

PRE-VALIDATION MULTI-STAKEHOLDER GROUP (MSG) WORKSHOP ON THE DRAFT VALIDATION TEMPLATES

Date: 9th – 10th March, 2022

Venue: Tuhava Resort, Central Province

ATTENDEES:

Government

1. Mai Kuraya – Department of Finance (DoF)
2. Gilmister Ben – Department of Treasury (DoT)
3. Arnold Lakamanga – Mineral Resource Authority (DPE)
4. Albert Kenny – Internal Revenue Commission (DPE)
5. Channan Kumalau – Department of Petroleum & Energy (DPE)
6. Vicky Coleman - Department of Petroleum & Energy
7. Samuel Tobung – Department of Petroleum & Energy
8. Nancy Kavu – Conservation & Environment Protection Authority (CEPA)
9. Lemeki Illa – Auditor General's Office (AGO)

State Owned Enterprises (SOEs)

1. Fabian Kuias – Kumul Petroleum Holdings Ltd (KPHL)
2. Osbourne Karmie – Kumul Petroleum Holdings Ltd (KPHL)
3. Fairlilyne Aiwa – Mineral Resource Development Company (MRDC)
4. Jeffery Tom – Ok Tedi Mining Ltd

Industry

1. Cornelius Soagai – Santos
2. Maryline Santana – Total E & P Ltd
3. Monica Rau – Harmony Gold Ltd – Online

Civil Society Organizations (CSOs)

1. Henry Yamo – Consultative Implementation & Monitoring Council (CIMC)
2. Molinda Sopom – PNG Resource Governance Coalition -
3. Stephannie Kiriwom – Sawong – Center for Environmental Law and Community Rights (CELCOR)

Validation Coordinator – Ernst & Young PNG

1. Leonard Catalon
2. Fidelma Jeka
3. Rowina Belapuna – Online

EITI International Secretariat

1. Gay Ordenes – Online
2. Emanuel Bria – Online
3. Alex Gordy – Online

PNGEITI National Secretariat

1. Lucas Alkan
 2. Christopher Tabel
 3. Sonia Kenu-Becks
 4. Sarita Peai
 5. Naomi Puipui
 6. Francis Diakon
 7. Oliver Maingu
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1. OVERVIEW OF THE PRE-VALIDATION WORKSHOP

The pre-validation workshop was a 2-day program from the 9th to 10th March 2022. Day One (1) workshop commenced in the evening from 3:30pm to 8:00pm. The main activity was the reviewing of the Stakeholder Engagement and Outcomes and Impact Templates respectively. For Day two (2), the workshop started in the morning from 8:00am to 3.00pm. Then the evening session began at 4.00pm and ended at 6:00pm

- a) Session one (1) – Commenced at 8am – 3:00pm to basically review the comments made by International Secretariat from the Day one’s evening workshop on the above-mentioned templates; and
- b) Session two (2) – Continuation from Day one (1) on reviewing of the Transparency Template.

The purpose of the workshop was to review the draft Validation Templates and gather stakeholder inputs on the identified gaps/areas that needed to be addressed.

2. INTRODUCTION AND WELCOME REMARKS

The Day One (1) evening workshop discussions were opened up by way of few welcome and introductory remarks by the lead officer – Sonia Kenu-Becks for this Validation Exercise then followed by an introduction of each of the participants. A brief overview of the new validation model and the templates were briefly explained basically on the validation templates and how to fill the templates specifically the Stakeholder Engagement and the Outcomes & Impacts templates. The Validation Coordinator stressed that there has been working progress with the MSG and the National Secretariat on these templates and this will continue until the templates are finalised and submitted to the International Secretariat by the 31st of March, 2022.

Head of National Secretariat Mr. Lucas Alkan made a few remarks and briefed the MSG members on the results of the first Country validation and he continued talk about what is expected of the upcoming second validation which is scheduled to commence on the 1st April, 2022.

