



February 21-22, 2019

Nay Pyi Taw

Extractive Sector State-Owned Enterprises Reform Workshop

Since the validation of an acceptance of Myanmar as the 45th member at the 27th EITI board meeting held on July 2014, Myanmar has been implementing EITI processes in accordance with EITI standards under the lead of the multi-stakeholder group consisting of government sector, private sector and civil society sector.

In this report, discussions, findings, recommendations and future plans resulted from the workshop on “Extractive Sector State-Owned Enterprises Reform” conducted on February 21-22, 2019 can be studied.

Cover Photo – Ko Ngwe Lin (Sagaing Region MATA)

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1. Summary of Workshop

A workshop on “Extractive Sector SOEs Reform” was conducted for 2 days on February 21-22, 2019 at the Horizon Lake View Resort in Naypyidaw. The workshop was organized aiming to present and discuss current status and situations of state-owned enterprises related with extractive industries and to engage in interactive dialogues regarding the reform plans. Deputy minister of the Ministry of Finance, chair of Myanmar EITI multi-stakeholder group; Director general of the Department of Mines of the Ministry of Natural resources and environmental conservation, vice chair of Myanmar EITI MSG; members of Myanmar EITI multi-stakeholder group; Myanmar EITI National coordinator; members of parliaments; high-level officials and responsible persons from the Ministry of Natural resources and environmental conservation, Ministry of Planning and Finance, Ministry of Electricity and Energy, Office of the Auditor General; responsible persons from the MEITI National Coordination Secretariat Office, Renaissance Institute (RI) and Natural Resource Governance Institute (NRGI); representatives from development partner organizations, observers and media attended the workshop.



Group Photo of MEITI MSG and Workshop Participants

Departments under the Ministry of Natural resources and environmental conservation, Ministry of Planning and Finance, Ministry of Electricity and Energy respectively explained and presented the governance structures of related state-owned economic enterprises; current implementation status and future plans. Myanmar National Airlines shared about their experiences in transforming into corporation. NRGI also discussed about the challenges of state-owned economic enterprises in the extractive sector; role of international state-owned economic enterprises in the country’s economy and development processes; methods and recommendations for reforming state-owned economic enterprises related to

extractive industries. In addition, focused group discussions on review of transparency processes and strengthening monitoring organizations were also conducted.

The following workshop encouraged not only the implementations of recommendations from Myanmar EITI reports; but also coordination for and implementation of reforms of the state-owned economic enterprises related to extractive industries in accordance with Myanmar's Sustainable Developments Goal plan.

2. Introduction

The government of the Republic of the Union of Myanmar had been practicing an economic system of prioritization of market economy since the year 1988. It established and operated state-owned economic enterprises under the State-owned Enterprise Law validated in 1989. Despite the state-owned enterprises still remaining as a major group in Myanmar's economy, there has been gradual developments of private sector during the past three decades.

Reforms of state-owned economic enterprises were undertaken to ensure independent existence when the previous government started ruling on May, 2011. These transformations called for new challenges. From 2012, 55% of the profits generated by the state-owned enterprises were saved under the Union Fund accounts (Other Account). These Other Accounts were allowed to be established envisaging financial independence of the state-owned enterprises. They can use the funds from Other Account for the requirements in their daily operations. In practice, there are contradictions to the purpose of such independent existence. Some capital expenditures are being incurred not only for the respective ministries but also even for the most profit-generating state-owned enterprises by the Union budget fund. Moreover, loss-making state-owned enterprises are being disbursed under the government funds to recover. Additionally, no improvements of transparency and accountability of state-owned enterprises had been observed. Those two issues are supportive factors for the development of the economic sector of the country.

According to the research recently conducted on state-owned economic enterprises, SOEs contributes approximately 50% to union revenue and the same amount of percentage is spent on the domestic markets. SOEs are operating in different sectors; from transportation, garments, banking and to natural resources. Since some enterprises bear the guiding role within its relevant sectors, SOEs play a significant role in influencing the structures and directions of Myanmar's economy.

From 2015 onwards, Myanmar EITI included 6 state-owned economic enterprises in its process. These include Myanmar Gems Enterprise under Ministry of Natural and Environmental Conservation (MONERC); Myanmar Pearls Enterprise; No.1 Mining Enterprise; No.2 Mining Enterprise; and Myanmar Oil and Gas Enterprise under the Ministry of Electricity and Energy.

The recommendations from the 1st Myanmar EITI report suggested to record the data of revenue collection, incomes and expenditures; and to adopt computerized systems to maintain such records. It also recommended the Ministry of Planning and Finance to consider whether incomes from extractive sector could be defined as ordinary (current) budget and whether they should disclose more information regarding “other accounts” in the budget in order to ensure budget comprehensiveness and transparency of the whole financial process.

