Economic growth in Timor-Leste gathered momentum in 2022 with a planned rise in government spending, after the resurgence of the coronavirus disease (COVID-19) pandemic and historic floods in 2021. Inflationary pressures have been high with the increase in global food and fuel prices. The prudent and effective use of petroleum revenues to finance investments in human capital, physical infrastructure, and institutions is essential for sustainable growth. ADB has been supporting Timor-Leste since 1999 with a focus on removing infrastructure bottlenecks and institutional constraints to open the way for more sustainable development. ADB’s expanded portfolio is now supporting the government’s efforts toward economic diversification.

ADB and the Government of Timor-Leste signed a $127-million loan in 2022 to help provide safe and reliable water in the capital city, Dili, home to two-thirds of the country’s population. The project will aid the development of climate-resilient infrastructure for water treatment and the creation of a new water network to bring potable water to 36,200 households and commercial establishments. It will also support the key functional operations of the state-owned water services utility, Bee Timor-Leste.

As of October 2023, ADB has committed 79 public sector loans, grants, and technical assistance totaling $751.5 million to Timor-Leste. Cumulative loan and grant disbursements to Timor-Leste amount to $269.28 million. These were financed by regular and concessional ordinary capital resources, the Asian Development Fund, and other special funds. ADB’s ongoing sovereign portfolio in Timor-Leste includes 14 loans and 1 grant worth $575.5 million.

### Timor-Leste: 2022 Commitments ($ million)

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Sovereign</th>
<th>Nonsovereign</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>127.00</td>
<td>–</td>
<td>127.00</td>
</tr>
<tr>
<td>Technical Assistance⁴</td>
<td>6.77</td>
<td>0.04</td>
<td>6.80</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>133.77</strong></td>
<td><strong>0.04</strong></td>
<td><strong>133.80</strong></td>
</tr>
</tbody>
</table>

– = nil, DMC = developing member country, TA = technical assistance.

Notes:
- Commitment is the financing approved by ADB’s Board of Directors or Management for which the legal agreement has been signed by the borrower, recipient, or the investee company and ADB.
- Grants and TA include ADB-administered cofinancing.
- Numbers may not sum precisely because of rounding.
- Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

### Timor-Leste: Cumulative Commitments

<table>
<thead>
<tr>
<th>Sector</th>
<th>No.</th>
<th>Total Amount ($ million)</th>
<th>% of Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Natural Resources, and Rural Development</td>
<td>5</td>
<td>8.11</td>
<td>1.01%</td>
</tr>
<tr>
<td>Education</td>
<td>3</td>
<td>13.50</td>
<td>1.68%</td>
</tr>
<tr>
<td>Energy</td>
<td>5</td>
<td>5.00</td>
<td>0.62%</td>
</tr>
<tr>
<td>Finance</td>
<td>5</td>
<td>4.39</td>
<td>0.55%</td>
</tr>
<tr>
<td>Health</td>
<td>–</td>
<td>2.13</td>
<td>0.26%</td>
</tr>
<tr>
<td>Industry and Trade</td>
<td>1</td>
<td>1.83</td>
<td>0.23%</td>
</tr>
<tr>
<td>Information and Communication Technology</td>
<td>–</td>
<td>0.59</td>
<td>0.07%</td>
</tr>
<tr>
<td>Multisector</td>
<td>4</td>
<td>18.20</td>
<td>2.26%</td>
</tr>
<tr>
<td>Public Sector Management</td>
<td>20</td>
<td>12.62</td>
<td>1.57%</td>
</tr>
<tr>
<td>Transport</td>
<td>32</td>
<td>536.17</td>
<td>66.58%</td>
</tr>
<tr>
<td>Water and Other Urban Infrastructure and Services</td>
<td>12</td>
<td>202.72</td>
<td>25.17%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>87</td>
<td>805.25</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

– = nil, DMC = developing member country, TA = technical assistance.

Notes:
- Grants and TA include ADB-administered cofinancing.
- Includes loans, grants, and TA.
- Using primary sector in the reporting of commitments.
- From 2020, financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.
- Numbers may not sum precisely because of rounding.

ADB’s support to Timor-Leste is focused on building climate-resilient infrastructure and basic services, and strengthening the enabling environment for economic diversification.

