

# Mid-Year Report

## La'o Hamutuk

January - June 2007

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## La'o Hamutuk

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## Mission and objectives

*La'o Hamutuk* (“*Walking Together*” in English) is a seven-year-old Timor-Leste organization that monitors, analyzes and reports on the principal international institutions present in Timor-Leste as they relate to the physical, economic and social reconstruction and development of the country. *La'o Hamutuk* believes that the people of Timor-Leste must be the ultimate decision-makers in this process, which should be democratic and transparent. *La'o Hamutuk* tries to be a model of equitable cooperation between Timor-Leste and foreign activists, and both Timor-Leste and international staff have equal responsibilities and receive equal pay and benefits.

*La'o Hamutuk* is an independent organization which works to facilitate effective Timorese participation in the reconstruction and development of the country. In addition, *La'o Hamutuk* works to improve communication between the international community and Timor-Leste's society. Finally, *La'o Hamutuk* is a resource center, providing literature on development models, experiences and practices, as well as facilitating solidarity links between Timor-Leste's groups and groups abroad with the aim of creating alternative development models.

Since 2006, Timor-Leste has faced a multidimensional crisis, a consequence of centuries of colonization, 24-years of occupation and the uncompleted process of self-determination. State institutions remain fragile despite international community support, the government depends on petroleum revenues, unemployment is high and increasing every year, a culture of impunity culture is developing and law enforcement and the judiciary are very weak, to name a few problems.

The crisis took more than a hundred Timorese lives, destroyed thousands of houses, displaced tens of thousands of people, and made some institutions non-functional, including the command structure of the national police (PNTL). The crisis also reduced confidence in Timor-Leste's leaders and state institutions. The new Government has to resolve those problems, include restoring public trust in the PNTL and military (F-FDTL).

In 2007, Timor-Leste's people elected a new President of the Republic and 65 Parliamentary representatives. These are the first national elections administered by Timorese institutions, although the United Nations Integrated Mission in Timor-Leste (UNMIT), UNDP and foreign security forces played important roles in the process and follow-up. Timor-Leste's Government continues to consolidate itself, but international financial institutions, foreign governments, foreign companies, bilateral and multilateral agencies, and international advisors still have powerful roles. They are particularly involved in key areas like the exploitation of Timor-Leste's natural resources, managing petroleum revenues, the judicial system, the security sector, and drafting legislation.

During the crisis, the United Nations expanded its mission in Timor-Leste, but questions remain about future prosecutions for crimes against humanity, economic development, and international support to strengthen Timor-Leste's democratic structures and practices. UNMIT is helping to reform, restructure and rebuild national police institutions and the security sector, and to help the new Government reinforce other state institutions and aspects of democratic society.

*La'o Hamutuk's* work remains crucial in helping international agencies and Timor-Leste people better understand each other as this new country defines and evolves its internal systems and its position in the international arena. *La'o Hamutuk's* role is also important in assisting our nation to avoid the resource curse that afflicts nearly all impoverished, oil-dependent countries and to and maximize the benefits of oil and gas resources for the Timorese people.

The principal objective of *La'o Hamutuk* is to increase the Timor-Leste people's knowledge about and participation in the reconstruction and development of their country. We are implementing this with the following strategic goals:

- To monitor, analyze and provide information on the development of Timor-Leste, and to help make that process more just and responsive to Timor-Leste needs and desires.
- To empower the people of Timor-Leste, especially women, to participate more effectively in the development process.

- To facilitate relationships between the people of Timor-Leste and international solidarity networks, providing information on alternative development models.
- To increase communication and understanding between the people of Timor-Leste and international institutions and donors.
- To advocate for improvements in transparency, economic and social justice, human rights and democracy.
- To help Timor-Leste learn about and avoid the pitfalls of globalization, petroleum dependency and export-oriented “free market” economic policies.
- To strengthen *La' o Hamutuk's* effectiveness and internal organization.

## Program activities

This section describes activities which *La' o Hamutuk* carried out during the first six months of 2007.

### **Bulletin**

The *La' o Hamutuk Bulletin* provides high-quality, comprehensive analytical information based on our research to the public and to decision makers. We distribute the *Bulletin* at no charge to schools, churches, government offices, and international and local NGOs throughout Timor-Leste, with help from district-based organizations. Within Dili, we distribute to embassies, the World Bank, ADB and IMF, the UN, central government offices, hotels, restaurants, libraries, and other public places. The *Bulletin* is also circulated by email and posted on our website, where it is read by people in Dili and around the world.

With the increasing presence of international staff and the UN, *La' o Hamutuk* increased our print run for the English version from 1,500 copies to 2,000; we continue to print 3,000 in Bahasa Indonesia, giving us a circulation larger than any Timor-Leste newspaper.

During the first half of the year, we published two *Bulletins*, out of five planned for all of 2007.

Volume 8, number 1 (March)

- ★ Issue focus: Timor-Leste's Petroleum Fund
- ★ Return our Natural Resources: Report from the Oilwatch Forum
- ★ Public meeting on CMATS Treaty
- ★ Public meeting on UNPOL-PNTL cooperation
- ★ Lessons for the UN from Timor-Leste
- ★ Editorial: National Parliament, Don't pass greedy pension laws

Volume 8, number 2 (June)

- ★ Issue focus: Screening PNTL back into service
- ★ Restructuring petroleum regulation
- ★ Alliance for an International Tribunal plans strategy
- ★ Unfulfilled promises for justice
- ★ CMATS: Timor-Leste's fifty-year loss of sovereignty
- ★ Political parties debate petroleum revenue management
- ★ Editorial: Amnesty law perpetuates impunity

### **Radio program**

The objective of *La' o Hamutuk's Igualidade* Radio Program is to disseminate information to the public about the issues that we monitor, considering the reality that half of the Timorese people cannot read. We produce *Igualidade* weekly and broadcast it through the government network Radio Timor-Leste (RTL) which is heard in much of the country. With the integration of the radio program into our investigation teams, this program has become better coordinated. We also use our radio program for advocacy, as well as to collect information. During these six months *La' o Hamutuk* produced 20 radio programs, which are listed in Appendix I.

