

Annual Report

La'o Hamutuk

January - December 2004

Table of Contents

Table of Contents	1
Mission	2
Situational Background.....	2
Goals and Objectives	3
Program Activities	3
Bulletin.....	4
Radio Program	4
Surat Popular	5
Globalization and the International Financial Institutions	5
Petroleum development and the Timor Sea	6
Justice.....	7
Resource Centre	8
NGO coalitions	8
Public meetings.....	9
Intercambios (International Exchanges)	9
Strengthening La'o Hamutuk.....	10
Evaluation of our work during 2004	11
Plans for 2005	12
Appendix I: Financial information.....	14
Appendix II: Bulletin Articles.....	18
Appendix III: Radio Programs.....	19
Appendix IV: Public Meetings and Presentations	21
Appendix V: <i>La'o Hamutuk</i> staff contributions in other publications	22
Appendix VI: Staff and Board Biographies	23
Appendix VII: Nigeria Exchange on Effects of Petroleum Development.....	27
Appendix VIII: Agrarian Reform: An Intercambio with groups in the Philippines	32

La'o Hamutuk

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Mission

La' o Hamutuk (“Walking Together” in English) is a four-year old Timor-Leste non-governmental 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 follow 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 and works to facilitate effective participation for Timor-Leste people 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 groups and groups abroad with the aim of creating alternative development models.

La' o Hamutuk does not accept financial or other support from the principal institutions with interests in Timor-Leste – United Nations agencies, international financial institutions, major donor governments, international businesses operating here. This is essential to our role of providing objective analysis and criticism of those institutions. We rely on funding from private foundations, NGOs, governments of small countries, and individuals.

La' o Hamutuk endeavors to involve interested individuals and organizations from throughout the world in its activities. We have dozens of experts -- development practitioners, human rights advocates, academics, and solidarity activists -- as an unofficial, global advisory board through an internet discussion group. Our website (www.laohamutuk.org) includes materials in English, Indonesian, Tetum, Portuguese and Japanese, and is used as a reference for people both in Timor-Leste and around the world.

Situational Background

Timor-Leste, a small half-island between Indonesia and Australia, was colonized by Portugal from the 1500s until 1975, except for three years of devastating Japanese military occupation during World War II. In 1975, as Portugal prepared to withdraw, Indonesia invaded with support from Australia and the United States. The United Nations protested but did nothing, and the Indonesian military occupation, continued for 24 years, taking 200,000 lives, one-third of the pre-invasion population. Nevertheless, a small guerrilla resistance persisted, and almost all civilians resisted nonviolently. After the collapse of the Suharto dictatorship in 1998, Indonesia allowed the United Nations to conduct a referendum in Timor-Leste. Undeterred by a campaign of terror organized by the Indonesian military, 98% of Timor-Leste's voters went to the polls on August 30, 1999, voting 78% for independence from Indonesia. In the three weeks before international forces arrived, Indonesia's military and their Timorese militia proxies devastated the country, destroying 75% of the building and infrastructure, and displacing about 75% of the people to the mountains or to Indonesian West Timor.

From the end of 1999 until mid-2002, the United Nations Transitional Administration in Timor-Leste (UNTAET) ruled as a benevolent dictatorship, headed by Brazilian Sergio Vieira de Mello. More than two billion U.S. dollars was spent to rebuild the territory and prepare it for independence, although most of that money didn't stay here. In 2001, elections were held for a Constituent Assembly, which wrote a constitution. Resistance leader Xanana Gusmão was elected President in April 2002, and the Constituent Assembly, with a Fretilin absolute majority, became Timor-Leste's Parliament. Although UNTAET made some progress in reconstruction, economic development, creating administrative procedures, and inventing democratic structures, huge tasks were left to the new government, as described in the May 2002 *La' o Hamutuk Bulletin*.

Timor-Leste became the first new independent nation of the millennium on 20 May 2002, with sovereignty passing from the United Nations to Timor-Leste's elected government and parliament under the new constitution. Foreign governments, international financial institutions, and multinational corporations continue to play a major role in Timor-Leste. International advisors continue to be pervasive in government. The current UN mission (UNMISSET) is due to end in May 2005, although some form of UN presence will continue.

With a reduced United Nations mission of support, questions remain about completing the prosecution of crimes against humanity. As the new Timor-Leste government consolidates itself, international financial institutions, foreign governments, foreign companies, international agencies and advisors continue to have powerful roles. They are particularly involved in key areas like extracting Timor-Leste's natural resources, managing petroleum revenues, filtering donor contributions to Timor-Leste and advocating borrowing to cover Timor-Leste's projected budget deficit.

La' o Hamutuk's work remains crucial in helping international agencies and Timor-Leste's citizens better understand each other as this country enters a new phase in its history and continues to define and evolve its own internal systems and its position in the international arena.

Goals and Objectives

- Monitor, analyze, and provide information regarding the roles of international institutions in the reconstruction process and development of Timor-Leste, and assist in making the process and development more just and responsive to the needs and aspirations of the people of Timor-Leste.
- Empower the people of Timor-Leste to participate more effectively in the development process.
- Facilitate relationships between the people of Timor-Leste and international NGOs to provide information on alternative development models.
- Increase communication and understanding between the people of Timor-Leste and international institutions and donors.
- Advocate for improvements in economic and social justice, human rights, transparency and democracy.
- Strengthen the internal organization of *La' o Hamutuk*.

Program Activities

La' o Hamutuk's principal aims are to monitor and evaluate the activities of international agencies operating in Timor-Leste. Information on our activities is outlined below.

During 2004, we continued to monitor the activities of the international financial institutions. This research focused on the role of the International Monetary Fund (IMF) in constructing Timor-Leste's central bank, the Banking and Payments Authority (BPA). Timor-Leste faces a budget deficit, and we have monitored the activities of the World Bank and the Asian Development Bank (ADB) as the government considers whether to borrow money from them. Together with other NGOs, *La' o Hamutuk* has advocated that our new nation not go into debt.

We monitored the bilateral donors' responses to the Timor-Leste government's efforts to coordinate external funds and projects through the Sector Investment Program. We also researched the United Nations Development Program (UNDP) community development program RESPECT, which is funded by the Government of Japan.

As the United Nations downsizes we continue to monitor the activities of the extended mission of support (UNMISSET). We researched the processes and future of the Special Panels for Serious Crimes, raising concerns about its effectiveness and about future avenues for justice, and monitored the progress of the Commission for Reception, Truth and Reconciliation (CAVR).

A major focus of our work continues to be investigating, reporting and advocating on petroleum issues, both as regards the maritime boundary negotiations with Australia and the future management of petroleum industry and revenues for Timor-Leste. This is discussed in detail on pages 6-7. In addition, Pertamina, the Indonesian oil company, is importing and distributing petroleum into Timor-Leste, and we investigated their monopoly.

In January 2004, *La' o Hamutuk* sent seven Timor-Leste NGO representatives to visit Nigeria to learn about the negative consequences of natural resource exploitation. The Nigeria exchange ('Intercambio') has been crucial in highlighting the importance of transparency and accountability, environmental protection, and local community involvement. In the same month, two staff members participated in the World Social Forum in Mumbai, India. In February a *La' o Hamutuk* staff member also participated in an Oilwatch conference in Thailand. In December *La' o Hamutuk* organized eight Timor-Leste NGO workers and community organizers to visit the Philippines to learn about agrarian and land reform issues.

On 20 March, the first anniversary of the U.S. invasion of Iraq, *La' o Hamutuk* and other local NGOs organized a peaceful march to the United States Embassy in Dili. We published the statement from this event in our Bulletin later that month, and participated in other activities against war and for international justice throughout the year.

Our staff have written for publications by other organizations and local newspapers (See Appendix V). *La' o Hamutuk* staff also appeared on Timor-Leste television and radio programs discussing the boundary negotiations in the Timor Sea, gender issues, and justice for Timor-Leste.

Over the last four years, *La' o Hamutuk* has developed substantial expertise in the issues we work on, and our work has become known worldwide. We are frequently consulted by international researchers, journalists, academics and activists, as well as by many evaluators contracted by various agencies that have worked in Timor-Leste. In addition, international advocacy institutions and network often seek our advice as they consider whether or how to work on issues confronting the people of Timor-Leste.

Bulletin

The *La' o Hamutuk Bulletin* is one of our primary media tools. We publish in English (1500) and Indonesian (3000) and often reprint back issues due to high demand. We distribute our Bulletin free of charge to schools, universities, government offices, and international and national organizations throughout Timor-Leste with help from different community-based organizations. Within Dili we distribute the *Bulletin* to foreign embassies, The World Bank, Asian Development Bank and International Monetary Fund, UN agencies, hotels, restaurants, libraries, and other public locations.

The *Bulletin* is also circulated via email and posted on our website. See Appendix II for a list of *Bulletin* articles published during 2004.

Radio Program

Radio is an important tool for distributing information, and is the only form of media that reaches all regions of Timor-Leste. *La' o Hamutuk* produces a weekly radio program in Tetun called *Igualidade*, in which *La' o Hamutuk* staff interview experts and activists, sharing their knowledge of important issues with the wider community. *Igualidade* increases the awareness and participation of communities outside of Dili in important issues and processes that affect them. Research undertaken for the *Bulletin* provides much of the information disseminated in the programs.

During the first five months of 2004 we worked together with Radio Timor Kmanek (RTK) to broadcast *Igualidade* every Saturday. From May onwards we recorded and edited the program ourselves before distributing it for broadcast on Radio Timor-Leste (RTL). We also distribute copies to community radio broadcasters. See Appendix III for a list of our 2004 radio programs.

We have nearly completed construction of an in house radio studio, which will greatly increase the quality of our programming and scope of our work.

Surat Popular

La' o Hamutuk's Surat Popular (People's Page) is published in Tetum and distributed widely (1500 copies) throughout Timor-Leste through *La' o Hamutuk's* own networks and *Dai Popular* (Timor-Leste Popular Educator's network).

After 2003, *La' o Hamutuk* decided to work with grassroots and community groups in the *Surat Popular*. Therefore in May 2004 *La' o Hamutuk* held a meeting in the community of Bucoli (Baucau district) to refine the use of *Surat Popular* as a discussion tool, to demonstrate this use to local community organizers, and to discuss how the communities can produce their own *Surat Popular*, reflecting the issues important to themselves.

The result of this "capacity building" meeting was the first *Surat Popular* by a community group, Tali Fukun Naroman, from Bucoli, on "Education". The community participated in the whole process of producing the *Surat Popular*, from deciding the topic, making the drawings and writing the words. *La' o Hamutuk* helped with layout, publishing and distribution. Around 40 small farmers from the community of Bucoli took part in the launching discussion, giving their views and opinions on bank projects. The group will use the *Surat Popular* to promote debates within the community as well as in their adult literacy program.

During the reporting period *La' o Hamutuk* published and distributed one additional *Surat Popular* ourselves concerning the Oil dispute between Timor-Leste and Australia (*Ita nia Minarai, Ita nia Futuru - Our Oil, Our Future*).

Globalization and the International Financial Institutions

In early 2004, the government of Timor-Leste announced an expected budget deficit, and the World Bank and Asian Development Bank hastened to offer loans. *La' o Hamutuk* raised awareness and debate amongst local NGOs and civil society groups about the possibility and risks of borrowing and its impact on Timor-Leste. *La' o Hamutuk* was a leading participant in the 'rolling think tank' a joint government/NGO discussion group on the issue of borrowing money.

We are currently investigating how the International Monetary Fund and World Bank are involved in designing Timor-Leste's oil revenue management system.

