

Mid-Year Report La'o Hamutuk January – June 2019

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 and Situational Context

La'ó Hamutuk (“Walking Together” in English) is an independent, Timor-Leste non-governmental organization which monitors, analyzes and reports on development processes in Timor-Leste, particularly the programs and policies of the national government and international agencies operating in the country. La'ó Hamutuk produces fact-based analysis to educate the public on decisions being made by its representatives. We consult with and lobby decision makers in Government, Parliament and international agencies to advocate for more equitable, sustainable and people-focused policies.

Since 2018 Timor-Leste has been governed by a Coalition of political parties, the AMP, while executive power has rested with the President Francisco Guterres, ‘Lu Olo’ from opposition party Fretilin. This situation has created the possibility for friction between Parliament and the President; the President declined to swear in eight of the Ministers that Prime Minister Taur Matan Ruak appointed after the May 2018 elections, and three of these Ministries remain occupied by temporary appointments while corruption allegations against the appointed Ministers remain unresolved. The President used his veto power to force revisions to the 2019 budget.

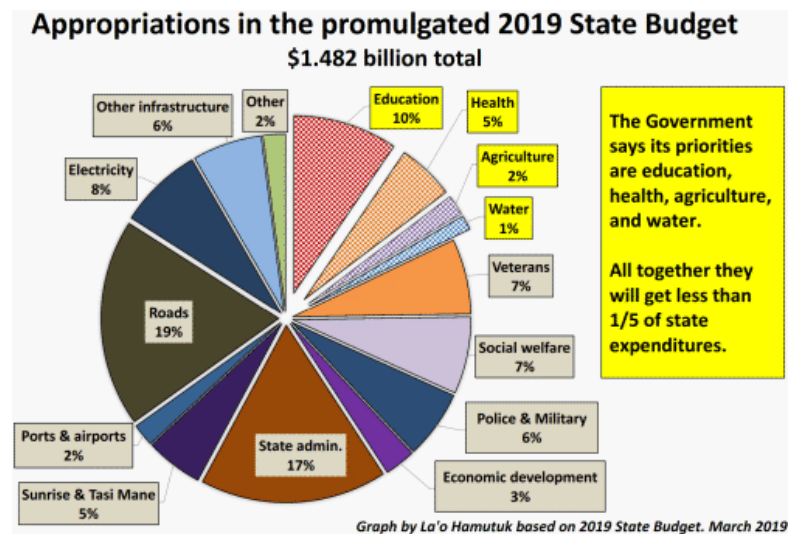
Although the current structure of Parliament could allow for substantive debate between the Government and Opposition, in the first six months of 2019 we unfortunately did not see in-depth parliamentary or community debates about matters of national importance. Major changes to the Petroleum Activities Law were introduced in November 2018 with no community consultation and a brief and insubstantial period of Parliamentary consideration. In January 2019 these amendments overcame Presidential veto and were enacted.

In September 2018, Timor-Leste agreed to purchase both ConocoPhillips’ (30%) and Shell’s (26.56%) shares of the Greater Sunrise oil and gas field for a combined \$650 million. Both ConocoPhillips and Shell believed it was more profitable to pipe the gas from Greater Sunrise to the existing Darwin LNG plant in Australia and were opposed to the Timor-Leste LNG option. In mid-April Timor-Leste paid both companies and became official owners of 56.56% of the Greater Sunrise Joint Venture. This entitles Timor-Leste to 56.56% of the profits, as well as obligates them to pay 56.56% of the upstream development costs.

The \$650 million was in the \$2.1 billion 2019 State Budget passed by Parliament at the end of 2018, the largest in the nation’s history. As La'ó Hamutuk and others recommended,¹ President Francisco Guterres ‘Lú Olo’ vetoed the budget in January, citing unsustainability of state finances, lack of attention to economic diversification, and a high budget imbalance, amongst other reasons. Parliament then removed the \$650 million for Sunrise from the budget (it was to be loaned directly from the Petroleum Fund to the TimorGAP National Oil Company, circumventing the democratic budget process). The revised 2019 Budget came into effect in February; it allocates less than 20% to education, health, agriculture and water combined. The State Budget appropriations to basic services are insufficient to confront the low educational attainment, widespread malnutrition and unreliable access to clean water.

¹ <http://www.laohamutuk.org/econ/OGE19/LHSubPNOJE2019-29Nov18en.pdf>

The 2019 Budget exemplifies the Government's prioritization of large infrastructure projects over improving access to basic services or diversifying the economy. Approximately 70% of the population lives in rural areas and a majority work in subsistence agriculture. Adequate investment in this sector could help many people escape from poverty, create jobs for the young population, reduce dependency on imports, improve food security and sovereignty, and could combat malnutrition through emphasis on native nutritious foods.



The Government continues to focus on megaprojects, especially the Tasi Mane petroleum infrastructure project on the south coast, but there has not been an independent, objective, cost/benefit/risk analysis of different alternatives to know if it is optimal or beneficial. We estimate Timor-Leste's share of its capital cost at \$15-\$20 billion, which could threaten Timor-Leste's financial sustainability. This amount is equal to Timor-Leste's entire Petroleum Fund, which was intended to provide security and underwrite government activities for current and future generations.

The following are some major results of our work between January and June 2019:

- After consulting with La'o Hamutuk the President vetoed the proposed 2019 State Budget, citing many of the reasons we had raised with him, and Parliament removed the money to buy into Greater Sunrise from the budget.
- La'o Hamutuk was interviewed and cited more than 44 times in national and international media.
- La'o Hamutuk's analysis was communicated effectively to a range of civil society, academic, community, and government groups and we observed greater interest in and discussion of sustainable economic development.