## **Public meetings**

The objective of *La'o Hamutuk's* public meetings is to facilitate communication between civil society and decision makers, and to create discussion and participation space among society on particular issues. The public meetings are organized by each investigative team, and each team has the responsibility to initiate topics based on its investigations and to coordinate the meeting. Our plan for 2007 is to organize twelve public meetings, and we hosted five during the first half of the year (see Appendix II), including a major debate among political parties on petroleum revenue management.

## **Website and email list**

Our website <http://www.laohamutuk.org> contains more than 500 reports, statements, analyses and press releases. An issue index ([www.laohamutuk.org/issues.html](http://www.laohamutuk.org/issues.html)) makes it easy to find material on specific issues, which are organized into broad areas of justice and human rights, oil and gas, international financial institutions, global trade and markets, Timor-Leste government finances, aid to Timor-Leste, United Nations, militarization, agriculture, popular education, and solidarity and activism. Recently, we created several topic pages with basic background and links to other documents on subjects including the Petroleum Fund ([www.laohamutuk.org/Oil/PetFund/05PFIndex.htm](http://www.laohamutuk.org/Oil/PetFund/05PFIndex.htm)), the proposed Amnesty Law ([www.laohamutuk.org/Justice/Clemency/07ClemencyLaw.htm](http://www.laohamutuk.org/Justice/Clemency/07ClemencyLaw.htm)), UNMIT ([www.laohamutuk.org/reports/UN/06UNMITcreation.html](http://www.laohamutuk.org/reports/UN/06UNMITcreation.html)) and each public consultation on draft petroleum legislation. During the first half of 2007, an average of 700 people visited our website each day, twice as many as during the same period of 2006.

## **International and national media**

Media is very important for advocacy, and *La'o Hamutuk* frequently gives interviews or provides information to visiting journalists or those who contact us. Local media coverage of *La'o Hamutuk* activities sometimes misunderstands *La'o Hamutuk's* role, and most local journalists don't know how to use our information to support their work. The international media makes better use of our information, and we are looking to improve *La'o Hamutuk's* role at the national level. A partial list of articles written by or featuring *La'o Hamutuk* is included in Appendix III.

## **Research, monitoring and advocacy**

During the first half of 2007, we reorganized our approach to investigation work, moving from an institutional to a topical perspective. We identified five important topics to cover: Natural Resources, Agricultural and Food Security, Governance, Economic Development and Social Services.

Our new approach grows from lessons we learned over the past seven years. We found that nearly all donor-funded projects have the same problems: insufficient consultation with the community; arrogance by international consultants to local staff and beneficiaries, resulting in inadequate transfer of skills or delegation of authority; unsustainability; inadequate coordination and communication with the Timor-Leste government and other donors; failure to consider relationships between the need addressed by a project and other needs of the community; and use of inappropriate models from other projects or countries conducted by the same institution. In many cases, projects dogmatically follow principles of privatization, fee-for-service, "free" trade and prioritizing commodity exports over domestic use, even when these are inappropriate or undermine the effectiveness of the project.

These deficiencies are pervasive in the worldwide development industry. If our monitoring is focused on projects, donors set the agenda and limit our scope. We may miss addressing larger needs, or learning about experiences elsewhere which could provide lessons for Timor-Leste or be applied here.

Although we will complete project investigations already started, new *La'o Hamutuk* research will be more holistic, analyzing a problem or sector and examining how international agencies address it.

For the remainder of 2007, we will continue to focus our monitoring and advocacy on three broad areas:

- **Natural resources**, especially oil and gas. This includes petroleum dependency, revenue management, regulation of oil companies, environment, transparency, accountability, sustainability and human and community rights.

- **Agriculture and food security.** This will include agriculture policy, land rights, markets, irrigation, farm-to-market transport and other aspects of life in rural areas.
- **Governance,** including justice, security, rule of law, human rights, civic education, elections, legislation, state institutions, decentralization and government administration.

In 2008 and 2009, as our experience and number of staff grows, we plan to add two more issue areas:

- **Economic development,** including foreign investment, privatization, globalization and trade, especially in sectors other than petroleum and agriculture.
- **Social services,** including health, education, communications, water, electricity and infrastructure.

The rest of this section discusses the work done during the first half of 2007 on each of our current areas of research. The impacts of that work are described later in this report.

### **Petroleum development**

Oil and gas production and sales are critical to Timor-Leste's economy, providing over 90% of Government revenues. The objective of *La'o Hamutuk's* advocacy is to prevent Timor-Leste from falling into the "resource curse" trap which engulfs most oil-dependent, undeveloped countries. We provide information and alternatives for the Government and educate civil society about these dangers and possible solutions. Therefore, our advocacy regarding petroleum development in Timor-Leste is not only about revenue management, but also covers the impacts of petroleum exploration and exploitation on human rights and the environment, the need for effective regulation of oil companies and the maritime boundary dispute with Australia.

We provide alternative ideas through several channels of communication and encourage other interested organizations and individuals to assist and lobby our Government. The following are the main areas of our work in this sector during the reporting period.

#### **Liquefied Natural Gas (LNG) Plant**

In April 2006, *La'o Hamutuk* began to research the possible negative and positive impacts of a possible natural gas liquefaction plant on Timor-Leste's land which would process gas from the Greater Sunrise field to be shipped overseas as LNG. We hope to understand and explain the economic and social risks and benefits of this facility for the Timorese people, and to provide recommendations to the Government, oil companies and civil society about how to maximize the benefits and minimize the risks. *La'o Hamutuk* plans to publish the report during 2007, and followed it up with seminars in Dili and the districts and with radio programs. During the first half of 2007, we continued to edit and collect information for the report, and began editing it. This work is supported financially by Oxfam Australia and CAFOD.

