



Ad Hoc Committee to Collect and Analyze proposed Consensual amendments to the 2015 State Budget
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SYNTHESIS REPORT

This report, taking into account speed of the procedure inherent in the special legislative process of budget preparation, is succinct, summarizing the main events of the meetings of the Ad Hoc Committee for the Collection and Analysis of Proposed Consensual Amendments to Draft Law No. 16 / III (3^a) – General State Budget for 2015, hereinafter referred to as “the Committee”.

1 - MEETING OF 9 DECEMBER 2014

On December 9, 2014, the Committee met in a room of the Ministry of Finance, this is better placed than those offered by the National Parliament’s premises, with the presence of all its members, except for one. At the meeting, chaired by His Excellency the President of the National Parliament, participated Mr. Deputy Prime Minister, Ms. Minister of Finance, other government officials and Mr. Secretary General of the National Parliament, as well as some officers and advisers of the Government and the National Parliament.

The ministers, secretaries of State and the Secretary General of the National Parliament were being asked to rule on the respective budget appropriations and justify the adjustments made to them as a result of the proposed consensual variation, as they were treated the respective tutored areas.

Was also reached consensus on the need to not exceed in 2015 the spending ceiling of \$1.5 billion dollars plus \$70 million loans.

The Vice Prime Minister explained that although the “Yellow Road” seminar Government has been set up the \$1.3 billion ceiling, without loans, for the 2015 fiscal envelope, it was subsequently necessary to increase the ceiling to 1.5 billion, without loans, to ensure the implementation of the Government’s Action Plan. The significant number of proposed changes presented by the National Parliament and the will of the Government to accommodate, as far as possible, required adjustment in the three Funds, though without exceeding the agreed ceiling for overall spending.

The tabled amendments, which came to a total of ninety is two, including proposals accepted and for improvement, then began to be discussed point by point, by reference to the map organized by the support services of the National Parliament is a technical document prepared by the Government, which contained the proposals with the possibility of consensus agreement within the Committee, including new proposals however conceived in their body.

The Committee first discussed the financial projection of the creation of the Special Administrative Region and Special Social Market Economy Zone of Oecussi, having been transferred to the jurisdiction of the Minister of State and the Presidency of the Council of Ministers the various appropriations the region of Oecussi which were listed on other budget lines of the Consolidated Fund of Timor-Leste and Infrastructural Fund.

Aware of the concerns of the National Parliament on the size of expenditure on travel abroad, the Minister of Foreign Affairs and Cooperation has provided some clarification, stressing the



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importance for the development of international relations but defending as an alternative to reducing the size of delegations next year.

We requested the Government to be more sensitive to the embassies abroad, faced with scarce financial resources and reduced facilities to fully and with dignity address the mission that they are committed, as well as in relation to the prioritization of those that are truly strategic for Timor-Leste and, finally, for the dignity of diplomats.

The Honourable Minister of Finance referred to the increased needs of the Ministry responsible next year as a result of conducting the 2015 census and the study on the evaluation of poverty.

The Honourable Secretary of State Support Promotion of the Private Sector commented unfavorably on the proposal to capitalize BNCTL, justifying that it needs to be voted on and approved by the General Assembly of the Bank after an external audit to be conducted next year.

Were discussed and consensed upon appropriations relating to the following bodies (ministries / departments of State / independent bodies): President of the Republic, Parliament, Prime Minister, Deputy Prime Minister for Social Affairs and Minister of State and the Presidency of the Council of Ministers, with all the Secretaries of State under his tutelage.

2 - MEETING OF 10 DECEMBER 2014

On December 10, 2014, the Committee, chaired in the morning by the Speaker of Parliament and one of the National Parliament Vice-Presidents in the afternoon, reconvened in room of the Ministry of Finance, with the presence of all its members, except for two. It was attended by Mr. Deputy Prime Minister, Ms. Minister of Finance and other government officials, as well as several officers and advisers of the Government and the National Parliament.

Mr. Deputy Prime Minister stressed during the debate, which in 2015 was decided not to buy any new cars for operation of ministries, giving satisfaction to the request for fiscal restraint and rational use of existing units which was directed to the various holders of the organs. Still, an amendment was accepted that assured the Ministry of Justice an increase to its budget allocation of \$170,000, against the reduction of the same amount in the budget of the Ministry of Public Works, to purchase vehicles to be used by Public Defender attorneys in their visits to districts.

Annex II allocations were discussed and agreed the draft law on the following budget lines: Ministry of Foreign Affairs and Cooperation, Ministry of Defence and Security, Ministry of Finance, Ministry of Justice, Ministry of Health, Ministry of Education and Ministry of State Administration. The respective ministers or secretaries of state intervened in the debate depending on the areas concerned to substantiate the proposed amendment received.

