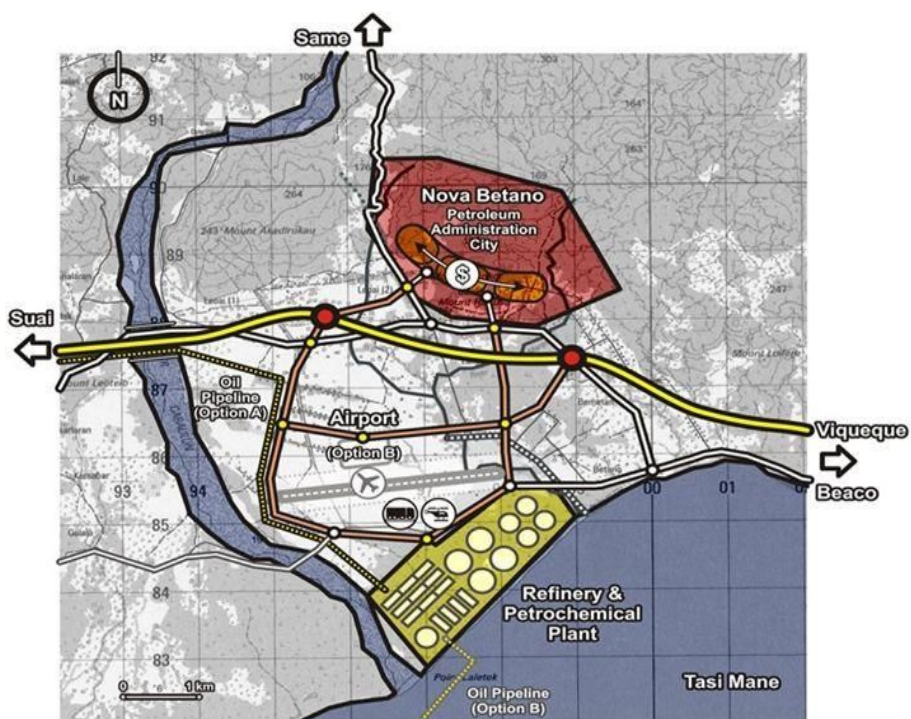




Refinery and Petrochemical Project: Mega Project or Mega Threat?

Mahein's Voice No. 58, 18 September 2013



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Website: www.fundasaunmahein.org

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I. Introduction

The Petrochemical Project and the New Betano is a package of the Tasi-Mane infrastructure mega project framed within the vision of the National Strategic Development Plan (NSDP) and is set by the IV Constitutional Government for the country's long-term development. The great vision of the NSDP is to establish a mega infrastructure project in the Southern Coast, the Suai Supply Base Refinery, and LNG¹. Particularly the implementation of the Refinery and Petrochemical Project and the New Betano project will impact on economic development in Timor-Leste.²

The political vision will be transformed into the implementation of the Southern Coast mega project, in particular the refinery and petrochemical project and the New Betano. In this report, Fundasaun Mahein will be focusing on the Refinery and Petrochemical Project and the New Betano that has started a pilot study on land. Based on this plan, the project will be developed by phases according to economic needs as well as the growth of the industry in question. It has been planned that the project will be implemented before 2015 and will be concluded, at latest, by 2020.³

The Government through the Inter-ministerial Join Team – IJT has conducted socialization of this project⁴. Since September 2011 the IJT have held meetings with the community in Betano to explain the State policy on land, environment, the heavy oil power plant, and the Tasi-Mane project.⁵ In addition, in June 2013 the Secretary of State for Land and Property made socialization of the land law in Betano and also discussed about the Refinery project and the New Betano.⁶

The Refinery and Petrochemical Project have started with the process of testing the soil yet the Government has not provided clear information to the community in Betano. The affected community demanded the State to take into consideration, their life in the future as their land is to be used for the refinery and petrochemical project and the New Betano.⁷

In relation to the progress of the refinery and petrochemical project and the New Betano,

¹ RDTL. (2012). The National Strategic Development Plan 2011-2030. http://timor-leste.gov.tl/wp-content/uploads/2012/02/Plano-Estrategico-de-Desenvolvimento_PT.pdf. p167

² Dias, Juvinal (2013, March 24). The Impact of Tasi Mane on TL's economy. <http://www.laohamutuk.org/Oil/TasiMane/2013/TMPMar2013.pdf>

³ RDTL. (2012, August 26). Program of the V Constitutional Government 2012-2017. p48-50.pdf. http://timor-leste.gov.tl/wp-content/uploads/2012/09/Programa-do-V-Governo-Constitucional_TETUM-26-8-12.pdf.

⁴ Fundasaun Mahein. (2013, August 29). The Suai Supply Base Project: Development or Threat. The Voice of Mahein No.57.pdf.

⁵ La'o Hamutuk. (2013, April 19). Tasi-Mane Petroleum Infrastructure Project. <http://www.laohamutuk.org/Oil/TasiMane/11TasiManeTe.htm>

⁶ Babo Horta, Ananias. Media Officer SETP. (2013), <http://www.mj.gov.tl/?q=node/530>

⁷ Sarmento, Anibal. Director of Land and Property and Cadastral Service of Manufahi District. (2013, August. 12). Interview in person.