*La'o Hamutuk* was invited to participate in a roundtable discussion on the LNG plant organized by Timor-Leste's Prime Minister, and we raised many issues, including environmental concerns, governmental responsibilities, and how the plant will impact on local people. We also met with the Prime Minister's advisors about the LNG plant, discussing similar concerns.

#### **Maritime Boundary**

*La'o Hamutuk* has worked on this issue since 2001, raising public awareness and campaigning locally and internationally for Timor-Leste and Australia to have a maritime boundary and for Timor-Leste to enjoy the economic and political rights it is entitled to under international law.

In January 2006, Timor-Leste and Australia signed the CMATS Treaty to provide legal and financial stability for oil companies to develop Greater Sunrise. The Treaty also allows Australia to exploit other areas in the Timor Sea and prohibits either country from claiming maritime boundary rights for 50 years. Timor-Leste's Parliament ratified it in February 2007, but Australia enacted the Treaty without parliamentary ratification.

To maintain public awareness for this issue, we organized public meetings and radio programs and gave interviews to Timorese, Australian and international media. We wrote submissions to the Timor-Leste Parliament and the Australian Parliamentary Joint Standing Committee on Treaties. Our June *Bulletin*, included an article about the CMATS ratification process. We also encouraged other interested groups

and individuals in Timor-Leste, Australia and elsewhere to advocate for a maritime boundary and provided updated information through our website ([www.laohamutuk.org/Oil/Boundary/CMATSindex.htm](http://www.laohamutuk.org/Oil/Boundary/CMATSindex.htm)) and email list. *La'ο Hamutuk* continues to play a critical role in informing and stimulating local and international campaigning, analysis and commentary on Timor-Leste's maritime territorial rights.

### Petroleum Fund

We have engaged with the Petroleum Fund issue since 2004, when the Government drafted a Petroleum Fund Act. Our objectives for our work on the Petroleum Fund are to strengthen the implementation of the Petroleum Fund Act, expand and support transparency and accountability mechanisms, and raise civil society awareness about the Petroleum Fund and concern about the risks of petroleum dependency.

Since the Fund began operating in 2005, the Banking and Payments Authority (BPA) has published seven quarterly reports on it, and in June 2007, Ministry of Planning and Finance published the Fund's first annual report, covering September 2005-June 2006.

*La'ο Hamutuk* disseminated information on the Fund in a variety of ways during the first half of 2007:

- ★ The lead article in our March *Bulletin* analyzed the first year of Petroleum Fund operations and compared the Timor-Leste and Norway contexts, economies and laws.
- ★ Our radio program included a discussion with the Core Group for Transparency on the annual state budget and other related issues.
- ★ During the Parliamentary election campaign, we organized a public debate among the political parties focused on petroleum revenue management.
- ★ We wrote submissions and met with the BPA to improve their quarterly report, attended their press conferences and continued to monitor the Petroleum Fund.
- ★ Our website and email lists include frequently updated information and a web index page on the Petroleum Fund ([www.laohamutuk.org/Oil/PetFund/05PFIndex.htm](http://www.laohamutuk.org/Oil/PetFund/05PFIndex.htm)).
- ★ Many international experts, NGOs and journalists requested and received information on the Fund from *La'ο Hamutuk*.

### Transparency

*La'ο Hamutuk* is involved with the international Extractive Industry Transparency Initiative (EITI) to monitor the implementation of EITI by the Government of Timor-Leste, to raise civil society awareness around the EITI implementation and to strengthen the Government's commitment to implement transparency in relation to petroleum development. Although our Government stated its commitment to EITI principles when EITI was launched in London in 2003, Timor-Leste did not take initial steps to implement it until October 2006.

To disseminate information and educate civil society about these principles, we organized a radio program, discussed them with the Core Group for Transparency, and participated in a one-day workshop on EITI in Timor-Leste. Our staffer Santana Soares is helping to organize the August 2007 Publish What You Pay (PWYP) Regional Workshop in Bali.

Santina was elected to represent NGOs in the multi-stakeholder EITI Working Group established by the Government. The Working Group includes Government, oil companies involved in Timor-Leste's jurisdiction, civil society, the World Bank and the Banking and Payments Authority. This group will oversee the implementation of EITI processes in Timor-Leste. We discussed their Terms of Reference and work plan with other civil society organizations in Timor-Leste, and provided recommendations for the Working Group.

### Helping Timor-Leste's government regulate oil company activities

Through this work, we intend to raise public awareness about the risks inherent in the petroleum industry, to help improve regulation and practices of oil companies operating here, and to ensure that Timor-Leste laws and practices to regulate the companies will protect our citizens, environment, and peoples' right to information, as well as follow best international principles on transparency and accountability.

During the reporting period, *La'ο Hamutuk* has been actively involved in the legislative process. In late March, the Government proposed three new dangerous, poorly-drafted decree-laws to restructure petro-

leum regulation and establish a national oil company, and *La'õ Hamutuk* was the only Timorese organization to make a submission during the two-week public consultation. We disseminated information through our website and mailing list and successfully encouraged other experts, organizations, and civil society organizations to submit their analyses to the Ministry of Natural Resources, Minerals and Energy Policy. With the Core Group for Transparency we held press conferences asking the Government to extend the consultation. We also organized translation of the draft laws from Portuguese to English with help from the Revenue Watch Institute and circulated them, discussed the draft laws with Government officials and advisors, and published articles in our *Bulletin* and website ([www.laohamutuk.org/Oil/PetRegime/Restruc/07RestructIndex.htm](http://www.laohamutuk.org/Oil/PetRegime/Restruc/07RestructIndex.htm)). We are preparing a more detailed submission to give to the Ministry in July.

