



OVERVIEW OF THE GOVERNMENT PROGRAM AND STRATEGIC PRIORITIES MOVING FORWARD: TO ACHIEVE MACROECONOMIC TARGETS

Presented by:
Jose Alexandre de Carvalho
Director-General of Planning and Budget Ministry
of Finance (MoF)

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PURPOSE OF THIS PRESENTATION

1

Government
Program General
Overview

2

Macroeconomic
Targets and Progress
(2023-2028)

3

Strategic Priorities
Moving Forward

DEVELOPMENT SECTOR BASED ON GOVERNMENT PROGRAM

I. REAFFIRMATION OF DEMOCRATIC RULE OF LAW



II. Social Capital Dev.



III. Infrastructure Dev.



IV. Economy Dev.

V. Strengthening the Consolidation of Government

VI. Promote Good Governance & Fighting Corruption

Government Program Goals / Long-Term Outcomes

Social Capital Development

A just and developed nation with empowered, healthy, educated, inclusive, and resilient citizens contributing effectively to sustainable national development and poverty reduction.

Infrastructure Development

Improved socio-economic conditions, reduced poverty, and sustainable national development through accessible, quality, and resilient infrastructure.

Economy Development

Sustained economic growth, diversified economy, increased employment opportunities, poverty reduction, and enhanced livelihoods and well-being for all Timorese citizens.

Cont... Government Program Goals / Long-Term Outcomes

Strengthening the Consolidation of Government

Effective, transparent, accountable, and sustainable governance fostering macroeconomic stability, financial sector development, and responsible public financial management to support Timor-Leste's economic growth, diversification, job creation, and poverty reduction.

Good Governance and Fighting Corruption

Transparent, accountable, and effective governance established, reducing corruption, enhancing public trust, and delivering efficient, equitable, and quality public services to all citizens.

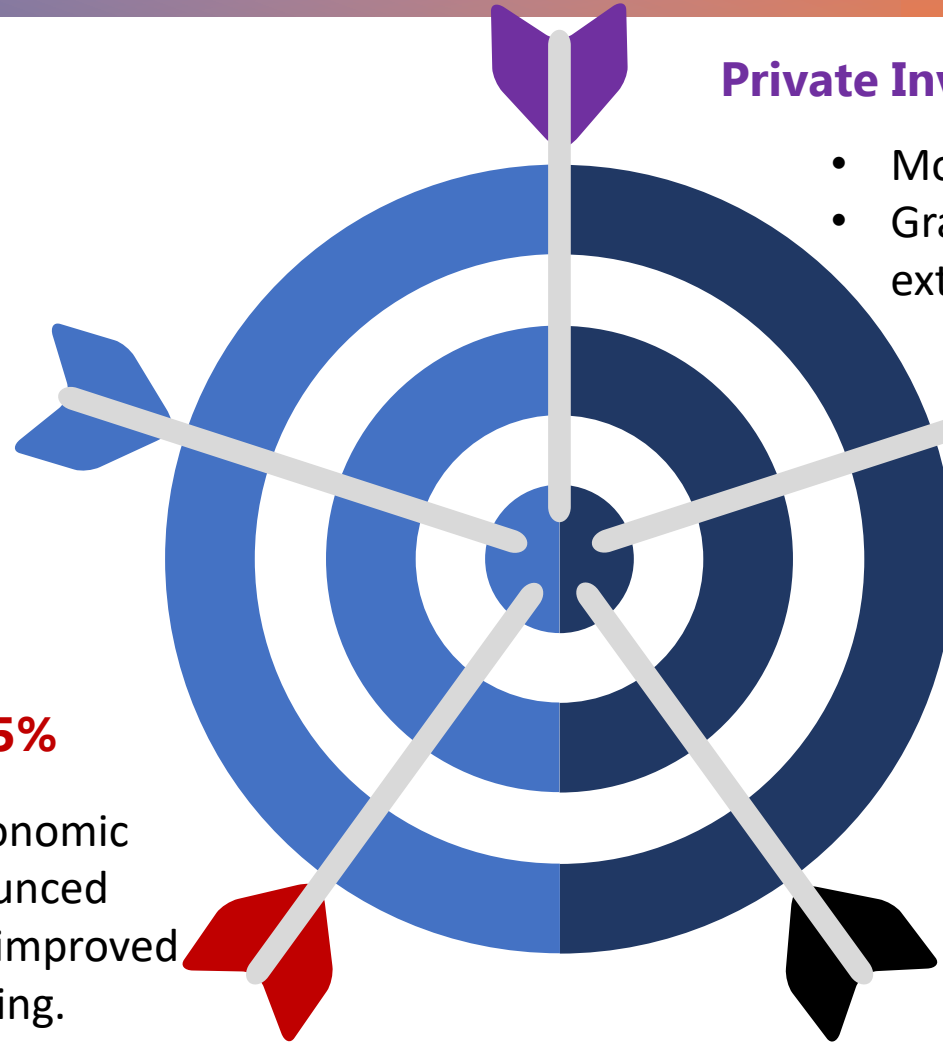
Macroeconomic Targets & Progress (2023-2028)

