

***(PUBLICLY AVAILABLE WORKPLAN AGREED BY THE EITI MULTI STAKEHOLDER WORKING
GROUP (MSG) October 2012***

Introduction

The Extractive Industry Transparency Initiative (EITI) is coalition between government, private sector, civil society Investors and international organizations. The EITI supports improved governance in resources rich countries through full publication & verification of company payment and government receipt from oil 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 has admitted as candidate's 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. Governments 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 costed 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.

In conclusion, Timor-Leste have completed the EITI International Standar as the 3rd in the world and the 1st in Asia Pacific.

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TIMOR-LESTE:

EXTRACTIVE INDUSTRY TRANSPARENCY INITIATIVE (EITI) WORKPLAN, 2012-2017

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 work with all Multi Stakeholders Group (MSG) (Exp. civil society, companies and other relevant sector) on EITI.	MSG) Identification of wider stakeholders can be undertaken as part of the EITI (MSG) agenda (e.g. Through a formal stakeholder assessment, if so desired).	Key stakeholders for EITI (MSG) will continue identify other stakeholder. In accordance in ToR,MSG representatives can be review every two year.	Secretariat EITI and MSG	Main cost is time and effort of Secretariat EITI and MSG	Invite State Own Company (NOC) include other stakeholder extractive company (Mining, Forestry, Fishery, Tourism etc).	On going
1.b MSG regular Meeting	Ensure that representatives from three pillar (Government, Civil Society and Industry) are present. Quorum of MSG shall Constitute majority 50 % .	Monthly	Secretariat EITI	Effort Secretariat EITI	Variety of meetins consist of : Regular, Sub-Comitte and extra meeting of EITI MSG to discuss and guide EITI implementation. also MSG in the decision making in relation to the EITI implementation.	On going
1.c Develop and publish an EITI work plan and implementation schedule.	Develop a publicly available EITI work plan that outlines activities for EITI implementation. Work plan is fundamental and dynamic.	Make work plan publicly available 2012-2017 programme and will up date annually.	Secretariat EITI and MSG	Main cost is time and effort of Secretariat EITI and MSG.	Publicly available EITI work plan, which will be updated anually.	On going
OBJECTIVE TWO: QUARANTE RESOURCES FOR EITI IMPLEMENTATION						
2a. Identify sustainable sources of financing for EITI	Secure government budget and/or EITI Multi-Donor Trust Fund (MDTF) financing and investigate other sources of	Submit proposal to World Bank, Development Partner, Oil Company for EITI	Secretariat EITI MSG	Main cost is time and effort of Secretariat EITI and MSG	Sustainable revenues to support EITI implementation.	On Going

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implementation.	financing to support EITI implementation; prepare budget justifications and/or MDTF grant agreement proposal for submission.	Trust Fund support for the future programme annual budget funds secured for EITI activities to be supplemented by FY2012 and FY 2017 state budget.				
2b.EITI Secretariat offices	Permanent Secretariat offices Operational Cost and equipmentslegal basis for the EITI in Timor-Leste etc.	Appointment by Q 4, 2012 - Q 3 2013	Ministry of Petroleum and Mineral Resources	\$1,000,000	office sustainable and complete with : Structure, Staff, Law, internation regulation, financial policy, office equipment etc.	On going
OBJECTIVE THREE: REMOVE OBSTACLES TO IMPLEMENTATION OF EITI/CAPACITY BUILDING AND OUTREACH						
3a. Review of legal framework to identify potential obstacles to EITI implementation	Review legal framework to identify any possible obstacles to EITI implementation. Determine procedures to promote EITI compliance.	Q 2-3, 2013-2017	Secretariat EITI MSG	\$80,000 -100,000	Legal/regulatory/contractual framework free from obstacles	No further 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.
3b. Capacity building/training for civil society (including media) on EITI and	<ul style="list-style-type: none"> Workshops and training sessions in Districts and Sub-District on specific issues of interest, 	Q 3- 4 2012-2017	CS reps and Secretariat EITI with supervision by MSG	\$300,000	Better understanding of EITI and petroleum sector issues and operations in Timor-Leste by civil society; civil society groups also run their own	On going

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petroleum sector issues	<p>informational sessions, Model PSC explanation, Petroleum Regime, Petroleum Fund, State Budget ,Petroleum Tax, Programme and Political of Government EITI implementation etc.</p> <ul style="list-style-type: none"> • 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. 				<p>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>	
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. • Training for Industry Extractive Representative (Joint Venture, Mining Sector, NOC ect). 	Ongoing Q 3-4 2012-2013	Secretariat EITI Industry MSG	Effort and Time by Industry	Better understanding of EITI issues in the industry.	On going
3d. Capacity building/training for government,	<ul style="list-style-type: none"> • Seminar, workshops and training sessions for Civil Servants, etc. (exp. Internal 	Q 4 2012- 2017	Secretariat EITI MSG	\$40,000	Better understanding of implementation EITI, Beyond EITI and petroleum sector	On going

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Gabinete of Prezident, High court Commision, Parliament members' official, on EITI and petroleum sector issues.	<p>and External briefing held in Ministry or Agency and continue in the future.</p> <ul style="list-style-type: none"> • Discuss session with relevant Parliamnet commision, and other component. • Tasi Timor Film on Petroleum Fund shown in March 07). • EITI & Transparency in Timor-Leste Video 				issues and operations in Timor-Leste by government.	
3e. Outreach/informational activities	<ul style="list-style-type: none"> • TV and Radio talk show, and press release/newspaper articles, website, mailing list, etc, participates workshops. • Film showing from and to National and International Level. • Production of information brochures, banner, articles, EITI report, Validation Report and Progress EITI implementation report. • Estabelish TL-EITI website. 	2012-2017	Secretariat EITI and MSG	150,000	<p>Information on Timor-Leste EITI implementation, Beyond EITI, Petroleum tax, Management and Regulation, petroleum sector activities (Upstream, Midstream and Downstream) more easily and widely available in Timor-Leste. Increased knowledge amongst general public.</p> <p>This website will posted MSG Minutes, Official Government Statment, EITI activity, reconciliation report, validation report, press release, Quartly News, link to other relevant Ministry etc.</p>	On going
3f. Build Local NGOs and Head District capacity in	Petroleum Fund and BCTL together with ANP shall prepare a comprehensive presentation	Q 3-4 , 2012-2017	Secretariat EITI MSG	Main cost is time and effort of Secretariat EITI	Increased capacity by various stakeholders about ESI. Understanding the process of	On going

