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Press Release

Government and EITI working group have yet to have seriousness to disseminate information on Timor Leste EITI Report

Extractive Industries Transparency Initiative (EITI) is a global initiative on transparency. It is transparency of state revenues and payment of oil and mining companies to the state. This initiative was directly declared by ex prime minister of England, Tony Blair in Johannesburg, South Africa in 2002.

The principal objective of EITI is promotion of transparency and accountability in a country rich of oil, gas, mineral and other non-renewable natural resources.

In 2003 Timor Leste government officially declared in London that it will commit to adopt and implement EITI principles in Timor Leste. Since that time the government has commenced to initiate Secretariat for EITI in Timor Leste preparing to become a member of EITI. Timor Leste has strong reason for this commitment because oil and gas revenues has been a driven force of economic development in Timor Leste and the state also rely strongly in this sector. This is to anticipate oil as a “resource curse” for East Timorese.

EITI Timor Leste consists of a group of stakeholders from representatives of government, international oil companies and civil society. This composition is to guarantee the fundamental principles of transparency and accountability of countries rich with oil & gas and other minerals.

By the end of year 2009, 22 countries have been entered into sign up phase. There are two (2) countries – Azerbaijan and Liberia - exemplifying good practices and advanced in EITI process. The two countries already participated previously in validation process. Nigeria as the first country participated and collaborated with EITI is in the process of implementing EITI and also in validation process.

There are 10 countries which have prepared minimal one (1) report about payment and revenues of oil and gas including Timor Leste.

At the end of year 2009 as East Timorese, we have to be proud with this success because Timor Leste is the first country in South East Asia region produced EITI report. In February 2010, Timor Leste commenced to undertake validation process about EITI report. According to information found by Luta Hamutuk the process is successful. This validation stage is important because it becomes principal condition for Timor Leste to become compliant country. It is necessary, however, to disseminate information about first EITI report produced last year while at the same time waiting for validation result which is in finalization process.

In relation with EITI implementation, Timor Leste as a state aware that oil and gas are non-renewable resources that need to be used effectively for the good of people. By being a member of EITI in the future the fundamental principles of EITI – transparency and accountability - will ensure that the resources will benefit the people. Other benefits of becoming a member of EITI are to minimize distrust and conflict, develop capacity to manage revenues and resources from extractive industries, prevent corruption, establish good governance and sustainable economy, ensure national commitment to transparency and accountability and attract investors to invest in Timor Leste.

Based on Luta Hamutuk observation during this time, from sign up phase to candidate country to implement EITI, it shows that Timor Leste government is moving ahead positively in these processes. This is based on discussion process on template developed by Timor Leste EITI working group in line with first EITI report in December 2009 and validation process in February 2010. The validation report was prepared by two assessors from Coffey International Development and International Petroleum Associates Norway (IPAN).

An important part in EITI criteria is dissemination of information about Timor Leste EITI report. By respecting commitment to transparency and accountability the government should have disseminated important points and values written in the EITI report to rural communities. This will help them and other entities to understand better.

Luta Hamutuk wants to announce to the public that the government and the working group of EITI have yet to disseminate the information to the public at maximum level. Based on Luta Hamutuk monitoring on media, interviews with members of civil society, academics, and other communities, dissemination through journal and television has not yet maximal. When Luta Hamutuk undertook verification in trainings we found that many people do not understand EITI as a whole and particularly its objectives.

Luta Hamutuk insists that the government and EITI working group to carry out information dissemination process immediately. This should explain directly to the public through participatory methodologies in ways of public discussions conducted in rural areas, workshops and seminars in all districts. We believe that the government and EITI working group have sufficient capacity to undertake this program.

The followings are recommendations from Luta Hamutuk to the government and the working group to carry out the dissemination successfully:

1. Simplify the EITI report in advance for the community to understand better
2. Prioritize rural areas for dissemination. This will link them to the government politics regarding EITI process in Timor Leste.
3. It is necessary to develop methodologies and design activities of dissemination through participative discussion at village level, workshops at sub-district level or district level and seminar at national level. This will help all entities to involve and accompany EITI process in Timor Leste.
4. It is necessary to produce more publications in media (journal, TV, radio) for the public to aware about EITI. The content should be made simple, far from technical terms, for the people to understand better.
5. It is necessary as well to publish the information through other means such as leaflets, brochures or fact sheets and distribute to people based on their level of understanding.

Luta Hamutuk believes that the government as well as the EITI working group will give attention to this press release. At the end, we may have political will to promote transparency and accountability in oil and gas industries however it will be useless if there is no seriousness and appropriate methodologies about disseminating the information to the public. What we will gain from the latter is miss-communication and lack of proper understanding about our message. Thank you very much.

Dili, 05 March 2010

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Director of Luta Hamutuk