

Workshop Minutes for MEITI-MSG Multi-Stakeholders Group Workshop

Date of Workshop: From 10.7.2015 to 11.7.2015

Venue of Workshop: Royal Reward Resort Hotel. Pyin Oo Lwin, Mandalay Region

Attendance: representatives from the government (7), representatives from Private sector (4), representatives from CSOs (4), Observers (24), total participants attended (39)

Objective of the Workshop

- Prepare the production of annual progress report/ yearly performance report by reflecting the achievement and lessons learned during the implementation process of Myanmar EITI;
- Revise and complement, as necessary, pending and remaining activities of the EITI Work Plan to be carried out;
- Commonly understand and identify the professional techniques of monitoring by MEITI MSG in implementing EITI activities in accordance with the EITI standards.

Workshop Timetable-Annexed

Discussions on the first day workshop agenda.

1. Vice Chair on behalf of the Chair deliver opening speech

In delivering opening speech by the vice Chair of MSG, he said he welcomes and thanks to the participants attended the workshop and “although the Chair of MSG encourages to successfully organize this workshop, he apologizes the participants because he is not available to attend the workshop due to an important meeting” and I am also going to Chauk Oilfield, so that please understand the situation.

Myanmar was accepted as Candidate Country for International EITI and has now been completing one year period in July 2015, all are collaborating together so that we have reached to some extent. For that thank you all members for cooperation. We have to cooperate to complete some activities still remained. As prescribed sectoral area, the collection of data from concerned departments/organizations have been asked, our ministry as promised to cooperate to complete these tasks and practically we deeply cooperate the tasks to be successful. Some difficulties and challenges we have encountered, on demand of data, the Ministries have been issuing directives to bottom line staff members in order to avoid misunderstanding. The Ministry of Energy has recently faced one situation that the Ministry was asked by an organization for obtaining information mentioning the name of EITI. As Myanmar has officially established the MSG and providing the information regarding the report, our ministry will be cooperating only with the Moore Stephens Firm officially selected by the MSG. If the other organizations want to know the information, the information will be included when the report is disclosed, he clarified and explained.

Besides the participants though they are busy with their work attending this workshop are thankful, you all are invited to deeply discuss the matters and all are requested to understand the fact that the Chair and Vice Chair are not able to attend the workshop full time and then the workshop was started.

2. In presenting the objectives of the workshop, according to the second agenda of the workshop, the MEITI National Coordination Office explained the fact that, there is an arrangement of discussion in reflection for experiences, achievements and challenges during the passing through period by each constituency group. The participants of the workshop are invited to discuss matters openly and independently among them and the introduction session was conducted in order to get the participants acquainted and familiarized.

3. Then Ms. Dyveke from the International EITI Secretariat Office explained the framework of EITI and its related activities, monitoring and value-added links, in doing so:-

In explaining about the enacting of Law, although it has been conducted for the long term implementation in some countries, in some countries they draw it for the institutionalization. Important point is that pre-consideration needs to be made why the EITI Law is to be drawn and it needs to be clear enough. For example in Afghanistan, EITI related provisions are re-added in their Mines Law and Oil and Gas Law. But most of the EITI countries have no specific EITI Law and in most countries, EITI activities have been implemented with the Government's Resolutions or Decrees, she presented.

Regarding the presentation, representatives from CSOs discussed that the drawing of EITI Bill was already put in the MEITI-MSG Workplan and they have encouraged to have the EITI Law in Myanmar. Therefore it was demanded/requested to the International EITI Secretariat to share and exchange their international experiences. The International Secretariat advised that for the time being, emphasis should be put on the production of EITI report. It can be more effective to consider it when the challenges encountered in producing the report and disclosing of IA's Recommendations, it was advised.

Ms. Dyveke presented the general difficulties (Inclusiveness, Representation, Mandates, Participation, Record) encountered by the members of MSGs in other countries.

National Coordinator participated in the course of discussion that Myanmar has been encountering the external pressure, except such point, Myanmar MSG is able to overcome the difficulties and obstacles presented by Ms. Dyveke. Our MSG has given attention to inclusiveness and representation too, it was discussed.

Regarding the Contract Transparency, Ms. Dyveke, in her explanation, said that the disclosure of contracts and license is not the requirement of EITI but it is encouraged and urged. For example, therefore, financial stipulations or social and environmental obligations can be disclosed, it was presented.

Regarding such point, a representative from private sector, in his discussion, said our contracts are straightforward but some terms of conditions need to be restricted. Therefore if

it goes details for the contract transparency, there can be some difficulties in some places. But it needs to be understood and the real difficulties are there according to the economic undertaking point of view, he discussed. He would like to know that if there are other alternatives way about the contract transparency.

A representative from CSOs, mentioned that in the last MSG meeting it was agreed that to describe a little about voluntarily disclosure of the contract, as a parliamentary rule which part should be disclosed and advice can be requested, he suggested that it would be more effective if appropriate deliberation through group discussion be made for the contract transparency.

