

Timor-Leste EITI National Working Group

MINUTES

12 February 2009

9:00 – 11:43

EITI secretariat Office

Belarmino Lobo, Bidau Lecidere Timor-Leste

Partisipants Members*

Carlos Florindo	ETADEP, CSO Representative
Peter Smith	ConocoPhillips, Timor-Leste Country Manager
Manuel de Lemos	Director, SERN (Focal Point EITI)
Florencio Fernandes, Alternate	Eni Timor-Leste, Dili Office Manager
Mericio Akara	Program Coordinator Luta Hamutuk
Viriato Seac	Researcher La'o Hamutuk
Vidar Ovesen	Fiscal Policy and Petroleum Fund Advisor, Ministry of Finance (MoF)
Venancio Alves Maria	Executive Director, Banking and Payments Authority (BPA)

Alternatives, Non-Voting, and Observers

Elda Guterres da Silva	Secretariat EITI, Finance and Administration Officer
Trifonio Flor Sarmento	Assistant Outreach Coordinator & Finance and Administration for Secretariat EITI
Tony Heynen	Eni Timor-Leste, Country Representative
Tobias Rasmussen	IMF, Representative
Cesario dos Santos	Woodside representative
Cristina Costa Quintas	External Relations
João Demetrio Xavier	Petroleum Tax Division MoF
Abdur Rahman Khan	Advisor, Petroleum Tax Audit
Martinha da Silva	Feto Hadomi Familia CS Representative

Absent:

Habib Rab	World Bank
Doug Adams	Country Manager, Woodside
Lizete de Fatima M.	Development Program Advisor, Woodside
James Kernaghan	External Relations & Communications Manager, Eni Australia
Angelo Lay	ANP
Elga Anita	Staff SERN
Joao Saldanha, Alternate	Macro economy, MoF

Chair By

Manuel de Lemos
Director, SERN (Focal Point EITI)

Introduction

Before commenced of the EITI Multi stake holders meeting the last previous minutes, EITI National work plan, Outreach Coordinator recruitment Term of Reference (ToR), EITI brochure & other Minutes on 5 August, 9 September and 10 October 08 which is pending for approval by stake holders were circulated to group. Now are Seeking members comment, revision & approval for those documents which has prepared by EITI Secretariat.

Review Meeting Minutes

The previous meeting minutes has been review by Multi stakeholders it was required amendments,

- The group concern not to mention the members who are respectively no longer involve in the meeting.
- Industry advised that the Minutes of 28 January 2009 meetings should be changed to reflect that in Other Business – 4 People Visiting Bayu-Undan that the invitation was for one representative from Government and three from Civil Society. There had never been an intention to include the media in this invitation.
- member of industry apologize been lately to circulated the meeting minute on the 11 December 08 which has been comments & has additional revision, in the mean time the group are agree to delay the approval for this minutes & review it once again.
- the minutes from 5 August, 9 September, and 10 October 08, it have been yet to finalize, new member of company does not aware of the minutes require further

Multi Donor Trust Fund (MDTF)

Regarding to the MDTF grant disbursement letter from the Bank in Washington and other grant agreement finally has sign by the Ministry of Finances to support finances the EITI implementing in Timor-Leste, then undertake the process of specimen letter to open the designated account, the EITI Working Group are remain to have the report on the operation of the grant.

Template for the EITI Report

The sub committee has meeting on 4 February 09, try to resolve those issues of aggregating and disaggregating templates reports which has provide by the company and government to the Independent Auditor to reconciler of data payment & receipts, the group has discussing and excluded in relation to how final EITI reporting going to be using. Sub committee group has agree in many issues in the last previous meeting even though the industry are not ready to provide their comments in to EITI reporting guideline and to the templates, occasionally in the following day the government members received an emailed from industry with several comments to the those documents, the question is how the sub committee move forward? The sub committee can continue to discuss & have several meeting or extend the meeting for weeks or months then will never be able to finalize this process.

In other side require spends some time try to finalize the process review the comments from industry and the comments that might be on the guide line & templates reports which is previous those documents has been circulated to the sub committee and to the stake holders representatives. Sub committee has concern in the few back industry they have saying that they have comment but it was not exhaustive, other guide line available since December 08.

as far as the government has seen that Deloitte has done their part of work, this organization has provide the guide line and template report for to the government and industry have several opportunity to provide comments, so far just discuss one issues in the last previous meeting regarding threshold for the amount to be reported, government reps suggest to re circulate the documents review it and go through spent time on it, if not how can we finish with this process.

what is the limited work so far is the reporting process from Company & Government to the Independent Auditor sub committee not touching upon issues about Aggregation and disaggregating, the group agreed on & leave that to decide for a while, it should very easy to actually finalize, sub committee has discuss about the template for the National Petroleum Authority (ANP), template for Petroleum Tax Division (PTD), template for BPA, and template for the company. This issue has been discussing since November 2008.

The group then agreed to spent some time now to discusses further issues on aggregation and disaggregating template report, one member query when are the deadline from Deloitte to approve all this documents ? Deloitte has started audit already they normally doing the auditor of petroleum fund on January & February, Working Group can ask Deloitte to do the work on October 2008, but then they probably have to do twice as that was the reasons the group appointed the Auditor to do it because the group should avoid the duplication work, there are requirement in the petroleum fund law to do that, the group agreed there should not duplication work either for Company and Government. And to appoint Deloitte for independent auditor Gov Timor-Leste need to sign the contract.

What is the group need to do is agree on the template which is going to be use by Industry and Government report to the independent auditor this will be a process weather information will not be disclose to the public, the group will going to discuss it later how the finally EITI report is going to be and requirement Aggregation and disaggregating of information disclose to the public, what is the group focus in now the guide line should cover that process only then if necessary the group need to expand the guide line later, prepare guideline is to facilitate government and company to report. It is not necessary for the group to agree on the guide line for reporting to the Independent Auditor.

