

**MYANMAR**



**Extractive  
Industries  
Transparency  
Initiative**

6<sup>TH</sup> MEITI MULTI-STAKEHOLDER GROUP (MSG) MEETING

HOTEL ROYAL ACE, NAY PYI TAW

3<sup>RD</sup> OCTOBER 2014 (FRIDAY)

Meeting Minutes

**MEITI Coordination Office/Secretariat**

20<sup>th</sup> October 2014

## Minutes of the 6<sup>th</sup> MEITI MSG Meeting

Nay Pyi Taw, Friday 3rd October 2014

### 1. Welcome from the Chair and Outline of Meeting Agenda/Objectives

**The Chair** welcomed the MSG members, thanked them for coming, made some opening remarks and explained the objectives of the meeting. He highlighted the cooperative efforts of MSG members which had resulted in Myanmar achieving EITI candidate status and stressed the importance of keeping the momentum for achieving further goals. Concerning the scope of the EITI report, he mentioned that Liberia had included the forestry sector, and Congo had included the water sector (because water is included in the Congo mining Law), however in most countries, only oil, gas and mining are included. He suggested that in Myanmar the best way to agree on the scope would be to make decisions based on an open discussion about the issues and in accordance with the EITI Standard.

The representative of the EITI International Secretariat congratulated MEITI for activities carried out since July. In terms of the scoping study, it was mentioned that the selection of sectors to be included in the scope is often based on the significance of the sector to national income. It was recommended that countries starting out with EITI begin with the conventional sectors like oil, gas and mining and then gradually expand the scope to include other sectors where relevant, rather than attempting to cover everything from the beginning which could easily cause delays and challenges with meeting reporting deadlines. The International Secretariat representative also noted the recent successful EITI outreach events in Karen State and Mandalay Region, focusing on expanding the EITI to address sub-national challenges. The MEITI Office then presented a summary of activities agreed at the previous MSG meeting, including the establishment of sub-committees and selection of their members.

The new General Manager of Petronas (PC Myanmar (Hong Kong) Ltd ), Mr Pui Thai Chong, was then welcomed and briefly introduced himself to the MSG members.

### 2. Discussion

The MEITI Coordination Office Deputy Team Leader presented a summary of discussions from the Technical and Reporting Sub-committee meetings, in particular discussions on the possible scope of the first MEITI report, and the draft Terms of Reference for the Independent Administrator for the scoping study and the MEITI report.

The proposed timescale for the procurement process was discussed, followed by the guidelines and suggestions given by the EITI International Secretariat office for selecting and procuring the Independent Administrator. It was mentioned that there are a number of recognised international firms who have a lot of experience carrying out EITI scoping studies and producing EITI reports. The sub-committee had also discussed the possibility of procuring a local consultant to support the reconciliation process, and this option is also included in the draft TOR.

There was a discussion about the World Bank procurement procedures and the government procurement procedures. A government representative said that a tender system with clear government regulations and procedures (as per regulation number 1/2013 dated 5<sup>th</sup> April 2013), is commonly used in many ministries. The extent to which any government procurement procedures would need to be applied was discussed given that the World Bank multi-donor trust fund (MDTF) grant is 'Recipient Executed' i.e. it is given to the Ministry of Finance. It was also noted that the same procedure as for the

current and ongoing World Bank Public Financial Management (PFM) project would be required.

The chair highlighted that the two procedures, government or World Bank are quite different and as such it would be best to clarify and confirm exactly what is required with the World Bank. The MSG members agreed to this. A civil society representative enquired about whether there would be any impacts on this process if a potential local independent administrator, such as U Win Thin, were selected. The representative of the EITI International Secretariat replied that it depends on the agreed selection procedures and World Bank procurement guidelines.

In discussing the draft TOR for the Independent Administrator, the MSG agreed that the report should focus on financial year 2013-14 given that audited accounts for 2014-2015 would only be available in October 2015 (i.e. at least 6 months after the end of the financial year). In terms of the margin of error for the EITI report, the MSG agreed that this should be 5%. The MSG also agreed that the TOR for the scoping study should include a request for 5-year 'reporting roadmap' to be included, of which sectors/sub-sectors and revenue thresholds MEITI could slowly include incrementally over the coming 5 years.

A civil society representative proposed a methodology and criteria for the MSG to agree on priority sectors for the scoping study. The MSG discussed this for a while, and finally they agreed to follow the proposed scoring table. The MEITI Coordination Office will follow up this action with MSG members, and then send this to MSG members.

With regards to artisanal and small-scale mining (ASM) being included in the contextual information of the report, a government representative suggested that the classification of small scale should be replaced by formal/informal given that it will be possible to collect information from legal enterprises but not possible to do so from illegal enterprises. A discussion on the potential formalisation of the ASM sector followed. Finally it was agreed to combine the two relevant sentences in the draft TOR.