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the understanding of the process of Budget Forecast and the process of Estimated Sustainable Income (ESI).	material in response to this. This can be done through EITI district visit.			MSG and relevant Ministry or Agency.	ESI calculation.	
OBJECTIVE FOUR: CONTINUE PRODUCE AND DISSEMINATE EITI REPORT						
4a. Up date and revise a reporting template for the EITI country report.	Agreed Guidlines for reporting to the EITI.	recent amend in Q 3 2011 and will up date as necessary untill 2017.	Secretariat EITI MSG, and Consultant	Time and effort of Secretariat EITI MSG, Relevant Ministry consultant for technical assistance.	Reporting template for EITI	Ongoing
4b. agreed disaggregation reporting template	Continue in use of this template and will revise as require by MSG.	2012- 2017	Secretariat EITI and MSG	Main cost is time and effort of Secretariat EITI MSG	Agreed disaggregation.	Completed
4c. Decide terms of reference and recruit a consultant to prepare and produce the EITI report. The EITI Report is one of the tools to confirm what is reported in the Petroleum Fund Annual Report is verified and audited.	The EITI MSG will determine the terms of reference and recrute the <u>independent</u> EITI consultant, who shall be credible, technically capable, cost efficient and trustworthy.	Q 1, 2012- 2017	Secretarit EITI MSG	Main cost is time and effort of Secretariat EITI MSG	Terms of reference for EITI consultant finalized and consultant appointed	Ongoing

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4d. EITI compliance report completed by consultant and agreed (or rejected) by EITI MSG.	<ul style="list-style-type: none"> • Consultant collects and analyzes processes, payment and revenue data for Timor-Leste associated areas as defined by the Terms of Reference of the MSG. • The consultant submits the compliance report to the EITI MSG for review; any clarifications and, where necessary amends reporting format to meet requirements. 	Q 3-4, 2012-2017	Consultant	Approximately US \$ 250.000.00 (50.000 pa * 5 years)	EITI compliance report submitted by consultant to the EITI MSG weather to; accepts (or rejects).	Ongoing
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 	Q 4, 2012-2017	Secretariat EITI and MSG	\$300,000	<p>EITI report publicly available comprehensive and comprehensible</p> <p>Widely disseminated in four languages (Tetum, Portuguese, Bahasa Indonesia and English) also popular Version will be available.</p>	Ongoing

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	following year will be press conference only.					
OBJECTIVE FIVE: VALIDATION OF EITI IMPLEMENTATION						
5 a. Publication and dissemination of EITI validation report	<ul style="list-style-type: none"> EITI MSG to select validator from approved list provided by the international EITI Secretariat in Oslo. Validator undertakes validation of EITI implementation in Timor-Leste in accordance with the EITI rules edition 2011 and submits validation report to the EITI MSG, Endorse to EITI Board for approval (or rejection). EITI validation report posted on government, EITI, and other web sites; EITI validation report highlighted widely in local media (exp. via newspaper articles, on radio, etc.) EITI MSG to develop a dissemination strategy for the EITI validation report (could include holding informational sessions or workshops in the Districts and Dili to explain validation report, etc). 	Q 1, 2010 and 2015 (flexibility for MSG to decide weather to undertake 2 years or 5 years)	EITI Validator.	Government to pay for validation (in accordance with EITI process), estimate \$ 80.000	<ol style="list-style-type: none"> Hire consultant To promotes dialogue and learning at the implenting country Safe guards the EITI brand by holding all EITI implementing countries Validation report is publish and disseminated in four Languages (Tetum, Portugues, Bahasa Indonsia and English). 	Completed and Ongoing
5.b Progress Report EITI Implementation	<ul style="list-style-type: none"> Prepare and develop previous yearly EITI activities 	Q 1-2 pa	Secretariat EITI and MSG	Effort Secretariat EITI and MSG	To ensure that the over all programme are execute smootly	up coming and Ongoing

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6.a Global bi-annual Conference EITI	EITI Implementation countries share experience and update information from other EITI implementation countries	2013, 2015 and 2017	Board Members Decision	600,000	EITI implementation continue existence	On going
b. Regional Conference EITI	To encourage other countries to engage and implement EITI	Annually	Depends on the implementing countries location and decision made by Board members, Steering Committee and EITI Secretariat International)	500,000		On going
c. Board Meeting	Update EITI process from each countries	3-4 per year	EITI International Secretariat	500,000	Key decision making in relevant with EITI issues	Ongoing
d. National Coordinator Meeting, Training, Workshop, Seminar	Share lesson learn	1 per year	EITI International Secretariat	500.000		Ongoing
e. MSG Meeting Seminar, Workshop and Training	Share and learn experience and promotion communication strategy	1-2 per year	TL-EITI and MSG	250.000 only for per diem not include other travel expenses (ticket, Local Transport, Visa Airport Tax etc)	Part of MSG rules and builds relationship to guarantee sustainable of the existence MSG.	Ongoing

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TOTAL COST			Estimate: \$ 4.490.080.00			