



**ORÇAMENTO GERAL DO ESTADO 2024**

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**BRIDGING FOR TOMORROW:  
INVESTING IN THE PRODUCTIVE SECTORS AND SOCIAL CAPITAL**



**INFORMATIVE ELEMENTS**

**VOLUME III: STRATEGIC INVESTMENT PLAN**

**APPROVED VERSION**

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## Introduction

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The **overarching goal** of the Strategic Investment Plan for Timor-Leste is to promote sustainable economic development and reduce poverty in the country. It aims to attract foreign and domestic investments in key sectors, such as agriculture, tourism, manufacturing, and services. The plan seeks to create employment opportunities, enhance infrastructure, diversify the economy, and improve the overall standard of living for the Timorese people. Additionally, it aims to strengthen governance, improve the business environment, and foster partnerships with international investors and development partners.

The **purpose** of the Strategic Investment Plan is to provide a roadmap and framework for attracting and promoting strategic investments in the country. It aims to guide and prioritize investment decisions to achieve sustainable economic growth, reduce poverty, and improve the well-being of the Timorese people. The plan focuses on identifying key sectors and projects that have the potential to contribute significantly to the country's development, create employment opportunities, enhance infrastructure, and diversify the economy. It also aims to improve the business environment, strengthen governance, and foster partnerships with both domestic and international investors and development partners. Overall, the purpose of the plan is to drive economic transformation and ensure inclusive and sustainable development in Timor-Leste.



## Assessment of the Current Situation

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Timor-Leste has a complex history marked by colonization and struggle for independence. Timor-Leste finally gained its independence in 2002, becoming the newest sovereign nation at the time.

The country covers an area of approximately 14,874 square kilometers (5,743 square miles). It consists of the eastern half of the island of Timor, as well as the smaller islands of Atauro and Jaco. The country has a diverse landscape, including mountainous regions, fertile valleys, and a long coastline with beautiful beaches. The estimated population of Timor-Leste is around 1.3 million people.

Timor-Leste is classified as a lower-middle-income country. Its economy heavily relies on oil and gas revenues, which account for a significant portion of its GDP. However, the country faces economic challenges due to the volatility of oil prices and its heavy dependence on these resources. Efforts have been made to diversify the economy by promoting sectors like agriculture, tourism, and manufacturing. Timor-Leste has made progress in reducing poverty rates, improving infrastructure, and providing basic services, but the country still faces development challenges and a need for sustained economic growth and hence the need for a series of strategic investments to fast-track the economic development needed to enable the economy to move to a more sustainable future development pathway free of dependency on mineral resources alone.

### Economic overview of Timor-Leste

Timor-Leste's has historically relied on driving its economy through public spending resulting in large fiscal deficits. The fiscal deficit to non-oil GDP in 2022 was 61%. This was financed through cash balances, concessional loans, direct budgetary support from donors, and excess withdrawals (above ESI) from the Petroleum Fund.

The Petroleum Fund's excess withdrawals are the primary source of funding for the budget deficit. As evidenced by the recently approved corrected budget for 2023, the Petroleum Fund has consistently financed over 70% of the budget over the previous ten years. Hence the key is to use these funds wisely to stimulate future economic growth across the economy and through that move away from the dependency on the Petroleum Fund. At the same time as recognizing the need to maintain critical social protection mechanisms and social services to the people of Timor-Leste.

After the election, a combination of high inflation and poor budget execution is predicted to cause GDP growth to drop to 2.2% in 2023. As of 31 October 2023, the government had spent \$1.05 billion USD.

Because of the high rate of inflation, more investment and consumption are needed to produce the same growth results. The average rate of inflation in 2023 is predicted to be 8.3%, meaning that in order to achieve the same level of real or inflation-adjusted GDP, the combined spending contributions of the public, private, and external sectors to the economy must increase by at least 8.3%.

As the economy continues to recover from the COVID-19 pandemic, positive growth in private consumption is anticipated despite the decline in government spending. Preliminary estimates from the National Statistics Institute (INETL) also points to a rise in remittances from Timorese nationals employed overseas in 2023.

Remittances have likely increased as a result of global travel restrictions becoming less restrictive, giving Timorese nationals more opportunities to work overseas. In a similar vein, immigration services data from the first half of 2023 indicates a 129% increase in the number of visitor visas granted. The growth and investment prospects of the private sector in 2023 are expected to be positively impacted by the rise in tourism.

Thus, even with the projected decline in government spending, positive economic growth is still anticipated in 2023.

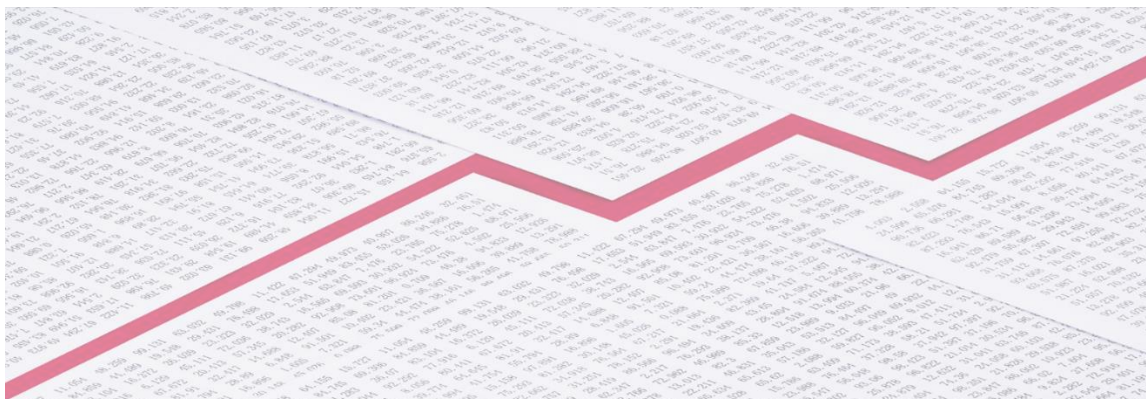
A minimum non-oil real GDP target of 5% has been set by the IX constitutional government for the years 2024 to 2028. It will take significant increases in government spending, with an emphasis on investing in both human and physical infrastructure, to meet this growth target.

It will take targeted spending on high-quality investments in addition to government initiatives that support the expansion of the private sector in order to surpass this mark and reach 5% and these are discussed more in the next section.

## Key industries and sectors with growth potential

Timor-Leste needs to overcome several challenges such as limited infrastructure, a relatively small domestic market, institutional capacity constraints, and political stability to fully realize its potential. Whilst it currently faces several challenges in terms of development and diversification of its economy, there are a few key industries and sectors that have growth potential in the country:

1. **Oil and Gas:** Timor-Leste has significant offshore oil and gas reserves. The Timor Sea holds vast resources, and the country has been investing in the sector for several years. Continued exploration, production, and export of oil and gas can contribute significantly to the country's economic growth. The development of on-shore processing and upstream industries that this creates can also contribute significantly to the development of the country as a whole.
2. **Agriculture and Fisheries:** The country has fertile land and a coastline that offers great potential for the agriculture and fisheries sectors. With the development of proper infrastructure, technology, and training, Timor-Leste can boost its agricultural productivity and increase exports of coffee, rice, maize, fish, and other agricultural products.
3. **Tourism:** Timor-Leste has a rich cultural heritage, beautiful landscapes, and pristine beaches. The tourism sector holds significant potential for growth, attracting international tourists to explore the country's natural beauty, historical sites, and cultural traditions. Improving infrastructure, promoting eco-tourism, and investing in hospitality services can help develop this sector.
4. **Construction and Infrastructure:** Timor-Leste needs significant infrastructure development, including roads, ports, airports, and utilities. Investment in construction and infrastructure projects can create jobs, boost economic activity, and enhance the overall development of the country.
5. **Renewable Energy:** As a country heavily dependent on imported fossil fuels, Timor-Leste has been exploring renewable energy sources like solar, wind, and hydropower. Developing renewable energy projects can reduce reliance on fossil fuels, promote sustainability, and create opportunities for investment and job creation.
6. **Education and Training:** Investing in education and training is crucial for the overall development of Timor-Leste. The country needs skilled professionals in various sectors to drive economic growth and reduce unemployment. Developing vocational training programs, higher education institutions, and promoting lifelong learning can help build a skilled workforce and attract investment.