National Coordinator made a suggestion that an agreement such as disclosure of the cost incurred for the CSR made between the CSO and private company, how the Marketing Strategies are operating, such cooperation and consideration can be next steps to be forwarding, he discussed.

The Vice Chair added to discuss the matter that it is concerned with the stipulated policies, the Ministry of Energy will deeply cooperate in this respect in accordance with the EITI standards. Arrangements are being made for the staff members of the concerned departments in the Ministry to clearly understand the process and in some cases policy instruction will be drawn. He added to discuss the matter regarding the CSR starting from the present financial year 2015-2016, it is included in the State Budget and concerned town, village committee have been formed and activities are being implemented. CSOs have known this and data on the needs and demands from the local residents will be collected and comments from the relevant State and Region Government will be requested to implement these activities. He explained that links have been made to collaborate with other related Ministries. The CSRs being carried out by the companies have now been implemented by the Government Ministry starting this year, he discussed.

Regarding the beneficial ownership, Ms. Dyveke presented that a country should know about this and it is not EITI's requirement, but it is recommended. For example in UK, disclosure of the information regarding the register of Beneficial Ownership, if it takes time for such fact, when preparing EITI report, it can be described the information regarding Beneficial Ownership (for instance- by giving template, like the company and the Government fill up the template).

4. After presentation and discussion about EITI related sectors for the building understanding purpose, Vice Chair expressed his thanks to those who discussed in the course of discussion, he would like to say as suggestion that EITI process objectives have been implementing and it is needed to get investment for the development of Myanmar but the right utilization of natural resources is also needed. Therefore, in Mongolia, the places in land-locked area, they utilize coal electric supply plant for electrification, although the local people get the smell of sulfur, they feel that this is fragrant and they keep the attitude that this is a provision to endure the cold weather. Such local people's concept is that they have given it a priority to development. We would like to share the fact that starting from the youth they make their

steps for the development of their nation. For example, in Norway there have been utilizing full natural resources and there are many examples of shared utilization of resources by generations. Therefore all have been performing with correct utilization. In Myanmar, systematic schemes need to be performed to correctly utilize the natural resources to suit with the conditions of our nation and considering the prevailing circumstances. It is important for the EITI process in good existence so that he would like to urge all stakeholders to cooperate for the development of the nation and he would like request a leave of absence from the afternoon agenda and then the morning part of the meeting was adjourned for a break.

5. The workshop resumed after luncheon, the agenda of understanding on the objective of establishing the Myanmar EITI from individual participant from each table was discussed and presented to all participants.

Then during the passing through period in the past, individual group activities and movement as well as feelings were written on the sticky notes and posted on the time line on the wall in order to review and the participants who wish to provide questions and comments were allowed to write on the flipcharts.

The followings are the summary of the similar activities and feelings during the past period the MEITI has been passing through.

(1) Past performances

- EITI becomes an important, taking under consideration and basic standard for the entire government as a manual;
- EITI prevents the eradication of large corruption cases;
- EITI builds understanding process between the government, private sector and CSOs;
- Conduct Workshop on Formation of Mandalay Sub-National Coordination Unit;
- Carry out outreach activities in the Kayin State;
- Formation of Sun-National Coordination Units;
- Conduct EITI Awareness Raising Training and Site Meeting with (Ministry of Mines);
- Participate in discussions, coordination and cooperation for the production of first Report;
- Form Multi-Stakeholders Group (MSG) and regular table discussion;
- Disseminate the information on resources transparency to the general public;
- Understand more on the problems arising from resources and discover the more problem-solving techniques;
- Explain the EITI process to the Mining Federation by the MEITI Team;
- Clarify the Myanmar Federation of Mining Association members of State and Region about the need to systematically perform the activities of mining;
- Present to the CSOs about the nature of mineral production operations. Similarly, present the weaknesses and strengths of the organizations concerned from the Government;

