

Timor-Leste EITI Multi Stakeholder Group

MINUTES

05 October 2012

09:00 – 11:46

Farol Office

Participants

Members*

Carlos Florindo	Program Manager ETADEP, CSO Representative
Martinha da Silva	Director of FHF, CSO Representative
João Demetrio Xavier	Petroleum Tax Division, MoF
Elda Guterres da Silva	National Coordinator TL-EITI (MPRM)
Mericio Akara	Director of Luta Hamutuk, CSO Representative
Angelina Branco,	Eni country Representatives
Angelo Lay	Director of Commerce (ANP)
Brendan Augustin	Country Manager for Sunrise (Woodside)

Alternatives, and Non-Voting

Trifonio Flor Sarmento	Outreach Officer TL-EITI (MPRM)
Sonia Boavida	Assistant Officer for TL- EITI (MPRM)
Fernando da Silva, Alternate	Chief Accountant –BCTL
Filipe Nery Bernardo	Alternate Petroleum Fund Analyst- MoF

Absent:

Remigio Viera Laka,	Alternate Director of FSG, CSO Representative
Jose Lobato	Country Manager ConocoPhillips Timor-Leste
Venancio Alves Maria	Executive Director, PF Department, (CBTL)

Observers

None

Chair by: Elda Guterres da Silva	National Coordinator TL-EITI
----------------------------------	------------------------------

Agenda for Discussion

1. Approval of Minutes Meeting on 10 August 2012
2. Review 3rd and 4th TL-EITI Report
3. Review of Work Plan for 2013
4. Other Business
 1. Update EITI Video Competition selection
 2. Update Seminar in German (Cologne)
 3. Update Ghana Conference

1) Approval of the Minutes Meeting on 10 Aug 2012- it was approved with some minor amendments:

1. On page 3, paragraph 3 under section “Comments” to state that in the TL-EITI website only put Secretariat as the main contact details.
2. Update the list of attendance.

It was accepted

2) Review 3rd and 4th TL-EITI report

The MSG discussed the first draft of the 3rd and 4th TL EITI Reports produced by Moore Stephens.

Civil Society comments: they are content with these reports because it provides more details of disclosed information on company payment and government receipts and improvement the first two reports.

Industry comments: expressed their concerns and are not content with these reports. The Industry argued that the format of the templates used and the disaggregate level of information disclosed in the reports do not follow the templates agreed by the MSG. The changes have not been discussed before.

Industry noted that there is a recommendation from the EITI Board in regards to the EITI reports to disclose more disaggregated information, however, the MSG should discuss and agree on any changes on the way the information should be disclosed prior to the publications.

Industry does not think it is reasonable to except automatic changes to the template without any consultation process. The industry underlined that it does not imply that the Industry does not like to disclose more information; however Industry objects the process that do not involve any prior consultation or discussion on the changes.

Therefore, the Industry proposed to put aside the draft reports and re-open the discussion about the reporting templates or use the agreed reporting templates and discuss the new templates to be used in the next reports.

The tables should reflect the correct company's name and related payments. For example, the reports only refer to Eni as Eni Timor-Leste, which is not correct as there are three different (Eni) legal entities within JPDA and TLEA. Hence, it should be amended to reflect these information. This is also true for ConocoPhillips.

Government Comment: consider both draft reports are more informative, useful and easier for Timorese to follow. These draft reports are an improvement from last two years reports and it still reflects the payments made by the companies and revenues received by the Government. Thus, the Government is content with the draft reports.

The Government noted the concerns expressed by the industry about the different presentation of the information (in particular in Annex 3) which is not the same as the templates in the previous reports and these changes has not been discussed earlier. However, the Government argues that these reports are still in a draft version and the MSG has the capacity to make a decision to accept or object the changes. These new drafts show different ways of presenting the information (noting that it produced by different aggregating body) and it considered more informative and benefit the Timorese population to know about the wealth of the nation.

The Government also noted that one of the companies who expressed its concern does not presence in the meeting and therefore, requested the Industry to point out which information they find not appropriate to be disclosed in the next meeting.

The MSG agreed to continue the discussion within each Pillars.

3) Other Business

1. Update EITI Video selection Competition

Chair updated MSG on the EITI Video selection competition process to recruit local media to produce EITI Video.

Following the advertisement in TV on 12 September 2012, there were two companies submitted their proposal in a sealed envelope. The companies were:

- a. Valsa Producaso
- b. CPA (Casa de Producao Audivisiol)

A Selection Committee comprises of representative from CSO, Government and Industry (was absent) and media representative from the Ministry of the Petroleum and Minerals met on 5 October 2012 with both candidates to discuss about the video making project.

It was noted that both candidates did not include financial proposal in their project proposals. The Committee then requested the companies to submit the financial proposal as soon as possible.

Based on the description of the project and financial proposal and with the inputs from the MSG, the Committee awarded the video making project to the CPA.

The MSG also discussed and agreed that it should provide more guidelines and narrative information to the CPA.

Action:

Secretariat will contact CPA to see their preparation and plan for making video.

2. Update on Participation in the EITI Workshop in Cologne, Germany

Mr. Angelo Lay and Mrs. Angelina Branco informed the MSG about their participation in the EITI Workshop in Cologne, Germany on 24-28 September. The objective of the workshop was to focus on fostering peer-to-peer exchange on the implementation of the EITI standard and discussion on the beyond EITI strategy.

Countries with more experience and achievements in the EITI share information to each other such and to other candidate countries. As an example, Mongolia has produce such a detailed report, which included every single aspect relation to extractive industry even to the social and environment implementation. This shows all of that which is show that EITI can extend to whatever level that MSG prefers with the support of the government.

From industries' point of view, the experience of Timor Leste is simpler in comparison to other countries because there are only over four companies in the country mainly focus oil and gas and there are no activities in mining. There are more complexity in other countries, such Kazakhstan, Uzbekistan they have more difficulty because the government are not prepared to be transparent and EITI is the only tool that they can use to push the government to be more transparent.

The EITI international Secretariat present all different rules that the country need to follow to become compliance, also to push other compliant country to look what the county can do to move beyond EITI.

Another interesting observation is the way that Kazakhstan include its total government salary in the publication of the EITI report and it shows the percentage of the salary that derive from the contribution from the extractive industry.

3. Regional Conference in Ghana

Republic of Ghana has invited Republic Democratic of Timor-Leste to participated in the Regional EITI Conference on 27-28 September 2012 held in Ghana Accra, to share an experience on "Implication of EITI compliant Status on Governance Management and Standard for Effective EITI implementation".

In the conference Timor-Leste presented Transparency Portal, which is, intend to cover four fields such as Budget Portal, Aid online, Procurement and Result portal. Also Petroleum Fund, thirteen days live dabate State Budget in Parliament, Counsel Minister Decision and Census Giving Back. In other hand, we also present EITI process in Timor-Leste, the TL-EITI reports which show no discrepancy, the implications, and share challenge. it seem that those country that attend this conference use Timor-Leste experience and special Timor-Leste Portal as reference for their country.

In addition, Timor-Leste disclose PSC contract in website such as other county their Government does not disclose contract, which is good signal to begin with. Because this resource is belong to the all citizen should be use and manage prudent. Finally, Ghana is taken seriously to move to forestry sector.

4. Work Plan

MSG have agreed TL-EITI Work plan subject to some minor revisions. The Secretariat will circulate the final version to the MSG prior to send to EITI International Secretariat.

4) Next Meeting

The next meeting will be on 12 October 2012 held in Farol Office.