

Introduction

The Extractive Industry Transparency Initiative (EITI) is coalition between government, private sector, civil society, investors and international organizations. The EITI supports improved governance and accountability in resources rich countries through full publication & verification of company payment and government receipt from oil and gas and mining. With good governance, the exploitation of these resources can generate large revenues to foster Economic growth and reduce poverty, however when governance is weak, this resources may instead bring poverty, corruption and conflict.

Timor-Leste was admitted as candidate country on 22 February 2008 by fulfilling following requirements:

- 1) In 2003 Government announce its commitment to EITI by former Prime Minister Dr. Mari Alkatiri. With formation of the new government in 2007, Government continue its committment to implement this initiative.
- 2) In 2006 Government committed to work with all Multi Stakeholders (Exp. Civil Society and Industry) on EITI, in the future will identify other relevant stakeholders to participate.
- 3) In 2006 Government announced and appointed EITI focal point / Coordinator, in 2011, current Government appointed a new National Coordinator through Secretary of State for Natural Resources.
4. In 2007 a Multi Stakeholder Group was formed and MSG meeting commenced. The MSG meetings are continuing.

By completing the 20 Indication Assessment Grid (IAG), Timor-Leste was designated as compliant country on 1 July 2010 The IAG included a requirement , where the MSG in consultation with EITI's key stakeholders should agree and publish fully updated workplan containing measureable target and time table for implementation. The workplan should also incorporate an assesment of capacity constraint and will need to be up dated annually.

Compliant countries including Timor-Leste, must mantain adherence in order to retain compliant status but where valid concern exist, where EITI implementation in Timor-Leste does not meet the required standar, then the board will suspend the status of the country and it will be required to perform new validation process or delist.

Since the completion of the first validation process in 2010 , Timor-Leste has been admitted by the EITI International Standar in ranking as the 3rd in the world and the 1st in Asia Pacific.

By July 2011, EITI International Secretariat issued a new EITI Standard, which means Timor-Leste must comply with Requirement 1.4 in finalizing its annual workplan. In its effort to comply with Requirement 1.4, MSG revisited its objectives to ensure that it is linked to the EITI Principles and reflects Timor-Leste national priorities for the extractive industries.

The objectives listed within the work plan derive from five priorities below:

1. Encourage discussions on transparency in public expenditures, including investment decisions.
2. Maintain Contract transparency within extractive industry in Timor - Leste
3. Encourage discussions on government's approach to economic diversification to reduce oil dependency
4. Continue to ensure institutional development for TL EITI secretariat
5. Reforming the legal framework within extractive industries and other revenue generate industries

Strategy work plan National Priority

Priority one: Encourage discussions on transparency in public expenditures, including investment decisions.

Objective:

- Increase public awareness on expenditures of state budget to encourage discussions on major investment decisions
- Allow avenue for discussion on expenditures of state budget to ensure maximum benefit to the community.

Activity	Action(s) Needed	Constraints	Timetable	Responsibility	Estimated Cost & Source of Funding	Expected Output/Outcome	Status
<ul style="list-style-type: none"> • Include additional information within EITI report to capture government expenditures for investments, such as investments on State Own Enterprises or other government purchase of companies' shares. 	Review and amend EITI reporting template	Lack of planning & time constraint	Maintain discussion in MSG monthly meeting and finalise by 31 December 2015	Secretariat & MSG	No funding anticipated, as this mainly requires time & effort from MSG members	Additional information on state budget to encourage public discussions	Not completed MSG have yet discuss the reporting template for the 2014-2015. This activity will continue in 2016 Work plan
<ul style="list-style-type: none"> • Production and dissemination of TL-EITI Report for 2012 and 2013 	Finalise 2012 & 2013 Reports	Confidential Agreement between Industry and IA has impacted on the timely circulation and discussion of the reports by the MSG	31 December 2014 for 2012 EITI Report 31 Dec. 2015 for 2013 EITI Report	MSG & Independent Administrator	\$ 97.070.	Public accessible	2012 report was released and 2013 is under revision

