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INVESTMENT IN STRATEGIC
INFRASTRUCTURE, STRENGTHENING THE
ECONOMY AND IMPROVING CITIZENS'
WELFARE

INFORMATIVE DOCUMENTS

**Volume III: Strategic Investment
Plan**

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Executive Summary

The Strategic Investment Plan (SIP) 2025 for Timor-Leste is an updated version of the same document that was produced by MPIE in 2024. It continues to outline a strategy to address current economic challenges and capitalise on emerging opportunities.

The updated Strategic Investment Plan 2025 reflects the Government's commitment to fostering a resilient and diversified economy. It considers the evolving global economic landscape and Timor-Leste's unique position in the region. By leveraging the country's natural resources, human capital, and strategic partnerships, the SIP sets forth a roadmap for sustainable growth and development.

The updated SIP emphasises the importance of adaptability and innovation in the face of changing economic conditions. It introduces new strategies to enhance the country's competitiveness in the global market while addressing local socio-economic challenges. Building on existing priorities in agriculture, tourism, and infrastructure, the SIP expands focus to include new opportunities in renewable energy, digital economy, and public-private partnerships.

Similarly, the SIP introduces an approach to economic diversification, focusing on sustainable development and poverty reduction. It outlines strategies to enhance Timor-Leste's resilience to external shocks and create a more robust economic foundation. By prioritising key sectors and fostering an enabling environment for investment, the Strategic Investment Plan 2025 seeks to unlock the country's full potential and drive long-term prosperity for all citizens.

Central to this updated SIP is a commitment to environmental sustainability, technological advancement, and social inclusivity. It recognises the importance of balancing economic growth with environmental stewardship and social equity. The SIP also emphasises the need for regional cooperation and integration to maximise Timor-Leste's strategic advantages in the Asia-Pacific region.

Furthermore, the Strategic Investment Plan 2025 incorporates measures to strengthen governance, transparency, and accountability in the management of public resources and investments. It outlines mechanisms for regular monitoring and evaluation to ensure effective implementation and timely adjustments as needed.

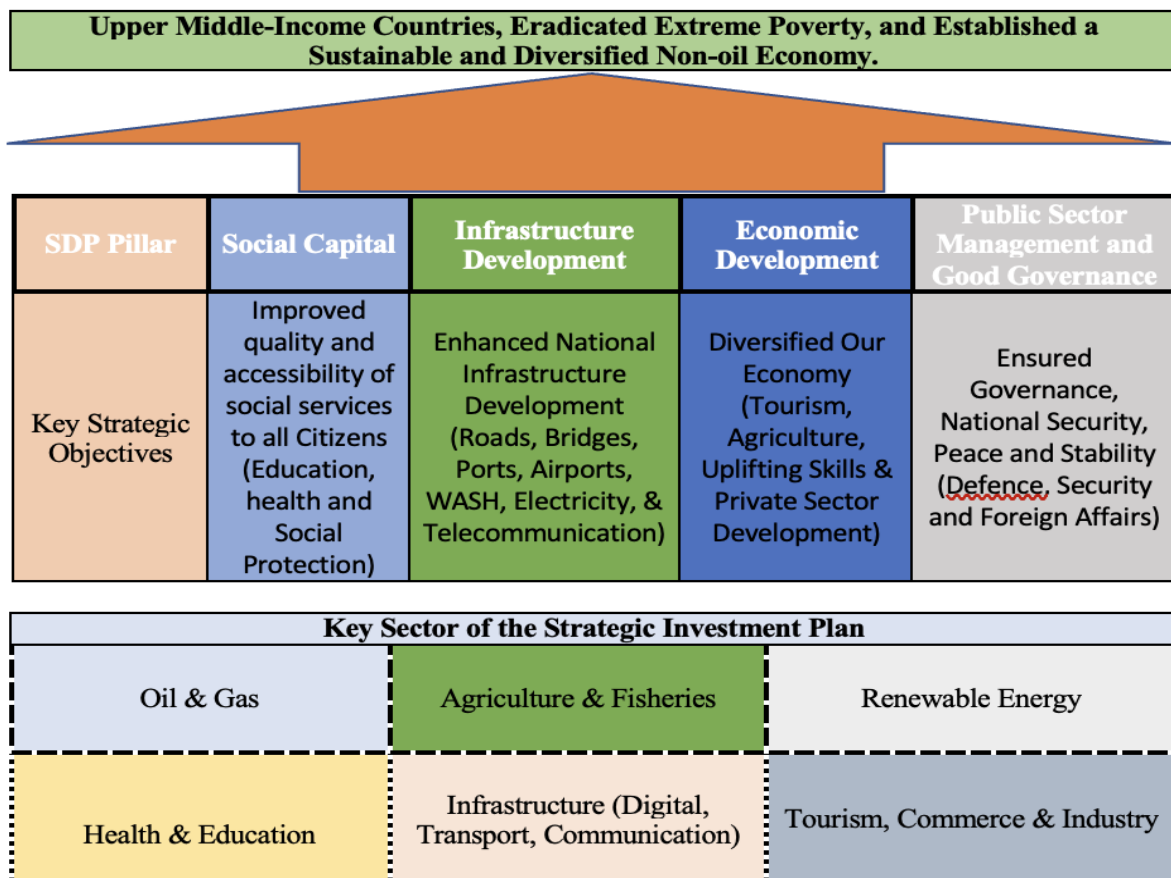
Assessment of the Current Situation

Timor-Leste continues to face economic challenges due to its reliance on oil and gas revenues. Other key challenges include addressing income inequality, reducing poverty rates, and creating sustainable employment opportunities outside the oil and gas sector.

Efforts to diversify the economy are ongoing, with a focus on sectors like agriculture, tourism, renewable energy, and digital services. The country is poised to leverage its strategic location and young workforce to attract new investments.

Despite these challenges, Timor-Leste has made significant progress in recent years, particularly in infrastructure development and institutional capacity building. The Government has implemented reforms to improve the business environment, streamline bureaucratic processes, and enhance transparency in public administration. However, to fully capitalise on these improvements and accelerate economic diversification, continued focus on human capital development, technological adoption, and strategic partnerships with regional and international stakeholders remains crucial.

Alignment of the Strategic Investment Plan and the SDP 2011-2030



Timor-Leste's young and growing population offers a potential demographic dividend, provided adequate investments are made in education and skills development. The country's rich natural resources, including oil and gas reserves, provide a foundation for economic growth. However, sustainable management and diversification of these resources are crucial for long-term prosperity. Timor-Leste's strategic location in Southeast Asia offers potential for increased trade and regional integration, presenting opportunities for economic expansion beyond traditional sectors.

Recent investments in digital infrastructure are expected to improve connectivity and lay the groundwork for the development of a digital economy. This progress will open new avenues for innovation, entrepreneurship, and remote work opportunities, particularly beneficial for the country's youth.

Environmental challenges, including climate change impacts and natural resource degradation, require immediate attention. Addressing these issues is essential for sustainable development and the protection of Timor-Leste's biodiversity and agricultural potential.

The Government is committed to improving the business climate, strengthening institutions, and enhancing infrastructure to attract foreign direct investment and stimulate domestic economic activity. Regional cooperation initiatives are being pursued to enhance Timor-Leste's integration into the Southeast Asian economy. The Government is actively engaging with ASEAN member states and other regional partners to explore trade opportunities, knowledge exchange, and collaborative development projects. These efforts aim to leverage Timor-Leste's strategic location and unique resources to create mutually beneficial economic relationships.

Investments in human capital development remain a top priority. The Government is expanding vocational training programs, improving the quality of higher education, and fostering partnerships with international educational institutions. These initiatives are designed to equip the workforce with skills that align with the evolving needs of the economy and support the country's diversification goals.

