Rights and Sustainability in Timor-Leste’s Development

Presentation by La’o Hamutuk
June 2019

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-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 for past crimes

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.
- 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, 64% in multi-dimensional poverty.

• Two-thirds of people live in rural areas, largely by subsistence farming.

• Poor sanitation and malnutrition are endemic.

• About 1,200 Timorese children under 5 years old die from preventable conditions every year ... 30 times as many people as die from homicide.
Our children are the most poorly nourished in the region.

- The majority of rural children are stunted.
- A malnourished child could be permanently damaged.
- Half of Timor-Leste’s people are less than 20 years old.
- Most undereducated children will not become productive workers or optimal parents.

Petroleum Dependency (nominal USD)

<table>
<thead>
<tr>
<th>Year</th>
<th>Petroleum GDP</th>
<th>Non-oil GDP</th>
<th>Productive (agric. &amp; manuf.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$4,234 (75%)</td>
<td>$1,403 (25%)</td>
<td>$305 (25%)</td>
</tr>
<tr>
<td>2014</td>
<td>$2,591 (64%)</td>
<td>$1,451 (36%)</td>
<td>$307 (25%)</td>
</tr>
<tr>
<td>2015</td>
<td>$1,496 (48%)</td>
<td>$1,597 (52%)</td>
<td>$288 (25%)</td>
</tr>
<tr>
<td>2016</td>
<td>$820 (33%)</td>
<td>$1,684 (67%)</td>
<td>$287 (25%)</td>
</tr>
<tr>
<td>2017</td>
<td>$895 (36%)</td>
<td>$1,593 (64%)</td>
<td>$284 (25%)</td>
</tr>
</tbody>
</table>

- State revenues in 2018: $177 million
  -$460 million was lost from investing the Petroleum Fund
  $447 million from oil and gas revenues
  $190 million from non-petroleum sources

- Executed 2018 State Budget: $1,158 million ($1,277m appropriated)
  $983 million transferred from the Petroleum Fund
  $190 million from non-petroleum (domestic) revenues
  $39 million from loans which will have to be repaid

- State activities, paid for with oil money, are nearly half of the ‘non-oil’ economy because some of this money circulates in the local economy.

- Petroleum and investment ‘income’ goes to the state, not to the people.

Only South Sudan, Libya (and Equatorial Guinea?) are more dependent on oil and gas exports than Timor-Leste was before 2014.
But we don’t have very much oil.

<table>
<thead>
<tr>
<th></th>
<th>Timor-Leste (70% Sunrise)</th>
<th>TL without Sunrise</th>
<th>Australia + (1,040 without Sunrise)</th>
<th>Brunei</th>
</tr>
</thead>
<tbody>
<tr>
<td>Known oil and gas reserves per person at end of 2017</td>
<td>657 barrels</td>
<td>69 barrels</td>
<td>1,050 barrels</td>
<td>6,300 barrels</td>
</tr>
<tr>
<td>How long reserves will last at 2017 production rates</td>
<td>21 years</td>
<td>2 years</td>
<td>32 years+</td>
<td>24 years</td>
</tr>
</tbody>
</table>

Our seas have been explored for half a century, and our land for longer.

There may not be any other fields.
Since 1910, oil companies have drilled 95 exploration wells here. They found eight commercially viable reserves. Kitan is the only one discovered in the last 20 years.

Number of oil and gas wells drilled each year in Timor-Leste’s territory

Oil income is lower than expected.

Expected annual petroleum revenues

The solid black line is actual revenues received up to 2018. Dashed or dotted lines are ‘prudent’ projections made in each annual proposed budget.

Year budget was proposed for
- 2013
- 2014
- 2015
- 2016
- 2017
- 2018
- 2019

TL has already received 95% of the revenues it will get from Bayu-Undan and Kitan, and they will end entirely in 2023.
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.

Bayu-Undan is nearly depleted.

Bayu-Undan Reserve and Production

Graph by La'o Hamutuk based on Santos Annual Reports. February 2019
Figures after 2018 are La'o Hamutuk projections.
Where TL’s oil income comes from

Graph by La’o Hamutuk based on data and projections from HN/HM, EITI reports, Ministry of Finance and Central Bank. Feb. 2019

Spending exceeds income.

Graph by La’o Hamutuk based on data and projections in Ministry of Finance 2019 Final Budget Books and Transparency Portal. Apr. 2019
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 divided 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 fields north of the median line, and lateral boundaries should move outward.