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<ul style="list-style-type: none"> Request for Ministry's support in collecting such information from relevant ministries in the government 	Obtain Minister's dispatch empowering EITI Secretariat acquires information and document needed from the relevant ministries		Feb 2015	Secretariat & MSG	N/A	High collaboration and contributing of other relevant ministers in promoting EITI objective.	Not completed GDP report for 2013 have yet release to the public by MoF, therefore will not be able to include in the 2013 report
<p>Priority two: Maintain Contract transparency within extractive industry in Timor-Leste.</p> <p>Objective :</p> <ul style="list-style-type: none"> Continue EITI's effort to ensure a well-informed community. Public awareness and to comprehension on contracts ; 							
<ul style="list-style-type: none"> Update correct link to contracts published within ANP and other relevant ministries website 	<ul style="list-style-type: none"> Request ANP to publish the allowable summary of certain PSCs within its website Or EITI Secretary to obtain Portuguese version in Jornal da Republica and unofficially translate into English version 	DA/ANP concerns of the sensitivity and/or confidentiality issue	Throughout the year 2015.	ANP Secretariat & MSG	N/A	Community or public will be able to access relevant information within website. Non-Portuguese speakers to understand those PSCs	Not completed Will continue discussion with ANP. This activity will continue in 2016 Not completed

Activity	Action(s) Needed	Constraints	Timetable	Responsibility	Estimated Cost & Source of Funding	Expected Output/Outcome	Status
<ul style="list-style-type: none"> Create summary power point presentations in Tetum as part of community engagement process 	Collect an updated and relevant information to be included in the presentation	Complexity of the content to translate PSC English to tetun version	Throughout the year 2015	Secretariat & MSG		Information to be presented is updated and actual.	Completed. (I think most of the presentation has been translated, except the technical terms).
<p>Priority three: Encourage discussions on government's approach on economic diversification to reduce oil dependency</p> <p>Objective:</p> <ul style="list-style-type: none"> Encourage public awareness and discussions on government's strategy for investment diversification 							
Include additional information in EITI report to capture government's effort or lack of government's effort in investment diversification	<p>Review and amend EITI reporting template</p> <p>Review current plan for public dissemination of the report</p>	The activity needs to be redefined with clear target and action.	Aug-Sep 2015	Secretariat TL-EITI & MSG	<p>N/A</p> <p>\$ 30,000.00</p>	Encourage public discussions and ensure public opinions are heard directly by government	<p>Not completed</p> <p>This activity will continue in 2016</p>
<p>Priority four: Reforming the legal framework within extractive industries and other revenue generate industries</p> <p>Objective</p> <ul style="list-style-type: none"> Promote EITI principles in new oil and gas regulations and/or PSC Promote EITI principles within new mining law and draft law for Transparency. 							
MSG's active participation in discussions	Provide draft law/regulations to MSG for comments	Limited time due to MSG unavailable to provide	31 Nov 2015	Secretariat and MSG	\$ 200,000.00	Close involvement of MSG within creation of new	Consultation for New PSC model conduct directly by ANP

Activity	Action(s) Needed	Constraints	Timetable	Responsibility	Estimated Cost & Source of Funding	Expected Output/Outcome	Status
		<p>comments of draft law</p> <p>Require resources and time as Law regarding EITI should be synchronized or harmonized with the current policy reform undertaken by the Government.</p>				laws & regulations for extractive industry	<p>in 2014</p> <p>Mining law under the Counsel Minister to approved</p> <p>Finance Miranda Company to prepare Transparency Law</p>
<p>Priority five: Institutional development for TL EITI secretariat</p> <p>Objective Strengthen human resources within EITI Secretariat to ensure appropriate planning for all TL-EITI activities each year</p>							
<ul style="list-style-type: none"> • additional funding for recruitment of additional staff within EITI Secretariat • additional funding for training to all EITI Secretariat staff • Establish organic law for TL-EITI secretariat 	<ul style="list-style-type: none"> • recruitment to increase number of staff • establish data base within TL-EITI secretariat • include EITI budget within national budget • develop, recruitment and training plan for TL-EITI secretariat 		30 Nov 2015		\$ 200,000	Improved capability of TL EITI Secretariat	Re-advertise in 2016