



# MINISTÉRIO DO PETRÓLEO E MINERAIS

**Timor Leste Extractive Industries Transparency Initiative (TL-EITI)  
Timor Leste EITI 9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup> Reconciliation & Report and Beneficial Ownership  
Endorsed by the National EITI Working Group on October 2018  
TERM OF REFERENCE (TOR) FOR INDEPENDENT ADMINISTRATOR  
Standard Terms of Reference for Independent Administrators**

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This document is a standard Terms of Reference (TOR) for Independent Administrator services in accordance with the EITI Standard, endorsed by the EITI Board on 15 February 2016. The TOR sets out the work to be undertaken by the Independent Administrator hired to produce the EITI Report. It is typically attached to the contract between the Independent Administrator and the government.

**The MSG is required to use this standard TOR when hiring an Independent Administrator (Requirement 4.9.b.iii). Should the MSWG wish to deviate from the procedures set out in this TOR, the International Secretariat should be consulted as advance approval from the EITI Board might be required (Requirement 8.a). The TOR includes sections [see section 4] that should be completed by the multi-stakeholder working group (MSWG) in order to adapt the TOR to the specific circumstances in the country.** The TOR includes comment boxes to guide the MSWG in completing each section. It is a requirement that the MSWG approve the TOR (Requirement 4.9.b.iii).

The TOR is addressed to the Independent Administrator. A *guidance note on MSWG oversight of the EITI reporting cycle*<sup>1</sup> is also available to guide MSWGs and national secretariats on the issues that need to be addressed in advance of completing this TOR, and key issues to consider in overseeing the reporting process to ensure compliance with the EITI Standard. Utilisation of the TOR does not guarantee compliance. The MSWG needs to ensure that the reporting process is rigorous, comprehensive and reliable.

The Board will review the procedures and the template on a regular basis. Comments on the template should be directed to the EITI International Secretariat (contact: [sbartlett@eiti.org](mailto:sbartlett@eiti.org)).

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<sup>1</sup><https://eiti.org/document/guidance-notes-implementing-countries#GN8>

## Terms of Reference

### Independent Administrator for the 2016, 2017 and 2018 EITI Report, Timor-Leste

Approved by the TL-EITI Multi Stakeholders Working Group MSWG on 17-10-2018

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## 1 Background

The Extractive Industries Transparency Initiative (EITI) is a global standard for improving transparency and accountability in the oil, gas and mining sectors.

EITI implementation has two core components:

- **Transparency:** oil, gas and mining companies disclose information about their operations, including payments to the government, and the government discloses its receipts and other relevant information on the industry. The figures are reconciled by an Independent Administrator, and published annually alongside other information about the extractive industries in accordance with the EITI Standard.
- **Accountability:** a multi-stakeholder working group (MSWG) with representatives from government, companies and civil society is established to oversee the process and communicate the findings of the EITI reporting, and promote the integration of EITI into broader transparency efforts in that country.

The EITI Standard encourages MSWGs to explore innovative approaches to extending EITI implementation to increase the comprehensiveness of EITI reporting and public understanding of revenues and encourage high standards of transparency and accountability in public life, government operations and in business. The requirements for implementing countries are set out in the EITI Standard<sup>2</sup>. Additional information is available via [www.eiti.org](http://www.eiti.org).

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<sup>2</sup><http://eiti.org/document/standard>

**It is a requirement that the MSWG approves the terms of reference for the Independent Administrator (requirement 4.9.iii), drawing on the objectives and agreed scope of the EITI as set out in the MSWG’s work plan.** The MSWG’s deliberations on these matters should be in accordance with the MSWG’s internal governance rules and procedures (see requirement 1.4.b). The EITI requires an inclusive decision-making process throughout implementation, with each constituency being treated as a partner.

**It is a requirement that the Independent Administrator be perceived by the MSWG to be credible, trustworthy and technically competent (Requirement 4.9.b.ii).**The MSWG and Independent Administrator should address any concerns regarding conflicts of interest. The EITI Report prepared by the Independent Administrator will be submitted to the MSWG for approval and made publicly available in accordance with Requirement 7.1.

These terms of reference include “agreed-upon procedures” for EITI reporting (see section 4) in accordance with EITI Requirement 4.9.b.iii. The international EITI Board has developed these procedures to promote greater consistency and reliability in EITI reporting. The EITI process should be used to complement, assess, and improve existing reporting and auditing systems. The Board recommends that the process rely as much as possible on existing procedures and institutions, so that the EITI process draws on, complements and critically evaluates existing data collection and auditing systems. In this way, the EITI process has the potential to generate important recommendations to strengthen other oversight systems.

## **EITI Implementation in Timor-Leste**

The Government of Timor-Leste was one of the first countries to state its commitment to the Principles and Criteria of the Extractive Industries Transparency Initiative (EITI) on the occasion of the first international conference on EITI in London in June 2003. Since then, the Government of Timor-Leste has unequivocally declared its commitment to and support in implementation of EITI rules and principles. The first MSWG meeting occurred in May 2007, guaranteeing that Timor-Leste had fulfilled one of the EITI requirements for becoming a candidate. Timor-Leste’s newly elected government continued to work on the EITI process, and later that year finalized the EITI Timor-Leste Work Plan, while also agreeing on the Terms of Reference for the MSWG. Upon completion of the process and submission to the EITI Board, Timor-Leste was admitted as a candidate on 22 February 2008. This demonstrated that through collaboration, the members of the MSWG effectively oversaw the first stage of the EITI procedures.

By publishing and disseminating the first EITI report in December 2009 Timor-Leste achieved the final requirements for validation in line with the TL-EITI Work Plan. In 2010 the MSWG approved the final validation report, which allowed the EITI Board to designate Timor-Leste as a compliant country on 1 July 2010. Timor-Leste’s EITI status was revalidated in April 2016 and January 2018 based on 2016 EITI Standard requirements to ensure the country’s commitment to the EITI principles is maintained. In February 2018, the status of Timor-Leste is categorized as “satisfactory progress” after satisfactorily implementing all the requirements that are applicable to the country.

Following the publication of previous eight (8) TL-EITI Reports, Timor-Leste’s main objective in 2018 is to produce 2016 EITI Report and the preparation for 2017 and 2018 Reports for the following years. Other objectives as stipulated in work plan ([www.eiti.tl/secretariat/work-plan](http://www.eiti.tl/secretariat/work-plan)).

