

# Citizen Budget Period 2022



Democratic Republic of Timor-Leste  
Ministry of Finance



# THE 2022 GENERAL STATE BUDGET (GSB)

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

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

## GOVERNMENT PRIORITIES FOR 2022

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

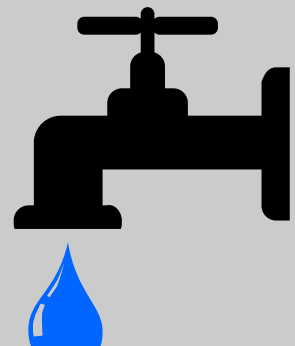


## SIX GOVERNMENT PRIORITIES FOR 2022

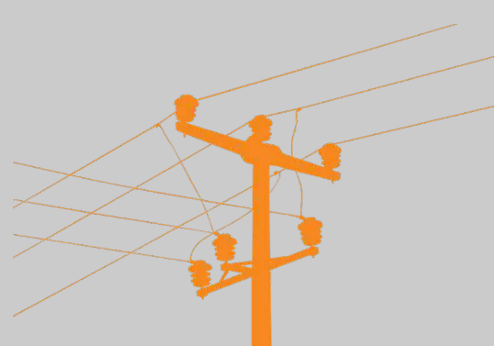
### 1 HOUSING AND SOCIAL INCLUSION \$484 Million or 25% of the GSB



Housing

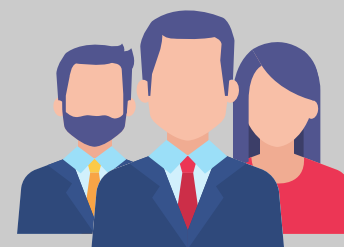


Clean Water



Electricity

### 4 PRIVATE SECTOR DEVELOPMENT \$97 Million or 5% of the GSB



Private Sector Participation



Facilitate Investment



Jobs Creation

### 2 PRODUCTIVE SECTORS \$370 Million or 19% of the GSB



Connectivity



Tourism



Environment



Agriculture

### 5 RURAL DEVELOPMENT \$123 Million or 6.3% of the GSB



UKL



Promote Local Development



Strong capacity in all institution

### 3 DEVELOPMENT OF HUMAN CAPITAL \$228 Million or 12% of the GSB



Health:  
\$66 Million



Education & Training:  
\$98 Million



\$37.6 Million  
(plus some unused money from 2021)

### 6 GOOD GOVERNANCE \$123 Million or 6.3% of the GSB



Fiscal Reform & Sustainability



Development of Key National Indicators

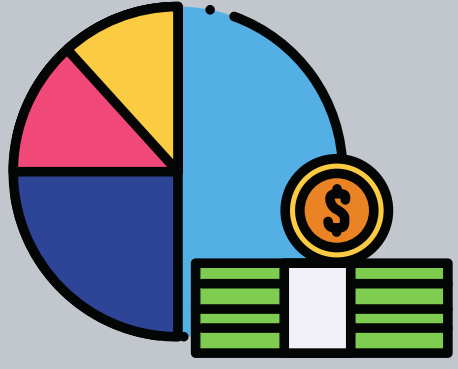


Public Financial Management Reform



## MACROECONOMIC ASSUMPTION OF THE GSB

### GROSS DOMESTIC PRODUCT



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

*Real gross domestic product is a measurement of economic output that accounts for the effects of inflation. Non-oil GDP does not include value added from the Oil industry.*