Program Activities

During the first half of 2019, La'o Hamutuk continued to monitor, research and analyze the activities of the Timor-Leste Government and international agencies. We published our analyses, participated in public events, and provided consultations to help educate both the people of Timor-Leste and government officials. La'o Hamutuk believes that an informed and participatory public, as well as evidence-based decision-making are essential for Timor-Leste's development.

Throughout these six months, many organizations and individuals continued to rely on La'o Hamutuk as one of the few sources of reliable, independent, and factual information. Many policy-makers, local and international researchers, journalists,

academics, civil society, and development partners used our materials or asked for our perspective and expertise on Timor-Leste's economic and social context.

La'ó Hamutuk gave many interviews to local and international journalists, and appeared as panelists and moderators during public and televised debates. La'ó Hamutuk staff members were interviewed on RTTL-TV and radio, GMN TV, ABC Radio Australia, the Guardian, and many more. We gave presentations on economic sustainability, petroleum dependency, and agriculture to a range of audiences, including ambassadors, academic groups, international development organizations and Government.

We published many updates and new pages on our website (www.laohamutuk.org), in both Tetum and English. We also continued to add information to our Reference page.² Major new pages or updates published in the first half of 2019 include:

- Produced Misinformation and Facts about the Greater Sunrise LNG project, clarifying misconceptions that were repeatedly reported in the media.³
- Updated the 2019 State Budget page more than 15 times while the budget was debated, finalized, and implemented.
- Updated the page on the proposed Anti-Corruption Law as the consultation process continued, including our submission and testimony to Committee A.
- Updated the page on the maritime boundary dispute with Australia many times about the evolving Australian prosecution of whistle-blowers Witness K and Bernard Collaery, as well the Treaty ratification process.
- Added new presentations and updated Rights and Sustainability presentation.
- Updated the page on Timor-Leste buying into the Greater Sunrise LNG project⁴ more than 20 times as the project, legislation and international attention evolved.

During the first half of 2019, people accessed our webpages an average of 20,000 times every day. Many of our webpages and articles are reposted on online journals, blogs and other media, so our actual readership is larger than our data indicates.

During the six-month period, our blog (laohamutuk.blogspot.com) was viewed 40,700 times.

We also produced two Tetum-language radio programs, which were broadcast on seven community radio stations in rural areas:⁵

Date	Topic	Participants
Feb. 2019	Sunrise and Tasi Mane Project	Virginia Ana Belo (President of Committee D, National Parliament), Celestino Gusmão (LH).
Feb. 2019	Research Report on Land Registration (Analysis of the Impact of the National Cadastral System)	Mariano Ferreira (LH), Hortensio Pedro Vieira (Secretary-General of the Land Network), Ines Noronha Martins (Land Network Board and Oxfam staff).

² <http://www.laohamutuk.org/DVD/DVDIndexEn.htm> or <http://www.laohamutuk.org/DVD/DVDIndexTe.htm>

³ <http://laohamutuk.blogspot.com/2019/01/misinformation-and-facts-about-greater.html>

⁴ <http://www.laohamutuk.org/Oil/Sunrise/18SunriseBuyout.htm>

⁵ <http://www.laohamutuk.org/media/radio.htm>

Analysis, Monitoring and Research

Economy and natural resources

State Budget, economy and fiscal sustainability

The budgetary process for the 2019 State Budget was slightly postponed due to the 2018 elections. Parliament passed the budget on 22 December and sent it to the President for promulgation. Since the President had not promulgated the budget by 1 January, the duo-decimal system came into effect.

In the beginning of January, La'o Hamutuk and other civil society groups met with the president to express our concerns, including inadequate allocation to basic services and that it made state finances less sustainable. The President vetoed the budget at the end of January, citing many of the concerns that we had raised. The next week, Parliament removed the \$650 million included to buy out ConocoPhillips and Shell from the Greater Sunrise Joint Venture (this was later done by direct investment from the Petroleum Fund to TimorGAP, the national petroleum company). The President promulgated the amended version, and the 2019 State Budget came into force in mid-February.

La'o Hamutuk repeatedly updated our 2019 State Budget webpage,⁶ creating graphics describing the budget breakdown to help people understand how their money is being spent. We raised concerns with politicians, civil society, academics, and the public that less than 20% of the budget is allocated to education, health, agriculture and water – sectors the Government calls priorities but which receive insufficient physical and human resources, and are vital to improving people's lives and developing the country.

La'o Hamutuk continued to research, monitor and publish updates⁷ on the Petroleum Fund, whose investments had a strong recovery in the first quarter of 2019 after losing more than \$800 million towards the end of 2018. We continued to meet with members of government, policy-makers, and others, expressing our concerns that withdrawals from the Petroleum Fund far exceed the Estimated Sustainable Income (ESI) and threaten Timor-Leste's fiscal sustainability, and that recent changes to Petroleum Fund investment strategy and safeguards further endanger the Fund. The 2019 State Budget plans to withdraw \$1.2 billion, more than double the ESI of \$529 million. With production from Bayu-Undan nearly finished and any potential revenues from the development of Greater Sunrise still in the distant future, Timor-Leste needs to maintain its financial security by preserving its Petroleum Fund.

If high withdrawals continue, La'o Hamutuk projects that the Petroleum Fund may be entirely depleted before 2030. We will continue to engage with the Petroleum Fund managers at the Central Bank, as well as with government (especially the Ministry of Finance) and Parliament to encourage responsible and sustainable spending.

