



Timor-Leste saha ona kontrolu emperitimu ho vadei tatit miliaun \$450, no iha pianu atu fali emperitimu ho vadei biliaun \$12 entre 2017-2021. Malaria oan dave ne'e sel sira ba propiu baet ho reforme ne'e ba sira. La'o Hamutuk hase katak dave sel sai problema baet ho Timor-Leste babilio nia, moan ona no Timor-Leste tenke selu ba nia kavalidat sira, ita baet nia partidu komenda ho partidu emperitimu ida ne'e? Se iha, aiad, mak ita baet sel sira Timor-Leste nia dave komenda sira ta'e dave, ne'ebe la sustenta?

Solomon Timor-Leste sel membru ASEAN, ita tenke adigta prinsipu makadu liva, ida ne'e sel hamutuk Timor-Leste nia kavalidate atu dezenvolve nia ekonomia produtivu ita sel laran hanesan agrikultura, turizmu, manufaturasaun no selu-selu fan, aiad ita-baet sira nia partidu nia partidu komenda ASEAN no sira mak ita baet sira sel hata atu minimiza impatu makadu liva se TI, sel duni membru ASEAN?

Dualduk ne'e Timor-Leste ita sefara baet atu sel membru ASEAN, maké infelmente ita estado ASEAN bane sel ita vilitasaun direltas umniau grave no kompasun baet. Kade Timor-Leste sel membru parte ASEAN ita futa, partidu sira mak ita-baet nia partidu sel hase atu ajude hui hanesan vilitasaun direltas umniau ita ASEAN laran?

Iha laran 2013-2015, ita operasaun milidu baet ita ekonomia ho Mook Mook. Durante operasaun maa vilitasaun ba sira-futa sira nia direltas no liberdade fundamentai no repablika ba estado nia prinsipu, kom-fo direltas demokratiku. Sada mak ita-baet partidu sel hata atu ita alhassan sira dahi estado fone os nafatin lai no direltas umniau?

Partidu sira mak ita-baet sira nia partidu sel hata atu ajude estado atu no privadu sira bae promova transparénsia no akuntabilidade, no hatahan kompasun, kolusao no nepotizmu?

LA'O HAMUTUK
Timor-Leste
Instituto de Estudos e Promocão da Democracia
Rua da Paz, 100, 1.º andar
Dili, Timor-Leste
T: +670 7541 1111
F: +670 7541 1112
E: info@laohamutuk.org
W: <http://laohamutuk.org>

HANOIN MOLOK BA VOTA

SAIDA MAK PARTIDU POLITIKU SIRA NIA PLANU BA TINAN LIMA OIN MAI

LEE KONA-BA ASUNTU PRINSIPAL SIRA IHA

Timor-Leste nia populasaun malika ho idade nuaa no fahasa. Fahasa hase fua sira ne'e laka servisu no universidade sira kontinua prodia graduadu bora, maké kompu de trabahu limalha liu atu alme sira. Oinsá partidu politiku sira nia programa atu kria kompu trabahu?

Durante tinan baet ona, Governu haki implementa propiu indikadu partidu Tual Muna ita kasta 50, no gasta ano baia laran \$250. Praju ita ne'e sel produa bilian ho bilian fan hui gava nia oan, Moka, gikada itanadadu, partu independente sira, akademi no pesizadadu sira hui masan laran la fan kika prodia baet sira sel hata reforme finansial no sira baet liu nia investimantu no impatu. Sada mak ita baet nia partidu nia programa komu ba propiu ita ne'e?

Oinsá ne'e Timor-Leste ita dependadu baet ho impetasaun, ita nia defisit komadu ho bane no servisu liu bilian ida sira tinan. Partidu sira mak ita-baet sira nia partidu sel hata atu hanesan impetasaun no maximiza prodia vai laran?

INTRODUKAUN

Iha 30ta tinan 22 ita-baet sira sel hui partidu politiku ita ne'ebe mak sel lara ita Parlamento haidadu, no Governu ba partidu 2017-2022.

Pava ita direltas atu hataha kuan partidu politiku no programa Partidu Politiku ita ita nian komu ba duni importante sira ita prosesu.

Desenvolvimentu nia, atu nua'e baia hui ho komenda no safaesmentu ita partidu ita ne'ebe mak sava duni atu lara masan ita ne'e ba tinan lima oin mai.

PERGUNTAS

Timor-Leste nia resala hui nua no gila fan maké fan no laka no sel para ita 2021. Maké nua'e selu produtivu sira hanesan agrikultura, ita nia no turizmu, estado ita investimantu. Partidu sira mak ita baet nia partidu sel fone atu hase? ekonomia Timor-Leste no sustenta finansia estado bainhira oan hui nua no gas laka oan?

Durante tinan baet ne'e, 74% estado nia despesa mai hui futa partidu. Partidu ita ne'e sel hanesan amesa baet ho estado nia sustentaibilidade komu PP bae hata ita tinan savaun sin mai. Kade estado, aiad mak ita-baet sira sel gava PP nia sustentaibilidade?

Maké TI, ba problema baet ho kavalidate sira no edukasaun, kolusao argumetu estado kontinua ho savaun sira sel masan liu. Sada mak ita baet nia partidu sel hata atu resolve problema ita ne'e?

HANOIN MOLOK BA VOTA

SAIDA MAK PARTIDU POLITIKU SIRA NIA PLANU KONA-BA:

- Oinsá sustenta finansas estado bainhira rendementu husi petróleu la iha ona?
- Oinsá investe liu tan ba setór agrikultura, turizmu no indústri naun petrolíferu sira?
- Oinsá hadiak asesu ba sistema edukasaun, saúde, saneamentu no bee moos ba ema hotu?...

HARE'E PERGUNTA PRINSIPAL SIRA IHA:

Broxura Eleisaun Parlamentar 2017-2022 ne'ebe La'o Hamutuk faha atu informa kona-ba asuntu sira relevante ho dezenvolvimentu Timor-Leste nian. La'o Hamutuk mak institutu Timor-Leste ba Monitor no Analiza Dezenvolvimentu.

Bele hetan broxura iha edifisiu La'o Hamutuk iha Bebera ka iha ami nia website no blog [www.laohamutuk.org](http://laohamutuk.org) <http://laohamutuk.blogspot.com>

la'o hamutuk

What is La'o Hamutuk?

- **The Timor-Leste Institute for Development Monitoring and Analysis, founded in 2000.**
- **Timorese and international people “walking together” on the journey to create a new Nation.**
- **An independent, Timorese, non-partisan, non-governmental organization which does research, policy analysis, public education and advocacy.**
- **A force for participatory, equitable, sustainable and evidence-based policies and practices.**

Topics to discuss

- 1. Petroleum dependency – Timor-Leste is cursed by its (lack of diverse) resources.**
- 2. The state budget and national economy are not sustainable.**
- 3. If wishes were horses ... dreams should (mostly) be based on reality.**
- 4. Justice and impunity for past crimes**
- 5. Land rights**

History in one slide

- People have lived in Timor-Leste for at least 5,000 years.
- Portuguese colonized nearly 500 years ago.
 - They brought Catholicism but little development or education.
 - **Onshore oil exploration started in 1890s.**
- Australia, then Japan, invaded in 1941-45.
 - 40,000-60,000 Timorese killed in WWII, which didn't involve them.
- Portugal's military dictatorship resumed control in 1945.
 - **Offshore oil exploration began in the 1960s.**
- Portugal began decolonizing in 1974.
 - After Carnation Revolution brought down Portuguese dictatorship
 - TL declared independence 28 November 1975 ... but 10 days later
- **Indonesia invaded on 7 December 1975.**
 - Indonesia killed 100,000-200,000 Timorese in 24-year occupation.
 - **Timor-Gap Treaty 1989; oil production started 1998.**
- Referendum in 1999, then 2½ years of UN rule.
- Finally restored independence on 20 May 2002.
 - **Oil income surged in 2005-2007, but is declining since 2012.**

1. Petroleum Dependency

Timor-Leste has been one of the world's most petroleum-export-dependent countries.

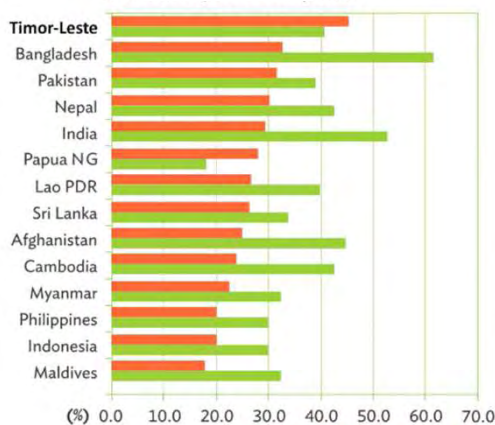
This determines our State, our economy and our future.

Basic Statistics

- Nearly half of Timor-Leste's people live in poverty.
- Two-thirds of our people live in rural areas, largely by subsistence farming.
- About 1,200 Timorese children under 5 years old die from preventable conditions every year ... 15 times the number of people who die from physical violence.
- Poor sanitation and malnutrition are endemic.

We're worst in the region ... and getting worse.

Figure 1.8: Prevalence of Underweight Children Under 5 Years of Age, Earliest (1990-2005) and Latest (2004-2014) Years



Source: ADB Key Indicators 2015

- A malnourished child could be permanently damaged.
- An undereducated child will not be a productive worker.
- Half of Timor-Leste's people are less than 20 years old.

