

Mid-Year Report

La'o Hamutuk

January - June 2009

La'o Hamutuk's Vision

The people of Timor-Leste, women and men, of current and future generations, will live in peace and contentment. They will control a transparent, just and sustainable development process which respects all people's cultures and rights. All citizens will benefit from Timor-Leste's resources, and will accept the responsibility for protecting them.

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La'o Hamutuk

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Mission & Objectives

La'ó Hamutuk ("Walking Together" in English) is a nine-year-old Timor-Leste organization that monitors, analyzes and reports on the principal international institutions present in Timor-Leste as they relate to the physical, economic and social development of the country. La'ó Hamutuk believes that the people of Timor-Leste must be the ultimate decision-makers in this process, which should be democratic and transparent.

La'ó Hamutuk is an independent organization which works to facilitate effective Timorese participation in the reconstruction and development of the country. In addition, La'ó Hamutuk works to improve communication between the international community and Timor-Leste's people. Finally, La'ó 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.

The first part of 2009 was a time for reflection, as Timor-Leste prepared to commemorate the 10th anniversary of the popular referendum. As politicians and foreign media focused on preparations for the August 30 events, many Timorese people also took part in 10 year memorial ceremonies for the massacres of 1999, and asked where was the justice for these and other crimes of the Indonesian occupation? Timorese activists and non-Timorese supporters reflected on the nature of activism and solidarity. Dili-based activists spoke of their desire to "give back" by sharing in the struggle of other countries. They also spoke of how to redefine and rebuild solidarity in Timor-Leste to meet new challenges post-restoration of independence and rebuild some of the fractures since 2006. Victims groups and others spoke out loudly for justice.

In September 2008 the first framework for a transitional Land Law (which will decide who owns what land in Timor-Leste) was circulated, replacing early efforts of the previous government at resolving land issues. In late 2008 a pilot process for registering land claims began, which will facilitate the process of providing land titles.

In 2009 the government continued its commitment to a heavy oil power plant, while large-scale agrofuels projects were stalled or replaced by community-level alternatives.

Program Activities

Our main work is to research, monitor and analyze international institutions and global systems which affect people in Timor-Leste.

Our work is sought after and used by Government officials, parliament members, civil society, community groups, journalists, policy-makers, newspapers, development groups, consultants, students, academics, diplomats and public. People consult with LH staff on a broad range of public policy areas every week.

We produced our hour-long **Radio Igualidade** program almost every week, broadcasting it on the national Radio Timor-Leste and three local community radio stations. We also began making it available on our website as a downloadable podcast. Among the topics covered during the first half of 2009 were:

- Freedom of the Press (defamation case against Tempo Semanal)
- The Sunrise LNG project
- Petroleum Fund
- Heavy Oil electric generation project
- Donor's Conference

- Justice and commemoration of massacres in 1999
- Resource Curse in Timor-Leste
- International Workers' Day
- Ita Nia Rai land titling project
- Extractive Industry Transparency Initiative (EITI)

In the first half of 2009 we published one ***Bulletin***, of four planned for the year. Volume 10, No. 1 (June 2009) includes these articles:

- Issue focus: Heavy Oil Power Plants: Project without process
- Petroleum Fund: Estimated Sustainable Income
- Diversifying Petroleum Fund investment? Not now.
- Enhancing EITI implementation in Timor-Leste
- Consolidating La Via Campesina in East & Southeast Asia
- Editorial: It takes more than a commission to end corruption

We also produced an eight-page handout on the Carabela Jatropha Processing Facility and distributed it in Carabela community. This used simple language, pictures and included questions for discussion.

