

**Proposed Law no. 38/V 4<sup>th</sup>**

**First amendment to Law no. 1/2022, of January 3, State Budget for 2022, second amendment to Law no. 8/2008, of June 30, Tax Law, and creation of the National Liberation Combatants Fund**

**Explanatory Memorandum**

Under section 97.1(c) and section 115.2(a) of the Constitution of the Democratic Republic of Timor-Leste, the Government proposes to the National Parliament a draft law to approve the first amendment to Law No. 1/2022, of January 3, the General State Budget for 2022.

The General State Budget for 2022 was prepared in a scenario marked by the prospect of a slowdown in the COVID-19 pandemic and an improvement in the economic situation.

In fact, the implementation of the vaccination programs against COVID-19 worldwide, and the emergence of less severe variants of the virus, resulted in a substantial reduction in fatalities and allowed most countries to lift the restrictions imposed because of the pandemic.

This situation justified a relative optimism about the growth of the world and national economy, supported by the estimates of the principal international financial institutions.

However, reality turned out to be less positive than expected.

The strong increase in demand as a result of the general lifting of restrictions imposed because of the pandemic was not accompanied by an increase in supply, which confronted several logistical problems to meet the increased demand, thus causing the inflation rate to rise to record levels in this century.

This increase was further aggravated as a result of the invasion of Ukraine by the Russian Federation, and the subsequent sanctions imposed, especially on food and fuel, of which these two countries are major exporters.

In Timor-Leste, this situation jeopardized the economic recovery after nearly five years of recession and low growth caused by political instability.

In 2021, Timor-Leste returned to economic growth, with the Gross Domestic Product rising 1.5%, after a contraction of 8.6% in 2020.

The deep recession of 2020, as a result of the political and governmental instability that forced the Timorese state to operate under the duodecimal regime for about 10 months, the COVID-19 pandemic that forced the introduction of a set of restrictive measures, and the disastrous consequences of the natural disasters that struck the national territory, contributed to the retreat of more than seven years of gross domestic product, and to dilute years of progress in reducing poverty and income inequality.

After two years of the pandemic, more than 40% of poor families continue to suffer the consequences of precarious living conditions, the prevalence of malnutrition, food insecurity, and serious learning, income, and job losses, and women, young people, and less qualified and informal workers are the most affected.

Due to underinvestment in human capital, Timor-Leste's Human Capital Index, an index developed by the World Bank in 2018 to measure capital lost to lack of education and health, in 2020 was 0.454, the lowest among ASEAN countries.

These prolonged job losses, precarious housing, disruptions to learning in schools, and increased malnutrition will have long-lasting consequences on the productivity of current and future generations.

Therefore, it is necessary to introduce complementary mitigation measures to realize the key human capital outcomes that we want to achieve for a more prosperous Timor-Leste and to ensure that the economic recovery is not jeopardized by the unfavorable international environment.

*Unofficial translation by La'o Hamutuk*

To this end, following the cash transfers made in the last two years, which have had a substantial positive impact on household income and nutrition, a thirteenth month payment of \$200 is planned for all national households (with the exception of civil servants who already receive this benefit).

It is foreseen the creation of the National Liberation Fighters Fund, guaranteeing the adequate financing of support programs for the National Liberation Fighters, namely in the areas of social support, education, health, employment, access to credit and income generating activities.

An extension of the UKL+ program is also foreseen, which provides construction material, especially waterproof roofing, to the population, for housing renovation, resulting in a concrete improvement in the living conditions of the neediest population.

To promote the qualification of young people and the continuation of their studies, a scholarship is established for the best students in primary and secondary education, which will cover more than 3,000 young people, and adequate funding is provided to create a recruitment program for the best students in the national universities, to ensure internet in all schools and universities and to support home schooling.

The proposal also provides funding for the increase in remuneration resulting from the new salary scheme of the National Police of Timor-Leste, approved earlier this year, as well as for the payment of housing subsidies to the National Police of Timor-Leste and FALINTIL, the Defense Forces of Timor-Leste.

