

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

### **MINUTES**

**12 October 2012**

**09:00 – 10:55**

**Farol Office**

#### **Participants**

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

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

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

Trifonio Flor Sarmento	Outreach Officer TL-EITI (MPRM)
Sonia Boavida	Assistant Officer for TL-EITI
Fernando da Silva,	Alternate Chief Accountant –BCTL

##### **Absent:**

Filipe Nery Bernardo,	Alternate, Petroleum Fund Analyst- (MoF)
Remigio Viera Laka,	Alternate, Director of FSG CSO Representative
Venancio Alves Maria	Executive Director, PF Department, (CBTL)
Mericio Akara	Director of Luta Hamutuk, CSO Representative

##### **Observers**

Helio dias da Silva	Coordinator, Core Group Transparency (CGT)
Chair by: Elda Guterres da Silva	National Coordinator TL-EITI (MPRM)

MSG accepted and welcomed Core Group Transparency (CGT), a Civil Society Organization, as an Observer.

[Note: CGT Timor-Leste was established by a few Timorese NGOs which its member came from (Lao Hamutuk, Luta Hamutuk, HAK, ETADEP, MDI, Ba Los, Fokupers, KSI, FTM, Advocacy division of Fongtil, Advocacy Division of HASATIL, FHF, University students and other). It works in area of monitoring and advocacy of State budget allocation and in natural resource revenue such as oil, gas and mineral.]

### **Agenda for Discussion**

- 1) Review the Meeting Minute on 5 October 2012
- 2) Continue review 3<sup>rd</sup> and 4<sup>th</sup> Reports

#### **1. Meeting Minutes require for Change as following :**

**Industry comments** as in previous meeting (page 3) that they found errors in the presentation of legal entity operated within JPDA in the current draft TL EITI 3<sup>rd</sup> and 4<sup>th</sup> reports, for example Eni has area within JPDA Bayu Undan (03-12) but Moore Stephens (MS) listed on Bayu undan (03-13) which is incorreced. This requires correction.

In regards to the update workshop in Cologne, Germany, Industry (Eni) proposes to revise it and send back for MSG through via email for approval in the next meeting. It was accepted.

Government entities (ANP) have noted that MSG has agreed to nominate CPA and reminded to ensure the letter award is available to the public. The Secretariat informed that the letter has been prepared and will circulated to MSG.

**Action:** Secretariat will revise minutes with additional revision from Industry (Eni) and will present in next MSG meeting for approval and finalize the draft letter award CPA will circulate to MSG for further comments.

CS and Industry clarified with the Secretariat about whether to involve Timor Gap as MSG members or not yet in the future. In addition, Timor Gap is also support EITI international but not participates in MSG meeting?

The Secretariat informed that a separate meeting with Timor Gap and Institute Petroleum and Geology (IPG) had taken place, which only discussed how these two institutions can involve in the future.

Some reasons that those institutes not participate because:

- 1) These institutions do not have income yet. It should be understood that in the event these institutes have made income or paying taxes, it should be assessed whether it is related to extractive activities and payment mechanism (e.g. will it be transferred to Petroleum Fund or through other agency or ministry); these issues currently still under discussion within these institutions and at the ministerial level.
- 2) There is no current mining activity taking place on-shore, apart from rocks and sands extracted by small companies, which consider immateria.
- 3) The IPG decree law has not been approved yet by the Government.

MSG noted that Timor Gap have joint venture with the Malaysia Helicopter Service (MHS). This means that Timor Gap by now making revenues and pay to the state. Therefore MSG propose Timor Gap have to take part in the next meeting in order for them to be familiar with the EITI process as well as provide data as required for publication.

**Action** Secretariat will draft letter to invite Timor Gap to take part in the next year MSG meeting.

## 2. Continue review 3rd and 4th report

Industry (ConocoPhillips) apologizes for not participated in the previous meeting due to other commitment; however, it received an update from other industry entity.

Comment by Industry

- 1) Draft reports that presented to MSG by Moore Stephens are not consistent with the template used agreed and used in the 2008 and 2009 reports.
- 2) Name of companies are not broken down according to the special purpose of each companies such as ConocoPhillips have companies in Area 03-12 and 03-13, which have different legal entity.
- 3) In annex 3 MS have provide more details disclose information, which is out of expectation.
- 4) There is no MSG discussion taken place to agree on any change to the reporting templates.

Industry informed that due to confidentiality some data should not be disclosed to the public. Industry can disclose information at all level which consider those payments have agreed on templates which is comfortable to help EITI process therefore Industry still continue to stick on the previous year report template.

From initial to reach consensus for those templates it was difficult task and if MSG propose to change new templates industry need to inform and present to their head Quarter in Perth for further discussion and decision by their committee. Because now in Perth only know the 2008-2009 EITI template report.

Industry is also query where is MSG function if MSG keep engage either this Aggregate Body (AB) or New AB which is to require any changes to templates expand or minimize those information MSG only excepted which is incorrect.

**CS:** rose the issues on the first meeting of MSG with MS, MS express that those report are weak and need to be improved and at that time none of MSG members disagreed.

**Industry comment:** that the contents such as (presentation, words, and languages, etc) can be no problem for changing but the template don't modify but if MS have any further recommendation please present to the MSG for discussion.

MSG are asked Secretariat to provide first meeting Minutes with MS but Secretariat inform that at that time consider as informal meeting because base on communication via mail MS only want to introduce their team and getting to know MSG in order for them to begin the reconciliation process.

Industry proposes that these reports can be accepted if:

- 1) editing this 2010-2011 report which is consistent with previously agreed report templates
- 2) Request MS to reproduce new template report as agreed previously by MSG  
In order for MSG to compare the difference.
- 3) Discuss new template in 2013.
- 4) MSG meeting twice a week to discuss and finalize this reports

Industry noted that in previously meeting one representative from MS attended the meeting therefore industry hope that MS can capture all this comment and amend as necessary.

CS: reiterate will continue to stick on these reports for publication but if MSG wish to look back it will create difficult and complicate, as previously report was classify as semi disaggregated. It does not imply that MSG to stick in the same previous report but it need to improve every year. In other hand CS also emphasis that if MSG not release this report who will responsible for?

Governments: reiterate content with this report but will seek any solution to accommodate all opinion from Industry entity and CS. It seems that CS and Government maintain on same position. Therefore government propose to each pillars to have separate meeting and present back in the next meeting whether the MSG have any solution to agree on or not. But if compliant country fails to comply with some requirements such as (publish EITI report) the board may request a new validation.

Industry informed that those new templates reports are been present to their Management in Perth. Moreover, will try convince their committee in order to agree on this templates but Industry cannot promise. Industry is also concern what is the advantage and disadvantage of the 2010-2011 Report.

As response by Secretariat and CS:

1. Community have difficult to in understand those data provide in the template previously but by showing more details and graphics more comfortable.
2. Build on trust and confidence to all pillars.

### **3. Next Meeting**

Secretariat will call for next meeting held in Farol Office.