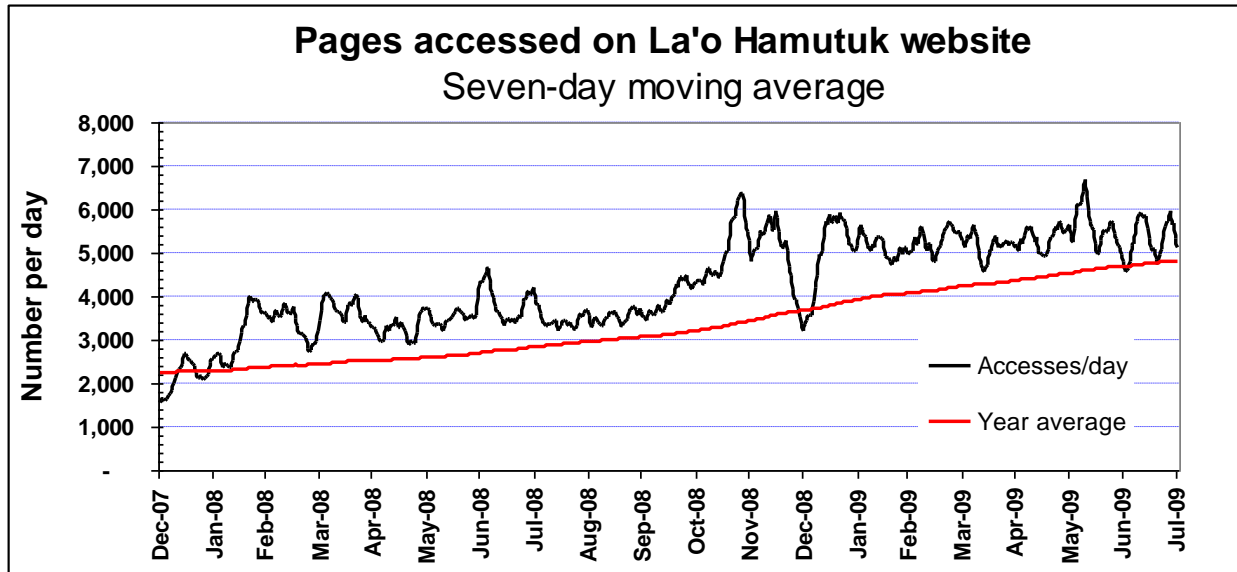
During the first half of 2009 we started to organize several **public meetings**, but could not follow through because key people (often Ministers) declined to participate in public discussion. Therefore, LH used other means to stimulate public discussion, such as the presentations and workshops listed in Appendix 3. We wrote several op-ed articles in local newspapers (including two on the State Budget in *Timor Post*), and were interviewed by many other media.

La'ó Hamutuk's **website** includes information and analysis and often link to public or leaked documents. In many cases, our website is the only source for information in Tetum, and in English we also often post documents earlier or more easily accessible than official sources. We also use our website to promote the voices of Timorese people that are not normally heard nationally or overseas – such as translating and posting a petition from the survivors of the Liquiçá massacre.

During the first half of 1999, we posted most new information and analysis in both English and Tetum. (The National Library of Australia intends to archive our website and other LH resources to help track the development of the Tetum language.) We added a search engine, to help people find what they're looking for among the thousands of documents it contains. In addition, we started posting podcasts of our *Radio Igualidade* programs.

Nearly everything we publish through other means is posted on the website. The following are some of the major web pages we published during the reporting period (bilingual unless otherwise noted):

- Petroleum Fund information (updated regularly)
- Land Processes in Timor-Leste
- Aliambata gas seep electricity generating project (English only)
- Tenth anniversary commemorations of the Massacres at Liquiçá Church and the Dili home of Manuel Carrascalão, with statements from survivors
- 2009 Timor-Leste and Development Partners meeting (English only)
- 2009 State Budget
- Estimating the Sustainable Income – Prudence and Stability
- Defamation Case Against *Tempo Semanal*
- Heavy Oil Power Plants (with frequent updates)
- Radio Igualidade (podcasts of LH Radio Program, Tetum Only)
- LH Submission on the Proposed Anti-Corruption Commission Law (English only)
- LH Letter to Prime-Minister Gusmão on the humanitarian crisis in Sri Lanka (English only)
- Timor-Leste Solidarity for the Palestinian People in Gaza



During the first six months of 2009, usage of our website increased 27%, and our home page was accessed nearly 30,000 times. Eleven pages were accessed more than 5,000 times each, including pages discussing the 2009 State Budget, Sunrise LNG, heavy oil power, donors’ conference, and the sugar cane biofuels plant. Many groups, journals, media, blogs, including Timor-Leste’s Ambassador to the UN, repost information from our web pages, so our readership is even larger than the figures above indicate.

Analysis, Monitoring and Research

Agriculture

Land Rights

Since October 2007, there have been two key developments on land issues in Timor-Leste: the beginning of registration of land claims in urban and rural areas, and a renewed focus on the development of land laws. These decisions will have far-reaching implications for Timor-Leste’s culture, economy, social safety-nets and development process. In our 2008 strategic planning process La’ο Hamutuk decided to make land a focal point, and we began working on land issues in December 2008. One of our major efforts in this area, together with the results, are described in the Case Studies section on page 10.

We monitored and analyzed the USAID-funded Ita Nia Rai “Our Land” land claim registration process and provided support to other Land Network members on a Liquiçá field trip. We tracked INR’s Manatuto and Liquiçá pilot programs, as well as the program extension to other areas. This included various research trips and developing relevant networks. We met with a variety of stakeholders and reported our findings to the Land Rights network as well as Ita Nia Rai. We distributed information on the process, with resources and elements of our analysis available on the La’ο Hamutuk web site.