Fundasaun Mahein noticed that the project is at risk of generating a threat to the future social security and environment of the area as it may undermines the stability in Timor-Leste. This study aims at making an analysis to determine the threats as a result of the research and also proposing recommendations to the Government in order to help finding the solutions.

II. Methodology

This Fundasaun Mahein report is not intended to challenge the Government plan. Yet it is analyzing the impacts of the Refinery and Petrochemical Project and the New Betano to open space for public debate to find better solutions to the future social and environmental threats.

This study begins with internal discussions among the Fundasaun Mahein research team and focus groups with the affected community, landlords, traditional elders, youth, and the community leaders in the village of Betano. The report also makes direct observations to the area which has been identified for the installation of the refinery and Petrochemical Project and the New Betano. In addition, FM staff conducted interviews with people from the affected community, civil society, students, and collecting a number of relevant reports to be analyzed for the purpose of this study.

III. What is the Refinery and Petrochemical project and the New Betano

The Refinery and Petrochemical Project is part of the basic infrastructure for the supply of oil and gas installed by the Government based on the infrastructure development plan in the Southern coast. This national project serves as the processing center for the off-shore oil and gas petroleum industry which will be produced in Timor-Leste.⁸

In addition, the Refinery and Petrochemical industry will produce fuels such as diesel, gasoline, aircraft fuel and asphalt as well as other products for domestic consumption, will be exported to enhance Timor-Leste's trade capacity in oil and gas production.⁹

The part of the New Betano or the new city, the community and the general public do not know and understand about the new city is what is the scope of the Tasi-Mane project? The community is questioning who will inhabit the new city? The Government did not provide clear explanations to the community regarding the status of the new city despite the Government clearly knowing that the housing is to be built for the workers.¹⁰

IV. The Implementation of the Refinery and Petrochemical Project

The building of the Refinery and Petrochemical Project and the New Betano was politically

⁸ Freitas, Helio. (2011). The Construction of the Suai Supply Base to Facilitate Oil and Gas. source from <http://heliofreitas.blogspot.com/2011/07/konstrusaun-supply-base-hodi-fasilita.html>.

⁹ RDTL. (2012, August 26). Program of the V Constitutional Government 2012-2017. p49. http://timor-leste.gov.tl/wp-content/uploads/2012/09/Programa-do-V-Governo-Constitucional_TETUM-26-8-12.pdf .

¹⁰ La'o Hamutuk. (2013, May 03). Suai Supply Base, Part of the Tasi Mane Petroleum Infrastructure Project <http://www.laohamutuk.org/Oil/TasiMane/13SSBte.htm>

initiated in 2008 by the AMP Government. in which the project in question covers the infrastructure mega project in the Southern Coast.¹¹ The Government's vision on this policy is to respond to Timor-Leste's development needs in the future. Thereby it started the development in the Southern Coast, as the development activities in the oil and gas sector, is to establish the Suai supply base, Refinery and Gas Pipeline, as well as the basic infrastructure relating to the industry.¹²

The Government through the Inter-ministerial Join Team – (IJT) which composed of the Ministry of Oil and Natural Resources, the Ministry of Justice, the Ministry of Agriculture and Fisheries, Secretary of State for Environment, Secretary of State for Security and the National Police of Timor-Leste – (PNTL) has conducted socialization in Betano¹³. Since September 2011, the IJT has conducted meetings with the affected community in Betano to explain the State policy on land, environment, heavy oil power plant, and the Tasi-Mane project.¹⁴ In addition, in June 2013, the Secretary of State for Land and Property made socialization of the land law to the community in Betano and discussed about the Refinery project and the New Betano.¹⁵

V. The Concern of the Community on the Refinery and Petrochemical Project

After the parliamentary election, there have been lots of discussions among the national leaders, civil society, students including the communities regarding the issue of the construction of the Tasi-Mane mega project. There is alot of information in the national media where the leaders of the country talked about the Tasi-Mane mega project that it will give positive impact to the Timor-Leste's economy and it will open a space for an administrative city for the petroleum industry that will provide social services to the community, will attract investments in other sectors and will serve as the new center for employment in the Southern Coast.¹⁶

The development policy of the infrastructure mega projects has raised concerns and compassion in the community as their land, crops and trees, area for grazing/breeding their livestock that fall within the identified area will be destroyed. According to the data from the 2010 Census that the total number of Households in the village of Betano is 869, with the total number of population of 5,151 people, with 2,496 women and 2,655 men,¹⁷ covering seven (7) villages namely the villeges of Seli Hasan, Bemetan, Lalikan, Loro, Raifusa, Liwai and Sesu rai.

¹¹ Fundasaun Mahein. (2013, August. 29). The Suai Supply Base Project: Development or Threat. The Voice of Mahein No.57.pdf.

¹² RDTL. (2012, August 26). Program of the V Constitutional Government 2012-2017. http://timor-leste.gov.tl/wp-content/uploads/2012/09/Programa-do-V-Governo-Constitucional_TETUM-26-8-12.pdf

¹³ Fundasaun Mahein. (2013, August 29). The Suai Supply Base Project: Development or Threat. The Voice of Mahein No.57.pdf.

