Political Statement from the CNRT Party Bench, in the Context of Re-examination of the Political Veto of the 2016 State Budget, by his Excellency Deputado Natalino dos Santos Nascimento – President of the CNRT Bench

CNRT BENCH, Friday, January 8, 2016

Unofficial translation from Tetum original, which is at
http://www.laohamutuk.org/econ/OGE16/veto/CNRTdeclar8Jan2016te.pdf

For more information on the 2016 State Budget in both English and Tetum, see
http://www.laohamutuk.org/econ/OGE16/15OGE16.htm

Mr President of the National Parliament, Dr. Vicente Guterres
Vice-Presidents of the National Parliament
Mr Prime-Minister, Dr. Rui Maria de Araújo
Dear Colleagues, Distinguished Members of Parliament
Members of the 6th Constitutional Government
Listeners, from Civil Society and all of the People

Before making a political examination, with this opportunity, the CNRT Bench wishes to express its wishes for the continuing Christmas and seeks a Prosperous New Year for all of the people of Timor-Leste, and for all of us in this Great House of Democracy.

In the name of the bench, I am grateful for the opportunity to express the CNRT Party's thoughts about the decision of the President of the Republic to issue a VETO on the General State Budget for 2016. Over 13 years, in already three parliamentary terms, we all know that the General State Budget is like the lifeblood for the entire body – this body being the State and the Nation!

In two and a half parliamentary terms, this Parliament has approved many Budgets, in accordance with the timeframe determined by our system; also, the National Parliament has approved a number of budget amendments; it has also occurred that the National Parliament has approved the Budget in January, because of various circumstances, however experience shows that if the budget is late, there is a great affect on the execution of government programs, for the development of our dear Country, Timor-Leste.

In our short history, as a State, recently, for the first time, the President of the Republic has vetoed the General State Budget. Based in article 92 of the RDTL Constitution, 'the National Parliament is the Sovereign Organ of the Timor-Leste Republic, representing all Timorese people, with the power to create laws, to have oversight and to make policy decisions'. Also in article 95, the Constitution of the Republic gives the following role to the National Parliament: "to make deliberations regarding the reports of the Government's activities; to make deliberations of the Plan and State Budget, and the reporting on this budget; to have oversight regarding the State execution of the national budget".

However, I wish to draw the attention of listeners, that when the National Parliament undertakes the roles mentioned above, that it continues to obey the principles of the separation of powers and interdependence between the sovereign organs.

Mr President of the National Parliament
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It is true the VETO, is the prerogative of the President of the Republic. The Constitution of the Republic is clear in article 88 that "the President of the Republic...exercises his right of veto, in order to request (of the Parliament) to re-examine this bill, with a message regarding the basis for this veto".

Now, Excellencies, please allow me to analyze the 'reasons' expressed by the President of the Republic to the Parliament.

1 – The President of the Republic wrote thus: 'Tenho alertado que o investimento actual não se pode fazer a expensas do desenvolvimento futuro'. In Tetun, meaning: 'I have warned that the investments being made at present, must not be made at the expense of future development'.

The CNRT Bench wishes to inform the public, the entire people, that the National Parliament never received this warning, and the CNRT bench does not agree with receiving messages via the newspapers, because the Constitution states in article 86, 'The powers of the President of the Republic regarding the other organs', that: 'To direct or send a message to the National Parliament...' The CNRT bench mentions this, to demonstrate that the National Parliament should not receive messages from the President, via the newspapers.

However, hearing and reading what appeared in the press, the CNRT Bench is unable to recall any warning with the idea written above: 'the current investment must not be done at the expense of future development'.

2 – The CNRT Bench does not agree with the argument put forward by the President of the Republic, because:

1. – the President, or the President's advisors, have not followed the budget discussion process, from the hearings in all Commissions, to the Plenary discussion, for Generalities, through the ad hoc Commission to the discussion in the Plenary, for Specifics.