Our April submission had major impact; together with discussions with National Directorate of Petroleum and Gas (DNPG), international advisors and the Minister, it halted the process which was on track to enact these laws by May. Government officials and advisors have told us that our ideas improved the process within the Ministry, supporting their efforts to drastically revise the legislation and make the process more consultative.

In June, the Italian oil company ENI began a 3D marine seismic study for several blocks in Timor-Leste's part of the Timor Sea for which they had signed exploration contracts in 2006. The DNPG held a public consultation about ENI's environmental plan for the seismic study, and *La'õ Hamutuk* was the only NGO to make a submission ([www.laohamutuk.org/Oil/Project/07EniEPseismicLH.htm](http://www.laohamutuk.org/Oil/Project/07EniEPseismicLH.htm)). We highlighted the problems with undertaking petroleum activities before a comprehensive and effective legal structure is in place. We also met with ENI to discuss their involvement in Timor-Leste, local content, EITI and other petroleum-related issues.

In June, the DNPG also held a public consultation on a Local Content Policy decree-law ([www.laohamutuk.org/Oil/PetRegime/07LocalContent.htm](http://www.laohamutuk.org/Oil/PetRegime/07LocalContent.htm)) which defines how oil companies should maximize the positive economic spin-offs of their spending. We were again the only NGO to make a submission, and followed up with discussions with the DNPG and its advisors. We also participated in a meeting between ENI and local NGOs organized by the NGO Forum, raising concerns about the use of Timor-Leste's money for oil company public relations.

## **Governance**

Governance is a broad category which incorporates several topics regarding justice, security and democracy. During the first half of 2007, *La'õ Hamutuk* worked on justice for 1975-1999 crimes against humanity, investigating the reconstruction of the Polisia Nasional Timor-Leste (PNTL), opposing a foolhardy pension law, monitoring UN activities, exploring security issues, publicizing impending militarization, opposing a dangerous amnesty law and observing the elections. We don't currently have a specific team focusing on governance, and all *La'õ Hamutuk* staff share responsibility for parts of this issue.

### **Justice**

Our objective is to keep the issue of justice for 1975-1999 crimes in the public arena, working with the international solidarity movement to maintain concern about justice for crimes against humanity and other serious crimes committed during the 24-year Indonesian occupation of Timor-Leste. The accountability of those actors is critical to effective law enforcement and ending the growing culture of impunity. The lack of justice was a major contributor to the 2006-2007 crisis, and we continue to demand that the international community set up an international tribunal or other effective mechanism to provide justice.

Most of our work in this area is done in coordination with the National Alliance for an International Tribunal (ANTI), whose March 2007 strategic plan assigns *La'õ Hamutuk* the responsibility for liaison and sharing information with international solidarity and justice movements.

During these six months, we undertook the following activities regarding justice:

- ★ Organized a public meeting on unfulfilled justice for crimes against humanity.
- ★ Participated in the ANTI Strategic Planning meeting, organized translation of the outcome and circulated it to international networks.

- ★ Helped coordinate an international open letter to the new President of Timor-Leste and Indonesia asking that the Truth and Friendship Commission be closed, circulating it to local and global media.
- ★ Organized a briefing for the political parties about justice (with ANTI).
- ★ Discussed justice issues with visiting British MP Ann Clwyd.
- ★ Wrote a briefing paper for the Inter-Parliamentary Union meeting in Bali ([www.laohamutuk.org/Justice/07JusticeBriefingIPU.pdf](http://www.laohamutuk.org/Justice/07JusticeBriefingIPU.pdf)).
- ★ Organized radio programs on the ANTI Strategic Plan, and the dissemination of the CAVR Report.

### Police Restructuring

One effect of the crisis was the collapse of the command structure and Dili component of the National Police (PNTL). Public trust in PNTL also declined, making it difficult for PNTL to carry out its mandate. To restore this institution and public confidence, a screening process is underway to evaluate each PNTL member to see if he/she is eligible to return to police work. With the new mandate of UN, the United Nations Integrated Mission in Timor-Leste (UNMIT) through the UN Police (UNPOL) has important roles in the screening process, security sector reform, and restructuring and rebuilding PNTL.

Continuing work begun last year, we researched and published a *Bulletin* article on the PNTL screening process. We also produced three radio programs on the screening process and had meetings with all parties involved.

### Advocacy against the law on pensions for former Parliament members and office-holders

In January 2007, the National Parliament passed a law establishing lifetime pensions for former members of Parliament and high Government officials. Under this law, former Parliament members and office-holders will get 100% of their salary and other privileges for life beginning immediately when they leave office. This law is very bad for Timor-Leste and inconsistent with our social and economic reality, considering that Timor-Leste is new and poor country, thousands of people are still living in IDP Camps, 50% of the women are illiterate and other social problems faced by the country.

Together with other civil society organizations and student movements, we organized a public debate in Dili about the law, and provided financial and material support to the Community Based Organization in Baucau to organize another debate. With other organizations, we formed a Coalition against the pension law, wrote a pamphlet, circulated it through email and internet ([www.laohamutuk.org/reports/07Pensaun.htm](http://www.laohamutuk.org/reports/07Pensaun.htm)), and wrote a *Bulletin* editorial about the law. Although the law has been promulgated, many parties running in the election campaign have promised to review it.

### Amnesty Law

Parliament passed a Clemency (Amnesty) law in June, which blocks accountability for the authors of crimes in the 2006 crisis (see [www.laohamutuk.org/Justice/Clemency/07ClemencyLaw.htm](http://www.laohamutuk.org/Justice/Clemency/07ClemencyLaw.htm)) and extends the culture of impunity in Timor-Leste. Since March, *La'ó Hamutuk* actively advocated against the law, initiating and participating in civil society discussions, holding a public meeting, lobbying Parliament and political parties, providing information to the local and international media, writing a *Bulletin* editorial and asking the president not to sign it. Other organizations, including HAK, JSMP and UNMIT also opposed this law. We continue to look at other alternatives to resolve last year crisis without circumventing legal mechanisms. In a meeting in early July, President José Ramos-Horta promised *La'ó Hamutuk* he will not sign the law.