Efforts to strengthen the financial sector are also underway, with a focus on improving access to credit for small and medium-sized enterprises (SMEs). The Government is working to enhance the regulatory framework for financial services, promote financial inclusion, and develop innovative financing mechanisms to support entrepreneurship and economic growth.

The Government recognises the need for a comprehensive approach to economic development that balances short-term growth with long-term sustainability and social inclusion.

In light of these challenges and opportunities, the Strategic Investment Plan 2025 aims to create a robust framework for sustainable economic growth and diversification. By focusing on key sectors with high growth potential and addressing structural barriers to development, the plan seeks to unlock Timor-Leste's economic potential and improve the living standards of its citizens. The Government is committed to fostering an environment conducive to both domestic and foreign investment, while ensuring that the benefits of economic growth are equitably distributed across society. This holistic

approach to development is designed to build resilience in the face of global economic uncertainties and position Timor-Leste as an attractive destination for investment in the Southeast Asian region.

Economic Overview of Timor-Leste

The country's economic outlook for 2025 is positive, with growth expected to accelerate due to increased capital investments and a stable fiscal environment. The Government aims to reduce its dependency on the Petroleum Fund by diversifying into non-oil sectors and enhancing public financial management.

Key economic indicators show promising trends. Real non-oil GDP growth is projected to reach 4.1% in 2025, up from 3.7% in 2024. Inflation is expected to decrease slightly to 2.2%. The Petroleum Fund's sustainability remains a priority, with the Government implementing measures to ensure its long-term viability while supporting current development needs. To achieve its intention towards diversification, the Government is implementing a series of structural reforms aimed at improving the business environment, enhancing productivity, and attracting foreign direct investment. These reforms include streamlining bureaucratic processes, strengthening property rights, and developing a more robust financial sector. The Government is also focusing on human capital development as a cornerstone of its economic strategy. Investments in education and vocational training programs are being prioritised to create a skilled workforce capable of meeting the demands of a diversifying economy. This includes partnerships with international institutions to enhance the quality of higher education and technical training.

Efforts are also underway to strengthen the country's digital infrastructure, recognising its role as a catalyst for economic growth and innovation. The Government is implementing a national broadband plan to improve internet connectivity across the country, which will support the growth of digital services and e-commerce. The fiber optic cable project connecting Timor-Leste to international networks is expected to significantly boost internet speeds and reliability, facilitating the growth of digital businesses and improving access to global markets.

In the agriculture sector, the Government is promoting sustainable farming practices and investing in rural infrastructure to enhance productivity and market access. This includes initiatives to improve irrigation systems, introduce climate-resilient crop varieties, and exploring the establishment of agri-processing facilities to add value to agricultural products.

Furthermore, efforts are underway to enhance Timor-Leste's export capabilities and integrate into global value chains. This includes:

- Developing the export-oriented industries in sectors such as specialty coffee, organic produce, and handicrafts.
- Investing in quality control and certification systems to meet international standards.
- Negotiating trade agreements to secure preferential access to key markets.

The tourism industry is being developed as a key driver of economic growth, with investments in infrastructure, capacity building, and destination marketing. The Government is focusing on eco-tourism and cultural tourism, leveraging Timor-Leste's natural beauty and rich cultural heritage to

attract international visitors. The Government is also focusing on developing the blue economy, recognising the potential of Timor-Leste's extensive coastline and marine resources. This includes:

- Sustainable fisheries management to protect fish stocks and support local fishing communities.
- Development of aquaculture industries to diversify seafood production and create employment opportunities.
- Marine conservation efforts to protect coral reefs and coastal ecosystems, supporting eco-tourism initiatives.
- Exploration of seabed minerals and offshore renewable energy potential.

To enhance energy security and promote sustainable development, Timor-Leste is increasing investments in renewable energy sources, particularly solar and wind power. This shift towards green energy is expected to reduce dependency on imported fossil fuels and create new job opportunities in the renewable energy sector. These efforts are also aimed to reduce Timor-Leste's carbon footprint, create green jobs, and enhance energy security while supporting economic diversification.

The Government is also working to improve the efficiency and transparency of public institutions. This includes implementing e-governance solutions to streamline administrative processes, reduce bureaucracy, and enhance public service delivery. These measures aim to create a more favourable business environment and increase investor confidence. To further support economic diversification and sustainable development, the Government is implementing a comprehensive social protection system. This system aims to reduce poverty, enhance human capital, and promote social inclusion. Key components include:

- Expanding the Bolsa da Mãe program to provide conditional cash transfers to vulnerable families.
- Implementing a universal healthcare system to improve access to quality medical services.
- Establishing a national pension scheme to ensure financial security for the elderly.
- Developing targeted programs for youth employment and skills development.
- Creating a social housing initiative to improve living conditions for low-income families.

These social protection measures are designed to complement economic growth strategies, ensuring that the benefits of development are equitably distributed across society. By investing in human capital and social welfare, Timor-Leste aims to create a more resilient and inclusive economy that can support long-term sustainable growth.

Additionally, the Government is investing in critical infrastructure projects, such as ports, roads, and telecommunications, to support economic growth and improve connectivity both domestically and internationally. These efforts are expected to create new opportunities across various sectors, fostering a more resilient and diversified economy that can withstand external shocks and provide sustainable livelihoods for Timor-Leste's growing population. To further enhance economic resilience and promote sustainable growth, the Government is implementing a comprehensive climate change adaptation and mitigation strategy. This strategy aims to protect Timor-Leste's natural resources, reduce vulnerability to climate-related risks, and capitalise on opportunities in the green economy. Key initiatives include:

- Developing a national climate change policy framework.

- Implementing coastal protection measures to safeguard vulnerable communities.
- Promoting climate-smart agriculture techniques to enhance food security.
- Establishing a climate change fund to finance adaptation and mitigation projects.
- Integrating climate resilience into infrastructure planning and development.
- Launching public awareness campaigns on environmental conservation and sustainable practices.

These efforts not only address environmental concerns but also create new economic opportunities in areas such as green technology, sustainable agriculture, and eco-tourism. By prioritising climate resilience, Timor-Leste aims to position itself as a leader in sustainable development within the region.

The Government's commitment to economic diversification is further underscored by its focus on developing key industries with significant growth potential. By identifying and nurturing these sectors, Timor-Leste aims to create a more balanced and sustainable economic structure that can drive long-term prosperity. This approach not only reduces the country's vulnerability to fluctuations in global oil prices but also opens new avenues for job creation, skills development, and technological advancement.

Thus, the Government's economic diversification strategy is underpinned by a comprehensive approach to sustainable development. This approach integrates economic growth with environmental stewardship and social progress, ensuring a balanced and inclusive path forward. Key elements of this strategy include:

1. **Green Growth Initiatives:** Promoting environmentally friendly practices across all sectors to minimise ecological impact and create new green jobs.
2. **Innovation and Technology Adoption:** Encouraging the integration of technologies to boost productivity and competitiveness in traditional and emerging industries.
3. **Skills Development Programs:** Implementing targeted training initiatives to equip the workforce with the skills needed for the evolving job market.
4. **Regional Cooperation:** Strengthening ties with neighbouring countries to expand market access and attract regional investments.
5. **Small and Medium Enterprise (SME) Support:** Providing tailored assistance to local businesses, fostering entrepreneurship and innovation.

By implementing these measures, Timor-Leste aims to create a robust and diversified economy that can withstand global challenges while providing sustainable opportunities for its citizens. This holistic approach will not only drive economic growth but also ensure long-term prosperity and improved quality of life for all Timorese.

As the nation moves forward with its diversification strategy, it is essential to align these efforts with the broader goals of environmental sustainability and social inclusivity, ensuring that economic growth translates into tangible benefits for all segments of society.

Key Industries and Sectors with Growth Potential

To achieve these ambitious goals, the Government has identified several key industries and sectors with significant growth potential. These sectors have been selected based on their capacity to

generate employment, attract investment, and contribute to the overall economic diversification of Timor-Leste.