3. DISCUSSIONS

• DAY ONE (1) WORKSHOP

The EITI International Secretariat Team dialled in at 5:00pm. The discussions on the Stakeholder Engagement Template continued on, followed by the Outcomes and Impact Template. The Validation Coordinator, Ernst & Young commenced the session by going through the first template; Stakeholder Engagement Template and the International Secretariat Team provided their comments in each of the sections of the templates that required further information/clarification and what is in progress to address the issues identified. The EITI International Secretariat emphasised that

documentation of the process in addressing the gaps is very important in this exercise. The discussions (comments/responses) of the Stakeholder Template are enclosed as an attachment to this minute – refer to comment section of the template.

Mr. Alkan responded to EITI International Secretariat comments with regards to MSG oversight and decision-making in the MSG meetings. He gave a quick snap-shot of the PNG context and how it is different from other EITI implementing countries. For PNG, getting the Minister to chair at least one of the MSG meetings is very difficult, even Heads of Government entities. Many of them have prior commitment hence they delegate technical officers to represent them in the meetings. , The same technical officers directly responsible for providing data for the PNGEITI Reports. . This has been the normal practise. Not sitting in meeting to provide the oversight does not mean that the Government is not in support of EITI implementation. The EITI implementation is a government -initiative and will be supported fully by the government. . Since its inception in 2015, the PNGEITI has been funded through the PNG National Budget’s annual allocations. This shows the PNG government’s commitment and support to this initiative.

Followed by this Alex Gordy, Technical Director of the EITI International Secretariat gave a brief overview of the Validation Procedure (<https://eiti.org/document/2021-eiti-validation-procedure>). He also stated that the validation will be using the 2019 EITI Standard, however it is the Validation Model that has changed. The new Validation process is quite extensive and more comprehensive in terms of seeking stakeholder views and will reward the countries on the effectiveness and sustainability of EITI implementation (<https://eiti.org/validation>). He also emphasised on the sections that are optional; it is critical to fill in those sections as much as possible because those sections will add to the overall score-card (those one (1) points will be added to the overall scores and make up the 10points of the overall scores for each country).

The Outcomes and Impact Template was also discussed in the similar manner. The discussion was captured as International Secretariat comments on the section of the Outcomes & Impact template/document. Refer to attachment to sight these comments.

In response to the EITI International Secretariat’s comments on the Outcomes and Impact templates, Mr. Alkan highlighted a challenge with the PNGEITI National Secretariat which is currently short staff. It has only seven (7) staff and it is implementing several projects that run simultaneously, aside from implementing gaps identified from the 2018 Validation. The other challenge to note also is that, EITI implementation in Papua New Guinea is on voluntary basis and not mandatory. As a result the reporting entities are often reluctant to fully comply with EITI reporting requirements; as well as timeliness in submitting data and comprehensiveness/completeness of data provisioned for the purposes of the EITI country report.

The comments were noted by the EITI International Secretariat. The team responded that PNGEITI can at least document ways forward or steps it took, or will take to address the gaps.

Without further discussions, Day One (1) evening session ended at 8:00pm.

- **DAY TWO (2) WORKSHOP**

Day Two (2) Session One (1):8am – 3pm

The workshop began with a word of prayer, followed by a brief outline of the day’s program. Ernst and Young went through the Stakeholder Engagement and Outcomes & Impact templates. The stakeholders were divided into their respective constituencies (Government, SOE, Industry and Civil Society Organization) to go through the template and provide their response to the respective sections on the templates. The group exercise/discussions were aimed to get the stakeholders feedback and inputs for the required sections. The discussion on the two templates were continued for an hour. The constituencies were then asked to present a brief overview on the responses written on the templates. Mineral Resources Authority (MRA) was the only entity that did a brief run down on their inputs. The rest said they

would email their feedback that same afternoon or on the next day which was Friday. Industry was the only group that requested additional time. They requested to submit their response the following week Wednesday.