In January, two members of *La' o Hamutuk* staff and one member of the IFI study group attended the World Social Forum in Mumbai, India. We gave presentations at a panel organized by Focus on the Global South on post conflict reconstruction. The WSF was an opportunity to strengthen links with Focus on the Global South as well as to develop new links with other like-minded organizations. We attended many meetings, seminars and conferences relevant to our work and spoke about issues pertinent to Timor-Leste at a variety of forums. We were also part of a preliminary planning meeting for a regional social forum to be held in Indonesia.

La' o Hamutuk has closely followed World Bank activities in Timor-Leste. In July, *La' o Hamutuk* coordinated a joint analysis, by different civil society groups of the World Bank's "Good Governance Paper", which was used as a base for the elaboration of the 2004 TSP Matrix. The Transitional Support Program (TSP) Matrix is a World Bank mechanism for managing Timor-Leste's government budget and activities. *La' o Hamutuk* provided copies of the WB's paper to several local NGOs and organized discussion meetings about the document. This resulted in a collective "Comments on the World Bank Governance Paper", which was presented to World Bank offices in Dili and Washington.

In August, LH staff member Tomas Freitas attended a Conference on the International Development Association Leadership in Hanoi, Vietnam, in which he gave a presentation about the current political and economic situation in Timor-Leste and the civil society perspectives on IFI strategies to reduce poverty. A report of this conference was published in our December *Bulletin*, along with an editorial on the IDA.

We also monitored the designing of the Financial Capacity Building Mechanism, a project coordinated by the World Bank, and continue to monitor its implementation. *La' o Hamutuk* has closely followed the December TSP Mission, taking part in all meetings held with civil society and monitoring the implementation of the TSP Matrix.

In October, our staff members Yasinta Lujina and Cassia Bechara went to an Anti-War and Anti-Globalization Conference in Beirut, discussing and sharing information with many groups from various countries concerning the relationship between war and globalization and the negative impacts that international financial institutions have in post-war reconstruction processes. During the three day meeting *La' o Hamutuk* worked on coalition and solidarity building with other grassroots groups, advocating for an international tribunal for crimes against humanity during the Indonesian occupation in Timor-Leste, and for a fair maritime boundary between Timor-Leste and Australia.

La' o Hamutuk also wrote an article about the World Bank in Timor-Leste for a book published by the 50 Years is Enough Network.

In the last two months of 2004, we analyzed the design of Timor-Leste's petroleum fund and other aspects of oil revenue management, that were heavily influenced by an IMF international advisor. We participated in the public consultation and made a detailed submission to the drafting committee analyzing the proposed model and presenting some alternatives. *La' o Hamutuk* also organized a public meeting on this issue. We summarized the main points in *La' o Hamutuk's* submission in our December *Bulletin*.

Petroleum development and the Timor Sea

The oil and gas resources in the Timor Sea are crucial to the economic independence of Timor-Leste. *La' o Hamutuk* has continued to campaign for the quick negotiation of a fair maritime boundary with Australia, so that Timor-Leste will receive its rightful share of the oil and gas under the Timor Sea. In addition, we participated in and widened the debate on how Timor-Leste should manage the petroleum industry as well as the revenues it expects to receive from oil and gas. Throughout the year, we worked closely with the Timor Sea Justice Campaign in Australia, sharing information, campaign ideas, and analysis.

As this was a major part of our work during 2004, we circulated information about oil and gas issues using our *Bulletin*, *Surat Popular*, Radio Program and public meetings. In addition, we nurtured and informed international solidarity groups in Australia (Timor Sea Justice Campaign) and the U.S. (ETAN) to encourage their work on these issues, and developed new relations with organizations working on resource and revenue management, including CAFOD, Global Witness, Revenue Watch (Open Society Institute), and the Earth Institute (Columbia University, New York). Partly in response to our requests, all of these groups are now trying to help Timor-Leste utilize its petroleum reserves more safely and wisely.

In January we organized an exchange trip to Nigeria, which was hosted by Environmental Rights Action/Oilwatch Nigeria. This allowed people from Timor-Leste to learn more about the dangers of natural resource exploitation. Following the return of the participants we have used our Bulletin, radio program and public meetings to socialize the findings amongst local NGOs, journalists and others. The report from this exchange is in Appendix VII.

La' o Hamutuk's call for actions worldwide on Australia Day (26 January) resulted in demonstrations and campaigning in Thailand, the U.S., Britain and elsewhere, much of which continued throughout the year. *La' o Hamutuk* further consolidated our relationship with the global Oilwatch network by participating in the regional Oilwatch meeting in Bangkok in February.

In April we helped form the Movement Against the Occupation of the Timor Sea (MKOTT) to call on Australia to recognize Timor-Leste's maritime sovereignty. We shared our resources and publications with this coalition, and helped organize demonstrations in front of the Australian embassy in Dili, drawing many hundreds of people and bringing this issue to the forefront of national awareness.

Australian Green Party Senator Bob Brown came to Timor-Leste during the April negotiations, and we facilitated a public meeting and other events during his visit.

We also worked closely with many journalists covering these issues, resulting in numerous print and radio reports, and two Australian television documentaries.

We repeatedly updated our OilWeb CD-ROM with hundreds of documents and analyses, including audio-visual resources. We continue to distribute the CD-ROM to NGOs, government officials, activists, journalists and researchers in Timor-Leste and around the world. Our work has become a primary reference for those trying to understand this complex issue. As the development of petroleum resources nears in Timor-Leste's territory, *La' o Hamutuk* is working to raise civil society awareness about transparency, accountability, good revenue management, community involvement and environmental protection -- essential elements if this country is to avoid the "resource curse" that afflicts so many others.

In March, *La' o Hamutuk* presented a paper *Can Timor-Leste Avoid the Resource Curse?* at a USAID-sponsored Dili seminar organized by the Democracy Council, and we continued to develop these ideas throughout the year, including in an editorial in our November *Bulletin*.

In July, *La' o Hamutuk* researched and wrote "The Case for Saving Sunrise", an advocacy and information paper that argues that it is in Timor-Leste's best interests not to rush to sign a compromise agreement with Australia to develop the Sunrise oil and gas field. The paper was initially circulated privately to government, and later used to provide important background to officials, journalists and activists.

Timor-Leste's government conducted a bidding round and awarded the first contract for offshore seismic exploration in Timor-Leste territory. *La' o Hamutuk* monitored this process, and raised some questions about the companies which were awarded the bid.

During the latter part of 2004, Timor-Leste began to write legislation and develop policies for managing its petroleum resources. *La' o Hamutuk* participated in an August public consultation on five documents comprising the "petroleum regime" which defines the relationship between Timor-Leste and petroleum companies. We submitted a detailed 93-page analysis of these bills to the drafting committee, pointing out that draft laws were grossly inadequate in several areas, including transparency, democracy, legal protection, community consultation and environmental protection, and proposing alternatives. The Petroleum Regime was approved by the Council of Ministers in December and is now pending before Parliament, but few of our suggestions were incorporated.

In October, the Ministry of Planning and Finance circulated a discussion paper on petroleum revenue management (the Petroleum Fund) for public comment. *La' o Hamutuk* participated in the public consultation, and submitted a 37-page analysis. We pointed out major flaws in the government's proposed "Norway Plus" model, and suggested that São Tome's new legislation might be a more appropriate model. We also found shortcomings or omissions in transparency, safeguards on overspending, ethical investing, oversight and public information. *La' o Hamutuk* engaged other experts and organizations on this issue, resulting in submissions from Harvard Law Students Advocates for Human Rights and the Center on Globalization and Sustainable Development, Earth Institute (Columbia University).

Justice

La' o Hamutuk continued with its work in monitoring and advocating for justice for international crimes committed in Timor-Leste from 1975 to 1999. We actively participate in the National Alliance for an International Tribunal, helping organize publicity and advocacy to support the creation of an International Tribunal. In January, we prepared a submission from the Alliance to a "Technical Assessment Mission" from UN Headquarters.

Additionally, we campaigned and raised awareness regarding President Xanana Gusmão's secret February meeting with indicted war criminal General Wiranto in Bali. Our radio program discussed the implications of their two meetings in February and May. *La' o Hamutuk* also explored the possibility of a

public indictment campaign with other organizations including Initiatives for International Dialogue, through the APCET Forum.

In November, a double issue of *La' o Hamutuk's* Bulletin examined the work of the Special Panels for Serious Crimes in achieving justice for Timor-Leste. The same Bulletin carried an article about the myriad problems with Indonesia's ad-hoc court in Jakarta.

Following the announcement of the governments of Timor-Leste and Indonesia's intentions to establish a commission for Truth and Friendship in December 2004, *La' o Hamutuk* began raising the problems with a binational commission aimed at preventing accountability and blocking justice.

Resource Centre

The Resource Centre is an important part of our work and continues to provide information to students, national and international NGO workers, activists, journalists and researchers.

The *La' o Hamutuk* library and resource centre provides books, videos and documents in English, Indonesian, Portuguese and Tetun on topics including international development theory and practice, international aid, globalization, Timor-Leste history and culture, and case studies from other countries in relation to these topics. The Resource Centre also includes national newspapers and magazines. We cooperate with other resource centers and libraries in Timor-Leste and have joined the Timor-Leste Library Association.

During 2004, *La' o Hamutuk* bought more books in Indonesian. We updated our internal website (intranet), making it available to visitors as part of the Resource Centre. The intranet site includes reference documents and downloaded websites relevant to Timor-Leste.

We published a book, *Memoria Intercambio Nicaragua* (Memories from the Nicaragua Exchange), a production from our 2002 exchange on gender-based discrimination.

In Canada, Between the Lines published the book *East Timor: Testimonies*, which includes three chapters written by *La' o Hamutuk* staff and photographs by Elaine Brière.

La' o Hamutuk's planned resource centre expansion was put on hold during 2004 because, at year end, it remained unclear whether the lease on our office premises would be continued by the government. The government would like to develop the Farol area for embassies and ministers' housing, and neighboring NGO's have already been told that they must leave. We expect this issue to be resolved during 2005, when we will decide whether to enlarge or move our office.

NGO coalitions

La' o Hamutuk continues to be active in coalitions with other NGOs, both international and within Timor-Leste. Globally, we are part of OilWatch, the Global Peace Movement, and work closely with the Timor Sea Justice Campaign (Australia), Focus on the Global South (Thailand) the International Federation for East Timor (IFET), and the East Timor Action Network (ETAN, USA).

In recognition of our expertise and effectiveness, *La' o Hamutuk* staff are often chosen to represent the NGO community in international conferences and training activities.

We actively participate in various local coalitions, including:

The Movement Against the Occupation of the Timor Sea

La' o Hamutuk helped found the Movement Against the Occupation of the Timor Sea (MKOTT) in April 2004 to campaign for a just boundary negotiation between Australia and Timor-Leste and a fair share of the natural resources in the Timor Sea.

IFI Study Group (Kelompok Kajian)

La' o Hamutuk continues to play a leading role in raising awareness of the international financial institutions in Timor-Leste.

AMKV (Association of Men Against Violence)

Before 2002, only women were involved in discussions and campaigns about gender issues in Timor-Leste. *La' o Hamutuk* believes that it is essential for men to analyze their role in gender relations and to work to improve the situation for the benefit of all people in Timor-Leste. The Association, which grew out of *La' o Hamutuk's* 2002 exchange with gender activists from Nicaragua, is a national organization of Timor-Leste men that works with others to end gender-based violence, through holding workshops in rural areas.

MNKV (National Movement Against Violence)

La' o Hamutuk plays an important role in the National Movement Against Violence, which includes women and men and campaigns against gender-based violence.