Petroleum Dependency

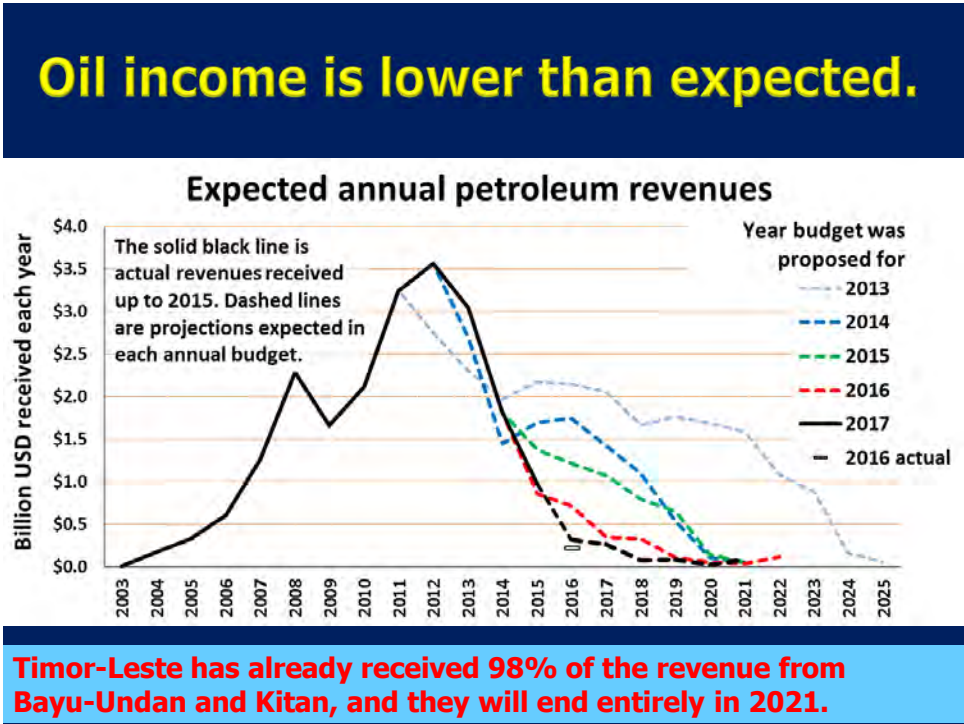
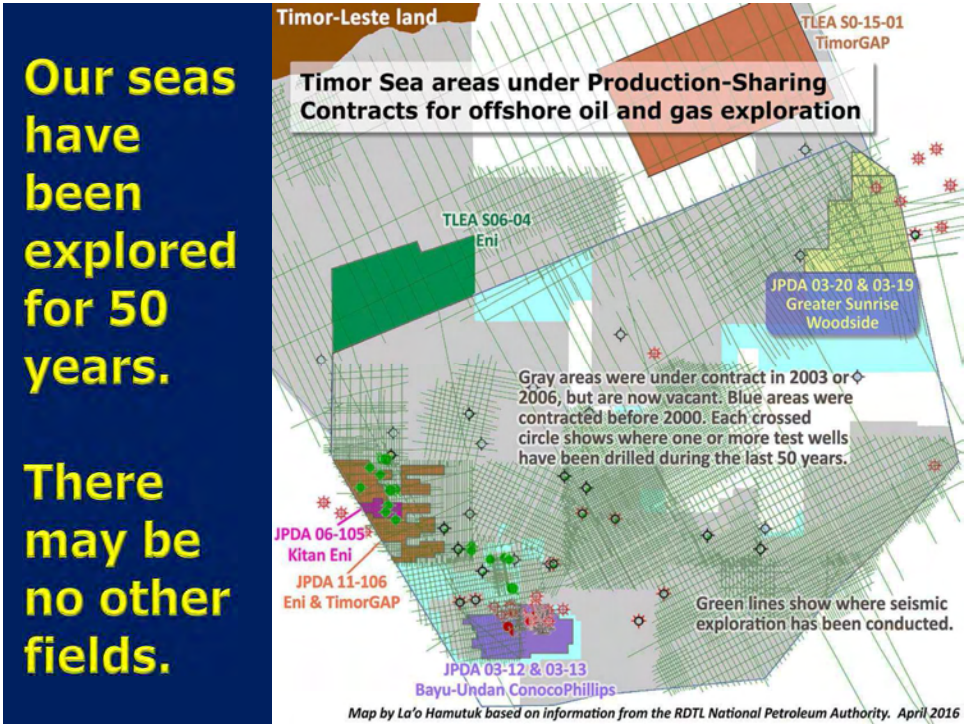
(million current US dollars)	2013	2014	2015
Petroleum GDP	\$4,234 (75%)	\$2,591 (64%)	\$1,496 (48%)
Non-oil GDP	\$1,410 (25%)	\$1,451 (36%)	\$1,607 (52%)
Productive (agric. & manuf.)	\$289	\$295	\$293

- Projected state revenues in 2017:..... **\$1,312 million**
\$843 million (64%) will be from investing the Petroleum Fund
\$263 million (20%) will be from oil and gas revenues
\$206 million (16%) will be from non-petroleum sources
- 2017 State Budget:..... **\$1,387 million**
\$1,079 million (78%) will come from the Petroleum Fund in 2017.
\$ 206 million (15%) is from non-petroleum (domestic) revenues
\$ 102 million (7%) is from loans which will have to be repaid with interest
- State activities, paid for with oil money, are about half of the “non-oil” economy, because some of this money circulates in the local economy.
- Petroleum “income” goes to the government, not the people.

Only South Sudan, Libya (and Equatorial Guinea?) are more dependent on oil and gas exports than Timor-Leste was.

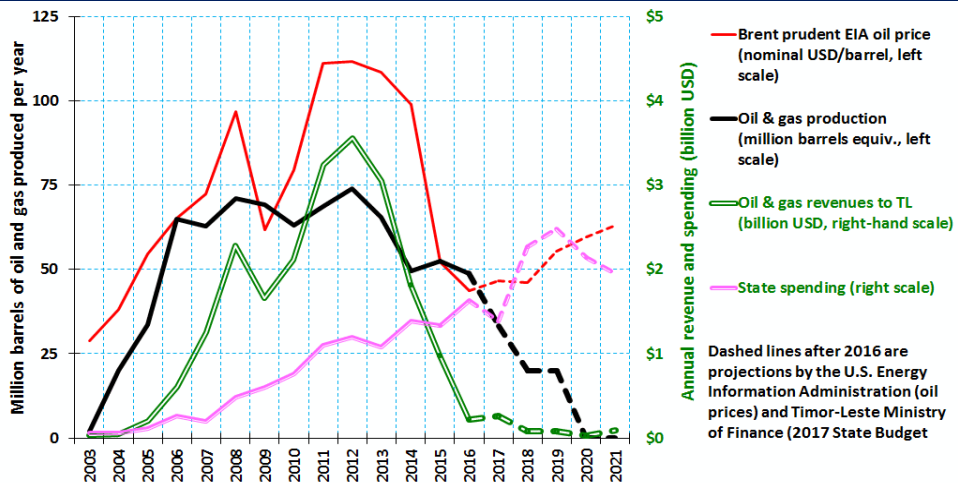
But we don’t have very much oil.

	Timor-Leste	TL without Sunrise	Australia	Brunei
Known oil and gas reserves per person at end of 2015	598 barrels	133 barrels	1,050 barrels+ (1,030 without Sunrise)	5,930 barrels
How long reserves will last at 2015 production rates	19 years	4 years	43 years+	20 years

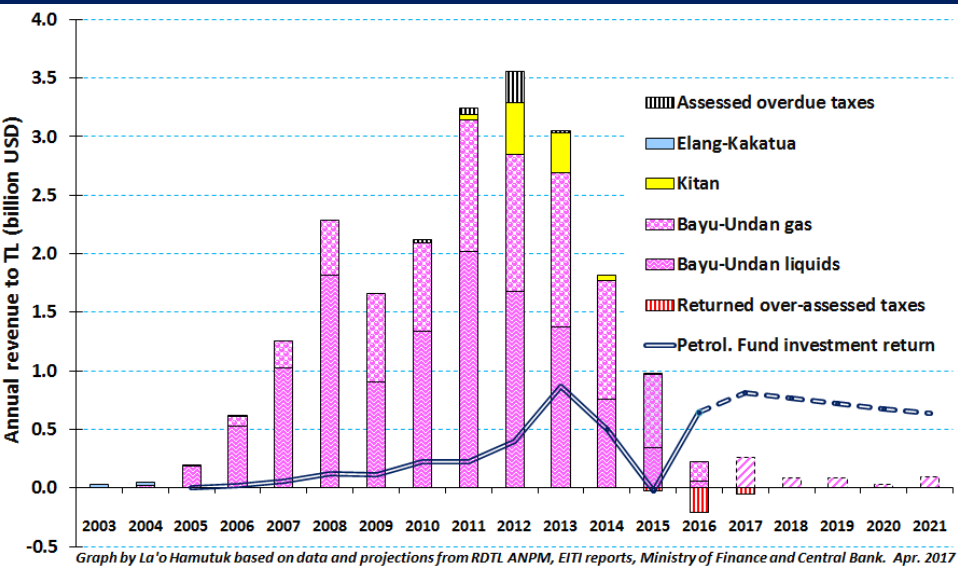


Oil and gas income has been falling since 2012.

Production is dropping faster than prices, and will not go back up.
The price will be irrelevant when we have nothing left to sell.

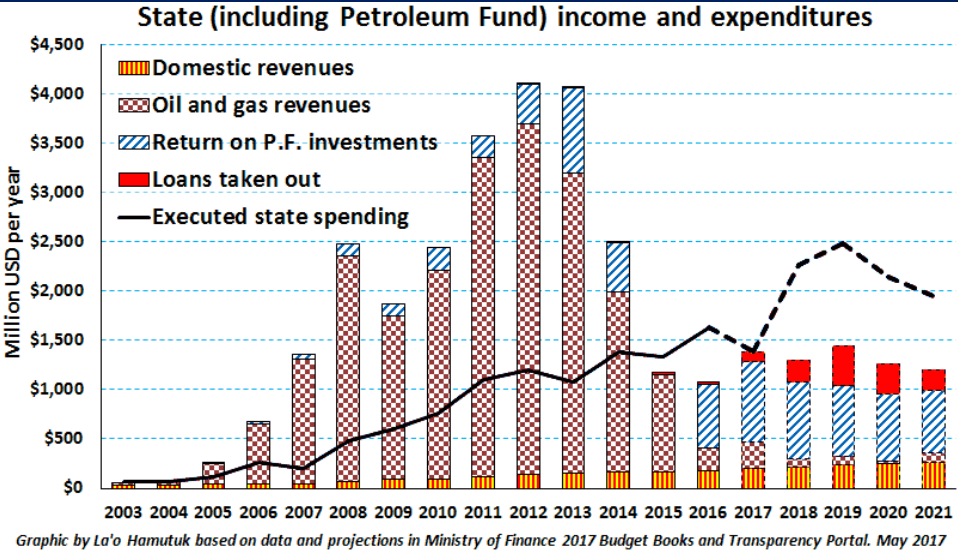


Where TL's oil income comes from



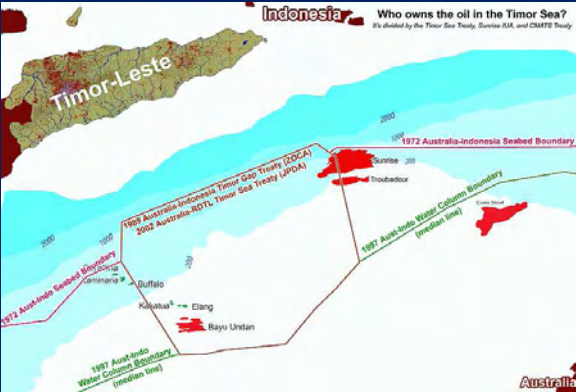
Graph by La'o Hamutuk based on data and projections from RDTL ANPM, EITI reports, Ministry of Finance and Central Bank. Apr. 2017

Spending now exceeds income.