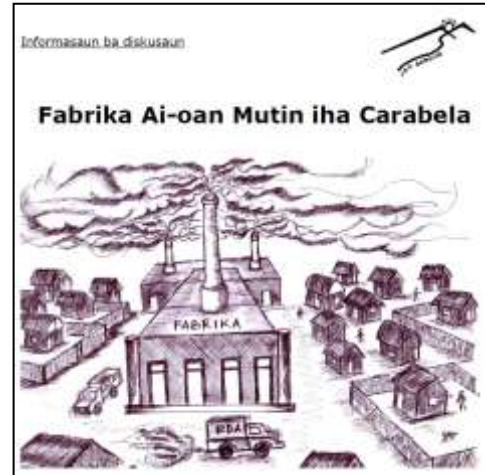
La’ο Hamutuk given leadership to the Land Network legislative working group, as related on page 10. We prepared presentations on, and tracked the progress of, the Civil Code and draft Transitional Land Law (which will decide who owns what land in Timor-Leste). Our recommendations “Minimum Requirements for Effective Public Participation on the transitional Land Law” were distributed and cited widely, including by the President of Parliamentary Committee A.

In June 2009 we helped prepare for events and developments in early July. We undertook most of these activities under the banner of the “Land Network” (rather than La'ó Hamutuk), as the Land Network's members worked to raise the profile of this network.

Agrofuels

In 2008 the RDTL Government signed four agrofuels agreements with foreign companies. Agrofuels threaten livelihoods and human rights, and make little sense given the high transport costs and limited land area of Timor-Leste. The safe processing of agrofuels also requires stringent health and safety, environmental controls and quarantine procedures – which don't yet exist in Timor-Leste. In late 2008 *La'ó Hamutuk* published information about these agreements and provided public information on agrofuels.

We continue to track agrofuels in Timor-Leste and regularly meet with companies. We also shared information about the *Jatropha* Processing Facility with the community at Carabela. Since August 2008 no further agrofuels agreements have been signed and at least three of the existing four projects are on hiatus (although agreements remain valid), as described on page 11. The Secretary of State for Energy Policy has shifted his focus to a model of small, community-controlled biofuels.



These projects were abandoned for many reasons – falling energy prices, the global financial crisis, a lack of government coordination, and pressure from local civil society and the media. (The SEPE has told us of at least one incident of an agrofuels company calling to complain about La'ó Hamutuk's public information on their project). We will continue to monitor existing agreements.

Food Sovereignty

In the first six months of 2009 we concentrated on activities which could raise the profile of agriculture in Timor-Leste and groups working on agriculture issues in search of a “political critical mass.” We officially joined HASATIL – the Sustainable Livelihoods Network – taking part and initiating various activities. We joined in the conference with the *La Via Campesina* Young Farmers for East and South East Asia, and the May Day Workers Rights marches. We presented to Parliamentary Committee G on issues for agriculture workers in Timor-Leste, and were the only NGO to contribute on agriculture issues beyond food security to the NGO Forum Statement to the March Donors Conference. We also organized an information-sharing workshop for HASATIL members to discuss food sovereignty advocacy strategies, and issued a press release on the International Day of Peasant Struggle signed by 13 civil society groups.

Climate Change

In 2009 the Kyoto agreement expires and the Copenhagen summit will renegotiate a global compact on climate change. La'ó Hamutuk has adopted the Climate Justice Now! Forum on Climate Change's position for the December 2009 Copenhagen conference. In the first half of 2009, La'ó Hamutuk met with Timor-Leste's representative for the negotiations and began liaising with international networks to improve our advocacy strategies. In the second half of 2009 we will advocate vigorously for Timor-Leste to adopt the Climate Justice Now! position in negotiations, and to send representatives with real cross-government decision-making authority to ensure promises are honored.

Economics

State Budget

In December 2008 and continuing into 2009, La'ó Hamutuk analyzed, educated and lobbied on issues around the proposed General State Budget for 2009, which continued massive escalations in public expenditures. We had many meetings with officials, Parliamentarians, civil society and others to increase our knowledge and their understanding about the implications of budgetary decisions. Our website published information on the proposed state budget months before it was available elsewhere.

We circulated and publicized our end-of-2008 submission to Parliament, which highlighted sustainability, the heavy oil power project, salary increases, and the hidden budget of the National Petroleum Authority.

We analyzed the Ministry of Finance's calculation of the Estimated Sustainable Income, providing more realistic assumptions and projecting further into the future. This analysis was published on our website in two languages, and formed the basis for a training we gave at FONGTIL for more than 50 civil society activists, increasing their understanding of petroleum revenue management and how the ESI is calculated. We also discussed the consequences of the resource curse which would result from the Government spending more than the Sustainable Income. We also wrote three op-ed articles published in local newspapers.

