

PNGEITI MSG TWG PRE-VALIDATION FINAL WORKSHOP

Objective: MSG TWG FINAL REVIEW of the validation templates

Venue: Treasury Building, Level 5

Date: Friday March 25, 2022

Time: 9.00 am to 4.06 pm

ATTENDEES:

Government

1. Arnold Lakamanga – MRA
2. Channan Kumalau – DPE
3. Samuel Tobung – DPE
4. Albert Kenny – IRC

Industry

1. Prof Albert Mellam -Chamber of Mines and Petroleum
2. Jeremy Mogi – Chamber of Mines and Petroleum
3. Cornelius Soagai – Santos
4. Joshua Kais – New Crest
5. Megan Kinowin – New Crest

State Owned Enterprises

1. Osbourne Karmie – KPHL
2. Jeffery Tom – Ok Tedi Mining Ltd

Civil Society Organisations

1. Henry Yamo – CIMC
2. Yuambari Haihuie – TIPNG
3. Molinda Sopom – PNGRGC

Validation Coordinator – Ernst and Young

1. Fidelma Jeka
2. Rowina Belapuna – online

PNGEITI National Secretariat

1. Lucas Alkan
2. Christopher Tabel
3. Oliver Maingu
4. Sarita Peai
5. Sonia Kenu Becks

9.45 am - The workshop began with a word of prayer by the Chair - Mr. Oliver Maingu.

After the prayer Oliver brought to the attention of the members the Stakeholder list and schedule for the validation. He said that it was in draft but needed to be endorsed by the MSG TWG members. He said a copy was also sent to the International Secretariat for their review. They should respond with a finer detail after they receive the validation templates as the consultation will be based on the responses provided in the three templates. The stakeholder consultation during the validation process is a one-on-one interview and consultation that the international Secretariat will have with members of the MSG. They may choose to speak to all members or to only a selected few on the listing

Way forward: The draft list and schedule of stakeholders for the validation is noted by the MSG TWG for further review and confirmation.

Head of National Secretariat Mr. Lucas Alkan made a few remarks. He acknowledged the attendance of the MSG TWG members. He made reference to the last workshop held at Tuhava and thanked the members for their responses during the workshop as well as over the last few days. He reiterated that this workshop was purposely to gather more feedback in the form of interview as there were still sections that needed more information.

He also informed that after the workshop the templates would be reviewed against information collated and prepared to be submitted to the International Secretariat on Monday, 28th for a final review. The transparency template is being reviewed by the validation coordinator and by Monday, they would present it to the National Secretariat.

After those few remarks Mr. Alkan opened up the workshop for the presentation and discussion of the draft templates.

Before the presentation of the templates, the members did a round of introduction.

Prof Albert Mellam from the PNG Chamber of Mines passed on apologies for the Manager Project Leah Warupi Morlin, who couldn't make it.

Mr. Channan Kumalau of DPE also gave apologies for his team members Vicky Coleman and Jennifer Kapi, who couldn't make it due to other commitments.

After the introduction Mr. Alkan asked the members to speak should they have comments, feedback or need further clarification. There wasn't any feedback.

When the presentation was about to start Sonia informed the members that the sessions would be recorded. It was noted by the members.

1. Session on the Stakeholder template

Part 1 – MSG Oversight

In this section, most of the comments raised was relating to the members attendance to MSG meetings during the period under review.

For instance, Mr. Alkan raised a comment on Koney Samuel's membership and highlighted that the team recheck the meeting minutes on his attendance.

- Mr. Lakamanga also raised that Mr. Philip Samar during his term as the Managing Director for MRA- had been attending the MSG meetings from – recheck meeting minutes from 2017 and 2018.

- Yuambari raised a point on having a separate table for the TWG members, and the TWG to be specified as well.

It was agreed by the members present to have a separate table for the TWG members.

- Prof Mellam made a comment on the typo against Anthony Smare, on the year of his membership, as it's not 2013 but team to recheck meeting minutes to confirm the year.
- Cornelius raised a concern on the use of 'none' under the column for MSG meetings 'attended' as it was not reflective.

It was agreed by most of the members that the word 'none' had a negative notion and opted to have the phrase 'did not attend' instead of none.

Also, on the same note, the validation team informed the members that there needs to be a clear explanation that not all the MSG members are TWG members. A TWG is established to carry out or implement EITI recommendations, and or required projects that supplement the EITI implementation, who then report to the MSG for deliberation and endorsements.