Dai Popular (Timor-Leste Popular Educators' Network)

Dai Popular was formed in 2001 by participants in the Timor-Leste-Brazil exchange organized by *La' o Hamutuk*. The network has grown to include 36 civil society organizations committed to "a collective process to strengthen popular education methods as a tool for social transformation in Timor-Leste." *La' o Hamutuk's* is a key member of Dai Popular's Central Committee, providing guidance and facilitating contact with popular educators in other countries. In April 2004, *La' o Hamutuk* helped organize the fourth General Meeting of Dai Popular in Tutuala (Lautem district) which was attended by more than 100 activists and community organizers. This meeting re-elected *La' o Hamutuk* to the Central Committee, with responsibility to coordinate the working group on popular economy.

National Alliance for an International Tribunal

La' o Hamutuk is a key member of the Alliance for an International Tribunal, that campaigns for justice for the crimes against humanity and war crimes committed in Timor-Leste from 1975 to 1999, inside and outside Timor-Leste. In addition to consulting with the general population, the Alliance provides testimony and advocacy to government and international bodies and for the past years, including the United Nations Commission on Human Rights in Geneva.

La' o Hamutuk contributes by drafting statements and press releases, research, writing articles and organizing workshops, radio programs, international networking and public meetings.

Public meetings

La' o Hamutuk organizes discussions on critical issues facing Timor-Leste for NGOs, journalists, government and other interested parties nationally and internationally, often bringing heads of international institutions (which included UNMISSET and the World Bank during 2004) into dialogue with civil society. Appendix IV lists the public meetings we organized and presentations we gave during 2004.

Intercambios (International Exchanges)

As a joint Timor-Leste–international organization with strong ties to Timor-Leste's international solidarity network and other NGOs around the world, *La' o Hamutuk* is well positioned to coordinate exchanges between Timor-Leste activists and development workers, educators, and activists from other countries. International exchanges are critical in deepening discussions, envisioning more equitable development alternatives and strengthening international networks between grassroots organizations. These topics from the exchange are developed in collaboration with other Timor-Leste organizations who share our commitment to a just and democratic development process.

La' o Hamutuk not only analyzes international institutions in Timor-Leste, but we also support alternative development models. *La' o Hamutuk's* past Intercambios have involved Brazil, Nicaragua and Cuba. Often activists from Timor-Leste travel abroad, but in 2001 *La' o Hamutuk* brought two Brazilian activists on popular education to give workshops throughout Timor-Leste, and in 2002 two Nicaraguan gender activists ran workshops in Baucau, Dili and Oecussi.

During 2004 we organized two groups of Timor-Leste civil society to visit other countries:

Nigeria Exchange

In January, we conducted the Nigeria exchange we began to organize in 2003. Seven participants from a range of organizations traveled to Nigeria to learn about the negative impact of oil and gas exploitation and the links with poverty, repression, environmental destruction and militarization. The delegation also learned how Nigerian NGOs are dealing with the practices of oil companies and the social, economic and environmental impacts of petroleum activities.

On return the participants gave a press conference and organized public meetings to discuss their experiences in Nigeria. The report is included as Appendix VII.

Philippines Exchange

In November 2004, *La' o Hamutuk* sent eight Timor-Leste activists to the Philippines for a month of learning and exchanging information with Filipino activists and farmers involved in agrarian reform. We organized this exchange with fifteen other civil society groups from Timor-Leste, and with the Philippine Initiatives for International Dialogue (IID) and the Partnership Agrarian Reform and Rural Development Service (PARRDS).

In follow up activities from the exchange, Exchange participants organized a workshop at the University of Dili to present some of their findings, attended by over 100 people. *La' o Hamutuk* also held a public meeting at Perkumpulan HAK.

The report is included as Appendix VIII.

Strengthening *La' o Hamutuk*

During 2004 we reviewed and modified our financial management system, making changes to prevent future problems like those we experienced at the beginning of the year (see next section). The new system follows sound financial management principles and allows us to manage our finances more efficiently. We have also developed an organizational finance policy that requires that three members of staff check all financial transactions. We have improved our system of bookkeeping and provided financial training to staff, and then hired a staff member with specific experience in finances.

During 2004 we underwent our second independent financial audit, for fiscal year 2003. The Indonesian firm of Maksum, Suyamto, Hirdjan & Rekan carried out the audit and the report is available upon request.

Our fixed assets have increased this year. We purchased a new Honda motorbike to add to our existing motorbike pool. We also purchased two more computers. In addition, in order to minimize the damage to computers from frequent power cuts we have purchased five UPS units, which allow orderly shutdown of our computers when the electricity fails.

Our computer support team now has a weekly schedule for computer maintenance, including updating virus definitions, backing up files, and ensuring that the network runs efficiently.

On completion, our in-house radio studio will greatly enhance our ability to produce high quality programs and disseminate information widely throughout Timor-Leste.

In December 2004, *La' o Hamutuk* underwent an external evaluation facilitated by Hilmar Farid and Lia Kent, which was requested by Hivos, one of our donors. Based on their findings, we are implementing changes to our structure, including expanding the decision-making role of the Executive Board.

Three new Timor-Leste national members and one international member joined *La' o Hamutuk* during 2004, replacing Charles Scheiner, Jesuina Soares Cabral, Simon Foster, Joao Sarmiento and Selma Hayati who finished their contracts. We are now comprised of four women and five men: Cassia Bechara, Maria Afonso de Jesus, Yasinta Lujina, Inês Martins, Tomas (Ató) Freitas, Mericio (Akara) Juvinal, Joaozinho Viana, Alex Grainger and Guteriano Nicolau. See Appendix VI for brief biographies of our staff.

Evaluation of our work during 2004

In our 2003 annual report and in funding proposals in the beginning of 2004, we outlined plans for our activities for the year 2004. We were on track to fulfilling these activities in a number of areas. At year's end we are under budget in certain areas such as media. We did not carry out all our plans in this regard during 2004, notably building a new resource centre. (see Resource Centre, page 8). The other area where *La' o Hamutuk* was significantly under budget was in Intercambios, largely due to carrying out two, rather than three of these.

We have carried out some plans for capital investment. We began building and equipping our own, high quality radio studio, as we had planned during 2003. This means we are able to maintain our current work levels and increase the quality of our radio program production to disseminate information more effectively in rural Timor-Leste.

We had planned to organize two new intercambios this year, in addition to completing the Nigeria-Timor-Leste intercambio in January due to the amount of staff time expended in organizing such a project, we conducted only one more, and plan to commence with another during 2006, with time being devoted toward internal restructuring in 2005.

La' o Hamutuk planned to conduct in-house training during 2004. We realized some of our objectives, with international staff giving English lessons as well as on-the-job training in research and computing. We increased our understanding of the difficulties in doing this, and will find alternative ways to carry out our capacity development objectives (see relevant section in 'Plans for 2005').

We consolidated regional coalitions and were supported in our monitoring work from organizations such as Focus on the Global South. Two staff members attended the World Social Forum in Mumbai with financial assistance from Focus as well as attending a meeting organized by Focus in Beirut in October. (Please see 'Plans for 2005' on augmenting our regional coalitions) We planned to provide commentary on the issue of on-shore oil and gas development during 2004. However, since the government will not develop these resources until 2006, we deferred our analysis until their plans are more concrete.

La' o Hamutuk continues to enjoy the support of volunteers working with us in both the short and longer term. In particular, we have attracted volunteers during 2004 whose expertise matched our research areas. *La' o Hamutuk* has also greatly benefited from former staff who have provided support in research and administration, especially helpful given their familiarity with the organization's internal workings and culture.

Our plan was to publish eight *Bulletins* during 2004. We published six (two single and two double issues). The research and investigation process took longer, resulting in publication delays, largely because of the staff turnover.

Although we had hoped to produce five issues of *Surat Popolar* during 2004, we published one and provided technical support for production of another. We had planned to have 10 public meetings during 2004, and had seven.

We conducted three internal evaluation meetings during the year. In December 2004 we completed the first external evaluation of our programs, activities, administration, as well as our overall strategy plan and the continuing relevance of our mission and vision. Following the external evaluation's recommendations, *La' o Hamutuk* is examining how to consolidate internally, and exploring possibilities of restructuring.

During early 2004 we discovered discrepancies in our financial records, and then performed a rigorous internal audit. The audit verified that some financial records had not been entered correctly and some receipts had been falsified. We realized that we needed to tighten our financial system and make some personnel changes. We terminated the staff member involved and increased the number of checks on our system of approving expenditures, cash advances and dispersing funds. Our filing system is now much clearer. We have made our finance practices more transparent and accountable. We have now hired a new person with specific responsibilities for financial management.

Although this has been a difficult experience, it has greatly strengthened our internal organization.

We also terminated the employment of a security guard who consistently failed to carry out his duties. Repercussions from these firings caused serious and prolonged disruptions to our work. Unfortunately, our office and staff were physically threatened and assaulted. The police were called on two occasions that resulted in the arrest of *La'o Hamutuk's* former security guard. The trauma and time spent dealing with these issues were significant.

Plans for 2005

During 2004, *La'o Hamutuk* carefully considered its priorities for research, staff capacity and our systems of management. Following staff and board and external evaluation recommendations in early 2005, we are reviewing our structure as well.

We intend to recruit new international and local staff during 2005, and in light of this are considering revising our staff number downwards to 8-9. We will look at ways to recruit one and possibly two further female Board members, at least one of who will be a Timor-Leste national.

We have decided to look at alternatives to the 'flat structure' management model currently used, during 2005. While we intend to keep a consensus-based model, we want our Executive Board to participate more actively in decision-making, with greater involvement in a new structure from a coordinating team. We have used our external evaluation as a basis for this, and this includes plans for one person who conducted the external evaluation to return to Dili during April 2005 to help facilitate this process. These sessions will involve discussion of a constitution that will clearly set out new and consolidate existing structures, *La'o Hamutuk's* core principles and priorities for monitoring and research.

In strengthening staff capacity, we hope to recruit staff who will focus on developing writing and research skills and improving the organization's structure. We also plan to augment the English language capacity of our existing staff. Our aim is that all *La'o Hamutuk* staff will be able to read basic to intermediate English language documents for research purposes.

In 2005 we will continue to monitor the activities and influence of the three international financial institutions present in Timor-Leste, focusing on their role in the Petroleum Fund and the new Consolidation Support Program (CSP I), in which the World Bank will play a major role in designing and monitoring the matrix; and the implementation of the Public Finance Management Project coordinated by the World Bank.

La'o Hamutuk will monitor the legislative process on the Petroleum Regime and Petroleum Fund, continuing from its reports on these issues during 2004. Following these issues closely will be extremely important given that the vast majority of the national budget will derive from oil revenues. Bringing a detailed understanding of the administration of oil development and oil funds to Timor-Leste citizens and further afield is crucial in delineating broader questions of national development.

To better focus our research to Timor-Leste's current needs, *La'o Hamutuk* will stop focused investigations of the Conference of Lusophone Countries (CPLP), publishing one report and merging that into our work on Bilateral Assistance. Our focus on militarization will also be put into bilateral assistance. Work on justice is being taken up by many other organizations, so *La'o Hamutuk's* attention to this area will be on a case-by-case basis, including the CAVR report and the Truth and Friendship Commission.