## **2 Objectives of the assignment**

On behalf of the government of Timor-Leste and the MSWG, the **Ministry of Petroleum and Minerals** seeks a competent and credible firm, free from conflicts of interest, to provide Independent Administrator

services in accordance with the EITI Standard. The objective of the assignment is to:

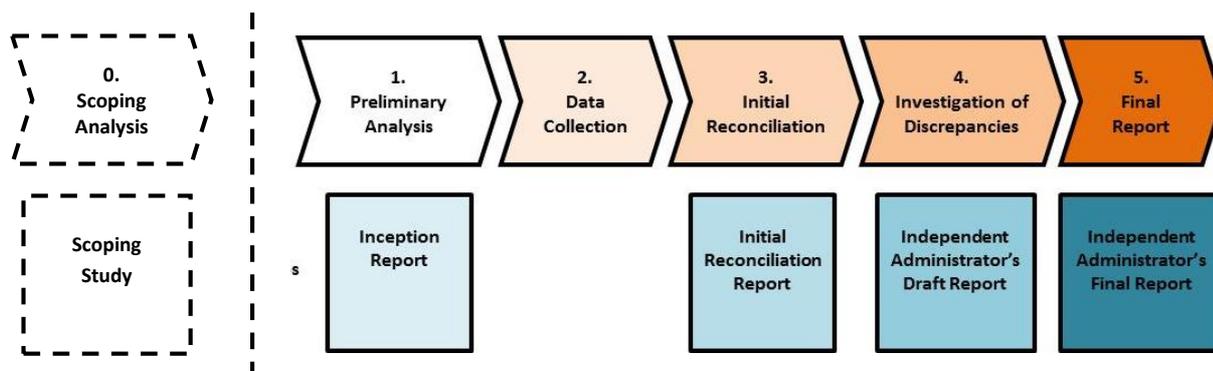
- Produce a scoping study to inform the MSWG's decision on the scope for the 2016, 2017 and 2018 EITI Reports.
- Produce EITI Reports for the fiscal years of 2016, 2017 and 2018 in accordance with the EITI Standard and section 3, below.
- Assist MSWG in establishing the definition of beneficial ownership in accordance with legal and fiscal regime in Timor-Leste as per Requirement 2.5. (see *Table 1 below*);
- Additionally, provide assistance to MSWG and the National Secretariat to improve the extractive industry governance mechanism through mainstreaming;

### 3 Scope of services, tasks and expected deliverables

The work of the Independent Administrator has five conceptual phases (see figure 1). These phases may overlap and there may also be some iteration between the phases. EITI reporting is generally preceded by scoping work which is sometimes undertaken by the Independent Administrator (phase 0 in the figure), and sometimes undertaken by the MSWG or other consultants.

The Independent Administrator's responsibilities in each phase are elaborated below.

Figure 1 – Overview of the EITI Reporting process and deliverables



#### Phase 0- Scoping and scoping study

**Objective:** Scoping work aims to identify points that EITI Report should cover in order to meet the requirements of the EITI Standard. Scoping sets the basis for producing a timely, comprehensive, reliable and comprehensible EITI Report. It commonly involves as assessing data of the fiscal period to be reported, drafting contextual information to be included in EITI Report, reviewing the types of assurances that are needed for ensuring that the data submitted by reporting entities are credible, determining which revenue streams from oil, gas and mining are significant, and consequently which companies and government entities should be required to report. It is also an opportunity for the multi-stakeholder working group to consider the feasibility of extending the scope of EITI reporting beyond the minimum requirements in order to address the objectives outlined in the EITI work plan. Scoping may also include investigating likely gaps or issues that may be particularly challenging, to include in the EITI Report with a view to identify options, solutions,

and recommendations for an appropriate reporting methodology for consideration by the multi-stakeholder working group.

The Independent Administrator is expected to undertake the following tasks during the scoping phase:

- For the purpose of project-level reporting, propose:
  - 1) A definition of the term “project” that is consistent with relevant national laws and systems as well as international norms;
  - 2) Produce an overview of the revenue streams that should be reported by project, classifying the revenue streams that are levied on a license/contract basis and should be reported as such as well as the revenue streams that are levied on a company basis and should be reported as such; and
  - 3) Draft corresponding reporting templates, drawing on the model reporting templates for project level reporting developed by the EITI.

In undertaking the above the Independent Administrator is expected to consult the EITI’s guidance note on project level reporting, and to make use of the template definitions in the guidance note<sup>3</sup>.

- Conduct review of 2016 EITI Requirements to identify areas required to be reported
- Conduct gap analysis of previous reporting template to determine the areas for improvements
- Identify the reporting entities required to provide data
- Identify contextual information required to be included in the report
- Propose a draft reporting template for approval by MSWG
- Conduct analysis on pre-existing feasibility study for implementation of mainstreaming
- Conduct a feasibility study for implementation of beneficial ownership

### **Phase 1 – Preliminary analysis and inception report**

**Objective:** The purpose of the inception phase is to confirm that the scope of the EITI reporting process has been clearly defined, including the reporting templates, data collection procedures, and the schedule for publishing the EITI Report. In cases where the Independent Administrator is involved in scoping work, the inception phase will not be extensive. Where the Independent Administrator is not involved in scoping work, some work is required by the Independent Administrator to review prior scoping decisions and considerations taken by the MSWG (1.1-1.2 below). The inception report thus ensures that there is a mutual understanding between the MSWG and the Independent Administrator of the scope of the EITI Report and the work to be carried out.

The Independent Administrator is expected to undertake the following tasks during the inception phase:

- 1.1 Review the relevant background information, including the governance arrangements and tax policies in the extractive industries, the findings from any preliminary scoping work, and the conclusions and recommendations from previous EITI Reports and Validations. (A list of relevant documentation is provided as Annex 2).**

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<sup>3</sup>[https://eiti.org/sites/default/files/documents/reporting\\_template\\_for\\_project-level\\_reporting\\_option\\_1.xlsx](https://eiti.org/sites/default/files/documents/reporting_template_for_project-level_reporting_option_1.xlsx)

[https://eiti.org/sites/default/files/documents/reporting\\_template\\_for\\_project-level\\_reporting\\_option\\_2.xlsx](https://eiti.org/sites/default/files/documents/reporting_template_for_project-level_reporting_option_2.xlsx)

<sup>3</sup>[https://eiti.org/sites/default/files/documents/guidance\\_note\\_28\\_on\\_project-level\\_reporting\\_final.pdf](https://eiti.org/sites/default/files/documents/guidance_note_28_on_project-level_reporting_final.pdf)

**1.2 The Independent Administrator should review the scope proposed by the MSWG in annex 1 with a particular focus on the following:**

- 1.2.1 Reviewing the comprehensiveness of the payments and revenues to be covered in the EITI Report as proposed by the MSWG in Annex 1 and in accordance with EITI Requirement 4.
- 1.2.2 Reviewing the comprehensiveness of the companies and government entities that are required to report as defined by the MSWG in Annex 1 and in accordance with EITI Requirement 4.1
- 1.2.3 Supporting the MSWG with examining the audit and assurance procedures in companies and government entities participating in the EITI reporting process. This includes examining the relevant laws and regulations, any reforms that are planned or underway, and whether these procedures are in line with international standards.
- 1.2.4 Providing advice to the MSWG on **the reporting templates based on the agreed benefit streams to be reported and the reporting entities (1.1.1– 1.1.2 above)**. It is recommended that the templates include a provision requiring companies to report “any other material payments to government entities” above an agreed threshold. The Independent Administrator is required to draft reporting templates for consideration and approval by the MSWG.