- Convene 9 times of MEITI-MSG Meetings;
- Conduct EITI Awareness Raising workshops;
- Hold 28th International EITI Board Meeting;
- Improve right of expression in written and verbal of the feelings of everybody;
- Choose the scope of study;
- Convene CSO conference for EITI;
- Share knowledge with other CSOs group;
- Make Leagl Review, Research and Advocacy;
- Hold MSG regular meetings;
- Formulate Workplan /TOR in progress;
- Conduct EOI/IA selection process;
- Provide necessary information to Moore Stephens Firm by the Ministry of Finance in order to timely production of Myanmar EITI Report.
- Conduct Scoping Study Data Collection;
- Reach the level of each group of Government, Private sector and CSOs to have respective group responsibilities representing Multi-Stakeholders Group to achieve Myanmar EITI since December 2012.
- Involve in formulating the Workplan and TOR for MSG and also involve in communication and outreach sub-committee activities by the Private sector;
- Cooperate fully with the Independent Administrator;
- Select a Scoping Study Team;
- Answer whatever questions raised by MATA/COS;
- Involve actively by the CSO in engaging with local communities;
- Form working groups by CSO in various parts of the country;
- Elect CSO in raising awareness on MEITI activities to local activities (communities);
- Conduct EITI discussion in Mawlamyaing and make arrangement to open State/Region Branch Offices;
- Make networking with CSOs at the regional level;
- Conduct data collection in extractive area;
- Attend the EITI Global Forum by the Delegation led by the Secretary of Myanmar EITI Leading Authority and presented the activities of Myanmar EITI;
- Present the right to demand the disclosure of statistics and limitations stipulated by the Laws;
- Study the international practices and activities and present to the heads of organizations;
- Cooperate with the event organizers in public information sharing events for the mineral extractive industries under the title of EITI;
- Perform sector wise activities in balance by the Government, the Companies and the Civil Society Organizations with the same view;
- Increase the knowledge due to holding meetings and workshops.

(2) Feelings

- Increase willingness to serve as a CSO activist;
- Feel happy on increased understanding than before among the Government, Company and CSOs by getting a chance of being a member of EITI Team;
- Build a tripartite balanced understanding and confidence towards the building of a developed nation with the initiative of transparency by making good governance;
- Feel joy and be heartened in the beginning;
- Care must be given to conserve the environment while producing mineral and there will be dangerous if the operation area left without land filling and tree plantation;
- Feel satisfied to contribute suggestions and best practices to MEITI communication activities;
- Feel proud to be a part of the country's efforts to transparency and accountability;
- Satisfy to participate in the work aiming at the fulfilling of majority's benefits;
- Drop tears due to not fulfilling the wishes;
- Feel sorrowful knowing the local residents' feelings when conducting awareness but satisfy to represent them in the EITI activities/events to some extent;
- Obtain the spirit of cooperation, we can start a step to build confidence and collaboration can be made with the meeting of (the representatives from) Government, Company and Civil Society Organizations;
- Satisfy in the same feelings with general public;
- Good, meet the people (I have) never met before, reach the places (I have) never reach before, (I) will boast when (I) arrive back to home village. I do not know what are these?
- Satisfy to involve in the EITI process which is one of the alternative methods to avoid from the resource curse;
- Feel joy towards the working for the benefits of the majority of the people;
- Satisfy in explaining the EITI standards for the people of the State;
- Discuss openly with the representatives from CSO/Company who have been working together in the MSG;
- Get satisfied, the work has been progressing gradually and correctly;
- Feel weary. Be heavy at heart;
- The EITI flower started blooming since December 2012 is now reaching from the sprout-to-be to the sprout and have to prevent and conserve from the heat of the sun and blow of the wind;
- Enigmatic smile;
- Communicate in verbal regularly in between those who have different interests;
- Build friendship and familiarization among MSG members;
- Have expectation of being a member of MSG, become a member after overcoming obstacles, need to gain benefits for the general public;
- Feel excited and proud to be part of MSG in EITI process;
- Feel a bright future for Myanmar's Extractive Industries;
- Have mix feeling. Positive some improvements. Concern? Mis-convince.

- Happy and take pride to get the chance to involve in this process due to the assignment given by the organization though the duties of the mother unit is not directly relevant/concerned to the EITI process;
- Good job;
- Glad to practice this project;
- Establish inter-government with companies and CSO's good relationship;
- Smile unbearably;
- Satisfy to involve and there are many challenges ahead in action plan;
- Reach table dialogues for the same tasks/activities;

Then MEITI Coordination Office suggested, referring the TOR of MEITI-MSG, that to consider in advance if there is any necessary amendment in the TOR and provide comments in this respect in the next day agenda.

Before the time of coffee break in this afternoon, Dr. Zaw Oo, National Coordinator said that he studies the review of activities/movement and feelings of respective group during the past implementation period and found that some are good and strong feeling, some are negative feelings and some with suppressed feelings. Other countries experiences, found some are still remained unfinished yet. New president overcomes with difficulties financially and in terms of natural resource curse. In this kind of case, Azerbaijan is one of the fastest countries in the world to reduce poverty. The accomplishments made in the past are very much satisfactory. There are some comments from the international community saying that the activities of Myanmar EITI are encouraging. It is found that works are done towards the production of the report. As I mentioned this morning, tripartite/ MSG cooperation is good, it is a community for the appearance of resource governance. The situation of Scoping Study is to be presented in tomorrow agenda. According to the experiences of Moore Stephens, there have been good things, there was also data disclosure, they have something confidence and if scattered data and figures can be systematically studied, initial study will probably have positive conditions. I would like to give a good message that Scoping Study report will soon be appeared and report can be produced in timely manner. There are resolving methods if there are obstacles and constraints. Ultimate aim of the report in the next six months period, as a success to overcome resource curse, a GITI will come out due to the success of EITI. What GITI is meant that, entrepreneurs, GITI-Garment Industries Transparency Initiative and it is appeared after EITI and it needs the Government support. The government can support if there is transparency between the employers and the employees and to check whether support is really needed or not? Whether the products are really produced and imported or not as having said? to monitor whether they actually provide for the employees. Through the EITI platform, if we can do everywhere, it can be good governance, I have to attend the GITI meeting at Yangon tomorrow so that it is considered also as the EITI work, expecting to meet you all and he has made a request to allow him a leave of absence from tomorrow workshop.