¹⁴ Da Costa, João. (2011, September 12). Minister of Justice, Make Socialization of the Land Law in the Districts of Manufahi and Covalima. <http://www.mj.gov.tl/?q=node/263>

¹⁵ Babo Horta, Ananias. (2013.June.14). Socialization of Land Law in Betano; The Community is Concerned with Dwellings and Plants. <http://www.mj.gov.tl/?q=node/530>

¹⁶ RDTL. (2012, August 26). Program of the V Constitutional Government 2012-2017. p49. http://timor-leste.gov.tl/wp-content/uploads/2012/09/Programa-do-V-Governo-Constitucional_TETUM-26-8-12.pdf .

¹⁷ "Fo Fila Fali" Census Data of the Village of Betano 2010.

In addition, the land that has been identified for the Refinery and Petrochemical project area will occupy the entire area of the village of Betano; the Refinery and Petrochemical Project covers some parts of the village of Seli Hasan and Bemetan. The New Betano will occupy the area of five (5) villages namely the villages of Bemetan, Loro, Reifusa, Sesurai and Lewai. Based on the observations made by Fundasaun Mahein these areas are inhabited by the community and that it is productive land for farming. The Census data indicated that 76.06% of the communities in Betano were involved in subsistence farming.¹⁸

The community is awaiting explanations from the Government regarding the project with an expectation that they will benefit from the mega industry in the forms of compensation and employment. However there are disagreements where some members of the community are concerned with the presence of the project as it is considered as a major threat to their life in the future.¹⁹

a. Community of Betano is questioning the Deliberation of the Government

Based on the monitoring conducted by Fundasaun Mahein on the Refinery and Petrochemical Project and the New Betano, the affected community, Community leaders and the general community in the village of Betano are concerned about the Government's deliberation where there is no good collaboration established between the Government and the community in Betano regarding socialization on the implementation of the national project in question.²⁰

"We are sad because the Government does not clearly explain to the local authorities and the communities. We have the opinion that by having the project implemented, the Government wants to incite us to fight each other. We went to the community and they reprimanded us, while on the other side the Government is insisting us, hence we feel like the Government has no consideration to us".²¹

Discussion with Community in Betano - Same



Source: Betano – Photo FM 2013

¹⁸ "Fo Fila Fali" Census Data of the Village of Betano 2010.

¹⁹ Community Leader, Traditional Elder and youth of the Village of Betano. (2013, August 14) . Group Discussion

²⁰ Community Leader, Traditional Elder and youth of the Village of Betano. (2013, August 14) . Group Discussion

²¹ Point of view of the hamlet chief of Bemetan, Traditional Elder of the village of Betano (2013, August 14). Group Discussion

Even though the IJT has conducted socialization in Betano, the affected community has not been well-informed about the impacts of the refinery and Petrochemical Project. Therefore, the community is apprehensive that one day it turns out like the event of “*lumpur lapindo*” in Indonesia.²² Drawing from the example of the Heavy Oil power plant where there are muddy deposits after the completion of construction a few months ago. This situation arises because the Government is lacking consideration to the community and the traditional elders.²³ Moreover, it is by force to compel the community to agree to the Government's decision despite Betano is historic land.²⁴

According to Fundasaun Mahein that the Ministry of Oil and Natural Resources shall bestow consideration to the affected communities and the traditional elders as an imperative act to reduce tensions and conflict among the community in addition to guarantee the sustainability of the national project in the future. It is necessary to provide profound explanation to the community beforehand, prior to the tenure, thereby provide for mutual understanding in spite of using coercive means of approach.²⁵

b. The Affected Community is questioning the Indemnization

After being informed about the Refinery and the New Betano project, the affected community is highly concerned because their land, rice fields, farms and plantation, crops and area for grazing/breeding their livestock will be used for the mega project infrastructure development. The community requested the Government to consider their lives as the citizens of Timor-Leste who live in the village of Betano.²⁶

*“The Government told us to move out from the land because it has been assigned for the Refinery project, however, as widows, where will we be living?”
Said Evalina Ornai.*

Community's farm within the project area



Source: Betano – Photo FM 2013

Community demand compensation



Source: Betano – Photo FM 2013

²² Community Leader, Traditional Elder and youth of the Village of Betano. (2013, August 14) . Group Discussion

²³ Da Conceição, José. Traditional elder of the village of Betano. (2013. August. 15) interview in person.

²⁴ Da Conceição, José. Traditional elder of the village of Betano. (2013. August. 15) interview in person.

²⁵ Pereira Ornai, Mariano. Coordinator of Buka Hatene Group. (2013. August.23). Interview in person.

²⁶ Da Costa, Helena & Ornai Evalina. Community affected by the Refinery Project, (2013, August 16). Interview in person.

During the socialization process, the Government has only showed the design of the Refinery and the New Betano in *slide shows* without providing clear explanations on the impacts. In the socialization, the competent Government representative has promised that once the land is surveyed and if the community's land or latrines falls within the industrial area, it will be compensated.²⁷

The Government also has not clearly explained about the type of compensation to be paid to the affected communities.²⁸ The community is concerned of losing their rights for compensation as it has been shown in the Betano power plant where the Government did not pay the compensation instead it was made by the companies.²⁹ Even though it was guaranteed by the Constitution of the RDTL under article 54 that the rights for fair compensation shall be taken place in accordance with the law.

