

# **Mining in Timor-Leste: Economic opportunity or threat to people's lives?**

**Presentation by  
La'o Hamutuk**

13<sup>th</sup> June 2017

## **History of mining in Timor-Leste**

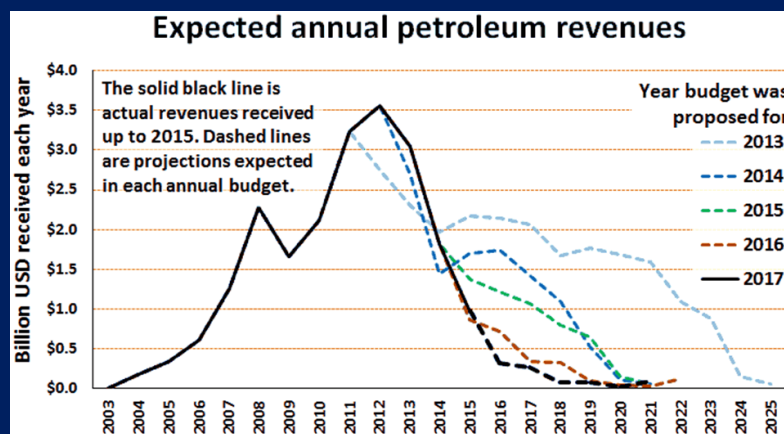
- **Since 2013, Government began discussing mining activities in Timor-Leste**
- **In 2016, Council of Ministers approved Mining Code**
- **2017 – Parliament continues discussions**
- **Council of Ministers recently approved a Decree-Law to create national mining company *Murak Rai***
- **In 2016, Timor-Leste signed an contract with *TL Cement* to carry out mining and build a cement plant in Baucau**

## Public consultation was limited

- In 2013, MPRM held consultations in Oecussi, Suai and Same on mining
- In 2014, MPRM decided that they would not hold a public consultation in Dili
- 2014-2016 Government continued with closed-door discussions, Council of Ministers approved Mining Code August 2016
- January 2017, Committee D of Parliament held a public consultation

## TL urgently needs economic diversification

- Timor's state and economic depends heavily on oil and gas – but it's almost depleted



## **Mining is not a good solution for Timor-Leste's development**

- **Mining is a non-renewable activity**
- **TL needs to develop agriculture and tourism**
  - **mining will damage agricultural land and tourist sites**
- **Mining will not create much employment**
  - **Most workers will come from outside**
  - **Local jobs will be dangerous, dirty, unhealthy, poorly paid and of limited duration**

## **Mining brings many risks – TL should learn from other countries**

- **In many countries, mining has brought various problems, such as:**
  - **Creating pollution and waste**
  - **Damaging land, sea, rivers, air, animal, plants**
  - **Taking local communities' land**
  - **Destroying agricultural areas**
  - **Creating social conflict**
  - **Companies leaving mining areas contaminated**
  - **Large companies making hefty profits, while local people suffer**



## Mining brings conflict and human rights violations

- Civil wars happened or deepened in Congo, Sierra Leone and Angola because guerrilla groups compete to control mineral resources – ‘conflict minerals’



## Mining brings corruption and other violations

- In West Papua, American mining company Freeport takes local people's land, sacred sites, fishing and water sources
- Local authorities collaborate with Freeport, commit many human rights violations



## **TL's environmental impact management is weak**

- **Many projects have not followed environmental licensing laws**
  - Including SSB, ZEESM, Min. Fin., Heineken, TP
- **Mining Law is not clear about companies' legal responsibility for environment**
  - 'Good practices in the mining industry' is not the same as good practices for ordinary people
- **ANPM cannot be involved in licensing process**
  - DNKPIA should not kneel to MPRM/ANPM

## **TL Laws don't allow people to disagree with mining projects**

- **Land Law: communities that live in 'public domain' land must accept state decisions**
- **Mining Law doesn't require public consultation before opening an area for mining**
  - MPRM/ANPM only have to consult with 'competent government bodies'
- **Law should promote principle of FPIC – 'free, prior and informed consent'**

## **Law should eliminate potential conflicts of interest**

- **Regulator (ANPM) must be independent**
- **Law is unclear about who can authorize mining activities**
- **State mining company can open the door for conflicts of interest**
- **'Strategic minerals' provision can also create conflicts of interest**
- **EITI principles oblige TL to make all mining contracts available for the public**
  - **Not only a summary, as required by current mining law**

## **Conclusion – mining will benefit companies more than the people**

- **Mining continues to bring TL down an unsustainable path**
- **Better to invest in education, health, water, agriculture, fisheries, small industries**
- **Mining Law needs to be strong to regulate this dangerous industry properly**
- **Environmental protection laws are not a barrier**
  - **They are meant to safeguard TL's sustainability and the people's fundamental rights**

## Thank you!

More information is at:

- La'ó Hamutuk's website

<http://www.laohamutuk.org>

- La'ó Hamutuk's blog

<http://laohamutuk.blogspot.com/>

Timor-Leste Institute of Development Monitoring and Analysis

Rua Dom Alberto Ricardo, Bebora, Dili, Timor-Leste

Tel : +670 332 1040

Email: [laohamutuk@gmail.com](mailto:laohamutuk@gmail.com)