

LA'O HAMUTUK'S ENGAGEMENT IN POLICY ADVOCACY AND PUBLIC EDUCATION IN TIMOR-LESTE

Sharing our work experiences in Timor-Leste with ELI fellows



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La'o Hamutuk Researcher
Washington DC, 31 Oct. 2019

What is La'o Hamutuk

- ❑ The Timor-Leste Institute for Development Monitoring and Analysis, founded in 2000.
- ❑ Timorese and international people “**walking together**” on the journey to create a new Nation.
- ❑ An independent, Timorese, non-governmental organization which does research, policy analysis, public education and advocacy.
- ❑ A force for participatory, equitable, sustainable and evidence-based policies and practices.

Some important topics to share

- ❑ Where is Timor-Leste and how was the history
- ❑ Petroleum dependency
- ❑ Govt. prioritizes infrastructure mega-projects
- ❑ Unsustainable budget policy
- ❑ How LH does advocacy and public education

Where is Timor-Leste located?

Population: 1.2 million

Area: 14,874 km² (5,742 sq. mi.)

Nonrenewable resources: Natural gas, oil, gold, manganese, marble

Agriculture products:

Coffee, rice, corn, cassava, sweet potatoes, soybeans, cabbage, mangoes, bananas, vanilla

Potential tourism sites:

Atauro, Jaco island, Ramelau mountain, and many other historical places in town and across the country



History of Timor-Leste

People have lived in Timor-Leste for at least 5,000 years.

Portuguese colonized nearly 500 years ago.

- They brought Catholicism but little development or education.
- **Onshore oil exploration started in 1890s.**

Australia, then Japan, invaded in 1941-45.

- 40,000-60,000 Timorese killed in WWII, which didn't involve them.

Portugal's military dictatorship resumed control in 1945.

- **Offshore oil exploration began in the 1960s.**

Portugal began decolonizing in 1974.

- After Carnation Revolution brought down Portuguese dictatorship
- TL declared independence 28 November 1975 ... but 10 days later

Indonesia invaded on 7 December 1975.

- Indonesia killed 100,000-200,000 Timorese in 24-year occupation.
- **Timor-Gap Treaty 1989; oil production started 1998.**

Referendum in 1999, then 2½ years of UN rule.

Finally restored independence on 20 May 2002.

- **Oil income surged in 2005-2007, but is declining since 2012.**

Peaceful elections in 2001, 2002, 2007, 2012, 2017 and 2018.

Petroleum dependency

Timor-Leste has been one of the world's most petroleum-export-dependent countries. This determines our State, our economy and our future.

Petroleum dependency

(Nominal USD)

	2013	2014	2015	2016	2017
Petroleum GDP	\$4,234 (75%)	\$2,591 (64%)	\$1,496 (48%)	\$820 (33%)	\$895 (36%)
Non-oil GDP	\$1,403 (25%)	\$1,451 (36%)	\$1,597 (52%)	\$1,684 (67%)	\$1,593 (64%)
Productive (agric. & manuf.)	\$305	\$307	\$288	\$287	\$284

State revenues in 2018:..... \$177 million

-\$460 million was lost from investing the Petroleum Fund
 \$447 million from oil and gas revenues
 \$190 million from non-petroleum sources

Executed 2018 State Budget:..... \$1,158 million (\$1,277m appropriated)

\$983 million transferred from the Petroleum Fund
 \$190 million from non-petroleum (domestic) revenues
 \$ 39 million from loans which will have to be repaid

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

Petroleum and investment 'income' goes to the state, not to the people.

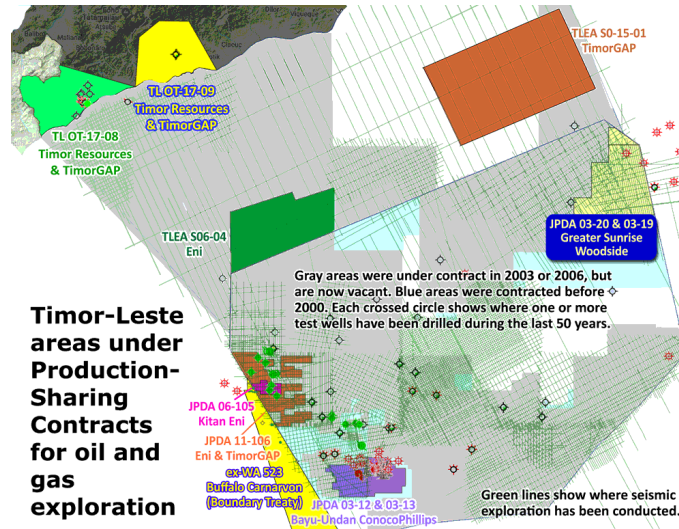
Only South Sudan, Libya (and Equatorial Guinea?) are more dependent on oil and gas exports than Timor-Leste was before 2014