It is also foreseen funding for the creation of the Secretariat of State for the Affairs of Workers Abroad, to enable the adequate monitoring and support of Timorese workers abroad who contribute substantially to the national economy by sending remittances.

A budget is foreseen to support the planting of coffee to increase the harvest yield and allow an improvement in the condition of farmers of this national reference product.

It is also foreseen funding for the construction of the martial arts headquarters, giving conditions for this sport and social activity to develop in a healthy and safe environment.

Finally, the proposal provides funds for additional financing for the Administrative Posts.

Along with the expenditures, the proposal changes the rates of Excise Tax for various unhealthy or luxury products, which will help offset the increased expenditure and eventually reduce the amount of transfers from the Petroleum Fund.

**Justification for the request for priority and urgency**

The present draft law is presented with a request for priority and urgency, pursuant to Article 97 of the Rules of Procedure of the National Parliament of the Democratic Republic of Timor-Leste.

The rapid deterioration of the international economic situation and the substantial increase in the inflation rate requires the immediate adoption of the proposed measures to mitigate its impact on the economy, preserve jobs and help the most vulnerable people and families.

The delay in the discussion and approval of this draft law, at a time when several countries have already quickly approved measures in the same direction, may mean that Timor-Leste is particularly affected by the deterioration of the international economic situation and the substantial increase in the rate of inflation.

Therefore, it is of utmost importance that the discussion and approval of this draft law can take place as soon as possible, and that the benefits resulting from the proposed expenditures can be felt by the population as soon as possible.

Thus, the Government presents to the National Parliament, under Article 97.1(c) and Article 145.1 of the Constitution of the Republic, with a request for priority and urgency, the following Proposed Law:

Law No. \_\_\_\_/\_\_\_\_,  
de \_\_\_\_ de \_\_\_\_

**First amendment to Law no. 1/2022, of January 3, General State Budget for 2022, second amendment to Law no. 8/2008, of June 30, Tax Law, and creation of the National Liberation Combatants Fund**

The General State Budget for 2022 was approved by Law no. 1/2022, January 3.

Taking into account the international economic situation and the substantial increase in the inflation rate, it is necessary to adopt measures to mitigate its economic impact, providing the budgetary appropriations to finance these measures.

Thus, tables I, II and III of the Annex to Law No. 1/2022, January 3, are amended, increasing the appropriation under the heading Appropriations For Whole of Government, compensated by an increased transfer from the Petroleum Fund.

The rates of Excise Tax are amended for various products harmful to health or luxury, which will help offset the increase in expenditure and possibly reduce the amount of the transfer from the Petroleum Fund.

And, the National Liberation Combatants' Fund is created, to ensure the adequate financing of support programs to the National Liberation Combatants, namely in the areas of social support, education, health, employment, access to credit and income generating activities.

The consolidated revenues of the Public Administrative Sector now amount to US \$3,236,717,481, while the consolidated expenses of the Public Administrative Sector now amount to US \$3,236,103,681.

Revenues from Central Government bodies and services now amount to US \$2,989,335,197.

Expenses of the organs and services of the Central Administration shall now total US \$2,989,335,197, divided as follows; according to the economic classification:

- a) US \$250,537,130 for Salaries and Wages;
- b) US \$466,877,382 for Goods and Services;
- c) US \$1,839,829,189 for Public Transfers;
- d) US \$41,914,097 for Minor Capital;
- e) US \$390,177,399 for Development Capital.

The budgets of the Special Administrative Region of Oe-Cusse Ambeno and Social Security are not affected.

The National Parliament enacts, pursuant to Article 95.3(d) and Article 145.1 of the Constitution of the Republic, to take effect as law, the following:

**Chapter I  
INITIAL PROVISIONS**

**Article 1  
Object**

The present diploma approves the first alteration to Law no. 1/2022, of January 3, State Budget for 2022; the second alteration to Law no. 8/2008, of June 30, Tax Law, and proceeds with the creation of the National Liberation Combatants' Fund.

