

**THE DEMOCRATIC REPUBLIC OF TIMOR-  
LESTE  
COMBINED SOURCES BUDGET  
2004-05**



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# **PART 1- USER GUIDE**

## **INTRODUCTION**

The purpose of the Combined Sources Budget 2004-05 is primarily to inform the National Parliament and interested parties of the reasons for inclusion of proposed provisions in the 2004 05 Appropriations and to provide an outline of the medium-term fiscal strategy.

The major role of the Budget is to explain requests for funds from the Consolidated Fund for East Timor (CFET) Budget Appropriation Bills. The Budget Paper provides sufficient information, explanation and justification to enable the National Parliament and interested parties to understand the purpose of each appropriation item.

This draft Budget and Background Paper No.1 has been circulated to the Dili Timor-Leste development partners Meeting (TLDPM), 17-19 May 2004, for discussion. Following the TLDPM the 2004-05 Annual Budget Law, Budget Paper No.1 and Budget Paper No.2 will be formally submitted to the National Parliament for consideration.

Budget Paper No.2 provides the budget detail for each programme by the main Treasury account line-items. This is primarily an internal working document and available on request as well as on the Government Website (<http://www.mopf.gov.tp>).

Readers are also referred to: the National Development Plan (NDP) for detail on the Government's medium to long term sectoral visions, goals, strategies and policies; The Road Map (for the Implementation of NDP Programmes); and to the Annual Action Plans (AAPs) and Quarterly Reporting Matrixes (QRMs) for each programme.

## **STYLES AND CONVENTIONS USED**

The following notations may be used:

- - (nil)
- \$m (\$ million)
- \$'000s (\$ thousand)

All currency figures are in US dollars. Current prices are used for 2003-04 and 2004-05 and constant 2004-05 prices are used for all other years. Budget year refers to 1 July 2004 to 30 June 2005. Figures in tables and in the text may be rounded. Discrepancies in tables between totals and sums of components are due to rounding.

## **FUNDING SOURCES**

An explanation of the main sources of funding for Timor-Leste is provided below. Appendix 4 provides an overview of the combined sources funding structure. A full list of acronyms is provided at Appendix 5.

### **Consolidated Fund for East Timor**

The Consolidated Fund for East Timor (CFET) is the central account of Government, structured to reflect revenue, operating and capital income budget.

Revenues are derived from Government taxes, Timor Sea revenues and direct budget support from donor countries.

Direct budget support is provided through a financing mechanism called the Transition Support Programme (TSP), coordinated by the World Bank. As set out in Table 5.1 of the main document, the

following donors have indicated they will provide direct funding support to the 2004-05 CFET via TSP, they are; the Australia, Canada, Finland, Ireland, New Zealand, Norway, Portugal, Sweden, the United Kingdom, the United States and the World Bank.

### **Trust Fund for East Timor**

The Trust Fund for East Timor (TFET) provides grants for economic reconstruction and development activities in Timor-Leste that are prepared and supervised by the World Bank and the Asian Development Bank (ADB). The World Bank is the trustee. The ADB administers TFET projects in the sectors of roads, ports, water utilities, telecommunications, power and microfinance, with the World Bank responsible for TFET projects in the sectors of health, education, agriculture, private sector development and economic capacity building. All TFET projects are implemented by government departments.

TFET receives funding from Australia, the European Commission, Finland, Ireland, Italy, Japan, New Zealand, Norway, Portugal, the United Kingdom and the World Bank, TFET is scheduled to finish in 2006-07

### **Bilateral and Multilateral**

Bilateral and Multilateral funds are provided by donor governments or one of the International Financial Institutions (IFIs) for specific projects defined under a grant agreement. The project and funding is managed by the relevant donor.

### **United Nations Assessed Contribution**

United Nations (UN) Assessed Contributions are the estimated cost of core UN paid personnel working directly in the Government of the Democratic Republic of Timor-Leste (RDTL) operations.

### **Non Government Organisations**

Numerous Non-Government Organisations (NGOs) operate in Timor-Leste providing direct services to the community across all sectors but primarily in health, education and water and sanitation.

## **ENQUIRIES**

Enquires should be directed to: The Director, Budget Office, Ministry of Planning and Finance, Democratic Republic of Timor-Leste.



## PART 2 - OVERVIEW

### COMBINED SOURCES BUDGET

The Combined Sources Budget includes CFET, TFET, UN assessed and bilateral/multilateral components of expenditure, revenue and financing. Table 2.1 summarises the Combined Sources Budget and Financing Requirement.

**Table 2.1**  
**Combined Source Budget and Financing Requirements (\$m)**

	2003-04	2004-05	2005-06	2006-07	2007-08	4 Yr Total
<b>Total Combined Sources Expenditure</b>	<b>218.5</b>	<b>245.4</b>	<b>245.9</b>	<b>248.4</b>	<b>243.3</b>	<b>983.0</b>
CFET	74.6	75.1	78.9	81.9	84.2	320.1
Bilateral/Multilateral	143.9	170.3	167.0	166.5	159.1	662.9
<b>Available Financing</b>	<b>213.5</b>	<b>195.4</b>	<b>116.0</b>	<b>107.9</b>	<b>83.4</b>	<b>502.7</b>
CFET	74.6	75.1	59.0	81.4	74.3	289.8
Donor Support (Grants)	35.7	30.8	0.0	0.0	0.0	30.8
CFET Revenues (excluding FTP)	52.8	41.3	59.0	81.4	74.3	256.0
Change in CFET Reserves (- increase)	-13.9	2.9	0.0	0.0	0.0	2.9
Bilateral/Multilateral	138.9	120.3	57.0	26.5	9.1	212.9
TFET	34.6	24.4	11.5	1.1	0.0	37.0
Bilateral/Multilateral Projects	96.3	88.9	45.5	25.4	9.1	168.9
UN Assessed Posts	8.0	7.0	0.0	0.0	0.0	7.0
<b>Additional Financing Required</b>	<b>5.0</b>	<b>50.0</b>	<b>129.9</b>	<b>140.5</b>	<b>159.9</b>	<b>480.3</b>
CFET	0.0	0.0	19.9	0.5	9.9	30.3
Bilateral/Multilateral	5.0	50.0	110.0	140.0	150.0	450.0

The most significant change since the 2003-04 MYBU to the Combined Sources Budget has been to the CFET financing requirement. This has been revised to \$30.3m in the 2004-05 Budget from \$126.3m in the 2003-04 MYBU largely due to:

- changes in Government's policy, particularly substantial expenditure reductions and improved revenue compliance; and
- developments in petroleum revenues.

Despite this large and timely progress, very substantial risks remain that threaten the security of core CFET expenditure. The overall level of assistance sought from development partners for budget support has been reduced from \$70m over the next three years to \$60m. Timor-Leste now requests:

- no additional assistance in 2004-05 beyond the ongoing programme of approximately \$30m; and
- an extension of this programme at about the current levels into 2005-06 and 2006-07.

The three reasons for this request are to:

- help fund the CFET financing requirement of \$30.3m;
- help manage the very large (over \$100m) downward risk to revenue; and
- help fund the CFET component of implementation, maintenance and recurrent cost implications for new programmes being developed under the Sector Investment Packages (SIPs) that are not yet able to be quantified or included in CFET expenditures.

Finding additional CFET financing is the highest priority of the Government and is the focus of the May 2004 Timor-Leste development partners Meeting (TLDPM).

The additional financing requirement for bilateral/multilateral projects has also changed because Government and development partners have made good progress towards developing the Sectoral Investment Programs (SIPs). This ongoing work on SIPs both defines the required expenditure and the funding sources to best achieve NDP objectives. Work to date suggests that Timor-Leste will avoid absorption problems by maintaining the disbursement level of the SIPs programme within the past levels of development partner assistance. The finalisation of SIPs will also reveal the implications of any implementation, maintenance and running cost implications for the CFET budget. SIPs will be the focus of future TLDPMs and eventual new bilateral support from countries and institutions.

## MEDIUM-TERM CFET POSITION AND FISCAL OPTIONS

The medium-term CFET position is shown in Table 2.2.

**Table 2.2**  
**CFET Budget 2003-04 to 2007-08 (\$m)**

	2003-04	2004-05	2005-06	2006-07	2007-08	4 Yr Total
<b>Revenue</b>	<b>57.4</b>	<b>67.1</b>	<b>86.4</b>	<b>110.7</b>	<b>103.9</b>	<b>368.1</b>
Domestic Revenues	26.1	23.0	23.8	25.0	26.6	98.4
Timor Sea Revenues	31.3	44.1	62.6	85.7	77.3	269.7
Tax Revenues	26.7	18.3	35.2	56.4	47.7	157.6
FTP Royalties & Interest	4.6	25.8	27.4	29.3	29.6	112.1
FTP	4.5	25.5	26.1	26.9	25.9	104.4
Interest	0.1	0.3	1.3	2.4	3.7	7.7
<b>CFET Expenditures</b>	<b>74.6</b>	<b>75.1</b>	<b>78.9</b>	<b>81.9</b>	<b>84.2</b>	<b>320.1</b>
Salary and Wages	26.1	28.2	28.9	29.5	30.0	116.6
Goods and Services	38.2	36.8	37.8	39.6	40.4	154.6
Minor Capital	3.4	1.7	2.9	2.7	2.8	10.2
Capital Development	7.0	8.4	9.3	10.1	10.9	38.7
<b>Overall Balance (-deficit)</b>	<b>-17.2</b>	<b>-8.0</b>	<b>7.5</b>	<b>28.8</b>	<b>19.7</b>	<b>48.0</b>
<b>Financing</b>						
Donor Support (Grants)	35.7	30.8	0.0	0.0	0.0	30.8
Change in CFET Balances (-increase)	-13.9	2.9	0.0	0.0	0.0	2.9
Timor Sea Savings	-4.6	-25.8	-27.4	-29.3	-29.6	-112.1
<b>Financing " Gap"</b>	<b>0.0</b>	<b>0.0</b>	<b>-19.9</b>	<b>-0.5</b>	<b>-9.9</b>	<b>-30.3</b>

In the 2003-04 MYBU and at the December 2003 TLDPM, the Government presented estimates of the medium-term financing gap. The Government committed to searching for measures on expenditure, revenue and asset sales to contribute to filling the financing gap. It also asked development partners for an additional \$70 million of assistance through an expanded and extended TSP programme.

Table 2.3 shows how the fiscal gap of \$126.3m over 4 years has changed since the 2003-04 MYBU as a result of contributions from: Government responsibilities, including for domestic revenue and expenditure; changes in CFET cash balances; Timor Sea developments; and budget support from development partners.

**Table 2.3**  
**Changes in the Fiscal Gap from 2003-04 MYBU to 2004-05 Budget (\$m)**

	2004-05	2005-06	2006-07	2007-08	4 Yr Total
<b>2003-04 MYBU</b>	<b>-20.5</b>	<b>-59.8</b>	<b>-46.0</b>	<b>0.0</b>	<b>-126.3</b>
Total Changes	20.5	39.9	45.5	-9.9	96.0
Govt. Responsibilities	10.2	12.4	17.9	0.0	40.5
Timor Sea Revenue	8.6	27.5	27.6	-9.9	53.8
Development Partners	1.7	0.0	0.0	0.0	1.7
<b>2004-05 Budget</b>	<b>0.0</b>	<b>-19.9</b>	<b>-0.5</b>	<b>-9.9</b>	<b>-30.3</b>

The Government has made a very significant contribution of \$40.5m to closing the 2003-04 MYBU financing gap from policy and administrative measures on domestic revenue and expenditure. This has been achieved by focusing on measures which reduce cost overheads (efficiency savings) but do not impact on services delivered to the community.

The Government's contribution is almost as large as the contribution of \$53.8m from improved Timor Sea developments. While part of this arises from improved compliance with tax laws, most comes from higher world oil prices, improved production volumes and changes in the commencement of depreciation deductions for tax purposes. Higher contributions from development partners arising from greater commitments and exchange rate adjustments have also reduced the fiscal gap by \$6.2m. Despite these significant improvements a financing gap of \$30.3m remains.

Timor Sea taxation revenues are highly volatile and difficult to forecast. They are influenced by factors beyond the control of Timor-Leste. This leaves Timor-Leste significantly exposed to shifts in its CFET budget. Table 2.4 shows the impact on the CFET fiscal gap as a result of scenario analysis of Timor Sea revenues, using a high case scenario and a low case scenario.

**Table 2.4**  
**Fiscal Gap Under Different Scenarios (\$m)**

	2004-05	2005-06	2006-07	2007-08	4 Yr Total
Budget Estimates	0.0	-19.9	-0.5	-9.9	-30.3
High Case Scenario	10.7	11.2	33.4	34.7	90.0
Low Case Scenario	-2.8	-47.0	-44.4	-43.9	-138.1

If the high case scenario for Timor Sea revenues eventuated then there will be no financing gap in any future year and \$90.0m would be available for savings or additional expenditure. In this case, the Government would be inclined to save the additional revenue in its petroleum fund and spend any unused budget support on capital and development projects agreed with development partners.

If the low case scenario for Timor Sea revenues eventuates then the financing gap will increase to \$138.1m over the next four years. This is well beyond the scope of Timor-Leste's current resourcing to manage unassisted. This possibility is one of the reasons that Government is requesting an extension of the budget support provided by TSP beyond 2004-05 and into 2005-06 and 2006-07.

The very real possibility that Timor Sea revenues are substantially (over \$100m) lower than those contained in the 2004-05 Budget also supports the Government's strong savings policy. Timor-Leste needs to plan to keep sufficient reserves to fund core CFET expenditure against the possibility that Timor Sea revenues could be very low. Table 2.5 shows the Budget estimates of the balance of FTP savings under current policies and the balance of CFET reserves.

**Table 2.5**  
**Estimates of Timor-Leste Savings**

	2003-04	2004-05	2005-06	2006-07	2007-08
First Tranche Petroleum Fund	14.0	39.8	67.2	96.5	126.1
CFET Retained Earnings	30.0	27.1	27.1	27.1	27.1
<b>Total</b>	<b>44.0</b>	<b>66.9</b>	<b>94.3</b>	<b>123.6</b>	<b>153.2</b>

These reserves would also include any potential to fund spending from petroleum fund savings and concessional loans. While no decisions have yet been taken, this suggests that these options be held in reserve and not used at this stage.

Policy on saving or spending the FTP petroleum savings will be made in the context of the establishment of a petroleum fund. A petroleum fund advisor is expected to provide advice in early 2004-05 and leading to the establishment of the fund in law by the end of 2004-05. Decisions about concessional loans will be made after the Government has received a feasibility study that was requested from the World Bank on IDA loans in September 2003.

As reported in the 2003-04 MYBU, decisions on petroleum savings and concessional loans will also be contingent on the decision by development partners about their contributions to filling the CFET financing gap, whenever these are less costly than other options in regard to public investment.

## **CONTRIBUTIONS FROM GOVERNMENT POLICIES AND ADMINISTRATION**

In the 2003-04 MYBU and the December 2003 TLDPM, the Government committed to searching for measures on expenditure, revenue and asset sales as its contribution to filling the financing gap.

Since then, policy and administrative decisions have contributed to reductions in the financing gap that total \$42.4m over the three years 2004-05 to 2006-07. Of this, \$10.1m arises from higher domestic revenues and \$31.3m arises from lower expenditure levels, which is partially offset by \$0.9m less use of CFET balances. Table 2.6 shows the changes in these estimates over the next three years.

**Table 2.6**  
**Government's Contribution to Closing the Financing Gap (\$m)**

	2004-05	2005-06	2006-07	2007-08	4 Yr Total
<b>Domestic Revenue</b>	<b>3.0</b>	<b>3.3</b>	<b>3.8</b>	<b>Na</b>	<b>10.1</b>
<b>Expenditure</b>	<b>8.1</b>	<b>9.1</b>	<b>14.1</b>	<b>Na</b>	<b>31.3</b>
Salary and Wages	0.2	0.9	1.1		2.2
Goods and Services	4.4	5.3	6.9		16.6
Minor Capital	2.5	2.1	2.9		7.5
Capital Development	0.8	0.9	3.2		4.9
<b>Use of CFET Balances</b>	<b>-0.9</b>	<b>0.0</b>	<b>0.0</b>	<b>Na</b>	<b>-0.9</b>
<b>Total</b>	<b>10.2</b>	<b>12.4</b>	<b>17.9</b>	<b>Na</b>	<b>40.5</b>

The increases in the domestic revenue estimates arise from improvements in administration and are based on strong revenue collections in recent months.

The reductions in expenditure are across all categories of expenditure. They are lightest in the categories of funding for capital development and salaries. This minimises the impact on government employment and on long-term growth prospects. They are correspondingly heaviest in the categories of goods and services and minor capital.

The Government has worked very quickly to undertake significant reductions in expenditure. These reductions have focused on overhead expenditures that are, in the main, not directly related to service delivery. Having made these policy decisions, the Government has exhausted the potential for further expenditure reductions as any further reductions in expenditure will significantly affect the level of government services to the Timorese population.

There has also been a small offset to the Governments contribution to closing the CFET financing gap for 2004-05 from less use of CFET balances.

## TIMOR SEA DEVELOPMENTS AND RISKS

The Timor Sea revenues are based on many assumptions, including for world oil prices and production quantities. As reported in the 2003-04 MYBU, “the appropriate assumptions to use for forecasting change as new information becomes available and as conditions change”.

For the 2004-05 Budget, the key changes in assumptions have been:

- an increase in assumed world oil prices (West Texas Intermediate basis) to an average of about \$24 dollars over the rest of the decade (increases revenue estimates);
- an increase in production volumes in 2004 from 11.8 mmbbl to 15.5 mmbbl (increases revenue estimates);
- a delay in the commencement of tax depreciation from January 2004 to April 2004 (increases revenue estimates); and
- an increase in construction costs largely associated with a weaker US dollar (decreases revenue estimates).

Given that there will be changes to these assumptions in future, scenarios have also been constructed. The high case scenario is based on a world oil price of \$28bbl and the “high case” quantity scenario of the project operator that is based upon probable reserves. The low case scenario is based on a world oil price of \$22bbl, the “low case” volume scenario of the operator and a closure of the EKKN field in April 2004. Table 2.7 shows the Timor Sea tax revenues in the Budget estimates and also for the high case and low case scenarios.

**Table 2.7**  
**Timor Sea Tax Revenues – Scenario Analysis (\$m)**

	2004-05	2005-06	2006-07	2007-08	4 Yr Total
2004-05 Budget Estimates	18.3	35.2	56.4	47.7	157.6
High Case Scenario	29.0	66.3	90.3	92.3	277.9
Low Case Scenario	15.5	8.1	12.5	13.7	49.8

The 2004-05 Budget estimates of Timor Sea revenue are for \$157.6m over the next four years. However, if the high case scenario eventuates then Timor Sea revenues will be \$277.9m. In contrast, if the low case scenario eventuates then Timor Sea revenues will be only \$49.8m over the next four years.

There are very large risks to Timor Sea revenues over the next four years. Revenue could be over \$100m lower than the 2004-05 Budget estimates or it could be over \$100m higher. In addition, these scenarios are not the maximum or minimum for revenue – the variation in revenue could be greater than that shown in the scenarios. For example, the low case scenario is based on an assumed price of \$22 per barrel, but oil prices could be much lower – they have varied between \$18 and \$36 over the last five years and averaged about \$19 from 1986 to 1999. Timor-Leste must manage these very large risks by putting in place appropriate policies, such as building up a sufficient level of reserves. Timor-Leste seeks assistance from development partners to enable it to do so.

## **SUMMARY OF SECTOR INVESTMENT PACKAGES (SIP) PROCESS AND IMPLICATIONS**

The process of finalising SIPs is underway and already there are three key messages emerging.

First, SIPs will make a very important contribution to the development of Timor-Leste and the delivery of services to its people.

Second, the annual level of SIPs envisaged will be within the previous levels of development and technical assistance provided by development partners. This is to enable Timor-Leste to avoid absorption problems that might otherwise arise.

Third, the SIPs will have recurrent cost implications for the CFET budget that are not yet included in the budget estimates. These will arise because of the need for CFET to contribute towards the implementation, maintenance and running costs of SIPs. The magnitude of these implications will emerge as the SIPs process is finalised and will then be brought into the budget estimates.

Work is underway on fourteen SIPs. The nine SIPs that were drafted in November 2003 were analysed by the respective Ministries concerned and are in the process of being revised.

Work on the five governance SIPs was launched in January 2004. First working drafts have been prepared for all but the External Relations SIP. Work has started on the latter and a first working draft of the others ready for internal review and discussion.

Individual ministries are continuing to have increasing ownership of the SIP process and are becoming familiar with the analysis and approach. The Government remains focussed on finalising the SIP exercise soon in order that clear priorities can be established for expenditures within sectors and across sectors.

The Government is aiming to complete the first full set of SIPs in ample time to factor the results of the work into the 2004-05 MYBU and the next round of TLDPM discussions. This will also provide enough time for a systematic round of discussions with individual donors on the programmes and sectors that they can support. This should ensure a much more informed discussion at the likely TLDPM in December and clearer indications of development partner support over the medium term.

## **IMPROVING EXPENDITURE OUTCOMES IN THE 2004-05 BUDGET**

As outlined in the 2003-04 MYBU a major component of the Government's budget strategy was to restrain expenditure in order to:

- manage the significant financing gap projected at the time;
- improve the quality of expenditure; and
- reduce the projected growth in CFET expenditures to a sustainable level over the medium term.

The Government has clearly demonstrated its intent to implement strong fiscal discipline to ensure the long term sustainability of its operations. In this regard the Government has undertaken a concerted programme of expenditure reductions, based on the following principles:

- reductions to be targeted at overhead costs, with a focus on improving efficiency and maintaining and improving service delivery, particularly within districts;
- salaries and wages to be isolated from reductions to facilitate the implementation of service delivery and ensure the capacity and development of the civil administration is not adversely affected;
- reductions to goods and services, mainly through reducing overhead costs;
- reductions minor capital, given that the major fit out costs of government offices have occurred in the previous two years, and in light of the expected handover of substantial assets from the UNMISSET mission and other bilateral contributions; and

- protection of funding for capital and development from the majority of reductions and gradually increased as a proportion of CFET expenditure over the period of 2004-05 to 2007-08 to ensure continued economic growth within the nation.

Taking into account emerging priorities within the nation, and the commitments made through the TSP, the Government has achieved its budgetary goal, meeting a range of funding priorities, while achieving a significant reduction in recurrent expenditure over the medium term.

Funding for the capital and development programme has been quarantined from major reductions it has been maintained at a similar proportion of total Government expenditure to that forecast in 2003-04 (approximately 11% in 2004-05, increasing to 13% by 2007-08).

Within recurrent expenditure, funding for salaries and wages has been reduced from previous estimates over the medium term as Government expenditure on salaries stabilises due to the civil services approaching its mature size. However, some provision has been made for increases in salaries of approximately 6% over the forward estimates period. This is included to allow for promotion of staff and a possibility of increased salary costs.

Goods and services remain steady as a proportion of recurrent expenditure at approximately 55% over the budget and medium term, while increasing in dollar terms by approximately 10% over this period. This will provide a sustainable increase in line with the rising level of capacity within the civil service. Categories providing the majority of projected expenditure growth over this period are directly related to service delivery, and include:

- operational materials and supplies (this item provides for poverty reducing items such as agricultural, medical and school supplies);
- maintenance of equipment and buildings ; and
- other services (this item provides a variety of services such as routine road maintenance, routine maintenance of water and sanitation, and provision of services within hospitals).

Expenditure on minor capital has also been reduced substantially from that forecast in the 2003-04 Budget. The Government has undertaken this reduction in response to the expected handover of a substantial amount of equipment from the UNMISSET mission, and the high levels of equipment introduced over the previous two to three years. Particular areas of reduction have been:

- EDP equipment (Information Technology);
- furniture and fittings; and
- vehicles.

The need for continued high levels of minor capital has been reduced. In the forward estimates, minor capital expenditures remain steady at approximately 4% of the recurrent budget, providing a steady level of funding targeting asset replacement.

# **PART 3 – STATE OF THE NATION**

## **GENERAL DEVELOPMENTS**

### **Suco Elections**

Several important steps have been taken in preparation for the election of Suco Councils and Chiefs. These will be the nation's first elections since the hand over of governance by UNTAET to the National Government on 20 May 2002.

Legislation has been established with the promulgation of the Law for Suco elections, the Law governing political parties and a decree-Law defining the roles and functions of the Suco Councils and Chiefs.

On 19 March 2004 the President of the Parliament empowered the National Commission of Elections. The Commission is presided over by a Timorese elected by the Parliament and is from by the FRETILIN bench. The Commission will compose 13 members 7 of whom will be women.

The elections must be undertaken in phases, beginning in the last quarter of 2004, in three districts.

The biggest task in the preparation for the elections is associated with the register of eligible voters. This is scheduled to commence at the end of May 2004, with the final list of voters being published at the end of September of 2004. The elections will be a logistic challenge for the Government, considerable assistance will be crucial for this activity to be concluded successfully.

The National Parliament has approved the Civil Service Act and the Provider of Human Rights and Justice Act. The Laws will come into force after promulgation by the President of the Republic and consequent publication in the Journal of the Republic. Organic laws for the FALINTIL-fdtl and the PNTL have been approved by the Council of Ministers and promulgated by the President of the Republic.

### **Open Government**

The Government recognises the importance of an informed population, free of mistrust and to fear, particularly in the districts, sub districts and juices, you promote to their involvement in development and commitment you the implementation of the National Plan of Development.

The Government has organised the Open Government forums in the districts, sub districts and juices with the intention of showing leadership, you institute simple and direct forms of mutual communication, and you listen you the people; you take into account to their concerns in the development of programs; and you select the level of participation and commitment of the people you programs and projects of the Government and to other actors in the process. Mechanism involving various Ministries was established you pursue and implement outcomes arising from the Open Governance forums, with the pretext of rational management of scarce resources. The first round of Open Government forums in the 13 Districts should be completed around July or August this to year.

### **National Dialogue**

The Office of the President of the Republic continued, for its part, with the initiatives to promote national stability through the participation of different parts of society in the process of national dialogue.

During February 2004, the office organised a series of forums in the districts, which culminated in a four-day national dialogue on the justice system during 5-8 March 2004. The President of the Republic, the Prime Minister, the President and Members of the Parliament, relevant Government Ministries and Agencies, the Judiciary, various interest groups, and representatives of UN Mission in Support of East Timor (UNMISSET), other development partners and the Commission for Reception, Truth and Reconciliation (CAVR) participated in this important event.



The dialogue focussed on the importance of the justice system in ensuring the rule of law, protection of the rights of the citizens and promoting an open and harmonious society. The proceedings of the dialogue were broadcast live on radio and television throughout the nation.

## **Security**

The security situation in the country remained largely stable except for reports of sightings of armed gangs and criminal elements in districts bordering West Timor. In December 2003, some 42 soldiers were dismissed by the Timor-Leste Defence Force (F-FDTL) for various disciplinary infractions including prolonged unauthorised absence. In January 2004, an altercation between elements of the F-FDTL and the National Police (PNTL) occurred in Lautem.

The issue is being analysed by an Independent Commission created by the President of the Republic. Disciplinary and criminal procedures are being handled through competent areas of the Government and the justice system.

Contrary to 2002, the period of the beginning of 2003 until now has seen small and peaceful political demonstrations, mainly in relation to the maritime borders which are subject to negotiations between Timor-Leste and Australia.

The transfer of executive responsibility of internal security from the UN Police to the PNTL has proceeded apace and is largely complete, with the final and complete transfer taking place on midnight, 20 May 2004.

Despite a number of institutional weaknesses, the PNTL, with the support of UNMISSET, continues to make progress in implementing the 2003-04 institutional strengthening action plan on key administrative and procedural issues. They include measures to improve liaison between the PNTL and other institutions. Also, they covered the extension of basic training of new police recruits, in-service training, the inclusion of human rights in all police training, and an initial comprehensive review of police procedures. Following the hand-over of executive authority for policing to the PNTL, the role of UNMISSET support to the police would be transformed from a combination of operational and training duties, to a focus on mentoring and capacity building.

## **Reconciliation**

The Commission for Reception, Truth and Reconciliation (CAVR) continued with its work during the past five months. From 15 to 18 December 2003, the Commission held a national public hearing on the Timorese Political Conflict of 1974-76. Prominent Timorese leaders including the President of the Republic, the President of the National Parliament and the Prime Minister gave testimony as participants in the internal conflicts of 1975 and the illegal occupation of the country later that year. The objective was to talk openly about the facts, to dispel doubts and contribute towards reconciliation and the establishment of a peaceful and tolerant society.

During 15-17 March 2004, the CAVR organised a public hearing on "Self-Determination and the International Community". The forum heard testimonies about the roles of governments, the United Nations, international assistance groups, and the Timorese in the Diaspora. The hearings were intended to promote public education on the involvement of the international community on East Timor's fight for independence. The witnesses included staff of UNAMET, staff of the Governments of Australia and the USA (at the time), representatives of international advocacy groups from Indonesia, Portugal and the USA, and some members of the Timorese Diaspora. The proceedings were broadcast on the radio and TV.

The Commission conducted its final national public hearing from 29 to 30 March 2004 on the theme of "Children and the Conflict." Testimony was offered by survivors of children forced to provide logistical support to the Indonesian combat forces, survivors of the massacres, and children taken away from their families by the Indonesian military.

31 March marked the conclusion of CAVR's community reconciliation activities. The report will include recommendations for future action in relation to justice, reconciliation and ongoing work with victims of violations. The CAVR is expected to submit its report to the President of the Republic in October 2004, when the mandate for CAVR concludes.

## **Presentation at UN Economic and Social Commission**

In mid-March 2004, the Vice Minister in the Ministry of Planning and Finance co-chaired the High-Level Segment Preparatory Meeting on Resource Mobilisation for Implementation of the Brussels Programme of Action for Least Developed Countries, organised by the UN Economic and Social Commission (ECOSOC) in New York. This is the first time that Timor-Leste has co-chaired such a meeting. Together with the Senior Deputy Resident Representative of the UNDP, the Vice Minister made a comprehensive presentation on:

- the milestones in the evolution of an independent Timor-Leste;
- the national development vision and their linkage to the Millennium Development Goals (MDGs);
- the trends in international development assistance against resource needs; and
- the efforts being made by the Government in promoting economic growth and achieving the MDGs.

The presentation of the Vice Minister was warmly received by the various representatives of the development partners.

## **UNMISSET**

Considerable progress has been made by the UN Mission in fulfilling its mandate in the country, which focuses on the three priority areas of:

- ensuring security from external threats and stability,
- maintaining public order and strengthening the PNTL, and
- providing support to the public administration and promoting democracy and justice.

At the same time, it is recognised that the nascent local institutions are still fragile and the Timorese personnel require further nurturing and support to build confidence and perform in an effective manner. Accordingly, the Government of Timor-Leste requested the UN for continued support for a further 12 months beyond the current two-year phase, which is scheduled to conclude on 20 May 2004.

Based on consultations with the Government and development partners, the UN has prepared a set of proposals, which were incorporated in the February 2004 Report of the UN Secretary General to the Security Council. The report recommended an extension of UNMISSET for another year with a modified mandate. The priority focus of the Mission during the one-year extension period would be to provide assistance to the:

- justice system and to core administrative structures critical for the viability and political stability of the country;
- continued development of the PNTL; and
- Government in regard to maintenance of security and stability.

The proposals on administrative support were formulated based on the "most critical" functions identified by the Government, augmented by UNMISSET and UNDP analyses. They envisage the provision of up to 58 international advisers under UNMISSET for another year (as a follow-up to the 100-positions). The positions will be in the priority areas of:

- finance (17);

- other key ministries (18);
- justice (15 including 4 international judges-mentors for District courts); and
- other organs of the Government such as the Offices of the President and the Prime Minister (8).

Also, support for the serious crimes process, with a view to bring it to an orderly and successful conclusion is envisaged during the period. In addition, the Government, together with UNMISSET and UNDP has identified some 99 “critical” positions to be filled by international advisers for which funding would be sought from bilateral and other sources (as a follow-up to the 200-posts).

The executive authority for law enforcement in the one-year “consolidation phase” will rest with the PNTL. UNMISSET support in the next phase is expected to focus on advice, training and mentoring for the police force by about 157 international police advisers. In addition, it is proposed to provide military assistance to help the Government in the maintenance of security and stability. It is expected to comprise a total of about 350 personnel, including an infantry company of 120 and 42 military liaison officers, to be deployed in the border areas. It is also foreseen that a component of the police consisting of approximately 125 police officers will be integrated in the UN peacekeeping force. The Secretary General’s report and the proposals are under consideration by the Security Council, whose decision is expected in May 2004.

## **Capacity Development**

Some significant activities have been undertaken as a follow-up to the discussion on capacity development at the December 2003 meeting with development partners. They included the completion of the Diagnostic Clinic Workshops covering between 57% and 86% of the staff in Levels IV to VII in the Ministries and the Office of the Prime Minister. A report containing the preliminary results of the Diagnostic Clinic Workshops was circulated in mid-February 2004.

In preparation for the request to the UN for continued assistance for a further 12-month period, the Government organised jointly with UNMISSET and UNDP, a workshop on Institutional Capacity Development on 16 February 2004. The workshop participants included Government officials including Ministers and international advisers. The SRSG and the Prime Minister opened the workshop, in the presence of representatives of development partners. Key Government Ministers and heads of Agencies presented their preliminary plans of action for institutional capacity development, with ultimate focus on exit strategies for international advisers. They covered not only topics such as transfer of technical and managerial skills but also the institutional culture (bureaucracy), work ethics and integrity for efficient delivery of public services. The discussions were lively with active participation of policy makers, Government functionaries and international advisers.

The workshop has been a good start on the way to formulation of a medium-term strategy for capacity development. Further work is planned to be undertaken in the coming months drawing upon the decision of the UN Security Council on civilian support and the formulation of the follow-on capacity development project (successor to the 200-posts project) by UNDP.

## **THE CENSUS**

The National Statistics Directorate of the Ministry of Planning and Finance is undertaking the first national Population and Habitation Census of Timor-Leste. There have been major changes since September 1999 with some people leaving the country or others returning from abroad, namely after the Restoration of Independence. There has also been a high, but unknown, rate of population growth and also rural exoduses in which many people are moving towards the cities, in particular to the capital.

The launching campaign of the Census took place at 14 February 2004 Census, in a public ceremony that had the presence of the President of the Republic, Prime Minister, due to the fact that the Census encompasses all of the country, District Administrators, Subdistrict Administrators, Members of the Government and representatives of several international agencies were also present.

A team of 3,500 census supervisors and interviewers will visit some 180,000 households in every village to collect information on the number of people in Timor-Leste and the conditions in which they live. The questions concern family members, education, religion, income, health etc and are designed to give the government important information for planning development projects in every area.

The 2004 Census will fill the information gap by providing the latest statistics on population and socio-economic conditions in all areas of the country, thus helping the Government to better plan the reconstruction and development in a way that focuses more accurately on the needs of the people.

To ensure that all questions are answered truthfully, there is a law ensuring confidentiality of all information revealed in the census.

The Government requires all citizens to participate in the Census as a national exercise.

The purpose of the Census is best summed up in the words of the census slogan “*Hamutuk ita hari futuru*”, together we can build the future. The rising sun in our Census logo shows the promise of a new future for a new nation. Census Day is on July 11, 2004.

## **EXTERNAL RELATIONS**

### **General Activities**

After the restoration of independence, the Democratic Republic of Timor-East adhered to the Charter of the United Nations as well as the Universal Declaration of the Human Rights. Equally, Timor-Leste has adhered to the Conventions On the Disarmament of Nuclear Weapons and its protocols, as well as the International Treaty on Human Rights and its respective protocols.

Timor-Leste has signed agreements and protocols of cooperation with various countries in the region, Europe, the Americas, Africa, as well as countries where Portuguese is the official language.

Timor-Leste has established formal diplomatic relations with 89 countries, of which 46 had accredited Embassies to Timor-Leste, 15 of which have Ambassadors resident in Dili. Timor-Leste has opened eight embassies overseas, Washington, New York, Lisbon, Brussels, Kuala Lumpur, Jakarta, Canberra, Maputo and a general consulate in Sydney. Timor-Leste has assigned honorary consuls in Melbourne and Manila. Embassies in Beijing, Tokyo and Bangkok will be opened still during the next fiscal year.

Joint Ministerial commissions with Indonesia and Brazil have been established, in view of the reinforcing bilateral relations and cooperation, with a focus on the areas of education, health, transport and communication, and Agriculture. Identical Ministerial commissions will be created future with other countries.

At the regional level, Timor-Leste has been given the status of Special Observer in the South Pacific Forum, having been admitted as 78th member of the ACP (Africa, Caribbean and Pacific) and adhered to the Agreement of Cotonou in May of 2003.

Timor-Leste is a co-founder of the South Western Forum of the Pacific, together with Australia, Indonesia, New Zealand, the Philippines and Papua New Guinea.

Timor-Leste participated in the Conference on People Smuggling, Trafficking in Persons and Related Transnational Crime held in Bali which is a regional cooperative initiative to prevent and to deal with the issues of contraband and people smuggling. This will enable Timor-Leste to improve its border management and identifying fake identification via shared information with others in the regional network.

Timor-Leste also participated in the regional meeting in Bali on counter-terrorism. The main objective of which is to fight terrorism, through effective coordination, exchange of information between the affected countries. As well as identifying forms in which to strengthen antiterrorist cooperation within countries of

the region and to encourage more effective contributions within the different agencies of the countries involved.

Timor-Leste also participated actively in the inter-Governmental consultations of Asia and the Pacific on refugees, the dislocated and immigrants. Trilateral meetings have been carried out between Australia, Indonesia and Timor-Leste.

Timor-Leste has been invited as a guest to the Permanent Committee of the Association of the Nations South Eastern Asia (ASEAN) in 2002 and 2003. Timor-Leste has revealed its desire of becoming a full member of the regional forum of ASEAN as well as in adhering to the ASEAN Treaty of Friendship and Cooperation.

Besides being an effective member of the Community of Portuguese Speaking Countries (CPSC) and the Movement of Non-Aligned states, Timor-Leste has equally adhered to more than 30 regional and international organizations and specialised agencies such as the Atomic Energy Agency, the International Monetary Fund (IMF) , the World Bank, the International Labour Organisation (ILO) and International Court of Justice.

## **Relations with Immediate Neighbours**

The excellent communications with Indonesia continued during the period, with commitment to good relations at the highest political level on both sides. However, progress on resolving a number of pending bilateral issues has been slow. Some 16,000 former refugees remain in West Timor. Also, a durable solution is yet to be found for the outstanding cases of East Timorese children separated from their families. The target date of 30 November 2003 for the two governments to finalize a provisional border demarcation line was not met, although technical work continued in spite of some logistical and other difficulties. There is a continuing need for communication and dialogue between the security agencies of Timor-Leste and Indonesia to guard against misunderstandings and undesirable unilateral actions.

The first round of negotiations with Australia on the maritime boundaries concluded on 22 April 2004. Timor-Leste presented significant material in support of its position, but there was little progress. Although Timor-Leste proposed the next round of discussions in May 2004, the Australian delegation preferred to wait until September 2004 to resume the talks. A fair delineation and just distribution of the Timor Sea mineral resources would strengthen the relations between the two countries and contribute to the improved economic well-being of Timor-Leste. Australia, however, continues to promote and emit licences for oil and gas exploration in zones that are situated in areas of overlapping claims and recognised as areas joint exploration by Dili and Canberra

## PART 4 – TSP (PROGRESS -TSP II & PROPOSALS - TSP III)

### CURRENT TSP FINANCING

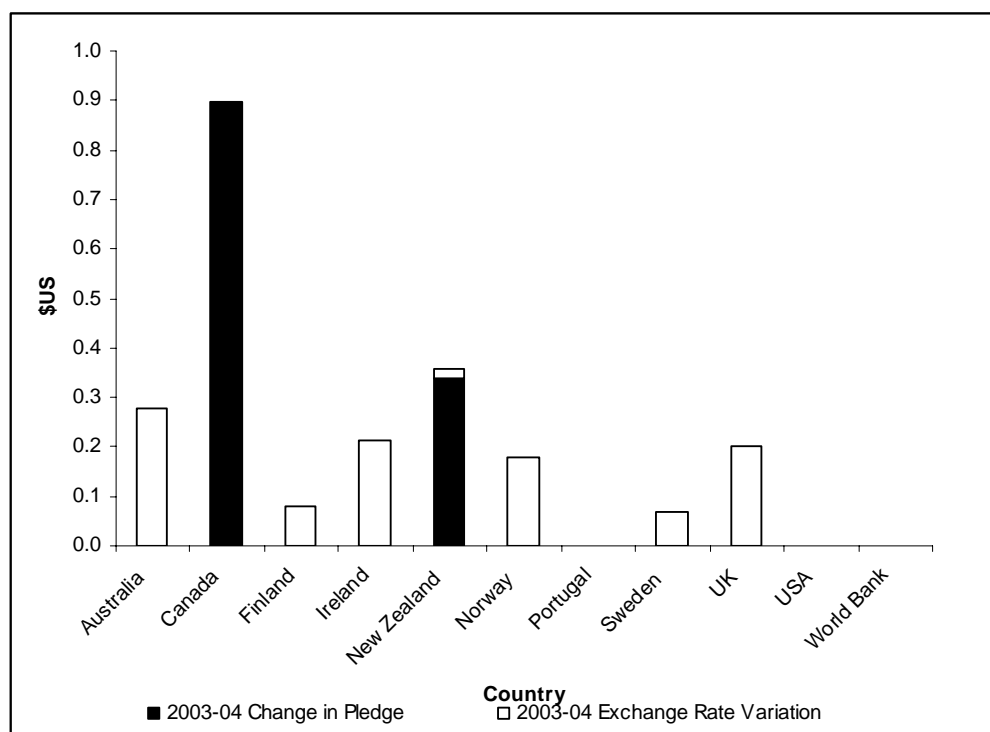
The expected level of direct budget support from the TSP programme is set out in Table 5.1. The figures have been revised since the 2003-04 MYBU. Changes the 2003-04 MYBU are in Chart 4.1.

**Table 4.1**  
**TSP Financing (\$m)**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Total
Australia	5.6	5.9	4.4	0.0	0.0	0.0	15.9
Canada	0.7	0.9	0.0	0.0	0.0	0.0	1.6
Finland	1.6	1.3	1.3	0.0	0.0	0.0	4.2
Ireland	1.0	4.2	2.4	0.0	0.0	0.0	7.6
New Zealand	0.5	0.3	0.3	0.0	0.0	0.0	1.1
Norway	3.6	3.7	3.7	0.0	0.0	0.0	11.0
Portugal	3.0	3.0	3.0	0.0	0.0	0.0	9.0
Sweden	0.0	1.4	0.0	0.0	0.0	0.0	1.4
United Kingdom	6.1	6.9	6.9	0.0	0.0	0.0	19.9
United States of America	3.9	3.9	3.9	0.0	0.0	0.0	11.7
World Bank	5.0	4.2	4.9	0.0	0.0	0.0	14.1
<b>Total</b>	<b>31.0</b>	<b>35.7</b>	<b>30.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>97.5</b>

TSP funding is estimated to increase from \$33.8m in 2003-04 to \$35.7m as a result of favourable exchange rate variations and confirmation of financing from Canada (\$0.9m in 2003-04). In 2004-05 estimated TSP support has risen by \$1.7m as a result of an increase in the pledge made by the World Bank (\$0.9m in 2004-05) and favourable exchange rate movements. TSP support from 2003-03 is shown in Table 4.1.