Basic statistics

- One-third of Timor-Leste's people live in poverty, 46% in multi-dimensional poverty.
- Two-thirds of people live in rural areas, largely by subsistence farming.
- Poor sanitation and malnutrition are endemic.
- About 1,200 Timorese children under 5 years old die from preventable conditions every year ... 30 times as many people as die from homicide.

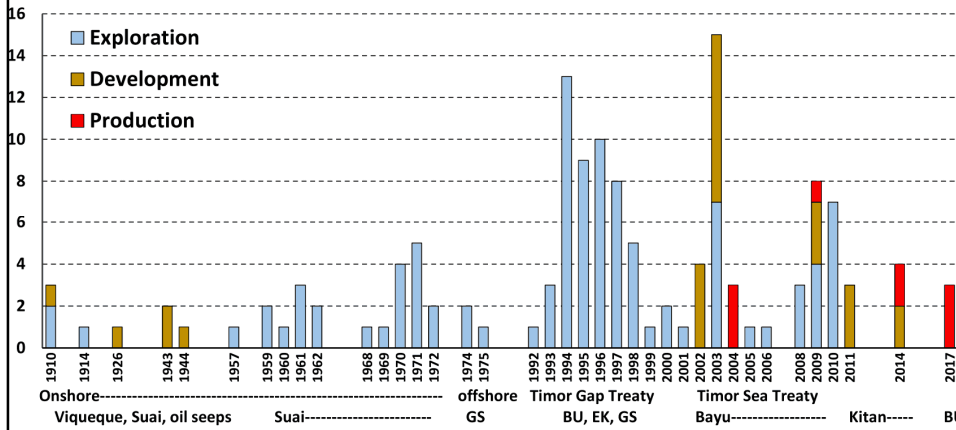
Our seas have been explored for half a century, and our land for longer.

There may not be any other fields.



Since 1910, oil companies have drilled 95 exploration wells in Timor-Leste. They found eight commercially viable reserves. Kitan is the only one discovered in the last 20 years

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

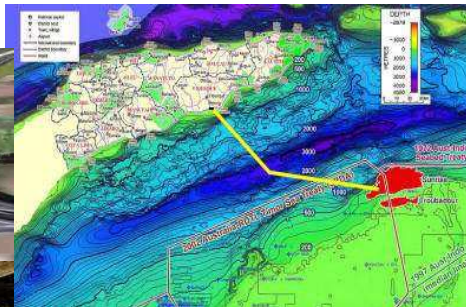


Infrastructure Mega-projects

- Petroleum Industry in South Coast called “Tasi Mane Project” that includes: Supply Base, Refinery, LNG-Plant, Highway and Airport and other mining industries
- These projects have massively affected community land and will potentially have additional negative impacts on environment, agriculture land, fishing and people’s lives..?



Continued



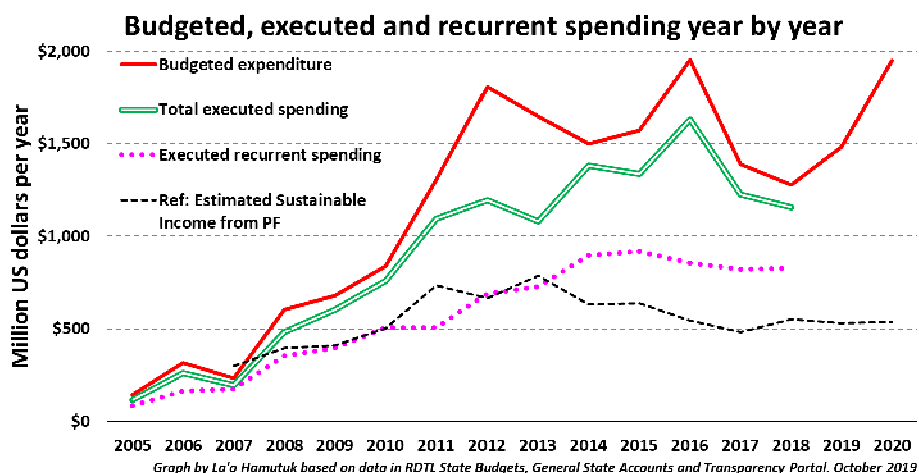


Unsustainable budget and economic policy

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

From 2008 through 2016, state spending grew faster than nearly every country in the world.