7. First day, after afternoon tea break, each group discussed matters relating to the challenges and possible solutions:-

The points appeared from the discussion of Government representatives

	Challenges	Possible solutions
Technical and Capacity	<ul style="list-style-type: none"> • Inter-ministerial taskforce strengthening capacity building; • Need for Information Management and Data Sharing Network; • Data regarding mining; • Environment productive: e.g. if synchronizing and establishing between the revenue departments, data regarding resources and revenues from Extractive Industries (EI) be productive; • MOF- EITI fully needed, relevant Ministry need to form working group instead of performing tasks by going around the Ministries. (But implementation committee also needs to be formed) 	<p>To push and reinforce the Ministry wise working committee to be active</p>
Policy	<ul style="list-style-type: none"> • Limitations have been stipulated in the Law regarding the disclosure of particulars of revenues; • With the permission of DICA, a company can do many businesses; • It is difficult, for trade secrets, in the disclosure of contracts; • It is difficult for issuing “certified” in accordance with the Union Auditor General Law; • There is no policy regarding the revenue from extractive industries to allocate expenditures on the basis of income received; • Internal Revenue- limitations as per Law. Methods to overcome, comments from the Union Attorney General’s office, a total of 7 meetings held, (Philippines experience) , amend the Law; • With the permission of DICA, a company can perform many business operations; • MOM, MOG- experience contract disclosure- there are confidential disclosure, it is difficult to immediately disclose; • All have been contracted, it cannot be 	<ul style="list-style-type: none"> • To present to the Union Attorney General’s office; • Prepare the list of companies to be included in the EITI; • If recommendation is made, the appropriate budgeting should be included for implementation

	<p>disclosed, will discuss to disclose those matters which are not sensitive. The Entrepreneur agrees;</p> <ul style="list-style-type: none"> • Moore Stephens Data Collection, it is difficult for the Union Auditor-General to be certified. (law's difficulty); • Can overcome if concerned department make a request; • Extractive Industries revenues, for expenses, the more they earn the more they spend like MOGE, if not earn e.g. religious affairs, social, not received much; 	
Administration	<ul style="list-style-type: none"> • MEITI Coordination Office, to fully perform its duties; • To perform fully its duties as independent office unit to directly communicate and link with all Ministries, the Secretariat be placed to work under the direct command of the Deputy Minister or Chair of the Leading Authority; 	<ul style="list-style-type: none"> • To conduct coordination work between the Ministries; • To make EITI units under the Ministries functioning well;
Political Env't	<ul style="list-style-type: none"> • As all are government departments, perform tasks as directed from upper echelon, no impact affected. 	X
MIC and EITI Issues	<ul style="list-style-type: none"> • Need economic, environment, social harmony; • Revenue is critical, including CSOs, environment, CSR, Law enforcement is weaken, e.g. local governments as well as companies do not know and aware about the Myanmar Mines Law, Myanmar Mines Rules; • Illegal mining operations must be taken legal action; • By abidance by the existing Laws, there will be no need to solve the conflicts. 	<ul style="list-style-type: none"> • To make eye opening on Law, procedures; • To strengthen the responsible businesses

In discussing the presentations of the outcomes from the discussion of the representatives of the Government by the Civil Society Organizations

Regarding the contract transparency, it is understood that it was discussed in the Multi-Stakeholders Group meetings, to perform as coordinated in the group meetings, it was asked and discussed that in making a contract, the contract is void if which points are broken?, how to solve the disputes? and want to know accurately about benefit sharing.

As regards contract transparency, it is aimed that the Union Government will first discuss within the Ministry and then discuss with the companies, when it is performed, it is also aimed at discussing with the Civil Society Organizations. On the discussion about, “although exploration licenses were only permitted, the actual mining operations were made”, U Kyaw Thet answered that there is staff shortage in the Government and the awareness raising activities have been doing for the companies.

The question raised on whether actions are taken or not? And whether study to the mining company would be conducted or not? The representative from Ministry of Mines said that if legal action taken according to the Law, the Ministry needs to sue and our Ministry resolves the complaints when received as much as we can.

