TIMOR-LESTE PUBLIC EXPENDITURE REVIEW

Changing Course: Towards Better and More Sustainable Spending

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Despite Remarkable Human Development Outcomes...

Life expectancy
- 2002: 61
- 2018: 69

Maternal mortality (per 100,000 lives births)
- 2016: 195
- 2002: 668

Infant mortality (per 1000 live births)
- 2019: 38
- 2002: 77

Adult literacy rate (percent)
- 2001: 38
- 2018: 68

Mean years of schooling (years)
- 2002: 2.9
- 2018: 4.5
Almost half of children under five are stunted.

Enrollment rates in pre-school is among the lowest observed globally.

There are large disparities in health outcomes observed across geographies and socioeconomic strata.

About 31 percent of the students* were not able to identify a single word at the end of grade 2.

*2017 Early Grade Reading Assessment carried in four municipalities.
Fiscal sustainability is a key medium-term concern.

Figure 1: Budget Forecast – Business as Usual (BAU) Scenario (in USD million)

Figure 2: Petroleum Fund Balance (BAU Scenario) (in USD million)
Timor-Leste is at an historic juncture

Reforms are urgently needed to increase domestic revenue.

It is important to improve the quality and efficiency of public spending: a healthy, skilled and educated population is crucial.

Spending growth must shift from recurrent spending to investments for the future: a diversified and inclusive economy.

The time to take action is now.