- Mr. Kumalau also added that there was a fine line between the MSG and the TWG, the roles and level of participation.

Resolution:

- It was agreed that the TWG must be reflected on a separate table with specific focus or program areas.

The National Secretariat and EY brought to the attention of the MSG members that commitment is ranked by the seniority of the MSG members, their attendance to the meetings and their power to make decisions.

EY informed that a paragraph was inserted to reflect the current practice by the government where a delegated officer attends on behalf of the Department Head or the Secretary. This is to give a rationale behind what is really being practiced.

- Prof Mellam stated that the explanation written for the Government would be the same for the Industry and the CSO
- Prof Mellam added that PNG had a business culture in place and this is reflected in the MSG member being appointed to represent the company, department and organization, it doesn't mean they're not taking EITI seriously.
- Yuambari also stated the representation and attendance in the MSG meetings is mainly by the TWG members
- Cornelius stated that if it was a requirement under the EITI Standard that MSG meetings must be attended only by the 'Senior or Departmental heads, Managing Directors, then this could have been emphasized and we would have had this very senior people sit in the meetings. However, he said most of the MSG members that attend the meetings are managers and team leaders in their respective professions. They may not be the MDs or the CEOs but they are leaders in their own rights.
- Cornelius - though much is in question about the 'commitment level' the PNG Government has been committed through funding - allocating funds annually for the EITI implementation and the process since its inception.

Resolution:

- The table to reflect all MSG members – current and former to reflect MSG members participation and attendance to meetings

- Those that were replaced or moved on internally can be reflected in the next section - table
- Reword the response – on the seniority/representation to reflect the whole MSG
- Differentiate between MSG and TWG, have a different section for the TWG
- Include an explanation on the merger of Oil Search and Santos.
- Include an explanation as well on the 'alternate' member change – to reflect internal replacement or movement.

Member participation in meetings during the years 'under review'

MSG nominations

Following are comments to consider for further review under membership/attendance/replacement

Government

- Include a foot note to capture the Treasurer/Department of Treasury's re-delegation of Membership/ Alternate playing the role of the Chair
- Recheck meeting minutes for the participation of previous Treasurer/EITI Chair Charles Abel
- A typo on Christy Tende from Department of Treasury– double representation in the table
- Jennifer Jonathan of IRC was a member attending meetings but since 2019 she was moved internally
- Mathilda Liplip was also with IRC attending meetings but has since moved on (left IRC) in 2021
- Philip Samar as MD for MRA attended meetings, recheck and include
- IRC identified a Typo – Betty Palaso is replaced by Sam Koim and not 'David Manau' as is written in the template.

Industry

- Greg Anderson was Executive Director for the Chamber of Mines and Petroleum but left in 2018 (recheck for his attendance)
- Emmanuel Powh was formerly with Chamber and also attended meetings – that can be rechecked
- Jimmy Yareba was formerly with Chamber– recheck date of MSG meeting attended
- Joseph Sumanop (has moved on from Oil Search in 2020) however, while there he attended Legislative TWG meeting in 2019, recheck his attendance for MSG meetings as well
- Recheck Phillipe Blanchard for the MSG meetings he attended in the period
- Richard Kassman has not left Total E&P – that was an internal move/he is now the Full member/Total E&P
- Newcrest – Full member is now Tim Bryson (he replaces Stanley Komunt), Alternate is Megan Kinowin (she replaces Joshua Kais) to be noted as changes took place in March 2022

SOE

- Debra Lessie was formerly with OK Tedi and attended a Validation TWG workshop in October 2019
- Ursula Pargin from Ok Tedi also attended a TWG Validation workshop in 2020

