

## Timor-Leste EITI Multi Stakeholder Group

### MINUTES

14 August 2015

09:00 – 11:35

Farol Office

#### Participant Members\*

|                        |  |
|------------------------|--|
| Elda Guterres da Silva | National Coordinator TL-EITI (MPMR)        |
| Agostinho G. Ramos     | MoF/ DNPMR                                 |
| Jose Lobato            | Country Manager ConocoPhillips Timor-Leste |
| Angelina Branco        | Eni Country Representatives                |
| Henrique Monteiro      | TG   |
| Nelson Miranda         | Luta Hamutuk                               |
| Oscar S. Faria         | Senior Officer Single Auditor              |

#### Alternatives, and Non-Voting

|                        |                     |
|------------------------|---------------------|
| Francisco Alegria      | Timor Gap E.P       |
| Trifonio Flor Sarmento | Secretariat TL-EITI |

#### Absent:

|                               |                                     |
|-------------------------------|-------------------------------------|
| Filipe Nery Bernardo          | Petroleum Fund Analyst- MoF         |
| David de Araujo               | ConocoPhillips External Relations   |
| Auxiliadora do Rosario Coelho | MPMR                                |
| Alzira Sequera F. Dos Reis    | Director Executive Alola Foundation |
| Antonio C. Santos             | Woodside Country Representative     |
| Fernando Carvalho             | Chief Account BCTL                  |
| Sabino Fitun                  | MDI                                 |
| Tobias Ferreira               | BCTL                                |
| Helio dias da Silva           | MDI                                 |
| Martina da silva              | Director FHF                        |
| Angelo Lay                    | Director of Commerce, ANP           |
| Sabino Gusmao Fitun           | Director Ba Los                     |

**Chair by:** Elda Guterres da Silva      National Coordinator TL-EITI (MPMR)

**The agenda to be discuss as following:**

- 1. Review meeting minutes on 10 July 2015**
  - 2. TL-EITI report 2013**
  - 3. Validation template form questioner**
  4. Sharing Experience
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**1. Review meeting minutes on 10 July 2015**

10 July 2015 minutes of meeting was approved with minor revision as following:

- Excluding the phrase of discussion between the TIMOR GAP (TG) and DNPMR regarding to the technical dispute for domestic or PF payment need to be reconcile and disclose.
- Industries proposed to reword in section 8 “recommendation” due to fact that is not reflect with the really circumstance, industries will amend accordingly and send to secretariat TL-EITI to circulate to MSG.
- wait for ANP confirmation for contextual information statement in section 3.10 and 3.12

**2. TL-EITI report (2013)**

Industries (Eni)has informed MS can combine and except the statement of “decrease of the kitan Field production in 2013. Eni HQ proposed to rephrase, however, information relevant to (ConocoPhillips), once commented by COP then MS can combine it.

Industries (ConocoPhillips) informed that have share with MSG and other colleague from industries in regard to the more wording in the 2013 report in the previously meeting. Then received amendment made by MS as highlight in green but industry has proposed **small changes again** as highlight **in red font and yellow background** as following:

**1.2 Overall Objective**

**MS has amended accordingly**

**2.1. Limitations to the reconciliation exercise**

~~Lack of~~ data with regards to employment in the extractive industry in absolute terms and as a percentage of total employment;

~~The MSG did not agree on disclosure of production by commodity and did not request these information in the agreed reporting template. Data with regards to production by commodity as this data is not required to be reported by the reporting template.~~

However, and except for the effects of the matters described above, we can reasonably conclude that our Report duly covers all other aspects of the EITI Standard.

### Section 2.3:

[Production decrease under Bayu Undan and Kitan project were mostly due to water production increased and lean gas breakthrough causing reservoir pressure dropped and process issue (for Bayu Undan).

~~Note- Could you please delete this paragraph that make reference to Bayu-Undan Production~~

**Section 4.1.2:** Legal context”: CMATS is omitted as part of the legal framework for Sunrise (also pp.19-20).

**Section 4.1.5:** We noted that Taxation”: Annex F summary omits APT (Additional Profit Tax - p.23). APT was part of special tax legislations specific for Bayu-undan.

