Sources of information in Timor-Leste

Today we will

1. Look at sources and general types of information
2. Explore the Procurement and Transparency Portals
3. Introduce La’o Hamutuk’s DVD
4. Examine other official and informal sources, reports from institutions, etc.

Think carefully – who knows information, if they must or can publish it, who is ready to help?

Every step of an activity involves documents

1. Vision (SDP, Government’s 5-year Program)
2. Plan (annual action plans)
3. Commitment (enacted state budget)
4. Preparation (design, tender)
5. Implementation (contracting, execution)
6. Results (handover, annual reports)
7. Evaluation

Documents come from

1. Global reports – UN, IMF, ADB, World Bank, UNDP, UNICEF, UNESCAP, ...
2. Timor-Leste Government – budget, contracts, project and annual reports, Statistics Directorate (DNE), Central Bank (BCTL), National Petroleum Authority (ANP), Finance Ministry, Justice Ministry, Portal, Jornal Repúblika (official gazette)
3. Local and international civil society
4. Companies and regulators
5. Development partners (donors)
6. Academics
7. Media
Ex: Where do Timor-Leste’s petroleum revenues come from?

From October 2005 through December 2012, $16.4 billion was paid into our Petroleum Fund ($4.6 billion was taken out).

- Petroleum Fund investment returns from investing Timor-Leste petroleum funds in banks and stocks
- ANP Oil Royalty
- Timor-Leste Investment
- Royalties on natural gas sold in 2006
- Liquids (additional royalties after the capital investment was recovered in late 2006)
- BERA LNG Royalty
- Liquids (additional royalties after the capital investment was recovered in late 2006)
- BERA Onshore Royalty
- Liquids (additional royalties after the capital investment was recovered in late 2006)
- BERA Offshore Royalty
- Liquids (additional royalties after the capital investment was recovered in late 2006)

Graphic from La'o Hamutuk based on information from ANP, BCTL and Finance Ministry.
**Ex: Gross production from Bayu-Undan**

Graphic from La'o Hamutuk based on information from Santos quarterly reports to ASX. Before mid-2006 estimated.

**Ex: Global oil market price**

Crude Oil Spot WTI Cushing

**Ex: Petroleum Fund**

Money in and out each quarter

| Source: Quarterly reports from Timor-Leste Central Bank |
Petroleum Fund of Timor-Leste
Quarterly Report

Ex: Treasury Balance
Balance in RDTL treasury at end of each quarter

Ex: Monthly expenditures in 2012
Total state spending during 2012: $1,194 million

Source: Petroleum Fund reports and balance from Timor-Leste Central Bank

Source: Transparency Portal – Government expenditure
Ex: Money for fuel missing?

While Dili drivers were scrambling to find the last affordable litre of petrol, the national (national transport services) said the theft of fuel was not uncommon. According to the report, Customs said that the Lais and Lais government had not been able to recover all of the fuel lost due to theft. In the past, authorities have stated that the theft of fuel is a serious issue and has led to the loss of millions of dollars in revenue.
Be careful with numbers
Calculations based on GDP misrepresent reality!

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<th>Iha tihan 2010, TL nia GDP: token $ 5766 GNI: token $3,199.</th>
<th>Public expenditure on education</th>
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Information sources about General State Budget (OGE)

- La’o Hamutuk’s website
  http://www.laohamutuk.org/econ/OGE13/12OGE13.htm
- Six Budget Books
- Budget Law in Jornal da Republika
  http://www.jornal.gov.tl/
- Finance Ministry reports about execution
- Transparency portal
  http://www.transparency.gov.tl/english.html
- Google translate
  http://translate.google.com/

More information is in the six General State Budget books

http://www.laohamutuk.org/econ/OGE13/12OGE13.htm

1. Overview / summary: Objectives, strategy, economy, revenues, spending financing, Petroleum Fund, new initiatives
2. Annual Action Plans: From each ministry
3. Districts: Programs in each district, subdistrict and suco, including PDD and PDL
4. Budget items (two volumes 4A and 4B)
   To the level of directorates and agencies
5. Development Partners
   From each donor, for each agency, project and district
6. Special Funds
   List of projects in the Infra. & Human Capital funds for 5 years.

Why is procurement important?

79% of state expenditures go through procurement.
Sources of procurement information

- **Procurement Portal**
  

  Also La’o Hamutuk spreadsheet from the portal

- **Finance Ministry website**:
  

- **General State Accounts (2011)**
  

- **Contingency Fund, all spending, Deloitte reports**

- **Budget execution reports and Transparency Portal**

- **LH webpage and DVD-ROM**
  
  [http://www.laohamutuk.org/DVD/DVDIndexEn.htm](http://www.laohamutuk.org/DVD/DVDIndexEn.htm)

- **Notices published in local newspapers**

Some are on Min. Finance site.


- Sometimes not complete, but still helpful.
- Nearly all are only in English.
- Often slow to update information.

Information published in newspapers

- **TIMOR GAP, E.P.**
  
  Has no date, but you can find one in file “properties”

- **A Christmas present!**
Then something else happened.

Should This be 2012?

The two largest contracts in TL history are for power plants.

Puri Akraya got $406 million.

