

8TH MEITI MULTI-STAKEHOLDER GROUP (MSG) MEETING

HOTEL ROYAL ACE, NAY PYI TAW

19TH FEBRUARY 2015 (THURSDAY)

Meeting Minutes

MEITI Coordination Office/Secretariat

8th March 2015

Minutes of the 8th MEITI MSG Meeting

Nay Pyi Taw, Thursday 19th February 2015

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

The Chair welcomed the MSG members and made some opening remarks. Chair opened the meeting, stressing the importance of being a fully-fledged EITI member. He noted the tight timeframe for publication of the first MEITI report and asked members to prioritise and focus on the target

The objectives the meeting is to make discussion between MSG representatives regarding the next steps of MEITI implementation, to review on tasks carried by sub-committees and to make decision on the tasks and discussion on the points requested by CSO representatives.

2. Follow up to Actions Agreed at seventh MSG Meeting

2.1 **Senior Program Coordinator** from MEITI Coordination Office explained the status of actions accomplished that agreed at the seventh MSG Meeting such as selection of a company/firm for Scoping Study and Independent Administrator, EITI MDTF fund through World Bank Management and formation of sub-national coordination unit.

Apart from that she reminded to discuss about organizing MEITI press conference on today meeting, which was agreed at 7th MSG meeting

Chair suggest to hold the press after appointing the Consultant for Scoping Study and Independent Administrator.

2.2 Senior Program Coordinator from MEITI Coordination Office informed the about the distributed CD which included Lapadaung Mining Project related information such as Lapadaung draft ESIA report, Lapadaung implementation committee's annual report and tax and royal rates of Ministry of Mines, and about the request letter to Mining Minister from MEITI Coordination Office, to support a meeting between Lapadaung Joint Management Committee and MEITI-MSG CSO.

3. Discussion

Update from Technical and Reporting Sub-Committee

As for the Technical and Reporting Sub-committee, **Deputy Team Leader** presented on the progress of each sub-committee outlined the process so far, stages and current status of the procurement of the IA. The joint MSG/World Bank Selection Committee has chosen 4 firms (out of 7 who submitted Expressions of Interest) to submit detailed proposals by 5th March. It is expected that a firm will be selected and able to start work on the scoping study by the end of March. He requested government representative for preparing data and as for private sector, to inform the joint company for this.

Update from Workplan and Governance Sub-Committee

Regarding the World Bank Multi-Donor Trust Fund (MDTF) and Workplan financing, **the international consultant** gave an update on MDTF (both global EITI and country/Myanmar MDTFs). The global EITI MDTF (USD 490,000 for 2015) will be available in the next 2-3 weeks, while the country MDTF (nearly USD

3.5 million) is being discussed and initial steps are being put into gear for it to be available by the end of 2015. It was agreed to circulate the revised/updated Workplan to the MSG in the next few days.

In addition, **the MEITI Coordination Office** provided an update on the status of the transition of the MEITI Secretariat functions from the MEITI Coordination Office to the Ministry of Finance. Further to Cabinet approval, a formal EITI Secretariat unit has now been established in the Ministry of Finance structure. A team of 4 has been put into place that will soon expand to 10 staff. An office at the Ministry in Nay Pyi Taw has been allocated for the EITI Secretariat unit. The MDRI MEITI Coordination Office team will work closely with the new Ministry of Finance Secretariat team over the coming year and slowly hand over responsibilities. The Yangon office will remain. The 4 new Ministry of Finance Secretariat staff were formally introduced to the MSG and welcomed. **A CSO representative** suggested that the new team should now attend sub-committee meetings also. The MEITI Coordination Office representative responded that this may be difficult for now as they are full based in NPT and just start involved in. However, she confirmed that they will join upcoming outreach events.

3. Update from Communications and Outreach sub committee

As for the update of Communication and Outreach Sub-committee, **Senior Program Coordinator** outlined the 'Outreach Activity Procedure' (procedure to be followed for any outreach activities/events) that has been agreed. She confirmed that two outreach events have been scheduled to take place in the first week of March, in Mandalay and Magway. These events will also aim to establish the sub-national coordination units in these two regions. Regarding the Study Tour to Philippines, she explained the objectives of the trip and expectation of the sub-committee members. Concerning the Grievance Mechanisms, **Senior Program Coordinator** fed back the discussion and outcomes of the sub-committee meeting held on Friday 13 February. She informed the MSG of the sub-committee's proposal: that relevant ministries, specifically MOGE and MOM should encourage companies to establish an operational grievance mechanism (e.g. could write a letter to companies requesting this), and that a Grievance Mechanism should be included as a requirement for future licenses. If companies don't have a GM in place yet then they should be encouraged to do so. Also, how MSG could settle if there were issues. She then posed the wider question of the extent to which MSG members felt this was linked to the EITI MSG. She noted that it has previously been discussed and suggested that the MSG should have a 1 or 1.5 day workshop.