U Win Myo Thu from Civil Society Organizations said that regarding the points presented by the companies, although EITI standards, there is no provision for disclosure of contracts, he would like to know the comments from the companies for voluntary disclosure of contracts. For instance which points of the contract may void the contract, if there is dispute in the contract, how to solve such dispute?, he would like to know clear understanding of benefit sharing, there have been natural gas sales, he would like to know if Myanmar needs it, how the company can make and for the use (of natural gas) in Myanmar, how can we do?, he said. In this workshop, we learned about the awareness raising and never discuss about the rules of law, moreover; change cannot happen without mechanism and system; regarding the corruption, it was not found good performance. It should be considered to include how to overcome in order to get the Public confidence, he discussed.

Besides, he would like to know whether there is any restriction on the disclosure of beneficial ownership (for example Global Witness found that jade operator is involved in Coca and recorded in the US Sanction), he asked whether there is legal restriction or not? The representative from the Ministry of Energy explained that they scrutinize and approve the person whether s/he or organization actually resides in the respective country or not and after negotiating and discussing with the National Planning’s, Attorney General’s Office, Auditor General’s Offices, they make a contract. Besides, regarding the production, it is already included in the contract. Sales rate (selling in reduced price with 5 US\$ rate), he explained.

U Win Myo Thu suggested in addition that regarding the beneficial ownership, the investors include in the contract. It is meant that the owners need to be observed to present in accordance with the Law. The representative from the Ministry of Mines discussed in response that, that’s why they discussed the owners/ operators. Action has been taken to disclose the work permits for example at present they have been doing for Magway and attempt has been made to show at website. He shared that it is aimed to open a branch office of the Department of Mining, on 62-32 street at Mandalay.

The representative from Civil Society Organization discussed that there were discussions in the last meeting about contract transparency in the long term and whether it is possible or not for the companies to voluntary disclose (the contract) and discussion from the representative from the Government that it is impossible for contract transparency. Therefore it was not

consistent. If a contract is made, how to solve the dispute if it is arisen, he would like to make initiative aiming for the long term in this regard, he discussed.

The representative from private sector of Mandalay region discussed that welcome from Mandalay, he asks that there are work permits and although exploration work permits (only) were issued for large scale, small scale and subsistence production, it is found that there are actual production operations, why these are happened, he asked. He additionally continued to discuss that there are variance between the permits and actual performance and whether they do not know the Law and he suggested that accurate monitoring work needs to be done. U Kyaw Thet, representative from the Ministry of Mines responded that their Ministry in cooperation with Green Motherland Team organized workshop and invited the mining owners and explained them what they should do, matters relating to “must do and must not do” (dos and don’ts). In Mawlamyaing, the similar discussion was also held, he presented. Therefore, a total of 2000 licenses were given and disclosed to the public and public’s monitoring is also needed to cooperate, he discussed.

Ko Moe, a representative from Civil Society Organization discussed that there are persons who do not know the Law and how to identify and take action those who break the Law? And he would like to know the actions taken. U Kyaw Thet , representative from the Ministry of Mines explained that the Myanmar Mines Law is concerned with everybody, the offender against the Law will be punished and sentenced up to (7) years imprisonment or fine. The Ministry of Mines has taken action. The local community is also requested to acknowledge to the Ministry for taking action. MATA has already known the performances of the Ministry of Mines in this regard, he presented.

The points appeared from the discussion of the representatives of civil society organizations are as follows;

	Challenges	Solutions
Technical and Capacity	<ul style="list-style-type: none"> • Not valid in the CSR and Corporate Structure; • Cannot solve the complaints, no methods of solving formulated, weak in response system; • No Laws in meeting international standard, weak in practical application of the existing Laws. 	<ul style="list-style-type: none"> • Need to conduct Tripartite Study Research; • Need to conduct research on International law and EITI.
Policy	<ul style="list-style-type: none"> • Weak in Law, policy , procedures; • No action in accordance with the Law; • Weak in obtaining public wish in granting license; • Lost local resident’s livelihood sites due to the monopoly of companies; 	<p>Make Laws Research;</p> <p>Push additional amendments making in accurate Laws;</p> <p>Be strong in local</p>

	<ul style="list-style-type: none"> ○ No accurate laws have been promulgated to conduct EIA, SIA, CSR; ● No provision on grievance mechanism which must be stipulated; ● Weaknesses in law and procedures, No Law of practical benefits existed, investors' get advantages from such weaknesses (gas export from Myanmar to China, asking whether there was EIA or not? they said nothing stipulated in the Law); ● Weaknesses in the Myanmar Mines Law-if 10 local residents sign, (license) will be granted-it is not in line with the democracy, the company can give a bribe, even it was not followed; ● Tha-Peik-Kyin-YayHtwet Village-the headman and villagers themselves do not want to implement, the village administrator only acknowledges some villagers to implement (the work); ● No law enforcement, no public opinion in granting licenses; ● For instance, Letpadaung, local residents illegally produce in manual wells, local residents have known what the products? And where are the places? Then the companies monopolize; ● Yay-Htwet Village has gold product and then Myanmar Economic Holdings reached, for local residents, they have less opportunity to legally produce, though local persons are allowed to operate subsistence production in the Law, there are less opportunities and many people have not known such fact. The last breaking news was 300 local residents were sued. The media has known some facts and has not known some facts; ● These are resource curse and need to solve this (problem). There is only provision about conducting EIA, but 	<p>management and monitoring systems</p>
--	--	--