"In terms of compensation the Government did not provide clear explanations to us, the local authorities, we consider that having the project implemented, the Government wants to incite us to fight each other, in one hand the community reprimanded us, while on the other hand the Government is insisting us, and we feel like we are dying in the middle as the Government has never consider us, the local authorities".³⁰

The affected community also requested the Government, in case if the Refinery and the New Betano project is due to be implemented, it has to provide proper living conditions (housing) and compensating the houses, plantations and farms offered for the project. The type of compensation to be paid for the plantations and crops namely breadfruits, coconut and teak trees shall be \$50.00/tree and the community has to be paid \$400.00/month.³¹ It must be applicable for seven generations to provide for their life as they have surrender their land to the Government, there are no other resources left for them to be used in the future.³²

Referring to this issue, Fundasaun Mahein is concerned with the Government's position in paying the compensations to the uninformed affected communities as it will create problems in the community such as between the community and the companies, the community with the community leaders, and among the community themselves. Deriving from the reality in the construction of the power plant where there are no due compensation being paid to the affected

²⁷ Point of view of the hamlet chief of Bemetan, Traditional Elder of the village of Betano (2013, August 14). Group Discussion

²⁸ Point of view of the hamlet chief of Bemetan, Traditional Elder of the village of Betano (2013, August 14). Group Discussion

²⁹ Community Leader, Traditional Elder and youth of the Village of Betano. (2013, August 14) . Group Discussion

³⁰ Point of view of the hamlet chief of Bemetan, Traditional Elder of the village of Betano (2013, August 14). Group Discussion

³¹ Mirando, Laurentino. Affected community in the Hamlet of Bemetan. (2013, August 16). Interview in person.

³² Sarmento, Hermengildo. Traditional Elder of Loro. (2013, August 16). Village of Betano. Interview in person.

communities.³³ Instead only said that the problems with the power plant will not be repeated in the refinery and Petrochemical Project.³⁴

Fundasaun Mahein requested the Ministry of Oil and Natural Resources and the Timor Gap to clearly explain the issue on the compensation to be paid to the affected community. The Government shall not only acknowledge the rights of those who provided proofs (certificate of land) yet the rights of the entire community affected by the national project in question.³⁵ Some community members are questioning the validity of the certificate of land issued during the Indonesian time, as the occupation of both Portugal and Indonesia is considered illegal by the international community and thereby it does not guarantee the legality of those certificates.³⁶ Even worse, the land law is still pending in the National Parliament.

c. The Community in Betano is Questioning the Job Opportunities

According to the political vision of the Government, it will provide for the Timorese people, qualifications and skills, necessary to lead and manage the petroleum industry development.³⁷ However, the Government has not prepared adequate conditions to give the opportunity to the Timorese people to increase their capacity (technical skills on refinery and petrochemicals) to take advantage of job opportunities.³⁸

In fact, the Government has not identified how many Timorese students studied, both within the country and abroad, in the petroleum-related area. It is necessary to identify those students to equip them with adequate training to work in the Refinery and Petrochemical Project. This is one way of ensuring the Government's policy that it is the Timorese people who worked in the Timor oil industry.³⁹

In several documents, it was found that the unemployment rate in Timor-Leste is increasing every year and that there are at least 15,000 people in search of jobs.⁴⁰ In addition, the census data of the village of Betano indicated that 37.38% of the people who are employed, 6.27% are unemployed, and 56.35% are inactive. This indicates that many of the community in Betano were unemployed.⁴¹ Hence, Fundasaun Mahein requested that it is necessary to look for and prepare the conditions for the community in Betano so that they will not

³³ Sarmiento, Hermengildo. Traditional Elder of Loro. (2013, August 16). Village of Betano. Interview in person.

³⁴ Tilman, Elias. Veterans Representative from the Village of Betano. (2013, August, 14). Group Discussion.

³⁵ Sarmiento, Anibal. Director of Land and Property and Cadastral Service of Manufahi District. (2013, August). 12). Interview in person.

³⁶ Community leaders, traditional elders and youth from the Village of Betano (2013, August 14). Group Discussion

³⁷ RDTL. (2012). Program of the V Constitutional Government. http://timor-leste.gov.tl/wp-content/uploads/2012/09/Programa-do-V-Governo-Constitucional_TETUM-26-8-12.pdf. p47.

³⁸ Community leaders, traditional elders and youth from the Village of Betano (2013, August 14). Group Discussion

³⁹ Timor Gap. (2012, October 25). Brief Information on the Suai Supply Base Project. <http://www.laohamutuk.org/Oil/TasiMane/2012/SSBIntro25Oct2012.pdf>

⁴⁰ Fundasaun Mahein. (2013, August. 29). The Suai Supply Base Project: Development or Threat. The Voice of Mahein No.57. pdf.

⁴¹ "Fo Fila Fali" Census Data of the Village of Betano 2010.

be deprived of their rights for job opportunities created in their area, and thereby prevent tensions and conflicts in the future.

