



Timor-Leste meets all of the requirements of the EITI Standard

📅 Feb 14, 2018

✍️ EITI Secretariat

📄 Validation

The TLEITI has increased understanding and engagement in the governance of the oil and gas sector

Oslo, 14 February - A year after being assessed to have achieved meaningful progress in implementing the EITI Standard, Timor-Leste has been received an overall assessment of satisfactory progress.

The decision came after the Board determined that Timor-Leste had sufficiently addressed the seven corrective actions imposed by the Board when it first Validated the country on 11 January 2017. The Board found that Timor-Leste had demonstrated satisfactory progress in improving engagement in company and civil society participation in the EITI. This was evident through the recently published 2015 EITI Report, which provided company data disaggregated by project and a civil society analysis of the expenditures of the Petroleum Fund. The 2015 EITI Report also addressed earlier transparency gaps related to social expenditures.

The second Validation of Timor-Leste also documented the impact of EITI implementation, notably increased understanding of public expenditures, revenue flows and financial systems, which has enabled public participation in discussions on the national budget and the management of the Petroleum Fund. Members of the Timor-Leste multi-stakeholder group also acknowledged that the EITI had increased their knowledge of the licensing process, social expenditures, and had been a platform to push for contract transparency.

The EITI Board commended Timor-Leste's progress on aspects such as systematic disclosure of extractives data through government websites, expansion of scope of companies to include subcontractors, a review of the sustainability of the Petroleum Fund, and implementation of project level reporting.

Fredrik Reinfeldt, Chair of the EITI, said:

"Timor Leste's rapid progress in addressing the corrective actions speaks to the commitment of this country to the principles of the EITI. We hope that Timor Leste can become a pioneer for systematic disclosures of extractives data. We urge the Timorese to continue to use the EITI to evaluate their revenue management—a clearly important issue in Timor Leste. Finally, we applaud how the country has moved to reporting revenues and production at the project level enabling everyone to explore if what should have been paid, actually was paid."








Timor-Leste has been an EITI country since 2008. It now joins Philippines and Mongolia, the other two countries from the same region, that have been assessed to have achieved satisfactory progress in implementing the EITI Standard.

Scorecard

EITI Requirements		Level of progress					Direction of Progress
Categories	Requirements	No progress	Inadequate	Meaningful	Satisfactory	Beyond	
Timor-Leste Second Validation scorecard							
MSG oversight	Government engagement (#1.1)						
	Industry engagement (#1.2)						--->
	Civil society engagement (#1.3)						--->
	MSG governance (#1.4)						--->
	Work plan (#1.5)						
Licenses and contracts	Legal framework (#2.1)						
	License allocations (#2.2)						
	License register (#2.3)						
	Policy on contract disclosure (#2.4)						
	Beneficial ownership (#2.5)						
	State participation (#2.6)						
Monitoring production	Exploration data (#3.1)						
	Production data (#3.2)						
	Export data (#3.3)						
Revenue collection	Comprehensiveness (#4.1)						
	In-kind revenues (#4.2)						
	Barter agreements (#4.3)						
	Transportation revenues (#4.4)						
	SOE transactions (#4.5)						
	Direct subnational payments (#4.6)						
	Disaggregation (#4.7)						--->
	Data timeliness (#4.8)						--->
	Data quality (#4.9)						--->
Revenue allocation	Distribution of revenues (#5.1)						
	Subnational transfers (#5.2)						
	Revenue management & expenditures (#5.3)						
Socio-economic contribution	Mandatory social expenditures (#6.1)						--->
	SOE quasi-fiscal expenditures (#6.2)						
	Economic contribution (#6.3)						
Outcomes and impact	Public debate (#7.1)						
	Data accessibility (#7.2)						
	Follow up on recommendations (#7.3)						
	Outcomes & impact of implementation (#7.4)						--->
Overall assessment	Satisfactory progress						--->

(<https://eiti.org/sites/default/files/inline/timor-leste.png>)

Legend to the assessment card

	No progress. All or nearly all aspects of the requirement remain outstanding and the broader objective of the requirement is not fulfilled.
	Inadequate progress. Significant aspects of the requirement have not been implemented and the broader objective of the requirement is far from fulfilled.
	Meaningful progress. Significant aspects of the requirement have been implemented and the broader objective of the requirement is being fulfilled.
	Satisfactory progress. All aspects of the requirement have been implemented and the broader objective of the requirement has been fulfilled.
	Beyond. The country has gone beyond the requirement.
	This requirement is only encouraged or recommended and should not be taken into account in assessing compliance.
	The MSG has demonstrated that this requirement is not applicable in the country.

Notes

- **Validation** (<http://eiti.org/validation>) is the EITI's independent evaluation mechanism. It assesses countries against progress made in meeting the 2016 Standard.
- See [here](https://eiti.org/about/how-we-work#degrees-of-progress-country-statuses-explained) (<https://eiti.org/about/how-we-work#degrees-of-progress-country-statuses-explained>) for a full explanation of the various levels of progress under the EITI Standard.
- See the interactive scorecard for Timor-Leste [here](https://eiti.org/timorleste#timor-lestes-progress-by-requirement) (<https://eiti.org/timorleste#timor-lestes-progress-by-requirement>).
- The documentation of Timor-Leste's Validation can be found [here](https://eiti.org/document/timorleste-validation-2018) (<https://eiti.org/document/timorleste-validation-2018>).
- For further information about the EITI in Timor-Leste, please visit the [country page on the EITI website](https://eiti.org/timor-leste) (<https://eiti.org/timor-leste>).

The global standard for the good governance of oil, gas and mineral resources.

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