The private sector representative asked what the objectives/purpose of such an MSG workshop would be. There is no point to hold a workshop without clear objectives. **Senior Program Coordinator** highlighted the value of holding an MSG workshop, so that all MSG members are 'on the same page', especially ahead of the Independent Administrator coming to do the scoping study in the next few weeks.

The government representative said that from his perspective, regular MSG workshops are noticeably absent from the process so far. These should take place and raise awareness among MSG and he suggested to invite to other related department especially MIC at the Workshop. As for the study trip, representatives who join the trip should focus studying the experiences of Philippines and suggested sharing theirs at the MSG Meeting.

The private sector representative stressed the importance of the MSG staying focused on the purpose of EITI and of the MSG. Of course, awareness raising and capacity development, especially for government is essential. However he warned of the risk of getting side-tracked. He acknowledged the

crucial role that Grievance Mechanisms play, but suggested that the forthcoming scoping study will highlight which companies have implemented grievance mechanisms or not – and how it is different for each company. He again urged the MSG members to focus on agreed EITI activities and make progress on these.

A CSO representative agreed to hold the workshop and he confirmed that that Grievance Mechanisms should definitely be encouraged. Also, he acknowledged that MSG meetings take place every 2 months and that the MSG must focus on key agreed issues. However, he then raised the question of how these other matters such as grievances will be settled? He suggested that maybe another sub-committee should be established, or MSG members could have a workshop on priority issues such as these.

As for the Press Conference, **the private sector representative** suggested that we should prepare and discuss which information we would like to press in advance. Likewise, **the government representative** urged that the press should be the workshop so that we could answer exactly our EITI Process and beyond. However, **a CSO representative** suggesting it would be better to do this once the scoping study has been completed. CSOs also raised concerns re how much information can actually be disclosed at a press conference and how to solve the questions out of scope. Also, he highlighted that the topic under the discussion of the workshop should be approved by MSG so that he commented on that Workshop was followed by the Ninth MSG Meeting. **Senior Program Coordinator** mentioned that the design and topic of the Workshop will be discussed in the sub-committee meeting and presented to the MSG meeting. **A private sector representative** raised a concern about the quality of local media outlets and that people should be very careful about what is published in the media. He suggested that the MSG should make sure that communications or media people involved in the process should be professional and experienced. **A CSO representative** explained that they had an initial discussion with private sector for Press Conference by the time of designing Workplan. Finally, it was agreed that tentatively the workshop will be held in the first week of May. A press conference could then also be held after such an MSG workshop.

In such the press statement after the MSG Meeting, **Senior Program Coordinator** asked that what should be in the statement and when will release. She also highlighted that the statement should be after the meeting minutes be out. **Chair** discussed that statement should be mentioned in popular newspaper.

The National Coordinator informed the MSG that he had spoken to U Soe Thane regarding the fact that CSOs have requested he (U Soe Thane) attend. Unfortunately he is very busy but has said that will try to come to the next MSG meeting. He also relayed the message that even if he is not present at meetings, if anyone has any message for him they should convey it to him via Dr Maung Maung Thein and (Dr. Zaw Oo). He sincerely apologises for his absence at MSG meetings but regularly requests updates from Dr. Zaw Oo and Dr Maung Maung Thein.

As for the Update from Each Constituency Group, the **government representative** from MOM informed the MSG that having investigated the options for a meeting with the Letpadaung Joint Management Committee (JMC), he has now established that the members of this committee are of a very senior level and are not involved in the day-to-day management of the project. However, the Letpadaung 'Joint Implementation Team' (JIT), which comprises those who are involved in the day-to-day management and 'working level' would be the appropriate forum for a meeting with CSOs and for concerns to be addressed. Concerning with this, he had informed to the Minister.. **A government representative** from MOECAF provided an update on the EITI Reporting workshop for government, which had been held on

10 February at the Ministry of Finance (MOF) by the EITI International Secretariat in collaboration with the World Bank and the MEITI National Coordination Office. **A representative** from IRD explained that his department currently started initiating the SAS System to address 500 Tax Payer with the assistance of American consultant.