Donors' conference

La'ó Hamutuk was one of the two local NGO representatives to the 2008 Timor-Leste and Development Partners Meeting (donors' conference), so we declined nomination to repeat that role in 2009. However, were actively engaged in drafting and disseminating the civil society statement, and our web site on the conference, with documents from many sources, preceded the equivalent government website by several months. We also had a bilateral meeting with the Norwegian ambassador prior to the meeting, discussion how Norway can help Timor-Leste avoid the resource curse.

Public Finance Management Capacity Building Program

In April, someone leaked about 700 personnel and other files relating to a World Bank program placing advisors in financial management and capacity building in the Ministry of Finance. La'ó Hamutuk analyzed the data and held several meeting with the Bank, the Minister and her staff, advisors in the ministry and civil society. Our plan to host a public meeting was unable to go ahead when the Bank and the Minister (who had initially agreed) declined to participate. Although we decided not to write publicly about this highly controversial program, our analysis and quiet discussions contributed significantly to civil society understanding and decision-makers' recognition of its weaknesses.

Heavy Oil Electricity Project

During this time, La'ó Hamutuk's Natural Resources Team monitored the plan of the Government of Timor-Leste to "electrify the nation," including spending nearly \$400 million of public money to build 630 km of transmission lines and 180 megawatts of heavy oil-fueled power generation. La'ó Hamutuk is worried about the environmental and socio-cultural impacts, as well as the economics, technical details, tender processes and lack of transparency of this project. We organized a public meeting with the community in Hera, where the first power plant is being built, in order to share information in the impacts of this project on the environment, local society and culture, health and

the community. We visited the project site many times, posting pictures of the construction on our website.

Throughout the period, we researched and lobbied on this project, through formal and informal meetings with staffers and advisors in many parts of Government, as well as Parliamentarians and other decision-makers. We obtained and published the proposal from Chinese Nuclear Company No. 22 with technical details about the project, and repeatedly asked relevant authorities for additional information. We prompted, published and circulated a report on the project's environmental consequences by the Australian National Toxics Network. La'ó Hamutuk spoke with local community members and workers, and we wrote several newspaper articles. La'ó Hamutuk became the principal source of information and analysis on the Heavy Oil Project, relied on by journalists, researchers, diplomats, civil society and public officials.

Together with others in civil society, including HASATIL, the Haburas Foundation and individuals, we wrote a petition to the National Parliament and the President of the Republic about this project. We also sought concrete information about the terms of reference for the tender for a supervising consultant for the project, but did not receive clarification, reinforcing our impression that it would not be well-supervised.

When Australian media incorrectly reported that the project had been cancelled, La'ó Hamutuk quickly explained that it was continuing, prompting the journalist to write a correction. We also discussed the issue with Australia's Media Watch program, encouraging them to look more broadly at the problems of Australian media coverage of Timor-Leste.

The Heavy Oil project is covered in many pages on our website, and was the main article in our June 2009 *Bulletin*, as well as the topic of our *Radio Igualidade* programs in April and July.

Natural Resources

Approximately 98% of Timor-Leste's state revenues come from oil and gas exploitation, and the country has many plans for using and exploring its nonrenewable resources. La'ó Hamutuk observes and monitors the development of oil and gas in the Timor Sea, as well as the possible development of oil and gas on land. This includes revenues, transparency, utilization of funds, policy decisions, agreements, and their impacts and benefits for the country.

La'ó Hamutuk works in networks which watch **oil revenues**, including the CGT (Core Group on Transparency, for which we gave two workshops) together with several local NGOs, and worked with Oxfam Australia on their research for how to improve civil society engagement on these issues. La'ó Hamutuk is part of the Extractive Industries Transparency Initiative (EITI) Multi-Stakeholders Working Group, with the goal of advocating for and defending national interests for transparency in the extractive sector. In addition to *Bulletin* articles, we broadcast one radio program on EITI and another on the Petroleum Fund. La'ó Hamutuk participates in quarterly Banking and Payment Authority press conferences about the Petroleum Fund, often being the only attendees to ask concrete questions. On two occasions, we identified discrepancies in published information, leading to corrections by the relevant authorities.

La'ó Hamutuk is also concerned about the new **National Petroleum Authority (ANP)**, the state organ responsible for managing the process of petroleum development, including contracting with and supervising the oil companies. We monitor the ANP's work, including its subsidy from the State Budget. When opposition MPs challenged the constitutionality of establishing the ANP by decree-law (rather than Parliamentary law) in the Court of Appeals, we wrote a letter to the court explaining that La'ó Hamutuk had raised similar issues in our submissions in 2007 and 2008. (The court rejected the challenge.) We also participated in a government conference on the proposed Timor-Leste National Oil Company, and continue to offer suggestions about how to ensure that this

institution will be transparent, corruption-resistant, responsive to the people's needs and accountable to democratic authorities.