### National Election

During the first half of 2007, Timor-Leste held its first national elections since independence: two rounds of a Presidential election, and a vote for Parliament. *La'ó Hamutuk* conducted several activities to support a free, fair and transparent election process:

- ★ Participated in the KOME national observer project. Two of our staff observed with KOME, and one is on their board (see Coalitions).
- ★ Supported the Solidarity Observer Mission for East Timor (SOMET) international election monitoring project. Four *La'ó Hamutuk* staffers observed all three elections with SOMET (see Coalitions below). We shared our office with SOMET and helped with their reports and press conferences.

- ★ Organized radio programs on voter education and with a *vox populi* on the elections,
- ★ Organized a public meeting to discuss the elections with representatives of the Government election agencies, the UN, and observer groups.

We also worked to encourage the parties to address issues during the campaign:

- ★ Together with the Ombudsman for Human Rights and Justice and other civil society organizations, organized a debate among the 14 political parties on human rights, good governance and corruption
- ★ With ANTI, organized briefing for the political parties about justice
- ★ With support from the NGO Forum, KSUTL and Oxfam, *La'o Hamutuk* organized a major public debate among the political parties on petroleum revenue management.

#### Other Governance work

Our Governance work also included engaging with and monitoring the United Nations Integrated Mission in Timor-Leste (UNMIT). We have ongoing discussions with UNMIT officials through email, participate in outreach meetings organized by the UNMIT Public Information Office, interview UN officials, and invite UN staff to share their information and perspectives in our public meetings. We are also following the UNMIT-coordinated International Compact for Timor-Leste which was launched by the UN in response to criticism of the lack of the economic development programs during the first seven years of UN missions in Timor-Leste.

We continue to encourage UNMIT to publish all of its documents relating to Timor-Leste, and *La'o Hamutuk's* website ([www.laohamutuk.org/reports/UN/06UNMITcreation.html#docs](http://www.laohamutuk.org/reports/UN/06UNMITcreation.html#docs)) includes many, including some which have not been officially released.

In January 2007, Parliament approved a law on military conscription, which requires all Timorese men and women 18 to 30 years old to do 18 months of military service. This is a very dangerous law, considering that Timor-Leste endured a repressive, *dwi-fungsi* military regime for 24 years and that incipient low-level, relatively unarmed violence is a major part of the ongoing crisis. We had discussions with other NGOs, including HAK Association, Belun and JSMP, and are trying to increase public awareness and NGO advocacy against military conscription.

#### Bilateral assistance

*La'o Hamutuk's* work in this area provides information on bilateral projects and strengthens the government and the people of Timor-Leste's participation to make those projects better address local people's needs. In the future, this work will be merged into our teams on each sectoral area.

The governments of Portugal and Brazil support vocational education in Timor-Leste, and have created two vocational education centers: one in Tibar, funded by the Portuguese government and one in Becora, funded by the Brazilian government. The programs are intended to train Timorese youth who didn't have access to formal education. Last year we initiated monitoring and research, but it was interrupted by the crisis and other more urgent issues. In 2007, we are updating and completing our report on this program. During the past six months we have drafted an article to be published in our August *Bulletin*, organized a public meeting focused on this topic, and broadcast radio programs about it.

#### Rural development

The Oecusse Community Activation Program (OCAP) is funded by the European Community through UNDP and implemented by UNOPS. This program aims to reduce poverty and increase income for the rural community in Oecusse. During the first half of 2007, we continued to collect information about OCAP and how it is implemented and interviewed local people who should be benefiting from OCAP. We planned to publish the article in April, but the bureaucracy in UNDP made it difficult to get accurate and complete information, so publication has been delayed until August.

## Coalitions

To share information, strengthen advocacy and reinforce local and global civil society movements, *La'ó Hamutuk* joins with many other organizations in international and local coalitions or networks whose focus overlaps the topics that we monitor. During the reporting period, we worked with the following:

### Timor-Leste coalitions

#### National Alliance for an International Tribunal (ANTI)

The objective of this coalition of Timor-Leste is to advocate for an end to impunity for crimes against humanity committed in Timor-Leste during the 24-year Indonesian occupation. *La'ó Hamutuk* has become one of the most active members and has been involved since the beginning. At ANTI's strategic plan in March 2007, *La'ó Hamutuk* was elected to the Board, with responsibility for liaison with the international solidarity, human rights, and justice movements.

#### Core Group on Transparency (CGT)

The Core Group on Transparency was formed in 2005 to monitor the RDTL national budget, including oil and gas revenue. The CGT advocates for transparency and accountability for government revenues and the budgeting process. *La'ó Hamutuk's* research and publications on petroleum revenue management (90% of government income) and on petroleum company activities helps inform the Core Group's work.

In early 2007, two members of Core Group (Santina Soares of *La'ó Hamutuk* and Carlos Florindo of ETADep) were elected to represent Civil Society in the multi-stakeholder EITI Working Group. The CGT has also worked with us to advocate around the proposed decree laws on petroleum restructuring. About ten CGT members will participate in the PWYP Regional Workshop in Bali in August.

#### Coalition for Monitoring the General Election (KOMEg, Koligasaun Monitorizasaun ba Eleisaun Geral)

KOMEg was established in 2006 by the Justice and Peace Commission of the Catholic Church, Assisaun HAK, Judicial System Monitoring Program, Women's CAUCUS, *La'ó Hamutuk*, Rede Feto, Progressio, *Luta Hamutuk*, the Protestant church and the Muslim community. This network monitored the 2007 Presidential and Parliamentary elections, with people in every polling station. *La'ó Hamutuk* staffer Inês Martins is on KOMEg's board; she and Yasinta Lujina observed all three elections with KOMEg.