Throughout the first half of 2019, we gave many presentations on Timor-Leste's state finances. In April, La'o Hamutuk staff presented to Flinders and Swinburne Universities on the consequences of Timor-Leste's dependency on oil and gas.⁸ In May and June, we gave presentations to the Oxfam staff in Dili, the new leadership of The Asia Foundation,

⁶ <http://www.laohamutuk.org/econ/OGE19/18OGE19.htm>

⁷ <http://www.laohamutuk.org/Oil/PetFund/05PFIndex.htm>

⁸ <http://www.laohamutuk.org/econ/briefing/ScheinerFlindersApr2019.pdf>

and the Disability Association on the history of state finances and our analysis of the state budget. In June, two of our staff presented on the impact of the Tasi Mane project on state financial sustainability at the Timor-Leste Studies Association.⁹

Greater Sunrise, the Tasi Mane Project and Petroleum Activities Law Amendments

In January, Parliament began discussing overriding the Presidential veto of revisions to the Petroleum Activities Law which would undermine safeguards on petroleum operations and allow the Petroleum Fund to be invested inside Timor-Leste. La'o Hamutuk analyzed and explained these complex issues, including observing Parliamentary discussions. We warned about the consequences of weakening our legal framework in the petroleum sector, such as reduced transparency, financial risk, fewer checks and balances, corruption and financial sustainability. Nevertheless, the Governing coalition's Parliamentary majority overrode the veto, and the changes survived a court challenge from the Parliamentary opposition. To address widespread misunderstandings and inaccurate reporting, we engaged with many journalists and officials, and wrote and updated an article *Misinformation and facts about the Greater Sunrise Project*.¹⁰

As a result of these amendments, \$650 million was loaned from the Petroleum Fund to TimorGAP in April to purchase ConocoPhillips' and Shell's shares in the Greater Sunrise Joint Venture, making Timor-Leste the majority owner of this prospective offshore gas and oil project.

In February, we presented on this topic at a public meeting organized by FONGTIL.¹¹ This public meeting was attended by many academics and members of civil society, and we expect that through this presentation, and others like it, we may increase public awareness of the data and facts on the Tasi Mane Project.

In June, our staff presented on the implications of the changes to the Petroleum Fund at the Timor-Leste Studies Association. This presentation included a history of the Petroleum Fund, a detailed analysis of the changes to the legal framework, and the possible implications of recent and prospective changes.¹²

La'o Hamutuk continued to monitor the promotion and implementation of the Tasi Mane Project by the national oil company, TimorGAP, and clarified the issues with policy makers and journalists, as well as on our website and in many publications.¹³

Transparency and accountability

La'o Hamutuk continued to urge the Government to practice and improve transparency and accountability throughout the reporting period. We reaffirmed our commitment to work with the International Budget Partnership, and two staff went to a Washington D.C. training on conducting the Open Budget Survey. We completed the extensive questionnaire for the 2018 OBS, and will circulate the reports when they are published.

⁹ <http://www.laohamutuk.org/misc/TLSA2019/ImplikasaunGSRsustentabilidadeTLSA.pdf>

¹⁰ <http://laohamutuk.blogspot.com/2019/01/misinformation-and-facts-about-greater.html>

¹¹ <http://www.laohamutuk.org/Oil/Sunrise/2019/AprezSunrise1Feb2019.pdf>

¹² <http://www.laohamutuk.org/misc/TLSA2019/ChangesPetrolFund.pdf>

¹³ <http://www.laohamutuk.org/Oil/Sunrise/18SunriseBuyout.htm>

We also continued to monitor Timor-Leste's participation in the Extractive Industries Transparency Initiative (EITI) and publish updates on our webpage.¹⁴ We supported a global campaign for EITI to include contract transparency in the new 2019 standard, which they later did. We attended the EITI Global Conference in Paris, where the new Standard was introduced. We participated in many seminars, discussions and debates regarding transparency and data accessibility in the petroleum sector. We also met with representatives of government and raised concerns regarding the importance of implementing an EITI legal framework, publishing EITI reports on time, and resolving ongoing problems with the transparency and procurement portals.

Maritime boundary

After 20 years of campaigning by La'o Hamutuk and others, Australia and Timor-Leste signed a Maritime Boundary Treaty in March 2018, but neither country had ratified it by mid-2019. La'o Hamutuk frequently updated our webpage on the boundary issue with a wide range of materials,¹⁵ and gave many interviews to national and international media. We continued to oppose Australia's prosecution of whistleblowers Witness K and Bernard Collaery. As a key member of the Movement Against the Occupation of the Timor Sea (MKOTT), we stand in solidarity with Witness K and Collaery and demand that the Australian Government drop all charges.

Many international media cited La'o Hamutuk's analysis of the nearly \$100 million dollars Australia has received from the Bayu-Undan oil and gas field in the Timor sea since the Maritime Boundary Treaty was signed. We advocated for both governments to ratify the treaty as soon as possible and for Australia to return the money it has received from oil and gas in waters it now acknowledges rightfully belong to Timor-Leste – about \$5 billion since the end of the Indonesian occupation.

Environment

During the first half of 2019, La'o Hamutuk continued to collaborate with the National Directorate for Pollution Control and Environmental Impact (DNCPIA) to monitor the intermittent implementation of environmental licensing laws and compliance (or lack thereof) by project builders.

In February, we were invited to participate in the United Nations Development Program's public consultation on a zero plastic policy. We organized the Environmental Care Group to attend this consultation and shared our ideas with other experts and leaders in the field.

