

	digital entrepreneurship		<input checked="" type="checkbox"/>	<input type="checkbox"/>
	job creation		<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital skills/literacy		<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital services		<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Connectivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Tags: transport		<input type="checkbox"/>	<input type="checkbox"/>
	people2people		<input type="checkbox"/>	<input type="checkbox"/>
	energy		<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity		<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Migration (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line: 14.020132 The Pacific Total estimated cost: EUR 3 million Total amount of EU budget contribution: EUR 3 million			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing³	Direct management through: - Procurement			

1.2. Summary of the action

This Action ensures the continuity of the EU support to the government in the field of Public Finance Management (PFM) reform in Timor-Leste. The Action is included in Priority Area 2 of the Multiannual Indicative Program 2021-2027, "Good Governance for Sustainable Development", which in turn is in line with the government's objectives of the Strategic Development Plan 2011-2030 regarding public sector management and good governance as well as the Economic Recovery Plan 2021-2022 (approved in August 2020).

The rationale behind this support stems from the fact that one of the primary constraints to the country's development lies in the weak capacity of its institutions, which are still in a process of development and consolidation, following the post-independence period. This weakness is particularly evident in the field of public finances and is reflected in the limited capacity of the administration of Timor-Leste to manage public resources effectively and efficiently, with a direct negative effect on the state's capacity to implement their human rights obligations, in particular, it's capacity to deliver quality basic services. The government has affirmed its political will to improve the public finance system, but this has not yet been translated into a concrete action plan. Therefore, this action is based on the project modality, focusing on key reform areas, like

³Art. 27 NDICI.