### International coalitions

#### South East Asia Committee for Advocacy (SEACA)

The objective of the SEACA is civil society advocacy capacity building. *La'ó Hamutuk* is member of SEACA and participated in the SEACA activities, including a 2006 conference on Civil Society Engagement with ASEAN. In March 2007, staffer Santina Soares attended a SEACA Board meeting in Thailand, discussing Timor-Leste civil society involvement in SEACA and bringing our advocacy concerns to the regional level. We will continue to coordinate with SEACA, but at present don't have the human resources to expand our organizational commitment.

#### Oilwatch

Oilwatch, based in Ecuador and Nigeria, is a worldwide network of people opposing the negative impacts of oil development in tropical forest countries. *La'ó Hamutuk* is a member of Oilwatch since 2002, and we are active in the Southeast Asia region and globally. In 2006, *La'ó Hamutuk* staffer Santina Soares attended the third Oilwatch Assembly in Coca, Ecuador, and we are increasing our activity in the regional network, learning from others' experiences and sharing information about Timor-Leste's petroleum development. In March 2007, we published an article about Ecuador's experience with oil projects.

#### Publish What You Pay

*La'ó Hamutuk* has cooperated with the Publish What You Pay Coalition (PWYP) which includes around 300 groups around the world. This coalition urges oil and mining companies to publish their payments to governments, as a way of reducing corruption in countries rich in natural resources. Santina Soares of *La'ó Hamutuk* has been invited to be on their worldwide advisory group.

## SOMET

The Solidarity Observer Mission for Timor-Leste (SOMET) is a non-partisan project to observe the 2007 Presidential and Parliamentary elections in Timor-Leste. SOMET was created by the U.S.-based East Timor and Indonesia *Action Network* (ETAN), in cooperation with groups in the Netherlands and the Philippines. It works with several Timor-Leste civil society organizations, including *La'ο Hamutuk*, to support a peaceful, free, fair and transparent election process. Three *La'ο Hamutuk* staffers observed the Presidential election rounds with SOMET, and a fourth joined for the Parliamentary election. We have made our office facilities available to SOMET. *La'ο Hamutuk* helped write, edit and lay out SOMET's reports, and participated in their press conferences.

## Results of La'ο Hamutuk's work

### Petroleum Development

Our long term advocacy activities have improved the whole process in Timor-Leste. On the maritime boundary controversy with Australia, Timor-Leste will now get 50% of Greater Sunrise upstream revenues, part of 60% of its entire legal entitlement to petroleum resources under the Timor Sea. Although it's not a total victory, this is a major improvement over the 23% that UNTAET and Australia agreed to in 2000 and the 42% that Timor-Leste and Australia had settled on under the 2002 Timor Sea Treaty and 2003 Sunrise International Unitization Agreement. Australia put the CMATS Treaty into force without parliamentary ratification, but their Parliament received six submissions in support of Timor-Leste's positions, and their report made numerous references to *La'ο Hamutuk's* submission.

Public awareness on the Petroleum Fund increased significantly, with more organizations following this issue. The Banking and Payments Authority (BPA) created a new website with information on the Petroleum Fund, and the government's first Annual Report on the Petroleum Fund followed *La'ο Hamutuk's* recommendation that they list every payee into the fund. Several political parties now have better understanding about the Petroleum Fund and managing petroleum revenue, transparency and accountability mechanisms, the dangers of petroleum dependency, and the need for sustainable spending. We also helped Revenue Watch Institute (USA) with their new website on Timor-Leste and petroleum revenue transparency, and informed many international journalists, NGOs and election observers.

The Timor-Leste Government has initiated the Multi-stakeholders Working Group as the initial process for the EITI implementation, including a *La'ο Hamutuk* representative. Civil society understanding about EITI increased, and the Provedor's office has engaged in EITI and used the EITI mechanism to promote good governance in Timor-Leste. *La'ο Hamutuk's* critical optimism about Timor-Leste's mixed record on transparency to date has helped inform a number of print and electronic media.

The three decree-laws on petroleum regulation are suspended within the Ministry, to be rewritten before passage by the new Government. Government officials have acknowledged the importance of the *La'ο Hamutuk's* submissions, and our points are being considered for the new versions of the laws.

### Governance

The absence of Justice for 1975-1999 crimes became a campaign issue for the political parties and remains on the international agenda; in July, the United Nations Secretary-General announced that the UN will not cooperate with the Indonesia-Timor-Leste Truth and Friendship Commission (TFC), demonstrating a result of continuing campaigning. Solidarity colleagues abroad continue to advocate for justice through statements, press releases and information sharing.

Our campaigning and education about the Amnesty Law increased public attention significantly, putting the issue on the ANTI agenda and resulting in modifications of an earlier draft of the law. The final version was still dangerous, and it became part of the political campaign. The international community, including the UN and solidarity groups, joined our efforts to oppose this law, writing letters to Parliament and the outgoing and incoming presidents. The Provedor and several NGOs asked the new President José Ramos-Horta to veto the law, and in a meeting with *La'ο Hamutuk* he promised not to sign it.

On the general election, all three elections went well, with more than 80% turnout. The elections were largely transparent, relatively peaceful, free and fair despite a few irregularities.

## Strengthening La'ó Hamutuk as an organization

*La'ó Hamutuk* continued to improve our international structure and functioning, increasing our capacity by improving work systems, internal coordination and communication among staff and with our board, to help us be more effective, transparent and accountable. We also reorganized our approach to our research from an institutional to a topical framework (see Research section above).

### Internal systems

In early 2007, we finalized our annual and three-year strategic plans. Our organizational constitution and internal policies have been drafted, revised and discussed with our board; we amended around 25 articles of our statutes. We plan to finalize these this year, with assistance from *La'ó Hamutuk* Board members Selma Hayati and Justino da Silva.

