

Timor-Leste EITI Multi Stakeholder Group

MINUTES

08 October 2013

09:30 – 11:17

Farol Office

**Participant
Members***

Carlos A. B. Florindo	Manager of ETADEP, CSO Representative
Jose Lobato	Country Manager ConocoPhillips Timor-Leste
Elda Guterres da Silva	National Coordinator TL-EITI (MPMR)
Angelina Branco	Eni Country Representatives
Angelo Lay	Director of Commerce, ANP
Jose Amaral	Deputy GONGTIL
Luis Martins	Timor Gap E.P
John Prowse	Country Manager Timor-Leste, Sunrise Joint Venture
Martinha da Silva	Director FHF, CSO Representative

Alternatives, and Non-Voting

Flavio Ximenes	Eni SIS
Honesia Araujo	Marketing and Revenue Management Officer (ANP)
Trifonio Flor Sarmiento	Outreach Officer TL-EITI (MPRM)
Jacinta Paula Bernardo	Timor Gap E.P
David de Araujo	ConocoPhillips external relations
Francisco Alegria	Timor Gap

Absent:

João Demetrio Xavier	Petroleum Fund Operational, Petroleum Tax Division, MoF
Remigio Viera Laka, Alternate	Director of FSG, CSO Rep
Filipe Nery Bernardo	Petroleum Fund Analyst- MoF
Fernando de Carvalho	Chief Accountant –BCTL

Chair by: Angelo Lay Director of Commerce, ANP

The agenda for discussion

1. ToR for MSG
2. Work Plan

Prior introductory of MSG members, Industry representative requested time to express their views on previous EITI reporting process. Industry viewed that previous EITI reporting process was not considered as an inclusive decision making, whereby Industry was disappointed and lose of confident. As Industry views that the EITI is a voluntary process, industry support also based on the voluntary basis. He further stated that Industry is willing to continue support the EITI implementation in this country.

Chair replied with reference to New EITI rule, it provides confident in guiding MSG in the future process and decision making procedure.

In addition, chair briefly updated MSG members on the workshop conducted on 20 September 2013 by EITI Secretariat, presented by Dyveka Rogan, the main objective of the workshop was to enhance MSG understanding on new EITI standard, where MSG members could clarify certain issue directly from Ms. Dyveka.

Meeting proceeds with first agenda item;

1. Review ToR for MSG

Background – there was a draft Terms of Reference established initial EITI establishment, the objective of this TOR is to guide the MSG Members in the management of EITI in accordance with New EITI rule.

Prior to this meeting, the draft TOR for MSG has been discussed amongst the MSG, the main objective from the discussion was to align the draft TOR for MSG as much as possible with the new EITI standard.

The structures of the MSG ToR consists of as following:

- Preamble
- Objective
- Membership
- Term of Membership
- Meeting
- Decision making or Voting

Summary of the points of discussion as below :

1. Tripartite change to Multi stakeholders
2. Inclusion of State Own Enterprises (SOE) Inclusion “in accordance with the new EITI standard.

3. Secretary of State Change to Ministry of Petroleum and Minerals Resources
4. Bank and Payments Authority change to Central Bank of TimorLeste
5. Re wording remove World Bank, IMF and NORAD, replace “ *the interested party in petroleum sector and key stakeholders are invite to participate as observer*”
6. Additional phrase underneath the meeting section “*meeting will take place when the attendance of the MSG meets the Quorum in accordance with sub article 7 of article 8 of association.*”
7. Accommodate other mini amendment (see ToR).

CS: suggested that SOE should be together with Extractive Industries Company and should not represent government or stand alone as pillar. MSG propose to looking at through the new standard whether mentioned or not , In other view MSG think that SOE purely government own due to the fact that SOE operation 100% finances by state.

MSG agreed to leave to CS to have further understand of the rules and consult with the third party then come back to express of CS comfortable.

MSG have also discussed the term of membership for SOE weather will be one or two representatives. MSG think one members will enough then nominate one to be an alternate. But SOE propose to have two alternate, MSG leave it to their internal fair decision.

Industries suggested circulating to via email for further comments, and re-wording it was accepted.

MSG agreed to continue discuss in the next meeting.

2. Draft Work Plan

MSG request for further amendment and re-wording, therefore MSG propose to the Government entity in collaboration with TL-EITI secretariat to re-compiles this work plan, then present back to MSG.