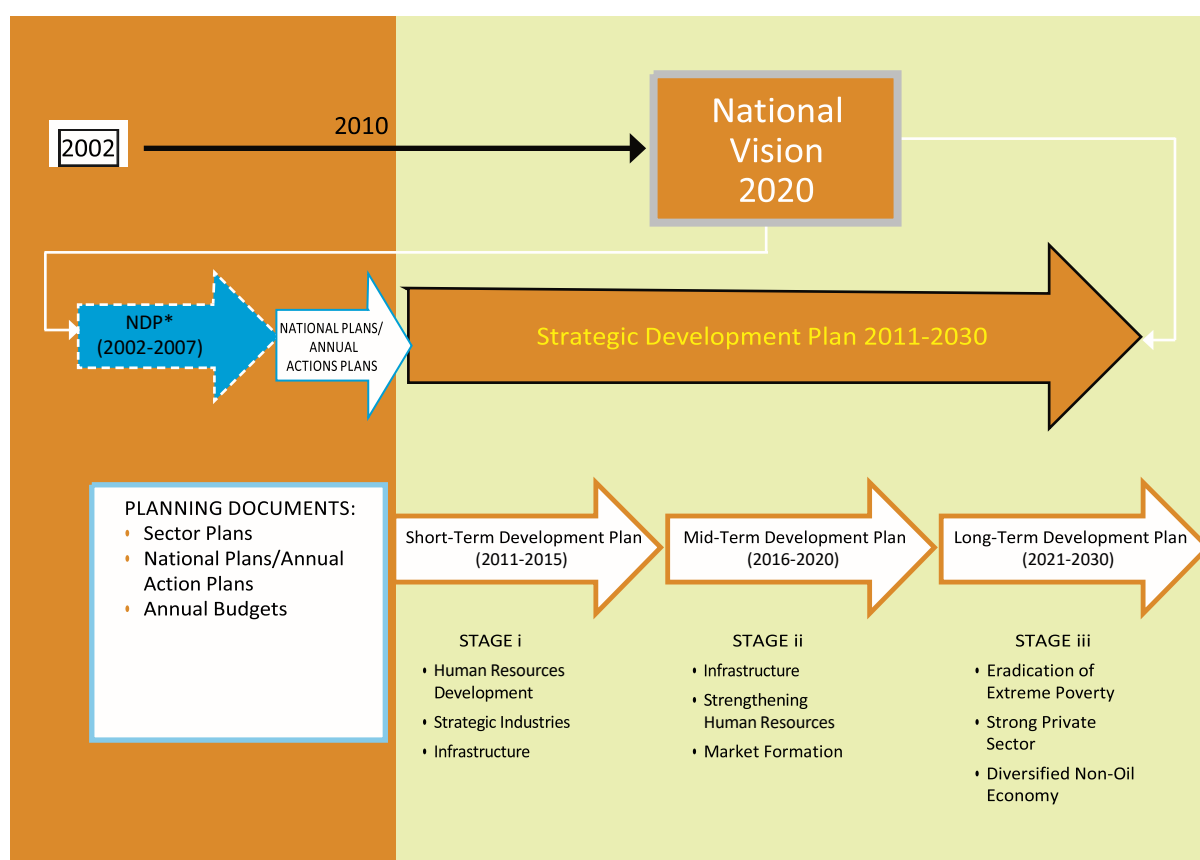
## Fast-tracking the Strategic Development Plan

The aim of the SIP is to still focus on the aims and ambitions of the Timor-Leste Strategic Development Plan 2011-2030.

However, since that document was written the country has faced many challenges including political instability, COVID and natural disasters. As a result whilst the short-term development plan goals were broadly met there has been little progress since 2016 until now and so there will need to be an acceleration of investment if Timor-Leste is still to achieve its vision as laid out in the SDP.

The diagram below shows the original plan of implementation behind the SDP – however stage 2 did not deliver the expected results and we are already two years into stage 2.

Figure 1 Staging of the Strategic Development Plan



\*NDP = NATIONAL DEVELOPMENT PLAN

The SDP was broken down into five key components namely:

1. Social capital
2. Infrastructure Development
3. Economic Development
4. Institutional Framework
5. Macroeconomic Direction

There has been no systematic reporting against these indicators, so it was not possible to provide a detailed update of progress to date however the next section presents the table of indicators in summary form.

## Strategic Development Plan: Summary of strategies, actions, and targets

The table below highlights the key actions and targets that were supposed to be met.

Social Capital	2015 (Short Term)	2016 – 2020 (medium Term)	2021 – 2030 (long Term)
<p><b>EDUCATION AND TRAINING</b></p> <p>By 2030, the people of Timor-Leste will be educated and knowledgeable, able to live long and productive lives, and have access to a quality education that will allow them to participate in the economic, social, and political development of our nation.</p>	<p>At least one half of all Timorese children, boys, and girls alike, between three and five years old will be enrolled in and receiving quality pre-school education</p> <p>A new national pre-primary school curriculum, with teacher training programs and approved learning guides, will have been developed</p> <p>Quality basic education will be available for 93% of Timorese children</p> <p>A paradigm shift in the quality and relevance of secondary education will have occurred, allowing students to acquire the practical skills to enter employment or to learn the core scientific-humanistic knowledge needed to continue their studies in higher education</p> <p>Illiteracy in all age groups of the population will have been reduced and the introduction of the National Equivalence Program will have been completed, allowing accelerated completion of basic education for all graduates of recurrent education</p> <p>A Technical and Vocational Education and Training Plan will have been developed</p>	<p>A policy of social inclusion in education will have been developed and implemented</p> <p>The UNTL will have been expanded to seven faculties</p> <p>Timor-Leste will have a comprehensive, integrated system of higher education</p> <p>The new national system of standards, registration and qualifications will be extended to all districts</p> <p>A National Training Commitment will have been implemented, providing new training opportunities across Timor-Leste</p> <p>A National Labor Content Policy will be in place, ensuring that international and national businesses provide training opportunities</p> <p>Significant investment will have been made in building training facilities and in developing human resources in the vocational training sector</p> <p>A Centre for Employment and Vocational Guidance will be established in each district to provide employment services and advice</p>	<p>All children from the country's 442 sucos will have access to a good quality pre-school or classroom located at a reasonably short distance from their homes</p> <p>All children will successfully complete a full course of quality basic education in order to progress to secondary education</p> <p>All children will have the opportunity to complete a full course of quality secondary education</p> <p>Graduates of the higher education system will have the advanced skills and knowledge needed to analyze, design, build and maintain the social and economic infrastructure of Timor-Leste</p> <p>All people who are over normal school age or who have not gone to school will have the opportunity and access to complete both basic and secondary education</p>

	2015 (Short Term)	2016 – 2020 (medium Term)	2021 – 2030 (long Term)
<b>HEALTH</b>		The training and vocational education system will be providing Timor-Leste with the skilled people we need to continue to build our nation	
		Comprehensive measures will be in place to ensure the right to education for groups that have been socially marginalized and to allow equity of educational opportunity regardless of ethnicity, language, socioeconomic status, religion, gender, health (HIV), disability or location (urban / rural)	
By 2030, Timor-Leste will have a healthier population as a result of comprehensive, high quality health services accessible to all Timorese people. In turn, this will have reduced poverty, raised income levels and improved national productivity.	Sucos with a population between 1,500 and 2,000 located in very remote areas will be serviced by Health Posts delivering a comprehensive package of services	All Health Posts will be staffed by at least one doctor, two nurses and two midwives	There will be a district hospital in all 13 districts
	The delivery of health services by private providers and the not-for-profit sector will be fully regulated and be in compliance with the public health care system	There will be a Health Post for every 1,000 to 5,000 people	There will be a specialist hospital in Dili
	70% of pregnant women will receive antenatal care at least four times and 65% of women will have an assisted delivery	Sub-district health centers will provide care for 5,000 to 15,000 people and manage approximately four Health Posts	100% of health facilities will be fully equipped and staffed for management of chronic diseases
	90% of children will be immunized against polio, measles, tuberculosis, diphtheria, and hepatitis B	Villages more than one hour walking distance from a Health Post will have a local village midwife or community health worker who has been trained by the Ministry of Health	100% of health services health will be delivered from infrastructure that is functional, safe, environmentally friendly, and sustainable
	There will be increased awareness of HIV/AIDS, tuberculosis, malaria, and other vector-borne diseases	Cardiac, renal, and palliative health care services will be available at the National Hospital	There will be comprehensive high quality health services accessible to all Timorese people
	80% of malaria outbreaks will be controlled	Cardiac, renal, and palliative health care services will be available at the National Hospital	
	90% of Ministry of Health buildings will have access to electricity, water, and basic sanitation	Cardiac, renal, and palliative health care services will be available at the National Hospital	



	2015 (Short Term)	2016 – 2020 (medium Term)	2021 – 2030 (long Term)
<p><b>SOCIAL INCLUSION</b></p> <p>By 2030, Timor-Leste will be a strong, cohesive, and progressive nation where the rights and interests of its most vulnerable citizens are protected.</p>	<p>A universal contributory social security system will be in place that guarantees all Timorese workers a pension</p> <p>A Law on Orphan Care and Adoption will be operational, along with other measures to support vulnerable children 40% more children with disabilities will be in basic education</p> <p>A social safety net package for vulnerable families will have been developed</p> <p>A comprehensive program of State assistance will continue to ensure that veterans are living with dignity and economic security, and that their children have opportunities to succeed in the nation their parents fought to liberate A revised ‘gender-friendly’ curricula will be embedded at all levels of Timor-Leste’s education system A Youth Fund will have been established and will be providing support for projects that support young people and their development</p>	<p>54 district health centers will be located in districts that do not have hospitals Focus will shift from primary care to the delivery of specialist health care The proportion of women in the civil service and in the National Parliament will have reached at least one third</p> <p>75% of Timorese girls will be completing a full course of quality Basic Education</p> <p>The State will continue to expand the programs and projects that support and honor our veterans and their families Extensive research of the history of the struggle for national liberation will be preserved and celebrated by our people A National Youth Centre will have been constructed in Dili and multipurpose Youth Centers will be operational in rural areas</p>	<p>Timor-Leste will be a gender-fair society where human dignity and women’s rights are valued, protected, and promoted by our laws and culture.</p>
<p><b>ENVIRONMENT</b></p> <p>By 2030, Timor-Leste the strong bond between Timorese people and the environment will be restored and our natural resources and our environment will be managed sustainably for the benefit of all.</p>	<p>An Environmental Basic Law will be the legal framework to protect and conserve the environment</p> <p>A Designated National Authority for the Mechanisms of the Kyoto Protocol and a National Climate Change Centre will be operational Community based nurseries will be planting one million trees nationwide every year A National Biodiversity Law and a Wildlife Conservation</p>	<p>70% of National Adaptation Programs of Actions under the United Nations Framework Convention on Climate Change will have been implemented.</p> <p>No families in Dili will have to cook with firewood</p>	<p>Timor-Leste will have an extensive network of land and marine national parks that protect representative samples of our biodiversity</p>