We also keep an eye on the plans of the Government and Woodside Petroleum to develop the **Greater Sunrise gas and oil** field, and the related pipeline and LNG plant. We organized a radio program and a public meeting on this topic and disseminated our 2008 report *Sunrise LNG in Timor-Leste: Dreams, Realities and Challenges* to 150 students at Dili Institute of Technology, as well as discussing this report with many experts, journalists, activists and others.

We continued to monitor and report on other petroleum-related activities, including the *Petrotimor v. ConocoPhillips* court case in the USA, La'ó Hamutuk's underlying objective in our work the oil and gas sector is to help Timor-Leste avoid the resource curse. During this time, we broadcast one radio program about the resource curse itself, as well as several on related topics.

Governance and Democracy

Our work in this area touched on a number of different topics, as opportunities and challenges arose. We also continued our long-term efforts to end impunity for crimes committed during the Indonesian occupation of Timor-Leste.

In April we wrote comments to the **U.S. State Department annual Report on Human Rights Practices** in Timor-Leste which has been released in February. Our comments provided corrections, clarifications and contextual information necessary to understand human rights issues in Timor-Leste. We addressed Justice, Corruption, Land Rights, Gender & Employment and HIV/AIDs. We gave our findings to the U.S. Ambassador, who promised more consultation with local NGOs for the 2009 report and later met with La'ó Hamutuk.

We continue to educate and advocate regarding the need to **end impunity** for Crimes Against Humanity committed here between 1975 to 1999. As 2009 includes the tenth anniversary of the massacres and terror campaigns that surrounded the referendum in Timor-Leste, La'ó Hamutuk has tried to amplify the voices of victims calling for justice, so that they can be heard worldwide. Unlike high government and UN officials, we attended the memorial events for the April massacres in Liquiçá and at Manuel Carrascalão's home in Dili, translating and circulating the statements of the survivors, as well as photographs of the events, on our websites and through other media. We produced a radio program on these memorials, and continued to pressure for justice, especially an international tribunal, through various means.

La'ó Hamutuk was involved in many meetings and discussions with ANTI, ICFJ and many other consultants, journalists, researchers, etc. Although short-term "transitional justice" processes have some value, we continue to press for an end to impunity, maintaining a focus on individual crimes against humanity which comprised Indonesia's 24 years of occupation and repression of Timor-Leste.

Timor-Leste's Government proposed a law to form a one-person **Anti-Corruption Commission**, trying to show they are serious about ending corruption. La'ó Hamutuk concluded that the draft law was worse than the status quo. We discussed this with other NGOs, presented testimony to Parliament, and published an editorial in our *Bulletin*. A revised version of the law, incorporating some of our suggestions but still very weak, was enacted in early July. We met with many advisors, researchers, journalists, ambassadors and officials about what Timor-Leste should do to strengthen its resistance to corruption.

In late 2008, the newspaper *Tempo Semanal* published an article including evidence of corruption within the Ministry of Justice, and the Minister brought **criminal defamation** charges against editor Jose Belo. La'ó Hamutuk provided personal and international networking support for Mr. Belo and

freedom of the press, as well as issuing a statement, producing a radio program, and creating a web page with links to many statements and documents. In June, Timor-Leste adopted a new penal code (which has no provision for criminal defamation), and the case has apparently been shelved.

La'ó Hamutuk met with the Australian-led **International Stabilisation Force (ISF)** several times in the last 6 months to press for a Tetum language copy of the Status of Forces Agreements and clear, written, complaints process. We provided comments and clarifications to the Nautilus Institute for their "Australian forces in Timor-Leste" online briefing book, which includes links and citations of La'ó Hamutuk. The Australian Council for International Development (ACFID), the voluntary national association for aid and development, also cited La'ó Hamutuk's information in their report to the Australian Government National Human Rights Consultation in June 2009.

La'ó Hamutuk has been heavily involved in organizing the upcoming **international solidarity conference** "Strengthening Solidarity, the Struggle for Justice Continues" and other activities around the tenth anniversary of the August 30 Referendum. Charlie Scheiner spoke at a monthly seminar leading up to the conference, sharing information on solidarity efforts in the USA which supported Timor-Leste during the Indonesian occupation.

We also:

- Helped organize local solidarity actions against the Israeli invasion of Gaza.
- Wrote to Prime Minister Gusmão asking him to support international efforts to uphold human rights in Sri Lanka, and facilitated contact between Timorese leaders and Sri Lankan human rights activists.
- Supported the Ecuadorian environmental group Acción Ecológica when their government threatened their legal status.

