



Fundasaun Mahein (FM), 11 December 2023

Press Release

Report to Committee B of National Parliament on the Proposed 2024 State Budget for the Defence, Security and Foreign Affairs sectors

On 21 November 2023, the Council of Ministers approved the proposed Law on the General State Budget for 2024 with a total amount of \$1.95 billion. The Government presented the draft Law to Parliament on 24 November, and the Prime Minister requested Parliament to hold an urgent debate. The National Parliament and Government began holding public hearings on the proposed Law on 30 November, which ran until 5 December. With this report, Fundasaun Mahein (FM) wishes to share some of its observations which we hope will assist the Deputies of Committee B to make decisions regarding the proposed 2024 State Budget for the defence, security and foreign affairs sectors.

The Ministry of Defence budget for 2024 is focused on three main programs: national defence; institutional functioning and development; and social inclusion. The total budget proposed for the Ministry in 2024 is US\$11,192,358. FM wishes to share observations regarding the allocations for the Ministry of Defence in the proposed 2024 State Budget. First, regarding the allocation of \$2 million for development capital under the National Defence program, we note that this allocation is for the “Construction of New Defence and Military Infrastructure”. However, there is no additional information provided about precisely which infrastructure will be constructed with these funds. This raises the question of what these funds will be used for, and the Government must therefore clarify how this budget allocation will contribute to the development of the medium-term objectives of the National Defence Program, namely that “The People of Timor-Leste will be secure and protected from external threats”.

F-FDTL’s 2024 budget is focused on three programs, namely National Defence, Institutional Functioning and Development and Social Inclusion. The total proposed budget allocation for F-FDTL is US\$ 35,110,177. FM observes that under the category of Goods and Services in the National Defence Program, approximately \$12.9 million of a total of \$14.4 million is allocated for “catering” under the F-FDTL National Headquarters (see page 94 of the budget book Budgetary Development (expenditures according to organic and economic classification)). Furthermore, when comparing the budget for catering with that for salaries, we note that salaries are budgeted at \$16 million, compared to almost \$13 million for catering. FM sees that the 2023 State Budget allocated a similar amount for F-FDTL catering (approximately \$12.35 million). Furthermore, FM understands that the structure of F-FDTL is different to other state institutions and that F-FDTL

may require a budget for the provision of food which is significantly larger than other institutions. Nonetheless, FM hopes that the Government will provide additional explanation regarding this specific allocation, so that Committee B members can understand why this large allocation is necessary, and request adjustments accordingly.

In 2024, the Ministry of Interior's budget programs are National Security and Institutional Functioning and Development, with a total budget allocation of \$16,193,256. In 2024, FM suggests that the Ministry of Interior prioritises the elaboration of the National Security Policy (NSP). FM considers the NSP as a key government priority as it can orient all of the state's internal and external defence and security programs. However, until now the NSP has not been elaborated. We therefore urge Committee B to request the Government to allocate specific funds for the development of the NSP.

In 2024, PNTL's budget is divided between three programs: National Security; institutional functioning and development; and social inclusion. The total budget proposed for PNTL in 2024 is US \$47,701,715. FM suggests that in 2024 the Government should continue to prioritise the PNTL Strategic Plan, as mentioned in PESI 2030. As outlined in this study, community policing must continue as the central philosophy and strategy underpinning PNTL's operations. Moreover, this philosophy must be implemented at all levels, encompassing all units, services and departments of PNTL. The Strategic Plan also introduced the VIP concept (visibility, involvement, professionalism), which has become the main doctrine of PNTL. This means that PNTL must be visible in all places, involve communities in its policing actions and maintain professionalism at all times.

In 2024, MNEC's programs are External Policy of Timor-Leste and Institutional Functioning and Development, with a total budget allocation of US \$30,279,565. For fiscal year 2024, FM suggests that MNEC should begin working on the elaboration of the key external policy document, namely the Foreign Policy White Paper, which relates to the strategic interests of Timor-Leste falling under the scope of bilateral cooperation and regional integration.

In 2024, SNI programs are National Security Leste and Institutional Functioning and Development, with a total budget allocation of US \$2,684,182. FM suggests that in 2024 the Government continues to review SNI's legal framework and personnel statute, which we see as important for strengthening the institution and functioning of SNI. At the same time, the Government must allocate adequate funds for developing SNI's capacities in the areas of cybersecurity and cybernetic intelligence in order to bring Timor-Leste's intelligence capacity in line with the demands and challenges of today's globalised world, in which all systems including governance systems are becoming digitalised. This is even more relevant given the ongoing submarine cable project, as the state must guarantee the security of this essential infrastructure.

In 2024, PCIC programs are Access to Justice and Institutional Functioning and Development, with a total budget allocation of US \$2,211,304. In 2024 FM asks the Government to revise the Law on Organisation of Criminal Investigation (LOIC) and invest in developing PNTL's criminal investigation capacity. FM supports government initiatives aimed at reforming PCIC, including by placing it under the command of PNTL, with the objective of strengthening institutional integrity

while increasing the state's capacity for prevention, detection and investigation of crimes. We ask Parliament to request specific allocations in the proposed 2024 Budget for development of PNTL's criminal investigation capacity, including laboratories, forensic equipment and training in the area of criminal investigations.

Recommendations

For fiscal year 2024, FM recommends to Committee B of National Parliament and the IX Constitutional Government to prioritise strategic issues related to the defence, security and foreign affairs sectors, including the elaboration of the National Security Policy, national defence policies, Foreign Policy White Paper, and PNTL Strategic Study. In addition, PNTL must receive adequate support for strengthening its capacity for patrolling and information management in order to identify and prevent activities which contribute to crime. Finally, it is essential that the National Intelligence Service receive adequate support to strengthen its capacity in the areas of data collection and cybernetic intelligence under the National Intelligence System.

Finally, FM recommends to Committee B to request clarification from the Government regarding certain proposed budget allocations related to the defence and security sectors particularly allocations which can be considered as excessive, not reflecting national realities or needs, or not contributing directly and clearly to institutional objectives.

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