- In January 2017, Australia accepted Timor-Leste’s request to revoke the entire CMATS Treaty. A permanent boundary treaty was signed in March 2018.

Conspiring to steal Timor’s wealth

Australia and Timor-Leste have agreed on a boundary and on Sunrise revenue sharing – but the gas pipeline is still unresolved.

The Greater Sunrise stalemate

- The project has been 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 that a pipeline to the Darwin LNG plant (used for Bayu-Undan) is more profitable.
- Timor-Leste wants a pipeline from Sunrise to Beaçu, to get more tax revenues and anchor the Tasi Mane project.
- Under contracts and treaties, the companies propose the path, but both governments need to approve it.
- Because of Australian spying, TL persuaded Australia to invalidate CMATS in 2017.
- The negotiations for the 2018 Boundary Treaty could not agree on where the pipeline will go.
- Timor-Leste bought ConocoPhillips' 30% and Shell's 27% shares of Sunrise to control the decision.
Petroleum revenue peaked in 2012, and this is how it flowed in and out of the Petroleum Fund.

The basic structure hasn’t changed, but details have.

From 2005 thru 5/2019:
$22.4 bn oil revenues
+$5.3 bn invest. returns
-$10.7 bn withdrawn
$17.1 bn balance
The Fund’s balance is the same as it was four years ago. It dropped a billion dollars in the fourth quarter of 2018.

If current plans continue, TL may be unable to finance its budget in 11 years. The Boundary Treaty and Sunrise help a little, but not enough.

This model does not include the Betano refinery or Sunrise and the Beaçu LNG plant.
With Tasi Mane, the Fund crashes in 5 years.

Austerity starts in 2024, cutting 94% from planned outlays in 2025-2028.

From Final 2019 Budget Book 4B, ...
... but not in the totals or deficits.

Three billion dollars per year aren’t worth noticing.

<table>
<thead>
<tr>
<th>Rubrica de Despesas / Expense Item</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Despesas / Expenses</td>
<td>12,422</td>
<td>29,208</td>
<td>3,151,656</td>
<td>3,277,722</td>
<td>3,408,831</td>
<td>3,545,185</td>
</tr>
<tr>
<td>Transferências / Transfers</td>
<td>12,094</td>
<td>28,747</td>
<td>3,151,177</td>
<td>3,277,224</td>
<td>3,408,313</td>
<td>3,544,646</td>
</tr>
<tr>
<td>Pagamentos Pessoais / Personal Benefit Payments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Concessões Publicas / Public Grants</td>
<td>12,094</td>
<td>28,747</td>
<td>3,151,177</td>
<td>3,277,224</td>
<td>3,408,313</td>
<td>3,544,646</td>
</tr>
</tbody>
</table>
Borrowing for Tasi Mane delays doomsday but bankrupts the nation.

- Acting as if the oil money will last forever
  Kitu is finished; Bayu-Undan will be dry by 2022.

- Dreaming of riches from the earth
  which are received without doing hard work.

- Borrowing today, to repay tomorrow
  TL may borrow billions 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 may have greater costs than benefits.

- Using money to ‘solve’ every problem
  It’s easier to buy a scholarship than to manage a university.
Signs of the ‘resource curse’ (2)

• **Spending without thinking**

• **Import dependency**
  TL’s non-oil trade deficit is about a billion dollars every year.

• **Ignoring non-oil development and revenues**
  Farming is too hard to envision, even if oil may not last very long.

• **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.’

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2. Unsustainable budget and economy

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

From 2008 through 2016, state spending grew faster than nearly every country in the world.
The money doesn’t match the promises.

Appropriations in the promulgated 2019 State Budget
$1.482 billion total

- Education: 10%
- Health: 5%
- Agriculture: 2%
- Water: 1%
- Veterans: 7%
- Social welfare: 7%
- Police & Military: 6%
- Economic development: 3%
- Roads: 19%
- State admin.: 17%
- Ports & airports: 2%
- Sunrise & Tail Mane: 5%
- Other infrastructure: 6%
- Other: 2%

The Government says its priorities are education, health, agriculture, and water.
All together they will get less than 1/5 of state expenditures.

Little investment in human resources.

Annual Appropriations for Education, Health and Agriculture

Education
Health
Agriculture

Since 2008, donors have spent between $170 and $300 million each year, but most of this money doesn’t come into the local economy. The donor percentage dropped because Timor-Leste is spending more of its own money.
Recent budget execution

Hasty end-of-year spending is neither effective nor efficient, but spending was slow in Jan-Sep 2018 with no budget.