### INFLATION



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

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

### DOMESTIC REVENUE



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

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

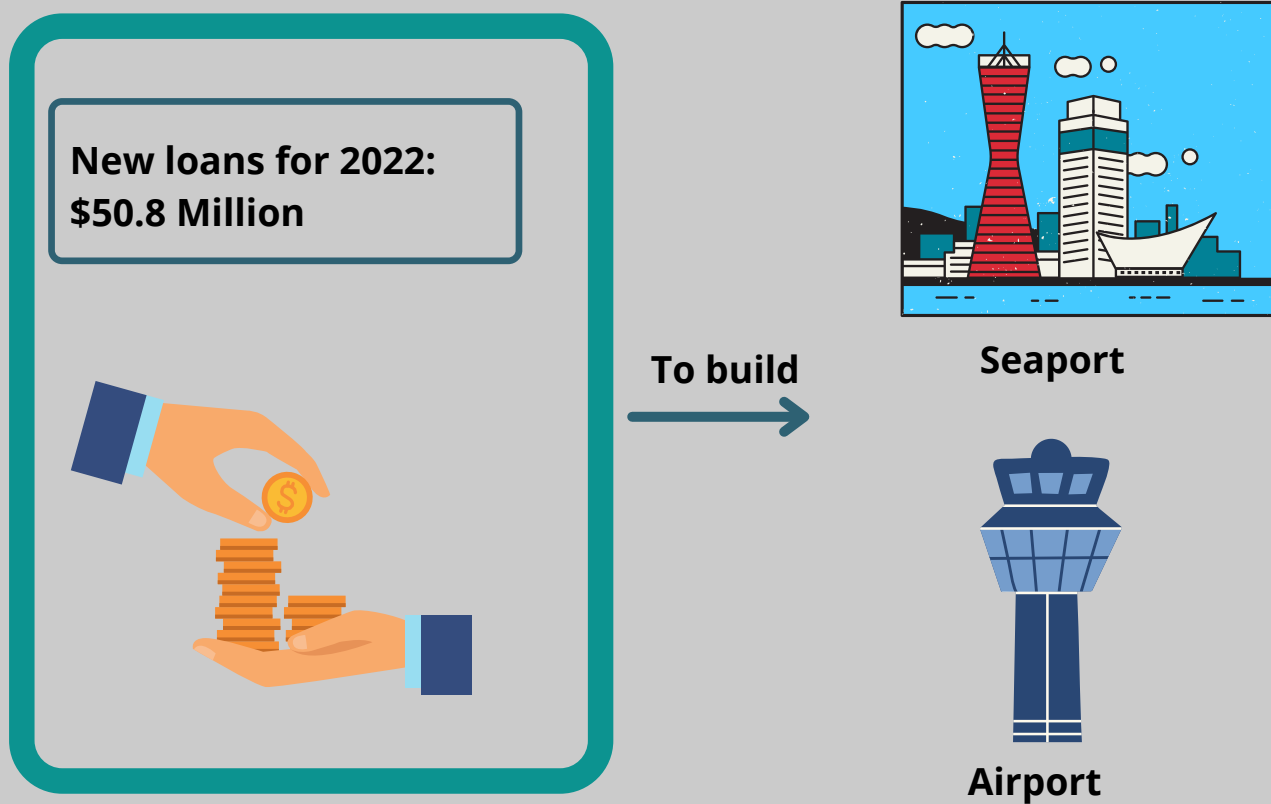
### ESI (ESTIMATE SUSTAINABLE INCOME)



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

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

### LOANS



### PETROLEUM FUND & FISCAL SUSTAINABILITY



Oil & Gas



Financial warning

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

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

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

### IMPROVING PROGRAM BUDGETING STRUCTURE FOR GSB 2022



**1** Rationalized the number of Government programs from 145 in 2021 to 45 programs in 2022

**2**

- Focus not only on execution but also the results.
- Evaluates the program's effectiveness and outputs through performance indicators and targets.
- Improves the efficiency and effectiveness of public expenditure.
- Increases transparency and accountability and enables data driven decision-making regarding resource allocation.