Economic growth in Timor-Leste gathered momentum in 2022 with a planned rise in government spending, after the resurgence of the coronavirus disease (COVID-19) pandemic and historic floods in 2021. Inflationary pressures have been high with the increase in global food and fuel prices. The prudent and effective use of petroleum revenues to finance investments in human capital, physical infrastructure, and institutions is essential for sustainable growth. ADB has been supporting Timor-Leste since 1999 with a focus on removing infrastructure bottlenecks and institutional constraints to open the way for more sustainable development. ADB’s expanded portfolio is now supporting the government’s efforts toward economic diversification.

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To date, ADB has committed 79 public sector loans, grants, and technical assistance totaling $751.5 million to Timor-Leste. Cumulative loan and grant disbursements to Timor-Leste amount to $269.28 million. These were financed by regular and concessional ordinary capital resources, the Asian Development Fund, and other special funds. ADB’s ongoing sovereign portfolio in Timor-Leste includes 14 loans and 1 grant worth $575.5 million.

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¹ Sovereign portfolio consists of loans, grants, equity investment, and sovereign guarantee committed and not financially closed. Regional projects with loans/grants to multiple countries are reported separately.
Historically, ADB's portfolio focused on transport projects, with the majority concentrated on the rehabilitation or upgrading of national roads to improve linkages within the country. In 2021, ADB signed a $135-million loan for the expansion of Dili's Presidente Nicolau Lobato International Airport to improve international connectivity and boost trade and tourism. ADB then diversified its loan portfolio in 2021 with its first energy and water and urban services projects. A $47-million loan will bring reliable water services to 62,000 people in the municipal capitals of Lospalos, Viqueque, and Same. A $35-million loan will modernize the power distribution system and enhance access to reliable electricity. The active portfolio also comprises four road projects to rehabilitate or upgrade 337 kilometers of national roads.

ADB is a leading partner for regional cooperation in supporting Timor-Leste’s accession to the Association of Southeast Asian Nations and for membership to the World Trade Organization. ADB is also helping strengthen governance and public financial management in the country. Technical assistance has also been provided across several areas including promoting agriculture livelihoods in coffee and agroforestry, developing gender-responsive judicial systems, and assisting in emergency flood and COVID-19 responses.

Operational challenges. The capacity to design and implement large projects in Timor-Leste is still developing. Project implementation faces systemic, institutional capacity, and coordination challenges. ADB is helping the government plan and implement high-quality investments and reforms, strengthen governmental processes, and develop national systems for public financial management and improved service delivery.

ADB is working closely with the government to ensure that systems are in place for the operation and maintenance of new infrastructure. Sound legal and institutional frameworks are needed to ensure sustainable operations. ADB is providing capacity building support for infrastructure management and public–private partnerships.

**KNOWLEDGE WORK**

ADB has supported capacity development across several of its projects through training and embedded support within the government and other state entities. Knowledge work has been supported on topics such as the analysis of tax capacity, with a focus on the adoption of value added tax for public financial management reforms; e-business registration for private sector development; and food security.

ADB also regularly meets with nongovernment organizations and other donors to share information on projects and knowledge work. ADB has been collaborating with various bilateral and multilateral agencies including the Australian federal government’s Department of Foreign Affairs and Trade, the European Union, the Japan International Cooperation Agency, and the World Bank in various infrastructure and finance-related projects.

<table>
<thead>
<tr>
<th>Item</th>
<th>Goods, Works, and Related Services</th>
<th>Amount ($ million)</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>1.00</td>
<td>0.01</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>0.24</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Cumulative (as of 31 Dec 2022)</td>
<td>29.50</td>
<td>0.01</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Consulting Services</th>
<th>Amount ($ million)</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>0.48</td>
<td>0.07</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>0.25</td>
<td>0.05</td>
<td></td>
</tr>
<tr>
<td>Cumulative (as of 31 Dec 2022)</td>
<td>11.81</td>
<td>0.08</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Total Procurement</th>
<th>Amount ($ million)</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>1.48</td>
<td>0.01</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>0.49</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Cumulative (as of 31 Dec 2022)</td>
<td>41.30</td>
<td>0.02</td>
<td></td>
</tr>
</tbody>
</table>

ANR = agriculture, natural resources, and rural development; EDU = education; PSM = public sector management; WUS = water and other urban infrastructure and services.

