

Mid-Year Report

La'o Hamutuk

January - June 2010

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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Mission & Situational context

La'ó Hamutuk ("Walking Together" in English) is a ten-year-old Timor-Leste organization that monitors, analyzes and reports on the principal international institutions and systems which engage with 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 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.

As Timor-Leste began its eighth year as independent country, avoidable misjudgments moved the country farther into a "resource curse" condition, and La'ó Hamutuk continued to try to convince citizens, policy makers, and international agencies that there are better alternatives.

During 2010, unseasonable weather destroyed crops and caused natural disasters across the country. People faced hardships to their access to food, health, livelihoods and homes. The UN began preparing its National Action Plan for Climate Change Adaptation – but had no plans to consult people at the grassroots. Despite these hard-hitting impacts, few people know about climate change, its causes or the principles of climate justice.

As the misguided national electricity project continued to founder, the Prime Minister began socializing a near-secret draft of a National Strategic Development Plan to borrow billions of dollars for infrastructure mega-projects. At mid-year, a budget rectification raised spending far beyond sustainable levels. It is now evident that the "resource curse" needs to be exorcized from Timor-Leste, not prevented.

The Council of Ministers sent three land-related laws to Parliament, and unjust evictions and expropriation processes continued in Dili and some rural areas. Civil society groups continued to call for a National Land Consultation.

Program Activities

La'ó Hamutuk's 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 on a broad range of public policy areas every week.

Since returning to the air in April, we have produced our half-hour *Radio Igualidade* program almost every week, broadcasting it on the national Radio Timor-Leste and community radio stations in Viqueque and Oecussi, and posting downloadable podcasts to our website. During this period, we aired programs on the following topics:

- Climate Change: Experiences from Copenhagen
- Aid effectiveness
- International Day of Agricultural Struggle
- The draft Expropriation law
- Organic agriculture
- The draft Land Law

- Profile of Fundasaun Rai Maran
- Does Timor-Leste have to Go into Debt?
- What is an International Tribunal
- ANTI's work for justice
- The mid-year budget rectification

In February we published one double *Bulletin*, with articles on:

- Land justice in Timor-Leste
- Transitional Land Law
- Public consultation on the Land Law
- Timor-Leste in global action against climate change
- Donor, oil and other money in Timor-Leste since 1999
- Justice for Timor-Leste: unmet international obligations
- Petition from Liquiçá massacre survivors
- A decade of UN Security Council talk about justice
- Editorial: Rejecting impunity, moving towards justice

We often write for local media, and meet with local or international journalists almost every day. During the first half of 2010, we were quoted or cited in local and international media more than 50 times, as listed in Appendix 2.

We organized four public meetings during the reporting period, as well as giving presentations to many other groups. A list of these events is in Appendix 3.

La'ó Hamutuk's website <http://www.laohamutuk.org> includes information and analysis in Tetum and English, often linking to public or leaked documents. In many cases, our website is the only source, as we often post items not available through official sources, including the Government's legislative agenda, oil company environmental proposals, the state budget and the draft text and consultation schedule for the Strategic Development Plan.

We post our radio programs, submissions and articles to our website. Many web pages serve as "briefing books," with background information, analysis from La'ó Hamutuk and others, and links to related documents in several languages. Major pages posted during the reporting period include:

- The RDTL Strategic Development Plan 2011-2030 (including leaked draft plan and consultation schedule)
- Transitional Land Law
 - When is it fair for the State take private land? (on Expropriation)
 - Land Compensation
 - Who gets land under the Land Law?
- Petroleum Fund (revised regularly)
 - Revising the Petroleum Fund Law
- Heavy Oil Power Plant (new pages on 2010 developments)
- The Greater Sunrise Oil and Gas Project (new page on 2010 developments)
- ENI's Cova-1 and Kitan oil projects (background, contracts, EIAs, submissions)
- Why should Timor-Leste go into debt? (extensively updated)
- 2010 Timor-Leste and Development Partners Meeting (documents and presentations)
- 2010 Mid-Year State Budget to \$838 million (with budget documents)
- Timor-Leste and the Millennium Challenge Corporation (with tender documents)
- Climate Change (extensively updated)
- Revising Timor-Leste's Immigration and Asylum Law (draft laws and commentary)
- Foreign Soldiers should stay out of Timorese Politics (ISF activities in Lore)

During the first six months of 2010, usage of our website increased 25%, and data traffic went up 31%, averaging more than 700 megabytes every day. Readership soared after we posted the draft of the Strategic Development Plan in May, with 37,000 accesses in only two days. Many online journals, media and blogs repost information from our web pages, so our readership is larger than these numbers indicate.



We launched our bilingual blog <http://laohamutuk.blogspot.com> in March to highlight upcoming events and new La'o Hamutuk releases. By the end of June, we had posted more than 40 entries and people had viewed our pages more than 3,100 times.

Analysis, Monitoring and Research

Agriculture

Land Rights

In 2010 La'o Hamutuk played a lead role in advocating on proposed land laws. We continued to call for a National Land Consultation, a holistic process to support rights for vulnerable people. We complemented the grassroots work of other Land Network members, working to enable well-educated, well-organized communities to defend their land rights.