I said 'has not followed/accompanied', because what the President raised, has already been raised by the Members of Parliament. The message from the President of the Republic demonstrates one thing: - that he wishes to say that the 65 delegates in the chamber, are not undertaking their duties, have no concerns for the live of the people, are not concerned with how the Government manages and expends State monies, does not request accountability of the Government in relation to budget execution and Government program implementation, from Annual Actions Plans which, each year are presented here.

The President of the Republic's advisors would like to demonstrate that, there is no-one concerned with the development of this country and with the people's lives. Worse, is this: the President of the Republic proposes this: from the Presidency of the Republic, because the price of oil has fallen, they have lost more than 1 million dollars for 2016. This statement is NOT CORRECT!

The advisors have lied to (fooled) the President of the Republic.

The fiscal envelope, which the Government gives to the President of the Republic, is: $5.535 million. But, in the original submission, the Presidency of the Republic requested $8.316 million! The Budget Review Committee, after removing $ 450 thousand for the CAVR, which was approved by the Prime Minister, made a reduction, from $8.316 million, to $6.800 million!

The CNRT just reminds that, if, this Sovereign Organ can comply with its fiscal envelope, we can believe that all of the State institutions will be able to comply, and the Envelope of the Budget of $1.3 billion will be achieved!

All of this exercise, because if we examine the expenses of the President of the Republic, as an example, just for the 20th of May in Maliana, the Presidency of the Republic spent nearly $75,000 (you can visit the Timor-Leste Government Transparency Portal).

Another thing that I wish to state is this: the President of the Republic's advisors want to compare the organ of the Presidency of the Republic with the Ministries, with the entire Government, which demonstrates their ignorance of the Annual Action Plans of each of the Ministries. The advisors also show that, they have no idea of the process of 'State building' nor of 'nation building' that is underway at present, after ONLY thirteen years….

The economists at the Presidency of the Republic, really should, go to work in the European Union, which is facing major financial and socio-economic problems. These advisors don't understand that

the IMF and World Bank need economists and specialists like them, to help resolve the problems in Europe.

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The President of the Republic, after just two and a half years in Aitarak Laran, has shown that he has not been following the discussions regarding the Petroleum Fund, in the previous parliamentary terms, to talk about the Drawdown from Estimated Sustainable Earnings. The economists, at the Presidency of the Republic have written as follows: 'A State Budget in which: a) the current expenses of the State correspond to more than two thirds of the total expenses and in which, b) around half (47%) of the overall financing of the Budget is derived from the Estimated Sustainable Earnings, meaning that the mechanism of drawdown above the RSE is not intended to safeguard the future interests of Timor-Leste and the Timorese people, but rather to finance the current functioning of the machinery of the State'.

In Tetun, that: 'There is a State budget in which: a) current State expenditure is more than two thirds of the total expenditure, and in which b) nearly half of the financing of the Budget, comes from withdrawals against the Estimate Sustainable Income, meaning that the mechanism of withdrawals against the RSE, does not protect the future interests of Timor-Leste and the Timorese people, but rather is to finance the present functioning of the machinery of the State'.

Maybe the advisors haven't yet heard of the idea of the accounts which each year the Government publishes, to detail the expenditures and allocations to programs in the districts and sucos. Because of this, the advisors talk about 'financing the machinery of the State', as if the entire budget of the General State Budget is only for paying wages, paying for fuel and per diems to the districts and sucos.

I understand that the President of the Republic, before becoming the President, did not accompany the entire process, from the II parliamentary term, and because of this did not hear that in this Parliament, there was a statement from the former Prime Minister of the 4th Government, that he preferred 'put money into the creation of conditions for foreign direct investment, in order to create employment, rather than put money in the Bank with out people living in poverty'.

Poverty reduction, is not a five year process, it is a very long process!

For Timor-Leste, the advisors to the Presidency of the Republic, wish for a miracle!

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The President of the Republic said that he has given a warning, during the Budget discussion for the need to properly define national priorities, to be able to invest our very limited resources. The President of the Republic proposed that, more funds must be given to education, to health, to water and sanitation and for agriculture, so as to be able to achieve a balance of investment between 'things' and 'people'.

The President of the Republic has demonstrated that he alone has a wider view than most of the people in the Parliament and the Government.

