

**Timor-Leste EITI Multi Stakeholder Group**

**MEETING MINUTES**

**31 March 2017**

**Farol Office**

**Participant Members**

Angelina Branco	Eni Country Representatives
Filipe Nery Bernardo	Petroleum Fund Analyst- MoF
Antonio dos Santos	Woodside Country Representative
Nelson Miranda	Luta Hamutuk
Dulce Natalia	ANPM
Helio Dias da Silva	Haberan

**Alternatives, and Non-Voting**

Francisco Alegria	TIMOR GAP E.P
Agus Tilman	ANPM
Darson Silva	ANPM
David de Araujo	ConocoPhillips External Relations Officer
Henrique Monteiro	TIMOR GAP E.P

**TL-EITI Secretariat:**

Eida Guterres da Silva	National Coordinator
Trifonio Flor Sarmento	Outreach Officer
Octavio Jordão de Araújo	Adviser
Abelina Emilia do Rosario	IT Officer

**Absent:**

Jose Lobato	Country Manager ConocoPhillips Timor-Leste
Fernando Carvalho	Chief of Account BCTL
Timoteo T. Pires	BCTL
Tobias Ferreira	BCTL
Agostinho G. Ramos	MoF/ DNPMR
Sabino Gusmao Fitun	Director Ba Los

**Meeting opened at 9.15 AM.**

**1. Apologies**

Apology received from Mr. Luis Martins who cannot attend the meeting. Mr. Martins assigned Mr. Henrique Monteiro and Mr. Francisco Alegriaas alternates.

## **2. Approval of the agenda**

The MSG agreed to the agenda of the meeting.

## **3. Approval of the MSG meeting minutes of 22 Feb and 02 Mar 2017.**

Minutes of the meetings were discussed and approved.

## **4. Business arising from the minutes not otherwise included in the agenda**

The MSG discussed issues as identified in Annex 1. Action progress and status of the issue(s) are as outlined in the Annex 1 of the minutes.

## **5. Discussion of Work Plan 2017**

Priority I item: the MSG (Industry) discussed on the timeline for the upcoming reconciliation and reporting process and seeks if it matches with the timetable of the Independent Administrator (IA). TL-EITI Secretariat confirmed that the timetable was indeed proposed by the IA.

Priority II item: about writing articles periodically for local media based on the request from the CSO for TL-EITI Secretariat to update the status of TL EITI and transparency for public. MSG decided to examine and approve the content of the news articles prior to publication.

Printed information: relevant information about transparency on public expenditures and the economic diversification by Government decisions, MSG and Secretariat can produce minute packages (brochures, pamphlets) to distribute to the community.

The information on expenditure budget and investment planning from RAEOA/ZEEMS (Oecussi). Due to the nature of RAEOA tax payments that directly link to the National budgetary plan, MSG suggest the Secretariat to obtain parts of the information which available for public access. Transparent information means

Priority III item: In regards to legal framework, the Industry questioned representation of major mining companies in TL-EITI MSG. ANPM currently regulates the mining activities in Timor-Leste and the Mining Code draft has a provision related to EITI. ANPM stated that once the Mining Code is approved, the National Mining Company will be considered to engage in the MSG. ANPM will encourage mining companies to have their representative in future EITI reconciliation process once received a request letter from the TL-EITI Secretariat.

Work Plan was approved by the MSG.

## **6. Discussion of TL-EITI Progress Report 2016**

TL-EITI Secretariat prepared the 2016 progress draft report and emailed to MSG for comments. Each MSG stakeholders decided to review the current draft of progress report on separate occasion and will provide feedbacks to TL-EITI Secretariat within one week period.

## **7. Discussion of upcoming Reporting Process by the IA**

The TL-EITI Secretariat is assisting the IA with the 7<sup>th</sup> & 8<sup>th</sup> reports data collection reporting progress. Overall, there are 52 reporting entities comprise of industries, Government institutions and State Owned Enterprise. Official request letter from the Minister of MPRM, H.E. Alfredo

Pires, and the revenue data collection templates were sent to each entity since 17 March 2017. Around 46 entities have confirmed the receipt of the correspondence. Concerns are on the unreturned confirmation from other entities which mainly due to inactive contact details. The IA (Ernst & Young Portugal) proposed all entities to submit the completed data templates by the end of March. By 31 March 2017, over 50% of the entities have provided data templates to the IA. Other entities that received the correspondence lately, request for extension of submission up to first quarter of April. The IA will start to reconcile all data and prepare draft TL-EITI 2014 & 2015 reports in April before submitting to MSG for review and discussion in May.

