	-	33

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital de Desenvolvimento	Total das Despesas
Direção Municipal de Ainaro	12	18	-	-	-	30
Direção Municipal de Ermera	13	19	-	-	-	32
Direção Municipal de Lautém	11	15	-	-	-	26
Direção Municipal de Liquiçá	10	16	-	-	-	26
Direção Municipal de Manatuto	11	18	-	-	-	29
Direção-Geral da Política de Formação Profissional e Emprego	20	88	-	-	-	108
<b>Ministro de Estado, Coordenador dos Assuntos da Administração do Estado e da Justiça</b>	<b>142</b>	<b>450</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>592</b>
Gabinete do Ministro de Estado, Coordenador dos Assuntos da Administração do Estado e da Justiça	142	450	-	-	-	592
<b>Secretariade Estado do Fortalecimento Institucional</b>	<b>154</b>	<b>723</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>877</b>
Gabinete do Secretário de Estado	154	723	-	-	-	877
<b>Ministério da Educação</b>	<b>60,010</b>	<b>23,983</b>	<b>2,082</b>	<b>-</b>	<b>-</b>	<b>86,074</b>
Gabinete do Ministro	97	48	-	-	-	145
Gabinete do Vice-Ministro I	67	22	-	-	-	89
Gabinete do Vice-Ministro II	67	22	-	-	-	89
Instituto Nacional de Ciência e Tecnologia	77	95	-	-	-	172
Gabinete do Inspetor-Geral	113	58	-	-	-	171
Gabinete Jurídico	47	25	-	-	-	72
Direção-Geral de Administração e Finanças	27	15	-	-	-	42
Direção-Geral do Ensino Superior, das Ciências e Tecnologia	89	15	-	-	-	104
Direção Nacional de Finanças, Administração e Logística	335	7,117	1,082	-	-	8,533
Direção Nacional dos Recursos Humanos	14,405	192	-	-	-	14,597
Direção Nacional de Aproveitamento	54	74	-	-	-	129
Direção Nacional do Ensino Superior Universitário	69	106	350	-	-	525
Direção Nacional do Ensino Superior Técnico	65	854	-	-	-	919
Gabinete de Coordenação do Apoio ao Estudante	621	381	-	-	-	1,002
Direção Nacional de Ação Social Escolar	76	386	11	-	-	473
Serviço da Unidade do Currículo Nacional	135	3,134	-	-	-	3,269
Direção Nacional de Educação Pré-Escolar	1,330	60	-	-	-	1,391
Direção Nacional do Ensino Básico	34,992	2,620	78	-	-	37,691
Direção Nacional do Ensino Secundário Geral	4,809	446	19	-	-	5,274
Direção Nacional do Ensino Secundário Técnico-Vocacional	1,326	1,351	543	-	-	3,220
Direção Nacional do Ensino Recorrente	176	520	-	-	-	696
Instituto Nacional de Formação de Docentes e Profissionais da Educação (INFORDOPE)	534	3,950	-	-	-	4,485
Direção-Geral Pré-Escolar e Ensino Básico	65	15	-	-	-	80
Direção-Geral Ensino Secundário	65	19	-	-	-	84
Direção Nacional da Media Educativa e Bibliotecas	94	99	-	-	-	193
Serviços do Centro de Impressão	44	835	-	-	-	879



	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital de Desenvolvimento	Total das Despesas
Direção-Geral da Política, Planejamento e Parcerias	41	17	-	-	-	58
Direção Nacional de Infraestruturas Educativas	34	1,366	-	-	-	1,400
Direção Nacional de Política, Planejamento, Monitorização e Avaliação	94	114	-	-	-	208
Direção Nacional das Parcerias e Cooperação	63	24	-	-	-	87
<b>Ministério da Agricultura e Pescas</b>	<b>3,348</b>	<b>9,938</b>	<b>470</b>	<b>643</b>	<b>1,794</b>	<b>16,192</b>
Gabinete do Ministro	62	64	-	-	-	126
Gabinete do Vice-Ministro	81	54	-	-	-	135
Direção-Geral de Florestas, Café e Plantas Industriais	19	29	-	-	-	48
Direção Nacional da Conservação da Natureza	169	271	5	-	-	445
Direção-Geral de Agricultura	20	30	-	-	-	50
Direção Nacional de Veterinária	88	355	-	-	-	443
Secretário-Geral	40	27	-	-	-	67
Direção Nacional de Recursos Humanos	74	398	-	-	-	472
Direção Nacional de Aprovisionamento	51	36	-	-	-	87
Direção Nacional de Agro-Comércio	78	231	-	-	-	309
Direção Nacional de Administração e Finanças	198	721	-	60	-	979
Gabinete de Inspeção, Fiscalização e Auditoria	45	30	-	-	-	75
Direção Nacional de Pesquisa, Estatística e Informação Geográfica	301	528	-	-	-	829
Direção Nacional de Quarentena e Biossegurança	258	256	-	-	-	514
Direção Nacional de Formação Técnica Agrícola	481	434	-	-	-	914
Direção Nacional de Política, Planejamento, Monitorização e Assuntos Jurídicos	110	218	-	-	-	328
Direção Nacional de Agricultura, Horticultura e Extensão	271	2,414	365	561	-	3,611
Direção Nacional de Aquicultura	113	708	-	-	-	821
Direção Nacional de Segurança Alimentar e Cooperação	66	159	-	15	-	240
Direção Nacional de Florestas e Gestão de Bacias Hidrográficas	115	770	-	6	-	891
Direção Nacional de Irrigação e Gestão da Utilização de Água	162	285	-	-	1,794	2,241
Direção Nacional de Café e Plantas Industriais	102	817	-	-	-	919
Direção Nacional de Pecuária	152	708	100	-	-	960
Diretor-Geral de Pecuária e Veterinária	18	29	-	-	-	47
Diretor-Geral de Pescas	12	27	-	-	-	39
Direção Nacional da Inspeção das Pescas	81	101	-	-	-	182
Direção Nacional das Pescas e Gestão de Recursos Pesqueiros	181	238	-	-	-	419
<b>Ministério da Administração Estatal</b>	<b>4,064</b>	<b>6,299</b>	<b>1,200</b>	<b>214</b>	-	<b>11,777</b>
Gabinete do Ministro	-	210	-	-	-	210
Unidade de Aprovisionamento Descentralizado	-	23	-	-	-	23
Unidade de Apoio Jurídico e Assessoria Técnica	-	16	-	-	-	16
Unidade de Tecnologia da Informação e da Comunicação	-	18	-	60	-	78
Gabinete do Coordenador das Relações com a Autoridade da RAEOA	-	19	-	-	-	19
Gabinete do Vice-Ministro	-	621	-	-	-	621
Gabinete do Secretário de Estado da Administração Estatal	-	70	-	-	-	70

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital de Desenvolvimento	Total das Despesas
Direção Geral da Descentralização Administrativa	-	25	-	-	-	25
Direção Nacional de Finanças Municipais	-	17	-	-	-	17
Direção Nacional para a Modernização Administrativa	-	17	-	-	-	17
Inspeção-Geral da Administração Estatal	-	30	-	-	-	30
Direção-Geral de Serviços Corporativos	-	60	-	-	-	60
Secretariado Técnico do PNDS	-	800	400	-	-	1,200
Direção Nacional de Finanças e Património	4,064	3,418	-	154	-	7,636
Direção Nacional para o Desenvolvimento e Avaliação de Políticas Públicas	-	26	-	-	-	26
Direção Nacional de Recursos Humanos	-	18	-	-	-	18
Direção Nacional de Protocolo e Comunicação Social	-	22	-	-	-	22
Arquivo Nacional	-	125	-	-	-	125
Secretariado Técnico da Administração Eleitoral	-	200	-	-	-	200
Direção-Geral para a Organização Urbana	-	52	-	-	-	52
Direção Nacional para a Higiene e Ordem Pública	-	75	800	-	-	875
Direção Nacional de Toponímia	-	326	-	-	-	326
Direção Nacional para a Mobilidade Urbana	-	27	-	-	-	27
Direção Nacional de Apoio a Administração de Sucos	-	28	-	-	-	28
Direção Nacional da Administração Local	-	29	-	-	-	29
Secretariado de Apoio à Instalação dos Municípios	-	27	-	-	-	27
<b>Ministério dos Negócios Estrangeiros e Cooperação</b>	<b>13,186</b>	<b>9,000</b>	-	-	-	<b>22,186</b>
Gabinete do Ministro	-	200	-	-	-	200
Gabinete do Vice-Ministro	-	51	-	-	-	51
Direção-Geral para os Assuntos da ASEAN	-	5	-	-	-	5
Secretário-Geral	13,186	2,093	-	-	-	15,279
Direção-Geral para os Assuntos Consulares e Protocolares	-	3	-	-	-	3
Direção-Geral para os Assuntos Bilaterais	-	103	-	-	-	103
Direção-Geral para os Assuntos Multilaterais e Regionais	-	5	-	-	-	5
Agência de Cooperação de Timor-Leste	-	75	-	-	-	75
Missão Permanente em Nova Iorque	-	413	-	-	-	413
Embaixada - Lisboa	-	309	-	-	-	309
Embaixada - Jacarta	-	202	-	-	-	202
Consulado - Geral de Dempassar	-	123	-	-	-	123
Consulado - Kupang	-	43	-	-	-	43
Embaixada - Washington	-	422	-	-	-	422
Embaixada - Camberra	-	252	-	-	-	252
Consulado – Geral de Sidney	-	200	-	-	-	200
Consulado - Darwin	-	176	-	-	-	176
Embaixada - Kuala Lumpur	-	201	-	-	-	201
Embaixada - Bruxelas	-	334	-	-	-	334
Embaixada - Bangucoque	-	109	-	-	-	109

