

Timor-Leste EITI Multi Stakeholder Group

MINUTES

16 May 2014
09:30 – 12:02

Farol Office

Participant Members*

Carlos A. B. Florindo	Manager of ETADEP, CSO Representative
Elda Guterres da Silva	National Coordinator TL-EITI (MPMR)
Filipe Nery Bernardo	Petroleum Fund Analyst- MoF
Angelina Branco	Eni Country Representatives
Jose Lobato	Country Manager ConocoPhillips Timor-Leste
Oscar S. Faria	ANP
Luis Martins	Timor Gap E.P

Alternatives, and Non-Voting

Trifonio Flor Sarmento	Outreach Officer TL-EITI (MPRM)
Remigio Viera Laka, Alternate	Director of FSG, CSO Rep
Francisco Alegria	Timor Gap E.P

Absent:

Jose Amaral	Deputy of FONGTIL
Angelo Lay	Director of Commerce, ANP
Martinha da Silva	Director FHF, CSO Representative
Agostinho G. Ramos	MoF/ DNPMR
Timoteo T. Pires	BCTL
David de Araujo	ConocoPhillips External Relations
Venancio Alves	BCTL
Jacinta P. Bernardo	Timor Gap E.P
Antonio C. Santos	Woodside Representatives

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

Introduction

Secretariat informed that MSG meeting have postponed second time due to each pillar have their own activities.

Agenda for Discussion:

- 1) Review meeting minutes on 11 April 2014
- 2) Approved the Reporting Templates
- 3) ToR for IA
- 4) Next Meeting

1) Review meeting minutes on 11 April 2014

The meeting minutes approved subject to mini revision as following:

- 1.) Use change to **usually**
- 2.) Indonesia adopted **Concession** change to Indonesia adopted **PSC**
- 3.) Delete sentence as following:
 - **As reference to Petroleum Fund report Oil and Gas figures are treat separately and disclose in aggregate.**
- 4.) Government entity propose to rewords **in page 3 paragraph 2**

2) Approved the Reporting Templates

Templates A +B

ANP has accommodated the input from all pillars therefore ANP has presenting 3 options as following:

First option by Industries combine companies (eg 6 legal entities under CoPs will be only reported as 1 entity as ConocoPhillips as well as for Eni) and then combine FTP/Royalties and Profit Oil and Gas.

Second option by government entity combine companies (eg 6 legal entities under CoPs will be only reported as 1 entity as ConocoPhillips and 3 legal entities under Eni will be only reported as 1 entity as Eni) and Split FTP/Royalties and Profit Oil and Gas.

Third options government entity preference split by legal companies (legal entities) and combine FTP/Royalties and Profit Oil and Gas.

During the discussion CS has proposes an option 4 combine all companies and split FTP/Royalties and Profit Oil and Gas. Then explanatory in summary split companies (legal entity) and combine FTP/Royalties and Profit Oil and Gas.

Industries has informed ANP has circulated an option via mail before and we have time to consult with the representative HQ, however with option 4 that propose by CS we request extra time at least 2 weeks because as you know we don't have dedicate person that sit there only to see EITI and project in Timor-Leste, but they see all project that in the country that we have been operate. We need to lobby them and give their opinion for the option reporting template 4.

Industries points of view for option 2 by splint revenue stream will are not acceptable due to Eni will end operating in 2 or 3 year

Industries confirmed that they prefer option 3, however Industries propose to ANP to create option templates 4 circulated to MSG and we will send back to Perth to analysis the main impact.

In other hand industries informed that if we discuss reporting templates every year will waste of time they think MSG agreed this templates and continua as normally.

CS express that if the result is not satisfactory for the reporting templates option 4 then we can go forward with the option 3, however these reporting templates should amend, review and revise accordingly in line with the new EITI standard.

TG has express that if industries are not full fill with the EITI standard then MSG considering discussing if not then go forward with these reporting templates.

In conclusion majority of MSG has agreed the reporting templates option 3 with conditions still waiting of industries feedback for option 4.

Template C

MSG confirmed has no problem, only inclusion of Timor Gap PSC 11.106 and the sub-contract PE and non PE MSG considering as an additional.

Template D

MSG confirmed no problem

Template E

MSG confirmed no problem

Templates F

Industries propose to combine good and services in column A and add other in column A and B. it was accepted

Template G

Timor Gap has confirmed no problem however they need clarification from tax offices particularly in regards to the withholding tax ex. Eni has withheld from TG then the tax offices has request to withheld as well, they would like to know where the layer of limitation or stop to withheld such as withheld fuel supply to helicopter and house rent as well.

Government entity informed what TG paid should disclose in the reporting templates.

TG has also informed that TG only report Gap MSG not MHS-TL and earn revenue to TG only report share 60%.

Templates H

MSG confirmed no problem

Reporting templates for entities (government and Industries) to fill up, industries propose to review it and giving feedback via mail. It was accepted.

MSG has also discussed to include mining reporting templates in the future, however no representative from mining directorate.

MSG have approved the reporting templates subject to awaiting industries confirmation for the reporting templates option 4 from Civil Society, industries informed that if the result is not satisfactory we will circulated via mail to MSG as our official decision. It was accepted

3) ToR for Independent Administrator (IA)

As the time is limited MSG have agreed to discuss and amend ToR for IA accordingly and will approved it though mail it was accepted, Secretariat will re- circulate the actual ToR for IA to MSG.

Industries expressed that if MSG does not have sufficient time for bidding is possible to appoint Deloitte or other IA with single source.

As informed by government entity it is not possible because previously opening tender MSG have award to MS, if want to continue engage with IA only with MS not Deloitte

if not we will breach procurement process, in other hand if Ministry looking to apply for service only allowed 10% of single source the rest should through opening tender.

MSG agreed to add scope service for IA which is write description of contextual information with input from MSG.

Industry (Eni) has explain through the propose amendment and have revise accordingly and Industry (CoP) propose to amend in phase 1 section 1.8 and phase 3 section 3.4.

4) Other Business

1. MSG have review ToR for MSG, have propose inclusion sentence in page 3 as following:

- In the case of a voting member cannot attend a meeting where an urgent issue which need to be discuss and decided, he/she must provide in written the authority to his/her respective alternate to vote on his/her behalf.

2. Work Plan

Secretariat TL-EITI informed that MSG should review TL-EITI work plan due to the work plan submitted to the Secretariat EITI International does not reflect to the national priority which has identified during the workshop facilitate by EITI international in mid September at Hotel Timor.

3. Review the Guidelines for reporting to the EITI

MSG should review these guidelines as guide for IA to carry out their duty.

4. Materiality

MSG have agreed to determine the materiality level once the IA commence to collecting and reconcile data, in other hand will decide either will present in nominal or percentage.

As government note the materiality issue can be address in the ToR for IA.

5) The next meeting is schedule on 30/05/2014, at 9:30 in the EITI Secretariat Office Farol.