By focusing on these areas, the Government aims to create a more resilient and dynamic economy that can adapt to changing global conditions and provide sustainable opportunities for its citizens.

The key industries and sectors with significant growth potential for Timor-Leste include:

1. **Agriculture and Agribusiness:** Modernising farming practices, developing value-added products, and expanding export markets for crops like coffee, vanilla, and tropical fruits.
2. **Tourism:** Capitalising on the country's natural beauty, rich culture, and historical sites to develop sustainable eco-tourism and cultural tourism experiences.
3. **Fisheries and Aquaculture:** Sustainably exploiting marine resources, developing fish processing facilities, and promoting aquaculture to meet domestic and export demand.
4. **Information and Communication Technology (ICT):** Investing in digital infrastructure and fostering a tech-savvy workforce to support the growth of digital services and e-commerce.
5. **Renewable Energy:** Harnessing solar, wind, and hydroelectric potential to improve energy security and reduce reliance on fossil fuels.
6. **Mining and Minerals:** Responsibly developing the country's mineral resources, including marble, limestone, and gold, while ensuring environmental protection and community benefits.
7. **Creative Industries:** Supporting the growth of local arts, crafts, and cultural products for both domestic and international markets.

The development of these sectors will be supported by targeted policies, incentives, and infrastructure investments, ensuring that they can thrive and contribute meaningfully to the nation's economic transformation.

Diversifying Economic Sectors

The Strategic Investment Plan 2025 of Timor-Leste outlines planned activities aimed at diversifying the country's economic base and reducing its dependence on oil and gas revenues. These activities will target key sectors that hold significant potential for sustainable growth, job creation, and enhanced competitiveness. The planned initiatives include:

1. **Renewable Energy:** There will be a renewed focus on solar, wind, and hydropower projects to reduce reliance on fossil fuels and promote sustainable energy solutions. These initiatives shall align with the national goal of enhancing energy security and meeting global climate commitments.
2. **Digital Economy:** the Government will prioritise the development of ICT infrastructure to support digital services and enhance connectivity across the nation. This will include expanding internet access, upgrading telecommunications networks, and fostering digital literacy to build a modern, knowledge-based economy.
3. **Public-Private Partnerships (PPPs):** The Government's aim is to leverage the expertise and resources of the private sector through strategic PPPs, focusing on critical infrastructure projects

and service delivery. These partnerships will be instrumental in bridging investment gaps and improving the quality and efficiency of public services.

4. **Agriculture and Fisheries:** Efforts will be made to enhance productivity and competitiveness in agriculture and fisheries, traditional sectors that are central to food security and rural development. The Government will invest in modernising farming practices, improving supply chains, and expanding export markets to boost sectoral performance.
5. **Tourism:** The Government also intends to develop eco-tourism and cultural tourism opportunities to capitalise on its rich natural landscapes and cultural heritage. These efforts shall include enhancing tourism infrastructure, promoting local attractions, and creating sustainable tourism experiences that benefit communities.

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.

To achieve the goals set out in the Strategic Development Plan (SDP), the Government will need to accelerate investments in both human and physical infrastructure. This includes enhancing education and vocational training to build a skilled workforce ready for new economic opportunities. Key initiatives to fast-track the SDP implementation include:

1. Accelerating infrastructure development, focusing on roads, ports, and energy systems to improve connectivity and support economic growth.
2. Expanding access to quality healthcare services, particularly in rural areas, to improve overall health outcomes and productivity.
3. Modernising the agriculture sector through technology adoption, improved irrigation systems, and market linkages to boost food security and rural incomes.
4. Strengthening the financial sector by improving access to credit for SMEs and promoting financial literacy among the population.
5. Enhancing environmental sustainability through conservation efforts, sustainable resource management, and climate change adaptation measures.
6. Promoting good governance and institutional capacity building to ensure effective implementation of development initiatives.
7. Fostering regional cooperation and international partnerships to leverage external expertise and resources for national development.

These accelerated efforts aim to bridge the gap between current progress and the SDP's long-term goals, ensuring Timor-Leste remains on track for sustainable development.

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>EDUCATION AND TRAINING</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 analyse, 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)
HEALTH		<p>The training and vocational education system will be providing Timor-Leste with the skilled people we need to continue to build our nation</p> <p>Comprehensive measures will be in place to ensure the right to education for groups that have been socially marginalised and to allow equity of educational opportunity regardless of ethnicity, language, socioeconomic status, religion, gender, health (HIV), disability or location (urban / rural)</p>	
	<p>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.</p>	<p>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</p> <p>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</p> <p>70% of pregnant women will receive antenatal care at least four times and 65% of women will have an assisted delivery</p> <p>90% of children will be immunised against polio, measles, tuberculosis, diphtheria, and hepatitis B</p> <p>There will be increased awareness of HIV/AIDS, tuberculosis, malaria, and other vector-borne diseases</p> <p>80% of malaria outbreaks will be controlled</p> <p>90% of Ministry of Health buildings will have access to electricity, water, and basic sanitation</p>	<p>All Health Posts will be staffed by at least one doctor, two nurses and two midwives</p> <p>There will be a Health Post for every 1,000 to 5,000 people</p> <p>Sub-district health centers will provide care for 5,000 to 15,000 people and manage approximately four Health Posts</p> <p>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</p> <p>Cardiac, renal, and palliative health care services will be available at the National Hospital</p> <p>Cardiac, renal, and palliative health care services will be available at the National Hospital</p> <p>54 district health centers will be located in districts that do not have hospitals</p>

	2015 (Short Term)	2016 – 2020 (medium Term)	2021 – 2030 (long Term)
<p>SOCIAL INCLUSION</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</p> <p>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</p> <p>A revised ‘gender-friendly’ curricula will be embedded at all levels of Timor-Leste’s education system</p> <p>A Youth Fund will have been established and will be providing support for projects that support young people and their development</p>	<p>Focus will shift from primary care to the delivery of specialist health care</p> <p>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</p> <p>Extensive research of the history of the struggle for national liberation will be preserved and celebrated by our people</p> <p>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>ENVIRONMENT</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</p> <p>Community based nurseries will be planting one million trees nationwide every year</p> <p>A National Biodiversity Law and a Wildlife Conservation Law will protect and conserve biodiversity in Timor-Leste</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>CULTURE AND HERITAGE</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>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>
<p>Infrastructure Development</p> <p>ROADS AND BRIDGES</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 – Beaço 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>WATER AND SANITATION</p>	<p>The Millennium Development Goal of 75% of Timor-Leste’s rural population having access to safe, reliable, and sustainable water will have been exceeded</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>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 Drainage will be improved in all districts</p>	<p>All districts and subdistricts will have appropriate sewerage systems</p>
<p>ELECTRICITY</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 Everyone in Timor-Leste will have access to reliable electricity 24 hours a day</p>	<p>At least half of Timor-Leste’s energy needs will be provided by renewable energy sources</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>SEA PORTS</p> <p>New sea ports are a national priority to support our growing economy and meet future industry and freight demands.</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 A new management model for Timor-Leste’s electricity sector will be in place based on international best practice The Lariguto wind farm will be constructed A Solar Centre will be established in Dili 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 The new seaport at Suai will be operational</p>	<p>Approximately 100,000 families will have access to solar powered electric light</p>	
<p>AIRPORTS</p> <p>To meet the future demand for air traffic and boost key industry sectors, we will</p>	<p>Port facilities will have been upgraded at Com, Atauro, Vemasse and Oe-Cusse Ambeno Construction of the new port at Tibar will have commenced</p> <p>The Presidente Nicolau Lobato International Airport Masterplan will have been completed, including new terminal facilities and a longer runway</p>	<p>The Tibar Port will be operating efficiently as Timor-Leste’s main port Port facilities will have been developed at Kairabela and on the south coast near Beaço</p> <p>Bacau airport will be operating as an alternative to Dili and as a military base</p> <p>A network of district airports will be fully operational, including airports at Suai,</p>	

