

TIMOR-LESTE EITI WORKING GROUP
Minutes the Seventh Extractive Industries Transparency Initiative
National Working Group Meeting
Timor Sea Designated Authority, Dili, Timor-Leste
31 January 2008

Participants

Members present:

Andrew Caddy, Timor Sea Designated Authority (TSDA)
Angelo Lay (TSDA)
Mark Sherwill, Conoco Phillips Timor-Leste, SA
Manuel de Lemos (SERN)
Domingos Maria (SERN)
Carlos Florindo, ETADep
Santina Soares, La'o Hamutuk
Jose ? (Civil Society)
James Kernaghan, External Relations and Communications Manager, Eni Timor-Leste SpA.
Florencio Fernandes, Dili Office Manager, Eni Timor-Leste SpA
Mandy Whyte, Country Manager, Woodside Energy.
Venancio Alves Maria, Central Bank (Chairman)
Cristino Gusmao, Ministry of Planning & Finance (MoPF)

Observers:

Doug Porter, World Bank (Diii)
Tobias Rasmussen, IMF (Dili)
Vidar Ovesen, Ministry of Planning and Finance (MoPF)

Absent:

Amandio Gusmao, Secretariat of Natural Resources (SERN)

1. Minutes of Previous Meeting

Minutes for the previous meeting were not tabled for approval.

2. Update on Timor-Leste EITI Secretariat Establishment

2.1 Recruitment

The recruitment effort late in 2007 failed because there was only one applicant for the position. Anecdotal evidence is that the advert was too long and complicated and might have scared off potential candidates. Also, as the advert was in English only, that this would have contributed to the lack of applicants.

It was agreed to readvertise the position with a much more simplified advert.

Discussion was then had as to whether there would be two positions, as initially contemplated last year, ie one to administer the EITI Multi Donor Trust Fund Grant and Government contribution and b) as a liaison officer to manage and coordinate all of the relations with the various EITI stakeholders, organising the outreach. It was agreed that two would now be recruited

There was also discussion on what the relationship would be between the two, eg whether one would be senior to the other. It was agreed that there would be one senior position (the liaison / communications role) and one junior role (the administrator). Both would be directed by the Government Coordinator on a day to day basis and would report to the Committee.

It was agreed that the recruitment sub-committee would work out of session to simplify the Advertisements have them re-published in both English and Tetun, ensure that they were Communicated using different media (eg newspaper and websites) and distributed to NGOs.

The recruitment sub-committee would work to progress the majority of the recruitment process and come back to the Working Group with recommendations for appointments.

The recruitment sub-committee comprises representatives of the three stakeholder pillars: Government (SERN), Civil Society (Lao Hamutuk) and Industry (Conoco Phillips).

2.2 Office Equipment

It was advised that the secretariat was still awaiting the delivery of two laptop computers from the Government procurement section but that other office equipment, such as desks, chairs etc could be supplied from existing stock in SERN.

2.3 Office Premises

It was noted that the previous option of housing the Timor-Leste EITI Secretariat in the same building as the National Consultative Committee for the Petroleum Fund was not going to be possible as there was uncertainty as to there arrangements.

Discussions were had on the variety of short term and long term options for housing the Secretariat, including:

- a) the offer previously made by Woodside to house them in the Woodside office until another office was available;
- b) there is an empty office in the Landmark Building which may be able to be rented in the short term;
- c) obtain a surplus cubby house (container) from the Ministry of Finance;

d) see if there is any scope for getting space in the Ministry of Foreign Affairs offices when they move to their new premises;

e) talk to Land & Property to see if there is any buildings that we can rent; and

f) pursue the development of the Petroleum Resource Centre as the long term home for the EITI Secretariat.

It was decided that the short term options (a, b and c above) would be pursued by Woodside and MoPF and that a sub committee be formed to explore the development of the Petroleum Resource Centre as the long term solution.

The petroleum resource centre sub-committee comprises representatives of the three stakeholder pillars: Government (MoF and TSDA), Civil Society (NGO Forum) and Industry (Eni).

3. Update on ToR & Work Plan Publication & EITI Candidature Status

3.1 Publication of the Tor and Work Plan

Civil society circulated copies of the English version of the Lao Hamutuk Bulletin containing the Terms of Reference and the Work Plan Summary. This had been circulated throughout Dili and to some of the districts. The planned version in Tetun had not yet been published as there were some delays in checking the translation.

The publication of the ToR and Work Plan Summary in Suara Timor-Leste and the Timor Post did not occur before Christmas as the person in the Communications Department of the Government wasn't available when this was requested. This is now to be revisited as the relevant person is back at work after the Christmas break.

The ToR and full version of the Work Plan is also now available on the Conoco-Phillips, Eni, TSDA, Lao Hamutuk and Government websites.