	<p>there is no accurate provision about the how to conduct an EIA. It needs to be conducted by the third party and accept it;</p> <ul style="list-style-type: none"> • Not done in the past, need to do in the future, need to conduct EIA, IEE involved by the public; • Known that CSR has been under implementation, the company must to do, we have known that CSR is just a food for a token, not like such amount, need to implement thoroughly this (CSR) in accordance with the accurate stipulations as required by Law; • According to the 2008 Constitution, there are problems in resource and revenue sharing. And thus there are difficulties in peace dialogue. 	
Administration	<ul style="list-style-type: none"> • Weak in informal communication; • Weak in live movement of SNC Unit; • Weak in knowledge of EITI among the Government, Company and Public; • Weak in production data and Institution; • Granting sub-contracts (whether it is in consistence with the Myanmar Mines Law or not); • Weak in law enforcement; • Weak in implementing CSR (use the funds from the net profit); • Mutual sharing of comments; • Mandalay Unit, none of meeting held, Are local governments and companies willing to work? • Public is weak, a Region level responsible officer and he invited villagers, MATA and he said it is only concerned with finance and revenue, therefore the Government has also had weaknesses; • To avoid resource curse, as described in the TOR, not only the production of Report but also- and about the related activities; 	<p>To thoroughly study the CSR;</p> <p>To ensure inspection before granting license;</p>

	<ul style="list-style-type: none"> • Regarding the production data, whether it is correct or not, concerned, revenue is based on the production data, what is related? Cannot make proper instruction. For instance, in Gold mining works, how many of tickles of gold must be paid, though the license is small scale, revenue charged in fixed size, weak in inspection part, actually they are operating large scale with the use of machineries; • License is to be granted if proper inspection can be done, after granting license, good inspection must be doing. There is a great mistake in terms of policy; • China jade sales law • There is sub-contract, therefore whether the revenue is collected as it is deserved or not? Reach in 2001, then subcontract given to other companies, now giving to the CP, the signboard is Myanmar Economic Holdings, not found Myanmar Sithu signboard, weak in law enforcement and inspection, if the company puts social development CSR cost as their expenses, it will be the grievance for the finance; 	
Political Envt	<ul style="list-style-type: none"> • Due to Union reforms, it is difficult for CSOs to be involved; • Weak in cooperation among the MSG members; • Weak in solving the issues relating to resources planning; • Deterrence in accord with the provisions of Law. 	To enhance cooperation in the MSG
MIC and EITI Issues	<ul style="list-style-type: none"> • MIC stipulates the requirements to abide by the EITI standards; • Grievance Mechanism; • MIC understands the requirements of EITI standards and grievance mechanism, comments and encouragement, it will be good if they can say something after this workshop. 	To invite MIC to the meetings and discussions to be held in the MSG.

After the conclusion of such presentation, representative from the Government discussed that the mining sector development is concerned with all and regarding the Law, there is no provision in the Law to grant license to a group signed by (10) villagers. This is only the comments asked through the Regional Government. Regarding the use of heavy machineries in the small scale production worksite, the authority is under the Department, MIC permit is needed for the large scale production. There are weaknesses in the Mines Law. In the Law, there is no provision of subcontracting. There is an official transfer according to the section 74 of the Mines Rules. In such case, the permission from the Ministry is needed, he explained. The representative from the Ministry of Mines discussed that continuous supervision of the mining sector cannot be performed by the Ministry of Mines alone. There is no allowance/provision for getting application signed by 10 people in the e-government law. Complaints can be obtained from different levels such as Township, District and Region. We have known that there are over thousands of people working in some worksites. But we admit that we cannot perform the supervision job properly due to the staff shortage in the Ministry. This is weakness. In the past, there were no private firms, so there is no consistency in conformity with the situation at present. For large scale production operation, it must be submitted to the MIC. There are definition about (what is) medium scale?, small scale? 20 acres? what are the machineries? Sub-contract is not allowed. It must be submitted to the Ministry. It must be honestly admitted. It would be better to submit the case of the concerned enterprise to the Ministry for clarification, he explained.

