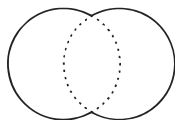


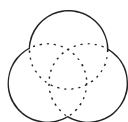
## Overview



### Transparency:

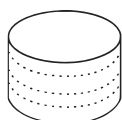
**37** /100

(Open Budget Index score)



### Public Participation:

**11** /100



### Budget Oversight:

**68** /100

## About the survey

Government budget decisions – what taxes to levy, what services to provide, and how much debt to take on – have important consequences for all people in society. When governments provide information and meaningful channels for the public to engage in these decisions, we can better ensure public money is spent on public interests.

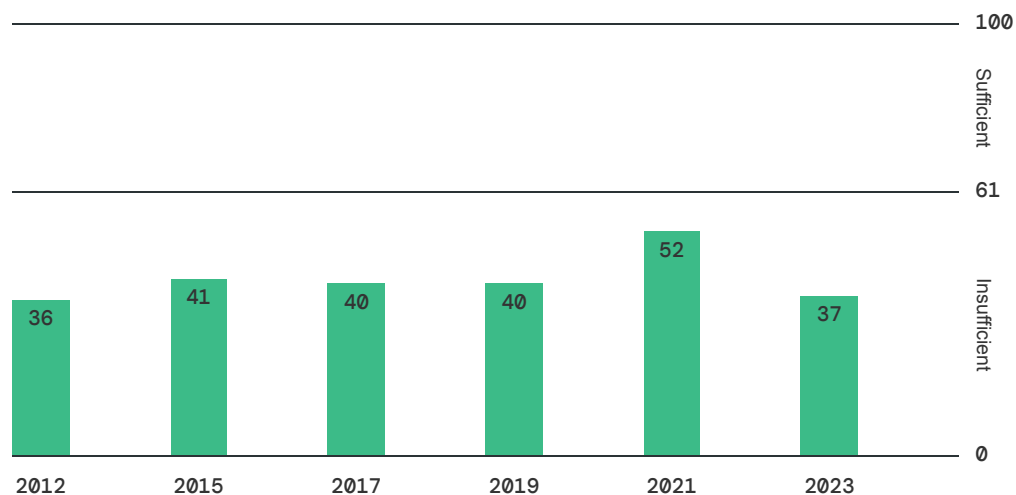
**The Open Budget Survey (OBS)** is the world’s only independent, comparative and fact-based research instrument that uses internationally accepted criteria to assess public access to central government budget information; formal opportunities for the public to participate in the national budget process; and the role of budget oversight institutions, such as legislatures and national audit offices, in the budget process.

The survey helps local civil society assess and confer with their government on the reporting and use of public funds. This 9th edition of the OBS covers 125 countries.

Visit [www.internationalbudget.org/open-budget-survey](http://www.internationalbudget.org/open-budget-survey) for more information, including the full OBS methodology, the 2023 Global Report, findings for all surveyed countries, and the Data Explorer.



## How has the transparency score for Timor-Leste changed over time?



## Public availability of budget documents in Timor-Leste

KEY	
<span style="color: green;">●</span>	Available to the Public
<span style="color: yellow;">●</span>	Published Late, or Not Published Online, or Produced for Internal Use Only
<span style="color: red;">⊘</span>	Not Produced

Document	2012	2015	2017	2019	2021	2023
Pre-Budget Statement	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: yellow;">●</span>	<span style="color: green;">●</span>
Executive's Budget Proposal	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Enacted Budget	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Citizens Budget	<span style="color: red;">⊘</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: red;">⊘</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
In-Year Reports	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: yellow;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Mid-Year Review	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: yellow;">●</span>	<span style="color: green;">●</span>
Year-End Report	<span style="color: red;">⊘</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: green;">●</span>	<span style="color: yellow;">●</span>
Audit Report	<span style="color: red;">⊘</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>