- Recheck records again for Glenda Kiari of Ok Tedi who attended an MSG meeting
- Peter Graham to be listed as a full member in the period as MD for Ok Tedi. He left the company in 2019
- Amend Roberto Justo's position to be amended to 'Principal Finance' (need to recheck notes from Jeffery Tom)
- Also, to note that Ok Tedi Mining Ltd is reporting as an SOE and not Industry.
- Gereia Aopi exited Oil Search in 2020 and Leon Buskens took over in that same year 2020
- Greg Hearnly former CFO for KPHL was attending meetings but has moved on in 2021
- Tim Baiyo has left KPHL and is replaced by Mary Buza (need to confirm name with notes from Osbourne KPHL)
- Newcrest also stated their members attendance for the period – recheck (Anna Madgewick and someone else)
- Peter Aitsi would be representing Newcrest during the period under review, esp. 2017. He only became TIPNG President in 2018
- Arianne Kassman – is now the Chief Executive Officer TIPNG (title to be updated)
- Yuambari Haihuie also attended a few TWG meetings – recheck and re-capture
- Lawrence Stephens former TIPNG Chairman– recheck meetings he attended for the years 2017 and 2018
- CIMC – Wallis and Elizabeth are both females as opposed to what is written 'male'
- CELCOR – Peter Bosip attended the Legislative TWG meeting in 2019 (recheck meeting minutes)
- Recheck meeting minutes for Martyn Namorong's participation in the MSG meetings between 2017/2018
- Alois Sinen – recheck MSG meeting minutes for his attendance
- It can be captured in the 'replacement' table that Hercules Jim was interim Coordinator for PNGRGC between 2020-2021

Procedure/practice in appointing members to the MSG/TWG

Industry engagement - MSG nomination

- Prof Mellam – there is no fine procedure of appointments for member representation. In practice it has been the Country's Manager's that appoint their officer (s) to represent the company given his understanding and knowledge of the EITI
- Cornelius also shared the same sentiment for Santos - no clear practice for nominations – it basically reflects the line reporting, that dictates who represents the company
- Joshua added that the same applies for Newcrest Mining Ltd

Mr. Alkan also added that the same applied for the Government constituency, which is explained in the template. He said what's stated in the MoU (2013) is not being practiced. That is why the 2017 MoU was drafted to capture what was practiced. The draft 2017 MoU can be referenced to support the current practice by members. The MoU review of 2017 is still in draft form and pending as it wasn't progressed further so the MSG members did not endorse it to be in use, that is why we are still using the 2013 MSG MoU.

Resolution

The 2013 MSG MoU needs to be reviewed to reflect current practice. Need to pick up from the 2017 MoU draft to incorporate the changes discussed here. Note that the MSG

membership is in terms of the individual members and not the organization. Renewal of membership every 3 years is not practical – for reasons being

- It would be an inconvenience for continuity purposes - we can't be changing members every 3 years. It would also be a disadvantage because we could lose the member's interest and the momentum.

Joshua of Newcrest made a suggestion for the NS to establish a standard procedure for membership nomination.

The workshop did not address the following sections under industry engagement

- Liaison with broader constituency
- Use of data
- Obstacles to participation

The workshop went on to address the CSO engagement section

MSG nomination – procedure and practice

- Lakamanga and Mellam both commented on Section 4 - These documents have been drafted ** delete first sentence and start with 'these documents'

Afternoon session - 1.33 pm

CSO Engagement continue

- Yuambari - what was submitted by the PNGRGC constitutes CSO's response. It is also the final response unless there is any other question or comments by the members.
- Items listed with Asterix need to be rechecked to confirm what it stands for.

Liaison with broader constituency

- Section 4 again - the paragraph needs to be re-worded. NS clarified that the question asks CSO to validate MSG's approach to seeking the broader views from stakeholders outside the MSG on the Annual Workplan as well as the outcomes and impact review.

Use of Data

- Yes, the CSO has contributed and advocated EITI data, in outreach programs in 2017 to 2021, despite having financial and capacity constraints.
- Re-arrange – copy 2, question 5 (itemize/ bullet point)
- Include a narration – TIPNG invited the PNGEITI NS to present data/general presentation at the 2019 Mike Manning Youth Democracy camp. Attended by 50 Secondary School students – link it to the PNGEITI newsletter
- CIMC presents information about PNG EITI during the annual national and regional development forums – the most recent forum was held in 2018. Check out CIMC website for newsletter or reports that capture these activities.
- Check website and list the year - CIMC conducted the annual CSO round table meeting in Port Moresby – discussed issues from their respective sectors to be brought to the attention of the members of parliament (check the CIMC website to confirm date). During this meeting the CSO participants from the provinces recommended for the enactment of EITI Legislation in the country.

- Lakamanga raised a point on the 2nd paragraph (under CSO protocol), however it was clarified by Yuambari that the paragraph responded to *requirement 2.4 Engagement*

Signing of the Template

- The National Secretariat and Validation Coordinator will seek further clarification from IS on the signing of the templates – and communicate to the MSG TWG in the following days.

