

## **Timor-Leste EITI Multi Stakeholder Group**

### **MINUTES**

**03 December 2015**

**09:00 – 10:48**

**Farol Office**

#### **Participant Members\***

Elda Guterres da Silva	National Coordinator TL-EITI (MPMR)
Agostinho G. Ramos	MoF/ DNPMR
Nelson Miranda	Luta Hamutuk
Antonio C. Santos	Woodside Country Representative
Angelina Branco	Eni Country Representatives
Jose Lobato	Country Manager ConocoPhillips Timor-Leste

#### **Alternatives, and Non-Voting**

Trifonio Flor Sarmiento	Secretariat TL-EITI
David de Araujo	ConocoPhillips External Relations
Francisco Alegria	TIMOR GAP E.P

#### **Absent:**

Auxiliadora do Rosario Coelho	MPMR
Henrique Monteiro	TIMOR GAP E.P
Filipe Nery Bernardo	Petroleum Fund Analyst- MoF
Alzira Sequera F. Dos Reis	Director Executive Alola Foundation
Angelo Lay	Director of Commerce, ANP
Oscar S. Faria	Senior Officer Single Auditor
Fernando Carvalho	Chief of Account BCTL
Sabino Fitun	Ba Los
Tobias Ferreira	BCTL
Helio dias da Silva	Haberaan
Martina da silva	Director FHF
Sabino Gusmao Fitun	Director Ba Los
Aurelia M.S. Rodrigues	Coordinator Advocacy Fundasaun Haburas

**Chair by:** Elda Guterres da Silva      National Coordinator TL-EITI (MPMR)

**The agenda discussed are as follows:**

**1. Review draft pre-validation report**

TL-EITI Secretariat informed MSWG on pilot validation assessment conducted by the EITI International Secretariat. This process took place from 12-16 November 2015. All MSWG members have received pilot validation report on 26 November 2015 and currently reviewing it for comments. Industry proposed that the pilot validation assessment report should be used as guidelines for MSG in order to prepare for next validation in January 2016.

This report present preliminary assessment which listed the following findings in accordance to EITI requirements:

1.4 Work plan

3.9 Licenses register

3.5 a Production data

3.5 b Export Data

5 The EITI requires a credible assurance process applying international Standards.

Industries questioned the impact of pre-validation report on 2013 Report. Would TL MSWG require further review of 2013 report to respond to the findings?

**Chair** responded that the 2013 EITI Report should proceed as the way it is. The pre-validation finding will not impact the report.

**Industry** understood and will proceed with revision of 2013 report for final approval

**Industry** noted that MSG is able to request for an exemption in accordance to clause 1.5 of EITI requirement. However, this request needs to be approved by MSWG prior to submission to the EITI board. The request must specify only for the production data because the situation in Timor-Leste is different from other countries. In comparison to countries with several production fields, Timor – Leste only has two fields, which produces different commodities. Thus, the disclosure of production based on commodity will be more sensitive.

TL EITI Secretariat informed MSWG that the deadline for submission of 2013 report is December 2015. And the TL Secretariat would like to focus on approval of 2013 Report to meet deadline for submission to International EITI Secretariat.

Industries are aware of the deadline to publishing the 2013 report but in situation where findings from the 2012 report remains in 2013 report, then MSWG might want to amend the 2013 Report to meet the EITI requirements. In such case it is not possible for industry to approve the report by December

However, Industries have carry out internal discussion in regard to the findings in the pre-validation report and will update MSWG when industries' position is confirmed.

Industries noted ANP website discloses disaggregate FTP, Profit Oil and Gas and Royalty with that industries cannot disclose disaggregate production volume data due to commercial sensitivity. Industries state the need for confirmation whether discloses those information consistent or not with the JPDA law and regulations.

Industries are also disappointed with the statement as following:

**It was noted that production data was important to people as there was a perception among citizens that the government's earnings was the same regardless of the level of production.**

Industries would like to know how many percentage of community have been interview, as noted by industries during the dissemination carried out in the district none of community members were asking about production data by commodity.

Since MSWG have agreed to proceed to seek exemption from disclosing disaggregated production data by commodity, industries request secretariat TL-EITI to ask EITI International Secretariat to give an example letter from other countries that have submitted request letter to EITI board, in accordance to clause 1.5 of EITI Requirements. And also is it possible to send email to Dveke to set up agenda in board meeting to discuss Timor-Leste's case for Exemption then the letter will be sent later.