NGO coalitions

To share information, strengthen advocacy and reinforce local and global civil society movements, *La'ó Hamutuk* joins with other organizations in coalitions or networks whose focus overlaps the topics we monitor. During the first part of 2009, we worked with the following:

Timor-Leste coalitions

- Core Group on (budget) Transparency
- Extractive Industries Transparency Initiative (EITI) Working Group
- National Alliance for an International Tribunal (ANTI)
- Rede ba Rai (Land Rights Network)
- HASATIL (Sustainable Agriculture Network)
- Housing Rights Network (Rede Direitu ba Uma Timor-Leste)

International coalitions

Much of *La'ó Hamutuk's* research and advocacy also relies on informal partners in other countries,. These are the coalitions we relate to more formally:

- Climate Justice Now! Network
- International solidarity and human rights organizations
- Oilwatch
- Publish What You Pay (PWYP)

Strengthening La'ó Hamutuk as an Organization

We continue to improve on our organizational processes, and have pursued several of needs identified in our 2008 Strategic Planning, including includes:

- Working to standardize office information in Tetum
- Organizing Group Process training for our staff (to take place in the latter half of 2009)
- Workshop with Ego Lemos and Arsenio Pereira on Food Sovereignty advocacy in Timor-Leste
- Working to better document our activities (such as radio programs, public meetings and LH in the media)
- Recruiting new staff
- Looking for a new office

We continue to tighten our financial system, and now use checks for all payments of \$100 or more. We have put some of our financial reserves in a time-deposit account, in an effort to earn more interest. After five years with a Jakarta-based external auditor, we asked our donors to agree to use a firm located in Dili, and began the audit process for our 2008 financial report.

Staff attended:

- Language classes (Portuguese and English)
- Business training
- UN 2 day workshop on Housing Rights (2)
- Three EITI trainings
- A Development & Peace "Systemization of Experience" workshop in Bali
- Various international conferences in Timor-Leste (June)

We celebrated La'ó Hamutuk's ninth birthday with a party, a great opportunity for informal networking, strengthening ties with supporters and building morale. Many conversations and meetings in the following weeks stemmed from the La'ó Hamutuk party, and we intend to make the anniversary an annual event.

We welcomed two new staff members. In January, Juvinal Dias joined La'ó Hamutuk, bringing valuable skills in community education and communication. In June we recruited Mariano Ferreira, who has extensive experience working on agriculture issues with HAK Association. In May, Adino Nunes left La'ó Hamutuk to join the Ministry of Justice. We continue to look for additional capable staff, as we have not expanded as much as we hope to.

In April we also hosted our first annual donors meeting, which was attended by all of La'ó Hamutuk's donors, as well as our staff and board. We presented our three-year Strategic Plan and funding proposal, and received constructive input and ideas. The donors encouraged us to better explain our structure and functioning, producing "Staff Responsibilities" information (see Appendix 2). We also elected two new staff Coordinators.

In June, Progressio recognized us as a good model of strong organizational processes, and asked us to provide administrative capacity building to other local NGOs, recognizing our internal strengths. We were not able to do this as we prioritize sharing our capacity by working with networks and developing analysis skills.

Case studies of La'ó Hamutuk's work

The results of advocacy work are often hard to measure and influenced by a variety of factors and activities. In some cases, it takes years to see a clear outcome. The following two histories illustrate results from our advocacy work in the agriculture sector.

Land Rights and Processes

During the first six months of 2009, La'ο Hamutuk staff took leading roles in the Timor-Leste Land Network legislative working group. Before the release of the draft transitional Land Law, La'ο Hamutuk (together with the Land Network mentor) listed "Minimum Requirements" for an effective public participation process. These were based on feedback from local and international civil society and academics, and formed the backbone of an advocacy strategy for a more extensive and inclusive public participation process. We then lobbied international and local groups to endorse these recommendations, and sent a copy of this endorsement to key people including the Minister for Justice. (These materials are on our "Land Processes in Timor-Leste" webpage, the only extensive and independent Tetum information on current processes).

We also developed and trained district civil society representatives in a public consultation monitoring process, then coordinated by Pedrito Vieira from Haburas Foundation. This monitoring was a key strategy to call for an accountable and extensive consultation process by noting what was said in the consultation, who participated (and who didn't) and how long people spoke. Through formal meetings, informal lobbying, interviews and press releases we relayed participants' calls for more a deeper and longer consultation, with more involvement of vulnerable groups. In September 2009, the Minister extended the consultation by two months and adopted several of our recommendations to make it more inclusive.

Stopping the Jatropha Processing Facility in Carabela

La'ο Hamutuk has been the only civil society organization following this agrofuels project. In November 2008, La'ο Hamutuk's lead *Bulletin* article *Jatropha: Jobs for farmers or fuel for foreigners?* raised several concerns: jatropha's impacts on local farming, the low price promised to farmers, foreign companies' ability to own land, as well as environmental and occupational health. Our analysis refuted exaggerated claims of the number of jobs and local revenue the plant would create. After we published the article, La'ο Hamutuk discussed our research with Carabela community members, HASATIL members, government officials. We invited the EDA company's CEO to speak at a public meeting, but he declined.



