Open Budget Survey
in Timor-Leste

Presentation by La’o Hamutuk to PEMNA
5 October 2023

What is La’o Hamutuk?

• The Timor-Leste Institute for Development Monitoring and Analysis, founded in 2000.

• An independent, non-partisan, Timorese, non-governmental organization which does research, policy analysis, public education and advocacy.

• A force for participatory, equitable, sustainable and evidence-based policies and practices.

• Timor-Leste partner of the International Budget Project.
Timor-Leste in the 2021 Open Budget Survey

- **Public Participation:** 7 /100
- **Budget Oversight:** 56 /100
- **Transparency:** 52 /100

Timor-Leste's OBS scores over time
(cross-hatched bars are global average scores)
Extent of opportunities for public participation in the budget process

<table>
<thead>
<tr>
<th>Component</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formulation (executive)</td>
<td>13/100</td>
</tr>
<tr>
<td>Approval (legislature)</td>
<td>22/100</td>
</tr>
<tr>
<td>Implementation (executive)</td>
<td>0/100</td>
</tr>
<tr>
<td>Audit (supreme audit institution)</td>
<td>0/100</td>
</tr>
</tbody>
</table>

**KEY**
- **0-40:** Few
- **41-60:** Limited
- **61-100:** Adequate

Public participation in Timor-Leste compared to others

<table>
<thead>
<tr>
<th>Country</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Average</td>
<td>14</td>
</tr>
<tr>
<td>Philippines</td>
<td>35</td>
</tr>
<tr>
<td>Malaysia</td>
<td>26</td>
</tr>
<tr>
<td>Indonesia</td>
<td>24</td>
</tr>
<tr>
<td>Vietnam</td>
<td>17</td>
</tr>
<tr>
<td>Thailand</td>
<td>11</td>
</tr>
<tr>
<td>Timor-Leste</td>
<td>7</td>
</tr>
<tr>
<td>Cambodia</td>
<td>0</td>
</tr>
<tr>
<td>Myanmar</td>
<td>0</td>
</tr>
</tbody>
</table>

0 Insufficient 61 Sufficient 100
Timor-Leste in the Open Budget Survey

State revenues in 2022:...
- negative $632 million
- $1,891 million loss from investing the Petroleum Fund
- $1,087 million from oil and gas revenues
- $172 million from non-petroleum sources

Executed 2022 State Budget:
- $1,404 million transferred from the Petroleum Fund
- $1,772 million from non-petroleum (domestic) revenues
- $30 million from loans which will have to be repaid
- $4 million from donors in direct budget support
- $303 million from money allocated but not spent in prior years

State activities, paid for with oil money, are nearly half of the ‘non-oil’ economy because some of this money circulates in the local economy.

Petroleum and investment ‘income’ goes to the state, not to the people.
Balance in Timor-Leste's Petroleum Fund

State Revenues and Expenditures (including autonomous agencies)

The narrow bars show revenues from various sources.

The upper diagonally striped area is loans which must be repaid in the future.

The blue part shows unspent money carried over from the previous year to be spent this year.

The lower diagonally striped part is non-oil revenue from taxes, fees and autonomous agencies.

Most is from the Petroleum Fund (solid colors), with the darker area showing the Estimated Sustainable Income (ESI).
The government’s ‘priority sectors’ of health, education, water supply and agriculture all together will get only 17% of the budget.

$49 million in internal Social Security transfers are not included in this graph.

Graph by Lily Hamutuk based on enacted 2023 State Budget. December 2022.

Government executed monthly spending since 2014

Graph by Lily Hamutuk based on RTI Ministry of Finance Transparency Portal and reports. October 2023.
Thank you.

You can find more and updated information at

- La’o Hamutuk’s website [https://www.laohamutuk.org](https://www.laohamutuk.org)
- La’o Hamutuk’s blog [https://laohamutuk.blogspot.com/](https://laohamutuk.blogspot.com/)

Timor-Leste Institute for Development Monitoring and Analysis
Rua D. Alberto Ricardo, Bebora, Dili, Timor-Leste
Mailing address: P.O. Box 340, Dili, Timor-Leste
Telephone: +670 7723 4330 (mobile) +670 332 1040 (landline)
Email: laohamutuk@gmail.com