<table>
<thead>
<tr>
<th>Consultant</th>
<th>Sector</th>
<th>Contract Amount ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geotechnik Ltd.</td>
<td>TRA</td>
<td>0.08</td>
</tr>
<tr>
<td>CrocfaeK Unipessoal LDA</td>
<td>TRA</td>
<td>0.07</td>
</tr>
<tr>
<td>Primo’s Boot Unipessoal LDA</td>
<td>ANR</td>
<td>0.03</td>
</tr>
<tr>
<td>Individual Consultants</td>
<td></td>
<td>2.03</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>0.11</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2.33</td>
</tr>
</tbody>
</table>

ANR = agriculture, natural resources, and rural development; TRA = transport.
FINANCING PARTNERSHIPS
Financing partnerships enable ADB’s financing partner governments or their agencies, multilateral financing institutions, and private organizations to participate in financing ADB projects. The additional funds provided may be in the form of loans and grants, technical assistance, and nonsovereign cofinancing.

Cumulative cofinancing commitments in Timor-Leste:

- Sovereign cofinancing: $148.82 million for 6 investment projects and $15.38 million for 8 technical assistance projects since 2007

A summary of projects with cofinancing from 1 January 2018 to 31 December 2022 is available at www.adb.org/countries/timor-leste/cofinancing.

FUTURE DIRECTIONS
ADB operations in Timor-Leste are guided by the country partnership strategy (CPS) for Timor-Leste, 2023–2027, approved in July 2022, which provides a strategy for economic recovery, inclusive development, and climate resilience. The new CPS is aligned to Timor-Leste’s Strategic Development Plan, 2011–2030, and 2020 Economic Recovery Plan, as well as ADB’s Strategy 2030.

The ADB program in Timor-Leste will continue to emphasize knowledge systems, innovation, and technical expertise to accompany traditional financial support. The CPS will continue to guide the development of climate-resilient infrastructure, while also supporting the government’s ongoing efforts to diversify and develop a sustainable, non-oil economy through improving the delivery of basic services and strengthening the country’s business environment. The CPS will also guide efforts to diversify into agriculture, education, private sector development, and information and communications technology, and it will continue to support regional cooperation and trade.

Timor-Leste: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2021–2022

| No. of Ongoing Loansa (as of 31 Dec 2022) | 14 |
| Contract Awardsb, c | 0.27 | 6.02 |
| Disbursementsδ | 14.43 | 20.74 |

| No. of Ongoing Grantsa, d (as of 31 Dec 2022) | 1 |
| Contract Awardsb, c, d | 1.00 | 1.00 |
| Disbursementsb, d | 1.15 | (0.00) |

At Risk Projects (%)e (as of 31 Dec 2022) –

- = nil, ( ) = negative, 0.00 = less than $50,000.

Note: Totals may not add up because of rounding.

- Based on commitments.

δ Includes closed loans/grants that had contract awards or disbursements during the year.

e Excludes policy-based, results-based, financial intermediation/credit, CPRO (COVID-19 Pandemic Response Option), and fully administered cofinanced loans and grants.

d Includes only Asian Development Fund and other ADB special funds.

e Covers active projects as of 31 December 2022.


| Total Number of Validated and Evaluated Projects and Programs | Evaluation Ratings |
|---|---|---|---|
| | Highly successful | Less than successful | Unsuccessful |
| Sovereign Operations | 2 | – | 2 | – |
| Nonsovereign Operations | – | – | – | – |

= nil, IED = Independent Evaluation Department.

Note: The numbers indicate sovereign operations in the country that have been validated or evaluated by the IED and their overall performance ratings. The coverage consists of all validated or evaluated project completion reports circulated by ADB within the 10-year period from 1 July 2012 to 30 June 2022. See evaluations related to Timor-Leste.

Source: IED success rate database.

Timor-Leste: Projects Cofinanced, 1 January 2018–31 December 2022

<table>
<thead>
<tr>
<th>Cofinancing</th>
<th>No. of Projects</th>
<th>Amount ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sovereign</td>
<td>5</td>
<td>$1.03</td>
</tr>
<tr>
<td>Grants</td>
<td>3</td>
<td>$0.00</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>2</td>
<td>1.03</td>
</tr>
</tbody>
</table>
**ADB AT A GLANCE**

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty.

It has 68 members—of which 49 are from Asia and the Pacific and 19 outside. ADB headquarters is in Manila, Philippines and has 43 offices around the world, with 3,775 staff from 66 members as of 31 December 2022.

