

Timor-Leste EITI National Working Group

MINUTES

22 July 2010

9:30 – 11:34

Secretary of State for Natural Resources Office 1st Floor Fomento Building Mandarin

Participants Members*

Manuel de Lemos	National Coordinator EITI
Venancio Alves Maria	Executive Director, Banking and Payments Authority (BPA)
Remigio Vierra Laka, Alternate	CSO Representative FSG
João Demetrio Xavier, (Alternate)	Petroleum Tax Division MoF
Vidar Ovesen	Fiscal Policy and Petroleum Fund Advisor, Ministry of Finance (MoF)
Angelo Lay	ANP

Alternatives, Non-Voting, and Observers

Honesia Araujo, Alternate	ANP
Elda Guterres da Silva	Secretariat EITI, Finance and Administration Officer
Trifonio Flor Sarmento	Assistant Outreach Coordinator & Finance and Administration Officer for Secretariat EITI
Nelson Miranda	CSO Luta Hamutuk
Fernando da Silva	Chief Accountant –BPA
David Hook	World Bank
Abdur Rahman Khan	Advisor, Petroleum Tax Audit
Gabriela Leite Soares	World Bank

Absent:

Filipe Nery Bernardo, (Alternate)	Petroleum Fund Analyst- MoF
Peter Smith	ConocoPhillips, Timor-Leste Country Manager
Tony Heynen	Eni Timor-Leste, Country Representative
Carlos Florindo	ETADEP, CSOO Representative
Martinha da Silva	Director FHF
Mericio Akara	CSO Representative Luta Hamutuk
Florencio Fernandes (Alternate)	Eni Timor-Leste, Dili Office Manager
Brendan Augustin	Deputy Country Manager for Sunrise (Woodside)

Chair By: Manuel Lemos National Coordinator EITI

Chairman informed that Industry is not present due to the Holiday taking and Illness but WG considering this is as usually meeting formal, WG can be agree in some part then up date back to the Industry representative by mail to seek their approval.

Agenda for the meeting

- 1) Review the meeting minutes on 17 June 2010
- 2) To Review draft engagement letter from Deloitte for the II Report.
- 3) WB propose to produce short movie on EITI
- 4) Ceremony to celebrate TL as an EITI Complaint Country
- 5) Lesson learn from the past 2 Regional Seminars
- 6) Next meeting

1) Review Minutes

Working Group (WG) reviewed and agreed the meeting minutes on 17 June 2010 subject to mini amendment to:

- 1) Government entity is unclear with sentence in page 4 as underline :
if WG appoint another reconciler then Industry will provide information in 2 difference way :
 - 1) **for the Petroleum fund auditor**
 - 2) **for the TL-EITI report reconciler**

as explanation is : if the WG choose another aggregator body to produce EITI report in the future then the industry has to relay to the Deloitte as auditor of Petroleum fund as well as relay to other aggregate body reconciler for EITI report.

WG appointed Delloite as aggregating body to produce 2009 annual report but for the next 2010 annual report there should be opening tender for reconciler therefore WG need to have legal basis to actually request information due to the worked,

Government entity reiterates as previously meeting WG have agreed to review the MoU as (legal basis) from difference country to engage with all MSG therefore WG considering to having MoU among the WG to engage with the other reconciler with idea to ensure all Industry and government participants agree to provide data according to the auditing International standard.

The challenge to negotiation MoU and opening tender for reconciler is take time is need an involvement of all Industry partner that operate in Timor-Leste and relevant Government entity to sign MoU.

The MoU from difference country are seeking and schedule for the next meeting discussion.

2) To Review draft engagement letter from Deloitte for the II Report.

As previously, the engagement with Deloitte last years WG want to ensure this contract is under the Ministry of Finances to hire the Independent Auditor (Deloitte) and the existence framework in PFL to use. Also the resources for the EITI report is paid by MoF.

WG have agreed to change this engagement letter as below:

1) The Engagement Letter is addressed to the State Secretary of Natural Resources, which will be the entity that engages Deloitte (not the Minister of Finance) then an acceptance of the Engagement Letter by the Government should be signed by both State Secretary of Natural Resources and the Minister of Finance, to ensure that both party are involve.

2. Manuel as National Coordinator for EITI is the main point of contact with Deloitte with regard to this project. MoF will of course assist as required.

3. The invoice will be sent to and paid by SERN (last year it was paid by the MoF as it was a part of the overall auditing contract between MoF and Deloitte).

4) last time Deloitte only provide template base on the guidelines adopted by MSG in May 2009, the last report contain lot of figures WG require to be provide some explanation of the figures.

5) This report will send directly to the State Secretary for Natural Resources (not to Ministry of Finances)

6) as soon as agree this engagement letter Deloitte target to commence work on 1 August, the deadline for return template on 31 August and submit the report is on 15 October 2010.

Government entity underline that the nature of the information are difference between the EITI annual report and Petroleum fund annual report there are discrepancy for few reasons some the report to the Petroleum fund received by BPA and some report to the revenue received by government (ANP) other is Extractive Industry is not sub-contractor, tax revenue from sub-contractor paid to the petroleum fund. Therefore those kind of discrepancy should be better explain in report it self to avoid any confusion of figures when peoples start comparing this report.

Government entity will inform Industry that WG content with the engagement letter, for further comments is still expect by the end of this month.

3) WB propose to produce short movie on EITI

WB have propose to the EITI WG to produce short movie for the public information regarding to the EITI process, it doest need to happen quit quickly but WB would like to capture some of the activities in coming up such as Ceremony of the Timor-Leste status as Complaint Countries, Regional Seminar, and also arrangement for the Interview with MSG.

Government will use Timor sea and Boundary Maritime movies as reference to develop EITI Movie and this will fund by the WB.

It was accepted and the discussion is remain continue between WB and Government then up date more details to the WG.

4) Ceremony to celebrate TL as an EITI Complaint Country

As all MSG aware, that Timor-Leste granted, as complaint countries on 1 July 2010, for that reason this moment need formal ceremony to celebrate it. The Ceremony will be on 06 August 2010, at 6:00 PM held in Hotel Timor, this will be fund by Government (SERN and ANP) also from Industry CS and WB is welcome to jointly to finance.

State Secretary Mr. Alfredo will make press conference jointly with Industry and CS agenda and Invitation card will be develop then circulate to MSG.

It was accepted.

5) Lesson learn from the past 2 Regional Seminars

Government entity emphasis WG needs to explain very clear and simply way of what is the EITI before moving to other issues, as EITI is still relate to the activities in petroleum sector (Revenue and receipts between company and Government).

Government entity also proposed to revise agenda (half day to full day) for next regional Seminar in Maubisi and Maliana with that give participant opportunity to ask more question.

It was accepted

One thing WG can consider that as KKFP and other CS organization have organizing lot of Seminar in Districts talking about petroleum sector issues, in the future probably cooperate through institution to having regional Seminar where some talk about EITI, Petroleum general so we can have broadly perspective.

Just to inform that this is the first time KKFP joint in the Seminar regional organize by EITI but since 2 Years EITI always involve in KKFP activities on dissemination information in the Districts level.

6) Next Meeting

The next meeting is schedule on 17 August 2010 at 9:30 until finishing, held in the Secretary of State for Natural Resources, 1st Floor Fomento Building Mandarin.