

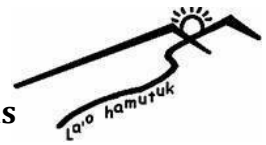
La'ó Hamutuk

Timor-Leste Institute for Development Monitoring and Analysis

Rua. D. Alberto Ricardo, Bebora, Dili, Timor-Leste

Tel: +670 3321040 or +670 77234330, email: laohamutuk@gmail.com

Website: www.laohamutuk.org



Press Release

Dili, 13 September 2018

Conflict of interest in New Decree-Law threatens Timor-Leste's environment

La'ó Hamutuk asks the new Government to immediately alter Decree-Law No. 14/2018 Decree-Law No. 14/2018 of 17 August, about the 8th Constitutional Government's Organization, because it threatens Timorese people's future by weakening environmental protections.

Giving power to the Ministry of Petroleum and Minerals (MPM, formerly MPRM) to issue environmental licenses for mining and petroleum related activities goes against basic principles of good governance and threatens the integrity of our national Environmental Authority.

Article 33.1(o) of Decree-Law 14/2018 gives the Ministry of Petroleum and Mining the power to carry out the environmental licensing process, including the approval of environmental licenses in the petroleum and mining sector. Other responsibilities of MPM listed by the Law include guaranteeing maximum participation in Timor-Leste's petroleum and mining sector activities, and to promoting sectoral opportunities by attracting and ensuring foreign investment.

La'ó Hamutuk insists that MPM not have the power to approve environmental licenses for these projects due to conflict of interest. The environmental licensing process must be independent, and maintain accountability and transparency to ensure the protection of our natural environment. The Government must not give space for anyone to avoid the existing legal requirements of the environmental licensing process.

Existing environmental regulations have strong principles, mechanisms and processes, as described in the Base Law on the Environment (Decree-Law 26/2012) and the Environmental Licensing Law (Decree-Law 5/2011). These laws define the role of the Environmental Authority as leading procedures relating to environmental impact

evaluations and issuing environmental licenses for large development projects, including in the petroleum and mining sector.

According to law, large projects which may have a significant impact on the environment (Category A) require the project proponent to present documents to the Environmental Authority, including a study of potential environmental impacts. There is also a requirement for public consultation so the local community can understand and respond to the project plan.

The National Directorate for Pollution Control and Environmental Impact (DNCPIA), under the Secretary of State for the Environment, is the existing Environmental Authority with the competency to regulate and lead the evaluation and approval process for environmental licensing. According to La'o Hamutuk's observations, DNCPIA has the experience and technical skills to implement policies and laws related to environmental licensing.

For this reason, La'o Hamutuk encourages the Government to build on and invest in the knowledge, experience and technical skills which already exist within the Environmental Authority, and address any specific limitations as needed. This will ensure proper and sustainable implementation of the environmental laws.

For environmental regulation to be effective, it must be led by an independent entity, not one whose goals include the promotion and implementation of these projects. This ensures accountability (checks and balances), transparency and shields against political interventions in the implementation of the law because of the clear conflict of interest.

The goal of environmental licensing laws is to guarantee sustainable use of our natural resources, and ensure a clean and healthy environment for current and future generations of Timorese people. For example, before the government builds a road, airport or large building, and before a private company builds a factory, large hotel or makes plans to develop a tourist resort, they must, by law, present project documents to be evaluated before the Environmental Authority issues an environmental license. In this way, the Environmental Authority can control the development process to ensure large development projects are carried out properly, sustainably, and with a limited negative impact on the environment and people's lives.

La'o Hamutuk's letter to the Prime Minister on this issue can be found here:
<http://www.laohamutuk.org/Agri/EnvLaw/2018/LH-PM-EnvironLic11Set2018en.pdf>