TL-EITI Secretariat informed that the exemption letter should submitted to the board by 9 or 10 December 2015, the exemption letter will be drafted by the TL-EITI Secretariat then will be circulated to MSG for comments and revision by 8 December 2015.

Industries propose secretariat TL-EITI to list out the findings and based on the summary recommendations in the pre-validation report, TL EITI Secretariat should organise for a one day workshop.

Important issues need to be discuss and finalize by MSG is work plan

In addition to that MSG has review and discuss the recommendation (page 6) as following:

<p>1) The MSWG is encouraged to further entrench extractive sector transparency in government systems, and take steps to move towards quarterly EITI reporting based on the routine disclosures provided by relevant government agencies and companies. It is recommended that the MSWG undertakes a feasibility study to identify what information required to be disclosed under the EITI Standard is already publicly available and what information is not yet routinely disclosed. Opportunities for providing more EITI data in open data formats could also be explored.</p>	<p><b>MSG agreed to carry out the feasibility study once all MSG are available. MSG requested Secretariat TL-EITI to set up schedule for one day workshop.</b></p>
<p>2) The MSWG is encouraged to consider strengthening the national EITI Secretariat to take on a more leading role in supporting implementation and the work of the MSWG, including building capacity with a view to support more mainstreamed EITI implementation.</p>	<p><b>Government have funding for capacity billing as outline in Work Plan also Will recruit two staff support TL-EITI</b></p> <p><b>Industries express they can contribute not with the financial and in kind but with sharing experience for free in term of create the report, procedure, timely management of meeting etc.</b></p> <p><b>CSO noted International Secretariat EITI is also play important role in capacity building for TL EITI Secretariat.</b></p>
<p>3) In the meantime, while considering the feasibility of mainstreamed disclosures and in preparing for the next EITI Report, it is recommended that the</p>	<p><b>Industries express confidential agreement deed due to industries lost confident to the Independent Administrator Moore Stephens (MS).</b></p> <p><b>In regard to the reporting template it</b></p>

<p>MSWG reviews the confidentiality arrangements between the Independent Administrator and reporting entities with a view to identify a procedure that safeguards confidential information but that does not disadvantage any stakeholders or create obstacles and delays to EITI Reporting. The MSWG should ensure that future reporting templates are developed in consultation with the Independent Administrator.</p>	<p><b>depends which IA will engage by MSG in the future to develop reporting template.</b></p> <p><b>Industries inform the reporting template will be simplify once MSG have carry out feasibility study (See recommendation 1)</b></p> <p><b>Industries express time constraint to publish the report due to MS not follow the reporting templates that have agreed by MSG. Compare to the 2008 and 2009 report produced by delloite in is consistent with the reporting template agreed by MSG.</b></p>
<p>4) In preparing for the next EITI Report, the MSWG should find a workable solution to industry concerns about disclosing disaggregated production, export and revenue data in order to ensure compliance with the EITI Standard. The government may wish to consider introducing legal requirements.</p>	<p><b>Industries express they do have an internal discussion at the moment then the result will share to MSG later on.</b></p> <p><b>CSO and Industries inform Law is important to backing the EITI implementation in Timor-Leste.</b></p>
<p>5) The MSWG should consider whether to take a more active role in developing recommendations from EITI Reports, and agree relevant follow-up and implementation.</p>	
<p>6) It is recommended that civil society undertakes a capacity building needs assessment and that actions to address civil society capacity constraints are implemented.</p>	<p><b>Secretariat TL-EITI inform capacity building for CSO have carry out since 2009-2013 but challenges when change partly new members.</b></p> <p><b>CSO express have difficult due to partly not understand fluently English and the members is change. In addition to that See CSO nominated</b></p>

	<b>their members that oversee the management, monitoring and transparency issues.</b>
7) The MSWG may wish to explore extending EITI disclosures to other areas of national priority and interest, including for example budget expenditures, contract transparency, SOE governance and sovereign wealth fund investments.	<b>MSG will discuss it. in other hand MSG request SOE to share information within the MSG in regard to the South Coast Project.</b>

## **2. Review draft TL-EITI 2013 report**

Industries inform still under internal review and discussion

## **3. Nomination for the EITI Board Members**

Secretariat TL-EITI inform each constituencies can nominate their representatives to board members, the nomination criteria and procedure will available in the EITI International Secretariat website [www.eiti.org](http://www.eiti.org)