

Timor-Leste EITI National Working Group

MINUTES

24 March 2009

9:00 – 10: 51

EITI secretariat Office

Belarmino Lobo, Bidau Lecidere, Dili Timor-Leste

Participants

Members*

Carlos Florindo	ETADEP, CSO Representative
Peter Smith	ConocoPhillips, Timor-Leste Country Manager
Manuel de Lemos	Director, SERN (Focal Point EITI)
Mericio Akara	Program Coordinator Luta Hamutuk
Viriato Seac	Researcher La'o Hamutuk
Vidar Ovesen	Fiscal Policy and Petroleum Fund Advisor, Ministry of Finance (MoF)
Angelo Lay	ANP
James Kernaghan	External Relations & Communications Manager, Eni Australia
Venancio Alves Maria	Executive Director, Banking and Payments Authority (BPA)

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 Sarmiento	Assistant Outreach Coordinator & Finance and Administration Officer for Secretariat EITI
Tony Heynen	Eni Timor-Leste, Country Representative
Tobias Rasmussen	IMF, Representative
Anwar Ravat	Program Manager COCPO the World Bank

Absent:

Cesario dos Santos	Woodside representative
Habib Rab	World Bank
Lizete de Fatima M.	Development Program Advisor, Woodside
Elga Anita	Staff SERN
Joao Saldanha, Alternate	Macro economy, MoF
Doug Adams	Country Manager, Woodside
João Demetrio Xavier,	Petroleum Tax Division MoF
Abdur Rahman Khan	Advisor, Petroleum Tax Audit

Chair By

Manuel de Lemos
Director, SERN (Focal Point EITI)

Introduction

Working Group welcome Mr. Anwar ravat, Program Manager COCPO the World Bank, it was quite honorable to have him in the meeting because Working Group are in the process of finalizing Timor-Leste EITI template report.

Before commenced the meeting pillars agreed to change the agenda item to accommodate one member from Government Reps leave at 10:00 AM to have another meeting.

Briefing on the next step to the Working Group by Mr. Anwar Ravat, World Bank, DC.

The reason of Mr. Anwar visiting to EITI Working Group in Timor-Leste is

- 1 the session of aggregation and disaggregating
- 2 finalize the template as draft been provide by Deloitte
- 3 visualize how is the final report is going to be look like

First of all MDTF Manage by the World Bank, manage this fund on behalf of the 12 other donor contributor and Norway as supply. MDTF has currently fund the activity in more than 14 country including Timor-Leste.

As the Working Group may aware that Timor-Leste listed in the 26 candidate country & has dead line in the march 2010 to become validate, as the members of EITI Working Group it is phenomenal opportunity to show case Timor-Leste because of the present of Secretariat of State for Natural Resources in the EITI Board, infect to said that Timor-Leste it self in spot which really include NGO, Company and force Government, members of the board will be expected first performance to meet the deadline & get to split of EITI as well as a letter.

Regarding to Aggregation and Disaggregating obviously is not new issues one of them is that EITI is voluntary process which work up consensus is means that the company can not rarely doing something they don't want do, equally have said that because from out side looking in this is tremendous opportunity for the company to try see weather the civil society and government members pushing to, see how much they can moving to address, the reason are very simple first is that spotlight for Timor-Leste, second globally and by that the EITI policy at the Secretariat level in Oslo them self moving to the Disaggregate, this not real non why it so because if step back 5 years ago when started EITI the frame work of EITI was certainly lowest from under dominate.

Major of civil society and government would agree to, that was call simple menu option, country will pick and choose, it was happening after this most reason Doha conference it is just step to reducing this menu option, then EITI become more consistent, Working Group may know that five or six country in the world has report issues with disaggregate. All come together stakeholders try to getting reducing the menu option. for those reasons why out side end of view there is no coercion special in EITI Working Group members to try to look at that point of view how each sector or segment of working can help Timor-Leste to get place in the spotlight.