**Chart 4.1**  
**Changes to TSP Financing Since 2003-04 MYBU (\$m)**



## **PROGRESS UNDER TSP II (2003-04)**

The TSP actions have been fully internalized in the Government's annual action plans (AAPs) and quarterly reporting matrices (QRMs). In fact, the TSP II actions have been drawn from the 2003-04 AAPs of the Ministries and Agencies, forming an important sub-set. Progress on the TSP actions is monitored and reported as a part of the quarterly reports on implementation of the AAPs. Actions under TSPs I and II have been rather ambitious, given the fledgling state of the Government institutions and the limited capacities of the civil service. Also, the emphasis has been on establishment of institutions and enactment of laws, although delivery of education and health services has been highlighted. The main thrust of the programs has been to accomplish specific tasks, within the one-year time frame of each programme.

Overall, significant progress has been made in the implementation of the actions under TSP II. The progress has been good in the areas of service delivery in education and health and preparation and adoption of organic laws for various ministries and agencies.

In the area of governance the Government made secure progress in the creation of supervisory mechanisms. The law initiated by the Office of the Prime Minister to establish the Office of the Provedor has been approved by the National Parliament.

This was all completed in less than two years, a "world record". Also as a result of the effort between the Government, the National Parliament and the President of the Republic, the Court of Appeal was re-established.

However, it has been slower than expected, particularly in regard to the capacity of the Courts. The first instance Courts still function with probationary judges who have little experience and the Court of Appeal in its function of Constitutional supervision, and in the exercise of its functions as the Court of Administration and Accounts, completes the area of governance, in respect to the establishment of supervisory mechanisms.

Also, there were considerable delays in the preparation and enactment of laws, particularly as there were capacity limitations. Delays were often occurred by the necessity and accomplishment of wide consultations with respective participants, particularly in satisfying demands which were out of context regarding the need to draft the laws in a more appropriate manner.

We urge that concrete support is provided for the reinforcement of institutions, such as, the Office of the President of the Republic, the National Parliament, the Courts, the Office of the Prosecutor General and the Office of the Inspector General.

### **Good Governance (TSP II)**

The organic law for the Office of the Provedor was approved by the Parliament in April 2004. The Office of the Inspector General (reporting to the Prime Minister) has actively pursued a programme of inspections and has submitted reports recommending administrative measures to strengthen internal controls and, in one case, referral to the Prosecutor General. Dissemination of the reports is planned to be resumed in 2004-05.

The Government's legislative programme for 2003-04, including legislation that was carried over from the previous year, has proven to be ambitious. Some progress has been made in prioritisation and scheduling, with the pace of legislation passing through the Council of Ministers accelerating. It is expected that less than half the legislation scheduled will be finalized and submitted to the Parliament this year.

The legislative programme of the Government for 2003-04, including legislation carried from the previous year, it translated the need to adapt for the real demands of governance. The programme is considered by some to be ambiguous; in this regard technical assistance received was not always qualified.

The Parliament approved the Civil Service Statute in April 2004. It provides the framework for public sector personnel management systems and disciplinary procedures. A manual covering basic personnel transactions (such as leave, transfer and promotion) has already been prepared. The Ministry of State Administration has made some progress in establishing hard copy personnel files for each agency – other than those with delegated personnel management registers, including the Ministry of Education, Culture, Youth and Sports – using a simple template. Options for computerisation of the personnel system are currently under review.

Following the local government options study, the Government has commissioned a comparative study of experiences in three developing countries. Follow-up work including the selection of a preferred option, detailed design and financial assessment, policy development and legislative drafting will not be completed in 2003-04. The phased approach is appropriate given the significant fiscal, institutional and human resource implications of the decentralisation process.

In the justice sector, the decree laws on the Notary and Civil Identification have been approved by the Council of Ministers. Drafts of the Civil Registration Code and the Public Prosecutors organic law have been submitted to the Council of Ministers. Regular meetings of the Superior Council for the Judiciary (SCJ) and the Council for Coordination of the Judiciary have taken place to facilitate coordination between the independent arms of the judiciary (Ministry of Justice, SCJ and the Courts, Public Prosecutors Office, and Public Defenders Office). However, the backlog of cases and intermittent functioning of some courts continue to be issues of concern.

One of the reasons will be the poor functioning of the Courts rests with the applicable Laws, particularly the Criminal, Criminal Procedure, Civilian and Civil Procedure Codes. The relevant drafts have already been completed and being given initial consideration by the Council of Ministers.

In the area of public expenditure management, the Government has made significant progress in expenditure control and disciplining the budget formulation process, and some progress in strengthening the procurement system. However, progress on institutional development milestones identified in TSP II has been lagging. The 2004-05 budget submissions by line Ministries and agencies were in line with the TSP parameters as regards allocations for education and health, primary education and hospitals. The timeliness for processing procurement requests seemed to have deteriorated, paradoxically due to the efforts of the Procurement Unit to rationalize purchases through government-wide batching.

The revised Procurement Decree Law was submitted to the Council of Ministers for approval, the law required improvements on the Governments part. It will be resubmitted to the Council of Ministers in forthcoming sessions. The draft of the revised Finance and Financial Management Law is being considered within the Ministry of Planning and Finance and is expected to be submitted to the Council of Ministers soon. Progress on the development of a Human Resource Development strategy for financial management functions has been hampered by delays in mobilisation of the necessary technical assistance.

The power sector management contract was signed in November 2003 and the management team was fielded in January 2004. The team took over management of the power utility, EDTL, by the end of March 2004. Revenue collections showed an upward trend with realisations at or above the level of collections in 2002-03, but significantly below the 2003-04 MYBU budgeted target of US\$4.3 million (which in turn is US\$1 million lower than original budget estimates). Installation of the 10,000 pre-payment meters has initially met considerable resistance, but the pace of installation has accelerated in recent months, now that meters, with more than 7,000 meters installed by the end of April 2004. These measures, together with those aimed at reducing costs through load shedding, are expected to lead to significant improvement in the sector's financial position before the end of 2003-04. Service provision remains patchy, particularly outside of Dili. Baucau, the second largest town has now been without electricity for more than three months following the breakdown of the generator. This was as a result of a failure to maintain the equipment on the part of the operator.



## **Service Delivery for Poverty Reduction (TSP II)**

The Ministry of Health has made good progress in the development of micro-policies and in achieving quarterly performance targets for service delivery, albeit with significant variation in performance between districts. Utilisation of health services is low and the Government recognizes that this is partly due to demand factors, such as distance to facilities and availability of personnel and medical supplies. The Ministry has now established annual district health plans as a routine tool for decentralized management of health services, updating the planning guidelines based on the experience of the past two years. Hospital expenditures are thought to be broadly in line with the TSP limit of 40 percent of recurrent spending, though the Ministry notes that there are difficulties in assigning expenditures to levels of service. The Ministry has also revised its staffing requirements to provide for a gradual reduction in the number of expatriates as Timorese assume responsibilities and transferring some of the personnel costs from TFET to the CFET budget. The Framework legislation for the Autonomous Medical Supply System has been approved.

Following a National Congress in November 2003, the Ministry of Education, Culture, Youth and Sports has finalized an education sector policy framework and preparation of the legal framework for the sector is well advanced. The Government has established curriculum working groups and prepared a draft primary curriculum, which should be finalized during 2004-05. The three-year training programme for pre-secondary education teachers has been launched, with 1,000 teachers – or around one in four – participating, which is well above the 300 originally planned. Some progress has also been made on the development of a financial model for decentralized financial management by schools and Parent Teacher Associations (PTAs), with preparations underway for the launch of the pilot programme by the end of 2003-04. However, the scheduled training for senior management and district personnel in financial management procedures has yet to take place. Lack of financial management skills continues to hinder programme implementation; with budget execution rates for education significantly lower than the Government-wide average, particularly on goods and services for basic education.

The registration and identification of veterans has been largely completed on schedule by the end of March 2004. Following public debates in each district in February 2004 to solicit public input on criteria for recognition of veterans, the lists of ex-combatants and veterans are being compiled and a final report is being prepared for submission to the President of the Republic in mid-May 2004.

## **Job Creation (TSP II)**

Progress across most of the private sector development actions has been good, notably in the preparation of enabling legislation, such as the Company, Investment, Bankruptcy and Insurance Laws. The law on commercial entities has been approved by the Parliament and was promulgated by the President. The Investment Law had been drafted and was to be presented for review by the Council of Ministers, a draft of the bankruptcy law was before an inter-ministerial committee for review, and BPA has completed a full draft of the insurance law and a series of accompanying instructions. Drafts laws for the leasing of private and Government land had been prepared and approved by the Council of Ministers for submission to Parliament. In addition, the second phase of the Land Law Project had produced a draft policy in land and property dispute mediation, underpinning a draft law, which was already under Government review, with expectations for enactment before the end of 2003-04. Improved execution of the community-based road maintenance programme was achieved during the course of 2003-04.

Government continued its efforts, as part of its normal exchanges with the Timor Sea operating companies, to encourage investment by those companies in onshore non-oil and gas sectors. Currently, the petroleum code and the Law of Mineral Exploration are currently being drafted and are in their concluding stages.

With the support of a short-term UNDP adviser, the administrative systems required for the Emigrant Workers Programme have been prepared and a further mission to Malaysia was being planned by the Secretariat of Labor and Solidarity to organize the dispatch of the first batch of Timorese workers.

The Ministry of Agriculture, Forestry and Fisheries (MAFF) has made good progress in the development of the sectoral policy and strategy, which is planned to be completed by June 2004.

However, the consultations with different stakeholders and supporting analytical work are likely to delay the finalisation of the policy framework to early 2004-05. The law decree and the regulation on fisheries were approved by the Council of Ministers, and at this moment the MAFF is establishing the necessary mechanism and structures so that the licensing process can begin on the second semester of 2004. MAFF has also prepared a draft forestry and watershed management policy and strategy, which has undergone extensive stakeholder consultation. Programs on industrial crops, such as coconut and candlenut oil are progressing slower than originally anticipated, but this is justified by the need to complete a feasibility study prior to field training and piloting.

## **PROPOSALS UNDER TSP III (2004-05)**

As in the case of TSP II, the TSP III (2004-05) actions are based on the priorities and policies identified in the Government's strategic planning instruments, including the National Development Plan and sector policies and Sector Investment Programs. The priorities are reflected in the 2004-05 AAPs and budgets and the TSP III actions form a subset of these.

Building on the experiences under TSPs I and II and the Government's policy and planning initiatives, the TSP III adopted a medium-term perspective within the framework of a combined sources budget approach. It introduced the mainstreaming of gender with increased emphasis on capacity building. It focuses on systems performance by making greater use of quantitative performance indicators. It was agreed that the three focus areas of good governance, service delivery for poverty reduction and job creation will be continued under TSP III and successor operations. Most of the activities identified in these areas follow-up on measures launched under TSPs I and II, including some actions that were not completed and have been rolled over to TSP III.

## **GOOD GOVERNANCE (TSP III)**

### **Governance Issues**

In preparation for the TSP III appraisal mission and with the knowledge of the Government, the World Bank prepared a draft paper on "Timor-Leste: Key Issues in Governance," which played a catalytic role in the discussions in the Governance area. The paper highlighted the strength of the Executive (or the Government) relative to the other three state organs – the President of the Republic, the Parliament and the Judiciary. It argued for strengthening the latter through, among others, adequate budgetary resource allocations, to enable them to better fulfill their functions as visualized in the country's Constitution.

The Government indicated its willingness to protect the budgetary allocations to these independent institutions and include a provision in the draft Budget Law along those lines. However, the Government feels it unnecessary to take steps into a void. And to that effect the priority should be given to the creation of a solid base of capacity, primarily in the Courts of first Instance and the Court of Appeals, in order to improve the performance of their functions as foreseen in the Constitution.

The Government requests development partners provide greater assistance and adequate support to the institutions mentioned above in order for them to better perform their functions.

### **Guidelines for Policy and Legislative Process**

The need for a well-defined policy and legislative process to ensure effective management of a heavy policy and legislative workload and provide opportunities for public consultation has been recognized under TSP II. The Secretariat of State for the Council of Ministers is in the process of mobilising the necessary technical assistance to accomplish this task. Procedures will be defined during 2004-05, as well as the routine scheduling instrument that constitutes the legislative programme.

## **Provedor**

As indicated above, the organic law for the Office of the Provedor, drafted by the Office of the Prime Minister was approved by the Parliament in April 2004, and is has been promulgated by the President. The Parliament is responsible for the selection of the Provedor. Once appointed, the Provedor is expected to operationalise the office through systematic collection of information on human rights abuses and administrative malpractices, including corruption, together with information campaigns to increase public awareness of citizens' rights and means of redress. Strengthening the office of the Provedor would be a priority. The World Bank and UNDP are expected to provide technical assistance to the office.

## **Public Service**

Preparations are under way for implementation of the recently approved Civil Service Statute. This would include the formulation and approval of supporting decree laws and regulations. The establishment of functioning personnel registries at agency level remains a priority. A UNDP project currently provides training and support in the administration and recording of routine personnel transactions at agency level. The Ministry of State Administration is now reviewing options for computerising this system. However, computerisation is only viable once hard copy files have been prepared. The compilation of hard copy agency registries will continue during 2004-05. The Government intends to formulate human resource development strategies in key ministries, including the Ministry of Planning and Finance and Ministry of Justice. One of the key issues is to ensure adequate representation of women in the public service, especially in managerial and decision-making positions.

The Civil Service Statute provides a framework for disciplinary procedures. Guidelines and training on the application of these procedures will be prepared in 2004-05. The organic law for the Office of the Inspector General is expected to be presented to the Council of Ministers in early 2004-05.

The office, which functions in the office of Prime to minister, will have you be fortified in its internal audit of Government rolls in to order will be it be able you continues its programme of inspections and you disseminate its reports. However, it should to never duplicate the functions of the Office of the Supplier. Also, it will have you continues, inside of the prescribed procedures, you vigorously report marries where there is suspicion of criminal acts or acts of bad-faith you the General Prosecutor.

## **Justice Sector**

The Government recognizes the need for further work on the legislative and oversight framework for the judiciary, including the organic laws for Public Prosecutors and Defenders. The Superior Council for the Public Prosecution is planned to be established during 2004-05. Also, greater attention will be paid to improving the efficiency of the court system and reducing the backlogs, through, among others, recruitment of a few expatriate judges/mentors and prosecutors. Regular functioning of District Courts is critical for improving access and service delivery. In order to ensure adequate oversight, support services and coordination, the Superior Council for the Judiciary will initiate inspections and monitor the performance of judges. The preparation and submission to Parliament of legislation on domestic violence is seen as a priority in this regard.

By initiative of the Office of the Prime Minister through the Adviser for the Promotion of Equal rights, and after ample consultation at the national level a law on domestic violence was drafted. The draft was submitted a number of times to the Council of Ministers for consideration, and was sent to the Ministry of Justice to ensure conformity with the processes and penalties in the criminal code.

## **Police**

Improving the relations between the police and the communities will continue through training including on gender sensitivity. Pilot programs on community awareness will be carried out on such aspects as domestic violence. A national strategy for community awareness programme will be prepared incorporating the results of the pilot programs. The law on the police discipline will be published, and the policies and procedures of the Professional Standards Unit of PNTL will be adjusted to be compatible with the law. Investigations into citizen complaints against the police are planned to be facilitated through the creation of an independent review commission. The members of the commission would comprise stakeholder representative including from the civil society. The Government plans to develop a policy on policing in consultation with all stakeholders, and prepare for its promulgation.

## **Planning and Public Expenditure Management**

The formulation of Annual Action Plans (AAPs) and Quarterly Reporting Matrices (QRMs) will continue. Gender mainstreaming is proposed to be piloted in the 2005-06 AAPs of the Ministries of Education, Culture, Youth and Sports, Health and Justice and PNTL. The legal framework for management of public finances needs to be updated to reflect changes in institutional arrangements after Independence and recent improvements in procedures. A draft Financial Management Law has been prepared. The draft would be finalized and submitted to Parliament in 2004-05. The Procurement Decree Law will be approved by the Council of Ministers. In addition, TSP III will focus on the implementation and monitoring of routine budget and planning activities, including the continued timely publication of a comprehensive state budget, finalisation of the Sector Investment Programs (SIPs) including prioritisation and sequencing within and across sectors; preparation of the 2004-05 Mid-Year Budget Update and formulation of the 2005-06 CFET budget within the framework of a combined sources approach incorporating the SIPs; regular procurement reporting, with improvements in processing times; timely publication of comprehensive, detailed quarterly budget execution reports and financial statements; and timely publication of the audit report and management letter.

In the medium-term, one of the key determinants of sustainability in the financial management system is progress in capacity building, particularly as regards skills transfer. Accordingly, the Ministry of Planning and Finance was to formulate a human resource development strategy, which has been a commitment under both TSP I and TSP II. The Ministry has been reviewing the initial drafts and plans to complete the strategy including succession plans and commence training of the Ministry's staff in 2004-05.

## **Power Sector**

TSPs I and II focused on improving the financial position of the nation's electric utility, EDTL, by strengthening its capacity through a management contract, improving cost-recovery through the installation of pre-paid meters and, most recently, competitive tendering for fuel supplies. These arrangements will continue to be implemented during 2004-05. Now, attention has turned to the investments needed to improve EDTL's performance from the supply side, especially upgrading the generation capacity and distribution lines. The Government is preparing the Sector Investment Programme (SIP) to lay the foundations for future power sector development. Actions contemplated during 2004-05 include measures to support the establishment of the legal, regulatory and institutional framework for the power and on-shore petroleum sectors; and preparation of plans for the exploitation of indigenous energy resources and long-term plans for rural electrification. The Government will continue to closely monitor progress in improvement of EDTL's financial position, together with other management contract performance indicators for power generation and distribution reliability and efficiency.

## **Petroleum Fund**

During 2004-05, the Government plans to establish a petroleum fund. The fund which will be created after ample consultation, will be established on the principle of inter generational justice, would go to implement adequate governance provisions for proceeding with investments.

The fund will have to implement adequate governance and policy arrangements for Timor Sea revenue. The Government has been consistent with the principles of the so called “*Extractive Industries Transparency Initiative*”. The Government anticipates utilising these very same principles after the fund has been created.

The Government is conscious that it will be obliged to divulge completely the effective payments by operators to the Government. The IMF and the Government of the Norway are providing technical support in regard to the establishment of these arrangements in this context, the establishment of the petroleum fund is foreseen in TSP III.

## **Access to Information**

Alongside the above actions, the Government plans to introduce measures to improve access to information. It has established an information office in the Office of the Prime Minister. Also, the Prime Minister has invited local journalists to work with the Government on a freedom of information legislation.

## **SERVICE DELIVERY FOR POVERTY REDUCTION (TSP III)**

### **Health**

During 2004-05, the Ministry of Health will focus on developing and adopting sub-sector policies and strategies on primary health care, maternal health, child health and communicable diseases; maintain hospital expenditures at or below 40% of core CFET expenditures in the health sector; improve the management of hospitals through preparation and dissemination of annual activity plans for each hospital; and enhance monitoring of service delivery in districts through six-monthly reports on implementation of district health plans. In addition, as under TSPs I and II, the Ministry has set and intends to achieve key annual performance targets for DPT3 and measles immunisations, deliveries attended by skilled health staff, and number of outpatient visits to health centres per capita per year.

### **Education**

The Government is currently finalising its education sector policy, which will provide the broad framework for state interventions in the sector. The policy and a supporting Sector Investment Programme (SIP) are to be approved in 2004-05. The SIP will identify the priorities for external assistance to the sector, and the legislative framework for the sector, including an Education Law, an organic law for the Ministry, and a law on tertiary education including regulations governing private schools.

Internal efficiency of primary and pre-secondary education is to be improved through the identification of factors contributing to dropout and repetition and initiation of remedial measures. The quality of teaching is to be enhanced through distribution of teaching materials and guides to all primary schools and adoption of new primary education syllabuses. The pilot grants to schools scheme will be implemented through training and distribution of funds to the school committees. The Ministry’s low budget execution in the first three quarters of 2003-04 is to be improved through closer monitoring of expenditures in the divisions on a monthly basis and preparation of procurement plans of the Ministry in the first quarter of 2004-05.

## **Veterans**

Based on the work of the two Veterans Commissions and building on consensus on the criteria for identification of veterans, the Government intends to start work on the development of a policy on veterans and supporting legislation recognising the veterans, defining their rights and obligations. Decisions on the transfer and use of the database of veterans and the launching of a process of identifying and registering members of the clandestine resistance, including quadro civil, with particular attention to the registration of female veterans, are expected to be made by the President of the Republic during 2004-05.

Thus, the Government has undertaken initiatives in this direction, obtaining support from friendly countries, namely the People's Republic of China, to respond to the necessities of a more restricted group of Veterans of the Resistance on which there is no doubt of their uninterrupted participation in the fight for National Independence.

## **JOB CREATION (TSP III)**

### **Private Sector Development**

Both TSPs I and II placed particular emphasis on the establishment of a legal framework supportive of private sector development. The Government intends to maintain the momentum in developing the business regulatory environment, with due attention to the operation of institutions necessary for implementation of the framework, including in particular, activities aimed at stimulating new investment and expanding employment opportunities. Key legal instruments to be finalized and/or approved in 2004-05 include the company and investment laws; insurance, bankruptcy and insolvency, cooperatives, the banking system, contract and collateral laws; key regulations relating to land and property, and further regulations on the leasing of Government and private property. Activities related to the land and property registry, cadastre registry, and land and property dispute mediation mechanisms are to be pursued with the objectives of creating a private market in land and property sales, increasing the number of confirmed land and property titles, and commencement of concessions, licensing for use or operation.

The Government is also preparing to establish an Investment and Export Promotion Agency as the unique provider of information with a view to attract direct foreign and national investment that will contribute towards the creation of new jobs. Local entrepreneurship is to be developed through a national programme of entrepreneurship that will organize ongoing national entrepreneurship programs and forums, help incorporate entrepreneurship programs in secondary and tertiary business studies, structured training in entrepreneurship through business development centres, and public awareness campaigns. Basic elementary training in the area of small and medium business management and cooperatives has been initiated through the Ministry of Development and Environment

The Secretariat of State for Labor and Solidarity intends to pilot the Emigrant Workers Programme, continuing the effort of finalising employment agreements with Malaysian companies and a memorandum of agreement with Malaysia. Also, the Secretariat plans to explore opportunities for also sending labor to South Korea.

Two basic objectives of the Government underlie this programme: i) to create employment for thousands of young Timorese and, ii) to technically and psychologically enable the Timorese to participate and take on the great challenges of the future in obtaining the necessary qualifications and participating capably in those areas which are integral to the development of Timor-Leste.

The community-based road maintenance (and construction and repair of small infrastructure) programme will be continued in 2004-05, within the scope of the RESPECT project or other initiatives to reduce, although in a seasonal manner, the number of unemployed,

## **Agriculture**

The Ministry of Agriculture, Forestry and Fisheries will finalize its sector policy and strategy, and Sector Investment Programme (SIP) in 2004-05, in consultation with stakeholders including development partners. The intention is to define the role of the Ministry in supporting agricultural and fisheries development, aligning the institutional structure and expenditures with the Ministry's service delivery and regulatory mandates. Thus, the medium-term priority actions will be clarified following the adoption of the policy and strategy and the SIP. Other short-term actions to be implemented during 2004-05 include development of departmental and sub-sectoral action plans, design and operationalisation of the management information system, issuance of licenses for off-shore fishing, monitoring the operations of the licensees, and preparation of a report on the operation of the fisheries licensing. Food production and food security are to be enhanced through focus on increasing yields of irrigated rice and multiplication and distribution of seeds which are appropriate for upland and mountainous areas, including tubers.

## PART 5 – THE ECONOMY

### CURRENT ECONOMIC OUTLOOK

#### GDP Growth

The GDP of the country has not been measured since 2000. So all estimates are surrounded by a high degree of uncertainty. During the year, the economy continued to limp along with an expansion in Timorese activity, particularly in retail trade, small restaurants, transport and public and private construction mainly in Dili and other urban centers, stimulated, among others, by CFET expenditures. However, the simultaneous decline in the international presence including the scaling down of the PKF and other UN personnel, as well as a decline in some bilateral programs has an adverse impact on the level of economic activity. On balance, the latter is projected to dominate with the economy declining by about 2% in FY2003-04. The decline is projected to continue into FY2004-05 with a 1% contraction in economic activity during the year. Thereafter, the economy is expected to resume growth in FY2005-06 (by 2%) and pick up further in FY2006-07 (to 3%).

**Table 5.1**  
**GDP Growth Rate Projection (%)**

	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08
2004-05 Budget	-37	51	5	-2	-2	-1	2	4	5
2003-04 MYBU	-37	51	5	-2	-2	-3	2	3	NA

Partial indicators and anecdotal evidence suggest that the overall level of economic activity has declined only moderately since its peak in FY2001-02. This is supported by indications from the value of imports, particularly taxable imports by the private sector, and an increase in the number of taxpayers registered with the Timor-Leste Revenue Service (TLRS). The composition of imports seemed to have been shifting from tax-exempt items under official development assistance to taxable ones for the private sector. As a result of this shift and the improved capture of the taxable imports under the Automated System for Customs Data or ASYCUDA, the revenues from customs duties and taxes increased significantly. Exports remain at a very low level with the share of coffee continuing to dominate the value of exports.

Growth in commercial bank lending to the private sector has accelerated, albeit from a relatively low base. Small loans from micro finance institutions too increased during the year. The Government in consultation with ADB and other development partners decided to maintain the micro-finance entity developed under TFET. However, there will need to be some redefining of the role of the State in the foundation of the institution. Further expansion in micro-finance lending is contingent on the future operations of the privatised entity and the policy to be adopted by the BPA on the status of the micro-finance institutions.

Inflation continues to moderate with the annual rate for March 2004 estimated at 2.8%. Wage rates continue to exhibit softness with the daily wage for unskilled labour hovering around \$3.00. Employment has not been expanding and may have contracted due to the decline in economic activity. Emigration of labour, especially the educated youth, has been relatively modest and is estimated to be running at around 800 per annum. This together with the annual addition of about 15,000 new entrants into the labour force may have contributed to increased unemployment, which is of major concern.



## **ECONOMIC DEVELOPMENT**

### **Road Repairs**

The onset of the rainy season resulted in significant damage to the roads and bridges, impeding access to several areas of the country. During the past three to four years, much of the periodic maintenance and rehabilitation work was undertaken by the engineering battalions of the UN Peace Keeping Force (PKF) and contractors financed and supervised by TFET projects. With the scaling-down of the PKF and the impending departure of the remaining Force, winding down of TFET, and the tight CFET budget allocations in FY2003-04, the road maintenance operations have tailed off and road conditions deteriorated. Much of the allocated community-based and other road maintenance budget has been exhausted by December 2003, leaving very little for the second half of the fiscal year. The reductions in road maintenance and the deterioration in road access have adverse effects on off-farm employment in rural areas, access to markets and overall rural development.

### **Resource Flows to the Rural Areas**

International assistance has been directed not only to Dili but also to other districts, one should also note that a good part of these funds reaches the districts through exercises such as the Programme for Autonomy in the Communities and the Micro-Finance Programme under the CFET, as well as other projects of rural development directly supported by bilateral and multilateral partners, such as RESPECT, SEP I and II.

### **Poverty Incidence**

The decline of the economy in recent years and next year as well as the projected modest recovery in the following two years (FYs 2005-06 and 2006-07) is likely to result in a small negative average growth in GDP during the Plan period (FY2002-03 to FY2006-07). At the same time, the population of Timor-Leste has been growing at around 3% per annum or by more than 15% during the Plan period. The impact of the declining economy and the growing population is likely to be significant, with a rise in the incidence of poverty both in terms of the number of poor people and their proportion in the total population. This is of significant concern to the Government and people of Timor-Leste as well as their development partners.

## PART 6 – REVENUE

Revenue estimates in the 2004-05 Budget for the next four years show an increase if compared with the 2003-04 MYBU. This expected increase in revenue is due to:

- an increase in the market price of oil;
- better than expected progress in the development of the Bayu Undan project; and
- improved administrative management of the Timor-Leste Revenue Service (TLRS), Customs Service and other agencies.

This is against the background of negative implications on the economy of Timor-Leste due to the fact that the UN mission will substantially downsize in 2004 and international support is being withdrawn.

**Table 6.1**  
**Timor-Leste Total Revenue 2003-04 MYBU and 2004-05 Budget (\$m)**

	2003-04	2004-05	2005-06	2006-07	2007-08
Budget 2004-05	52.8	41.3	59.0	81.4	74.3
MYBU 2003-04	37.4	29.7	28.2	50.0	na
Change	15.4	11.6	30.8	31.4	na

The aforementioned increase in total revenue for Timor-Leste for the 2004-05 Budget includes First Tranche Petroleum (FTP) and revenue from autonomous agencies, and is compared with the estimates made in the 2003-04 MYBU.

**Table 6.2**  
**Timor-Leste Total Revenue (\$m)**

	2003-04	2004-05	2005-06	2006-07	2007-08
Domestic Revenue	26.1	23.0	23.8	25.0	26.6
Timor Sea Taxes	26.7	18.3	35.2	56.4	47.7
<b>Total Revenue</b>	<b>52.8</b>	<b>41.3</b>	<b>59.0</b>	<b>81.4</b>	<b>74.3</b>
Memo: FTP & FTP Interest	4.6	25.8	27.4	29.3	29.6
Autonomous Agencies	6.2	8.3	10.1	11.1	11.7

The Timor Sea revenue is subject to large risks and Timor-Leste will face challenges in relation to the receipts of revenue. This could mean a reduction in revenue of \$100m over the next four years due to risks such as oil prices, quantity of oil production etc. However, revenue could be over \$100m higher than the estimates in the 2004-05 Budget if prices and production quantities are high. The magnitude of these effects on Timor Sea revenue is illustrated in the Table 6.3.

**Table 6.3**  
**Revenue Estimates for Timor Sea –Sensitivity Analysis (\$m)**

	2004-05	2005-06	2006-07	2007-08	4 Yr Total
2004-05 Budget Estimates	18.3	35.2	56.4	47.7	157.6
High Case Scenario	29.0	66.3	90.3	92.3	277.9
Low Case Scenario	15.5	8.1	12.5	13.7	49.8

### DOMESTIC REVENUE

Timor-Leste domestic revenue excludes Timor Sea revenue and is split into two components:

- tax revenue; and

- user charges and other revenue.

In the annual 2004-05 Budget, both components have been revised upward in comparison with the 2003-04 MYBU.

**Table 6.4**  
**Timor-Leste Domestic Revenue (\$m)**

	2003-04	2004-05	2005-06	2006-07	2007-08
Border taxes	13.3	11.5	11.8	12.4	13.0
Service Tax	3.1	2.1	2.1	2.2	2.4
Income Tax	5.7	5.4	5.5	5.7	6.0
Fees, User Charges and Interest	4.0	4.0	4.4	4.7	5.2
<b>Total Domestic</b>	<b>26.1</b>	<b>23.0</b>	<b>23.8</b>	<b>25.0</b>	<b>26.6</b>

## Tax Revenue

Tax revenue for the two tax collection departments, namely the TLRS and Customs service, in the 2004-05 Budget shows a significant increase in comparison to the 2003-04 MYBU.

While advances were made in tax increases for 2003-04, tax bases are expected to contract in 2004-05 following a decline in domestic economic activities in Timor-Leste, due to the withdrawal of international staff and assistance from Timor-Leste.

During the financial year of 2003-04, there was an improvement in the management systems used by the TLRS to conduct audits on the payment of tax by taxpayers who have neglected their obligations to pay tax during the previous few years.

Also, the TLRS has provided information and guidance about tax obligations to large and small business on how they should comply with their responsibility to pay tax. This has had a positive impact resulting in an increase of revenue for 2003-04. For the next few years revenue is expected to continue to experience an overall increase due to the improvement in the tax payment system.

Revenue from Service tax in the 2003-04 are higher based on collections to date, but estimates for 2004-05 are expected to decline because many hotels and restaurants will have less customers as many international staff will complete their duties in Timor-Leste. This is expected to negatively impact on Service tax as a component of domestic revenue.

Income tax revenue estimates in the 2004-05 Budget are expected to increase in comparison with the 2003-04 MYBU. After a reduction for 2004-05, this revenue is expected to continually increase for the next four years as entrepreneurs expand their businesses and comply with tax regulations.

The Customs service has increased its revenue by more strictly implementing a policy on importers to ensure their compliance with tax regulations. Also, the Customs service has carried out stricter policing of the border to reduce the amount of illegal imports. This has resulted in a very significant contribution towards revenue for Timor-Leste.

## Fees, User Charges and Interest

Estimates of fees, user charges for the 2004-05 Budget and interest on the CFET balances show an increase for each year in most areas and a decline in a few areas, as shown in Table 6.5.

**Table 6.5**  
**Timor-Leste User Fees and Charges Revenue (\$m)**

	2003-04	2004-05	2005-06	2006-07	2007-08
Visas	1.4	1.2	1.3	1.3	1.4
Land & Property	1.1	1.2	1.2	1.3	1.3
University	0.3	0.4	0.5	0.6	0.8
Passports	0.4	0.3	0.3	0.4	0.4
Land Transport	0.3	0.4	0.5	0.5	0.6
Business Registration	0.2	0.2	0.2	0.2	0.2
Post Office	0.1	0.1	0.1	0.1	0.1
Other	0.3	0.3	0.4	0.3	0.4
<b>Total</b>	<b>4.0</b>	<b>4.0</b>	<b>4.4</b>	<b>4.7</b>	<b>5.2</b>

- Visa revenue is expected to decline in the 2004-05 Budget in comparison with estimates made in the 2003-04 MYBU. This is due to the implementation of a new system for East Timorese citizens whose spouses are foreigners and for foreigners who work in the humanitarian sector in Timor-Leste.
- Land and property revenue is expected to increase in the 2004-05 Budget due to the amount of applicants wishing to rent houses or government buildings. In addition, in the 2004-05 Budget, a land measurement programme is expected to be implemented in Dili and the districts.
- The University of Timor-Leste over the next four years (2004 to 2007) is expected to experience an increase in revenue for each year, because many high school leavers will continue their studies at the tertiary level.
- Civil registration revenue in the 2004-05 Budget is expected to increase each year during the next four years (2004 to 2007), as the Civil Registration Department is expected to receive new revenue from things such as: birth certificates, marriage certificates, divorce certificates, certificates of citizenship and citizen identity cards.
- Business registration revenue estimates in the 2004-05 Budget for both major and minor trade, expect to have a registration fee of \$100 for large businesses and \$10 for individuals
- Land transport revenue estimates in the 2004-05 Budget expected to increase each year as various new systems are implemented, for example drivers licences, fines, transfers of registration, etc..

## **TIMOR SEA REVENUE**

The methodology used to generate numbers for the Timor Sea revenue estimates for the 2004-05 Budget over the next four years (2004-05 to 2007-08), was to meet with the project operator, in order to get information about their production estimates, and to consider world oil prices and the fall of the exchange rate of the US dollar. Also meetings were held with the Timor Sea Designated Authority, Timor Sea Office and the TLRS in order to analyse the information obtained from the operator to generate estimates that are as accurate as possible. Information given by the operator became an important base for Estimates on Timor-Leste revenue.

The Timor Sea forecasts were updated using the latest information for Bayu Undan from the operator on;

- higher oil prices;
- revised upstream investment costs;
- revised tax on upstream investment;
- revised LNG plant investment cost (including changing exchange rates);
- revised pipeline investment costs;

- higher production in 2004;
- later start date for tax depreciation;
- revised upstream operating costs;
- revised exchange rate on pipeline payment from Australia; and
- model refinements based on new data.

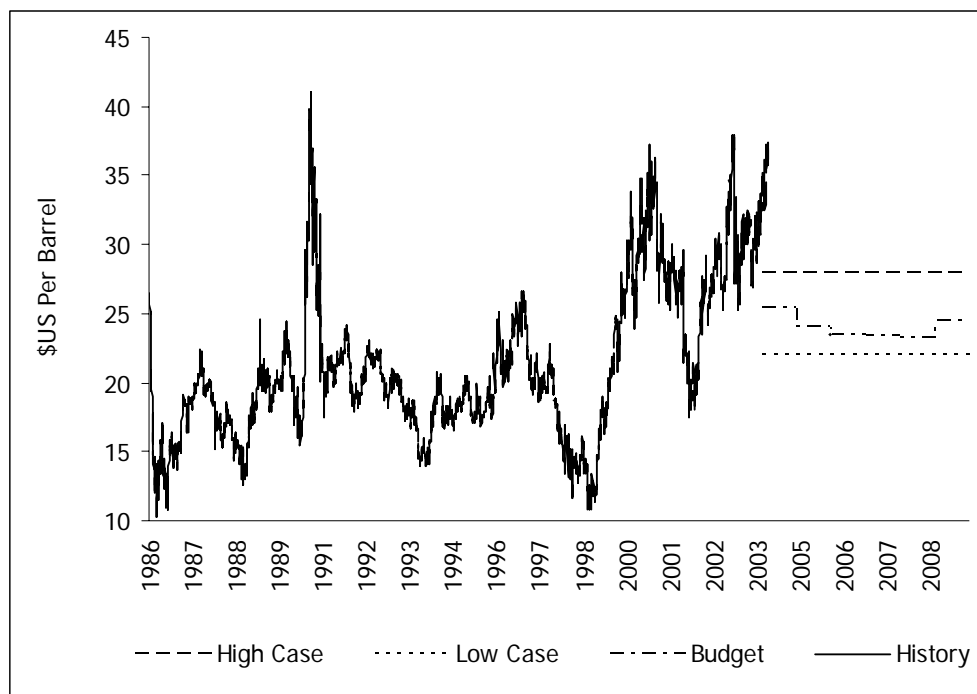
## Risks to Revenue

Every nation engaging in oil mining will continually face various types of risks and obstacles, especially those countries are themselves dependent on oil production. In relation to this point, the petroleum projects face the following risks, amongst others.

The **world market prices** change on a daily basis, or in other words are continually increasing or decreasing, and such large fluctuations in price are expected to influence the amount of Timor Sea revenue received by Timor-Leste.

Chart 6 shows the fluctuations of world oil prices which are continuously changing, thus meaning that there is no certainty in determining an oil price for the Bayu Undan project.

**Chart 6.1**  
**World Oil Prices**



The Bayu Undan project is a **new project**, production has just started and until now the price of Bayu Undan condensate and LPG has not yet been established, because it has yet to be sold to a nation in demand. Each refinery seeking to purchase oil and gas has its own tastes and preferences, so the prices for Bayu Undan petroleum are only estimates.

The current **exchange rate** for the American dollar has weakened against the Australian dollar and Euro. This has impacted on development costs for the Bayu Undan project, as well as operating costs.

Currently, **production volumes** can only be estimated. It is not yet known for certain how many wells still need to be drilled or the efficiency of the equipment relating to production. Solutions are continually being sought to overcome any problems on the extraction of condensate and LPG from the gas. Currently

there is uncertainty about the date for achieving full production, and in addition the operator is hoping that the Bayu Undan project can be completed as soon as possible with no further problems emerging.

Under a self-assessment tax system, tax payers are obliged to interpret the tax law and their interpretation can differ from that of the tax authorities. The regime for **tax depreciation** has been interpreted differently and work is underway to reach a final agreement between the Timor-Leste Revenue Service (TLRS) and the operator on when to commence tax depreciation.

In the first phase of the project gas is re-injected into the well to maintain reservoir pressures and maximize the **extraction** of condensate and LPG. The extent to which this will be successful is unknown. This will influence the production of condensate and LPG, including during the second phase of the project when gas is delivered to Darwin by the pipeline from 2006.

The estimation methodology has adopted a discount of 15% for revenue from the Timor Sea, in order to provide a degree of security (but not certainty) that the revenue estimates will be obtained, given all of these risks. The 2004-05 Budget estimates of Timor Sea revenue will almost certainly be revised in the 2004-05 MYBU as new information becomes available.

## **Revisions to 2003-2004 Estimates**

The risks described above are illustrated by the revisions to the estimate for 2003-04. Estimates in the 2003-04 MYBU predicted total revenue from the Timor Sea taxation to be \$17.1 m. However in the revised estimates for the annual 2004-05 Budget Timor Sea revenue has increased significantly with a total estimate of \$26.7 m, or in other words an increase of \$9.6 m. This large increase in the estimates is based on high collections of \$12.3m in the month of March 2004.

This increase can be attributed to the TLRS continuing to improve its compliance and enforcement and provide guidance on tax laws to tax payers resulting in more tax payers adhering to tax regulations and paying an extra \$3.4m. The TLRS and a tax payer previously held conflicting views, but settlement of a dispute has now increased revenue by \$3.2m. The increase in production for Elang Kakatua Kakatua North (EKKN) totals \$1.9m because of higher world oil prices. Decisive collection action on once-off exploration of Kuda Tasi has provided total revenue of \$1m.

## **Budget Forecast and Scenario**

Timor Sea revenue estimates for the 2004-05 Budget are significantly increased in comparison with the 2003-04 MYBU. This expected increase can be attributed to several important factors which include, amongst others, world oil prices, expected production developments, the start date of tax depreciation and higher investment costs.

**World oil prices** continually fluctuate and this fluctuation impacts both positively and negatively on any nation which is particularly dependent on oil, such as Timor-Leste. Information obtained on New York Mercantile Exchange (NYMEX) quotations relating to the next five years suggests world oil prices will decline to 2008.

Based on this information there is an assumption that over the next five years world oil prices will decline, and then from 2009 will experience an increase of 2.5% per annum. Oil price assumptions based on a 2 year average of world oil prices from NYMEX are:

- 2004 \$25.41
- 2005 \$24.03
- 2006 \$23.49
- 2007 \$23.35
- 2008 \$23.26

- 2009 \$24.43 (Thereafter increasing 2.5% per annum).

The operator reports better than expected progress of activities relating to the expected production of Bayu Undan, where first liquids were extracted in February 2004. The Production for 2004 is now estimated to reach 15.5 million barrels, which is an increase on the figure of 11.8 million in the MYBU.

The **tax depreciation** for the Bayu Undan project is expected to commence later, though a general agreement has not yet been reached between the TLRS and tax payers.

**Investment costs** for the Bayu Undan Project are higher because the American dollar has weakened against the Australian and Euro currencies. This reduces revenue and is a partial offset to the three factors mentioned previously.

**Table 6.6**  
**Timor Sea Revenues (\$m)**

	2003-04	2004-05	2005-06	2006-07	2007-08
VAT	12.1	8.2	4.6	6.6	4.1
Income Tax	14.6	10.1	30.6	49.9	43.6
<b>Total Tax</b>	<b>26.7</b>	<b>18.3</b>	<b>35.2</b>	<b>56.4</b>	<b>47.7</b>

Estimates in the annual 2004-05 Budget for value added tax (VAT) from investors over the next few years is expected to decline, as the volume of investment activities for Bayu Undan is completed.

Income tax is yet to display signs of an increase as production on the Bayu Undan Project has only just begun. At this stage the product of Bayu Undan has not yet been sold on international markets. In addition, tax depreciation will significantly reduce taxable income for the next five years. The EKKN project is expected to experience a decline in production for the current year and next year and cease its production in 2006.

Income Tax is expected to experience an increase in revenue for 2005 caused by Bayu Undan starting to achieve its full production and being sold to the international market. Income tax collections are therefore expected to rise. They will also rise when the pipeline commences operations.

The large effect of the risks and uncertainties on Timor Sea revenue estimates is best illustrated by scenarios.