	2015 (Short Term)	2016 – 2020 (medium Term)	2021 – 2030 (long Term)
<p>expand our international airport and build a network of district airports.</p> <p>TELECOMMUNICATIONS</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>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>Baucau, Oe-Cusse Ambeno, Lospalos, Maliana, Viqueque, Atauro and Same 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>Economic Development</p> <p>RURAL DEVELOPMENT</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>AGRICULTURE</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 urbanisation 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 Beaçõ 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>PETROLEUM</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 Beaçõ 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>TOURISM</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>INVESTMENT</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>		
Institutional Framework			
SECURITY	<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>	
DEFENCE	<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 specialised 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>FOREIGN AFFAIRS</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 organisations 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 recognised expertise in economic development, small-nation management, good governance and aid effectiveness and delivery</p> <p>We will have achieved membership of specialised UN Committees and agencies</p> <p>Timor-Leste will be recognised 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 sone 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 utilised by the United Nations in its peacekeeping/peace forcing activities</p> <p>Timor-Leste will have at least 30 international embassies</p>
<p>JUSTICE</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>PUBLIC SECTOR MANAGEMENT AND GOOD GOVERNANCE</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>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>IMPLEMENTATION</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>Macroeconomic Direction</p> <p>OUR ECONOMIC VISION</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>

Investment Priorities

As laid out in the SIP 2024, this section identifies the evolving priority investments for the Government. It is based on the Program of the IX Government. It aims to not only prioritise 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. The Government invests in creating future public goods and services that is essential for long-term economic growth and societal well-being e.g., agriculture, tourism, public buildings, roads, bridges, housing, schools, hospital, and transport system and telecommunication networks.

The SIP 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. It is meant to 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 Government will prioritise investments in renewable energy, digital infrastructure, and PPPs. These sectors are expected to drive economic growth and create employment opportunities, contributing to the overall development of the country.

Summary of Priority Investments

The table below identifies and prioritises 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. The Strategic Investment Plan incorporates listing of projects and activities. The list of projects is divided into sectors according to the SDP four pillars, which in turn are divided by strategic areas. The investment projects and activities were selected using the following criteria:

1. Generation of employment
2. Multiple year required to complete and considerable amount of capital.
3. Driving economic growth and diversification.
4. Value addition and creation of future benefits i.e., social return, human capital and infrastructure.

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 2025 Budget Law.

Priority	2025	2026	2027	2028
Petroleum and Mineral Resources	Complete the Suai Supply Base <ul style="list-style-type: none"> 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 Develop and operationalise the Logistics Base in Suai, supporting petroleum activities, economic, commercial, and industrial functions 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 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 			
Financial Sector	Establish the National Development Bank <ul style="list-style-type: none"> Prepare the Legal and Preparatory Framework including options for capitalisation and funding Finalise the Organisational set up and operational infrastructure; product and service development including outreach and partnerships Launch and initial operation of the Timor-Leste Development Bank (BDTL) with clear investment directives and governance standards Continuous improvement and adaptation as part of the operation of the Timor-Leste Development Bank (BDTL) 			
Public Sector Participation in Private Investment (Fair Share)	Establish the Timor-Leste Investment Corporation (TLIC) <ul style="list-style-type: none"> Feasibility Study and Planning Legal and Regulatory Compliance Capitalisation and Funding Strategy Establish Risk Management Framework Asset Acquisition and Management Partnership and Alliances Investor Relations and Marketing Compliance and Reporting Launch and ongoing operations of the Timor-Leste Investment Corporation (TLIC) geared to facilitate equity participation programs, mobilise private sector investments, and contribute to infrastructure development, economic diversification, and job creation Continuous evaluation and improvement of the operation of the Timor-Leste Investment Corporation. 			
Road Network	Complete the national ring road plan <ul style="list-style-type: none"> Review detailed design for phases II-IV Finalise design review Launch public procurement tender Monitor project progress and completion 		Construct new bridges in critical areas of the country <ul style="list-style-type: none"> Identify critical areas for new bridges Initiate design and planning Begin construction Complete new bridge construction 	

Priority	2025	2026	2027	2028
	<ul style="list-style-type: none"> Monitor project progress and completion 			
Water and Sanitation	<p>Access to water and sanitation in all schools</p> <ul style="list-style-type: none"> Assess school water supply needs Initiate projects Complete projects and ensure maintenance 	<p>Implement the Master Plan for Water Supply and Sanitation of Dili and other municipal capitals</p> <ul style="list-style-type: none"> Initiate plan development Develop investment plan Gain approval and begin implementation Continue plan execution <p>Implement the integrated municipal solid waste management systems</p> <ul style="list-style-type: none"> Assess waste management gaps Develop waste management plans Begin implementation Monitor waste management systems 	<p>Implement the Dili Sanitation and Drainage Master Plan</p> <ul style="list-style-type: none"> Initiate master plan development Develop master plan Begin implementation Continue master plan execution 	
Transport		<p>Integrated Transport Master Plan for comprehensive transport improvement</p> <ul style="list-style-type: none"> Initiate plan development Finalise plan details Approve master plan Begin master plan implementation 		
Telecommunications	<p>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</p> <ul style="list-style-type: none"> Develop the plan Finalise plan and secure necessary resources Initiate broadband infrastructure deployment Evaluate plan's effectiveness and adjust if needed 	<p>Reliable submarine fiber-optic cable system linking Timor-Leste to a regional cable landing facility for enhanced connectivity</p> <ul style="list-style-type: none"> Develop project plan and secure funding Initiate cable installation Complete cable installation and testing Ensure full operational connectivity 		
Housing	<p>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</p> <ul style="list-style-type: none"> Review and analysis Develop new program Seek stakeholder input 			

Priority	2025	2026	2027	2028
Livestock	<ul style="list-style-type: none"> Finalise program 	<p>Establish an Animal Production Research Centre and Livestock Product Processing Facility</p> <ul style="list-style-type: none"> Planning and feasibility study, including needs assessment and market research, regulatory and compliance check Design and site selection phase – facility design, site selection and acquisition Construction and development phase, including building the infrastructure and equipment procurement Staffing and testing phase, including staff recruitment and training, trial runs and testing Operationalisation and marketing phase, animal production and research center established to improve genetic quality and breeding techniques by 15%; Livestock Product Processing facility established. Market presentation and networking. Continuous improvement. 		
Fisheries		<p>Establish Timor-Leste Marine Research and Development Centre</p> <ul style="list-style-type: none"> Launch campaigns to educate fishermen and communities about sustainable fishing techniques. Commence awareness programs Establish demonstration centres for electronic fisheries control systems and fishery product processing. Centers operational. 		
Tourism			<p>Training Centre for Tourism and Hospitality in Dili</p> <ul style="list-style-type: none"> Planning and feasibility study, including curriculum development, infrastructure and resource planning Establish the Training Centre in Tourism and Hospitality in Dili (PED) to enhance professional training in the tourism sector, including legal and regulatory procedures, infrastructure development, staff recruitment and training Pre-launch and marketing phase, including pilot programs, marketing and partnerships and operational processes Launch and continuous improvement 	
Industry	<p>Establish the National Incubation Centre</p> <ul style="list-style-type: none"> Support the establishment of industrial production units, particularly agro-industries, and promote the development of industrial incubator centres National Incubation Center established. 	<p>Establish the Ulmera Industrial Park (Liquisa)</p> <ul style="list-style-type: none"> Promote the creation and development of industrial parks through coordination with relevant ministries and stakeholders Ulmera industrial park established 		