### EXPENDITURE

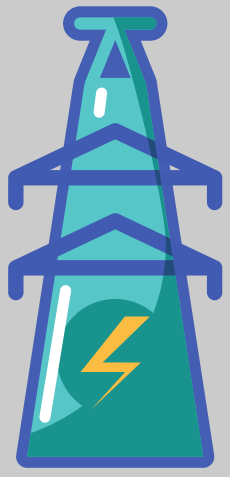


Government Expenditure

Government Expenditure in 2022:  
\$1,943 Billion

## ECONOMIC RECOVERY PLAN

**\$244 Million for Three Major ERP Measures**



Electricity Installation:  
\$90 Million



Cooperative Production:  
\$41 Million



Village Development:  
\$28 Million

## BUDGET FOR MUNICIPALITY IN 2022



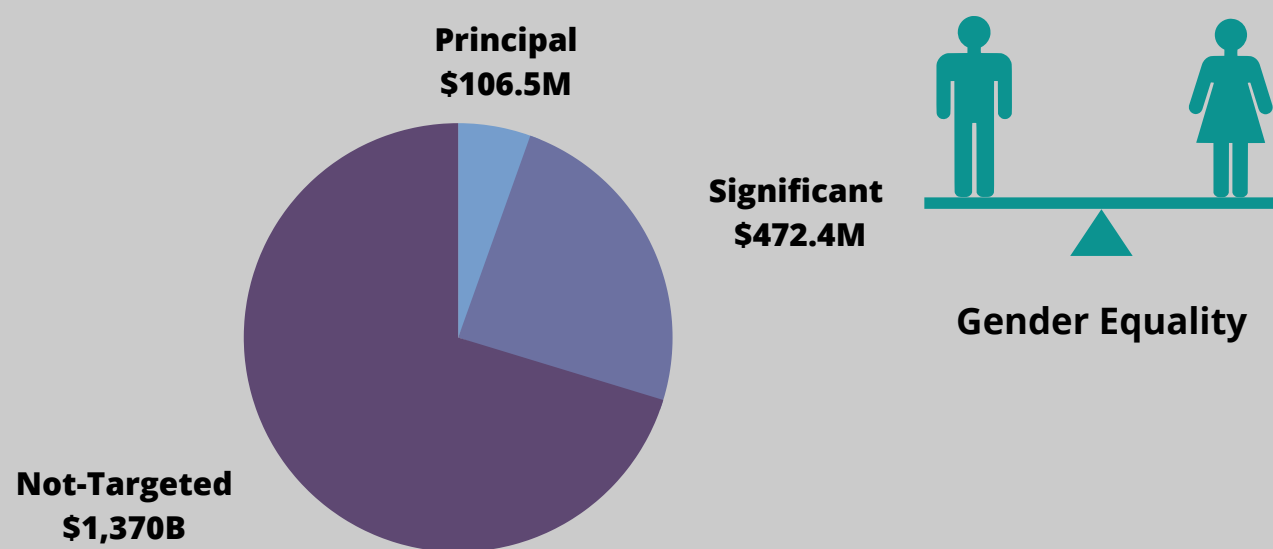
Municipality

Budget for municipality in 2022:  
\$56.1 million or 4% from the GSB

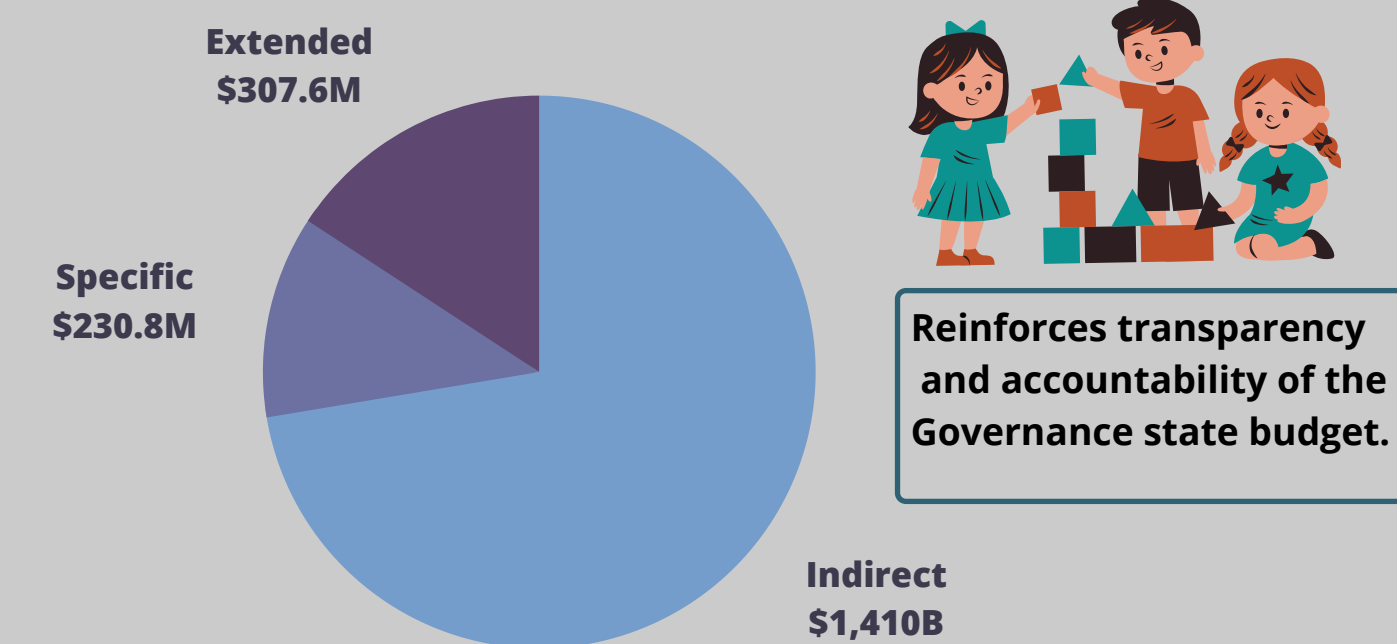
Atauro is becoming a Municipality in 2022