Sunrise and maritime boundary dispute

- Australian companies began exploring Sunrise in the early 1970s, after Australia and Indonesia divided our maritime resources without involving Portugal. In 1989, they closed the "Timor Gap" to share illegally occupied resources in the Joint Development Area.
- The 2006 CMATS treaty banned maritime boundaries discussion for 50 years. It divides Sunrise upstream revenues 50-50.
- Australia put its greed for oil before respect for its sovereign neighbors or international law.
- Based on UNCLOS , TL owns everything north of the median line.
- In January 2017, Australia accepted Timor-Leste's request to revoke the entire CMATS Treaty. Boundary negotiations are finally underway.

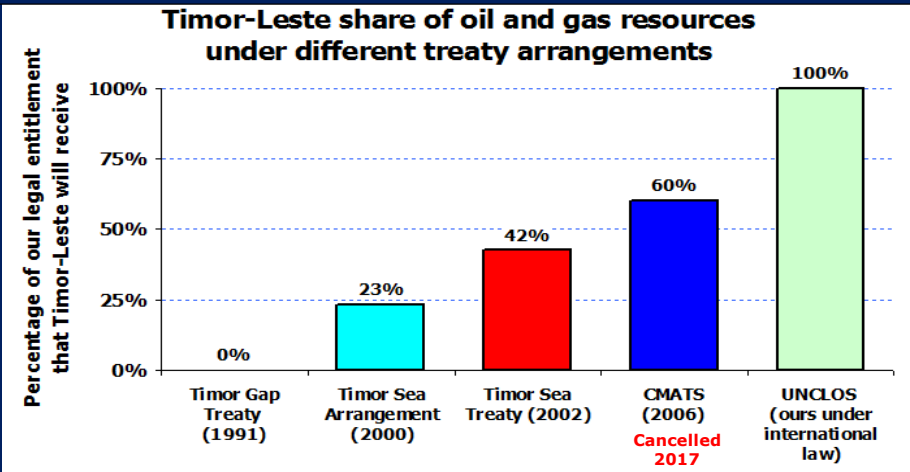


Conspiring to steal Timor's wealth

1989:
Foreign ministers Gareth Evans and Ali Alatas toast the signing of the Timor Gap Treaty while flying over the Timor Sea.



Australia is still stealing 40%.



This graph includes known fields which would belong 100% to Timor-Leste under the international law median line principle: Bayu-Undan, Elang-Kakatua, Greater Sunrise, Kitan, Laminaria-Corallina and Buffalo.

Who owns the oil in the Timor Sea?
 It's divided by the Timor Sea Treaty, Sunrise IUA, and CMATS Treaty

- Timor-Leste
- Indonesia
- Australia
- Joint Development Area: 90% TL, 10% Australia
- Sunrise Unit Area: 50% TL, 50% Australia
- Formerly disputed territory: 100% Australia

(c) 2006 La to Hamutuk

1972 Australia-Indonesia Seabed Boundary

1997 Aust-Indo Water Column Boundary (median line)

1997 Aust-Indo Water Column Boundary (median line)

1989 Australia-Indonesia Timor Gap Treaty (ZOCA)

2002 Australia-RDTL Timor Sea Treaty (JPOA)

TIMOR-LESTE (100%)

SUNRISE IUA (50-50)

AUSTRALIA by CMATS (0)

AUSTRALIA by CMATS (0)

INDONESIA (0)

INDONESIA (0)

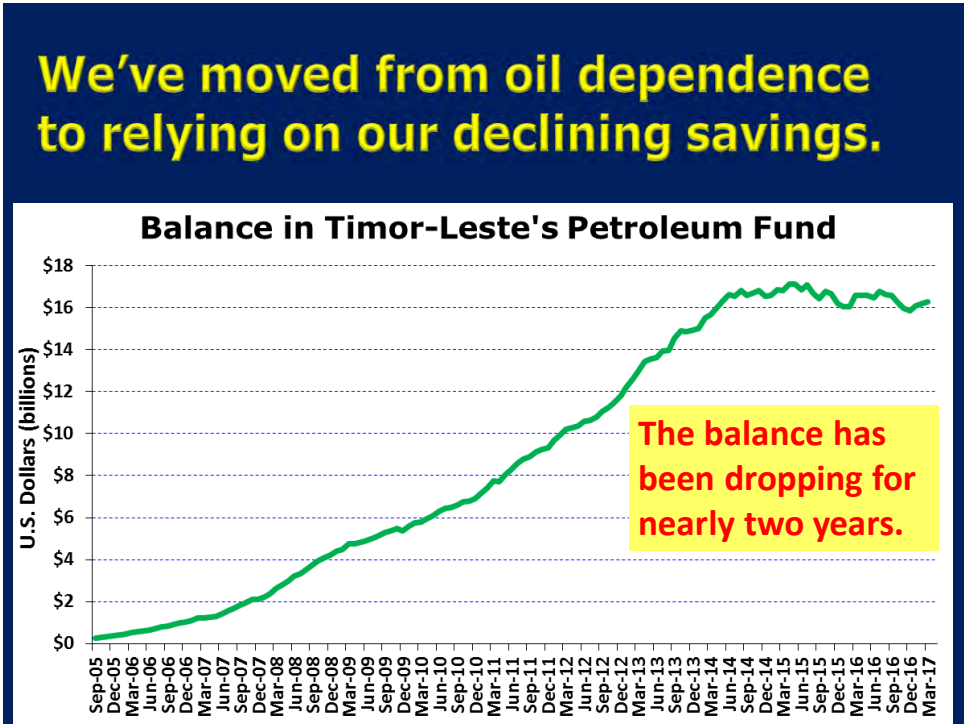
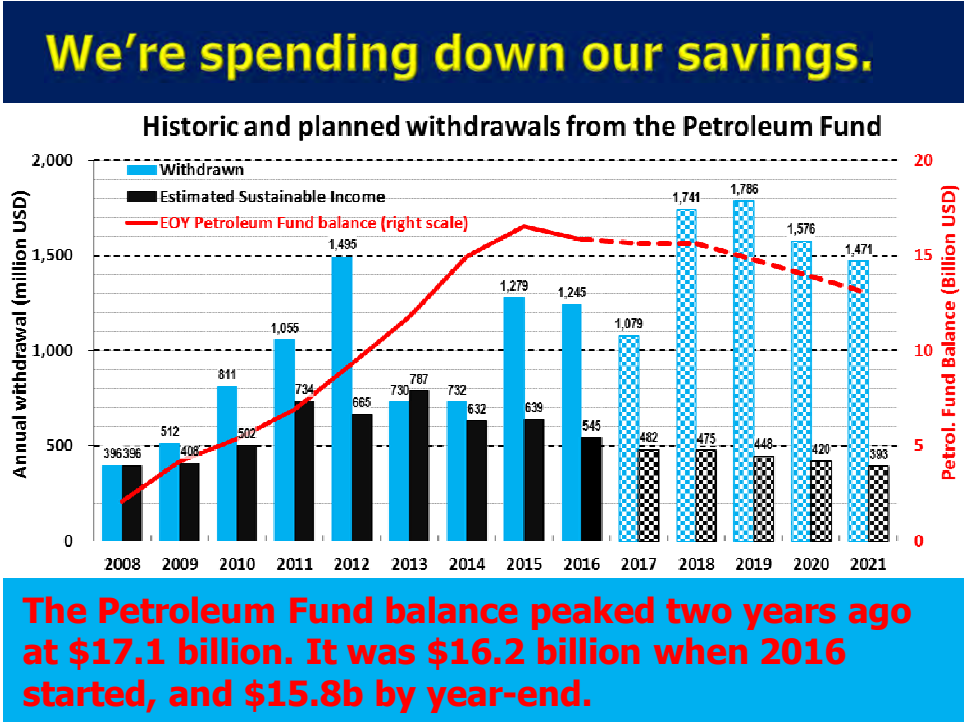
INDONESIA (0)

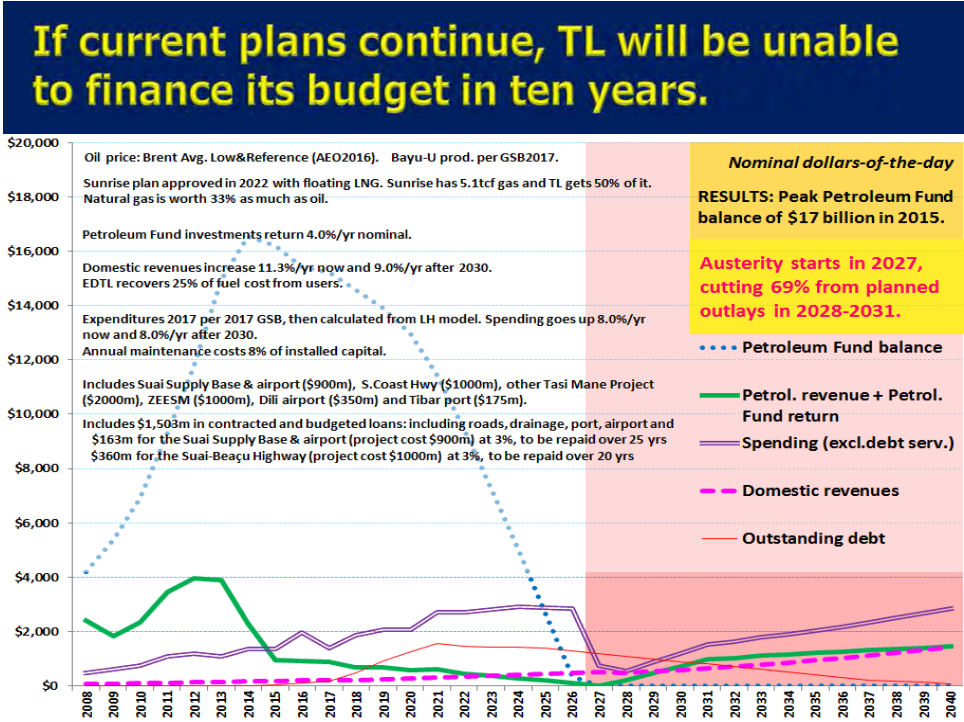
AUSTRALIA (0)

Australia

Oil fields: Buffalo, Kikataua, Elang, Bayu Undan, Sunrise, Troubadour, Gull, North







Signs of the “resource curse” (1)

- **Acting as if the oil money will last forever**
Kitan is finished; Bayu-Undan will be dry by 2020.
- **Borrowing today, to repay tomorrow**
TL will borrow \$1.5 billion in the next five years, often for projects with little chance of return.
- **Lack of realistic long-term planning**
The Strategic Development Plan 2011-2030 is but a dream; Tasi Mane and ZEESM Oecusse may not produce returns.
- **Using money to ‘solve’ every problem**
It’s easier to buy a scholarship than to build a university.
- **Spending without thinking**
Executed spending still goes up every year.