Government executed monthly spending since 2012

- Development Capital
- Minor Capital
- Transfers
- Contingency
- Goods & Services
- Salary & Wages

Million USD per month

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.
The graph shows legal goods trade only. Three-fourths of donor spending and two-thirds of state spending leaves the country.

Since 2015, more money has gone out than came in.

<table>
<thead>
<tr>
<th>Year</th>
<th>Services</th>
<th>Non-oil Goods</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$447m</td>
<td>$613m</td>
<td>$1,060m</td>
</tr>
<tr>
<td>Imports</td>
<td>$ 98m</td>
<td>$ 25m (85% coffee)</td>
<td>$ 123m</td>
</tr>
<tr>
<td>Deficit</td>
<td>-$349m</td>
<td>-$588m</td>
<td>-$937m</td>
</tr>
</tbody>
</table>

Timor-Leste’s External Balance of Payments

2017 included $1.2bn in unrealized Petroleum Fund gains from volatile exchange rates and stock prices, $300m of this was lost in 2018.
Timor-Leste’s working age population is increasing by about 20,000 every year.

In 2017, total private sector employment was 45,900, 12% lower than it had been in 2014.

Most people live in rural areas by subsistence agriculture.

Agriculture got 1.3% of state expenditures in 2018, although it is the livelihood of 65% of the population.
The potential workforce grows by 20,000 people every year, but private sector employment dropped 9% from 2014 to 2017. Half the population is under 20 years old.
60% of Dili’s population are among the wealthiest 20% of Timorese, while only 7% are below the poverty line.

More than half of the families outside Dili live in poverty.
Oil GDP fell 85% between 2012 and 2016.

Timor-Leste’s constant-prices GDP is falling and uncertain.

<table>
<thead>
<tr>
<th>Real growth in total GDP</th>
<th>Date</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMF Article IV Report (2019)</td>
<td>May 19</td>
<td>20.9%</td>
<td>0.8%</td>
<td>-4.5%</td>
<td>-6.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RDTL Net’l Accounts (2017)</td>
<td>Apr-19</td>
<td>11.5%</td>
<td>5.0%</td>
<td>-11.1%</td>
<td>-25.9%</td>
<td>20.6%</td>
<td>0.7%</td>
<td>-9.2%</td>
<td></td>
</tr>
<tr>
<td>RDTL Net’l Accounts (2016)</td>
<td>Jan-18</td>
<td>11.8%</td>
<td>5.0%</td>
<td>-11.0%</td>
<td>-26.0%</td>
<td>20.9%</td>
<td>0.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMF Article IV Report (2017)</td>
<td>Dec-17</td>
<td>-26.0%</td>
<td>20.9%</td>
<td>-7.9%</td>
<td>-8.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RDTL Net’l Accounts (2015)</td>
<td>Apr-17</td>
<td>11.9%</td>
<td>4.8%</td>
<td>-10.9%</td>
<td>-24.0%</td>
<td>20.9%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RDTL Net’l Accounts (2014)</td>
<td>Jun-16</td>
<td>10.6%</td>
<td>1.9%</td>
<td>-12.8%</td>
<td>-27.8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMF Art. IV Consult. (2016)</td>
<td>May 16</td>
<td>5.3%</td>
<td>-13.9%</td>
<td>-15.8%</td>
<td>-0.6%</td>
<td>-8.8%</td>
<td>-12.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RDTL Net’l Accounts (2013)</td>
<td>Jun-15</td>
<td>12.6%</td>
<td>5.2%</td>
<td>-13.9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMF Art. IV Consult. (2014)</td>
<td>Oct-14</td>
<td>7.9%</td>
<td>-10.4%</td>
<td>-10.7%</td>
<td>-10.2%</td>
<td>10.2%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMF Article IV Report (2013)</td>
<td>Dec-13</td>
<td>7.3%</td>
<td>5.7%</td>
<td>-3.2%</td>
<td>-6.9%</td>
<td></td>
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</tbody>
</table>

Total GDP per capita is lower than it was in 2006, before the oil boom. The population is growing faster than the economy is.
The non-oil, non-state GDP per capita is stagnant.
Productive sectors have not grown since independence.

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

![Graph showing sectoral contributions to GDP per capita.]

Businesses don’t invest in themselves.

How businesses spend the money they receive

![Graph showing how businesses spend their money.]

Heineken’s $36 million foreign investment was larger than sector profits.

