



## SPOKESPERSON V CONSTITUTIONAL GOVERNMENT



**MEDIA  
RELEASE**

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### **2012 Rectified Budget presented to National Parliament**

The Fifth Constitutional Government is presenting the Rectified Budget to the National Parliament of Timor-Leste, according to their five-year program aligned to the Strategic Development Plan 2011-2030.

Six new ministries have been created including the Ministry of Commerce, Industry and Environment, the Ministry of Petroleum and Minerals and the Ministry of Tourism. Given the Government's policy of frontloading infrastructure spending to boost economic growth, the Government's agenda has required the Ministry of Infrastructure to be segmented for faster and more efficient oversight and management. The Ministry of Public Works and the Ministry of Transport and Communications are now independent Ministries with well-defined mandates and responsibilities to improve project implementation, value for money and accountability.

The structure of the Fifth Constitutional Government also includes key new Secretaries of State and offices, including: a) Secretary of State for Parliamentary Affairs; b) Secretary of State to Support the Promotion of the Private Sector c) Secretary of State for Institutional Strengthening and d) the Secretary of State for Social Communication.

A new Ministry of State for the Presidency of the Council of Ministers will provide direct support to the Prime Minister on policy coordination, policy formulation, and overseeing implementation across Government.

The 2012 Rectified Budget does not propose any change in the financing of the budget, which means that the estimates of domestic revenue, the Estimated Sustainable Income (ESI), excess withdrawals, and the use of the cash balance and loans remain unchanged in financing the budget.

Of the \$50 million proposed in the Rectified Budget, \$26.9 million is to pay pensions for war veterans. \$7.1 million has been allocated for old age pensions. The bulk of the remainder is for security, water, school rehabilitation, religious and civil society groups, machines and equipment, external auditors and administrative expenditures, with these allocated between one and three million US dollars. In total there are fourteen line items providing minimal impact or changes to the 2012 General State Budget.



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Because this rectification budget does not alter the overall amount of expenditure in the state budget or how this expenditure is paid for, the Government does not expect the 2012 Rectified Budget to have any significant impact on fiscal sustainability, economic growth or inflation in the short term but does intend to have significant impact on more efficient governance for service delivery to benefit the People of Timor-Leste.

The Minister of State and the Presidency of the Council of Ministers Ágio Pereira noted “The Rectified Budget process is an example of a smooth, responsible and expedited transition with no disruption to service delivery or the original 2012 fiscal envelope. This is a good sign of the professionalization of our administration and that our statebuilding process is on a firm trajectory towards long term consolidation.”

**ENDS**



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