Signs of the “resource curse” (2)

- **Import dependency**
TL’s non-oil trade deficit is over a billion dollars every year.
- **Inflation from little local productive capacity**
Local production cannot absorb the cash in circulation, but the rising U.S. Dollar has masked this problem.
- **Ignoring non-oil development and revenues**
- **Benefits flow to the urban and political elite.**
Most people won’t use highways, airports and oil facilities ... but will share the costs of paying for them.
- **Petroleum “captures” decision-making.**
Agriculture, tourism, small industries, etc. don’t get a “fair go.”

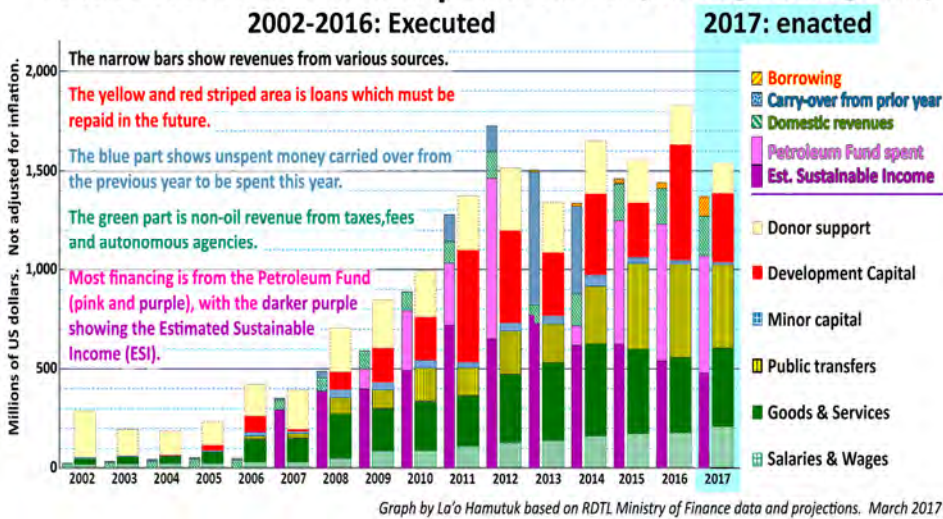
2. Unsustainable budget and economy

Timor-Leste has almost no industry and a tiny private sector.

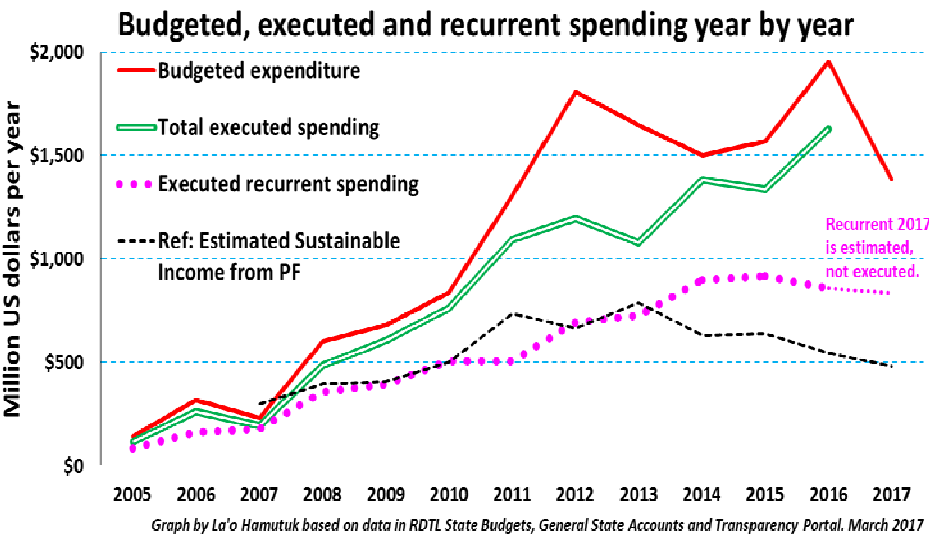
Our State Budget has grown faster than nearly every country in the world.

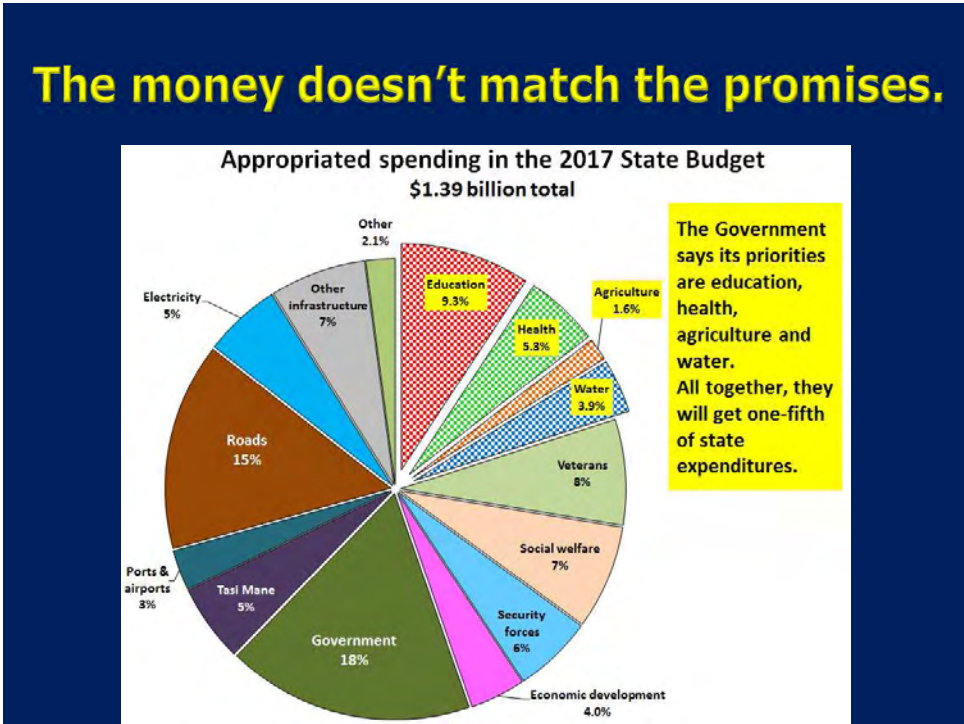
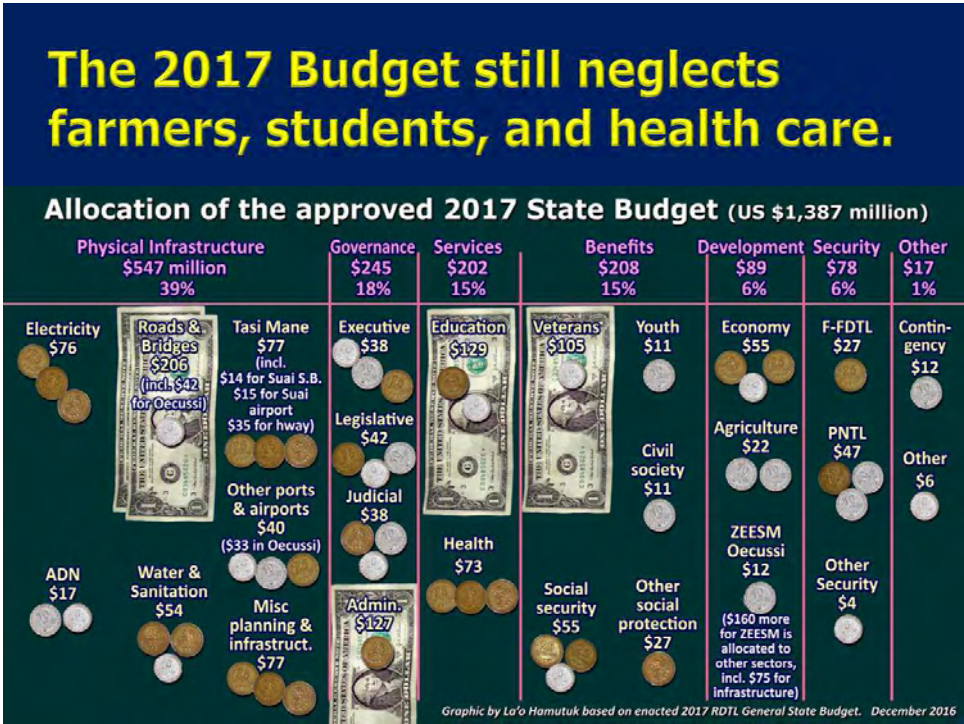
State Budgets 2002-2017

State Revenues and Expenditures (including auton. agencies)

