

MEETING MINUTES

24 May, 2019

EITI-TL Secretariat, Farol, Dili

Participant Members

Angelina Branco	Eni Country Representatives
Jose Lobato	Country Manager ConocoPhillips Timor-Leste
Agostinho G. Ramos	MoF/ DNPMR
Filipe Nery Bernardo	Petroleum Fund Analyst- MoF
Honesia Araujo	ANPM
Estevanus Coli	MDI
Manuel Simeao	FONGTIL

Alternatives, and Non-Voting

David de Araujo	ConocoPhillips External Relations
Francisco Alegria	Timor GAP E.P

TL-EITI Secretariat:

Elda Guterres da Silva	Técnica Especializada TL-EITI
Trifonio Flor Sarmento	Outreach Officer
Octavio Jordão de Araújo	Adviser
Abelina Emilia do Rosario	IT Officer

Absent:

Antonio dos Santos	Woodside Country Representative
Fernando Carvalho	Chief of Account BCTL
Dulce Natalia	ANPM
Henrique Monteiro	TIMOR GAP E.P
Tobias Ferreira	BCTL
Helio Dias da Silva	Haberan
Sabino G. Fitun	Core Group Transparency (CGT)

Meeting opened at 9.25 AM.

1. Approval of the agenda

This meeting is a continuation of the discussions held on Thursday; May 16. Previous meeting had no quorum due to absence of CSO members. The MSG agreed to the agenda of the meeting as a follow up discussion from previous week to achieve a decision agreed by all pillars.

2. Approval of documents

Previous meeting minutes (29 Mar 2019)

3. Discussion of Reconciliation reports FY 2016 and 2017

The IA briefly introduced the summary of draft scoping report and the reporting progress on previous week (May 16). An informal discussion was held between IA, MSWG Government and industry members and the National Secretariat staff members. No decision was made in this meeting due to the absence of CSO members. The discussion was followed up with CSO members in the following week (24 May) to reach an agreement amongst MSG stakeholders.

CSO members were briefly explained on the IA summary and the current progress of 2016 and 2017 reports. So far, over 70% subcontractors' data and around 80% government and operators' templates were received by the IA for 2016 reconciliation.

At this stage, the IA is attempting to finalize the reconciliation and the draft report of FY 2016. Also, the IA shares the inception report for both EITI reports. The inception report covers a summary of scoping studies.

Tax Settlement

The industry constituent (CoP) proposed to include disclosure of tax settlement issued in 2016 in the upcoming EITI report. If agreed by MSWG, to what extent will it be disclosed in the upcoming report? Shall it be disclosed as a summary or should it include details of the amount settled? The same company has been requested the authorization from Ministry of Finance to share this information for reconciliation and the said settlement with the IA. As for their recommendation, the IA believe it should be disclosed although the EITI Standard does not include a requirement specifically in for tax settlement.

From the government constituent (MoF), since the tax settlement case had been publicly revealed before, they agree with the summary disclosure within the EITI report contextually except for disclosing the details (e.g. the settlement amounts paid/received) which prevailed under the confidentiality agreement between the company and the government. The referred details should have to wait for the response from the Minister. Meanwhile, the government pillar requested the other payments besides the settlement amount from this company should be submitted to the IA for reconciliation to accelerate the preparation of EITI report. It is expected that the Ministry of MoF will reply the request from CoP upcoming week.

CSO members requested other constituents to explain the reason(s) behind the settlement. The companies explain to CSO on the fact that a tax settlement with less discrepancy detected after responded by the two parties. Following the International Secretariat request to ask CSOs' opinion on this, other constituents opined it also depends on the capacity level of CSO's understanding on the nature of an existing tax settlement and how will they create an argument/debate about this. CSO as the independent constituent could raise debates from this issue when the information is disclosed within EITI report I future if they have the fundamental knowledge of extractive industries financial and contracts. The CSO is also required to consult with other NGOs' opinion before agreeing on the disclosure of this issue in the transparency report.

MSG agreed to provide the summary coverage about the settlement in the report excluding the breakdown of its payment details in the report.

Social Expenditure

Other MSWG members would also like to verify with the IA with the status of SOE (TGAP)'s reporting on social expenditure information covered FY 2016 and 2017.

4. Discussion of feasibility studies for B.O. and mainstreaming

B.O. progress and roadmap in inception report. In regards to B.O. implementation in 2020 and referring to Minister's letter to EITI Board, MSWG requested to consult with IA whether a description of B.O actual progress in TL e.g. obstacles to define a roadmap for B.O. in TL should be included in 2016 report. Since the IA will begin the B.O feasibility study in July, will be best to consider this summary in 2017 report which will be due in December.

Obstacles for companies for it implementation, mainstreamed data to release for online public release may not represent the same data submitted for EITI reports which follows the Standard principles. For publicly registered companies like Eni, the published financial data are based on the company's stock exchange standard, which is different from EITI Standard principle. Other obstacles that MSWG may face, mainstreaming would require additional cost, timing and external auditing. Based on industry perception, the referred published data would require additional approach or effort to implement mainstreaming information in accordance to the EITI rules.

5. Upcoming meeting

There was no schedule proposed for upcoming meeting.

The Chair declared the meeting closed at 11:10a.m.

Minutes approved and signed by:

(Name)

(Signature)

1.

Esteban coli

MD King

2.

ANGELINA B. BLANCO

[Signature]

3.

Agostina G. Ramos

[Signature]

4.

5.

6.

Annex 1 – Action List from previous meeting

No	Issues	Action needed	Responsible Entity	Progress Status
1				
2				
3				
4				
5				
6		•		
7		•		