

[Translated from Portuguese original]

Timorese minority government faces first test next week in Parliament

Dili, 13 Oct (Lusa) - The 7th Timorese constitutional government, a minority government, will face the first great test in Parliament next week, with the debate of the executive's Program to be able to condition the life in the country until the middle of 2018.

A possible rejection of the Program, which requires two motions to reject, by the opposition which controls 35 of the 65 seats of the National Parliament, implies the fall of the government, which took office a month ago, and opens the scene to possible early elections, constraining next year's state budget and the political stability of the country, in accordance with the legislation in force in Timor-Leste.

Even before receiving the document prepared by the coalition of the Revolutionary Front of Independent Timor-Leste (Fretilin) and the Democratic Party (PD), the remaining three Parliamentary forces, the National Congress of Timorese Reconstruction (CNRT), the People's Liberation Party (PLP), and Kmanek Haburas National Unity Timor Oan (KHUNTO), constituted themselves as an alternative bloc for governance.

On Thursday, the three forces consolidated the agreement with the signing of a document on the "Platform of Parliamentary Majority Alliance" (AMP), which recalls debates 10 years ago when a coalition led by the CNRT - second most voted at that time as this year - led the first AMP to take over the Government.

After weeks of negotiations, PLP and KHUNTO eventually rejected being part of the coalition government, and the CNRT, whose leader Xanana Gusmão had rejected any coalition and guaranteed stability for the executive, again led an alliance against Fretilin.

The Constitution and legislation in force dictates that the Government Program has to be discussed for a maximum of five consecutive days and does not even require the document to be voted on. Parliament has scheduled this for next week.

Voting will only take place if the Government submits a vote of confidence - unlikely - or the opposition submits a motion of rejection which will have to be approved by a majority of Members.

If this occurs - and a rejection motion can be presented at any time during the five days of debate - the Government then has up to 30 days to submit a new Government Program which will again be debated for five days.

If this second Program is the subject of a new rejection motion the Government falls.

The decision on what happens next is in the hands of the Timor-Leste President who will have to choose between finding a solution within the current Parliament or calling early elections.

The Constitution stipulates that the parliament cannot be dissolved within six months after its election, which in this case occurred on July 22, which means that this can only occur after January 22.

The following deadlines are dictated by the electoral law that explains that in case of dissolution of the National Parliament, the head of State “fixes, by decree, the date of the election of the Members (...) at least sixty days in advance”.

This deadline is necessary to comply with all the procedures related to the electoral process, from registration of parties to the electoral campaign, and implies that the earliest elections could take place is March 22.

In the case of the previous elections on last July 22, the Court of Appeal only validated the final results eight days later (on August 1) and the members of parliament only took office more than a month later (on September 5), and it was almost two months after the vote that the government has taken office, and a month after that the debate on the Executive’s Program begins.

The possible rejection motions would delay the process of eventual approval of the rectification budget for this year and would also condition the debate and enactment of the 2018 State Budget which, according to the Budget and Financial Management Law, must be submitted to the National Parliament by this Sunday, October 15, a deadline which cannot be met.

Without a State Budget, a “duodecimal regime” is applied, which means, in practice, that in each following month the Government can only spend up to one-twelfth of the Budget of the previous year, in this case 2017.

Given the expected electoral calendar, Timor-Leste may have to live with a duodecimal state budget for much of the year, as the whole process - Parliamentary taking office, government formation, government swearing in, adoption of the Government’s Program and the State Budget - will take several months.

Despite the growing role of the private sector, the public sector in Timor-Leste continues to have a dominant weight in the economy, so extending the effects of the major slowdown in public spending this year will damage all economic sectors.

Although the state is keeping up with day-to-day management in many cases, the weak actual budget execution – it was only 51% at the end of the third quarter in a year that already had fiscal constraints – shows that large investment and large projects will be paralyzed.

With several sectors of activity already feeling the effects of the electoral period and the moment of political instability, further delays will amplify these effects.

ASP/EJ