

Timor-Leste's EITI National Working Group

MINUTES

11 December 2008

9:00:00 - 12:00

Eni Office

Vila verde Dili, Timor-Leste

Participants

Members*

Carlos Florindo	ETADEP, CSO Representative
Mark Sherwill	Country Manager, ConocoPhillips Timor-Leste
James Kernaghan	External Relations & Communications Manager, Eni Australia
Manuel de Lemos	Director, SERN (Focal Point EITI)
Vidar Ovesen	Fiscal Policy and Petroleum Fund Advisor, Ministry of and Finance (MoF)
Mericio Akara	Program Coordinator Luta Hamutuk
Tony Heynen	Eni Timor-Leste, Country Representative

Alternatives, Non-Voting, and Observers

Doug Porter	World Bank Representative
Lizete de Fatima M.	Development Program Advisor, Woodside
Elda Guterres da Silva	Secretariat EITI, Finance and Administration Officer
Trifonio Flor Sarmiento	Assistant Outreach Coordinator & Finance and Administration Officer for Secretariat EITI
João Demetrio Xavier	Petroleum Tax Division MoF
Abdur Rahman Khan	Advisor, Petroleum Tax Audit
Stewart Macpherson	Senior Joint Venture Account, Eni Australia
Dino Gandara	Staff Geologist
Nick Kyranis	Petroleum Consultant
Maria Cabral	Directora HAFOTI
Filomena Franco	Administration Finance DENORE
Cipriana Sousa	Single Auditor
Florencio Fernandes, Alternate	Eni Timor-Leste, Dili Office Manager

Absent:

Angelo Lay	ANP
Venancio Alves Maria	Executive Director, Banking and Payments Authority (BPA)
Viriato Seac	Researcher La'o Hamutuk
Tobias Rasmussen	IMF, Representative
Cesario dos Santos	Woodside representative
Elga Anita	Staff SERN
Joao Saldanha, Alternate	Macro economy, MoF

Chair By

James Kernaghan
External Relations & Communications Manager, Eni
Australia

Introduction

Before the meeting commenced announcement has been rise by member of Government regarding to the one members replacement from civil society, therefore 3 representative comprise (Luta Hamutuk, ETADEP and Lao Hamutuk) will attend every meeting as usually, even though the EITI Secretariat staff has circulated the last previous meeting minutes (two minutes which has been revise by Government Reps and Industry, two EITI Secretariat reporting activities, sub committee meeting Minutes And EITI National Work Plan.

The group welcomed MINZA Oil representative as observers, and at the same time members introduced them self.

Review meeting minutes

Two previous meeting minutes has been circulated to the members, Group recognize some of the previous meeting minutes are behind to finalize for publishing, it was agreed that there are to be approved ASAP.

Multi Donor Trust Fund (MDTF)

Regarding to the MDTF grant agreement there are two things information received by the World Bank:

- 1) The disbursement letter from the Bank in Washington and other grant agreement which need to be clear by legal people will be available in two weeks
- 2) Visitor from Washington to help Secretariat EITI in Timor-Leste to set up account system reading out the budget as needed, it suggests bringing them in next meeting.

Template for the EITI Report

Based on meetings in the sub committee the minutes from the two previous meetings were circulated to the stakeholders. At the first meeting Deloitte presented some draft EITI Report templates and the sub group discussed some issues which need to be addressed further in the sub group. Deloitte has continued the consultation process with stakeholders and seeks to get the input feed back on those draft templates.

At the second meeting the sub group discussed some issues related to the content and frequency of the EITI Report. The subgroup reported to the Working Group on the issues discussed.

The following issues have been discussed in the sub group:

- 1) Volume or Dollars disclosure? Deloitte advised that for other countries' EITI reporting templates, some countries show volumes while others do not. To publish volumes in the EITI reporting template does not necessarily in terms of transparency add value. The sub group recommends including dollar amounts only in the reporting. This was agreed by the Working Group.
- 2) The Working Group needs to agree on the period between reporting (quarterly, or annually)? Deloitte advised that most countries report annually. The sub group recommends to start with annual reporting. This was agreed by the Working Group.
- 3) The sub group has addressed how EITI payment/receipt discrepancies will be managed. From the Petroleum Fund Law – any unexplained discrepancies would be referred to the Ministry (is this appropriate for EITI?). The sub group discusses a model where any discrepancies shall be forwarded to the EITI Working Group. There was no agreement on this in the Working Group.