Poverty - reduced by 10%

- Progress on poverty will become clearer once the 2024 Living Standards Survey is published.

Economic Growth - average 5%

- After falling to 2.4% in 2023, economic growth is forecasted to have bounced back to 4.1% in 2024, following improved execution of government spending.
- However, this remains below target.



Private Investment – increase 10% pa

- MoF modelling suggests that this is on track.
- Gradual recovery with +33% growth in credit extended to private sector.

Inflation Rate – stable rate $\leq 4\%$

- Inflation rates rose during COVID and stayed high in 2023 due to new consumption taxes and higher import duties. Inflation has stabilised in 2024 and remained at target levels.

Employment – job creation

- Latest employment numbers, published in the Census, show that the unemployment rate is low (2.9%) but so is labour force participation (35.9%)

Strategic Priorities Moving Forward

Priority

Key Actions & Strategies

Opportunities for Partner Alignment

Economic Diversification

- Develop priority sectors (agriculture, tourism, fisheries, light manufacturing).
- Promote value addition and export-oriented industries (e.g., agro-processing, coffee, handicrafts).
- Advance regional trade integration (ASEAN, WTO accession).

- Sectoral programs (agriculture, tourism)
- Value-chain development, SME support co-financed.
- TA for trade facilitation and quality certification.

Job Creation

- Implement National Employment Strategy, focusing on youth.
- Expand TVET linked to labor market needs.
- Promote public works, internships, and apprenticeships.

- Support for TVET and skills development
- Youth entrepreneurship programs.
- Labor-intensive public works funding.

Private Sector Development

- Simplify business licensing and regulations.
- Expand access to finance (SME loans, credit guarantees).
- Strengthen entrepreneurship and investment promotion
- Register and Issue Land Titles

- TA for legal/regulatory reforms.
- SME finance and business advisory support.
- Incubators and mentorship initiatives.
- Justice Reform

Infrastructure for Growth

- Invest in transport, energy, water, sanitation systems.
- Expand digital infrastructure for e-economy.
- Ensure asset maintenance and climate resilience.

- Co-financing of infrastructure.
- Investments in water/sanitation.
- Support for renewable energy and connectivity.

Macro-Fiscal Reform & Revenue Diversification

- Implement VAT and broaden the tax base.
- Strengthen PFM systems and transparency.
- Maintain Petroleum Fund sustainability and prudent debt management.

- TA for tax policy, PFM reform.
- Budget support linked to fiscal governance.
- Capacity building in financial management.

CASCADING PRIORITIES – FROM GOVERNMENT PROGRAM TO AAPS AND BUDGETS

Strategic Long-Term National Planning (6 to 20 Years): Strategic Development Plan (SDP 2011-2030)

Medium-Term Planning Framework (5 Years): **Government Five-Year Program** & Sub-Sector Medium-Term Strategic Plans

Institutional Annual Action Plan / AAP
(Program-based budgeting: outputs, activities, indicators, and targets.)

Annual State Budget
(Structured by programs, sub-programs, and activities)

ROLE OF IMCCS AND CRF IN COORDINATION



IMCCs: Facilitate alignment across sectors and ministries.



CRF: Unified outputs and indicators across government and partners.



Promote shared progress tracking and reduce duplication.

Thanks You