

## TL-EITI WORK PLAN 2020

### 1<sup>ST</sup> OBJECTIVE: to implement the recommendation from the last Validation in enhancing EITI principles in Timor-Leste

**Rationale:** The first Validation result as reported on the 11<sup>th</sup> of January 2017 indicated that Timor-Leste had made a meaningful progress in implementing 2016 EITI Standard. Efforts were made by the MSWG to improve these requirements and corrective actions were prepared to ensure increase participation of MSWG members. Through the publication of TL-EITI report in December 2017, (FY 2014 and FY 2015), and the implementation of previous work plans, Timor-Leste was validated on February 2018 by the EITI Board and considered to achieve a satisfactory progress in adhering to 2016 EITI Standard. In order to ensure continuing adherence of the Standard, several recommendations (req. 7.3) was proposed by the Board, especially for the recommended activities proposed by Independent Administrator (IA) in recently published TL-EITI report.

It is important to note that implementation of some of these recommendations may require approved budget within the government. Currently, the government does not have an approved budget to support the implementation of any new programs in 2020.

ACTIVITIES	EXPECTED OUTCOME	TIMEFRAME	ESTIMATED COST	SOURCE OF FUNDING	RESPONSIBLE PARTY	COMMENT /STATUS
<p>MSWG and the National Secretariat (NS) to commence discussions and implementation of a comprehensive database for extractive industry data collection within the Secretariat, Beneficial Ownership and mainstreaming.</p> <p>MSWG and NS to commence discussion on EITI Law. (See 4<sup>th</sup> Objective )</p>	To improve implementation of EITI Standard.	Throughout the year		<i>MPM</i>	TL-EITI Secretariat and MSWG	Considering Covid19 situation, MSWG and the NS may conduct discussion through group discussion using group emails or WhatsApp group meetings. Activities such as establishment of EITI Secretariat data base system would depend on approval of government's annual budget.

**2<sup>ND</sup> OBJECTIVE: To ensure the publication of EITI Report in timely manner and in accordance with EITI Standard 2019**

**Rationale:** A new EITI Standard was released in May 2019 and it was effective by early 2020. Some of the new requirements are Beneficial Ownership (#2.5), environmental reporting (#6.1) and gender (#1.4, #6.3) and the implementation of these new requirements would need to be reported in the EITI report to be published in 2020. For 2018 EITI Report, the EITI International encourages Timor-Leste to maintain requirements that are already implemented such as disaggregation by project level reporting (#4.7) and SOE report (#2.6) but would require the assurance of its implementation by reporting entities (specially new companies) and full disclosure of financial flows from government to SOE (TIMOR-GAP) and/or vice-versa. .

EITI Timor – Leste achieved this objective in 2019 and MSWG members agreed to maintain the same Independent Administrator (IA) to assist the MSWG with the preparation of TL-EITI Report for FY 2018, to be published in 2020. The IA will propose a new reporting template which incorporates new EITI Requirements (including BO data collection) and will continue to investigate the implementation of systematic disclosure (mainstreaming) (#4.1) in the country.

ACTIVITIES	EXPECTED OUTCOME	TIMEFRAME	ESTIMATED COST	SOURCE OF FUNDING	RESPONSIBLE PARTY	COMMENT /STATUS
Finalise scoping analysis report and data reporting templates. This includes approval of reporting templates, Scoping study and Inception Report by reporting entities.	To ensure compliance with 2019 EITI Standard, specifically in relation to the reporting template.	Mar - May		MPM	IA, MSWG and reporting entities	EITI Secretariat & MSWG members will place all effort in executing this activity. However, due to current pandemic, it will depend on the IT infrastructure available to EITI Secretariat & all MSWG members.
Reconciliation Process for FY2018 TL-EITI Reports. This includes reconciliation of revenue data templates submitted by reporting entities, draft report for MSWG reviews and comments and final publication.	Support government’s effort in encouraging transparency within the extractive industry as well as	May – Dec	US\$ 73,800	MPM	IA and MSWG (reporting entities)	