**1.3. On the basis of 1.1 and 1.2 as applicable, produce an inception report that:**

**1.3.1 Includes a statement of materiality (annex 1) confirming the MSWG’s decisions on the payments and revenues to be covered in the EITI Report, including:**

- The definition of materiality and thresholds, and the resulting revenue streams to be included in accordance with Requirement 4.1(b).
- The sale of the state’s share of production or other revenues collected in-kind in accordance with Requirement 4.2.
- The coverage of infrastructure provisions and barter arrangements in accordance with Requirement 4.3.
- The coverage of social expenditure in accordance with Requirement 6.1.
- The coverage of transportation revenues in accordance with Requirement 4.4.
- Disclosure and reconciliation of payments to and from state owned enterprises in accordance with Requirement 4.5.
- The materiality and inclusion of direct sub-national payments in accordance with Requirement 4.6.
- Revenue allocation – Distribution of extractive industry revenue 5.1. Implementing countries must disclose a description of distribution of revenues from the EI
- The materiality and inclusion of sub-national transfers in accordance with Requirement 5.2.
- The level and type of disaggregation of the EITI Report in accordance with Requirement 4.7.
- Any other aspects as agreed by the MSWG.

**1.3.2 Includes a statement of materiality (annex 1) confirming the MSWG’s decisions on the companies and government entities that are required to report, including:**

- The companies, including SOEs that make material payments to the state and will be required to report in accordance with Requirement 4.1(c).
- The government entities, including any SOEs and sub-national government entities, that receive material payments and will be required to report in accordance with Requirement 4.1(c-d), 4.5 and 4.6.
- Any barriers to full government disclosure of total revenues received from each of the benefit streams agreed in the scope of the EITI report, including revenues that fall below agreed materiality thresholds (Requirement 4.1(d)).

1.3.3. Includes a definition of the term ‘project’ and an overview of the revenue streams to be reported by project, confirming the MSWG’s decision that the financial data should be disaggregated by project where levied by project.

1.3.4. **Confirms the reporting templates based on the agreed benefit streams to be reported, the reporting entities, and the definition of project** (1.1.1 – 1.1.2, and 1.3.3 above). The IA in collaboration with the National Secretariat will draft the templates for MSWG’s approval. It is recommended that the templates include a provision requiring companies to report “any other material payments to government entities” and non-government entities (including landowner entities – other than for the provision of goods and services, including employment) listed above an agreed threshold.

1.3.5. **The IA should confirm (in its communications to reporting entities) any procedures or provisions relating to safeguarding confidential information.** The IA should also develop guidance to the reporting entities on how to complete the reporting templates, and provide training to reporting entities.

1.3.6. Based on the examination of the audit and assurance procedures in companies and government entities participating in the EITI reporting process (1.2.3 above), **confirms what information participating companies and government entities are required to provide to the Independent Administrator in order to assure the credibility of the data in accordance with Requirement 4.9.**

The Independent Administrator should exercise judgement and apply appropriate international professional standards<sup>4</sup> in developing a procedure that provide a sufficient basis for a comprehensive and reliable EITI Report and in all its dealings with reporting entities. The Independent Administrator should employ his /her professional judgement to determine the extent to which reliance can be placed on the existing controls and audit frameworks of

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<sup>4</sup> For example, ISA 505 relative to external confirmations; ISA 530 relative to audit sampling; ISA 500 relative to audit evidence; ISRS 4400 relative to the engagement to perform agreed-upon procedures regarding financial information and ISRS 4410 relative to compilation engagements.

the companies and governments. Where deemed necessary by the Independent Administrator and the multi-stakeholder group, assurances may include one of these points:

- Requesting sign-off from a senior company or government official from each reporting entity attesting that the completed reporting form is a complete and accurate record.
- Requesting a confirmation letter from the companies' external auditor that confirms that the information they have submitted is comprehensive and consistent with their audited financial statements. The MSWG may decide to phase in any such procedure so that the confirmation letter may be integrated into the usual work programme of the company's auditor. Where some companies are not required by law to have an external auditor and therefore cannot provide such assurance, this should be clearly identified, and any reforms that are planned or underway should be noted.
- Where relevant and practicable, requesting that government reporting entities obtain a certification of the accuracy of the government's disclosures from their external auditor or equivalent.

The inception report should document the options considered and the rationale for the assurances to be provided.

1.3.7. **Confirms the procedures for integrating and analysing non-revenue information in the EITI Report.** The inception report should incorporate table 1 below, confirming the division of labour between the Independent Administrator, the MSWG or other actors in compiling this data, and how the information should be sourced and attributed.

*Table 1 – Non-revenue information to be provided in the EITI Report covered fiscal years of 2016, 2017 and 2018*

Non-revenue information to be provided in the EITI Report	Work to be undertaken by the Independent Administrator	Work to be undertaken by the MSWG/others
Legal framework and fiscal regime in accordance with EITI Requirement 2.1.	<ul style="list-style-type: none"> <li>• The IA should refer to the 2016 EITI Standard for details. 3.1.1</li> </ul>	NA
An overview of the extractive industries, including any significant exploration activities in accordance with EITI Requirement 3.1.	<ul style="list-style-type: none"> <li>• The IA should refer to the 2016 EITI Standard for details. 3.1.2</li> </ul>	NA
Information about the contribution of the extractive industries to	<ul style="list-style-type: none"> <li>• The IA should refer to the 2016 EITI Standard for details.</li> </ul>	NA

the economy in accordance with EITI Requirement 6.3.	3.1.3	
Production and export data in accordance with EITI Requirement 3.2 and 3.3	<ul style="list-style-type: none"> <li>The IA should refer to the 2016 EITI Standard for details.</li> </ul> 3.1.4	NA
Information regarding state participation in the extractive industries in accordance with EITI Requirement 2.6 and 6.2. <sup>5</sup>	<ul style="list-style-type: none"> <li>The IA should refer to the 2016 EITI Standard for details.</li> </ul> 3.1.5	NA
Information about the distribution of revenues from the extractive industries in accordance with EITI Requirement 5.1.	<ul style="list-style-type: none"> <li>The IA should refer to the 2016 EITI Standard for details.</li> </ul> 3.1.6	NA
Any further information requested by the MSWG on revenue management and expenditures in accordance with EITI Requirement 5.3.	<ul style="list-style-type: none"> <li>The IA should refer to the 2016 EITI Standard for details.</li> <li>The IA shall provide further analysis on revenue management practices and considers the references or commentary from Civil Society around the issues of revenue and expenditure management, accountability and efficiency of use.</li> </ul>	NA
Information about license holders in accordance with EITI Requirement 2.3 <sup>6</sup> , and the allocation of licenses in accordance with EITI Requirement 2.2. <sup>7</sup>	3.1.7	NA
Any information requested by the MSWG on beneficial ownership (BO) in accordance with EITI	<p>For the purpose of this report, the Independent Administrator should:</p> <ul style="list-style-type: none"> <li>Propose a definition of BO for adoption by the MSWG<sup>8</sup>.</li> </ul>	<p>For the purpose of this report, the MSWG will:</p> <ul style="list-style-type: none"> <li>Consider and agree the</li> </ul>

<sup>5</sup> Guidance Note 18: SOE participation in EITI Reporting, [https://eiti.org/files/GN/Guidance\\_note\\_18\\_SOEs\\_EN.pdf](https://eiti.org/files/GN/Guidance_note_18_SOEs_EN.pdf)