The high case scenario and low case scenario are based on better or worse outlooks than the assumptions used for the budget estimates. From the start of 2000, world oil prices (West Texas Intermediate) on the international market have ranged between about \$18 and about \$36 per barrel. For the previous period between 1986 and 1999 the average price was about \$19 per barrel. This can provide reference points for the current status of world oil prices. The revenue of Timor-Leste could be higher than that indicated in the high case scenario, or could be lower than that illustrated in the low case scenario.

There are several scenarios for revenue from Bayu Undan, namely the:

- high case scenario;
- low case scenario; and
- the 2004-05 Budget scenario.

These scenarios are based on variations in prices and quantities, where the price variations are only illustrative. Scenarios have been constructed as an illustration to show the effects of this range of world oil prices and changes in production volumes on Timor Sea revenue estimates.

In the estimates of the 2004-05 Budget, the budget base scenario was constructed on the basis of declining world oil prices as described above.

The high case scenario uses an assumption of a world oil price of \$28 per barrel. It also uses an assumption that reservoir volumes are higher than the budget assumption and are at the operator's

estimate of probable (P50) reserves. This high case scenario would provide considerable revenue for Timor-Leste. Based on this estimate, if the world oil price remains stable at \$28 per barrel, then the revenue of Timor-Leste for the next four years would be \$120.3m higher than the budget estimate.

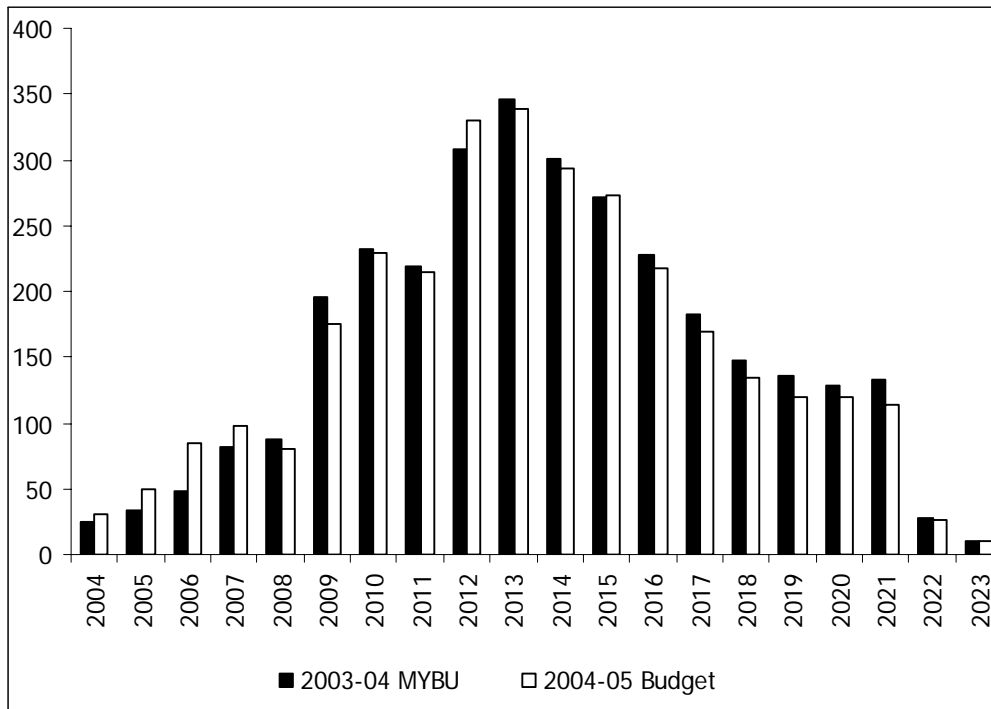
The low case scenario uses an assumption of a world oil price of \$22 per barrel. It also uses an assumption that reservoir volumes are at the operator's pessimistic assessment of proven reserves. In addition, EKKN is assumed to close early. This low case scenario would provide considerable challenges for Timor-Leste. If world oil prices declined to \$22 per barrel then a reduction of \$107.8m in revenue relative to the budget estimates would occur.

The aforementioned scenarios are used as an illustration for Timor-Leste to understand the range of possibilities. Actual collections could be inside this range, or higher or lower.

Chart 6.2 and Table 6.2 shows the 2004-05 Budget estimates of the long term outlook for Bayu Undan revenues. These have not been discounted and include revenue from FTP. Revenues originating from the Bayu Undan Field will remain the largest portion of total Timor Sea revenue. This chart shows that long-term Bayu Undan revenue estimates have not changed much since the 2003-04 MYBU.



**Chart 6.2**  
**Bayu Undan Revenue 2004 to 2023**



**Table 6.7**  
**Bayu Undan Revenue 2004 to 2023 (\$USm)**

Year	2003-04 MYBU	2004-05 Budget
2004	25	30
2005	34	50
2006	48	85
2007	82	98
2008	88	80
2009	196	175
2010	232	229
2011	219	215
2012	308	330
2013	346	338
2014	301	293
2015	271	273
2016	228	218
2017	183	170
2018	148	134
2019	136	120
2020	128	119
2021	133	114
2022	28	27
2023	10	10

## FIRST TRANCHE PETROLEUM (FTP) FOR THE LONG TERM

The Government of Timor-Leste has adopted a policy to save all First Tranche Petroleum (FTP), which is the royalty component of Timor Sea revenue. The policy aims to secure savings for development in the future. This policy was implemented several years ago, and the latest estimates are shown in Table 6.8.

**Table 6.8**  
**FTP and savings from FTP (\$m)**

	2003-04	2004-05	2005-06	2006-07	2007-08
FTP	4.5	25.5	26.1	26.9	25.9
Interest	0.1	0.3	1.3	2.4	3.7
<b>Balance of FTP &amp; Interest</b>	<b>14.0</b>	<b>39.8</b>	<b>67.2</b>	<b>96.5</b>	<b>126.1</b>

Higher oil prices and the faster than expected development of Bayu Undan will contribute to a higher level of revenue for FTP from the Timor Sea for the Timor-Leste Government in the 2004-05 Budget compared to the 2003-04 MYBU. Interest generated by the FTP savings from the Timor Sea is expected to increase due to an increase in FTP savings. Also the bank interest is expected to increase annually.

Estimates indicate that savings accumulated from the FTP at the end of 2006-07 will reach \$96.3m, in comparison with the 2003-04 MYBU of \$91.6m. It is likely that Timor-Leste will have fluctuations in revenue. Timor-Leste could use its FTP savings to maintain desired levels of Government spending at some future time.

## AUTONOMOUS AGENCIES

2004-05 Budget estimates for autonomous agencies have increased in comparison with the 2003-04 MYBU.

**Table 6.9**  
**Autonomous Agencies (\$m)**

	2003-04	2004-05	2005-06	2006-07	2007-08
Ports	0.9	0.9	0.9	0.9	0.9
Airports	1.0	1.0	0.9	0.9	0.9
Electricity	4.3	6.5	8.3	9.3	9.9
<b>Total</b>	<b>6.2</b>	<b>8.3</b>	<b>10.1</b>	<b>11.1</b>	<b>11.7</b>

A significant contributor towards autonomous agency revenue in the 2004-05 Budget is the Electricidade de Timor-Leste (EDTL), where revenue is generated from consumers using services relating to electricity.

EDTL over the last few months has implemented a new system of pre paid meters in Dili. Its management has been contracted to an international company.

Revenue estimates for the other agencies, Civil Aviation and the Maritime Authority, have also increased. For the next three years 2004-05 to 2006-07 they have risen to about \$5.4m, in comparison with the 2003-04 MYBU estimate of about \$4.3m.

However, in the 2004-05 Budget estimates of 2004-05 for the aviation and maritime agencies, it is forecast that for the next two years (2005-06 and 2006-07) there will be a decline due to fewer passengers travelling to and from Timor-Leste and also a reduction in the amount of goods imported.

## **PART 7 – SECTOR INVESTMENT PACKAGES**

### **OBJECTIVES OF THE SIP EXERCISE**

The objective of the sector investment packages (SIPs) is to enhance the capacity of the government to develop multiyear expenditure programmes based on policy and programme requirements. The SIP exercise will assist in establishing expenditure priorities within and amongst individual sectors. The SIP exercise will also promote increased cooperation and coordination amongst government agencies due to linkages that exist among all sectors.

### **COVERAGE OF THE SIP EXERCISE**

Each SIP will provide a strategic plan for development of the sector over the medium term and the policies, programmes and expenditures needed for its implementation. SIP documents are being prepared for 14 separate sectors. The fourteen sectors can be divided into four main groups:

- basic services (includes education and training and health care);
- production-related sectors (agriculture, forestry and fisheries, natural resources and environment, and private sector development);
- basic infrastructure (communications, power, transport and water supply and sanitation); and
- governance (public sector management, local government and civil society, rights, equality and justice, security, peace building and reconciliation, and external relations).

The work involves contributions from almost all the Ministries and agencies of the government. Increasingly, the SIP exercise will provide valuable support for a more integrated view of public spending on development and security in Timor-Leste. The approach is to assess the total expenditure requirements in each sector, including both CFET and development partner funded activities.

### **COORDINATION AMONGST GOVERNMENT AGENCIES:**

Typically, more than one agency is responsible for activities in each sector, the SIP exercise requires an emphasis on coordination amongst Ministries. The exercise has already led to increased inter-agency discussions for a number of sectors. An example is the infrastructure requirements for rural development, linkages between health hygiene and education programmes that reinforce the introduction of safe water in communities, increased attention to inter-agency cooperation in management of watersheds and the environment, and inter-agency meetings on programmes and policies for private sector development.

### **PRIORITIES WITHIN THE SECTORS:**

SIP-related expenditure priorities within a sector are primarily set by the government agencies with responsibility for the sector. A clear statement of priorities for each sector will facilitate dialogue with development partners on the programmes and projects to be supported within each sector. This will enhance the Government's capacity for donor coordination. Clear priorities within a sector will also facilitate internal decisions on CFET budget allocations.

### **PROGRESS**

Work is underway on all fourteen SIPs, the nine SIPs that drafted in November 2003 have been reviewed by the Ministries concerned and are in the process of being revised.

Work on the five governance SIPs was launched in January. First working drafts have been prepared for all but the External Relations SIP. Work has started on the latter and the first working drafts of these are ready for internal review and discussion.

## **PROPOSED TIMETABLE**

Individual ministries are continuing to have increasing ownership of the SIP process and are becoming familiar with the analysis and approach. The Government remains focussed on finalising the SIP exercise soon in order that clear priorities can be established for expenditures within sectors and across sectors.

The Government is aiming to complete the first full set of SIPs in ample time to factor the results of the work into the mid-year review of the budget in October and the next round of TLDPM discussions. This will also provide enough time for a systematic round of discussions with individual donors on the programmes and sectors that they can support. This should ensure a much more informed discussion at the likely Development Partner meeting in December and clearer indications of donor support over the medium term.

## **PART 8 – EXPENSES**

Total Combined Sources funding (CFET, TFET, Bilateral/Multilateral and UN assessed) of \$203.6m is expected at the time of printing. This represents a significant reduction from the same time last year, when expenditures in the order of \$241.8m were forecast. Reductions have occurred across all categories of funding, but are most significant in relation to Bilateral and Multilateral funding.

Total CFET expenditure for recurrent expenditure, capital and development funding and Self Funded Agency expenditure has reduced to a total of \$83.4m, as part of the Government's strategy to address the overall financing gap. As outlined below, the Government undertook a significant programme of expenditure review and reduction to better align expenditure with needs and also ensure expenditure was framed at a sustainable level. This includes recurrent expenditure, Capital and Development funding and expenditures for Self Funded Agencies.

Expenditures for TFET, will continue in 2004-05, with funding of \$24.4m provided. This will fund the continuation of a number of successful initiatives, such as the third stage of the Agriculture Rehabilitation Project, Fundamental School Quality Project, Health Projects, Small Enterprise Project Stage Two, Roads Project, Economic Institutions Capacity Building Project and Petroleum Technical Assistance Stage Two.

As indicated above, current approved projects and projects under preparation listed in the Government's Registry of External Assistance database at the time of printing have reduced significantly from the levels of previous years, to approximately \$88.9m. This reduction will need to be addressed with development partners as part of the SIP process in 2004-05

UN Assessed assistance is also forecast to reduce from previous levels, reflecting the reduced presence of the UN mission over time. It is currently expected that the UN Assessed component will only be available for 2004-05, at which time it will cease.

### **CFET AND COMBINED SOURCES SECTORAL SHARES**

The National Development Plan was developed by eight sectoral working groups, which are based on a grouping of Ministries within the eight sectors. Taking into account structural changes made by Government for the 2004-05 Budget, the sectoral groupings for Budget purposes are set out in Table 8.2.

**Table 8.1**  
**2004-05 Combined Sources Budget (\$'000)**

INSTITUTIONS OF GOVERNMENT		CFET	TFET	Bilateral / Multilateral	UN Assessed	Total
<b>A-1</b>	Office of the President	380	0	0	240	620
<b>B-1</b>	National Parliament	930	0	0	240	1,170
<b>Government (Ministries and Secretariats of States)</b>						
<b>C-1</b>	Office of the Prime Minister & Presidency of the Council of Ministers	1,004	770	5,162	480	7,416
<b>D-1</b>	Secretariat of State for the Council of Ministers	380	0	0	240	620
<b>E-1</b>	Secretariat of State for Defence	5,994	0	113	120	6,227
<b>F-1</b>	Ministry of State Administration	2,722	0	3,009	240	5,971
<b>G-1</b>	Ministry of the Interior	9,296	0	6,482	360	16,138
<b>J-1</b>	Ministry of Justice	480	4,190	470	120	5,260
<b>H-1</b>	Ministry of Development and the Environment	177	0	0	120	297
<b>I-1</b>	Secretariat of Trade and Industry	1,782	0	1,010	720	3,512
<b>K-1</b>	Ministry of Agriculture, Forests and Fisheries	1,573	2,358	13,979	0	17,910
<b>L-1</b>	Ministry of Education, Culture, Youth and Sports	16,488	8,498	5,155	240	30,381
<b>M-1</b>	Ministry of Health	9,725	2,654	12,345	120	24,844
<b>N-1</b>	Secretariat of State for Labour and Solidarity	490	0	3,667	0	4,157
<b>O-1</b>	Ministry of Foreign Affairs and Cooperation	2,436	0	64	120	2,620
<b>P-1</b>	Ministry of Planning and Finance	3,675	278	10,292	2,040	16,285
<b>Q-1</b>	Ministry of Transport, Communications and Public Works	16,235	4,901	26,854	0	47,990
<b>R-1</b>	Judiciary	360	0	35	1,080	1,475
<b>S-1</b>	Banking and Payments Authority	620	0	0	240	860
<b>T-1</b>	Public Broadcasting Service	350	0	234	0	584
<b>Total Budget Funded Agencies</b>		<b>75,097</b>	<b>23,649</b>	<b>88,871</b>	<b>6,720</b>	<b>194,337</b>
<b>Self Funded Agencies</b>		<b>8268</b>	<b>800</b>	<b>0</b>	<b>240</b>	<b>9,308</b>
<b>Q-6.2</b>	Electricity Services of Timor-Leste	6,450	0	0	0	6,450
<b>Q-5.8</b>	Civil Aviation	890	0	0	180	1,070
<b>Q-5.7</b>	Maritime Transportation	928	0	0	60	988
Unable to be Allocated to Specific Ministries		0	800	0	0	800
<b>Total Combined Sources</b>		<b>83,365</b>	<b>24,449</b>	<b>88,871</b>	<b>6,960</b>	<b>203,645</b>

**Table 8.2**  
**Grouping of Ministries Within the NDP Sectors**

<p>1. Agriculture</p> <ul style="list-style-type: none"> <li>• Ministry of Agriculture, Forests and Fisheries.</li> </ul>	<p>5. Trade, Industry and the Private Sector Development</p> <ul style="list-style-type: none"> <li>• Ministry of Development and the Environment (excluding Mineral and Natural Resources &amp; Environment programmes).</li> <li>• Secretariat of State for Trade and Industry.</li> </ul>
<p>2. Infrastructure</p> <ul style="list-style-type: none"> <li>• Ministry of Transport, Communications and Public Works.</li> </ul>	<p>6. Poverty Reduction and Rural and Regional Development</p> <ul style="list-style-type: none"> <li>• Secretariat of State for Labour and Solidarity.</li> <li>• Ministry of State Administration (National Directorate of Territorial Administration and Local Government only).</li> </ul>
<p>3. Human Development</p> <ul style="list-style-type: none"> <li>• Ministry of Education, Culture, Youth and Sports.</li> <li>• Ministry of Health.</li> </ul>	<p>7. Macroeconomic Management and Public Finance</p> <ul style="list-style-type: none"> <li>• Ministry of Planning and Finance.</li> <li>• Banking and Payments Authority.</li> </ul>
<p>4. Natural Resources and Environment</p> <ul style="list-style-type: none"> <li>• Ministry of Development and the Environment (Mineral and Natural Resources &amp; Environment programmes only).</li> </ul>	<p>8. Political Development, Foreign Relations, Security and Defence</p> <ul style="list-style-type: none"> <li>• Office of the President of the Republic.</li> <li>• National Parliament.</li> <li>• Office of the Prime Minister &amp; Presidency of the Council of Ministers.</li> <li>• Secretariat of State for the Council of Ministers.</li> <li>• Secretariat of State for Defence.</li> <li>• Ministry of State Administration (except National Directorate of Territorial Administration and Local Government).</li> <li>• Ministry of the Interior.</li> <li>• Ministry of Justice.</li> <li>• Judiciary.</li> <li>• Public Prosecution Office and Districts.</li> <li>• Ministry of Foreign Affairs and Co-operation.</li> </ul>

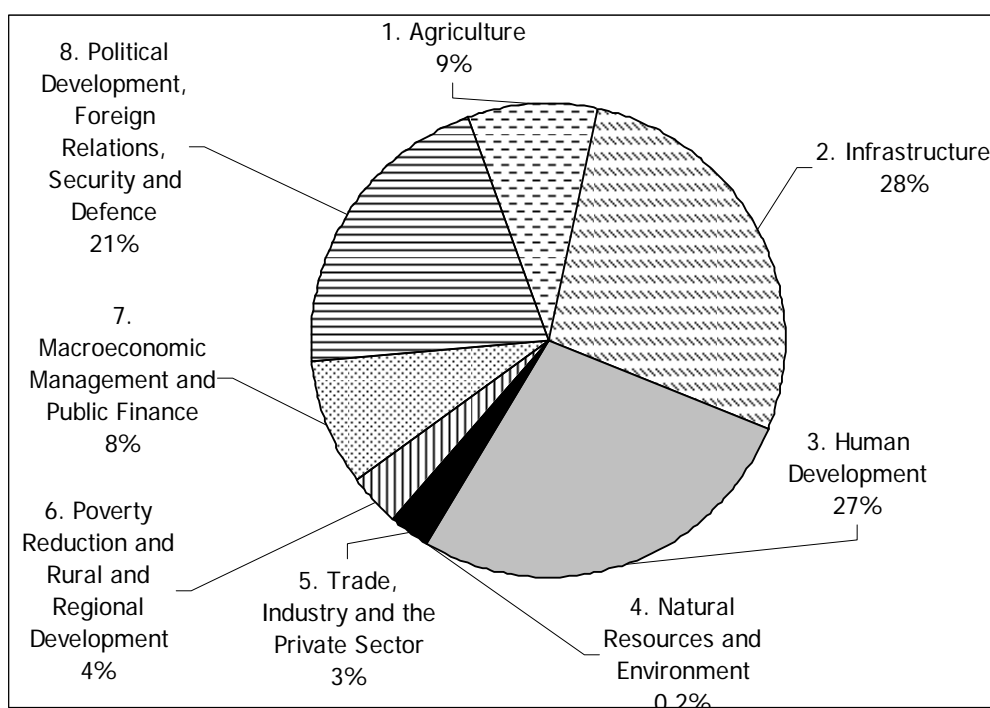
Distribution of the Combined Sources and CFET expenditures for 2004-05 between the NDP sectors is presented in Charts 8.1 and 8.2. Significant differences between the charts are in evidence, highlighting the additional resources provided to key sectors through external financing facilities such as multilateral and bilateral support, TFET and the UN assessed component.

The charts highlight that approximately 70% of CFET recurrent expenditure is directed at social and economic sectors, with the majority in infrastructure and human development sectors. This increases to over 75% for combined sources expenditure. Spending on the social sectors such as health and education is the key to longer term human capital formation and poverty reduction, while spending on agriculture and infrastructure facilitate private sector growth and underpin development.

The key sectors of trade, industry, the private sector and agriculture display significantly increased shares of combined sources expenditure compared to CFET expenditure. This is in recognition of the significant amounts of external assistance provided to these areas and also the Government decision to allocate resources with a view to the level of external support provided.

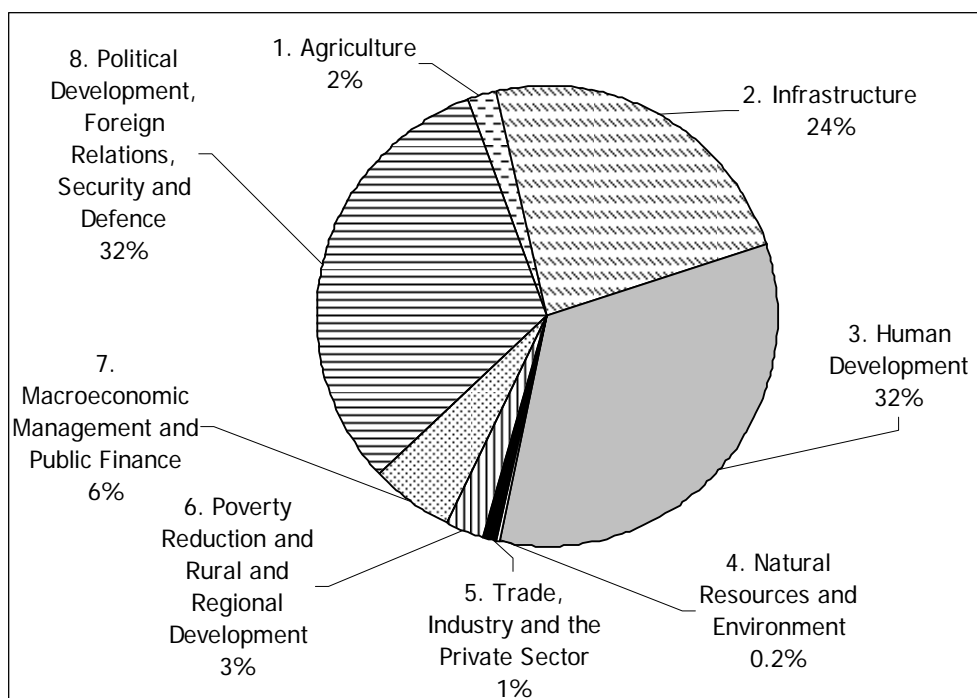
Caution must be exercised in assessing these sectoral allocations given the large amounts of assistance provided through external means, the impact of this on Government allocations and the uncertainty and volatility of levels of external support, particularly in view of the forthcoming SIP process.

**Chart 8.1**  
**2004-05 Combined Sources Expenditure by NDP Sectors**





**Chart 8.2**  
**2004-05 CFET Recurrent Expenditure by NDP Sectors**



## JAPANESE NON-PROJECT AID

The Government of Timor-Leste last year entered into an agreement for the provision of aid in the form of goods procured by the Japanese Government on behalf of the GOTL. The 2003-04 CFET Midyear Budget Update (MYBU) reflected the value of the goods anticipated to be received. Due to a longer than anticipated procurement process, these goods have not been received in the 2003-04 fiscal year. They are now expected to be received in 2004-05, in addition to goods anticipated to be received under a second such agreement recently entered into between Governments. Due to uncertainty in relation to delivery dates and amounts these are not reflected in the CFET Budget at this time. Any impacts for CFET will be reflected in the MYBU (November 2004)

A requirement of this aid programme is for the GOTL to establish a Counterpart fund within which is set aside funds equal to at least 50% of the FOB value of goods received. These funds will be applied for the purposes of social/economic development. Funds will be set aside within CFET balances progressively as goods are received. This accumulation will be financed by reductions to individual Ministry budgets as the goods are made available to them.

The value of the grants which is expected to be received during 2004-05, is:

- First agreement                      300 million yen (approximately US\$2.4 million)
- Second agreement                    500 million yen (approximately US\$4,5 million)

## CFET EXPENDITURES AND KEY NEW MEASURES

Table 8.3 provides a summary of 2004-05 CFET allocations by Ministry. Detail on total Government expenditures by line item is provided in Appendices 1 and 2

**Table 8.3  
CFET Budget Allocations 2004-05**

<b>MINISTRY</b>		<b>2003-04 MYBU</b>	<b>04-05 Total</b>	<b>Salaries and Wages</b>	<b>Goods and Services</b>	<b>Minor Capital</b>	<b>Capital &amp; Develop't</b>
<b>A-1</b>	Office of the President	400	380	140	220	20	0
<b>B-1</b>	National Parliament	1,167	930	579	338	13	0
<b>Government (Ministries and Secretariats of States)</b>							
<b>C-1</b>	Office of the Prime Minister & Presidency of the Council of Ministers	807	1,004	249	682	23	50
<b>D-1</b>	Secretariat of State for the Council of Ministers	434	380	59	280	41	0
<b>E-1</b>	Secretariat of State for Defence	6,075	5,994	1,712	4,229	53	0
<b>F-1</b>	Ministry of State Administration	2,637	2,722	776	1,611	35	300
<b>G-1</b>	Ministry of the Interior	9,888	9,296	4,876	4,084	316	20
<b>J-1</b>	Ministry of Justice	2,022	1,782	876	891	15	0
<b>H-1</b>	Ministry of Development and the Environment	526	480	172	276	32	0
<b>I-1</b>	Secretariat of Trade and Industry	150	177	74	85	18	0
<b>K-1</b>	Ministry of Agriculture, Forests and Fisheries	1,644	1,573	507	906	22	138
<b>L-1</b>	Ministry of Education, Culture, Youth and Sports	15,940	16,488	11,828	3,500	217	943
<b>M-1</b>	Ministry of Health	8,853	9,725	3,013	5,673	439	600
<b>N-1</b>	Secretariat of State for Labour and Solidarity	574	490	199	279	12	0
<b>O-1</b>	Ministry of Foreign Affairs and Cooperation	1,154	2,436	217	2,068	151	0
<b>P-1</b>	Ministry of Planning and Finance	4,238	3,675	981	2,582	77	35
<b>Q-1</b>	Ministry of Transport, Communications and Public Works	16,541	16,235	1,441	8,294	235	6,265
<b>R-1</b>	Judiciary	299	360	226	118	16	0
<b>S-1</b>	Banking and Payments Authority	1,005	620	0	620	0	0
<b>T-1</b>	Public Broadcasting Service	261	350	272	78	0	0
<b>Total Budget Funded Agencies</b>		<b>74,615</b>	<b>75,097</b>	<b>28,197</b>	<b>36,814</b>	<b>1,735</b>	<b>8,351</b>
<b>Self Funded Agencies</b>		<b>5,700</b>	<b>8,268</b>	<b>288</b>	<b>6,915</b>	<b>322</b>	<b>743</b>
<b>Q-6.2</b>	Electricity Services of Timor-Leste	4,300	6,450	33	6,026	71	320
<b>Q-5.8</b>	Civil Aviation	851	890	155	550	132	53
<b>Q-5.7</b>	Maritime Transportation	549	928	100	339	119	370
<b>Total CFET Budget Allocations</b>		<b>80,315</b>	<b>83,365</b>	<b>28,485</b>	<b>43,729</b>	<b>2,057</b>	<b>9,094</b>

# CFET EXPENDITURES AND KEY NEW MEASURES

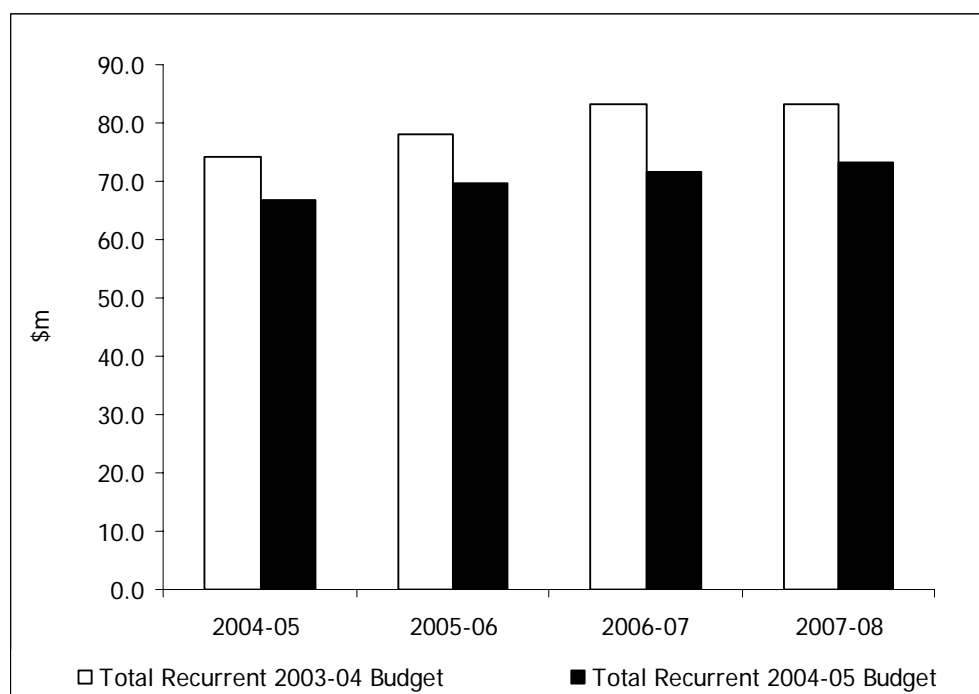
## Overview

As outlined in the 2003-04 MYBU a major component of the Government's strategy to manage the significant financing gap projected at that time was to restrain expenditure. In particular, this would involve reducing the projected growth in CFET expenditures to a sustainable level over the medium term. Following the December 2003 TLDPM, the Government undertook to meet this commitment through a concerted programme of expenditure reductions, based on the following principles:

- reductions to be targeted at overhead costs, with a focus on improving efficiency and maintaining and improving service delivery, particularly within districts.
- salaries and wages be isolated from reductions to facilitate the implementation of service delivery and ensure the capacity development of the civil administration is not adversely affected.
- goods and services be reduced, mainly through reducing overhead costs.
- minor capital be reduced, given that the major fit out costs of government offices have occurred in the previous two years, and in light of the expected handover of substantial assets from the UNMISSET mission and other bilateral contributions.
- capital and development funding be protected from the majority of reductions and maintained as a substantial component of CFET expenditure to ensure continued economic growth within the nation.

Based on this the formula and taking into account emerging priorities within the nation and commitments made through the TSP, the Government achieved its goal, meeting a range of funding priorities, while achieving a significant reduction in recurrent expenditure over the Budget and medium term. The Government decided to continue with this approach despite significant upwards revision in revenue forecasts, as set out in Part 6. The Government is intent on implementing strong fiscal discipline to ensure the long term sustainability of Government operations.

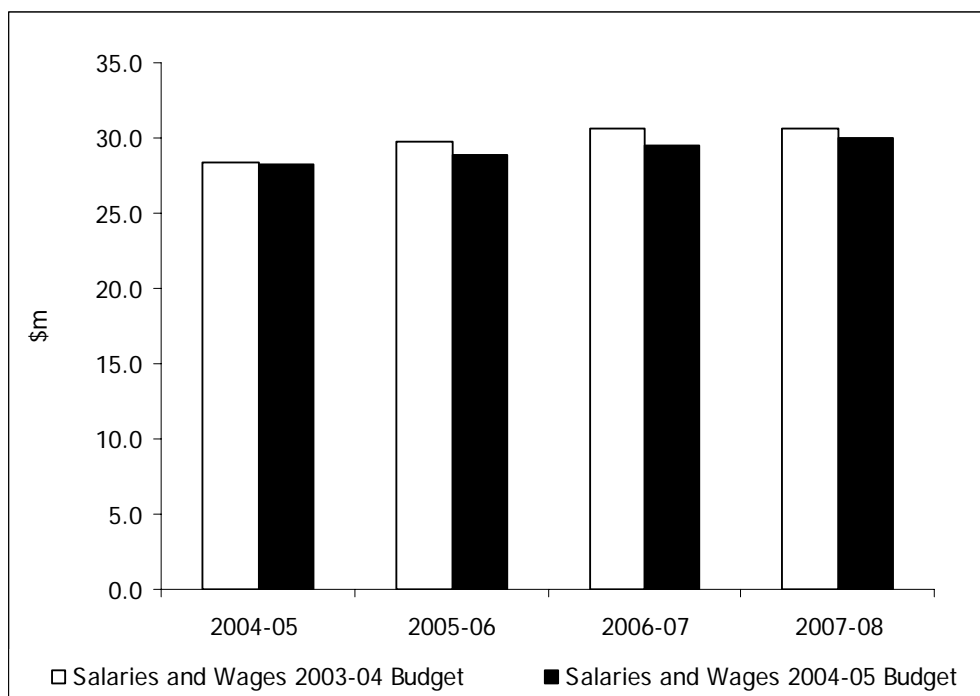
**Chart 8.3**  
**Summary of Reduced Recurrent Expenditure**



In comparison, funding for the capital and development programme has been quarantined from major reductions and maintained at a similar proportion of total Government expenditure as that forecast in 2003-04, at approximately 11% in 2004-05, increasing to 13% by 2007-08.

Within recurrent expenditure, funding for salaries and wages has been reduced from previous estimates over the Budget and medium term as Government expenditure on wages stabilise given that the civil service has now reached its mature size. Some provision for increases in salaries of approximately 6% over the forward estimates period is included to allow for promotion of staff and the possibility of increased salary costs should the Government decide to review its overall salary and wages policy.

**Chart 8.4**  
**Summary of Reduced Salaries and Wages**



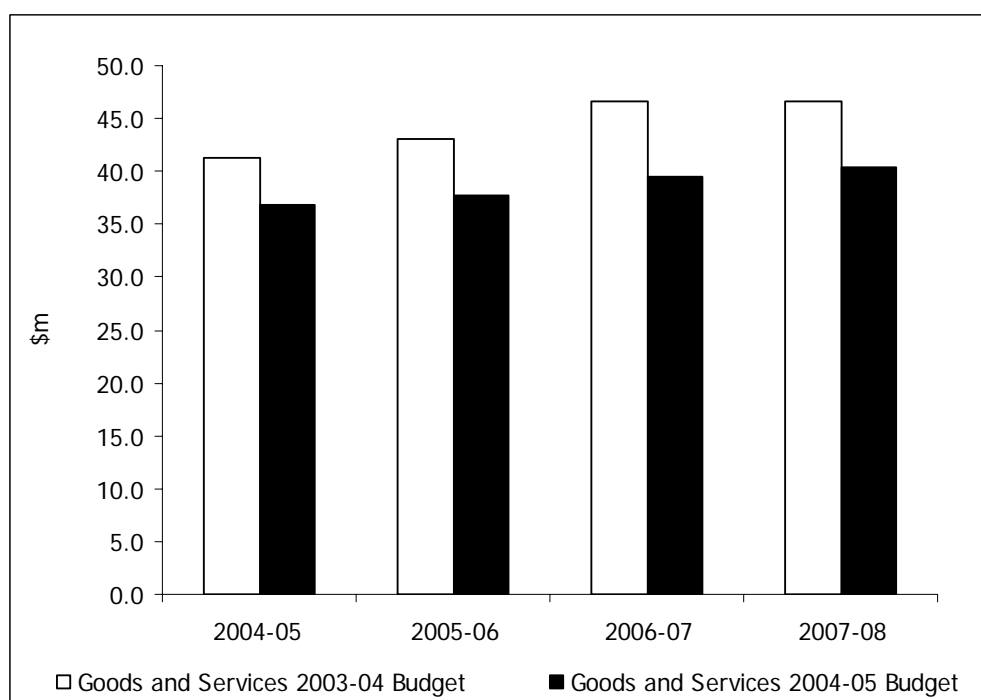
Goods and Services remain steady as a proportion of recurrent expenditure at approximately 55% over the budget and medium term, while increasing in dollar terms by approximately 10% over this period. This will provide a sustainable increase in line with the rising level of capacity of the civil service. Categories providing the majority of projected expenditure growth over this period are directly related to service delivery:

Operational Materials and Supplies increases by 50.4% over the forward estimates period. This item provides for poverty reducing items such as agricultural, medical and school supplies.

Maintenance of Equipment and Buildings increases by 34.5% over the forward estimates period. This is an essential area for Government to focus expenditure, to ensure that the substantial infrastructure investments of the Government and donor community are well managed for the long term benefit of the people of Timor-Leste.

Other Services increases by 24.7% over the Forward Estimates period. This item provides a variety of services such as routine road maintenance, routine maintenance of water and sanitation, and provision of services within hospitals.

**Chart 8.5**  
**Summary of Reduced Goods and Services Expenditure**

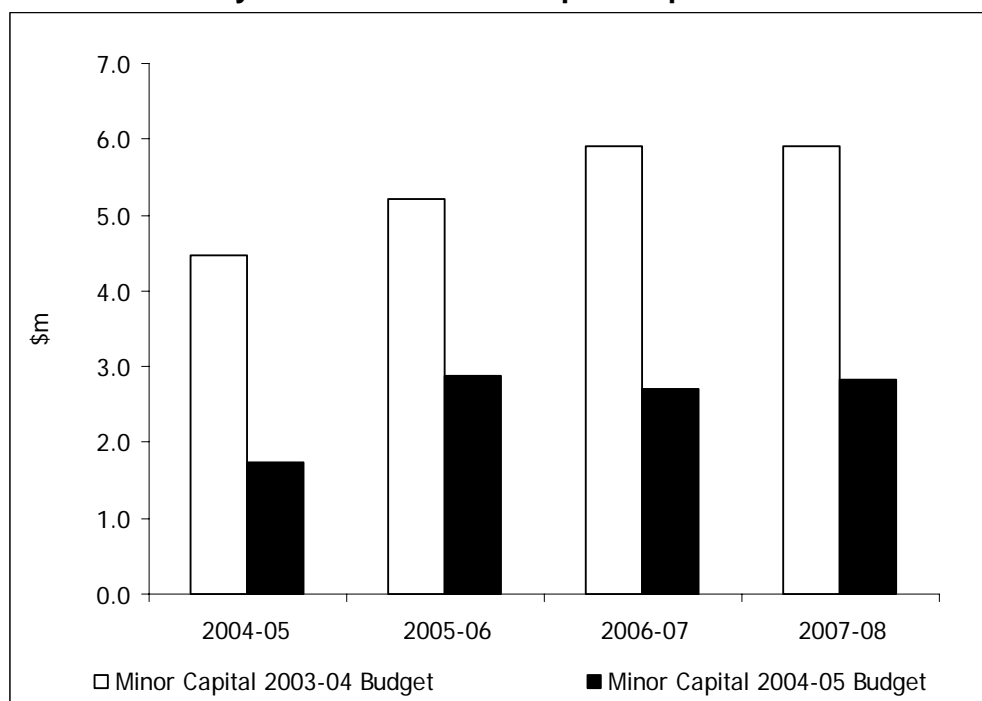


Expenditure on minor capital has also been reduced substantially from that forecast in the 2003-04 Budget. Particular areas of reduction have been:

- EDP equipment (Information Technology);
- furniture and fittings; and
- vehicles.

The Government has undertaken this reduction in response to the expected handover of a substantial amount of equipment from the UNMISSET mission, and in consideration that with the high levels of equipment introduced over the previous two to three years, the need for continued high levels of minor capital had reduced. In the forward estimates, minor capital expenditures remain steady at approximately 4% of the recurrent budget, providing a steady level of funding targeting asset replacement.

**Chart 8.6  
Summary of Reduced Minor Capital Expenditure**



### Key TSP Expenditure Commitments

The Government has met its obligations in relation to the major expenditure targets agreed as part of the Transition Support programme. This specified that funding for Health and Education would be greater than 35% of recurrent CFET funding, while funding for Police and Defence would be less than 25% of recurrent CFET expenditure.

Tables 7.1 and 7.2 highlight the Governments commitment to poverty reduction and achieving the goals set out in the NDP. Funding for health and education are projected to increase steadily as a proportion of Government recurrent expenditure, while funding for defence and police remains steady throughout the forward estimates period. This reflects the Governments commitment to maintaining defence and police at what is now considered the mature levels of staffing and at an appropriate proportion of expenditure, while targeting future projected growth in CFET expenditure at the priority areas of health and education.

**Table 8.4  
Achievement Against Health and Education TSP Target**

	2004-05	2005-06	2006-07	2007-08
Health and Education as a % of Recurrent Spending	37.0	37.6	38.6	38.8

**Table 8.5  
Achievement Against Defence and Police Funding TSP Target**

	2004-05	2005-06	2006-07	2007-08
Police and Defence as a % of Recurrent Spending	20.9	20.8	21.1	20.8

## STAFFING NUMBERS AND ISSUES

For 2004-05 the Government has undertaken a range of initiatives to improve transparency of staffing activities and improve overall governance arrangements, in particular relating to Autonomous Entities. The Government has:

- gained passage of the new Civil Service Act through National Parliament, which will lead to improved performance and management of the civil service.
- reclassified administrative staff of Falintil-FDTL and National Police Timor-Leste as part of the civil service, as opposed to the previous classification as Non Civil Service Government employees. This will provide better transparency in roles and responsibilities between the civil administration and operational elements of these forces.
- separated the staffing profiles for non civil service government employees, such as defence, police, university and judicial staff from those of autonomous bodies such as the Banking and Payments Authority, EDTL, Civil Aviation and Sea Transportation. The underlying concern of the Government is to ensure transparency and minimise government interference in entities not within the direct management control of Government.

In keeping with its TSP commitments the Government has met its objectives for 2004-05 with an overall increase of just 25 permanent staff, to a total of 17,175 (25 below the TSP target of 17,200).

In addition, the Government has recently undertaken a review of all staffing positions within the Civil Service and Non Civil Service Government Staff categories as a first step aimed at better matching staffing profiles with need. It is expected that now that the Civil Service is close to its mature size, future staffing changes will be made through reallocation of staff between programmes as opposed to increasing the overall number of staff beyond the TSP target.

For 2004-05 and the forward estimates period the Government has ensured that salaries have been maintained below the TSP target of \$30m. Staffing for 2004-05 is summarised in Table 8.6 below.

**Table 8.6**  
**Total Staffing 2004-05**

	L1	L2	L3	L4	L5	L6	L7	TOTAL
<b>Official Civil Servants</b>	<b>646</b>	<b>1,012</b>	<b>6,399</b>	<b>3,341</b>	<b>599</b>	<b>240</b>	<b>18</b>	<b>12,255</b>
Permanent	614	939	6,340	3,325	586	212	18	12,034
Temporary	32	73	59	16	13	28	-	221
<b>Non Civil Service Government Staff</b>	<b>882</b>	<b>3,083</b>	<b>380</b>	<b>372</b>	<b>192</b>	<b>20</b>	<b>33</b>	<b>4,962</b>
Permanent	851	3,075	342	357	55	4	2	4,686
Temporary	31	8	38	15	137	16	31	276
<b>Autonomous Entities Staff</b>	<b>77</b>	<b>176</b>	<b>162</b>	<b>116</b>	<b>48</b>	<b>18</b>	<b>12</b>	<b>609</b>
Permanent	52	168	144	59	25	7	2	455
Temporary	25	10	18	57	23	11	10	154
<b>Total Consolidated Staff</b>	<b>1,605</b>	<b>4,271</b>	<b>6,941</b>	<b>3,829</b>	<b>839</b>	<b>278</b>	<b>63</b>	<b>17,826</b>
Permanent	1,517	4,180	6,826	3741	666	223	22	17,175
Temporary	88	91	115	88	173	55	41	651

Total Civil Servant numbers have increased to 12,034, an increase of 46 compared to 2003-04 and 34 above the Transition Support Programme (TSP) target of a mature Civil Service of 12,000.