	producing comprehensive TL-EITI report that can be used for public discussion.					
Continue the discussions on Beneficial Ownership (BO).  Identify the relevant law & regulations that requires review in order to enable MSWG to implement req. 2.5 based on the agreed BO definition.  IA to prepare the BO data templates for MSWG approval.	To ensure compliance with 2019 EITI Standard	Mar-May		MPM	IA, MSWG constituents and TL-EITI Secretariat	Require collaboration from SERVE and Trade Invest.  The final version of the feasibility report is expected to be finalized within the proposed timeframe.  MSWG should prioritize this activity amidst the Covid19 situation.
Maintain discussion on systematic disclosure (mainstreaming)	To identify gaps in public disclosures e.g. published production-export values, disaggregation of certain revenues collected by the govt. (FTPs, Profit oil, royalties), information on tender process and contract awards	Between July and November		MPM	IA, MSWG constituents and TL-EITI Secretariat	Follow up discussion amongst MSWG members and compilation of feasibility report by the IA.  EITI Secretariat &MSWG could organize for VC to discuss this topic in the near future.

Develop and produce Annual Progress Report (APR) for 2019, include submission of summary of impact(s) of EITI implementation for the country.	To provide report on the implementation of WP and reflect on the outcome and impact on EITI implementation in the country.	Apr – Dec	N.A.	N.A.	All constituents and TL_EITI Secretariat	Deadline is flexible according to 2019 EITI Standard, submission by Dec 31st. Suggest to prepare EITI impact summary <u>by May 2020</u>
---	--	-----------	------	------	--	---

### 3<sup>RD</sup> OBJECTIVE: To encourage discussions on transparency in public expenditures, including investment decisions focus on economic diversification

**Rationale:** Improves community awareness on accessing publicly available information in relation to government expenditures as well as extractive industry’s activities in the country. MSWG and EITI Secretariat expect local community can utilise EITI data to generate public debate and create discussions on extractive industry (EI) governance.

This objective was included in previous Work Plan and some activities were implemented. MSWG foresee greater benefit by sharing information through talk shows or interviews, which will be broadcast to broader audiences who might be benefited from the use of EITI information. Implementation of the activities subscribed in the table below may rely on the approved state budget. Since outreach activities are conducted through “presence on the field”, implementations would be postponed this year, due to Covid19 pandemic.

ACTIVITIES	EXPECTED OUTCOME	TIMEFRAME	ESTIMATED COST	SOURCE OF FUNDING	RESPONSIBLE PARTY	COMMENT /STATUS
Dissemination information from 2016 and 2017 TL-EITI Reports to selected audience (e.g.civil society, academic community and public sector).	Increased public awareness on EI and EITI data. Improve capacity of stakeholders and TL-EITI Secretariat staffs with public engagements.	Mar – Nov	\$18,140	MPM	MSWG, TL_EITI Secretariat and relevant entities	If requires funding, it would rely on the 2020 Budget or, alternatively, MSWG and National Secretariat could opt to carry out these activities at the venue(s) that require less funding and resources for its implementation (e.g. FONGTIL cooperation, universities

Organize two workshops in 2020 to provide forum for discussions on public expenditures and investments from extractive sector towards economy diversification	Contribute to improving public awareness on EI and EITI data. Improve capacity of stakeholders	Mar – Nov		MPM	MSWG, TL_EITI Secretariat and relevant entities	etc.).However, outreach/field activities may be restricted due to Covid19 situation.
Maintained release of information on transparency and Extractive Industries through talk shows, media release, exposition tools (brochures, posters etc.).	Increased public awareness on Extractive Industries and EITI issues for transparency purpose	Throughout 2020		MPM	MSWG, TL_EITI Secretariat	
Discussion on implication of the current global health issue towards oil & gas activities including impacts on oil prices and Petroleum Fund performances.	Contribute to improving public awareness on Extractive Industries and EITI data. Improve capacity of stakeholders	Apr-Oct	NA	NA	MSWG, TL_EITI Secretariat and IA	This activity could be discussed using online tools: WhatsApp group calls and/or exchange emails.

