

# Timor-Leste EITI National Working Group

## MINUTES

10 October 2008

9:30AM -11:05PM

Ministry of Finances Offices

Dili, Timor-Leste

### Participants

#### *Members\**

Carlos Florindo	ETADEP, CSO Rep
Venancio Alves Maria	Executive Director, Banking and Payments Authority (BPA)
Florencio Fernandes, Alternate	Eni Timor-Leste. Dili Office Manager
Mark Sherwill	Country Manager, ConocoPhillips Timor-Leste
Viriato Seac	Researcher, La'o Hamutuk
Vidar Ovesen	Fiscal Policy and Petroleum Fund Advisor, MoF

#### *Alternatives, Non-voting, and Observers*

Elda Guterres da Silva	Finance and Admin Officer, EITI Secretariat
Trifonio Flor Sarmento	Asst Outreach Coordinator & Finance & Admin Officer for Secretariat EITI
Tobias Rasmussen	IMF, Representative
Cipriana Tita Sousa	Single Auditor ANP
Francisco M. De Vasconcelos	Counsel Consultative Fund Petroleum
Cesario dos Santos	Woodside representative
João Demétrio Xavier	Petroleum Tax Devision MoF

#### *Absent:*

James Kernaghan	External Relations & Communications Manager, Eni Australia
Manuel de Lemos	Director, SERN (EITI Focal Point)
Doug Porter	Senior Public Sector Specialist, World Bank
Elga Anita	Staff Planning SERN
Angelo Lay	ANP
Guida Freitas	PMCBP, World Bank
Joao Saldanha, Alternate	Macroeconomy (MoF)
Abdur Rahman Khan	Advisor, PTD,MoF
Jose Gonsalves	ANP
Josefina de Olivera	Transparency and accountability
Alishia Stearne	Woodside, Government & Community Relations
Lizete de Fatima M.	Development Program Advisor, Woodside

#### Chair:

Mr. Vidar Ovesen	Fiscal Policy and Petroleum Fund Advisor, MoF
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## **Introduction**

Before the meeting commenced the secretariat EITI staff circulated last meeting Minutes, the work plan for review, civil society proposal for training Seminar and Workshop (including estimated budget) and also the letter of engagement for Deloitte (provided by Ministry of Finance).

The Working Group welcomed the representative from the Petroleum Fund Consultative Council to attend the EITI group meeting as an observer.

### **1) Draft Meeting Minutes**

Minutes from the previous meeting required some amendments

- The Working Group agree not to mention those peoples who will not actively participate in the T-L national Working Group meetings in the foreseeable future.
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### **2) Multi Donor Trust Fund Grant Agreements**

The representative from the World Bank was not present at the meeting; therefore members decided to postpone the fund grant agreement issue for next meeting.

### **3) Template for the EITI Report and Draft Engagement letter Deloitte**

The Draft Engagement letter was circulated to the Working Group for review.

The scope of work for Deloitte includes obtaining examples of reporting templates from other EITI countries and draft a template based on current report and those provided, meet with the appropriate Government and Government body representatives as well as Contact Extractive entities for their input into the design of company reporting templates and amend the forms as appropriate based on feed-back. Civil Society requested that they also be engaged in order to ensure input to the reporting templates from all stakeholders. This was accepted by the Working Group and will be sought to include in the scope of work for Deloitte.

Civil society raised also the question of transparency in terms of the current direction (appointing Deloitte for this work) without providing the opportunity for other candidates (possibly through a public tender). Civil Society also questioned whether it is appropriate to have the same organization conducting both the Petroleum Fund Auditing and EITI reporting template preparation.

The Group exchanged views on civil society's concern and discussed the suggested reasoning for selecting Deloitte for this piece of work. Besides being an internationally recognized independent auditor, Deloitte has been auditing the Petroleum Fund since inception in 2005 and has also prepared reports of all payments made to the Petroleum Fund, in accordance with Art. 35 of the Petroleum Fund Law, and EITI-reports based on templates from the International EITI Secretariat on an annual basis. This experience provides them unique and valuable knowledge of the stakeholders, the information and the TL policies/procedures and they have already identified weaknesses and strengths

with the current templates and reporting methods – likely leading to a more efficient and complete analysis (minimizing likelihood for duplication relative to the current Petroleum Fund reporting requirements). Also their involvement in other EITI implementing countries should allow them to draw on broad based experiences to assist with EITI implementation in TL.

Based on the discussion the Group agreed on hiring Deloitte as a single source contracting for this purpose. Before signing the contract, the Group agreed to draft a single-source justification letter for each stakeholder's consideration.

#### **4) Review and Up date work plan and associated outreach activities.**

The respective elements of the WorkPlan were discussed and updated to reflect current status of EITI implementation in TL. The EITI Secretariat was asked to formalize the updates and reissue at the next EITI meeting for approval and publication.

The EITI Secretariat was also asked to convene a meeting with a stakeholder subcommittee to review the framework and timetable for the Outreach Activity Plan prepared by Civil Society - such meeting to be held as soon as possible.

#### **5) Other Business**

- The Secretariat EITI staff has been provided the details for the Seminar “Implementing the EITI-Best Practice and Tools 10-14 November in Berlin, Germany”. The candidates nominated from the TL EITI Working Group comprise a member each from civil Society, Industry and Secretariat EITI.
- An industry member confirmed their ability to provide 4 people an opportunity to visit the Bayu-Undan offshore facility. It was suggested that Civil Society nominate 3 candidates and Government nominate 1 candidate. Candidate names should be advised to the EITI Working Group ASAP. Agreement/confirmation after which arrangements will be made.
- The group advised the EITI Secretariat to follow up with the responsible person in the Ministry of Finance concerning the availability of a vehicle for use by the EITI Secretariat.
- Civil Society suggested that all meeting minutes be published (once agreed by the Working Group). The Working Group thought that this was already occurring but it was not clear where such minutes were being published. It was agreed that this needed to be clarified and clear responsibility given to appropriate stakeholders to ensure ongoing publication.
- It was also suggested that an interpreter attend the EITI Work Group meetings - the Secretariat EITI will follow up with the World Bank to investigate the possibility to provide an interpreter for the meetings.

#### **6) Next Meeting**

The Next meeting will be on 11 December 2008 at 9:30 at the Eni Offices Vila Verde, Dili Timor-Leste.