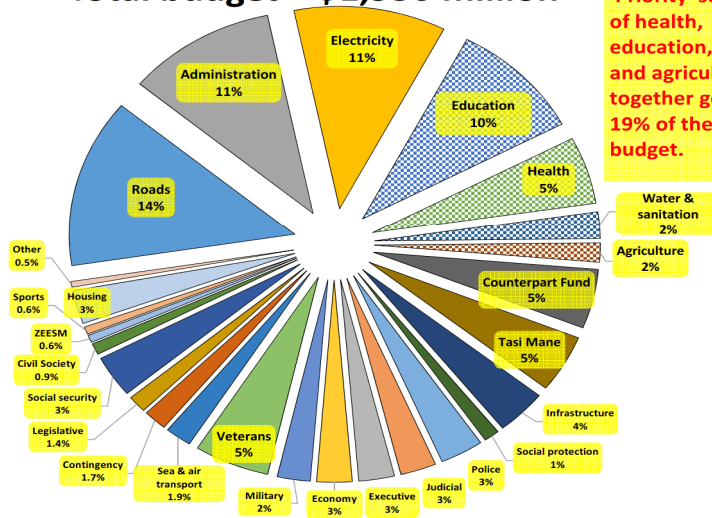
Budgeted & executed spending



The money doesn't match the promises

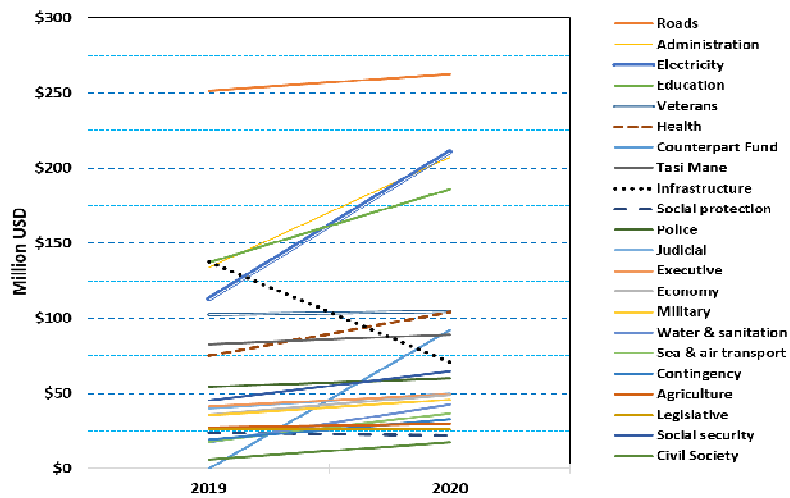
Category breakdown for 2020
Total budget = \$1,950 million

The government's 'Priority' sectors of health, education, water and agriculture all together get only 19% of the budget.



Little investment in human resources

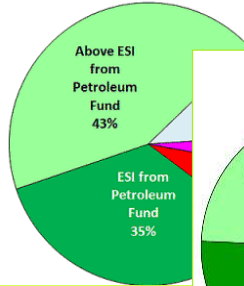
Categories over time



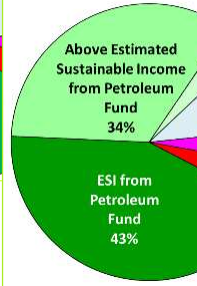
Graph by Lu'a Hamutuk based on Ministry of Finance proposed 2020 Budget Law and Books, October 2019

Income in state budget

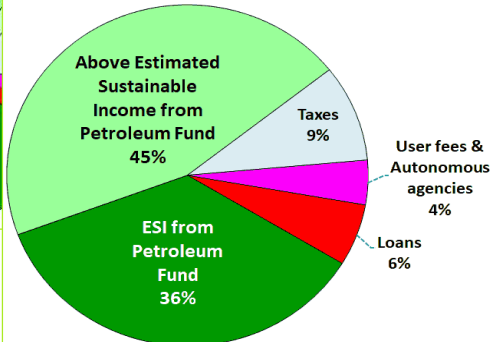
Revenue sources in proposed 2017 State Budget
\$1,387 million total