In the 3rd Myanmar EITI report, the Ministry of Natural Resources and Environmental Conservation and Ministry of Electricity and Energy were recommended to make efforts to publish annual aggregate report that covers all SOEs and to make it a key disclosure tool directed to the relevant stakeholders including the general public, the parliament and the media.

It was also recommended to remove conflicts of interests; to completely implement the transformation of SOEs in order to lead a better long-term regulation of the extractive sector; and that MONREC and MOEE transferred the regulatory functions to the other departments.

In the MSG meetings conducted on February 11-12 and March of 2018 respectively following the recommendations from Myanmar EITI reports, a decision was made to engage in national level technical dialogues with relevant ministries on SOE reforms. A draft workshop agenda was prepared in negotiation with NRGi, which would provide technical support for implementing the decision; and it was discussed during the meetings of Technical and Reporting sub-committees



Photo of pre-meeting for the workshop at Nay Pyi Taw on January 30, 2019

The final draft was discussed in details on January 30, 2019 during the extractive sector SOEs-related workshop-preparation meeting with relevant departments in Naypyidaw. According to the following meeting decisions, the workshop was held for 2 days on February 21-22, 2019 in Naypyidaw.

3. Objectives and Expected Outcomes

The workshop was conducted for the following objectives and expected outcomes.

Objectives

- 1) To present the current status of SOEs; to interactively share, exchange and learn the perspectives and preparations from the SOEs reforms undertaken internationally and nationally,
- 2) To discuss the plans for SOEs reforms; with activities and timelines.

Expected Outcomes

- 1) To strengthen the participation of stakeholders in the reform process via experience and information sharing,
- 2) To develop recommendations for reforms of SOEs in the extractive sector.

4. Workshop Time and Place

Extractive Sector SOEs reform workshop was held for 2 days on February 21-22, 2019 at Horizon Lake View Resort in Naypyidaw.

5. Participants

Deputy minister of the Ministry of Finance or chair of Myanmar EITI multi-stakeholder group; Director general of the Department of Mines of the Ministry of Natural resources and environmental conservation or vice chair of Myanmar EITI MSG; members of Myanmar EITI multi-stakeholder group; Myanmar EITI National coordinator; members of parliaments; high-level officials and responsible persons from the Ministry of Natural resources and environmental conservation, Ministry of Planning and Finance, Ministry of Electricity and Energy, Office of the Auditor General; responsible persons from the MEITI National Coordination Secretariat Office, Renaissance Institute (RI) and Natural Resource Governance Institute (NRGI); representatives from development partner organizations,

observers and media; in disaggregation, 52 males, 40 females – total 92 participants; attended the workshop.

6. Workshop Agenda

In the following 2-day workshop, agenda included presentations of departments under MONREC, MOPF and MOEE on their governance, current implementations and future plans respectively; presentation of Myanmar National Airline about its experience of transformation from SOEs into corporation; challenges of SOEs in the extractive industries; role of SOEs in a country's economy and development process internationally; discussions on methods of transformation and recommendations for SOEs related to extractive sector. Moreover, group discussions on – methods for improving SOEs in the extractive sector; assessing transparency processes and strengthening the monitoring organizations – were conducted. Detailed workshop agenda is described in Annex 1.

7. Workshop Day (1) (February 21, 2019)

7.1. Opening Speech by Myanmar EITI MSG Chair, Deputy Minister of Ministry of Planning and Finance



Myanmar EITI MSG chair, Deputy minister of Ministry of Planning and Finance, stated in his opening speech that – solutions to transform a more transparent and accountable nation in the future shall be found by analysing and reviewing the current situations of extractive sector SOEs; the responsible persons from corresponding departments would present their current implementations; incomes and expenditures of SOEs were arranged under the Union Budget annually before 2012-2013 fiscal year; incomes generated flew into the Union Budget and

expenditures were spent from the tentative budgets and the Union budget; 30% of net profits of SOEs were income-taxed and the rest 70% were deposited as contribution to the state;

Under the democratic government in 2012-2013, reforms were made with an intention for SOEs to become business bodies and financially independent; following the program, Union Fund Account (Other Accounts) was allowed to open; based on those accounts, it was validated for SOEs to spend ordinary expenditures at the first stage, ordinary expenditures and capital expenditures at the second stage and ordinary expenditures, capital expenditures and debt expenditures at the third stage – on their own accounts; such Other Accounts were kept only under the Union Fund Account and can be found inclusively in the respective fiscal years;

Budgets shall be disbursed in accordance with the stipulations in Union Budget Law prescribed annually by the Parliament; as of 2018-2019 fiscal regime, there were 8 organizations which could finance balances, current expenditures, capital expenditures and financial (debt) expenditures from Other Account with their own funds; most of those organizations are SOEs benefiting from extractive sectors; incomes from SOEs approximately constitute 45% of state incomes; public expenditures were not made only from the revenues and taxes; there were only 40-45% revenues in them; therefore, incomes from SOEs are the crucial elements for annual state budget expenditures; when reforming SOEs, systematic generation of funds for the state by SOEs and extraction of resources should be taken into considerations;