	2015 (Short Term)	2016 – 2020 (medium Term)	2021 – 2030 (long Term)
<p><b>CULTURE AND HERITAGE</b></p> <p>By 2030, Timor-Leste will have a vibrant creative industries sector that is making a very significant contribution to our economy and our sense of national identity.</p>	<p>Law will protect and conserve biodiversity in Timor-Leste</p> <p>Air, noise, soil pollution and vehicle emissions regulations will be in place</p> <p>Public awareness of environmental protection will have been enhanced</p> <p>The Museum and Cultural Centre of Timor-Leste and the National Library and Archives of Timor-Leste will be operational</p> <p>Regional Cultural Centers will be located in Baucau, Oecusse, Ainaro, Maliana and Atauro</p> <p>There will be a regular program of outdoor cinemas at sites around Dili and each district will have access to mobile cinemas on at least a monthly basis</p> <p>The National Academy of Arts and Creative Industries will be operational</p> <p>There will be appropriate village-based accommodation around the country for cultural tourists</p>	<p>A national theatre and dance company will be established and will be conducting regular tours to the regions</p> <p>A degree in architecture will be offered at the National University</p>	<p>Regional Cultural Centers will be located in all 13 districts</p> <p>Around 5% of jobs in Timor-Leste will be in the creative industries sector</p>
<b>Infrastructure Development</b>			
<p><b>ROADS AND BRIDGES</b></p> <p>An extensive network of quality and well-maintained roads will connect our communities, promote rural development, industry, and tourism, and provide access to markets.</p>	<p>The Dili – Manatuto – Baucau Road Link will have been fully upgraded and widened to international standards</p> <p>The Manatuto-Natarbora Road Link will have been fully upgraded and widened to international standards</p> <p>The Dili – Liquiça – Bobonaro Road links will be fully rehabilitated</p> <p>The Pante Makassar – Oesilo   Pante Makassar – Citrana   Oesilo – Tumin Road links will be completed</p> <p>All rural roads will have been rehabilitated by locally based contractors</p> <p>Road condition monitoring surveys will have been carried out each year on all improved roads for determining maintenance needs</p> <p>The plan for a National Ring Road will have been completed</p>	<p>All national and regional roads will have been fully rehabilitated to international standards</p> <p>The Dili – Aileu – Maubisse – Aituto – Ainaro – Cassa</p> <p>Rehabilitation project will have been completed</p> <p>The Suai – Cassa – Hatu Udo – Betano – Natarbora – Viqueque – Beaçõ rehabilitation project will have been completed</p>	<p>The National Ring Road will have been completed</p> <p>New bridges will have been constructed to provide all-weather access on all national and district road routes</p>
<p><b>WATER AND SANITATION</b></p>	<p>The Millennium Development Goal of 75% of Timor-Leste’s rural population having access to</p>	<p>All government schools will be connected to clean piped water</p>	<p>All subdistricts will have improved drainage systems</p>

	2015 (Short Term)	2016 – 2020 (medium Term)	2021 – 2030 (long Term)
<p>By 2030, all citizens in Timor-Leste will have access to clean water and improved sanitation</p>	<p>safe, reliable, and sustainable water will have been exceeded</p> <p>Improved sanitation facilities will be available in 60% of district urban areas</p>	<p>There will be appropriate, well operated and maintained, sustainable infrastructure for the collection, treatment and disposal of sewage in Dili</p> <p>Drainage will be improved in all districts</p>	<p>All districts and subdistricts will have appropriate sewerage systems</p>
<p><b>ELECTRICITY</b></p> <p>Access to electricity is a basic right and the foundation for our economic future. By 2015 everyone in Timor-Leste will have access to reliable electricity 24 hours a day</p>	<p>The improved operation and maintenance of the Dili drainage system will result in a cleaner city and reduced flooding</p> <p>Everyone in Timor-Leste will have access to reliable electricity 24 hours a day</p> <p>Two new power stations will have been constructed in Hera and Betano providing 250 MW of electricity to support social and economic development across Timor-Leste</p> <p>A new management model for Timor-Leste's electricity sector will be in place based on international best practice</p> <p>The Lariguto wind farm will be constructed</p> <p>A Solar Centre will be established in Dili</p> <p>Feasibility studies will have been conducted on the long-term prospects of attracting gas processing facilities to Timor-Leste; on potential mini-hydro sites throughout Timor-Leste; and on the viability of building a thermoelectric power plant to generate electricity from Dili's household and industrial rubbish</p>	<p>At least half of Timor-Leste's energy needs will be provided by renewable energy sources</p> <p>Approximately 100,000 families will have access to solar powered electric light</p>	<p>All households in Timor-Leste will have access to electricity either by the conventional expansion of the electricity system or through the use of renewable energy</p>
<p><b>SEA PORTS</b></p> <p>New sea ports are a national priority to support our growing economy and meet future industry and freight demands.</p>	<p>The new seaport at Suai will be operational</p> <p>Port facilities will have been upgraded at Com, Atauro, Vemasse and Oe-Cusse Ambeno</p> <p>Construction of the new port at Tibar will have commenced</p>	<p>The Tibar Port will be operating efficiently as Timor-Leste's main port</p> <p>Port facilities will have been developed at Kairabela and on the south coast near Beço</p>	
<p><b>AIRPORTS</b></p>	<p>The Presidente Nicolau Lobato International Airport Masterplan will have been completed, including</p>	<p>Bacau airport will be operating as an alternative to Dili and as a military base</p>	

	2015 (Short Term)	2016 – 2020 (medium Term)	2021 – 2030 (long Term)
<p>To meet the future demand for air traffic and boost key industry sectors, we will expand our international airport and build a network of district airports.</p> <p><b>TELECOMMUNICATIONS</b></p> <p>We will build a modern telecommunications network that will connect people in Timor-Leste to each other and to the world.</p>	<p>new terminal facilities and a longer runway</p> <p>A commercially oriented airport authority will be managing Presidente Nicolau Lobato International Airport</p> <p>The District Aviation Plan will have been completed and works will be underway District airports at Maliana, Baucau and Oe-Cusse Ambeno will have been rehabilitated There will be reliable and affordable mobile phone coverage provided to all Timorese people</p> <p>There will be reliable, affordable, and high-speed internet access available in all district capitals and surrounding areas</p> <p>All schools, health posts and health clinics will be connected to the internet</p> <p>The regulatory framework will be in place to manage a competitive telecommunications market</p>	<p>A network of district airports will be fully operational, including airports at Suai, Baucau, Oe-Cusse Ambeno, Lospalos, Maliana, Viqueque, Atauro and Same</p> <p>Presidente Nicolau Lobato International Airport will be a modern international standard airport with a capacity to handle over one million passengers per year</p> <p>All Timor-Leste will have access to reliable, affordable, and high-speed internet</p> <p>All students and health professionals will have portable internet access devices</p> <p>Timor-Leste will be part of the technology enabled world</p>	
<p><b>Economic Development</b></p> <p><b>RURAL DEVELOPMENT</b></p> <p>The creation of local jobs is the best way to improve the lives and livelihoods of people living in rural areas.</p> <p><b>AGRICULTURE</b></p>	<p>55,000 new homes will have been built by 2016 to support families across the nation under the Millennium Development Goals Suco Program</p> <p>Support will be provided to cooperatives undertaking private sector activity in a variety of areas</p> <p>A National Planning Framework will have been prepared to underpin Timor-Leste's development</p> <p>An on-request title service will be provided for farmers willing to pay for the service</p> <p>Strategic extension campaigns for agricultural commodities will have been developed and executed</p> <p>Tonnage for rice (grain adjusted for losses) will have increased from 37,500 tons to 61,262 tons</p>	<p>A program of rural urbanization will be completed, providing our people with road access, water, and sanitation, schools, medical clinics, access to markets and power</p> <p>There will be 9,000 businesses registered with Business Development Centers</p> <p>The food supply will have exceeded demand</p>	<p>The private sector will be the primary source of growth in incomes and employment in rural areas of Timor-Leste</p> <p>On-farm rice storage losses will have reduced from 20% to about 5%</p>