Revenue budgeted for 2018
\$1,277 million total

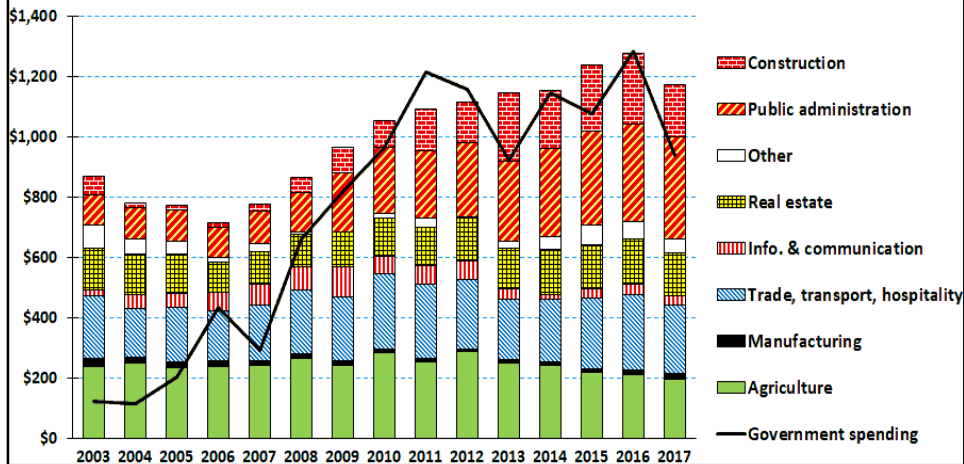


Revenues in 2019 State Budget
\$1,482 million total



**The non-oil, non-state GDP per capita is stagnant.
Productive sectors have not grown since independence.**

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



How LH roles in policy advocacy work and public education

- Consistently providing fact-based analysis information to policy makers and public.
- Influencing policies with alternative views to help government make long-term sustainable policy decisions
- Public campaigning and education through LH media including: Publication on LH webpage and blog, Submissions to Parliament and Government, *Bulletin*, Popular Letter, Radio Programs, Public meetings, give briefings and presentations, write articles, join and take part in national and international academic conferences etc....

Our engagement in policy decision making processes and public education



Discussions in communities



La'o Hamutuk **surat popular**

Ita labele husik dezenvolventu estraga ita-nia moris no ambiente

Projetu boot bele halo impaktu ba rai, tasi, ai-horis, bee, no ár.
Nune'e estraga ita-nia saúde no oportunidade buka moris.
Esperiénsia husi rai seluk hatudu dezastre ne'ebé ita bele evita.





Visit: www.laohamutuk.org

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Brent Crude Oil
\$60.75 ▼ -0.03 -0.06%

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- Oct 2019: [State budget for 2020](#)
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- LH Submission to Australian Parliament (also Tetum); also LH letter to ROTL Parliament (also Tetum)
- Sep 2019: [Buying into Greater Sunrise at the cost of prudence and good governance](#)
- Aug 2019 blog: [Invitation to Solidarity Conference and MKOTT exhibition](#)
- Aug 2019: [2019 TL and Development Partners Meeting](#)
- Aug 2019: [Extractive Industries Transparency Initiative \(EITI\) in Timor-Leste: reports and background](#)
- Aug 2019: [U.S. Millennium Challenge Corporation \(MCC\) to re-engage in Timor-Leste](#)
- June 2019: [Presentation on 19 Years of La'o Hamutuk history \(also PDF\)](#)
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 - [Implicasion husi Projeitu Greater Sunrise no Projeitu Tasi Mane ba Sustentabilidade Finansa Estadu \(moos PDF\)](#)
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 - [Solidarity in the Field: Observing Timor-Leste's Popular Consultation \(also PDF\)](#)
- June 2019: [Rights and Sustainability: LH briefing on key issues facing TL, 20 MB Powerpoint or 7 MB PDF](#)
- May 2019: [Paper: After the oil runs dry: Timor-Leste economics and government finances](#)
- [New 2019 La'o Hamutuk Annual Report for 2019](#)

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