3.2 Candidature Status

Discussion was had in relation to the recognition status of Timor-Leste as a Candidate country by the International EITI Secretariat in Oslo, Norway.

It was noted that the letter received by the President's Office in September 2007 was based on the information gathered by a consultant commissioned by the International EITI Secretariat in May 2007 and that the request for further information did not take into account the progress that had been achieved by the Working Group since then, eg the

agreement on the ToR and the Work Plan and the efforts that had been achieved in the publication of these.

There was uncertainty as to when the International Elil Secretariat was to meet again to consider Timor-Leste's position but that it was thought to be either in January 2008 or early February.

It was discussed whether to ask the Secretary of State for Natural Resources to write to the International ETTI Secretariat to ascertain the status but it was agreed to wait to see what the outcome of the meeting.

It was reported to the meeting that the International EITI Secretariat in Oslo had been well briefed about the work that the Working Group had undertaken since the last report.

4. Budget

It was noted that the Government contribution to the budget for 2008 (\$6 1k) had been approved but that what was not spent of the 2007 allocation (\$15,800) would not be carried over as per Government policy.

It was noted that the proposal for funding to the EITI Multi-Donor Trust Fund had not been submitted and that this needed to be finalised. Reference was made to the discussion at last meeting (in November 2007? at the BPA) where the calculations on the proposal were amended and agreed by the Committee. It was agreed that this would be finalised out of session, a final clean version of the proposal to be circulated to the Working Group members for final sign off and then to be taken to the Secretary of State for Natural Resources for approval before submission via the World Bank.

A comment on the Work Plan budget was received from the Norwegian mission while in Timor recently that came from the EITI Secretariat was that the \$10,000 allocated to the EITI Validation (Work Plan item 5a) was too low and should be somewhere between \$30 and \$50,000.

It was discussed that the Working Group needed to establish a budget reporting system so that tracking of expenditure against budget could be reported to the Working Group at each meeting.

The budget reporting system needed to reflect the base assumptions behind the indicative costs in the Work Plan and incorporate the revenue sources as well as expenditure tracking. Government and IMF representatives were asked by the Working Group to prepare the first report for the next meeting.

4. Work Plan Progress Review

The meeting examined the status of the Work Program to determine the next steps its implementation. It was noted that all steps in sections 1 and with the exception of item 2d, "Establish Local Elli Secretariat", had been completed. Members agreed that there was little

further progress that could be made (apart from the items discussed at this meeting), until such time as the Secretariat was established.

The meeting examined sections 3 and 4 to see what was scheduled for 1Q08 and agreed that it would be useful if members could start giving some thought to the form of EITI reporting template that would be acceptable to them.

The meeting was advised that the Ministry of Planning and Finance (MOPF) had recently published the latest Petroleum Fund Report on their website, contained in which is an EITI Report audited by international FITI auditors Deloitte's. MoPF noted that they were awaiting publication of the report in 4 languages for further dissemination.

5. Other:

5.1 The meeting requested that a mailing list for the membership and observers be prepared and endorsed as in recent times some people had inadvertently fallen off the email circulation.

5.2 The meeting was advised that former Australia television broadcaster Stan Grant, was now working for the World Bank and was visiting Dili between 9 and 14 February 2008. It was suggested that EITI Working Group members might wish to meet with him as he is advising the MoPF on communications and there may be some opportunity for synergy here with the EITI National Working Group.

5.3 Lao Hamutuk is launching its LNG Report (on Sunrise), developed with assistance from Norwegian technical advisers at 0930 on 18 Feb 2008 at the Memorial Hall in Dili. All are welcome to attend.

6. Next Meeting

The next meeting is to be held on 26 March and will be hosted by Conoco Phillips.

7. Action List:

1. The Recruitment Sub-Committee to redo the recruitment process for the IL EITI Secretariat including simplifying the adverts, re-publishing them in English and in Tetun, undertaking the interviews and preparing a recommendation to the Working Group as to appointments. Mark, Santana and Domingos.
2. Woodside (Mandy) to check on the availability of short term office space either in their office, or at the vacant office in the Landmark Building.
3. Cristino to check on the availability of the cubby house from the Ministry of Finance.

4. The Petroleum Resource Centre Sub-Committee to develop a concept paper and other information regarding the establishment of the proposed Petroleum Resource Centre

and report back to the Working Group at the next meeting (Cristino, Angelo, Carlos and James).

5. The EITI Multi Donor Trust Fund is to be finalised out of session and a final clean version of the proposal to be circulated to the Working Group members for final sign off and then to be taken to the Secretary of State for Natural Resources for approval before submission via the World Bank (Manuel and Doug, for Catherine).

6. Government and IMF representatives (Manuel, Cristino and Tobias) were asked by the Working Group to prepare the first report for the next meeting.

7. Prepare and circulate for endorsement a formal EITI Working Group Mailing List (James).