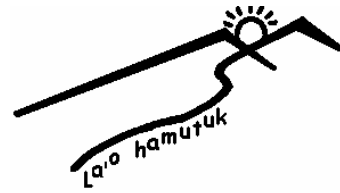


# La'o Hamutuk

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## The East Timor - Nigeria Exchange to Study the Environmental and Social Effects of Petroleum Development FINAL REPORT



The delegates visit the site of a fire at the Rokpokwu-Rumuekpe pipeline

### **Synopsis**

Seven East Timorese activists selected by organizations focused on environmental issues, human rights, analyzing development, labor rights, women, and other sectors traveled to Nigeria for two weeks in December 2003 to observe and learn about the effects of petroleum development, and how communities and local people respond to them. The Nigerian people have decades of experience with war, corruption, environmental devastation and destruction of local communities resulting from the exploitation of their petroleum. Since East Timor expects to rely on petroleum revenues to finance most of its national development, it is crucial for this tiny, nascent democracy to avoid the destructive impact that the oil industry has had on Nigeria.

The exchange is initiated by the East Timor Institute for Reconstruction Monitoring and Development (*La'o Hamutuk*), and was hosted by Environmental Rights Action and Oilwatch Africa.

## **Background**

East Timor, the world's newest nation, is beginning to develop the oil and gas resources under the Timor Sea between East Timor and Australia. These reserves, with the potential to allow East Timor to emerge from devastating military destruction and poverty, have already brought much misery to the East Timorese people.

Timor Sea oil and gas is expected to provide the majority of East Timor's public revenues; the country has no other significant export products. East Timor's national plan and the proposed financing mechanisms for oil and gas have been heavily influenced by consultants from the World Bank, which is also involved in the controversial West African Gas Pipeline (now under construction).

With the end of Indonesia's occupation of East Timor, Timor Sea oil contracts have been transferred from Indonesia to a Timorese-Australian Designated Authority, which has jurisdiction over 41% of East Timor's legal petroleum entitlement (according to the principles of the United Nations Convention on the Law of the Sea, since it is on East Timor's side of the median line between the two coasts). The remaining 59% of reserves which should belong to East Timor are currently occupied and exploited by Australia, which is not sharing revenues and has refused repeated requests to negotiate the maritime boundary and has withdrawn from international legal processes for resolving the issue.

Many in East Timor's civil society are concerned not only about boundaries and petroleum revenues, but also about how to avoid the environmental destruction, conflict, human exploitation, repression, corruption, destruction of communities, and other negative consequences that almost inevitably accompany petroleum development. By learning about what has happened in other countries, East Timor may be able to avoid repeating some of the same mistakes. Nigeria, Africa's largest oil producer, is infamous for the many problems and few benefits brought to its people over the last half century.

## **Exchange Aims and Objectives**

The aim of the East Timor-Nigeria exchange was to enable East Timorese participants from a broad range of organizations observe first hand the social, political, economic and environmental impact of oil exploration in Nigeria.

The objectives of the exchange were to enable East Timorese participants to:

- Be more aware of what they need to avoid in East Timor by witnessing the impact of oil exploration on local communities in Nigeria.
- Learn how to organize and work towards equitable and beneficial use of revenues from oil exploration through democratic, transparent and accountable processes.
- Learn about links between oil companies and the Nigerian government and military.
- To develop links with Nigerian grassroots communities and activists.

## **Implementing Organizations**

### **East Timor: La'o Hamutuk (East Timor Institute for Reconstruction Monitoring and Analysis)**

La'o Hamutuk (Tetum for "Walking Together") is an East Timorese non-governmental organization (NGO) formed in 2000 to improve communication and understanding between the East Timorese people and international institutions – both the United Nations (which governed East Timor 1999-2002) as well as multinational companies, international financial institutions, development agencies, and foreign governments. The organization has published many reports which can be read in the internet version of the *La'o Hamutuk Bulletin* at <http://www.etan.org/lh>.

### **Nigeria: Environmental Rights Action (ERA)**

ERA is Nigeria's foremost environmental human rights group for the defense of human ecosystems and the empowerment of local communities to defend their environmental human rights in law. Since 1993, ERA has consistently pressured individuals, governments and corporations to adhere to environmental

standards and to respect host communities as partners in development. They have worked with Human Rights Watch, the Oilwatch network and other national and international organizations to help people around the world understand and support Nigerians' effort to regain control over their resources and impacts. They have also hosted numerous delegations to Nigeria from both Southern and Northern countries.