The proposed for amendment and re-wording it was in objective one till four as highlight in yellow color and provide comments for consideration as following:

Comment [11]: I suggest the details of work plan as attachment only, we only summaries the points we discussed

Activity	Action(s) Needed	Timetable	Responsibility	Estimated Cost & Source of Funding	Expected Output/Outcome	Status
OBJECTIVE ONE: IDENTIFY OTHER STAKEHOLDER COMMITMENT TO IMPLEMENT EITI AND PUBLISH WORK PLAN						
1a. Government commits to accommodate New EITI Rule by strengthening its working relationship with all Multi Stakeholders Group (MSG) (Exp. civil society, companies and other relevant sector) on EITI.	Maintain regular communication with existing MSG stakeholder and accommodate the inclusion of State Oil Enterprise, and future private sector from mining	Informal extractive activities has been identified Revised TOR to reflect the inclusion of SOE and alignment of new EITI rule into final TOR for MSG	Secretariat EITI and MSG	Main cost is time and effort of Secretariat EITI and MSG	State Oil Company is on board and active in MSG. Informal extractive group awareness increased, share importance of EITI to other sectors	On going
1.b MSG regular Meeting	Ensure that representatives from multi pillar (Government, Civil Society and Industry, SOE)	Monthly or extra ordinary	Secretariat EITI	Effort of Secretariat EITI	Various meeting to address relevant EITI or urgent matter for better implementation of	On going

Activity	Action(s) Needed	Timetable	Responsibility	Estimated Cost & Source of Funding	Expected Output/Outcome	Status
	are present. Quorum of MSG shall constitute majority 50 % .				EITI Expedite the process of EITI reporting and dissemination activities	
1.c Develop and publish an EITI work plan and implementation schedule.	Review and update existing workplan to accommodate and align with new EITI rule	Accessible by 2014,	Secretariat EITI and MSG	Main cost is time and effort of Secretariat EITI and MSG.	Revised work plan and available publicly	2014 If material changed shall be revisited by MSG.
OBJECTIVE TWO: QUARANTE RESOURCES FOR EITI IMPLEMENTATION						
2a.Ensure adequate fund to carry out key activities annually	Require better budget planning with executable work program annually	In every budget cycle, EITI secretariat shall promptly provide budget estimate and proposed to Minister prior annual budget cycle. Budget estimate shall reflect the MSG agreed work program annual or forward forecast. Source of	Secretariat EITI and MSG	Source of fund can be grants or bilateral or multilateral donors or international financing	Sustainable revenues to support EITI implementation.	On Going

Comment [I2]: Quorum shall satisfied new E rule

Comment [I3]: See art 18 Art of association

Activity	Action(s) Needed	Timetable	Responsibility	Estimated Cost & Source of Funding	Expected Output/Outcome	Status
2b. EITI Secretariat offices	Permanent Secretariat offices for the functioning of EITI Secretariat equipments legal basis for the EITI in Timor-Leste etc.	2015	Ministry of Petroleum and Mineral Resources	\$1,000,000 State budget or from other sources	Proper EITI office to host meeting and run day to day EITI secretariat work	On going Comment [14]: Explore and lobby MPRM to consider EITI Secretariat office
OBJECTIVE THREE: REMOVE OBSTACLES TO IMPLEMENTATION OF EITI/CAPACITY BUILDING AND OUTREACH						
3a. Identified obstacle for better adoption and implementation of EITI in the future	Each pillar to perform due diligent check of its own regulation/law that might potential conflict or prevent the participation and enforcement of EITI implementation	2014-2017	Secretariat EITI MSG	\$80,000 -100,000	Obstacles identified and solution/mediation of compromise achieved	No Comment [15]: Unless we invite third party to conduct assessment revision in this stage as the current regime in place is according to the international best practice. There is a plan to review the legal regime after the establishment of TL NOC (Timor Gap), And Up coming mining law.

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3b. Capacity building/training for civil society (including media) on EITI and petroleum sector issues	<ul style="list-style-type: none"> Workshops and training sessions in Districts and Sub-District on specific issues of interest, informational sessions, Model PSC explanation, Petroleum Regime, Petroleum Fund, State Budget ,Petroleum Tax, Programe and Political of Government EITI implementation etc. Assist Civil Society to identify specialist training courses and possible sources of funding to participate. Recruit international specialists to deliver focus groups and training sessions on extracting industries related issues. 	Q 3- 4 2014-2017	CS reps and Secretariat EITI with supervision by MSG	\$300,000	<p>Better understanding of EITI and petroleum sector issues and operations in Timor-Leste by civil society; civil society groups also run their own programs in this regard.</p> <p>Build confidence in the civil Society.</p> <p>Support Civil Society (District and Sub-District Level) to better understand extracting industries related issues.</p>	On going
3c. Capacity building/training for and from industry on EITI and petroleum sector issues.	<ul style="list-style-type: none"> Workshops and training sessions in Dili (University and High School) on specific issues of interest, informational sessions, etc. Information and discussion among industry in relation to EITI. 	Ongoing Q 3-4 2014	Secretariat EITI Industry MSG	Effort and Time by Industry	Better understanding of EITI issues in the industry.	On going

Comment [17]: If MSG member could contribute by sharing of your resources to enhance CSs understanding of Petroleum sector, policy. Then EITI could save up some money

Comment [16]: Do we really need this?

