

Timor-Leste EITI Multi Stakeholder Group

MINUTES

20 January 2017
09:27 – 10:37

Farol Office

Participant Members*

Elda Guterres da Silva	National Coordinator TL-EITI (MPMR)
Agostinho G. Ramos	MoF/ DNPMPR
Antonio dos Santos	Woodside Country Representative
Jose Lobato	Country Manager ConocoPhillips Timor-Leste
Helio dias da Silva	Haberan
Angelina Branco	Eni Country Representatives

Alternatives, and Non-Voting

Trifonio Flor Sarmiento	Secretariat TL-EITI
Francisco Alegria	TIMOR GAP E.P
Hamud Alkatiri	ANPM
David de Araujo	ConocoPhillips External Relations
Elda Guterres Da Silva	National EITI Secretariat

Absent:

Filipe Nery Bernardo	Petroleum Fund Analyst- MoF
Henrique Monteiro	TIMOR GAP E.P
Dulce Natalia	ANPM
Fernando Carvalho	Chief of Account BCTL
Timoteo T. Pires	BCTL
Nelson Miranda	Luta Hamutuk
Tobias Ferreira	BCTL
Sabino Gusmao Fitun	Director Ba Los
Martina da silva	Director FHF

Chair by: Angelo Lay ANPM

Secretariat TL-EITI took it seriously based on the Validation assessment particular requirement 1.4 (**MSG governance and functioning** (pg 29), where Civil society expressed their discontent with the secretariat being a member of the MSWG and also chairing MSWG meetings. According to them, this was not considered a good practice accountability wise, based on this statement the Secretariat TL-EITI has proposed to MSG to introduce again a rotational system in chairing MSG meeting as it could help increase MSG member's ownership. The idea of rotating chairing today meeting to be chaired by government entity and next meeting will be chaired by CSO.

Note: according to the MSG ToR (pg 2) The Chairperson and Working Group shall be supported by a Secretariat, we propose to revisit and revise if MSG agree to commence introducing rotational chairing the meeting.

In addition, propose to change the minute's format by indicating each constituency group (Government Entity, Industries, CSO and TG) statement or expression.

Agenda to be discussed as following:

1. Review MSG meeting minutes on 14 & 21 October and 1 Dec 2016

Government Entities (GE)	<p>GE noted according to the EITI standard requirement 2.5 C (Beneficial Ownership) As of 1 January 2020, it is required that implementing countries should implement the disclosure of the beneficial ownership information in the EITI report, including any politically exposed persons holding ownership rights in oil, gas and mining projects must be identified.</p> <p>The BO disclosures is important because in some countries companies that have obtained rights to extract oil, gas and minerals is often unknown, (exp. Azerbaijan) affiliate with the Political or family connection.</p> <p>MSG are required to agree and publish roadmap outlining how MSG plan to meet BO under EITI standard 2017 (example of Zambia and Mongolia BO Roadmap are also annex.</p> <p>GE confirmed only one or two small petroleum extractive company are not public register in Security Exchange Commission. tender protocol and other rules for petroleum extractive company is required to be consortium to obtain PSC enclose</p> <ul style="list-style-type: none"> - proof of the company's establishment which include name of Company, attorney certification corporation etc
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	<p>- proof of technical ability, financial capability and legal and tax regularity</p> <p>for Mineral Sector in Timor-Leste have potential challenge disclosing BO due to partly of the company obtain mineral right which might have affiliation to any political parties or leaders.</p> <p>GE queried the Secretariat TL-EITI on the proposed budget to establish the BO roadmap which appears to be excessive. GE propose to review and revise in order to reflect the scope of work and necessity.</p> <p>Due to time constraint, despite the MSG agree to seek third party assistance in preparing roadmap plan, MSG then agreed to finalize it by MSG only.</p> <p>We need MSG contribution in order to finalize this draft BO roadmap (annex).</p>
Industries (Ind)	<p>Industry’s understanding on the focus of BO is to disclose owners of multimillion dollars companies which could hide their ownership through shelf company. This has been proven in recent Panama case.</p> <p>Major company invest in Timor-Leste such as ConocoPhillips, Eni and Woodside are registered in stock exchange. So, the focus of the BO roadmap should be related to legislation for due diligence for future multi-million dollar investors within the extractive industry in Timor-Leste.</p> <p>As a proposal, industry representative suggest to develop the roadmap based on the existing legal regimes in relation to due diligence process to be conducted for future investors.</p>
CSO	No Comments
TIMOR GAP (TG)	No Comments

2. Progress on Confidential Agreement deed between Independent Administrator and Industries

Government Entities (GE)	
Industry (Ind)	<p>Industries confirmed draft CA have sent to Independent Administrator for further review with clearly state that if identified some clause that are obstacle to implement their work industry as one of the reporting entities will be willing to renegotiation the terms within the CA.</p> <p>However, industry reminded that the CA was only intended to ensure reporting entities have conduct its quality check on the data prior to releasing it to public. So, it should not be an obstacle.</p> <p>Industry representative also inform that Draft report can be circulated to the MSG without disclosing any data provided by a reporting entity.</p> <p>Industry representative noted that one of the Corrective Action included in the Board decision of the validation also is to ensure the CA does not contribute to delay of the production of EITI report. Industry representatives will contribute to expedite the process to finalize this CA, as soon as the Independent Administrator provide their comments.</p>
CSO	No comments
TIMOR GAP (TG)	No comments

3. Board Decision on the validation of Timor-Leste

Government Entities (GE)	<p>GE informed base on the EITI board decision on 11 January 2017 the outcome of Timor-Leste validation under the EITI standard conclude that Timor-Leste has made meaningful progress in implementing the EITI.</p> <p>Timor-Leste had not made satisfactory progress on requirements 1.2, 1.3, 1.4, 4.8, 4.9, 6.1 and 7.4 therefore Timor-Leste will need to take corrective actions as annex 1.</p>
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	<p>as MSG we need all party collaboration and contribution to reach the satisfactory and Beyond level</p>
Industry (Ind)	<p>Industry noted that there are a number of CA listed in the Board Decision, which will be addressed by the industry.</p> <p>Industry expressed its concern with the assessment requirement 1.2, due to the fact that Industry have been active, and committed to contribute to the EITI Implementation and agreed to follow all Requirements.</p> <p>Industry express its confusion on the requirement to create an action plan to response to corrective action requirement (2.1). This point will be communicated from TL EITI Secretariat to the EITI International Secretariat</p> <p>Industry confirmed its commitment to comply with all EITI Requirements.</p>
CSO	<p>CSO recognized they were not fully engaged, contributed and provided input in the EITI process due to busy schedule and doing other works (outside Dili), on the other hand, lack of communication within NGOs who represented in MSG and others to update the EITI progress in every three month which used to be organized by FONGTIL.</p> <p>CSO noted the EITI International Secretariat only met Local NGO were not directly representing on the MSG therefore some of the expression and statement might not reflect the real situation.</p>
TIMOR GAP (TG)	

Action: put the corrective action in matrix circulate to MSG