**CHAPTER II  
LEGISLATIVE AMENDMENTS**

**Article 2  
Amendment to Law no. 1/2022, of January 3**

Tables I, II and III of the attachment to Law no. 1/2022, of January 3, are hereby amended according to the wording contained in Annex I to this Law, of which it is an integral part.

**Article 3**

**Amendment to Law no. 8/2003, of June 30**

Annex II to Law no. 8/2008, of June 30, as amended by Law no. 5/2019, of August 27, is hereby amended in accordance with the wording contained in Annex II to this law, of which it is an integral part.

**CHAPTER III**

**NATIONAL LIBERATION COMBATANTS' FUND**

**Article 4**

**Creation of the National Liberation Combatants' Fund**

1. The National Liberation Combatants' Fund, hereinafter designated as FCLN, is hereby created as an autonomous fund, endowed with administrative, financial and patrimonial autonomy.
2. The purpose of the FCLN is to finance support programs for National Liberation Combatants, namely in the areas of social support, education, health, employment, access to credit and income generating activities.
3. The following shall constitute income for the FCLN
  - a) Appropriations allocated to it by the General State Budget;
  - b) Income from assets and financial investments;
  - c) Transfers and donations from national and foreign entities;
  - d) Management balances from previous fiscal years;
  - e) Any other assets, income or revenue attributed to it.
4. The Board of Directors shall be the competent body for managing the FCLN and shall be composed of the Prime Minister, who shall chair it, and the members of the Government responsible for the areas of National Liberation Combatants and finance.
5. The FCLN shall be regulated by decree-law.
6. The decree-law referred to in the previous number shall establish the model for investment of the funds with a view to generating income to ensure its permanence.
7. The member of the Government responsible for the area of finance is hereby authorized to create a budgetary title relating to the FCLN and to transfer to this title the sum of US \$1,000,000,000 from the budgetary allocation inscribed in the category "Public Transfers" of the title "Whole of Government Appropriations", "Program AA7: Complementary Budgetary Measures", as well as to make all budgetary alterations necessary to apply this sum to expenditure.

**CHAPTER IV**

**FINAL PROVISIONS**

**Article 5**

**Entry into force**

The present law enters into force the day after its publication.

Approved by the Council of Ministers on April 26, 2022.

The Prime Minister,  
/s/  
Taur Matan Ruak

The Minister of Finance  
/s/  
Rui Augusto Gomes

**Annex I**  
(referred to in article 2)

Table I – Revenues and expenditures of the Public Administrative Sector

| Category                        | Value         |
|---------------------------------|---------------|
| Global revenue                  | 3,308,799,641 |
| Consolidated global revenue     | 3,236,717,481 |
| Central Administration          | 2,989,335,197 |
| [...]                           | [...]         |
| [...]                           | [...]         |
| Global Expenditure              | 3,308,186,041 |
| Consolidated Global Expenditure | 3,236,103,681 |
| Central Administration          | 2,989,335,197 |
| [...]                           | [...]         |
| [...]                           | [...]         |

[...]

Table II - Revenues of Central Administration Organs and Services

| Line  | Category   | Value                |
|-------|--|----------------------|
|       | <i>Petroleum revenues</i>                          | 2,441,244,517        |
| 1     | Transfers from the Petroleum Fund                  | 2,441,244,517        |
|       | [...] [...]  | [...]                |
| [...] | Transfer in excess of Estimated Sustainable Income | 1,887,166,941        |
| [...] |  | [...]                |
|       | <b>TOTAL</b>                                       | <b>2,989,335,197</b> |

Table III – Expenditures of Central Administration Organs and Services

| Title<br>Program                             | Categories          |                  |                      |               |                     | Total                |
|--|---------------------|------------------|----------------------|---------------|---------------------|----------------------|
|  | Salaries & benefits | Goods & services | Public Transfers     | Minor Capital | Development Capital |                      |
| [...]  |                     |                  |                      |               |                     |                      |
| <b>Whole of Government expenditures</b>      | 5,600,000           | [...]            | 1,343,839,610        | [...]         | [...]               | 1,413,900,930        |
| [...]  |                     |                  |                      |               |                     |                      |
| <i>AA7: Complementary budgetary measures</i> | 5,100,000           | 0                | 1,124,757,250        | 0             | 0                   | 1,129,857,250        |
| [...]  |                     |                  |                      |               |                     |                      |
| <b>TOTAL</b>                                 | <b>250,537,130</b>  | [...]            | <b>1,839,829,189</b> | [...]         | [...]               | <b>2,989,335,197</b> |