The Secretary of State for Energy Policy then decided not to continue with this project, despite EDA actively promoting jatropha as an export agrofuel in Timor-Leste since 2005. Instead, jatropha which has been planted for EDA is now being used for biofuels managed and used by local communities, and the SSEP is pursuing a more diversified alternative energy strategy involving solar, wind power, biogas and biofuels. KOMOR Enterprises, a Korean company which also had a MOU with the government to promote jatropha-based agrofuels, has closed its Timor-Leste agrofuel operations. Some local cooperatives are also discouraging their members from growing jatropha on the basis of La'ο Hamutuk's research. La'ο Hamutuk's analysis of jatropha as an agrofuel has been used by activists in Indonesia and Ecuador. Since La'ο Hamutuk's initial advocacy began on agrofuels, we believe no further agrofuels agreements have been made in Timor-Leste.

Appendix 1: Financial Report

This report is being written before we prepared our financial records for the full year 2009. The final report for the year will include more information and will be submitted to an external auditor. These figures are preliminary, and may differ slightly from the final version. All amounts are in U.S. dollars, on a cash basis.

Balance sheet

A more detailed and comprehensive balance sheet will be included in our annual report, with details on reserve funds and cash flow during the year.

Date	Cash & bank balances	Receivables (salary advanced)	In reserve	Unrestricted funds on hand
31 December 2008	117,125	500	93,550	24,075
30 June 2009	98,855	3,020	94,350	7,525

Revenues

Payer	Budgeted 2009	Amount	Description	Notes
Trócaire (other donors budgeted, not yet received)	148,500 (all general support grants)	18,482	General support grant	Trócaire payment was delayed on contract for 2008. Payments from Hivos, Development and Peace, and Trócaire (2009) will be in the second half of 2009.
Oxfam Australia	11,000	7,500	LNG Project grant	Project to socialize LNG report; there will be smaller projects in 2H09.
Development and Peace; Community Development for Development Effectiveness (CDDE)	Not budgeted	490	Reimburse for attending Sharing of Experience and Aid Effectiveness conferences	An additional \$241 was not reimbursed.
Sales of LNG report		40	LNG project	
Other sales	1,000	130		Lower than expected.
Bank interest	600	140		
Other	2,500	61	Donations, payment for services rendered	Services lower than expected.
Total	163,600	26,843		Most grant income will come later in the year.

Expenditures

Our Annual report will include a breakdown by donor and project where appropriate. The following is a list of the principal categories for which La'ō Hamutuk spent money during the first half of 2009. Of these expenditures, \$9,544 in various categories comes under funding by Hivos for our Natural Resources work and capacity building. The remainder is from unrestricted organizational funding, except where noted.

Category	budget for all of 2009	Spent Jan-Jun 2009	Explanation	Comment
Auditor	3,200	900	Budgeted for a Jakarta-based auditor.	Use a Dili-based auditor, which costs less.
Bulletin	5,100	645	Artwork, printing, translation, distribution	Produced fewer than planned.
Capital equipment	5,000	21	Computers, motorcycles, etc.	Several computers will be purchased in the second half of 2009.
External evaluation	8,500	0	Includes survey of users of our materials	Deferred until 2010.
Int'l conferences	2,800	731	Costs to attend international conferences (\$490 of this was reimbursed).	
Miscellaneous expenses	1,000	112	Includes reimbursement for board expenses, contributions to issue campaigns.	
Operations	9,800	3,451	Electricity, supplies, photocopying, advertising etc.	
Personnel	87,200	28,522	Salary, wage tax, visa fees, health insurance, transport for international staff, housing allowance, readjustment	
Projects	11,000	1,200	Print LNG reports (from the Oxfam-funded LNG research project)	Other LNG project expenses are listed in other categories, for a total of \$1,857 during 2009. These are detailed in the project report to Oxfam, available on request.
Public meetings	6,200	309	Space and sound system rental, publicity, refreshments, invitations and other costs connected with events organized by LH.	
Radio program	2,300	865	Production costs and fuel for community radio stations	
Rent and moving expenses	10,900	0	Costs of setting up new office and rent.	We identified a new office later in 2009, but rehabilitation and moving will occur in 2010.
Research	2,600	561	Travel and housing in Timor-Leste to conduct field research.	
Resource Center	1,100	345	Books, videos, and other materials	
Surat Popular	300	64	Popular education publication	
Telephone and Internet	8,300	3,906		
Training for staff	1,000	300	Language and other classes	
Transportation	2,400	657	Transport and motorcycle maintenance, in Dili and nearby.	
Total	168,700	42,587		

Appendix 2: Staff Responsibilities

We organize our work by Administrative and Research Teams. Each team shares information and decision-making responsibilities, within larger policies and Forum decisions. In addition, all program staff also take responsibility for our media and public communications. This includes producing the radio program, coordinating the *Bulletin* and arranging public meetings.