However, the Government has demonstrated its commitment to the principles of the TSP, with the increase attributable to inclusion in 2004-05 of 60 administrative (civilian) staff of Falantil-FDTL and National Police of Timor-Leste. In previous years these staff were misclassified as part of the operational element of these forces. It is expected that this initiative will provide greater transparency and separation between the administrative and operational components of the defence and police forces. Furthermore, this increase has been largely offset through staff reductions in lower priority areas, or areas of significant under recruitment as summarised below:

- increase of 8 permanent staff in the Office of the Prime Minister, to provide a permanent administrative unit.
- reduction of 1 permanent staff in the Secretariat of State for the Council of Ministers.
- increase of 3 permanent staff in the Office of Natural and Mineral Resources within the Ministry of Development and Environment to better enable the unit to manage the natural resource wealth of the nation.
- reduction of 3 permanent staff within the Ministry of Justice, through the abolishment of the Regional Judicial Delegates programme for 2004-05.
- decrease of 34 permanent staff within the Ministry of Education, Culture, Youth and Sport, given the level of under recruitment within the Ministry.

Staffing for non civil servants has decreased by 22 permanent staff in 2004-05, through the reclassification of administrative staff of defence and police and the reduction of 69 police. This is offset by the increase of Falintil-FDTL to its full mature force of 1,435 soldiers (an additional 107 soldiers).

Staffing for Autonomous entities has increased by 14 permanent staff, associated with an increase in the activities of the Banking and Payments Authority. While acknowledging the significant increase, the Government is committed to ensure that proper governance arrangements are adhered to and that it does not unduly interfere in the activities of entities not within its direct control.

## **CAPITAL AND DEVELOPMENT FUND**

Funding for capital and development projects increases by \$1.4m from 2003-04, with further substantial growth in the forward estimates period, from \$8.4m in 2004-05 to \$10.9m in 2007-08.

The majority of funding has been targeted at continuation of existing projects or programmes of major capital expenditure such as:

- school refurbishment within the Ministry of Education, Culture, Youth and Sports.
- road maintenance and upgrades and water and sanitation projects with the Ministry of Transport, Communications and Public Works.
- Irrigation projects within the Ministry of Agriculture, Forests and Fisheries.

The Government has taken this decision to ensure that capital and development projects remain focused on areas of priority need, which are linked to the goals in the NDP. This will also foster economic growth in the nation through the injection of a substantial amount of civil works funding, providing employment opportunities for Timorese people. The projected large investment in road infrastructure of approximately \$23.4m over the period 2004-05 to 2007-08 will help ensure continued access to markets for the expected increases in local economic production.

It should be noted that as CFET funding is only appropriated on an annual basis, all capital and development projects in the forward years will be subject to an annual review of Government priorities. This will provide a natural mechanism for the Government to consider modifications to its capital and development plans in light of the outcomes from the SIPs being developed for consideration by development partners.



A summary of the capital and development project allocations is provided at Appendix 3.

# FUNDING OVERVIEW AND MEASURES BY MINISTRY AND SECRETARY OF STATE

## President of the Republic

**Table 8.7**  
**Consolidated Funding and Staffing Overview President of the Republic (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>CFET Salaries and Wages</i>	140	150	155	160	605
<i>CFET Goods &amp; Services</i>	220	180	195	205	800
<i>CFET Minor Capital</i>	20	15	25	25	85
<i>CFET Capital &amp; Development</i>	0	0	0	0	0
<b>Proposed CFET Budget</b>	<b>380</b>	<b>345</b>	<b>375</b>	<b>390</b>	<b>1,490</b>
<b>UN Assessed</b>	<b>240</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>240</b>
<b>Bilateral-Multilateral</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Combined Sources</b>	<b>620</b>	<b>345</b>	<b>375</b>	<b>390</b>	<b>1,730</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>14</b>	<b>5</b>	<b>17</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>8</b>	<b>64</b>
Permanent	10	5	15	5	3	3	3	44
Temporary	4	0	2	2	4	3	5	20

### *Funding Overview*

Overall funding for the *President of the Republic* has decreased by 5% from the 2003-04 MYBU, to \$380,000. This has mainly been achieved through a major reduction in minor capital associated with the one off purchase of vehicles in 2003-04. There are no new funding initiatives in the 2004-05 Budget.

The goal of the *Office of the President* is to provide all the necessary support to the President of the Republic to achieve an efficient democracy that allows the active participation of the population in national development. To achieve this goal, the *Office of the President* has as its objectives the following:

- to guarantee the effectiveness and efficiency of the functioning of the sovereign agency, consistent with the Constitution of Timor-Leste;
- to ensure assistance in logistics, human and financial resources and to implement activities.

### *Performance Indicator(s)*

1. At least 75% implementation of the planned programme activities.

## National Parliament

**Table 8.8**  
**Consolidated Funding and Staffing Overview National Parliament (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>Salaries and Wages</i>	579	610	640	660	2,489
<i>Goods &amp; Services</i>	338	330	335	345	1,348
<i>Minor Capital</i>	13	30	30	30	103
<i>Capital &amp; Development</i>	0	0	0	0	0
<b>Proposed CFET Budget</b>	<b>930</b>	<b>970</b>	<b>1,005</b>	<b>1,035</b>	<b>3,940</b>
<b>UN Assessed</b>	<b>240</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>240</b>
<b>Bilateral-Multilateral</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Combined Sources</b>	<b>1,170</b>	<b>970</b>	<b>1,005</b>	<b>1,035</b>	<b>4,180</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>8</b>	<b>17</b>	<b>8</b>	<b>4</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>46</b>
Permanent	5	17	8	4	7	1	1	43
Temporary	3	0	0	0	0	0	0	3

### *Funding Overview*

The budget for *National Parliament* has reduced by approximately 20.1% from the 2003-04 MYBU, to \$930,000. However, approximately half of this reduction is a result of one off capital and development projects in 2003-04. Excluding this impact, recurrent expenditure will reduce by 10%, mostly through a reduction in minor capital associated with the one off purchase of security equipment in 2003-04. There are no new funding initiatives in the 2004-05 Budget.

The goal of the programme under the *National Parliament* is to develop and foster the conditions that will allow the efficient fulfilment of the competencies of the *National Parliament*, notably the promotion of the debate of ideas which contributes to the production of appropriately formulated legislative enactments that will respond to national priorities.

To achieve this goal, the *National Parliament* has as its objective the provision of logistics and conditions that will facilitate the development of the competencies and effectiveness of the functions of the deputies, plenary assembly and commissions of the *National Parliament*.

### *Performance Indicator(s)*

1. Increase of at least 15% of the legislative production by the *National Parliament*;
2. Promote the effective development of the quantity and quality of legislative production; and
3. Increased participation, involvement, motivation and responsibility of the *National Parliament* in the fulfilment of its functions.

## Office of the Prime Minister & Presidency of the Council of Ministers

**Table 8.9**  
**Consolidated Funding and Staffing Overview Government Structures (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<b>Proposed Budget</b>	<b>1,004</b>	<b>1,011</b>	<b>1,024</b>	<b>1,069</b>	<b>4,108</b>
<i>Salaries and Wages</i>	249	255	261	267	1,032
<i>Goods &amp; Services</i>	682	705	724	759	2,870
<i>Minor Capital</i>	23	51	39	43	156
<i>Capital &amp; Development</i>	50	0	0	0	50
<b>Proposed Budget</b>	<b>1,004</b>	<b>1,011</b>	<b>1,024</b>	<b>1,069</b>	<b>4,108</b>
<b>UN Assessed</b>	<b>480</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>480</b>
<b>Bilateral-Multilateral</b>	<b>5,932</b>	<b>891</b>	<b>0</b>	<b>0</b>	<b>8,242</b>
<b>Total Combined Sources</b>	<b>7,416</b>	<b>1,902</b>	<b>1,024</b>	<b>1,069</b>	<b>12,830</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>4</b>	<b>10</b>	<b>16</b>	<b>19</b>	<b>17</b>	<b>8</b>	<b>1</b>	<b>75</b>
Permanent	0	4	16	19	17	8	1	65
Temporary	4	6	0	0	0	0	0	10

### Funding Overview

The *Office of the Prime Minister & Presidency of the Council of Ministers* was previously within the Government Structures which consisted of the office of the *Office of the Prime Minister & Presidency of the Council of Ministers*, the *Secretariat of State for the Council of Ministers*, the *Secretariat of State for Defence* and the *Banking Payment Authority*, which all now appear as individual structures.

Excluding structural changes and capital and development projects, funding for *Office of the Prime Minister & Presidency of the Council of Ministers* has increased approximately 18% from the 2003-04 MYBU. This is associated with the continued strengthening of key institutions and oversight bodies such as the *Office of the Prime Minister*, *Office of the Human Rights Advisor to the Prime Minister*, *Purveyor of Human Rights and Justice*, *Inspector General*, *Promotion of Equality*, *National Security Service* and the *Timor Sea Office*.

### Measures

#### *Separation of the Secretariat of State for the Council of Ministers*

For 2004-05, a separate Secretariat of State for the Council of Ministers will be established, under the direction of the Secretary of State for the Council of Ministers. All funding for the Council of Ministers Secretariat and the Office of the Secretary of State for the Council of Ministers has been transferred from *Office of the Prime Minister & Presidency of the Council of Ministers*.

#### *Separation of the Banking and Payments Authority*

For 2004-05, to improve governance arrangements and better reflect the independence of the *Banking and Payments Authority (BPA)*, it has been separated out from *Office of the Prime Minister & Presidency of the Council of Ministers* and listed as a separate entity. All funding for the BPA has been transferred from *Office of the Prime Minister & Presidency of the Council of Ministers*.

### *Formalisation of Secretariat of State for Defence*

For 2004-05 the separate *Secretariat of State for Defence* which was established in April 2002 will be formalised, under the direction of the Secretary of State for Defence, to provide better transparency and accountability for defence related matters. All funding for the Office of the Secretary of State for Defence and Falintil-FDTL has been transferred from *Office of the Prime Minister & Presidency of the Council of Ministers* .

### *Creation of a Permanent Secretariat Within the Office of the Prime Minister*

The Government has decided to establish a permanent secretariat unit within the Office of the Prime Minister to provide the necessary administrative support to the head of the Government and also provide for future stability within the office if there is a change of Government or Prime Minister. This has been established through the addition of 8 permanent civil service staff and associated increase in administrative overheads.

### **Office of the Prime Minister**

The goal of the programme under the Office of the Prime Minister is to offer the best direct services to the Prime Minister.

To achieve this goal, the Office of the Prime Minister has as its objective the capacity building of the public servants of the Prime Minister.

#### *Performance Indicator(s)*

1. Training of the public servants in the Office of the Prime Minister.

### **Secretariat of State for Parliamentary Affairs**

The goals of the programme on parliamentary affairs are to exercise better coordination between Government and National Parliament through an efficient and effective legislative process, as well as allow staff of the Office of the *Secretariat of State for Parliamentary Affairs* to be able to undertake their functions as they should.

To achieve these goals, the Office of the Secretary of State for Parliamentary Affairs has as its objective to maintain and establish relations between the Government and the National Parliament for a better legislative process.

#### *Performance Indicator(s)*

1. 100% of relations between the Government and the National Parliament are established and governed by an efficient and effective legislative process.

### **Office of the Advisor to the Prime Minister on Human Rights**

The goals of the programme on human rights are to provide advice and education on human rights and prepare and implement activities and education programs on human rights and justice.

To achieve these goals, the *Office of the Advisor to the Prime Minister on Human Rights* has as its objectives the following:

- increase people's awareness about human rights and justice in Timor-Leste;
- improve governmental performance in respecting and promoting human rights; and
- ensure fulfilment of the Government's human rights duties and obligations derived from international human rights treaties.

#### *Performance Indicator(s):*

1. At least 75 % increase in people's awareness about human rights and justice in Timor-Leste.

### ***Purveyor of Human Rights and Justice***

The goals of the office of the Purveyor of Human Rights and Justice are the following:

- launch activities for a credible, effective, independent and constitutionally - based organ that combines the functions of an Ombudsperson and those of National Human Rights Institution.
- protect the rights, liberties and legitimate interests of persons in cases where persons have been affected by acts of governmental agencies or private contractors operating a public service or managing public assets on behalf of government,

To achieve these goals the Office has as its objectives the following:

- Redress public administration irregularities in the areas of human rights, good governance and corruption through inquiries investigation, inspection and reports;
- Provide education and sensitization programs/activities in the same areas; and
- Promote the highest standards of human rights and good practices in public administration throughout Timor-Leste.

#### ***Performance indicator(s)***

1. At least 75 % completion of the launching activities for a credible, effective, independent and constitutionally - based organ that combines the functions of an Ombudsperson and those of National Human Rights Institution.

### ***Office of the Inspector General***

The goal of the programme on the Office of the Inspector General is to promote the responsibility and transparency of public administration in Timor-Leste.

To achieve this goal, the Office of the Inspector General shall carry out inspection, investigation and audit and related activities to ensure effectiveness and efficiency of services within the public administration.

#### ***Performance Indicator(s)***

1. Good conduct of public administration services promoted and ensured.

### ***Office of the Advisor to the Prime Minister for the Promotion of Equality***

The goal of the programme on promotion of equality is to ensure that gender equality is integrated and mainstreamed into the policy, planning and implementation processes of all government departments.

To achieve this goal, the *Office of the Advisor to the Prime Minister for the Promotion of Equality* has as its objectives the following:

- increase cross-sectoral coordination and cooperation within central government to promote integration of a gender equality perspective; and
- raise awareness and increase capacity to implement gender equality in key government departments and civil society in Timor -Leste.

#### ***Performance Indicator(s)***

1. At least 85% of key staff in all Ministries are aware of gender equality.

### ***National Security Service of State***

The goal of the programme on national security service is the development of political, external relations, defence and security to establish and maintain peace, security and stability in the country.

To achieve this goal, the objective of the *National Security Service of the State* is to draw attention to the motivation of political violence or actions able to create instability in national security.

*Performance Indicator(s)*

1. The Prime Minister can take effective political decisions and preventive actions to resolve instability and national security crises.

**Capacity Development Coordination Unit**

The goal of the programme on capacity development coordination is to strengthen the capacity of human resources in the Public Service.

To achieve this goal, the Capacity Development Coordination Unit has as its objectives the following:

- coordinate the effectiveness of capacity development initiatives within the public service; and
- use of international staff to enhance the capacity of public servants through skills transfer.

*Performance Indicator(s)*

1. Improve the overall capacity development of the public service.

**Timor Sea Office**

The goal of the Timor Sea programme is to maximize the value of the petroleum resources of the Timor Sea to benefit the Timorese public.

To achieve this goal, the *Timor Sea Office* has as its objective the negotiation and conclusion of international and commercial agreements, legislation and other documents to establish a framework for petroleum development in the Timor Sea.

*Performance Indicator(s)*

1. Legislative drafts are presented to Council of Ministers and the National Parliament.
2. Talks held regarding the conclusion of petroleum contracts and maritime boundaries.

## Secretariat of State for the Council of Ministers

**Table 8.10**  
**Consolidated Funding and Staffing Overview**  
**Secretariat of State for the Council of Ministers (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<b>Proposed Budget</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>Total</b>
<i>Salaries and Wages</i>	59	59	61	62	241
<i>Goods &amp; Services</i>	280	293	296	304	1,173
<i>Minor Capital</i>	41	41	41	41	164
<i>Capital &amp; Development</i>	0	0	0	0	0
<b>Proposed Budget</b>	<b>380</b>	<b>393</b>	<b>398</b>	<b>407</b>	<b>1,578</b>
<b>UN Assessed</b>	<b>240</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>240</b>
<b>Bilateral-Multilateral</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Combined Sources</b>	<b>620</b>	<b>393</b>	<b>398</b>	<b>407</b>	<b>1,818</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>8</b>	<b>2</b>	<b>1</b>	<b>21</b>
Permanent	0	2	3	5	8	2	1	21
Temporary	0	0	0	0	0	0	0	0

### *Funding Overview*

Funding for the *Secretariat of State for the Council of Ministers* has reduced by approximately 12% from the 2003-04 MYBU, in line with specific measures taken by the Government, as outlined below.

### *Measures*

#### *Transfer of the budget for the Secretariat of State for the Council of Ministers*

For 2004-05, a separate Secretariat of State for the Council of Ministers will be established, under the direction of the Secretary of State for the Council of Ministers. All funding for the Council of Ministers Secretariat and the Office of the Secretary of State for the Council of Ministers has been transferred from the former *Government Structures*.

#### *Reduction in the Central minor capital fund for the Ministers' Offices*

The Government has decided to continue with the centralised administration and purchasing of minor capital needs for Ministers' Offices. For 2004-05, this fund has been reduced by \$70,000, to reflect the reduced need for minor capital, given that most office needs were met in 2003-04.

### **Directorate of Administration and Support of the Council of Ministers**

The goal of the programme on administration and support is to guarantee the efficiency of the meetings of the Council of Ministers and the administrative activities of the Secretariat of State.

To achieve this goal, the *Directorate of Administration and Support to the Council of Ministers* has as its objective the creation of a conducive environment for the Council of Ministers and the Secretariat of State to efficiently execute their functions.

### *Performance Indicator(s)*



1. At least 85% of the activities of the *Secretariat of the Council of Ministers* are successfully implemented.

***Directorate of Translation Services***

The goal of the programme on translation/interpretation programme is to generally facilitate the dissemination of the programs of Government to its members and the public.

To achieve this goal, the *Directorate of Translation Services* has as its objective to translate the documents and programs of the Government into the official languages according to the Constitution of the Democratic Republic of Timor-Leste.

***Performance Indicator(s)***

1. 100% of documents are translated into the official languages.

## Secretariat of State for Defence

**Table 8.11**  
**Consolidated Funding and Staffing Overview Secretariat of State for Defence (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>Salaries and Wages</i>	1,712	1,773	1,785	1,787	7,057
<i>Goods &amp; Services</i>	4,229	4,294	4,526	4,625	17,674
<i>Minor Capital</i>	53	27	34	34	148
<i>Capital &amp; Development</i>	0	0	0	0	0
<b>Proposed Budget</b>	<b>5,994</b>	<b>6,094</b>	<b>6,345</b>	<b>6,446</b>	<b>24,879</b>
<b>UN Assessed</b>	<b>120</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>120</b>
<b>Bilateral-Multilateral</b>	<b>113</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>113</b>
<b>Total Combined Sources</b>	<b>6,227</b>	<b>6,094</b>	<b>6,345</b>	<b>6,446</b>	<b>25,112</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>631</b>	<b>410</b>	<b>255</b>	<b>122</b>	<b>29</b>	<b>4</b>	<b>2</b>	<b>1,453</b>
Permanent	631	410	255	122	29	4	2	1,453
Temporary	0	0	0	0	0	0	0	0

### *Funding Overview*

Overall funding for the Secretariat of State for Defence has decreased by approximately 1% from the 2003-04 MYBU, to \$5,994,000. However, excluding the one-off capital and development funding for the Baucau Facility in the 2003-04 budget, recurrent expenditure has increased by 7.5%, mostly through the Government's decision to increase Falintil-FDTL numbers to the full mature force size of 1,435. This leads to increased expenditure on salaries and wages, as well as increased operational costs in goods and services. A particular funding pressure will be the provision of uniforms for Falintil-FDTL. This will be sought through Bilateral / Multilateral processes.

### *Measures:*

#### *Separation of Defence*

For 2004-05 a separate *Secretariat of State for Defence* will be established, under the direction of the Secretary of State for Defence, to provide better transparency and accountability for defence related matters. All funding for the Office of the Secretary of State for Defence and Falintil-FDTL has been transferred from *Office of the Prime Minister & Presidency of the Council of Ministers*.

#### *Separation of Civilian and Operational Components of Defence*

In 2004-05, a separate Defence Secretariat programme will be established, staffed by civil servants, to provide the administrative support to Falintil-FDTL. This will be done at no additional cost through the transfer of existing personnel and resources to the new programme. This will provide greater transparency and accountability of activities between the respective areas.

#### *Increase of Falintil-FDTL Soldier Numbers*

An additional 107 soldiers will be recruited in 2004-05, to bring total soldier numbers up to the full mature force size of 1,435. It is expected that this will provide increased security for Timor-Leste, particularly in light of the expected reduction / withdrawal in Peace Keeping Force numbers post June 2004.

## Ministry of State Administration

**Table 8.12**  
**Consolidated Funding and Staffing Overview Ministry of State Administration (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>Salaries and Wages</i>	776	843	885	911	3,415
<i>Goods &amp; Services</i>	1,611	1,588	1,668	1,718	6,585
<i>Minor Capital</i>	35	100	100	105	340
<i>Capital &amp; Development</i>	300	50	50	0	400
<b>Proposed Budget</b>	<b>2,722</b>	<b>2,581</b>	<b>2,703</b>	<b>2,734</b>	<b>10,740</b>
<b>UN Assessed</b>	<b>240</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>240</b>
<b>Bilateral-Multilateral</b>	<b>3,009</b>	<b>3,163</b>	<b>250</b>	<b>150</b>	<b>6,106</b>
<b>Total Combined Sources</b>	<b>6,492</b>	<b>5,744</b>	<b>2,953</b>	<b>2,884</b>	<b>18,073</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>17</b>	<b>46</b>	<b>166</b>	<b>55</b>	<b>104</b>	<b>23</b>	<b>1</b>	<b>412</b>
Permanent	17	46	166	55	104	23	1	412
Temporary	0	0	0	0	0	0	0	0

### *Funding Overview*

Funding for the *Ministry of State Administration* has increased by approximately 3% from the 2003-04 MYBU, mostly associated with an increase in capital and development Project funding, from \$170,000 in 2003-04 to \$300,000 in 2004-05. Recurrent expenditure has reduced by approximately 2%, through cuts to minor capital.

The majority of funding within the Ministry (approximately 65%) is provided for the *National Directorate of Territorial Administration*. This programme provides the administrative support and backbone for service delivery of Government operations in districts. Underlining the Government's commitment to improving services in districts, capital and development funding of \$150,000 has been provided in 2004-05 for the continuation of the programme to rehabilitate district and sub district administrative offices.

### *Measures*

#### *Continuation of Funding for the Suco Chief Elections*

To ensure the efficient and effective implementation of the upcoming Suco Chief elections, \$65,000 has been allocated in 2004-05. The funding will provide for the continuation of planning and preparations. It is expected that additional Bilateral / Multilateral support will be necessary to ensure the successful completion of this activity.

### ***Permanent Secretary***

The goal of the programme under the Permanent Secretary is to develop an effective system to coordinate the activities of all Directorates within the Ministry of State Administration.

To achieve this goal, the Permanent Secretary has as its objectives the following:

- promotion and assure general service orientation; and

- define the performance strategy according to the directions contained in the National Development Plan and in harmony with the determinations received from the responsible Minister, in order to assure its fulfilment.

*Performance Indicator(s)*

1. Organic Law and Annual Plan of the Permanent Secretary are approved.

***National Directorate for Administration and Finance***

The goal of the programme of the *National Directorate for Administration and Finances* is to develop and perfect the administrative and financial management within the *Ministry of State Administration*.

To achieve this goal, the *National Directorate for Administration and Finance* will assist in the effective development of the administrative as well as the financial management of the Ministry of State Administration

*Performance Indicator(s)*

1. At least 60 % of good administrative and financial management in the *Ministry of State Administration* are achieved as measured by the completion of targeted programs for the fiscal year.

***National Directorate of Territorial Administration***

The goal of the programme of *National Directorate of Territorial Administration* is to contribute to the development of an effective and reliable local administration.

To achieve this goal, the *National Directorate of Territorial Administration* has as its objective the strengthening of the management, coordination and support to districts and sub-district administrations to ensure the provision of efficient services across:

- capacity building needs of public servants;
- coordination of the evolution of an appropriate model of local government; and
- coordination of development activities.

*Performance Indicator(s)*

1. A mechanism of coordination and information is established and becomes functional between subdistricts, districts, the Ministry/National Directorate.

***National Directorate for Public Service***

The National Directorate for Public Service implements a programme which entails:

- development of a political and legal framework for the public service; and
- strengthening the management of human resources with a view to an efficient and effective public administration that is free from corruption.

The goal of this programme is to create a regulatory legal framework for the public service and to promote high professionalism among the public servants to ensure effectiveness and productivity.

To achieve these goals, the *National Directorate for Public Service* has as its objectives the following:

- elaborate, approve and disseminate the Public Service Act;
- elaborate, approve and disseminate the supplementary regulations of the Public Service statute;
- implement the administrative procedures and organizational instruments for the displacement, assessment and disciplinary actions on public servants;
- implement the approved human resources management systems; and

- conduct training activities on the human resource management information system.

*Performance Indicator(s)*

1. The administrative statute and other administrative procedures, and the general system of management and information of human resources are approved and implemented.

***National Institute for Public Administration***

The goal of the programme on public administration is to develop and fine-tune human resources skills among all public administration in Timor-Leste.

To achieve this goal, the National Institute for Public Administration has as its objective to assist the effective development of human resources in public administration by improving skills of public servants.

*Performance Indicator(s)*

1. At least 20 % of all public servants have increased skills as measured from the 80% of the targeted 1,540 participants.

***National Archive***

The goal of the programme on national archives is to promote the recovery and reconstitution of created documents and develop the historical archives of the country is to make possible and articulate the National Archives System.

To achieve is this goal, the *National Archive* has as its objective the safeguarding of documentary archival heritage.

*Performance Indicator(s)*

1. At least 50% of the document collection are guaranteed to have an adequate technical treatment.
2. Promote and facilitate access to the archived documents.
3. Promote and articulate the National Archives System.

***National Printing***

National Printing implements the programme for the establishment and development of the State information services for official State publications such as the “Journal of the Republic”. It is also responsible for managing national printing, creating the database of State documents, including the viability of a public press and the building of the human resources capacity to manage and implement its programme.

This programme has as its goal an overall strategy of communication between the Government and the public, which will disseminate information relating to material and political activities and other matters that affect society in general, including the official publication of the Government’s “Journal of the Republic”.

To achieve this goal, *National Printing* has as its objectives the weekly publication of the “Periodical of the Republic”, production of Government forms and other related documents, as well as ensuring public access to legislative documentation and other information on the Government, through the electronic version of the “Journal of the Republic”.

*Performance Indicator(s)*

1. At least 50 % of the legislation or other acts of the State will be printed.
2. At least 40 % of the population of Timor-Leste will have access to the legislation of the State.
3. At least 50 % of the print run the Periodical of the Republic will be distributed or sold .
4. At least 50 % of *National Printing* will be established.

5. 100 % of the human resources will be trained in the Electronic Republic.

***Technical Secretariat of Electoral Administration***

The goal of the programme on electoral administration is to contribute towards the development of a democratic, transparent and responsible electoral administration.

To achieve this goal, the *Technical Secretariat of Electoral Administration* has as its objectives the improvement of the electoral administration and management of human resources capacity building actions to be able to plan and organize elections effectively, have access to electoral resources and obtain high voting percentages.

***Performance Indicator(s):***

1. Registration of at least 80% of eligible voters (Timorese citizens over 17).
2. At least 90% of sucos and village authorities in Timor-Leste are elected democratically and the final results are elevated to the proper court, for action/confirmation.

## Ministry of the Interior

**Table 8.13**  
**Consolidated Funding and Staffing Overview Ministry of the Interior (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>Salaries and Wages</i>	722	734	750	763	2,969
<i>Goods &amp; Services</i>	560	563	591	599	2,313
<i>Minor Capital</i>	5	2	16	16	39
<i>Capital &amp; Development</i>	20	0	0	0	20
<b>Proposed Budget</b>	<b>2,722</b>	<b>2,581</b>	<b>2,703</b>	<b>2,734</b>	<b>10,740</b>
<b>UN Assessed</b>	<b>240</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>240</b>
<b>Bilateral-Multilateral</b>	<b>3,009</b>	<b>3,163</b>	<b>250</b>	<b>150</b>	<b>6,572</b>
<b>Total Combined Sources</b>	<b>5,971</b>	<b>5,744</b>	<b>2,953</b>	<b>2,884</b>	<b>17,552</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>436</b>	<b>153</b>	<b>28</b>	<b>29</b>	<b>9</b>	<b>1</b>	<b>1</b>	<b>661</b>
Permanent	436	153	28	29	9	1	1	661
Temporary	0	0	0	0	0	0	0	0

### *Funding Overview*

For 2004-05, there has been a 4% reduction in expenditure for the Ministry of the Interior compared to the 2003-04 MYBU. Expenditure is forecast to increase moderately over the forward estimates period with growth of approximately 5%. Approximately 63% of recurrent funding is provided for the Civil Security programme, providing security services for government infrastructure, as well as employment opportunities for over 800 Timorese. There are no new funding initiatives in the 2004-05 Budget.

### ***Permanent Secretary***

The goal of the Permanent Secretary will oversee the functions of the Ministry. To achieve this goal the Permanent Secretary has as its objectives:

- to ensure that the activities of all programs are coordinated to produce improved results; and develop and implement strategic plans for the activities of the Ministry.

### *Performance indicator(s)*

Not indicated.

### ***Directorate of Administration, Planning, Finance and Personnel***

The goal of the *Directorate of Administration, Planning, Finance and Personnel* is to ensure the correct functioning of the institutions of the Ministry of the Interior in delivering its services to the public.

To achieve this goal, the *Office of the Director of Administration, Planning and Finance* will guarantee the efficient and harmonious functioning of the various institutions of the Ministry in the areas of administration, human resources, planning and finance.

### *Performance indicators*

1. Central coordination and elaboration, execution and revision of plans and budget;
2. Strengthen and build the capacity of the directorate, create and implement the administrative service of the Ministry of Interior establishment.
3. Promote access to capacity building and training programs.

### ***National Directorate of Civil Security***

The goal of the programme for institutional development of the *National Directorate of Civil Security* is consolidation and good functioning of the institution.

To achieve this, the *National Directorate of Civil Security* has as its objective the efficiency and effectiveness of the public administration of Timor-Leste.

### *Performance indicator(s)*

1. At least 75% of the structures of the institution are operational.

### ***Fire, rescue and emergency services***

The goal of the *Fire, rescue and emergency services* is to protect people, property and sources of income.

To achieve this goal, the fire, rescue and emergency service has as its objectives:

- reducing the risks of all fires, disasters, landslides and accidents; and
- increasing the security of people and goods.

### *Performance Indicator(s)*

1. Training more advanced firemen in specific areas.
2. Awareness training to citizens and students.
3. First level training to public servants, non government organisations and businesses.
4. Construction of water tanks.
5. Supervise the activities in the districts.
6. Routine work and maintenance of equipment and buildings.
7. Continue reconstruction of the building for the future headquarters of Public Safety

### ***National Disaster Management Office***

The goal of the disaster management programme is to develop an efficient and effective disaster management system in Timor-Leste.

To achieve this goal, the *National Disaster Management Office* has as its objectives the following:

- capacity in disaster management by government officials, non-government organisations, and civic society and strengthening the traditional mechanisms of communities to prevent, prepare and respond to the impact of disasters;
- promotion of geographical information systems in Timor-Leste for planning disaster prevention and mitigation; and
- rescue victims of disasters and alleviate their sufferings.

### *Performance Indicator(s)*



1. At least 10% of the population in vulnerable areas are made aware of prevention and reduction of the impact of disasters.

## National Police of Timor-Leste

**Table 8.14**  
**Consolidated Funding and Staffing Overview Ministry of the National Police of Timor-Leste (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>Salaries and Wages</i>	4,154	4,231	4,315	4,405	17,105
<i>Goods &amp; Services</i>	3,524	3,882	4,172	4,173	15,751
<i>Minor Capital</i>	311	276	277	248	1,112
<i>Capital &amp; Development</i>	0	0	0	0	0
<b>Proposed Budget (PNTL)</b>	<b>7,989</b>	<b>8,389</b>	<b>8,764</b>	<b>8,826</b>	<b>33,968</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>221</b>	<b>2,684</b>	<b>100</b>	<b>250</b>	<b>34</b>	<b>3</b>	<b>1</b>	<b>3,293</b>
Permanent	221	2,684	100	250	34	3	1	3,293
Temporary	0	0	0	0	0	0	0	0

### *Funding Overview*

Total funding for the *National Police of Timor-Leste* decreases by approximately 6% from the 2003-04 MYBU (to \$7,989,000), as a result of the significant one off capital and development funding provided in 2003-04. Excluding this impact, recurrent funding increases by approximately 5%, and grows by approximately 10% over the forward estimates period. The increased level of funding will provide an increased capacity within the police service as the level of support from UNMISSET reduces.

This increase in recurrent funding will also provide an increased level of resourcing to benefit from the multilateral agreement between the Governments of Timor-Leste, Australia and the United Kingdom. The agreement is expected to deliver a range of benefits across the entire police organisation. The project will provide technical assistance to police forces, training programmes as well as capacity building activities in administration and finance.

### *Measures*

#### *Separation of Civilian and Operational Components of PNTL*

In 2004-05, staff within the administration programme of the PNTL will be classified as civil servants, as opposed to the previous classification as part of the non civil service government staff. This will provide greater transparency and accountability of activities between the respective areas.

#### *Reduction of Total Police Staffing*

For 2004-05, there will be a reduction of 69 police in the staffing profile for the National Police Timor-Leste. This reduction will be achieved through reducing the level of staffing in the Police Operations programme. The reduction has been made in order to facilitate the increase in Falintil-FDTL defence force numbers to the mature force size of 1,435, while keeping overall staffing within the targets agreed as part of the TSP. It is not expected that this reduction have an adverse impact on law and order within the nation.

#### *Creation of the Maritime Police Programme*

The Government has decided to implement a Maritime Police programme in 2004-05. It is expected that this will lead to improved control of maritime areas and industries, as well as providing further integrity of border control issues through increased surveillance of maritime boundaries. The programme will be established with funding of \$105,000 in 2004-05 and staffing of 50 personnel, transferred from the Rapid Intervention Unit.

*Creation of the Special Unit programme*

A new Special Unit programme will be established by the Government in 2004-05, tasked to provide a rapid deployment presence in strategic areas of the county. Units of 60 specialised police will be stationed in Oecussi, Maliana and Suai. The programme will be established with funding of \$658,000 in 2004-05 and staffing of 180, transferred from the Rapid Intervention Unit programme.

*Increase in Catering Costs*

For 2004-05 an additional \$305,000 will be provided to provide catering services to the Police College, Rapid Intervention Unit, Border Control and Special Unit programmes.

The goal of the programme on police is to maintain the internal security of Timor-Leste, covering the protection of lives and property, prevention and detention, and preserving public order and services to the community.

To achieve this goal, the National Police of Timor-Leste has as its objective the continuous development of the capacity of the national police of Timor-Leste in a way that is consistent with its objective.

*Performance Indicator(s)*

1. Offer professional policing services.
2. Systematic operational procedures and uniform administration.
3. Planning and prioritising of the engagement and deployment of resources both human and material.
4. Maintenance of public safety.

## Ministry of Justice

**Table 8.15**  
**Consolidated Funding and Staffing Overview Ministry of Justice (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>Salaries and Wages</i>	876	887	908	929	3,600
<i>Goods &amp; Services</i>	891	969	986	1,039	3,885
<i>Minor Capital</i>	15	72	88	63	238
<i>Capital &amp; Development</i>	0	0	0	0	0
<b>Proposed Budget</b>	<b>1,782</b>	<b>1,928</b>	<b>1,982</b>	<b>2,031</b>	<b>7,723</b>
<b>UN Assessed</b>	<b>360</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>360</b>
<b>Bilateral-Multilateral</b>	<b>759</b>	<b>659</b>	<b>0</b>	<b>0</b>	<b>1,418</b>
<b>Total Combined Sources</b>	<b>2,901</b>	<b>2,687</b>	<b>1,982</b>	<b>2,031</b>	<b>9,501</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>28</b>	<b>226</b>	<b>127</b>	<b>55</b>	<b>42</b>	<b>44</b>	<b>1</b>	<b>523</b>
Permanent	28	226	127	55	42	27	1	506
Temporary	0	0	0	0	0	17	0	17

### *Funding Overview*

Total funding of \$1,782,000 is provided in 2004-05. Excluding the structural changes within the justice area, and one off capital and development projects provided in 2003-04, recurrent funding for the Ministry of Justice has increased by approximately 3.2%, with growth of approximately 14% over the forward estimates period. This increase, in contrast to the overall constraint in recurrent funding across Government for 2004-05, reflects the Governments commitment to improving the justice sector.

### *Measures*

#### *Increased level of Funding for the Public Defender Programme*

An additional \$16,000 has been provided to the Public Defender Programme (an increase of approximately 19%), as part of an overall package of funding increases for programmes involved in the courts process. It is expected that this will provide an increased capacity to manage the significant case backlog within the courts system.

#### *Provision of Full Budgetary Independence to the Judiciary*

As part of the commitment of the Government in guaranteeing the due arrangements of governance, in 2004-05 the involved institutions in the Courts will be separated out of the budget for the Ministry of Justice.

The programmes of the Superior Council of the Magistrate, the Court of Appeal and the District Courts will be separate, with a total resourcing level of \$360,000 and the a staffing level of 66 permanent employees and 30 judges.

#### *Increased Level of Funding for the Public Prosecution Office and Districts*

In 2004-05 an additional \$21,000 will be provided to the Public Prosecution Office and Districts as part of a package of measures to facilitate improvements in the performance of the courts system and to provide additional resources to better manage the large backlog of cases before the courts.

#### *Abolishment of the Regional Judicial Delegates Programme*

Reflecting the lack of clarity for the objectives of the Regional Judicial Delegates programme and the higher priorities for resources within core elements of the Justice system, the programme has been cut for 2004-05.

#### *Establishment of the Permanent Secretary Programme*

In 2004-05 the Permanent Secretary programme will be established to provide a long term improvement in the overall management of the Ministry.

#### *Incorporation of the National Cartography Programme (formerly Geography and Cadastre) into the Ministry of Justice*

The *National Cartography Programme* has been transferred from the *Ministry of Agriculture, Forests and Fisheries* to the *Ministry of Justice* for 2004-05. This will ensure a more effective linkage between the functions of this programme and the responsibilities of the *Ministry of Justice* for land management issues.

### **Permanent Secretary**

The goal of the programme under the Permanent Secretary is to complete the structure of the Ministry of Justice in accord with the organic law.

To achieve this goal, the Office of the Permanent Secretary has as its objectives the provision of technical and administrative support to the Minister and Vice-Minister of Justice, as necessary.

### **The National Directorate of Administrative, Financial and Personnel Services**

The goal of the *National Directorate of Administrative, Financial and Personnel Services* is to ensure the general administration of the *Ministry of Justice*.

To achieve this goal, the *National Directorate of Administrative, Financial and Personnel Services* has as an objective the attainment of improved management in the areas of human resources, finances, systems and information technology.

#### *Performance Indicator(s)*

1. Recruitment of 207 public servants in the *Ministry of Justice*.
2. Execute at least 95% of budget funding.
3. Reduce by at least 5% the problems of budget execution.
4. Provide a general inventory list of the assets of the State.
5. At least 50% of public servants will be able to access information via the internet and intranet.

### **National Directorate of the Civil Registry and Notary**

The goal of the *National Directorate of the Civil Registry and Notary* is to maintain and create registry for matters concerning civil, criminal, bodies corporate, and to undertake the processes necessary to establish identity and attribution of nationality and the issuing of passports.

To achieve this goal, the *National Directorate of the Civil Registry and Notary* has as its objectives the following:

- ensure that registry services will maintain an adequate registry system; and
- contribute to the socio-economic development of the country.

#### *Performance Indicator(s):*

1. At least 50% of orders of the civil registry and public notary are implemented.
2. At least 75% of printed materials are produced.

### ***National Directorate for Judicial Assessment and Legislation***

The goal of the programme on judicial assessment and legislation is to prepare legislation, materials and the capacity development of human resources.

To achieve this goal, the *National Directorate for Judicial Assessment and Legislation* has as its objectives the following:

- support to the national process development and the justice system of Timor-Leste;
- guarantee national stability, security and legitimacy of justice.

*Performance Indicator(s):*

1. Produce at least 16 laws for promulgation.

### ***National Directorate for Gender and Citizenship***

The goal of the *National Directorate for Gender and Citizenship* is to strengthen the capacity and knowledge on citizen rights and duties.

To achieve this goal, the *National Directorate for Gender and Citizenship* has as its objectives the following:

- contribute to the development processes of the country;
- ensure the promulgation of a legal and justice system which is strong and just; and
- fulfil the laws enforced in Timor-Leste.

### ***National Directorate for Land and Property***

The goal of the *National Directorate for Land and Property* is to establish a national administrative and titles system for immovable assets.

To achieve this goal, the *National Directorate of Land and Property* has as its objective the establishment of a land and property law.

*Performance Indicator(s)*

1. Implement at least 80% of laws on land and property.
2. Regularise at least 40% of land and property.
3. Resolve at least 50% of conflicts on lands and properties.

### ***National Directorate for Prison Services and Social Reintegration***

The goal of the *National Directorate for Prison Services and Social Reintegration* is to create a central service in the *National Directorate of Prisons*.

To achieve this goal, the Directorate has as its objectives:

- creation of a service to direct prisons in Timor-Leste; and
- establishment of a more efficient and rational management of prisons.

*Performance Indicator(s)*

1. 8 public servants of the Directorate will be recruited; and
2. At least 75 % of the staff of the Directorate will be able to undertake their functions.

### ***District Prisons***

The goal of the programme is to strengthen and improve the operational conditions within the district prisons of Becora, Baucau and Gleno.

To achieve this goal, *District Prisons* has as its objective the establishment of a more efficient and better quality functioning prisons.

**Performance Indicator(s)**

1. At least 32 vacant positions will be filled.
2. At least 50% of staff will be equipped to perform their respective functions.

**Public Defenders**

The goal of the *public defenders programme* is to provide free and comprehensive legal and extra-legal assistance to citizens of limited economic means.

To achieve this goal, the *public defenders* have as their objectives the development of adequate assistance, and enhanced capacity for public defenders services.

**Performance Indicator(s)**

1. Establish an organic structure for the Public Defenders.
2. Recruit 13 paralegal staff to be located in the 13 districts.

**Centre for Judicial Training**

The goal of the programme under the Judicial Training Centre is to develop and implement ongoing training opportunities in legal and administrative systems in order to build the capacity of the officials in the *Ministry of Justice*.

To achieve this goal, the *Centre for Judicial Training* has as its objectives:

- prepare and promote courses on the judicial system for judges, prosecutors, public defenders, judicial officials, criminal investigating officials, officials of the public registry and public notary, prison guards, paralegal staff and other interested parties in the diverse departments of the public administration of Timor-Leste;
- enhance the productivity of the legal and paralegal professions; and
- facilitate legal coordination and discussion within the judicial community.

**Performance Indicator(s)**

1. At least 50% of judges, prosecutors, attorneys and public servants of the Ministry of Justice have completed their targeted capacity building courses.