**Annex II**  
(referred to in article 3)

EXCISE TAX

1. [...]

| <b>Heading of the Harmonized System of Classification</b> | <b>General Description of Goods</b>  |  |
|---|--|--|
| 1701-1704   | Sugars and sugar confectionery   | US\$ 1.00 per kilogram   |
| 2202  | Waters, including mineral waters and aerated and carbonated waters, containing added sugar or other sweetening, or flavored and other non-alcoholic beverages, not including fruit or vegetable juices of heading 20.09. | US\$ 3.00 per liter  |
| 2203.00.10  | Malt beer with alcohol content of less than 4.5%   | US \$2.70 per liter  |
| 2203.00.20  | Malt beer with other alcohol content   | US \$5.00 per liter  |
| 2204-2206   | Wine, vermouth and other fermented beverages (for example, cider, perada)  | US \$5.00 per liter  |
| 2207, 2208  | Ethyl Alcohol (undenatured) and other alcoholic beverages  | US \$12.00 per liter   |
| 2401-2403   | Tobacco and other tobacco products   | US\$ 80.00 per kilogram  |
| 2710  | Gasoline, diesel, and other petroleum products   | US \$0.06 per liter  |
| 8703  | Light passenger cars whose value exceeds US \$10,000   | 30% of the value exceeding US \$30,000<br>35% of the value exceeding US \$30,000 |
| 9301-9307   | Arms and ammunition  | 200% of the value  |
| 9303.90.00  | Captive bolt guns for killing animals  | 10% of the value   |
| 9613  | Lighters for smokers   | 12% of the value   |
| 9614  | Pipes for smokers  | 12% of the value   |
| 9706  | Pleasure boats and private aircraft  | 20% of value   |

2. [...]

3. [...]

Prime Minister (letterhead)

**Issue: Justification for a transfer from the Petroleum Fund above the Estimated Sustainable Income in the propose law for the Supplementary State Budget Law for 2022**

Excellency,

In compliance with the provisions of Article 9.1(d) of Law No. 9/2005 of 3 August, the Petroleum Fund Law, as amended by Law No 12/2011 of 28 September and Law no. 2/2022, of 10 February, I am submitting to Your Excellency the justification on which reasons that lead me to consider as being in the interest of Timor-Leste, in the long term, to transfer an amount greater than the Estimated Sustainable Income from the Petroleum Fund.

I also present to Your Excellency, for consideration and approval by the National Parliament, the Draft Law on the Supplementary State Budget for 2022, which is presented with a request for priority and urgency, under the terms of Article 97 of the Rules of Procedure of the National Parliament of the Democratic Republic of Timor-Leste.

In the last two years we have seen one of the greatest global crises of this century, driven by the emergence of the COVID-19 pandemic.

The impact of the pandemic has threatened the economic and social gains achieved over the past two decades by our young nation.

In 2021, Timor-Leste returned to economic growth, with Gross Domestic Product rising 1.5%, after a contraction of 8.6% in 2020.

However, after two years of pandemic and a deep economic crisis, more than 40% of poor families continue to suffer the consequences of precarious living conditions, the prevalence of malnutrition, food insecurity and severe losses of learning, income and employment, where women, youth, less skilled and informal workers are the most affected.

In addition, the invasion of Ukraine by the Russian Federation has jeopardized economic recovery and caused a substantial increase in the price of products, especially food and fuel, of which these two countries are major exporters.

We must ensure the continuity of economic recovery through a series of investments in our citizens, their training, and their well-being.