In follow up to the Philippines Intercambio, we are carrying through a tactical plan, involving disseminating information through workshops in three regions as well as a public opinion campaign and grassroots discussions; and a strategic plan, focusing on the country's longer term priorities in agriculture and land reform. The first year will focus on disseminating information, by holding workshops in three regions, public opinion campaign (using radio, television, pamphlets, posters and organizing demonstrations), conducting grassroots discussions in areas facing conflict and publishing an Intercambio Handbook. Over the longer term, we will focus on the interests of farmers, workers, fisher folk and indigenous people; building legal capacity; correlating agricultural benefits with intended functions; building pressure on the parliament and government to implement democratic and just agrarian reform for all the people of Timor-Leste.

La' o Hamutuk plans to produce six *Bulletins* in 2005, in anticipation of its commitments to restructure and other activities. In the future, we hope to return to eight *Bulletins* a year. We plan to carry out 10 public meetings, which will be coordinated with research activities and radio programs.

Once we know whether we can remain in our current building, we will continue to improve the resource centre, buying more new books in Bahasa Indonesia, subscribing to new magazines, producing a computer catalogue of materials and a reference guide for past *Bulletins* organized by article topic, to help members of the public find what they need.

In 2005 *La' o Hamutuk* intends to focus on community capacity building so that community groups will take the lead in producing *Surat Popular*, with *La' o Hamutuk* facilitating the process. This builds on our work in 2004, where we published one issue of *Surat Popular* and provided technical support to a district-based NGO in the production of another. We will publish three *Surat Populars* in 2005.

At the end of 2004, a devastating earthquake and tsunami struck Aceh, at the other end of the Indonesian archipelago from Timor-Leste. We expect *La' o Hamutuk's* experience with the inundation of international agencies that arrived in Timor-Leste after 1999 will be of use to the Acehnese people as they emerge from catastrophe, aided by many of the same agencies. Our past research has been used in a comparative context by civil society organizations working in Indonesia and Aceh and we hope to build on this to expand relations with organization in the region.

Appendix I: Financial information

All amounts are specified in United States Dollars. *La' o Hamutuk's* fiscal year is the 2004 calendar year.

La' o Hamutuk maintains our policy of not accepting contributions from the UN and its agencies, the World Bank, the ADB, IMF, the governments of the largest donors and transnational corporations operating in Timor-Leste, to preserve the organization's independence in carrying out its activities.

The organization has maintained a flat wage structure with both local and international staff receiving a salary of \$400 U.S. dollars per month. All staff continue to receive benefits that include health insurance, some of which is self-insurance funded from the 'Health Reserve' account in the balance sheet below. International staff receive one return airfare from their home country, as well as a 'readjustment allowance' of \$400 for each month worked up to the end of the first year, payable after they finish working with *La' o Hamutuk*. *La' o Hamutuk* has attempted this year to simplify its financial reporting in order that it is more easily understandable, as well as easier to use for future authors of financial reports.

Balance Sheet

This table indicates our total cash and bank account balances at the start and end of 2004, amounts of money set aside for specific purposes, and unrestricted money available for general operations.

	Total cash and bank balances	Spend on activities during 2004-6¹	Sponsored projects²	Read-justment Reserve	Health Reserve	Sustain-ability Reserve³	Opera-tional Reserve⁴	Unres-tricted Funds
Balance 31 Dec. 2003	152,582	(30,000)	(1,928)	(13,000)	(12,000)	(32,000)	(30,000)	33,654
Income in 2004	88,215	0	0	6,200	2,719	0	0	79,296
Expen-ditures in 2004	161,116	(10,000)	0	(13,200)	(2,719)	(5,050)	(21,299)	108,848
Balance 31 Dec. 2004	79,681	(20,000)	(1,928)	(6,000)	(12,000)	(26,950)	(8,701)	4,102

¹ As the result of *La' o Hamutuk's* 2003 budget surplus, we allocated 10,000 per year to our operating budget over the next three years (2004-6)

² *La' o Hamutuk* continued to manage the finances for the Sah'e Institute of Liberation's translation of Geoffrey Gunn's book: *East Timor: 500 Years*. No income or expenditures for the project were conducted during the reporting period.

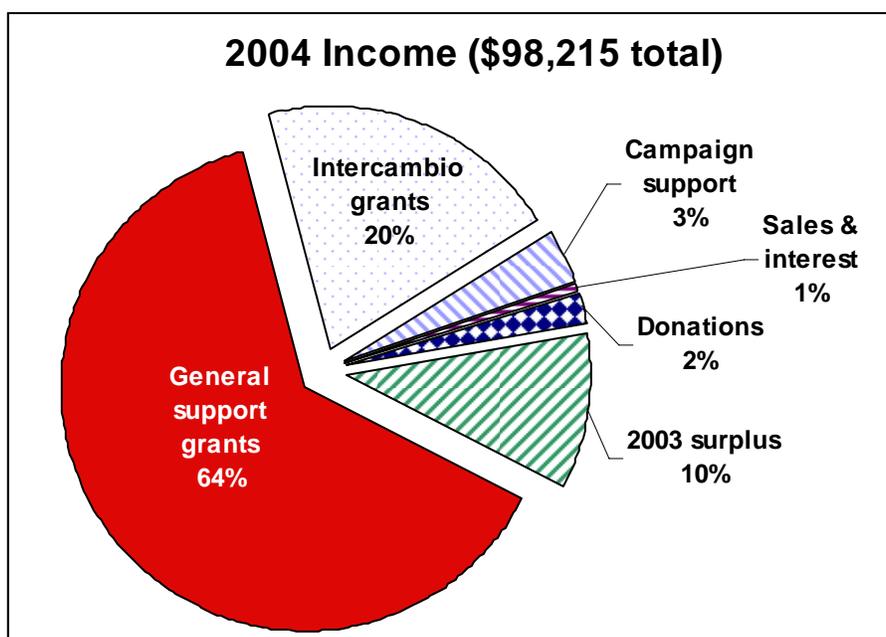
³ This reserve is to replace and repair computers, motorcycles and other capital assets as they wear out.

⁴ This fund is made up of approximately three months worth of expenses, used to avoid cash flow problems.

Income

The following table compares our actual income with what we had projected for 2004.

Income	2004 projected	2004 actual	Variation
Allocation from 2003 surplus ⁵	10,000	10,000	0
Intercambio grants ⁶	45,200	19,948 ⁷	-25,252
Campaign support	0	3,329 ⁸	3,329
Sales	900	381	519
Bank Interest	800	392	-408
Donations	100	1,804	1,704
Misc. income	200	0	-200
Grants ⁹	91,828	62,361	-29,467 ¹⁰
Total	149,028	98,215	-50,813



⁵ This is not actual income, but an allocation from *La'o Hamutuk's* reserves.

⁶ Not including funds for the Nigeria Intercambio which were received in 2003.

⁷ *La'o Hamutuk's* income for International Exchanges in 2004 included \$8,990 from CAFOD for the Nigeria Exchange, \$9,990 from Frontier Internship Mission for the Philippines Exchange, and \$968 from Oxfam GB for Cuba Exchange follow-up activities. It was lower than budgeted because we cancelled one exchange which had been planned for 2004, and because some of the income to pay for the Philippines intercambio will be received in 2005.

⁸ *La'o Hamutuk* received funding from various sources to attend international events as part of its campaigning, including a meeting organized by Oilwatch in Bangkok (\$704), a meeting in Beirut organized by Focus on the Global South (1,402) and one of member of *La'o Hamutuk's* staff attending the World Social Forum in India (1,223) funded by Hivos.

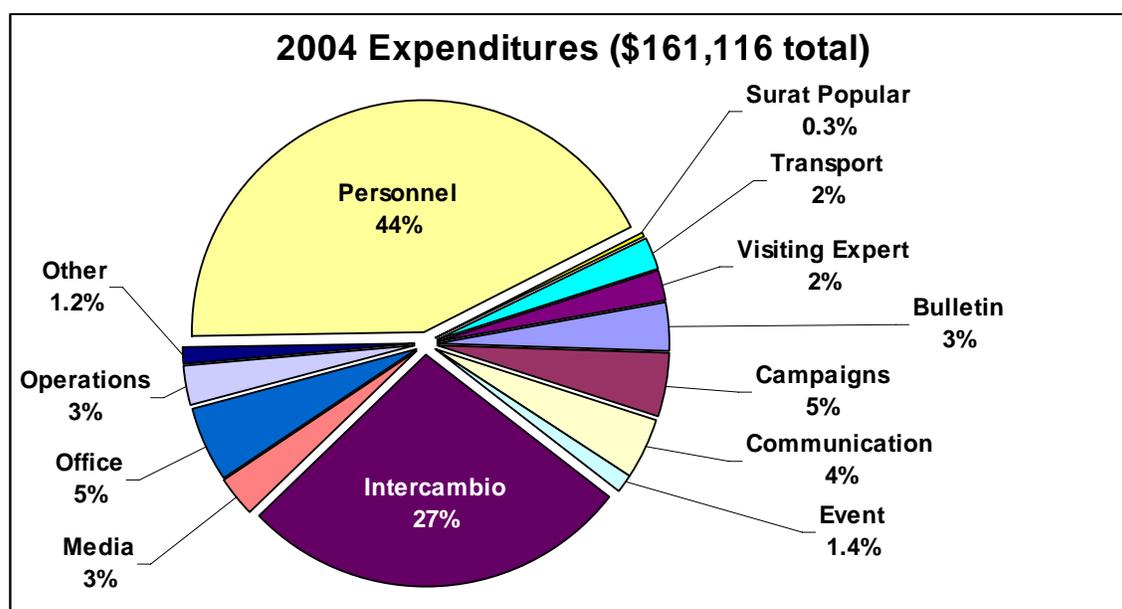
⁹ Includes \$17,261 from Trocaire for general support and \$45,100 from the Embassy of Finland for Radio and Bulletin activities.

¹⁰ Part of this difference is because HIVOS general support funding promised for 2004 was paid in 2005, so it does not show in the 2004 report

Expenditure

The following table compares our actual expenditures with what we had projected for 2004.

Expenditure	2004 projected	2004 actual	Variation
Bulletin	5,740	5,167	-573
Communication	5,400	6,443	1043
Event	1,200	2,273	1073
Intercambio¹¹	60,950	43,920	-17,030
Operations	4,750	4,346	-404
Personnel¹²	66,072	68,743	2671
Surat Popular	720	547	-173
Transport	1,000	3,692	2692
Campaigns	9,600	7,578	-2022
Media	15,119	4,287	-10,832
Office	0	8,784	8784
Other (Contributions, Fundraising and Bank Charges, balance adjustment)	560	1955	1395
Visiting Expert	1790	3,381	1591
Total	172,901	161,116	-11,785



¹¹ The difference in actual and projected Intercambio expenditure is because some funds were received in 2003 (Nigeria) and others some expected during 2005 (Philippines). Detailed financial reports are available for both Intercambios.

¹² Includes Health Insurance (3,986) House Rent (2,700) Salaries (45,917) Visa Fees (\$730) and Wage Tax (3,490).

Projected budget for 2005

Projected Income for 2005	
Allocation from 2003 surplus	10,000
Campaign Support	3,000
Sales	200
Bank Interest	700
Donations	100
Miscellaneous income	200
General Support Grants	103,900
Grants for Intercambio	30,500
Total	148,601

Projected Expenditures for 2005	
Personnel	63,000
Communications ¹³	7,000
Operations	9,750
Bulletin	5,250
Surat Popular	1,500
Radio equipment and supplies	800
Video	1,000
Resource Center budget for 2005	9,000
Intercambios (international exchanges)	30,500
Equipment	2,500
Issue campaigns	6,000
Conferences	1,200
Funds for visiting experts ¹⁴	3,000
Campaign support	3,000
Transportation	1,000
Financial audit	2,500
Public Meeting	600
Misc. expenses	1,000
Total	148,600

¹³ Increased from 2004 because telephone and internet costs have increased. We plan to change to a faster internet service provider to limit some of these expenditures during 2005.

