

La'o Hamutuk

Timor-Leste Institute for Development Monitoring and Analysis

Rua Mártires da Pátria Bebora, Dili, Timor-Leste

Tel: +670 332 1040

email: info@laohamutuk.org

Website: www.laohamutuk.org



Dili, 25 November 2014

Comments from La'o Hamutuk about the proposed 2015 State Budget Agriculture and land issues

1) MAF needs to review its mission and vision and to establish a clear and coherent strategy

As in previous years, the Ministry of Agriculture and Fisheries got a small part of the total State Budget. The proposed 2015 State Budget allocates USD 25,677 million to MAF, which is smaller than last year (USD 27,954 million). La'o Hamutuk believes that the agriculture sector deserves a greater attention, but developing agriculture doesn't only mean increasing MAF's budget. Although MAF's budget is small compared to other sectors, the development partners give a great consideration to the agriculture sector: in 2015, MAF will get off-budget funding equivalent to USD 21,4 million. However, MAF's weak plan and limited capacity, combined with the diversity of projects reflecting the different development partners' perspectives, result in an agriculture policy with no clear orientation.

La'o Hamutuk believes that MAF's principal mission is not "to increase revenues through exportation" but to help farmers and other producers increase their revenues to improve their living conditions. In addition, MAF's mission should not focus on solely increasing productivity, because we may miss the objectives of maintaining the number of producers (especially attracting young people), increasing the quantity and variety of production, and maximising the (sustainable) use of productive land. Indeed, productivity may statistically increase with a reduction in the number of subsistence producers or if some land not intensively cultivated is abandoned.

MAF's general objective should be to help Timor-Leste achieve food sovereignty, not only food security. La'o Hamutuk and the Sustainable Agriculture Network (HASATIL) strongly advocated for the Timor-Leste Government to adopt a Food Sovereignty Policy instead of following FAO's concept (food security) which does not consider where food comes from, who produces it and how it is produced. The concept of food security ignores the problems of import dependency (which inhibits the development of local production), unsustainable agricultural practices (industrial and chemical) and the condition of small farmers and producers. The concept of food sovereignty, which the Timor-Leste National Council on Food Security, Sovereignty and Nutrition (KONSSANTIL) should defend, is a precondition to food

security, and has for objectives Timor-Leste's self-sufficiency, to strengthen farmers and fishermen, to improve nutrition and to protect the environment.

In addition, instead of promoting economic growth, which only calculates the revenues from production, MAF's objective should be to contribute to improve nutrition through the production of diversified, nutritious and healthy food.

At the action plan level, MAF does not mention its production target for 2015, the only target is for 2020. For example, MAF aims at increasing rice production to 85,000 tons in 2020, but there is no production target for 2015. Long-term vision is important, but MAF also needs to establish clear targets for 2015. Otherwise, how can MAF decide the appropriate budget for 2015? It will also be difficult to evaluate MAF's success during 2015.

2) Exporting Timor-Leste's wealth and importing low quality products will not improve people's live

La'o Hamutuk continuously draws attention to our huge trade deficit. It can currently be covered by oil exports revenues, but in the near future, when oil from Bayu-Undan runs out in 2020, we won't be able to pay for the imports bill. La'o Hamutuk agrees on the need to control and reduce imports to protect and stimulate domestic economy (GSB Book2, MCIA Annual Plan p.228; MAF Annual Plan p.266) and reduce import dependency. Unfortunately, no concrete action is mentioned related to this activity. In the Zero Hunger Challenge Project, the plan to adopt a fiscal policy supporting this objective, through increasing import taxes, is not a priority (See part 4.2.2.F, the objective of increasing taxes is set for 2025). In addition, the objective to regulate trade activities contradicts with the effort to strengthen cooperation with organisations that promote trade deregulation and liberalisation like the WTO or ASEAN (GSB Book2, MCIA Annual Plan p.229).

Furthermore, La'o Hamutuk believes it is better not to export raw agricultural products, especially when domestic consumption of these products can help reducing the high malnutrition rate in Timor-Leste. Currently, non-oil exports comprises mainly coffee, and these exports do not contribute much to improve coffee producers' live. The main coffee production area (Ermera) is at the same time one of the poorest area. Instead of contributing to increase producers' revenues, coffee trade generate huge profits for companies including CCT and traders. The Government should control the activities of the private sector to prevent vulnerable people from being the target of those looking for profit and to ensure that coffee producers sell their production at a fair price, sufficient to guarantee their right to live with dignity. Timor-Leste currently exports good quality products (cashew nuts, vanilla, clove, cocoa) and import cheap and low quality products. The proposed 2015 GSB also mentions other exports including fish (objective 1.000 mt/ year in 2018), crops and mineral water! Considering the prevalent malnutrition linked to low consumption of protein including from fish, the discourse on insufficient domestic production, and the condition of Timor-Leste as a small country with limited natural resources, we cannot accept this policy consisting in selling our natural resources abroad while Timorese people necessities are not met yet.

The Ministry of Transport and Communication is focusing on developing maritime and air transport, which facilitate trade and benefit rich people, instead of supporting small producers and the domestic economy. A public transport system accessible for all should be developed, as well as a system to transport local products to facilitate their circulation across the territory.