**Section 4.1.8:** Could you please delete reference to ConocoPhillips as listed on the ASX, similar in 2012 report.

Section 5.3 tax and revenue cover

- Number 7 Additional taxes  
“Additional Tax” : To add some additional note : “ ~~The term of Additional Tax is for purpose of this report and has different definition with the same term in taxation law~~”
- Number 8 “FTP Gas” : As this line is refers not only to gas but also oil the it should be amended to “FTP”

### Section 8.1:

- Could MS confirm that points 8.1.3 will be deleted or retain.
- propose wording in point 8.1.2 ~~in red font and yellow background.~~

#### 8.1.2. Limitations of the reporting template

The reporting template used for the data collection was prepared and approved by MSG. Although our terms of reference foresee that the Independent Administrator should provide advice to MSG on the reporting template, we were informed not to

make any changes to the format set. Despite this, feedback from some members of MSG indicate that the form of the reporting template was not completely followed. The reporting template has several limitations as follows:

it foresees only the declaration of annual figures from reporting entities. No schedules were included to set out the amounts in detail: by date and by payment. Details of payments are necessary documents for the reconciliation work. It would have been more efficient ~~and would have saved a lot of time~~ if all reporting entities were requested to send details of their payments along with their reporting templates; some entities did not provide details of payments with the reporting template. We were obliged to request ~~thesethis~~ information after receiving the reporting. much of the information foreseen in the EITI Standard was not requested in the reporting template from extractive companies such as exports, beneficial ownership, audit of financial statements and employment statistics.

*MSG should improve the reporting template format in future in order to make the reporting process more efficient with regards to the work to be carried out by the Independent reconciler. In addition the reporting template should be more comprehensive and elaborate in order to include all requirements foreseen in the EITI standard.*

This is amend present by industries but still under discussion once have resolve then will inform MS to circulate to MSG. Tentative to submit the 2013 report due on early September 2015 any pendent issues secretariat and MS can be contact to one of my colleague due to next week ConocoPhillips (Jose) on annual leave.

### **3. Validation template form questioner**

Secretariat has accommodated response provided by government entity (ANP and MoF/DNPTMR), As it represent their opinion. MSG have discussion and agreed that will not change or deleted points that had been presented by other members of working group.

Industries have inclusion their point of view as following:

- 1) Each country has it own circumstances to meet the precise requirements. Exp. In Timor-Leste we only have two production fields with different product, disclosing the information by commodity is sensitive. TL MSG publishes production data as aggregated information.
- 2) Payment from industries to state are transparent and is a model. But Timor-Leste needs to improve transparency in budget implementation. Validation process should encourage this point in Timor-Leste
- 5) Should be consider case by case
- 6) Should consider statement in point 1

- 7) It is a difficult question to answer considering there will always be robust discussion within MSG
- 9) Through information included in each countries EITI report and compare annual progress/ improvement.
- 13) Where the validation report includes population's direct opinion it could be channel for expression of community aspiration on government's performance. And also assist MSG in meeting its objective.
- 14) Maintain current arrangement to allow independent validation process
- 15) International Secretariat has more knowledge in difficulties faced by each countries

Other members that are not present in today meeting are welcome to add new comments as necessary.

#### 4. Sharing Experience

Solomon Island Multi Stakeholder Group (SI MSG) will visit Timor-Leste on 8-11 September 2015 with objective to sharing experience mostly with MSG TL in relation to the “ how MSG may influence non MSG members to support EITI”. In other hand SI delegations is planning to meet with the World Bank, Ministry of Forestry and fishery, Civil Society non in MSG members, and site visit to mining (non Metallic) company. Secretariat TL-EITI have set up draft schedule for SI delegation's visit. most of MSG have confirm expect ANP and H.E Alfredo Pires (MPRM) the draft agenda will circulate to the MSG.

SI delegations consist of:

1. **Government: Mr. Mckinnie P Dentana-** SI EITI National Coordinator and Under Secretary-Economic, Ministry of Finance and Treasury
2. **Industry: Mr. Joerex Raukaniu-** Human Resource Officer, Sumitomo Metal Mining, Solomon Islands Limited
3. **Civil Society Group: Mr. Edward Ronia-**Acting Chief Executive Officer, Transparency Solomon Islands, **Mr. Willie Atu-**Director, The Nature Conservancy, Solomon Islands, **Ms. Josephine Teakeni-**Director, Voice Blo Mere Solomon, Solomon Islands
4. **SI EITI National Secretariat Office: Mr. Vincent Salafa Obimae-** Communications and Secretary Analyst(Acting Head of Secretariat)

#### 5. Dissemination

Dissemination of TL-EITI 5<sup>th</sup> report will held in Municipal Manatuto on 21 August 2015, and on 27 August in Municipal Manufahi, The Invitation, ToR and Agenda have delivered to MSG and participants. Most of MSG have confirm to attend expect ANP and Timor Gap.

#### 6. Next Meeting

TL-EITI Secretariat will call for next MSG meeting.