

Timor-Leste EITI Multi Stakeholder Group

MINUTES

10 April 2015

09:00 – 11:35

Farol Office

Participant Members*

Filipe Nery Bernardo	Petroleum Fund Analyst- MoF
Elda Guterres da Silva	National Coordinator TL-EITI (MPMR)
Angelina Branco	Eni Country Representatives
Agostinho G. Ramos	MoF/ DNPMR
Antonio C. Santos	Woodside Country Representative
Nelson Miranda	Luta Hamutuk

Alternatives, and Non-Voting

Oscar S. Faria	Senior Officer – Finance & Fiscal Assurance
Francisco Alegria	Timor Gap E.P
Trifonio Flor Sarmento	Secretariat TL-EITI
Auxiliadora do Rosario Coelho	MPRM
Martina da silva	Director FHF
Jacinta Bernando	Timor Gap E.P
David de Araujo	ConocoPhillips External Relations
Tobias Ferreira	BCTL

Absent:

Fernado Carvalho	Chief Account BCTL
Angelo Lay	Director of Commerce, ANP
Alzira Sequera F. Dos Reis	Chief Executive Officer Alola Foundation
Ana Paula Sequera	Director Executive Forum Tau Matan
Jose Lobato	Country Manager ConocoPhillips Timor-Leste

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

Agenda to be discuss as following:

1. Review meeting minutes on 30 January 2015

MSG have approved meeting minutes

2. Update 2013 TL-EITI Report

Secretariat TL-EITI has informed that the report for 2013 EITI report by aggregate body MS has sent to Industries on 11 February 2015 to seek their prior approval and comments however so far only received comments from one company on 1 April 2015.

Industries expressed part of the reason for delays of respond from industry is due to the fact that the quality of the report is questionable. This includes the numbers and the content of the report. To ensure correct and factual information are presented in the report, industry needs to review the report in detail. Industry mentioned the example with differences in the production data provided by Eni and by ANP. MS did not seek to resolve the discrepancy before issuing the draft report. This was instead noted by industry and took the initiative to resolve the discrepancy.

In addition to that Industry stated that the company will provide its feedback on 2013 TL-EITI report in due course once the 2012 report produced by MS is properly reviewed and taking into account the company's input. The input was to remove a line in the report stating ConocoPhillips is registered in the Australia Stock of Exchange, as this information is misleading.

The company is aware of deadline for 2013 report but feedback and approval can only be granted once this correction of 2012 is being actioned upon by the report reconciler.

CSO Suggested to avoid the delay for MS in producing the report, MSG could recommend to MS to replace the current person in charge of this reporting.

Government entity proposed a deadline for comments made to the TL-EITI report 2013 will due on 30 April 2015, and MSG was agreed with the suggestion., but any outstanding issues, have not been solved by reporting entities and MS, should bring back to MSG to consider and take an action t. Government further stated that MS had separately dealt with government entities and industries asking for data and clarification. Consequently, others MSG members may not be well informed of the audit working progress. Therefore, EITI secretariat has proposed to invite MS to come to Timor-Leste to clarify any misunderstanding and clear out the outstanding issues. However, MSG prefers MS to send the draft report before coming to the meeting in Dili.

Government entity questioned about the reporting deadline of the supplemental report for 2012 as it had been agreed that the government entity will draft it and circulate to MSG and MS to review before the validation date

Action: Secretariat will email to MS to ask them to attend next MSG meeting in Timor-Leste

3. TL-EITI activities progress report

Secretariat TL-EITI has prepared draft progress report and has sent it to government representative to assist with revision. Next Friday will submit to MSG for comments. The deadline for submit this progress report is 1 July 2015.

4. Review Draft Work Plan 2015

MSG has discussed 5 national priorities identified during the consultation process and has agreed with the priorities, objective activity and action as following:

Priority one: transparency in public expenditures, including investment decisions.