U Win Myo Thu discussed about the process that the company will cleverly play its role in the MSG, with a view from the political aspect, there could be various plays in the MSG from the civil society organizations, now there are misunderstanding and always heard the word like that “this is not concerned with the EITI/ out of the EITI standards”. However what the CSOs playing is done according to the EITI standard. By highlighting the objectives No.3 of the TOR “(not only for the report)”, by highlighting the 10 points of the framework, if working for the report, it is not in line with the TOR. He pointed out the page No. 8 of the TOR (to coordinate with the MSG); he emphasized that stop the remaining activities in the process and re-discussion on the TOR needs to be conducted. This must be deeply considered and clarified. If not doing so, we, CSOs will be withdrawing from this process, he said.

Regarding the technical matters, what we would like to ask the company, like to know that the cost of CSR is deducted before tax payment or deducted from the profit before tax. What is the revenue (taxation) law in this regard? Like Myanmar saying, “The Village Head’s Pagoda, Villagers’ Good Deed (Donation)”. Change the Law if it needs to be changed. It needs to review it. He discussed it just for recommendation. He suggested that this is the weaknesses of the Myanmar Mines Law and try to amend the Law is good sign (character) and it needs not only the Ministry but also the State and Region extensively. Besides, he would like to say about the EITI National Coordination Office that though he asked to meet U Soe Thane, it seems manipulation process, MDRI is, not neutral, biased, he has seen that information were blocked from the middle. Besides he said he has seen that MDRI was delaying the process of decentralization.

Daw Kay Thi from MEITI Coordination Office discussed and clarified that it is good to review the TOR, regarding the matter to meet U Soe Thane, as U Win Myo Thu said, according to the TOR, the Secretariat (MDRI) has no power to directly link with the Champion. Therefore as a MSG, official presentation, discussion and agreement need to be made in the MSG meeting and after approval, the Chair of the MSG could directly link with U Soe Thane, she explained. she added to discuss that in the long run, for the fast flow of information and demand from the one side of MSG could be obtained/known from others and get agreement, obtaining advices for better structure and mandate from MSG will be made,. Therefore the Secretariat could not implement the activities which are not yet officially discussed and approved by the representatives from MSG. The demand/ request of the one constituency of the MSG can only be performed by the Secretariat when all members of the MSG get consensus and approved on such demand, she discussed in addition.

U Aye Lwin, in responding the presentations and questions raised by U Win Myo Thu, said the first point is U Win Myo Thu pointed out that “the representatives from Private sector cleverly play its role in the MSG”, he 100% objects on such point. Second point “need to review the TOP, if not (CSOs will be withdrawing from) EITI process”, he 100% objects on that. In doing so, I will also withdraw from the MSG. The weaknesses of the mining operations owners are that the owners do not know what we are going to do. All are suffering from resource curse; in reality it is Economic curse too. I myself as CSO, bridging the government and public, present organizations are changing and cooperate with about 30 Ministries, at immediate present, I help check the illegal import of (3000) vehicles, those opportunists who take advantages from the weakness of the Law, help discover the offenders, 600 million kyats for the nation to get revenue back, he presented this example.

Then U Aye Lwin continued to give an example regarding the members of MSG that, he depicted the layers of the wedding/ceremonial cakes what we have seen. In practical point of view, the bottom layers of cake are made of plastics as decoration and such fake plastic layers of the cake are (Government, CSOs and Private sector) and the upper layer of the genuine cake is the only eatable and essential part EITI. He can present from the company, revenue officially describable and not describable, Ledger, he presented.

But regarding the energy sector, it is impossible to fully disclose in accordance with the business sustainability point of view. Since 1990, PSC system was implemented systematically. There are many rules and disciplines (regulations) for the strengths of energy sector from step by step. However, he worked in DGSE for over three years and he wants to share his teacher Dr. Mg Thein’s saying that “There is no arguable fact about that Myanmar has abundant of resources, but there are not much resources for profitable mining. There are no accurate geological research data on such mining. There are only few commercially thriving mineral deposits explored and discovered by the DGSE for example Maw-Chee, Hein-Der, Ya-Da-Nar-Pon, and for Oil- Chauk Oilfield are internationally famous, he discussed.

He said, there are many difficulties from the mineral operations owners (issues in the document/contractual agreement) it needs to add as necessary after reviewing the TOR.

U Soe Naing, representative from the Internal Revenue Department shared that regarding the donation from the companies, a fund limit is made.

Private sector representatives presented their discussion that:-

- Need to draw up a new law and rules. Before the signing of the contract the companies have to pay the gold. For a gold mining enterprise, when they sold out the gold for covering their expenditures and the wages for the workers/employees, they have to pay commercial tax as soon as they sell their gold. They keep patient on that. Understand the fact that the mineral production is unseen, risky and academic based enterprise. Forest (wood) can be seen on the ground and it is easy to forecast and calculate the profit, quantity of the enterprise. We, the owner of the mineral enterprise, is like an offender, encountered to give explanation at present. Practically I came in EITI as I want to solve the problems together, wrong systems from the various regimes, (please) do not misunderstand on that.
- Sometimes, they are not genuine local residents affected, other migrants from other places make demanding cash and interference to work, I feel by myself as practical, he presented.