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital de Desenvolvimento	Total das Despesas
Embaixada - Tóquio	-	251	-	-	-	251
Embaixada - Pequim	-	212	-	-	-	212
Embaixada - Maputo	-	157	-	-	-	157
Embaixada - Havana	-	146	-	-	-	146
Embaixada - Manila	-	104	-	-	-	104
Missão Permanente em Genebra	-	306	-	-	-	306
Embaixada - Santa Sé	-	149	-	-	-	149
Embaixada - Brasília	-	184	-	-	-	184
Embaixada - Seul	-	161	-	-	-	161
Missão Permanente – CPLP/UNESCO	-	127	-	-	-	127
Embaixada – Pretória	-	70	-	-	-	70
Embaixada - Luanda	-	193	-	-	-	193
Embaixada Singapura	-	438	-	-	-	438
Embaixada - Hanói	-	134	-	-	-	134
Agente Consular em Atambua	-	41	-	-	-	41
Embaixada - Londres	-	357	-	-	-	357
Embaixada - Wellington	-	213	-	-	-	213
Embaixada - Vienciana	-	109	-	-	-	109
Embaixada – Naypyidaw	-	128	-	-	-	128
Embaixada – Phnom Penh	-	85	-	-	-	85
Embaixada – Bandar Seri Begawan	-	116	-	-	-	116
<b>Ministério das Finanças</b>	<b>4,533</b>	<b>13,496</b>	-	-	-	<b>18,029</b>
Gabinete Executivo	145	-	-	-	-	145
Direção-Geral dos Serviços Corporativos	1,161	13,496	-	-	-	14,657
Direção-Geral de Finanças do Estado	507	-	-	-	-	507
Direção-Geral do Tesouro	341	-	-	-	-	341
Direção-Geral de Impostos	592	-	-	-	-	592
Direção-Geral das Alfândegas	870	-	-	-	-	870
Direção-Geral de Estatística	578	-	-	-	-	578
Unidades Orgânicas do Ministério	339	-	-	-	-	339
<b>Dotações para todo o Governo</b>	-	<b>54,000</b>	<b>207,389</b>	<b>30</b>	-	<b>261,420</b>
Fundo de Contrapartidas	-	4,000	-	-	-	4,000
Auditoria Externa	-	1,579	-	-	-	1,579
Reserva de Contingência	-	8,564	-	-	-	8,564
Quotas de Membro de Instituições Internacionais	-	2,000	-	-	-	2,000
Pensões dos Ex-Titulares e Ex-Membros dos Órgãos de Soberania	-	-	4,000	-	-	4,000
Serviços de Postos Integrados na Fronteira	-	1,300	-	-	-	1,300
Provisão para g7+	-	-	2,250	-	-	2,250
Provisão para Serviços Legais	-	12,250	-	-	-	12,250
Provisão para a Autoridade da Região Administrativa Especial de Oe-Cusse (RAEOA) e	-	-	171,860	-	-	171,860

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital de Desenvolvimento	Total das Despesas
Zona Especial de Economia Social e de Mercado de Oe-Cusse Ambeno e Ataúro (ZEESM)						
Provisão para Garantia de Crédito	-	-	4,000	-	-	4,000
Provisão para Eleições Nacionais 2017	-	14,250	-	-	-	14,250
Apoio à Conferência Episcopal de Timor-Leste	-	-	6,474	-	-	6,474
Programa de Melhoramento de Infraestruturas rurais	-	750	-	-	-	750
Contribuição do Estado para o Regime Contributivo da Segurança Social	-	-	11,000	-	-	11,000
Apoio às Atividades da Comunidade dos Países de Língua Portuguesa	-	400	-	-	-	400
Apoio Financeiro Internacional	-	-	1,500	-	-	1,500
Provisão para a Reforma Fiscal, Reforma da Gestão do Desempenho e Reforma do Desempenho Orçamental	-	3,150	-	-	-	3,150
Capitalização do Banco Central de Timor-Leste	-	-	5,000	-	-	5,000
Provisão para Parcerias Público-Privadas e Empréstimos	-	2,000	-	-	-	2,000
Provisão para Oficina de Manutenção de Veículos do Governo	-	957	-	30	-	987
Provisão para Governo Eletrónico ITC	-	800	-	-	-	800
Provisão para Adesão à Associação de Nações do Sudeste Asiático - ASEAN	-	500	-	-	-	500
Provisão para pagamento de Empréstimos	-	-	1,305	-	-	1,305
Provisão para a Campanha de Sensibilização Internacional	-	1,500	-	-	-	1,500
<b>Ministério da Justiça</b>	<b>4,367</b>	<b>16,154</b>	<b>-</b>	<b>2</b>	<b>475</b>	<b>20,998</b>
Gabinete do Ministro	80	40	-	-	-	120
Gabinete do Secretário de Estado de Terras e Propriedades	65	38	-	-	-	103
Direção-Geral	110	80	-	-	-	190
Gabinete de Inspeção e Auditoria	112	53	-	2	-	167
Direção Nacional de Administração e Finanças	256	10,691	-	-	-	10,947
Direção Nacional de Assessoria Jurídica e Legislação	125	35	-	-	-	160
Direção Nacional dos Direitos Humanos e Cidadania	131	30	-	-	-	161
Direção Nacional dos Registos e Notariado	799	2,972	-	-	-	3,771
Direção Nacional dos Serviços Prisionais e da Reinserção Social	847	1,174	-	-	175	2,196
Centro de Formação Jurídica	181	44	-	-	-	225
Defensoria Pública	917	621	-	-	300	1,838
Direção Nacional de Terras, Propriedades e Serviços Cadastrais	744	376	-	-	-	1,119
<b>Ministério da Saúde</b>	<b>23,683</b>	<b>11,293</b>	<b>8,237</b>	<b>501</b>	<b>-</b>	<b>43,715</b>
Gabinete da Ministra	93	187	-	-	-	280
Gabinete da Vice-Ministra	76	155	-	-	-	230
Inspeção Geral da Saúde	118	106	-	-	-	224
Direção-Geral das Prestações em Saúde	46	104	-	-	-	149
Direção Nacional dos Recursos Humanos	18,042	2,111	5,780	-	-	25,933
Direção Nacional do Planeamento e Gestão Financeira	168	518	-	13	-	699
Direção Nacional de Saúde Pública	420	3,232	75	-	-	3,727
Direção Nacional de Política e Cooperação	178	172	-	7	-	357

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital de Desenvolvimento	Total das Despesas
Direção Nacional dos Serviços Hospitalares e Emergência	340	702	2,382	-	-	3,425
Hospital de Referência de Baucau	1,331	1,000	-	-	-	2,331
Hospital de Referência de Maliana	757	588	-	-	-	1,345
Hospital de Referência de Maubisse	706	557	-	-	-	1,263
Hospital de Referência de Suai	692	600	-	-	-	1,292
Gabinete de Garantia da Qualidade na Saúde	92	76	-	-	-	168
Direção Nacional da Administração, Logística e Património	290	733	-	482	-	1,504
Direção Nacional de Aprovisionamento	95	140	-	-	-	235
Direção Nacional de Farmácia e Medicamentos	182	164	-	-	-	346
Gabinete do Diretor-Geral dos Serviços Corporativos	58	149	-	-	-	207
<b>Ministério da Solidariedade Social</b>	<b>1,768</b>	<b>6,375</b>	<b>153,426</b>	<b>-</b>	<b>777</b>	<b>162,346</b>
Gabinete da Ministra	82	174	50	-	-	306
Gabinete do Vice-Ministro	67	79	-	-	-	146
Direção Nacional do Regime Contributivo de Segurança Social	61	292	4,229	-	-	4,582
Direção Nacional do Regime Não Contributivo de Segurança Social	98	341	34,666	-	-	35,105
Inspeção e Auditoria	35	101	-	-	-	136
Direção-Geral dos Serviços Corporativos	21	35	-	-	-	56
Unidade de Apoio Técnico	35	68	-	-	-	103
Unidade Tecnologia de Informação	18	219	-	-	-	237
Unidade de Comunicação Social e Protocolo	35	72	-	-	-	107
Direção Nacional do Plano, Finanças, Aprovisionamento e Logística	122	908	-	-	-	1,030
Direção Nacional de Administração e Recursos Humanos	658	778	-	-	-	1,436
Direção Nacional dos Assuntos dos Combatentes da Libertação Nacional	143	1,696	101,998	-	777	104,614
Direção Nacional de Assistência Social	142	280	9,900	-	-	10,322
Direção Nacional do Desenvolvimento Social	106	418	2,000	-	-	2,524
Direção Nacional de Gestão de Riscos de Desastre	96	847	583	-	-	1,526
Direção-Geral de Proteção Social e dos Assuntos dos Combatentes da Libertação Nacional	49	68	-	-	-	117
<b>Ministério do Comércio, Indústria e Ambiente</b>	<b>1,898</b>	<b>5,955</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,853</b>
Gabinete do Ministro e Vice-Ministro	196	623	-	-	-	819
Gabinete Jurídico e Auditoria	118	280	-	-	-	398
Direção-Geral de Administração e Finanças	366	3,420	-	-	-	3,786
Direção-Geral do Comércio	486	702	-	-	-	1,188
Direção-Geral da Indústria e Cooperativas	336	524	-	-	-	860
Direção-Geral do Ambiente	396	406	-	-	-	802
<b>Ministério do Turismo, Artes e Cultura</b>	<b>1,228</b>	<b>4,744</b>	<b>-</b>	<b>201</b>	<b>170</b>	<b>6,343</b>
Gabinete do Ministro	119	409	-	-	-	528
Gabinete de Inspeção e Auditoria Interna	43	34	-	-	-	77
Gabinete do Secretário de Estado da Arte e Cultura	88	110	-	-	-	198
Direção Geral do Turismo	31	128	-	-	-	159