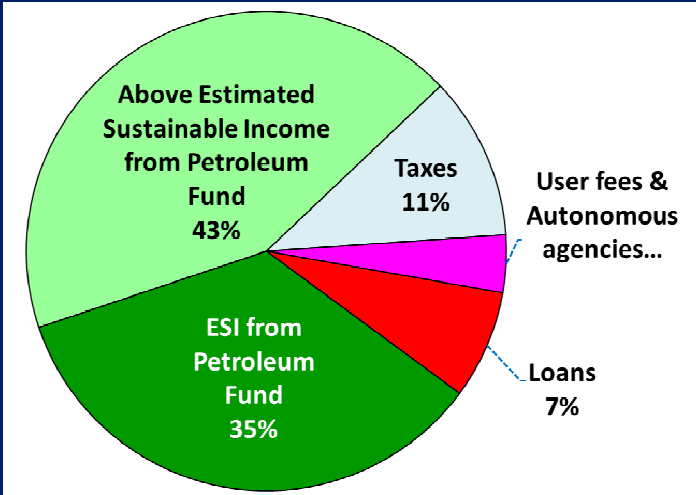


Budgeted & executed spending





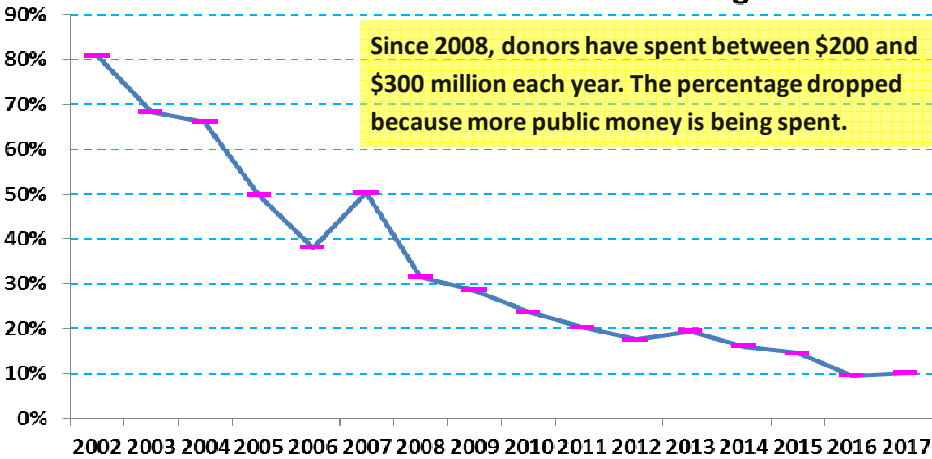
Income in the 2017 state budget

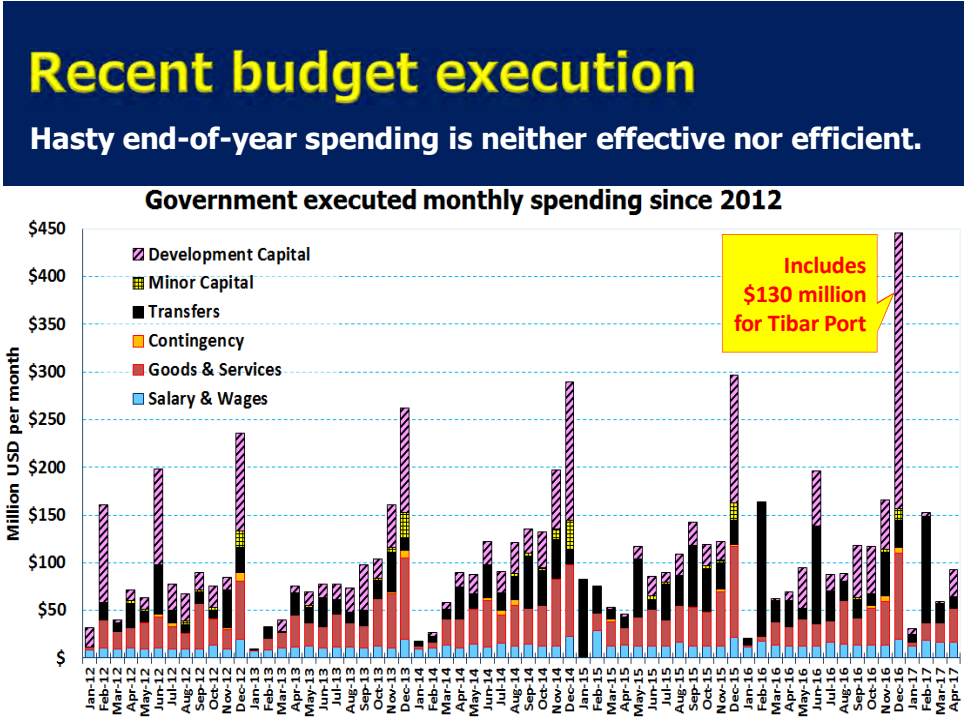


Total revenue: \$1,387 million, of which 85% is from past, present and future oil and gas income.

Donor support is less important now.

Percentage of Donor Support in Timor-Leste's Combined Sources Budget





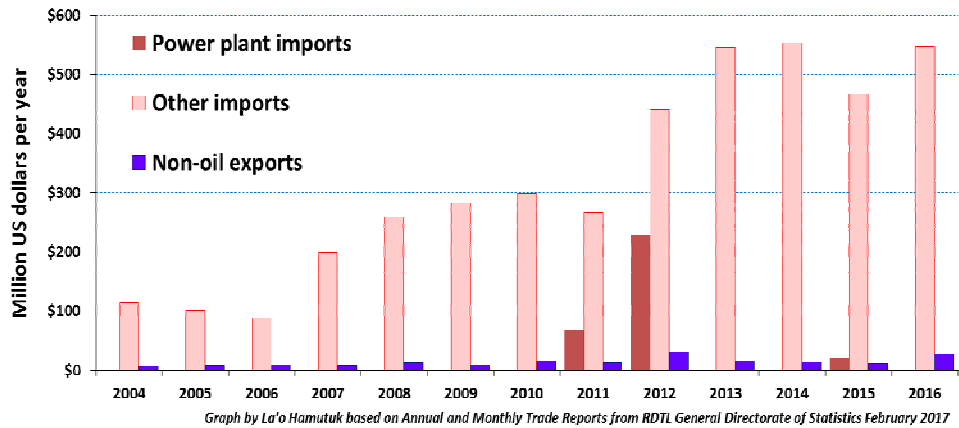
Real Threats to Real Security

- Human security is health care, food, education, employment, housing, etc.
- 20 times as many Timorese children under five die from avoidable conditions as people are killed by violence.
- These children will not be helped by police, soldiers or judges, but many donors prioritize the “security sector,” seeing everything through a conflict lens.
- We must diversify our economy and strengthen our people and workers to prepare for the day our oil runs out and we can no longer pay for imports.



Import Dependency

Timor-Leste Balance of Non-Oil Goods Trade

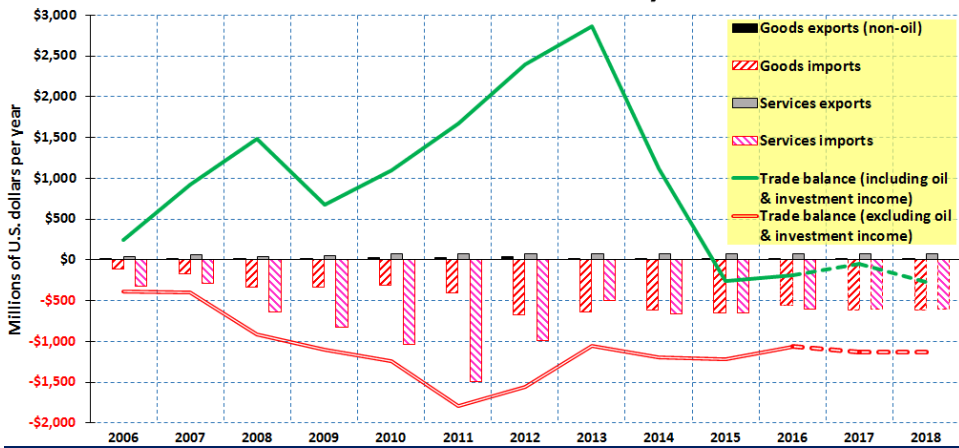


The graph shows legal goods trade only. 80% of donor spending and 70% of state spending doesn't stay in Timor-Leste.

Since 2015, more money goes out than comes in.

2016 trade:	services	non-oil goods	total
Imports	\$603m	\$559m	\$1,162m
Exports	\$ 77m	\$ 20m (99% coffee)	\$ 99m
Deficit	-\$526m	-\$539m	-\$1,063m

Timor-Leste's External Balance of Payments

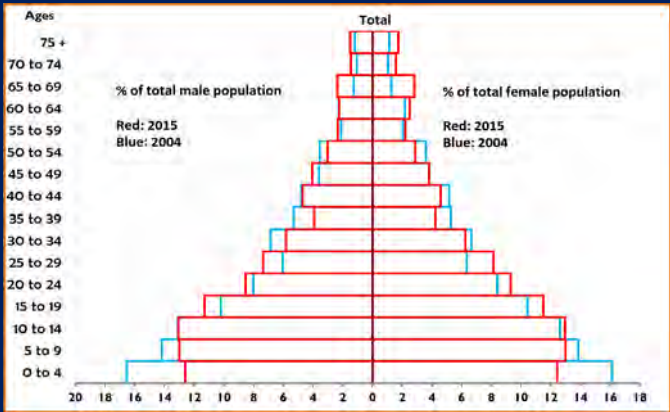


Timor-Leste changes every year.

- **Population**
Increases 1.8% every year, slower than 5.3% in 2004 and 2.4% in 2010. The post-war “baby boom” will start having children in the next few years, but half of the country is under 20 years old..
- **Inflation**
Consumer prices went up 11% in 2012, but have increased only slightly since then due to slower state spending increases and the rising U.S. dollar.

People’s needs and desires increase as the nation develops.

Many children are becoming youth.

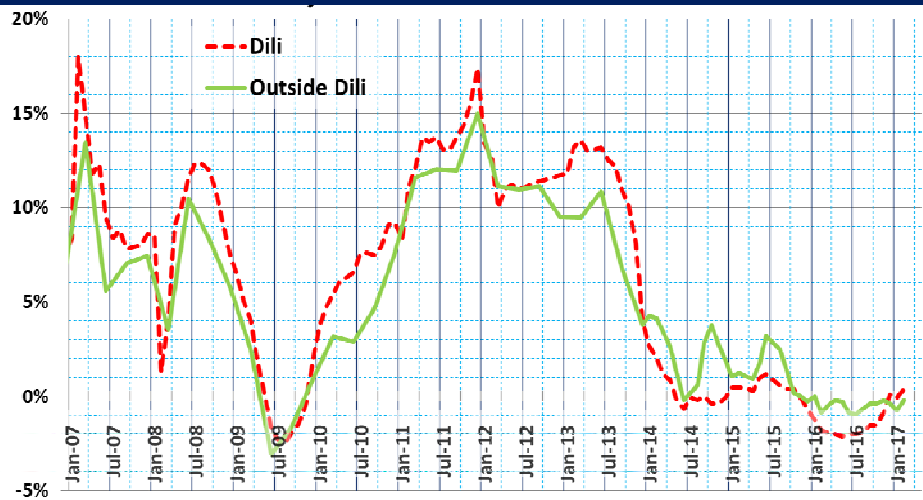


Timor-Leste is struggling to find jobs for 19,000 people who will enter the work force in 2017.

By 2024, it will be about 28,000/year, and the oil will be gone. Today’s youth will have their own children.