In March, we gave a presentation on environmental concerns in Timor-Leste's development process at the World Water Day commemoration. We also organized a workshop in Metinaro with local youth on the environmental laws and the impact of development projects on their surrounding environment.

In April, we wrote to the UN Special Rapporteur on the Rights of Indigenous Peoples when she visited Dili, discussing the impact of the Tasi Mane project on the environment, community land, and the sustainability of communities' livelihoods. We

¹⁴ <http://www.laohamutuk.org/Oil/EITI/10EITIindex.htm>

¹⁵ <http://www.laohamutuk.org/Oil/Boundary/18ConcilTreaty.htm>

also met with her and her team about the impact of the Tasi Mane project on local communities in Suai.

We were requested by many different groups to give presentations and briefings on developing Timor-Leste with respect to the environment, including the Association of Disabled People and many student groups.

Statistics and data on Timor-Leste

We continued to communicate with government, international agencies and journalists to try to make statistics and data relating to Timor-Leste more accurate. This included monitoring petroleum production and revenue reports and bringing discrepancies to the attention of the ANPM and Central Bank, researching and fact-checking drafts and articles in the international media, and analyzing reports produced by the World Bank, IMF, Directorate-General for Statistics and others.

In April, we met with the U.S. government's Millennium Challenge Corporation to share our perspective on ways to improve the business enabling environment, which is a key part of their current Compact program. We suggested ways for them to make their program more beneficial for the most vulnerable and less privileged people of the country. A La'o Hamutuk staffer was interviewed along with the government's MCC director on GMN-TV's hour-long interview program. We also provided comments on numerous academic papers and international reports.

During the first half of 2019, La'o Hamutuk met with a number of foreign diplomats and newcomers to Timor-Leste to improve their understanding of the economic and social context. We providing briefings for ambassadors and diplomats from Austria, Norway, Switzerland, and Canada, as well as to many international research groups, academics and international NGOs. We also met frequently with economists from the ADB, World Bank and the IMF, sharing information and encouraging them to prioritize more equitable and sustainable development.

Agriculture

Food sovereignty and sustainable agriculture

We continued to monitor the development and implementation of international projects in Timor-Leste, including the United States Department of Agriculture's Food Aid program. We have continued to collaborate with the Sustainable Agriculture Network (HASATIL) and other organization to monitor international agencies such as Care International and Mercy Corps, and coordinate plans for collaborative monitoring and advocacy for the second half of 2019.

In March, we participated in the national workshop on the Pesticide Decree-Law and were asked to provide our input to the Food and Agriculture Organization (FAO) and Ministry of Agriculture and Fisheries (MAF). We sent them a submission outlining our analysis of the law, and updated our webpage with new information and documents.¹⁶

We also updated our webpage with data and information on food production in Timor-Leste based on government and international agencies' reports.

¹⁶ <http://www.laohamutuk.org/Agri/2017/17AgricPolicy.htm>

Small Agriculture Processing Industry

During the first half of 2019, La'o Hamutuk completed our research on food processing industries in five municipalities: Ainaro, Baucau, Bobonaro, Covalima, and Dili. We wrote a paper summarizing our findings and presented this research at the Timor-Leste Studies Association conference in Dili in June.¹⁷ We also shared our findings with media, government, academic and activist networks.

In April, we shared our analysis on small industries with MAF as they develop a plan to provide better support for small industries in the near future.

Land rights

Throughout the first half of 2019, we continued to be active in the Land Network (Rede ba Rai) and organized many events and meetings between the Land Network and other relevant entities, such as academics, activists, and members of Government.

We continued to monitor the implementation of the Land Laws and the drafting of necessary complementary laws. We met with the director of the National Directorate for Legal Advice and Legislation (DNAJL) and the Ministry of Justice to share our perspective on the draft complementary laws, and will continue to collaborate with the relevant institutions as these laws are finalized and implemented.

The National Cadastral System (SNC), a joint program of GMN Holding (Timor-Leste) and ARM APRIZE (Portugal), has been managing the land registration process in Timor-Leste since 2014. In 2018, we began a large-scale research project in collaboration with the Land Network to investigate the strengths, weaknesses and impacts of the SNC in nine municipalities. The results of this research were published in June 2019 and distributed to members of government, national parliament, civil society, and international organizations in Dili including the United Nations. Some of the key findings include: the lack of transparency in land registration data contradicts the Land Law 13/2017, the land registration process threatens the existence of customary land, and the process has failed to conduct a public awareness campaign to communities about their land rights.

We gave a presentation based on our SNC research to the Special Rapporteur on the Rights of Indigenous Peoples during her visit to Timor-Leste. Her preliminary report included many of our recommendations; the final report is expected to be published in September.

In June, we gave a presentation at the Timor-Leste Studies Association on 'Land Registration in Timor-Leste: Analysis of the impact of SNC.'¹⁸ We also organized and presented at an event to launch our report on land registration in Suai.

Throughout the first six months of 2019, we gave many interviews to national and international media on the impact of the land laws and land registration, as well as sharing our perspectives with many researchers, academics and others.

¹⁷ <http://www.laohamutuk.org/misc/TLSA2019/TLSAPotensiaIndustriaKiik27Jun2019.pdf>

¹⁸ <http://www.laohamutuk.org/misc/TLSA2019/TLSALandRejistrasaunSNC.pdf>

Governance and Democracy

Education

Towards the end of 2018, we published a new webpage on CAFÉ Schools, including their history, their performance relative to non-CAFÉ schools, and recommendations for the future. We updated this webpage in January, and received a letter from the National Directorate of the CAFÉ project under the Minister of Education, Youth and Sport. In May, we wrote back to them, confirming and clarifying our analysis and data.