The community affected by the Refinery and Petrochemical Project and the New Betano is sad because the Government has not prepared adequate human resources within the community to render them with employment in the project in question. The community raised this concern by linking it with the power plant project, inaugurated in August, where the majority of the workers are foreigners (Indonesians), who are engaged in hard-labor in mixing the concrete, excavation, drawing water and only few local workers were employed.⁴²

On the other hand, the Government has promised that the implementation of the project will bring benefits to the affected community in the village of Betano to be employed in the industry in question.⁴³ However, in certain project implementation, given the fact that the project site is surrounded by high concrete walls, automatically only those with adequate skills who will be employed. This is contradictory to the situation in Timor-Leste as the fight for independence has affected the Timorese people to fully participate in education.⁴⁴

Another issue of concern is that the community informed that there are doubts on the companies to give equal employment opportunities. Those companies does not count on the local workers as they are not on time or always come late, work slowly, and being de-motivated. As a result, the companies tend to recruit foreign workers. For example, if the company is from Indonesia, it will automatically employ more workers from Indonesia.⁴⁵ Fundasaun Mahein noticed that it is potential to generate conflicts between the local and foreign/international workers as well as with the companies.

d. The Community is questioning the Refinery and Petrochemical Project

Based on observations made by Fundasaun Mahein in the refinery and petrochemical project area which will be operational in Betano in particular between the villages of Bemetan and Fatukuak the socialization and the process of testing of the soil has recently taken place. The affected communities are questioning the impacts of the refinery industry to their residence, plantations and crops, area for grazing/breeding their livestock, farms as well as the environmental impacts. However, the Government has not presented to the public the findings from the study on the environmental impacts.⁴⁶

The Government has conducted socialization on the refinery and petrochemical project yet it has not provided clear explanations regarding the impact of the industry in the future.⁴⁷ It is necessary to conduct a profound study on the environmental impact in order to help minimizing the impacts of the project as, for sure, all industrials will bring about environmental impacts,

⁴² Manuel Tilman, Rui. Youth coordinator of the Village of Betano. (2013, August 14). Interview in person.

⁴³ Fundasaun Mahein. (2013, August. 29). The Suai Supply Base Project: Development or Threat. The Voice of Mahein No.57.pdf.

⁴⁴ Community Leaders, Traditional Elders and youth of the village of Betano. (2013, August 14). Group Discussion.

⁴⁵ Community Leaders, Traditional Elders and youth of the village of Betano. (2013, August 14). Group Discussion.

⁴⁶ Da Silva Guterres, Virgilio. Director of Fundasaun Haburas. (2013, August 22). Interview in person.

⁴⁷ Tilman, Elias. Veterans Representative from the Village of Betano. (2013 , August,14) Group Discussion.

moreover such as huge industry as the one in question.⁴⁸ Therefore, Fundasaun Mahein requested the Government to provide profound explanations to the public regarding the impacts of the industry in question so that the community is well-informed, in particular of the social and environmental impacts.

Another concern from the affected community and the community of the village of Betano is the issue on relocation where the Government insisted that the community should move aside from the Refinery and Petrochemical industrial area. According to the Government's plan the community must live within a distance of at least 5 km from the industrial area in order to avoid pollution (chemical fumes) from the project.⁴⁹ Yet, according to the information Fundasaun Mahein obtained from the community, they will live in a distance of 2 km away from the industrial area.⁵⁰ Thereby the community is concerned about who will inhabit the abandoned area of 2km and 5 km and what does it intended for?⁵¹ Until now, the community has not had adequate information regarding the impacts and the benefits of the implementation of the project.

e. The Community is Questioning the New Betano

The New Betano remains as a concern to the community despite the socialization phase has been initiated. The affected community is concerned about who will occupy the new city, New Betano, is it the community or the foreign workers since there has not been any clarification from the Government regarding the New Betano.⁵² Fundasaun Mahein requested the Government to provide clear explanation to the community in order to avoid confusions on the issue.

Nova Betano



Photo Source: <http://www.laohamutuk.org/Oil/TasiMane/NovaBetano.jpg>

“The Government did not provide us with clear explanations yet only showing us the beautiful design of how the New Betano will look like. Our concern is that who will be residing in the New Betano, is the community or the foreign workers”. Said the traditional elder of Loro.

⁴⁸ Da Silva Guterres, Virgilio. Director of Fundasaun Haburas. (2013. August. 22). Interview in person.

⁴⁹ Timor Gap Staff. Exhibition in the CCD- Dili (2013. August. 31). Informal conversation.

⁵⁰ Community leaders, traditional elders and youth from the Village of Betano. (2013, August 14). Group Discussion

⁵¹ Community leaders, traditional elders and youth from the Village of Betano. (2013, August 14). Group Discussion

⁵² Community leaders, traditional elders and youth from the Village of Betano. (2013, August 14). Group Discussion

On the other hand some community members informed that the New Betano will be inhabited by foreigners or the workers of the Refinery and Petrochemical industry.⁵³ There are doubts spread among the community that if this is the case, what about the affected community? There has not been any clarification regarding the location for the affected community to be relocated.

f. The Community Questions the Relocation

Another issue of concern is the relocation, no matter what the affected community shall move out from the area of the Refinery and petrochemical and the New Betano to other location at the time when the project is implemented. This means that the community will voluntarily or by force abandon the land and move to the highlands.⁵⁴ According to community the relocation is considered as a form of conviction from the Government against them.