Next, the proposal in the TOR that the contextual information should include an 'assessment of major CSR programmes and an analysis of social development funds at the state/regional level' was discussed. MSG private sector representatives confirmed they would be pleased to disclose such information in principle but highlighted that if detailed data on every project would be required then this would be very time consuming. The EITI International Secretariat representative noted that there are two aspects of social payments in EITI reporting - the first relating to mandatory payments agreed within the terms of a company's contract. In this case, the amount of money spent and information on activities carried out must be included in the EITI report. The second type relates to voluntary local activities and contributions. These are also referred to as a type of social payment under EITI requirement 4 and are generally termed as 'Financial Value of Services'. After some discussion among the members, it was agreed that the word 'overview' should replace 'assessment' in the draft TOR given that this section of the work refers to contextual information for the EITI report only and that this data will not be reconciled in the report.

In the second session of the meeting, the MEITI Coordination Office Senior Programme Coordinator presented a brief outline of discussions in the Communications and Outreach Sub-committee meetings. These included discussions on the procurement of an expert to help design a communications strategy, the preparation of EITI outreach events including tentative dates, and the potential structure and objectives of the proposed sub-national coordination units, including which possible states and regions these should be in. The chair confirmed that he agreed to the concept of piloting sub-national coordination units. There was a discussion around which states or regions would be most appropriate. It was suggested that these pilots should be endorsed by the President's Office in order to be credible and

viable at the sub-national level.

Different options for communication channels and authorisation processes were discussed in some detail. The Government representative highlighted that communication should be through U Soe Thane in the interest of efficiency. The co-chair suggested that two states or regions be selected for the pilots and that the details for implementation should be discussed in the sub-committee meetings. The national coordinator noted that irrespective of the proposed sub-national coordination units, EITI workshops and outreach events still needed to be carried out at the sub-national level. He suggested that 4 sub-national coordination unit pilots be selected out of the total of 9 proposed by civil society representatives, and in this way lessons could be learnt from the comparative strengths and weaknesses. He suggested that implementation of these should be underway before the next MSG meeting.

There was a discussion about the revised draft budget for the MEITI workplan and MSG members were asked to review this and send their comments to the office within one week. The national coordinator suggested that representatives should favour the activities outlined for the World Bank MDTF grant first, and then consider second priorities. A civil society representative asked whether the government would contribute any budget to the workplan. The national coordinator replied that there was no government plan to contribute funds to EITI yet, but confirmed that there are other development partners who have expressed an interest in contributing. A civil society representative commented that payment for the reconciler/independent administrator could be calculated as a percentage of total amount of money audited; therefore, a fixed payment of USD 200,000 might not cover the cost. The EITI International Secretariat representative responded that payment for the reconciler would usually be calculated based on sectors to be included in the report and confirmed that the estimated calculation in the current workplan was estimated based on experience in other countries. The civil society representative suggested that a sub-committee meeting should be called to review the budget again, including a calculation both for the MDTF and for other donors.

### 3. Civil Society Discussion Point

A civil society representative raised concerns about their enabling environment, in particular relating to a recent multi-stakeholder outreach event in Mandalay, which had included a visit to a mine in Wet-The village. Next, the civil society representative called for the government to release those imprisoned for extractive-industry related activities. They pointed out that these imprisonments damage stability and distort the national image (cases mentioned include the imprisonment of a college girl at Letpadaung, the 10 year imprisonment of Chin people relating to an arson attack on the Chinese company building in Am Township etc.). The civil society representatives urged the government to release these prisoners. A civil society representative then mentioned challenges they had faced in holding EITI workshops in Naungtayar, where they had received threats relating to their support of local people.

The national coordinator suggested they present their request to the Committee of Scrutiny of Political Prisoners, and highlighted that the government has developed a mechanism to address these matters. The civil society representative acknowledged that while these imprisonments did not directly relate to EITI, the MEITI MSG could be very helpful for addressing such matters. The civil society representative then mentioned various meetings that were being held with mining companies and planned meetings with oil and natural gas companies, with the aim of building trust and the ability to cooperatively resolve problems at the bottom level. He requested continued cooperation and thanked the organisations who have cooperated so far.

In terms of the date for the next MSG Meeting, MSG members agreed that this should tentatively be set

for 5<sup>th</sup> December 2014.

Finally, the meeting was successfully closed by the Co-chair at 4.45pm who thanked all the attendees for their participation.