3) Invest in the organic agriculture sector to guarantee healthy people and environment

Every year, Timor-Leste imports chemical fertilizers and pesticides to improve soil quality and to kill insects in order to increase production and productivity. In the proposed GSB 2015, we will import 420 tons of chemical fertilizers and 7,000 litres of pesticides, even though we know how bad these chemical products are for our health and for the environment. At the same time, it is planned to use 79 tons of local compost and organic fertilizer, 8,400 litres of liquid organic fertilizer and 52,500 tons of "bio organiku formula". La'o Hamutuk believes that it would be better to develop a 100% organic agriculture, to ensure a healthy people and environment, and in the long term, when domestic production covers domestic consumption, we will be able to export high quality and high value organic products. In countries practicing industrial agriculture with high levels of chemical inputs, various diseases are appearing including cancers, water sources are polluted, and the soil cannot produce anymore because of intensive use. In addition, farmers are indebted because they depend on expensive chemical inputs. Timor-Leste has very limited agriculture land, which will make production cost difficult to recover if farmers use chemical products and heavy machinery. According to data, 60% of Timorese farmers have land ranging from 0,5 to 2 ha, and 24% have land smaller than 0,4 ha (Oxfam Australia).

Regarding climate change, the sustainable agriculture model has other advantages: it produces low greenhouse gas emissions because it does not use oil-consuming machines, it does not use products of the petroleum industry (chemical fertilizers and pesticides), and it does not use laboratory seeds that require a lot of energy to be produced and that contribute to reduce biodiversity. Unfortunately, the proposed 2015 GSB mentions that Timor-Leste will participate in the carbon credit market to implement clean development mechanism, even though this mechanism has proven to be a failure. Timor-Leste should reject false solutions like this mechanism, which enables countries and companies contributing to climate change to continue polluting justifying themselves by the fact that they bought "rights to pollute" (carbon credits).

La'o Hamutuk thinks that MAF's decision to promote conventional agriculture is not based on a comprehensive evaluation of the factors impeding the productivity of agriculture in Timor-Leste. In addition to natural factors such as soil, climate and water, human resources are a major issue. We are convinced that Timor-Leste can improve agriculture productivity by increasing farmers' capacity to produce and use available resources more efficiently. It is important that farmers have basic knowledge on land management, water management, basic knowledge on plants, on selection of seeds resistant to pests and diseases, on ways to produce compost with local material, on means to prevent and control pests and diseases

effectively, on the benefit of plant rotation, etc. Distributing tractors and providing trainings on how to drive a tractor and manage it is not sufficient. Trainings on ways to use tractors without causing land problems (like waterlogging) are also required. Fixing irrigation systems is not enough; knowledge on each plant's water needs is also necessary, because excess or a lack of water also contributes to lower production.

4) MAF should work closer to farmers

La'o Hamutuk also expects MAF to work closer to farmers in rural areas. Many projects failed because of a lack of appropriate communication mechanism between farmers and MAF. Three years ago La'o Hamutuk made a consultation in three districts and one of the main issues pointed out by farmers was the lack of communication mechanism between farmers and MAF. When they had a problem related to their live as farmers, they were not able to do anything, and usually just dealt with the consequences. For example, when the dry season is long or when it does not rain at the usual period, they are confused and do not know what to do, and nobody from MAF is there to hear them. A good communication mechanism is not only helpful for farmers, but is also a means for MAF to share important information with farmers. For example, MAF's plan for this year mentions the collection of meteorological data, but if there is no means of communication, these data will stay at MAF's office, and farmers will not be able to use them to make decisions related to their activities.

5) Timor-Leste Government must be careful not to sacrifice people's wealth in the process of "development"

In fact, we are blessed with many forms of wealth, including strong family and social relations, a culture and beliefs that are still living, and a nature that is not totally damaged yet. To improve people's live, the Government must guarantee people's rights - including the right to land access and land use - provide quality public services to everyone - including education, health, water and sanitation - and preserve the wealth mentioned above. Unfortunately the current development model is more focused on economic growth and money, sacrifices productive lands for infrastructure projects, sacrifices people's life by evicting them, does not value the agriculture sector and a simple life in rural areas, and adopts foreign concepts without thinking critically about their relevance and implications.

For example, in Timor-Leste land has various values including spiritual, cultural, social, and identity, and the concept of "*nain*" of land (land's protector) is very different from the western concept of ownership. But Timor-Leste's current development model is focused on economic value, money, and considers land as a commodity that can be bought and sold, used to make investment, used as a mortgage to get credit from the bank, etc. In the 2015 GSB, the priority of the Ministry of Justice is the promulgation of the Land law package to promote the private sector and investment (whose objective is to make profit). It also allocates USD \$14.5 million to the Ita Nia Rai (INR) program to carry on a research on a cadaster system. La'o Hamutuk thinks that the Ministry of Justice should first check the data related to the 50,624 land parcels registered by INR in 2008-2012. According to the National Directorate for Land and Properties, these data are not accurate. For example in Oecussi, Bairro Palaban, the communities said that INR attributed a land property certificate to a

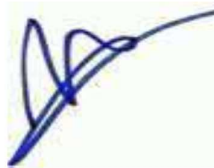
claimer of a land that had been identified and registered as state land. If the Government does not check the data, conflicts may occur in the future.

Another example in the 2015 GSB is the Ministry of Justice's priority to have the Law on Authors' Intellectual Property Rights promulgated, even though no reflection has been conducted on this concept in Timor-Leste and despite the controversies it creates around the world. Concerning the National Seed Policy drafted by MAF and Seeds of Life (Fini ba Moris) program, La'o Hamutuk already criticized the concept of intellectual property rights that establishes a system of monopoly on life and nature. We believe plant varieties should be left in the public domain for free use by other farmers instead of establishing a monopoly system through intellectual property rights. As the western concept of property, including intellectual property, is not suitable to Timor-Leste, it is better not to use it, and to continue maintaining collective values, solidarity, mutual sharing, etc.

La'o Hamutuk Agriculture Team



Inês Martins



Alexandra Arnassalon



Mariano Ferreira



Maximus Tahu