Private sector had no updates to report other than MPRL who have been actively participating on the selection committee for the Independent Administrator.

A CSO representative said that he expected to create the coordination body between JIT and CSO. He also stated that there are 4 groups for addressing Lapadaung Issues. He and his group will be carrying out (PAR) next to the mine over the next 4 months, to determine 'what is really going on' and will then publish a report with the compiled information, which they will share with the MSG. They would like to request the MSG to endorse this work. The Chair responded that while CSOs have the right to do this, MSG members are not able to endorse this work, and suggested it best for CSOs to not ask the MSG's 'permission' to begin this 4 month research and observation period.

4. CSO Discussion Point

A CSO representative prepared a list of 14 questions about the Letpadaung project and current situation and distributed to the representatives. The Chair looked through the questions briefly and he stated that he could ask for respective ministries and departments but he could not guarantee for the answer. **A government representative** urged all MSG members to read the documents on the CD that has been distributed. He said that the CD openly includes a very large amount of relevant information, and suggested that all MSG members first read the documents on the CD. CSO could ask the JIT concerning the regular information, and soon after, there will be a 2014-2015 annual report. **Other government representative** stated the Tax System can available on website and other explained that draft EIA/SIA report was submitted to cabinet and soon after final version will be and also the EIA/SIA report was included in distributed CD. **Another CSO representative** 'strongly encouraged' the government to respond to the list of 14 Questions. **Chair** explained that MSG had no authority but the only thing he could do is to pass on the request for information to other respective ministries to coordinate in answering the questions.

Then, a **CSO representative** informed the MSG that there are local villagers at Letpadaung who have apparently been put on a warrant list by the authorities. Their farmland has been fenced over by the mine in the past few weeks without prior discussion. They cannot leave the village because of the warrant list, and cannot tend to their land because it has been fenced in. The villagers' freedoms and livelihoods are being affected, and that means that people involved in this project are breaking the law. The **Chair** responded that breaking the law is a separate issue, and that MSG members cannot be involved in whether someone broke the law or not. Such legal matters are not for the MSG.

The National Coordinator acknowledged that the 14 Questions are very important and should not be treated lightly. With regards to contract disclosure, he stated that while some companies would be happy to disclose their contracts, the inclusion of confidentiality clauses in most contracts means that there are certain issues or information that companies will not reveal. He then urged MSG members to read the contents of the CD and suggested that there was information relating to the Letpadaung contract in the JMC reports included on the CD. He acknowledged the importance of the Letpadaung project to EITI and said that it will undoubtedly be included in the scope of the first EITI report. The **National Coordinator** said that the MDRI MEITI team will do some research on the 14 Questions, in collaboration with

responsible agencies and sent back to MSG. **Chair** expressed that there are two questions which could be addressed by MoF but answer for Question 13 and 14 could not guarantee. **A CSO representative** responded that they wanted to have clear specification of the Question 13 and 14 so that they can take preventative control of the problem in the budding stage in order to let it develop. They wanted to dress how to solve the problem cooperatively. Concerning alternative mechanism, if CSO are willing to coordinate with Team under control of JIT, they can finally apply for permission to Union Minister – thus, being able to build a network.

5. Any Other Business

A **CSO representative** raised a question regarding the production of certain minerals that are then being smuggled out of country. Communities in the area are very interested in the establishment of processing facilities in-country instead of the raw materials just being exported. This would of course not only increase jobs but also improve livelihoods in the area. The **government representative** responded that a bit is already being done however in certain areas and with certain stones, e.g. in Mandalay region, all orders come from China, and the Chinese want the raw stones to carve or process themselves. He agreed that the establishment of more processing facilities in-country will contribute significantly to local economic development. He also acknowledged that it is a very complex issue given that the previous government had allocated so many existing deposits, and there are still many things beyond the Ministry of Mines' control. The Ministry of Mines is looking at the need to revise policies and procedures, rules for foreign investors, and social and environmental standards.