Priority	2025	2026	2027	2028
Environment			Comprehensive waste collection and treatment program, with priority for the Dili area <ul style="list-style-type: none"> • Assessment and planning, including waste audit, stakeholder engagement and establishing regulatory framework • Infrastructure development, collection and treatment facilities, including awareness campaigns • Pilot program implemented in Dili area • Scaling up and expansion as the waste collection and treatment program implemented in Dili area • Technology integration • Continuous M&E, and adjustments • Collaboration and partnerships including policy review and amendments. 	
Education and Training	Construct the Academy of Fisheries and Marine Studies in Manatuto <ul style="list-style-type: none"> • Preparatory phase – regulatory approvals and funding, recruitment of faculty and staff including actual construction and facility set up • Legal and regulatory framework and infrastructure development • Outreach and recruitment, including partnerships building and collaboration • Continuing faculty and staff recruitment and training, including accreditation and quality assurance • Launch and promotion of the Academy of Fisheries and Marine Studies in Manatuto. 	Construct the Polytechnic Institute of Hotel Management and Tourism in Lospalos <ul style="list-style-type: none"> • Planning and feasibility study including needs assessment and market research, stakeholder engagement, curriculum development and infrastructure planning • Infrastructure and resource development • Launch and initial operation of the Polytechnic Institute of Hotel Management and Tourism in Los Palos • Quality assurance and feedback • Growth and expansion including forging industry partnerships and internships, advanced programs and specialisations, R&D, 	Construct the Polytechnic Institute of Engineering in Suai <ul style="list-style-type: none"> • Needs assessment and feasibility study, including strategic planning • Planning and feasibility study including site selection and initial budgeting • Design and approvals including architectural design, regulatory approvals and budget refinements • Curriculum development including faculty recruitment and training • Construction and infrastructure development phase, including faculty recruitment • Launch of the Polytechnic Institute of Engineering in Suai including marketing and research, ensuring operational readiness 	

Priority	2025	2026	2027	2028
		accreditation, and recognition	<ul style="list-style-type: none"> Continuous M&E and improvement 	
Social Inclusion, Social Protection and Social Solidarity		<p>Social Solidarity Centres (CSS) established in Administrative Posts</p> <ul style="list-style-type: none"> 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 Consolidation and expansion, including performance review, expansion plans, documentation and reporting, sustainability measures 		
National Liberation Fighters		<p>Construct new special cemeteries and Heroes' gardens: Ainaro Natarbora, Covalima, Kelikai, Iliomar, Uatulari, Ermera, Bobonaro, and heroes' garden in Metinaro</p> <ul style="list-style-type: none"> Planning and assessment including feasibility study, site selection, regulatory and legal framework review Design and approval phase including community consultations and government approvals and permits Construction preparation phase, including contracting and procurement, infrastructure preparation, material procurement Completion and maintenance phase, including inspections and quality assurance, maintenance and management, monitoring and evaluation 	<p>Construct Resistance monuments in all municipalities and administrative posts</p> <ul style="list-style-type: none"> Research and preparation phase, including stakeholder mapping, capacity building and network formation Strategy development phase, including goal setting, strategic planning, resource mobilisation Implementation phase, including community engagement, advocacy and mobilisation, capacity strengthening Construction and implementation phase, including landscaping and amenities, documentation and reporting Strengthening and consolidation phase, including alliance building, adaptation and flexibility, documentation and evaluation, sustainability planning 	
Culture and Heritage		<p>Establish the National Museum</p> <ul style="list-style-type: none"> Planning and feasibility phase, including stakeholder engagement Conceptualisation and design phase, including Vision-Mission-Goals formulation, concept development, architectural design Fundraising and legal procedures phase, including fundraising campaigns, legal and regulatory processes 	<p>Establish the National Library</p> <ul style="list-style-type: none"> Needs assessment and feasibility study, including formulation of policies and objectives, legal framework and institutional setup Resource acquisition and infrastructure development including collection development curation Technology integration and digitalisation Complete library construction Partnerships and collaborations including public engagement and outreach programs Operate the National library Monitoring, evaluation, and adaptation including documentation and reporting 	

Priority	2025	2026	2027	2028
		<ul style="list-style-type: none"> Construction and exhibition preparation phase, including exhibit development, staff recruitment Pre-opening and launch phase 		
Youth and Sports	Establish a National Youth Centre in Dili <ul style="list-style-type: none"> Planning and feasibility study, including stakeholder engagement, site selection and design, budget and funding, legal and regulatory compliance Implementation and construction phase, including resource mobilisation, program development, partnerships forging and collaborations Pre-launch preparation phase, including staff training, publicity and promotion Launch and evaluation phase, including grand opening, M&E, feedback integration 			
Decentralisation	Construct new multi-function building (One-Stop Shop) for the Municipal Authority and Municipal Administration and future Local Government <ul style="list-style-type: none"> Increase funding allocation in municipal budgets to enhance quantity and quality of public goods and services via Local Government services Construction of One-Stop Shop in Municipalities 			
Justice	Construct the Supreme Court of Justice, Public Defender's Office, and Juvenile Rehabilitation Centre <ul style="list-style-type: none"> Invest in justice sector institutions' capacity Construct necessary buildings such as the Supreme Court of Justice, Public Defender's office, and Juvenile Rehabilitation Centre Modernise infrastructure. 			
Defense			Upgrade and construct military facilities, including land, air, and naval bases, establish neighbourhoods for military personnel families, and create a dedicated hospital for healthcare <ul style="list-style-type: none"> Upgrade and construct military facilities, including land, air, and naval bases Neighborhoods for Military personnel families, and create a dedicated hospital for healthcare, established 	The National Defence Institute as a higher education establishment for National Defence and the Joint Academy for Defence Forces and Security Forces established <ul style="list-style-type: none"> Preparatory phase- needs assessment, feasibility study, Vision-Mission-Goals development including legal and regulatory requirements, strategic planning and resource allocation Establishment phase- curriculum development, faculty recruitment and training, infrastructure and facilities set

Priority	2025	2026	2027	2028
				<p>up including partnerships and collaborations Implementation and Growth phase – accreditation and quality assurance, enrollment and outreach, research and publications</p> <ul style="list-style-type: none"> • 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
Security		<p>Improvement of National Police (PNTL) Infrastructure (Headquarters)</p> <ul style="list-style-type: none"> • Resource Allocation • Initial upgrade of the physical infrastructures • Technology integration for efficient policing, including community engagement and policing initiatives • Improved PNTL’s institutional capacity with modern infrastructure and equipment • Strengthen institutional capacity with modern infrastructure, equipment, and information technology, including computerisation of information systems • Performance evaluation; policy review and implementation and continual improvement and adaptation 		
Institutional Development of Foreign Policy			<p>Reinforce the Centre for Diplomatic Studies to enhance capacity-building</p> <ul style="list-style-type: none"> • Needs assessment and gap analysis, including stakeholder engagement. Develop the Strategic Plan • Approve a new transitional regime for Diplomatic Career officials. • Curriculum Enhance and Faculty Development • Infrastructure and Technology advancements • International exposure and experiential learning (exchange programs, internship opportunities, simulations and mock diplomatic session, etc.) Monitoring, evaluation and sustainability 	

Investment Enablers

Investment enablers are crucial factors or conditions that create a favourable environment for attracting and facilitating investment within a country. In the context of developing nations like Timor-Leste, these enablers play an instrumental role in stimulating economic growth and fostering sustainable development.

One of the primary reasons investment enablers are vital for Timor-Leste is their ability to attract foreign direct investment (FDI). FDI brings in not only much-needed capital but also advanced technology, managerial expertise, and global best practices. These contributions can lead to job creation, infrastructure development, and the transfer of knowledge and skills to the local workforce. By cultivating an environment where investors feel confident and secure, Timor-Leste can draw significant investment that has the potential to transform its economic landscape.