**Division of National Cartography (formerly Geography and Cadastre)**

The goal of the *Division of National Cartography* is to support geographical data for other institutions for development planning. To achieve this goal, the *Division of National Cartography* has as its objectives:

- maintaining the National Geodesian System, cartographic projections, elevation data, support to hydrographic work and delineation of the territory;
- acquisition and processing of aerial photographs, analysis of quality of national cartography, certification of professionals in the areas of Topography and Cartography, and standardisation of maps;
- maintaining the National Building Register, including issuance of identification cards for building registration, establishment of norms and technical specifications; issuance of licenses; inspection of licensed buildings; and enforcement of regulations related to building codes;
- processing of geographic information, including satellite imagery, and support to planning; and

- maintaining the national Global Position System stations, including provision of topographic and geographic information to the general public.

*Performance Indicator(s)*

Not indicated.

***Public Prosecutor and Districts***

The goal of the *Public Prosecutor and Districts* is to strengthen the legal and administrative work of the *Office of the Prosecutor General*, the *Superior Council of Public Prosecution*, the *Offices of the specialised Deputies Prosecutors* and the *Offices of the Districts Prosecutors* through capacity building activities for this sector.

To achieve this goal, the *Public Prosecutor and Districts* has as its objectives the following:

- prosecution services fully meeting international standards of the rule of law, good governance, accountability, principles for strengthening the democratic system and human rights principles through modern legislation and techniques for investigation and prosecution being fully in place; and
- Prosecutor General and prosecution services at national and districts level are completely organised, equipped, trained and in place.

*Performance Indicator(s)*

1. Prosecutor General and Prosecution Services at National and Districts Level completely organised and in place.



## Ministry for Development and the Environment

**Table 8.16**  
**Consolidated Funding and Staffing Overview, Ministry of Development and the Environment (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>Salaries and Wages</i>	172	186	194	198	750
<i>Goods &amp; Services</i>	276	277	342	349	1,244
<i>Minor Capital</i>	32	42	54	58	186
<i>Capital &amp; Development</i>	0	0	0	0	0
<b>Proposed Budget</b>	<b>480</b>	<b>505</b>	<b>590</b>	<b>605</b>	<b>2,180</b>
<b>UN Assessed</b>	<b>120</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>120</b>
<b>Bilateral-Multilateral</b>	<b>4,660</b>	<b>2,072</b>	<b>65</b>	<b>0</b>	<b>6,797</b>
<b>Total Combined Sources</b>	<b>5,260</b>	<b>2,577</b>	<b>655</b>	<b>605</b>	<b>9,097</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>0</b>	<b>2</b>	<b>17</b>	<b>29</b>	<b>6</b>	<b>7</b>	<b>0</b>	<b>61</b>
Permanent	0	0	17	29	6	7	0	59
Temporary	0	2	0	0	0	0	0	2

### *Funding Overview*

Funding for the *Ministry of Development and the Environment* reduces by approximately 9% in 2004-05 compared to the 2003-04 MYBU, to \$480,000. However, growth over the forward estimates period is forecast at 26%, reflecting the Ministry's importance as an institution central to the economic development of the nation.

### *Measures*

#### *Abolishment of the Office of the Secretary of State for Development*

For 2004-05 the position of the Secretary of State for Development and the associated office will be abolished, reflecting of the need to rationalise the management structure of the functions of the Ministry and better utilise funding within programmes.

#### *Provision of Additional Resources for the Secretariat of State of Natural Resources, Minerals and Energy Policy*

The Government has provided an additional 3 permanent staff for the *Secretariat of State of Natural Resources, Minerals and Energy Policy* to provide an increased capacity to manage the natural resources of the nation, in acknowledgement of their importance to future economic development.

### **Directorate of Administrative Services**

The goal of the programme for the management of the human resources, inventory and financial procedures of the Ministry is to establish and attain a strict control over the processes of the Ministry.

To achieve this goal, the Directorate has as an objective to maintain an efficient and effective management of the processes.

#### *Performance Indicator(s)*

1. Have in place a computerized information system on human resources with all staff registered.

2. Have 12 monthly financial reports and 4 quarterly expenditure reports of the Ministry, and annual budget on time.
3. Have in place a computerized information system for inventory assets.
4. Register all the inventory of the Ministry.

### ***Directorate of Investment Services***

The goal of the *Directorate for Investment Services* is to establish investment policy and regulation.

To achieve this goal, the *Directorate for Investment Services* has as its objective the provision and promotion of a clear framework to guide investors in Timor-Leste.

#### ***Performance Indicator(s)***

1. At least 80 % of all component programs will be implemented.

### ***Directorate of Tourism Services***

The goal of the tourism programme is to enhance the image of Timor-Leste so as to make it an attractive destination for both investors and tourists.

To achieve this goal, the *Directorate of Tourism Services* has as its objectives the following:

- construct a tourism industry in Timor-Leste that will generate job and maintain local culture;
- attract and to keep private investors in the tourism sector and to benefit from foreign expertise;
- identify and promote strategic tourism locations in Timor-Leste;
- create a attractive profile for Timor-Leste for foreigners as a quality tourist destination; and
- equip the department on technical matters

#### ***Performance Indicator(s)***

1. Increase international entry to Timor-Leste by at least 2 %.
2. Secure at least 2 foreign investments relevant to tourism.

### ***Directorate of Environmental Services***

The *Directorate of Environmental Services* has its goals:

- protect and enhance the natural environment of Timor-Leste;
- raise community awareness about the importance of protecting the environment and behaving in ways that support such protection;
- work with other government departments and agencies in integrating environmental considerations into their policies, programs and projects; and
- ensure accountability of extractive and energy industries to the government and the community, particularly on the financial, environmental and safety aspects of their activities.

To achieve these goals, the *Directorate of Environment Services* has as its objective to implement the National Environmental Management Plan for Timor-Leste as part of the Government programme on sustainable development.

#### ***Performance Indicator(s)***

1. At least 60 % of business groups (industries, hotel, restaurant and workshop), government and the community are concerned on the importance of the environment.

### ***Office of Development Support***

The *Office of Development Support* aims to assess and execute action plans for development, as well as support and coach the informal sector, self-employed, micro and small enterprises and cooperatives. The goal of this programme is to create the legal framework for the informal sector and undertake activities to support its development.

To achieve this goal, the *Office of Development Support* has as its objective increasing the number of employment offers in the informal sector.

#### ***Performance Indicator(s)***

1. Have one report analysis and one plan on informal sector, self-employment, micro and small enterprises and cooperatives.
2. Execute at least 90 training sessions and 15 consultations.

### ***Secretary of State for Natural Resources, Minerals and Energy Policy***

The goal of the programme on mineral and natural resources is to efficiently manage minerals, energy and extractive activities in a consistent, fair, environmentally acceptable and timely fashion.

To achieve this goal, the Mineral & Natural Resources Directorate has as its objective the development of an appropriate capacity for Timor-Leste to benefit from its natural and mineral resources base. This will be pursued through increase in local value adding and by ensuring that the country receives an appropriate share of the resources rents arising from the exploitation of its natural wealth and resources.

#### ***Performance Indicator(s)***

1. At least 80 % all of component programs will be implemented.

## Secretariat of State for Trade and Industry

**Table 8.17 Consolidated Funding and Staffing Overview  
Secretariat of State for Trade and Industry (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>Salaries and Wages</i>	74	95	101	107	377
<i>Goods &amp; Services</i>	85	83	93	93	354
<i>Minor Capital</i>	18	15	15	15	63
<i>Capital &amp; Development</i>	0	0	0	0	0
<b>Proposed Budget</b>	<b>177</b>	<b>193</b>	<b>209</b>	<b>215</b>	<b>794</b>
<b>UN Assessed</b>	<b>120</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>120</b>
<b>Bilateral-Multilateral</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Combined Sources</b>	<b>297</b>	<b>193</b>	<b>0</b>	<b>0</b>	<b>914</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>1</b>	<b>3</b>	<b>10</b>	<b>9</b>	<b>7</b>	<b>3</b>	<b>0</b>	<b>33</b>
Permanent	1	3	10	9	7	3	0	33
Temporary	0	0	0	0	0	0	0	0

### *Funding Overview*

Funding for the Secretariat of State for Trade and Industry has increased by 18% from the 2003-04 MYBU, to \$177,000. In addition, funding is projected to increase by approximately 21% over the forward estimates period. These increases reflect the role the Secretariat of State is expected to play in the future development of key areas of the economy.

- There are no new funding initiatives in the 2004-05 Budget.

### **Division of Trade**

The goal of the commerce programme is to put Timor-Leste's economy and commercial information on a sound basis.

To achieve this goal, the Division of Trade has as for its objective the raising of the quality of local products and be able to apply regulations within the commercial sector in Timor-Leste.

#### *Performance Indicator(s)*

1. Products of good quality and quantity can compete in the international market and reduce imports.

### **Division of Industry**

The goals of the industry programme are:

- to create a healthy environment for capital investment;
- to eradicate poverty; and

- to create new jobs.

To achieve these goals, the Division of Industry has as its objectives:

- to create greater job opportunities in the industrial sector and other business-oriented activities;
- to provide a better environment for private sector investment; and
- to produce products of greater added value in Timor-East, especially in agriculture.

*Performance Indicator(s)*

1. Number of newly registered companies in the private sector.
2. Reduction of unemployment.
3. Implementation of the commercial code and of related regulations.

## Ministry for Agriculture, Forests and Fisheries

**Table 8.18 Consolidated Funding and Staffing Overview Ministry for Agriculture, Forests and Fisheries (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>Salaries and Wages</i>	507	558	588	608	2,261
<i>Goods &amp; Services</i>	906	856	890	932	3,584
<i>Minor Capital</i>	22	46	44	27	139
<i>Capital &amp; Development</i>	138	250	350	385	1,123
<b>Proposed Budget</b>	<b>1,573</b>	<b>1,710</b>	<b>1,872</b>	<b>1,952</b>	<b>7,107</b>
<b>UN Assessed</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Bilateral-Multilateral</b>	<b>16,337</b>	<b>11,940</b>	<b>9,423</b>	<b>1,132</b>	<b>38,882</b>
<b>Total Combined Sources</b>	<b>17,910</b>	<b>13,650</b>	<b>11,295</b>	<b>3,084</b>	<b>45,939</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>6</b>	<b>32</b>	<b>77</b>	<b>58</b>	<b>60</b>	<b>16</b>	<b>4</b>	<b>253</b>
Permanent	5	32	77	57	60	16	4	251
Temporary	1	0	0	1	0	0	0	2

### Funding Overview

Total funding for the *Ministry of Agriculture, Forests and Fisheries* reduces by less than half a percent in 2004-05 (excluding the transfer of *National Cartography* (formerly *Geography and Cadastre*) to the *Ministry of Justice*), compared to the 2003-04 MYBU. Recurrent funding decreases by approximately 3%; however, this decrease is offset by increases in capital and development funding. Growth in expenditure is forecast to increase by approximately 24% over the forward estimates period, reflecting the importance of the agriculture sector, and the provision of additional capital and development funding, to offset anticipated reductions in external support for this critical area.

#### Measures

##### *Establishment of the Permanent Secretary Programme*

In 2004-05 the Permanent Secretary programme will be established to provide a long term improvement in the overall management of the Ministry. This will provide an improved ability to manage the activities of the Ministry, in particular the integration of the significant size and number of Bilateral and Multilateral projects within the sector.

##### *Incorporation of the former Geography and Cadastre Programme into the Ministry of Justice*

The *Geography and Cadastre* programme has been transferred from the *Ministry of Agriculture, Forests and Fisheries* to the *Ministry of Justice* for 2004-05. This will ensure a more effective linkage between the functions of this programme and the responsibilities of the *Ministry of Justice* for land management issues.

### ***Division of Administration and Finance***

The goal of the administration and finance programme is the coordination of the administration between the divisions of Trade and Industry. To achieve this goal the Division of Administration and Finance has as its objective to achieve good management in order to meet the goals of the facilities and programs of each division.

#### *Performance indicator(s)*

1. 55% responsibility for the activities of the office of the Secretary of State for Trade and Industry.

### ***Directorate of Policy and Planning***

The goal of the programme in the directorate of policy and planning is to establish the capability to undertake policy development and analysis, to ensure the sustainable development of agriculture in Timor-Leste.

To achieve this goal, the Directorate has as its objectives the following:

- to consolidate the Policy, Planning and Programme Services Directorate during the first quarter of FY 2004-05 with six local staff and three international advisers;
- to undertake policy analysis on key policy issues confronting the Ministry of Agriculture, Forests and Fisheries such as its national directorates services, sectoral planning and Donor/NGOs coordination, development of agricultural data base and management information system, monitoring and evaluation of the agriculture programs/projects/activities and development of capacity building of staff; and
- support the Minister of Agriculture in identifying policy responses to significant agricultural development issues, and possible actions in response to these issues.

#### *Performance Indicator(s)*

1. Analysis of at least three important policy issues.
2. Plan both the CFET and Donors funded programs for each of the National Directorates of the Ministry and develop the programme services activities.

### ***Research and Extension Center***

The goals of the *Research and Extension Centre* are:

- to enhance food production capability and food security of farm households through the provision of on-farm research and basic diagnostic services for soil quality, and pest and disease identification and control;
- to enhance food production and food security through providing specialist information and extension services in support of the programs of the technical divisions of MAFF, and to the farming community; and
- to prepare geographic and meteorological information and maps to support agricultural and natural resources planning and management.

To achieve these goals, the *Directorate on Research and Extension Centre* has as its objectives:

- establish basic laboratory facilities to meet the technical information needs of all divisions of MAFF; employ and train two laboratory staff to provide basic diagnostic and analytical services to the agricultural sector; employ and train two research staff to provide information that overcomes production constraints and, thereby, contributes to food security; establish biological control of pests and diseases to naturally reduce the constraints existing in Timor-Leste;

- employ an information/extension specialist in the first quarter of FY 2004-05; establish the facilities to produce appropriate information and extension materials, including desktop publishing; develop and implement two training courses in extension methodologies for District Extension Officers; in association with MAFF technical divisions identify, plan and implement three needed information/extension campaigns in quarters 2, 3 and 4 of FY 2004 05; and
- complete the mapping of land capability by region; operate a cost-recovery [GIS] interpretation & mapping service for other (non-MAFF) users; expand the [GIS LAN] network to other sectors & train staff in database access & desktop mapping; Establish a database and mapping for agro-climatological information.

#### *Performance Indicator(s)*

1. Completion of laboratory facilities and the appointment and training of two trained laboratory and two trained research staff and new biological control of pests and diseases established.
2. Multi media materials and extension provided to 13 District Extension Officers and a minimum of 100 farmers in each of these Districts; Complete establishment of the framework for mapping and provision of agro-climatological information.

#### ***Directorate of Food Crops***

The goal of the food crops programme is to contribute to the overall effort to reduce poverty and enhanced food security among communities of farmers by providing essential information to increase their yields and production levels.

To achieve this goal, the *Directorate of Food Crops* as its objectives:

- to help increase yields and production levels of key food production through extension and training activities;
- to provide support and information that will lead to improved mechanization, post harvest handling, storage and marketing of key crops; and
- to provide support to farmers and their associations through extension and training activities.

#### *Performance Indicator(s)*

1. An increase in income and improvement of food, nutrition intake of farming families and rural communities generally.
2. At least 50% of farming communities reached by the programme have shifted and adopted mechanized farming in cultivating their farm lots.

#### ***Directorate of Industrial Crops***

The goal of the *industrial crops programme* is to increase the production and improve the quality of industrial crops and horticulture.

To achieve this goal, the *Directorate of Industrial Crops* has as its objectives:

- assist farmers to increase the production and improve the quality of industrial crops and horticulture; and
- assist farmers to increase the production and improve the quality of coffee, coconut and vanilla.

#### *Performance Indicator(s)*

1. Support farmers to engage in industrial crops and horticulture and have better access to the national and international market.



### ***Directorate of Livestock***

The goal of the programme for livestock is to increase the productivity of livestock and livestock products to increase the income of farmers.

To achieve this goal, the *Directorate of Livestock* has as its objectives:

- increase food production and the availability of protein throughout the nation;
- increase livestock production by training farmer groups in appropriate techniques for production increases;
- support increased income earning ability by providing regular market and marketing information to livestock producers;
- reduce animal mortality and morbidity levels in cattle, pigs, buffalo and chickens;
- provide assistance to farmers for basic health and veterinary support in all districts; and
- develop a livestock database in support of planning and policy development.

#### ***Performance Indicator(s)***

1. At least 40% of rural villages in Timor-Leste reached with services/training in basic production practices, basic animal health and veterinary support, feeding programs and/or marketing information.

### ***Directorate of Fisheries***

The goal of the *programme for fisheries and aquaculture development* is to increase and enhance the economic growth of the fisheries sector through community based management and sustainable resource use.

To achieve this goal, the *Directorate of Fisheries* has as its objectives:

- increase and promote awareness of sustainable community based management of the fisheries resources;
- increase production through product development and quality control to meet hygiene and food safety standards of fisheries and aquaculture products for local consumption and export;
- increase the productivity of the fisheries sector through value-addition processes for fisheries products to generate and increase income of marginal fisher folk and fish farmers; and
- generate employment and increase investment opportunities to support the national development goal of food security and generation of wealth.

#### ***Performance Indicator(s)***

1. To increase fisheries production through sustainable fishing and resource management; aquaculture; processing and industry development for consumption, export and generation of revenue for the State (75%).

### ***Directorate of Forestry***

The goal of the *programme on reforestation and forest rehabilitation, protection and utilization* is to involve communities in the rehabilitation and management of the nation's degraded areas and thereby ensuring benefits from forestry activities; protect and conserve the biodiversity and socio-economic significance of important natural sites; and, ensure the quality of forest product in terms of ideal to execute Forestry Law.

Towards this end, the *Directorate of Forestry* aims to reforest at least 155 hectares of land degradation area in 13 districts to improve their ecological condition; control soil erosion and watershed management programme and develop livelihood through the implementation forestry activities in 13

districts; preserve forest resources natural habitats of indigenous flora and fauna; get an accurate data and information on potential forest to serve as basis for planning and decision-making

*Performance Indicator(s)*

Involvement of rural communities to implement forestry activities in 13 districts.

***Directorate of Irrigation***

The goal of the *programme for irrigation* is to improve food security and support economic development by increasing crop production through efficient irrigation systems and stimulating off-farm employment through the rehabilitation of major irrigation schemes.

To achieve this goal, the *Directorate of Irrigation* has as its objectives the following:

- rehabilitate community irrigation schemes;
- improve the Water User's Association by providing essential information and training; and
- ensure the availability of water for upland crops, livestock and people as well as protect farmland and rice fields.

*Performance Indicator(s)*

1. At least 12,106 hectares rehabilitated, benefiting 12,106 farm-households.

***Directorate of Quarantine Services***

The goal of the programme for quarantine services is to protect agricultural and other resources from imported pests and diseases and to establish a friendly regulatory environment for quarantine services in the country.

To achieve this goal, the *Directorate of Quarantine Services* has as its objectives the following:

- monitor and control the entry of crops, vegetable matter, livestock, fisheries and other goods that might bring pests and diseases into the nation;
- certify export from Timor-Leste as being free of pests and diseases; and
- develop policy and regulatory framework for tax and fee for effective quarantine services to be implemented in Timor-Leste.

*Performance Indicator(s)*

1. Full monitoring and certification of pests and disease-free on all imports received in Timor-Leste.

## Ministry of Education, Culture, Youth and Sport

**Table 8.19**  
**Consolidated Funding and Staffing Overview Ministry of Education, Culture, Youth and Sport (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>Salaries and Wages</i>	11,828	11,946	12,070	12,196	48,040
<i>Goods &amp; Services</i>	3,500	4,000	4,750	4,915	17,165
<i>Minor Capital</i>	217	336	153	176	882
<i>Capital &amp; Development</i>	943	1,152	1,543	1,865	5,503
<b>Proposed Budget</b>	<b>16,488</b>	<b>17,434</b>	<b>18,516</b>	<b>19,152</b>	<b>71,590</b>
<b>UN Assessed</b>	<b>240</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>240</b>
<b>Bilateral-Multilateral</b>	<b>13,653</b>	<b>6,976</b>	<b>0</b>	<b>0</b>	<b>20,629</b>
<b>Total Combined Sources</b>	<b>30,381</b>	<b>24,410</b>	<b>18,516</b>	<b>19,152</b>	<b>92,459</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>16</b>	<b>28</b>	<b>4,513</b>	<b>2,313</b>	<b>38</b>	<b>22</b>	<b>1</b>	<b>6,931</b>
Permanent	16	28	4,513	2,313	38	22	1	6,931
Temporary	0	0	0	0	0	0	0	0

### *Funding Overview*

Funding for the *Ministry of Education, Culture, Youth and Sport* in 2004-05 is \$16,488. This represents an overall increase of approximately 3% from the 2003-04 MYBU. Within this, recurrent funding has reduced by approximately 2%.

However, funding for capital and development projects increases significantly to \$943,000 in 2004-05, to begin a programme of school refurbishments and upgrades. This increase is provided to ensure the continued improvement of infrastructure in the education system given that the level of external support for this area is projected to decrease significantly over the Coming years.

The Government has also ensured future improvements in education, with expenditure forecast to increase by approximately 16% over the forward estimates period.

Teacher numbers are largely unchanged from the profiles indicated in the 2003-04 Budget. The Ministry has made considerable efforts in improving the recruitment of teachers, which will be continued throughout 2004-05. At the end of March 2004, under recruitment of permanent staff within the Ministry had reduced to approximately 8.6%.

The government has also continued its commitment to the provision of primary education. This can be seen through its achievement against the TSP target of ensuring funding for primary education is greater than 45% of the core CFET budget for Education (total Ministry funding, minus funding for Ministerial Offices and capital and development programme). While Primary Education's share of overall education funding may reduce slightly over the forward estimates period, it remains well above the TSP target and maintains a strong level of expenditure growth, considered in line with future need.

**Table 8.20**  
**Primary Education TSP Target**

	2004-05	2005-06	2006-07	2007-08
Primary Education as % of Education Spending	47.2	46.7	46.2	46.0

### *Measures*

#### *Increased Maintenance Funding*

In addition to the increased level of capital and development Funding, the Government has increased funding for maintenance by \$202,000, to \$841,000, in acknowledgment of the need to ensure the significant investments made in the education sector by the Government and development partners is adequately maintained for future generations.

### **Early childhood education**

The goal of the programme for early childhood education is to develop resources and increase the number of children involved in quality early childhood education.

To achieve this goal, *Early Childhood Education* has as its objectives:

- increase access to early childhood teaching in at least 12 new centres;
- create training materials;
- develop efficient policies to cover gaps and promote quality education; and
- improve the system of management for early childhood teaching.

#### *Performance Indicator(s)*

1. Increased attendance in 12 centres;
2. Improve training and materials for the majority of early childhood teachers;
3. Develop and approve at least two policies and training; and
4. Improve the efficiency of pre-primary staff and ensure that they are able to agree to their new tasks.

### **Primary Education**

The goal of the programme for Primary Education is to provide access to teaching for children of school age. To achieve this goal, *Primary Education* has as its objective the improved quality of teaching in Portuguese.

#### *Performance Indicator(s)*

1. Opening of schools for children in rural areas
2. Improvement of conditions in primary schools
3. Improved quality in the teaching system in primary education

### **Lower Secondary Education**

The goal of the programme for *Lower Secondary Education* is to improve the quality of teaching in lower secondary schools. To achieve this goal the program of *Lower Secondary Education* has as its objectives:

- provide pedagogical services to approximately 45 000 students in 120 schools; and
- implement improvements leading to better services and curricular without omitting to devolve teaching and learning materials for the continual training of teachers as well as other improvements to the education system.

### *Performance Indicator(s)*

1. improve the quality of the system of learning in *lower secondary education*; and
2. enhance the capacity of the *lower secondary education* system to admit all approved students from primary school.

### **Senior Secondary Education**

The goal for *Senior Secondary Education* is to ensure students successfully complete their studies and the quality of secondary education is improved and maintained throughout the country.

To achieve this goal *Senior Secondary Education* has as its objectives:

- rehabilitate burnt and destroyed classrooms; and
- the provision of adequate school material, equipment and teach material.

### *Performance Indicator(s)*

1. 90% of students' needs achieved.

### **Technical professional training**

The goal of the *technical vocational training* programme is to strengthen capacity.

To achieve this goal the programme has as its objective developing the professionalism of teachers.

### *Performance Indicator(s)*

1. Not Indicated

### **Non-formal education**

The goal of the *non-formal education programme* is to reduce illiteracy among youth and adults and to equip them with professional skills.

To achieve this goal the *non-formal education programme* has as its objectives to:

- increase productivity and participation of the population in all sectors of social and political life; and
- improve the standard of living and the reduction of poverty.

### *Performance information*

1. Reduce illiteracy in all the national territory.

### **Tertiary Education**

The goal of the *Tertiary Education programme* is to manage and assist public and private institutions of improved quality, and construct a capacity of internal management to improve and provide services.

To achieve this goal, *Tertiary Education* has for it objectives:

- Build a legislative, regulatory and policy framework for the Tertiary Education sector; and
- Construct capacity in terms of systematic planning, formulation of policies and devolution of projects to devolve, intensify and guarantee the training at a high level of human resources,
- build management capacity for the tertiary education sector to improve service delivery;
- establish legislative, regulatory and policy framework for tertiary education sector;
- build capacity for systematic planning, policy formulation and project development; and

- develop, intensify and guarantee high level training of human resources to fulfil professional technical and management roles

*Performance Indicator(s)*

1. Not Indicated

**Culture**

The goal for the programme to manage and deliver culture is to develop and uphold the national identity of Timor-Leste by preserving its arts and culture. To achieve this goal, Culture has as its objective the provision of artistic and cultural guidance including training, for the general public so that the youth and the society will learn to cherish their culture and heritage.

*Performance Indicator(s)*

1. 90% of the rehabilitation work at the Museum's general office completed.
2. Arts and cultural festivals and cultural workshops conducted.
3. Traditional folk and national music of the country collected.

**Youth Welfare and Development**

The programme for Youth and Development aims to increase the capacity of the staff to respond adequately to the needs of the youth. This shall be achieved through the following:

- implementation of identified strategies and mechanisms to support the activities of the youth in historical events;
- develop leadership skills among the youth; and
- provision of appropriate resources to mobilise the youth.

*Performance Indicator(s)*

1. Not Indicated.

**Physical Education and Sports**

The goal of the programme for Physical Education and Sports is to promote and increase awareness of sport activities in the schools and community throughout the country. This will be achieved through continual training of teachers and the provision of sports equipment

*Performance Indicator(s)*

- Not Indicated

**Institute for Continuing Education**

The goal of the Institute for Continuing Education is to raise the quality of teaching and education in the primary and secondary levels. This shall be achieved by building the capacity of all school directors and teachers.

*Performance Indicator(s)*

- Not indicated.

## Ministry of Health

**Table 8.21 Consolidated Funding and Staffing Overview Ministry of Health (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>Salaries and Wages</i>	3,013	3,112	3,211	3,315	12,651
<i>Goods &amp; Services</i>	5,673	6,291	6,925	7,207	26,096
<i>Minor Capital</i>	439	512	612	621	2,184
<i>Capital &amp; Development</i>	600	500	667	667	2,434
<b>Proposed Budget</b>	<b>9,725</b>	<b>10,415</b>	<b>11,415</b>	<b>11,810</b>	<b>43,365</b>
<b>UN Assessed</b>	<b>120</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>120</b>
<b>Bilateral-Multilateral</b>	<b>14,999</b>	<b>11,815</b>	<b>8,228</b>	<b>0</b>	<b>35,042</b>
<b>Total Combined Sources</b>	<b>24,844</b>	<b>22,230</b>	<b>19,643</b>	<b>11,810</b>	<b>78,527</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>7</b>	<b>181</b>	<b>986</b>	<b>392</b>	<b>149</b>	<b>50</b>	<b>2</b>	<b>1,767</b>
Permanent	0	181	986	392	149	50	2	1,760
Temporary	7	0	0	0	0	0	0	7

### Funding Overview

Total funding for the Ministry of Health has increased by approximately 10% from the 2003-04 MYBU, to \$9,725,000. The increase is brought about by an 11% increase in recurrent funding. Further increases are projected in the forward estimates, with growth of approximately 21% in this period.

Significant capital and development funding of \$600,000 is provided in 2004-05 to continue the rehabilitation of Community Health Centers and District Health Posts. An additional 49 facilities are expected to be refurbished in 2004-05.

A key feature of the forward estimates is the inclusion in 2006-07 of pharmaceuticals in the CFET budget, brought about by the expiry of the current TFET funding agreement at the end of 2005-06. This will result in additional \$1.7m in expenditure for the Hospital and Specialised Services and District Health Services programmes.

Offsetting this to a large degree is the impact of an expected large decline in the need for international doctors funded through CFET, as a result of the expected availability of Timorese qualified doctors. This is expected to reduce doctor costs by approximately \$1.4m in 2006-07.

In 2004-05 a Financial Management System is expected to be implemented within the Ministry, which is expected to provide further improvements in budget monitoring and evaluation. It is anticipated that the system will have the facility to consolidate funding information for CFET, TFET and Bilateral and Multilateral projects, improving the overall integration and management of resources within the Ministry.

- The TSP target of maintaining a focus on funding for primary health care though limiting expenditure on hospitals to no greater than 40% of core CFET expenditure (total Ministry funding, minus funding for Ministerial Offices and capital and development programme) has been met. Hospital funding is expected to decrease over the forward estimates period, through less reliance on international medical staff. This will provide an increasing ability for the government to reduce poverty through the provision of quality primary health care, particularly in district areas, where access to hospitals is limited.

**Table 8.22**  
**Primary Health Care TSP Target**

	2004-05	2005-06	2006-07	2007-08
Primary Health Care as % of Health Spending	40.0	39.8	34.9	33.9

**Measures**

*Increased Funding for Doctors*

Within the *Personalised services* programme, approximately \$500,000 has been provided to continue the provision of international doctors previously funded through TFET agreements. As outlined above, the long term reliance on international doctors is expected to decline once qualified Timorese doctors become available in 2006-07.

**Central services**

The goal of *Centralised services* is to ensure the provision of effective and efficient health services.

To achieve this goal, *Centralised services* has as its objective to provide strategic directions and support the delivery of health services.

*Performance Indicator(s)*

1. Not Indicated

**Personalised Services**

The goal of the *personalised services programme* is to improve health outcomes.

To achieve this goal, the *personalised services programme* has as its objective the provision of efficient, effective and quality hospital, laboratory, and pharmaceutical services.

*Performance Indicator(s)*

1. Hospital mortality rates reduced.

**District Health Services**

The goal of the *district health services programme* is to deliver good health services of high quality to reduce the incidence of morbidity and mortality.

To achieve this goal, the district health services has as its objective, efficient, effective and quality health services provided to the community of Timor-Leste.

*Performance Indicator(s)*

1. Not Indicated



## Secretariat of State for Labour and Solidarity

**Table 8.18 Consolidated Funding and Staffing Overview Secretariat of State for Labour and Solidarity (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>Salaries and Wages</i>	199	203	208	212	822
<i>Goods &amp; Services</i>	279	299	315	331	1,224
<i>Minor Capital</i>	12	23	27	27	89
<i>Capital &amp; Development</i>	0	0	0	0	0
<b>Proposed Budget</b>	<b>490</b>	<b>525</b>	<b>550</b>	<b>570</b>	<b>2,135</b>
<b>UN Assessed</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Bilateral-Multilateral</b>	<b>3,667</b>	<b>2,863</b>	<b>1,152</b>	<b>1,169</b>	<b>8,851</b>
<b>Total Combined Sources</b>	<b>4,157</b>	<b>3,388</b>	<b>1,672</b>	<b>1,739</b>	<b>10,986</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>7</b>	<b>11</b>	<b>61</b>	<b>22</b>	<b>7</b>	<b>5</b>	<b>0</b>	<b>113</b>
Permanent	1	10	60	21	7	5	0	104
Temporary	6	1	1	1	0	0	0	9

### *Funding Overview*

For 2004-05 funding for the *Secretariat of State for Labour and Solidarity* will reduce by approximately 15%, to \$490,000. The majority of this reduction is caused through a one off capital and development project provided in 2003-04 to rehabilitate the social services building. Funding will increase by approximately 16% over the forward estimates.

- There are no new funding initiatives in the 2004-05 Budget.

### ***National Directorate of Administrative and Financial services***

The goal of the programme under the *Directorate of Administrative and Financial Services* is to offer administrative and financial support and provide capacity development to the Secretary of State for Labour and Solidarity

To achieve this goal, the *Directorate of Administrative and Financial Services* has as its objectives:

- support the four divisions across the capacity building programs for public servants, institutional development, and strengthening of the administrative systems and processes of budget planning and expenditure;
- periodically evaluate programs and oversee the implementation of the Directorate's internal policy; and
- ensure the availability of adequate and appropriate human, financial and physical resources to be used efficiently. To be monitored through periodic evaluations and a good administrative system.

### *Performance Indicator(s)*

1. Enhanced management and administration of public servants in the division to support the Secretary and provide services to the community.

### **National Directorate of Labour Services**

The goal of the *labour services programme* is to promote economic growth through harmonious and cooperative industrial relations including the use of tripartite consultation and participation of social partners, to achieve a fair distribution of economic growth and protect the health and safety of workers.

To achieve this goal, *labour services* has as its objective to create a harmonious environment in the workplace through the implementation of the Labour Code.

#### *Performance Indicator(s)*

1. At least 50 % of labour disputes cases registered.
2. At least 50% of cases against the rights of workers and employers are reported.
3. At least 50% of all reported cases of under payment of minimum wage registered.

### **National Directorate of Employment and Professional training**

The goal of the *programme for employment and professional training* is to increase workforce participation rate and decrease level of unemployment.

To achieve this goal, the *National Directorate of Employment and Professional training* has as its objective to provide a ready to use and productive labour.

#### *Performance Indicator(s)*

1. Workforce participation rate 450 Person (30%).
2. Unemployment rate per 1,500 Person (45 %).

### **National Directorate for Social Services and Solidarity**

The goal of the *programme for social services and solidarity* is to protect the most vulnerable groups in society from violence, neglect and burdens of accidental misfortune.

To achieve this goal, the *National Directorate of Social Services and Solidarity* has as its objective that vulnerable groups are protected from violence and neglect and receive access to legal processes so as to create a harmonious atmosphere in daily activities of the community.

#### *Performance Indicator(s)*

1. At least 40 hostels for orphans available.
2. Minimum of 20,796 people in 13 districts are placed under social security.

### **National Directorate for Veterans Affairs**

The goal of the programme for veteran's affairs is to reduce the difficult socio-economic conditions of veterans of the war and reintegrate them into the community.

To achieve this goal, the National Directorate for Veterans Affairs has as its objectives:

- continue the process of attending to the identification of veterans and former combatants;
- identify those widowed, orphaned and maimed by the war;
- offer direct support to veterans, thus ensuring their reintegration into the community and offering assistance to orphans and widows of veterans and the youth resistance organisations.

#### *Performance Indicator(s)*

1. Create and achieve an identification database of all former combatants and veterans of Timor-Leste.
2. Promote and recommend the services provided for former combatants and veterans.

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3. Veterans, former combatants, widows, orphans, those maimed in the war and members of the former youth resistance organisations necessitate continual support and social assistance.

## Ministry of Foreign Affairs and Cooperation

**Table 8.23 Consolidated Funding and Staffing Overview Ministry of Foreign Affairs and Cooperation (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>Salaries and Wages</i>	217	220	223	225	885
<i>Goods &amp; Services</i>	2,068	2,136	2,144	2,157	8,505
<i>Minor Capital</i>	151	0	0	0	151
<i>Capital &amp; Development</i>	0	0	0	0	0
<b>Proposed Budget</b>	<b>2,436</b>	<b>2,356</b>	<b>2,367</b>	<b>2,382</b>	<b>9,541</b>
<b>UN Assessed</b>	<b>120</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>120</b>
<b>Bilateral-Multilateral</b>	<b>64</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>64</b>
<b>Total Combined Sources</b>	<b>2,620</b>	<b>2,356</b>	<b>2,367</b>	<b>2,382</b>	<b>9,541</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>5</b>	<b>5</b>	<b>11</b>	<b>24</b>	<b>12</b>	<b>22</b>	<b>1</b>	<b>80</b>
Permanent	3	3	11	24	10	12	1	<b>64</b>
Temporary	2	2	0	0	2	10	0	<b>16</b>

### *Funding Overview*

The Ministry of Foreign Affairs and Cooperation has received a substantial increase in funding of approximately \$1.3m for 2004-05, in comparison with the 2003-04 MYBU. Total funding of \$2,436,000 will be provided in 2004-05.

Approximately two thirds of this increase can be directly attributed to the increased costs of existing embassies, due to the expiry of bilateral assistance. The remaining increase is associated with the opening of new embassies, as outlined in the measures section below.

While aware of the significant cost increase associated with these factors, the Government views its foreign presence as an investment in the future, both in terms of security related issues and in stimulating economic development through fostering trade and investment opportunities in international markets.

### *Measures*

#### *Increased Costs of Existing Embassies:*

Bilateral assistance for many of the current embassies expires at the end of 2003-04, or during the 2004-05 financial year. In order to ensure their continued effective operation, a significant increase in CFET funding was necessary. Approximately an additional \$850,000 has been provided.

#### *New Embassies in Maputo, Beijing and Tokyo:*

For 2004-05, three new embassies will be opened. The embassy in Maputo will continue to underline the strong historical links between the two countries and capitalise on Mozambique's standing in the African and Global community. Embassies in Beijing and Tokyo will provide direct benefits through China's position in the Security Council of the UN and the benefits of association with two of the largest world economies, as well as being two of the largest contributors to aid in Timor-Leste.

### ***Directorate of the Foreign Affairs and Cooperation***

The Directorates within the Ministry of the Foreign affairs and Cooperation Headquarters implement a program to develop the capacity of the Ministry through a standard of basic procedures for offices within the Ministry, standards that assure a correct and transparent organisation.

The goal of this program is to improve and to support the work relative to the strengthening of diplomatic relations and the international contribution to support the development of the nation. To reach this goal, the Directorates within the Headquarters of the Ministry of Foreign Affairs and Cooperation is to improve the institutional capacity of the Ministry's human resources, in support of the global construction of the nation of Timor-Leste.

#### ***Performance Indicator(s)***

1. A professionally run and functional organisation is created.
2. International interest to support the development needs of Timor-Leste is sustained.

## Ministry of Planning and Finance

**Table 8.24 Consolidated Funding and Staffing Overview Ministry of Planning and Finance (\$'000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>Salaries and Wages</i>	981	1,022	1,033	1,040	4,076
<i>Goods &amp; Services</i>	2,582	2,652	2,669	2,688	10,591
<i>Minor Capital</i>	77	162	124	186	549
<i>Capital &amp; Development</i>	35	0	0	0	35
<b>Proposed Budget</b>	<b>3,675</b>	<b>3,836</b>	<b>3,826</b>	<b>3,914</b>	<b>15,251</b>
<b>UN Assessed</b>	<b>2,040</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,040</b>
<b>Bilateral-Multilateral</b>	<b>10,570</b>	<b>304</b>	<b>0</b>	<b>0</b>	<b>10,874</b>
<b>Total Combined Sources</b>	<b>14,245</b>	<b>4,140</b>	<b>3,826</b>	<b>3,914</b>	<b>28,165</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>14</b>	<b>137</b>	<b>156</b>	<b>182</b>	<b>55</b>	<b>19</b>	<b>1</b>	<b>564</b>
Permanent	14	93	147	182	55	19	1	511
Temporary	0	44	9	0	0	0	0	53

### *Funding Overview*

Funding in 2004-05 for the Ministry of Planning and Finance has reduced by 13% to \$3,675,000, from the 2003-04 MYBU. Modest growth of approximately 7% is forecast over the forward estimates.

As outlined in the measures section below, the majority of this reduction is associated with decreases in Whole of Government funding items, ensuring that the key operational elements of the Ministry are not unduly affected. This will ensure the continued efficient and effective functioning of Government operations through sound financial management.

### *Measures*

#### *Reduced Funding for the Central Overseas Travel Fund*

The centrally administered Overseas Travel fund has been reduced from \$750,000 in the 2003-04 MYBU to \$500,000 in 2004-05. The Government has implemented procedures to restrict usage of overseas travel, with all travel requiring the authorisation of the Minister for Planning and Finance as well as the Prime Minister.

#### *Reduce Funding for the Contingency Reserve*

The Contingency reserve has been reduced by \$300,000, to \$500,000 in 2004-05. This will continue to provide a sufficient reserve to meet urgent and unforeseen occurrences, as well as improve transparency through the minimisation of discretionary funds within the government. For 2004-05, more stringent guidelines will be developed for the use of these funds.

### ***Property Disposal and Asset Management***

The goal of the programme for the efficient management of government assets is that government assets are efficiently managed and controlled through proper and accurate bar-coding and recording.

To achieve this goal, the Property Disposal and Asset Management aims to contribute in the efficient management of all Government assets, both procured and donated, through reliable recording including the conduct of regular evaluation of these capital assets for their possible disposal.

*Performance Indicator(s)*

1. At least 95 % of all government assets are properly identified and coded.
2. Disposal procedure initiated on at least 50 % of capital assets, including donations, cleared for disposition.

**Administration and IT**

The goal of the programme for efficient and service-oriented administration is to build the Office of the Administration and IT as a service-oriented structure that adequately supports the requirements for the smooth implementation of programs and activities of the Ministry.

To achieve this goal, the Office of Administration and IT has as its objectives the following.

- assist the Ministry in maintaining a transparent and fair recruitment process, implementing a CB strategy favourable to all staff, including the provision of efficient Information technology support services, and assuring timely and reliable language and other related general services;
- develop a professional Division of Human Resources that will take charge of the capacity building needs of the members of the staff of the Ministry;
- assist in optimizing the resources at the Documentation and Knowledge Centre by encouraging the national staff to avail of them;
- provide timely IT support services to all users within the Ministry;
- sustain the provision of effective logistical support to operations of the different units; and
- sustain the standard and professionalism in the delivery of the on line translation to all requesting units.

*Performance Indicator(s)*

1. At least 75 % of all services rendered are considered satisfactory as measured by positive feedback received from Divisions;
2. At least 75 % of the capacity of the existing IT/database systems installed within MPF are functional; and
3. At least 50 % of Ministry staff members have clear understanding and appreciation of their assigned functions within the MOPF structure.

**Budget Office**

The goal of the budget formulation and management programme is to establish and maintain an efficient and timely combined sources budget that supports Government's national priorities within a sustainable medium-term fiscal framework that is prepared and managed by national staff.

To achieve this goal, the Budget Office shall aim to ensure that the Government's budget formulation and its subsequent publication is prepared and managed, primarily by national staff, in accordance with the Budget Law and with the principles and timeframes as approved by the Council of Ministers.

*Performance Indicator(s)*

1. 2004-05 MYBU and 2005-06 National Budget are prepared in accordance with legislative requirements, Government priorities and CoM approved timeframes.

## **Customs**

The goal of the programme for enhancing competencies of the national staff and the technical management capacity of the National Customs Administration is to build an efficient and effective National Customs Administration that is responsive to and supportive of the national development objectives of the Government of Timor-Leste.

To achieve this goal, Customs shall aim to improve the service delivery capacity of the National Customs Administration by pursuing internal and external activities that will enhance individual staff competencies, upgrade existing structures and facilities, and raise the level of efficiency of its systems and processes.