## GENDER-RESPONSIVE BUDGETING

### 1 GSB BY GENDER MARKER



### 2 GSB BY CHILD MARKER



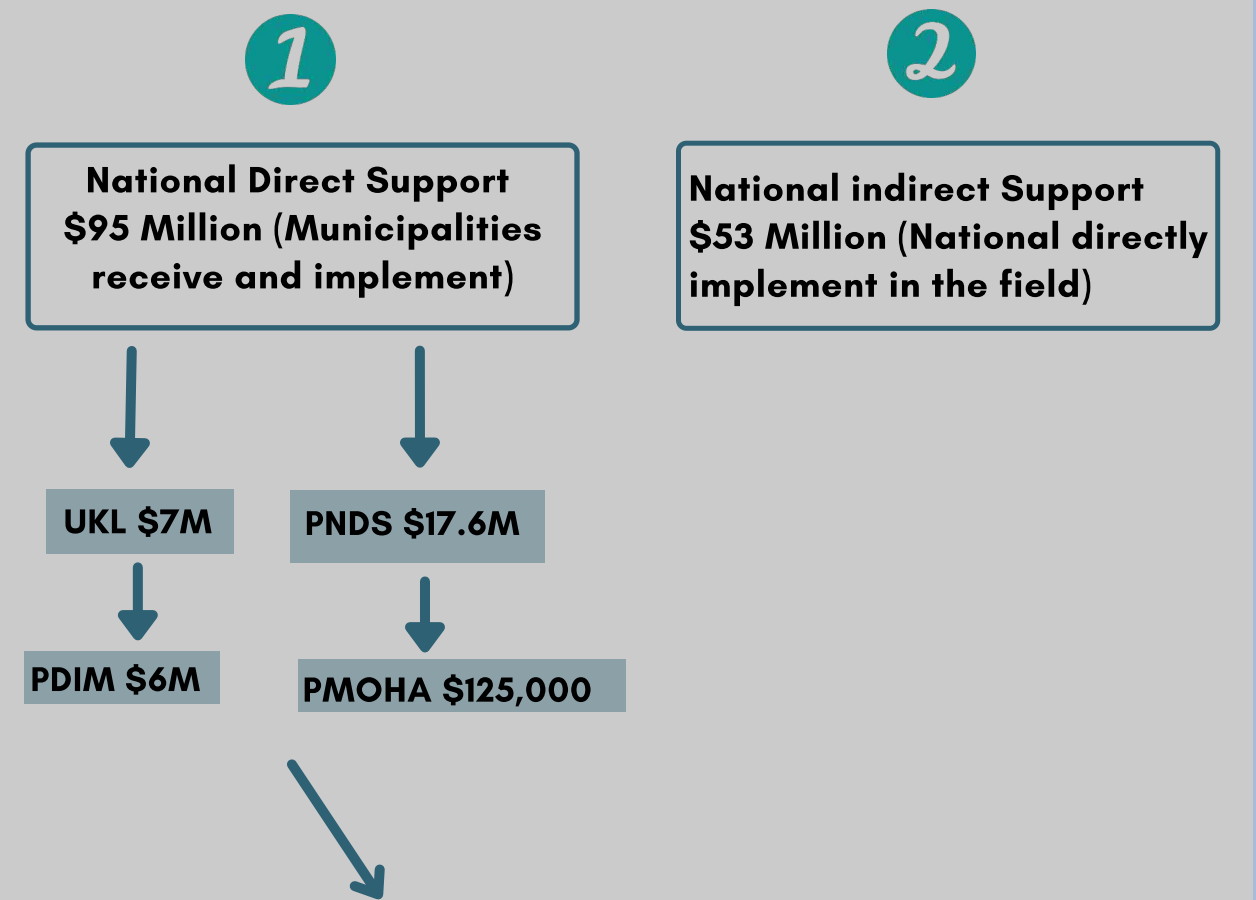
### 3 PROGRAM 980: GENDER EQUALITY & SOCIAL INCLUSION

The Government has invested \$233 Million towards a National Program promoting gender equality and social inclusion.