¹⁴ Including advice on and facilitation of improving *La'o Hamutuk's* internal structure and accountability, based on the December 2004 external evaluation.

Appendix II: Bulletin Articles

Volume 5 (2004)

Number 1 (January):

- Banking and Payments Authority
- Statement from the Asia Pacific Civil Society Forum
- Report from Cuba-Timor-Leste *Intercambio*
- Article by Joseph E. Stiglitz entitled “Oil Money Requires Good Management”
- Dr. Andrew McNaughtan, 1954-2003
- Editorial: Justice after the end of the UNMISET mission

Number 2 (March):

- Seven options to meet Timor-Leste’s financial gap
- Australia’s distortions – *La’o Hamutuk’s* response to a letter from the Australian High Commission
- Maritime boundaries slow in coming
- Communities protest unmet promises – report from Oilwatch regional conference
- Report from the World Social Forum in Mumbai, India
- Editorial: the United States must respect Iraqi Sovereignty and Global Peace

Number 3-4 (double issue) (October):

- Special Panel for Serious Crimes in Timor-Leste (In-depth report)
- A Good relationship between Timor-Leste and Indonesia requires ending impunity
- “Cak Munir”: 1965-2004
- Reports on Timor-Leste-Nigeria Exchange
- Editorial: Can Timor-Leste Avoid the Resource Curse?

Number 5-6 (double issue) (December):

- The RESPECT Program in Timor-Leste
- Pertamina’s Dominance and implications for EDTL
- Summary of *La’o Hamutuk* submission on the Petroleum Fund Discussion Paper
- Report From IDA 14 Opinion Leaders Consultation in Hanoi, Vietnam.
- Editorial: The Truth Behind the International Development Association and its Poverty Reduction Policy

Appendix III: Radio Programs

January 2004

- Nigeria Exchange (Julino Ximenes, *Perkumpulan HAK*; João Sarmento, *La' o Hamutuk*; Selma Hayati, *La' o Hamutuk*)
- Gender and Sexual Violence (Luisa Fraga, *Pradet*; Mario de Araujo, *AMKV*; Inês Martins *La' o Hamutuk*)
- World Social Forum (Tomas Freitas, *La' o Hamutuk*; Mateus Goncalves, *Sah' e Institute*; and Simon Foster, *La' o Hamutuk*)

February 2004

- Lessons learned from Nigeria (João Sarmento, *La' o Hamutuk*; Justino da Silva, *NGO Forum*; Carlos Alberto, *ETADEP*; Julino Ximenes, *Perkumpulan HAK*)
- Role and Function of BPA in Timor-Leste (Tomas Freitas, *La' o Hamutuk*; Abraão Vasconcelhos *Managing Director of BPA*; Simon Foster, *La' o Hamutuk*)
- Dai Popular discussion concerning meeting between Timor-Leste President Xanana Gusmão and Indonesian General/war criminal Wiranto (led by João Sarmento and Tomas Freitas, *La' o Hamutuk*)

March 2004

- Women and Aids (Yasinta Lujina and Inês Martins, *La' o Hamutuk*, Rui Carvalho *Family Health International*; Idelta Rodrigues *MNKV*)
- Oilwatch Bangkok (João Sarmento and Selma Hayati *La' o Hamutuk*)
- Timor-Leste's budget deficit (Tomas Freitas, *La' o Hamutuk*; Aziza Magno, *National Parliament*; Gastao de Sousa, *Director of Ministry for Planning and Finance and Planning*)
- Dai Popular discussion (Tomas Freitas, *La' o Hamutuk*)

April 2004

- Illegal Occupation of the Timor Sea (Inês Martins, *La' o Hamutuk*; Ego Lemos, *Hasatil*; Abel do Santos, *Sah' e Institute*; João Sarmento, *La' o Hamutuk*)
- Justice in the Timor Sea Boundary negotiations (Tomas Freitas, *La' o Hamutuk*; Demetrio Amaral *Haburas*; João Sarmento, *La' o Hamutuk*; Manuel Mendonca, *Timor Sea Office*; Manuel Tilman *National Parliament*)
- Militarism and Serious Crimes (João Sarmento, *La' o Hamutuk*; Rosentino Amado Hei, *Perkumpulan HAK*; Tiago Amaral Sarmento, *Judicial System Monitoring Program*; Justino Da Silva, *NGO Forum*; Tome Xavier Geronimo, *private lawyer*)
- Dai Popular discussion Popular Economy (Tomas Freitas, *La' o Hamutuk*)

May 2004

- President Xanana and General Wiranto meeting (Tiago Sarmento, *Judicial System Monitoring Program*; Edio da Costa, *Victims' Families' Representative*, Tomas Freitas, *La' o Hamutuk*)
- Law and Order in Timor-Leste, the role of PNTL (Tomas Freitas, *La' o Hamutuk*)
- Understanding the Problem of the Timor Sea Boundary Moderator: Abel dos Santos, *Sah' e Institute*; Gaudensio Soares de Sousa, *ALUTA*, Natercia de Jesus, *Perkumpulan HAK*; João Sarmento, *La' o Hamutuk*

No radio programs were held in June as the RTK radio station, which hosted *La' o Hamutuk's* radio programs, suspended broadcasting in late May.

July 2004

- UNDP's RESPECT Program (Albano Salem, secretary of state for Labor and Solidarity, Alexandre Araujo, UNDP-RESPECT and Mericio Juvenal, *La' o Hamutuk*)

- Petroleum Production Sharing Contract (with Francisco Monteiro, *President's Cabinet* and Joao Sarmiento *La' o Hamutuk*)

August 2004

- Militarization, (Filomeno Paixao *F-FDTL*, João Sarmiento, *La' o Hamutuk*)
- Timor-Leste's Women's Conference, (Josefa Ximenes and Laura Pina, *Rede Feto*)
- Strategic Planning of National Alliance for International Tribunal, Maria Afonso de Jesus, *National Alliance*, Francisco da Costa (*Representative of Victim's Families*), Joao Sarmiento *La' o Hamutuk*)

September 2004

- Maritime Boundary Negotiations, Tomas Freitas *La' o Hamutuk*, Ameu Ati, Laifet
- Julino Ximenes, *Perkumpulan HAK*
- Civil Society Conference Tomas Freitas (*La' o Hamutuk*) Mateus Goncalves (*Sah'e Institute*)
- Joaozito Viana (*La' o Hamutuk*)
- Nigeria Exchange Joao Sarmiento (*La' o Hamutuk*) Carlos Florindo (*ETADEP*) Justino da Silva (*NGO Forum*)
- Maritime Boundaries Manuel Tilman (Member of Parliament, *KOTA*), Manuel de Lemos (*Timor Sea Office*) Demetrio Amaral (*HABURAS*)

October 2004

- Foreign Minister José Ramos-Horta's statement on International Tribunal (Edio Saldanha, *Perkumpulan HAK* and *Victims' Families' Representative*, Justino da Silva, *NGO Forum*)
- Program on book publication on Gender and Social Transformation, (Mericio Juvenal *La' o Hamutuk*, Marito Araujo *AMKV*, Guteriano Nicolau *La' o Hamutuk*)

November 2004

- Oil: the Maritime Boundary Issue, Manuel Tilman (Member of Parliament, *KOTA*, Alfredo Pires *President's Office*)
- Philippines-Timor-Leste Exchange, (Mateus Tilman, *KSI*, Ernesto Gusmão *ITAE - Instituto Tecnologia Agrikultura Ekonomia*)
- Sixteen Days against Gender-Based Violence, (Laura Pina, *Rede Feto*, Idelta Rodrigues *UNFPA*)
- The Petroleum Fund, (Francisco Monteiro, *Office of the President*, Abraão Vasconcelos, *Banking and Payments Authority*, Amado Hei, *Perkumpulan HAK*)

December 2004

- CAVR Report, Hugo Fernandes (CAVR), Amado Hei (HAK), Tiago Sarmiento (JSMP)

Appendix IV: Public Meetings and Presentations

(All meetings and presentations are organized by *La'o Hamutuk* in Dili unless noted otherwise.)

- 6 January Tomas Freitas gave a short presentation regarding the relationship between the World Bank and land matters in countries other than Timor-Leste, to the participants at a workshop on land tenure organized by the Kadalak Sulimutu Institute (KSI) at Knua Buka Hatene.
- 30 January Public meeting with Elisabeth Huybens, World Bank Timor-Leste country representative, on World Bank lending instruments and conditions.
- 8 February Tomas Freitas and Simon Foster shared their experiences from the World Social Forum in Mumbai, India, at a meeting of farmers groups in Maubara Lisa village, organized by HASATIL.
- 28 February Demetrio Amaral from the Haburas Foundation and Aderito Soares from the Sah'e Institute for Liberation gave presentations on the impact of big hydropower schemes in developing countries. Their presentations were the basis for discussing Timor-Leste government plans for a hydropower scheme in the district of Lautem.
- 12 March Public meeting on the results of the World Bank Community Empowerment Project with Elisabeth Huybens from the World Bank and Ben Moxham from Focus on the Global South.
- 25 March Presentation by Charlie Scheiner "Can Timor-Leste Avoid the Resource Curse?" at seminar on Transparency and Accountability in Government organized by the Democracy Council.
- 31 March Public meeting on negotiations of the maritime boundary with Paul Cleary and Manuel Mendonca from the Timor Sea Office.
- 21 April Australian Senator Bob Brown gave a presentation on how the Australian Green Party supports Timor-Leste's struggle for a just and fair maritime boundary.
- August Special representative of the UN Secretary General and UNMISET head Sukehiro Hasegawa gave a presentation on "UNMISET's Mandate and UN Assistance in the future".
- October Public meeting on the implications of oil and gas exploration and exploitation in the Timor Sea with the TSDA (Timor Sea Designed Authority) and Francisco Monteiro from the President's office.
- December Public meeting on Petroleum Funds with Thomas Ekeli and Cristiano Gusmão from Ministry of Finance, Government of Timor-Leste.

Appendix V: La' o Hamutuk staff contributions in other publications

Month	Author	Title	Publication
April	Mericio Juvenal	History and the Process of Revolution in Cuba	Suara Timor Lorosa'e
	João da Silva Sarmiento	Economic Development in Correlation with Oil Drilling from the Timor Sea	Babadok (Fokupers)
	Selma Hayati	Brother Stop the Violence	Vox Populi
May	Mericio Juvenal	Justice for Victims	Babadok (Fokupers)
June	Mericio Juvenal	Gender Imbalance: whose responsibility	Suara Timor Lorosa'e
July	Charles Scheiner	The Case for Saving Sunrise	Circulated privately to government officials first, later in various forms
December	Cassia Bechara	Doing the Empire's Dirty Work	Libertasaun (Sah'e)

In addition *La' o Hamutuk* staff contributed the following chapters to “*East Timor: Testimonies*” with photographs by Elaine Brière published in 2004 by Between the Lines, Canada.

Authors	Chapter title
Mericio Juvenal and Endah Pakaryaningsih	Timor, where the sun rises
Inês Martins and Andrew Teixeira de Sousa	Building the new East Timor
Adriano do Nascimento and Charles Scheiner	The 'gap' in East Timor's independence

Appendix VI: Staff and Executive Board Biographies

La' o Hamutuk staff includes nine professionals, seven from East Timor and two from elsewhere, four women and five men. The staff is non-hierarchical and makes decisions collectively, although two members serve as rotating coordinators to free the rest from routine administrative tasks. All staff members share administrative and program responsibilities, with conscious effort being made to share skills and increase capacities. John Miller of the East Timor *Action Network* (ETAN) in New York provided invaluable support by maintaining *La' o Hamutuk's* web site.