### Intranet and computer support

Our computers are now all virus-free, with an internal LAN network, regular backups and a shared internet connection. We re-established our internal Intranet, which contains numerous documents and downloaded websites, allowing fast and free access to overcome Timor-Leste's internet access challenges.

### Financial management

We published annual reports for 2005 and 2006 in early 2007, and conducted external audits for both years. We also organized a mid-year evaluation with our board in early July. Our fundraising continues to provide enough income for the organization to operate, with support from Hivos (Netherlands), Trocaire (Ireland), Development and Peace (Canada) and project-based grants from Oxfam (Australia).

### Staffing and building staff capacity

*La'ó Hamutuk's* plan to recruit new staff, making job descriptions and contracts clearer and developing capacity through in-house training. *La'ó Hamutuk* has hired two new staff; Maximus Tahu began work in early June, and Viriato Seac will begin in September.

To strengthen our gender perspective, Yasinta Lujina participated in a "Reflecting on and Revitalizing the Women's Movement with Young Feminists in Indonesia and Timor-Leste" workshop in Bogor, organized by Hivos. Two of our staffers will attend the EITI Regional Workshop in Bali in August.

*La'ó Hamutuk* staff now includes three women and three men; five Timorese and one international. We continue to look for a new person to be half-time finance manager and half-time office manager. This person will be mentored by an experienced finance person from another local NGO, and we another mentor will help train the new person in office management and improve our office procedures.

The following people worked at *La'ó Hamutuk* full-time throughout the reporting period

- ★ **Yasinta Lujina.** Bilateral assistance monitoring, represent *La'ó Hamutuk* in ANTI, rural development research, KOMEG Observer, personnel, finance and *Bulletin* coordination.
- ★ **Inês Martins.** Rural development research, KOMEG Board and Observer, public meetings, radio program and organizational coordination.
- ★ **Guteriano Nicolau.** Natural resources and budget monitoring, computer support, represent *La'ó Hamutuk* in CGT, SOMET observer and organizational coordination.
- ★ **Santina Soares.** Natural resources monitoring, represent *La'ó Hamutuk* in CGT, member of EITI Working Group, SOMET observer and fundraising.

During part of the reporting period, or part-time

- ★ **Charles Scheiner.** Natural resources, justice, UN lobbying, SOMET observer, and administrative support. Charlie worked in Dili from March through July, and from New York at other times.
- ★ **Maximus Tahu.** (Started in June) Rural Development Researcher and SOMET observer.
- ★ **Shona Hawkes.** Volunteer from Australia from May to July, observed the election with the Victoria Local Governance Association and helped with many tasks.

### **Advisory Board**

Our Advisory Board includes Joseph Nevins and Pamela Sexton (in the USA), Adérito de Jesus Soares (studying in Australia), and Selma Hayati, Justino da Silva and Oscar da Silva in Timor-Leste. We have improved our communications with the Board and write monthly reports to inform them of our activities.

## Appendix I: Radio programs

- **CMATS Treaty.** Guteriano Nicolau and Santana Soares (*La'o Hamutuk*)
- **Truth and Friendship Commission Public Hearing in Bali.** Talk show with Edio Saldanha (representative of family victims in the National Alliance for the International Tribunal)
- **Police Screening Process.** Interview with Rodolfo Tor (UNPOL Commissioner) and Alipio Jose (Secretariat Coordinator of the Screening Process)
- **Extractive Industries Transparency.** Discussion with the Diarmid O'Sullivan (Global Witness)
- **Petroleum Fund.** Talk show with the Venancio Alves (Director of the Petroleum Fund, BPA) and Guteriano Neves (*La'o Hamutuk*)
- **National Workshop on Vocational Education.** Interview with Paul Alves (Vice Director of Direc-saun Emprego no Formasaun Nasional) and Simão Barreto (coordinator of Tibar Center)
- **ANTI Strategic Plan for 2007-2010.** Interview with Edio Saldanha and Sixto dos Santos (ANTI Board members)
- **General Election.** Talk show with José Luis de Oliveira (HAK Association) and Catharina Maria (SOMET)
- **Cooperation between UNMIT and the Timor-Leste Government for Screening PNTL.** Interview with Alison Cooper (UNMIT Public Information), Agostinho Siqueira (Vice Minister of Interior) and Jose Antonio (member of Technical Team)
- **Police Screening Process.** Interview with Agostinho Siqueira (Vice Minister of Interior) and Alipio Jose Viera (Secretariat screening)
- **International Forces Assistance to Timor-Leste.** Interview with Alcino Barris (Vice Minister of Interior)
- **Informal Education.** Interview with Jose Maria (Director of Direksaun Emprego no Formasaun Nasional), Simão Barreto (coordinator of Tibar Center) and Alfredo (Program manager of Tibar center)
- **Provedor (Ombudsman) Report.** Discussion with Silverio Pinto Baptista, (Deputy Provedor for Human Right and Justice)
- **Civic Education.** Interview with Joaquim Brites (Civic education section, NGO Forum) and João Travolta (KOMEK)
- **Training for PNTL members after screening.** Interview with Julio Hornai (Director of PNTL academic training)
- **Second round of the Presidential Election.** *Vox populi* with voters
- **Sustainable Agriculture.** Interview with Ego Lemos (PERMATIL)
- **Land context in East Timor.** Interview with Mateus da Silva (KSI)
- **Report of the Commission for Truth, Reception and Reconciliation (CAVR).** Interview with Jaimito da Costa (Post-CAVR Technical Secretariat) and Maria Afonso (Family Victims, ANTI).
- **Amnesty Law.** Interview with Timotiu de Deus (JSMP) and Santana Soares (*La'o Hamutuk*)

