

## Timor-Leste EITI National Working Group

### MINUTES

15 April 2009

9:30 – 11:30

EITI Secretariat Office

Belarmino Lobo, Bidau Lecidere, Dili, Timor-Leste

#### Participants Members\*

Carlos Florindo	ETADEP, CSO Representative
Manuel de Lemos	Director, SERN (Focal Point EITI)
Viriato Seac	Researcher La'o Hamutuk
Vidar Ovesen	Fiscal Policy and Petroleum Fund Advisor, Ministry of Finance (MoF)
Cipriana Sousa	ANP
Florencio Fernandes (Alternate)	Eni Timor-Leste, Dili Office Manager
Abdur Rahman Khan	Advisor, Petroleum Tax Audit
Peter Smith	ConocoPhillips, Timor-Leste Country Manager
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
Tony Heynen	Eni Timor-Leste, Country Representative

#### Absent:

Trifonio Flor Sarmiento	Assistant Outreach Coordinator & Finance and Administration Officer for Secretariat EITI
Filomena Franco	Administration and Finances (CS)
Mericio Akara	Program Coordinator Luta Hamutuk
James Kernaghan	External Relations & Comms Mgr, Eni Australia
Tobias Rasmussen	IMF, Representative
Cesario dos Santos	Woodside representative
Habib Rab	World Bank
Lizete de Fatima M.	Development Program Advisor, Woodside
Elga Anita	Staff SERN
Joao Saldanha, Alternate	Macro economy, MoF
Doug Adams	Country Manager, Woodside
João Demetrio Xavier,	Petroleum Tax Division MoF
Constantino Corado	FONGTIL
Abdur Rahman Khan	Advisor, Petroleum Tax Audit

#### Chair By

Manuel de Lemos  
Director, SERN (Focal Point EITI)

## Introduction

Agenda for the meeting:

- Review Template for public EITI reporting
- Review Terms of Reference for Validator
- Review the minutes from the previous meeting
- Set a date for the next meeting.

## Template for public EITI Report

Discussion focused on feedback regarding the Draft templates of the final EITI Report, which were circulated by Government to all EITI WG members prior to the last WG meeting.

Industry provided the following feedback:

- at the moment there is just one operator of a producing facility in TLEA and JPDA (ConocoPhillips).
- Until such time as there is more than one operator, industry prefers to see Appendix C of the proposed template detailing one total figure (the summation of First Tranche Petroleum/Royalties and Profit Oil & Gas Payments).

Civil Society stated that their position is the following:

- want clarification on Timor-Leste EITI WG's position on aggregation/disaggregation before reviewing the specifics of the draft public reporting template.
- view the draft public reporting template as aggregated, and would propose an additional appendix with more details on payments.
- Civil Society also enquired if the template was for long-term use or just one year.

Government stated that

- the template being considered was for payments/receipts of 2008, to be issued in 2009; i.e., the first EITI report only.
- the terms *aggregation* and *disaggregation* are terms that have mixed definitions depending on points of view.
- The International EITI Secretariat views Timor-Leste's Draft public reporting templates as a mix of aggregated and disaggregated systems.
- Petroleum taxes in the draft template are disaggregated by companies.

Government provided the following comments on Industry's view of Appendix C being a total figure until more than one operator present:

- Appendix C info has been available already on ANP website
- Thus industry's proposal is less transparent than information that is currently available.

Industry responded by stating that ANP reporting was a separate matter that was being discussed directly with ANP. However, Industry could revert back to their headquarters regarding the importance of the requirement for Appendix C totals.

Government inquired as to when Civil Society would share its proposed additional Appendix to the Draft public reporting templates.

Civil Society reiterated that they won't provide comment until a decision has been made on aggregation/disaggregation.

Government responded that such a conceptual discussion will not help to achieve consensus of the public reporting templates due to the mixed definitions of these terms. Government reasoned that in deriving agreement via consensus, all parties should contemplate both "initial" and "final" positions, with the "initial" positions being made available to the EITI WG as soon as possible.

Government also agreed to develop and circulate some variations to the draft templates which may satisfy some of Civil Society's desires for individual company payments, to be considered by industry:

- Appendix C - the payments for FTP and Profit Oil and Gas Payments be combined and reported against each company making such payments.
- Appendix D -the fees being paid be shown against each company making the payment, rather than an industry total.

Discussion will continue at the next meeting.

### **Engagement letter for the Independent Auditor**

A draft engagement letter, addressed to the Ministry of Finance from Deloitte Touche Tohmatsu ("Deloitte"), was circulated by Government to members of the WG. The Deloitte has drafted the engagement letter upon request by the Ministry of Finance and in accordance with previous discussions in the EITI WG. The letter details terms of reference regarding Deloitte's preparation of the final EITI report, including the scope of work, report details, fees, and timing. It was agreed that members of the EITI WG may provide further comments to the draft letter until Friday 17 April COB. If there are no further comments within the deadline, it was agreed that the Ministry of Finance can go ahead and engage Deloitte to assist the EITI WG in the first stage of the reporting process in accordance with the draft engagement letter.

### **Review Minutes**

The WG agreed the Meeting Minutes from 01 April 2009, incorporating the revisions received from Government on 14 April 2009.

### **Next Meeting**

Next meeting will be held in the EITI Secretariat Office next to Xanana Reading Room, Rua Belarmino Lobo, Lecidere, on 28 April 2009, at 9:30 till finishing.

*(Note that subsequent to the close of the meeting, Industry proposes that the next meeting be held on Thursday 30 April 2009, at 9am).*