**Nigeria: Oilwatch Africa**

Oilwatch Africa is a decentralized regional network of NGOs coordinated from a regional office in Port Harcourt, Nigeria, hosted by Environmental Rights Action. The office coordinates Oilwatch member organizations in Nigeria, Cameroon, Gabon, Chad, South Africa, Mozambique, Congo and Ghana to organize information exchanges and community visits, and to facilitate joint campaigns and resistance to the destructive impact of oil exploitation. Oilwatch Africa is a regional component of the global Oilwatch Resistance Network, which is coordinated from Quito, Ecuador and includes organizations from tropical forest countries throughout Latin America, Africa and Asia.

**Financial Support**

The exchange was made possible by grants of \$29,087 from the Hivos Foundation, Netherlands and \$9,000 from Catholic Action For Overseas Development (CAFOD), United Kingdom.

**East Timorese participants**

Although La' o Hamutuk coordinated the Nigeria exchange, the delegation included representatives of other civil society organizations committed to work on oil and gas issues in East Timor, including members of the CIITT (Independent Center for Timor Sea Information).



From left to right: Top row, Jesuina Cabral (La' o Hamutuk), Carlos Alberto Florindo (East Timor Association for Agricultural Development), Julin o Ximenes (Perkumpulan Hak), Joao Sarmento (La' o Hamutuk), Liliana Hei (Grupu Feto Enclave). Bottom row, Aurelio Freitas Riberio (Kadalak Sulimutuk Institute), Justino Da Silva (East Timor's NGO Forum).

The participants represented a range of constituencies and focus areas. Although the exchange hoped for an equal number of male and female participants, we received very few female applicants and consequently the delegation included two women and five men.

### **Program in Nigeria**

Prior to the East Timorese participants' arrival Environmental Rights Action (ERA)/Oilwatch Africa had prepared an itinerary, visiting local communities in Rivers and Bayelsa states and meeting with community leaders and local activists.

The itinerary included a tour of the rural communities in the Niger Delta region affected by oil and gas production. In each of the communities, interactive sessions were held with the youths, women, community activists and traditional rulers of the community. After the discussion in each community, a tour was undertaken to see oil fields, oil wells, gas flare sites and oil spill sites, especially the ones close to human settlements.

The East Timorese delegation purchased a video camera and tapes in Jakarta, Indonesia in order to film the areas they visited. They took photos and recorded interviews and discussions with local communities groups. These have supported the follow up activities since the delegation's return.

On the final day in the Niger Delta a roundtable discussion between the host organizations and the East Timorese participants was held in the Port Harcourt office of Oilwatch Nigeria. The East Timorese participants reviewed their experiences and impressions and discussed how to disseminate information on their return to East Timor.

In Nigeria, the exchange had a high media profile. ERA/Oilwatch Nigeria had contacted local and international media. Journalists from the Guardian and Beacon newspaper joined the delegation for the Niger Delta tour. The participants held a press briefing in Lagos and joined a live discussion program on Africa Independent Television.

The communities visited were as follows:

#### **Rukpokwu community**

The Rukpokwu community is near the oil city of Port Harcourt where Shell has been extracting mineral resources since 1963. The participants visited the Rukpokwu-Rumuekpe pipe-line which runs through community settlements and fragile environmental areas. They also saw the massive fire still raging from the December 3<sup>d</sup> explosion at the pipeline line. On February 24<sup>th</sup> it was finally put out after causing untold environmental damage.



Ecological damage result from the explosion and fire at the Rukpokwu-Rumuekpe pipe-line

#### Erema and Obagi Communities

In Erema, the participants met with local communities and discussed the impact of oil and gas exploration on their environment and livelihoods. The Erema community has been the site of a number of demonstrations against the notorious French oil company TotalFinaElf by local women's groups.

Obagi is the site of TotalFinaElf's first oil well in Nigeria which started production in 1962. TotalFinaElf has shown little regard for the environment and local population. The delegation observed gas flares which regularly burn for days near residential areas.

#### Akala-Olu Community

The Akala-Olu community is in Ahoda West Local Government Area of Rivers State. The area has been exploited by the Italian Agip Oil Company. The participants were shocked by the amount of pollution produced by Agip's facilities.

#### Ogoni Community

This area was the site of huge Shell facilities that have devastated the local environment. Prior to Shell's arrival in 1958 the Ogoni community were prosperous farmers and fisherman. The environmental impact of oil extraction has destroyed their livelihoods. Angered by the devastation and desecration of the local environment and people, Ken Saro Wiwa, a famous Ogoni writer and activist, mobilized the Ogoni people and stopped oil operation in the area. He was eventually executed with other activists for his actions and Shell has not resumed activities in the area.

#### Bonny Island

Bonny Island is the location of a plant for liquefying natural gas. The participants met with the Finima community who had been relocated for the construction of the plant. The Finima community have lost their ancestral homes and traditional sources of livelihood.