### ***Performance Indicator(s)***

1. Enhanced work performance of the NCA as measured by at least 10% increase in revenue collections on customs duties and taxes.

## **East Timor Revenue Service**

The goal of the programme for the efficient collection and audit of government revenues is to increase the revenue collected in order to support the development of the country

To achieve this goal, the East Timor Revenue Service has its objectives the following:

- increase the efficient collection of revenues, ensure fiscal autonomy, maintain the development of private incentives and ensure fiscal justice;
- optimize the use of the Standard Integrated Government Taxation Administration System (SIGTAS); and
- maximize the tax collection from the companies of the Timor Gap.

### ***Performance Indicator(s)***

1. At least 85% of projected USD21 million revenue generation is achieved.
2. Macroeconomic and Tax Policy.
3. The goal of the fiscal, revenue and economic policies programme is to assist in maintaining a sustainable medium-term fiscal environment for the Government of Timor-Leste through the provision of timely and regular advice on fiscal, revenue and economic standing of the country.
4. To achieve this goal, the Macroeconomic and Tax Policy shall aim to provide timely advice to the Government on matters related to fiscal and economic expenditures, including revenue forecasting for use as framework in the formulation of policies to maintain the balance of its fiscal environment.
5. Regularity and clarity of the documentation of the revenue forecasts, economic forecasts and changes in the Government's revenue policies as reflected in the published Budget Papers and the Mid-Year Budget Update.

## **Treasury**

The Treasury will handle various initiatives in 2004-05 including:

- Continuation of the configuration and implementation of an advanced procurement module within Free Balance to accompany the whole of government procurement processes (a process which began in July of 2002).
- Module for recording assets in Free Balance for whole of government
- Updating the Table of Accounts for the new structure of the Government.
- Improving the control of expenditures consistent with the Government's liquidity flows.



Consequently the priorities of the Treasury for 2004-05 include

- Strengthening expenditure controls in goods and services and in temporary staff through the monthly provision expenditures of programs against appropriations.
- Integration of the staff management system with the payments schedule.
- "Integration of CFET and TFET expenditure funds for budgetary purposes, and consolidation of the final accounts.
- "Strengthening the capacity of internal audit and its responsibility in regard to the independent audit on the Financial Declaration at the end of the Fiscal Year.

### ***The National Directorate for Planning, and Coordination of External Assistance***

The goal of the program is to efficiently coordinate the processes of planning, mobilisation of resources. Monitoring and Government reporting is a well co-ordinated process of planning and evaluation of external technical and financial assistance, with corresponding monitoring and postponed elaboration of reports on the progress in some programs and activities of the Government (Ministries, State secretaries, Agencies) and other Agencies of State, such as indicated in its quarterly reporting matrix.

To achieve this goal, the Directorate has as its objective the coordination of annual action plan exercises and the monitoring and elaboration of the Governments quarterly reports as well as Agencies of State, and being supporting access to financial and technical assistance aid from development partners for the priority programs of the Government.

The goal of the programme for efficient coordination of the planning, resource mobilization, monitoring and reporting processes of the Government is to achieve a well-coordinated process of planning and accessing of external financial and technical assistance. This will be undertaken with corresponding monitoring and timely reporting of the progress of completion of various programs and activities of the Government ministries, Secretariat of States and other State organs, as set out in their quarterly reporting matrices.

To achieve this goal, the Directorate for Planning and External Assistance Coordination shall aim to coordinate the annual planning and quarterly monitoring and reporting exercises of the Government and other State organs, and support the access to financial support and technical assistance from Development Partners for Government's priority programs.

#### ***Performance Indicator(s)***

- At least 90 % of Government Ministries able to comply with the FY 05-06 AAP-QRMs submission on time, with marked improvement on the management of the coordination process from the national staff, as compared to previous fiscal year;
- At least 75 % of the NDPEAC Planning Officers rendered efficient coordination work with their assigned ministry focal points as measured by positive feedback received on their performance;
- At least 10% increment in the amount of budgetary and financial support secured for the Government of Timor-Leste for FY 05-06;
- At least 50 % of the identified required technical assistance to implement Government programs for FY 04-05, particularly that under the TSP, are mobilized on time;
- At least 75 % of the capacity of the existing database systems installed within NDPEAC are functional;
- At least 75 % of NDPEAC operations functional and supportive of the planned programme components and specific activities for FY04-05; and
- All staff members have clear understanding and appreciation of their assigned functions within the NDPEAC s

## ***Procurement***

The goal of the programme for procurement management and services is to build an effective Procurement Division that will efficiently procure goods, services and civil works while at the same time maintaining fair competition among contract bidders and ensuring the transparency of the process.

To achieve this goal, the Procurement Office shall aim to systematize the procurement of goods, services and works, and administer contracts from national and international sources, professionally, for and on behalf of Government Departments.

### ***Performance Indicator(s)***

1. Demonstrated improvement in the timeframe of processing of all procurement requests as measured by satisfactory feedback received from 50 % of all Government departments.

## ***National Statistics Directorate***

The goal for the programme of provision of regular and credible statistical data is to sustain the dissemination of reliable statistics on the demographic data on health, education, justice, population and environment in Timor-Leste

To achieve this goal, the National Statistics Directorate shall aim to regularly compile and disseminate reliable and credible statistical data and demographics on Timor-Leste.

### ***Performance information***

1. Monthly publication of Dili CPI.
2. Monthly publication of trade data (imports/exports).
3. Publication of Timor-Leste year book.
4. Compilation and dissemination of 2004 Census.

## ***Supply and inventory management***

The goal of the programme for enhanced management and provision of Government's goods and supplies is to effectively manage government supplies as well as the timely provision of requested goods and equipment to all Government departments.

To achieve this goal, the Supply and Inventory Management Office has as its objectives the following:

- undertake regular inventory and replenishment of common-stock supplies and goods used by Government departments; and
- ensure timely release and delivery of all requested goods and supplies to requesting Government departments.

### ***Performance Indicator(s)***

1. Stock on the common-user items is maintained at 90%.
2. Timely clearance of Customs documents for Government procured goods and equipment.
3. Timely receipt, inspection and delivery of all goods and equipment procured for Government Departments.

## Ministry of Transport, Communications and Public Works

**Table 8.25 Consolidated Funding and Staffing Overview Ministry of Transport, Communications and Public Works (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>Salaries and Wages</i>	1,441	1,474	1,513	1,550	5,978
<i>Goods &amp; Services</i>	8,294	7,606	7,240	7,385	30,525
<i>Minor Capital</i>	235	615	377	280	1,507
<i>Capital &amp; Development</i>	6,265	7,385	7,500	8,000	29,150
<b>Proposed Budget</b>	<b>16,235</b>	<b>17,080</b>	<b>16,630</b>	<b>17,215</b>	<b>67,160</b>
<b>UN Assessed</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Bilateral-Multilateral</b>	<b>31,755</b>	<b>9,558</b>	<b>1,684</b>	<b>984</b>	<b>43,981</b>
<b>Total Combined Sources</b>	<b>47,990</b>	<b>26,638</b>	<b>18,314</b>	<b>18,199</b>	<b>111,141</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>83</b>	<b>128</b>	<b>188</b>	<b>135</b>	<b>69</b>	<b>13</b>	<b>2</b>	<b>618</b>
Permanent	74	110	139	121	58	12	2	516
Temporary	9	18	49	14	11	1	0	102

### *Funding Overview*

Total funding of \$16,235,000 for the Ministry of Transport, Communications and Public Works is provided in 2004-05. This is a reduction of approximately 2% from the 2003-04 MYBU. Within this, recurrent funding has reduced by approximately \$2m (17%), with the majority, approximately \$1.2m, coming from a reduction in the CFET subsidy to the Electricity Service of Timor-Leste (EDTL).

Capital and development funding increases substantially from approximately \$4.6m in 2003-04, to approximately \$6.3m in 2004-05. This is associated with a 51% increase in funding for road projects and a 155% increase in funding for water and sanitation projects. It is expected that these projects will provide tangible improvements in poverty reduction, through stimulation of domestic economic activity and improvements in basic essential infrastructure.

- It is also expected that expenditures within the Ministry will be reviewed in light of the Japanese non Project Grant Aid agreement, particularly in the Roads, Bridges and Flood Control, and Water and Sanitation programmes.

### ***Permanent Secretary for Public Works***

The goal of the programme of the Permanent Secretary of public works is to carry out the integrated ministerial inter-departmental agreements, principally aimed at the responsibilities of development and capital.

To achieve this goal, the division has as its objectives to assure the efficiency and effectiveness in the distribution of essential services, management and operation of the following divisions of public works:

- public works;
- roads, bridges and check points;
- research and development; and

- equipment and material

*Performance Indicator(s)*

1. Activities relevant to the department of public works are discharged to achieve satisfactory results.

***Directorate of Administration***

The goal of the administration programme is to provide technical support to the Ministry in the domains of administration, human resources, finances, inspector general, and guarantee the effectiveness and the efficiency of the interests of the Ministry of Transport, Communication and Public Works.

To achieve these goals, the objectives of the Ministry of Transport, Communication and Public Works is to provide and guarantee effective and efficient technical and administrative support to government members as well as to those services of the Ministry which do not have their own administrative structure.

*Performance Indicator(s)*

1. At least 75% good management of the services of technical and administrative support.

***Planning Unit***

The goal of the Planning Unit is to improve the Ministry's planning processes for the annual, mid-term and long-term, including quarterly monitoring of relative progress.

To achieve this goal, the Planning Unit has as its objective the coordination of the annual plans and programme priorities of the Ministry and the provision of recommendations on relevant matters related to planning and infrastructure.

*Performance Indicator(s)*

- At least 90% of Annual Action Plans, Quarterly Monitoring Reports and Progress Reports are submitted on time; and
- At least 70% of the projected activities and projects are implemented with at least 10 % increase in their quality.

***Directorate of Roads, Bridges and Flood Control***

The goal of programme on roads, bridges and flood control is to identify, maintain and conserve the networks of national, district, urban and rural roads essential for sustainable economic and social development.

To achieve this goal, the Directorate of Roads, Bridges and Flood Control has as its objectives the following:

- identify plan and preserve the national, district, urban and rural roads;
- identify, plan and establish preventive and maintainable measures for erosion control; and
- establish a sustainable institutional structure with technical and administrative capacity so as to manage technical standards for respective road networks.

*Performance Indicator(s)*

1. Number and percentage of roads and bridges maintained.

***Research and Development Division***

The goal of the research and development programme is to provide maximum technical assistance to all directorates within the department and ensure that national and international standards are complied with.

To achieve this goal, the Research and Development Division has as its objective the provision of support in developing and implementing technical codes/standards by providing essential services on construction material testing for all infrastructure projects in Timor-Leste.

*Performance Indicator(s)*

1. At least 50% of public work categories have been coded in conformity with national standards and published.

**Material and equipment**

The goal of the programme for materials and equipment is to assist all departments under the General Directorate for Public Works particularly the Directorate of Roads, Bridges and Flood Control department to ensure the provision of a safe network of major and minor roads throughout Timor-Leste

To achieve this goal, the Directorate of the Material and Equipment has as its objectives the following:

- develop national capacity to undertake construction or rehabilitation of physical structures;
- establish sustainable operation and maintenance procedures including long-term management planning for road networks essential to economic and social development;
- establish and implement sustainable erosion control measures to prevent damage to physical structures and valuable property;
- strengthen self-confidence of planning; and
- operation and maintenance of heavy equipment and construction or rehabilitation of physical structures.

*Performance Indicator(s)*

1. At least 75 % of the operators, mechanics and project management trained

**Department of Public Works**

The goal of the institutional building and public services programme is to provide technical assistance in the areas of construction, monitoring land development, and the provision of special planning and housing regulations.

To achieve this goal, the Institutional Building and Public Services has as its objectives the following:

- provide engineering services in planning, designing and supervision;
- monitor building construction and land use development;
- reduce housing shortages in urban centres through improved planning and regulation in support of national policies; and
- establish a [GIS] Unit

*Performance Indicator(s)*

1. At least 72 buildings designed, rehabilitated, constructed;
2. At least 50 land development and building permit applications reviewed and approved;
3. Housing policy and building code approved and implemented in Dili and Districts;
4. 2 GIS Units utilized for integrated planning.

## ***Permanent Secretary of Transport and Communications***

The goal of the programme of the Permanent Secretary of Transport and Communications is to carry out integrated ministerial inter-departmental agreements, principally aimed at the responsibilities of development and capital.

To achieve this goal, the Permanent Secretary has as its objective the coordination of the policy development and the effectiveness and efficiency of the distribution of essential services of management and operations of the following divisions and directorates: Communications Regulatory Authority; Technology and Information; Postal Services; Land Transport; Sea Transport; Civil Aviation; Meteorology.

### ***Performance Indicator(s)***

1. A mechanism for supervision and coordination on the activities of the sectors of the Permanent Secretary of Transport and Communications established by the end of FY 2004-05.

## ***Communication Regulatory Authority (CRA)***

The goals of the programme under the Communication Regulatory Authority are:

- to extend basic telecommunications services to all districts; and
- provide regulatory guidance for the development of the telecommunication network and services.

To achieve these goals the Communication Regulatory Authority shall:

- complete the ongoing project to restore telecommunication infrastructure by the telecommunications operator
- conclude the transmission training and development programme;
- implement telecommunications network satisfactorily;
- complete legislative guidelines and operating standards for telecommunications for national approval.

### ***Performance Indicator(s)***

1. 100% of all basic telecom legislation and network quality for online in 24 hour (No Breaking System).

## ***Postal services***

The goal of the programme for postal services is to create the legal conditions for quality postal services operations as outlined in the organic law.

To achieve this goal, Postal Services shall ensure that the efficiency and effectiveness of the postal service taking into account the expansion of the postal system.

### ***Performance Indicator(s)***

1. At least 45% of the population has access to quality postal services.

## ***Division of Meteorology***

The goal of the programme on meteorology is to recover and develop the structure in the meteorological area.

To achieve this goal, the Division of Meteorology has as its objectives the following:

- identify and relocate four existing meteorological stations; and
- train specialised technical staff.

### *Performance Indicator(s)*

1. 4 meteorological stations rehabilitated and equipped with meteorological instruments.
2. At least 13 meteorological staff recruited.

### **Directorate of Land Transport**

The goal of the programme under land transportation is the normalization of the transport system to be accessible for all users.

To achieve this goal, the Directorate of Land Transport has as its objectives the following:

- formulate regulations that allow the sound functioning of vehicle registrations, vehicle control, and licenses for transporting passengers and cargo;
- formulation of traffic codes and penalties, and the establishment of an effective policy for fees and charges; and
- creation of adequate infrastructure.

### *Performance Indicator(s)*

1. At least 85% of vehicles registered and controlled to prevent excessive pollution.

### **Directorate of Maritime Transport**

The goal of the Directorate of Maritime Transport is to improve the capacity of its staff. This will be achieved through training and capacity building to managers, head officers and technical boards at all levels.

### *Performance Indicator(s)*

1. 100% of staff selected for training pass.

### **Civil Aviation Division**

The goal of the capacity building programme of civil aviation staff is the development and perfecting of human resources in the civil aviation sector.

To achieve this goal, the Civil Aviation Division has as its objective the improvement and maintenance of the integrity of all sections at the President Nicolau Lobato International Airport.

### *Performance Indicator(s)*

1. 100% of Civil Aviation staff participated in capacity building programme.

### **Information Technology Division**

The goal of the Information Technology Division is to provide access to information and communication services for the Government. This will be achieved through the provision of services on communication data to the all government departments.

### *Performance Indicator(s)*

1. 100% of government departments have access to information and communication technology (in the capital city).

### **Office of Water and Sanitation**

The goal of the programme on water and sanitation is to ensure that the communities of Timor-Leste have access to adequate water and sanitation services considered essential for public health, protection of the environment and for the promotion of economic growth.

To achieve this goal, the Office of Water and Sanitation has as its objectives the following:

- provide adequate, safe and sustainable water supplies for the communities in Dili, major urban centres and in districts, with the aim of full cost recovery from water users;
- facilitate adequate, safe and sustainable water supply and sanitation for villages and rural communities through community managed water and sanitation facilities;
- facilitate the collection and safe disposal of solid waste, waste water and sewage in urban areas; and
- inform the public on safe water and sanitation practices that will systematically improve the environment and enhance welfare.

*Performance Indicator(s)*

1. Population with easy access to water and sanitation services/total population under utility's are:

- At least 55% in Dili.
- At least 50% in District main town.
- At least 30% in rural areas.



## Judiciary

**Table 8.26**  
**Consolidated Funding and Staffing Overview Judiciary (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>Salaries and Wages</i>	226	237	267	276	1,006
<i>Goods &amp; Services</i>	118	130	134	146	528
<i>Minor Capital</i>	16	30	40	50	136
<i>Capital &amp; Development</i>	0	0	0	0	0
<b>Proposed Budget</b>	<b>360</b>	<b>397</b>	<b>441</b>	<b>472</b>	<b>1,670</b>
<b>UN Assessed</b>	<b>1,080</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,080</b>
<b>Bilateral-Multilateral</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35</b>
<b>Total Combined Sources</b>	<b>1,475</b>	<b>397</b>	<b>441</b>	<b>472</b>	<b>1,785</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>12</b>	<b>29</b>	<b>16</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>66</b>
Permanent	12	29	16	8	1	0	0	66
Temporary	0	0	0	0	0	0	0	0

### *Funding Overview*

Funding for the Judiciary has increased by approximately 21% from the 2003-04 MYBU to \$360,000. In addition, expenditure is forecast to increase by approximately 31% over the forward estimates period.

### *Measures*

#### *Provision of Full Budgetary Independence to the Judiciary*

As part of the Governments commitment to ensure proper governance arrangements, for 2004-05 institutions involved in the Judiciary will be separated from the Ministry of Justice budget. The Superior Council for Judiciary, Court of Appeal and District Courts programmes will be separated, with all staffing and resources, totaling \$360,000, 66 permanent staff and 30 judges.

#### *Increased Level of Funding for the Judiciary*

The Government has decided to provide an additional \$62,000 to programmes within the Judicial sector as part of a package of measures to facilitate improvements in the performance of the courts system and to provide additional resources to better manage the large backlog of cases before the courts.

### **Superior Council for Judiciary**

The goal of the Superior Council for Judiciary is good management and discipline of justices and of the administration of justice.

To achieve this goal, the Superior Council for Judiciary as its objective to guarantee the smooth functioning of the Superior Council for Judiciary.

#### *Performance Indicator(s)*

1. At least 50% of the justices are trained and capacitated to carry out their tasks.

## ***Court of Appeal***

The goal of the programme under the Court of Appeal is to ensure good administration of justice. To achieve this goal, the Court of Appeal has as its objective the observance of good administration of justice.

### ***Performance Indicator(s)***

1. Reduce by at least 80% the number of court matters pending and in train in 2004-05.
2. Reduce by at least 20% the number of court matters pending relating to remand prisoners.

## ***District Courts***

The District Courts covers three programs – the District Court of Baucau, the District Court of Dili, the District Court of Oecussi. All three courts have as their goal and objective the good administration of justice.

### ***Performance Indicator(s)***

1. At least 75% reduction in the number of cases pending or in train in Baucau District Court.
2. At least 75% reduction in the number of cases pending or in train and a reduction in the time elapsed between decisions and the completion of the process in Dili District court.
3. At least 75% reduction in the number of cases pending or in train in Oecussi District Court.

## Banking and Payments Authority

**Table 8.27**  
**Consolidated Funding and Staffing Overview Banking Payments Authority (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>Salaries and Wages</i>	0	0	0	0	0
<i>Goods &amp; Services</i>	620	600	500	400	2,120
<i>Minor Capital</i>	0	490	610	790	1,890
<i>Capital &amp; Development</i>	0	0	0	0	0
<b>Proposed Budget</b>	<b>620</b>	<b>1,090</b>	<b>1,110</b>	<b>1,190</b>	<b>4,010</b>
<b>UN Assessed</b>	<b>240</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>240</b>
<b>Bilateral-Multilateral</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Combined Sources</b>	<b>1,475</b>	<b>397</b>	<b>441</b>	<b>472</b>	<b>1,785</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>3</b>	<b>6</b>	<b>19</b>	<b>21</b>	<b>13</b>	<b>4</b>	<b>1</b>	<b>67</b>
Permanent	3	6	19	21	13	4	1	67
Temporary	0	0	0	0	0	0	0	0

### *Funding Overview*

Funding for the Banking and Payments Authority (BPA) has reduced from \$1,005,000 in the 2003-04 MYBU, to \$620,000 in 2004-05. This reduction is associated with a reduction in the capitalisation programme for the BPA. In conjunction with the BPA, the Government will investigate the capitalisation needs of the Authority, as well as the funding arrangements with Government. Provision for capitalisation remains included in the forward estimates, reflecting the Governments commitment to ensuring the proper establishment of the BPA.

There are no new funding initiatives in the 2004-05 Budget.

The goal of the programme under the Banking and Payments Authority is to develop an efficient and viable financial sector.

To achieve this goal, the Banking and Payments Authority of Timor-Leste has as its objectives the development of the financial institutions, to create safe and reliable payment systems, and to provide technical advice to the Government on economic policy issues.

### *Performance Indicator(s)*

1. Not Indicated

## Public Broadcasting Service (PBS)

**Table 8.28**  
**Consolidated Funding and Staffing Overview Public Broadcasting Service (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total			
<b>Proposed Budget</b>								
<i>Salaries and Wages</i>								
<i>Goods &amp; Services</i>								
<i>Minor Capital</i>								
<i>Capital &amp; Development</i>								
	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>Total</b>			
<i>Salaries and Wages</i>	272	310	315	325	1,222			
<i>Goods &amp; Services</i>	78	65	70	70	283			
<i>Minor Capital</i>	0	0	0	0	0			
<i>Capital &amp; Development</i>	0	0	0	0	0			
<b>Proposed Budget</b>	<b>350</b>	<b>375</b>	<b>385</b>	<b>395</b>	<b>1,505</b>			
<b>UN Assessed</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>Bilateral-Multilateral</b>	<b>234</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>234</b>			
<b>Total Combined Sources</b>	<b>584</b>	<b>375</b>	<b>385</b>	<b>395</b>	<b>1,739</b>			
	<b>L1</b>	<b>L2</b>	<b>L3</b>	<b>L4</b>	<b>L5</b>	<b>L6</b>	<b>L7</b>	<b>Total</b>
<b>Total</b>	<b>25</b>	<b>10</b>	<b>8</b>	<b>48</b>	<b>23</b>	<b>11</b>	<b>10</b>	<b>135</b>
Permanent	0	0	0	0	0	0	0	0
Temporary	25	10	8	48	23	11	10	135

### *Funding Overview*

In 2004-05, funding of \$350,000 will be provided, an increase of 34% on the 2003-04 MYBU. However, the large increase needs to be viewed in light of a significant sequestration of salaries funding in the 2003-04 MYBU on account of technical difficulties in the Public Broadcasting Service accessing the funds in the first half of 2003-04. When compared to the original budget in 2003-04, the level of subsidy provided to the Public Broadcast Service has reduced by approximately 3%.

It should be noted that the majority of operational funding for the Public Broadcast Service is sourced from bilateral donors. This represents a considerable risk to future operations. Should bilateral funding be insufficient to meet operational needs, additional CFET funding will need to be provided.

In 2004-05, a major focus of the Public Broadcasting Service will be to developing its strategic plan to guide future operations. There are no new funding initiatives in the 2004-05 Budget.

The goal of the programme on public news and information is to develop a quality, sustainable media organisation that will serve the needs of the people of Timor-Leste, and promote the development of democracy, as well as the improvement in the quality of their life.

To achieve this goal, the PBS has as its objective the provision of accurate, balanced and credible news that contributes to the development of democracy and the society in Timor-Leste. Similarly, it aims to provide information that will contribute to the achievement of the National Development Plan by supporting and assisting in the information plans of the Ministries, Government Agencies, NGOs, UN Agencies, and other development partners.

*Performance Indicator(s)*

1. At least 75% of the people of Timor-Leste indicate that their source of news and information is Radio Timor-Leste (RTL) or Television Timor-Leste (TVTL).
2. At least 25% of the people indicate that their quality of life has improved from information they heard on RTL or TVTL, or through RTTL information campaigns.

## Civil Aviation (Autonomous Entity)

**Table 8.30**  
**Consolidated Funding and Staffing Overview Civil Aviation (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>Salaries and Wages</i>	155	160	160	160	635
<i>Goods &amp; Services</i>	550	571	600	600	2,321
<i>Minor Capital</i>	132	120	160	160	572
<i>Capital &amp; Development</i>	53	80	90	90	313
<b>Proposed Budget</b>	<b>890</b>	<b>931</b>	<b>1,010</b>	<b>1,010</b>	<b>3,841</b>
<b>UN Assessed</b>	<b>180</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Bilateral-Multilateral</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Combined Sources</b>	<b>1070</b>	<b>931</b>	<b>1,010</b>	<b>1,010</b>	<b>3,841</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>10</b>	<b>29</b>	<b>32</b>	<b>11</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>88</b>
Permanent	10	29	32	7	5	1	0	84
Temporary	0	0	0	4	0	0	0	4

### *Funding overview*

Funding for Civil Aviation has increased by approximately 5% from the 2003-04 MYBU. Capital and Development expenditure of \$50,000 is included, and will provide for general improvements at the Comoro airport. A significant future funding pressure for Civil Aviation will be the upgrade to the runway at the Comoro airport, expected to cost in the vicinity of \$1.5m. As in previous years, the agency will be fully self-funding.

## SEA TRANSPORTATION (AUTONOMOUS ENTITY):

**Table 8.31**  
**Consolidated Funding and Staffing Overview Sea Transportation of Timor-Leste (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>Salaries and Wages</i>	100	100	100	100	400
<i>Goods &amp; Services</i>	339	287	287	287	1,200
<i>Minor Capital</i>	119	90	90	90	389
<i>Capital &amp; Development</i>	370	100	100	100	670
<b>Proposed Budget</b>	<b>928</b>	<b>577</b>	<b>577</b>	<b>577</b>	<b>2,659</b>
<b>UN Assessed</b>	<b>60</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Bilateral-Multilateral</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Combined Sources</b>	<b>988</b>	<b>577</b>	<b>577</b>	<b>577</b>	<b>2,659</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>44</b>
Permanent	1	2	3	3	3	1	0	44
Temporary	0	0	0	0	0	0	0	0

Overall funding for Sea Transportation has increased by \$379,000 from the 2003-04 MYBU, mostly associated with an increase in Capital and Development funding of \$279,000. The Capital and Development funding will provide for rehabilitation of ports in Tibar and COM, as well as office space in Dili. As in previous years, the agency will be fully self-funding.

## Electricity Service of Timor-Leste (Autonomous Agency)

**Table 8.32**  
**Consolidated Funding and Staffing Overview Electricity Service of Timor-Leste (\$000)**

	2004-05	2005-06	2006-07	2007-08	Total
<i>Salaries and Wages</i>	33	36	38	40	147
<i>Goods &amp; Services</i>	6,026	7,837	8,895	9,453	32,211
<i>Minor Capital</i>	71	177	167	207	622
<i>Capital &amp; Development</i>	320	250	200	200	970
<b>Proposed Budget</b>	<b>6,450</b>	<b>8,300</b>	<b>9,300</b>	<b>9,900</b>	<b>33,950</b>
<b>UN Assessed</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Bilateral-Multilateral</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Combined Sources</b>	<b>6,450</b>	<b>8,300</b>	<b>9,300</b>	<b>9,900</b>	<b>33,950</b>

	L1	L2	L3	L4	L5	L6	L7	Total
<b>Total</b>	<b>35</b>	<b>107</b>	<b>9</b>	<b>28</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>275</b>
Permanent	35	107	86	23	6	2	1	<b>260</b>
Temporary	0	0	10	5	0	0	0	<b>15</b>

As indicated above, the subsidy EDTL has reduced by approximately \$1.2m from the 2003-04 MYBU, to approximately \$5.6m. This is associated with a number of initiatives undertaken within the power sector:

- Implementation of a Management Contract in December 2003 to provide the following:
  - effective management of all EDTL's operations in Dili, the districts and sub districts for a period of three years;
  - provide a comprehensive training programme for EDTL personnel at all levels of the enterprise; and
  - improving the billing systems, procedures and hardware to eliminate tardiness in payments and increase revenues.
- Reducing expenditures marginally from 2003-04, to \$12.1m and increased revenue of approximately \$6.5m. This will require monthly collections to almost double, to approximately \$540,000. However this is considered highly achievable given:
  - the installation of an additional 17,000 pre paid meters.
  - increased level of billing activity and compliance through improved management practices.

The CFET subsidy will continue to be used to provide the essential elements of EDTL operations, to ensure that the Government meets its commitments in Dili and the Districts, while ensuring that Government assets are maintained. In particular, the CFET subsidy will cover almost half of the projected fuel usage, to ensure sufficient supplies in the first half of the year. It will also provide funding for maintenance and wages. The revenue generated by EDTL will be used to provide for all other operational elements.

There are no new funding initiatives in the 2004-05 Budget.



The goal of the programme for energy management and supply is to ensure that sufficient electricity wattage are produced to satisfy demand.

To achieve this goal, the objective of the Electricity Services of Timor-Leste is to increase the reliability of supply.

*Performance Indicator(s)*

1. At least 25% reduction in the number of power/service interruptions.
2. At least 30% increase in the number of receipts from consumers.

## **PART 9 – STATEMENT OF RISKS**

The forward estimates of revenue and expenditure in the 2004-05 Budget incorporate assumptions and judgements based on information available at the time of publication. A range of factors may influence the actual budget outcome in future years. Typical events that could affect fiscal outcomes include matters that have not been included in the Budget forward estimates because of uncertainty about their timing, magnitude or whether they will eventuate.

Fiscal risks are general developments or specific events that may have an effect on the fiscal outlook. In some cases, the events will simply raise the possibility of some fiscal impact. In other cases, some fiscal impact will be reasonably certain, but it will not be included in the forward estimates because the timing or magnitude is not known. Fiscal risks may affect expenses and/or revenue and may be positive or negative.

Some fiscal risks are reflected in the Contingency Reserve and are therefore included in Budget estimates. The Contingency Reserve is an allowance included in the Budget estimates to reflect anticipated events, which cannot be assigned to individual programmes at budget time.

Matters that are not currently under active consideration by the Government, or pressure from interests outside the Government for changes in spending levels are not treated as fiscal risks.

### **KEY FISCAL RISKS - REVENUE**

#### **Timor Sea**

While the Timor Sea Revenue estimates are based on the best information available at time of publication, there are important factors that may have an impact on the Timor Sea revenue including:

- World oil prices; Gas contract prices; Investment costs; Production volumes of gas and condensate; Commencement date for condensate extraction; Operating costs; Commencement date for gas supply through the pipeline; Pipeline use fees; Cost of building and operating the LNG plant that will be the major buyer of gas; Quantity of gas sold; and Technical delays in construction.

#### **Development Partner contributions**

The level of actual receipts from donors has been volatile in past years. While the situation has improved with the establishment of the TSP facility, with close to 40% of the CFET budget contingent on external support, the timely receipt of donor contributions is essential to the delivery of Government services. The Budget has been based on the assumption that all pledges will be received as set out in Table 4.1.

#### **General Risks**

The forward estimates of revenue are subject to a number of general pressures that can adversely affect revenue collections. These general pressures include: tax collection processes and tax avoidance. The revenue forecasts make what is believed to be an appropriate allowance for these factors, given the data available.

Court decisions also increase the risk that revenue will be lower or higher than anticipated. Court decisions can affect the interpretation of tax legislation and may significantly change the level of revenue collected under that legislation.

### **KEY FISCAL RISKS - EXPENDITURE**

#### **Operational costs of UNMISSET assets handover**

The timing and volume of assets to be handed over at the end of the UNMISSET mission is still under negotiation between UNMISSET and Government. The Government has already received a number of assets, such as computers and office equipment, which will lead to expenditure savings through negating the need for CFET expenditure on these items in 2004-05. However, countering this, a significant number of assets with substantial as yet unidentified operating costs are also to be handed over. This includes vehicles and major UNMISSET installations such as Obrigado Barracks, UN Hospital Dili, the Dili Transport/Engineering and the Heavy Transport Compounds, Crocodile Alley and Sector West Facilities in Suai.

A joint UNMISSET-Government Committee, including representatives from the MOPF has been established to coordinate the handover.

### **Operational Costs of Sector Investment Packages (SIP)**

The Sector Investment Packages being developed by the Government for consideration by development partners are likely to have additional operational costs for Ministries. No provision has been provided in the forward estimates, given the uncertainty at this point of the nature of projects and likely outcomes of the process. The Government and development partners will need to consider these impacts as part of the SIP process.

### **Changes in Fuel Prices**

The fuel cost for generators and vehicle operation is approximately 9% of the recurrent CFET budget. A 10% movement in fuel prices would expose the government to increased or decreased costs of approximately \$600,000.

### **Future Election Processes**

A number of electoral processes are anticipated in the Forward Estimates period, which may have substantial impacts on CFET expenditure, depending on the level of external support provided.

In 2004-05, Suco chief elections are expected to take place. The Government has provided \$65,000 in 2004-05 for this purpose, building on the \$152,000 provided in 2003-04. However, while some bilateral funding has been secured, additional financing is still required. Should this not eventuate, additional CFET expenditure will be required.

In 2006-07 (August 2006), general elections for National Parliament will take place. As the costs for this and level of bilateral support are unknown, they have not been included in the forward estimates.

In 2006-07 (April 2007), elections for the President of the Democratic Republic of Timor-Leste will take place. As the costs for this and level of bilateral support are unknown, they have not been included in the forward estimates.

### **Capital requirements for Defence and Police**

Capital and equipment requirements for Falintil-FDTL and the National Police Timor-Leste will continue to be reliant on securing bilateral support. Should sufficient bilateral support for the equipping not be forthcoming it will lead to significant CFET Budget pressures.

### **Roads Funding**

The level of expenditure included in the forward estimates for road maintenance is based on assumptions such as unit costs and length of roads to be maintained. These assumptions are highly sensitive to factors such as location, weather, community expectations and the state of disrepair of certain roads. Furthermore, road maintenance policy is yet to be fully considered by Government. The Government's road maintenance policy will take into consideration the need to balance road standards for the short to

medium term and other competing priorities as well as the actual impact of TFET road rehabilitation projects.

### **CFET Subsidy to Electricity Services of Timor-Leste**

The CFET subsidy provided to EDTL of approximately \$5.7m is contingent on revenue generation of approximately \$6.5m. This will require an increase on current collections of close to 100%. While this is considered highly achievable given the implementation of a Management Contract and an additional 17,000 prepaid meters in 2004-05, underachievement will require an upwards adjustment of the CFET subsidy. However, should revenue exceed the target, the level of CFET subsidy will be reduced.

### **Public Broadcasting Service Operating Costs**

Over 70% of operating costs for the Public Broadcasting service are funded through bilateral means. Should this level of support not be realised, the Government will be required to provide additional support, given the central role of the PBS in providing information services throughout the nation.

## **APPENDICES**

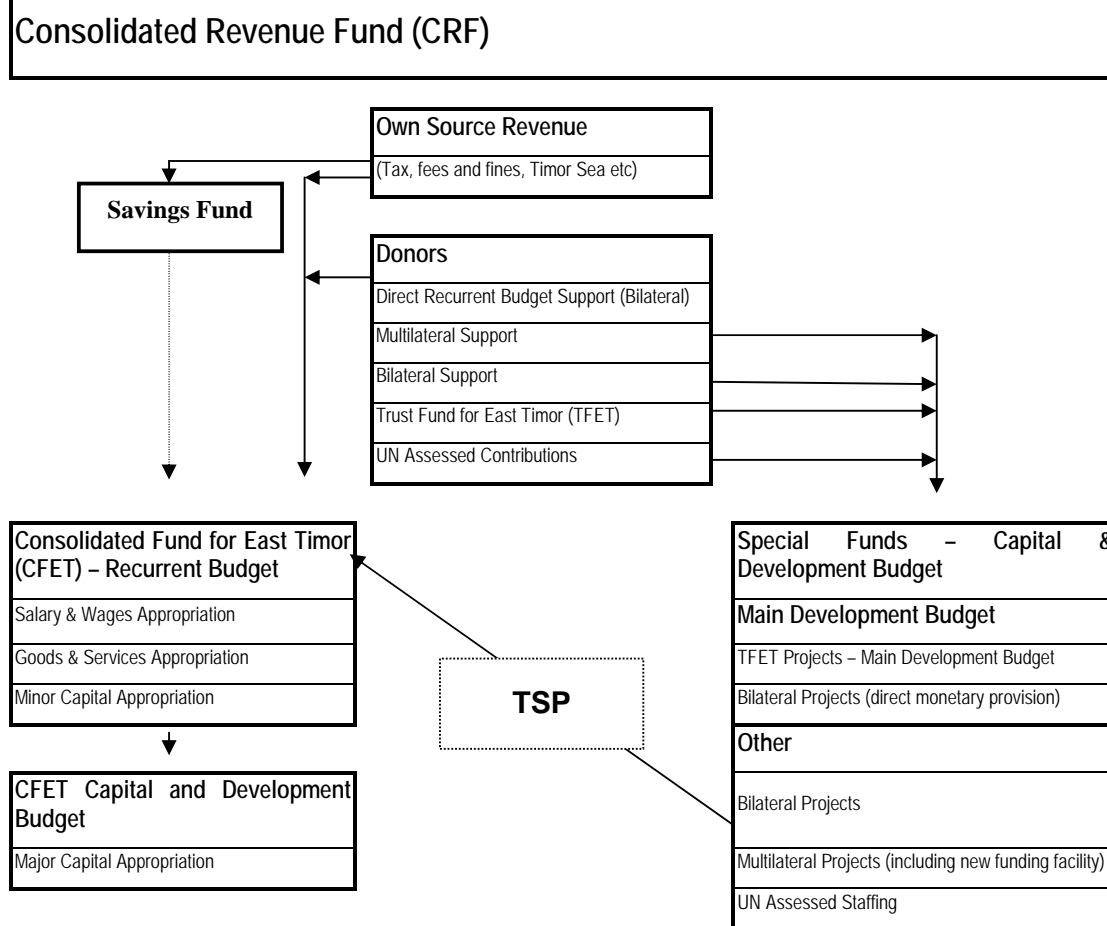
## APPENDIX 1– CFET EXPENDITURE AND APPROPRIATIONS

	2004-05	2005-06	2006-07	2007-08	4 Yr Total
<b>Expenditure</b>	<b>75,097</b>	<b>78,926</b>	<b>81,864</b>	<b>84,188</b>	<b>320,075</b>
<b>Salaries &amp; Wages</b>	<b>28,197</b>	<b>28,905</b>	<b>29,483</b>	<b>29,996</b>	<b>116,581</b>
Salary	28,087	28,775	29,330	29,852	116,044
Overtimes/allowance	110	130	153	144	537
<b>Goods &amp; Services</b>	<b>36,814</b>	<b>37,799</b>	<b>39,565</b>	<b>40,440</b>	<b>154,618</b>
Local Travel	793	785	811	840	3,229
Overseas Travel	1,268	1,333	1,340	1,345	5,286
Training & Workshops	963	1,003	1,043	1,090	4,099
Utilities	2,460	2,565	2,632	2,643	10,300
Rental of Property	586	602	602	604	2,394
Vehicle Operation	4,095	4,259	4,497	4,700	17,551
Vehicle Operational Fuel	1,677	1,764	1,860	1,968	7,269
Vehicle Maintenance	2,369	2,441	2,574	2,664	10,048
Other	49	54	63	68	234
Office Stationery & Supplies	1,128	1,186	1,236	1,286	4,836
Operational Material & Supplies	6,401	7,174	9,434	9,627	32,636
Fuel for Generators	4,451	3,026	2,634	2,503	12,614
Maintenance of Equipment & Building	3,130	3,797	4,189	4,210	15,326
Other Operational Expenses	2,342	2,294	2,287	2,258	9,181
Other Misc. Services	9,197	9,775	8,860	9,334	37,166
Professional Services	3,572	3,823	2,436	2,348	12,179
Translation Services	245	262	262	279	1,048
Other	5,380	5,690	6,162	6,707	23,939
<b>Minor Capital</b>	<b>1,735</b>	<b>2,885</b>	<b>2,706</b>	<b>2,835</b>	<b>10,161</b>
Security Equipment	125	151	155	169	600
EDP Equipment	148	291	254	372	1,065
Communication Equipment	242	290	276	233	1,041
Generators	45	44	64	37	190
Water Equipment	195	276	239	204	914
Office Equipment	205	285	225	203	918
Other Misc Equipment	238	940	1,008	1,137	3,323
Furniture & Fittings	369	537	326	321	1,553
Purchase Vehicles	168	71	159	159	557
<b>Capital and Development</b>	<b>8,351</b>	<b>9,337</b>	<b>10,110</b>	<b>10,917</b>	<b>38,715</b>
Infrastructure Assets	8,351	9,337	10,110	10,917	38,715
Acquisition of Buildings	-	-	-	-	-

## APPENDIX 2 - TOTAL CFET EXPENDITURES – INCLUDING DESIGNATED SERVICE AUTHORITIES

	2004-05	2005-06	2006-07	2007-08	4 Yr Total
<b>Expenditure</b>	<b>83,365</b>	<b>88,734</b>	<b>92,751</b>	<b>95,675</b>	<b>360,525</b>
<b>Salaries &amp; Wages</b>	<b>28,485</b>	<b>29,201</b>	<b>29,781</b>	<b>30,296</b>	<b>117,763</b>
Salary	28,315	29,005	29,565	30,087	116,972
Overtimes/allowance	170	196	216	209	791
<b>Goods &amp; Services</b>	<b>43,729</b>	<b>46,494</b>	<b>49,347</b>	<b>50,780</b>	<b>190,350</b>
Local Travel	817	809	837	866	3,329
Overseas Travel	1,313	1,378	1,385	1,390	5,466
Training & Workshops	1,078	1,108	1,149	1,196	4,531
Utilities	2,692	2,818	2,896	2,907	11,313
Rental of Property	586	602	602	604	2,394
Vehicle Operation	4,312	4,474	4,718	4,923	18,427
Vehicle Operational Fuel	1,761	1,850	1,949	2,057	7,617
Vehicle Maintenance	2,494	2,567	2,703	2,795	10,559
Other	57	57	66	71	251
Office Stationery & Supplies	1,159	1,217	1,269	1,319	4,964
Operational Material & Supplies	6,536	7,315	9,580	9,774	33,205
Fuel for Generators	8,725	8,942	9,150	9,369	36,186
Maintenance of Equipment & Building	3,931	4,643	5,339	5,565	19,478
Other Operational Expenses	2,515	2,470	2,469	2,440	9,894
Other Misc. Services	10,065	10,718	9,953	10,427	41,163
Professional Services	4,411	4,738	3,501	3,413	16,063
Translation Services	250	267	267	284	1,068
Other	5,404	5,713	6,185	6,730	24,032
<b>Minor Capital</b>	<b>2,057</b>	<b>3,272</b>	<b>3,123</b>	<b>3,292</b>	<b>11,744</b>
Security Equipment	185	179	180	194	738
EDP Equipment	181	331	294	412	1,218
Communication Equipment	289	327	318	275	1,209
Generators	57	146	166	189	558
Water Equipment	200	276	239	204	919
Office Equipment	235	312	250	223	1020
Other Misc Equipment	321	1,033	1,136	1,260	3,750
Furniture & Fittings	402	552	336	331	1,621
Purchase Vehicles	187	116	204	204	711
<b>Capital and Development</b>	<b>9,094</b>	<b>9,767</b>	<b>10,500</b>	<b>11,307</b>	<b>40,668</b>
Infrastructure Assets	9,094	9,767	10,500	11,307	40,668
Acquisition of Buildings	-	-	-	-	-

## APPENDIX4 – OVERVIEW OF COMBINED SOURCES STRUCTURE



The Consolidated Fund of East Timor (CFET) means the consolidated group of accounts and deposits of the Government of Timor-Leste, as provided in Regulation 2000/1. Currently CFET funds may be appropriated under Regulation 2001/13.