	2015 (Short Term)	2016 – 2020 (medium Term)	2021 – 2030 (long Term)
<p>A thriving agricultural sector is needed to reduce poverty, provide food security, and promote economic growth in rural areas and our nation as a whole.</p>	<p>Productivity of maize will have increased from 1.25 to 1.54 per ha</p> <p>The Timor-Leste Agricultural Advisory Council will be formulating national policies for the sector and overseeing implementation</p> <p>The Timor-Leste Research and Development Institute will be guiding and planning additional investment into research, development, and extension for all major agricultural sub-sectors</p> <p>A comprehensive irrigation scheme inventory will have been assembled</p> <p>Dam and groundwater pilot projects will have been developed and the results used to inform further development</p> <p>There will have been increased capital investment in key crops such as coffee and vanilla, candlenuts, and palm oil</p> <p>Traditional fishing activities will have increased, and fishing will have increased in the Exclusive Economic Zone</p> <p>A Forestry Management Plan and a National Bamboo Policy and Marketing Strategy will be in place</p> <p>Community-based nurseries will be planting one million trees</p> <p>The construction of the Suai Port will have been completed</p>	<p>The area of irrigated rice will have increased by 40% from 50,000 ha to 70,000 ha</p> <p>Average maize yields will have increased to 2.5t/ha</p> <p>At least 50% of fruit and vegetables will be grown locally</p> <p>Livestock numbers will have increased by 20%</p> <p>Coffee production will have doubled following the rehabilitation of 40,000 hectares of coffee plantations</p> <p>There will be at least three types of aquaculture activities supporting coastal communities</p> <p>The fisheries sector will be export based and have expanded to include ocean fishing</p> <p>The second phase of the Suai Supply Base will have been completed</p> <p>The first phase of the refinery project will have been completed</p> <p>The Beaço Port will be completed</p>	<p>Timor-Leste will have at least four niche cash crop products that can be consistently exported</p> <p>The Tasi Mane project will have been completed, establishing a dynamic and integrated petroleum industry connected by a highway on the south coast of Timor-Leste</p>
<p><b>PETROLEUM</b></p> <p>We will establish a National Petroleum Company and give our people the skills and experience they need to lead and manage the development of our petroleum industry.</p>	<p>The Suai airport will have been rehabilitated</p> <p>The first phase of the refinery project will have commenced</p> <p>The construction of the first section of road from Suai-Betano will have commenced</p> <p>Nova Suai development will have been completed</p>	<p>The first phase of the refinery project will have been completed</p> <p>The Beaço Port will be completed</p>	<p>The Tasi Mane project will have been completed, establishing a dynamic and integrated petroleum industry connected by a highway on the south coast of Timor-Leste</p>

	2015 (Short Term)	2016 – 2020 (medium Term)	2021 – 2030 (long Term)
<p><b>TOURISM</b></p> <p>With much to offer international visitors, we will position ourselves to provide a range of tourism experiences that take advantage of our natural beauty, culture, and heritage.</p>	<p>Roads on key tourist routes, including the Great Northern Coast Road from Com to Balibo, and from Maliana through Ermerato Tibar, will have been rehabilitated and signposted</p> <p>A tourism and hospitality training center will have been established in Dili</p> <p>Comprehensive tourist packages will be in place for each of the Eastern, Central and Western Tourist Zones</p> <p>An international tourist marketing strategy will be operating</p> <p>A program of developing tourism infrastructure will be underway involving the private sector</p> <p>Critical tourist infrastructure will have been built or rehabilitated, including the Dili airport and regional airports and improved telecommunications infrastructure</p> <p>Roads on key tourist routes, including the Great Northern Coast Road from Com to Balibo, and from Maliana through Ermera to Tibar, will have been rehabilitated and signposted</p> <p>Tourist Information Centers will have been established in Dili, Lospalos and Baucau.</p>	<p>Key tourism destinations will be operating with upgraded infrastructure, well established local activities and businesses, and promotional materials</p>	<p>Timor-Leste will have a well-developed tourist industry attracting a large number of international visitors</p>
<p><b>INVESTMENT</b></p> <p>To build our nation and provide jobs and income for our people, we will attract investors to our key industry sectors, partner with international firms in building our infrastructure and support local firms to start-up and grow.</p>	<p>The Civil Code will be in force to support contract enforcement, a Land Law will give security of ownership and certainty in development and a Labor Law will have been passed to clearly define the legal rights and obligations of employers and employees</p> <p>Processes for business registration and licensing and obtaining a construction permit will be efficient</p> <p>The ‘one-stop-shop’ for business will be well established and operating effectively</p> <p>A National Development Bank will be operating</p> <p>The Timor-Leste Investment Agency will be established and contributing to the emergence</p>	<p>The Timor-Leste Microfinance Institute will be re-named the Banco Nacional Comercial de Timor-Leste and will be operating as a small commercial bank providing loans and banking services to people in every district across the country</p>	

	2015 (Short Term)	2016 – 2020 (medium Term)	2021 – 2030 (long Term)
	<p>of new industries and the diversification of the Timor-Leste economy</p> <p>The results of a comprehensive review to assess the benefits and risks of applying a special set of business laws and regulations in Special Economic Zones will have been implemented.</p>		
<b>Institutional Framework</b>			
<b>SECURITY</b>	<p>Security sector reconstruction and reform will have delivered the human resources and institutional framework necessary to provide effective operational capacity across key areas, including crime prevention and investigation, public safety and border control</p>	<p>A modern and effective legal framework will be governing the security sector</p>	<p>The security sector, including the PNTL, will be fully reformed and be operating with skilled and committed professionals supported by modern infrastructure and equipment</p>
<p>We will build a security sector that can undertake its role of serving our people and ensuring the peace, safety, and stability of our nation.</p>		<p>A well trained and professional Traffic and Road Safety Unit will ensure that our roads are safe and that road laws are obeyed</p> <p>Human resources training and professional development will be providing a skilled and modern PNTL</p>	
<b>DEFENCE</b>	<p>The F-FDTL will be operating as a conventional, professional defense force</p>	<p>The F-FDTL will be operating as a credible, well equipped defense force with the capability and versatility to carry out a range of missions and to contribute to both national security and national development</p> <p>The F-FDTL will be a democratic and accountable force based on respect for the rule of law and respect for human rights, with high standards of discipline</p>	<p>The naval competent of the F-FDTL will be well trained with the necessary infrastructure to control and protect our territorial waters and participate as a full partner in international naval exercises</p> <p>The F-FDTL will have the capacity to effectively address multiple military commitments simultaneously</p>
<p>We will ensure that FALINTIL-FDTL has the capability to defend our nation, while also supporting Timor-Leste’s internal security and civil society, and contributing to efforts to tackle threats to regional and global peace and stability.</p>	<p>Legal frameworks will be in place to establish democratic control over the F-FDTL</p> <p>There will be closer coordination and cooperation between the F-FDTL and the PNTL, with roles and responsibilities clearly defined</p> <p>Having transferred specialized skills, knowledge, and experience to a new generation of F-FDTL members, veterans in the F-FDTL will be supported to retire with dignity and assisted with career transitions and resettlement plans</p> <p>Women in the F-FDTL will have a greater role in national defense and more opportunities to progress their careers</p>		

	2015 (Short Term)	2016 – 2020 (medium Term)	2021 – 2030 (long Term)
<p><b>FOREIGN AFFAIRS</b></p> <p>At an international level, we will protect and promote the interests of the people of Timor-Leste and safeguard and consolidate the independence of our nation.</p>	<p>The F-FDTL will be deployed in United Nations peacekeeping operations with training and logistics support from defense partners</p> <p>Systems and information technologies will have been integrated into a system of Command, Control, Communications, Computers, and Intelligence</p> <p>Timor-Leste will have consolidated and strengthened our relationships with our regional and global partners and friends</p> <p>Timor-Leste will have full membership of ASEAN, with embassies in all ASEAN countries</p> <p>Timor-Leste will have membership of relevant global institutions and organizations that best serve the needs of our people</p> <p>A comprehensive assessment of overseas missions will have been conducted and implemented</p> <p>A Foreign Policy White Paper will have been published setting out a comprehensive vision for Timor-Leste’s foreign policy</p> <p>Timor-Leste will have diplomatic missions capable of a broad range of quality services, including particular expertise in attracting inward trade, investment, and tourism into the country</p> <p>Timor-Leste will be playing a leading role in the CPLP</p> <p>Timor-Leste will be supporting the g7+ by contributing to its financing and in any other productive ways where we are requested to provide assistance.</p> <p>All necessary diplomatic legislation will be in place</p> <p>There will be systematic and effective coordination of the justice sector in Timor-Leste and its institutions</p>	<p>Timor-Leste will be a key member of ASEAN, with recognized expertise in economic development, small-nation management, good governance and aid effectiveness and delivery</p> <p>We will have achieved membership of specialized UN Committees and agencies</p> <p>Timor-Leste will be recognized as a model and reference on regional conflict resolution and peace building</p> <p>The Ministry of Foreign Affairs will be playing a pivotal role in attracting business, investment, and jobs to Timor-Leste as a zone for financial service and information technology</p> <p>The services of the justice sector will be available in all districts and all Timorese will be able to access effective and efficient justice and legal services</p>	<p>Timor-Leste will have assumed a position of global peacemaker and mediator and be actively playing a role in preventing and ending conflicts</p> <p>PNTL and F-FDTL will have the capability to be fully utilized by the United Nations in its peacekeeping/peace forcing activities</p> <p>Timor-Leste will have at least 30 international embassies</p>
<p><b>JUSTICE</b></p>			