The observations made by Fundasaun Mahein identified that the communities who will be relocated covers the entire village of Betano. The analysis of the study discovers that the community affected by the Refinery and Petrochemical, the New Betano as well as the Highway projects is located in the seven villages in the village of Betano as mentioned in another sub-topic of the report. There are 5.151 people will be relocated.

The communities who will be relocated



Source: Betano – Photo FM 2013

The issue of land is now emerging everywhere, ranging from the urban to the rural areas throughout the territory of Timor-Leste, has been disputed over between the communities.⁵⁵ The report of Fundasaun Mahein described that land disputes in Same has reached 4.73%.⁵⁶ Thus, with the presence of the Refinery and Petrochemical project and the New Betano can open up

⁵³ Manuel Tilman, Rui. Youth coordinator of the Village of Betano. (2013, August 14). Interview in person.

⁵⁴ Sarmiento, Hermengildo. Traditional elder of Loro, the village of Betano. (2013, August 16). Interview in person.

⁵⁵ Fundasaun Mahein. (2013, April 17). An Endless Land Dispute: From the Security Perspective. The Voice of Mahein No.48.pdf.

⁵⁶ Fundasaun Mahein. (2013. April. 17). An Endless Land Dispute: From the Security Perspective. The Voice of Mahein No.48.pdf.

new series of land disputes. This is because the land law has not provided clear definition of land and that it is under discussion in the National Parliament.

VI. Impacts of the Refinery and Petrochemical Project

The Impacts of the petrochemical project and the New Betano on the community is that they will lose their rights for a piece of land, productive land, plantations and trees, farms and rice fields, and the area for grazing/breeding their livestock. Another impact is the social and environmental threat if the project is implemented, the smoke or pollution will have great impact on the community in Betano, the animals, and the plants cannot grow.

On the other hand, the affected community is lacking information regarding the Refinery and Petrochemical Project, particularly concerning the negative and positive impacts pose by the industrial project.⁵⁷ Fundasaun Mahein requested the Government to explain to the community on the social and environmental impacts of the Refinery and Petrochemical project which will have a major impact on the life of the community in the future.

a. Productive Land

Land is an essential element for the community to sustain their life. All living things depend on the land to be able to seek, live and save its life.⁵⁸ Without land, the community cannot perform agricultural activities in order to meet their needs as the farming community is far more dependent on farms and rice fields.⁵⁹ When the Government has started to excavate the people's land within the area of the petrochemical mega project, it will consequently pose serious threat to their life in the future.⁶⁰ The "Fo Fila Fali" Census data of the village of Betano indicated that 76.06% of the community in Betano depends on subsistence farming.⁶¹

Community's farms and plantations



Interview with the Community



⁵⁷ Tilman, Satrunino. Village Chief of Betano. (2013. August. 12). Interview in person.

⁵⁸ Fundasaun Mahein. (2010, July 12). Land Disputes and the National Stability in Timor-Leste. The Voice of Mahein No. 8.p1.pdf.

⁵⁹ Sarmiento, Paulo. Community member affected by the New Betano Project. (2013, August 16). Interview in person.

⁶⁰ Sarmiento, Hermengildo. Traditional elder of Loro. (2013. August. 16). Interview in person.

⁶¹ "Fo Fila Fali" Census Data of the Village of Betano 2010.

Another issue is that the soil in the Southern Coast is plain and productive land that has huge potentials for agricultural production. The elders said that in Lospalos, Viqueque and Same there are farmlands and, therefore, not suitable to be used as industrial sites as otherwise it will kill the domestic production.⁶² If there is no proper planning for productive land, it will not help reduce the dependence on foreign economy, and as a result, the productive land will become barren and once when the oil reserve dries up, Timor-Leste may experience an economic crisis.

The Refinery and Petrochemical project will occupy an area of 231 hectares that includes some parts of the hamlets of Fatu Kuak and Be Metan.⁶³ The areas included in the New Betano project covers an area of 1.190 that belongs to five (5) hamlets namely the hamlets of Bemetan, Lalika, Loro, Reifusa and Lewai.⁶⁴ These areas are identified as productive land and the community is utilizing it for agricultural activities.

In the opinion of Fundasaun Mahein, the implementation of the Refinery project and the petrochemical industry pose huge threat to the productive land that the community has utilized for farming, rice fields, and grazing their livestock such as cows, horses, goats, and many more. In addition, it can destroy the potential increase of the country's agriculture production to maintain the economic stability in the future.

b. Plantations and Trees

Fundasaun Mahein monitoring discovered that the Refinery and the New Betano project sites have plenty of plants with economic values which has been meeting the needs of the community. The plantation includes teak tree, coconut, breadfruit, betel nut and other plants which have become the source of income for the community in fulfilling their needs.⁶⁵

The affected community is concerned with the impacts of the Refinery and the New Betano project as when the project is due to be implemented, their plants and trees which have been utilized to fulfill their needs.⁶⁶ The community is expecting the compensations from the Government to their land and assets affected by the project in question.

c. Area for grazing/breeding their livestock

The Refinery and the New Betano project sites are fertile and plain soils that have great potential to generate the local economy. Despite being productive land, the soil in the area in question is also identified as the place which has been used for many years since the ancestral time for grazing their livestock such as horses, buffaloes, and goats.⁶⁷

⁶² Aitahan Matak, Antoni. Coordinator of the CDP-RDTL. (2013, August 22). Interview in person.