As specified in Regulation 2001/13 On Budget and Financial Management a special funds budget contains details of:

- (a) monetary amounts provided by international organisations or foreign governments for the benefit of East Timor; and
- (b) estimates of any aid-in-kind provided by international organisations or foreign governments for the benefit of East Timor.

Special Funds Budget do not form part of the Consolidated Fund of East Timor (CFET) and can not be appropriated. However, the Government of Timor-Leste has a significant degree of control over the use of special funds through the Council of Ministers. Special funds projects commonly proceed on the authority of the Council of Ministers





## APPENDIX 3 ANNUAL CFET APPROPRIATIONS FOR 2004-05 AND FORWARD ESTIMATES BY PROGRAM (\$000)

	2004-05	2005-06	2006-07	2007-08	Total
<b>Total CFET (Excluding Self Funded Agencies)</b>					
Expenses	75,097	78,926	81,864	84,188	320,075
Salaries and Wages	28,197	28,905	29,483	29,996	116,581
Goods and Services	36,814	37,799	39,565	40,440	154,618
Minor Capital	1,735	2,885	2,706	2,835	10,161
Capital and Development	8,351	9,337	10,110	10,917	38,715
<b>Total CFET (Including Self Funded Agencies)</b>					
Expenses	83,365	88,734	92,751	95,675	360,525
Salaries and Wages	28,485	29,201	29,781	30,296	117,763
Goods and Services	43,729	46,494	49,347	50,780	190,350
Minor Capital	2,057	3,272	3,123	3,292	11,744
Capital and Development	9,094	9,767	10,500	11,307	40,668
<b>A-1 President of the Republic</b>					
Expenses	380	345	375	390	1,490
Salaries and Wages	140	150	155	160	605
Goods and Services	220	180	195	205	800
Minor Capital	20	15	25	25	85
Capital and Development	-	-	-	-	-
<b>B-2 National Parliament</b>					
Expenses	930	970	1,005	1,035	3,940
Salaries and Wages	579	610	640	660	2,489
Goods and Services	338	330	335	345	1,348
Minor Capital	13	30	30	30	103
Capital and Development	-	-	-	-	-
<b>C-1 Office of the Prime Minister and the President of the Council of Ministers</b>					
Expenses	1,004	1,011	1,024	1,069	4,108
Salaries and Wages	249	255	261	267	1,032
Goods and Services	682	705	724	759	2,870
Minor Capital	23	51	39	43	156
Capital and Development	50	-	-	-	50
<b>C-1.1 Office of the Prime Minister</b>					
Expenses	229	229	229	229	916
Salaries and Wages	59	59	59	59	236
Goods and Services	170	170	170	170	680
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>C-1.2 Office of the Minister of State in the Presidency of the Council of Ministers</b>					
Expenses	28	28	29	29	114
Salaries and Wages	7	7	8	8	30
Goods and Services	21	21	21	21	84
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>C-2.1 Secretary of State for Parliamentary Affairs</b>					
Expenses	24	24	25	26	99
Salaries and Wages	12	12	13	14	51
Goods and Services	12	12	12	12	48
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>C-3.1 Office of the Human Rights Advisor to the Prime Minister</b>					
Expenses	40	44	45	49	178
Salaries and Wages	17	17	18	18	70
Goods and Services	15	16	16	20	67

	2004-05	2005-06	2006-07	2007-08	Total
Minor Capital	8	11	11	11	41
Capital and Development	-	-	-	-	-
<b>C-4 .1 Purveyor of Human Rights and Justice</b>					
Expenses	79	83	86	89	337
Salaries and Wages	52	53	54	55	214
Goods and Services	19	20	22	24	85
Minor Capital	8	10	10	10	38
Capital and Development	-	-	-	-	-
<b>C-4.1.1 Purveyor of Human Rights and Justice Project: Rehabilitation of Building</b>					
Expenses	50	-	-	-	50
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-
Capital and Development	50	-	-	-	50
<b>C-5 .1 Office of the Inspector General</b>					
Expenses	77	91	93	105	366
Salaries and Wages	33	34	34	35	136
Goods and Services	42	47	50	59	198
Minor Capital	2	10	9	11	32
Capital and Development	-	-	-	-	-
<b>C-6.1 Office of the Advisor to the Prime Minister for the Promotion of Equality</b>					
Expenses	57	65	69	72	263
Salaries and Wages	23	23	24	24	94
Goods and Services	31	39	42	45	157
Minor Capital	3	3	3	3	12
Capital and Development	-	-	-	-	-
<b>C-7.1 National Security Service of State</b>					
Expenses	64	70	79	87	300
Salaries and Wages	29	29	30	31	119
Goods and Services	33	36	43	48	160
Minor Capital	2	5	6	8	21
Capital and Development	-	-	-	-	-
<b>C-8.1 Capacity Development Coordination Unit (CDCU)</b>					
Expenses	232	234	238	248	952
Salaries and Wages	9	10	10	11	40
Goods and Services	223	224	228	237	912
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>C-9.1 Office of the Timor Sea</b>					
Expenses	124	143	131	135	533
Salaries and Wages	8	11	11	12	42
Goods and Services	116	120	120	123	479
Minor Capital	-	12	-	-	12
Capital and Development	-	-	-	-	-
<b>D-1 Secretary of State for Defence</b>					
Expenses	5,994	6,094	6,345	6,446	24,879
Salaries and Wages	1,712	1,773	1,785	1,787	7,057
Goods and Services	4,229	4,294	4,526	4,625	17,674
Minor Capital	53	27	34	34	148
Capital and Development	-	-	-	-	-
<b>D-1.1 Office of the Secretary of State for Defence</b>					
Expenses	24	24	25	26	99
Salaries and Wages	12	12	13	14	51
Goods and Services	12	12	12	12	48
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>D-1.2 Secretariat of State for Defence</b>					
Expenses	46	62	63	62	233
Salaries and Wages	29	41	42	41	153

	2004-05	2005-06	2006-07	2007-08	Total
Goods and Services	16	21	21	21	79
Minor Capital	1	-	-	-	1
Capital and Development	-	-	-	-	-
<b>D-1.3 Falintil-FDTL, Defence forces of Timor-Leste</b>					
Expenses	5,924	6,008	6,257	6,358	24,547
Salaries and Wages	1,671	1,720	1,730	1,732	6,853
Goods and Services	4,201	4,261	4,493	4,592	17,547
Minor Capital	52	27	34	34	147
Capital and Development	-	-	-	-	-
<b>E-1 Secretary of State for the Council of Ministers</b>					
Expenses	380	393	398	407	1,578
Salaries and Wages	59	59	61	62	241
Goods and Services	280	293	296	304	1,173
Minor Capital	41	41	41	41	164
Capital and Development	-	-	-	-	-
<b>E-1.1 Office of the Secretary of State for the Council of Ministers</b>					
Expenses	138	128	129	135	530
Salaries and Wages	12	12	13	14	51
Goods and Services	96	86	86	91	359
Minor Capital	30	30	30	30	120
Capital and Development	-	-	-	-	-
<b>E-1.2 Secretary of State for the Council of Ministers</b>					
Expenses	184	207	209	211	811
Salaries and Wages	25	25	25	25	100
Goods and Services	148	171	173	175	667
Minor Capital	11	11	11	11	44
Capital and Development	-	-	-	-	-
<b>E-1.3 Directorate for Translation</b>					
Expenses	58	58	60	61	237
Salaries and Wages	22	22	23	23	90
Goods and Services	36	36	37	38	147
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>F-1 Ministry for State Administration</b>					
Expenses	2,722	2,581	2,703	2,734	10,740
Salaries and Wages	776	843	885	911	3,415
Goods and Services	1,611	1,588	1,668	1,718	6,585
Minor Capital	35	100	100	105	340
Capital and Development	300	50	50	-	400
<b>F-1.1 Office of the Minister for State Administration</b>					
Expenses	35	35	36	37	143
Salaries and Wages	16	16	17	18	67
Goods and Services	19	19	19	19	76
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>F-1.2 Office of the Vice-Minister for State Administration</b>					
Expenses	24	24	25	26	99
Salaries and Wages	12	12	13	14	51
Goods and Services	12	12	12	12	48
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>F-2.1 Office of the Permanent Secretary</b>					
Expenses	22	43	57	68	190
Salaries and Wages	8	15	20	23	66
Goods and Services	10	15	25	30	80
Minor Capital	4	13	12	15	44
Capital and Development	-	-	-	-	-

	2004-05	2005-06	2006-07	2007-08	Total
<b>F-2.2 National Directorate for Administration and Finances</b>					
Expenses	46	61	73	70	250
Salaries and Wages	10	19	24	27	80
Goods and Services	21	26	34	39	120
Minor Capital	15	16	15	4	50
Capital and Development	-	-	-	-	-
<b>F-2.2.1 National Directorate for Administration and Finances</b>					
<b>Project: New Administration Building</b>					
Expenses	150	-	-	-	150
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-
Capital and Development	150	-	-	-	150
<b>F-2.3 National Directorate of Territorial Administration (NDTA)</b>					
Expenses	1,620	1,661	1,683	1,692	6,656
Salaries and Wages	546	560	565	568	2,239
Goods and Services	1,074	1,088	1,098	1,112	4,372
Minor Capital	-	13	20	12	45
Capital and Development	-	-	-	-	-
<b>F-2.3.1 National Directorate of Territorial Administration (DNTA)</b>					
<b>Project: Rehabilitation of Buildings in Districts</b>					
Expenses	150	50	50	-	250
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-
Capital and Development	150	50	50	-	250
<b>F-2.4 National Directorate for the Public Service</b>					
Expenses	105	123	133	150	511
Salaries and Wages	60	67	72	75	274
Goods and Services	39	44	55	60	198
Minor Capital	6	12	6	15	39
Capital and Development	-	-	-	-	-
<b>F-2.5 National Institute for Public Administration</b>					
Expenses	204	229	240	257	930
Salaries and Wages	49	56	61	64	230
Goods and Services	155	162	172	179	668
Minor Capital	-	11	7	14	32
Capital and Development	-	-	-	-	-
<b>F-2.6 National Archive</b>					
Expenses	96	117	128	147	488
Salaries and Wages	34	42	47	50	173
Goods and Services	62	65	75	80	282
Minor Capital	-	10	6	17	33
Capital and Development	-	-	-	-	-
<b>F-2.7 National Printing</b>					
Expenses	131	140	157	172	600
Salaries and Wages	21	28	33	36	118
Goods and Services	102	99	110	114	425
Minor Capital	8	13	14	22	57
Capital and Development	-	-	-	-	-
<b>F-2.8 Technical Secretariat of Electoral Administration</b>					
Expenses	139	98	121	115	473
Salaries and Wages	20	28	33	36	117
Goods and Services	117	58	68	73	316
Minor Capital	2	12	20	6	40
Capital and Development	-	-	-	-	-
<b>G-1 Ministry for the Interior</b>					
Expenses	9,296	9,688	10,121	10,204	39,309
Salaries and Wages	4,876	4,965	5,065	5,168	20,074

	2004-05	2005-06	2006-07	2007-08	Total
Goods and Services	4,084	4,445	4,763	4,772	18,064
Minor Capital	316	278	293	264	1,151
Capital and Development	20	-	-	-	20
<b>G-1.1 Office of the Minister for the Interior</b>					
Expenses	35	35	36	37	143
Salaries and Wages	16	16	17	18	67
Goods and Services	19	19	19	19	76
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>G-1.2 Office of the Vice-Minister for the Interior</b>					
Expenses	24	24	25	26	99
Salaries and Wages	12	12	13	14	51
Goods and Services	12	12	12	12	48
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>G-2.1 Office of the Permanent Secretary</b>					
Expenses	13	13	14	14	54
Salaries and Wages	6	6	7	7	26
Goods and Services	7	7	7	7	28
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>G-2.2 National Directorate for Administration, Planning &amp; Finance</b>					
Expenses	46	48	54	54	202
Salaries and Wages	8	8	9	9	34
Goods and Services	38	40	45	45	168
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>G-2.3 National Directorate for Civil Security</b>					
Expenses	16	16	21	21	74
Salaries and Wages	6	6	7	7	26
Goods and Services	10	10	14	14	48
Minor Capital	-	-	-	-	-
Capital and Development	0	0	0	0	0
<b>G-2.3.1 Fire Rescue and Emergency Services</b>					
Expenses	279	269	278	283	1,109
Salaries and Wages	130	133	135	138	536
Goods and Services	144	136	143	145	568
Minor Capital	5	-	-	-	5
Capital and Development	-	-	-	-	-
<b>G-2.3.1.1 Fire Rescue and Emergency Services Project: Rehabilitation of Building</b>					
Expenses	20	-	-	-	20
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-
Capital and Development	20	-	-	-	20
<b>G-2.3.2 National Disaster Management Office</b>					
Expenses	57	62	68	70	257
Salaries and Wages	14	14	15	15	58
Goods and Services	43	46	47	49	185
Minor Capital	-	2	6	6	14
Capital and Development	-	-	-	-	-
<b>G-2.4 National Directorate for Security of Public Buildings</b>					
Expenses	817	832	861	873	3,383
Salaries and Wages	530	539	547	555	2,171
Goods and Services	287	293	304	308	1,192
Minor Capital	-	-	10	10	20
Capital and Development	-	-	-	-	-
<b>G-3.1 Police Academy</b>					
Expenses	239	243	255	257	994
Salaries and Wages	93	95	97	99	384

	2004-05	2005-06	2006-07	2007-08	Total
Goods and Services	126	128	138	138	530
Minor Capital	20	20	20	20	80
Capital and Development	-	-	-	-	-
<b>G-4.1 National Police of Timor- Leste (PNTL)</b>					
<b>PNTL - National Directorate for Administration</b>					
Expenses	93	96	101	102	392
Salaries and Wages	63	64	66	67	260
Goods and Services	30	32	35	35	132
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>G-4.2 National Police of Timor-Leste (PNTL)</b>					
<b>PNTL – National Command for Operations</b>					
Expenses	4,738	5,010	5,271	5,327	20,346
Salaries and Wages	2,928	2,976	3,038	3,103	12,045
Goods and Services	1,617	1,883	2,082	2,083	7,665
Minor Capital	193	151	151	141	636
Capital and Development	-	-	-	-	-
<b>G-4.3 National Police of Timor-Leste (PNTL)</b>					
<b>PNTL – Rapid Intervention Unit (RIU)</b>					
Expenses	964	1,010	1,033	1,039	4,046
Salaries and Wages	310	325	323	329	1,287
Goods and Services	616	645	670	670	2,601
Minor Capital	38	40	40	40	158
Capital and Development	-	-	-	-	-
<b>G-4.4 National Police of Timor-Leste (PNTL)</b>					
<b>PNTL – Migration Services</b>					
Expenses	183	186	197	200	766
Salaries and Wages	107	108	111	114	440
Goods and Services	76	78	86	86	326
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>G-4.5 National Police of Timor-Leste (PNTL)</b>					
<b>PNTL – Border Patrol Unit (BPU)</b>					
Expenses	1,009	1,043	1,074	1,081	4,207
Salaries and Wages	366	372	381	388	1,507
Goods and Services	631	659	681	681	2,652
Minor Capital	12	12	12	12	48
Capital and Development	-	-	-	-	-
<b>G-4.6 National Police of Timor-Leste (PNTL)</b>					
<b>PNTL – Maritime Unit</b>					
Expenses	105	112	124	116	457
Salaries and Wages	64	65	67	68	264
Goods and Services	32	38	48	48	166
Minor Capital	9	9	9	-	27
Capital and Development	-	-	-	-	-
<b>G-4.7 National Police of Timor-Leste (PNTL)</b>					
<b>PNTL – Rapid Deployment Service (RDS)</b>					
Expenses	658	689	709	704	2,760
Salaries and Wages	223	226	232	237	918
Goods and Services	396	419	432	432	1,679
Minor Capital	39	44	45	35	163
Capital and Development	-	-	-	-	-
<b>H-1 Ministry for Development and the Environment</b>					
Expenses	480	505	590	605	2,180
Salaries and Wages	172	186	194	198	750
Goods and Services	276	277	342	349	1,244
Minor Capital	32	42	54	58	186
Capital and Development	-	-	-	-	-
<b>H-1.1 Office of the Minister for Development and the Environment</b>					
Expenses	35	35	36	37	143

	2004-05	2005-06	2006-07	2007-08	Total
Salaries and Wages	16	16	17	18	67
Goods and Services	19	19	19	19	76
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>H-1.2 Office of the Vice-Minister for Development and the Environment</b>					
Expenses	24	24	25	26	99
Salaries and Wages	12	12	13	14	51
Goods and Services	12	12	12	12	48
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>H-1.3 Office of the Secretary of State for Tourism, the Environment and Investment</b>					
Expenses	24	24	25	26	99
Salaries and Wages	12	12	13	14	51
Goods and Services	12	12	12	12	48
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>H-1.4 Office of the Secretary of State for Natural Resources, Minerals and Energy Policy</b>					
Expenses	24	24	25	26	99
Salaries and Wages	12	12	13	14	51
Goods and Services	12	12	12	12	48
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>H-2.1 Ministry for Development and Environment Directorate for Administrative Services</b>					
Expenses	50	40	55	57	202
Salaries and Wages	12	12	13	13	50
Goods and Services	17	16	32	38	103
Minor Capital	21	12	10	6	49
Capital and Development	-	-	-	-	-
<b>H-3.1 Ministry for Development and Environment Office for Development Support</b>					
Expenses	98	103	111	108	420
Salaries and Wages	23	23	24	24	94
Goods and Services	64	65	77	74	280
Minor Capital	11	15	10	10	46
Capital and Development	-	-	-	-	-
<b>H-2.2 Secretariat of State for Tourism, Environment and Investment STEI – Directorate for Investment Services</b>					
Expenses	41	47	63	66	217
Salaries and Wages	14	15	17	17	63
Goods and Services	27	30	41	47	145
Minor Capital	-	2	5	2	9
Capital and Development	-	-	-	-	-
<b>H-2.3 Secretariat of State for Tourism, Environment and Investment STEI – Directorate for Tourism Services</b>					
Expenses	53	49	64	65	231
Salaries and Wages	16	16	16	16	64
Goods and Services	37	31	46	47	161
Minor Capital	-	2	2	2	6
Capital and Development	-	-	-	-	-
<b>H-2.4 Secretariat of State for Tourism, Environment and Investment STEI – Directorate for Environmental Services</b>					
Expenses	61	77	96	102	336
Salaries and Wages	25	34	34	34	127
Goods and Services	36	39	53	47	175
Minor Capital	-	4	9	21	34
Capital and Development	-	-	-	-	-
<b>H-4.1 Secretaria do Estado dos Recursos Naturais, Minerais e de Política Energética</b>					



	2004-05	2005-06	2006-07	2007-08	Total
Expenses	70	82	90	92	334
Salaries and Wages	30	34	34	34	132
Goods and Services	40	41	38	41	160
Minor Capital	-	7	18	17	42
Capital and Development	-	-	-	-	-
<b>I-1 Secretaria de Estado do Comércio e Indústria (SECI)</b>					
Expenses	177	193	209	215	794
Salaries and Wages	74	95	101	107	377
Goods and Services	85	83	93	93	354
Minor Capital	18	15	15	15	63
Capital and Development	-	-	-	-	-
<b>I-1.1 Gabinete do Secretário de Estado do Comércio e Indústria</b>					
Expenses	24	24	25	26	99
Salaries and Wages	12	12	13	14	51
Goods and Services	12	12	12	12	48
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>I-2.1 SECI – Direcção da Administração e das Finanças</b>					
Expenses	32	32	39	40	143
Salaries and Wages	10	15	17	17	59
Goods and Services	12	13	18	18	61
Minor Capital	10	4	4	5	23
Capital and Development	-	-	-	-	-
<b>I-2.2 SECI – Direcção do Comércio</b>					
Expenses	62	70	72	69	273
Salaries and Wages	31	38	38	39	146
Goods and Services	27	27	29	27	110
Minor Capital	4	5	5	3	17
Capital and Development	-	-	-	-	-
<b>I-2.3 SECI – Direcção da Indústria</b>					
Expenses	59	67	73	80	279
Salaries and Wages	21	30	33	37	121
Goods and Services	34	31	34	36	135
Minor Capital	4	6	6	7	23
Capital and Development	-	-	-	-	-
<b>J-1 Ministry of Justice</b>					
Expenses	1,782	1,928	1,982	2,031	7,723
Salaries and Wages	876	887	908	929	3,600
Goods and Services	891	969	986	1,039	3,885
Minor Capital	15	72	88	63	238
Capital and Development	-	-	-	-	-
<b>J-1.1 Office for the Minister for Justice</b>					
Expenses	35	35	36	37	143
Salaries and Wages	16	16	17	18	67
Goods and Services	19	19	19	19	76
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>J-1.2 Office for the Vice-Minister for Justice</b>					
Expenses	24	24	25	26	99
Salaries and Wages	12	12	13	14	51
Goods and Services	12	12	12	12	48
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>J-2.1 Permanente Secretary</b>					
Expenses	8	21	21	17	67
Salaries and Wages	8	8	8	8	32
Goods and Services	-	8	8	8	24
Minor Capital	-	5	5	1	11
Capital and Development	-	-	-	-	-

	2004-05	2005-06	2006-07	2007-08	Total
<b>J-3.1 National Directorate for Administrative, Financial and Personnel Services</b>					
Expenses	64	71	71	79	285
Salaries and Wages	37	37	37	40	151
Goods and Services	26	30	30	33	119
Minor Capital	1	4	4	6	15
Capital and Development	-	-	-	-	-
<b>J-3.2 National Directorate for Registrations and Notary</b>					
Expenses	253	262	273	280	1,068
Salaries and Wages	128	131	133	136	528
Goods and Services	122	127	131	138	518
Minor Capital	3	4	9	6	22
Capital and Development	-	-	-	-	-
<b>J-3.3 National Directorate for Judicial Assessment and Legislation</b>					
Expenses	28	36	38	38	140
Salaries and Wages	18	18	19	19	74
Goods and Services	8	12	13	14	47
Minor Capital	2	6	6	5	19
Capital and Development	-	-	-	-	-
<b>J-3.4 National Directorate for Citizenship and Rights</b>					
Expenses	28	35	38	39	140
Salaries and Wages	19	19	20	20	78
Goods and Services	9	11	12	13	45
Minor Capital	-	5	6	6	17
Capital and Development	-	-	-	-	-
<b>J-3.5 National Directorate for Land and Property</b>					
Expenses	232	238	242	253	965
Salaries and Wages	139	139	141	146	565
Goods and Services	91	95	95	103	384
Minor Capital	2	4	6	4	16
Capital and Development	-	-	-	-	-
<b>J-3.6 National Directorate for Prison and Social Reintegration Services</b>					
Expenses	30	38	41	43	152
Salaries and Wages	20	20	21	21	82
Goods and Services	9	14	15	17	55
Minor Capital	1	4	5	5	15
Capital and Development	-	-	-	-	-
<b>J-3.7 District Prisons</b>					
Expenses	729	788	794	811	3,122
Salaries and Wages	269	274	280	285	1,108
Goods and Services	460	505	507	519	1,991
Minor Capital	-	9	7	7	23
Capital and Development	-	-	-	-	-
<b>J-3.8 Division of National Cartography</b>					
Expenses	57	70	88	78	293
Salaries and Wages	19	19	20	20	78
Goods and Services	38	38	40	45	161
Minor Capital	-	13	28	13	54
Capital and Development	-	-	-	-	-
<b>J-3.9 Centre for Judiciary Training</b>					
Expenses	45	47	50	51	193
Salaries and Wages	15	15	16	16	62
Goods and Services	30	29	30	32	121
Minor Capital	-	3	4	3	10
Capital and Development	-	-	-	-	-
<b>J-3.10 Public Prosecution Office and Districts</b>					
Expenses	147	160	157	163	627
Salaries and Wages	103	105	107	109	424
Goods and Services	40	44	46	51	181
Minor Capital	4	11	4	3	22
Capital and Development	-	-	-	-	-

	2004-05	2005-06	2006-07	2007-08	Total
<b>J-3.11 Public Defenders</b>					
Expenses	102	103	108	116	429
Salaries and Wages	73	74	76	77	300
Goods and Services	27	25	28	35	115
Minor Capital	2	4	4	4	14
Capital and Development	-	-	-	-	-
<b>K-1 Ministry for Agriculture, Forestry and Fisheries</b>					
Expenses	1,573	1,710	1,872	1,952	7,107
Salaries and Wages	507	558	588	608	2,261
Goods and Services	906	856	890	932	3,584
Minor Capital	22	46	44	27	139
Capital and Development	138	250	350	385	1,123
<b>K-1.1 Office of the Minister for Agriculture, Forestry and Fisheries</b>					
Expenses	35	35	36	37	143
Salaries and Wages	16	16	17	18	67
Goods and Services	19	19	19	19	76
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>K-1.2 Office of the Vice-Minister for Agriculture, Forestry and Fisheries</b>					
Expenses	24	24	25	26	99
Salaries and Wages	12	12	13	14	51
Goods and Services	12	12	12	12	48
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>K-2.1 Directorate for Administrative Services</b>					
Expenses	320	310	321	326	1,277
Salaries and Wages	94	95	97	99	385
Goods and Services	223	213	220	225	881
Minor Capital	3	2	4	2	11
Capital and Development	-	-	-	-	-
<b>K-2.2 Permanent Secretary</b>					
Expenses	9	14	15	17	55
Salaries and Wages	3	7	7	8	25
Goods and Services	6	7	8	9	30
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>K-2.3 Directorate for Programme Policy and Planning Services</b>					
Expenses	50	54	60	61	225
Salaries and Wages	15	20	27	30	92
Goods and Services	31	30	29	29	119
Minor Capital	4	4	4	2	14
Capital and Development	-	-	-	-	-
<b>K-2.4 Centre for Research and Extension</b>					
Expenses	105	103	106	102	416
Salaries and Wages	27	31	32	33	123
Goods and Services	78	65	65	67	275
Minor Capital	-	7	9	2	18
Capital and Development	-	-	-	-	-
<b>K-2.5 Directorate of Alimentary Production Services</b>					
Expenses	96	103	104	105	408
Salaries and Wages	51	53	54	55	213
Goods and Services	45	45	47	48	185
Minor Capital	-	5	3	2	10
Capital and Development	-	-	-	-	-
<b>K-2.6 Directorate for Industrial and Horticultural Production Services</b>					
Expenses	56	71	76	80	283
Salaries and Wages	19	27	30	32	108
Goods and Services	36	41	44	45	166

	2004-05	2005-06	2006-07	2007-08	Total
Minor Capital	1	3	2	3	9
Capital and Development	-	-	-	-	-
<b>K-2.7 Directorate for Livestock Services</b>					
Expenses	114	131	135	139	519
Salaries and Wages	47	52	53	55	207
Goods and Services	66	72	76	81	295
Minor Capital	1	7	6	3	17
Capital and Development	-	-	-	-	-
<b>K-2.8 National Directorate for Fisheries and Aquaculture</b>					
Expenses	262	275	275	274	1,086
Salaries and Wages	76	80	85	86	327
Goods and Services	179	188	187	185	739
Minor Capital	7	7	3	3	20
Capital and Development	-	-	-	-	-
<b>K-2.9 National Directorate for Forestry and Water Services</b>					
Expenses	250	213	232	263	958
Salaries and Wages	94	97	99	99	389
Goods and Services	153	112	133	160	558
Minor Capital	3	4	-	4	11
Capital and Development	-	-	-	-	-
<b>K-2.10 Directorate for Irrigation and Water Management Services</b>					
Expenses	63	70	76	73	282
Salaries and Wages	39	42	44	46	171
Goods and Services	24	26	24	26	100
Minor Capital	-	2	8	1	11
Capital and Development	-	-	-	-	-
<b>K-2.10.1 Project: Irrigation, Rehabilitation / Maintenance</b>					
Expenses	138	250	350	385	1,123
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-
Capital and Development	138	250	350	385	1,123
<b>K-2.11 Directorate for Quarantine Services</b>					
Expenses	51	57	61	64	233
Salaries and Wages	14	26	30	33	103
Goods and Services	34	26	26	26	112
Minor Capital	3	5	5	5	18
Capital and Development	-	-	-	-	-
<b>L-1 Ministry for Education, Culture, Youth and Sport</b>					
Expenses	16,488	17,434	18,516	19,152	71,590
Salaries and Wages	11,828	11,946	12,070	12,196	48,040
Goods and Services	3,500	4,000	4,750	4,915	17,165
Minor Capital	217	336	153	176	882
Capital and Development	943	1,152	1,543	1,865	5,503
<b>L-1.1 Office of the Minister for Education, Culture, Youth and Sport</b>					
Expenses	35	35	36	37	143
Salaries and Wages	16	16	17	18	67
Goods and Services	19	19	19	19	76
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>L-1.2 Office of the Vice-Minister for Education, Culture, Youth and Sport</b>					
Expenses	24	24	25	26	99
Salaries and Wages	12	12	13	14	51
Goods and Services	12	12	12	12	48
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>L-1.3 Office of the Secretary of State for Education, Culture, Youth and Sport</b>					
Expenses	24	24	25	26	99

	2004-05	2005-06	2006-07	2007-08	Total
Salaries and Wages	12	12	13	14	51
Goods and Services	12	12	12	12	48
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>L-2.1 Administration and Management</b>					
Expenses	1,217	1,303	1,435	1,497	5,452
Salaries and Wages	268	271	273	276	1,088
Goods and Services	939	1,017	1,135	1,167	4,258
Minor Capital	10	15	27	54	106
Capital and Development	-	-	-	-	-
<b>L-2.2 Planing and Development</b>					
Expenses	233	270	335	355	1,193
Salaries and Wages	41	41	41	42	165
Goods and Services	190	225	280	287	982
Minor Capital	2	4	14	26	46
Capital and Development	-	-	-	-	-
<b>L-2.3 Early Childhood Education</b>					
Expenses	155	167	175	176	673
Salaries and Wages	109	110	111	112	442
Goods and Services	42	49	62	63	216
Minor Capital	4	8	2	1	15
Capital and Development	-	-	-	-	-
<b>L-2.4 Primary Education</b>					
Expenses	7,299	7,561	7,804	7,906	30,570
Salaries and Wages	6,461	6,526	6,591	6,657	26,235
Goods and Services	788	947	1,190	1,237	4,162
Minor Capital	50	88	23	12	173
Capital and Development	-	-	-	-	-
<b>L-2.4.1 Primary Education</b>					
<b>Project: Rehabilitation of Schools and Teachers</b>					
<b>Accommodation</b>					
Expenses	500	600	800	1,000	2,900
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-
Capital and Development	500	600	800	1,000	2,900
<b>L-2.5 Junior Secondary Education</b>					
Expenses	2,759	2,914	2,921	2,954	11,548
Salaries and Wages	2,382	2,406	2,430	2,454	9,672
Goods and Services	299	359	452	480	1,590
Minor Capital	78	149	39	20	286
Capital and Development	-	-	-	-	-
<b>L-2.5.1 Junior Secondary Education</b>					
<b>Project: Rehabilitation of Schools and Teachers</b>					
<b>Accommodation</b>					
Expenses	310	386	463	520	1,679
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-
Capital and Development	310	386	463	520	1,679
<b>L-2.6 Secondary Education</b>					
Expenses	1,570	1,665	1,732	1,757	6,724
Salaries and Wages	1,297	1,310	1,323	1,336	5,266
Goods and Services	253	320	400	416	1,389
Minor Capital	20	35	9	5	69
Capital and Development	-	-	-	-	-
<b>L-2.6.1 Secondary Education</b>					
<b>Project: Rehabilitation of Schools and Teachers</b>					
<b>Accommodation</b>					
Expenses	133	166	280	345	924
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-

	2004-05	2005-06	2006-07	2007-08	Total
Capital and Development	133	166	280	345	924
<b>L-2.7 Technical Vocational Education</b>					
Expenses	630	642	663	670	2,605
Salaries and Wages	528	533	539	544	2,144
Goods and Services	82	97	120	124	423
Minor Capital	20	12	4	2	38
Capital and Development	-	-	-	-	-
<b>L-2.8 Non Formal Education</b>					
Expenses	257	301	368	380	1,306
Salaries and Wages	34	34	34	35	137
Goods and Services	222	266	334	345	1,167
Minor Capital	1	1	-	-	2
Capital and Development	-	-	-	-	-
<b>L-2.9 University</b>					
Expenses	856	870	888	901	3,515
Salaries and Wages	570	576	584	590	2,320
Goods and Services	282	290	300	307	1,179
Minor Capital	4	4	4	4	16
Capital and Development	-	-	-	-	-
<b>L-2.10 Culture</b>					
Expenses	72	73	83	85	313
Salaries and Wages	19	19	19	20	77
Goods and Services	49	53	64	65	231
Minor Capital	4	1	-	-	5
Capital and Development	-	-	-	-	-
<b>L-2.11 Youth Welfare and Development</b>					
Expenses	74	77	88	95	334
Salaries and Wages	30	30	31	31	122
Goods and Services	41	44	50	51	186
Minor Capital	3	3	7	13	26
Capital and Development	-	-	-	-	-
<b>L-2.12 Physical Education and Sport</b>					
Expenses	115	121	131	141	508
Salaries and Wages	31	32	32	33	128
Goods and Services	81	86	92	95	354
Minor Capital	3	3	7	13	26
Capital and Development	-	-	-	-	-
<b>L-2.13 Institute for Continuing Teacher Education</b>					
Expenses	225	235	264	281	1,005
Salaries and Wages	18	18	19	20	75
Goods and Services	189	204	228	235	856
Minor Capital	18	13	17	26	74
Capital and Development	-	-	-	-	-
<b>M-1 Ministry of Health</b>					
Expenses	9,725	10,415	11,415	11,810	43,365
Salaries and Wages	3,013	3,112	3,211	3,315	12,651
Goods and Services	5,673	6,291	6,925	7,207	26,096
Minor Capital	439	512	612	621	2,184
Capital and Development	600	500	667	667	2,434
<b>M-1.1 Office of the Minister for Health</b>					
Expenses	35	35	36	37	143
Salaries and Wages	16	16	17	18	67
Goods and Services	19	19	19	19	76
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>M-1.2 Office of the Vice-Minister for Health</b>					
Expenses	24	24	25	26	99
Salaries and Wages	12	12	13	14	51
Goods and Services	12	12	12	12	48
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-

	2004-05	2005-06	2006-07	2007-08	Total
<b>M-2.1 Central Services</b>					
Expenses	575	610	612	651	2,448
Salaries and Wages	170	179	187	197	733
Goods and Services	344	361	385	407	1,497
Minor Capital	61	70	40	47	218
Capital and Development	-	-	-	-	-
<b>M-2.1.1 Central Services</b>					
<b>Project: Reabilitação do Edifício Ministério da Saúde</b>					
Expenses	-	100	-	-	100
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-
Capital and Development	-	100	-	-	100
<b>M-2.2 Personalised Services</b>					
Expenses	4,480	4,860	4,756	4,879	18,975
Salaries and Wages	1,067	1,105	1,140	1,177	4,489
Goods and Services	3,307	3,630	3,405	3,526	13,868
Minor Capital	106	125	211	176	618
Capital and Development	-	-	-	-	-
<b>M-2.3 District Health Services</b>					
Expenses	4,011	4,386	5,319	5,550	19,266
Salaries and Wages	1,748	1,800	1,854	1,909	7,311
Goods and Services	1,991	2,269	3,104	3,243	10,607
Minor Capital	272	317	361	398	1,348
Capital and Development	-	-	-	-	-
<b>M-2.3.1 District Health Services</b>					
<b>Project: Rehabilitation of 49 Community Health Centres and Health Posts</b>					
Expenses	600	400	667	667	2,434
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-
Capital and Development	600	400	667	667	2,434
<b>N-1 Secretary of State for Labour and Solidarity</b>					
Expenses	490	525	550	570	2,135
Salaries and Wages	199	203	208	212	822
Goods and Services	279	299	315	331	1,224
Minor Capital	12	23	27	27	89
Capital and Development	-	-	-	-	-
<b>N-1.1 Office of the Secretary of State for Labour and Solidarity</b>					
Expenses	24	224	25	26	99
Salaries and Wages	12	12	13	14	51
Goods and Services	12	12	12	12	48
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>N-2.1 National Directorate for Administrative and Finance Services</b>					
Expenses	93	108	107	110	414
Salaries and Wages	40	41	42	42	165
Goods and Services	46	54	57	60	217
Minor Capital	7	9	8	8	32
Capital and Development	-	-	-	-	-
<b>N-2.2 National Directorate for Labour Issues Services</b>					
Expenses	130	134	141	148	553
Salaries and Wages	51	52	53	54	210
Goods and Services	75	78	81	87	321
Minor Capital	4	4	7	7	22
Capital and Development	-	-	-	-	-
<b>N-2.3 National Directorate for Employment and Professional Training</b>					
Expenses	62	66	72	77	277

	2004-05	2005-06	2006-07	2007-08	Total
Salaries and Wages	33	34	34	35	136
Goods and Services	28	30	35	40	133
Minor Capital	1	2	3	2	8
Capital and Development	-	-	-	-	-
<b>N-2.4 National Directorate for Social Services and Solidarity</b>					
Expenses	121	125	130	133	509
Salaries and Wages	45	46	47	48	186
Goods and Services	76	76	80	81	313
Minor Capital	-	3	3	4	10
Capital and Development	-	-	-	-	-
<b>N-2.5 National Directorate for Veterans' Affairs</b>					
Expenses	60	70	73	74	277
Salaries and Wages	18	18	19	19	74
Goods and Services	42	47	48	49	186
Minor Capital	-	5	6	6	17
Capital and Development	-	-	-	-	-
<b>O-1 Ministry for Foreign Affairs and Cooperation</b>					
Expenses	2,436	2,356	2,367	2,382	9,541
Salaries and Wages	217	220	223	225	885
Goods and Services	2,068	2,136	2,144	2,157	8,505
Minor Capital	151	-	-	-	151
Capital and Development	-	-	-	-	-
<b>O-1.1 Office of the Minister of State and for Foreign Affairs and Cooperation</b>					
Expenses	49	49	50	50	198
Salaries and Wages	19	19	20	20	78
Goods and Services	30	30	30	30	120
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>O-1.2 Office of the Vice-Minister for Foreign Affairs and Cooperation</b>					
Expenses	24	24	25	26	99
Salaries and Wages	12	12	13	14	51
Goods and Services	12	12	12	12	48
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>O-1.3 Office of the Vice-Minister for Foreign Affairs and Cooperation</b>					
Expenses	24	24	25	26	99
Salaries and Wages	12	12	13	14	51
Goods and Services	12	12	12	12	48
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>O-2.1 Headquarters</b>					
Expenses	401	399	397	395	1,592
Salaries and Wages	109	109	109	109	436
Goods and Services	290	290	288	286	1,154
Minor Capital	2	-	-	-	2
Capital and Development	-	-	-	-	-
<b>O-3.1 Embassy – Lisbon</b>					
Expenses	169	169	169	169	676
Salaries and Wages	6	6	6	6	24
Goods and Services	163	163	163	163	652
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>O-3.2 Embassy - Jakarta</b>					
Expenses	204	202	202	202	810
Salaries and Wages	11	11	11	11	44
Goods and Services	191	191	191	191	764
Minor Capital	2	-	-	-	2
Capital and Development	-	-	-	-	-
<b>O-3.3 Permanente Mission at the UN - New York</b>					



	2004-05	2005-06	2006-07	2007-08	Total
Expenses	283	273	273	273	1,102
Salaries and Wages	6	6	6	6	24
Goods and Services	275	267	267	267	1,076
Minor Capital	2	-	-	-	2
Capital and Development	-	-	-	-	-
<b>O-3.4 Embassy - Washington</b>					
Expenses	218	197	197	197	809
Salaries and Wages	6	6	6	6	24
Goods and Services	191	191	191	191	764
Minor Capital	21	-	-	-	21
Capital and Development	-	-	-	-	-
<b>O-3.5 Embassy - Canberra</b>					
Expenses	168	160	160	160	648
Salaries and Wages	5	5	5	5	20
Goods and Services	155	155	155	155	620
Minor Capital	8	-	-	-	8
Capital and Development	-	-	-	-	-
<b>O-3.6 Embassy - Kuala Lumpur</b>					
Expenses	117	108	108	108	441
Salaries and Wages	5	5	5	5	20
Goods and Services	103	103	103	103	412
Minor Capital	9	-	-	-	9
Capital and Development	-	-	-	-	-
<b>O-3.7 Embassy - Brussels</b>					
Expenses	181	181	181	181	724
Salaries and Wages	6	6	6	6	24
Goods and Services	175	175	175	175	700
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>O-3.8 Embassy – Bangkok</b>					
Expenses	60	78	78	78	294
Salaries and Wages	5	6	6	6	23
Goods and Services	43	72	72	72	259
Minor Capital	12	-	-	-	12
Capital and Development	-	-	-	-	-
<b>O-3.9 Consulate General - Sydney</b>					
Expenses	122	122	132	147	523
Salaries and Wages	5	5	5	5	20
Goods and Services	117	117	127	142	503
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>O-3.10 Embassy – Tokyo</b>					
Expenses	208	192	192	192	784
Salaries and Wages	3	3	3	3	12
Goods and Services	166	189	189	189	733
Minor Capital	39	-	-	-	39
Capital and Development	-	-	-	-	-
<b>O-3.11 Embassy – Beijing</b>					
Expenses	69	83	83	83	318
Salaries and Wages	4	6	6	6	22
Goods and Services	53	77	77	77	284
Minor Capital	12	-	-	-	12
Capital and Development	-	-	-	-	-
<b>O-3.12 Embassy – Maputo</b>					
Expenses	139	95	95	95	424
Salaries and Wages	3	3	3	3	12
Goods and Services	92	92	92	92	368
Minor Capital	44	-	-	-	44
Capital and Development	-	-	-	-	-
<b>P-1 Ministry of Planning and Finance</b>					
Expenses	3,675	3,836	3,826	3,914	15,251