	2015 (Short Term)	2016 – 2020 (medium Term)	2021 – 2030 (long Term)
<p>We will adopt a comprehensive strategy to build the Timor-Leste justice system and enhance its capacity to fulfil its role and functions.</p>	<p>The justice system will be able to open, conduct and complete all types of court cases, especially criminal cases, in an effective manner and within a reasonable period of time</p> <p>The justice sector will be capable of identifying and filling positions with motivated and qualified national staff</p> <p>The principles of non-discrimination, sensitivity to gender issues and the protection of vulnerable groups and human rights will be guaranteed in the justice sector</p> <p>An autonomous, independent body able to manage the cadaster of lands and the immovable property of the State, and to implement legislation to govern property and the use of land in Timor-Leste, will have been established</p> <p>Customary law and community justice mechanisms will be regulated and the systematic monitoring of their conformity to human rights will be implemented</p> <p>A comprehensive system and culture of performance management will be instituted across the Timor-Leste civil service</p> <p>An executive development program for all senior managers will be in place</p> <p>There will be a culture and practice of workforce planning in the civil service</p>		
<p><b>PUBLIC SECTOR MANAGEMENT AND GOOD GOVERNANCE</b></p>		<p>Legislation will provide a right of citizens to access information held by the State that impacts upon them</p> <p>Modern information technology will have been adopted by the civil service to support joined-up government and e-government initiatives</p>	
<p>The public sector in Timor-Leste will be central to building trust in government, which is a prerequisite of nation building.</p>	<p>A Code of Conduct for Members of Government will have been developed and be in force</p> <p>Legislation will have been introduced to the National</p> <p>Parliament to protect whistle blowers</p>	<p>A review of the structure of the public sector will have been conducted to determine if there are benefits in establishing statutory authorities to exercise certain public functions on behalf of the State</p>	

	2015 (Short Term)	2016 – 2020 (medium Term)	2021 – 2030 (long Term)
<p><b>IMPLEMENTATION</b></p> <p>The Strategic Development Plan and our major infrastructure projects will be implemented as cost effectively and efficiently as possible.</p>	<p>As the National Development Agency develops its capacity, expertise, and human resources, it will transition into the Economic Policy and Investment Agency</p> <p>The Economic Policy and Investment Agency will be effectively undertaking a national economic planning function, an oversight and monitoring role and implementing large and complex government programs and projects.</p>		
<p><b>Macroeconomic Direction</b></p> <p><b>OUR ECONOMIC VISION</b></p> <p>By 2030 Timor-Leste will have joined the ranks of upper middle-income countries, eradicated extreme poverty, and established a sustainable and diversified non-oil economy.</p>	<p>The productivity of the agriculture sector will have increased significantly, the tourism sector will be thriving and expanding and there will be higher levels of private sector activity across all industries, including the growth of small and micro businesses</p>	<p>Timor-Leste will have enjoyed ten years of high economic growth with the completion of major productive infrastructure and economic reforms providing a foundation for the private sector to drive growth into the future</p>	<p>Timor-Leste will have joined the ranks of upper middle-income countries, eradicated extreme poverty, and established a sustainable and diversified non-oil economy</p>

As mentioned, there was limited reporting of progress from 2016 until 2023 and as a result there will need to be a period of accelerated investment if the country is to meet the targets set out in the SDP. This will require a coordinated and significant effort from all Government agencies.

This renewed focus on the SDP is highlighted in the program of the new Government which is detailed in the next chapter.

## Investment Priorities

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This chapter identifies the evolving priority investments for Timor-Leste. It is based on the Program of the IX Government. It aims to not only prioritize the actions and investments in that document but to also provide a framework for aligning these investments within the overall planning framework of the Government so that progress against these investments can be quantified and measured.

This document does not estimate the required investments for each priority sector as those details should be within the detailed sectoral strategic plans and within the overall fiscal framework established by the Ministry of Finance.

This document rather serves to indicate the priority investments that the Government intends to execute from within its existing budgetary and planning framework.

### Summary of priority investments

The table below identifies and prioritizes the sectors and industries that will receive focused attention and resources for investment in order to achieve the goals of the SDP and the Program of the IX Government.

This table will be reviewed annually based on performance and in order to adjust to any changes in the economic environment that might occur but were not foreseen.

The table below reflect the current highest priorities, which may vary from year to year, depending on the circumstances. These projects will be funded out of the budgets of the responsible line ministry as appropriated in the 2024 Budget Law.



Priority	Planned Implementation Timing				
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
<b>Petroleum and Mineral Resources</b>		<b>Complete the Suai Supply Base</b> <ul style="list-style-type: none"> <li>Engage in negotiations with companies involved in the Greater Sunrise process for implementing the special regime for the Greater Sunrise Fields and the gas pipeline to Timor-Leste</li> <li>Develop and operationalize the Logistics Base in Suai, supporting petroleum activities, economic, commercial, and industrial functions</li> <li>Establish the Oil Refinery and Petrochemical Complex on the South Coast for refining condensate into various petroleum products. Achieve self-sufficiency in domestic fuel supply</li> <li>Develop the Liquefied Natural Gas (LNG) Plant to process gas from the Greater Sunrise field. Include associated marine facilities and rehabilitate existing airports for FIFO movements</li> </ul>			
<b>Financial Sector</b>		<b>Establish the National Development Bank</b> <ul style="list-style-type: none"> <li>Prepare the Legal and Preparatory Framework including options for capitalization and funding</li> <li>Finalize the Organizational set up and operational infrastructure; product and service development including outreach and partnerships</li> <li>Launch and initial operation of the Timor-Leste Development Bank (BDTL) with clear investment directives and governance standards</li> <li>Continuous improvement and adaptation as part of the operation of the Timor-Leste Development Bank (BDTL)</li> </ul>			
<b>Public Sector Participation in Private Investment (Fair Share)</b>			<b>Establish the Timor-Leste Investment Corporation (TLIC)</b> <ul style="list-style-type: none"> <li>Feasibility Study and Planning</li> <li>Legal and Regulatory Compliance</li> <li>Capitalization and Funding Strategy</li> <li>Establish Risk Management Framework</li> <li>Asset Acquisition and Management</li> <li>Partnership and Alliances</li> <li>Investor Relations and Marketing</li> <li>Compliance and Reporting</li> <li>Launch and ongoing operations of the Timor-Leste Investment Corporation (TLIC) geared to facilitate equity participation programs, mobilize private sector investments, and contribute to infrastructure development, economic diversification, and job creation</li> <li>Continuous evaluation and improvement of the operation of the Timor-Leste Investment Corporation.</li> </ul>		
<b>Road Network</b>		<b>Complete the national ring road plan</b> <ul style="list-style-type: none"> <li>Review detailed design for phases II-IV</li> <li>Finalize design review</li> </ul>	<b>Construct new bridges in critical areas of the country</b> <ul style="list-style-type: none"> <li>Identify critical areas for new bridges</li> <li>Initiate design and planning</li> <li>Begin construction</li> <li>Complete new bridge construction</li> </ul>		

Priority	Planned Implementation Timing				
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
		<ul style="list-style-type: none"> <li>Launch public procurement tender</li> <li>Monitor project progress and completion</li> <li>Monitor project progress and completion</li> </ul>			
<b>Water and Sanitation</b>		<p><b>Access to water and sanitation in all schools</b></p> <ul style="list-style-type: none"> <li>Assess school water supply needs</li> <li>Initiate projects</li> <li>Complete projects and ensure maintenance</li> </ul>	<p><b>Implement the Master Plan for Water Supply and Sanitation of Dili and other municipal capitals</b></p> <ul style="list-style-type: none"> <li>Initiate plan development</li> <li>Develop investment plan</li> <li>Gain approval and begin implementation</li> <li>Continue plan execution</li> </ul> <p><b>Implement the integrated municipal solid waste management systems</b></p> <ul style="list-style-type: none"> <li>Assess waste management gaps</li> <li>Develop waste management plans</li> <li>Begin implementation</li> <li>Monitor waste management systems</li> </ul>	<p><b>Implement the Dili Sanitation and Drainage Master Plan</b></p> <ul style="list-style-type: none"> <li>Initiate master plan development</li> <li>Develop master plan</li> <li>Begin implementation</li> <li>Continue master plan execution</li> </ul>	
<b>Transport</b>			<p><b>Integrated Transport Master Plan for comprehensive transport improvement</b></p> <ul style="list-style-type: none"> <li>Initiate plan development</li> <li>Finalize plan details</li> <li>Approve master plan</li> <li>Begin master plan implementation</li> </ul>		
<b>Telecommunications</b>		<p><b>Formulate and implement the National Broadband Plan to provide high-speed internet access to the entire population, including SpaceX's Starlink presence in Timor-Leste</b></p> <ul style="list-style-type: none"> <li>Develop the plan</li> <li>Finalize plan and secure necessary resources</li> </ul>	<p><b>Reliable submarine fiber-optic cable system linking Timor-Leste to a regional cable landing facility for enhanced connectivity</b></p> <ul style="list-style-type: none"> <li>Develop project plan and secure funding</li> <li>Initiate cable installation Complete cable installation and testing</li> <li>Ensure full operational connectivity</li> </ul>		