In April 2010, the Council of Ministers sent three draft laws to Parliament: the draft Land Law, an Expropriation Law and Real Estate Finance Fund Law. We analyzed them and shared information via our website, radio program, through the Land Network and in meetings with communities in Dili, Liquiçá, Manatuto and Ermera. We lobbied Parliament's Committee A not to rush the laws. Together with the Land Mentor we gave recommendations on Parliament's public hearing process, suggesting particular communities that they could approach on different land issues.

Although the transitional Land Law has received considerable media attention, few people understand it, so we published "*Who gets land under the Land Law?*". The draft law includes a loophole that would allow the State to claim large areas of land and allow the Minister for Justice to directly intervene in appeal processes. We shared our findings widely and distributed CDs of our radio program on the draft Land Law to all 13 districts via the Land Network. We started work on a *Surat Popular* (popular newsletter), to help grassroots people understand the law's impact on them.

The Expropriation Law defines when the State can take private property. This critical issue should balance the powers of the State, investors, communities and vulnerable people. The proposed law allows the State to take land for virtually any public or private use, and gives no right for communities to be included in planning processes, so we urged Parliament to send it back to Government for redrafting. The Real Estate Finance Fund Law, intended to administer compensation under a Land Law, would set up a permanent fund to finance expropriation

processes. The Portuguese legal firm Miranda drafted the Expropriation law for the Ministry of Justice, while it was representing foreign property developers in Timor-Leste.

In 2009 the World Bank lobbied the Ministry of Justice to prepare policy options on a future Community Land Law. Internationally the World Bank is under internal review for its poor work on land issues in Cambodia and elsewhere. In May, the World Bank privately circulated a draft policy options paper which recommended severely curtailing the rights of communities and customary land owners by limiting "customary use" to shared daily use. In effect, it would annex a large area of land to the State, including sacred sites and other important community areas. Simultaneously, the World Bank prepared land recommendations to facilitate investor access to land for a Diagnostic Trade Integration Study. Together with the Land Network, we lobbied the World Bank on these processes, and prepared to respond quickly when the final paper was released.

Climate Change

Following the return of two of our staff members from the Copenhagen conference at the end of 2009, we stepped up our work on this critical issue. During the first half of 2010, La'ó Hamutuk focused on the National Adaptation Program of Action (NAPA) – which aims to develop a document about climate change in Timor-Leste and to access funds for climate change adaptation from the UNFCCC. The UNDP manages this program together with the Timor-Leste government.

NAPA will be the first in-depth report on climate change adaptation here, and will be a model for other climate change processes, greatly influencing how the government approaches climate change. Therefore, we feel that the NAPA report should accurately portray how climate change affects vulnerable people, strategies they are using to respond to it, and what interventions they think will effectively help them adapt to changing weather conditions. Vulnerable people are the most susceptible to climate change because they live on poor agricultural lands; lack sufficient access to resources; and/or have few support mechanisms if their home, health, livelihood, cultural practices or access to food is impacted by changing climate.

Since our first meeting with NAPA, La'ó Hamutuk has emphasized that extensive community consultation is key to making NAPA effective. Initially NAPA did not plan to consult in the districts, so La'ó Hamutuk and others lobbied NAPA staff to consult with vulnerable people. In June, La'ó Hamutuk urged NAPA to consult with rural communities, involve more people, and maximize participation from women and vulnerable people, and the following month NAPA decided to hold a number of district consultations.

La'ó Hamutuk urged the Government of Timor-Leste not to join the Copenhagen Accord. The Accord does not address the issue of climate change, and will not benefit poor countries and small islands such as ours.

As funding for climate change adaptation grows, La'ó Hamutuk met with several international NGOs as they prepared proposals for the European Union, AusAID and the oil company Eni. As supporters of climate justice, we believe that major emitters of greenhouse gases should reduce the causes of climate change, rather than paying small amounts to help its victims adapt.

La'ó Hamutuk will continue to share information on climate change, and respond to requests for information from communities. In May, Juvinal Diaz spoke to several groups of students in Aileu to increase their environmental knowledge. We produced two radio programs on the topic to reach people in affected areas, exploring the Copenhagen Conference and providing basic information.

Mapping Work on Food Sovereignty

La'ó Hamutuk continued to map civil society work on food sovereignty to identify the most effective advocacy tools and approaches. In the first half of the year La'ó Hamutuk met with 13 organizations, and identified their food sovereignty related activities and resources that they can share. La'ó Hamutuk will continue with groups that work in the districts. Identifying NGOs' existing work on food sovereignty, as well as the gaps, will help strengthen civil society advocacy.

Economics

La'ó Hamutuk's analysis and publications on Timor-Leste's current and future economic situation are increasingly valued as an alternative to politically-influenced government forecasts and the self-censorship of multilateral agencies. We are often sought out by economists visiting from foreign capitals or organizational headquarters, and interacted throughout the year with the team writing UNDP's forthcoming National Human Development Report for Timor-Leste.

Transparency and the Petroleum Fund

Although La'ó Hamutuk has resigned from the Extractive Industry Transparency Initiative (EITI) multi-stakeholder Working Group, we web-published Timor-Leste's first EITI report (2008) as soon as it was available. We encourage oil companies and the Government to implement transparency in many sectors, and met with the EITI validation team. After Timor-Leste became EITI-compliant, we issued a statement that EITI alone is not sufficient to ensure that the companies pay what they should, or to ensure that Timor-Leste uses the money wisely.