<sup>6</sup> Guidance Note 3: Licence Registers, <https://eiti.org/guidance-notes-and-standard-terms-reference#GN3>

<sup>7</sup> Guidance Note 4: Licence Allocations, <https://eiti.org/guidance-notes-and-standard-terms-reference#GN4>

<sup>8</sup> <https://drive.google.com/open?id=0B7UljQS1EKz4SIRPZzdWRXfFRG8>

Requirement 2.5	<ul style="list-style-type: none"> <li>Propose the details to be disclosed about the identity of the beneficial owners.<sup>9</sup>This should include whether the beneficial</li> <li>owners are politically exposed persons (PEPs), drawing on existing</li> <li>Definitions of PEPs and asset declarations if available.</li> <li>Propose an approach for assuring the BO data assurance for adoption by the MSWG<sup>10</sup>.</li> <li>Reflect the MSWG's decisions on the definition of BO, the details to be disclosed about the identity of the beneficial owners, and the data assurance process in the EITI's model BO template<sup>11</sup>.</li> <li>Develop guidelines to reporting companies on how to identify their beneficial owners and complete the reporting template.</li> <li>Distribute the BO template to the companies included in the scope of the EITI Report, collect data and follow up on any missing or incomplete submissions.</li> <li>Compile the data in an open data format (xlsx or cvs)<sup>12</sup>.</li> <li>Present the findings in the EITI Report, noting for each of the companies in the scope of the report: the name of the BOs of each company, details about their identity, and information about how ownership is exerted. Where legal owners have been disclosed, this should be clearly distinguished from beneficial ownership.</li> <li>Provide comments on the comprehensiveness and reliability of the BO information, and present recommendations for improving beneficial ownership reporting in the future.</li> </ul>	<p>recommendations by the IA with regards to the definition of BO, the details to be disclosed about the identity of the BO, and the approach for BO data assurance.</p> <ul style="list-style-type: none"> <li>Provide information on the government's policy and multi-stakeholder group's discussion on disclosure of beneficial ownership.</li> </ul>
Any information requested by the MSWG on contracts in accordance with EITI Requirement 2.4 <sup>13</sup>	<ul style="list-style-type: none"> <li>The IA should refer to the 2016 EITI Standard for details.<sup>8</sup></li> </ul>	NA

<sup>9</sup><https://drive.google.com/file/d/0B7UljQS1EKz4dEpjQ0VVdzNFcTg/view?usp=sharing>

<sup>10</sup><https://drive.google.com/open?id=0B7UljQS1EKz4ZVhjX0pKeWF3NVk>

<sup>11</sup> Template beneficial ownership declaration, <https://eiti.org/files/Template-beneficial-ownership-declaration-form.doc>

<sup>12</sup> An open data standard for beneficial ownership reporting is being developed. Please be in touch with the EITI International Secretariat for further information.

<sup>13</sup> Guidance Note 7: Contract Transparency, <https://eiti.org/guidance-notes-and-standard-terms-reference#GN7>

Add any other contextual information that the MSWG has agreed to include in the EITI Report	<ul style="list-style-type: none"> <li>• Carry out further analysis on feasibility study on mainstreaming and produce a road map for MSWG review (<i>see Annex B</i>).</li> <li>• Provide recommendations within EITI reports on mainstreaming approach in the country.</li> </ul>	NA
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### **Phase 2 – Data collection**

**Objective:** The purpose of the second phase of work is to collect the data for the EITI Report in accordance with the scope confirmed in the Inception Report. The MSWG and national secretariat will provide contact details for the reporting entities and assist the Independent Administrator in ensuring that all reporting entities participate fully.

The Independent Administrator is expected to undertake the following tasks during the data collection phase:

- 2.1 Distribute the reporting templates and collect the completed forms and associated supporting documentation directly from the participating reporting entities, as well as any contextual or other information that the MSWG has tasked the Independent Administrator to collect in accordance with 1.3.4 above. Where an alternative approach is proposed - e.g. where the national EITI secretariat assists with data collection, or where the data is collected through an existing reporting mechanism or publicly available information, there should be consultations with the Independent Administrator to ensure the integrity of the information transmitted to the Independent Administrator.
- 2.2 Contact the reporting entities directly to clarify any information gaps or discrepancies.

### **Phase 3 – initial reconciliation**

**Objective:** The purpose of this phase is to complete an initial compilation and reconciliation of the contextual information and revenue data with a view to identify any gaps or discrepancies to be further investigated.

- 3.1 The Independent Administrator should compile a database with the payment and revenue data provided by the reporting entities.
- 3.2 The Independent Administrator should comprehensively reconcile the information disclosed by the reporting entities, identifying any discrepancies (including offsetting discrepancies) in accordance with the agreed scope and any other gaps in the information provided (e.g. assurances).
- 3.3 The Independent Administrator should identify any discrepancies above the agreed margin of error established in agreement with the MSWG.

### **Phase 4 – investigation of discrepancies and draft EITI Report**

**Objective:** The purpose of this phase is to investigate any discrepancies identified in the initial reconciliation, and to produce a draft EITI Report that compiles the contextual information, reconciles financial data and explains any discrepancies above the margin of error determined by the MSWG, where applicable.

- 4.1 The Independent Administrator should contact the reporting entities to clarify the causes of any significant discrepancies or other gaps in the reported data and to collect additional data from the reporting entities concerned.
- 4.2 The Independent Administrator should submit a draft EITI Report to the MSWG for comment that comprehensively reconciles the information disclosed by the reporting entities, identifying any discrepancies, and reports on contextual and other information requested by the MSWG. The financial data should be disaggregated to the level of detail agreed by the MSWG and in accordance with requirement 4.7. The Independent Administrator shall allow a reasonable amount of time for comment and shall respond to comments prior to finalizing and publishing the report. The draft EITI Report should:
- a) Describe the methodology adopted for the reconciliation of company payments and government revenues, and demonstrate the application of international professional standards.
  - b) Include a description of all revenue streams, related materiality definitions and thresholds (Requirement 4.1).
  - c) Include an assessment from the Independent Administrator on the comprehensiveness and reliability of the (financial) data presented, including an informative summary of the work performed by the Independent Administrator and the limitations of the assessment provided.
  - d) Indicate the coverage of the reconciliation exercise, based on the government's disclosure of total revenues as per Requirement 4.1(d).
  - e) Include an assessment of whether all companies and government entities within the agreed scope of the EITI reporting process provided the requested information. Any gaps or weaknesses in reporting to the Independent Administrator must be disclosed in the EITI Report, including naming any entities that failed to comply with the agreed procedures, and an assessment of whether this is likely to have had material impact on the comprehensiveness of the report.
  - f) Document whether the participating companies and government entities had their financial statements audited in the financial year(s) covered by the EITI Report. Any gaps or weaknesses must be disclosed. Where audited financial statements are publicly available, it is recommended that the EITI Report advises readers on how to access this information.
  - g) Include non-revenue information as per Requirement 2,3,5 and 6 and other information requested by the MSWG. The contextual information should be clearly sourced in accordance with the procedures agreed by the Independent Administrator and the MSWG.
- 4.3 Where previous EITI Reports have recommended corrective actions and reforms, the Independent Administrator should comment on the progress in implementing those measures. The Independent Administrator should make recommendations for strengthening the reporting process in the future, including any recommendations regarding audit practices and reforms needed to bring them in line with international standards, and where appropriate, recommendations for other extractive sector reforms related to strengthening the impact of implementation of the EITI on natural resource governance. The Independent Administrator is encouraged to collaborate with the MSWG in formulating such recommendations.
- 4.4 The Independent Administrator is encouraged to make recommendations on strengthening the template Terms of Reference for Independent Administrator services in accordance with the EITI Standard for the attention of the EITI Board.