This will require a transfer from the Petroleum Fund above the Estimated Sustainable

Excellency,

The withdrawal above the Estimated Sustainable Income from the Petroleum Fund, which is submitted for consideration, is aimed primarily at ensuring social support to families, especially the neediest, to the youth and to the National Liberation fighters, to allow the desired social the desired social development of our country.

In particular, following the monetary transfers made in the last two years, which have had a substantial positive impact on family income and nutrition, it is planned to pay a thirteenth month to all national families (with the exception of civil servants who already receive this benefit), in the amount of US\$200.

*Unofficial translation by La'o Hamutuk*

It is also foreseen the creation of the National Liberation Combatants Fund, guaranteeing the adequate financing of programs to support the National Liberation Combatants in the areas of social support, education, health, employment, access to credit and credit generating activities.

An extension of the UKL+ program is envisaged that provides construction material, in waterproof roofs, to the population, for housing renovation, resulting in a concrete improvement in the living conditions of the most needy population.

And it is foreseen to award scholarships to the best students in primary and secondary education, and to create an employment program for the best university students.

Excellency,

Based on the grounds presented above, we submit for the consideration of the National Parliament the approval of a withdrawal from the Petroleum Fund that exceeds 3% of the Estimated Sustainable Income.

In this regard, I attach the Report of the estimated amount that will be reduced from the Estimated Sustainable Income of subsequent fiscal years, due to the transfer from the Petroleum Fund of from the Petroleum Fund of an amount [\$2,441,244,517] greater [by \$1,887,166,941] than the Estimated Sustainable Income and the Independent Auditor's Report certifying the estimates of reduction of the Estimated Sustainable Income, required by Article 9(b) and (c) of the Petroleum Fund Law.

Conscious of the attention, merit and acceptance of Your Excellency Mr. President, I take this occasion to present the protests of my highest consideration.

/s/

Taur Matan Ruak

Prime Minister

| Budget Year | Value of the ESI in the following budget years if, in 2022, a withdrawal greater than the ESI | Value of the ESI in the following budget if, in 2022, a withdrawal equal to the ESI | Reduction of ESI |
|-------------|---|---|------------------|
| 2023        | 493,776,819   | 551,099,514   | (57,322,095)     |
| 2024        | 491,123,010   | 548,137,596   | (57,014,585)     |
| 2025        | 488,483,223   | 545,191,356   | (56,708,133)     |
| 2026        | 485,857,626   | 542,260,953   | (56,403,327)     |
| 2027        | 483,246,141   | 539,346,300   | (56,100,159)     |
| 2028        | 480,648,693   | 536,447,314   | (55,798,621)     |
| 2029        | 478,065,207   | 533,563,909   | (55,498,702)     |
| 2030        | 475,495,606   | 530,696,003   | (55,200,397)     |
| 2031        | 472,939,817   | 527,843,512   | (54,903,695)     |
| 2032        | 470,397,766   | 525,006,354   | (54,608,588)     |

The calculations were performed by technical experts from the Ministry of Finance, based on the rules set out in Annex I of the Petroleum Fund Law.

In accordance with Article 9.1(c) of the Petroleum Fund Law, the Independent Auditor must certify the estimates of the reduction of the Estimated Sustainable Income,

I attach the certification report.

Without further ado, please accept the assurances of my highest esteem and consideration.

/s/ Rui Augusto Gomes, Minister of Finance



## Introduction

The State Budget for 2022 was approved by Law no. 1/2022, of 3 January, and was prepared in a scenario marked by the prospect of a slowdown of the COVID-19 pandemic and the improving economic situation.

The implementation of the worldwide COVID-19 vaccination programs and the emergence of less severe variants of the virus, resulted in a substantial reduction in fatalities and allowed most countries to lift the restrictions imposed because of the pandemic, which pandemic, which justified a relative optimism about the growth of the world and national and national economy.

The estimates published in the last quarter by the main international financial institutions pointed to international financial institutions pointed to robust growth in the world economy.

However, reality turned out to be less positive than expected.

The strong increase in demand as a result of the widespread lifting of restrictions imposed because of the pandemic was not matched by an increase in supply, which was faced with several logistical problems to meet the increased demand, thus causing the substantial increase in the inflation rate to the highest level in this century.