Question: EITI Working Group are chose two options either aggregate or disaggregate EITI report, how do you define this concept what the difference in aggregate is and disaggregate information provide to the public?

Answer: If you take the optimal level as most consider highest amount of present by company and further by payment so it is the most everyone can expected, in by each company and you take this company and then break it out in the tax of payment, with those share withholding tax, local payment, whatever it is tax Item. Where everyone agree on as Working Group , aggregation and disaggregating just by company which is having in the Oil fund report today in Timor-Leste there is no state where are the tax of payment, one or two country as Azerbaijan has step close to the disaggregating. It makes out all the tax payment but not all payers, all company together they have so much in payment in royalties, and tax.

Industry has query there are only one company are made payment to the government at present time in the project of EKKN and Bayu Undan, industry said there are a whole range are company which paying in to the fund this should take in to the count for discussion.

Template for Timor-Leste EITI Report

The EITI Working Group was informed that all representatives in the EITI Working Group now agrees that the first stage of the reporting process can start, even though there is no final agreement on the content of the public EITI Report. All stakeholders noted that any information provided to the Aggregating Body cannot be disclosed to any third party without the disclosing party's written consent, unless disclosure is required by Law. It was also noted that this provision was included in the Guidelines and in each of the Reporting Templates.

On that basis, the EITI Working Group requested the Government's representatives to provide a draft ToR for engaging the Independent Auditor of the Petroleum Fund as the Aggregating Body. It was suggested that the ToR should be discussed and eventually approved at the next EITI Working Group meeting.

The EITI Working Group also agreed that the draft letter to the State Secretary re the process of appointing the Independent Auditor in the future should be reviewed at the next meeting. The purpose of this letter is to ensure that all stakeholders have confidence in the Independent Auditor of the Petroleum Fund as the Aggregating Body.

Moreover, the Government's representatives presented a proposal for the content of the public EITI Report. It was suggested that the Report should include the following information:

- 1) Information about each Tax Payer's total amount of petroleum taxes paid by the Companies and received by the Government.
- 2) Information about the total amount of FTP and Profit Oil/Gas respectively paid by the Companies and received by the Government.
- 3) Information about the total amount of various fees (Application Fee, License Fee, Development Fee, Seismic Data Fee etc) paid by the Companies and received by the Government.

The EITI Working Group requested the Government's representatives to provide a draft templates for the final EITI Report for discussion at the next EITI meeting to ensure that all stakeholders fully understand the implications of the proposal before the proposal is reviewed and discussed within each stakeholder.

Review Minutes of the meeting on 25 February 2009 (Aggregation and Disaggregating)

Working Group agreed that previous meeting minutes was postpone for approving because it has so much details, there was held a meeting on 25 Feb 09 but on that day it was not a public holiday, other issues been add that under the Chatham House Rules basis minutes will publish without reference to specific peoples or agency.

Other Business

- Outreach Coordinator

Group need to restart the process of recruite the EITI Outreach Coordinator, for socielize with people in the Dili and District, prepare report to the government for publishing, disseminate EITI information and so on, members are query is this ToR for Coordinator or Outreach Coordinator, at the moment EITI Secretariat just have Assistant Outreach Coordinator and Finances Administration Office, and Adminsitration, group need to have Outreach Coordinator, group required to review back the minutes of year 2007 which is provide by EITI secretariat regarding to the issues either appoint the Coordinator, Outreach Coordinator or Assistant for Outreach Coordinator, and ToR is also required by group for review and up date.

- EITI Brochure

Industry has started review it and correcting it but it quite complicated in term of the expression in the language of tetum and english version major difference in terminology, it measn group need to spent lot of work to, group need to decide which language is going to be use first either start writing English and translate to the tetun or doing the opposite way tetum translate to English, as the group may aware that all information are available in English. Group agree to start EITI brochure with English version and this EITI brochure will be work group by each Institution.

Next Meeting

Next meeting will be on the 01 April 2009, at 10: Held in the Secretariat EITI Office