We continue to participate in quarterly Banking and Payments Authority (BPA) press conferences about the Petroleum Fund, and often ask the only substantive questions. When the balance in the Petroleum Fund dropped for the first time in Timor-Leste's history, we cautioned that high spending and risky investments will undercut the Fund's growth, drawing a response from the Government's spokesperson.

In late 2009, La'ó Hamutuk learned about an attempt by "Asian Champ Investment" to scam the Petroleum Fund of more than a billion dollars. We had numerous exchanges of correspondence and private discussions with the BPA, the Ministry of Finance, and the Investment Advisory Board seeking more information, but none was forthcoming. At the ministry's request, we delayed publication about this issue until later in 2010.

We frequently engage with international organizations working on transparency, including the Open Budget Project, Revenue Watch International, and Transparency International, as well as multilateral and government institutions.

In early May, we received an internal Ministry of Finance paper discussing possible revisions to the Petroleum Fund Law, including investing in the stock market and weakening safeguards for managing the fund. We published it, as well as attending several presentations and meetings with Ministry advisors and consultants. As momentum toward changing this important law accelerates, we will continue to engage actively in the process.

State Budget

In late May 2010, the Government proposed a mid-year "Budget Rectification" to Parliament, to increase state spending during the year from \$660 million to \$838 million. In addition, they asked to spend \$309 million above the Estimated Sustainable Income for the year, which had been calculated and appropriated in the original 2010 budget at \$502 million.

La'o Hamutuk published and analyzed the budget documents, trained local NGOs, and wrote a submission that this overspending would reduce Timor-Leste's ESI by \$9 million for every year in the future, pushing this country quickly into the "resource curse." Much of the extra withdrawal was to increase the treasury's cash balance, which we believe violates the Petroleum Fund Law; we also suggested that there should be only one budget cycle each year, and raised other issues. We socialized our information through articles in the newspapers and numerous meetings with legislators, civil society groups, journalists, international agencies and others.

National Strategic Development Plan

In 2009 the government began work on a National Strategic Development Plan (SDP). In April 2010, they released an Executive Summary of a draft 2010-2030, and the Prime Minister began socializing the plan in every sub-district across the country.

La'o Hamutuk obtained a copy of the full 335-page "final draft" SDP (although it was not circulated publicly), and we scanned it and posted it to our website. The SDP describes a dream rather than a detailed plan. Worryingly, the government proposes to borrow billions of dollars to fund the plan.

In the first half of 2010 La'o Hamutuk was the main organization providing analysis and information on this plan, and our website received record numbers of readers. Our analysis sparked extensive discussion amongst journalists, MPs and government.

Although the plan will not go to Parliament until 2011, our analysis highlighted key problems:

- Misrepresenting data to understate dependency on transient petroleum revenues.
- Planning to use Timor-Leste's natural gas to generate electricity, while also selling it.
- Exaggerating Timor-Leste's wealth, based on out-of-context citations.
- Putting the country \$5 billion into debt.
- Taking large amounts of community land for state and corporate use.

The strategic development plan's vision of large infrastructure projects which magically cause economic development is being pushed by the Government, with support from economist Jeffrey Sachs and others. We will continue to advocate realism and sanity in development policies.

Borrowing

In October 2009, Parliament passed the Budget and Financial Management Law which opens the way for Timor-Leste to borrow from foreign companies, governments and institutions. La'o Hamutuk researched and published extensively on this topic, including the MOU signed for a €500 million line of credit from Portugal and discussions with China about borrowing up to \$3 billion.

The draft Strategic Development Plan increased people's concerns, as it proposed that Timor-Leste borrow about \$5 billion while we have petroleum income during the next 15 years, and pay this money back after those revenues have dried up. This violates the sustainable principles of the Petroleum Fund, which aim to help Timor-Leste prevent the resource curse.

Although La'o Hamutuk was the first civil society organization to analyze and circulate this information, many others share our view that it is critical to understand it, as debt has exacerbated poverty in many other developing nations, often causing them to lose their sovereignty to international financial institutions.

In April, La'o Hamutuk facilitated the visit of former Jubilee USA co-director Kristin Sundell to Dili, and organized a public meeting on "Why Should Timor-Leste Go into Debt?" which included speakers from the Ministry of Finance and the Petroleum Fund Consultative Council. Out of this meeting, we developed a National Movement Against Debt including civil society groups, university

students, and the Community Leaders Forum. With discussions and trainings led by La'ó Hamutuk, this coalition will help broaden public awareness and activism.



International Assistance

In April, Timor-Leste hosted an international conference of fragile states, and our Minister of Finance became international head of this “g7+” group. We participated in civil society consultations, gave comments on draft government and NGO background papers and attended the conference. The previous week, we helped write and edit the joint NGO statement to the annual Timor-Leste and Development Partners Conference. We also attended the TLDPM, publishing NGO and other conference documents in various media, and producing a radio program.