Daw Cho Cho Toe, local partner of Moore Stephens, regarding the revenue share her experiences of audit that regarding the CSR, the cost can be spent up to 25% (describe in after tax) so that she discussed that 2% of the net profit to be spent for the CSR now.

Ko Moe, representative from the Civil Society Organizations, discussed that if he local residents are actually suffering grievance, how to solve this problem by the mineral operations owners. U Aye Lwin, representative from the private sector explained that Shan State Government had promised to the local residents to accomplish since 2012 but fail to effectively implement up to now. Therefore the departmental personnel have no authority to effectively perform (their tasks). He answered the question that including the participants attended this workshop and we, MFMA are not able to carry out.

8. As a summary of the first day agenda of the workshop, Ms, Dyveke said she heard many difficulties when discussing and comments were made, so that we should overcome the challenges to be in line with what should be in the scope. As far as she had listened to, she has never heard any single word about what should do for the scoping. Therefore (we need to discuss) what should be included and added. If there is no difference, no need to implement EITI. It is learnt that discussion about matters relating to the scope and what should include is fewer and discussion were more on thinking out of the EITI scope. Sectors, would-be-challenges shall be included in the Scoping. It should be discussed and coordinated the major priorities. Challenges cannot be simultaneously done. My comment on the matter relating to the reporting process, the report is the first stage, I have supported what U Win Myo Thu said “not only for the production of a report”. On the way to the goal, report is only a diagnosis tool to discover the challenges. The would-be-challenges are to be described in the report at first stage and then need to think about how to consider and solve these challenges in the future. She discussed that matters relating to the implementation of recommendations made

by all stakeholders will be included in the report. Besides, she suggested the (3) possible methods. These are (1) document the challenges in the Annual Activity Report; (2) consider how to better solve/overcome these challenges by identifying the activities beyond the EITI Report; and (3) as additional report, paper, research and pacific issues can be written, research reports can be written (for example presenting as a paper about how the license was granted in which criteria in the past, and other countries' practice on how to grant a license? But it is not meant that other countries' experiences can eradicate our challenges and difficulties.) Then the aim of recommendation, what is to be recommended?, she discussed with her suggestions.

Besides, in providing the recommendations to the EITI Report, description of mere difficulties and challenges to be encountered is not effective to implement the EITI implementation, considerations on how to solve and overcome these difficulties and challenges, ways of how to implement need to be discussed, she suggested.

Discussions on second day

1. Regarding the scoping study, the MEITI Coordination Office presented the summary of process and the following points are included:-

- Method of selecting the Consultancy Firm;
- Timetable of Moore Stephens firm and conditions of interviews conducted during present period;
- As the remaining tasks to be continued to perform, the EITI Coordination Office is carrying out to obtain information needed, Moore Stephens Firm will base on such information and draft report will be sent to the MSG for advice and approval and then final report will be prepared and presented, they presented.

2. Then, regarding the duties and responsibilities of Secretariat, international experience and the role of the Coordinator was presented.

3. Discussion is continued, before luncheon, there is a remaining budget (US\$ 290,000) of MDTF to be spent during the period up to December 2015 and need to prepare for the next 3 years budget, out of the activities in the MSG Workplan, based on the experiences gained in the past and the present needs, which activities will be given priority?, how to do?, spend for what activity?, make suggestion, it was explained.

In presenting so, there were challenges and as a major need to go ahead

-Timely production of EITI First Report;

-The future of Secretariat Office, how to effectively function, what will be?

-Review the 2016-2018 situation, what are the priorities?, review the workplan and amend and add as necessary, it was presented.

Then this workshop has time constraints and the main representatives are not included, therefore each constituency group agreed to organize their group meeting in last week of July and in the first week of August to update the workplan, to suggest the organization structure of the Secretariat Office and its authorities and send their suggestions to the Coordination Office. The Coordination Office will update the first draft and discuss at the workplan and governance sub-committee meeting and presented it to the forthcoming 10th Meeting of MSG for approval. The focal persons responsible for holding each constituency group meeting are U Sun Win for the representatives of the Government, Ma Ni Ni Win for Civil Society Organizations; the private sector will also discuss to undertake the responsibility, they discussed and then concluded the second day workshop.

Resolutions

1. Each group will review the MEITI-MSG Workplan and obtaining the suggestions and additions (complements), detail discussions and calculations of cash accounts (budget) will be made at the Workplan and Governance Sub-Committee meeting and then presenting it at the upcoming MSG meeting for comments and to approve.
2. When holding the respective group meeting, for provision of inputs and information as necessary, the Coordination Office comes and supports.
3. Respective groups are requested, according to their wish, to provide the suggestions on the organization structure and its mandates of the future Secretariat