ADB maximizes the development impact of its assistance to its members by providing financing and tailored knowledge solutions through policy dialogue and advisory services, among others. It mobilizes financial resources through cofinancing from official, commercial, and export credit sources.

ADB met strong demand for its assistance in 2022. It unlocked greater resources for its members through the private sector and partnerships. ADB provided financing for climate change mitigation and adaptation initiatives, education quality and access, affordable health care, and more sustainable and climate-resilient food systems. In 2022, 97% of ADB operations contributed to gender equality. ADB fostered greater regional collaboration on issues such as health threats and tax cooperation. ADB also responded to demand for tailored knowledge solutions from its members.

**ADB operations.** In 2022, ADB committed $20.5 billion in loans, grants, equity investments, guarantees, private sector programs, and technical assistance to both the public and private sectors of its borrowing members. ADB bolstered its total support with cofinancing of $11.4 billion.

As of 31 December 2022, ADB’s cumulative commitments in 45 countries stood at $358.4 billion covering 4,189 loans, $12.6 billion in 566 grants, and $5.5 billion in technical assistance grants, including regional technical assistance grants.

In addition to loans, grants, and technical assistance, ADB uses guarantees, equity investments, and private sector programs to help its developing member countries.

**Total commitments in nonsovereign loans, equity investments, and guarantees from ADB’s own funds in 2022 amounted to $11.1 billion for 37 transactions in economic and social infrastructure, finance sector, and agribusiness.**

In 2022, ADB mobilized $1.7 billion of long-term project cofinancing and $5.3 billion of cofinancing through its Trade and Supply Chain Finance Program and Microfinance Program. Total outstanding balances and undisbursed commitments of nonsovereign transactions funded by ADB’s own resources stood at $12.8 billion as of 31 December 2022.

**FINANCING PARTNERSHIPS**

Total sovereign and nonsovereign cofinancing commitments, 2022

- $11.39 billion for 165 projects, of which:
  - $11.2 billion, 75 investment projects,
  - $126.49 million, 87 technical assistance projects,
  - $60 million transaction advisory services mandates for 3 projects.

Cumulative sovereign and nonsovereign cofinancing commitments, 1970–2022

- $151.87 billion for 3,292 projects, of which:
  - $147.81 billion, 1,163 investment projects,
  - $2.92 billion, 2,120 technical assistance projects,
  - $1.13 billion transaction advisory services mandates for 9 projects.

**PROCUREMENT**

**ADB’s Procurement Contracts, 2022**

**Goods, Works, and Related Services**

ADB’s procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations:

- $15.23 billion in 2021
- $16.19 billion in 2022
- $247.06 billion covering 228,149 contracts, cumulative procurement since 1966.

**Consulting Services**

ADB’s procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations:

- $706.65 million in 2021
- $535.61 million in 2022
- $15.45 billion covering 74,995 contracts, cumulative procurement since 1966.

**MORE ABOUT TIMOR-LESTE AND ADB**

**Shareholding and Voting Power**

<table>
<thead>
<tr>
<th>Number of shares held:</th>
<th>1,050 (0.010% of total shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Votes:</td>
<td>40,164 (0.302% of total membership, 0.464% of total regional membership)</td>
</tr>
<tr>
<td>*Overall capital subscription:</td>
<td>$13.97 million</td>
</tr>
<tr>
<td>*Paid-in capital subscription:</td>
<td>$705,000</td>
</tr>
</tbody>
</table>

*United States dollar figures are valued at rate as of 31 December 2022.

**ADB Governor:** Santina José Rodrigues Ferreira Viegas Cardoso
**ADB Alternate Governor:** Vacant
**ADB Director:** Justine Sicat (Philippines)
**ADB Alternate Director:** Noor Ahmed (Pakistan)
**ADB Director’s Advisors:** Ronald Ray San Juan (Philippines) and Erdenetuyn Darinchuluun (Mongolia)

**CONTENTS**

**Timor-Leste Resident Mission (TLRM)**

**Established:** 2000
**Country Director:** Stefania Dina

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Fax: +670 332 4132
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Dili, Timor-Leste
Tel: +670 3339646

**Useful ADB websites**

Asian Development Bank
www.adb.org

Annual Report
www.adb.org/documents/series/adb-annual-reports

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

ADB Data Library
data.adb.org

Notes: (i) Figures are estimated by ADB unless otherwise stated.
*“$” refers to United States dollars. (ii) Data are updated as of 31 December 2022 unless otherwise indicated.

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