Final EITI report on aggregation and disaggregating have not reach on consensus, the group has said this is the issues required to resolve later, the group has not agree the full reporting process for that issues has been resolve, what is the group try now is actually agree on first reporting process from company and government to the Independent Auditor so they can get information they need to reconcile the figure and identify discrepancy as required by EITI, if the group agree on that issues can resolve some comments & concern from industry. What is the company highlighter is that all

members agree on the reporting payments details to the Independent Auditor which is provide by Industry and Government distinct & separate process, within all EITI process from public reporting by EITI auditor that was actually except.

Regarding to the reporting guide line in some section query either guide line cover all process or should specify only refer to the reporting process up to independent auditor, industry has concern by cover both issues is seem to getting confusing, it was suggested if limit the guide line to the section 2 that refer to reporting information to the independent auditor which is the government reps think appropriate.

Civil society reps has rose 2 issues need to bring back to the sub committee further discuss to the issues of

- 1) Comments from Industry regarding to the EITI guide line and Template reports not except discuss in the EITI Working Group meeting
- 2) Aggregation and disaggregating of template report form for the government and Industry the group need to decide other wise Deloitte can do duplication work by the end time the group could end up with 2 form, they suggested to the group can focus only for one form so it does not waste of time. One member government agree that supposed to discuss the EITI guide line template here in the meeting but if is a requirement the sub committee has to discuss this then is just waste time to review in the meeting, that means they need to spend another two or three weeks at least on this process, it might be the case that they will not able to avoid duplication work. But is up to the Working Group and stake holders because in the end of the day the group needs to reach on consensus & agree on. The sub committee then agrees to have another meeting on the 17 February 2009 will be held in the Ministry of Finances, at 10:00 AM till finishing.

Review and Update Work Plan

The EITI Working Group agreed this is the last on reviewing & comments to the EITI work plan and it is remain for approval by group through emailed to each pillars, when it has been approve by the group then this work plan which has up date by group will send to the EITI International secretariat base In Oslo, the amendment to the EITI Work Plan were tabled in the

- **2d on column Responsibility, focal point recruitment**, group are required to appoint one Outreach Coordinator to support EITI Secretariat activity it was need to be achieve by the end of the year, **3d on column status** this activities remain (on going)
- **3c time table, capacity building for industry** has changeable by the group on 1 Q move to 2 Q 2009. obviously this issues need to resolve and then identify some better idea what is the session require by group and looking at by discuss with the company how getting the resources to do those activity, Industry will start to host in Dili it will tackle useless for industry to be explain technical issues, make sure that have some peoples actually provide the properly information, industry apologize that they has not involve in some meeting to discuss several relevant issues and they don't really understanding exactly what level of information are required and what level of Audience to be participate.

- **4a Estimated cost & Source of funding** previously it was US\$ 5.000.00 but it has dramatically change by group cause to engage with Deloitte the independent auditor it cost almost US\$ 40.000.00,

Other Business

Civil Society workshop

The proposal from Civil Society has submitted then it was been reviewed and discuss by the Working Group, finally the group agree to release Training of Trainer (TOT) on 3-7 March 2009, by the Civil Society, Secretariat EITI and support by Working Group.

Industry Workshop

The group required industry to submit the proposal same as the Civil Society for the review and discussing some relevant issues before releasing those activity base on EITI National work plan. Industry agrees to provide proposal to Working Group for approval.

Outreach Recruitment

Working Group has agree on to establish recruitment panel to review the Term of references (ToR) as previously recruitment the EITI Working Group has nominated 3 panel which has comprise of one from each representative institutional Civil Society, Government and Company, no changeable regarding to this suggestion and then can start the recruitment process, group has recommend to establish sub committee to overseen this process in the mid of march 2009.

Minutes of the meeting other document, publish on the web

Secretariat EITI has propose to the Working Group to read through it carefully to the minutes form 5 August there are actually two revision by Eni 9 September it was pending cause the group still require additional comments form World Bank to the Term of Reference for the Independent Auditor. Then the last 10 October 2008 it was also has two comments and revision by Industry and Government, the group suggested secretariat EITI to highlight the comments that require to erase and revise by group and take to next Working Group meeting. Civil Society has concern how to manage & publishing all the meeting minutes, the group has running the meeting every once month commenced from 15 may 2007 up to now, but as part of Secretariat EITI been established June 2008, by that time some of the minutes are unavailable who are can collaborate with EITI Secretariat to collected all those minutes.

EITI Brochure

Regarding to this brochure members from civil society has no comments to this brochure because they could not download this documents file, the group then agree to review and revise once again and take it to the Working Group for approve.

4 People Visiting Bayu Undan

Industry requested that they be provided with the names and contact numbers for those who had been nominated for the visit to Bayu-Undan (1 Govt & 3 Civil Society). The

names were advised as - Mr. Jenilto Jeneves, Jose Amaral & Viriato Seac (Civil Society) and Trifonio Flor Sarmiento (Govt).

Industry explained that it was not the intention to charter a helicopter for this purpose nor was it feasible to use the normal crew change flights as this would mean overnight stays, which was difficult with a shortage of bed space.

However from time to time there are special flights offshore for shuttling purposes or for urgent deliveries. The intention was to try and obtain seats on one of these but that would mean little advance notice. As and when these flights became available the individuals would be contacted and advise to go to the heliport.

Next Meeting

It will held in the EITI Secretariat Office next to Xanana Reading Room, Rua Belarmino Lobo Lecidere, On 25 February 2009, at 9:00 till finishing.