Year-on-year inflation

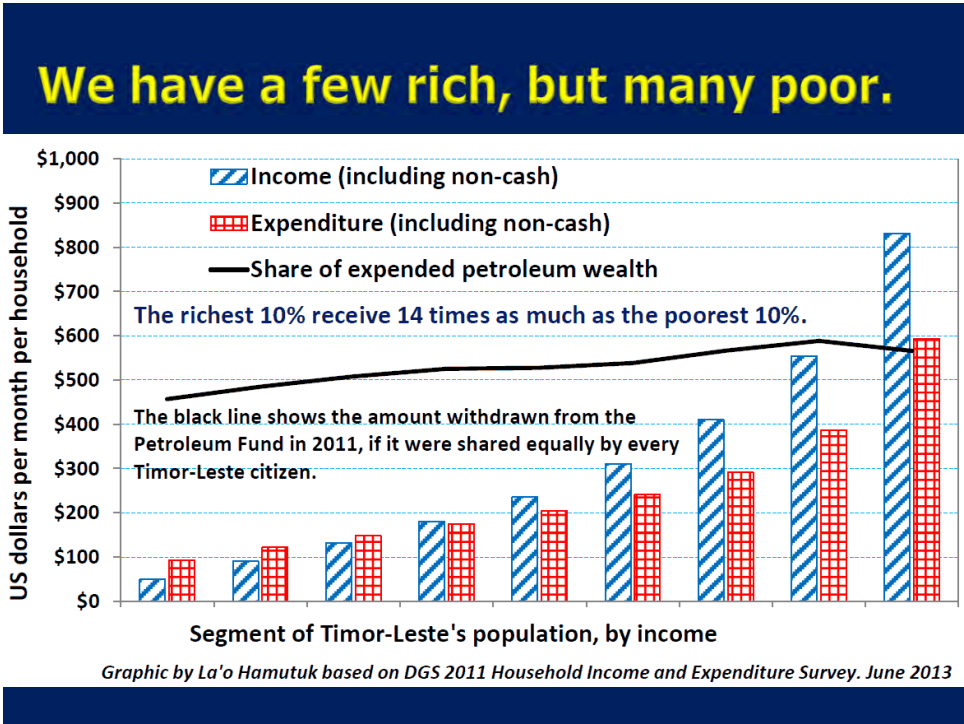
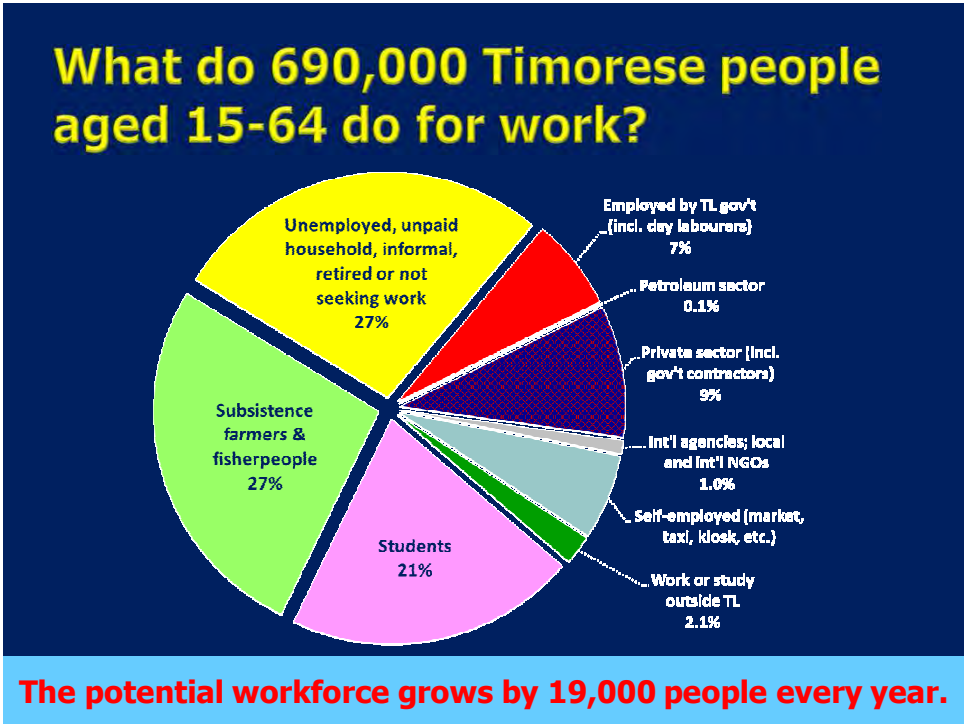
High inflation in 2010-13 resulted from the government spending more than the economy can absorb. Since then, it has been less, as the USD rose compared to currencies in nations we import from.



Most people live in rural areas by subsistence agriculture.



Agriculture will get 1.6% of state expenditures in 2017, although it is the livelihood of 65% of the population.



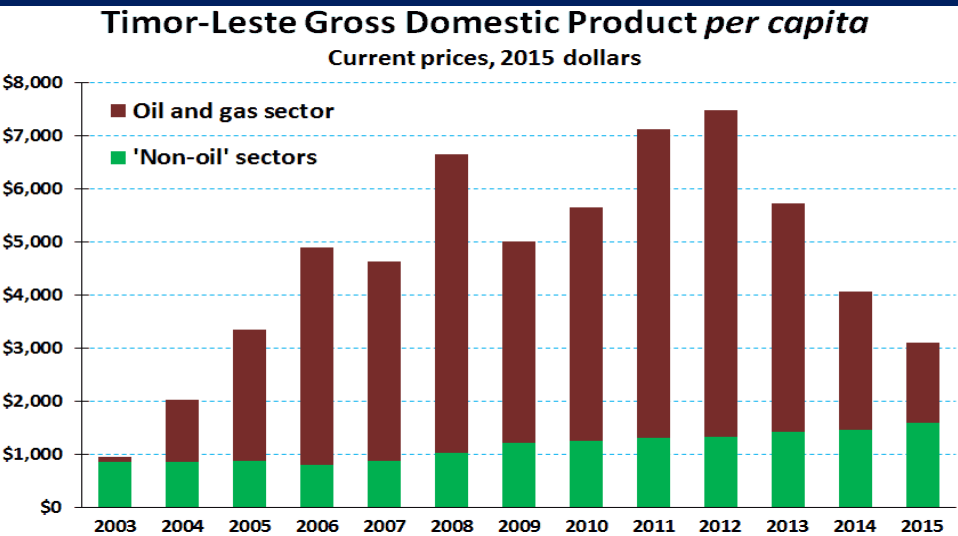
Dili is very different from the districts.

From Timor-Leste Demographic and Health Survey 2009-2010							
Table 2.11 Wealth quintiles							
Percent distribution of the de jure population by wealth quintiles, according to residence and region, Timor-Leste 2009-10							
Residence/ region	Wealth quintile					Total	Number of population
	Lowest	Second	Middle	Fourth	Highest		
Residence							
Urban	4.5	6.1	9.3	22.2	57.8	100.0	15,852
Rural	24.6	24.2	23.3	19.2	8.7	100.0	51,134
District							
Aileu	20.6	27.9	25.1	18.2	8.2	100.0	2,785
Ainaro	30.9	32.2	19.7	12.1	5.2	100.0	3,830
Baucau	26.9	28.9	19.3	13.4	11.5	100.0	7,590
Bobonaro	15.2	19.7	26.1	27.8	11.1	100.0	6,323
Covalima	17.2	17.7	23.1	25.1	16.8	100.0	3,993
Dili	0.4	2.1	6.5	20.1	71.0	100.0	10,905
Ermera	9.8	30.2	31.9	21.5	6.6	100.0	8,132
Lautem	28.0	16.7	20.4	24.5	10.4	100.0	4,547
Liquiçá	15.7	18.8	25.3	25.1	15.2	100.0	4,082
Manatuto	22.2	10.9	22.5	27.7	16.8	100.0	3,088
Manufahi	28.3	25.1	18.1	16.6	12.0	100.0	2,699
Oecussi	46.6	17.1	14.4	14.2	7.6	100.0	4,281
Viqueque	35.3	25.5	17.4	13.0	8.7	100.0	4,730
Total	19.9	19.9	20.0	19.9	20.3	100.0	66,985

More than 70% of Dili’s population are among the wealthiest 20% of Timorese, while only 2% are below the poverty line.

More than half of families outside Dili live in poverty.

Oil dropped from 82% to 48% of GDP in three years and will continue to fall.



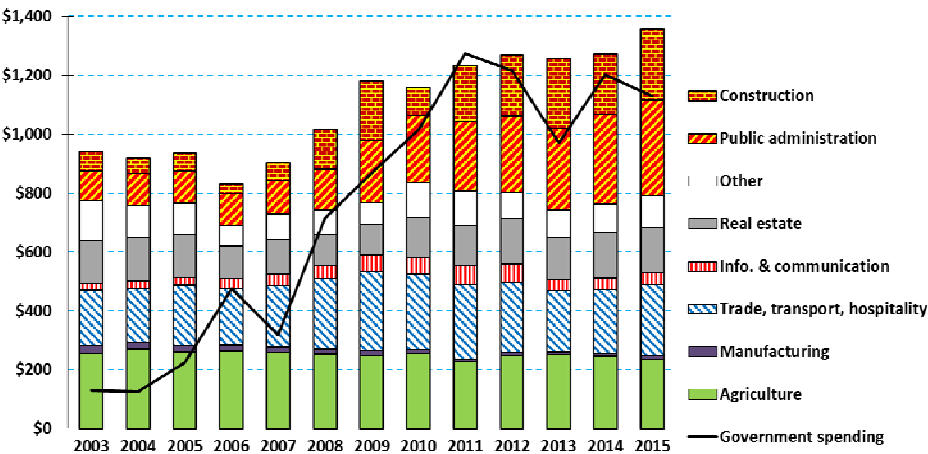
Timor-Leste's GDP is falling and uncertain

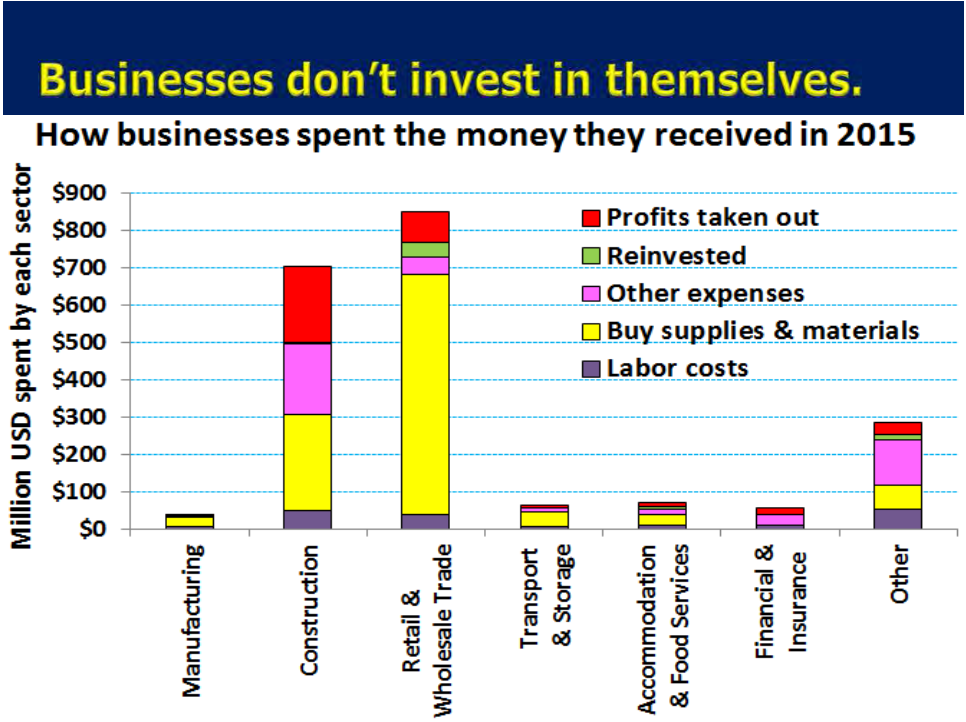
Real growth in total GDP	Date used	2011	2012	2013	2014
RDTL National Accounts (2015)	Apr-17	11.9%	4.8%	-10.9%	-26.0%
RDTL National Accounts (2014)	Jun-16	10.6%	1.9%	-12.8%	-27.8%
IMF Article IV Consultation (2015)	May-16		5.3%	-13.9%	-15.8%
RDTL National Accounts (2013)	Jun-15	12.6%	5.2%	-13.9%	
IMF Article IV Consultation (2014)	Oct-14	7.9%	-10.4%	-10.7%	-10.2%
IMF Article IV Report (2013)	Dec-13	7.3%	5.7%	-3.2%	-6.9%

Total GDP per capita has fallen since 2012, as the population is growing more rapidly than the economy.