Priority	Planned Implementation Timing				
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
		<ul style="list-style-type: none"> <li>Initiate broadband infrastructure deployment</li> <li>Evaluate plan's effectiveness and adjust if needed</li> </ul>			
<b>Housing</b>		<p><b>Comprehensive housing rehabilitation and construction support program, after the completion of the comprehensive review of the National Housing Policy and development of a new National Housing Program</b></p> <ul style="list-style-type: none"> <li>Review and analysis</li> <li>Develop new program</li> <li>Seek stakeholder input</li> <li>Finalize program</li> </ul>			
<b>Livestock</b>			<p><b>Establish an Animal Production Research Centre and Livestock Product Processing Facility</b></p> <ul style="list-style-type: none"> <li>Planning and feasibility study, including needs assessment and market research, regulatory and compliance check</li> <li>Design and site selection phase – facility design, site selection and acquisition</li> <li>Construction and development phase, including building the infrastructure and equipment procurement</li> <li>Staffing and testing phase, including staff recruitment and training, trial runs and testing</li> <li>Operationalization and marketing phase, animal production and research center established to improve genetic quality and breeding techniques by 15%; Livestock Product Processing facility established.</li> <li>Market presentation and networking.</li> <li>Continuous improvement.</li> </ul>		
<b>Fisheries</b>			<p><b>Establish Timor-Leste Marine Research and Development Centre</b></p> <ul style="list-style-type: none"> <li>Launch campaigns to educate fishermen and communities about sustainable fishing techniques.</li> <li>Commence awareness programs</li> <li>Establish demonstration centres for electronic fisheries control systems and fishery product processing.</li> <li>Centers operational.</li> </ul>		
<b>Tourism</b>				<p><b>Training Centre for Tourism and Hospitality in Dili</b></p> <ul style="list-style-type: none"> <li>Planning and feasibility study, including curriculum development, infrastructure and resource planning</li> <li>Establish the Training Centre in Tourism and Hospitality in Dili (PED) to enhance professional training in the tourism sector,</li> </ul>	

Priority	Planned Implementation Timing				
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
				<ul style="list-style-type: none"> <li>including legal and regulatory procedures, infrastructure development, staff recruitment and training</li> <li>• Pre-launch and marketing phase, including pilot programs, marketing and partnerships and operational processes</li> <li>• Launch and continuous improvement</li> </ul>	
<b>Industry</b>		<b>Establish the National Incubation Centre</b> <ul style="list-style-type: none"> <li>• Support the establishment of industrial production units, particularly agro-industries, and promote the development of industrial incubator centres National Incubation Center established.</li> </ul>	<b>Establish the Ulmera Industrial Park (Liquisa)</b> <ul style="list-style-type: none"> <li>• Promote the creation and development of industrial parks through coordination with relevant ministries and stakeholders</li> <li>• Ulmera industrial park established</li> </ul>		
<b>Environment</b>				<b>Comprehensive waste collection and treatment program, with priority for the Dili area</b> <ul style="list-style-type: none"> <li>• Assessment and planning, including waste audit, stakeholder engagement and establishing regulatory framework</li> <li>• Infrastructure development, collection and treatment facilities, including awareness campaigns</li> <li>• Pilot program implemented in Dili area</li> <li>• Scaling up and expansion as the waste collection and treatment program implemented in Dili area</li> <li>• Technology integration</li> <li>• Continuous M&amp;E, and adjustments</li> <li>• Collaboration and partnerships including policy review and amendments.</li> </ul>	
<b>Education and Training</b>	<b>Secondary School Facilities: Public Central Basic Schools with laboratory facilities</b> <ul style="list-style-type: none"> <li>• Preliminary assessment and planning, including</li> </ul>	<b>Construct the Academy of Fisheries and Marine Studies in Manatuto</b> <ul style="list-style-type: none"> <li>• Preparatory phase – regulatory approvals and</li> </ul>	<b>Construct the Polytechnic Institute of Hotel Management and Tourism in Lospalos</b>	<b>Construct the Polytechnic Institute of Engineering in Suai</b> <ul style="list-style-type: none"> <li>• Needs assessment and feasibility study,</li> </ul>	

Priority	Planned Implementation Timing				
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
	<ul style="list-style-type: none"> <li>needs assessment and stakeholder engagement</li> <li>Construction and procurement phase</li> <li>Training and curriculum integration, including staff training</li> <li>Scaling up and sustainability. Including continuous improvement</li> <li>Continuous M&amp;E</li> </ul> <p><b>Technical-Vocational Education Expansion aligned with national development priorities</b></p> <ul style="list-style-type: none"> <li>Needs assessment and analysis, including policy development and alignment, curriculum enhancement and stakeholder engagement</li> <li>Design and resource allocation</li> <li>Evaluation and adjustment including documentation and reporting</li> <li>Continuous M&amp;E and Improvement</li> </ul>	<ul style="list-style-type: none"> <li>funding, recruitment of faculty and staff including actual construction and facility set up</li> <li>Legal and regulatory framework and infrastructure development</li> <li>Outreach and recruitment, including partnerships building and collaboration</li> <li>Continuing faculty and staff recruitment and training, including accreditation and quality assurance</li> <li>Launch and promotion of the Academy of Fisheries and Marine Studies in Manatuto.</li> </ul>	<ul style="list-style-type: none"> <li>Planning and feasibility study including needs assessment and market research, stakeholder engagement, curriculum development and infrastructure planning</li> <li>Infrastructure and resource development</li> <li>Launch and initial operation of the Polytechnic Institute of Hotel Management and Tourism in Los Palos</li> <li>Quality assurance and feedback</li> <li>Growth and expansion including forging industry partnerships and internships, advanced programs and specializations, R&amp;D, accreditation, and recognition</li> </ul>	<ul style="list-style-type: none"> <li>including strategic planning</li> <li>Planning and feasibility study including site selection and initial budgeting</li> <li>Design and approvals including architectural design, regulatory approvals and budget refinements</li> <li>Curriculum development including faculty recruitment and training</li> <li>Construction and infrastructure development phase, including faculty recruitment</li> <li>Launch of the Polytechnic Institute of Engineering in Suai including marketing and research, ensuring operational readiness</li> <li>Continuous M&amp;E and improvement</li> </ul>	

**Social Inclusion, Social Protection and Social Solidarity**

**Social Solidarity Centres (CSS) established in Administrative Posts**

- Research and planning including needs assessment, policy review, stakeholder engagement and resource allocation
- Design and preparation phase, including design framework, legal framework, infrastructure development and capacity building
- Implementation phase, including center establishment, service rollout, monitoring and evaluation, community awareness



Priority	Planned Implementation Timing				
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
		<ul style="list-style-type: none"> <li>Consolidation and expansion, including performance review, expansion plans, documentation and reporting, sustainability measures</li> </ul>			
<b>National Liberation Fighters</b>		<p><b>Construct new special cemeteries and Heroes' gardens: Ainaro Natarbora, Covalima, Kelikai, Iliomar, Uatulari, Ermera, Bobonaro, and heroes' garden in Metinaro</b></p> <ul style="list-style-type: none"> <li>Planning and assessment including feasibility study, site selection, regulatory and legal framework review</li> <li>Design and approval phase including community consultations and government approvals and permits</li> <li>Construction preparation phase, including contracting and procurement, infrastructure preparation, material procurement</li> <li>Completion and maintenance phase, including inspections and quality assurance, maintenance and management, monitoring and evaluation</li> </ul>		<p><b>Construct Resistance monuments in all municipalities and administrative posts</b></p> <ul style="list-style-type: none"> <li>Research and preparation phase, including stakeholder mapping, capacity building and network formation</li> <li>Strategy development phase, including goal setting, strategic planning, resource mobilization</li> <li>Implementation phase, including community engagement, advocacy and mobilization, capacity strengthening</li> <li>Construction and implementation phase, including landscaping and amenities, documentation and reporting</li> <li>Strengthening and consolidation phase, including alliance building, adaptation and flexibility, documentation and evaluation, sustainability planning</li> </ul>	
<b>Culture &amp; Heritage</b>			<p><b>Establish the National Museum</b></p> <ul style="list-style-type: none"> <li>Planning and feasibility phase, including stakeholder engagement</li> <li>Conceptualization and design phase, including Vision-Mission-Goals formulation, concept development, architectural design</li> <li>Fundraising and legal procedures phase, including fundraising campaigns, legal and regulatory processes</li> <li>Construction and exhibition preparation phase, including exhibit</li> </ul>	<p><b>Establish the National Library</b></p> <ul style="list-style-type: none"> <li>Needs assessment and feasibility study, including formulation of policies and objectives, legal framework and institutional setup</li> <li>Resource acquisition and infrastructure development including collection development curation</li> <li>Technology integration and digitalization</li> <li>Complete library construction</li> <li>Partnerships and collaborations including public engagement and outreach programs</li> <li>Operate the National library</li> <li>Monitoring, evaluation, and adaptation including documentation and reporting</li> </ul>	