Our constitution, internal policy and financial policies are available on request.

La' o Hamutuk Staff Forum

- All research and office staff participate in the Forum
- Maintenance, Security and Cleaning Staff are invited to participate in the Forum
- Weekly meetings to share information and work plans
- Consensus decision making
- Approves staff contracts, on recommendations from the interview/evaluation panel
- Approves major changes in research focus
- At times administration teams bring issues to be resolved in the Forum
- The Forum can seek advice from the LH Advisory Board
- LH's Internal Policies also inform decision making
- The Forum is responsible for enforcing financial policies and approving the budget

Research Teams

- Agriculture: Inês Martins, Maximus Tahu, Mariano Ferreira, Shona Hawkes
- Governance and Democracy: All staff
- Natural Resources: Viriato Seac, Juvinal Dias, Charlie Scheiner
- Economics: Budget (Natural Resources Team), Trade (Agriculture Team), Donors & Aid (Shared)
- Finance and Office Manager: Odete Moniz
- Security: Francisco Soares, Armindo Coelho

Administrative Teams

Coordinators: Viriato and Shona

- Rotates, with a minimum of 12 months
- Can discuss/raise sensitive issues with individual staff & the board
- Collates monthly staff reports to send to the board
- May represent LH where a single focus is necessary, such as in petitions, official letters etc.
- Liaise with international and local Media
- Approve cash disbursements
- Can approve minor exceptions to internal policies.

Other staff assist with many of these tasks.

Personnel: Inês and Maxi

- Advertise for new staff
- Read staff applications
- Arrange interviews
- Prepare evaluation/interview panels
- Arrange staff evaluations
- Call referees
- Prepare staff contracts

- Liaise with people interested in volunteering
- Support staff to prepare for evaluations
- Staff induction

All staff help to look for new staff and volunteers, and encourage people to apply. Interview panels (of individual staff and board members) make recommendations to the Forum which makes hiring decisions.

Finances: Odete (Office & Finance Officer), Inês and Charlie

- Oversee monthly organizational and annual budgets
- Book-keeping
- Arrange audits
- Prepares budget proposals (which are then discussed and approved by the Forum)
- Assist with budget execution reports

Approval for staff expenditure requires the Finance Officer and a Coordinator to approve the expenditure. Our bank account requires two staff signatures to withdraw money, and the Finance Officer is not a signatory. The finance officer takes care of day-to-day book-keeping, including receipts, expenditure and payroll etc.

Donor Relations: Juvinal, Charlie and Shona

- Undertake discussions with partners
- Prepare funding proposals
- Prepare six-month and annual reports
- Discuss any issues/reporting requirements with partners
- Make sure partners are invited to all our public activities, such as public meetings
- Discuss sensitive issues with partners

The Donor Relations team informs the forum, which makes major decisions.

Appendix 3: Presentations given by LH staff

- **Solidarity for Timor-Leste**, Charlie Scheiner presentation to UNTL students and others on ETAN and IFET (as part of the Solidarity series)
- **Draft Law on the Anti-Corruption Commission**, Adino Nunes presentation to Parliament Committee C
- **LNG Pipeline – Dreams, Realities and Challenges**, Viriato Seac, Juvinal Dias and Charlie Scheiner presentation to 150 students and faculty, Dili Institute of Technology
- **Law on Decentralization**, Adino Nunes Cabral presentation to NGO Forum members workshop
- The **Transitional Land Law**, Inês Martins and Shona Hawkes presentation to the Land Network
- **Ita Nia Rai in Manatuto**, Inês Martins and Shona Hawkes presentation of research findings to the Land Rights Network
- **Heavy Oil in Hera**, Viriato Seac and Juvinal Dias to local community meeting in Hera
- **State Budget and sustainable economics**, Charlie Scheiner presentation to Maryknoll community in Aileu
- **Land Laws**, Shona Hawkes presentation to the NGO Forum District Liaison Officers
- **Agriculture Workers Rights**, Maxi Tahu (and members from Front Mahasiswa) presentation to Parliament Committee G.
- **Agrofuels in Timor-Leste**, Inês Martins, Maxi Tahu and Shona Hawkes presentation to HASATIL members
- **Carabela Jatropha Processing Facility**, Inês Martins, Maxi Tahu and Shona Hawkes presentation and discussion with community members in Carabela (Baucau district)