## Appendix II: Public meetings

- **January: CMATS Treaty.** Speakers: Jose Teixeira (Minister of Natural Resources, Minerals and Energy Policy), Elizario Ferreira (Member of Parliament), Francisco Monteiro (Adviser to the President on Natural Resources) and Santana Soares (*La'õ Hamutuk*). About 50 people attended.
- **March: Recall Public Attention for Crimes Against Humanity and the Clemency Law.** Speakers: Eric Tan (Deputy head of UNMIT), Ivo Valente (Deputy General Prosecutor), Elizario Ferreira (FRETILIN Member of Parliament), Edio Saldanha (Alliance for an International Tribunal) and Colin Stewart (UNMIT Political Affairs). About 70 people attended.
- **April: Trilateral Cooperation among Portugal-Timor-Leste-Brazil on Non-Formal Education.** Speakers: José Ceisar (Timor-Leste-Brazil cooperation Coordinator), Mahafut (Education Ministry), Simão Barreto (Tibar Center Coordinator) and Yasinta Lujina (*La'õ Hamutuk*). This public meeting was attended by around 50 people from all of the vocational education groups in Timor-Leste, including art groups.
- **May: Lesson Learned from the two Presidential Elections.** Speakers: Fr. Martinho Gusmão (National Elections Commission spokesman), Edgar Sequeira Martins (Deputy coordinator of the Technical Secretariat for Election Administration), João Travolta (KOMEK Coordinator), Roy Pateman (SOMET) and Guteriano Nicolau (*La'õ Hamutuk*). Around 40 people attended.
- **June: Public Debate among Political Parties on Managing Petroleum Revenues.** Ten political parties responded to questions from a panel of NGO experts. This day-long debate was coordinated by *La'õ Hamutuk*, with help from FONGTIL and KSUTL, and was attended by more than 250 people.

In addition, *La'õ Hamutuk* helped organize and spoke at the following:

- **May: Public Consultation on the Regulation on Petroleum activities restructuring.** Organized by *Luta Hamutuk*. Santana Soares was invited to be a panelist.
- **May: Public Debate among Political Parties on Human Rights, Good Governance and Corruption.** All fourteen parties contesting the Parliamentary election participated. The debate was coordinated by the Ombudsman for Human Rights with civil society organization in Timor-Leste.
- **Press conferences** of the Core Group on Transparency, SOMET, KOMEK and ANTI.

## Appendix III: La'ó Hamutuk in local and international media

This is a partial list of some of the ways *La'ó Hamutuk's* work and findings were covered in the local and international media during the first half of 2007, as well as some articles written by *La'ó Hamutuk* staff for other publications.

- **Dezenvolvimento la Dependê ba Fundu Petroleu.** Interview with TSDA Director José Lobato on the Public Debate organized by *La'ó Hamutuk* on the Petroleum Revenue Management, *Timor Post* newspaper, 22 June 2007.
- **ONG *La'ó Hamutuk* Organiza Debate Assuntu Petroleu.** Interview with Santina Soares on the Public debate on Petroleum Revenue Management, *Suara Timor-Leste* newspaper, 22 June 2007.
- **CNE no KOMEG Husu Presidente Veto Lei Alterasaun 46.** Interviews with Fr. Martinho Gusmão (CNE Commissioner) and João Travolta (KOMEG Coordinator) at the *La'ó Hamutuk* public meeting on the general election, *Timor Post*, 28 May 2007.
- **CMATS Treaty.** Interview with Santina Soares (*La'ó Hamutuk*), *Tempo Semanal* weekly newspaper.
- **Petroleum Restructure Law.** Quoted Santina Soares intervention in the *Luta Hamutuk* public meeting, *Tempo Semanal*.
- **Karta Aberta ANTI no Solidaridade kona ba KVA.** *Tempo Semanal*.
- **Public Meeting on the Vocational Education.** Interview with Yasinta Lujina (*La'ó Hamutuk*) and Mahfud (representative of Ministry of Education), about the *La'ó Hamutuk* public meeting, broadcast by Television Timor-Leste (TVTL).
- **Public meeting on Justice.** Interview with Inês Martins (*La'ó Hamutuk*), TVTL.
- **EITI Working Group.** Interview with Santina Soares, TVTL.
- **CMATS Treaty.** Interview with Guteriano Nicolau broadcast by Radio Timor-Leste (RTL).
- **Core Group press statement for the public consultation for the three Decree-Laws.** Quoting Guteriano Nicolau, RTL.
- **Faith, Hope and Charity.** Quoted Charlie Scheiner on nation building process, *South China Morning Post*.
- **East Timor divided over how to spend badly needed oil revenue.** Quoted *La'ó Hamutuk* on petroleum dependency, *South China Morning Post*.
- **East Timor Hits Potholes on the Road to Independence.** Lead article by Charlie Scheiner in *Estafeta*, winter 2007.
- **Clemency Law,** Interview with Santina Soares on the Clemency Law, broadcast by Radio Australia.
- **Justice for Timor-Leste.** Interview with Yasinta Lujina on the Justice process for Timor-Leste, published by LUSA.
- **Failing in Timor-Leste.** Quoted Guteriano Nicolau on the international intervention in Timor-Leste, published by Focus, Action for Global Justice.
- **World Bank Involvement in Timor-Leste Creates Problems.** Written by Guteriano Nicolau in Bretton Woods Project Newsletter.
- **National Ombudsman for Human Rights: The Case of Timor-Leste.** lead article by Guteriano Nicolau, Hurights Bulletin, Japan.
- **Petroleum Dependency.** Interview with Guteriano Nicolau, on Aljazeera Television, English version.
- **LNG Plant and Maritime Boundary with Australia.** Interview with Charlie Scheiner and Santina Soares, SBS TV, Australia.
- **MAPA Organizasaun Genero iha Timor-Leste.** Quoted *La'ó Hamutuk* statement and *La'ó Hamutuk* profile, book published by RDTL Office for the Promotion of Equality with the Royal Melbourne Institute of Technology.