The non-oil, non-state GDP per capita is stagnant.

Sectoral contributions to 'non-oil' *per capita* GDP
Current prices, 2015 dollars





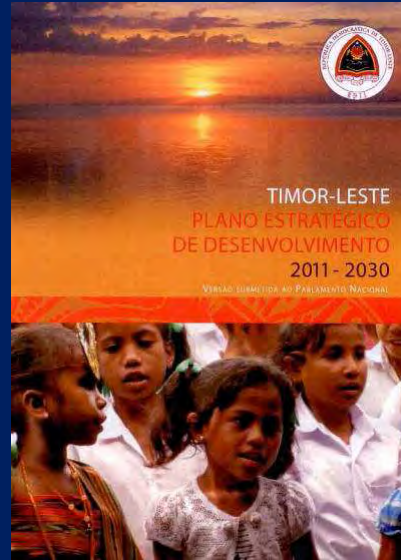
3. Unrealistic dreams

Current plans for development will not sustainably improve people's lives.

They rely on Greater Sunrise gas, which is limited and may never come to TL's land or treasury.

The Strategic Development Plan


- Issued July 2011, hopes to make TL an Upper Middle Income Country by 2030.
- A vision and dream, not a realistic plan.
- Focuses on physical infrastructure, not sustainable development.
- Will require loans and spending beyond TL's means
- Promised reviews are not being done.



Tasi Mane petroleum infrastructure project

- In 2010, TL began the South Coast Petroleum Corridor.
- During 2011-2016, TL already spent \$286 million on it.
- Total project costs could be \$15 billion (more if Timor-Leste pays for the refinery, pipeline or LNG plant).
- The 2017 budget allocates \$65m in 2017 and \$1.62 billion in 2018-2021, but leaves out the biggest items.
- The largest contract in TL history was signed in 2015: \$719 million to build the Suai Supply Base. It was ruled invalid.






Tasi Mane project will include:

- **Suai:** Supply base area, Industrial estates, Nova Suai, Suai Airport, Crocodile farm
- **Betano:** Refinery and Petrochemical complex, Petroleum city (Nova Betano), pipeline from Suai
- **Beacu:** LNG Plant complex, Nova Beacu, Nova Viqueque, Viqueque airport.
- **Highway** from Suai to Beacu

The Tasi Mane Project includes the Suai supply base, Betano refinery, Beacu LNG plant, 156-km highway, onshore and offshore pipelines, 2 airports and 2 seaports.



Suai Supply Base



COMISSÃO NACIONAL DE APROVISIONAMENTO
MINISTÉRIO DO PLANEAMENTO E INVESTIMENTO ESTRATÉGICO

Intent to Award

Tender Number	Description	Winning Contractor	Contract Price
ICB/012/MPMR-2013	Design and Construction of Suai Supply Base	Hyundai Engineering & Construction Co., Ltd / Hyundai Engineering Co., Ltd (HDEC-HEC) consortium	USD: 719,212,000

The National Procurement Commission will respond to any protest in writing received at the Office of the National Procurement Commission, Rua dos Direitos Humanos, Dili, Timor-Leste no later than five (5) working days from the posting of this tender result.

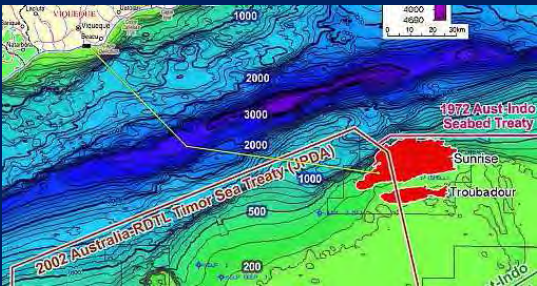


Timor-Leste and Hyundai Engineering signed this \$719 million contract on 27 August 2015. It is the largest contract in the nation's history, more than the total spent on education since independence was restored in 2002.

Hyundai is currently blacklisted by the Korean government for collusion.

The Greater Sunrise stalemate

- The project is stalled because Timor-Leste and the companies do not agree on how it should be developed.
- Woodside and its partners Shell, ConocoPhillips and Osaka Gas believe a floating LNG plant in the sea is the most profitable.
- Timor-Leste wants a pipeline from Sunrise to Beça, to get more tax revenues and anchor the Tasi Mane project.
- Under contracts and treaties, the companies can choose the path, but both governments need to approve it.
- TL could have withdrawn from most of CMATS at any time before a development plan is approved.
- Because of Australian spying, TL successfully pressured Australia to invalidate all of CMATS in January 2017.



Problems with the Tasi Mane project

- It makes TL more dependent on the oil and gas sector.
- Dubious concepts and planning; it is unlikely to provide a reasonable return on investment.
- It neglects sustainable development (agriculture, tourism, small industries etc.), exemplifying the obsession with oil.
- Nearly all the billions spent will go to foreign companies, providing hardly any local jobs or subcontracts.
- It will create social conflict, take up land, displace people, worsen health and degrade and endanger the environment.
- Cost projections leave out most expenditures, including nearly all of the highway, LNG plant and refinery.
- What if Sunrise gas doesn't come to Timor-Leste?

The Government has made many unrealistic promises to local communities about profit-sharing, jobs and other benefits.

Special Market Zone in Oecusse

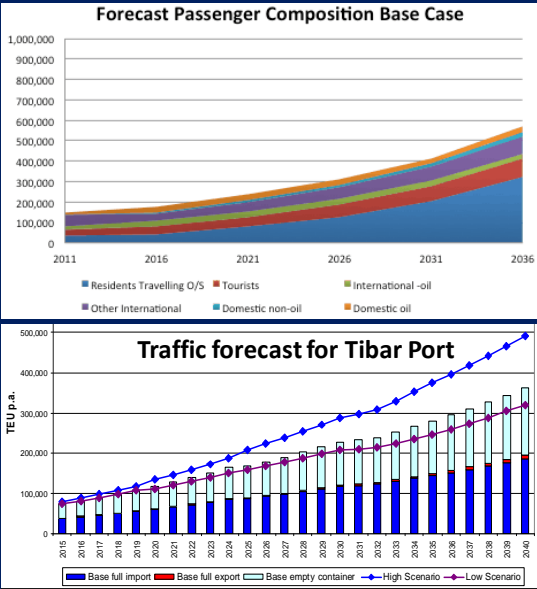


- In 2014-17, ZEESM got \$544 million with no accountability.
- What are Oecusse's competitive advantages?
- Can ZEESM justify a \$4 billion investment?

Who benefits: residents of Oecusse or political ex-opposition?

Overbuilding ports and airports

- International agencies and companies enable Timor-Leste to build much larger ports and airports than realistic traffic projections require.
- How will the country pay for a \$6 billion annual trade deficit after the oil is gone?



Timor-Leste is going deeper into debt.

- Laws in 2009 opened the door to foreign loans.
- In 2012, Timor-Leste signed contracts to borrow \$107 million from Japan and from the ADB.
- In 2013, TL signed for \$90m more from ADB and World Bank. In 2015, TL signed for \$12m more from ADB. In December 2015, TL borrowed \$50m from China's Ex-Im bank. In March 2016, TL signed for another \$76m from the ADB. In April 2017, TL signed for \$35m more from the World Bank.
- During 2016-2021, TL hopes to borrow about \$1.3 billion:

2016	2017	2018	2019	2020	2021	Total
\$50m	\$102m	\$223m	\$399m	\$300m	\$200m	\$1.27bn

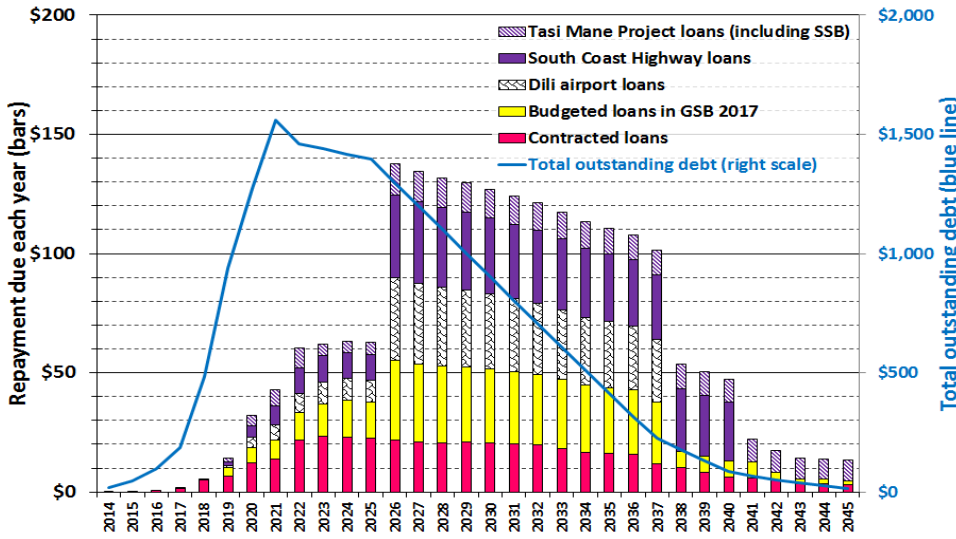
Most loans will pay for roads.

Projects to be financed with borrowed money, 2012-2016



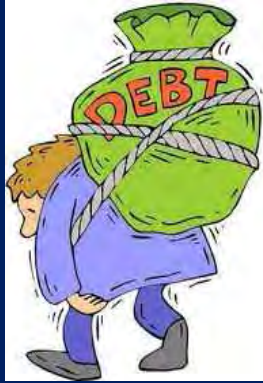
Loans will have to be paid back.

Annual loan repayments (million USD)



Graph by La'o Hamutuk based on 2017 state budget, information from lenders, and LH sustainability model. October 2016

Important to consider



- Implementing the SDP will require billions of dollars in loans, probably at commercial rates.
- Even at concessional rates, repaying a loan will permanently reduce money in the Petroleum Fund. The yen loan makes us hostage to a strong dollar.
- TL's oil and gas reserves are limited, non-renewable, and 98% depleted already.
- TL will have to make loan repayments before spending money on people's needs or developing other sectors.
- Our children and grandchildren will inherit the debt after the oil wells have run dry.

