

Timor-Leste EITI Multi Stakeholder Group

MINUTES

18 July 2014
09:30 – 11:02

Farol Office

Participant Members*

| | |
|------------------------|--|
| Carlos A. B. Florindo | Manager of ETADEP, CSO Representative |
| Elda Guterres da Silva | National Coordinator TL-EITI (MPMR) |
| Oscar S. Faria | ANP- Finance and Fiscal Assurance Senior Officer |
| Jose Amaral | Deputy of FONGTIL |
| Agostinho G. Ramos | MoF/ DNPMR |
| Angelina Branco | Eni Country Representatives |

Alternatives, and Non-Voting

| | |
|-----------------|-----------------------------------|
| David de Araujo | ConocoPhillips External Relations |
| Nelson Miranda | Luta Hamutuk |

Absent:

| | |
|----------------------|--|
| Tobias Ferreira | BCTL |
| Jose Lobato | Country Manager ConocoPhillips Timor-Leste |
| Francisco Alegria | Timor Gap E.P |
| Filipe Nery Bernardo | Petroleum Fund Analyst- MoF |
| Luis Martins | Timor Gap E.P |
| Angelo Lay | Director of Commerce, ANP |
| Martinha da Silva | Director FHF, CSO Representative |
| Timoteo T. Pires | BCTL |
| 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

Chair allowed Civil Society for a quick introduction, regarding the replacement of NGOs members and new member from government entity representing Directorate of Minerals.

The letter for new nomination of CSO have been sent to the TL-EITI Secretariat on 20 June 2014, CSO have nominated 3 persons as members and 3 person as an alternate consist of:

| No | Name | Position | Institute | Status |
|----|----------------------------|---|------------------------|-----------|
| 1 | Nelson Seixas Miranda | Program Coordinator Transparency Oil & Gas | Luta Hamutuk | Member |
| 2 | Alzira Sequera F. Dos Reis | Director Executive | Alola Fondation | Member |
| 3 | Ana Paula Sequera | Director Executive | Forum Tau Matan | Member |
| 4 | Aurelia M.S. Rodriques | Coordinator Advocacy | Fundasaun Haburas | |
| 5 | Sabino Gusmao Fitun | Director | Ba Los | |
| 6 | Martinha da Silva | Director | Feto Hadomi Familia | Alternate |

CS has expressed that all CSO members that are presenting in MSG have gone through internal selection process, which similar to Industries and Government, the nomination process was organized by NGO FONTIL.

As former members, they will give their assistant for a minimum 3-6 months until the finalization of the TL-EITI 5th and 6th report, Progress report and so forth then will give full responsibility for new members.

CSO noted that some of NGO that recently represent at the MSG level had received donation or have working relationship with Industries particularly in relation to Local Content and Community Social Responsibility (CSR), however to avoid any conflict of interest CSO have informed that CSO representation at the MSG now will be representing on behalf of NGO FONGTIL not their individual organizations.

Secretariat has expressed that as CSO despite they have received donation or have working partner with Industries, they should shown clear position, impartial, openness, as member of MSG of course each entity have freedom to express but with responsibility.

MSG is also welcoming new members from Government Entity representatives, Elga Anita from Directorate Minerals.

MSG has also affirmed, it will involve other key stakeholder as necessary but depend to the nature of the EITI practice and new EITI standard.

Agenda for Discussion

1. Review and approved TL-EITI progress report
2. Staff Recruitment (data base)
3. Design format for IA evaluation (Technical and Financial Proposal)
4. Visitor (Mozambique and Ghana) Exchange experience
5. WP

1. Progress report

Secretariat TL-EITI has drafted a progress report and sent to MSG vial mail, Secretariat have received positive feedback and have accommodated comments from Industries (Eni) and Government Entity (MoF and ANP).as the deadline approach to submit progress report by 31 July 2014 however MSG have yet approved it due to the contents of the report does not reflect to the annual activity reporting guidelines, therefore as Chair Persons H.E Alfredo Pires, Ministry of Petroleum and Mineral Resources (MPMR) have requested an extension one month in order to finalize it by end of July 31 2014, it was accepted by EITI Board Members.