Mr. Arnold Lakamanga of MRA provided the following responses; Reviews of the Memorandum of Agreement (MoA) for Mining Projects - The PNGEITI National Secretariat is currently participating in the Project Development forums and MoA reviews. Meeting minutes need to be provided. NS officers who attended the MOA forums/reviews, need to provide report or minutes of the meeting to be filed as a reference document.

- MRA has a corporate plan in draft form from 2022-2027 – five key deliverables – one of those is to build up provincial offices (Transparency). Main objective is to ensure to report directly to MRA or PNGEITI in terms of sub-national payments.
- Direct link of the MRA tenement System is the public version of the tenement's information. It was resolved that MRA will provide the link to PNGEITI National Secretariat.
- Geological data is also online and is managed by MRA. The data portal is hosted in Japan, but is administered by MRA in Papua New Guinea.
- Constant interactions between MRA & PNGEITI NS builds that strong working relationship. Going forward Statement – MSG liaison with Govt entities.
- Gender – MRA considers gender seriously. There are about 4 MRA officers engaged in EITI matters and EITI reporting, from the 4, 1 is a female (gender representation).
- Strategic awareness and outreach activities include EITI Report distribution - MRA distributes EITI reports during its roadshows, both domestic and international workshops.

Most of the members in attendance needed time to provide the required responses, hence it was resolved in the meeting that:

- i) The Government and Civil Society Stakeholders to submit their response/inputs to the National Secretariat on Friday 11th March 2022; and***
- ii) The Industry Stakeholders to provide their response/inputs by Wednesday 16th March, 2022.***

Ernst and Young requested to have a final Technical Working Group (TWG) meeting before the submission of the final dossier to the EITI International Secretariat. The purpose of the meeting is to collect any outstanding feedback and responses from the stakeholders before finalization of the Validation dossier. It was proposed that the TWG meeting will take place a week before the submission date. The Secretariat noted the request, and resolved to advice on the date of TWG meeting via email circulation. .

The session continued with the presentation of the 2018 Post-Validation 14 corrective actions – A Matrix Update by the National Secretariat. The objective of the presentation was to update and remind the TWG members of the requirements that needed more work and improvement on - with regards to each of the requirements relating to their entities. During the presentation and discussions, generally from the feedbacks provided, it seemed that most of the 14 Corrective Actions were resolved. A couple were partially implemented in terms of addressing gaps.

- iii) One resolution was reached under the 2018 Post-Validation Matrix discussions; it was agreed during the discussions that the Auditor General's Office Resolved to provide the list of Audited Books for entities reporting for EITI purposes to EY for the 2020 PNGEITI Report.***

Most of the discussion points for each of the requirements are detailed in the matrix attached for your noting. Refer to attachment – 2018 Pre-Validation Matrix.

The workshop was called for an hour recess and reconvened at 4:00pm for the second session with the EITI International Secretariat on the Transparency Templates.

Day Two (2) Session Two (1): 4:00pm – 6:00pm

The session commenced with Emanuel Bria, Country Officer- Asia of the EITI International Secretariat giving an overview of the Transparency Template. Followed by Gay Ordenes of the EITI International Secretariat who highlighted the eight (8) Corrective Actions areas that were rated inadequate. This was to bring it to the attention of the MSG and to discuss ways to address or improve on the requirements. . She added that in the case that the requirements are not fully addressed, Papua New Guinea through the MSG and the National Secretariat can at least state progress or steps taken to address the gaps. She also emphasised that the progress needs to be documented as evidence that MSG made efforts to address the need areas or has discussed and endorsed plans to address going forward. She also added that documentation is very important in the process.

The responses and comments are captured on the 2018 Pre-Validation Matrix Update and is enclosed for reference.

Members were informed that the other 6 requirements in which PNG was rated satisfactory and meaningful were not included for discussion, however the EITI International Secretariat would provide comments later via email.

Without further discussions, Head of Secretariat Mr. Alkan thanked the participants for their participation and closed the workshop at 6:00pm.



LUCAS ALKAN

Head of PNGEITI National Secretariat