Regarding to Sub-National Coordination Unit, **Senior Program Coordinator** requested companies, in particular from the mining sector, to hold an EITI specific meeting among selves to inform their wider sector constituency. She requested mining sector representatives to inform the MEITI Coordination Office what engagement or awareness raising activities have taken place so far, and to ensure that information is being communicated. **The private sector representative from MFMA** agreed, and confirmed their willingness to participate in any relevant events. **The MOGE representative** informed the MSG that for any information about oil and gas companies, the MOGE Yangon office would be happy to provide the information. He confirmed that MOGE is involved in certain states and regions and is happy to share information about its activities in those.

In addition, a **CSO representative** stated that there was a discussion of benefit sharing at the previous MSG Meeting and government representatives explained that the amendment of table 1 and 2 was under the discussion. A question he raised was question about sub-national transfers and budget allocation, in relation to the fact that last year's state budget for Rakhine was considerably higher than the budget allocated for Rakhine State this year. Chair responded by explaining the significant budget deficit in Myanmar, and that national debt is a major problem in many countries. He added that while the budget for some states and regions may have decreased, this in fact has nothing to do with EITI.

Finally, the meeting was successfully closed by the Chair at 3.45pm who thanked all the attendees for their participation.

5. Agreed Actions for Follow up at Next MSG Meeting

What	Who	When
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MSG workshop to be held for MSG members, alternates and other key representatives in the first week of May 2015	MSG, Alternates and MEITI Coordination Office	May 2015 (First Week)
Press conference to be held after the workshop	MSG and MEITI Coordination Office	
MEITI Coordination Office to do the researchthe 14 Questions submitted by CSOs, in collaboration with relevant agencies and reported back to MSG	MEITI Coordination Office	
Key points of MSG meeting should be sent out in a press release	Chair	
MEITI Coordination Office will follow up the meeting with Joint Implementing Team.	MEITI Coordination Office	

Participant List

Chair

Dr Maung Maung Thein, Deputy Minister, Ministry of Finance

National Coordinator

Dr Zaw Oo

MSG Members

U Win Htein, DG, Department of Mines, MOM

Dr Nyi Nyi Kyaw, Director General, MOECAF

U Ye Naing, Director, General Administration Department, MOHA (alternate)

U Than Tun, Geologist, MOM

U Nanda Win Aung, Staff Officer, Department of Forestry, MOECAF (alternate)

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

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

Mr. Bertrand Brun, MSG Alternate, Total E & P Myanmar

Mr. Terry Howe, General Manager, MPRL E & P, Myanmar

U Kyaw Zin Htun, Communication Officer, MPRL E & P Pte. Ltd (alternate)

Mr. Li Zhong Hua, Myanmar CNMC Nickel

U Thet Naing Win, MFMA (alternate)

U Tin Thit, Sein Yaung Soe

Daw Moe Moe Tun, Green Trust (POL)

U Wong Aung, Shwe Gas Movement

U Khaing Kaung San, Wan Lakk Foundation

Andrew Thaung (alternate)

U Aung Kyaw Moe @ Ko Moe (alternate)

MEITI Secretariat (MOF)

Daw Theigi Oo, Director, Budget Department (MOF)

Daw Thwe Thwe Toe, Staff Officer (MOF)

U Nyi Nyi Phay, Staff Officer (MOF)

Daw Shwe Yee Win, Staff Officer (MOF)

MEITI Coordination Office

U Min Zar Ni Lin (Deputy Team Leader)

Daw Kay Thi (Senior Program Coordinator)

Ms. Emma Irwin (MEITI Technical Adviser)

U Aung Phyo Kyaw (Research and Outreach Officer)

Daw Thi Thi Han (Research and Outreach Officer)

Nan Kyi Hsut Wai (Research and Outreach Assistant)

Daw May Sandar Nwe (Admin and Finance Assistant)

Observers

U Sun Win, Assistant Director, MOF

U Naing Tun, Staff Officer, MOF

Daw Mya Thuzar, Joint Secretary, MIC

U Aung Mya, Deputy Director, MOECAAF

U Thura (MATA)

Daw Lwin Lwin Wai (MATA)

Daw Tin Su Su Mar (Pyoe Pin)

U Salai Caung Lian Thaung (Pyoe Pin)

U Hosana (Spectrum)

U Ko Ko Lwin (NRGI)

Andrew Barwer (NRGI)

Femke Reouner (NRGI)

Daw Yu Yu Naing (DFID)

U Tun Tun Naing (DFID)