3 - MEETING OF 11 DECEMBER 2014

On December 11, 2014, the Committee, chaired by His Excellency the President of the National Parliament reconvened in room of the Ministry of Finance, with the presence of all its members, except two. It was attended by Mr. Deputy Prime Minister, Mr. Minister of Finance and other government officials, as well as some officials and advisers of the Government and the National Parliament. His Excellency Prime Minister attended the meeting to early afternoon.



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Were discussed and agreed funds to allocate the following budget lines: Appropriations for Whole of Government, Ministry of Commerce, Industry and Environment, Ministry of Social Solidarity, Ministry of Public Works, Ministry of Transport and Communications, Ministry of Agriculture and Fisheries and Ministry of Tourism. The Ministers and State Secretaries participated in the debate depending on their respective areas of intervention to justify their positions.

4 - MEETING OF 12 DECEMBER 2014

On December 12, 2014, the Committee concluded its analysis, having returned to meet in room of the Ministry of Finance, with the presence of all its members, except for two. At the meeting, chaired by His Excellency the President of the Parliament, attended the Prime Minister, Mr. Deputy Prime Minister, Mr. Minister of Finance and other government officials, as well as some staff and advisors Government and the National Parliament.

The harmonization of the amendments tabled on the following budget lines listed in Annex II of the budget proposal was completed in 2015: Ministry of Petroleum and Natural Resources (sic), Courts, Prosecutor-General's Office, Ombudsman for Human Rights and Justice, RTTL, National Election Commission, Anti-Corruption Commission, Public Service Commission and the National University of Timor-Leste.

Consensual changes over four days of the Committee's meetings produced adjustments in Annexes II to V of the proposed State Budget for 2015, in order to safeguard the maximum ceiling of expenditure of \$1.5 billion US dollars, excluding loans.

5 - MEETING OF 15 DECEMBER 2014

On the last day of work, the Commission has produced the single substitute text for presentation to the plenary and adopted the following summary report, pursuant to the resolution that was brought up.

As a result of the Committee's work, the total amount of appropriations, including autonomous services and funds, special funds and loans, is \$1,570 million, broken down into the categories of expenditure in the following way:

- a) \$179,002,000 for "wages and salaries";
- b) \$516,256,000 for "goods and services";
- c) \$406,800,000 for "public transfers";
- d) \$ 26,415,000 for "minor capital";
- e) \$441,526 000 for "development capital".

6 - FINAL COMMENTS

The Committee was established by decision of the Plenary, taken on December 9, 2014, by 62 votes in favor and 3 abstentions, in what is a very large majority in its favor, very close to unanimity.

Again, like past years, the ad hoc committee has proved a reliable and functional means for the debate and decision of the volume of amendments submitted to the State Budget,



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welcoming the Members that composed with the dose of simplification procedural introducing the regimental mechanism for discussion and vote on the budget law.

The sovereign will of the Plenary of the National Parliament is respected, which is responsible ratify the accepted changes materialized in the replacement text coming from the Committee, providing a confirmatory additional discussion of financial choices made in relation to the main expenditure aggregates. The evidentiary character of preliminary approval within the Committee relates, as well, with the requirement of subjecting the consolidated text to the scrutiny of the Plenary, on which rests the final decision-making power.

On the other hand, the changes discussed and accepted within the Committee practically surround the budgetary appropriations of the expenditure table, the most complex and controversial, reserving to the Plenary the decision on the articles of the proposed law. Some of its introductory articles are intended just to confirm the political decisions underlying the annexes and budget tables worked by the Committee.

With 29 members, the Committee was composed of almost half of the Members in effectiveness of functions, reflecting a high degree of multiparty representation of different political currents in parliament.

More than having allowed saving of time and energy, the work carried out by the Committee clarified and facilitated the conduct and progress of the work of the second part of the stage of discussion and voting on the details, to return to the plenary, and prevents the process on technical and detailed items with little or no interest to the public debate.

Members exercise a mandate of representative nature that within the self-regulation that characterizes the functioning of Parliament, plays the most appropriate and effective way to consider.

In the current political and economic context, this was the way found to improve the program and allocate the financial resources of the State in terms of national interest and satisfaction of People's desires, putting the party political convictions at the service of institutional dialogue.

The Committee intends to clarify, finally, that the spirit of dialogue and institutional consensus on the main budgetary issues does not exempt the National Parliament in the performance of its executive duties, from scrutinizing governmental action, in particular in terms of budget execution.

National Parliament, 15 December 2014.

The President,

Vicente da Silva Guterres