### **Phase 5 – Final EITI Report**

**Objective:** The purpose of this phase is to ensure that any comments by the MSWG on the draft report have been considered and incorporated in the final EITI Report.

- 5.1 The Independent Administrator will submit the EITI Report upon approval to the MSWG. The MSWG will endorse the report prior to its publication and will oversee its publication. Where stakeholders other than the Independent Administrator decide to include additional comments in, or opinions on, the EITI Report, the authorship should be clearly indicated.
- 5.2 The final EITI Report must be translated to the following languages: English, Portuguese, Bahasa Indonesia, Tetum (local language)
- 5.3 The Independent Administrator should produce electronic data files<sup>14</sup> that can be published together with the final Report.
- 5.4 Following approval by the MSWG, the Independent Administrator is mandated to submit summary data from the EITI Report electronically to the International Secretariat according to the standardised reporting format available from the International Secretariat<sup>15</sup>.
- 5.5 The Independent Administrator shall take appropriate measures to ensure that the report is comprehensible. This includes ensuring that the report has high levels of readability, legibility and usability. The MSWG may wish to request that the report be edited by a professional copy-editor and/or be designed by a professional graphical designer.
- 5.6 The MSWG may request that the Independent Administrator submit to the national secretariat all data gathered during reconciliation available, including the contact information of all institutions contacted during the reporting process.

#### **4 Qualification requirements for Independent Administrators**

The reconciliation of company payments and government revenues must be undertaken by an Independent Administrator applying international professional standards (requirement 4.9). It is a requirement that the Independent Administrator is perceived by the MSWG to be credible, trustworthy and technically competent (ibid). Bidders must follow (and show how they will apply) the appropriate professional standards for the reconciliation/agreed-upon-procedures work in preparing their report.

The Independent Administrator will need to demonstrate:

- Expertise and experience in the oil, gas and mining sectors in Timor-Leste and Timor Sea.
- Expertise in accounting, auditing and financial analysis.
- A track record in similar work. Previous experience in EITI reporting is not required, but would be advantageous.

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<sup>14</sup> The files can be in CSV or Excel format and should contain the tables and figures from the print report. In accordance with requirement 7.1.c, the multi-stakeholder group is required to make the EITI Report available in an open data format (xlsx or csv) online.

<sup>15</sup> The latest version of the summary data template can be found at: <https://eiti.org/document/eiti-summary-data-template>

- Previous experience in conducting investigation on similar project to beneficial ownership and mainstreaming would be desirable.

In order to ensure the quality and independence of the exercise, Independent Administrators are required, in their proposal, to disclose any actual or potential conflicts of interest, together with commentary on how any such conflict can be avoided.

## **5 Reporting requirements and time schedule for deliverables**

The assignment is expected to commence on 10 December 2018, culminating in the finalisation of the 2016 EITI Report by 30 June 2019, 2017 EITI Report by 31 December 2019 and 2018 EITI Report by 31 December 2020. The proposed reporting and payment schedules for a three year periods is annexed (*see Annex A*).

## **6 Client's input and counterpart personnel**

Add information about reporting lines, support to the Independent Administrator during the assignment, other logistical and administrative arrangements.

### **Other comments**

The MSG may include additional commentary on the assignment not addressed above.

## Annex 1 – Statement of materiality

The purpose of this statement of materiality is for the Independent Administrator to understand the scoping work and associated decisions that have already been carried out by the multi-stakeholder group or by other consultants. The Independent Administrator confirms the joint understanding of the scope of the services in the inception report. Annex 2 lists relevant attachments, including any scoping studies undertaken in the past.

### 1. Taxes and revenues to be covered in the EITI Report (Requirement 4.1)<sup>16</sup>

With regards to the revenue streams set out in Requirements 4.1-4.2, the multi-stakeholder group has agreed that the following revenue streams from the extractive sector are material and should be reconciled in the EITI Report:

*Table 1 – Material revenues to be reconciled*

Revenue stream	Estimated value and share of total extractive industry revenue	Government recipient	Additional commentary on work to be undertaken by the Independent Administrator as necessary.
List of revenue streams, taking into account common revenue streams set out in Requirement 4.1	<value> (<percentage>)	...	...
The materiality and inclusion of the state's share of production collected in-kind (Requirement 4.2 <sup>17</sup> , where applicable	6.1.1	6.1.2	6.1.3

The multi-stakeholder group has agreed that the revenue streams from the extractive sector listed in Table 2 should be unilaterally disclosed by the government in the EITI Report rather than reconciled with company figures. The reasons for unilateral disclosure rather than reconciliation should be documented by the MSG.

<sup>16</sup> Guidance Note 13: on defining materiality, reporting thresholds and reporting entities, [https://eiti.org/files/Guidance%20note%20on%20defining%20materiality\\_0.pdf](https://eiti.org/files/Guidance%20note%20on%20defining%20materiality_0.pdf)

<sup>17</sup>Guidance Note 18: SOE participation in EITI Reporting, [https://eiti.org/files/GN/Guidance\\_note\\_18\\_SOEs\\_EN.pdf](https://eiti.org/files/GN/Guidance_note_18_SOEs_EN.pdf)

Table 2 – Material revenues to be unilaterally disclosed by the government

Revenue stream	Estimated value and share of total extractive industry revenue	Government recipient	Additional commentaries on data sources and work to be undertaken by the Independent Administrator as necessary.
...	<value> (<percentage>)	...	...
6.1.4	6.1.5	6.1.6	6.1.7

The multi-stakeholder group has agreed that the following revenue streams from the extractive sector are immaterial and should not be reconciled or unilaterally disclosed by the government in the EITI report:

Table 3 – Immaterial revenue streams from the extractive sector to be excluded from the EITI Report

Revenue stream	Estimated value and share (%) of total extractive industry revenue	Government recipient	Additional commentary on data sources and rationale for concluding that the revenue stream is immaterial
...	<value> (<percentage>)	...	...