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital de Desenvolvimento	Total das Despesas
Direção Regional de Turismo I (Município de Díli)	13	-	-	-	-	13
Direção Regional de Turismo II (Município de Baucau)	16	-	-	-	-	16
Direção Regional de Turismo III (Município de Ainaro)	18	-	-	-	-	18
Direção Regional de Turismo IV (Município de Ermera)	17	-	-	-	-	17
Direção-Geral das Artes e da Cultura	118	250	-	-	-	368
Inspeção Geral de Jogos	81	87	-	-	-	168
Direção Nacional de Bibliotecas	68	79	-	-	-	147
Direção Nacional do Património Cultural	71	178	-	-	-	249
Direção Nacional de Artes, Cultura e Indústrias Criativas Culturais	58	100	-	-	-	158
Direção Nacional de Marketing do Turismo e Relações Internacionais	59	123	-	-	-	182
Direção Nacional do Plano e Desenvolvimento Turístico	49	1,241	-	-	170	1,460
Direção Nacional de Empreendimentos, Atividades e Produtos Turísticos	49	573	-	-	-	622
Direção Nacional dos Museus	53	130	-	-	-	183
Academia de Artes, Cultura e Indústrias Criativas Culturais	-	153	-	-	-	153
Gabinete da Direção-Geral da Administração e Finanças	33	187	-	-	-	220
Direção Nacional de Administração dos Recursos Humanos	51	66	-	-	-	117
Direção Nacional de Gestão Financeira	47	66	-	-	-	113
Direção Nacional de Aprovisionamento e Logística	64	638	-	201	-	903
Direção Nacional de Pesquisa e Desenvolvimento	55	57	-	-	-	112
Centro de Convenções de Díli	27	135	-	-	-	162
<b>Ministério das Obras Públicas, Transportes e Comunicações</b>	<b>6,018</b>	<b>76,546</b>	<b>-</b>	<b>1,000</b>	<b>6,448</b>	<b>90,012</b>
Gabinete do Ministro das Obras Públicas	104	505	-	-	-	609
Gabinete do Vice-Ministro	132	340	-	-	-	472
Secretário-Geral	514	1,912	-	-	6,448	8,874
Direção-Geral das Obras Públicas	775	5,536	-	-	-	6,311
Direção -Geral da Eletricidade	2,602	55,397	-	1,000	-	58,999
Direção-Geral de Água, Saneamento e Urbanização	936	11,374	-	-	-	12,310
Direção-Geral dos Transportes e Comunicações	956	1,482	-	-	-	2,438
<b>Ministério do Petróleo e Recursos Minerais</b>	<b>268</b>	<b>1,230</b>	<b>15,950</b>	<b>-</b>	<b>-</b>	<b>17,448</b>
Gabinete do Ministro	54	301	-	-	-	355
Diretor-Geral	32	8	-	-	-	40
Gabinete de Inspeção e Auditoria	18	7	-	-	-	25
Gabinete de Apoio Jurídico	18	7	-	-	-	25
Direção Nacional de Administração e Finanças	77	628	15,950	-	-	16,655
Secretariado TL- EITI	5	268	-	-	-	273
Direção Nacional Recursos Humanos	39	8	-	-	-	46
Direção Nacional Planeamento Monitorização e Avaliação	26	3	-	-	-	28
<b>Ministério da Defesa Incluindo F-FDTL</b>	<b>9,843</b>	<b>15,599</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,442</b>
<b>Ministério da Defesa Excluindo F-FDTL</b>	<b>1,185</b>	<b>4,989</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,174</b>
Gabinete do Ministro	43	953	-	-	-	996

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital de Desenvolvimento	Total das Despesas
Direção-Geral	22	195	-	-	-	217
Gabinete de Inspeção e Auditoria	37	55	-	-	-	92
Direção Nacional de Administração e Finanças	92	144	-	-	-	236
Direção Nacional de Planeamento Estratégico e Política Internacional da Defesa	842	1,295	-	-	-	2,137
Direção Nacional de Aprovisionamento	51	1,924	-	-	-	1,975
Direção Nacional de Gestão do Património	58	321	-	-	-	379
Direção Nacional de Recursos Humanos	39	102	-	-	-	141
<b>FALINTIL-Forças de Defesa de Timor-Leste</b>	<b>8,658</b>	<b>10,610</b>	-	-	-	<b>19,268</b>
FALINTIL-Forças de Defesa de Timor-Leste	-	8,865	-	-	-	8,865
Quartel Geral das F-FDTL	8,658	1,745	-	-	-	10,403
<b>Ministério do Interior Incluindo PNTL</b>	<b>21,131</b>	<b>18,606</b>	-	<b>465</b>	<b>13</b>	<b>40,215</b>
<b>Ministério do Interior Excluindo PNTL</b>	<b>5,540</b>	<b>4,688</b>	-	<b>465</b>	-	<b>10,693</b>
Gabinete do Ministro	79	453	-	-	-	532
Gabinete do Diretor-Geral dos Serviços Corporativos	75	65	-	-	-	140
Gabinete de Inspeção e Auditoria	73	23	-	-	-	96
Direção Nacional de Administração e Finanças	122	436	-	-	-	558
Direção Nacional de Logística e Gestão do Património	56	53	-	-	-	109
Direção Nacional de Proteção Civil	1,221	468	-	-	-	1,689
Direção Nacional de Segurança do Património Público	2,423	1,908	-	-	-	4,331
Direção Nacional de Prevenção de Conflitos Comunitários	127	197	-	-	-	324
Direção Nacional de Aprovisionamento	87	45	-	-	-	132
Serviços de Migração	1,093	852	-	265	-	2,210
Gabinete do Diretor-Geral dos Serviços Operacionais	33	24	-	-	-	57
Gabinete de Assessoria	37	24	-	-	-	61
Autoridade Nacional de Segurança Rodoviária	51	123	-	200	-	374
Direção Nacional de Recursos Humanos	63	19	-	-	-	82
<b>Polícia Nacional de Timor-Leste</b>	<b>15,591</b>	<b>13,918</b>	-	-	<b>13</b>	<b>29,522</b>
Direção Nacional de Administração e Finanças	15,591	7,399	-	-	13	23,004
Unidade Especial da Polícia	-	2,262	-	-	-	2,262
Unidade de Patrulhamento das Fronteiras	-	1,149	-	-	-	1,149
Unidade Marítima	-	916	-	-	-	916
Comando Nacional de Operações	-	450	-	-	-	450
Centro da Formação da Polícia	-	620	-	-	-	620
Região I	-	413	-	-	-	413
Região II	-	318	-	-	-	318
Região III	-	315	-	-	-	315
Região Oe-Cusse	-	75	-	-	-	75
<b>Ministério do Planeamento e Investimento Estratégico</b>	<b>283</b>	<b>6,299</b>	-	-	<b>14,690</b>	<b>21,272</b>
Gabinete do Ministro	86	356	-	-	-	442
Secretariado do FDCH	-	185	-	-	-	185

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital de Desenvolvimento	Total das Despesas
Direção-Geral de Gestão Administrativa	19	42	-	-	-	61
Gabinete Jurídico	16	120	-	-	-	136
Direção Nacional de Gestão de Recursos Humanos	45	65	-	-	-	110
Gabinete de Inspeção e Auditoria Interna	13	26	-	-	-	39
Direção Nacional de Administração, Finanças e Aprovisionamento	44	572	-	-	-	616
Agência de Desenvolvimento Nacional	-	2,490	-	-	14,690	17,180
Comissão Nacional de Aprovisionamento	-	1,786	-	-	-	1,786
Unidade de Missão para o Desenvolvimento Regional Integrado - TIA	-	630	-	-	-	630
Direção Nacional de Habitação e Planeamento Urbano	60	28	-	-	-	88
<b>Tribunais</b>	<b>2,454</b>	<b>1,899</b>	-	-	-	<b>4,353</b>
Conselho Superior da Magistratura Judicial	31	7	-	-	-	38
Tribunal de Recurso	2,082	1,510	-	-	-	3,592
Tribunais Distritais	341	382	-	-	-	723
<b>Procuradoria-Geral da República</b>	<b>2,373</b>	<b>1,500</b>	-	<b>245</b>	<b>10</b>	<b>4,128</b>
Procuradoria-Geral da República	1,320	1,363	-	245	10	2,938
Procuradoria Distrital de Baucau	429	74	-	-	-	503
Procuradoria Distrital de Suai	341	40	-	-	-	381
Procuradoria Distrital de Oe-Cusse	283	23	-	-	-	306
<b>Provedoria dos Direitos Humanos e Justiça</b>	<b>768</b>	<b>750</b>	-	-	<b>98</b>	<b>1,616</b>
Provedoria dos Direitos Humanos e Justiça	768	635	-	-	98	1,501
Direções Direitos Humanos e Boa Governação	-	115	-	-	-	115
<b>Comissão Anti-Corrupção</b>	<b>784</b>	<b>606</b>	-	<b>50</b>	-	<b>1,440</b>
Comissão Anti-Corrupção	784	606	-	50	-	1,440
<b>Comissão da Função Pública</b>	<b>867</b>	<b>1,600</b>	-	-	-	<b>2,467</b>
Comissão da Função Pública	867	1,600	-	-	-	2,467
<b>Universidade Nacional Timor Lorosae (Serviço e Fundo Autónomo com Receita Própria)</b>	<b>9,100</b>	<b>2,950</b>	-	-	-	<b>12,050</b>
Universidade Nacional Timor Lorosae	9,100	2,950	-	-	-	12,050
<b>Arquivo e Museu da Resistência Timorense (Serviço e Fundo Autónomo)</b>	-	<b>963</b>	-	-	-	<b>963</b>
Arquivo e Museu da Resistência Timorense	-	963	-	-	-	963
<b>Conselho de Imprensa (Serviço e Fundo Autónomo)</b>	<b>243</b>	<b>400</b>	-	<b>258</b>	-	<b>901</b>
Conselho de Imprensa	243	400	-	258	-	901
<b>Instituto de Apoio ao Desenvolvimento Empresarial (Serviço e Fundo Autónomo)</b>	<b>492</b>	<b>550</b>	-	-	-	<b>1,042</b>
Instituto de Apoio ao Desenvolvimento Empresarial	492	550	-	-	-	1,042
<b>Agência de Promoção e Exportação de Timor-Leste - TradeInvest Timor-Leste (Serviço e Fundo Autónomo)</b>	-	<b>1,250</b>	-	-	-	<b>1,250</b>
TradeInvest Timor-Leste	-	1,250	-	-	-	1,250
<b>Serviço de Registo e Verificação Empresarial (Serviço e Fundo Autónomo)</b>	-	<b>700</b>	-	-	-	<b>700</b>
Serviço de Registo e Verificação Empresarial	-	700	-	-	-	700
<b>Instituto de Pesquisa, Desenvolvimento, Formação e Promoção do Bambu (Serviço</b>	-	<b>300</b>	-	-	-	<b>300</b>