⁶³ Community leaders, traditional elders and youth from the Village of Betano. (2013, August 14). Group Discussion

⁶⁴ Tilman, Satrunino. Village Chief of Betano. (2013, August, 12). Interview in person.

⁶⁵ Mirando, Laurentino. Affected community in the Hamlet of Bemetan. (2013, August 16). Interview in person.

⁶⁶ Community Leaders, Traditional Elders and youth of the village of Betano. (2013, August 14). Interview in person

⁶⁷ Tilman, Tomas. Community Affected by the Refinery Project. (2013, August, 16). Interview in person.

Although the Government has not sent a team to collect data on the livestock of the affected community, yet the community is concerned about the areas for grazing/breeding their livestock which will be flattened for the purpose of the project. The census data of the village of Betano indicates that the majority of the community in the Village of Betano breed animals such as Chicken; 6,468, Pig; 2,453, Sheep; 58, goat; 1,343, horse; 313, Cow; 1,510, buffalo; 1,280 which they sell to support their life.⁶⁸ If the Government did not take these issues into consideration, it will ruin the economy of the people, will destroy the places for grazing the livestock, plants and animals will be endangered because there will be food (green grass) scarce.⁶⁹

VII. Potential Security Threat

The Refinery and Petrochemical Project and the New Betano project that will be established in Betano, had higher potential to bring threat to the national security in terms of social security and environmental security. Even though the socialization process for the project in question is ongoing, yet the community has not received clear information from the Government. A concrete example is the power plant project in Betano which has been the great concern of the community as it is potential to cause environmental risk in the future.

a. Threat of Social Aspects

The land included in the refinery and petrochemical project area was originally abandoned land or wasteland and, during the Indonesian occupation, all the people were forced to come down from the plateau and live in the area that have currently being identified for setting up the refinery project.⁷⁰ In relation to the project, the Government has indicated that the area, through the local authorities, where the people have to return to live is in the highland.⁷¹ Yet the community members refused to go on the pretext that they had lived there for quite a long time and they have been accustomed to the life on the plains.⁷²

"We do not preclude the Government plans to implement the Refinery and the New Betano project as it is for the purpose of national development, yet, as the natives of Loro, we have lived here in the plains since the days of the ancestors and we will die here as well. If the Government asked us to move and live in the hills/highlands, the better we move into the sea, we are not going to stay in the Highlands", said the traditional elder of Loro."

Another concern from the community is about the issue of landlords and land ownership. Based on the history, the native indigenous people of Betano are the village of Betano and Fatuk Kuak who have occupied the land since the time of their ancestors.⁷³ However, in regard to land ownership, the majority of the communities were forced, during the Indonesian occupation, to

⁶⁸ "Fo Fila Fali" Census Data of the Village of Betano 2010.

⁶⁹ Tilman, Tomas. Community member affected by the Refinery Project. (2013. August. 16). Interview in person.

⁷⁰ Tilman, Satrunino. Village Chief of Betano. (2013, August 12). Interview in person.

⁷¹ Tilman, Satrunino. Village Chief of Betano. (2013, August 12). Interview in person.

⁷² Sarmiento, Hermengildo. Traditional elder of Loro. (2013, August 16). Interview in person.

⁷³ Sarmiento, Hermengildo. Traditional elder of Loro. (2013, August 16). Interview in person.

come down from the highland and to process the land, thereby they demanded the right to land.⁷⁴

According to Fundasaun Mahein, this case is of great potential for generating horizontal conflict between the communities in the future. The issue of land ownership among native and communities affected is not clear. The problem is that the Land Law has not yet been approved by the NP. We can draw an example from the power plant project development plan that has caused problems between the Buka Hatene Group⁷⁵ with the local authorities regarding the tenure of the land for the power plant. The Government leased the land without the acknowledgement of the community and ordered the local officials to force the affected communities to accept the decisions that have been made.⁷⁶

b. Threats of Economic and Environmental Aspects

Agriculture is an important sector for Timor-Leste in the future in order to sustain and provide for livelihood for the majority of the people in the long term. However the presence of the refinery and petrochemical project would damage the fertility of the soil and also plantations and plants that had been the source to fulfill the needs of most people.⁷⁷ Similarly, to support the economic sustainability for future generations. The Government needs to recognize and preserve the natural resources to ensure its economic value.⁷⁸

Timor-Leste is the second country in the world whose economies are dependent on oil and gas exports.⁷⁹ Having spending lots of money to invest in non-renewable resources ignores the development in other potential sectors that can substitute the petroleum in the future when the country's oil reserves run out. Productive lands that suppose to be used for the purpose of agricultural production are instead being taken over for such an industry that will turn the land into infertile and unproductive.⁸⁰

According to the NGO Fundasaun Haburas, the environmental impacts from the Refinery and Petrochemical industry will destroy the environment of the wild animals, as well as the food stock for animals and plants as due to the environmental degradation it causes. Another effect is the waste from fillings and pollution that will be produced by such a large industry.⁸¹ Thus, the Government and the companies that are undertaking the project need to conduct environmental impact studies before running the industry in question. However, until now both the Government

⁷⁴ Tilman, Satrunino. Village Chief of Betano. (2013, August 12). Interview in person.