Priority	Planned Implementation Timing				
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
			development, staff recruitment		
			<ul style="list-style-type: none"> <li>Pre-opening and launch phase</li> </ul>		
<b>Youth and Sports</b>		<b>Establish a National Youth Centre in Dili</b> <ul style="list-style-type: none"> <li>Planning and feasibility study, including stakeholder engagement, site selection and design, budget and funding, legal and regulatory compliance Implementation and construction phase, including resource mobilization, program development, partnerships forging and collaborations</li> <li>Pre-launch preparation phase, including staff training, publicity and promotion</li> <li>Launch and evaluation phase, including grand opening, M&amp;E, feedback integration</li> </ul>			
<b>Decentralization</b>				<b>Construct new multi-function building (One-Stop Shop) for the Municipal Authority and Municipal Administration and future Local Government</b> <ul style="list-style-type: none"> <li>Increase funding allocation in municipal budgets to enhance quantity and quality of public goods and services via Local Government services</li> <li>Construction of One-Stop Shop in Municipalities</li> </ul>	
<b>Justice</b>				<b>Construct the Supreme Court of Justice, Public Defender's Office, and Juvenile Rehabilitation Centre</b> <ul style="list-style-type: none"> <li>Invest in justice sector institutions' capacity Construct necessary buildings such as the Supreme Court of Justice, Public Defender's office, and Juvenile Rehabilitation Centre Modernize infrastructure.</li> </ul>	
<b>Defense</b>				<b>Upgrade and construct military facilities, including land, air, and naval bases, establish neighbourhoods for military personnel families, and create a dedicated hospital for healthcare</b> <ul style="list-style-type: none"> <li>Upgrade and construct military facilities, including land, air, and naval bases</li> <li>Neighborhoods for Military personnel families, and create a dedicated hospital for healthcare, established</li> </ul>	<b>The National Defence Institute as a higher education establishment for National Defence and the Joint Academy for Defence Forces and Security Forces established</b> <ul style="list-style-type: none"> <li>Preparatory phase- needs assessment, feasibility study, Vision-Mission-Goals development including legal and regulatory requirements, strategic planning and resource allocation</li> <li>Establishment phase- curriculum development,</li> </ul>

Priority	Planned Implementation Timing				
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5

faculty recruitment and training, infrastructure and facilities set up including partnerships and collaborations  
 Implementation and Growth phase – accreditation and quality assurance, enrollment and outreach, research and publications

- The National Defense Institute into a higher education establishment for National Defense transformed
- Joint Academy for Defense Forces and Security Forces, established
- Gradual expansion and sustainability

<b>Security</b>	<b>Improvement of National Police (PNTL) Infrastructure (Headquarters)</b> <ul style="list-style-type: none"> <li>• Resource Allocation</li> <li>• Initial upgrade of the physical infrastructures</li> <li>• Technology integration for efficient policing, including community engagement and policing initiatives</li> <li>• Improved PNTL’s institutional capacity with modern infrastructure and equipment</li> <li>• Strengthen institutional capacity with modern infrastructure, equipment, and information technology, including computerization of information systems</li> <li>• Performance evaluation; policy review and implementation and continual improvement and adaptation</li> </ul>
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<b>Institutional Development of Foreign Policy</b>	<b>Reinforce the Centre for Diplomatic Studies to enhance capacity-building</b> <ul style="list-style-type: none"> <li>• Needs assessment and gap analysis, including stakeholder engagement. Develop the Strategic Plan</li> <li>• Approve a new transitional regime for Diplomatic Career officials.</li> <li>• Curriculum Enhance and Faculty Development</li> <li>• Infrastructure and Technology advancements</li> </ul>
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Priority	Yr 1	Yr 2	Planned Implementation Timing		Yr 3	Yr 4	Yr 5
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- International exposure and experiential learning (exchange programs, internship opportunities, simulations and mock diplomatic session, etc.) Monitoring, evaluation and sustainability



## Investment Enablers

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Investment enablers are factors or conditions that contribute to creating a conducive environment for attracting and facilitating investment in a country. These enablers play a crucial role in stimulating economic growth and development in developing countries like Timor-Leste.

One of the primary reasons investment enablers are important for Timor-Leste is their potential to attract foreign direct investment (FDI). FDI can bring in capital, technology, and expertise that can contribute to job creation, infrastructure development, and the transfer of knowledge and skills. By creating an environment where investors feel confident and secure in bringing their capital into the country, Timor-Leste can attract much-needed investment, which can have a transformative impact on its economy.

Furthermore, investment enablers can facilitate economic diversification in Timor-Leste. The country is largely dependent on oil and gas revenues, which account for a significant portion of its GDP. However, this heavy reliance on a single sector makes the economy vulnerable to fluctuations in oil prices and resource depletion.

To reduce this dependency, Timor-Leste needs to attract investments in non-oil sectors and encourage the growth of industries such as agriculture, manufacturing, and services. Investment enablers can create an environment that supports the development of these sectors, promoting economic diversification and reducing volatility in the economy.

Investment in human capital is another crucial aspect that investment enablers can help foster. By investing in education, healthcare, and skills development, Timor-Leste can improve its human capital and enhance its competitiveness in the global market. This, in turn, can attract more investment and promote sustainable economic growth.

### Supportive legal and regulatory frameworks

A legal and regulatory framework plays a crucial role in attracting investment to a country.

By establishing and maintaining a robust legal and regulatory framework the Government intends to create an attractive investment climate that encourages both domestic and foreign investment, drives economic growth, and fosters sustainable development.

The priority of the Government will be to focus on the following elements of Timor-Leste's legal framework:

1. **Stability and predictability:** A strong legal framework provides stability and predictability to investors. Clear and consistent laws, regulations, and policies create an environment where investors can confidently make long-term investment decisions, knowing that their rights and investments will be protected.
2. **Protection of property rights:** An effective legal system ensures protection of property rights, including intellectual property rights. Investors need assurance that their assets will be safeguarded and that they can enjoy the benefits of their investments without fear of expropriation or unauthorized use.
3. **Contract enforcement:** A reliable legal system that enforces contracts fairly and efficiently is crucial for investment. Investors need confidence that their contractual agreements will be upheld and that they can seek legal recourse in case of disputes.
4. **Investor protection:** A robust legal framework should include provisions that protect investors from unfair practices, corruption, and discrimination.
5. **Ease of doing business:** A streamlined regulatory framework that simplifies administrative procedures, reduces bureaucracy, and minimizes red tape. This will encourage investment by making it easier and more cost-effective for businesses to establish and operate.

6. **Financial regulations:** Sound financial regulations and oversight are essential for attracting investment. Well-regulated financial markets, transparent banking systems, and investor protection mechanisms will aim to inspire confidence and attract domestic and international investors.
7. **Clarity in tax policies:** Clear and predictable tax policies are important for investors. A stable and fair tax regime, with transparent rules and procedures that enables businesses to plan their investments and operations effectively.
8. **Infrastructure development:** The legal framework can facilitate infrastructure development by providing mechanisms for public-private partnerships and regulations that promote investment in infrastructure projects. This, in turn, creates an attractive investment environment.
9. **Environmental and social regulations:** A legal framework that balances economic development with environmental and social sustainability can attract responsible investors. Regulations that promote sustainable practices, protect the environment, and ensure fair labor standards demonstrate Timor Leste's commitment to long-term viability.

## Capacity building and human resource development

By investing in capacity building and human resource development, the Government aims to build a skilled, adaptable, and competitive workforce. This will enhance the overall attractiveness of the country as an investment destination by providing investors with access to a talented pool of individuals, fostering innovation and productivity, and creating a stable and inclusive society conducive to long-term investment.

Some of the key focal areas for Government in this regard will include the following:

1. **Up-skilling the workforce:** A well-trained and skilled workforce is an essential factor for attracting investment. Capacity building programs, such as vocational training, technical education, and skill development initiatives will aim to equip individuals with the necessary skills and knowledge required by investors. This ensures that the workforce can effectively contribute to the success of businesses and industries.
2. **Innovation and competitiveness:** Human resource development fosters innovation and enhances competitiveness. By investing in education, research and development, and entrepreneurship programs, a country can nurture a pool of talented individuals who can drive innovation in various sectors. This, in turn, makes the country more attractive to investors seeking cutting-edge technologies, ideas, and solutions.
3. **Productivity improvement:** Capacity building initiatives will focus on enhancing the productivity and efficiency of the workforce. Training programs will aim to improve technical skills, management capabilities, and operational knowledge contribute to higher productivity levels.
4. **Adaptability to new technologies and industries:** As industries evolve and new technologies emerge, Timor-Leste will need to adapt quickly to remain competitive.
5. **Local entrepreneurship and business development:** Capacity building programs often include support for local entrepreneurship and business development. By providing aspiring Timorese entrepreneurs with training, mentorship, and access to finance, countries can foster a culture of entrepreneurship and attract investment from startups and small businesses. These investments contribute to job creation, economic diversification, and overall development.
6. **Quality assurance and standards:** Human resource development includes training on quality assurance, compliance, and standards. When a country's workforce demonstrates adherence to international quality standards, it instills confidence in investors regarding the reliability and consistency of the products or services they will receive.
7. **Social stability and inclusivity:** Capacity building initiatives can promote social stability and inclusivity by providing opportunities for marginalized groups and regions. Inclusive human resource development ensures that a broader section of society can benefit from investment activities. This not only contributes to social development but also creates a more favorable investment climate by reducing social tensions and inequalities.

## Financial incentives and support mechanisms for investors and local businesses

The Government will develop policies that provide various financial incentives and support mechanisms to attract and encourage investment. These financial incentives and support mechanisms will aim to reduce investment risks, enhance profitability, facilitate market access, and create a favorable investment climate.

