



Opinion: 2022 Rectification Budget: Political, Social and Economic Impact Submitted to The plenary of the National Parliament

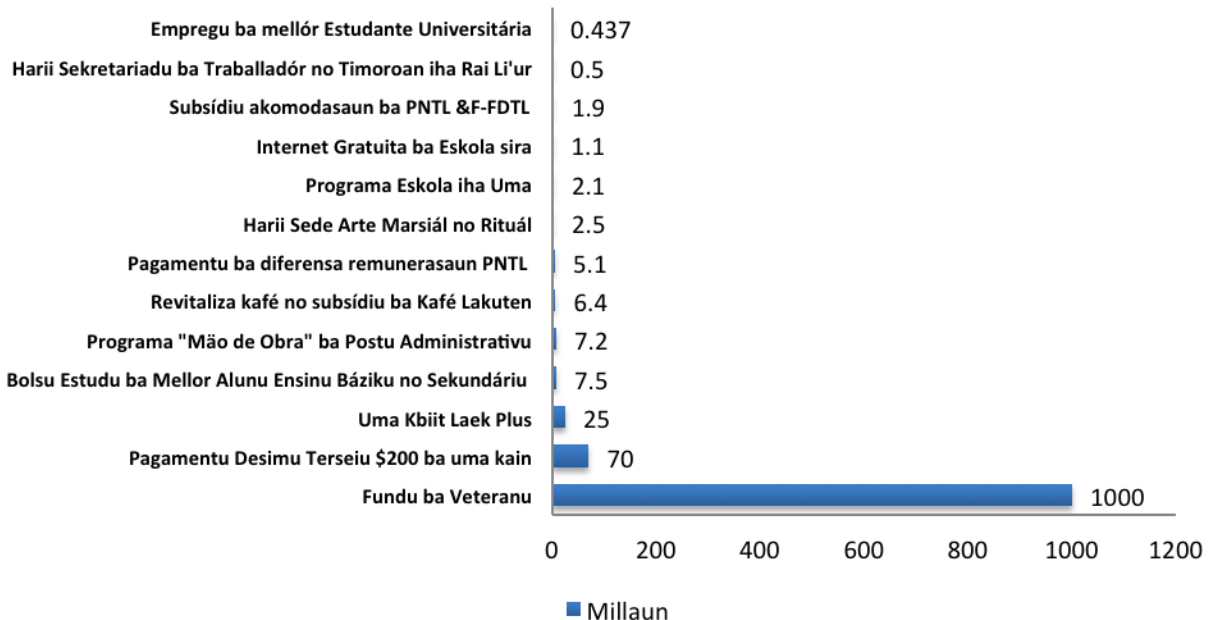
Introduction

JSMP is a non-government organization that has since 2010 regularly observed the National Parliament with the aim of making a contribution to promote the functioning and effectiveness of the work of the National Parliament in legislative, supervisory and political decision making.

Therefore, JSMP presents this opinion to continue sharing its thoughts or to make a contribution in relation to Draft Law No. 38/V (4th) the First Amendment to Law No. 1/2022 on the 2022 State Budget including the Rectification Budget totaling US\$ 1,129,857,250.

This proposed Rectification Budget is aimed at financially strengthening all of the Government allocations and to create a New Program named Complementary Budget Measures.

The proposed Rectification Budget will significantly increase expenditure of the State Budget for 2022 which is currently US\$ \$1,967,807,582.00 to US\$3,234,522,481.00. This is the first time this budget has increased in the history of Timor-Leste since independence. This Rectification Budget will be used to implement 13 programs.



Employment to assist University Students

Establishment of a Secretariat for Workers and East Timorese overseas
Accommodation allowance for PNTL & F-FDTL
Free internet for schools
School programs at home
Establishment of Martial Arts and Ritual Centres
Payment for the difference of PNTL remuneration
Revitalising coffee and subsidy for Lakuten Coffee
“Mao de Obra” program for Administrative Posts
Scholarships to assist Students at Primary School and Secondary School
Housing for the Vulnerable Plus
13th Payment of \$200 for households
Funds for Veterans

Limited Time and Execution Capacity

Based on JSMP observations, the main issue that needs to be considered, analysed and substantiated before making a decision to approve this Rectification Budget is not related to the large amount of money, but rather the limited time, and capacity of the Government to execute this budget.