## **8. Discussion of Corrective Actions**

The EITI International corrective actions to be undertaken by Timor-Leste to take further steps in addressing issues from the last validation. CSO and Industries are required to provide action plans to address the meaningful progress of EITI requirements 1.2. and 1.3, TL-EITI MSG and the IA to address the meaningful progresses of disaggregated financial data by company (4.7) and mandatory social expenditure (6.1). The CSO have previously discussed with the TL-EITI Secretariat on their proposals for their commitment in 2017. The discussion content includes the plan for capacity building training in 2017. It is expected from CSO to submit action plans with disclosed timeline of their activities.

The industries understood that these requirements were already addressed and stated that 4.7 and 6.1 will be covered in the upcoming reports. The industries believed they have put maximum effort in contributing to the production of the upcoming EITI reports. Henceforward, the industries agreed to prepare tabulated information about action plans to address the validation recommendation to EITI International in the next few days.

MSG also requested TL-EITI Secretariat to actively update the International Secretariat with the actual reconciliation progress; this to include sending the IA's scoping study report and the data collection templates which capture information demanded by EITI requirements 4.7 and 6.1.

## **9. Discussion of Timor-Leste's current suspension in EITI**

The MSG discussed on the statement on Timor-Leste EITI suspension published on the website. The TL EITI MSG, in particular the industries, expressed their acknowledgement on the issuance of suspension status for TL and will make their best endeavor to contribute to upcoming EITI 2014 & 15 reports and meeting the determined deadlines. In addition, industries conveyed their discontentment and disagreement on the published statement which communicates the delays in the publication of 2014 & 2015 TL-EITI reports due to the confidential agreement proposed by the companies. MSG understood that the main reason of the delays was mainly due to the extent of the public procurement process for the selection of new Independent Administrator. The recruitment itself was finalized close to the end of 2016.

The official request letter for extension was delivered on November 2016 and a follow up correspondence on March 2017 to the EITI International Board to explain the situation. The industries have withdrawn the confidential agreement with the IA. They have full confidence with the selected IA, Ernst & Young Assoc., and committed to fully cooperate with the IA to carry out with the reconciliation process to produce upcoming EITI reports. However, ConocoPhillips, as a reporting entity believes that it has full right to maintain a confidentiality agreement with the IA or not and that the IA recent statement of refusing to enter an agreement with all reporting entities

is not align with what's written in the TOR and that it does not help to build trust for all relevant stakeholders.

Moreover, MSG proposed to the EITI International to clarify in advance the contents of any publication about Timor-Leste to the TL EITI Secretariat before release to public.

#### 10. Discussion of Other Business

No business other than in agenda was discussed.

#### 11. Schedule next meeting

No schedule announced for the next MSG meeting. The Secretariat will confirm the exact date and time.

The Chair declared the meeting closed at 11:52 am.

Minutes approved and signed by:

(Name)	(Signature)
1. <u>Filipe N. Bernardo</u>	<u></u>
2. <u>Dulce da Silva</u>	<u></u>
3. <u>Danson Silva</u>	<u></u>
4. <u>Helio Dias da Silva</u>	<u></u>
5. <u>Sabinus Fitun</u>	<u></u>

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Annex I – Action List from previous meeting (7 March 2017)

No	Issues	Action needed	Responsible Entity	Progress Status
1	Materiality threshold	<ul style="list-style-type: none"><li>Final discussion and decision on materiality threshold. Suggestion on \$100,000 threshold for oil &amp; gas financial activities.</li></ul>	All MSG	Approved and IA to amend scoping study shortly
2	EY Data Reporting Templates	<ul style="list-style-type: none"><li>Reporting templates to distribute to scoping entities.</li></ul>	MSG, IA and Secretariat	Completed and IA has annexed the final version to the scoping study report
3	Scoping Report	Studying <ul style="list-style-type: none"><li>To include the final inputs from MSG and new list of entities in scope</li></ul>	IA	Completed and approved