In March, we gave a presentation at an NGO Forum event entitled 'Dreams and Reality for the Education Sector in Timor-Leste.'¹⁹ We presented the history of insufficient budgetary allocations to education, juxtaposed against governments' promises to prioritize basic services, including education. We also made recommendations on budget, curriculum, and education policies.

Corruption

In the first half of 2019, we continued to monitor the development of the Anti-Corruption law. We testified in National Parliament and presented our submission to Committee A.²⁰

In March, our staff participated in a national televised debate on the draft anti-corruption law aired on Education Television (TVE), in which we raised many of the concerns in our submission. Other participants represented Parliament, the Anti-Corruption Commission, General Prosecutor and civil society.

Also in March, we gave a presentation to approximately 25 journalists, including the government's media officer, on state finances and corruption at a training organized by the European Union. This presentation looked at how civil society organizations contribute to policy decisions related to public expenditure, as well as how media and civil society groups can help combat corruption in Timor-Leste.

Human rights

During the first half of 2019, we began planning the International Festival on Human Rights in collaboration with Oxfam. The Festival will take place in Dili in August and will also celebrate the 20th anniversary of the referendum.

In January, we supported the Timorese community in Oecusse to respond to allegations of abuse against Father Richard Daschbach. We reached out to foreign supporters of the Topu Honis Oecusse orphanage and encouraged them to rethink their strategy in the aftermath of this scandal, which they did.

In November 2018, an off-duty police officer opened fire at a party in Kuluhun, killing three and injuring five people. In February, we met with the families of victims of the Kuluhun tragedy in an act of solidarity, and coordinated a discussion between the families and the Human Rights Defenders Network in Dili to begin collecting information on the case. We also accompanied the families in a meeting with the hospital health officer to get the victims' medical reports so we could advocate for the

¹⁹ <http://www.laohamutuk.org/educ/2019/AnalizaOrsamentuEdukasaun21Mar2019.pdf>

²⁰ <http://www.laohamutuk.org/econ/corruption/2019/SubLHLeiAntiKorupsaun1Mar2019te.pdf>

government to support the victim's treatment overseas. In collaboration with the Human Right's Defenders Network, we organized a press conference to report our findings and to continue to ask the government to fulfill their responsibility to support the victims of the Kuluhun tragedy.

Two La'ó Hamutuk staff participated in the Women's March in Washington on the anniversary of Donald Trump's inauguration.

La'ó Hamutuk continues to raise the issue of impunity for crimes committed by Indonesian forces between 1975 and 1999 with PDHJ (Ombudsman for Human Rights and Justice), the Public Prosecutor, international diplomats, UN representatives and other relevant entities.

We remain active in the Human Right's Defenders Network. We continue to work closely and share information with those in this Network, as well as with the U.N. Office on Human Rights and PDHJ. La'ó Hamutuk joined other civil society groups plan a celebration to mark 20 years since the independence referendum on 30 of August 1999, including a Solidarity Conference. This event will bring international solidarity activists to Dili for three days of events, looking back at the history of solidarity for Timor-Leste, and also looking ahead to the urgent global issues that demand solidarity today.

La'ó Hamutuk's Networks

Timor-Leste Networks

- Rede ba Rai (Land Network)
- HASATIL (Sustainable Agriculture Network)
- Core Group on Transparency (CGT)
- National Alliance for an International Tribunal (ANTI)
- Street Vendor's Rights Solidarity Group (informal)
- FONGTIL (Timor-Leste NGO Forum)
- MKOTT (Movement Against the Occupation of the Timor Sea)
- Human Rights Defenders Network
- Klibur Solidariedade (Solidarity Association)
- Klibur Hadomi Ambiente
- Feminist Group Timor-Leste
- Advocacy Network for Education

International Networks

- International Budget Partnership
- Extractive Industries Transparency Initiative (EITI)
- International solidarity and human rights organizations, including ETAN, APCET, IKOHI, TAPOL, and Human Rights Watch
- Timor Sea Justice Campaign, Australia
- Timor-Leste Studies Association (TLSA)
- Publish What You Pay (PWYP)

Organizational Report

During the first half of 2019, La'ó Hamutuk research staff included Adilson da Costa, Berta Antonieta, Bree Ahrens, Carly Munnelly, Celestino Gusmão, Charles Scheiner, Eliziaria Febe Gomes, Mariano Ferreira and Marta da Silva. Our Finance Officer was Ricarda Martins, and Assistant in Finance and Administration was Martinha Fernandes. We also have three security employees and one cleaner.

Carly worked part time from abroad. Charles mostly worked part-time from the U.S. and came to Dili in May and June for six weeks.

La'o Hamutuk had a number of changes in staffing during this reporting period. Pamela Sexton left, Carly moved to work part-time remotely, and Bree was hired.

We also welcomed two international interns, Baptiste Fondin and Hannah Westfall, worked with the economic and finance team.

We began to recruit new research staff in at the end of last year by sharing a job announcement through local and international networks. We hired Bree to join the State Finances and Economics teams, and she started in May.

At the end of June, we hosted a reception/party in our office to celebrate our 19th anniversary and to bring together local activists and international academics who were in Dili the Timor-Leste Studies Association and UNTL/Victoria University conferences.