	2004-05	2005-06	2006-07	2007-08	Total
Salaries and Wages	981	1,022	1,033	1,040	4,076
Goods and Services	2,582	2,652	2,669	2,688	10,591
Minor Capital	77	162	124	186	549
Capital and Development	35	-	-	-	35
<b>P-1.1 Office of the Minister for Planning and Finance</b>					
Expenses	35	35	36	37	143
Salaries and Wages	16	16	17	18	67
Goods and Services	19	19	19	19	76
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>P-1.2 Office of the Vice-Minister for Planning and Finance</b>					
Expenses	24	24	25	26	99
Salaries and Wages	12	12	13	14	51
Goods and Services	12	12	12	12	48
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>P-2.1 Permanent Secretary</b>					
Expenses	26	23	21	21	91
Salaries and Wages	10	10	10	10	40
Goods and Services	8	8	8	8	32
Minor Capital	8	5	3	3	19
Capital and Development	-	-	-	-	-
<b>P-2.2 Administration and Information Technology</b>					
Expenses	398	428	398	403	1,627
Salaries and Wages	44	44	44	44	176
Goods and Services	354	354	344	334	1,386
Minor Capital	-	30	10	25	65
Capital and Development	-	-	-	-	-
<b>P-2.3 Budget Office</b>					
Expenses	86	112	121	131	450
Salaries and Wages	35	38	40	40	153
Goods and Services	51	65	73	74	263
Minor Capital	-	9	8	17	34
Capital and Development	-	-	-	-	-
<b>P-2.4 Treasury</b>					
Expenses	380	432	425	441	1,678
Salaries and Wages	131	145	145	150	571
Goods and Services	238	246	262	274	1,020
Minor Capital	11	41	18	17	87
Capital and Development	-	-	-	-	-
<b>P-2.5 East Timor Revenue Service</b>					
Expenses	267	300	288	308	1,163
Salaries and Wages	131	132	135	135	533
Goods and Services	130	146	146	146	568
Minor Capital	6	22	7	27	62
Capital and Development	-	-	-	-	-
<b>P-2.6 Política Macroeconomic and Tax Policy Unit</b>					
Expenses	22	49	42	44	157
Salaries and Wages	9	15	19	19	62
Goods and Services	10	13	14	19	56
Minor Capital	3	21	9	6	39
Capital and Development	-	-	-	-	-
<b>P-2.7 National Directorate for Planning and External Assistance Coordination</b>					
Expenses	184	204	220	201	809
Salaries and Wages	43	43	43	43	172
Goods and Services	121	140	140	140	541
Minor Capital	20	21	37	18	96
Capital and Development	-	-	-	-	-
<b>P-2.8 National Administration of Customs</b>					
Expenses	563	538	550	557	2,208
Salaries and Wages	330	335	335	335	1,335

	2004-05	2005-06	2006-07	2007-08	Total
Goods and Services	214	199	201	212	826
Minor Capital	19	4	14	10	47
Capital and Development	-	-	-	-	-
<b>P-2.9.1 Government Procurement, Supply and Inventory Management</b>					
<b>Director of Procurement</b>					
Expenses	68	65	67	63	263
Salaries and Wages	39	39	39	39	156
Goods and Services	29	22	22	22	95
Minor Capital	-	4	6	2	12
Capital and Development	-	-	-	-	-
<b>P-2.9.1.1 Government Procurement, Supply and Inventory Management</b>					
<b>Project: Rehabilitation of Building</b>					
Expenses	35	-	-	-	35
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-
Capital and Development	35	-	-	-	35
<b>P-2.9.2 Government Procurement, Supply and Inventory Management</b>					
<b>Procurement</b>					
Expenses	102	99	101	94	396
Salaries and Wages	62	62	62	62	248
Goods and Services	40	32	32	32	136
Minor Capital	-	5	7	-	12
Capital and Development	-	-	-	-	-
<b>P-2.9.3 A Government Procurement, Supply and Inventory Management</b>					
<b>Supply and Inventory Management</b>					
Expenses	105	117	117	153	492
Salaries and Wages	65	77	77	77	296
Goods and Services	40	40	40	40	160
Minor Capital	-	-	-	36	36
Capital and Development	-	-	-	-	-
<b>P-2.10 National Directorate of Statistics</b>					
Expenses	100	90	95	115	400
Salaries and Wages	54	54	54	54	216
Goods and Services	36	36	36	36	144
Minor Capital	10	-	5	25	40
Capital and Development	-	-	-	-	-
<b>P-3.1 Whole of Government Appropriations</b>					
<b>TFET Project / Counterpart Funds</b>					
Expenses	50	50	50	50	200
Salaries and Wages	-	-	-	-	-
Goods and Services	50	50	50	50	200
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>P-3.2 Whole of Government Appropriations</b>					
<b>Audit</b>					
Expenses	90	90	90	90	360
Salaries and Wages	-	-	-	-	-
Goods and Services	90	90	90	90	360
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>P-3.3 Whole of Government Appropriations</b>					
<b>Retroactive Financing</b>					
Expenses	30	30	30	30	120
Salaries and Wages	-	-	-	-	-
Goods and Services	30	30	30	30	120
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>P-3.4 Whole of Government Appropriations</b>					
<b>Contingency Reserve</b>					

	2004-05	2005-06	2006-07	2007-08	Total
Expenses	500	500	500	500	2,000
Salaries and Wages	-	-	-	-	-
Goods and Services	500	500	500	500	2,000
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>P-3.5 Whole of Government Appropriations</b>					
<b>Overseas Travel</b>					
Expenses	500	550	550	550	2,150
Salaries and Wages	-	-	-	-	-
Goods and Services	500	550	550	550	2,150
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>P-3.6 Whole of Government Appropriations</b>					
<b>Membership of International Institutions</b>					
Expenses	110	100	100	100	410
Salaries and Wages	-	-	-	-	-
Goods and Services	110	100	100	100	410
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>Q-1 Ministry of Transport, Communications and Public Works</b>					
Expenses	16,235	17,080	16,630	17,215	67,160
Salaries and Wages	1,441	1,474	1,513	1,550	5,978
Goods and Services	8,294	7,606	7,240	7,385	30,525
Minor Capital	235	615	377	280	1,507
Capital and Development	6,265	7,385	7,500	8,000	29,150
<b>Q-1.1 Office of the Minister for Transport, Communications and Public Works</b>					
Expenses	35	35	36	37	143
Salaries and Wages	16	16	17	18	67
Goods and Services	19	19	19	19	76
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>Q-1.2 Office of the Vice-Minister for Transport, Communications and Public Works</b>					
Expenses	24	24	25	26	99
Salaries and Wages	12	12	13	14	51
Goods and Services	12	12	12	12	48
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>Q-1.3 Secretariat of State for Public Works</b>					
Expenses	24	24	25	26	99
Salaries and Wages	12	12	13	14	51
Goods and Services	12	12	12	12	48
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>Q-1.4 Office of the Secretary of State for Electricity and Water</b>					
Expenses	24	24	25	26	99
Salaries and Wages	12	12	13	14	51
Goods and Services	12	12	12	12	48
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>Q-2.1 Department of Transport, Communications and Public Works</b>					
<b>Directorate for Administrative Services</b>					
Expenses	145	191	169	170	675
Salaries and Wages	94	97	99	98	388
Goods and Services	44	53	53	63	213
Minor Capital	7	41	17	9	74
Capital and Development	-	-	-	-	-
<b>Q-3.1 Department of Transport, Communications and Public Works</b>					
<b>Directorate for Planning Services</b>					

	2004-05	2005-06	2006-07	2007-08	Total
Expenses	17	23	17	31	88
Salaries and Wages	9	9	9	9	36
Goods and Services	8	8	8	12	36
Minor Capital	-	6	-	10	16
Capital and Development	-	-	-	-	-
<b>Q-4.1 Permanent Secretary for Public Works</b>					
Expenses	16	23	20	20	79
Salaries and Wages	8	8	8	9	33
Goods and Services	8	9	9	9	35
Minor Capital	-	6	3	2	11
Capital and Development	-	-	-	-	-
<b>Q-4.2 Department of Public Works</b>					
<b>Directorate for Public Works</b>					
Expenses	1,344	1,969	1,962	1,886	7,161
Salaries and Wages	258	258	258	264	1,038
Goods and Services	934	1,511	1,548	1,494	5,487
Minor Capital	152	200	156	128	636
Capital and Development	-	-	-	-	-
<b>Q-4.2.1 Department of Public Works</b>					
<b>Project: Periodic Maintenance of Roads</b>					
Expenses	2,980	3,061	4,200	4,600	14,841
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-
Capital and Development	2,980	3,061	4,200	4,600	14,841
<b>Q-4.2.2 Department of Public Works</b>					
<b>Project: Selected Road Improvements</b>					
Expenses	600	800	850	850	3,100
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-
Capital and Development	600	800	850	850	3,100
<b>Q-4.2.3 Department of Public Works</b>					
<b>Project: Flood Control</b>					
Expenses	500	606	650	650	2,406
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-
Capital and Development	500	606	650	650	2,406
<b>Q-4.2.4 Department of Public Works</b>					
<b>Project: Bridge Rehabilitation</b>					
Expenses	510	1,000	-	-	1,510
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-
Capital and Development	510	1,000	-	-	1,510
<b>Q-4.2.5 Department of Public Works</b>					
<b>Project: Rehabilitation of Urban Roads</b>					
Expenses	300	400	400	400	1,500
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-
Capital and Development	300	400	400	400	1,500
<b>Q-4.2.6 Department of Public Works</b>					
<b>Project: Public Safety Campaign</b>					
Expenses	55	-	-	-	55
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-
Capital and Development	55	-	-	-	55
<b>Q-4.3 Department of Public Works</b>					
<b>Directorate of Roads, Bridges and Flood Control</b>					

	2004-05	2005-06	2006-07	2007-08	Total
Expenses	1,249	1,540	1,845	2,253	6,887
Salaries and Wages	163	165	170	168	666
Goods and Services	1,086	1,357	1,675	2,065	6,183
Minor Capital	-	18	-	20	38
Capital and Development	-	-	-	-	-
<b>Q-4.4 Department of Public Works</b>					
<b>Directorate for Research and Development Services</b>					
Expenses	100	108	96	106	410
Salaries and Wages	34	34	37	36	141
Goods and Services	51	49	49	55	204
Minor Capital	15	25	10	15	65
Capital and Development	-	-	-	-	-
<b>Q-4.5 Department of Public Works</b>					
<b>Directorate for Material and Equipment Management Services</b>					
Expenses	223	320	323	271	1,137
Salaries and Wages	72	72	75	74	293
Goods and Services	146	148	148	187	629
Minor Capital	5	100	100	10	215
Capital and Development	-	-	-	-	-
<b>Q-5.1 Permanent Secretary for Transport and Communications</b>					
<b>Expenses</b>	14	23	17	25	79
Salaries and Wages	6	6	6	7	25
Goods and Services	8	9	11	16	44
Minor Capital	-	8	-	2	10
Capital and Development	-	-	-	-	-
<b>Q-5.2 Department of Transport and Communications</b>					
<b>Communications Regulatory Authority</b>					
Expenses	98	139	115	144	496
Salaries and Wages	27	27	30	29	113
Goods and Services	62	68	70	97	297
Minor Capital	9	44	15	18	86
Capital and Development	-	-	-	-	-
<b>Q-5.3 Department of Transport and Communications</b>					
<b>Directorate of Postal Services</b>					
Expenses	236	291	286	305	1,118
Salaries and Wages	37	40	40	44	161
Goods and Services	199	211	231	251	892
Minor Capital	-	40	15	10	65
Capital and Development	-	-	-	-	-
<b>Q-5.4 Department of Transport and Communications</b>					
<b>Directorate for Information Technology Services</b>					
Expenses	178	163	176	165	682
Salaries and Wages	57	57	57	58	229
Goods and Services	121	104	109	97	431
Minor Capital	-	2	10	10	22
Capital and Development	-	-	-	-	-
<b>Q-5.5 Department of Transport and Communications</b>					
<b>Directorate for Meteorological Services</b>					
Expenses	52	64	66	67	249
Salaries and Wages	32	32	33	34	131
Goods and Services	20	18	18	23	79
Minor Capital	-	14	15	10	39
Capital and Development	-	-	-	-	-
<b>Q-5.6 Department of Transport and Communications</b>					
<b>Directorate for Land Transport Services</b>					
Expenses	332	335	303	335	1,305
Salaries and Wages	102	104	104	102	412
Goods and Services	189	184	185	219	777
Minor Capital	41	47	14	14	116
Capital and Development	-	-	-	-	-
<b>Q-5.6.1 Department of Transport and Communications</b>					

	2004-05	2005-06	2006-07	2007-08	Total
<b>Project: Rehabilitation of Bus Terminals at Taci Tolu and Becorra</b>					
Expenses	200	200	-	-	400
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-
Capital and Development	200	200	-	-	400
<b>Q-5.6.2 Department of Transport and Communications</b>					
<b>Project: Traffic Signals</b>					
Expenses	-	-	-	-	-
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>Q-5.7 Department of Transport and Communications</b>					
<b>Directorate for Maritime Transport Services – Self Funded</b>					
Expenses	928	577	577	577	2,659
Salaries and Wages	100	100	100	100	400
Goods and Services	339	287	287	287	1,200
Minor Capital	119	90	90	90	389
Capital and Development	370	100	100	100	670
<b>Q-5.8 Department of Transport and Communications</b>					
<b>Directorate for Civil Aviation Services – Self Funded</b>					
Expenses	890	931	1,010	1,010	3,841
Salaries and Wages	155	160	160	160	635
Goods and Services	550	571	600	600	2,321
Minor Capital	132	120	160	160	572
Capital and Development	53	80	90	90	313
<b>Q-6.1 Secretariat of State for Electricity and Water</b>					
<b>Directorate for Water and Sanitation Services</b>					
Expenses	207	283	239	271	1,000
Salaries and Wages	107	111	109	115	442
Goods and Services	94	108	108	134	444
Minor Capital	6	64	22	22	114
Capital and Development	-	-	-	-	-
<b>Q-6.1.1 Secretary of State for Electricity, Water and Sanitation (SEWS)</b>					
<b>Project: Emergency Response Facility</b>					
Expenses	600	768	800	800	2,968
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-
Capital and Development	600	768	800	800	2,968
<b>Q-6.1.2 Secretary of State for Electricity, Water and Sanitation (SEWS)</b>					
<b>Project: Development Projects</b>					
Expenses	420	500	600	700	2,220
Salaries and Wages	-	-	-	-	-
Goods and Services	-	-	-	-	-
Minor Capital	-	-	-	-	-
Capital and Development	420	500	600	700	2,220
<b>Q-6.2 Secretary of State for Electricity, Water and Sanitation (SEWS)</b>					
<b>- Electricity Service of Timor-Leste Self Funded Agency</b>					
Expenses	6,450	8,300	9,300	9,900	33,950
Salaries and Wages	33	36	38	40	147
Goods and Services	6,026	7,837	8,895	9,453	32,211
Minor Capital	71	177	167	207	622
Capital and Development	320	250	200	200	970
<b>Q-6.3 Secretary of State for Electricity, Water and Sanitation (SEWS)</b>					
<b>SEWS- Electricity Service of Timor-Leste (EDTL)</b>					
Expenses	5,652	4,116	3,385	3,051	16,204
Salaries and Wages	383	402	422	443	1,650

	2004-05	2005-06	2006-07	2007-08	Total
Goods and Services	5,269	3,714	2,963	2,608	14,554
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-
<b>Judiciary</b>					
Expenses	360	397	441	472	1,670
Salaries and Wages	226	237	267	276	1,006
Goods and Services	118	130	134	146	528
Minor Capital	16	30	40	50	136
Capital and Development	-	-	-	-	-
<b>R-1 Superior Council for Judiciary</b>					
Expenses	20	28	33	41	122
Salaries and Wages	4	4	5	5	18
Goods and Services	13	18	20	22	73
Minor Capital	3	6	8	14	31
Capital and Development	-	-	-	-	-
<b>R-2 Court of Appeal</b>					
Expenses	94	103	115	120	432
Salaries and Wages	50	51	52	53	206
Goods and Services	35	41	42	48	166
Minor Capital	9	11	21	19	60
Capital and Development	-	-	-	-	-
<b>R-3 District Tribunals</b>					
Expenses	246	266	293	311	1,116
Salaries and Wages	172	182	210	218	782
Goods and Services	70	71	72	76	289
Minor Capital	4	13	11	17	45
Capital and Development	-	-	-	-	-
<b>S-1 Banking and Payments Authority</b>					
Expenses	620	1,090	1,110	1,190	4,010
Salaries and Wages	-	-	-	-	-
Goods and Services	620	600	500	400	2,120
Minor Capital	-	490	610	790	1,890
Capital and Development	-	-	-	-	-
<b>T-1 Public Broadcasting Service of Timor-Leste</b>					
Expenses	350	375	385	395	1,505
Salaries and Wages	272	310	315	325	1,222
Goods and Services	78	65	70	70	283
Minor Capital	-	-	-	-	-
Capital and Development	-	-	-	-	-



## APPENDIX 5 - CAPITAL AND DEVELOPMENT PROJECT ALLOCATIONS 2004-05

	2004-05	2005-06	2006-07	2007-08	Total
<b>Office of the Prime Minister &amp; Presidency of the Council of Ministers</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>New Projects</i>	50	0	0	0	50
Provedor of Human Rights and Justice - Rehabilitate Office Building.	50	0	0	0	50
<b>Ministry of State Administration</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Continuing Projects</i>	300	50	50	0	400
Administration and Finance - New Administrative Building.	150	0	0	0	150
National Directorate of Territorial Administration - Rehabilitation of Offices of 14 Sub Districts.	150	50	50	0	250
<i>New Projects</i>	0	0	0	0	0
National Printing - Rehabilitation of Printing Building.	0	0	0	0	0
<b>Ministry of the Interior</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20</b>
<i>Continuing Projects</i>	20	0	0	0	20
Reconstruction of Building for Fire, Rescue and emergency Services.	20	0	0	0	20
<b>Ministry of Agriculture, Forests and Fisheries</b>	<b>225</b>	<b>250</b>	<b>350</b>	<b>385</b>	<b>1,210</b>
<i>Continuing Projects</i>	138	250	350	385	1,123
Irrigation Rehabilitation / Maintenance.	138	250	350	385	1,123
<b>Ministry of Education, Culture, Youth and Sports</b>	<b>1,165</b>	<b>1,465</b>	<b>1,865</b>	<b>1,865</b>	<b>6,360</b>
<i>Continuing Projects</i>	943	1,152	1,543	1,865	5,503
Primary Education - Rehabilitation of Schools and Teacher Housing.	500	600	800	1,000	2,900
Junior Secondary Education - Rehabilitation of Schools and Teacher Housing.	310	386	463	520	1,679
Senior Secondary Education - Rehabilitation of Schools and Teacher Housing.	133	166	280	345	924
<b>Ministry of Health</b>	<b>900</b>	<b>500</b>	<b>667</b>	<b>667</b>	<b>2,734</b>
<i>Continuing Projects</i>	600	0	0	0	600
Rehabilitation of 49 Community Health Centers and Health Posts.	600	0	0	0	600
<i>New Projects</i>	0	500	667	667	1,834
Rehabilitate Ministry of Health Building	0	200	0	0	500
Preliminary Provision for post TFET.	0	300	667	667	1,334
<b>Secretary of State for Labour and Solidarity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>New Projects</i>	0	0	0	0	0
Reconstruction of Training Centers in Suai, Same, Maliana & Tibar.	0	0	0	0	0
<b>Ministry of Planning and Finance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>New Projects</i>	35	0	0	0	35

	2004-05	2005-06	2006-07	2007-08	Total
Supply and Inventory Management - Rehabilitate Warehouse.	35	0	0	0	35
<b>Ministry of Transport, Communications and Public Works</b>	<b>6,265</b>	<b>7,385</b>	<b>7,500</b>	<b>8,000</b>	<b>29,150</b>
<i>Continuing Projects</i>	<i>6,265</i>	<i>7,385</i>	<i>7,500</i>	<i>8,000</i>	<i>29,150</i>
Roads Bridges and Flood Control - Periodic Maintenance of Roads.	2,980	3,061	4,200	4,600	14,841
Roads Bridges and Flood Control - Selected Road Improvements.	600	800	850	850	3,100
Roads Bridges and Flood Control - Flood Control.	500	606	650	650	2,406
Roads Bridges and Flood Control - Rehabilitation of Urban Roads, Drainage and Footpaths.	300	400	400	400	1,500
Roads Bridges and Flood Control - Public Safety Campaign.	55	0	0	0	55
Roads Bridges and Flood Control - Bridge Rehabilitation.	510	1,000	0	0	1,510
Land Transport - Rehabilitation of bus terminals, Becora and Tacitolu.	200	200	0	0	400
Land Transport - Traffic Signs.	100	50	0	0	150
Water and Sanitation - Development Projects.	420	500	600	700	2,220
Water and Sanitation - emergency Response Facility.	600	768	800	800	2,968
<b>TOTAL CAPITAL &amp; DEVELOPMENT PROPOSED</b>	<b>8,351</b>	<b>9,337</b>	<b>10,110</b>	<b>10,917</b>	<b>38,715</b>
<i>Continuing Projects</i>	<i>8,266</i>	<i>8,837</i>	<i>9,443</i>	<i>10,250</i>	<i>36,796</i>
<i>New Projects</i>	<i>85</i>	<i>500</i>	<i>667</i>	<i>667</i>	<i>1,919</i>

## APPENDIX 6 MAP OF APPROPRIATIONS 2004-05

Code	Organ of Government/Ministry/Secretary of State/Program	Salaries and Wages	Goods and Services	Minor Capital	Capital and Development	Total
<b>Total CFET (Including Self Funded Agencies) *</b>		<b>28,485</b>	<b>43,729</b>	<b>2,057</b>	<b>9,094</b>	<b>83,365</b>
<b>Total CFET (Excluding Self Funded Agencies)</b>		<b>28,197</b>	<b>36,814</b>	<b>1,735</b>	<b>8,351</b>	<b>75,097</b>
<b>A-1</b>	<b>President of the Republic</b>	<b>140</b>	<b>220</b>	<b>20</b>	<b>0</b>	<b>380</b>
<b>B-2</b>	<b>National Parliament</b>	<b>579</b>	<b>338</b>	<b>13</b>	<b>0</b>	<b>930</b>
<b>C-1</b>	<b>Office of the Prime Minister and the President of the Council of Ministers</b>	<b>249</b>	<b>682</b>	<b>23</b>	<b>50</b>	<b>1,004</b>
C-1.1	Office of the Prime Minister	59	170	0	0	229
C-1.2	Office of the Minister of State in the Presidency of the Council of Ministers	7	21	0	0	28
C-2.1	Office of the Secretary of State for Parliamentary Affairs	12	12	0	0	24
C-3.1	Office of the Human Rights Advisor to the Prime Minister	17	15	8	0	40
C-4.1	Purveyor of Human Rights and Justice	52	19	8	0	79
C-4.1.1	Purveyor of Human Rights and Justice	0	0	0	50	50
C-5.1	Office of the Inspector General	33	42	2	0	77
C-6.1	Office of the Advisor to the Prime Minister for the Promotion of Equality	23	31	3	0	57
C-7.1	National Security Service of State	29	33	2	0	64
C-8.1	Capacity Development Coordination Unit (CDCU)	9	223	0	0	232
C-9.1	Office of the Timor Sea	8	116	0	0	124
<b>D-1</b>	<b>Secretary of State for Defence</b>	<b>1,712</b>	<b>4,229</b>	<b>53</b>	<b>0</b>	<b>5,994</b>
D-1.1	Office of the Secretary of State for Defence	12	12	0	0	24
D-1.2	Secretariat of State for Falintil-FDTL	29	16	1	0	46
D-1.3	Falintil FDTL, Defence Force of Timor-Leste	1,671	4,201	52	0	5,924
<b>E-1</b>	<b>Secretary of State for the Council of Ministers</b>	<b>59</b>	<b>280</b>	<b>41</b>	<b>0</b>	<b>380</b>
E-1.1	Office of the Secretary of State for the Council of Ministers	12	96	30	0	138
E-1.2	Directorate for Administration and Support to the Council of Ministers	25	148	11	0	184
E-1.3	Directorate for Translation	22	36	0	0	58
<b>F-1</b>	<b>Ministry for State Administration</b>	<b>776</b>	<b>1,611</b>	<b>35</b>	<b>300</b>	<b>2,722</b>
F-1.1	Office of the Minister for State Administration	16	19	0	0	35
F-1.2	Office of the Vice Minister for State Administration	12	12	0	0	24
F-2.1	Office of the Permanent Secretary	8	10	4	0	22
F-2.2	National Directorate of Administration and Finance	10	21	15	0	46
F-2.2.1	National Directorate of Administration and Finance	0	0	0	150	150
F-2.3	National Directorate of Territorial Administration (DNNTA)	546	1,074	0	0	1,620
F-2.3.1	National Directorate of Territorial Administration (DNNTA)	0	0	0	150	150
F-2.4	National Directorate for the Public Service	60	39	6	0	105
F-2.5	National Institute for Public Administration	49	155	0	0	204

Code	Organ of Government/Ministry/Secretary of State/Program	Salaries and Wages	Goods and Services	Minor Capital	Capital and Development	Total
F-2.6	National Archive	34	62	0	0	96
F-2.7	National Printing	21	102	8	0	131
F-2.8	Technical Secretariat of Electoral Administration	20	117	2	0	139
<b>G-1</b>	<b>Ministry for the Interior</b>	<b>4,876</b>	<b>4,084</b>	<b>316</b>	<b>20</b>	<b>9,296</b>
G-1.1	Office of the Minister for the Interior	16	19	0	0	35
G-1.2	Office of the Vice Minister for the Interior	12	12	0	0	24
G-2.1	Office of the Permanent Secretary	6	7	0	0	13
G-2.2	National Directorate for Administration, Planning & Finance	8	38	0	0	46
G-2.3	National Directorate for Civil Security	6	10	0	0	16
G-2.3.1	Fire Rescue and Emergency Services	130	144	5	0	279
G-2.3.1.1	Fire Rescue and Emergency Services - Project: Rehabilitation of Building	0	0	0	20	20
G-2.3.2	National Disaster Management Office	14	43	0	0	57
G-2.4	National Directorate for Security of Public Buildings	530	287	0	0	817
G-4.1	Police Academy	93	126	20	0	239
<b>G-3</b>	<b>National Police for Timor-Leste (PNTL)</b>	<b>4,154</b>	<b>3,524</b>	<b>311</b>	<b>0</b>	<b>7,989</b>
G-4.1	PNTL - National Directorate for Administration	63	30	0	0	93
G-4.2	PNTL - National Command for Operations	2,928	1,617	193	0	4,738
G-4.3	PNTL - Rapid Intervention Unit	310	616	38	0	964
G-4.4	PNTL - Immigration Services	107	76	0	0	183
G-4.5	PNTL - Border Patrol Unit	366	631	12	0	1,009
G-4.6	PNTL - Maritime Unit	64	32	9	0	105
G-4.7	PNTL - Rapid Deployment Service	223	396	39	0	658
<b>H-1</b>	<b>Ministry for Development and Environment</b>	<b>172</b>	<b>276</b>	<b>32</b>	<b>0</b>	<b>480</b>
H-1.1	Office of the Minister for Development and the Environment	16	19	0	0	35
H-1.2	Office of the Vice Minister for Development and the Environment	12	12	0	0	24
H-1.3	Office of the Secretary of State for Tourism, the Environment and Investment	12	12	0	0	24
H-1.4	Office of the Secretary of State for Natural Resources, Minerals and Energy Policy	12	12	0	0	24
H-2.1	Officer for Development Support	23	64	11	0	98
H-3.1	Directorate of Administrative Services	12	17	21	0	50
H-4.1	Directorate of Investment Services	14	27	0	0	41
H-4.2	Directorate of Tourism Services	16	37	0	0	53
H-4.3	Directorate of Environmental Services	25	36	0	0	61
H-5.1	Secretariat of State for Natural Resources, Minerals and Energy Policy	30	40	0	0	70
<b>I-1</b>	<b>Secretary of State for Trade and Industry</b>	<b>74</b>	<b>85</b>	<b>18</b>	<b>0</b>	<b>177</b>
I-1.1	Office of the Secretary State for Trade and Industry	12	12	0	0	24
I-2.1	Directorate of Administration and Finances	10	12	10	0	32

Code	Organ of Government/Ministry/Secretary of State/Program	Salaries and Wages	Goods and Services	Minor Capital	Capital and Development	Total
I-2.2	Directorate of Commerce	31	27	4	0	62
I-2.3	Directorate of Industry	21	34	4	0	59
<b>J-1</b>	<b>Ministry for Justice</b>	<b>876</b>	<b>891</b>	<b>15</b>	<b>0</b>	<b>1,782</b>
J-1.1	Office of the Minister for Justice	16	19	0	0	35
J-1.2	Office of the Vice Minister for Justice	12	12	0	0	24
J-.2.1	Permanent Secretary	8	0	0	0	8
J-3.1	National Directorate for Administrative, Financial and Personnel Services	37	26	1	0	64
J-3.2	National Directorate for Registrations and Notary	128	122	3	0	253
J-3.3	National Directorate for Judicial Assessment and Legislation	18	8	2	0	28
J-3.4	National Directorate for Citizenship and Rights	19	9	0	0	28
J-3.5	National Directorate for Land and Property	139	91	2	0	232
J-3.6	National Directorate for Prison and Social Reintegration Services	20	9	1	0	30
J-3.7	District Prisons	269	460	0	0	729
J-3.8	Dvision of National Cartography	19	38	0	0	57
J-3.9	Centre for Judiciary Training	15	30	0	0	45
J-3.10	Public Prosecution Office and Districts	103	40	4	0	147
J-3.11	Public Defenders	73	27	2	0	102
<b>K-1.1</b>	<b>Ministry for Agriculture, Forests and Fisheries</b>	<b>507</b>	<b>906</b>	<b>22</b>	<b>138</b>	<b>1,573</b>
K-1.1	Office of the Minister for Agriculture, Forestry and Fisheries	16	19	0	0	35
K-1.2	Office of the Vice Minister for Agriculture, Forestry and Fisheries	12	12	0	0	24
K-2.1	Directorate for Administrative Services	94	223	3	0	320
K-2.2	Permenant Secretary	3	6	0	0	9
K-2.3	Directorate for Programme Policy and Planning Services	15	31	4	0	50
K-2.4	Centre for Research and Extension	27	78	0	0	105
K-2.5	Directorate of Alimentary Production Services	51	45	0	0	96
K-2.6	Directorate for Industrial and Horticultural Production Services	19	36	1	0	56
K-2.7	Directorate for Livestock Services	47	66	1	0	114
K-2.8	National Directorate for Fishereis and Acquaculture	76	179	7	0	262
K-2.9	National Directorate for Forestry and Water Services	94	153	3	0	250
K-2.10	Directorate for Irrigation and Water Management Services	39	24	0	0	63
K-2.10.1	Project: Irrigation, Rehabilitation/Maintenance	0	0	0	138	138
K-2.11	Directorate for Quarantine Services	14	34	3	0	51
<b>L-1</b>	<b>Ministry for Education, Culture, Youth and Sport</b>	<b>11,828</b>	<b>3,500</b>	<b>217</b>	<b>943</b>	<b>16,488</b>
L-1.1	Office of the Minister for Education, Culture, Youth and Sport	16	19	0	0	35
L-1.2	Office of the Vice Minister for Education, Culture, Youth and Sport	12	12	0	0	24
L-1.3	Office of the Secretary of State for Education, Culture, Youth and Sport	12	12	0	0	24

Code	Organ of Government/Ministry/Secretary of State/Program	Salaries and Wages	Goods and Services	Minor Capital	Capital and Development	Total
L-2.1	Administration and Management	268	939	10	0	1,217
L-2.2	Policy and Planning	41	190	2	0	233
L-2.3	Early Childhood Education	109	42	4	0	155
L-2.4	Primary Education	6,461	788	50	0	7,299
L-2.4.1	Primary Education - Project: Rehabilitation of School and Teacher Housing	0	0	0	500	500
L-2.5	Junior Secondary Education	2,382	299	78	0	2,759
L-2.5.1	Junior Secondary Education - Project: Rehabilitation of School and Teacher Housing	0	0	0	310	310
L-2.6	Senior Secondary Education	1,297	253	20	0	1,570
L-2.6.1	Senior Secondary Education - Project: Rehabilitation of Schools and Teacher Housing	0	0	0	133	133
L-2.7	Technical Vocational Education	528	82	20	0	630
L-2.8	Non-formal Education	34	222	1	0	257
L-2.9	University	570	282	4	0	856
L-2.10	Culture	19	49	4	0	72
L-2.11	Youth Welfare and Development	30	41	3	0	74
L-2.12	Physical Education and Sport	31	81	3	0	115
L-2.13	Institute for Continuing Teacher Education	18	189	18	0	225
<b>M-1</b>	<b>Ministry of Health</b>	<b>3,013</b>	<b>5,673</b>	<b>439</b>	<b>600</b>	<b>9,725</b>
M-1.1	Office of the Minister for Health	16	19	0	0	35
M-1.2	Office of the Vice Minister for Health	12	12	0	0	24
M-2.1	Central Services	170	344	61	0	575
M-2.2	Personalised Services	1,067	3,307	106	0	4,480
M-2.3	District Health Services	1,748	1,991	272	0	4,011
M-2.3.1	District Health Services - Project: Rehabilitation of 49 Community Health Centres and Health Posts	0	0	0	600	600
<b>N-1</b>	<b>Secretary of State for Labour and Solidarity</b>	<b>199</b>	<b>279</b>	<b>12</b>	<b>0</b>	<b>490</b>
N-1.1	Office of the Secretary State for Labour and Solidarity	12	12	0	0	26
N-2.1	National Directorate for Administrative and Finance Services	40	46	7	0	93
N-2.2	National Directorate for Labour Issues Services	51	75	4	0	130
N-2.3	National Directorate for Employment and Professional Training	33	28	1	0	62
N-2.4	National Directorate for Social Services and Solidarity	45	76	0	0	121
N-2.5	National Directorate for Veterans' Affairs	18	42	0	0	60
<b>O-1</b>	<b>Ministry for Foreign Affairs and Cooperation</b>	<b>217</b>	<b>2,068</b>	<b>151</b>	<b>0</b>	<b>2,436</b>
O-1.1	Office of the Minister of State for Foreign Affairs and Cooperation	19	30	0	0	49
O-1.2	Office of the Vice Minister for Foreign Affairs and Cooperation	12	12	0	0	24
O-1.3	Office of the Vice Minister for Foreign Affairs and Cooperation	12	12	0	0	24
O-2.1	Central Services	109	290	2	0	401
O-3.1	Embassy - Lisbon	6	163	0	0	169

Code	Organ of Government/Ministry/Secretary of State/Program	Salaries and Wages	Goods and Services	Minor Capital	Capital and Development	Total
O-3.2	Embassy - Jakarta	11	191	2	0	204
O-3.3	UN Permanent Mission - New York	6	275	2	0	283
O-3.4	Embassy - Washington	6	191	21	0	218
O-3.5	Embassy - Canberra	5	155	8	0	168
O-3.6	Embassy - Kuala Lumpur	5	103	9	0	117
O-3.7	Embassy - Brussels	6	175	0	0	181
O-3.8	Embassy - Bangkok	5	43	12	0	60
O-3.9	Consulate General - Sydney	5	117	0	0	122
O-3.10	Embassy - Tokyo	3	166	39	0	208
O-3.11	Embassy - Beijing	4	53	12	0	69
O-3.12	Embassy - Maputo	3	92	44	0	139
<b>P-1</b>	<b>Ministry of Planning and Finances</b>	<b>981</b>	<b>2,582</b>	<b>77</b>	<b>35</b>	<b>3,675</b>
P-1.1	Office of the Minister for Planning and Finance	16	19	0	0	35
P-1.2	Office of the Vice Minister for Planning and Finance	12	12	0	0	24
P-2.1	Permanent Secretary	10	8	8	0	26
P-2.2	Administration and Information Technology	44	354	0	0	398
P-2.3	Budget Office	35	51	0	0	86
P-2.4	Treasury	131	238	11	0	380
P-2.5	Timor Leste Revenue Service	131	130	6	0	267
P-2.6	Macroeconomic and Tax Policy Unit	9	10	3	0	22
P-2.7	National Directorate for Planning and External Assistance Coordination	43	121	20	0	184
P-2.8	National Administration of Customs	330	214	19	0	563
P-2.9.1	Government Procurement, Supply and Inventory Management -	39	29	0	0	68
P-2.9.1.1	Government Procurement, Supply and Inventory Management - Director of Procurement	0	0	0	35	35
P-2.9.2	Government Procurement, Supply and Inventory Management - Project: Rehabilitate Building	62	40	0	0	102
P-2.9.3	Government Procurement, Supply and Inventory Management - Procurement	65	40	0	0	105
P-2.10	National Directorate for Statistics	54	36	10	0	100
<b>P-3</b>	<b>Whole of Government Provisions</b>	<b>0</b>	<b>1,280</b>	<b>0</b>	<b>0</b>	<b>1,280</b>
P-3.1	Whole of Government - TFET/Project Counterpart Funds	0	50	0	0	50
P-3.2	Whole of Government - Audit	0	90	0	0	90
P-3.3	Whole of Government - Retroactive Financing	0	30	0	0	30
P-3.4	Whole of Government - Contingency Reserve	0	500	0	0	500
P-3.5	Whole of Government - Overseas Travel Fund	0	500	0	0	500
P-3.6	Whole of Government - Membership of International Bodies	0	110	0	0	110
<b>Q-1</b>	<b>Ministry of Transport, Communication and Public Works</b>	<b>1,729</b>	<b>15,209</b>	<b>557</b>	<b>7,008</b>	<b>24,503</b>
Q-1.1	Office of the Minister for Transport, Communications and Public Works	16	19	0	0	35

Code	Organ of Government/Ministry/Secretary of State/Program	Salaries and Wages	Goods and Services	Minor Capital	Capital and Development	Total
Q-1.2	Office of the Vice Minister for Transport, Communications and Public Works	12	12	0	0	24
Q-1.3	Office of the Secretary of State for Public Works	12	12	0	0	24
Q-1.4	Office of the Secretary of State for Electricity and Water	12	12	0	0	24
Q-2.1	Directorate of Administrative Services	94	44	7	0	145
Q-3.1	Directorate of Planning Services	9	8	0	0	17
Q-4.1	Permanent Secretary for Public Works	8	8	0	0	16
Q-4.2	Department of Public Works - Directorate of Public Works	258	934	152	0	1,344
Q-4.2.1	Department of Public Works - Project: Periodic Maintenance of Roads	0	0	0	2,980	2,980
Q-4.2.2	Department of Public Works - Project: Selected Road Improvement	0	0	0	600	600
Q-4.2.3	Department of Public Works - Project:Flood Control	0	0	0	500	500
Q-4.2.4	Department of Public Works - Project: Bridge Rehabilitation	0	0	0	510	510
Q-4.2.5	Department of Public Works - Project:Rehabilitation of Urban Roads	0	0	0	300	300
Q-4.2.6	Department of Public Works - Project:Public Safety Campaign	0	0	0	55	55
Q-4.3	Department of Public Works - Directorate of Roads, Bridges and Flood Control	163	1,086	0	0	1,249
Q-4.4	Department of Public Works - Directorate for Research and Development Services	34	51	15	0	100
Q-4.5	Department of Public Works - Directorate for Material and Equipment Management Ser4vices	72	146	5	0	223
Q-5.1	Department of Transport and Communications - Permanent Secretary Transport and Communications	6	8	0	0	14
Q-5.2	Department of Transport and Communications - Communications Regulation Authority	27	62	9	0	98
Q-5.3	Department of Transport and Communications - Directorate for Postal Services	37	199	0	0	236
Q-5.4	Department of Transport and Communications - Directorate for Information Tecnology Services	57	121	0	0	178
Q-5.5	Department of Transport and Communications - Directorate for Meteorological Services	32	20	0	0	52
Q-5.6	Department of Transport and Communications - Directorate for Land Transport Services	102	189	41	0	332
Q-5.6.1	Department of Transport and Communications - Project:Rehabilitation of bus terminals, Becora and Tasitolu	0	0	0	200	200
Q-5.6.2	Department of Transport and Communications - Project: Rehabilitate Vehicle Control Machine	0	0	0	100	100
Q-5.7 *	Department of Transport and Communications - Directorate for Maritime Transport Services - Self Funded	100	339	119	370	928
Q-5.8 *	Department of Transport and Communications - Directorate for Civil Aviations Services - Self Funded	155	550	132	53	890
Q-6.1	Secretary of State for Electricity and Water - Directorate for Water and Sanitation Services	107	94	6	0	207
Q-6.1.1	Secretary of State for Electricity and Water (SSEW) - Project: Emergency Response Facility	0	0	0	600	600
Q-6.1.2	Secretary of State for Electricity and Water (SSEW) - Project: Water Development	0	0	0	420	420
Q-6.2 *	Secretary of State for Electricity and Water (SSEW) - Electricity of Timor Leste Service Self Funded	33	6,026	71	320	6,450
Q-6.3	Secretary of State for Electricity and Water (SSEW) - Electricity of Timor Leste Service	383	5,269	0	0	5,652
<b>R-1</b>	<b>Judiciary</b>	<b>226</b>	<b>118</b>	<b>16</b>	<b>0</b>	<b>360</b>
R-1.1	Superior Council for Judiciary	4	13	3	0	20
R-2.1	Court of Appeal	50	35	9	0	94
R-3.1	District Courts	172	70	4	0	246
<b>R-1</b>	<b>Banking and Payments Authority</b>	<b>0</b>	<b>620</b>	<b>0</b>	<b>0</b>	<b>620</b>



Code	Organ of Government/Ministry/Secretary of State/Program	Salaries and Wages	Goods and Services	Minor Capital	Capital and Development	Total
T-1	Public Broadcasting Service of Timor-Leste	272	78	0	0	350

## APPENDIX 7 – ACRONYMS

ADB	Asian Development Bank	IDF	International Development Fund
ALGD	Administration of Local Government and Development	IEC	Independent Electoral Commission
ARP	Agriculture Rehabilitation Project	IFI	International Financial Institutions
ASEAN	Association of South East Asian Nations	IMF	International Monetary Fund
BPA	Banking and Payments Authority	IOM	International Organisation for Migration
BRC	Budget Review Committee	IT	Information Technology
CBO	Community Based Organisation	MAFF	Ministry of Agriculture, Fisheries and Forests
CDCU	Capacity Development Coordination Unit	MTFF	Medium Term Fiscal Framework
CDF	Capacity Development Fund	NDMO	National Disaster Management Office
CDP	Capital and Development Programme	NDMP	National Disaster Management Plan
CEP	Community Empowerment and Local Governance Project	NDP	National Development Plan
CFET	Consolidated Fund for East Timor	NGO	Non-Government Organisation
CIDA	Canadian International Development Agency	NZ	New Zealand
CISPE	Civil Service and Public Employment	OS	Overseas
CivPol	United Nations Civilian Police	PBC	Public Broadcasting Corporation
CoM	Council of Ministers	PBS	Portfolio Budget Statements
CRA	Communications Regulation Authority	PM	Prime Minister
EAN	Expenditure Authorisation Notes	SEP	Small Enterprises Project
EICBP	Economic Institutions Capacity Building Project	SIGTAS	Standard Integrated Taxation Administration System
EIRP	Emergency Infrastructure Rehabilitation Project	SPU	Special Police Units
EKKN	Elang Kakatua Kakatua North	TA	Technical Assistance
ETDF	East Timor Defence Force	TFET	Trust Fund for East Timor
ETPA	East Timor Public Administration	TVTL	Television Timor Lorosa'e
ETPS	East Timor Police Service	UN	United Nations
TLRS	Revenue Service of Timor-Leste	UNDP	United Nations Development Programme
FTP	First Tranche Petroleum	UNHCR	United Nations High Commission for Refugees
FUP	Fundacao das Universidades Portuguesas	UNICEF	United Nations Children's Fund
GDP	Gross Domestic Product	UNTAE	United Nations Transitional Administration in East Timor
GNR	Guarda Nacional Republica	T	
GPSM	Governance and Public Sector Management	WB	World Bank
HR	Human Resource	WFP	World Food Programme
HRM	Human Resource Management	WHO	World Health Organisation
		WoG	Whole of Government