Furthermore, investment enablers facilitate economic diversification, which is essential for the country's long-term stability. Timor-Leste currently relies heavily on oil and gas revenues, accounting for a substantial portion of its GDP. This dependence on a single sector makes the economy vulnerable to fluctuations in global oil prices and the eventual depletion of natural resources. To mitigate these risks, Timor-Leste needs to attract investments in non-oil sectors such as agriculture, manufacturing, tourism, and services. Investment enablers can help create supportive policies, improve infrastructure, and offer incentives that encourage the growth of these industries, thereby reducing economic volatility and promoting a more balanced economic structure.

Investment in human capital is another critical aspect that investment enablers can help foster. By prioritising education, healthcare, and skills development, Timor-Leste can enhance the quality and productivity of its workforce. An educated and skilled population not only attracts investors but also drives innovation and competitiveness in the global market. Improved human capital leads to higher efficiency and can stimulate the growth of knowledge-based industries, contributing to sustainable economic development.

Additionally, investment enablers can strengthen institutional frameworks by improving governance, enhancing regulatory environments, and reducing bureaucratic hurdles. Effective legal and financial systems increase transparency and reduce risks for investors, making the country a more attractive destination for both domestic and international investments.

Supportive Legal and Regulatory Frameworks

A robust legal and regulatory framework plays a pivotal role in attracting investment to a country. By establishing and maintaining such a framework, the Government aims to create an inviting investment climate that encourages both domestic and foreign investment, stimulates economic growth, and fosters sustainable development.

The Government's priorities for Timor-Leste's legal framework focus on the following elements:

- **Stability and Predictability:** Providing investors with stability and predictability through clear and consistent laws, regulations, and policies. This environment allows investors to make confident long-term decisions, knowing their rights and investments are safeguarded.
- **Protection of Property Rights:** Ensuring an effective legal system that protects property rights, including intellectual property. Investors need assurance that their assets will be secure and that they can enjoy the benefits of their investments without fear of expropriation or unauthorised use.
- **Contract Enforcement:** Maintaining a reliable legal system that enforces contracts fairly and efficiently. Investors must have confidence that their contractual agreements will be upheld, and that legal recourse is available in case of disputes.
- **Investor Protection:** Incorporating provisions that shield investors from unfair practices, corruption, and discrimination within the legal framework.
- **Ease of Doing Business:** Streamlining the regulatory framework to simplify administrative procedures, reduce bureaucracy, and minimise red tape. This approach makes it easier and more cost-effective for businesses to establish and operate, thereby encouraging investment.
- **Financial Regulations:** Implementing sound financial regulations and oversight to attract investment. Well-regulated financial markets, transparent banking systems, and investor protection mechanisms are designed to inspire confidence among domestic and international investors.
- **Clarity in Tax Policies:** Providing clear and predictable tax policies. A stable and fair tax regime with transparent rules and procedures enables businesses to plan their investments and operations effectively.
- **Infrastructure Development:** Facilitating infrastructure development through mechanisms for public-private partnerships and regulations that promote investment in infrastructure projects. This creates an attractive environment for investment by improving essential facilities and services.
- **Environmental and Social Regulations:** Balancing economic development with environmental and social sustainability in the legal framework to attract responsible investors. Regulations that promote sustainable practices, protect the environment, and ensure fair labour standards demonstrate Timor-Leste's commitment to long-term viability.

Improving Infrastructure

By focusing on improving infrastructure, including support for the downstream development of petroleum and gas products, Timor-Leste can address many of the barriers currently hindering investment. Infrastructure development acts as a foundation upon which other investment enablers—such as a strong legal framework, investor protection, and ease of doing business—can be more effective. It creates a ripple effect that enhances virtually every aspect of the economy, making the

country more attractive to investors and setting the stage for sustainable, long-term economic growth.

By enhancing the nation's physical and organisational structures, the Government aims to create a more conducive environment for investment, stimulate economic activities, and promote sustainable development through the following measures:

Enhancing Connectivity and Reducing Transportation Costs:

- **Roads and Motorways:** Upgrading and expanding road networks facilitate the efficient movement of goods and people across the country. Improved roads reduce transportation costs, minimise travel time, and connect remote areas to markets, which is essential for sectors like agriculture and tourism.
- **Ports and Airports:** Modernising ports and airports enhances international trade by enabling smoother import and export processes. Efficient ports reduce shipping times and costs, making Timor-Leste more attractive to foreign investors and trading partners.

Reliable Energy Supply:

- **Electricity Infrastructure:** Developing a stable and widespread electricity grid is crucial for industrial activities. A reliable energy supply supports manufacturing, services, and technological advancements, reducing operational disruptions and costs for businesses.
- **Renewable Energy Projects:** Investing in renewable energy sources like solar, wind, and hydro power not only provides sustainable energy but also attracts investors interested in green technologies and responsible investment practices.

Advancement in Telecommunications:

- **Digital Connectivity:** Expanding broadband internet access and improving telecommunications infrastructure enable businesses to operate more efficiently. Enhanced digital connectivity supports the growth of information and communication technology (ICT) sectors and allows local businesses to participate in the global digital economy.
- **Attracting Tech Industries:** A robust telecommunications infrastructure can attract tech companies and start-ups, fostering innovation and creating high-skilled jobs.

Improved Water and Sanitation Systems:

- **Public Health Benefits:** Upgrading water supply and sanitation facilities improves public health outcomes, reducing disease prevalence and healthcare costs.
- **Workforce Productivity:** A healthier population leads to a more productive workforce, which is an attractive factor for investors considering setting up operations in the country.

Facilitating Economic Diversification:

- **Supporting Non-Oil Sectors:** Infrastructure improvements are essential for developing sectors beyond oil and gas, such as agriculture, fisheries, tourism, and manufacturing. For instance,

better irrigation systems can boost agricultural productivity, while quality roads and airports enhance tourism accessibility.

- **Reducing Economic Vulnerability:** Diversification reduces reliance on a single industry, mitigating risks associated with global commodity price fluctuations and fostering more stable economic growth.

Supporting Downstream Development of Petroleum and Gas Products:

- **Processing Facilities:** Investing in infrastructure to support refineries and processing plants enables Timor-Leste to move up the value chain in the oil and gas sector. By processing crude oil and natural gas domestically, the country can produce higher-value products such as fuels, lubricants, and petrochemicals.
- **Storage and Distribution Networks:** Developing storage facilities and efficient distribution networks ensures that petroleum and gas products can be effectively supplied to both domestic and international markets. This enhances the country's export capabilities and energy security.
- **Pipelines and Transport Infrastructure:** Building pipelines and specialised transport systems reduces the costs and risks associated with moving oil and gas products. This infrastructure is crucial for attracting investment in the downstream sector.
- **Industrial Clusters:** Establishing industrial zones dedicated to petrochemical industries can attract related businesses and create synergies, fostering innovation and job creation in the sector.
- **Skill Development:** Improving infrastructure in educational institutions to provide specialised training supports the development of a skilled workforce needed for the downstream oil and gas industry.

Attracting Foreign Direct Investment (FDI):

- **Reducing Operational Risks and Costs:** Investors are more likely to invest in countries where infrastructure reduces the cost and complexity of doing business. Good infrastructure minimises logistical challenges, energy shortages, and communication barriers.
- **Public-Private Partnerships (PPPs):** Infrastructure projects can themselves be opportunities for investment through PPPs. Such arrangements allow the government to leverage private sector expertise and capital, accelerating infrastructure development while offering returns to investors.

Integrating into Regional and Global Markets:

- **Trade Facilitation:** Improved infrastructure positions Timor-Leste to better integrate into regional trade networks, such as the Association of Southeast Asian Nations (ASEAN). This integration can open up new markets for local products and attract investors looking for access to these markets.