Objectives:

Increase public awareness on expenditures of state budget to encourage discussions on efficient expenditures
Allow avenue for discussion on expenditures of state budget to ensure maximum benefit to the community.

Activity

- Include additional information within EITI report to capture government expenditures for investments, such as investments on State Own Enterprises or other government purchase of companies shares.
- Request for Ministry's support in collecting such information from relevant ministries in the government

Action

Review and amend EITI reporting template

MSG have limitation role and does not make any decision for the investment strategy, due some of the priority plan already reflect in strategy development plan (SDP), MSG only provide information and make discussion in relation to how is the budget is located, total budget withdraw from Petroleum fund but does not go into details how the budget is spend and benefit to the community and in addition to that how the budget is invest either in Infrastructure, State Own Company, Education Healthy and so forth .

International EITI Secretariat have noted Timor-Leste have produce sufficient report and identified no discrepancy but they would like to see more high quality report with more critical and analytical in term of budget expenditure.

Priority two: Contract Transparency

Objective

Continue EITI's effort to ensure a well-informed community.
Public consumption and to comprehend how the contract defines;

Activities

- Update correct link to contracts published within ANP website and other relevant ministries website
- Create summary power point presentations in Tetun as part of community engagement process

Action

- Request ANP to publish the allowable summary of certain PSCs within its website
- Or EITI Secretary to obtain Portuguese version in the Jornal da Republica website and translate them into English version

Government entity (ANP) confirmed that prior to publish them within its website ; legal opinion or advice should be obtained because both PSCs Bayu Undan and Greater Sunrise are not permitted to be published unless the summary. Both PSCs' summary has been published in the Jornal da Republica's website, but they are in the Portuguese version. Therefore, EITI secretary can obtain them and translate into English Version.

Priority three: Economic diversification to reduce oil dependency

Objective

Encourage public discussions on government's strategy for investment diversification to reduce oil dependency in TL

Activity

Include additional information in EITI report to capture government's effort or lack of government's effort in investment diversification

Action

Review and amend EITI reporting template

Priority four: Reforming the legal framework within extractive industries and other revenue generate industries

Objective

- Promote EITI principles new regulations oil and gas

- Promote EITI within new mining law.

Activity

Active participate in discussion

Action

Provide draft law for MSG for comments

Priority five: Improve tax collection capacities and efficiency, including addressing HR and audit capacity challenges (it will response by internally Ministry) therefore MSG proposes to change to Institutional development for TL EITI secretariat.

Objective

Strengthen human resources within EITI Secretariat to ensure appropriate planning for all TL EITI activities each year

Activity

- additional funding for recruitment of additional staff within EITI Secretariat
- additional funding for training to all EITI Secretariat staff
- organic law for TL-EITI secretariat

Action

- include EITI budget within national budget
- develop, recruitment and training plan for TL-EITI secretariat
 - recruitment to increase number of staff
 - establish data base within TL-EITI secretariat

MSG will continue to discuss in the next meeting

5. Pre-validation workshop Report

Secretariat EITI International have comments and outline action point on pre-validation workshop that need to be address by MSG before validation commence however so far only received comment by Industries.

6. Other Business

- Dissemination of the report 2012

Secretariat planning to carry out dissemination in late may however MSG propose to disseminate both report 2012 and 2013 at the same time. It was accepted it.

- Continue engage with MS or re-tender

Several options have to be considering as following:

1. If continue engage with MS MSG should change the person that assign to produce report
2. MSG can re-appoint second IA (Deloitte) that has bid for and has close score to MS but need to be confirming with the procurement regulations.
3. Re -tender but MSG need to consider the timing constraint, MSG might delay to release the report as previously year.

Industries suggested to secretariat to provide performance evaluation base on their scope of work then each MSG can provide their comment and score.

MSG continue to discuss in the next meeting

7. Next Meeting

The next meeting is schedule on 22 May 2015, at 9:00 AM, in the TL-EITI Secretariat Office Farol.