

# La’o Hamutuk

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## La’o Hamutuk writes to Parliament about the proposed Major Planning Options Law for 2023

On May 24, the NGO La’o Hamutuk sent an open letter to the Members of the National Parliament about the proposed Major Planning Options Law 2023 (*Lei Grande Opsaun Planu*). Through this letter, La’o Hamutuk hopes to contribute to the evaluation and discussion of the design of realistic, equitable, and sustainable directions for our beloved nation.

La’o Hamutuk appreciates that, through this proposed Major Options Planning Law, the Government has tried to convey the actual situation of Timor-Leste’s finances, including projections that the Petroleum Fund will run out by 2035, and the reality that revenues from oil and gas extraction will continue to decline.

In the letter, La’o Hamutuk asks the Ministry of Finance to improve and update information about projected spending and future revenues. We note that the proposed law uses data that does not include the impact of the 2022 Rectified Budget, which increased spending by \$1.24 billion. The proposed law also has inconsistent numbers, and we are concerned that some projected revenues are not proven or explained. Our letter includes more information about these concerns, and asks the Ministry of Finance to provide complete information about these estimates to help Members of Parliament and the public evaluate this proposal, and understand its actual impact on state finances.

We recognize that the Major Options Planning Law is an opportunity for the Government to establish an integrated plan to achieve specific objectives. However, this proposed law cites 263 measures - this means that it does not identify “major options”, but instead lists a lot of programs without indicating which will be prioritized or receive a large allocation. The letter identifies a few programs that should be prioritized in the 2023 State Budget, including agriculture oriented towards local consumption, education, health, and water and sanitation. When the Petroleum Fund is empty, there will be no money to invest in key sectors. We therefore need to use this opportunity to invest in the people today.

Our letter also identifies programs that should not be prioritized, including regional airports and components of the Tasi Mane project. For example, the proposed law lists measures to “acquire land and resettle the population” to make room for Tasi Mane, notwithstanding that the project may never be built. We need to prioritize an independent study of the costs, benefits and risks, before allocating more money to implementation, as ANPM and TimorGap have already committed to do. Furthermore, the proposed law includes an extension to the south coast highway linked to the Tasi Mane Project. Construction of the first part of this highway cost \$350 million for just 30 km; yet the quality of construction was poor and the road is currently in disrepair. If the Government plans to continue to build this highway, it could cost \$1.3 billion more - although an independent study of the project is yet to be undertaken. The raises major doubts - what are the benefits to the people, and what are the risks to the sustainability of state finances?

La’o Hamutuk’s Open Letter is attached to this Press Release. La’o Hamutuk invites the media to contact us for clarification or further comment on this important issue. More information is available at <https://www.laohamutuk.org/econ/OJE23/22OGE23.htm#MOP> .

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