	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital de Desenvolvimento	Total das Despesas
<b>e Fundo Autónomo)</b>						
BAMBU	-	300	-	-	-	300
<b>Centro de Formação SENAI (Serviço e Fundo Autónomo)</b>	<b>93</b>	<b>129</b>	<b>-</b>	<b>191</b>	<b>-</b>	<b>413</b>
Centro de Formação SENAI	93	129	-	191	-	413
<b>Polícia Científica de Investigação Criminal (Serviço e Fundo Autónomo)</b>	<b>1,083</b>	<b>432</b>	<b>-</b>	<b>384</b>	<b>-</b>	<b>1,898</b>
Polícia Científica de Investigação Criminal	1,083	432	-	384	-	1,898
<b>Hospital Nacional Guido Valadares (Serviço e Fundo Autónomo)</b>	<b>4,223</b>	<b>3,565</b>	<b>-</b>	<b>1,439</b>	<b>-</b>	<b>9,227</b>
Hospital Nacional Guido Valadares	4,223	3,565	-	1,439	-	9,227
<b>Serviço Autónomo de Medicamentos e Equipamentos Médicos (Serviço e Fundo Autónomo)</b>	<b>249</b>	<b>5,318</b>	<b>-</b>	<b>522</b>	<b>-</b>	<b>6,089</b>
Serviço Autónomo de Medicamentos e Equipamentos Médicos	249	5,318	-	522	-	6,089
<b>Laboratório Nacional (Serviço e Fundo Autónomo)</b>	<b>293</b>	<b>644</b>	<b>-</b>	<b>1,068</b>	<b>-</b>	<b>2,005</b>
Laboratório Nacional	293	644	-	1,068	-	2,005
<b>Centro Nacional de Reabilitação (Serviço e Fundo Autónomo)</b>	<b>27</b>	<b>664</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>691</b>
Centro Nacional de Reabilitação	27	664	-	-	-	691
<b>Instituto de Gestão de Equipamentos (Serviço e Fundo Autónomo)</b>	<b>1,042</b>	<b>1,850</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,892</b>
Instituto de Gestão de Equipamentos	1,042	1,850	-	-	-	2,892
<b>Administração dos Portos de Timor-Leste (Serviço e Fundo Autónomo)</b>	<b>498</b>	<b>3,202</b>	<b>-</b>	<b>502</b>	<b>-</b>	<b>4,202</b>
Autoridade Portuária de Timor-Leste	498	896	-	502	-	1,896
Operações do Berlin - Nakroma	-	2,306	-	-	-	2,306
<b>Autoridade Reguladora das Comunicações (Serviço e Fundo Autónomo)</b>	<b>-</b>	<b>982</b>	<b>-</b>	<b>348</b>	<b>-</b>	<b>1,330</b>
Autoridade Reguladora das Comunicações	-	982	-	348	-	1,330
<b>Instituto de Defesa Nacional (Serviço e Fundo Autónomo)</b>	<b>47</b>	<b>748</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>795</b>
Instituto de Defesa Nacional	47	748	-	-	-	795
<b>Agência Nacional para a Avaliação e Acreditação Académica (Serviço e Fundo Autónomo)</b>	<b>26</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>176</b>
Agência Nacional para Avaliação e Acreditação Académica	26	150	-	-	-	176
<b>Instituto Nacional da Saúde (Serviço e Fundo Autónomo)</b>	<b>248</b>	<b>240</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>506</b>
Instituto de Ciências da Saúde	248	240	-	18	-	506
<b>Centro Logístico Nacional (Serviço e Fundo Autónomo)</b>	<b>99</b>	<b>2,928</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,027</b>
Centro Logístico Nacional	99	2,928	-	-	-	3,027
<b>Autoridade de Inspeção e Fiscalização da Atividade Económica, Sanitária e Alimentar (Serviço e Fundo Autónomo)</b>	<b>115</b>	<b>282</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>417</b>
Autoridade de Inspeção e Fiscalização da Atividade Económica, Sanitária e Alimentar	115	282	-	20	-	417
<b>Centro Nacional de Emprego e Formação Profissional - Tibar (Serviço e Fundo Autónomo)</b>	<b>-</b>	<b>353</b>	<b>-</b>	<b>31</b>	<b>-</b>	<b>384</b>
Centro Nacional de Emprego e Formação Profissional - Tibar	-	353	-	31	-	384
<b>Instituto Nacional do Desenvolvimento de Mão-de-Obra (Órgão Autónomo sem Receitas Próprias)</b>	<b>36</b>	<b>178</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>227</b>

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital de Desenvolvimento	Total das Despesas
Instituto Nacional do Desenvolvimento de Mão-de-Obra	36	178	-	13	-	227
<b>Autoridade Municipal de Baucau</b>	<b>1,578</b>	<b>1,305</b>	<b>999</b>	-	-	<b>3,881</b>
Secretariado de Autoridade Municipal	640	146	938	-	-	1,723
Serviço Municipal de Saúde	193	108	-	-	-	301
Serviço Municipal de Educação	209	760	61	-	-	1,030
Serviço Municipal de Agricultura	404	138	-	-	-	542
Serviço Municipal de Obras Públicas e Transportes	55	24	-	-	-	79
Serviço Municipal de Água, Saneamento Básico e Ambiente	64	70	-	-	-	134
Serviço Municipal de Gestão de Mercados e do Turismo	-	6	-	-	-	6
Serviço Municipal de Registos, do Notariado e Serviços Cadastrais	9	4	-	-	-	12
Serviço Municipal de Ação Social e Gestão de Desastres Naturais	5	50	-	-	-	55
<b>Autoridade Municipal de Bobonaro</b>	<b>1,631</b>	<b>1,593</b>	<b>715</b>	-	-	<b>3,939</b>
Secretariado de Autoridade Municipal	641	146	715	-	-	1,502
Serviço Municipal de Saúde	175	116	-	-	-	291
Serviço Municipal de Educação	319	1,046	0	-	-	1,365
Serviço Municipal de Agricultura	374	131	-	-	-	505
Serviço Municipal de Obras Públicas e Transportes	57	24	-	-	-	81
Serviço Municipal de Água, Saneamento Básico e Ambiente	52	70	-	-	-	122
Serviço Municipal de Gestão de Mercados e do Turismo	-	6	-	-	-	6
Serviço Municipal de Registos, do Notariado e Serviços Cadastrais	7	4	-	-	-	11
Serviço Municipal de Ação Social e Gestão de Desastres Naturais	5	50	-	-	-	55
<b>Autoridade Municipal de Díli</b>	<b>2,037</b>	<b>3,257</b>	<b>1,274</b>	-	-	<b>6,568</b>
Secretariado de Autoridade Municipal	1,278	1,293	1,008	-	-	3,579
Serviço Municipal de Saúde	124	215	-	-	-	339
Serviço Municipal de Educação	519	1,512	267	-	-	2,298
Serviço Municipal de Agricultura	80	51	-	-	-	131
Serviço Municipal de Obras Públicas e Transportes	-	39	-	-	-	39
Serviço Municipal de Água, Saneamento Básico e Ambiente	-	70	-	-	-	70
Serviço Municipal de Gestão de Mercados e do Turismo	-	5	-	-	-	5
Serviço Municipal de Registos, do Notariado e Serviços Cadastrais	8	4	-	-	-	12
Serviço Municipal de Ação Social e Gestão de Desastres Naturais	28	67	-	-	-	95
<b>Autoridade Municipal de Ermera</b>	<b>1,274</b>	<b>1,933</b>	<b>876</b>	-	-	<b>4,084</b>
Secretariado de Autoridade Municipal	607	136	865	-	-	1,608
Serviço Municipal de Saúde	147	175	-	-	-	322
Serviço Municipal de Educação	215	1,301	11	-	-	1,527
Serviço Municipal de Agricultura	220	94	-	-	-	314
Serviço Municipal de Obras Públicas e Transportes	32	98	-	-	-	129
Serviço Municipal de Água, Saneamento Básico e Ambiente	41	70	-	-	-	111
Serviço Municipal de Gestão de Mercados e do Turismo	-	5	-	-	-	5
Serviço Municipal de Registos, do Notariado e Serviços Cadastrais	7	4	-	-	-	11

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital de Desenvolvimento	Total das Despesas
Serviço Municipal de Ação Social e Gestão de Desastres Naturais	5	50	-	-	-	55
<b>Administração Municipal de Aileu</b>	<b>1,012</b>	<b>929</b>	<b>489</b>	-	-	<b>2,430</b>
Secretariado de Administração Municipal	476	125	468	-	-	1,069
Serviço Municipal de Saúde	96	134	-	-	-	230
Serviço Municipal de Educação	198	458	21	-	-	677
Serviço Municipal de Agricultura	163	68	-	-	-	231
Serviço Municipal de Obras Públicas e Transportes	33	26	-	-	-	59
Serviço Municipal de Água, Saneamento Básico e Ambiente	35	70	-	-	-	105
Serviço Municipal de Gestão de Mercados e do Turismo	-	5	-	-	-	5
Serviço Municipal de Registos, do Notariado e Serviços Cadastrais	6	4	-	-	-	9
Serviço Municipal de Ação Social e Gestão de Desastres Naturais	5	39	-	-	-	45
<b>Administração Municipal de Ainaro</b>	<b>1,201</b>	<b>1,218</b>	<b>381</b>	-	-	<b>2,799</b>
Secretariado de Administração Municipal	474	123	381	-	-	977
Serviço Municipal de Saúde	178	138	-	-	-	316
Serviço Municipal de Educação	233	635	-	-	-	868
Serviço Municipal de Agricultura	225	105	-	-	-	330
Serviço Municipal de Obras Públicas e Transportes	28	97	-	-	-	125
Serviço Municipal de Água, Saneamento Básico e Ambiente	52	70	-	-	-	122
Serviço Municipal de Gestão de Mercados e do Turismo	-	6	-	-	-	6
Serviço Municipal de Registos, do Notariado e Serviços Cadastrais	6	4	-	-	-	9
Serviço Municipal de Ação Social e Gestão de Desastres Naturais	5	40	-	-	-	45
<b>Administração Municipal de Covalima</b>	<b>1,577</b>	<b>1,243</b>	<b>499</b>	-	-	<b>3,319</b>
Secretariado de Administração Municipal	641	158	481	-	-	1,280
Serviço Municipal de Saúde	200	106	-	-	-	306
Serviço Municipal de Educação	271	636	19	-	-	926
Serviço Municipal de Agricultura	367	125	-	-	-	492
Serviço Municipal de Obras Públicas e Transportes	29	99	-	-	-	128
Serviço Municipal de Água, Saneamento Básico e Ambiente	57	70	-	-	-	128
Serviço Municipal de Gestão de Mercados e do Turismo	-	5	-	-	-	5
Serviço Municipal de Registos, do Notariado e Serviços Cadastrais	7	4	-	-	-	10
Serviço Municipal de Ação Social e Gestão de Desastres Naturais	5	40	-	-	-	45
<b>Administração Municipal de Lautém</b>	<b>1,367</b>	<b>1,351</b>	<b>530</b>	-	-	<b>3,248</b>
Secretariado de Administração Municipal	543	136	518	-	-	1,197
Serviço Municipal de Saúde	150	207	-	-	-	357
Serviço Municipal de Educação	220	741	12	-	-	973
Serviço Municipal de Agricultura	358	121	-	-	-	479
Serviço Municipal de Obras Públicas e Transportes	37	27	-	-	-	64
Serviço Municipal de Água, Saneamento Básico e Ambiente	47	70	-	-	-	118
Serviço Municipal de Gestão de Mercados e do Turismo	-	5	-	-	-	5
Serviço Municipal de Registos, do Notariado e Serviços Cadastrais	8	4	-	-	-	12