This increase was further aggravated as a result of the Russian Federation's invasion of Ukraine and the subsequent sanctions imposed, particularly on food and fuel, which fuel, of which these two countries are major exporters.

## Economic Outlook

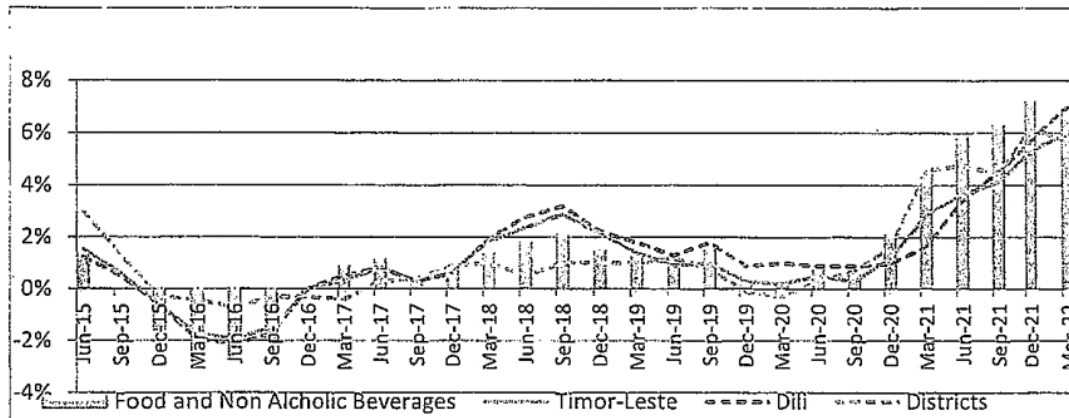
### Inflation

The inflation rate of Timor-Leste in the first quarter of 2022 showed a strong increase, with the homologous inflation, in March 2022, reaching 6.0%.

These values are in line with the inflationary trends observed around the world.

The IMF forecasts world inflation rates of 6.7% and 4.1% in 2022 and 2023, respectively, while inflation for emerging and developing economies is expected to be 8.5% and 5.6%.

**Figure 1: Consumer Price Index (CPI) in Timor-Leste 2014-2021 %.**



Source: Ministry of Finance, April 2022

Due to the significant weight of food and non-alcoholic beverages in the CPI (consumer price index) basket and the high proportion of food imported by Timor-Leste, international food prices continue to be one of the main drivers of the inflation rate.

The World Bank's global index of food prices increased 27% in the first quarter of 2022, with rice rising 6% in the same period. This will have negative consequences for the poorest families, where staple foods constitute a major part of their expenses.

Core inflation in Dili was 7.0%, which is slightly higher than inflation in the other municipalities, which increased by 5.2% in the same period. The CPI categories with the largest increases were "Alcohol and Tobacco" which increased by 18.4% and "Transport" which grew 8.0%, probably due to the recent increase in excise taxes and international oil prices, respectively. Oil prices increased 54% in the first quarter 2022 as a result of the conflict in Ukraine.

A slight depreciation of -0.7% of the real effective exchange rate REER [weighted average of a country's currency against an index or basket of other major currencies) will make imports slightly more expensive and increase inflationary pressures.

The inflation outlook should stabilize after 2023, as world oil prices should ease in the meantime.

**Table 1: Inflation projections 2022-2024**

| Summary   | Actual | Forecast |      |      |
|-----------|--------|----------|------|------|
|           | 2021   | 2022     | 2023 | 2024 |
| Inflation | 3.8%   | 6.7%     | 3.0% | 3.0% |

Source: Ministry of Finance, April 2022

### Impact of the Supplementary Budget on GDP and Budget Sustainability

In 2020, real non-oil GDP had a negative growth of 8.6% due to the combined effect of the delayed approval of the State Budget, political uncertainty, the COVID-19 pandemic and the State of Emergency.

In 2021 positive growth returned, despite the impact of flooding and continued confinement as a result of the COVID-19 pandemic, with preliminary estimates pointing to GDP growth of 1.5%.