Graph by La’o Hamutuk based on DCE Business Activities Survey 2017
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 in 2011, hopes to make Timor-Leste an Upper Middle Income Country by 2030.
- A vision and dream, not a realistic plan.
- Focuses on physical infrastructure, not sustainable or human development.
- Will require spending far beyond TL’s means.
- Promised reviews are not being done.
In 2010, TL began the South Coast Petroleum Corridor.

During 2011-2018, Timor-Leste spent more than $400 million on it.

The 2019 budget anticipates $1.46 billion more in 2019-2023, but leaves out the most costly items.

Timor-Leste just bought ConocoPhillips’ and Shell’s shares of Greater Sunrise for $650 million … and will now have to pay 57% of offshore development costs.

Total project costs could be $10-20 billion (more if Timor-Leste pays for the refinery, pipeline or LNG plant). No investors are interested.

TL signed its largest contract ever with Hyundai in 2015: $719 million to build the Suai Supply Base.

A court rejected it in 2015 but was reversed in 2017. Hyundai has lost interest.

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), pipelines from & to Suai
- **Beaçu**: LNG Plant complex, Nova Beaçu, Nova Viqueque, Viqueque airport.
- **Highway** from Suai to Beaçu
Timor-Leste used $650 million from the Petroleum Fund to pay for 57% of the Sunrise Joint Venture.

The other partners do not want to build a pipeline to Beacu and an LNG plant there, but might go along if TL pays all the costs.

This will eat up billions of dollars and reduce TL’s share of Sunrise upstream revenues from 80% to 70%.

Spinoff benefits may be a mirage, and environmental, social and financial costs and risks have not been fully analyzed.

The deal is being done with little accountability and weakened oversight.

Few consider lost opportunity costs, more realistic and sustainable options, or what else the money is needed for.
It prolongs TL’s dependency on oil and gas.

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 livelihoods or subcontracts. The petroleum industry creates fewer jobs than any other option.

It will create social conflict, take up land, displace people, worsen health and degrade and endanger the environment.

Cost projections leave out 90% of investment obligations.

We can be brave, but we should also be smart.

The Government has made many unrealistic promises about revenues, profit-sharing, jobs and other benefits.
In 2014-18, RDTL spent $572 million on ZEESM with no accountability. Oecusse has 6% of Timor-Leste’s population.

What are Oecusse’s competitive advantages?

Can ZEESM justify a $4 billion investment?

Who benefits: residents of Oecusse or Fretilin leadership?

Timor-Leste intends to build a port and airport far beyond realistic traffic expectations.

Airfares have escalated and airlines are cancelling routes.

How will the country pay for a $6 billion annual trade deficit after the oil is gone?
Rights and Sustainability - La'o Hamutuk

1 July 2019

Timor-Leste is in 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 2015, TL signed for $50m from China’s Ex-Im bank.*
- In 2016, TL signed for another $126m from the ADB.
- In 2017, TL signed for $35m more from the World Bank.
- Future borrowing is unclear. The government plans one more $60 million road loan, but Sunrise and Tasi Mane may be financed by borrowing billions of dollars.
- In a few years, debt service payments could exceed $20m/year.

* This loan was rejected by the Audit Court.

Most loans have paid for roads.

Projects to be financed with borrowed money, 2012-2016
Loans will have to be paid back.

Tasi Mane loans could cost a billion dollars each year.
Important to consider

- Implementing the SDP will require borrowing billions, probably at commercial rates.
- Even at concessional rates, repaying loans depletes the assets in the Petroleum Fund.
- TL’s oil and gas reserves are limited, non-renewable, and 95% exhausted already.
- TL will have to prioritize repaying loans above spending 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.
1 July 2019

Rights and Sustainability - La'o Hamutuk

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.
- **2019**: Prabowo is again a leading candidate for President.

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.
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

HUMAN RIGHTS WATCH

A-N-T-I
Timor-Leste’s people cannot forget as easily as Washington.

U.S. DEPARTMENT OF DEFENSE

News Transcript

Press Gaggle by Secretary Mattis En Route to Indonesia
Press Operations
Secretary Of Defense James N. Mattis
Jan. 22, 2018

SECRETARY OF DEFENSE JAMES N. MATTIS: So first of all, thank you. I know you had to wake up mighty early to do this one. And — but that’s good. It builds character, I find, after a few decades, you know? But thanks for coming out. It’s a very, very long airplane flight, so I appreciate you taking the time. And we’ll go into Indonesia and Vietnam. And with Indonesia, we’re dealing with a country that we have very — very good military to military relations.

We probably engage with the Indonesian military more than any other nation anywhere in terms of mil-to-mil engagements.
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.