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital de Desenvolvimento	Total das Despesas
Serviço Municipal de Ação Social e Gestão de Desastres Naturais	3	40	-	-	-	43
<b>Administração Municipal de Líquiçá</b>	<b>1,053</b>	<b>1,095</b>	<b>425</b>	-	-	<b>2,573</b>
Secretariado de Administração Municipal	403	115	401	-	-	919
Serviço Municipal de Saúde	160	129	-	-	-	289
Serviço Municipal de Educação	190	619	24	-	-	833
Serviço Municipal de Agricultura	214	85	-	-	-	299
Serviço Municipal de Obras Públicas e Transportes	36	27	-	-	-	62
Serviço Municipal de Água, Saneamento Básico e Ambiente	40	70	-	-	-	110
Serviço Municipal de Gestão de Mercados e do Turismo	-	6	-	-	-	6
Serviço Municipal de Registos, do Notariado e Serviços Cadastrais	8	4	-	-	-	12
Serviço Municipal de Ação Social e Gestão de Desastres Naturais	2	40	-	-	-	42
<b>Administração Municipal de Manufahi</b>	<b>1,301</b>	<b>1,115</b>	<b>456</b>	-	-	<b>2,872</b>
Secretariado de Administração Municipal	490	131	456	-	-	1,077
Serviço Municipal de Saúde	152	174	-	-	-	326
Serviço Municipal de Educação	210	555	-	-	-	765
Serviço Municipal de Agricultura	333	112	-	-	-	445
Serviço Municipal de Obras Públicas e Transportes	57	24	-	-	-	81
Serviço Municipal de Água, Saneamento Básico e Ambiente	46	70	-	-	-	116
Serviço Municipal de Gestão de Mercados e do Turismo	-	5	-	-	-	5
Serviço Municipal de Registos, do Notariado e Serviços Cadastrais	5	4	-	-	-	8
Serviço Municipal de Ação Social e Gestão de Desastres Naturais	8	40	-	-	-	47
<b>Administração Municipal de Manatuto</b>	<b>1,272</b>	<b>1,087</b>	<b>409</b>	-	-	<b>2,768</b>
Secretariado de Administração Municipal	591	144	395	-	-	1,130
Serviço Municipal de Saúde	109	210	-	-	-	319
Serviço Municipal de Educação	183	474	14	-	-	671
Serviço Municipal de Agricultura	286	112	-	-	-	399
Serviço Municipal de Obras Públicas e Transportes	40	27	-	-	-	67
Serviço Municipal de Água, Saneamento Básico e Ambiente	49	70	-	-	-	119
Serviço Municipal de Gestão de Mercados e do Turismo	-	5	-	-	-	5
Serviço Municipal de Registos, do Notariado e Serviços Cadastrais	7	4	-	-	-	11
Serviço Municipal de Ação Social e Gestão de Desastres Naturais	7	41	-	-	-	48
<b>Administração Municipal de Viqueque</b>	<b>1,345</b>	<b>1,473</b>	<b>663</b>	-	-	<b>3,482</b>
Secretariado de Administração Municipal	557	137	657	-	-	1,350
Serviço Municipal de Saúde	121	219	-	-	-	340
Serviço Municipal de Educação	221	777	7	-	-	1,006
Serviço Municipal de Agricultura	370	121	-	-	-	491
Serviço Municipal de Obras Públicas e Transportes	25	99	-	-	-	124
Serviço Municipal de Água, Saneamento Básico e Ambiente	41	70	-	-	-	112
Serviço Municipal de Gestão de Mercados e do Turismo	-	5	-	-	-	5
Serviço Municipal de Registos, do Notariado e Serviços Cadastrais	5	4	-	-	-	8

	Salários e Vencimentos	Bens e Serviços	Transferências Públicas	Capital Menor	Capital de Desenvolvimento	Total das Despesas
Serviço Municipal de Ação Social e Gestão de Desastres Naturais	5	42	-	-	-	47
<b>Serviço Nacional de Inteligência (Órgão Autônomo sem Receitas Próprias)</b>	<b>347</b>	<b>1,200</b>	-	-	-	<b>1,547</b>
Serviço Nacional de Inteligência	347	1,200	-	-	-	1,547
<b>Inspeção-Geral do Estado (Órgão Autônomo sem Receitas Próprias)</b>	<b>319</b>	<b>450</b>	-	-	-	<b>769</b>
Gabinete da Inspeção-Geral	319	450	-	-	-	769
<b>Instituto Nacional da Administração Pública (Órgão Autônomo sem Receitas Próprias)</b>	<b>396</b>	<b>240</b>	-	-	-	<b>636</b>
Instituto Nacional de Administração Pública	396	240	-	-	-	636
<b>Comissão Nacional de Eleições</b>	<b>646</b>	<b>3,500</b>	<b>6,000</b>	-	-	<b>10,146</b>
Comissão Nacional de Eleições	646	3,500	6,000	-	-	10,146
<b>Conselho para a Delimitação Definitiva das Fronteiras Marítimas (Órgão Autônomo sem Receitas Próprias)</b>	-	<b>1,142</b>	-	<b>58</b>	-	<b>1,200</b>
Gabinete das Fronteiras Marítimas	-	1,142	-	58	-	1,200
<b>Fundo das Infraestruturas, incluindo as despesas financiadas por empréstimo (Fundo Autônomo com Receitas Próprias)</b>	<b>46</b>	<b>1,150</b>	-	-	<b>324,426</b>	<b>325,622</b>
Comissão de Administração do Fundo das Infraestruturas - FI	46	1,150	-	-	222,600	223,796
Empréstimo	-	-	-	-	101,826	101,826

TABELA III

Serviços e Fundos Autónomos, incluindo Autoridade da Região Administrativa Especial de Oe-Cusse Ambeno e Zona Especial de Economia Social de Mercado de Oe-Cusse Ambeno e Ataúro (milhares de dólares norte-americanos)

	Despesas	Receitas Próprias	Dotação OE
<b>Arquivo e Museu da Resistência Timorense</b>			
Salários e Vencimentos	-		
Bens e Serviços	963		
Transferências Públicas	-		
Capital Menor	-		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>963</b>	<b>-</b>	<b>963</b>
<b>Conselho de Imprensa</b>			
Salários e Vencimentos	243		
Bens e Serviços	400		
Transferências Públicas	-		
Capital Menor	258		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>901</b>	<b>-</b>	<b>901</b>
<b>Instituto de Apoio ao Desenvolvimento Empresarial</b>			
Salários e Vencimentos	492		
Bens e Serviços	550		
Transferências Públicas	-		
Capital Menor	-		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>1,042</b>	<b>-</b>	<b>1,042</b>
<b>Agência de Promoção e Exportação de Timor-Leste</b>			
<b>- TradeInvest</b>			
Salários e Vencimentos	-		
Bens e Serviços	1,250		
Transferências Públicas	-		
Capital Menor	-		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>1,250</b>	<b>4</b>	<b>1,246</b>
<b>Serviço de Registo e Verificação Empresarial</b>			
Salários e Vencimentos	-		
Bens e Serviços	700		
Transferências Públicas	-		
Capital Menor	-		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>700</b>	<b>251</b>	<b>449</b>
<b>Instituto de Pesquisa, Desenvolvimento, Formação e Promoção do Bambu</b>			

	<b>Despesas</b>	<b>Receitas Próprias</b>	<b>Dotação OE</b>
Salários e Vencimentos	-		
Bens e Serviços	300		
Transferências Públicas	-		
Capital Menor	-		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>300</b>	<b>48</b>	<b>252</b>
<b>Centro Nacional de Formação Profissional–Becora</b>			
Salários e Vencimentos	93		
Bens e Serviços	129		
Transferências Públicas	-		
Capital Menor	191		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>413</b>	<b>-</b>	<b>413</b>
<b>Polícia Científica de Investigação Criminal</b>			
Salários e Vencimentos	1,083		
Bens e Serviços	432		
Transferências Públicas	-		
Capital Menor	384		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>1,898</b>	<b>-</b>	<b>1,898</b>
<b>Agência Nacional para a Avaliação e Acreditação Académica</b>			
Salários e Vencimentos	26		
Bens e Serviços	150		
Transferências Públicas	-		
Capital Menor	-		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>176</b>	<b>-</b>	<b>176</b>
<b>Hospital Nacional Guido Valadares</b>			
Salários e Vencimentos	4,223		
Bens e Serviços	3,565		
Transferências Públicas	-		
Capital Menor	1,439		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>9,227</b>	<b>175</b>	<b>9,051</b>
<b>Serviço Autónomo de Medicamentos e Equipamentos Médicos</b>			
Salários e Vencimentos	249		
Bens e Serviços	5,318		
Transferências Públicas	-		
Capital Menor	522		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>6,089</b>	<b>4</b>	<b>6,085</b>

	<b>Despesas</b>	<b>Receitas Próprias</b>	<b>Dotação OE</b>
<b>Laboratório Nacional</b>			
Salários e Vencimentos	293		
Bens e Serviços	644		
Transferências Públicas	-		
Capital Menor	1,068		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>2,005</b>	<b>-</b>	<b>2,005</b>
<b>Instituto Nacional da Saúde</b>			
Salários e Vencimentos	248		
Bens e Serviços	240		
Transferências Públicas	-		
Capital Menor	18		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>506</b>	<b>-</b>	<b>506</b>
<b>Centro Nacional de Reabilitação</b>			
Salários e Vencimentos	27		
Bens e Serviços	664		
Transferências Públicas	-		
Capital Menor	-		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>691</b>	<b>-</b>	<b>691</b>
<b>Instituto de Gestão de Equipamentos</b>			
Salários e Vencimentos	1,042		
Bens e Serviços	1,850		
Transferências Públicas	-		
Capital Menor	-		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>2,892</b>	<b>58</b>	<b>2,834</b>
<b>Administração dos Portos de Timor-Leste</b>			
Salários e Vencimentos	498		
Bens e Serviços	3,202		
Transferências Públicas	-		
Capital Menor	502		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>4,202</b>	<b>4,960</b>	<b>(758)</b>
<b>Autoridade Reguladora das Comunicações</b>			
Salários e Vencimentos	-		
Bens e Serviços	982		
Transferências Públicas	-		
Capital Menor	348		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>1,330</b>	<b>-</b>	<b>1,330</b>
<b>Instituto de Defesa Nacional</b>			
Salários e Vencimentos	47		