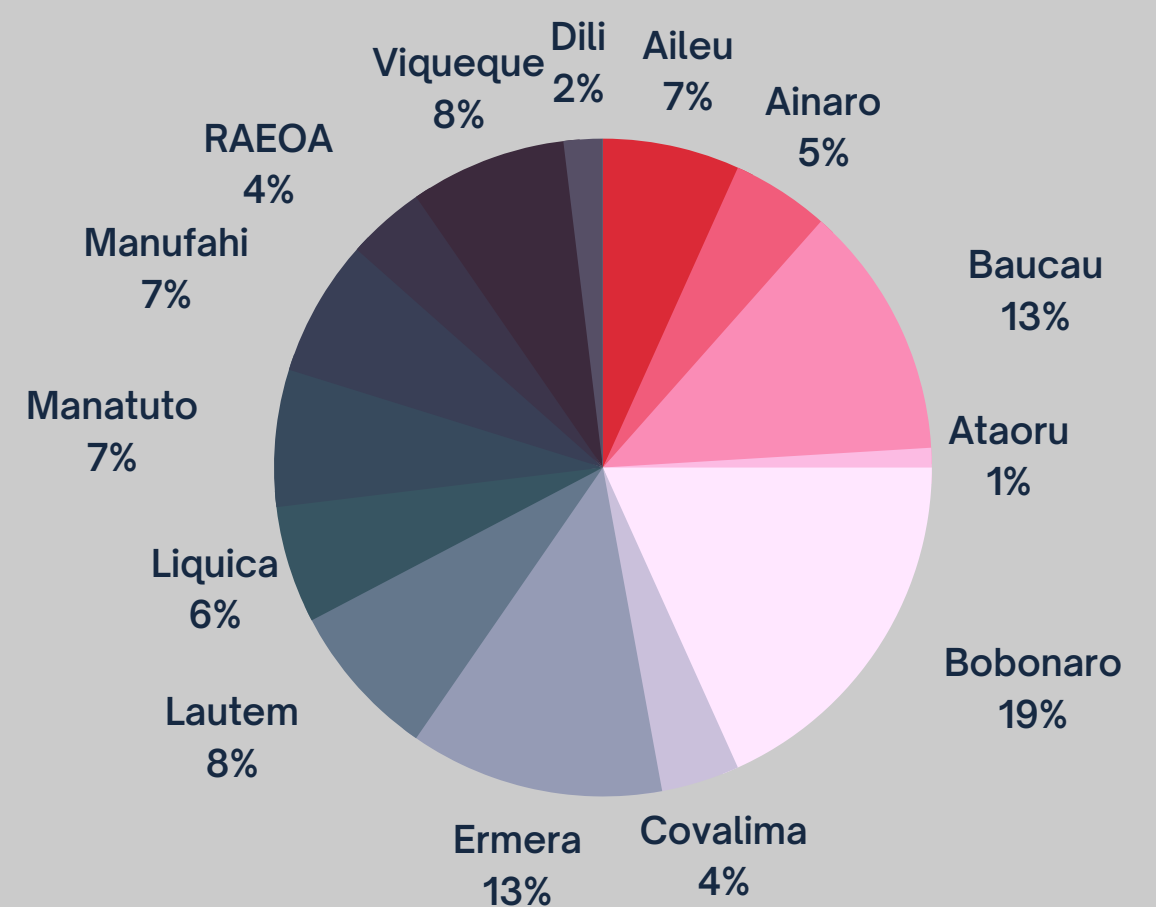


Social Inclusion

## NATIONAL PROGRAM TO DEVELOP MUNICIPALITY IN 2022



### NATIONAL PROGRAM TO DEVELOP MUNICIPALITY PERIOD 2022



UKL (Uma Kibi'it Laek)  
 PNDP (Programa Nasional Dezenvolvimentu Suku)  
 PMOHA (Programa Movimentu Hafoun Aldeia)  
 PDIM (Programa Dezenvolvimentu Integradu Munisipiu)

## OTHER INFORMATION

For more information, please see budget books 1-6 (Budget book1: Budget Overview, Book2: Annual Action Plan, Book3A: Infrastructure Fund, Book3B Municipalities, Book3C: RAOEA & ZESSM, Book3D: Social Security, Book4a and 4b: Budget Line Items, Book5: Development Partners, Book6: Special Fund - FDCH), which are published on the Ministry of Finance website: [www.mof.gov.tl](http://www.mof.gov.tl)

You can also access budget information on Budget Transparency Portal: (<http://www.budgettransparency.gov.tl/>).

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