## 2. Additional benefit streams:

With regards to the benefit streams set out in Requirements 4, the MSG has agreed the following:

Table 4 – Additional benefit streams

Benefit stream	Applicable/material?	Estimated value and share (%) of total extractive industry revenue	Government recipient	Additional commentary on data sources and works to be undertaken by the Independent Administrator as necessary.
The materiality and inclusion of infrastructure and barter arrangements (Requirement 4.3) <sup>18</sup>	6.1.8	6.1.9	6.1.10	6.1.11
The materiality and inclusion of <u>mandatory</u> social payments (Requirement 6.1(a)) <sup>19</sup>	6.1.12	6.1.13	6.1.14	6.1.15
The materiality and inclusion of <u>voluntary</u> social payments (Requirement 6.1(b)) <sup>20</sup>	6.1.16	6.1.17	6.1.18	6.1.19
The materiality and inclusion of transportation revenues (Requirement 4.4) <sup>21</sup>	6.1.20	6.1.21	6.1.22	6.1.23

<sup>18</sup> Guidance note 15: Infrastructure and barter provisions: <https://eiti.org/guidance-notes-and-standard-terms-reference#GN14>

<sup>19</sup> Guidance note 17: Social expenditures: <https://eiti.org/guidance-notes-and-standard-terms-reference#GN17>

<sup>20</sup> Guidance note 17: Social expenditures: <https://eiti.org/guidance-notes-and-standard-terms-reference#GN17>

<sup>21</sup> Guidance note 16: Revenues from transportation of oil, gas and minerals: <https://eiti.org/guidance-notes-and-standard-terms-reference#GN16>

### 3. Reporting companies (Requirement 4.1)

The MSWG has agreed that any company making payments [equal to or above [e.g USD 100,000]] against the material revenue streams identified in table 1 are required to be included in the EITI Report:

*Table 5 – Companies to be included in the EITI Report*

Companies	Sector	Additional commentary on work to be undertaken by the Independent Administrator as necessary.
...	...	...
6.1.24	6.1.25	6.1.26

### 4. Government - government transactions (Requirement 4)

*Table 6 – Government to government transactions included in the scope of the EITI Report*

Transactions	Applicable/ material?	Financial flow	State-owned company	Government agency	Additional commentary on work to be undertaken by the Independent Administrator as necessary.
The disclosure and reconciliation of payments to and from state-owned enterprises (Requirement 4.6) <sup>22</sup>	6.1.27	6.1.28	6.1.29	6.1.30	6.1.31
Transactions	Applicable/	Financial flow and	Government agency	Government	Additional commentary on work to be

<sup>22</sup> Guidance Note 18: SOE participation in EITI Reporting, [https://eiti.org/files/GN/Guidance\\_note\\_18\\_SOEs\\_EN.pdf](https://eiti.org/files/GN/Guidance_note_18_SOEs_EN.pdf)

	<b>material?</b>	<b>revenue sharing formula</b>	<b>executing the transfer</b>	<b>agency receiving the transfer</b>	<b>undertaken by the Independent Administrator as necessary.</b>
The materiality and inclusion of mandatory sub-national transfers in accordance with Requirement 5.2 <sup>23</sup>	6.1.32	6.1.33	6.1.34	6.1.35	6.1.36

<sup>23</sup> Guidance Note 10: Sub-national reporting, <https://eiti.org/files/Guidance-note-10-Subnationalreporting.pdf>

## **Annex 2 – Supporting documentation**

Documentation on governance arrangements and tax policies in the extractive industries, including relevant legislation & regulations

- [www.MoF.gov.tl](http://www.MoF.gov.tl)
- [www.anpm.tl.org](http://www.anpm.tl.org)
- [www.bctl.tl](http://www.bctl.tl)

EITI work plans& other documents

- [www.eiti.tl](http://www.eiti.tl)
- [www.eiti.org](http://www.eiti.org)

Findings from preliminary scoping work

- [\[...\]](#)

Previous EITI Reports

- [www.eiti.tl](http://www.eiti.tl)
- [www.eiti.org](http://www.eiti.org)

Commentary on previous EITI Reports

- TL-EITI website, ANPM website, BCTL website, MoF website and International EITI website

Validation Reports

- [www.eiti.tl](http://www.eiti.tl)
- [www.eiti.org](http://www.eiti.org)

Other relevant documentation (e.g. annual activity reports)

- [www.eiti.tl](http://www.eiti.tl)
- [www.eiti.org](http://www.eiti.org)

**Annex A****Schedule set out for 2016, 2017 EITI Reconciliation report undertake by Independent Administrator**

<b>EITI reporting phase</b>	<b>Proposed timeline</b>	<b>Obs.</b>
Signing of contract	10-Dec-18	
<b>(If relevant) Phase 0: Scoping studies of 2016, 2017 (and/or 2018 data)</b>	<b>11 Dec 18 - 11 Jan 19</b>	
=> Scoping Study	11-Jan-19	
<b>Phase 1: Preliminary analysis of 2016 and 2017 data</b>	<b>11 Dec 18 - 11 Jan 19</b>	
=> Inception report	13-Jan-19	
<b>Phase 2: Collection of 2016 and 2017 data</b>	<b>13 Jan - 18 Feb 19</b>	
<b>Phase 3: Initial reconciliation</b>	<b>20 Feb - 2 Mar 19</b>	
<b>Phase 4: Investigation of discrepancies</b>	<b>05 Mar - 05 Apr 19</b>	
Draft 2016 TL-EITI report	05-Apr-19	one to two weeks for MSWG discussion
Draft 2017 TL-EITireport	Until 30 Jul 19	
<b>Phase 5: Final EITI report</b>	<b>18 Apr - 30 Oct 19</b>	
Final 2016 report (english version) include summary of the report in xls format as per EITI Req. 7.2	<b>08-May-19</b>	
Final 2017 report (english version) include summary of the report in xls format as per EITI Req. 7.2	30-Sep-19	
Translation of 2016 an 2017 reports into Tetum, Portuguese & Indonesian	Until 30 Sep 19	

**Feasibility studies**

Beneficial Ownership (BO) feasibility study include investigating the tasks described in table 1 of ToR and presenting a summary report to MSWG	01 - 30 Jan 19	schedule includes revision of mainstreaming study
Follow up on mainstreaming feasibility study in accordance with Annex 2	01 - 30 Jan 19	schedule includes BO feasibility study

**Payment schedules in accordance of 2019 budget allocation**

Phase 1 - 20% of allocated amounts for EITI reports and feasibility studies to be paid after the submission of 2016 draft report

Phase 2 - 30% of allocated amounts to be paid after the submission of 2016 final draft

Phase 3 - 20% of allocated amounts to be paid after the submission of 2017 draft report

Phase 4 - 30% of allocated amounts to be paid after the submission of 2017 final draft and translated versions of the reports

### Schedule set out for 2018 EITI Reconciliation report undertake by Independent Administrator

<b>EITI reporting phase</b>	<b>Proposed timeline</b>	<b>Obs.</b>
Signing of contract	02-Dec-19	
<b>(If relevant) Phase 0: Scoping studies 2018 data</b>	<b>02 Dec 19 - 7 Jan 20</b>	
=> Scoping Study	07-Jan-20	
<b>Phase 1: Preliminary analysis of 2018 data</b>	<b>02 Dec 19 - 07 Jan 20</b>	
=> Inception report	07-Jan-20	
<b>Phase 2: Data collection</b>	<b>08 Jan - 18 Feb 20</b>	
<b>Phase 3: Initial reconciliation</b>	<b>20 Feb - 2 Mar 20</b>	
<b>Phase 4: Investigation of discrepancies</b>	<b>05 - 18 Mar 20</b>	
Draft 2018 TL-EITI report	18-Apr-20	One to two weeks for MSWG discussion
<b>Phase 5: Final EITI report</b>	<b>18 Apr - 08 May 20</b>	
Final 2018 report (english version) include summary of the report in xls format as per EITI Req. 7.2	<b>08-May-20</b>	
Translation of 2018 report into Tetum, Portuguese & Indonesian	08-May-20	