	<b>Despesas</b>	<b>Receitas Próprias</b>	<b>Dotação OE</b>
Bens e Serviços	748		
Transferências Públicas	-		
Capital Menor	-		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>795</b>	<b>-</b>	<b>795</b>
<b>Universidade Nacional Timor Lorosa'e</b>			
Salários e Vencimentos	9,100		
Bens e Serviços	2,950		
Transferências Públicas	-		
Capital Menor	-		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>12,050</b>	<b>657</b>	<b>11,393</b>
<b>Fundo das Infraestruturas</b>			
Salários e Vencimentos	46		
Bens e Serviços	1,150		
Transferências Públicas	-		
Capital Menor	-		
Capital de Desenvolvimento	324,426		
<b>Total</b>	<b>325,622</b>	<b>-</b>	<b>325,622</b>
<b>Centro Logístico Nacional</b>			
Salários e Vencimentos	99		
Bens e Serviços	2,928		
Transferências Públicas	-		
Capital Menor	-		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>3,027</b>	<b>-</b>	<b>3,027</b>
<b>Autoridade de Inspeção e Fiscalização da Atividade Económica, Sanitária e Alimentar</b>			
Salários e Vencimentos	115		
Bens e Serviços	282		
Transferências Públicas	-		
Capital Menor	20		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>417</b>	<b>-</b>	<b>417</b>
<b>Centro Nacional de Emprego e Formação Profissional - Tibar</b>			
Salários e Vencimentos	-		
Bens e Serviços	353		
Transferências Públicas	-		
Capital Menor	31		
Capital de Desenvolvimento	-		
<b>Total</b>	<b>384</b>	<b>-</b>	<b>384</b>
<b>Total Serviços e Fundos Autónomos</b>	<b>376,879</b>	<b>6,156</b>	<b>370,723</b>

	<b>Despesas</b>	<b>Receitas Próprias</b>	<b>Dotação OE</b>
<b>Autoridade da Região Administrativa Especial de Oe-Cusse Ambeno (RAEOA) e Zona Especial de Economia Social de Mercado de Oe-Cusse Ambeno e Ataúro (ZEESM)</b>	<b>Despesas</b>	<b>Receitas próprias</b>	<b>Dotação OE</b>
<b>Total</b>	<b>171,860</b>	<b>769</b>	<b>171,091</b>

**TABELA IV****Dotações Orçamentais para 2017 do Fundo de Desenvolvimento do Capital Humano (milhares de dólares norte-americanos)**

<b>Nome dos Programas/ Subprogramas</b>	<b>Despesas financiadas por saldo transitado de 2016</b>	<b>Salários e Vencimentos</b>	<b>Bens e Serviços</b>	<b>Transferências Públicas</b>	<b>Capital Menor</b>	<b>Capital Desenvolvimento</b>	<b>Total das Despesas</b>
<b>Total</b>	-	-	<b>27,200</b>	-	-	-	<b>27,200</b>
Formação Profissional	-	-	7,415	-	-	-	<b>7,415</b>
Formação Técnica	-	-	2,505	-	-	-	<b>2,505</b>
Bolsas de Estudo	-	-	14,961	-	-	-	<b>14,961</b>
Outros Tipos de Formação	-	-	2,318	-	-	-	<b>2,318</b>

## ANEXO II

## RECEITAS E DESPESAS DO ORÇAMENTO DA SEGURANÇA SOCIAL PARA 2017

TABELA I – Total de Receitas Globais da Segurança Social

USD

Designação	OSS 2017
<b>Receitas Correntes</b>	<b>26 994 345</b>
<b>Contribuições para a Segurança Social</b>	<b>22 752 189</b>
Regime Contributivo	22 752 189
<b>Sanções e outras penalidades</b>	<b>0</b>
Juros de mora	0
Contribuições	0
Sanções	0
<b>Rendimentos da propriedade</b>	<b>13 000</b>
Juros provenientes da aplicação dos excedentes de tesouraria	13 000
Rendas	0
Outros rendimentos	0
<b>Transferências Correntes</b>	<b>4 229 156</b>
Estado (OE)	4 229 156
Ministério das Finanças	4 229 156
Outros Ministérios	0
<b>Outras receitas correntes</b>	<b>0</b>
<b>Receitas de Capital</b>	<b>0</b>
<b>Transferências de capital</b>	<b>0</b>
<b>Segurança Social</b>	<b>0</b>
Transferências do Regime Contributivo - Repartição	0
<b>Ativos Financeiros</b>	<b>0</b>
<b>Saldo de gerência do ano anterior</b>	<b>0</b>
Saldo orçamental	0
<b>TOTAL</b>	<b>26 994 345</b>

TABELA II - Total de Receitas do Regime Contributivo de Segurança Social

USD

Designação	OSS 2017
<b>Receitas Correntes</b>	<b>26 905189</b>
<b>Contribuições para a Segurança Social</b>	<b>22 752 189</b>
Regime Contributivo	22 752 189
<b>Sanções e outras penalidades</b>	<b>0</b>
Juros de mora	0
Contribuições	0
Sanções	0

Designação	OSS 2017
<b>Rendimentos da propriedade</b>	<b>13 000</b>
Juros provenientes da aplicação dos excedentes de tesouraria	13 000
Rendas	0
Outros rendimentos	0
<b>Transferências Correntes</b>	<b>4 140 000</b>
Estado (OE)	4 140 000
Ministério das Finanças	4 140 000
Outros Ministérios	0
<b>Outras receitas correntes</b>	<b>0</b>
<b>Receitas de Capital</b>	<b>0</b>
<b>Transferências de capital</b>	<b>0</b>
<b>Segurança Social</b>	<b>0</b>
Transferências do Regime Contributivo - Repartição	0
<b>Ativos Financeiros</b>	<b>0</b>
<b>Saldo de gerência do ano anterior</b>	<b>0</b>
<b>TOTAL</b>	<b>26 905 189</b>

**TABELA III - Total de Receitas de Administração da Segurança Social**

USD

Designação	OSS 2017
<b>Receitas Correntes</b>	<b>89 156</b>
<b>Transferências Correntes</b>	<b>89 156</b>
Estado (OE)	89 156
Ministério das Finanças	89 156
<b>Outras receitas correntes</b>	<b>0</b>
<b>Saldo de gerência do ano anterior</b>	<b>0</b>
<b>TOTAL</b>	<b>89 156</b>

**TABELA IV - Total de Despesas Globais da Segurança Social**

USD

Designação	OSS 2017
<b>Despesas Correntes</b>	<b>4 951 127</b>
<b>Aquisição de bens e serviços</b>	<b>86 156</b>
<b>Juros e outros encargos</b>	<b>0</b>
<b>Transferências Correntes</b>	<b>4 861 971</b>
Famílias/Pessoais	4 861 971
Regime Contributivo	4 861 971
Para o Estado (OE)	0
Ministério das Finanças	0

Outras prestações(despesas de outros Ministérios, cujo pagamento a SS assume)	0
<b>Outras Despesas Correntes</b>	<b>3 000</b>
<b>Despesas de Capital</b>	<b>0</b>
<b>Aquisição de bens de capital</b>	<b>0</b>
Capital menor	0
<b>Transferências de capital</b>	<b>0</b>
Para componente de Capitalização - Segurança Social	0
<b>Ativos financeiros</b>	<b>0</b>
<b>TOTAL</b>	<b>4 951 127</b>

**TABELA V - Total de Despesas do Regime Contributivo de Segurança Social**

USD

Designação	OSS 2017
<b>Despesas Correntes</b>	<b>4 861 971</b>
<b>Transferências Correntes</b>	<b>4 861 971</b>
Famílias/Pessoais	4 861 971
Regime Contributivo	4 861 971
<b>Outras prestações</b> (despesas de outros Ministérios, cujo pagamento a SS assume)	<b>0</b>
<b>Outras Despesas Correntes</b>	<b>0</b>
Outras despesas	0
<b>Despesas de Capital</b>	<b>0</b>
<b>Transferências de capital</b>	<b>0</b>
Para componente de Capitalização - Segurança Social	0
<b>Ativos financeiros</b>	<b>0</b>
<b>TOTAL</b>	<b>4 861 971</b>

**TABELA VI - Total de Despesas de Administração da Segurança Social**

USD

Designação	OSS 2017
<b>Despesas Correntes</b>	<b>89 156</b>
<b>Aquisição de bens e serviços</b>	<b>86 156</b>
<b>Juros e outros encargos</b>	<b>0</b>
<b>Transferências Correntes</b>	<b>0</b>
Para o Estado (OE)	0
Ministério das Finanças	0
<b>Outras Despesas Correntes</b>	<b>3 000</b>
Outras despesas	3 000
<b>TOTAL</b>	<b>89 156</b>

## **Part 4: Supporting Documents**

### **4.1: Justification for Transfer from the Petroleum Fund**



## PRIMEIRO MINISTRO

18 de outubro de 2016

### **Assunto: Justificação da transferência superior ao Rendimento Sustentável Estimado do Fundo Petrolífero**

Excelência,

Em cumprimento do estipulado pela Lei n.º 9/2005, de 3 de agosto, pelo exposto na Lei n.º 12/2011, Lei do Fundo Petrolífero, na alínea d) do seu artigo 9.º, sou a apresentar a Vossa Excelência a justificação pela qual se prevê efetuar uma transferência superior ao Rendimento Sustentável Estimado do Fundo Petrolífero.

Deste modo, e em conformidade com os requisitos legais, submetemos igualmente, para consideração e aprovação do Parlamento Nacional, a Proposta de Lei do Orçamento Geral do Estado para 2017.

O empenho do VI Governo Constitucional mantém-se inalterável na forma responsável e transparente como conduzimos a nossa ação governativa. Por isso, vamos continuar a trabalhar para implementar as políticas definidas pelo Governo, que emanam da visão que queremos para Timor-Leste até 2030 e que estão contempladas no Plano Estratégico de Desenvolvimento.