We continued to increase the capacity of our staff:

- Two staff went to the International Budget Partnership training held in Washington D.C.
- Charlie gave in-house training on state finances and petroleum issues.
- All staff of La'o Hamutuk also participated a week-long training on Project Monitoring and Evaluation which was facilitated by Kiera Zen from Insight.

We also published our 2018 Annual Report during the beginning of 2019.

Appendix 1. Financial Report

This Mid-Year Report is being written before the end of the 2019 financial year. The figures below are preliminary and may differ from the final version in our Annual Report. All amounts are in U.S. dollars.

During the first half of 2019, we continued to receive project funding from Misereor (\$18,861), general support from the Norwegian embassy (administered by HIVOS, \$27,488), The Asia Foundation (\$6,500), and the Comité catholique contre la faim et pour le développement – CCFD (\$32,873).

Balance Sheet

A more comprehensive balance sheet will be included in our Annual Report.

	Cash & bank balances	General support donors	Project donors (Misereor)	Reserve funds
Balance 31 Dec 2018	79,406	4,500	23,431	51,475
Income Jan-Jun 2019	90,030	66,861	18,869	4,299
Expenses Jan-Jun 2019	69,572	37,186	32,386	0
Balance 30 June 2019	99,864	34,175	9,915	55,774

Revenues received during the first half of 2019

Source	Budget 2019	Half year budget	Actual received	Difference	Explanation
Norway/HIVOS grant	32,500	16,250	27,488	11,238	We received most of the funding for 2019 during this half-year.
CCFD grant	34,000	17,000	32,873	15,873	We received the full year budget.
The Asia Foundation grant	7,500	3,750	6,500	2,750	We received the full year budget.
Misereor project grant	95,900	47,950	18,869	-29,081	We received January-March budget last December so during this reporting period we received April-June.
Additional donor support	2,800	1,400	0	-1,400	We are still looking for new donors.
Grant for commemoration event	7,000	0	0	0	The event will be in the second half of the year
Earned for services	3,000	1,500	3,342	1,842	Payments for LH presentations
Interest, donations and sales	2,100	1,050	957	-93	
Total	184,800	88,900	90,030	1,130	

Expenditures during the first half of 2019

Category	Budgeted (half of 2019)	Actual	Difference	Explanation
I Non-recurrent expenditure				
Capital Equipment	250	166	84	
Move to New office	1,500	0	1,500	We are still in the process of finding a new office
II Staff costs				
Personnel	67,600	56,563	11,037	Some payments that were expected in the first half of the year were deferred to the second half.
Training for staff	250	1136	-886	We sent staff to the U.S. for IBP training which was more expensive than the local trainings we normally attend
III Project activities				
Bulletin	1,000	0	1,000	We pushed the <i>Bulletin</i> production back to the second half of the year
Public Meeting	1,350	0	1,350	We did not hold any public meetings
Radio Program	850	300	550	Only produced two radio programs
Research	1,750	0	1,750	We did not do research in the districts
Resource Center	500	407	93	
Special event	3,500	0	3,500	This event will be in August
Int'l Conference	750	434	316	Sent staff to the EITI conference in Paris
IV Project administration				
Operations & Supplies	2,150	3,304	-1,154	
Office Rent	5,250	5,250	0	
Transportation	250	323	-73	
Telephone and Internet	2,500	1,689	811	
Audit	2,700	0	2,700	
Miscellaneous Expenses	250	0	250	
Total	92,400	69,572	22,828	

Appendix 2. Media Coverage of La'ó Hamutuk

During the first half of 2019, La'ó Hamutuk was quoted or cited more than 50 times in local and international print and online media. We also participated in many TV and radio interviews, which are listed here.

Title	Date	Medium	Authors	URL	Comment
Veta! Governu Bele Aplika Rejime Duodesimu	7-Jan	Timor Post			Interviews Atino
La'ó Hamutuk nia analiza kona ba sosa partisipasaun husi Conoco no Shell	9-Jan	RTL			Interviews Mariano
Lao Hamutuk husu Avalia Estudu GS no Projetu Tasi Mane	17-Jan	Timor Post			Interviews Atino
OJE 2019 Ba Irigasaun Laiha, MAP: Fo Impaktu Ba Produsaun	18-Jan		Paulina Quintão, TDW	http://www.thediliweekly.com/tl/notisias/dezenvolvimentu/16629-oje-2019-ba-irigasaun-laiha-map-fo-impaktu-ba-produsaun	Interviews Mariano
Sunrise sales process back on	18-Jan	Upstream	Russell Searancke	https://www.upstreamonline.com/live/1678556/sunrise-sales-process-back-on	Cites LH on President promulgating changes to Petroleum Activities Law
Fundu Mina-rai Bele Hotu Molok Dezenvolve GS	21-Jan	Timor Post			Interviews Atino
East Timor's dangerous mix of gas, revenge politics and Chinese money	27-Jan	Michael West blog	Michael Sainsbury	https://www.michaelwest.com.au/east-timors-dangerous-mix-of-gas-revenge-politics-and-chinese-money/	Several citations of LH information
Timor-Leste/President and parliament go head to head in budget showdown	31-Jan	Southeast Asia GLOBE	Sophie Raynor		Interviews Atino and Marta
Timor-Leste in 2018: Political Instability and Economic Decline.	Jan-Feb	Asian Survey	Rui Graça Feijó	http://as.ucpress.edu/content/59/1/215	Cites LH on petroleum dependency
Parliamentary Delegation to the Democratic Republic of Timor-Leste	Feb	Australian Parliamentary official report	Australian Parliament	https://www.aph.gov.au/~media/05%20About%20Parliament/International%20program/Outgoing%20delegations%2045th%20Parliament/190208%20Delegation%20to%20Timor-Leste%20FINAL%20Report.pdf	Cites LH asking Australia to reimburse past oil revenues
Repopulating Timor-Leste	8-Feb	New Naratif	Sophie Raynor	https://newnaratif.com/journalism/repopulating-timor-leste/share/rgna/877b97f69786e0e2235fff97fa92e17d/	Cites LH on 2004 family planning policy
Execution of the 2019 State Budget	14-Feb	RTTL-TV Sala Redasaun		https://youtu.be/h0BRwX9rglg	Atino is a panelist
Saida mak LH nia hanoin kona ba Ekonomia ki'ik ne'ebé ema estranjeiru barak halo iha Timor-Leste	14-Feb	RTL/Fokus bahasa Indonesia	Kika Araujo		Interviews Mariano
Café Dader	20-Feb	RTTL-TV		https://www.youtube.com/watch?v=JK3PwTff70o&feature=youtu.be	One-hour interview with Atino
Independent Timor-Leste: Between Coercion and Consent	March	Cambridge Elements series from Cambridge University Press	Douglas Kammen	https://www.cambridge.org/core/elements/independent-timorleste/3CF0029FAF4481528DBF87CE93CAF1A5	Cites LH analysis many times