The following people are on our staff at the close of 2004:

Maria Afonso de Jesus

Born in Dili, Maria joined *La' o Hamutuk* in June 2004, having previously worked at the International NGO Caritas, in Dili. Maria is *La' o Hamutuk's* finance officer and monitors the Justice Issue. Maria is a Board member of the Timor-Leste National Alliance for an International Tribunal, and is a representative of Victims' Families, as her husband was killed in the April 1999 Liquiça massacre. Maria speaks Tetum and Bahasa Indonesia.

Cassia Bechara

Cassia Bechara arrived in Timor-Leste from Brazil in November 2002 to work with *La' o Hamutuk*. She graduated in Social Communication and has worked in India with Tibetan refugees, reporting human rights violations in Tibet. For the past two years, she has been involved with indigenous communities and grassroots organizations in Brazil, developing popular and alternative communication methods and working with indigenous and African-Brazilians rights. She speaks Portuguese, English, Spanish and Tetum. At *La' o Hamutuk* Cassia focuses on popular education, international exchanges, and investigations of UNMISSET and Timor-Leste's relationships with Portuguese-speaking countries.

Tomas Sebastião Rosario Freitas

Born in Dili, Thomas studied at Udayana University (Bali) from 1996 until 1999, where he involved with the Indonesian People's Democratic Party (PRD) and the East Timorese clandestine resistance, Maubere Youth Alliance. He coordinated the return of over a thousand Timor-Leste refugees from Bali after the referendum. He was on the Constitutional Working Group Steering Committee, and is a prominent advocate of international justice. Thomas joined *La' o Hamutuk* in April 2001, and his work includes organizing public meetings and *La' o Hamutuk's* weekly radio program, as well as illustrating the *Bulletin* and *Surat Popular*, and maintaining close communications with other NGOs. He speaks Tetum, Indonesian and English.

Alex Grainger

Alex arrived in Timor-Leste from England in September 2004 to work at *La' o Hamutuk*, two years after having completed a Masters' degree at the School of Oriental and African Studies in London in Asian Politics. In the interim period he worked in conflict resolution organizations in the Netherlands and Belgium and helped establish an Aceh civil society solidarity group, Pinto Aceh, in London. At *La' o Hamutuk* he works on International Financial Institutions and Bilateral Assistance. He speaks English, Tetum and Bahasa Indonesia.

Mericio "Akara" Juvenal

Born in Lospalos, Timor-Leste, Mericio completed an anthropology degree at the University of Indonesia in Jakarta in August 2001. He joined *La' o Hamutuk* in November 2001. Formerly assistant manager for World Vision International's shelter program, Mericio also worked with the International Rescue Committee. He founded Centro Cultural Maubere, which promotes Timor-Leste's culture, and Fundasaun Lero, a foundation that builds local skills in education and agriculture. At *La' o Hamutuk*, Mericio focuses

on popular education, international exchanges, and gender. He speaks Tetum, Fatulucu, Indonesian and some English.

Yasinta Lujina

Yasinta was born and grew up in Oecusse, the enclave of Timor-Leste surrounded by Indonesia. She studied at the Social Welfare School University in Bandung, Indonesia, and worked at Christian Children's Fund and Catholic Relief Services before joining *La'o Hamutuk* in August 2002. She speaks Tetum, Indonesian, and Dawan. With *La'o Hamutuk*, Yasinta investigates UNMISSET and UN Agencies. She also coordinates our *Surat Popular* and resource center, and was on *La'o Hamutuk's* Coordination Team for much of 2004.

Inês Martins

Inês was studying economics at the University of Timor-Leste before the Indonesian military destroyed it in September 1999. Born in Bobonaro, Timor-Leste, she worked with ETWAVE (a local NGO which focuses on human rights of women and children). Inês is fluent in Tetum, Portuguese and Indonesian. Inês has been working with *La'o Hamutuk* since May 2000, and has researched many issues including Portuguese assistance and the coffee sector. She participated in the exchanges to Brazil in 2001 and Cuba in 2003, is active in *Dai Popular* and coordinates *La'o Hamutuk's* radio program.

Guteriano Soares Neves Nicolau

Guteriano joined *La'o Hamutuk* in June 2004 having previously worked for the Dili-based current affairs magazine, *Talitakum*. He is completing a degree at the University of Timor-Leste in International Relations. Gute has worked on Bilateral Assistance, Militarization, the United Nations and Natural Resources and regularly contributes articles to the local press and gives interviews to the domestic and foreign media on these issues. Gute speaks Tetum, Bahasa Indonesia, English and Mumbai.

Joaozito Viana

Joaozito joined *La'o Hamutuk* in June 2004 having previously worked at the East Timor Cultural Centre, providing administrative support. In this role he was on the cultural events sub-committee that helped plan the independence night celebrations in May 2002. During this period Joaozito also taught Sociology part-time at the Continental University in Timor-Leste. At *La'o Hamutuk*, he researches Natural Resources and is a facilitator for the East Timorese Association of Men Against Violence. Joaozito speaks Tetum, Bahasa Indonesia and Fataluku.

During part of 2004, *La'o Hamutuk* staff also included:

Selma Hayati

Selma Hayati, an Indonesian activist and human rights attorney, joined *La'o Hamutuk* in October 2003. Before that, she worked with the Indonesia Legal Aid Foundation (LBH) in Jakarta from 1994-1998, and then worked with the Asia Monitor Resource Center in Hong Kong until 2000. In Timor-Leste between 2000 and 2002, she worked with Timor Aid, UNTAET, the NGO Forum and Oxfam Australia, before obtaining a masters degree in human rights law at the School of Oriental and African Studies (SOAS, London). At *La'o Hamutuk*, she specializes in Natural Resources and justice, and participated in the Oilwatch Asia conference in Bangkok in February 2004. Selma finished her contract with *La'o Hamutuk* in October 2004, and continues to assist as a volunteer.

João da Silva Sarmiento

João coordinated Dewan Solidaritas Mahasiswa Timor Timur (Timor-Leste Student Solidarity Council), and was on *La'o Hamutuk's* Board, until he joined our staff in August 2002. He studied English at the University of Timor-Leste. His undergraduate thesis is about Timor-Leste's education system under transition. He also coordinates reporters for Suara Timor Lorosa'e (STL), a local newspaper. He speaks Tetum, Indonesian, English, Portuguese, Makassae and Javanese. At *La'o Hamutuk*, João works on

international financial institutions, justice and reconciliation, and militarization, and coordinates our public meetings. In October 2004, he left Timor-Leste to study at the University of Hawaii, USA.

Charles Scheiner

A New Yorker, Charlie joined *La' o Hamutuk* in Dili in August 2001, although he had been supporting the organization from the USA since its inception. A computer engineer by training, Charlie was the National Coordinator of the East Timor Action Network (ETAN/U.S.) and represented the International Federation for East Timor (IFET) at the United Nations since 1992. He was International Coordinator of the IFET Observer project during 1999, and continues to work with IFET in Timor-Leste. He speaks English, French and some Tetum. His work with *La' o Hamutuk* focuses on the *Bulletin*, finances, justice, the UN, oil and gas, international activist networks, and foreign governments' roles in Timor-Leste. He returned to the U.S. in April 2004, and came back to *La' o Hamutuk* during August and September to work on our submission to the petroleum regime legislation.

Jesuina "Delly" Soares Cabral

Jesuina has been with *La' o Hamutuk* since July 2001. Delly finished a degree in political science at the University of Timor-Leste while working at *La' o Hamutuk*. She previously worked at IRC (International Rescue Committee), and was active in Organisasau Solidaridade Klosan Timor Lorosa'e (the clandestine predecessor of the Timor-Leste Students Solidarity Council), where she worked on self-determination and gender issues. Delly was spokesperson for the Gender and Constitution Working Group, and represented local NGOs at the Timor-Leste Donors Conferences in Norway in 2001 and in Dili in May and December 2002. She also works on finances and administration, transnational corporations and Timor-Leste's relations with its neighbors, and cooperates with the National Movement Against (gender-based) Violence NGO coalition. Delly left *La' o Hamutuk* in April, following problems with our finances.

La' o Hamutuk's Executive Board

Sr. Maria Dias

Maria is a Catholic nun and the director of Pronto Atu Servir (PAS--Ready to Serve), a grassroots health project. Through their clinic in Dili and work on Atauro Island (one of the most isolated and impoverished areas of East Timor) PAS serves the poorest of the poor. While providing treatment for medical ailments, PAS works to address conditions that lead to illness. PAS puts heavy emphasis on popular education for health helping to train local health facilitators, with the goal of creating a sustainable national health system based on local resources. During the Indonesian occupation, Maria ran a clandestine clinic for FALINTIL members and frequently visited the guerrillas in the mountains to treat the wounded. She represented East Timorese women's organizations at the December 2001 donors' conference in Oslo, and has met with others doing similar work in other countries. During 2002, Maria was the link between civil society and the National Planning process. She currently coordinates the program which enables Timor-Leste medical students to study in Cuba.

Joseph Nevins

Joseph is the international coordinator of *La' o Hamutuk*. From May until August 2000, he volunteered as project staff in Dili, helping to establish *La' o Hamutuk*, and he returned for the same period in 2001. During 1999, he served in Dili as one of the coordinators of the IFET Observer Project, and had visited East Timor three times previously. Joseph has written two books and numerous articles on East Timor, taught at the University of California, Los Angeles, and researched on the interrelationship between reconstruction, reconciliation, and justice in post-occupation Timor-Leste as a post-doctoral fellow at the University of California, Berkeley. Since 2003, he has been a professor of geography at Vassar College, Poughkeepsie, New York, USA, and is finishing a book on Timor-Leste for Cornell University Press.

Nuno Rodrigues

Director of Sah'e Institute for Liberation, Nuno has worked closely with *La' o Hamutuk* since it began. He went to University of Indonesia in Jakarta, where he studied communications and was active in the Timorese resistance. In Jakarta he also led a study group on Marxism with Indonesian activists. He returned to East Timor in 1999, and began doing popular education work. Having participated in *La' o Hamutuk's* exchange with Brazilian popular educators, Nuno is a leader of the East Timorese Popular Educators' Network.

Pamela Sexton

From the USA, Pamela has extensive experience in Indonesia and East Timor. Pamela lived in Yogyakarta, Indonesia for two years and speaks Indonesian fluently, as well as Tetum and Spanish. In 1999, she was U.S. coordinator for the IFET Observer Project, and observed the referendum in Suai. In May 2000, Pam helped set up *La' o Hamutuk*, and she served on our staff from September 2000 through November 2002, focusing on popular education, gender issues, and international exchanges. After more than two years with *La' o Hamutuk*, Pam returned to California, from where she continues to support our work as a volunteer and a member of our board.

Aderito de Jesus Soares

Aderito is a lawyer and human rights advocate. He is former Director of Sah'e Institute for Liberation, and the founder and Vice-Chairman of the East Timor National Jurists Association. Born in Maliana, Timor-Leste, Aderito lived in Indonesia for many years where he served as director for ELSAM, a Jakarta-based human rights organization. As such, he defended political prisoners throughout Indonesia, most notably in West Papua. Aderito is the co-author of a book on West Papua, and has written numerous articles on international law and human rights in Indonesia and East Timor. In August 2001, Aderito was elected to East Timor's Constituent Assembly, where he chaired the committee dealing with the basic structure of government and helped write the Constitution. He resigned from Parliament to do graduate legal studies at New York University for two years. Since returning to Dili in 2003, he has been involved in a number of legal and human rights projects and has written for numerous publications worldwide.

