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**PNG EXTRACTIVE INDUSTRIES
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To: Head of PNGEITI National Secretariat & PNGEITI National Secretariat Staff
Deputy Head of National Secretariat, Mr. Christopher Tabel

From: Technical Policy Officer, Ms. Sarita Peai
Procurement Officer, Mr. Francis Diakon

Subject: **REPORT ON STATE TECHNICAL WORKING GROUP (TWG) WORKSHOP ON THE PROPOSED PAPUA NEW GUINEA EXTRACTIVE INDUSTRIES TRANSPARENCY COMMISSION (PNGEITC) BILL AT THE DIXIE'S BANGALOW**

PURPOSE

The purpose of this report is to account for what has transpired during the three (3) days' workshops at the Dixie's, 17 Mile Central Province.

INTRODUCTION

As part of efforts to legally establish PNGEITI as an independent body to sustain its operations in the long term and effectiveness of implementing EITI in-country, the National Secretariat has been undertaking workshops together with the legislative Technical Working Group (TWG) comprising of the Multi-Stakeholder Group (MSG) in the Government, Industry and Civil Society to progress this project. In terms of legislative drafting, either a new legislation or an existing piece of legislation subject for amendments, it is the State's responsibility, hence the State TWG was taken out on this workshop for this purpose.

During a couple of PNGEITC Bill workshops, the PNGEITI National Secretariat noted that compared to other legislative TWG members, the State members had minimum knowledge and understanding of EITI and its relevance to be implemented in PNG with the need to have its own act in place. Consequently, these hindered the progress on drafting of the PNGEITI draft Bill by the State TWG.

Upon these understanding, the PNGEITI National Secretariat conducted a separate workshop on the proposed PNGEITC Bill to broaden the understanding of the State TWG on the relevance of PNGEITI implementation in PNG and clarify its necessity to have an act in place for the sustainability and effective EITI implementation in PNG.

SUMMARY OF MAIN DISCUSSIONS

The PNGEITI National Secretariat conducted a three (3) day workshop from the 16th – 18th June 2021 at the Dixie's Bangalow, 17 Mile, Central Province. The purpose of the workshop is in three-fold;

- i. To sensitize the State Technical Working Group Members (TWG) on the intention of the proposed PNGEITI Bill;
- ii. Finalize the draft PNGEITI Bill in preparation of the upcoming regional consultations; and,
- iii. Develop and finalise the issues paper to bring out for regional consultations.

The workshop was specifically aligned to the aforementioned objectives.

Before going into main discussions of the workshop, the team had a quick run through on the overall outline of the workplan for the PNGEITC draft Bill. The response provided from the State Team was that the workplan is in order even though the National Secretariat has no legal knowledge and know-how on the legislation process. This indicated that the workplan itself captured all the step-by-step processes clearly and had no issues with it, except the timeframe.

The draft PNGEITC Bill is a working progress. The tentative date to complete this important project is scheduled for completion in November 2021 however the State Team advised that the timeline is too ambitious. Legislation drafting itself and securing Certificate of Necessity (CoN.) from State Solicitor and Certificate of Legal Correctness from the First Legislative Council (FLC) are lengthy process that require more than a month or beyond due to processes involved in acquiring of the certificates.

Resolution One (1):

Upon advice from State Team, it was resolved that the timeframe for this project is subject to amendment. A realistic timeline would be possibly from first quarter of next year 2022 or beyond to allow for proper consultation and documentation for submission to State Solicitor.

Resolution Two (2):

Due to the tedious timeline, the State Team also resolved to have a target-based close regional consultation. This is to focus only on the project impact provinces and MOA signatories giving time constraints. Funding constraints is also another factor in giving considerations into close consultations. On the other hand, this is a Bill focused on extractive industries hence the consultations should now focus on the project (gold, oil & gas) provinces only. This will also allow NS to achieve its set completion date of this project.

The team then went into discussing the comments on the draft Bill in preparation for the following day's workshop, drafting and finalization of the draft PNGEITC Bill. The second day of the workshop was focused on drafting of the Bill. A comments/issues matrix is attached herewith for noting.

The third day's discussion were supposed to focus on developing of issues paper however it did not eventuate for the reason being more time spent on finalising the draft Bill, it was too technical and intense and needed more time hence the team could not finalise the issues paper.

Resolution Three (3):

It was resolved that the issues paper will be developed from issues that will be identified during the drafting process. The issues identified will be captured in the issues paper and be brought out for further consultation at the wider TWG inclusive of Industry & CSO Teams and at the regional consultations.

Resolution Four (4):

It was also resolved that the comments/issues provided by the wider TWG (Industry & CSOs) will be noted and deliberated and captured in the Bill after the completion of regional consultations by the State drafting Team.

The National Secretariat (NS) team worked in parallel with the State Legislation Team and had progressed this work. The completion of the issues paper is dependent upon completion of the draft Bill by the State TWG. The issues paper will be circulated for comments before finalization to bring out for the regional consultations. All work in relation to these are in progress. The National Secretariat Team are working towards completing the issues paper before commencement of the regional consultations.

The three (3) days' workshops could not be completed as planned due to the technicality of the discussions surrounding the draft Bill and the time involved in drafting. The workshop ended on a high note at 11:00pm on the 18th June 2021 subject to continuation on the 22nd June to complete going through the whole draft Bill purposely to capture the intention of the NS team in the draft Bill with the guidance of the State Team to domestic the proposed Bill at the same time capturing the EITI global Standards.

Resolution Five (5):

The State Team resolved to complete the remaining parts of the draft Bill to fine-tune it before consulting the wider TWG (Industry & CSO's) to gauge their views/comments on the draft Bill. It was resolved to continue on the 22nd June 2021 at Treasury level 5, conference room.

Resolution Six (6).

It was also resolved at this workshop to have the First Legislative Council (FLC) representative invited and be part of this TWG to provide guidance and technical advice and to ensure that FLC is kept in the loop and aware of this Bill to allow for smooth flow of progress once its subject to FLC's attention for issuance of Certificate of Legal Correctness.

FINANCIAL REPORT OF THIS THREE (3) DAYS WORKSHOP

The expense of hosting such workshops is quite expensive as the host to this event. The expenses catered by the National Secretariat are as follows: accommodation and meals for the duration of the workshop for the participants, incidental allowances for the staff of the National Secretariat, workshop conference room hire + am/pm tea for the duration of the workshop and transport hire for pick up and drop off after completion of the workshop.

Type of Costs	Amount (K)
Accommodation for 4 days	19,800.00
Conference Room (x3 days use) Including AM & PM Tea	11,880.00
Incidental Allowances (x4 officers)	1,120.00
Hire Car for Pick Up & Drop Off only	1,320.00
Total	34,120.00

The receipt of payments attached herewith for verification.

CONCLUSION

- After the three (3) days' workshops, the State TWG members fully understood EITI and its implementation in PNG and appreciate that the NS team coordinated this workshop.

- It was also commented that this workshop on sensitizing the State team should have been conducted before progressing the draft Bill however the efforts of the NS were commended anyway.
- This workshop also provided clarity and gained the support of State Team to assist the NS to provide legal advice and technical support for the duration of this project.
- The State Team also pledged to take ownership and responsibility of the PNGEITC draft Bill till completion.

RECOMMENDATION

It is therefore recommended that content of the report is for noting and resolutions to be implemented by the PNGEITI National Secretariat Team.



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