



Fundasaun Mahein (FM), 21 October 2024

Press Release

Report to Committee B of National Parliament on the Proposed 2025 General State Budget Law for the Defence, Security and Foreign Affairs Sectors

Today, Fundasaun Mahein (FM) published a report on the Proposed 2025 General State Budget (GSB) Law, emphasizing the importance of strengthening the Defence, Security and Foreign Affairs sectors to promote Timor-Leste's stability and sustainable development. The document highlights the need for urgent investments in areas such as cyber security, maritime security and immigration management, in addition to institutional strengthening.

FM shows that, although the proposed 2025 GSB envisions a total budget of US \$2.6 billion, the State continues to face significant challenges in both execution and planning of resource allocation. Overall budget execution by October 2024 has reached only 55,2%, which reflects institutional and bureaucratic difficulties which negatively affect critical sectors such as the Ministry of Defence, which has executed only 56.9% of its allocated budget for 2024, and the Scientific Police for Criminal Investigation (PCIC), which has executed only 56%.

Based on its analysis, FM has identified three key areas which require immediate attention:

1. Cybersecurity capacity which is required to respond to modern threats associated with global digital communication-information technologies
2. Maritime security capacity which is fundamental to the protection of Timor-Leste's natural resources in its territorial waters.
3. Immigration management and control systems which must be modernised to manage transnational criminal threats, support fiscal sustainability and boost economic growth.

Therefore, FM recommends that the 2025 State Budget prioritize institutional strengthening in the areas of management and administration, with a focus on efficient budget execution and strategic capacity development, with a view to ensuring the sustainability of the State and the well-being of Timor-Leste's population.

The document also highlights that FALINTIL-Timor-Leste Defence Force (F-FDTL), the National Intelligence Service (SNI) and the National Police of Timor-Leste (PNTL) face a challenge with regard to balancing between costs associated with personnel and salaries, on one hand, and

operational development, on the other, particularly in crucial areas such as maritime security and the fight against cybercrime.

FM concludes that in 2025 the Government should work to improve inter-ministerial coordination and strengthen institutional capacities, particularly in the areas of internal and external security. FM suggests that the government invest in international partnerships for training and capacity building, with a focus on maritime security and cybersecurity, priority areas which are essential for responding to regional and global threats.

FM's specific recommendations are as follows:

1. **Invest heavily in cyber security capabilities to combat modern threats:** Timor-Leste's security institutions are not yet able to detect, combat and prevent cybercrimes without the direct support of international agencies such as INTERPOL. Cybercrime incidents are increasing and will continue to increase as Timor-Leste's internet speeds and connectivity improve. It is critical that state institutions invest heavily in increasing cybersecurity capacity to protect sensitive electronic data and systems, including government databases and domestic telecommunications networks.
2. **Invest in improving institutional capacity in the areas of management and administration:** Institutions must strengthen budget planning and execution capacity, minimize bureaucracy and improve logistical efficiency. This is crucial to avoid the underutilization of resources observed in 2024.
3. **Strengthen maritime security capacity:** Timor-Leste continues to face significant income losses and natural resource destruction annually as the State is not yet able to effectively monitor and control Timor-Leste's maritime territory. Therefore, it is essential to invest adequate resources to increase the capacity of maritime security institutions, including training, technology and equipment such as patrol vessels and advanced radar. It is also necessary to analyse the organizational structure of the state institutions responsible for maritime security to resolve uncertainties about responsibilities, prevent the duplication of work and ensure good coordination between institutions.
4. **Create a modern immigration control system:** FM recently published an analysis of Timor-Leste's outdated immigration system which is facilitating criminal activity within the country while contributing to inefficiencies in the state administration. In the article, FM recommended that the state invest resources to create a smart and modernized immigration system which is adapted to current global realities. This includes implementing reforms to Timor-Leste's visa policy and creating an online visa processing system.
5. **Invest in training and technology:** Both F-FDTL and PNTL should receive allocations for training, technological modernization and maritime capacity to face regional challenges, such as illegal fisheries and maritime trafficking. These programs can be

reinforced through international partnerships to provide specialized training and other support.

6. **Strengthen research related to national security and defence:** Institutions such as IDN should invest in modernizing curricula and strengthening research programmes related to strategic defence issues. IDN can cooperate with the Indonesian LEMHANAS institution, Australia and ASEAN to bring experts to teach courses at IDN, thereby providing richer training experiences for future military and civilian leaders.
7. **Invest in resource management capacity:** Increased institutional capacity to manage resources should be a priority to ensure that allocated funds are used more effectively and efficiently. Allocations to the Ministry of the Interior, for example, should aim to balance between expenditure on salaries and the need to modernize infrastructure and equipment.
8. **Strengthen inter-ministerial cooperation:** Improved coordination between the Ministries of Defence, Interior and Foreign Affairs is essential for effective development and implementation of national security policies and programs. This cooperation can help to address transnational threats and improve overall efficiency in the implementation of security programs.

Fundasaun Mahein remains committed to providing critical and constructive analysis of the GSB, with the aim of promoting efficient resource management and strengthening the security and national defence of Timor-Leste.

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