MSG has reviewed through and proposes amendment as following:

1. **Table of contents**
2. **(C)Assessment of performance against targets and activities set out in the work plan MSG request to reword in column 1 (Remarks)**
3. **e. An assessment of progress on compliance with each EITI requirement, and any steps taken to exceed the requirements.** *(This should include any actions undertaken to address issues such as revenue management and expenditure (3.7-3.8), transportation payments (4.1.f), discretionary social expenditures (4.1.e), ad-hoc sub-national transfers (4.2.e), beneficial ownership (3.11) and contracts (3.12).)*

MSG has agreed to present in narrative rather than in table.

4. Summary explanation of Total cost of implementation as present in pie chart.
5. BPA change to BCTL

Secretariat will revise accordingly and resend to MSG via mail for approval by end of 25 July 2014, it was accepted by MSG.

on other hand, MSG discussed the recommendation from IA particularly in regard to the following:

1. TL-EITI secretariat should have data base as previously discussed with ANP that it is not necessary for secretariat TL-EITI to have its own data base due to ANP already have an appropriate data base and can link directly to ANP web site. Regarding disclosure of information to the public or any other third party, ANP should ensure accuracy and consistency within the Petroleum mining code (PMC) and Interim Petroleum Mining Code (IMPC) regulations. ANP cannot cover everything due to limited of time and other commitment. MSG has suggested it necessary for secretariat TL-EITI to have data base but using ANP data base as first source information and then update it accordingly.
2. submitted reporting data by oil companies and governmental agencies are certified by a designated external auditor,

Industries have expressed that they do not have any problem to certify this due to every year they do have an internal auditor. Also industries query when is the period of close out of the recommendation from both IA and validator?

As informed by secretariat TL-EITI depend to each country conditions, if the recommendations by both IA and validator have positively responded by MSG will be closing out with summary explanations in subsequent validation in 2015.

Certified data submission will bring a difficulty to ANP, as external auditor only certified ANP's cooperate financial statement which is not included of the revenue transferring to BCTL and Australian Reserve Bank; however, ANP informed that in 2014, the external auditor had performed the revenue audit for 2013 revenue transferred, means that the 2013 data had been certified. 2011 and 2012 had not been certified. ANP further advised that even though the past data have not being certified; however, the company's submitted data are certified and also petroleum fund audit report on quarterly basis audited revenue which actually reflects what ANP receipts so far.

Other option that industries propose is to add on scope work for IA to certified the data and /or templates submitted by government entity and company.

2. Staff Recruitment (Data Base)

Secretariat TL-EITI will recruit one staff to support the creation of appropriate data base, a number of application form of Curriculum Vitae (CV) have submitted to the Ministry of Petroleum and Minerals Office, therefore MSG need to establish small group to oversee the selection process criteria, job description and skills/work experience.

ANP was asked to share its example of data base staff's TOR; however, ANP confirmed that will find out whether it is allowed or not to share and if it is allowed them will send via email for MSG reference.

3. Design format evaluation for IA (Technical and Financial Proposal)

Secretariat have informed that tender assessment for IA was scheduled on 17 June – 16 July 2014 however only received two bidder as following :

1. Moore Stephens.LLP
2. Stantos International

Now MSG should either establish small group to opening and evaluate those proposals or extend it, As no key decision making are present in the meeting due to other commitment, MSG have agreed to continue discuss and decide it through via mail. It was accepted it.

4. Visitor (Mozambique and Ghana) Exchange Experience

Delegation from Mozambique will be visiting Timor-Leste from 29 July-1 August and Ghana in the end of August or first week of September 2014 with objective to exchange experience with TL-EITI Secretariat and MSG particularly in regard to the implementing the EITI and the learning of new standard EITI process.

5. Next meeting

Next meeting will be held in the TL-EITI Secretariat office Farol, on 1 August 2014