#### Akassa Community

The Akassa community has traditionally survived by fishing. Oil extraction by Texaco Overseas operating in the Akassa waterways and offshore has polluted the water and destroyed the local fishing economy.

#### Kolo Creek

In and around Kolo Creek Fires resulting from Shell's facilities have destroyed local forests and pollution has impacted on streams and farmlands. Shell has refused to repair the damage. The participants met with the Otusegha community and visited polluted and damaged areas.

#### Rumueke Community

The area hosts many oil facilities belonging to TotalFinaElf, Agip and Shell and serves as a transport route for crude oil and gas to Forcados and Bonny Island. The participants visited a large horizontal flare pit.

### **Lessons Learned**

#### **Corrupt Government and financial mismanagement**

The East Timorese delegation noted that there is a strong link between corruption and the lack of accountability and transparency regarding oil revenues. According to Nigerian colleagues, the Nigerian government originally promised that the oil revenues would lead to economic growth and development of infrastructure such as electricity, water, roads, hospitals and schools. In reality this has not happened. Nigeria still has a very low level of human development despite currently experiencing an oil boom. The population does not know how much money the government receives from Nigeria's natural resources or how the money is spent. Although petroleum has brought money into Nigeria the quality of most people's living standards has declined.

Local communities stated that the government does not listen to their complaints or concerns particularly about the environmental damage. They felt that the government did not want to or was unable to represent them against the oil companies.

#### **Oil companies and repressive government**

The East Timorese delegation noted the link between oil revenues and the history of repressive government in Nigeria. Since its independence from the United Kingdom in 1960, Nigeria has been characterized by political instability and repressive military government. Community protests in Nigeria against poor management of the oil and gas resources and environmental damage have been dealt with violently by the Nigerian military. The Nigerian government and military has acted to defend the interests of the oil companies against the local communities. Oil facilities are ringed with barbed wire and protected by armed guards.

The prosecution and murder of Ken Saro Wiwa, a prominent writer and environmental activist, and eight activists from the Ogoniland by a military court in Port Harcourt was proof of the complicity between the Nigerian government and Shell.

#### **Environmental damage**

In all areas visited by the East Timorese delegation was shocked at the pollution and extreme environmental degradation. Fires, explosions and leaks caused serious damage. Oil companies did not take proper precautions. Old pipes and other infrastructure were not replaced. The oil companies were resistant to admit to the problems and unwilling to repair the damage. The explosion on the Rukpokwu Rumuekpe trunk line devastated 400 hectares of community farms. The pipe was 40 years old though international industry standards states they should be replaced every 15 years.

Non-government organizations who monitor the oil and gas industry and local communities believe that the oil and gas industry in Nigeria has destroyed their environment. The content of heavy metals is very high in the sea, rivers and land. Pollution has ruined the once fertile soil, productive forests and destroyed mangroves. Farming and fishing communities are no longer able to maintain, grow or catch enough food to eat or sell.

Environmental degradation and pollution has impacted on people's health. Water sources are unclean. The situation is compounded by the lack of government investment in infrastructure. Very few people have access to piped water and public health care is minimal.

#### **Socio-economic impact**

Since the 1980s the number of people working in agriculture nationally has dropped from 50 to three percent. Most have moved to the service and industry sectors, especially the mining industry. An activist from the Erema Trade Union said that over 40 years, the trans-national oil and gas companies have turned the Nigerian people into slaves in their own country. He said that long before oil and gas was found in Nigeria there were many fish and other natural resources, but now people have to beg for food and jobs from Shell, Agip, and TotalFinalElf.

### **Key Lessons and steps to be taken**

- Oil and gas resources can lead to corruption and repressive government, environmental and social damage and human rights abuses.
- Oil and gas revenues do not necessary lead to economic growth. Mismanagement of oil and gas revenues leads to poverty and lack of development
- It is important for the people of Timor-Leste to monitor and participate in discussion regarding oil and gas natural resources in the Timor Sea. They should monitor every step taken by the East Timorese Government, the Australian Government and the oil companies.
- Lobby for transparency and accountability in all decisions regarding natural resources which are fundamental to avoiding the situation in Nigeria.
- The people of East Timor must ensure that the East Timorese government, the Australian government and the oil companies sign all international environmental protection instruments.

### **Follow up**

On the return to East Timor the participants have been active in disseminating information and lessons learned from the exchange as widely as possible.

La'o Hamutuk organized a press conference for local print, radio and television media immediately upon return. The press conference, which discussed the exchange trip and the immediate impressions made upon the participants received wide coverage. The statement from the press conference is included as an appendix.

La'o Hamutuk invited government officials, members of parliament, and local NGO activists to a public meeting. Members of the delegation provided an overview of the exchange trip and gave a presentation of 'lessons to be learnt' from Nigeria. Following this the space was given for questions and a broad and fruitful discussion on the issues of oil exploration and revenue management ensued. Videos and photographs from the exchange were also shown.