# How comprehensive is the content of the key budget documents that Timor-Leste makes available to the public?

KEY	
<span style="color: green;">●</span>	61-100 / 100
<span style="color: yellow;">●</span>	41-60 / 100
<span style="color: red;">●</span>	1-40 / 100

Key budget document	Document purpose and contents	Fiscal year assessed	Document content score
Pre-Budget Statement	Discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.	2023	67
Executive's Budget Proposal	Submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.	2023	39
Enacted Budget	The budget that has been approved by the legislature.	2022	95
Citizens Budget	A simpler and less technical version of the government's Executive's Budget Proposal or the Enacted Budget, designed to convey key information to the public.	2023	33
In-Year Reports	Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.	2022	22
Mid-Year Review	A comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.	2022	30
Year-End Report	Describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.	2021	Internal Use
Audit Report	Issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.	2021	48

Timor-Leste's transparency score of **37** in the OBS 2023 is substantially lower than its score in 2021.

## What changed in OBS 2023?

Timor-Leste has increased the availability of budget information by:

- Publishing the Pre-Budget Statement and Mid-Year Review online in a timely manner.

However, Timor-Leste has decreased the availability of budget information by:

- Producing the Year-End Report for internal use only.
- Reducing the information provided in the Executive's Budget Proposal.
- Reducing the information provided in the In-Year Reports.

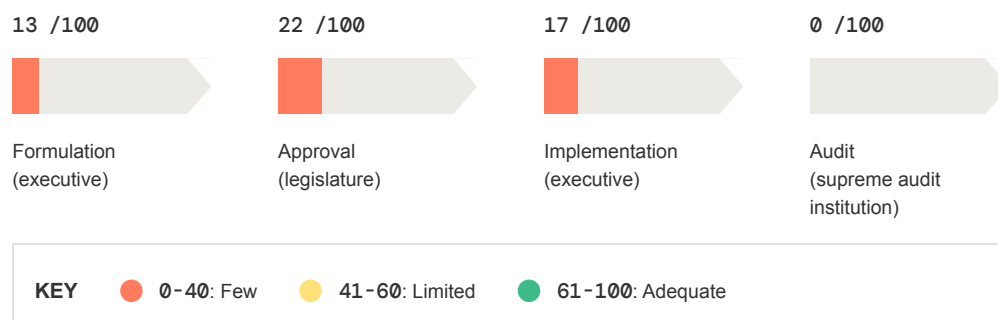
## Recommendations

Timor-Leste should prioritize the following actions to improve budget transparency:

- Publish the Year-End Report online in a timely manner.
- Improve the comprehensiveness of the Executive's Budget Proposal by including data on the macroeconomic forecast, as well as the financial position of the government, for example by including information on how proposed new policies for revenues and expenditures are reflected in the budget proposal; multi-year expenditure and revenue projections; information on tax expenditures, quasi-fiscal activities, and financial and nonfinancial assets.
- Improve the comprehensiveness of the In-Year Reports and Mid-Year Review.
- Expand the inclusiveness and participatory aspects of the Citizens Budget (CB) production process by formalizing one or multiple accessible and citizens-friendly mechanisms to identify the public's requirements for budget information to be included in the CB. Citizens awareness and engagement in the budget process can also be encouraged by publishing "citizens" versions of other key budget documents throughout the budget cycle and by publicizing the CB via additional methods of dissemination (e.g., social media, TV, and radio programs).
- Ensuring budgetary information is easily accessible in the Budget Book and published accordingly.
- Improve the reliability, timeliness, and accessibility of the Budget Transparency Portal.