After more than a decade of foreign aid, Timor-Leste is still struggling for independence. La'ó Hamutuk's original mandate was to monitor development partners, and we continue to keep an eye on international assistance. We published new long-term aid agreements signed between Timor-Leste and the United States, and researched and publicized the \$10.5 million “Threshold program” that USAID is managing for the Millennium Challenge Corporation, as well as meeting with most of the companies bidding for the anti-corruption part of that program and pushing them to be more honest in their job advertising.

Several times each month, we are consulted by visiting delegations or in-country staff from various aid agencies and governments who are looking for a civil society perspective on development. In addition to answering their questions, we encourage them to be more transparent and to consider social justice and grassroots people's needs as they design their programs. For example, we met several times regarding the new U.S. government Energy Governance and Capacity Initiative, as well as visitors from France, the World Bank, AusAID, Portugal, Japan and the ADB.

Trade

In 2009 the government began accelerating its bid to join the Association of South-East Asian Nations (ASEAN), which would impose constraints on Timor-Leste's social and economic policies. During the reporting period, several international academics helped LH analyze the complex ASEAN legal agreements, identifying several problems. The ASEAN Investment Area would prevent countries from requiring companies to use local workers or locally produced goods, as required by Timor-Leste's Petroleum Act. Under ASEAN Free Trade Agreements, Timor-Leste would have to meet the WTO agreement standards or more severe “WTO+” standards. ASEAN represents a “stepping stone” to WTO membership, and would entrench neo-liberal economic policies here. These rules are biased against small economies, which have little say in deciding WTO rules.

We met regularly with the Director-General of the ASEAN Secretariat in Timor-Leste's Foreign Ministry and liaised with FONGTIL on ASEAN issues. In February we held a public meeting on ASEAN Free Trade Agreements. The Director-General thanked La'ó Hamutuk for this information saying he had little awareness of the implications of the ASEAN economic and trade policy requirements. We also monitored donor and international institutions' growing interest in ASEAN, including the World Bank's forthcoming Diagnostic Trade Integration Study (DTIS).

Natural Resources

More than 90% 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'o Hamutuk observes and monitors the development of oil and gas in the Timor Sea, as well as possible onshore development. This includes revenues, transparency, utilization of funds, policy decisions, agreements, and their impacts and benefits for the country. Some of these issues are discussed under "Economics" above; this section is the more petroleum-specific aspects.

In March, Juvinal Dias represented Timor-Leste civil society at a Norway-sponsored conference on Petroleum Administration and Management in Maputo, Mozambique.

Greater Sunrise gas pipeline

During the first half of 2010, La'o Hamutuk actively participated in the increasingly strident public debate on the Greater Sunrise gas project. La'o Hamutuk has consistently supported Timor-Leste's efforts to maximize the benefits to Timor-Leste's people, while reducing the environmental and socio-cultural risks. We urge more transparency from all parties about plans and their implications, and encourage the discussion to move from polemics to facts.

We launched a new web page, supplementing our 2008 book and publishing information from various perspectives. As our Sunrise information is considered well-informed and objective, we are often consulted by the UN, journalists, embassies, Australian activists and political parties, and others. We meet regularly with oil company and government representatives to inform ourselves and to encourage them to be more forthcoming and less ideological.

To that end, we persuaded the Government's Sunrise Task Force to privately share some of its findings with civil society, and organized that meeting. We also challenged Woodside on its changing estimates for the amount of gas in the Sunrise reserve, finally getting them to explain the convenient coincidence that their reserve estimates grew during 2000-2006, but have since shrunk.

New oil and gas projects

In 2006 Timor-Leste signed new exploration contracts for several areas, including block 06-105 in the Joint Petroleum Development Area (JPDA). Soon thereafter, Eni bought Woodside's 40% of this project and drilled several exploratory wells. They discovered commercial quantities of oil in Kitan, the first new find since Timor-Leste became independent. La'o Hamutuk made a submission on the draft Environmental Impact Statement and Environmental Management Plan for the Kitan project, and continued to engage with the company, the National Environment Directorate, and the National Petroleum Authority (ANP). The recent Montara and Deepwater Horizon oil spills underline our concern that safety and environment are too important to be left to the oil companies.

Eni and Reliance both plan to do exploratory drilling in Timor-Leste's Exclusive Area, and we participated in several discussions with companies and regulators about their environmental impacts. We also wrote submissions about the Eni's EIAs for Cova-1 drilling in Block C and Reliance's drilling in Block K (finished in July).

We urged the Environment Directorate to reject Reliance's proposal because it is not project-specific, involves a conflict of interest, and does not commit the company to anything. As Reliance proposes to use the same drilling subcontractor involved in the Gulf of Mexico spill, both Reliance and Transocean need to take the process seriously. We also wrote an article in the newspaper and gave many interviews to the oil industry trade press.

Heavy Oil generating stations and national electricity grid

During this time, La'ó Hamutuk continued to monitor the project to “electrify the nation” with 250 MW of heavy oil power plants and more than 600 km of high-voltage transmission lines. We believe that this most costly project in Timor-Leste’s history uses environmentally destructive technology. Following our 2008 revelations of the project’s details and mistakes –based on leaked information and our own analysis – the government redesigned the project in late 2009 to use new instead of second-hand generators, increasing the cost and delaying completion by two years.