- **Compliance with International Standards:** Upgraded infrastructure often involves adopting international standards, which can make local products more competitive globally and assure investors of the country's commitment to global best practices.

Enhancing Social Development and Human Capital:

- **Education and Healthcare Facilities:** Building schools and hospitals improves access to education and healthcare, enhancing the quality of human capital. An educated and healthy workforce is a significant attraction for investors requiring skilled labour.
- **Urban Development:** Developing urban infrastructure enhances the quality of life, making cities more liveable and capable of supporting larger populations and business activities.

Promoting Sustainable Development:

- **Environmental Infrastructure:** Investments in infrastructure that supports environmental sustainability—such as waste management systems and eco-friendly public transportation—can attract investors interested in sustainable practices and corporate social responsibility.
- **Disaster Resilience:** Building resilient infrastructure reduces the economic impact of natural disasters, a crucial factor for investor confidence in a country prone to environmental risks.

Stimulating Domestic Investment and Entrepreneurship:

- **Local Business Growth:** Improved infrastructure lowers barriers to entry for local entrepreneurs by reducing initial capital requirements related to utilities and logistics.
- **Value Chain Development:** Infrastructure enables the development of complete value chains within the country, adding value to local products and fostering industries like agri-processing and manufacturing.

Government Revenue and Economic Multiplier Effects:

- **Increased Tax Revenue:** Economic growth spurred by infrastructure development leads to higher tax revenues, enabling further investment in public services and infrastructure.
- **Job Creation:** Infrastructure projects create employment opportunities during both construction and operational phases, stimulating economic activity and increasing consumer spending.

Legal and Regulatory Support:

- **Facilitating Investment Enablers:** A legal framework that supports infrastructure development—through clear regulations, incentives, and protections—enhances investor confidence and facilitates smoother project implementation.
- **Transparent Procurement Processes:** Establishing fair and transparent processes for infrastructure contracts reduces corruption risks and ensures that projects are completed efficiently and to high standards.

Enhancing Human Capital Through Education and Training

By investing in capacity building and human resource development, the Government aims to cultivate a skilled, adaptable, and competitive workforce. This strategic focus will enhance the country's overall attractiveness 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.

By focusing on the following key areas, the Government strategy is to build a strong human capital base that supports economic growth and development. A skilled and adaptable workforce that not only attracts investment but also drives innovation, productivity, and competitiveness, setting the foundation for sustainable, long-term economic prosperity.

The Government's key focal areas in this regard will include the following:

- **Up-skilling the Workforce:** A well-trained and skilled workforce is essential for attracting investment. The Government plans to implement capacity-building programmes such as vocational training, technical education, and skill development initiatives to equip individuals with the necessary expertise required by investors. By aligning training programmes with industry needs, the workforce can effectively contribute to the success of businesses and industries, thereby enhancing the country's economic competitiveness.
- **Promoting Innovation and Competitiveness:** Human resource development fosters innovation and enhances competitiveness. By investing in education, research and development, and entrepreneurship programmes, Timor-Leste can nurture a pool of talented individuals capable of driving innovation across various sectors. This commitment to innovation makes the country more attractive to investors seeking cutting-edge technologies, ideas, and solutions, positioning Timor-Leste as a hub for innovative enterprises.
- **Improving Productivity:** Capacity-building initiatives will focus on enhancing the productivity and efficiency of the workforce. Training programmes aimed at improving technical skills, management capabilities, and operational knowledge will contribute to higher productivity levels. An efficient workforce can produce more output with the same or fewer resources, making businesses more competitive and profitable, which is a significant draw for potential investors.
- **Enhancing Adaptability to New Technologies and Industries:** As industries evolve and new technologies emerge, it is crucial for Timor-Leste to adapt quickly to remain competitive. The Government will prioritise training and education that enable the workforce to embrace new technologies and adapt to changes in industry demands. This adaptability ensures that the country remains an attractive destination for investment in emerging sectors and can participate effectively in the global economy.
- **Supporting Local Entrepreneurship and Business Development:** Capacity-building programmes will include support for local entrepreneurship and business development. By

providing aspiring Timorese entrepreneurs with training, mentorship, and access to finance, the Government aims to foster a culture of entrepreneurship. Supporting start-ups and small businesses not only contributes to job creation and economic diversification but also attracts investment from those interested in vibrant, local business ecosystems.

- **Ensuring Quality Assurance and Adherence to Standards:** Human resource development includes training on quality assurance, compliance, and adherence to international standards. When the workforce demonstrates a commitment to maintaining high-quality standards, it instils confidence in investors regarding the reliability and consistency of the products or services they will receive. This reputation for quality can be a significant competitive advantage in attracting investment.
- **Promoting Social Stability and Inclusivity:** Capacity-building initiatives can promote social stability and inclusivity by providing opportunities for marginalised groups and regions. Inclusive human resource development ensures that a broader section of society benefits from investment activities. By reducing social tensions and inequalities, the Government creates a more favourable investment climate, as investors are more likely to invest in stable and cohesive societies.

FINANCIAL INCENTIVES AND SUPPORT MECHANISMS

The Government will offer financial incentives such as tax holidays and grants to attract foreign and domestic investments in priority sectors. Support for infrastructure development and access to finance will also be enhanced.

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:

- **Tax Incentives:** It is common for governments to offer tax incentives to investors as a means of reducing their tax burden and increasing profitability. These incentives may include tax holidays, reduced corporate tax rates, accelerated depreciation allowances, investment tax credits, and exemptions from certain taxes or duties.
- **Grants and Subsidies:** The Government may provide grants and subsidies to support specific investment projects or industries. These financial aids could take the form of cash grants, low-interest loans, or subsidies for activities such as research and development, infrastructure development, job creation, or environmental sustainability initiatives.
- **Infrastructure Development Support:** The Government may invest in or facilitate the development of infrastructure projects that benefit investors. This can include constructing 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.
- **Access to Finance:** The Government may establish or support financial institutions that provide access to finance for investors. This could involve supporting development banks, venture capital funds, or loan guarantee programmes that offer favourable terms, lower interest rates, or reduced collateral requirements to stimulate investment.

- **Training and Skills Development:** Governments can support the training and skills development of the local workforce to meet the needs of investors. This may involve funding vocational training programmes, establishing industry-academia partnerships, or incentivising businesses to provide on-the-job training and apprenticeship schemes.
- **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 involve engaging with potential investors through events such as conferences, roadshows, and trade fairs to showcase and promote investment opportunities, including:
 - **Targeted Sector-Specific Investment Promotion Campaigns:** Campaigns aimed at establishing Timor-Leste as an attractive investment destination within specific sectors.
 - **Highlighting Priority Sectors:** Targeted marketing efforts to showcase specific investment opportunities in Timor-Leste's priority sectors, thereby attracting potential investors.

Implementation Planning, Monitoring and Evaluation

A robust monitoring and evaluation framework will be established to track progress and ensure alignment with national development goals. This will involve integrating Ministry strategic plans with the Strategic Development Plan to ensure cohesive and coordinated implementation.

Integrated Ministry Strategic Plans

Aligning and integrating ministerial strategic plans with the Program of the IX Constitutional Government and the Strategic Development Plan is vital for achieving a cohesive and coordinated approach to national development. Rather than individual sectors pursuing their priorities and objectives independently, it is essential that sectoral strategies are integrated and aligned with the broader national vision to achieve the following outcomes:

- **Improved Coordination and Policy Coherence:** National development plans provide a shared vision and direction for the country, setting 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 harmony, minimising policy conflicts and promoting overall policy coherence.
- **Resource Optimisation:** A coordinated approach helps to avoid duplication of efforts, enabling more efficient use of resources. Integrating and aligning sectoral plans with the national development plan allows the government to prioritise sectors based on their contribution to overall national development objectives, allocate resources effectively, and prevent wastage.
- **Encouraging Ownership and Stakeholder Participation:** Aligning sectoral strategies with the national development plan enables stakeholders—including communities, civil society organisations, and the private sector—to participate more effectively in the development planning process. Sub-national actors, such as local governments and regional development institutions, can also become more involved in national development planning by aligning their plans with national priorities.