Activity	Action(s) Needed	Timetable	Responsibility	Estimated Cost & Source of Funding	Expected Output/Outcome	Status
	<ul style="list-style-type: none"> Training for Industry Extractive Representative (Joint Venture, Mining Sector, NOC ect). 					
3d. Capacity building/training for government, Gabinete of Prezident, High court Commision, Parliament members' official, on EITI and petroleum sector issues.	<ul style="list-style-type: none"> Seminar, workshops and training sessions for Civil Servants, etc. (exp. Internal and External briefing held in Ministry or Agency and continue in the future. Discuss session with relevant Parliamnet commision, and other component. Petroleum related movie/footage on petroleum exploration or development. EITI & Transparency in Timor-Leste Video 	Q 4 2014- 2017	Secretariat EITI MSG	\$40,000	Better understanding of petroleum business and relevancy to the implementation EITI, Beyond EITI and petroleum sector issues and operations in Timor-Leste by government.	On going
3f. Build Local NGOs and Head District capacity in the understanding of the process of Budget Forecast and the process of Estimated Sustainable Income (ESI).	Petroleum Fund and BCTL together with ANP shall prepare a comprehensive presentation material in response to this. This can be done through EITI district visit.	Q 3-4 , 2014-2017	Secretariat EITI MSG	Main cost is time and effort of Secretariat EITI MSG and relevant Ministry or Agency.	Increased capacity by various stakeholders about ESI. Understanding the process of ESI calculation. Budget process and allocation	On going

Comment [18]: Each MSG member shall try to best endeavour to understand EITI, perhaps we may not need specific training to each of us.

Comment [19]: ESI can be complicated and complex. CSs representative shall diligently boost district awareness on petroleum and importance EITI

Activity	Action(s) Needed	Timetable	Responsibility	Estimated Cost & Source of Funding	Expected Output/Outcome	Status
OBJECTIVE FOUR: CONTINUE PRODUCE AND DISSEMINATE EITI REPORT						
Template for future EITI reporting is agreed that reflects EITI new rule requirement 3 together MSG Review/update TOR to engagement Aggregate Body		Q 1-2 2014	Secretariat and MSG, possible engage with the AB re- draft templates report	-	-	-
4d. EITI compliance report completed by consultant and agreed (or rejected) by EITI MSG.	<ul style="list-style-type: none"> Each MSG pillar effort to ensure information regarding payments/receipts are accurate, reliable and properly analyse by Aggregate bodyMSG to ensure compiled report submitted by AB meets the requirement 3 of the new EITI rule and no material issue is outstanding. 	Q 3-4, 2014-2017	Consultant	Approximety US \$ 250.000.00 (50.000 pa * 5 years)	Final EITI report produced	Ongoing

Comment [110]: Agreed to combine into one activity which reflects the whole process of report and dissemination

Activity	Action(s) Needed	Timetable	Responsibility	Estimated Cost & Source of Funding	Expected Output/Outcome	Status
4e. Publish and disseminate EITI compliance report and submit it to MSG	<ul style="list-style-type: none"> EITI report posted on government, EITI, and other web sites; EITI report highlighted widely in local media (exp. popular version of the report, via newspaper articles, on radio, and TV, etc.) EITI MSG also to develop a wider dissemination strategy for the EITI report (e.g., informational sessions or workshops in the 12 Districts and Sub-District to explain the findings of the EITI report, etc.). Stakeholders should be given the opportunity to discuss, evaluate, and interpret the results. Release Report by Industry following year will be press conference only. 	Q 4, 2012-2017	Secretariat EITI and MSG	\$300,000	EITI report publicly available comprehensive and comprehensible Final EITI Report is translated into four languages (Tetum, Portuguese, Bahasa Indonesia and English) also popular Version will be available.	Ongoing

as the time is limit MSG propose to continue discuss the objective five in next meeting. It was accepted.

Action: secretariat will send through vial mail of ToR and Workplan to MSG for further comment and revise as necessary.