On 15 January 2010, La'ó Hamutuk was the only civil society group to attend (uninvited) the cornerstone-laying for the Hera power station. We recorded and photographed the event, making the speeches of the President, Prime Minister, Minister of Infrastructure and President of Parliament available to all.

This ill-conceived project is also poorly implemented, and we often visit the site and publish status reports on the lack of construction and few local workers. At the same time, Dili’s electricity is increasingly intermittent, raising public irritation. As public awareness of the issue grows, we have had many discussions with the UN, local radio and international media, and are seen as the principal source of information.

Governance and Democracy

Our work in this area touched on several topics, as opportunities and challenges arose. We also continued our long-term campaign to end impunity for international crimes committed between 1975 and 1999, during the Indonesian occupation of Timor-Leste.

We circulate information about the Government’s legislative agenda and state finances, helping officials and citizens make more effective policy. We support civil society groups with goals similar to ours, engaging with JSMP as they developed their Parliament Watch Project, and circulating the HAK Association’s report on human rights violations from the hunt for imaginary “ninjas.”

Justice for Indonesia-era crimes

Ten years after the end of the Indonesian occupation, there have been no effective justice processes for these crimes against humanity. Impunity continues to prevail, and La'ó Hamutuk continues to engage with the UN and other agencies to encourage judicial accountability, which can best be achieved through an international tribunal established by the UN Security Council.

La'ó Hamutuk is an active member of the Timor-Leste National Alliance for an International Tribunal (ANTI). We gave trainings to ANTI members and helped organize a three-day strategic planning retreat. We facilitated an ANTI letter to the Security Council, as well as letters from individual citizens and victims, prior to the renewal of the UNMIT mandate in February.

We continue to work with international solidarity and human rights groups, which became crucial when President Jose Ramos-Horta attacked Amnesty International in front of the UN Human Rights Council in Geneva, provoking a series of factual rebuttals and continuing distortions. We also facilitated visits by activist academics Clinton Fernandes (Australia) and Brad Simpson (USA) who shared their knowledge and research with students and activists in Timor-Leste.

When ICRC published a report about families of the disappeared which claimed to be the only objective account of victims’ views on justice, we briefed civil society groups on the report, and stimulated and participated in challenging dialogues with the author at UN and other fora.

On 20 May, La'ó Hamutuk staffer Charlie Scheiner received an award from Timor-Leste's parliament for his support for the independence struggle through ETAN in the USA. Charlie donated his \$2,500 prize money to ANTI, and wrote an open letter which was published in local newspapers.

Immigration Law

In April, the Timor-Leste government, together with the International Organization for Migration, held a public consultation on proposed revisions to the Immigration and Asylum Law. We collaborated with IOM to circulate the draft laws on our website and to encourage participation. La'ó Hamutuk testified at the consultation, and our written submission recommended that the law be consistent with Timor-Leste's constitution and human rights obligations under international law.

International Stabilisation Force

In December 2008, an Australian military vehicle killed an elderly woman, Gracinda da Costa. The ISF initially was unaware of Mrs. Da Costa's death, and did not offer compensation to the family. In January 2010, La'ó Hamutuk again expressed our concern with the lack of accountability of Australian and New Zealand armed forces in Timor-Leste (the International Stabilisation Force).. We provided background information to Australian journalists and activists on the ISF's current poor accountability processes, and wrote an open letter to the Head of the Australian Military in Canberra. These issues were raised in the Australian Parliament, with the Head of Military committing to review their accountability processes.

The Australian Parliament's Joint Standing Committee on Foreign Affairs, Defence and Trade recommended reducing ISF impunity in its May 2010 report into Human Rights Mechanisms in the Asia-Pacific, drawing on many recommendations from La'ó Hamutuk's November 2008 submission.

In March, La'ó Hamutuk received a letter from the Chefe Suco in Lore I, complaining about Australian ISF soldiers coming to Lore and asking people to say publicly whether they liked the government. This was part of an ongoing Australian military research project in Timor-Leste, and reminded local residents of Indonesian military questions which often resulted in torture.

We issued a press release and met with the ISF commander and the Australian and New Zealand ambassadors. Timorese and Australian media both picked up the issue, and it has been raised in several Parliamentary hearings in Canberra. The Australian government defended the research project, blaming the incident at Lore on a translation issue. Although they flatly denied any wrongdoing, the military abruptly cancelled the research project within weeks.

UNMIT

La'ó Hamutuk is increasingly asked by UNMIT officials to share our perspectives. We find them more accessible than under previous leadership, and met frequently with high-level UN officials. The SRSG invited us to a private dinner with a high-level delegation from South Sudan, to discuss Timor-Leste's post-referendum experience.

We met twice with the Technical Assessment Mission from UN headquarters in January and wrote a letter to the Security Council prior to their February meeting, commenting on issues raised in the Secretary-General's report to the Council. We reiterate our suggestion that the UN mission here embrace a more inclusive definition of "security" than armed personnel who intimidate everybody else from behaving badly. Security in rich countries comes from the lack of fear of disease, starvation, unemployment and poverty (as well as crime and civil unrest), and this cannot be provided by police and military alone.