#### 4. Agreed Actions for Follow up at Next MSG Meeting

What	Who	When
<p>Four MEITI sub-national coordination unit pilots will be established in Magwe Region, Mandalay Region, Shan State and Rakhine State within the next 4 months.</p> <p>A detailed discussion, preparation and planning for the sub-national pilot implementation process will take place at the next Communication and Outreach sub-committee meeting and the letter to U Soe Thein will be followed by MEITI Coordination Office with the coordination of sub-committee after there will be the detail program and procedure from sub-committee.</p>	MSG Members, Sub-committee Members and MEITI Coordination Office	Within the next four months
MEITI Coordination Office will follow up the scoring scoping table of MEITI scope proposed by the Civil Society.	MEITI Coordination Office	
A draft TOR for a Communications and Outreach Officer, and a Communications consultant (who will develop the MEITI communications strategy), will be prepared and shared with the sub-committee and then the MSG for any feedback or comments via email.	MEITI Coordination Office	By the next sub-committee meeting
<p>Tentatively, the next Technical and Reporting Sub-committee meeting will take place on 24<sup>th</sup> October</p> <p>Tentatively, the next Workplan and Governance Sub-committee meeting will take place on 31<sup>st</sup> October</p> <p>Tentatively, the next Communications and Outreach Sub-committee meeting will take place on 3<sup>rd</sup> November</p> <p>Note: MEITI coordination office will send the invitation letter in advance.</p>	Sub-committee Members	
MSG representatives to send their comments on the revised budget for the workplan by 13 <sup>th</sup> October.	MSG Members, Sub-committee Members	Within one week
MEITI Coordination Office to confirm World Bank	MEITI Coordination Office	As soon as possible

MDTF procurement procedure and report back to MSG	Office	
The 7 <sup>th</sup> MSG meeting will be held on 5 <sup>th</sup> December in Yangon (subject to the chair's approval). MSG members will be informed two weeks advance of the meeting.	MEITI Coordination Office	

## Participant List

### Chair

Dr Maung Maung Thein, Deputy Minister, Ministry of Finance

### Co- Chair

U Myint Zaw, Deputy Minister, Ministry of Energy

### MSG Members

U Kyaw Kyaw, Director, General Administration Department, MOHA

Dr. Nyi Nyi Kyaw, DG, Department of Forestry, MOECFAF

U Win Htein, DG, Department of Mines, MOM

U Myo Myint Oo, MD, MOGE, Ministry of Energy

U Soe Naing, Director, IRD, Ministry of Finance (alternate)

U Than Htay Aung, Director (Finance), MOGE (alternate)

U Zaw Naing, Deputy Director, Budget Department, Ministry of Finance

U Nanda Win Aung, Deputy Director, Department of Forestry, MOECFAF (alternate)

Mr. Xavier Preel, General Manager, Total E & P Myanmar

Mr. Terence J. Howe, Country Manager, MPRL E & P Pte. Ltd

Mr. Song Huaiyu, Country Manager, Goldpetrol Joint Operation Company Inc.

Mr. Li Zhong Hua, Myanmar CNMC Nickel

Mr. Andy Tin Win, PC Myanmar (Hong Kong) Limited (Alternate)

U Kyaw Zin Htun, MPRL E & P Pte,Ltd. (Alternate)

U Aye Lwin, General Secretary, MFMA

U Aye Thwin, Goldpetrol (Alternate)

U Tin Thit, Sein Yaung Soe

Dr. Kyaw Thu, Paung Kuu

Daw Moe Moe Tun, Green Trust (POL)

U Win Myo Thu, Eco Dev

U Khine Kaung San, Wonlatt Foundation

U Thant Zin, Dawei Development Association (DDA)

U Htun Myint Aung, 88 Generation

U Wong Aung, Shwe Gas Movement

U Alex, Karen Environmental and Social Movement Network

U Andrew Thaotung CNRWG (alternate)

U Aung Kyaw Moe @ Ko Moe, NGSS (alternate)

### **MEITI Coordination Office**

Dr. Zaw Oo, MEITI National Coordinator

U Min Zar Ni Lin (Deputy Team Leader)

Daw Kay Thi (Senior Program Coordinator)

Daw Soe Nandar Linn (Research Associate)

Ms. Emma Irwin (MEITI Technical Adviser)

U Aung Phyto Kyaw (Research and Outreach Officer)

Nan Kyi Hsut Wai (Research and Outreach Assistant)

Daw Khin Nyein Nyein Mon (Admin and Logistics Officer)

Daw May Sandar new (Admin Assistant)

### **Observers**

Ms. Dyveke Rogan

U Sun Win, Assistant Director, MOF

U Naing Htun, Staff Officer, MOF

Daw Tin Su Su Mar (Pyoe Pin)

Salai Lung Lian Thaug (Pyoe Pin)

U Min Han (88 Generation)

Daw Tar Yar Maung (MATA)

U Thura (MATA)

U Ko Ko Lwin (NRGI)