The President of the Republic also spoke about 'infrastructure' and the 'ZEESM', to merely demonstrate that he does not understand the Strategic Development Plan, which shows that basic infrastructures, are a fundamental condition for economic and social development.

He said that the ZEESM gives no guarantee of ay returns! He also said that the Tasi Mane (project)

has not considered that Bayu-Undan is drying up already, and that there has not yet been any plan to develop Greater Sunrise. The CNRT Bench bows down to the economists at the Presidency of the Republic – they show broad vision, long term thinking, that they do not have yet!

With the ZEESM, and the TASI MANE and INFRASTRUCTRE, all of these, the President of the Republic also says that in the Asia Pacific Region, the Timor-Leste has the lowest investment in education and health. Can! International organisations are accustomed to only working with statistics like this! This shows that the advisors, who work at the Presidency of the Republic, really understand properly Asia and the Pacific. The USA itself just recently, when discussing the State Budget in the Plenary, last December, published their statistics that, they have 41 million people living without homes, without food, without funds and without health assistance. They stated also that in America, 15 million children are out of school.

In Portugal, the RTDP stated that, 30% of the population, at present, is living in extreme poverty. Some schools have closed, many universities lack funds to conduct many activities; and hospitals also have all kinds of problems!

Timor-Leste is just 13 years old!

Education and health, two areas which, while Timor-Leste is not inundated, will continue to be sectors which the State will always look after… and continuously; meaning that, these are two sectors which must remain as concerns from one generation to the next!

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The President of the Republic has said that, after 13 years of Independence, there have been no meaningful outcomes from public investment. Has also said that 'national consensus' does not work when 'improvements to the living conditions of all Timorese people does hot happen' immediately.

As the party responsible for three Governments, the CNRT just wishes to say that, since the 2006 crisis, it has been the Party which has sought to show the right way for the People, to become, today, the Party with the most seats in the Parliament. The Strategic Development Plan, approved by the National Parliament in 2011, has demonstrated the way to improve the lives of the people and for the progress of the nation, to 2030.

There is no other way, no short cuts, no miracles, in the context of State and nation building. The knowledgeable advisors at the Presidency of the Republic, mustn't think to come and teach the Parliament and the Government how to do their job.

During the war, if there had been advisors, today we would not yet have independence! In 1999, when the United Nations put forward the plan to resolve the war in out country, the UN merely followed what had already been outlined in the 1983 Plan for Peace, which the CRRN presented to Indonesia, during the ceasefire period. Immediately correct! Though… we had to wait 13 years!

To develop our country, we already have the Vision for 2030! Many countries, in the world, do not yet have this Vision!

This, is what we call 'national consensus'! National consensus does no imply listening to everyone or each individual, to make decisions! In the National Parliament there are the Representatives of the People, legitimately elected, with their role in accordance with the Constitution of the Republic!

Each of the sovereign organs must have its own role, in the process of managing development meaning managing the complaints of the people managing the people's dreams, and managing the way in which to respond to these complaints and dreams!

We don't need to say 'national consensus', we should really say 'good political sense' from all of the leaders of the nation.

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The President of the Republic has also said that he has vetoed because of the creation of a new 'Infrastructure Fund', to say that the creation of this new Fund is not in accordance with the legal frameworks, which define the rules of functioning, of transparency, for special funds.

The President of the Republic also said that he has no information about this new Fund. If maybe the President of the Republic called the President of the Parliament or the Prime Minister, we all hope that His Excellency the President of the Republic would understand that it is not a new Fund.

He would also understand why the Infrastructure Fund was transformed into the Autonomous Fund, and with what implications. As the CNRT Bench sees it, the Budget Bill can also be considered as a law with strengthened value, like the Law of the Budget and Financial Management. Because this transformation, considers financial management, of the money from the General State Budget.

The President of the Republic's advisors wrote thus: '*As regras da Lei do Orçamento e da Gestão Financeira visam garantir o transparente funcionamento dos fundos especiais... que a simples previsão legal no OGE não garante'*.