Burma Solidarity

La'ó Hamutuk continues to work with human rights activists in other countries, to fight for justice and strengthen solidarity with people facing oppression. We give our solidarity to the people of Burma, urging that Burma must have freedom and democracy. La'ó Hamutuk met with visiting Burmese activists in January 2010, suggesting ways for them to connect with Timor-Leste State organs including the National Parliament and President of the Republic.

When Timor-Leste's ambassador to the United Nations was fired because he voted for a resolution supporting human rights in Burma, we researched and publicized the controversy, offering personal support and providing information to international media.

NGO coalitions

To share information, strengthen advocacy and reinforce local and global civil society movements, La'ó Hamutuk often joins with other organizations in coalitions or networks who focus on issues linked to our concerns. During the first part of 2010, we worked with the following:

Timor-Leste coalitions

- Core Group on (budget) Transparency
- Rede ba Rai (Land Rights Network)
- National Alliance for an International Tribunal (ANTI)
- HASATIL (Sustainable Agriculture Network)
- Movimento Kontra Deve (against state borrowing)
- Rede Direitu ba Uma Timor-Leste (RDU-TL on housing rights)

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 (we will host their regional meeting in July)
- Publish What You Pay (PWYP)
- ASEAN People's Forum

Organizational report

During the first half of 2010, our staff included Ines Martins, Charlie Scheiner, Maximus Tahu, Odete Moniz, Shona Hawkes, Juvinal Dias and Mariano Ferreira, as well as two security people. Viriato Seac left La'ó Hamutuk at the end of 2009. We interviewed many job applicants during these six months, and hired Australian Scott McKinnon at the end of the reporting period, as part of our natural resources team.

In February, La'ó Hamutuk staff, board, colleagues and donors held a two-day internal evaluation and revision of our strategic plan. We are preparing for an external evaluation later this year.

We continued to strengthen our internal systems such as:

- Better documenting our activities (radio programs, public meetings and LH in the media)
- Strengthening our radio program – improving sound quality. After being suspended by RTL last year, we are now back on the air.

- Updating office equipment – we purchased several new computers and standardized some software.
- Improving our Tetum language writing by focusing on translation for meaning and explaining meanings

We held our second annual meeting with our donors, describing our work and discussing a future possible strategic media review to assess the impact of our publications. The donors meeting helped all our staff better understand how our work dovetails with our funders' objectives, and was also attended by members of our board.

We prepared our financial report for 2009 and began the audit process. This goes more smoothly every year as we continue to improve our financial management and bookkeeping systems.

In May we celebrated La'ó Hamutuk's tenth birthday with more than 100 friends and colleagues (see photos at <http://www.laohamutuk.org/ARept/Anniversary/10YearsLH.htm>). We hope to make this an annual event, as it provides a good opportunity for informal networking, strengthening ties with supporters and building morale.

We prepared for board member Pamela Sexton's visit in July to help review La'ó Hamutuk's internal policies, and for former staff member Guteriano Neves to do community service at LH during his summer break from the University of Hawaii.

We also continued designs for renovation of our new office in Bebora, which we will implement during the less-wet season later this year.

Appendix 1: Financial Report

This report is being written before we prepare our financial report for the full year 2010. The final annual report 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 or committed	Unrestricted funds on hand
31 December 2009	178,995	3,920	128,700	50,200
30 June 2010	178,556	2,020	128,700	49,856

Funds in reserve include \$30,800 for renovating our new office and \$8,500 for an external evaluation which are expected to be used during the second half of 2010.

Revenues

Category	Budget 2010	Half Budget	Actual	Difference	Explanation
Donations	\$500	\$250	\$180	(\$70)	
General support grants	\$139,600	\$69,800	\$42,761	(\$27,039)	Two of our three main donors will pay in second half of 2010. Trocaire paid \$19,348 as the second tranche of their 2009 support and \$23,413 as the first tranche for 2010 during the reporting period.
Bank interest	\$300	\$150	\$277	\$127	
Conference reimbursements	\$0	\$0	\$4,028	\$4,028	Not budgeted; reimbursement for expenses (see below)
Sales	\$500	\$250	\$40	(\$210)	
Earned by LH	\$1,000	\$500	\$498	(\$2)	
Total	\$141,900	\$70,950	\$47,785	(\$23,166)	

Expenditures

The following are the principal categories on which we spent money during the first half of 2010.

Category	Budget 2010	Half Budget	Actual	Difference	Explanation
Auditor	\$1,000	\$500	\$600	\$100	Audit for 2009 not yet completed
Bulletin	\$6,900	\$3,450	\$2,200	(\$1,251)	One Bulletin published
Capital equip.	\$4,700	\$2,350	\$1,940	(\$410)	Some deferred until office move
International conferences	\$2,800	\$1,400	\$4,295	\$2,895	\$4,028 was reimbursed (see income table above)
Operations	\$10,500	\$5,250	\$3,389	(\$1,861)	Supplies and electricity lower than budgeted.
Personnel	\$87,400	\$43,700	\$26,590	(\$17,110)	Difficulties in finding new qualified staff.
Public meetings	\$6,200	\$3,100	\$2,521	(\$579)	
Radio program	\$2,100	\$1,050	\$425	(\$626)	Program off air January-March
Rent	\$3,600	\$1,800	\$2,700	\$900	Includes \$900 back rent from 2009
Research	\$2,800	\$1,400	\$440	(\$960)	
Resource Center	\$1,200	\$600	\$269	(\$331)	Pending moving into new office
Surat Popular	\$300	\$150	\$108	(\$42)	
Telephone and Internet	\$8,500	\$4,250	\$3,913	(\$337)	
Training for staff	\$1,000	\$500	\$0	(\$500)	No paid classes
Transportation	\$2,400	\$1,200	\$438	(\$762)	
Miscellaneous expenses	\$500	\$250	\$205	(\$45)	
Total	\$141,900	\$70,950	\$50,032	(\$20,918)	