Title	Date	Medium	Authors	URL	Comment
Lao Hamutuk Rekomenda Lei Anti Korrupsaun Tenke Aplika Padraun Prevensaun	1-Mar		Julia Chatarina	https://www.laohamutuk.org/eco/corruption/2019/TatoliLHRekomendaLAK1Mar2019.pdf	Publishes LH submission
Politika Oseano	5-Mar	RTTL-Telejornal Kalan (Live Stream)		https://www.youtube.com/watch?v=eqsdOSpODIA&feature=share	Interviews Mariano
Voices: Tasi Mane Petroleum Project Brings Concern, Optimism to Timor-Leste's Southern Coast	11-Mar	Earth Journalism Network	Bernardo da Costa Maia	https://earthjournalism.net/stories/voices-tasi-mane-petroleum-project-brings-concern-optimism-to-timor-leste2019s-southern-coast	Cites LH on land to be used by Suai Supply Base
Timor-Leste Petroleum Industry to be Boosted with Three Industrial Cluster Projects	12-Mar	Devdiscourse		https://www.devdiscourse.com/article/science-environment/441012-timor-leste-petroleum-industry-to-be-boosted-with-three-industrial-cluster-projects	Cites LH on how land for Suai Supply Base was used before
Deputados timorenses exigem responsabilidades a empresa por danos em autoestrada	15-Mar	LUSA	Antonio Sampaio	https://www.dn.pt/lusa/interior/deputados-timorenses-exigem-responsabilidades-a-empresa-por-danos-em-autoestrada-10682467.html	Cites LH on total cost of south coast highway
Fretilin Likely to Appeal High Court's Ruling on Petroleum Fund Use	19-Mar	Independent		https://www.independente.tl/en/economy/fretilin-likely-to-appeal-high-court-s-ruling-on-petroleum-fund-use	Quotes LH
Timor-Leste: Greater Sunrise Project A Long-Term Opportunity With Significant Risks	20-Mar	Fitch Solutions	Macro Research	https://www.fitchsolutions.com/country-risk-sovereigns/economics/timor-leste-greater-sunrise-project-long-term-opportunity-significant-risks-20-03-2019	Cites LH on PF running out
Deskonfia Pagamentu ba Kompania Conoco-Shell Falun ho Interese Politika	1-Apr	Timor Post			Interviews Atino
LH nia hanoin kona ba tata ruang kota dan LH konkorda ho SEMA halo pemankasan ba ai-hun boot sira iha Dili laran	8-Apr	Fokus berita bahasa Indonesia	Kika Araujo		Interviews Mariano on Radio RTTL
Australia accused of 'siphoning' millions in Timor-Leste oil revenue	16-Apr	The Guardian Australia	Helen Davidson	https://www.theguardian.com/world/2019/apr/16/australia-accused-of-siphoning-millions-in-timor-leste-oil-revenue	Cites LH on what the money could have been used for.
Australia accused of 'siphoning' millions in Timor-Leste oil revenue	17-Apr	BBC Radio News			Cites LH on what the money could have been used for.
Pacific Mornings Wednesday	17-Apr	ABC Radio	Anthony Stewart	https://www.abc.net.au/radio-australia/programs/pacificmornings/pacific-mornings-wednesday/11023728	Quotes Berta on foregone revenue
Australia taps East Timor oil	17-Apr	The Saturday Paper	Alex McKinnon	https://www.thesaturdaypaper.com.au/thebriefing/2019/04/17	Quotes Charlie on foregone revenue
All about the oil: a history of Australia's relationship with Timor-Leste	17-Apr	Crikey blog	Kishor Napier-Raman	https://www.crikey.com.au/2019/04/17/all-about-the-oil-a-history-of-australias-relationship-with-timor-leste	Cites LH on how much money Australia has taken from TL
Timor-Leste ex-leader Jose Ramos-Horta expects Australia to pay back 'millions' in oil revenue	22-Apr	ABC News website	A. Schetzer, J. Fennell and S. Dziedzic	https://www.abc.net.au/news/2019-04-22/australia-expected-to-pay-back-24100-million-to-timor-leste/11035232	Cites LH about how much has been taken from Laminaria-Corallina