Appendix VII: Nigeria Exchange on Effects of Petroleum Development

Synopsis

Seven East Timorese activists selected by organizations focused on environmental issues, human rights, analyzing development, labor rights, women, and other sectors traveled to Nigeria for two weeks in December 2003 to observe and learn about the environmental and social effects of petroleum development and how communities and local people respond to them. The Nigerian people have decades of experience with war, corruption, environmental devastation and destruction of local communities resulting from the exploitation of their petroleum. Since East Timor expects to rely on petroleum revenues to finance most of its national development, it is crucial for this tiny, nascent democracy to avoid the destructive impact that the oil industry has had on Nigeria.

The exchange is initiated by the East Timor Institute for Reconstruction Monitoring and Development (*La'o Hamutuk*), and was hosted by Environmental Rights Action and Oilwatch Africa.

Background

East Timor, the world's newest nation, is beginning to develop the oil and gas resources under the Timor Sea between East Timor and Australia. These reserves, with the potential to allow East Timor to emerge from devastating military destruction and poverty, have already brought much misery to the East Timorese people.

Timor Sea oil and gas is expected to provide the majority of East Timor's public revenues; the country has no other significant export products. East Timor's national plan and the proposed financing mechanisms for oil and gas have been heavily influenced by consultants from the World Bank, which is also involved in the controversial West African Gas Pipeline (now under construction).

With the end of Indonesia's occupation of East Timor, Timor Sea oil contracts have been transferred from Indonesia to a Timorese-Australian Designated Authority, which has jurisdiction over 41% of East Timor's legal petroleum entitlement (according to the principles of the United Nations Convention on the Law of the Sea, since it is on East Timor's side of the median line between the two coasts). The remaining 59% of reserves which should belong to East Timor are currently occupied and exploited by Australia, which is not sharing revenues and has refused repeated requests to negotiate the maritime boundary and has withdrawn from international legal processes for resolving the issue.

Many in East Timor's civil society are concerned not only about boundaries and petroleum revenues, but also about how to avoid the environmental destruction, conflict, human exploitation, repression, corruption, destruction of communities, and other negative consequences that almost inevitably accompany petroleum development. By learning about what has happened in other countries, East Timor may be able to avoid repeating some of the same mistakes. Nigeria, Africa's largest oil producer, is infamous for the many problems and few benefits brought to its people over the last half century.

Exchange Aims and Objectives

The aim of the East Timor-Nigeria exchange was to enable East Timorese participants from a broad range of organizations observe first hand the social, political, economic and environmental impact of oil exploration in Nigeria.

The objectives of the exchange were to enable East Timorese participants to:

- Be more aware of what they need to avoid in East Timor by witnessing the impact of oil exploration on local communities in Nigeria.
- Learn how to organize and work towards equitable and beneficial use of revenues from oil exploration through democratic, transparent and accountable processes.

- Learn about links between oil companies and the Nigerian government and military.
- To develop links with Nigerian grassroots communities and activists.

Implementing Organizations

East Timor: La'o Hamutuk (East Timor Institute for Reconstruction Monitoring and Analysis)

La'o Hamutuk (Tetum for “Walking Together”) is an East Timorese non-governmental organization (NGO) formed in 2000 to improve communication and understanding between the East Timorese people and international institutions – both the United Nations (which governed East Timor 1999-2002) as well as multinational companies, international financial institutions, development agencies, and foreign governments. The organization has published many reports which can be read in the internet version of the *La'o Hamutuk Bulletin*.

Nigeria: Environmental Rights Action (ERA)

ERA is Nigeria's foremost environmental human rights group for the defense of human ecosystems and the empowerment of local communities to defend their environmental human rights in law. Since 1993, ERA has consistently pressured individuals, governments and corporations to adhere to environmental standards and to respect host communities as partners in development. They have worked with Human Rights Watch, the Oilwatch network and other national and international organizations to help people around the world understand and support Nigerians' effort to regain control over their resources and impacts. They have also hosted numerous delegations to Nigeria from both Southern and Northern countries.

Nigeria: Oilwatch Africa

Oilwatch Africa is a decentralized regional network of NGOs coordinated from a regional office in Port Harcourt, Nigeria, hosted by Environmental Rights Action. The office coordinates Oilwatch member organizations in Nigeria, Cameroon, Gabon, Chad, South Africa, Mozambique, Congo and Ghana to organize information exchanges and community visits, and to facilitate joint campaigns and resistance to the destructive impact of oil exploitation. Oilwatch Africa is a regional component of the global Oilwatch Resistance Network, which is coordinated from Quito, Ecuador and includes organizations from tropical forest countries throughout Latin America, Africa and Asia.

East Timorese participants

Although *La'o Hamutuk* coordinated the Nigeria exchange, the delegation included representatives of other civil society organizations committed to work on oil and gas issues in East Timor, including members of the CIITT (Independent Center for Timor Sea Information).

Program in Nigeria

Prior to the East Timorese participants' arrival Environmental Rights Action (ERA)/Oilwatch Africa had prepared an itinerary, visiting local communities in Rivers and Bayelsa states and meeting with community leaders and local activists.

The itinerary included a tour of the rural communities in the Niger Delta region affected by oil and gas production. In each of the communities, interactive sessions were held with the youths, women, community activists and traditional rulers of the community. After the discussion in each community, a tour was undertaken to see oil fields, oil wells, gas flare sites and oil spill sites, especially the ones close to human settlements.

The East Timorese delegation purchased a video camera and tapes in Jakarta, Indonesia in order to film the areas they visited. They took photos and recorded interviews and discussions with local communities groups. These have supported the follow up activities since the delegation's return.

On the final day in the Niger Delta a roundtable discussion between the host organizations and the East Timorese participants was held in the Port Harcourt office of Oilwatch Nigeria. The East Timorese

participants reviewed their experiences and impressions and discussed how to disseminate information on their return to East Timor.

In Nigeria, the exchange had a high media profile. ERA/Oilwatch Nigeria had contacted local and international media. Journalists from the Guardian and Beacon newspaper joined the delegation for the Niger Delta tour. The participants held a press briefing in Lagos and joined a live discussion program on Africa Independent Television.

The communities visited were as follows:

Rukpokwu community

The Rukpokwu community is near the oil city of Port Harcourt where Shell has been extracting mineral resources since 1963. The participants visited the Rukpokwu-Rumuekpe pipe-line which runs through community settlements and fragile environmental areas. They also saw the massive fire still raging from the December 3rd explosion at the pipeline line. On February 24th it was finally put out after causing untold environmental damage.

Erema and Obagi Communities

In Erema, the participants met with local communities and discussed the impact of oil and gas exploration on their environment and livelihoods. The Erema community has been the site of a number of demonstrations against the notorious French oil company TotalFinaElf by local women's groups.

Obagi is the site of TotalFinaElf's first oil well in Nigeria which started production in 1962. TotalFinaElf has shown little regard for the environment and local population. The delegation observed gas flares which regularly burn for days near residential areas.

Akala-Olu Community

The Akala-Olu community is in Ahoada West Local Government Area of Rivers State. The area has been exploited by the Italian Agip Oil Company. The participants were shocked by the amount of pollution produced by Agip's facilities.

Ogoni Community

This area was the site of huge Shell facilities that have devastated the local environment. Prior to Shell's arrival in 1958 the Ogoni community were prosperous farmers and fisherman. The environmental impact of oil extraction has destroyed their livelihoods. Angered by the devastation and desecration of the local environment and people, Ken Saro Wiwa, a famous Ogoni writer and activist, mobilized the Ogoni people and stopped oil operation in the area. He was eventually executed with other activists for his actions and Shell has not resumed activities in the area.

Bonny Island

Bonny Island is the location of a plant for liquefying natural gas. The participants met with the Finima community who had been relocated for the construction of the plant. The Finima community have lost their ancestral homes and traditional sources of livelihood.

Akassa Community

The Akassa community has traditionally survived by fishing. Oil extraction by Texaco Overseas operating in the Akassa waterways and offshore has polluted the water and destroyed the local fishing economy.

Kolo Creek

In and around Kolo Creek Fires resulting from Shell's facilities have destroyed local forests and pollution has impacted on streams and farmlands. Shell has refused to repair the damage. The participants met with the Otuasegha community and visited polluted and damaged areas.

Rumueke Community

The area hosts many oil facilities belonging to TotalFinalElf, Agip and Shell and serves as a transport route for crude oil and gas to Forcados and Bonny Island. The participants visited a large horizontal flare pit.

Lessons Learned

Corrupt Government and financial mismanagement

The East Timorese delegation noted that there is a strong link between corruption and the lack of accountability and transparency regarding oil revenues. According to Nigerian colleagues, the Nigerian government originally promised that the oil revenues would lead to economic growth and development of infrastructure such as electricity, water, roads, hospitals and schools. In reality this has not happened. Nigeria still has a very low level of human development despite currently experiencing an oil boom. The population does not know how much money the government receives from Nigeria's natural resources or how the money is spent. Although petroleum has brought money into Nigeria the quality of most people's living standards has declined.

Local communities stated that the government does not listen to their complaints or concerns particularly about the environmental damage. They felt that the government did not want to or was unable to represent them against the oil companies.

Oil companies and repressive government

The East Timorese delegation noted the link between oil revenues and the history of repressive government in Nigeria. Since its independence from the United Kingdom in 1960, Nigeria has been characterized by political instability and repressive military government. Community protests in Nigeria against poor management of the oil and gas resources and environmental damage have been dealt with violently by the Nigerian military. The Nigerian government and military has acted to defend the interests of the oil companies against the local communities. Oil facilities are ringed with barbed wire and protected by armed guards.

The prosecution and murder of Ken Saro Wiwa, a prominent writer and environmental activist, and eight activists from the Ogoniland by a military court in Port Harcourt was proof of the complicity between the Nigerian government and Shell.

Environmental damage

In all areas visited by the East Timorese delegation was shocked at the pollution and extreme environmental degradation. Fires, explosions and leaks caused serious damage. Oil companies did not take proper precautions. Old pipes and other infrastructure were not replaced. The oil companies were resistant to admit to the problems and unwilling to repair the damage. The explosion on the Rukpokwu-Rumuekpe trunk line devastated 400 hectares of community farms. The pipe was 40 years old though international industry standards states they should be replaced every 15 years.

Non-government organizations who monitor the oil and gas industry and local communities believe that the oil and gas industry in Nigeria has destroyed their environment. The content of heavy metals is very high in the sea, rivers and land. Pollution has ruined the once fertile soil, productive forests and destroyed mangroves. Farming and fishing communities are no longer able to maintain, grow or catch enough food to eat or sell.

Environmental degradation and pollution has impacted on people's health. Water sources are unclean. The situation is compounded by the lack of government investment in infrastructure. Very few people have access to piped water and public health care is minimal.

Socio-economic impact

Since the 1980s the number of people working in agriculture nationally has dropped from 50 to three percent. Most have moved to the service and industry sectors, especially the mining industry. An activist

from the Erema Trade Union said that over 40 years, the trans-national oil and gas companies have turned the Nigerian people into slaves in their own country. He said that long before oil and gas was found in Nigeria there were many fish and other natural resources, but now people have to beg for food and jobs from Shell, Agip, and TotalFinalElf.