Appendix 2: Media coverage

Title	Date	Medium	Comment
PR Apoia Desizaun Governu Hasoru Woodside	20 Jan	Timor Post	Interview with Charles Scheiner
Remodelasaun iha Governu, PUN Apoia, CNRT kontra	27 Jan	Timor Post	Interview with Charles Scheiner
Australian soldiers left our mother to die, says family	28 Jan	The Age	Cites LH
Shona Hawkes on sustainability	28 Jan	Latin Radical radio	Interview with Shona Hawkes
Hera heavy oil power plant	29 Jan	Latin Radical radio	Interview with Charles Scheiner
Mr. Adérito de Jesus confirmed as Commissioner of the Anti-Corruption Commission	2 Feb	RDTL Press release	"Mr. Adérito de Jesus is highly respected, a founder and board member of La'o Hamutuk, a key NGO in Timor-Leste that monitors and reports on the activities of the Government and the principal international institutions present in Timor-Leste."
ETimor names activist as anti-corruption czar	2 Feb	AFP	Cites LH in Aderito's bio
Justice for military in Timor has flaws	10 Feb	The Age	Letter to the editor by Shona Hawkes
Timor-Leste: Choosing Between Asean and Burmese Reform?	13 Feb	The Irrawaddy	Quotes Charlie on Constitutional Solidarity obligation
Timor-Leste de facto government should stop blaming others for its failures	16 Feb	FRETILIN Press release	Quotes LH on TL's obligations to comply with bad treaties it has signed.
Konstruksaun olio Pezado sei la susesu	16 Feb	Timor Post	Interview with Charles Scheiner
Konstruksaun olio Pezado Lao, Orsamentu aloka tuir Faze	18 Feb	Diario Nasional	Interview with Charles Scheiner
Klarifikasaun kona ba pozisaun Fundu Petroliu nian	20 Feb	RDTL press release	Response to LH email article
2012 Timor Leste sai membru ASEAN	22 Feb	Dili Weekly	Interview with Shona Hawkes
Pozisaun TL ba Fundu Petroliferu, SEKM Agio : "ONG's Laiha KPA Hadok A'an	23 Feb	Diario Nasional	info from Government
East Timor: Oil wealth and national survival	6 Mar	Global Voices online	Quotes LH quoting WB about budget growth dangers
Soldadu estrangeiru sira tenke hado'ok husi Timor nia direitu politika	13 Mar & after	Timor Post	Letter to the editor from LH
Malae Lalika Mete Timor Nia Direitu Politika	13 Mar	Suara Timor Lorosa'e	Interview with Juvinal and Charlie
Timor Village Chief Accuses Diggers	16 Mar	The Age	Quotes LH about soldiers in Lore
Diggers caught in 'political' outrage	16 Mar	Sydney Morn. Herald, Canb. Times	Quotes LH about soldiers in Lore
East Timor's Oil, Gas Windfall Offers Opportunity for Growth	17 Mar	Wall Street Journal website	Photo essay based on LH information about impact of oil and gas money (LH not credited)
Xefe Suco Husi Lore - Lautem Keixa Soldadu Militar Australia	17 Mar	CJITL website	Cites LH info
Aussie troops giving lectures	19 Mar	Latin Radical radio	Interview with Juvinal
National Parliament calls for Horta not to comment over Greater Sunrise	23 Mar corrected 25 Mar	Timor Newsline	Quotes Charlie on Sunrise process
Defence pulls plug on Timor research	25 Mar	Canb. Times	Quotes and cites LH press release
Australia kansela Projeitu FSI nia	26 Mar & after	Timor Post	Letter to the editor by LH