A nossa perseverança para sair da pobreza e transformar Timor-Leste num país de rendimento médio-alto, em que os índices de desenvolvimento humano são atingidos de forma justa e inclusiva, para que a paz e a estabilidade, a prosperidade, a saúde e a educação sejam gozadas por toda a nossa população, continua a ser o nosso maior foco para que possamos cumprir com o maior sentimento de respeito e dignidade o acordo político que temos para com o nosso povo e a nossa nação.

A criação do Fundo Petrolífero – cujas receitas do petróleo devem ser empregues em prol de todo o povo, e em benefício das gerações vindouras – e as regras



cautelosas e transparentes, inerentes à forma como podem ser utilizadas, demonstra precisamente o compromisso de todos os Governos para com o processo de construção da Nação.

O Rendimento Sustentável Estimado é, por isso, utilizado para promover o crescimento económico sustentável do país e reduzir a pobreza em todas as suas dimensões.

No entanto, considerando o plano de desenvolvimento que almejamos e definimos como o adequado para o nosso país, torna-se necessário recorrer a um levantamento acima do Rendimento Sustentável Estimado, para garantir que o desenvolvimento nacional nos seus quatro pilares, social, infraestruturas, económico e boa governação, sejam uma realidade.

Nesse sentido, gostaria de realçar que a transferência do montante superior ao Rendimento Sustentável Estimado não pretende suportar as despesas correntes relacionadas com o funcionamento da Administração do Estado. Antes pelo contrário, pretende sim fazer face às despesas relacionadas com o investimento estratégico do país, preenchendo o critério exigido pela Lei do Fundo Petrolífero, no sentido de o aplicar para satisfazer as necessidades da geração atual e das gerações vindouras.

Não podemos pôr de lado todo o investimento que temos vindo a realizar de forma estratégica e que é a base para asseverar a diversificação da economia, crucial para qualquer país, sobretudo para Timor-Leste que quer, cada vez mais, ser menos dependente dos recursos naturais, de forma a garantir a sua sustentabilidade.

Por isso, é crucial prosseguir com a nossa estratégia de desenvolvimento e investimento em infraestruturas que conduzam o nosso país para o crescimento económico e o nosso povo para o usufruto de melhores condições de vida.

#### Excelência

O levantamento acima dos 3% do Rendimento Sustentável Estimado do Fundo de Petróleo, que se submete à consideração, visa sobretudo dar continuidade à implementação de infraestruturas, através do Fundo de Infra-Estruturas, mas também à implementação das políticas sociais e de desenvolvimento económico para que o nosso país possa almejar o desenvolvimento sustentável e inclusivo, que abranja toda a população, desde as cidades até às áreas mais remotas.

Não é novidade que o projeto de desenvolvimento nacional tem necessariamente de passar pela criação de acessos rodoviários em todos os municípios, o que representa um desafio. Não podemos abrandar o ritmo dos projetos em curso porque são determinantes para melhorar a prestação de serviços públicos à população, dinamizar as iniciativas do setor privado e promover as transações económicas.

É pois fundamental prosseguir com os projetos de alargamento e recuperação da rede nacional de estradas, de distribuição e reabilitação de eletricidade em todo o



território nacional, e ao mesmo tempo dar continuidade ao projeto Tasi Mane, à construção e reabilitação de aeroportos e portos, entre outros projetos.

A Região Administrativa Especial do Oe-Cusse Ambeno e a Zona Especial de Economia Social de Mercado de Oe-Cusse Ambeno e Ataúro são potenciadoras do desenvolvimento económico e social da região onde, pelo facto de melhorar as condições de vida das populações que ali residem e desenvolverem o potencial económico da região, não podem ser descuradas.

Por isso, queremos continuar com os projetos de investimento, nomeadamente a modernização do aeroporto e os acessos rodoviários principais.

Temos também o dever e a obrigação de assegurar o desenvolvimento sustentável e inclusivo através de uma melhor e mais eficaz prestação de serviços e bens essenciais, o que exige um investimento no setor social.

A saúde e a educação merecem, portanto, a continuidade do investimento de forma a proporcionar às nossas crianças, jovens e adultos a evolução do seu bem-estar físico e social. O investimento no capital humano é fundamental para podermos qualificar os nossos recursos humanos para serem e fazerem parte do nosso desenvolvimento nacional como força de trabalho qualificada e apta, em áreas de diversificação económica como a agricultura e o turismo.

Ainda no setor social, criámos o regime contributivo de segurança social, com o objetivo de proteger os trabalhadores e as suas famílias em situações de perdas de rendimentos de trabalho, para que este seja um modelo sustentável.

Na senda da política de desconcentração administrativa territorial, estamos a implementar os contratos interorgânicos de delegação de competências celebrados entre os órgãos governamentais e as Administrações e Autoridades Municipais para prestar melhores serviços e melhorar a eficiência, apoiando também o desenvolvimento rural.

E porque em 2017 Timor-Leste terá as suas eleições nacionais, temos o dever de contribuir para o processo democrático, designadamente através do apoio aos partidos políticos e à Comissão Nacional de Eleições.

Sabemos, também, que temos de continuar a lutar pela melhoria da vida do nosso povo e garantir-lhe um futuro sustentável. Para isso é fundamental que continuemos a lutar pela soberania plena e que alcancemos a justa e equitativa delimitação definitiva das nossas fronteiras marítimas.

#### Excelência

O Governo reconhece que o levantamento acima do Rendimento Sustentável Estimado para financiar o Orçamento Geral do Estado é um último recurso. Nesse sentido, estamos a pôr em prática uma série de reformas estratégicas que, por um



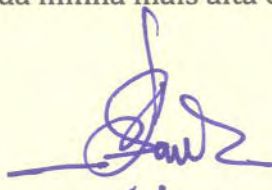
lado, contribuem para reduzir as despesas correntes e, por outro, aumentam as receitas internas e com isso as fontes de financiamento do orçamento.

A Reforma Fiscal, por exemplo, que compreende as políticas de receita e da despesa, que visa do lado da despesa a melhoria da relação entre o plano, o orçamento e os serviços prestados numa administração e gestão pública mais económica, eficiente e eficaz e reduzindo o seu peso na economia, e, ao mesmo tempo, permitir o setor privado crescer e, com isso, aumentar as receitas domésticas tornando-o mais sustentável.

A política de *frontloading* e as razões supramencionadas dão continuidade e vão ao encontro do nível de desenvolvimento sustentável a médio-longo prazo – seja ele de infraestruturas, económico ou social – que ansiamos para o nosso país e para o nosso povo, e por isso submetemos à consideração do Parlamento Nacional a aprovação do levantamento que excede os 3% do Rendimento Sustentável Estimado.

Para terminar, junto o “Relatório com a estimativa do montante em que ficará o Rendimento Sustentável Estimado dos exercícios orçamentais subsequentes, por força de transferência a partir do Fundo Petrolífero de montante superior ao Rendimento Sustentável Estimado”, cumprindo assim o requisito legal, da alínea b) artigo 9.º da Lei do Fundo Petrolífero, bem como o “Relatório do Auditor Independente que certifique as estimativas de redução do rendimento sustentável estimado”, conforme o prescrito na alínea c) do mesmo artigo.

Aceite, Excelência, o testemunho da minha mais alta consideração e estima.



**Dr. Rui Maria de Araújo**  
Primeiro-Ministro

**Sua Excelência**  
**Presidente do Parlamento Nacional**  
**Senhor Dr. Adérito Hugo da Costa**

## **4.2: ESI Report 1: Requirement for Transfers from the Petroleum Fund for 2017 ESI**



## Gabinete Ministerial

*"Seja um bom cidadão, seja um novo herói para a nossa Nação"*

No: 751 / VI/GM / 2016-10

12 October 2016

**H.E. Dr Rui Maria de Araujo**  
Prime Minister  
Democratic Republic of Timor-Leste

**SUBJECT : REQUIREMENT FOR TRANSFERS FROM PETROLEUM FUND**

Excellency,

This report is provided in accordance with Article 8 a) and b) of the Petroleum Fund Law No. 9/2005, of 3<sup>rd</sup> August as amended by Law No. 12/2011, of 28<sup>th</sup> September.

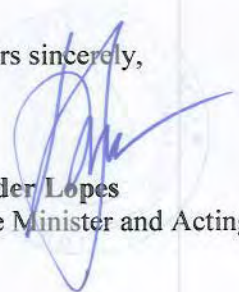
The Estimated Sustainable Income is calculated in accordance with provisions outlined in Schedule 1 of the Petroleum Fund Law.

Estimated Sustainable Income For Financial Year: 2017	<b>Amount (USD)</b> \$ 481.6 million
Estimated Sustainable Income For preceding Financial Year: 2016	<b>Amount (USD)</b> \$ 544.8 million

A review of the methodology which the ESI-calculations are based on is included in the Budget 2017.

According to Article 8 c) of the Petroleum Fund Law, the Independent Auditor shall certify the amount of the Estimated Sustainable Income. The certification report will be submitted once it is available.

Yours sincerely,

  
**Helder Lopes**  
Vice Minister and Acting Minister of Finance



## **INDEPENDENT ASSURANCE PRACTITIONER'S REASONABLE ASSURANCE REPORT ON THE ESTIMATED SUSTAINABLE INCOME CALCULATION TO THE MINISTRY OF FINANCE, DEMOCRATIC REPUBLIC OF TIMOR-LESTE**

We have undertaken a reasonable assurance engagement in accordance with Article 8(c) of the Petroleum Fund Law (Law No. 9 /2005) of the Democratic Republic of Timor-Leste, ("The Law") in order to express a conclusion whether, in our opinion, the Ministry of Finance's calculation of the Estimated Sustainable Income (ESI) for the fiscal year 2017 is in accordance with paragraphs II and III of Schedule 1 of The Law.

### ***The Ministry of Finance's Responsibility for the Estimated Sustainable Income Calculation***

The Ministry of Finance is responsible for:

- The calculation of the ESI for the fiscal year 31 December 2017 in compliance with the amended Schedule 1 of the Petroleum Fund Law (Law No. 9 /2005, Amendment 1, No. 12/2011) of the Democratic Republic of Timor-Leste, ("The Amended Law").
- Confirming the measurement or evaluation of the underlying assumptions supporting the calculation complies with the provisions of Schedule 1 (IV) and (V) of the Petroleum Fund Law and that all relevant matters are reflected in the calculation.
- Designing, establishing and maintaining internal controls to ensure that the calculation of the ESI is properly prepared in accordance with the amended Schedule 1 of the Petroleum Fund Law (Law No. 9 /2005, Amendment 1, No. 12/2011) of the Democratic Republic of Timor-Leste.