Information from April 2011 Deloitte audit of EDTL:

- PAE was a newly-created company with “significant difficulties” and there was no consultation with other suppliers.
- PAE’s directors are Indonesians Eng Ho Tan, Dany Subrata, Raul Puri and Chander Vinod Laroya.
- The first two shareholders, in July and August 2010, were Full Blossom Limited (Hong Kong) and Pearl Energy Worldwide Ltd (British Virgin Islands), who invested only $2.
- 69% of PAE shares are owned by Dooks Group Holdings Ltd from the British Virgin Islands. Total value of stock issued: $7.8 million.

PAE is a single-source contract.

From Deloitte’s audit of the Infrastructure Ministry:

2.3.1.5 Direct award without justification

The lack of documentation provided has made the determination of instances of direct award difficult to determine. However, per our discussions with the Secretary of State of Electricity, Water and Urbanisation, Puri Akraya was a direct award (single sourced) contract. The contract was subsequently approved by the Council of Ministers.

Article 92 of Decree-Law 10/2010 permits direct award under specified circumstances. In this case there was no evidence that this procedure had been followed or the justifications for the purchase provided. When direct award cases are processed without any justification, it can result in procurement procedures being circumvented under the guise of being urgent or special matters.
Esperanca Timor Oan (ETO) got a bigger contract (not yet on the Portal)

We will import fuel without a tender.

Fuel for EDTL’s generators

From the Contingency Fund (2011) report:


ETO’s contracts

The last contract isn’t yet on the portal:

Bidding documents

http://eprocurement.gov.tl/download/491

Commentary:

http://laohamutuk.blogspot.com/2012/10/tl-govt-also-pays-too-much-for-fuel.html

We will import fuel without a tender.

Timor GAP

akordu ne’eebe mak Timor GAP mak kompania PERTAMINA Indonesia ati hari staseos komboestel iha distrizu 13, Francisco Monteiro, esklerjese katak, akordu ne’eebe asins ona ne’ee iha hea prosesu laran no iha 979 dehak, sei establestuk ultr ustawesz komboestel iha Dili ati bele fo atendementu na publicu.

“Ami hoxo PERTAMINA halo hoxo iha taotun ti intensiva ati avia ma bele at era lalai plano hari staseos komboestel iha Dili,” dixire Francisco Monteiro.

Ni o mue mei, kena akordu ne’eebe ke’ee se’ee fo benefici liu ba PERTAMINA, tarba hari Timor GAP nian mo halo oan ku estabulo ku ne’eebe hari Timor Oan ho kur fo staseos komboestel iha distrizu 13, liha prosesu hari staseos komboestel iha distrizu 13 iha Timor Leste, espliska Hansung Duha, proiset sai hoxo te utiliza stratagy co-bandind. Katak, sei aulo logo PERTAMINA ho Timor GAP iha prosesu hari staseos komboestel ne’eebe hari iha distrizu 13, inklai liha kapital Dili.

Hunang informa hikas, empra publika Timor GAP mak koendik PERTAMINA ati halo investemu iha nauan ne’ee ulik sai nudar provinsia iha bala de 27-11, Nausau Republika Indonesia nia maham.

Tuir Hansung Duha, investemu iha ne’ee nudar parte iha hudi dezemvolmu infraestrutura iha Timor Leste. Alei ne’e, PERTAMINA mos buunin ona ati halo kooperasun iha area parosak BHM industri iha nasasad elektridade nian cal.
Two unusual vendors

One vendor gets three codes

273 “Single-Source,” over $116m
Many ‘single-source’ illogical
But many more unexplained

A Companhia Esperança Timor-Oan, uma das Companhias formadoras do Combustível em Timor Leste, possui técnicas especializadas na reforma área, e tem serviço diversas organizações e instituições do Estado, inclusive o Ministério dos Negócios Estrangeiros (MNEC).

No ano fiscal de 2013, sujeito a aprovação do orçamento e a finalização do processo de aprovisionamento, frentes a necessidades de abastecimento do combustível para automóveis, motorizações e geradores, para poder facilitar as actividades do MNEC, o MNEC coube por continuar a requerer combustível diretamente da Empresa Esperança Timor-Oan.

A opção de prolongar o contrato por mais 4 meses, até o dia 30 de Abril de 2013, com a referida empresa, foi baseada na disposição da companhia de continuar a fornecer combustíveis e obter o pagamento posteriormente, e não comprometer futuras corgações, pois o presente contrato, será estabelecido com base num concurso público, onde a adjudicação do contrato, será baseada na competição de preços e demais requisitos predefinidos nos documentos de concurso.

Republica Democratica de Timor-Leste
Ministério das Finanzas

Fornecedor proposto (Proposed Source):

Seja:

2. Capabilidade exclusiva: (explain why the proposal is unique and why this is the only available supplier)

De:

Para:

Data:

Assunto:

4. O que consequências haverá esta consulta a um único fornecedor, ou futuras consultas ao mesmo fornecedor?

Finance Ministry revision in final budget books
Promulgated 2013 budget includes Parliament’s changes
128 emergencies - $41m!

Are these urgent or unforeseeable?

The portal shows only these six contracts from the Contingency Fund.

State Accounts show 223 Contingency Fund expenditures in 2011 alone, totalling $30 million.

Thank you.

For more and updated information:
- La’o Hamutuk’s website http://www.laohamutuk.org
- La’o Hamutuk’s blog http://laohamutuk.blogspot.com/
- Refer to the DVD-ROM from La’o Hamutuk.
- If you want to use a graphic from LH, please ask.