Title	Date	Medium	Comment
NGO Lao Hamutuk lamenta ho sosializasaun tropa FSI iha Lore 1 Distrito Lautem	26 Mar	Timor Today video	Interview with Charlie and Chefe Suco Lore-1
AUSTRALIA: Questions Persist about Troops in East Timor	1 Apr	IPS	Quotes LH and Charlie on soldiers' behavior in Lore
General Taur Matan Ruak Questions Jeffrey Sachs on International	6 Apr	Tempo Semanal	Quotes LH letter to UNSC
Tamba sa Timor Leste tenki Deve	7 Apr & after	Timor Post	Letter to the editor by LH
Lei Jestaun Financeiru fo Dalan ba Imprestimo	7 Apr	Diario Nasional	Interview with Juvinal
Fo sai rezultadu EP	15 Apr	RTL news	From public meeting on debt
Laiha impaktu bainhira TL Deve, maibe kria Dependensia Sustentavel	16 Apr	Timor Post	From public meeting on debt
Politika Deve sei fo tusan ba iha Futuru	16 Apr	Diario Nasional	From public meeting on debt
Lei Imigrasaun, Mata-Dalan ba Ema, Laos Parede ba Ema	28 Apr & after	Timor Post	Letter to the editor by LH
Lei Espropriasaun Halakon Direitu ba Rai	28 Apr	Suara Timor Lorosa'e	Rede ba Rai press conference
Woodside and East Timor disagree over gas plant location	29 Apr	ABC Radio	Interview with Charlie about TL position
World Press Freedom Day	1 May	UNMIT radio	Charlie as part of panel discussion
Sunrise LNG sei iha Deit ka ba dunik Timor Leste	1 May	Business Timor	From La'ó Hamutuk's website
East Timor Digs in	5 May	World Gas Intelligence	Quotes Charlie on petrol revenues
East Timor-Australia Urged to Dialogue Over Gas Fields	6 May	IPS	Quotes LH revenues estimates and need to prepare for LNG
TL La Hakruk ba Woodside, kuidadu	8 May	Timor Post	Interview with Charles Scheiner
Tratadu la defini dada Pipeline mai Timor-Leste	11 May	Dili Weekly	Interview with Juvinal Dias
Point Us Towards the Best Aid info Portal	13 May	Peace Div. Trust Blog	Scott Gilmore, cites LH as model website
Lao Hamutuk calls on state leaders not to attack one another	14 May	Timor Post	Interview with Charlie about Sunrise
President Meets Woodside & Lao Hamutuk's Charlie Scheiner on Greater Sunrise/Woodside	25 May	Tempo Semanal video	Interview with Charlie
La'ó Hamutuk Selebra Aniversario ba dala 10	26 May	Suara Timor Lorosa'e	Interview with Ines Martins
Transcript of Australian Parliament Senate Estimates Hearing	1 June	Hansard	Cites meetings with LH and Australian ambassador
South Sudan: Circumventing the curse of petro-wealth (part 2)	2 June	Sudan Tribune	Cites presentation at LH public meeting on debt
Karta kona ba premiu Parliamentu ba Charlie fo ba ANTI	9 June & after	Timor Post	Letter to the editor by Charlie Scheiner
Dili delivers Woodside Broadside	10 June	Asia Times	Quotes Charlie and LH
Orsamentu Rektifikativu 2010, Dalan Fasil atu Gasta Deit Fundu Petroleum	21 June	Timor Post	Interview with Juvinal
Timor-Leste Looks to Use Oil Revenues to Kick-Start Economy and Development	24 June	Asian Energy	Cites LH about need to prepare for LNG plant

Appendix 3: Presentations given or organized by LH

Topic	Month	Presenters	Audience / forum
Saida mak implikasoens ba sistema rai iha futuru?	Jan	Shona	La'ó Hamutuk public meeting with speakers from Land and Property, Manatuto district administration, and Ita Nia Rai (in Manatuto)
UN processes for Justice	Jan	Charlie	ANTI
Opportunities, challenges and risks of Timor-Leste joining ASEAN	Feb	Shona, Foreign Ministry, Philippine ambassador	La'ó Hamutuk public meeting
The Government's Sunrise Task Force	Feb	Francisco Monteiro (SERN) et al	Briefing for civil society groups
Overview of situation in TL	Feb	Charlie	Canadian delegation from Development & Peace
Lei ba Rai	Feb	Ines	Briefing with women's group, Baucau [facilitated by the Baucau Gender Focal Point]
Climate Change	March	Ines, Juvinal, Adão Barbosa (UNDP)	La'ó Hamutuk public meeting
Climate Change	March	Ines	Participants in reforestation Program in Liquidoe
Work in the oil and gas sector	March	Charlie, Juvinal	East Timor Petroleum Engineers Forum
Land Law	April	Ines	Organized by Land Rights Network in Baucau
Land Laws	April	Ines	Ermera Agricultural Workers' Union
The Expropriation Law	April	Shona, Ines	Training for the Land Rights Network
The Compensation Fund Law	April	Shona, Ines	Training for the Land Rights Network
Why should Timor-Leste go into debt?	April	Juvinal, Kristin Sundell, reps from Petrol. Fund Cons. Council and Min. of Finance	La'ó Hamutuk public meeting with speakers from; 150 people attended.
Training about implications of borrowing (two sessions)	April	Charlie, Kristin Sundell	Movement against Debt
U.S. support for Indonesia's invasion	April	Brad Simpson	UNTL students and others, facilitated by LH
Mid-year budget rectification	May	Charlie	Briefing for Core Group on Transparency
Climate change in Timor-Leste	May	Juvinal	Several high school groups in Aileu district
Proposed Land Laws	May	Shona	Briefing for the UN Protection Cluster
The Land Law	May	Shona, Ines	Training for the Land Rights Network
Introduction to Timor-Leste	June	Charlie, Juvinal	Visiting Victoria University student group
State Budget, PEDN and Resource Curse	June	Juvinal	OXFAM's strategic planning
Sistema Rai	June	Ines	Briefing for community meeting, Mota Ikun, Liquiçá (a community facing threats to community land)

In addition, we presented comments and submissions at more than a dozen public hearings of Parliamentary committees, Ministry public consultations, stakeholder meetings and other events.