We are approaching mid-May and there are only two and a half months left before entering mid-2022. Based on updated information from the Timor-Leste Transparency Portal on 9 May 2022, the execution of the 2022 budget has only reached 27.8% (expenditure). This percentage can rationally provide an estimation or measure of the Government’s capacity to execute this budget properly, responsibly and prudently to uphold the interests of the State and the people, even though the veterans fund of one billion is only a transfer.

Budget and Programs that are Realistic, Necessary, Top Priority and Safe

JSMP believes that the State budget should be allocated to implement programs that are realistic, necessary, top priority and safe to provide solution to problems facing the people and the nation, to bring about sustainable development for the welfare and livelihoods of all people.

Programs that are necessary and top priority are essential or fundamental programs relating to crucial sectors such as education, health, agriculture, the economy and infrastructure. When allocating funds to these sectors it is also necessary to properly identify the priority needs that need to be addressed first.

In the education sector priority programs are basic facilities to support the learning and teaching process such as buildings, chair, tables, books, sporting materials, computers, etc, not the internet. How can students benefit from access to the internet, if they don’t have these basic facilities? Also, are the school programs at home realistic and relevant? Now all students are participating directly in learning and teaching activities at school, so why must funds be allocated to a program like this?



JUDICIAL SYSTEM MONITORING PROGRAMME
PROGRAMA MONITORIZASAUN BA SISTEMA JUDISIÁRIU

Development of the infrastructure sector since Timor-Leste restored its independence until now (20 years already) has stagnated. Roads in the neighbourhoods from municipalities to villages are in terrible condition and don't properly facilitate the movement of people or allow them to engage in both social and economic activities. Across most of Timor-Leste many communities don't have access to clean water because there is no construction, plumbing and effective control of clean water. In the community some villages do not yet have access to power lines. These are the issues that urgently need solutions.

In the agriculture sector, there are many areas with potential that don't have irrigation and irrigation that is not functioning to help farmers produce crops. Also, there are other productive areas or sectors in the agriculture sector that the Government could invest in, such as fisheries, livestock, the creation of cooperatives, local industry, etc. to provide a source of income for the nation to substitute oil and gas in the future. Therefore, domestic production could be increased, to increase the provision of basic products in the market and to specifically increase the economic circumstances of the people, and the economy of the nation in general.

Considering the reality and requirements described above, why is the establishment of a fund for veterans and the establishment of centres for martial arts and rituals top priority and urgent programs for the Government to allocate such a large budget? Are these programs and the political decision making process prudent and safe for the lives and sustainability of the entire community and nation now and in the future? The State budget should not just spend money, but rather it is necessary to also invest in areas and programs that can provide clear returns to the people and the nation, to benefit everyone, not just one or two groups.

Is it necessary to have a program to establish a secretariat for workers and East Timorese overseas? If a secretariat is established, then what will be done by the Timor-Leste Embassies and Consulates overseas, for which the State has spent a lot of money? This program would only increase the expenditure of the State to perform work that is the responsibility of Embassies and Consulates.

The program to provide a \$200 subsidy to households on one hand properly responds to urgent circumstances and needs, however in the long term these programs create a dependence mentality where the people rely on the State. Therefore, the people don't organise themselves to work and be productive, but rather they become dependent on a policy of the Government distributing money. Consequently, many agricultural activities will cease, and many people will not plant crops and rice, engage in animal husbandry, fishing, etc. The economy will also die, and this will be exacerbated when oil and gas runs out.

The scholarship program to help students at primary school and secondary school is a good program, however what is safe and sustainable for the future is for the Government to set up excellent schools with facilities that are appropriate and adequate to allow students to develop intellectually, physically and psychologically. Therefore, what is needed is a program and budget plan that is appropriate and adequate.

Conclusions and Recommendations

Based on the justifications provided above, JSMP concludes that it is not necessary to approve the program and rectification budget at this time. Therefore, it is recommended that the National Parliament should not approve this Rectification Budget, and the Government can focus on the execution of the 2022 Budget which is currently being implemented and focus on necessary and top priority programs in the Rectification Budget that could be included in the 2023 State Budget.

Dili, 9 May 2022

Program Manager
Casimiro dos Santos