**Table 1: Real GDP (non-oil), 2020-2022, %.**

| Indicator          | Actual | Forecast |        |       |        |
|--------------------|--------|----------|--------|-------|--------|
|                    | 2020   | 2021*    | 2021** | 2022* | 2022** |
| Real GDP (non-oil) | -8.6%  | 1.6%     | 1.5%   | 2.7%  | 2.9%   |

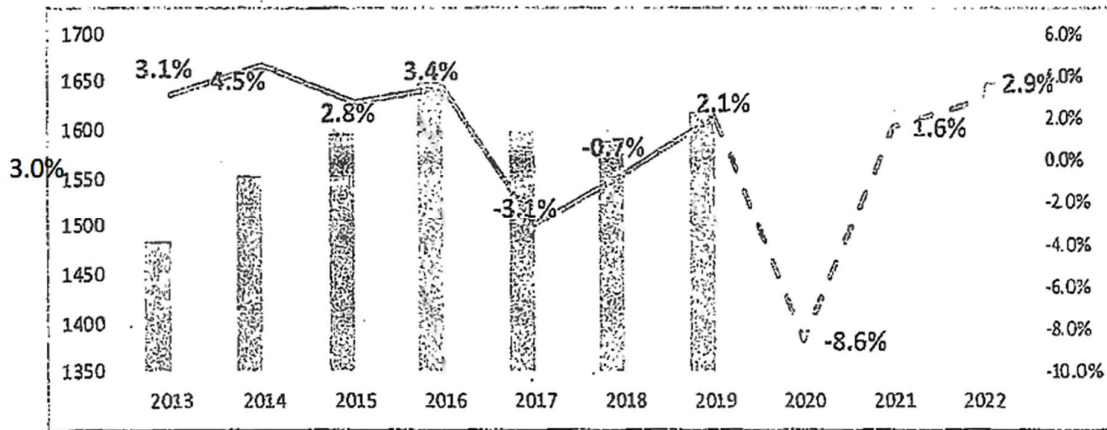
Source: Ministry of Finance, April 2022. \*2022 budget forecast (Jan 2022) \*\*Updated forecast (Apr 2022)

Global expenditure for the Public Administrative Sector in 2022 will increase by US\$1,129,857,250 as a result of the supplementary budget.

This additional increase in the budget ceiling should generate only a 0.2% increase in GDP (from 2.7% to 2.9%) compared to the January forecast.

This is because execution tends to be lower for higher budgets, so the assumptions around execution have been adjusted downward, and because a larger budget tends to cause an increase in imports which has a negative impact on GDP.

Figure 2: Real GDP (non-oil), 2013-2022, %.

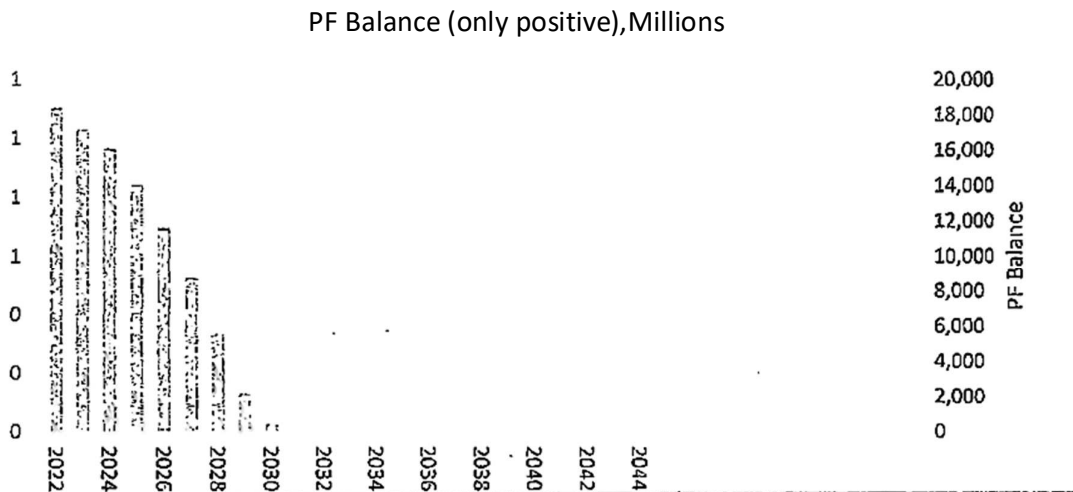


Source: Ministry of Finance, April 2022. The years 2021 and 2022 are projections.