- 4) There is a need for avoiding any duplication of work and that the current EITI Report can merge together with the EITI Working Group's EITI Report. That requires that the Working Group can agree that the independent auditor of the Petroleum Fund shall prepare the EITI Report for the Working Group. This is in line with the recommendation from the sub group. This was agreed by the Working Group.
- 5) Agreement on the reliance upon the Petroleum Fund law to be the legal mechanism through which payment and receipt reporting is obtained from Extractive Industry Entity (EIE) and the Government, respectively. This in preference to the development and adoption of specific MoUs between the Government and the EIEs. This would require the inclusion of a legal statement in the reporting templates which refers to the use of the information for EITI purposes and would need to be agreed with the EIEs. The sub-committee recommended this and the Working Group agreed that this was appropriate.
- 6) The EITI Working Group discussed how its members could be satisfied that the auditing work undertaken by the EITI Aggregating Body / Petroleum Fund Independent Auditor met the EITI requirements. It was discussed that this could be satisfied by the EITI Working Group having a member involved in the selection of the Independent Auditor. This approach was agreed by the Working Group.
- 7) It was agreed that the Working Group prepare a letter to the Government setting out its proposals for points 4 and 5 above. It was noted that after the 2008 Petroleum Fund Report the Government would go out to tender for the next contract period for the Petroleum Fund Independent Auditor.
- 8) The sub group discusses the level of aggregation and disaggregation of information in the EITI Report and needs more time to resolve this issue.

The Working Group recognized the work the sub group so far has done and noted that the sub group will continue its work and provide a final recommendation at the EITI Working Group meeting in January 2009.

Industry members noted that they would require further internal and collective discussion on the reporting templates and matters listed above before confirming agreement.

Review and Update Work Plan

Regarding to this matter the members had reviewed and revised the EITI national work plan and will take it to the next meeting for approve & publishing.

Other Business

4 People Visiting Bayu Undan

No change, Industry are waiting for the nomination name from Working Group for visiting offshore facility; it was suggested 3 people from civil society and 1 nomination from government, need to submit those candidate name to industry to make an arrangement regarding to the field trip and the period of time for visiting is confirm yet As part of civil society has aware of this issue and has discuss in forum but they still need more time for discussion

Time line for review proposal from civil society

This proposal submitted by Civil Society to release the implementing EITI work plan 3b Activity such Workshop, Seminars and training it has been review and revise by sub committee. it has been expected & agreed by sub committee

Follow Up Transportation

No change, 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, the government will organize the transport.

Civil Society required interpreter

In the past the World Bank has provide the interpreter same as the previous meeting it was excepted and been re arrange by the world Bank but suddenly this person is not approach on the meeting board cause of sickness it was late to organize the request, in this matter one members suggested civil society to identify panel 3 or 4 peoples which can come forward to know the kind of the issues and particular interest, then be inform to the World Bank those panel then meeting by meeting that exist the secretariat organize with World Bank will make an arrangement.

EITI conference in DOHA

The EITI conference is held every annually which has schedule in DOHA from 16-18 February 2009, it was requested that one representative from Civil Society, Industry and 2 from Government, the cost will be cover under the Secretariat budget for civil society and government. For other stakeholders from Industry and international Observer wish to attend the conference feel welcome but the cost will be cover by it self organization, need to be confirm by the end of this month with stakeholders who will attend the conference and then forward those name to the Secretariat EITI base in Oslo.

Petroleum Resources Centre

At the meeting in September and held the workshop in August there was no comment regarding to the petroleum Resources Centre Presentation, generally the workshop very useful then designated sub committee should move forward to the next step as identify in the presentation, one members form industry suggest to review again.

Finally the road map which is very simple project progress needs to be done regarding establishment Petroleum Resources Centre was circulated to the members.

EITI conference in Berlin German

One member require to make Presentation to the Working Group regarding to the implementing the EITI Best Practice and Tools conference on the 10-14 November 2008 in Berlin, German. Revision

Next Meeting

Next Meeting 28 January 2009 at 9:00 till finishing held in the Secretariat EITI next to Xanana Reading Room, Rua Belarmino Lobo Lecidere.