All participants gave presentations within their respective organizations, networks and coalitions on the negative impacts of oil exploitation. This has been part of a concerted effort to get the message to local NGOs that revenues from natural resources need to be managed properly and to assert the importance of local NGOs in lobbying for accountability and transparency.

Members of the delegation joined discussions in Los Palos, Covalima and Manufahi organized by Perkumpulan Hak. The discussions were attended by farmers groups, local leaders, teachers, students, youth and women's groups. The delegates gave presentations and overviews on the importance of managing oil revenues transparently and accountably.

The exchange has been of great importance. Local NGOs have been lobbying Australia very hard for a fairer share of the natural resources in the Timor Sea as well as for the swift negotiation of a maritime boundary. Oil revenues have been perceived as the solution to East Timor's financial situation and as a catalyst for economic growth. The exchange raised awareness of the many problems associated with revenues from natural resources. This has broadened the debate within civil society about how East Timor should manage its revenues from the Timor Sea. This has come at a fundamental time as the laws defining how East Timor's oil and gas revenues should be managed are being formulated. Civil society is significantly better informed and better equipped to participate in the debate than it was prior to the exchange trip to Nigeria.

## Appendix

### **East Timorese NGOs return from Nigeria: “There Must be Public Participation in East Timor’s Oil and Gas Development Process”**

Based on a Tetum-language statement at a press conference in Dili, East Timor, 4 February 2004.

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Last month, from 11 to 31 January 2004, seven East Timorese from non governmental organizations visited Nigeria, an African nation that has experienced more than 40 years of oil exploitation and exploration.

East Timor is just beginning to develop oil and gas resources from the Timor Sea. This new nation needs revenues from oil and gas in order to reduce poverty and also to expand its domestic economy.

Nigeria is the most populous country in Africa, and it has many oil and gas deposits in the Niger Delta in the southern part of the country. Since gaining independence from Great Britain in 1960, the Nigerian government has received approximately US\$300 billion from oil and gas. However the Nigerian people are among the poorest in the world.

East Timor is also a very poor country, and hopes to rely on revenues from oil and gas to improve the lives of our people. Oil and gas bring money, but on the other hand they bring long-term political, economic, cultural and environmental problems. Although oil and gas exploration in East Timor is about to start in 2006, starting today civil society and government in East Timor must work together to develop mechanisms to guarantee public participation in the process and to ensure that the revenues are used to benefit the people.

The East Timorese delegation visiting Nigeria witnessed damage inflicted by multinational oil and gas companies upon the environment, politics, economy, ecology, health, education and other areas. We saw with our own eyes how the Shell Petroleum Development Company built pipelines in the land more than 40 years ago, which have leaked, causing a massive fire in Rukpokwu, Rivers State, that burned around 200 hectares, killed 200 local residents, and destroyed everything living on this land. Although the fire started on 3 December, it is still burning.

The group saw how ground-level gas flares destroy the farmland of people living around the sites. Also visited were places where crude oil spills into rivers and the sea killing aquatic and marine life, leading to the destruction of fishermen’s livelihoods. Other negative impacts on culture are the high cost of living in the areas where there are many internationals working for the oil and gas companies, which weakens existing traditional hierarchies. The use of armed soldiers to protect oil and facilities from the local population leads to many human rights violations, killings and rapes. Prostitution also results, and pollution causes many women to have problems with childbearing; pollution-related respiratory diseases are also very common.

We were surprised and terribly shocked by the huge negative impact suffered by the people in Nigeria’s oil-producing areas. We therefore condemn the oil and gas companies operating there. We hope that East Timor, which will rely on oil and gas under the Timor Sea, can learn lessons from the experience of countries such as Nigeria who have been producing oil and gas for decades, and take precautions to ensure that such negative impacts are not part of our country’s future.

Now that we have returned to East Timor, we plan to pass our findings to people across our country, through radio programs, public meetings, workshops, reports, videos and discussions with public officials. For further information contact La’o Hamutuk at laohamutuk@easttimor.minihub.org or +670-3325013.

The seven-member delegation included Jesuina Soares and João da Silva Sarmento (La’o Hamutuk), Carlos A. B. Florindo (ETADEP), Julino Ximenes da Silva (HAK Association), Liliana E. A. C. Hei (Women’s Group of Oecussi Enclave), Aurelio Freitas Ribeiro (KSI), and Justino da Silva (NGO Forum). It was organized by La’o Hamutuk (East Timor) and Environmental Rights Action/Friends of the Earth (Nigeria), and facilitated by grants from Hivos and CAFOD.