As a result of the approval of the General State Budget for 2022, it was estimated in January that the Petroleum Fund would end in 2032.

Following the increase in overall expenditure in the Public Administrative Sector provided for in the supplementary budget, the Petroleum Fund is expected to end one year earlier than previously projected, i.e. in 2031.

Figure 3: Petroleum Fund Balance



Source: Ministry of Finance, April 2022

**New measures**

The proposed amendment to the General State Budget for 2022 provides the budget appropriations for the following measures:

- US \$70.0 million for a thirteenth month payment to all national households (with the exception of civil servants who already receive this benefit), in the amount of \$200, to be made in December;
- US \$1,000.0 million for the creation of the National Liberation Combatants Fund, guaranteeing adequate financing of support programs for National Liberation Combatants, namely in the areas of social support, education, health, employment, access to credit and income generating activities;

*Unofficial translation by La'o Hamutuk*

- US \$19.1 million to extend the UKL+ program which provides construction material, especially waterproof roofing, to the population to renovate their homes, resulting in a concrete improvement in the living conditions of the neediest population;
- US \$7.5 million scholarships for the best students in primary and secondary education, which will cover more than 3,000 young people;
- US \$0.4 million for creating a recruitment program for the best students at national universities;
- US \$1.0 million to guarantee internet in all schools and universities
- US \$2.1 million and to support home schooling;
- US \$5.1 million to fund the pay increase resulting from the new salary regime for the National Police of Timor-Leste, approved at the beginning of the year;
- US \$1.9 million for the payment of housing subsidies to the National Police of Timor-Leste and FALINTIL, the Defense Forces of Timor-Leste;
- US \$0.5 million for the creation of the Secretariat of State for the Affairs of Workers Abroad to allow for adequate monitoring and support to Timorese workers abroad who contribute substantially to the national economy through remittances;
- US \$6.4 million for support to coffee planting to increase crop yields and allow for an improved condition of farmers of this national flagship product;
- US \$2.6 million for the construction of the martial arts headquarters, providing conditions for this sport and social activity to develop in a healthy and safe environment;
- US \$7.2 million for the supplementary financing of the Administrative Posts.

The increase in spending is concentrated in the increase of the Whole-of-Government Appropriation through the creation of a new budget program "AA7: Complementary Budget Measures."

The amounts of the Whole of Government Appropriation in the 2022 State General Budget is US \$284,043,680. The proposed amendment to the State Budget for 2021 increases allocations in the Whole of Government Appropriation by US \$1,129,857,250, to US \$1,413,900,930.

Thus, the expenditure of Central Government bodies and services will now amount to US \$2,989,335,197, divided into US \$250,537,130 for Salaries and Wages, US \$466,877,882 for Goods and Services, US \$1,839,829,189 for Public Transfers, US \$41,914,097 for Minor Capital, US \$390,177,399 for Development Capital.

Thus, the consolidated expenditure of the Public Administrative Sector now amounts to US \$3,236,335,197.

This increase in expenditure is financed by an increase in the transfer from the Petroleum Fund above the Estimated Sustainable Income of US \$1,129,857,250.

Thus, the total amount of the Transfer in excess of the Estimated Sustainable Income becomes US \$1,887,166,941, and the total transfer from the Petroleum Fund becomes US \$2,441,244,517.

The revenues of the Central Government Agencies and Services amount to US \$2,989,335,197.

And, finally, the consolidated revenues of the Public Administrative Sector amount to US \$3,236,717,481.

The budgets of the Special Administrative Region of Oe-Cusse Ambeno and Social Security are not affected by the amendment to the General State Budget for 2022.