- **Enhancing Accountability:** National development plans are typically accompanied by monitoring and evaluation frameworks that facilitate tracking progress towards national development objectives. By integrating sectoral plans within the broader national framework, the government can ensure that sectoral progress is reported in the context of national development, thereby promoting accountability and transparency.
- **Providing a Long-Term Perspective:** Sectoral plans often have shorter timeframes, whereas some goals within the national development plan may require long-term vision and commitment. By integrating the two and ensuring that sectoral policies are aligned with the broader national framework, a long-term perspective is incorporated into the development planning process.

Alignment Between the SDP, Programme of Government, SIP and Ministry Strategic Plans

The primary focus in designing this plan was to ensure alignment with the Programme of the IX Constitutional Government and the Strategic Development Plan (SDP). This involves creating a comprehensive system where investments are measurable, and their outcomes and impacts are directly aligned with those of the Programme of Government and the SDP.

To achieve this, the Ministry of Finance and the Ministry of Strategic Planning and Investment are developing a Performance Monitoring Framework. This framework will explicitly link the budget planning process—including all programmes and activities—to the SDP.

This linkage will be facilitated through thorough reviews of individual sector strategies, supporting efforts towards coordination and alignment across all Governmental sectors using the four inter-ministerial working groups. Additionally, this framework will provide the Government with a robust monitoring and evaluation mechanism to support the implementation of the Programme of Government.

With the recent Council of Minister Resolution on the creation to the Inter-Ministerial Coordination Mechanisms, the government has taken a significant step towards enhancing coordination and efficiency across various sectors. These mechanisms are designed to streamline decision-making processes, improve policy coherence, and ensure effective implementation of national development strategies. The four inter-ministerial working groups focus on key areas:

1. Economic Affairs and Investment
2. Social Affairs and Human Capital Development
3. Infrastructure and Territorial Development
4. Governance and Institutional Strengthening

Based on the CoM Resolution, each group is tasked with coordinating policies, programs, and initiatives within their respective domains, fostering collaboration between relevant ministries and

agencies. This structure facilitates a more holistic approach to addressing complex, cross-cutting issues that require multi-sectoral interventions.

By leveraging these coordination mechanisms, the government aims to:

- Enhance policy alignment and reduce duplication of efforts
- Improve resource allocation and utilization
- Accelerate decision-making processes
- Strengthen monitoring and evaluation of cross-sectoral initiatives
- Promote knowledge sharing and best practices across government entities

The intention is to establish a plan that enables the performance of each ministry to be directly connected to both the Programme of Government and the SDP. This ensures that every Ministry's actions contribute cohesively to the national strategic objectives. This integrated approach ensures that all government activities are aligned with the overarching national development goals. It creates a clear line of sight from high-level strategic objectives down to individual ministerial actions and performance metrics. The system will allow for:

- Real-time tracking of progress towards national development targets
- Identification of bottlenecks or areas requiring additional resources
- Enhanced coordination between ministries on cross-cutting issues
- More efficient allocation of resources based on performance and strategic priorities
- Improved accountability and transparency in government operations

By implementing this comprehensive alignment strategy, Timor-Leste aims to accelerate its development trajectory and ensure that all government efforts are working in concert towards shared national objectives.

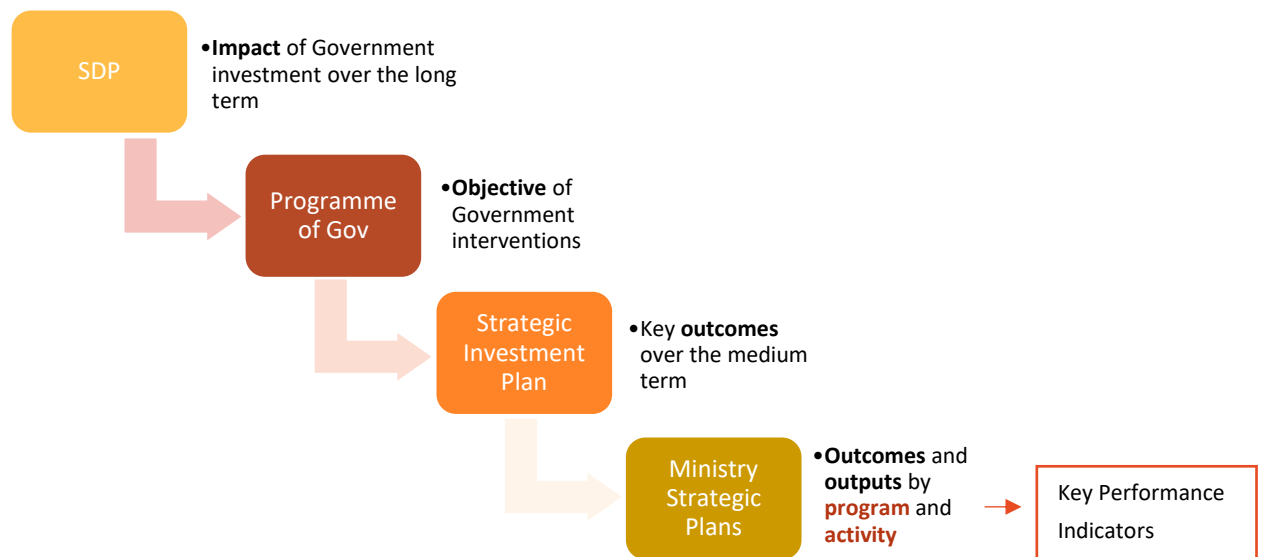
The next phase involves fully aligning this plan with the programme budgets and Annual Action Plans (AAP) of each Ministry for 2026. Furthermore, this alignment will be linked to the performance evaluation system of each Director General and head of government agency. By doing so, individual performance metrics will reflect the strategic goals, promoting accountability and efficiency at all levels of government.

By integrating these elements, the government aims to create a unified and strategic approach to national development. This ensures that resources are optimally utilised, and progress is systematically tracked and evaluated, fostering transparency and accountability within government operations. The intention is to establish a plan that enables the performance of each ministry to be directly connected to both the Programme of Government and the SDP. This ensures that every Ministry's actions contribute cohesively to the national strategic objectives.

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RISK MANAGEMENT

The Performance Management Framework (PMF) will include a risk management component to identify potential challenges and develop contingency plans to mitigate these risks.

Including a comprehensive risk management component in the PMF is essential for proactively identifying potential challenges and developing contingency plans. This approach should help to ensure that the PMF's objectives are achieved effectively and sustainably, even amid uncertainties and unforeseen events.

The risk management process will begin with thorough identification and analysis of potential risks, including financial, operational, strategic, environmental, and social challenges. Engaging stakeholders such as government agencies, private sector partners, and local communities will provide diverse insights, ensuring a holistic understanding of potential issues. Each identified risk will be evaluated to determine its likelihood and impact, allowing for prioritisation and effective allocation of resources to mitigate the most significant threats.

Developing mitigation strategies and detailed contingency plans is critical for preventing risks or minimising their impact. These plans will be integrated with the PMF's objectives, ensuring that risk management supports the overall strategic aims. Continuous monitoring and review processes will be established to oversee risk indicators, enabling timely interventions and adaptations to changing circumstances.

NEXT STEPS

The Government will need to review and reform budgeting and planning laws to better support the implementation of the SIP. This will involve enhancing transparency, accountability, and coordination among government agencies.

By focusing on these new investment opportunities and maintaining a strategic approach to implementation, Timor-Leste aims to achieve sustainable economic growth and improve the well-being of its people beyond 2025.



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