Title	Date	Medium	Authors	URL	Comment
Governu Presiza Avalia Mega Projetu Tasi Mane	25-Apr	Timor Post			Interviews Atino and Berta
La'o Hamutuk: Governo precisa de avaliar megaprojeto da costa sul	26-Apr	Timor Post			Interviews Atino
LH Xefe Estadu Presiza Hatene Dokumentus Legal Sosa Asaun Conoco-Shell	29-Apr	Independent e	Cristina Ximenes		Interviews Atino
Programa aktualidade LH nia hanoin kona ba oinsa promove produto lokal	29-Apr	RTL			Interviews Mariano
Funding fails to filter down to most needy on farms of Timor-Leste	7-May	Irish Times	Darragh Murphy	https://www.irishtimes.com/news/world/asia-pacific/funding-fails-to-filter-down-to-most-needy-on-farms-of-timor-leste-1.3882712	Quotes Adilson on misguided budget priorities
ONG Lao Hamutuk tuir Prozisaun 2024 Mina no Gas Sei Maran	28-May	RTTL/Radio Televisaun Timor Leste	Humberto		Interviews Atino
Projetu Tasi Mane Sei fo Ameasa FP	29-May	Timor Post			Interviews Febe
Programa Sala Redasaun Dezenvolvimentu Setór Ekonómiku Tinan Lima Mai	29-May	RTTL/Radio Televisaun	Aniceto Dos Reis		Interviews Adilson
LH Alokasaun OJE Tenke Refleta Prioridade	30-May	Timor Post	Fio		Interviews Febe
Programa ita nia bainaka Saida mak Impede PN hodi la debate relatóriu no paresér KIP iha Plenaria	6-Jun	RTTL/Radio Televisaun	Francisca da Silva		Interviews Adilson
Programa Grande Entrevista/Beneficio MCC mai Timor-Leste	10-Jun	GMN TV	Expedito Ximenes		Interviews Febe
Programa Timor-Leste Diskute debate kona ba Relatóriu Komisaun Inkéritu Parlamentár	10-Jun	TVE	Juvinal Diaz		Interviews Adilson
Relatóriu Peskiza Rede ba Rai: SNC Tenke Hapara Servisu	18-Jun	Tatoli	Julia Chatarina	http://www.tatoli.tl/2019/06/relatoriu-peskiza-rede-ba-rai-snc-tenke-hapara-servisu/	Interviews Mariano
Lansa Relatóriu peskiza rejistrasaun rai	19-Jun	GMN/TV			Interviews Mariano
Lansa Relatóriu Peskiza rejistrasaun rai	19-Jun	RTTL/Radio Televisaun			Interviews Mariano
Governu Prioridade Projetu Duke Povu	21-Jun	STL	Salustino		Interviews Atino
SNC Viola Rekeзитus	21-Jun	STL			Interviews Mariano
Rede Ba Rai Husu Governu Hapara Prosesu Rejistu Ba Rai	25-Jun		Paulina Quintão, TDW	http://www.thediliweekly.com/tl/noticias/17128-rede-ba-rai-husu-governu-hapara-prosesu-rejistu-ba-rai	Interviews Mariano
ONG La'o Hamutuk Husu Governu Asegura Fundu Petroliferu	26-Jun	Timor Post			Interviews Atino
La'o Hamutuk Apresia Estadu ba Ratifikasaun FM	28-Jun	Timor Post			Interviews Atino

Appendix 3. Presentations and programs by La'o Hamutuk

During the first half of 2019, La'o Hamutuk held many events, trainings and briefings. Many of our presentations are on our website.²¹

Topic	Date	Speaker(s) from LH	Event
Rights and Sustainability in Timor-Leste's Development	Jan	Adilson	Briefing to incoming AVI volunteers
The Greater Sunrise Project	Feb	Celestino	Discussion organized by FONGTIL
Dreams and Reality of the Education Sector in Timor-Leste	March	Febe and Celestino	Discussion organized by FONGTIL on state budget
CSO's contribution to political decisions in the public sphere: corruption	April	Marta	Training for journalists organized by PFMO
CSO's contribution to the public sphere: state budget	April	Febe	Training for journalists organized by PFMO
Timor-Leste's Petroleum-dependent Economy and State Budget	April	Charlie	Timor-Leste intensive at Flinders & Swinburne universities
Government Policies in the General State Budget	May	Febe	Presentation to Oxfam staff
General State Budget Trends	May	Febe	Presentation to the Disability Association of Timor-Leste
Rights and Sustainability in Timor-Leste's Development	May	Adilson	Briefing to incoming AVI volunteers
Social and Economic Rights during the past 20 years	May		Presentation to the Network of Human Rights Defenders
Solidarity in the Field: Observing Timor-Leste's Popular Consultation	June	Charlie	Timor-Leste Studies Association conference in Dili
Land Registration in Timor-Leste: Analysis of the impact of SNC	June	Mariano	Timor-Leste Studies Association conference in Dili
Challenges and Potential of Small Agricultural Processing Industry in Timor-Leste	June	Adilson	Timor-Leste Studies Association conference in Dili
Implications of Recent Changes to Timor-Leste's Petroleum Fund	June	Charlie	Timor-Leste Studies Association conference in Dili
Implication of the Greater Sunrise and Tasi Mane Projects on the Sustainability of State Finances	June	Febe and Bree	the Timor-Leste Studies Association conference in Dili
History of La'o Hamutuk over 19 years	June	Charlie	Presentation at the La'o Hamutuk anniversary party

²¹ <http://www.laohamutuk.org/pres.htm>