

## Timor-Leste EITI National Working Group

### MINUTES

21 September 2010

9:30 – 11:26

Secretary of State for Natural Resources Office  
1<sup>st</sup> Floor Fomento Building Mandarin

#### Participants

##### Members\*

Manuel de Lemos	National Coordinator EITI
Venancio Alves Maria	Executive Director, Banking and Payments Authority (BPA)
Vidar Ovesen	Fiscal Policy and Petroleum Fund Advisor, Ministry of Finance (MoF)
Peter Smith	ConocoPhillips, Timor-Leste Country Manager
Brendan Augustin	Country Manager for Sunrise (Woodside)
Mericio Akara	CSO Representative Luta Hamutuk
Martinha da Silva	Director FHF
Abdur Rahman Khan	Advisor, Petroleum Tax Audit

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

Fernando da Silva, Alternate	Chief Accountant –BPA
Remigio Viera Laka, Alternate	CSO Representative FSG
João Demetrio Xavier, (Alternate)	Petroleum Tax Division MoF
Elda Guterres da Silva	Secretariat EITI, Finance and Administration Officer
Trifonio Flor Sarmento	Assistant Outreach Coordinator & Finance and Administration Officer for Secretariat EITI
Laurentino Alves	CSO Luta Hamutuk
Sedeligio”Leo”Ximenes	NGO Ba los

##### Absent:

Honesia Araujo, Alternate	ANP
Angelo Lay	ANP
Filipe Nery Bernardo, (Alternate)	Petroleum Fund Analyst- MoF
Tony Heynen	Eni Timor-Leste, Country Representative
Carlos Florindo	ETADEP, CSOO Representative
Florencio Fernandes (Alternate)	Eni Timor-Leste, Dili Office Manager
David Hook	World Bank

**Chair By:** Manuel Lemos                      National Coordinator EITI

## Agenda for Discussion

- 1) Update TL-EITI II report
- 2) ToR VS MoU
- 3) Other Business
- 4) Next Meeting

### **1.1 Update TL EITI II report**

The preparation on the TL EITI II report are going according to engagement letter and the deadline for providing the government and company respond to template have received, Final update information weather government entity and company have submit the template to Deloitte or not yet they keep continue to follow up who is not responding.

What Deloitte doing at the moment are draft report to reconcile the figures which more comprehensive than last year, as WG may recall that We have request Deloitte to provide short narrative which actually WG did last year. Relate to this WG have ask Deloitte to put all the figures in the right contest which briefly describe fiscal regime, analyze the figures etc.

WG also request Deloitte to reconcile the figures with the figures in annual report of the Petroleum fund as WG might recognize that in the EITI report last year and Financial Statement of Petroleum fund the figures are totally difference.

Grease of difference are:

- 1) in EITI report include only Company Operator not Sub- Contractor
- 2) the timing issues
- 3) There are some payments such as fees that have received by Government (ANP) not suppose going further to Petroleum Fund.

For transparency, reasons WG ask Deloitte to provide the reconciliation so that easy to compare figures from Petroleum Fund and EITI report, through this process might identify some discrepancy.

As soon as they have draft report available will circulate to WG for review, and provides comment before issues to the State Secretary for Natural Resources and Ministry of Finances, Final EITI II report will be issues by Deloitte on November 2010 base on engagement letter.

During the process Deloitte received request from one of the company (Petronas) weather they need to provide template or participate this time as they compliance with the deadline.

### **2.1 ToR vs MoU**

As government entity inform that in the future is important to establish MoU with objective to engage all company operator and Multi stakeholders to ensure that everyone are commit to EITI, and disclose payment.

As WG aware that Government entity use Deloitte as Independent Auditor for Petroleum Fund Annual Report because have legal framework in Petroleum Fund Law(PFL), their role is just justify that this information should required commend auditing function.

**Industry Inform:** as long as recognize that have MoU as legal document that certainly as part of WG Industry ca not sign on MoU on behalf of other Company but for joint Venture partner that legal question internally. What they need is draft MoU then takes back to Organization, consult with legal person and cooperate office until get that opportunity gives any feedback.

**Industry question:** as PFL is works for disclose all data but why additional value MoU provide?

**Answer :** WG have noted that engagement have occur twice with Deloitte as reconciler of the EITI report, as recommend by Validator in the future WG engage with other reconciler should be opening tendering process.

Limitation of the law is that Government use Independent Auditor of Petroleum fund use in PFL as legal framework for EITI report what has been concern by WG weather sufficient in term of transparency to use same Independent Auditor every years or opening tender option.

**CS reiterate:** as previously meeting WG have agreed to started discuss the issues of draft MoU also the opening tendering process weather engage with Deloitte or other reconciler, regarding to having MoU CS think just to reinforce general WG commitment in providing figures, to prevent misunderstand and also create good collaboration between pillars then by the future WG can think of to have Decree, Legislation or Law.

As WG may aware that there are 3 Company have committed them self since 3 years to provide figures there are also range of company that last year provided the figures but for this year one of them ask are they really need to participate in the process.

As WG may aware that probably MoU no legal binding document but if they agree to sign, they understand the contest and commit them self ordinary provide the figures when information request by the other reconciler then the Independent auditor will ask to fill out some form then they know that this is related to the MoU they sign.

WG also need to consider there is actually 2 ways of having MoU

- 1) This MoU can be comprehensive which will explain about EITI Process, MSG, Objective etc
- 2) This MoU just to required on how EITI reporting process which is need all company operator and government entity commit to provide information to the reconciler.

**Industry Question:** how the involvement of new company operator to the EITI when they have awarded license round either through PSC or MoU itself.

WG proposed to the Government entity to draft MoU then share it for review and comment, it was accepted.

### **3.1 Other Business**

#### 3.1.1 Update Seminar Regional

- Seminar Regional in Maliana District eventually no participation from Suai District due to the bad road, Government entity is planing to realizeonce again in suai District in middle of October 2010.
- Recommendation from Ermera district when socialize this report not in regional but also through 13 Districts, Sub-Districts and tribe.
- Involve relevant Ministry or agency related to the state budget expenditure.
- Oecusse District does not understand tetun Language

#### 3.1.2 EITI Global Conference

EITI International Secretariat in Oslo have Invited Dr. Jose Ramos Horta Prezident Republic of East Timor as one of the speaker in conference event in Paris on 2-3 March 2011, Excellency have confirm his availability to participate.

### **4.1 Next meeting**

The next meeting is schedule on 14 December 2010 at 9:30 until finishing, held in the Secretary of State for Natural Resources, 1<sup>st</sup> Floor Fomento Building Mandarin.