#### 4<sup>TH</sup> OBJECTIVE: To encourage discussions on legal framework and maintain contract transparency within extractive industries

**Rationale:** MSWG acknowledge the importance of strengthening legal framework of EITI in Timor-Leste. With the current debates in regards to maritime boundary and legal reform issues on Extractive Industries sector, it is important to monitor the changes which may affect transparency and EITI implementation.

MSWG will continue its research on EITI Standard to compare it against the country's policies to implement unfulfilled requirements, such as Req. 2.5 and other possible Requirements. This includes consultation with relevant institutions and other EITI implementing countries which have established legal regime to govern EITI. MSWG is aware that some activities from this objective were not fully implemented in previous year and thus choose to maintain them. In this Work Plan, MSWG is considering plans to disclose any new contracts to be awarded in EI.

ACTIVITIES	EXPECTED OUTCOME	TIMEFRAME	ESTIMATED COST	SOURCE OF FUNDING	RESPONSIBLE PARTY	COMMENT/ STATUS
Actively participating in discussions on draft laws and relevant laws/regulations for extractive industry in the country.	To ensure that Laws & Policies adopted by the Government are aligned with EITI Standard.	Throughout 2020		MPM	MSWG, TL_EITI Secretariat	If requires funding, it would rely on the 2020 Budget. Discussions will be based on online meetings.
Maintain an updated EITI Transparency Law study/research.	Promote transparency through review and amendments of relevant Laws, policies and contracts	Throughout 2020		MPM	TL_EITI Secretariat, MSWG and MP	Nat. Coordinator would have to follow up the status of this Law with ANPM
Referencing contracts published online on ANPM website, discussion on procedures of comprehensive disclosure of contracts and consider how to overcome legal barriers e.g. existing confidentiality provisions in PSCs which prevents public disclosure of Oil&Gas data (unless if mandatory by Law).	Promote transparency through review and amendments of relevant Laws, policies and contracts	Throughout 2020	NA	NA	MSWG, TL_EITI Secretariat and IA	This activity was also included in the IA's recommendation on 2017 EITI report. Discussions to be used online tools.

## 5<sup>TH</sup> OBJECTIVE: To enhance EITI institutional development for MSWG and National Secretariat

**Rationale::** This objective aims to maintain a focus on the importance of continuous improvement in capacity for MSWG and TL-EITI National Secretariat. As the EITI Standard continue to evolve, it is crucial to ensure that all stakeholders are fully trained and prepared to implement the EITI Standard. The new Standard encourages implementing countries to adhere to new requirements such as Beneficial Ownership, Environment and Gender. Thus, an expansion of MSWG membership to relevant institutions is a necessity for EITI TL. It is also important to consider infrastructure improvement in order to allow staff members and MSWG members to implement working from home during such emergency situation.

ACTIVITIES	EXPECTED OUTCOME	TIMEFRAME	ESTIMATED COST	SOURCE OF FUNDING	RESPONSIBLE PARTY	COMMENT/ STATUS
Organise for workshop and round table discussion amongst MSWG members and relevant public institutions to discuss EITI Standard,	Improving capacity of stakeholders and TL-EITI Secretariat staff members. Increased public engagement on EI and EITI data.	Apr – Dec	US \$ 33,291	MPM	All MSWG constituents, Nat. Secretariat (NS) and relevant entities	If requires funding, it would rely on the 2020 Budget, but alternatively, the MSWG and the NS could opt for costless events internally. Some of these activities may not implemented as proposed due to Covid19 situation.
Participate in EITI regional conferences, workshops and other international events.	Improving capacity of National Secretariat staff members and the MSWG and strengthening the institutional development of EITI in the country.	Apr -Dec	US \$ 20,574	MPM	TL-EITI Secretariat and all MSWG constituents	
Recruitment of additional staff(s) for EITI by the government and identifying relevant training to be attended by staff within EITI Secretariat	Improving capacity of National Secretariat staffs and strengthens the institutional development of EITI in the country.	Throughout 2020	US \$ 89,292	MPM	TL-EITI Secretariat and MPM.	Part of Government plans for recruiting new NC for EITI Secretariat. Salaries and fee services included in budget allocation for EITI using duodecimal and/or upcoming government budget.