Key Lessons and steps to be taken

- Oil and gas resources can lead to corruption and repressive government, environmental and social damage and human rights abuses.
- Oil and gas revenues do not necessary lead to economic growth. Mismanagement of oil and gas revenues leads to poverty and lack of development
- It is important for the people of Timor-Leste to monitor and participate in discussion regarding oil and gas natural resources in the Timor Sea. They should monitor every step taken by the East Timorese Government, the Australian Government and the oil companies.
- Lobby for transparency and accountability in all decisions regarding natural resources which are fundamental to avoiding the situation in Nigeria.
- The people of East Timor must ensure that the East Timorese government, the Australian government and the oil companies sign all international environmental protection instruments.

Follow up

On the return to East Timor the participants have been active in disseminating information and lessons learned from the exchange as widely as possible.

La'o Hamutuk organized a press conference for local print, radio and television media immediately upon return. The press conference, which discussed the exchange trip and the immediate impressions made upon the participants received wide coverage. The statement from the press conference is included as an appendix.

La'o Hamutuk invited government officials, members of parliament, and local NGO activists to a public meeting. Members of the delegation provided an overview of the exchange trip and gave a presentation of 'lessons to be learnt' from Nigeria. Following this the space was given for questions and a broad and fruitful discussion on the issues of oil exploration and revenue management ensued. Videos and photographs from the exchange were also shown.

All participants gave presentations within their respective organizations, networks and coalitions on the negative impacts of oil exploitation. This has been part of a concerted effort to get the message to local NGOs that revenues from natural resources need to be managed properly and to assert the importance of local NGOs in lobbying for accountability and transparency.

Members of the delegation joined discussions in Los Palos, Covalima and Manufahi organized by Perkumpulan HAK. The discussions were attended by farmers groups, local leaders, teachers, students, youth and women's groups. The delegates gave presentations and overviews on the importance of managing oil revenues transparently and accountably.

The exchange has been of great importance. Local NGOs have been lobbying Australia very hard for a fairer share of the natural resources in the Timor Sea as well as for the swift negotiation of a maritime boundary. Oil revenues have been perceived as the solution to East Timor's financial situation and as a catalyst for economic growth. The exchange raised awareness of the many problems associated with revenues from natural resources. This has broadened the debate within civil society about how East Timor should manage its revenues from the Timor Sea. This has come at a fundamental time as the laws defining how East Timor's oil and gas revenues should be managed are being formulated. Civil society is significantly better informed and better equipped to participate in the debate than it was prior to the exchange trip to Nigeria.

Appendix VIII: Agrarian Reform: An Intercambio with groups in the Philippines

Introduction

La'o Hamutuk, the Timor-Leste Institute for Reconstruction Monitoring and Analysis, is a five-year-old Timor-Leste NGO which monitors and analyzes international institutions in Timor-Leste. In addition, the organization helps to improve knowledge in Timor-Leste about alternative development models. One method to accomplish this is an intercambio (exchange) between Timor-Leste civil society and civil society in other countries, to strengthen international solidarity links and explore grassroots initiatives. *La'o Hamutuk's* past intercambios have involved Brazil (popular education), Nicaragua (power and gender), Cuba (health and agriculture) and Nigeria (dangers of petroleum development).

In November and December 2004, *La'o Hamutuk* organized an intercambio with the Philippines focusing on agrarian reform, in cooperation with fifteen other Timor-Leste civil society groups. We were hosted by the Philippines-based Initiatives for International Dialog (IID) and Partnership Agrarian Reform and Rural Development Service (PARRDS).

La'o Hamutuk sent eight Timor-Leste activists to the Philippines for a month of learning and exchanging information with Filipino activists and farmers. The Timorese participating were Joãozinho Viana from *La'o Hamutuk*, Mateus Tilman from Kdadalak Sulimutuk Institute (KSI), João Alves Trindade from Erpoleks Lequisi- Ermera, Amaro Silverio dos Santos from Klibur Joventude Haburas Rai (KJHR) Sacoco-Ermera, Rosito da Silva Belo from HAK Association-Baucau, Natalia de Jesus Cesaltino from Forum Komunikasi Perempuan Timor Lorosa'e (Fokupers), Ernesto Gusmão from Kalo-heda

Institute of Technology, Agriculture and Economy (ITAEK) Uatolari Viqueque, and Juvençio Magno from the Iliomar Farmers Cooperative-Lospalos.

Before departing, participants conducted field research in Liquisi and Sakoko, Timor-Leste, to see what issues were of most concern to local farmers. After returning, they held workshops with community leaders and farmers to share the lessons of their experiences.

Frontier Internship Mission (Switzerland) granted US\$30,000 to *La'o Hamutuk* to cover the expenses of this project.

Agrarian conditions in Timor-Leste

Timor-Leste went under three periods of colonialism, with the Portuguese extending over 450 years, Japanese more than three years and Indonesian for 24 years. These periods of colonialism created huge problems for farmers. The Portuguese and Indonesian periods had particular impact on cultivation, traditional local leadership (Liurai) and the Church. Agriculturally productive land was given to or taken by the colonial government and the church in several areas.

One negative consequence of colonialism was the capitalization of land, turning farmers into farm laborers on plantations. In addition, many small land holding farmers near the plantation sites lost or sold their land to the larger industry.

After independence in 2002, the Timor-Leste government passed Law 1/2003 regarding real estate, which assigns former colonial assets to the government. Agrarian justice is a basic issue for farmer's economic life and is highlighted in Article 54.4 of the Timor-Leste Constitution, but land issues continue to create conflict in some areas of Timor-Leste.

The weak agrarian structure left several farmers landless, as more productive lands (such as in Ermera, Same, Aileu and Ainaro) became coffee plantations to service European markets. In addition, urban expansion (Bairopite, Comoro and some districts) and the expansion of Church missions (Lospalos, Viqueque and Dili) also took land away from small farmers.

The concentration of land ownership into fewer hands already has provoked some workers' movements. For example, in the 1980s Ermera plantation workers destroyed fences and coffee plants and attacked plantation guards. In 2000 they began occupying the coffee plantation and dividing the land amongst themselves.

Agrarian Reform in the Philippines

Like Timor-Leste, the Philippines has survived centuries of colonialism. The Philippines was subjected to Spanish and U.S. colonialism. Both the Philippines and Timor-Leste have had capitalist development of land, forcing farmers into poverty and to become laborers on land they do not own. Capital was concentrated in the hands of businessmen and wealthy proprietors. According to Father Anoran (a Pastor and the Executive Director of NC-PERD in Negros Occidental), agrarian reform has been implemented for 16 years, but the land is still concentrated in the hands of a few rich Filipinos, and 80% of the people live in poverty without farmland.

After many years of struggle against the Marcos dictatorship, the 1986 People's Power revolution united farmers, workers, churches, academics, students and political leaders who had split with Marcos. This movement also launched the Congress for a People's Agrarian Reform. President Marcos was overthrown and Corazon Aquino came to power.

Two years later, President Aquino issued a law on agrarian reform (ARL/RA 6657) and then implemented the Comprehensive Agrarian Reform Program (CARP). The program was originally planned to last only ten years. However, since it did not reach its targets, it was extended for another ten years (until 2008).

In the Philippines, agrarian reform has aimed at transferring land from landlords to farmers. CARP policies include compulsory acquisition, with the government directly transferring land from landlords to the farmers; voluntary land transfer, with the landlords volunteering land to the government or to the farmers; and stock distribution option/sharing production profit, with the landlord and farmers agreeing to divide the profits from the land.

Activities in the Philippines

The intercambio visited three islands of the Philippines: Luzon (Tarlac, Pampanga, and Zambales Districts), Visayas (Negros Occidental) and Mindanao (Cotabato and Bukidnon).

Initiatives for International Dialogue (IID) Timor-Leste Field Officer Ruby Lora and Philippines Program Officer for PARRDS (Partnership Agrarian Reform and Rural Development Service) Alejandro P. Soto, who served as the intercambio program coordinator in the Philippines, accompanied the participants. Their substantial knowledge and experience with agrarian reform in the Philippines proved invaluable for the Timorese participants. These two people also coordinated meetings with civil society organizations.

Among the groups the Timorese delegation met with were: UNURKA, Philippine Ecumenical Action for Community (PEACE) Foundation, Project Development Institute (PDI), Partnership Agrarian Reform and Rural Development Services (PARRDS), Initiatives for International Dialog (IID), Task Force Detainees of the Philippines (TFDP), Alternative Community-Centered Organization for Rural Development (ACCORD), Philippine Human Rights Information Center (Philrights), Philippine Alliance of Human Rights Advocates (PAHRA), tungo sa Kaunlaran ng Kanayunan at RepormaPansakahan (KAISAHAN-an organization working to end institutional discrimination against farmers), NC-PERD and the Farmers Association of Davao City (FADC).

These organizations work on many issues involved with CARP including labor, production services, capacity building, justice, democracy and human rights.

Intercambio participants also met with members of the Philippines congress and officials of the government's Agrarian Reform department, as well as with local farmers organizations.

Findings

Based on our meetings and experiences, *La' o Hamutuk* has learned some important aspects to agrarian reform, including:

- A movement encompassing farmers, workers, fisher people and indigenous people is the base of agrarian reform in the Philippines. The participants heard, saw and discussed with civil society organizations about organizational models, mobilizing alliances and capacity building for farmers leaders.
- Filipino leaders changed the political scene with the approval of the Agrarian Reform Law.
- Civil society organizations have a role in implementing the Comprehensive Agrarian Reform Program (CARP) as a follow-up to the implementation of the government's Agrarian Reform Law.
- Civil society movements have had to realign themselves in response to political policies. CARP implementation has been going on long enough for the movement to be more familiar with farmers and how to respond to their needs. Examples can be seen of several individuals and political groups abandoning political violence and joining social-democratic groups.
- The gender roles of people organizers and community organizers have changed as the result of land being transferred to the farmers. The participants saw changes in the gender movement as a strategy of bringing a feminist approach into the farmers' and labor struggles.
- Multi-national cooperation/international agencies have assumed a prominent role in the CARP program. They are changing the agricultural structure to a capitalist production model, including the promotion of "monocarps" (sugar cane, mango, banana, coffee and others) aimed towards a global market. The farmers are not moving towards self-production but becoming the farm laborers of international companies expanding throughout the Third World.
- Indigenous peoples continue to try to maintain their culture. Indigenous peoples in the Philippines are defined as those who continue to struggle to maintain local structures and culture. The Indigenous People Republic Act (IPRA) of 1994 increased the protection of indigenous rights.

These are complex issues and will require further study for a comprehensive understanding. This Intercambio is only the first step for the participants to familiarize themselves with agrarian reform and apply their knowledge to Timor-Leste in the future.

Evaluation and plan of action

Strategies to achieve agrarian reform in Timor-Leste must be based in the values of the Timorese people. The needs and capabilities of the people and grassroots organizations should guide current and future action.

The participants will take their experiences from the Intercambio and adapt them to their own realities. We have much to learn from the organizing done by farmers, workers, fisher folk and indigenous people during and after the Marcos dictatorship. The peaceful struggle continues in the Philippines. In the words of Loida, an activist farmer and peoples organizer with the Project Development Institute (PDI), "we will continue to struggle for the future of our grandchildren. We are ready to return to the streets, and not to beg for money and food. Revolution is still our ultimate goal, the poor still dream of democracy and justice." After sixteen years of implementing the Agrarian Reform Law, many of her fellow farmers still have no land.

After returning to Timor-Leste just before Christmas, *La' o Hamutuk* and the other intercambio participants planned several follow-up activities. One workshop was held in February, and other conferences in agricultural areas, as well as popular education, are planned. Although *La' o Hamutuk* will continue to be involved, we expect that KSI and Fokupers, two NGOs which participated in the intercambio, will take the lead.