

## Timor-Leste EITI National Working Group

### MINUTES

18 May 2009

9:30 – 11:42

EITI Secretariat Office

Belarmino Lobo, Bidau Lecidere, Dili, Timor-Leste

#### Participants Members\*

Carlos Florindo	ETADEP, CSO Representative
Vidar Ovesen	Fiscal Policy and Petroleum Fund Advisor, Ministry of Finance (MoF)
Abdur Rahman Khan	Advisor, Petroleum Tax Audit
Mericio Akara	Program Coordinator Luta Hamutuk
Tony Heynen	Eni Timor-Leste, Country Representative
Peter Smith	ConocoPhillips, Timor-Leste Country Manager
Doug Adams	Country Manager, Woodside

#### Alternatives, Non-Voting, and Observers

Florencio Fernandes (Alternate)	Eni Timor-Leste, Dili Office Manager
Elda Guterres da Silva	Secretariat EITI, Finance and Administration Officer
Trifonio Flor Sarmento	Assistant Outreach Coordinator & Finance and Administration Officer for Secretariat EITI
Constantino Corado	FONGTIL
João Demetrio Xavier,	Petroleum Tax Division MoF
Cipriana Tita Sousa	ANP

#### Absent:

Viriato Seac	Researcher La'o Hamutuk
Manuel de Lemos	Director, SERN (Focal Point EITI)
Tobias Rasmussen	IMF, Representative
Habib Rab	World Bank
Elga Anita	Staff SERN
Angelo Lay	ANP
Venancio Alves Maria	Executive Director, Banking and Payments Authority (BPA)
James Kernaghan	External Relations & Comms Mgr, Eni Australia

<b>Chair By</b>	Vidar Ovesen Fiscal Policy and Petroleum Fund Advisor, Ministry of Finance (MoF)
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## **Introduction**

Agenda for the meeting:

- Review the minutes from the previous meeting (on 30 April 09)
- Review Template for public EITI reporting
- Set a date for the next meeting

## **Review Minutes**

Minutes from the meeting on 30 April 09 been circulated, it was reviewed and approved by Working Group (WG).

## **Template for public EITI Report**

EITI WG has discussed the issues of the final EITI template public report in several meetings. Prior to the meeting an alternative Option 3.5 was circulated by email in accordance with the template that Deloitte has drafted. Option 3.5 was the alternative option which was discussed at the previous meeting.

Option 3.5 was as follows:

Appendix A: **A summary of total payments by Companies and received by the Government**

Appendix B: **Petroleum tax payments by each company**

Appendix C: **Payments of FTP and Profit Oil & Gas by each company**

Appendix D: **All fees paid to ANP by each company.**

The WG was encouraged to review and contemplate this option as discussed at the previous meeting in order to start the process of preparing the EITI report and continue the work related to the validation.

Comments by Governments:

From the Government's perspective, option 3.5 is a good solution as a template for the 2008 EITI Report. An EITI Report based on this template will be a disaggregated report which has been the Government's objective. The template can be reviewed at a later stage, as appropriate, and eventually when new projects have come into production or new information is available. It is important to have confidence in the Aggregating Body which is the Independent Auditor of the Petroleum Fund. All information is disclosed to the Aggregating Body to ensure that they can review the figures from the Companies and the various Government agencies respectively and identify any discrepancies before providing information in the public EITI report. The Government representatives encourage the WG to agree on Option 3.5 as it is a consolidated proposal reflecting both concerns made by the Civil Society (CS) as well as the Industry.

CS comments:

CS preferred option has been Option 4 as the template for the public EITI Report. However, CS acknowledges the work that the WG has done and emphasized the importance of moving forward to comply with the basic EITI requirements within the deadline. Hence, Option 3.5 is an option which is acceptable for the CS for the 2008 EITI Report. CS stated that it be necessary to revisit the template in the future.

Industry comments:

- Industry advised that while aggregated public reporting would meet EITI requirements they had previously been prepared to accept Option 3 that had been proposed by Government representatives. This was agreed by Industry as a means of showing support for the concepts and aims of EITI and to assist Timor-Leste achieve validation. Industry now understood that CS would accept Option 3.5 and that this represented a significant step from their preference of Option 4. Industry, in being asked to consider Option 3.5 was being asked to move considerably further in terms of preferred positions. While Option 3.5 represented a position that went further than Industry was prepared to accept it was noted that Civil Society accepted the Government recommendation. On this basis Industry advised they would accept the Government recommendation of Option 3.5, in the interest of achieving consensus and in the interests of assisting Timor-Leste obtain EITI validation.
- Industry advised that in relation to the Option 3.5 Templates, the Appendix 'A' Summary was in fact an accumulation or collection of all the information set out in the other Appendices 'B', 'C' and 'D'. If the intention (as shown in the heading) was for it to be a Summary then references to Company entity would need to be removed. It was reiterated that no information would be removed, varied or diluted by a change of this nature.

The WG concluded to use Option 3.5 as the template for the public 2008 EITI Report. The decision was reached by consensus.

### **Next Meeting**

Next meeting will be held in the EITI Secretariat Office next to Xanana Reading Room, Rua Belarmino Lobo, Lecidere, on 18 June 2009, at 9:30 till finishing.