In Tetun, meaning: 'The Rules of the Law of the Budget and Financial Management seek to guarantee the transparent functioning of special funds,... which will not occur with just the legal previsions of the State Budget'.

The CNRT Bench would like to say that the Law of the Budget and the Law of the Budget and of Financial Management, these two laws, have the same normative value. Because of this, it is very clear that the Government will issue Decree-Laws to define clearly the functioning of this Autonomous Fund. Decree-Law, not Government Resolution; Decree-Law will be promulgated by the President of the Republic. If it was just a simple Resolution from the Government, we could speak about its 'dignity', like the words used by the President of the Republic in page 5, point 4.3.

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The CNRT Bench notes that the President of the Republic, is a truly ultra-democratic person. Because. He proposes that, in order to undertake the process of making decisions regarding the State Budget, the participation of everyone is needed, and must include everyone. The CNRT Bench can understand this ultra-democratic tendency from the President of the Republic, because he has already visited more than 370 sucos!

If the State must attend to the needs of each suco, where is the State to go to?!? It is lucky that the President has not visited every aldeia! There will not be enough money, to share with everyone!

The CNRT Bench will recall that, in order to take development to the sucos and to involve the communities, the 4th Government commenced the PDD and finally the PDID. Today, we have the PNDS program.

Just as a reminder, at the beginning of this process, with the idea of building the capacity of local leaders to look after their own priorities, the 4th Constitutional Government sought to help local leaders to present their priorities. The lowest number of priorities received by the Government at that time, were 12 priorities from the sucos and the highest number of priorities was 38.

The CNRT Bench can understand that advisors, from the Civil House and the Military House, have received all of these priorities, to show to the President of the Republic to draw the attention of the Government and the Parliament, regarding the need to listen to all people and for all people to take

part in the budget decisions.

The President of the Republic also used the term ‘sustainability’ for development, meaning that our resources are about to run out, and therefore we must invest in people and not in infrastructure.

In order to reduce inequality between rural and urban areas, the CNRT Bench reminds listeners that during one year, from 2012 to 2013, Timor-Leste held the Chairmanship or Presidency of UNESCAP. UNESCAP is the United Nations Economic and Social Commission for Asia and the Pacific, in Bangkok. In Bangkok, the conclusion published, in order to seek financing, stated that the countries of Asia and the Pacific must build basic infrastructures, to eliminate inequality between regions within a country, and between countries in Asia and the Pacific.

Timor-Leste also participated, last year, in the Summit Conference, in Addis Ababa (Ethiopia), organized by the UN, regarding ‘Financing for Development’, which mainly addressed basic infrastructures in the Least Developed Countries in the World.

In closing, the CNRT Bench wishes to inform all listeners, that:

In the message to the National Parliament, on 28 December last year, the President of the Republic communicated his ‘veto’ and requested a re-examination of the Stage Budget for 2016, with the rational presented as ‘continuation of the President of the Republic for the preparation of the General State Budget for 2016’.

The RDTL Constitution does not attribute specific powers to the President of the Republic to intervene in the process of preparation of the budget.

The RDTL Constitution provides only, or exclusively, these powers to the Government and the National Parliament.

Article 103 of the RDTL Constitution states thus: ‘it is the competency of the Government to conduct and execute the general policies of the Country’, ‘with the approval of the National Parliament’, in accordance with paragraph 115.1(a) and 115.1(d) of the RDTL Constitution, states explicitly, and very clearly, that it is the competency of the Government ‘to prepare the Plan and General State Budget, for execution, once it has been approved by the National Parliament’.

So truly, the CNRT Bench, wishes to state that, THE EXERCISE OF VETO, by His Excellency the President of the Republic, IS NOT PERTINENT!

In closing, the CNRT Bench, affirms that it will confirm the votes already issued, in the debate of the General State Budget on 18 December, 2015!

The CNRT Bench also wishes to express its POLITICAL FAITH in the 6th Constitutional Government, lead by the Prime Minister Dr. Rui Maria de Araújo.

Believe in yourself! Onwards! Dream Together, dream the people’s dream!