



La'o Hamutuk

Institutu Timor-Leste ba Analiza no Monitor ba Dezenvolvimentu

Rua dos Martires da Patria, Beborá, Dili, Timor-Leste

Tel: +670 332 1040 – Mobile: +670 7734 8703

Email : laohamutuk@gmail.com Website



: www.laohamutuk.org

Contact: [Juvinal Dias, La'o Hamutuk, +670 7734 8703, laohamutuk@gmail.com](mailto:Juvinal.Dias@laohamutuk.org)

As progress toward global budget transparency stalls for the first time in a decade, Timor-Leste scores “low” in providing information to its citizens about how public money is used

Amid declining public trust in government and increasing inequality around the world, a major independent global report finds that the government of Timor-Leste could improve transparency quickly, with little cost or effort.

[Dili, Timor-Leste, 30 April 2018] – Many governments around the world are making less information available about how they raise and spend public money, and Timor-Leste scores below average in the transparency of its national budget, according to the results of the Open Budget Survey 2017 (OBS), conducted by the International Budget Partnership (IBP). The country’s score for Public Participation is among the world’s worst.

After 10 years of documenting steady progress in increasing the availability of budget information, IBP says the OBS 2017 showed a modest decline in average global budget transparency scores, from 45 in 2015 to 43 in 2017 for the 102 countries that were surveyed in both rounds (scores are out of a possible 100). This is in stark contrast to the average increase of roughly two points documented among comparable countries in each round of the OBS between 2008 and 2015. The reversal of transparency gains is particularly discouraging given that roughly three-quarters of the countries assessed do not publish sufficient budget information (a score of 61 or higher). Timor-Leste’s 2017 score of 40 has dropped slightly since 2015, moving the country from the “Limited” to the “Low/Minimal” category.

Warren Krafchik, executive director of IBP, said, “The declines in budget transparency are worrisome against a global backdrop of rising inequality, restrictions on media and civic freedom, and a weakening of trust between citizens and their governments.”

Launched in 2006, the OBS is the world’s only independent, comparative assessment of the three pillars of public budget accountability: transparency, oversight and public participation. The sixth round of this biennial assessment, the 2017 survey evaluated 115 countries across six continents, adding 13 new countries to the survey since the last round in 2015.

Timor-Leste has been in the OBS since 2010, and the 2017 survey finds that it falls below almost all the other countries on the Open Budget Index, or OBI, which uses internationally recognized criteria to give each country a transparency score on a 100-point scale. Timor-Leste OBI score of 40 means that citizens have little or no access to the budget information they need to understand the budget and hold the government to account. This matters because budgets are the main tool governments use to set policies for raising and spending public funds, which promote development and meet the needs of the country’s people.

“We need to make Timor-Leste’s budget process more transparent and participative,” said Juvinal Dias, Researcher of La'o Hamutuk, which conducted the research for Timor-Leste. “Our government should consult its citizens before the Council of Ministers approves the budget, and publish In-Year Reports on time.”

Overall, declines in budget transparency were most dramatic in sub-Saharan Africa, where the average budget transparency scores fell by 11 points between 2015 and 2017. Other regions experienced small increases or small declines in their scores, with the exception of Asia, where the average score rose more substantially. A number of countries have experienced significant gains in transparency since they were first included in the survey, including Georgia, Jordan, Mexico and Senegal.

The OBS 2017 also revealed that most countries fail to provide meaningful opportunities for the public to participate in the budget process — both to inform decisions about how government raises and allocates funds and to hold government accountable for implementing those decisions. Not a single country out of the 115 surveyed offered participation opportunities that are considered adequate (a score of 61 or higher). The average global score is just 12 out of 100, with 111 countries having weak scores (lower than 41). Timor-Leste scored only 9 on the opportunities the government provides for public participation in budget processes. Without opportunities for citizens’ active participation — particularly citizens from marginalized or vulnerable groups — budget systems may only serve the interests of powerful elites. The government could undertake a formal mechanisms for the public to assist the Government in formulating its budget planning to improve how it engages citizens in the budget process.

In addition to assessing transparency and participation, the OBS also evaluated the role of formal oversight institutions, such as supreme audit institutions and legislatures. The survey found that only 32 countries’ legislatures (28 percent) have adequate oversight practices, 47 countries (41 percent) have limited oversight practices, and 36 countries (31 percent) have weak oversight practices. In comparison, the OBS finds that in 75 out of 115 countries (65 percent) the basic conditions for SAIs to provide adequate oversight are in place. Well-funded and independent oversight institutions are critical to better budget planning and implementation.

With regard to the strength of Timor-Leste formal oversight institutions, the score for the legislature was 45 and the score for the supreme audit institution was 83. These could be improved if the government ensure that the legislature holds a debate on budget policy prior to the tabling of the Executive’s Budget Proposal and approves recommendations for the upcoming budget as well as ensure that the audit processes are reviewed by an independent agency. “The potential threat that Timor-Leste lack of strong budget accountability systems and practices poses to our ability to achieve our development goals is of great concern,” said Juvinal Dias. “The government should take the following steps toward rapid improvement by publishing In-Year and End Year Reports timely and engage public in the audit and budget formulation process.”

Globally, the news is not all bad this round. There have been several advances toward more open budgets. While the number of publicly available budget documents decreased in this round of the survey compared to 2015, published documents contain slightly more information now than they did in previous years. Though overall global transparency has declined from 2015, the level of transparency in 2017 remains above where it was a decade ago.

“Transparency scores in this round of the survey show that any government, irrespective of region or culture, can become more transparent,” said Krafchik. “The vast majority of countries in the world could quickly improve transparency by making documents they already produce publicly available. Most countries that produce documents that they are not publishing on their official websites already publish other documents online, so they could easily do so for all documents.”

For the full report, including recommendations, and other resources, such as country-specific results, please visit www.openbudgetsurvey.org.