Second half of the afternoon session - 2.55 pm

Sarita presented the updates captured in the 2018 post validation matrix

- License information – transfers, total blocks - compiled by DPE and waiting upload
- Updated the oil and gas tenement map and to be uploaded as well
- License registry – DPE (uploads to be done by Monday 28 March)

Way forward:

Mr. Kumalau (DPE) stated that the above items have been resolved. DPE to establish a sub domain on DPE website to display the license information, registry, license allocation – tenement maps, etc. It is pending a narration background information which will be provided by Mr. Kumalau. He gave his assurance that this will be addressed by Monday 28th and have the data uploaded. He will update the validation team from NS and EY once that is done.

- The same issue on the unavailability of production volume and export value for the oil and gas was raised and flagged at the Tuhava workshop.

Mr. Kumalau raised a point on the difference in unit of measurement being reported by the developer and what is written in the template- the developer uses metric - tonne, but the reporting template requests the measurement in cubic meter.

- This is flagged for EY to review template/confirm if issue has been corrected. Similarly, DPE after the 2019 report publication, raised a request for the reporting template for oil and gas be reviewed by the Independent Administrator. It was raised during a micro training conducted in 2021 by the JICA expert team to the reporting entities right after the 2019 report was published.

On the same note NS raised a couple of questions to MRA

1. Updates from MRA referenced the draft 'Corporate Strategy Plan' which is not yet published and uploaded on the website which might be flagged by the IS validation team.
2. Is the cadastre portal accessible by the general public? EY stated the link provided by MRA was for a portal that required login credentials.

Response from MRA – Mr. Lakamanga

1. The draft Corporate Strategy Plan has not been launched yet hence is not yet uploaded.

Way forward; NS/EY to seek further clarification with IS on the validity or referencing 'draft documents. Also, if NS can follow up with Mr. Lakamanga on the 'proposed date' for the launching of the 'corporate strategy plan'.

2. Mr. Lakamanga reaffirmed that there are actually two portals – one which is available for public viewing and the other which is for the registered tenement holders **only**. He apologized for the link he submitted which was the one for the registered tenements.

Way forward; Mr. Lakamanga will check with MRA IT team for the correct URL address for the online cadastre and submit to NS and EY.

With the discussions, we're flagging the issue on the need for review of the reporting template to reflect the EITI reporting requirements in capturing data. As raised by reporting entities.

- Lakamanga – said the issues raised then, were addressed by IA, and is reflected in the current reporting template.
- Tabel – some of the issues raised under oil and gas data is due to GloCo's stand and its confidentiality clauses. Additionally, it is not a direct member under EITI hence data for oil and gas production has not been fully disclosed - EY to provide insight
- Calculation and reconciliation done by EY are as estimates (value) – EY to provide insight
- Albert of IRC commented that issues raised for the templates, have been addressed by IA. However, all the revenue streams must be reported on – EY and NS to take note.
- Nancy of CEPA submitted their updates for the matrix - on the type of fees collected – there are two types, the operational and the recurrent fees
- Distribution of extractive revenues -most of the issues were resolved under requirement 4.1 - refer to updated matrix.
- Mandatory social expenditure – updates were provided by MRA and are captured.
- KPHL also provided responses on quasi-fiscal– refer to the response captured in the 2018 post validation matrix.

At about 3.30 pm the workshop concluded. The chair did a recap of the sessions and asked the DHOS Christopher Tabel to do the closing remarks.

Closing remarks

Tabel acknowledged MSG TWG members for their participation. It has been a long journey with the current model being used which is very comprehensive and stringent. Thanked all members, including the NS and EY team for ensuring that the documentation is in order. Still a few more work to do to have the templates finalised and endorsed for submission on the 31st of March. All in all, we've managed to come this far despite the challenges and setbacks by the covid-19 pandemic.

Overall Resolution:

The MSG TWG members present at this final validation template workshop were satisfied with all the comments and views captured on the templates that reflected the general view of the three constituencies of government, industry and civil society. They gave their approval for the final document to capture everything that was discussed over the course of this validation process.

Without further or due, the workshop concluded at about 3.45pm.

Chairperson

A handwritten signature in blue ink, appearing to read 'Oliver Maingu', is written over a horizontal dotted line.

Oliver Maingu

Stakeholder Engagement Coordinator