4. Impunity and accountability

**Impunity for past crimes
undermines future stability,
security and rule of law.**

Impunity and accountability for crimes against humanity

- **1975-1999:** Indonesian invasion and occupation killed about 180,000 people in a systematic and planned policy executed throughout Timor-Leste.
- **The US, UK and Australia and others** armed, trained and provided diplomatic cover for the Suharto military dictatorship until the 1990s.
- **2000:** Indonesian Commission on Human Rights Abuses in TL (KPP HAM) reported on 1999 crimes and recommended an international mechanism.
- **2001-2004:** UN-supported Serious Crimes Unit indicted 391 people for 1999 crimes. All Indonesian and most Timorese indictees live free in Indonesia.
- **2001-2005:** TL's Commission for Reception, Truth and Reconciliation (CAVR) researched history and encouraged reconciliation among Timorese. Its extensive report made 200 recommendations, including that if other processes fail, the UN should create an international tribunal.

Impunity continues to this day

- **2005:** UN Commission of Experts (COE) reviewed legal processes to date and recommended creating an international mechanism.
- **2005:** TL and Indonesian governments created the Commission of Truth and Friendship (CTF) using diplomacy to avoid individual accountability.
- **2014:** Prabowo, former commander of Kopassus, ran for President of Indonesia, losing to Jokowi.
- **2016:** Jokowi appointed ex-general Wiranto as Coordinating Minister for Political, Legal and Security Affairs.

Until today, not one legitimate process in Indonesia or Timor-Leste has held major criminals accountable.

Indonesia's occupation included many massacres.



Above: 1983 massacre in Kraras, Viqueque
Right: Commemorating the 10th anniversary of the 1999 Suai Church massacre. Indicted ringleader Maternus Bere was illegally freed due to Indonesian pressure on TL's leaders.



UN Serious Crimes Unit Special Panel

The UN-supported Serious Crimes Unit indicted 391 people for 1999 crimes, tried 87 Timorese and convicted 84.

All Indonesian indictees and most Timorese are living free in Indonesia, and efforts to prosecute were blocked by political interference.



2004: President Xanana Gusmão and indicted ex-General Wiranto

The Serious Crimes Unit issued an arrest warrant for former Indonesian military chief Wiranto for Crimes Against Humanity weeks before this photo was taken in Bali.

Wiranto later ran twice for President of Indonesia.



Human rights groups against Wiranto's cabinet appointment

Indonesia: Gen. Wiranto's appointment shows contempt for human rights

27 July 2016, 14:35 UTC





Ongoing impunity creates insecurity.

- **Today, all the main perpetrators of crimes against humanity during the Indonesian occupation are free in Indonesia, including everyone responsible for the 99% of occupation-related killings committed between 1975 and 1998.**
- **They are all protected by the Indonesian government, and many hold high Indonesian political and military positions.**
- **This ongoing impunity greatly threatens peace, security, democracy, rule of law and moral values in both Timor-Leste and Indonesia.**

UN Special Rapporteur on Extreme Poverty

"Ending impunity is an essential prerequisite to ensuring stability, peace and sustainability. The Special Rapporteur encourages the State to take measures to ensure that post-conflict justice and reconciliation is prioritized and that a legal framework is put in place to ensure that those responsible for serious crimes during the conflict are called to account for their deeds, and the victims of those crimes are able to access reparations. She also reminds the Government of Indonesia, the United Nations and the international community of the role they must play in ensuring that the perpetrators of crimes during the Indonesian occupation are brought to justice."

June 2012 report to Human Rights Council

What happens next?

- Today, neither Indonesia, Timor-Leste nor the international community has the political will to bring these criminals to justice.
- The Commission of Experts report has never been discussed in the Security Council.
- UNMIT left Timor-Leste at the end of 2012, having failed to achieve justice.
- Recent executive interference in the court system further weakens the rule of law.
- UN policy and global consensus says that there can never be impunity for crimes against humanity. **Chega!**

A luta continua. We continue to demand that people who violate the law be held accountable for their crimes.

5. Access to land

**Land is the base of our
socio-cultural lives.**

**Recent developments could
increase injustice and conflict.**

Traditional land system before Portuguese colonization and Indonesian occupation

Land functions

- Determines our origin and identity
- Place occupied by our ancestors spirits
- Socio-cultural functions linked to tradition and cosmos
- Collective economic function

Access to land

- Inheritance
- Traditional system allowing right to collective use
- Property right allowed after occupying land for a long time

Land management

- Traditional collective management system at the family and village levels (Tara Bandu).



Consequences of colonization and occupation

Introduction of a new coercive system

- Forced displacement
- Transmigration
- Taxes
- Certificates
- Corruption and stealing

Changes in land functions

Land as a strategic tool to

- Reinforce power and domination
- Support Portuguese and Indonesian economy
- Increase people's dependency and vulnerability

Land as a commodity without soul

Privatization: communities lose rights to individuals.

Desertification: monocrop agriculture depletes soil.

Land registration in Portuguese and Indonesian times

- **200,000 parcels already registered.**
- **2,843 land titles issued by Portuguese.**
- **34,965 land titles issued by Indonesians including 30% through corruption.**

This system transferred land ownership from Timorese families and communities to more than 100,000 non-Timorese private owners.

Land law elaboration

In 2009, the Ministry of Justice, with the support of USAID, implemented the cadastre and registration system and created the Special Regime for Determination of Ownership of Immovable Property, Expropriation Law and Real Estate Finance Fund Law.



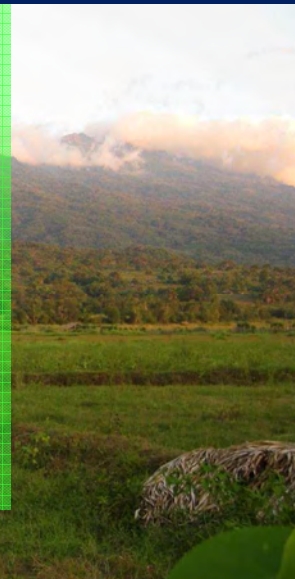
These laws were developed with limited community participation. Parliament passed them in 2012, but President Ramos-Horta vetoed them. Revised versions were finally enacted this year.

Land law concept

Establishment of a formal, basic land tenure system to address:

- needs of the modern
- urban sector
- formal land transactions
- registration.

It must also respect traditional land and customs.



Who will benefit from these land laws?

- **The State.**
Land “owned” by Portuguese and Indonesian administrations automatically becomes Timor-Leste state property without considering how the occupiers got it.
- **People who got certificates during Portuguese and Indonesian times.**
- **Rich and powerful people.**
People with a lot of land and money can pay taxes and exert disproportionate influence.


Likely consequences of the implementation of the Land Laws

Social, cultural and economic impacts:

- Land will become a commodity with no spiritual value.
- Degradation of our cultural system which is based on collective values.
- Land concentration in the hands of rich and powerful people.
- Increasing cases of eviction.
- Poor people will lose their land.
- Less land available for agriculture and production.
- Emergence of slums, landlessness and homelessness.

Use www.laohamutuk.org

Instituto ba Analiza no Monitor Dezenvolvimento iha Timor-Leste
Timor-Leste Institute for Development Monitoring and Analysis
Institut Permantauan dan Analisis Pembangunan Timor-Leste



[Bulletin](#) | [Surat Populár](#) | [Topic Index](#) | [Reports & Announcements](#)
[Reference](#) | [Presentations](#) | [Mission Statement](#) | [LH Blog](#) | [Home](#)

La'o Hamutuk
PO Box 340, Dili, Timor-Leste
Wired phone: +670-3321040, Mobile: +670-77234330, info@laohamutuk.org

Go to the [Topic Index](#) to look up any posting by subject.
Go to the [Updates Page](#) to see new items on this website.
Go to the [Reference Index](#) (also [Tetum](#)) to find documents.

Type in this box to search La'o Hamutuk website and blog:

Google Custom Search

Recent Postings

- July 2017: [Parliamentary election](#): with [pamphlet](#), laws, [party lists](#), schedules and other materials
- July 2017: [Extractive Industries Transparency Initiative](#) (EITI) in Timor-Leste: reports and background
- July 2017: [presentations from the Timor-Leste Studies Association conference](#), with [abstracts](#)
- Jun 2017: proposed [Private Investment Law and Policy](#), including [LH submission on the law](#) and our second [submission on the policy](#)
Blog: [Private investment is a road, not a destination](#) (mos Tetum)
Blog: [Private investment isn't a panacea: We need investments which benefit Timor-Leste's people, not only investors](#)

Pagina indise
[Orsamentu Estadu 2017](#) (6/17)
[Orsamentu Estadu 2016](#) (12/16)
[Fundu Petroliferu](#) (5/17)
[Radio Igualdade podcasts](#) (3/17)
[Prosesu Kona-ba Rai](#) (7/16)
[Fronteira marítima](#) (5/14)
[Konferensa duador nan](#) (7/16)
[Portu Tibar](#) (8/16)
[Kazu Korupsaun Bobby Boye](#) (1/16)
[Proiektu mina rai Tasi Mane](#) (9/12)
• [Baze Fomesimentu iha Suai](#) (10/13)
• [Sunrise LNG](#) (7/11)
[Kontratu faha produsaun petroleu](#) (4/17)
[Lei Imprensa](#) (6/17)
[PPP no Aeroportu Dili](#) (6/14)
[Fabrika enerjia oleo pesadu](#) (1/12)

Index pages
[2017 General State Budget](#) (6/17)
[2016 General State Budget](#) (12/16)
[Petroleum Fund](#) (5/17)
[Maritime boundaries](#) (6/17)
[Land processes](#) (7/16)
[Donors' conference](#) (7/16)
[Tasi Mane oil/gas project](#) (6/16)
• [Beacu LNG plant](#) (7/15)
• [Suai Supply Base](#) (6/16)
• [Sunrise LNG](#) (3/15)
• [Batstano refinery EIA](#) (5/16)
• [TimorGAP nat'l oil company](#) (6/17)
[Tibar Port](#) (8/16)
[Petroleum production-sharing contracts](#) (4/17)
[Overdue petroleum taxes](#) (4/17)
• [Bobby Boye fraud](#) (6/17)
[Media Law](#) (6/17)

Thank you.

You will find more and updated information at

- **La'o Hamutuk's website**
[**http://www.laohamutuk.org**](http://www.laohamutuk.org)
- **La'o Hamutuk's blog**
[**http://laohamutuk.blogspot.com/**](http://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 3321040 (landline)

Email: info@laohamutuk.org