### Payment schedules in accordance with 2020 budget allocation

20% of allocated amounts for 2018 EITI report to be paid after the submission of draft report  
 80% of allocated amounts for 2018 EITI report to be paid after the submission of final and translated versions of the report

**Annex B :**

Terms of Reference:

EITI systematic disclosure feasibility

[TIMOR-LESTE], Approved by the MSG on [17/10/2018]

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Annex I – information disclosures required by the EITI Standard 10

## Background

The Extractive Industries Transparency Initiative (EITI) is a global standard that promotes transparency and accountability in the extractive sector. It has a robust yet flexible methodology for disclosing company payments and government revenues from oil, gas and mining as well as other information about the extractive sector such as information about the legal framework and fiscal regime, licensing practices, state-owned companies, production, exports, etc. The requirements for implementing countries are set out in the EITI Standard<sup>24</sup>. For further information, please see [www.eiti.org](http://www.eiti.org).

Each implementing country creates its own EITI process adapted to the specific needs of the country. This involves defining the scope of information to be published and exploring how disclosure of information about the extractive sector can be integrated into government and company portals to complement and strengthen wider efforts to improve extractive sector governance.

To date, most of the information required to be disclosed by the EITI Standard has been collected and made public through EITI Reports. At the EITI Board meeting in February 2018, the EITI Board agreed to set of recommendations regarding **encouraging systematic disclosure**<sup>25</sup>. The 2016 EITI Standard enables implementing countries to disclose the information required by the EITI Standard through routine government and corporate reporting systems such as websites, annual reports etc. The EITI Board agreed that “systematic disclosure should be firmly established as the default expectation, with EITI Reports used to address any gaps and concerns about data quality. Implementing countries could still continue to publish annual EITI reports collating and analysing the information from primary sources in order to make this information more accessible and comprehensible, especially for stakeholders that do not have access to online information”.

**Systematic disclosure** means that EITI’s disclosure requirements are met through routine and publicly available company and government reporting. This could include enabling access to EITI data through public financial reporting, annual company or government agency reports, information portals, and other open data and freedom of information initiatives. A key concern will be ensuring that the published data is comprehensive and reliable. This should include an explanation of the underlying audit and assurance procedures that the data has been subject to, with public access to the supporting documentation.

**Mainstreaming** refers to the process for realising this goal, which may include interim measures, pilots, and other capacity building activities.

The EITI continues to emphasize the importance of the multi-stakeholder dialogue in exploring options for systematic disclosure. A feasibility study provides an opportunity to examine opportunities for strengthening multi-stakeholder consultation and dialogue, and to make this participation more effective. This could include considering options for integrating MSG oversight into existing representative bodies.

The Ministry of Petroleum and Minerals (MPM) seeks a competent and credible firm or individual to produce a feasibility study and develop a roadmap for embedding EITI disclosures in government systems in accordance with these terms of reference.

<sup>24</sup><http://eiti.org/document/standard>

<sup>25</sup><https://eiti.org/document/encouraging-systematic-disclosure>

## Background

[Timor-Leste was one of the first countries to state its commitment to the Principles and Criteria of the Extractive Industries Transparency Initiative (EITI). Following the finalization of its first national EITI Work Plan and by agreeing the Terms of Reference for the MSG in 2007, Timor-Leste was admitted as a candidate on 22 February 2008. Hence, Timor-Leste has subsequently produced eight EITI Reports, covering the periods of FY 2008-2015.

The Government of Timor-Leste and the TL-EITI MSG are considering the proposal from EITI International Secretariat to conduct a gap analysis on mainstreamed EITI implementation. Despite the country's lack of a law urging companies and government agencies to report for EITI, these entities are always committed to disclose information required under the Standard since the TL declared its commitment to joining the EITI. Most of the published TL-EITI reports have shown less or insignificant discrepancies of reconciled data proving that both government and company's revenues are consistent and comprehensive. Additionally, relevant contextual information on licenses, contracts, legal framework, revenues and budget activities are also updated and disclosed in government agencies' websites. In this regard, stakeholders perceived that the online public disclosure of these information may reduce the expenses and amount of work required for EITI reporting. This could be efficient for the future TL-EITI reports by not containing the similar contextual information from the previous reports.

Thus, Timor-Leste is willing to consider further studies on what mainstreamed disclosures could potentially look like. This ToR seeks to follow up the feasibility study previously conducted by EITI International, including the analysis of the key findings and recommendations and to identify gaps or missing information from this study. The activity plan on mainstreaming study is highlighted in 2018 MSG work plan ([www.eiti.tl/secretariat/work-plan](http://www.eiti.tl/secretariat/work-plan)).

## Objective of the assignment

The objective of the assignment is to assess the feasibility of embedding EITI disclosures in government systems and corporate reporting. The consultant will produce a feasibility study that:

- (1) assesses to what extent information that is required in the EITI Standard, or is otherwise relevant for achieving the objectives outlined in the MSG's workplan, is already made publicly available in governmental and corporate systems;
- (2) outlines any barriers or gaps in timely, comprehensive and reliable disclosures, as well as technical or financial support needs;
- (3) documents stakeholders' views and willingness to embed EITI processes and disclosures in governmental and corporate systems;
- (4) proposes a roadmap for embedding EITI disclosures and the process for future EITI implementation. This should include actions, responsible parties, timelines, resource and technical assistance needs.
- (5) examine opportunities for strengthening multi-stakeholder consultation and dialogue, and to make this participation more effective. This could include considering options for integrating MSG oversight into existing representative bodies.

## Scope of work

The consultant will be expected to undertake the following tasks:

- (1) Examine the MSG's workplan in order to gain a clear understanding of the process, objectives and scope of Timor-Leste's EITI implementation, and the extent to which the EITI implementation draws on and seeks to strengthen systematic disclosures. The consultant should also review any annual activity reports that have been produced by the MSG to understand the progress made in achieving the objectives and review any actions undertaken by the MSG to address recommendations from any previous EITI reporting exercises and validations that address opportunities to strengthen systematic disclosures. Hence,
- (2) Consult stakeholders, in particular the members of the multi-stakeholder group as well as the government agencies involved in the management of the extractive industries and companies in Timor-Leste, on their views and concerns related to embedding EITI process and disclosures in government and corporate systems. It is required that the consultant should utilize the findings of the pre-existent feasibility study on mainstreaming as the baseline data. This should include considering opportunities to strengthen stakeholder engagement and make this participation more effective. This could include considering options for integrating MSG oversight into existing representative bodies.
- (3) Produce a summary for MSG discussion to confirm and update the following information are captured on the previous feasibility study:
  - (i) In line with the feasibility study content, confirms the identities of the government agencies and companies that are responsible for producing, collecting and/or maintaining the information required by the EITI Standard (EITI Requirements 2to 6);
  - (ii) Confirms whether the feasibility study mentioned information required by the EITI Standard is already made publicly available by government agencies and in what format such as on on-line cadastres and registers, government webpages on legal, fiscal and administrative arrangements for the sector, etc.
  - (iii) To investigate whether the key findings highlighted in the feasibility study are factually reliable or require further analysis. This also include identifying other key findings that might not mentioned in the feasibility report.
  - (iv) The consultant should review and conduct assessment on identified issues, gaps and recommendations against each requirement from the International Secretariat (IS) on the feasibility report, include feedbacks from MSG constituents on IS statements and documents attached to this report (e.g. mainstreaming assessment table). This include identifying issues other than those mentioned in the report.
  - (v) confirms whether the information within the feasibility study is up to date, comprehensive (includes all information required by the EITI Standard), and reliable. This include assessment on public sources for the data and how consistent are these data and the timeline of data disclosure.
  - (vi) identifies or assesses any ongoing reforms or reforms that have addressed some of the identified issues, gaps and recommendations in (iv).

- (vii) Maintain discussion and regular consultation with MSG constituents throughout the period of mainstreaming research. Provide recommendation for MSG constituents on best approach for systematic disclosure of data and for addressing the identified issue, gaps and recommendations.
- (4) Based on the feasibility study, the consultant should suggest a roadmap for embedding the EITI disclosures.
- (i) The roadmap should list the actions and associated costs that are needed to fully embed disclosures in government and company systems, responsible parties, timelines, resource and technical assistance needs. Where significant work is needed to make the data publicly accessible through government systems, the roadmap should suggest a step-by-step approach specifying the information can be sourced from existing sources, and the information that would need to be partially or fully collected or disclosed through the EITI reporting process.
  - (ii) The roadmap should also include recommendations on strengthen stakeholder engagement and make this participation more effective. The consultant should outline how these recommendations would ensure that all stakeholders have an opportunity to shape decisions, be heard and contribute.

## Deliverables

The assignment is expected to commence on 02 January 2019, culminating in the finalisation of the feasibility study by 25 January 2019. The proposed schedule is set out below:

Signing of contract	10 Dec 2018 (along with the contract for EITI reporting service)
Desk review on previous feasibility study	02 - 10 Jan 19
Consultation with stakeholders and data collection	11 – 17 Jan 19
Draft summary of the feasibility study	20 Jan 19
Final feasibility study, including presentation of action plan and any recommendations on the future of the EITI process	25 Jan 19

## Consultant requirements

The Consultant will need to demonstrate:

- Technical and financial skills, including knowledge and work on transparency and governance, public finance and financial accountability, and multi-stakeholder dialogue. Preferably, proven experience related to the EITI.

- Knowledge of the oil, gas and mining sectors or other natural resources sectors, preferably in [Timor-Leste].
- A demonstrable track record in similar work.

### Administrative arrangements

The consultant is expected to also conduct upcoming Timor-Leste's EITI reconciliation reports in 2019. Information on logistical and administrative arrangement for the consultant is in line with the arrangement providing for its service with the preparation of the reconciliation reports.

### Reference materials:

- Encouraging Systematic Disclosure, <https://eiti.org/document/encouraging-systematic-disclosure>
- Examples of other Feasibility studies, [https://eiti.org/publications?search\\_api\\_views\\_fulltext="systematic+disclosure"](https://eiti.org/publications?search_api_views_fulltext=)
- Agreed upon procedure for mainstreamed disclosures, <https://eiti.org/document/agreed-upon-procedure-for-mainstreamed-disclosures>
- Systematic disclosure toolkit, <https://eiti.org/document/systematic-disclosure-toolkit>
- The EITI Standard, <http://eiti.org/document/standard>;
- The online Guide to implementing the EITI Standard, <https://eiti.org/guide>
- EITI implementation guidance notes issued by the International Secretariat, <https://eiti.org/guidance-notes-standard-terms-of-reference>, in particular the guidance notes on scoping (#9), defining materiality (#13), establishing/governing MSGs (#14), and creating open data policies (#27). The consultant is advised to contact the EITI International Secretariat for any questions or clarifications related to the EITI Standard and the implementation of the EITI requirements;
- Standard Terms of Reference for Independent Administrator services, <https://eiti.org/document/standard-terms-of-reference-for-independent-administrator-services>, including standard EITI reporting templates, available from the International Secretariat;
- [Implementing EITI for Impact: A Handbook for Policymakers and Stakeholders](#), in particular chapters 4 and 5;
- Examples of Scoping Studies, available from <https://eiti.org/guidance-notes-standard-terms-of-reference#examples-of-scoping-studies> and the International Secretariat; and
- [Add other relevant sources of information, including links to EITI Reports, information about licensing systems, on-line cadastres and registers, government webpages on legal, fiscal and administrative arrangements for the sector, etc.]

## Annex I –disclosures required by the EITI Standard

This annex summarises the information disclosures that are required by the EITI Standard and that should be assessed in the feasibility study. In undertaking the assessment, the consultant must refer to the disclosure requirements outlined in the EITI Standard to ensure that all details are fully considered. A tool for performing this assessment is available here: <https://eiti.org/document/systematic-disclosure-toolkit>

- The legal framework and fiscal regime governing the extractive industries (EITI Requirement 2.1);
- The availability and comprehensiveness of a public license register as well as information about license allocation processes and procedures (EITI Requirements 2.2 and 2.3);
- The **Timor-Leste**'s policy and practices on disclosure of contracts and licenses that govern the exploration and exploitation of oil, gas and minerals and any reforms underway (Requirement 2.4);
- The availability of a public register of the beneficial owners of extractive companies (EITI Requirement 2.5);
- Where applicable, information about the role of state-owned enterprises (SOEs) in the extractive sector and the financial relationships between the government and the SOE, quasi-fiscal expenditures, and government ownership in oil, gas and mining companies operating in **Timor-Leste** (EITI Requirements 2.6, 4.5, 6.2);
- Key features of the extractive sector, including any significant exploration activities (EITI Requirement 3.1);
- Production and export data (EITI Requirement 3.2, 3.3);
- The revenue streams that must be disclosed in accordance with EITI Requirements 4, 5 and 6. The analysis should cover:
  - The taxes and other revenue streams listed in 4.1;
  - Any revenues related to the sale of the state's share of production or other revenues collected in-kind (4.2),
  - Any revenues related to infrastructure provisions and other barter arrangements (4.3);
  - Any revenues related to transportation payments (4.4);
  - Any transactions between SOEs and other government agencies (4.5);
  - Any revenues collected by subnational government from oil, gas and mining companies (4.6);
  - Any transfers of extractive industry revenue between central and subnational levels of government (5.2); and
  - Any mandatory and voluntary social expenditures by extractive companies (6.1).
- Information about revenue allocations and distribution of revenues in accordance with EITI Requirements 5.1 and 5.3; and
- Information about the contribution of the extractive industries to the economy in **recent years** in accordance with EITI Requirement 6.3.