# Extent of opportunities for public participation in the budget process



## Recommendations

Timor-Leste's Ministry of Finance has established a limited "Jornadas Orsamentais" during budget formulation and participatory budgeting during budget implementation but, to further strengthen public participation in the budget process, should also prioritize the following actions:

- Expand mechanisms during budget formulation and implementation to engage any civil society organization, member of the media, or member of the public who wishes to participate.
- Establish mechanisms for the public to know the contents of and offer comments on line ministries' proposed budgets prior to their reconciliation and submission to Parliament.
- Actively engage with vulnerable and underrepresented communities, directly or through civil society organizations representing them.
- Reinstate the annual Major Planning Options Law or another mechanism to enable public and Parliamentary discussions of budgetary priorities prior to preparation of the Executive Budget Proposal.
- Engaging citizens in the budgeting process to ensure that it reflects their needs and priorities during the line Ministries discussion.

Timor-Leste's National Parliament has established public hearings related to the approval of the annual budget, but should also prioritize the following actions:

- Allow any member of the public or any civil society organization to testify during its Committee hearings on the budget proposal prior to its approval, and ensure these hearings are open to the media.
- Allow members of the public or civil society organizations to testify during its hearings on the Audit Report.

Timor-Leste's Court of Appeals should prioritize the following actions to improve public participation in the budget process:

- Establish formal mechanisms for the public to assist in developing its audit program and to contribute to relevant audit investigations.

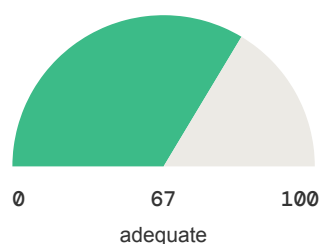


# Budget Oversight

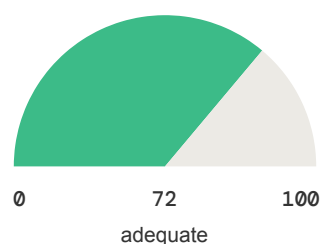
The OBS examines the role that legislatures and supreme audit institutions (SAIs) play in the budget process and the extent to which they provide oversight; each country is scored on a scale from 0 to 100 based on 18 equally weighted indicators. In addition, the survey collects supplementary information on independent fiscal institutions (see Box).

The legislature and supreme audit institution in Timor-Leste, together, provide adequate oversight during the budget process, with a composite oversight score of **68** (out of 100). Taken individually, the extent of each institution's oversight is shown below:

## Legislative oversight



## Audit oversight



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

## Recommendations

Timor-Leste's National Parliament provides adequate oversight during the planning stage of the budget cycle and limited oversight during the implementation stage. To further improve oversight, the following actions should be prioritized:

- Legislative committees should examine the Executive's Budget Proposal and publish reports with their analysis online, prior to the start of the plenary debate on budget specifics.
- A legislative committee should examine in-year budget implementation and publish reports with their findings online.
- A legislative committee should examine the Audit Report and publish a report with their findings online.

To strengthen independence and improve audit oversight by the Timor-Leste Court of Appeals, the following actions are recommended:

- Ensure audit processes are reviewed by an independent agency.

### **The emerging practice of establishing independent fiscal institutions**

Timor-Leste does not have an independent fiscal institution (IFI). IFIs are increasingly recognized as valuable independent and nonpartisan information providers to the Executive and/or Parliament during the budget process.

*\*These indicators are \*not\* scored in the Open Budget Survey.*

# Methodology

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- Only documents published and events, activities, or developments that took place through 31 December 2022 were assessed in the OBS 2023.
- The survey is based on a questionnaire completed in each country by an independent budget expert:  
Marta da Silva  
The Timor-Leste Institute for Development Monitoring and Analysis (La'o Hamutuk)  
Rua D. Alberto Ricardo, Bebora, Dili, Timor-Leste P.O. Box 340, Dili, Timor-Leste Tel: +670-3321040 or +670-77234330 email:laohamutuk@gmail.com  
Web:<https://www.laohamutuk.org> Blog:[laohamutuk.blogspot.com](http://laohamutuk.blogspot.com)  
[abatamoniz@gmail.com](mailto:abatamoniz@gmail.com)
- To further strengthen the research, each country's draft questionnaire is also reviewed by an anonymous independent expert, and in Timor-Leste by a representative of the Ministry of Finance.