

TIMOR-LESTE EITI WORKING GROUP

Minutes of the Sixth EITI National Working Group Meeting Banking & Payments Authority, Dili, Timor-Leste 26 October 2007

Participants

Members present

Andrew Caddy, Timor Sea Designated Authority (TSDA)

Carlos Florindo, ETADep

Manuel de Lemos, Timor Sea Office (TSO)

Santina Soares, La'o Hamutuk

James Kernaghan, External Relations and Communications Manager, Eni Timor-Leste SpA.

Rigoberto Monteiro, KSTL (Timor Leste Trade Union Confederation)

Mandy Whyte, Country Manager, Woodside Energy.

Venancio Alves Maria, Central Bank (Chairman)

Observers:

Catherine Anderson, World Bank (Dili)

Tobias Rasmussen, IMF (Dili)

Absent

Mark Sherwill, Conoco Phillips Timor-Leste, SA

Amandio Gusmao, Ministry of Natural Resources, Minerals and Energy Policy (MNRM[1])

Vidar Ovesen, Ministry of Planning and Finance (MOPF)

Cristino Gusmao, Ministry of Planning & Finance (MoPF)

1. Minutes of Previous Meeting

The previous minutes were reviewed. The meeting asked for a number of amendments to be made to the minutes for approval at the next meeting.

2. EITI Regional Meeting In Bangkok

Manuel de Lemos reported on the EITI regional meeting in Bangkok. Timor-Leste was acknowledged as a good example for the South Asia region in terms of sovereign wealth management. The EITI Secretariat was happy with the progress Timor-Leste has made so far. The Members asked for the minutes of the regional meeting to be circulated.

3. Update on EITI Compliance Status/Result of 27 September EITI Board Meeting

Manuel de Lemos updated the meeting on Timor-Leste's EITI candidate status. Timor-Leste was one of several EITI candidate countries from which the EITI Secretariat sought further information by 31 December 2007 regarding progress towards meeting the four sign-up criteria necessary to be considered an EITI candidate country. The EITI Board will meet again in the

beginning of 2008 to make a final determination. In the EITI Secretariat's Letter to President [IL. Jose Ramos Horta and Prime Minister H.E Xanana Gusmão on this matter, it said that, "In the specific case of Timor-Leste the Board is particularly interested in the progress of the finalization, publication and dissemination of the plan of works including the accord with the interested parties, which we know should be completed at the end of this year".

This point was discussed and it was agreed that it was important to ensure publication of the work plan and terms of reference (ToR) of the Working Group. It was noted that the Timor-Leste Working Group had not prepared an accord or MoU as advice had been that these were not necessary (these were common in the early days of EITI) and that the ToR for the Timor-Leste Working Group would suffice. It was noted that the ToRs were still in word format and needed to be put into an unchangeable format for publication on the web as final. It was also suggested that the Secretariat be asked whether there was any other additional information required by end December 2007, as requested by the Board.

4. Publication/Dissemination of EITI Work Plan

Members discussed disseminating the EITI work plan at national and community levels. Members discussed the possibility of having a press conference to announce the Terms of Reference and the work plan, and to commence a public information and education strategy on EITI, the Working Group, and its progress to date. It was agreed that a Communications Strategy would be prepared for circulation to the Members.

5. EITI Funding Issues: Review of the EITI Multi-donor Trust Fund Grant Proposal

Members discussed the draft proposal for a grant from the EITI Multi-Donor Trust Fund (MDTF), and the following matters specifically:

- The passage referring to the "Reconciliation of payments and receipts data ..." should be amended to reflect the wording contained in the Work Plan, i.e., reference to the Production of an LIII Compliance Report.
- The same wording to be reflected in the passage relating to the 'Publication and dissemination' of the EITI Compliance Report.
- The reference to the 'auditor / aggregator' and 'EITI reconciliation' in the Disbursement section to be removed and amended to reflect the wording agreed and contained in the Work Plan
- The overall budget of \$359,000 will probably not be fully covered by an MDTF grant, thus alternate sources of funding were discussed. Members agreed GoTL would be invited to contribute towards full payment of EITI Secretariat costs, GoTL training, and part payment of civil society training activities for civil society thereby reducing the total grant request amount to \$275,000 USD. The relevant reduced amounts in the categories were to be recorded and revised MDTF circulated.

The amended MDTF proposal was to be circulated out of session for approval (via email) and then submission to the World Bank (as MDTF administrator).

6. Establishment of the Local EITI Secretariat including TOR and Recruitment Process

Changes to the ToR for the EITI coordinator were discussed and agreed. It was agreed that the EITI Coordinator would report to GoTL but be directed by the EITI Working Group. Reference to 'aggregate reports' (5th dot point under section II) was to be removed. Under IV Qualifications, Portuguese language skills would be read as 'desirable' and not required'. 11w position will be posted in local papers with an anticipated recruitment date of December 1, 2007. As agreed by Members during the September 2007 meeting, the Financial Officer/Administrative Officer position would be recruited as needed at a later time. Office space for the EITI Secretariat is yet to be sourced; the Office of the Secretary of State for Natural Resources has insufficient space to house a Secretariat. There may be space available in the Parliament together with the Office of the Consultative Council. The proposed Petroleum Information Centre (reference in the Work Plan) may ultimately be the best long term location option. Woodside also offered space in its office as an interim measure if required. Mernhcr agreed that the option for an Office in the Parliament would be pursued first.

7. Language of Working Group Meetings

One Member reiterated the need, on occasion, for Tetum to be used as the language of the Working Group to allow fullest participation of local members in the meetings. Members agreed that Tetum would be trialed as the working language for the next meeting.

8. Action List

It was suggested that in order to ensure progress of the actions arising from the meeting that an action list be prepared (see attached).

Next meeting

It was agreed to liaise by email to determine the timing and location of the next meeting.

Action List per 26 October 2007 EITI Working Group meeting:

#	Action Item	Who
1	Amend previous minutes in accordance with the instructions from the Members.	Catherine Anderson
2	Circulate minutes of the regional EITI Meeting in Bangkok.	Manuel de Lemos
3	Finalise ToR and Work Plan in pdf format.	James Kernaghan
4	Check with the EITI Board Secretariat on the remaining information to be supplied to the EITI Secretariat.	Manuel de Lemos
5	Develop a communication strategy for the ToR and Work Plan discussion at the next meeting.	Manuel de Lemos and James Kernaghan
6	The amended MTDF proposal to be circulated and agreed via email.	Catherine Anderson
7	Seek a place for the EITI Secretariat in the Petroleum Fund Consultative Committee offices.	Santina Soares
8.	Commence procurement of goods and services for the Secretariat.	Manuel de Lemos.