Mining in Timor-Leste: Economic opportunity or threat to people’s lives?

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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 a 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

![Expected annual petroleum revenues](image)
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’o Hamutuk’s website
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