The final design of the incentives will depend on the sector but some of the types of support that will be considered by the Government include, but are not limited to the following:

1. **Tax incentives:** It is normal for Governments to offer tax incentives to investors as a way to reduce their tax burden and increase their profitability. These incentives can include tax holidays, reduced corporate tax rates, accelerated depreciation, investment tax credits, and exemptions from certain taxes or duties.
2. **Grants and subsidies:** The Government may provide grants and subsidies to support specific investment projects or industries. These financial aids might be in the form of cash grants, low-interest loans, or subsidies for research and development, infrastructure development, job creation, or environmental sustainability initiatives.
3. **Infrastructure development support:** The Government may invest in or facilitate the development of infrastructure projects that benefit investors. This can include building transportation networks, industrial parks, ports, energy facilities, and telecommunications infrastructure. Such support improves the investment climate and reduces the costs and risks associated with infrastructure development.
4. **Access to finance:** The Government will establish or support financial institutions that provide access to finance for investors. This can involve supporting development banks, venture capital funds, or loan guarantee programs that offer favorable terms, lower interest rates, or reduced collateral requirements to stimulate investment.
5. **Training and skills development:** Governments can support the training and skills development of the local workforce to meet the needs of investors. This can involve funding vocational training programs, establishing industry-academia partnerships, or incentivizing businesses to provide on-the-job training and apprenticeship programs.
6. **Investment promotion and marketing:** This includes targeted marketing campaigns that highlight the investment opportunities and potential returns of investing in the country. It might also include engagement with potential investors through events such as conferences, roadshows, and trade fairs to showcase and promote investment opportunities – including:
  - a. targeted sector-specific investment promotion campaigns aimed at establishing Timor-Leste as an attractive investment destination.
  - b. targeted marketing campaigns to highlight investment opportunities and to showcase the specific investment opportunities in Timor-Leste's priority sectors and attract potential investors.



## Implementation Planning, Monitoring and Evaluation

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The summary table in the earlier chapters already provides a timeline for executing the strategic investment plan. It includes specific activities to be completed within a given timeframe. It also allocates responsibility and coordination among relevant government agencies to ensure effective implementation. Monitoring and evaluation mechanisms are established to track progress and adapt the plan if necessary.

This section aims to describe the monitoring and evaluation processes that will be put in place to assess the progress of the implementation and make any necessary adjustments to the plan for optimal outcomes. It also aims to show how the SDP and SIP can be aligned with the current budgeting and planning tools of the Government.

### Integrated Ministry strategic plans

Aligning and integrating ministerial strategic plans with the national development plan is important in achieving a cohesive and coordinated approach towards national development. Instead of individual sectors pursuing their priorities and objectives independently, it is crucial that sectoral strategies are integrated and aligned with the broader national vision to achieve the following outcomes.

1. **Better coordination and policy coherence:** National development plans outline a shared vision and direction for the country, with goals and targets aligned with sustainable and inclusive development objectives. By aligning sectoral plans with these goals, the government can ensure that sectoral policies work in tandem with each other, minimizing policy clashes and promoting overall policy coherence.
2. **Resource optimization:** With a coordinated approach, duplication of efforts can be avoided, enabling efficient use of resources. Integrating and aligning sectoral plans with national development plans enables governments to prioritize sectors based on their contribution to the overall national development objectives, allocate resources effectively, and avoid wastage.
3. **Encourage ownership and stakeholder participation:** By aligning sectoral strategies with national development plans, stakeholders, including communities, civil society organizations, and the private sector can participate better in the development planning process. Sub-national actors, including local governments and regional development institutions, can also become more involved in national development planning by aligning their plans with national priorities.
4. **Enhance accountability:** National development plans are usually accompanied by monitoring and evaluation frameworks that facilitate tracking of progress toward national development objectives. By integrating sectoral plans with the broader national framework, the government can ensure that sectoral progress is reported within the national development context, promoting accountability and transparency.
5. **Provide long-term perspective:** Sectoral plans tend to have shorter timeframes, while some of the goals of national development plans may require long-term vision and engagement. Bringing these two plans together and ensuring that sectoral policy is aligned with the broader national framework, helps ensure a long-term perspective in the development planning process.

### Alignment between SDP, SIP and Ministry Strategic Plans

The key element in designing this plan was first and foremost to ensure alignment. This means to create a system whereby the investments can be measured, and their outcomes and impacts are aligned with those of the SDP.

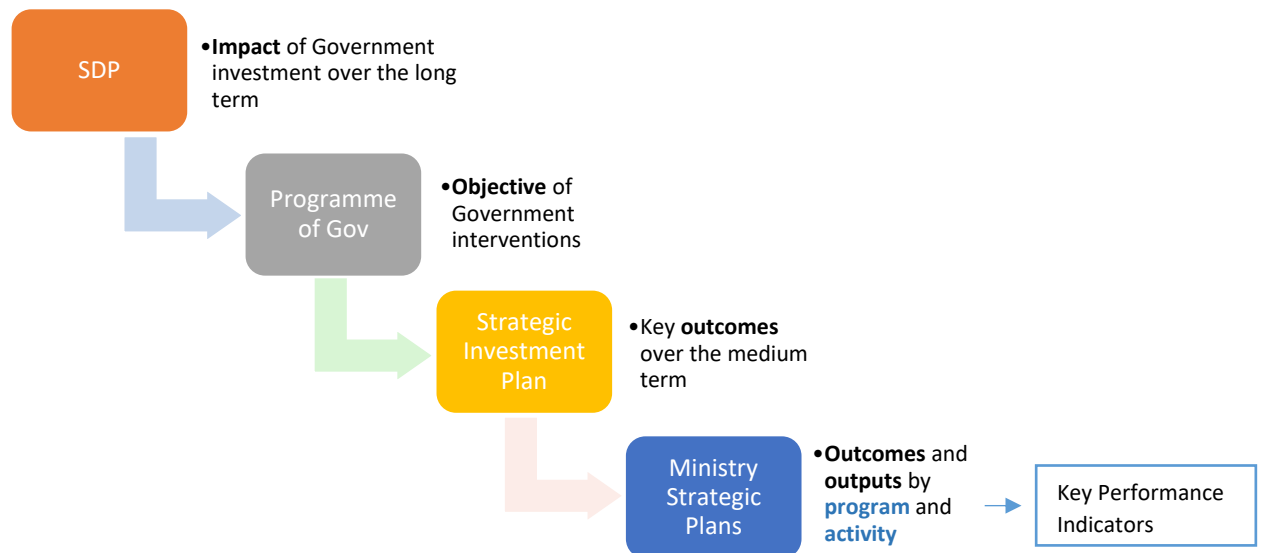
This will be achieved by the development of a Performance Monitoring Framework by the Ministry of Finance and the Ministry of Strategic Planning and Investments that will link the budget planning exercise (via programs and activities) explicitly to the SDP via reviews of the individual sector strategies to support



the effort of coordination and alignment and to also provide the Government with a relevant monitoring and evaluation framework with which to support the implementation of the Program of Government.

The idea is to have a plan that enables the performance of each Ministry to be linked to both the program of Government and the SDP.

The next stage will be to fully align this plan with the program budget / AAP structure of each Ministry and to further link that to the system of performance evaluation of each Director General and head of Government agency.



### Risk Management

The Performance Management Framework will also include a Risk Management component which will outline the identification and assessment of potential risks and challenges that may hinder the successful implementation of the plan. It will also include contingency plans to mitigate these risks and address challenges.



## Next Steps

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To current system of government financial management does not necessarily support the implementation of the Strategic Investment Plan (SIP), in that in recent times the level of bureaucracy has taken precedent over the degree of transparency and accountability. This is why some changes have already been made during the rectification and budget 2024 process. The aim going forward will be to review the budgeting and planning laws and systems to ensure they are fit for purpose in terms of assisting the government to deliver on the Strategic Investment Plan.

This process will involve assessing the current laws and systems in order to see how well they align with the objectives and priorities of the Program of Government and the SIP, and whether they provide the necessary tools and mechanisms to support its implementation.

Based on the assessment and stakeholder consultations, specific areas where the budgeting and planning laws and systems need improvement to better align with the SIP will be identified. This may include streamlining processes, enhancing transparency and accountability, incorporating performance-based budgeting, or improving coordination between different government agencies.

Based on the identified areas of improvement, the Ministry of Finance will lead the development of a comprehensive plan for reforming the budgeting and planning laws and systems. This may involve drafting new legislation, amending existing laws, establishing new processes or institutions, or enhancing capacity-building initiatives.

### Monitoring and Evaluation

There will need to be a comprehensive and transparent system of monitoring and evaluation established not just for the SIP but also for the Program of Government during 2024. The Ministry of Finance and the Ministry of Planning and Strategic Investments will therefore aim to design and implement a performance management system to enable the Government and public to be able to track and monitor progress against the SDP, SIP and Program of Government.

Elements of this design will include:

- Linking these processes with individual performance management within the public service by linking the indicators to the individual KPI's of senior officials.
- Linking these investments more directly into the system of program budgeting.
- Enabling a transparent dashboard style reporting system to facilitate the transparency and accountability mechanisms both public and private to ensure a continuous demand for the delivery of the investments outlined in the program of government.

The overall aim will be to establish mechanisms for monitoring and evaluating the implementation and impact on the government's ability to deliver on its Program and the SIP. This will help identify any further adjustments or improvements needed. Hence the process should be viewed as iterative and an ongoing process.

As the SIP evolves and new challenges arise, there will be a need to continue to assess and refine the laws and systems to ensure they remain fit for purpose.