### ***Assurance Practitioner's Independence and Quality Control***

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### ***Assurance Practitioner's Responsibility***

Our responsibility is to express a conclusion whether, in our opinion, whether the ESI Calculation for the fiscal year 31 December 2017 has been calculated, in all material respects, in accordance with the formula in paragraphs II and III of Schedule 1 of the Amended Law, based on the procedures we have performed and the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised) "*Assurance Engagements Other than Audits or Reviews of Historical Financial Information*", issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance that the ESI

Calculation is free from material misstatement. Our engagement provides reasonable assurance as defined in ISAE 3000 (Revised).

A reasonable assurance engagement in accordance with ISAE 3000(Revised) involves performing procedures to obtain evidence that the ESI Calculation has been calculated, in all material respects, in accordance with paragraphs II and III of Schedule 1 of The Law. The nature, timing and extent of procedures selected depend on the assurance practitioner's professional judgement, including the assessment of the risks of material misstatement in the ESI Calculation. In making those risk assessments; we considered the internal controls relevant to the preparation of the ESI Calculation. A reasonable assurance engagement consisted primarily of inquiries of relevant personnel, inspection of evidence including the Budget Book and obtaining and reviewing the Estimated Sustainable Income Calculation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### ***Inherent Limitations***

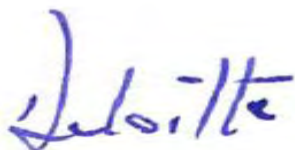
The Ministry of Finance prepares the ESI calculation based on underlying assumptions in accordance with the provisions of Schedule 1 (IV) and (V) of the Petroleum Fund Law. Certain of these assumptions are based on forecast information provided or obtained from third parties and our engagement does not extend to verifying the accuracy, completeness or validity of this third party information. Reasonable assurance means a high but not absolute level of assurance. Absolute assurance is very rarely attainable as a result of factors such as the following: the use of selective testing, the inherent limitations of internal control, the fact that much of the evidence available to Deloitte is persuasive rather than conclusive and the use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence.

### ***Limitations of use***

This report is made solely to Ministry of Finance in accordance with our contract dated 20 July 2016, for the purpose of expressing a conclusion whether, in our opinion, the Ministry of Finance's calculation of the Estimated Sustainable Income (ESI) for the fiscal year 2017 is in accordance with paragraphs II and III of Schedule 1 of the Amended Law. We disclaim any assumption of responsibility for any reliance on this report to any person other than the Ministry of Finance or for any purpose other than that for which it was prepared.

### ***Conclusion***

In our opinion, the Ministry of Finance has complied, in all material respects, with paragraphs II and III of Schedule 1 of the Petroleum Fund Law (Law No. 9 /2005, Amendment 1, No. 12/2011) of the Democratic Republic of Timor-Leste in calculating the Estimated Sustainable Income for the fiscal year ending 31 December 2017. The calculation shows an Estimated Sustainable Income of 481.6 million United States Dollars.



DELOITTE TOUCHE TOHMATSU  
Chartered Accountants  
Darwin  
14 October 2016

## **4.3: ESI Report 2: Requirement for Transfers from the Petroleum Fund for medium term ESI**





## Gabinete Ministerial

“Seja um bom cidadão, seja um novo herói para a nossa Nação”

No: 753 / VI/GM / 2016-10

12 October 2016

**H.E. Rui Maria de Araujo**  
Prime Minister  
Democratic Republic of Timor-Leste

### SUBJECT: REQUIREMENT FOR TRANSFERS FROM PETROLEUM FUND

Excellency,

This report is provided in accordance with Article 9 b) of the Petroleum Fund Law No. 9/2005, of 3<sup>rd</sup> August as amended by Law No. 12/2011, of 28<sup>th</sup> September.

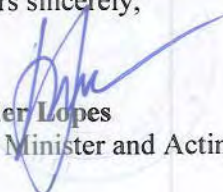
As required in Article 9 b), the table below shows the reduction of Estimated Sustainable Income for Fiscal Years commencing after 2018, as a result of the proposed transfer from the Petroleum Fund of an amount in excess of the Estimated Sustainable Income in 2017:

Fiscal Year	Estimated Sustainable Income Withdrawals in 2017	
	\$ 481.6 million	\$ 1,078.8 million
2018	493.5	475.1
2019	505.8	486.9
2020	518.7	499.4
2021	532.4	512.5
2022	546.5	526.1
2023	561.1	540.1
2024	576.2	554.7
2025	591.8	569.7
2026	608.0	585.3
2027	624.8	601.5

According to Article 9 c) the Independent Auditor shall certify the estimates of reduction in the Sustainable Income. The certification report will be submitted to the Parliament once it is available.

All calculations have been carried out by technical experts in the Ministry of Finance.

Yours sincerely,

  
**Helder Lopes**  
Vice Minister and Acting Minister of Finance

Her Excellency Santina JRF Viegas Cardoso  
Ministry of Finance  
Democratic Republic of Timor-Leste  
Edificio No. 5, Res-do-Cao  
Palacio do Governo, Dili, Timor-Leste

17 October 2016

Dear Minister

## **Report on Factual Findings relating to the estimated reduction in the Estimated Sustainable Income (Article 9)**

In accordance with Contract For Audit Services (Lump-Sum) “*Independent Audit Services as Required by the Government of Timor-Leste*” we have performed certain agreed upon-procedures solely for the purpose of providing a report to the Government of the Democratic Republic of Timor-Leste in accordance with Article 9 (c) of Law 9/2005 *Petroleum Fund Law* as amended by Law 12/2011 *First Amendment to Petroleum Fund Law*. Our engagement was performed in accordance with the International Standard on Related Services (ISRS) 4400 *Engagements to Perform Agreed-upon Procedures Regarding Financial Information*. This report should be read in conjunction with our contract which sets out the basis on which our work was performed.

### **Scope of work and statement of responsibility**

At your request and agreement, we performed the procedures set out in the table below. The scope of our work was limited solely to those procedures. You are responsible for determining whether the scope of our work is sufficient for your purposes and we make no representations regarding the sufficiency of these procedures for your purposes. If we were to perform additional procedures, other matters might have come to our attention that would be reported to you.

This report should not be taken to supplant any other enquiries and procedures that may be necessary to satisfy the requirements of the recipients of the report.

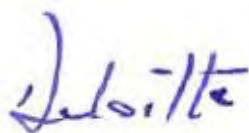
The procedures we performed did not constitute a review or an audit of any kind and we have not expressed any opinion or drawn any conclusions on the procedures we have performed. We did not subject the information contained in this report or given to us by the Ministry of Finance to checking or verification procedures except to the extent expressly stated below. This is normal practice when carrying out such limited scope procedures, but contrasts significantly with, for example, an audit. The procedures we performed were not designed to and are not likely to have revealed fraud or misrepresentation by the Ministry of Finance. Accordingly, we cannot accept responsibility for detecting fraud (whether by management or by external parties) or misrepresentation by the management of the Ministry of Finance.

This report is provided solely for your exclusive use and solely for the purpose of satisfying the requirements Article 9 (c) of Law 9/2005 *Petroleum Fund Law* as amended by Law 12/2011 *First Amendment to Petroleum Fund Law*. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. We accept no duty, responsibility or liability to any other party in connection with the report or this engagement.

## Procedures and Findings

Procedures	Findings
<ol style="list-style-type: none"> <li>1. Obtain the underlying calculations which support the report of Government that is to be provided to Parliament pursuant to Article 9(b).</li> <li>2. Agree the calculation methodology to the Estimated Sustainable Income calculation for the Fiscal Year Budget 2017 as previously obtained by Deloitte.</li> <li>3. Obtain the value of the proposed Government transfer being an amount in excess of the Estimated Sustainable Income calculated by the Government for purposes of the Fiscal Year Budget 2017 and agree the value to the updated underlying calculation, which incorporates the proposed Government transfer.</li> <li>4. Re-perform the calculation of the estimated reduction in the Estimated Sustainable Income for the Fiscal Years commencing 1 January 2018 that results from the proposed Government transfer from the Petroleum Fund in Fiscal Year 2017.</li> <li>5. Provide a report to Government in accordance with of Law 9/2005 <i>Petroleum Fund Law</i> as amended by Law 12/2011 <i>First Amendment to Petroleum Fund Law</i>.</li> </ol>	<ol style="list-style-type: none"> <li>1. The underlying calculations which support the report of Government to be provided to Parliament pursuant to Article 9(b) were obtained from the Ministry of Finance on 11 October 2017.</li> <li>2. The calculation methodology was agreed to that of the Estimated Sustainable Income calculation used for the Fiscal Year Budget 2017 as previously obtained by Deloitte.</li> <li>3. A Government transfer of US\$1,078.8 million was advised by the Ministry of Finance to Deloitte and is noted to exceed the Estimated Sustainable Income of US\$481.6 million as previously calculated by the Government for purposes of the Fiscal Year Budget 2017, by US\$597.2 million. The US\$1,078.8 million was incorporated into the updated underlying calculation.</li> <li>4. The calculation of the estimated reduction in the Estimated Sustainable Income for future Fiscal Years commencing 1 January 2018 was re-performed without exception. The estimated reduction in the Estimated Sustainable Income in each future year from 2018 to 2027 ranged from US\$18.5 million to US\$23.2 million over the period as set out in Appendix A.</li> <li>5. Report herewith.</li> </ol>

Yours faithfully



Deloitte Touche Tohmatsu

**APPENDIX A****Projected future payments**

As required in Article 9 b), the table below shows the reduction of Estimated Sustainable Income for Fiscal Years commencing after 2017, as a result of the proposed transfer from the Petroleum Fund of an amount in excess of the Estimated Sustainable Income in 2017:

<b>Fiscal Year</b>	<b>Estimated Sustainable Income Withdrawals in 2017</b>	
	<b>\$481.6 million</b>	<b>\$1,078.8 million</b>
2018	493.5	475.1
2019	505.8	486.9
2020	518.7	499.4
2021	532.4	512.5
2022	546.5	526.1
2023	561.1	540.1
2024	576.2	554.7
2025	591.8	569.7
2026	608.0	585.3
2027	624.8	601.5

Prepared for the  
Government of the Democratic Republic of Timor-Leste  
by the



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