⁷⁵ The Buka Hatene Group is the group which has launched protests against the Government in the implementation of the power plant project in Betano. This group is composed of students or intellectuals originated from the village of Betano.

⁷⁶ Pereira Ornai, Mariano. Coordinator of Buka Hatene Group. (2013, August 23). Interview in person.

⁷⁷ Fundasaun Mahein.(2013, August. 29). The Suai Supply Base Project: Development or Threat. The Voice of Mahein No.57.pdf.

⁷⁸ Constitution of the RDTL. May 2011. Article 61

⁷⁹ La'o Hamutuk. (2013). Statements of the Civil Society in the Timor-Leste and Development Partners' Meeting in 2013.<http://laohamutuk.blogspot.com/2013/06/gov-parseiru-sira-tenke-dezenvolve.html>

⁸⁰ Aitahan Matak, Antoni. Coordinator of the CDP-RDTL. (2013. August. 22). Interview in person.

⁸¹ Da Silva Guterres, Virgilio. Director of Fundasaun Haburas. (2013, August 22). Interview in person.

and the company have not presented any document regarding the environmental impact assessment.⁸²

c. Threats of Cultural Aspects

The area for the refinery and petrochemical project and also the New Betano is a communal land. The sacred places, sacred lagoons, as well as the traditional sacred houses within the mega project area is the property of the people and therefore its cultural values must be preserved and protected as mandated by the Constitution.⁸³ The fact is that the majority of the people of Timor-Leste glorifies and worships the culture as a tradition that has been long rooted in their lives.⁸⁴

The refinery project is also impacting on the traditional sacred houses which are considerably a huge concern to the community. For example, the U-shaped sacred house of Seli Hasan, which accommodates nine (9) sacred houses that are closely related and have been built since the time of the ancestors and it is inseparable.⁸⁵ Based on the Timorese cultural beliefs, whoever in conflict or destroying the “Lulik” will be cursed in their lifetime and it will also affect their families and entire community.⁸⁶

So, the affected communities called for the Government to conduct intensive socialization before implementing the project so that the construction can last longer. The land of Betano has its own history, thus, the Government needs to consider to sit with the traditional elders to assess the potential cultural threats that may impacting on the viability of the industry in the future.⁸⁷

VIII. Conclusion

The refinery and petrochemical project and the New Betano project is a package of the Tasi-Mane infrastructure mega project incorporated under the National Strategic Development Plan – NSDP vision. The vision of the NSDP is to establish three infrastructure mega projects namely the Suai Supply Base, the Refinery and Petrochemical in Betano, and the LNG in Viqueque. Exclusively to implement the Refinery and Petrochemical Project and the New Betano project that will bring positive impacts on the economic development in Timor-Leste.

Yet, the Refinery and Petrochemical Project and the New Betano remain as a concern for everyone across Timor-Leste as that once the project is implemented it will cause huge impact on the community. The communities in the affected areas will be suffering from the project in question as they have to offer their land, losing their plantations and plants, area for grazing/breeding their livestock including their farms and rice fields which have, for years,

⁸² Da Silva Guterres, Virgilio. Director of Fundasaun Haburas. (2013, August 22). Interview in person.

⁸³ Constitution of the RDTL 2011. Article 59. Item 5.

⁸⁴ Fundasaun Mahein. (2013, August 29). Suai Supply Base Project: Development or Threat?; The Voice of Mahein No. 57.pdf.

⁸⁵ Pereira, Pedro Kotu. Traditional elder of Seli Hasan. (2013, August, 14). Interview in person.

⁸⁶ Fundasaun Mahein. (2013, August 29). The Suai Supply Base Project: Development or Threat. The Voice of Mahein No.57.pdf.

⁸⁷ Sarmento, Hermengildo. Traditional elder of Loro. (2013, August 16). Interview in person.

sustained their life.

The Government needs to provide clear explanations to the community at the time they conducted socialization in the respective locations. Organize open dialogue with the affected communities on the benefits and environmental impacts of the Refinery and Petrochemical industry in order to prevent conflicts in the future. In addition, establish the minimum conditions and awarding compensations to those affected communities to allow them to enjoy sustainable living.

IX. Recommendation

1. Recommend to the Ministry of Oil and Natural Resources and Timor Gap to conduct intensified socialization to the community prior to implementing the project by clearly explaining about the impacts of the refinery and petrochemical and the New Betano projects so that the community can look forward for the development.
2. Recommend to the Government in particular the Inter-ministerial Joint Team to provide clear explanation to the community regarding indemnisation and compensations to be paid thereby the implementation of the project will not lead to conflicts in the community as it is with the power plant.
3. Recommend to the Government through the Ministry of Oil and Natural Resources to create a legal/binding contract agreement between the Government and its community in order to prevent conflicts for the future generation.

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