The state was also working to becoming EITI Compliant country; there had been sectoral, departmental and development-organizational implementations for SOEs reforms; for instance, discussions and negotiations for SOEs reforms by analysing and reviewing the incomes and expenditures of SOEs were being made in the Public Financial Management – PFM process partnering with the World Bank too; There were also plans to establish Natural Resource Fund to transform extractive sector SOEs by receiving technical assistances under Norway’s Oil for Development Programme; unsystematic extractions would lead to deprivation and extinction of resources and hence, even the World had accepted the “curse of resources”; lack of systematic extractions and transparencies made one unaccountable for the nation and its people; it was important to effectively utilize the funds for the nation and its people in order to develop a sustainable society, environment and a country for systematic extractions.

He concluded by stating that on the following day’s workshop held in coordination between MSG, Renaissance Institute (RI) and Natural Resource Governance Institute (NGRI), he expected to receive policy recommendations on how to transform extractive sector SOEs.

7.2. Introduction Speech by Myanmar EITI National Coordinator

Myanmar EITI National coordinator, the executive director of Renaissance Institute, U Soe Win stated in his introduction speech that the purpose of the workshop was to continue implementation of reforms in order to encourage transparencies among extractive sector SOEs and to ensure that the citizens benefit from them; there was (1) recommendation each in MEITI 2nd and 3rd reports suggesting transparency and public disclosures; (5) recommendations in



the Initial Assessment report sent by an International EITI secretariat office as part of the assessment process, and Draft Assessment Report sent by the Independent validator; conducting extractive sector SOEs reform workshop was included in Myanmar EITI Work Plan and pre-negotiation meetings were held on 23-1-2019 in coordination with the relevant departments; departments affiliated with extractive sector SOEs would be presenting their governance and future plans, and the development partner organizations about international experiences, challenges related to transformation; this workshop alone was not enough to ensure effective process in bringing transparency among extractive sector SOEs; this workshop would lay only the foundation; they would continue forwards with the future plans; reform

process was related to policy change process; and that they encouraged positive presentations for the sake of the citizens.

7.3. Presentation of SOEs Governance and Future Activities by the Ministry of Planning and Finance

(A) Presentation by the Budget Department

SOEs sub-department of the Budget Department presented – about the governance management of SOEs from 1948 up until then; that the State-owned Economic Enterprise law was enacted on March 31, 1989 and it stated in Chapter 6, Article 11 about the enterprises operated only by the government that “For the purpose of carrying out the provisions of this law, the Government may prescribe such procedures as may be necessary, and the respective Ministries may issue such orders and directives as may be necessary”; and initial implementations, aims and work plans related to the current financial management of SOEs

In presenting their current implementations, they stated that each organization was being reviewed under “operating ratio”, the indicator for the capacities of SOEs; not only the incomes and expenditures budgets of the extractive sector SOEs, but also information related to taxations and the estimated state contribution funds were described in the Citizen’s Budget, Budget Brief, Budget Speech as well as in the annual Myanmar EITI reports for transparency; and that they had been collaborating with relevant ministries with the help of MF, World Bank and NORAD to ensure full collection of taxes related to extractive sector SOEs and transparent public disclosures.

In presenting about their future plans, they stated that according to the findings regarding the SOEs reform in Myanmar Public Expenditure (PER-2 2017), the following 4 categorized new framework should be approached.

- Natural resources related
- Organizations financially independent without needing government support
- Organizations financially dependent on government support and
- Unviable Organizations

They also mentioned that in regards to the balance remained in the Other Accounts of SOEs, the decision made by National Economic Coordination Committee (NECC) would be brought before the Union government; and regarding the SOEs, they divided into two categories – (1) organizations which should remain as state-owned enterprises and (2) organizations which should be considered whether to

remain as state-owned enterprise or not; enterprises which earn from extracting natural resources, and electricity and power generation enterprises which work for basic economic, infrastructures and public services should fall under category 1; and that organizations which can commit as joint ventures with common interests, organizations transforming into corporations, annually loss-making factories and organizations with no capability for market competitiveness should be listed under category 2.

(B) Presentation by Treasury Department

Treasury Department presented in four different topics : deficit financing, foreign debts, domestic debts, debt management and Government's insurance; deficit financing could be covered either by domestic or foreign loans; and that in domestic, it could be done by selling government bonds and contracts. Again, they mentioned that – in foreign borrowing, there were 3 types : borrowing from international organizations, borrowing between two governments and borrowing from trading organizations; and also explained about the Myanmar's foreign and domestic debts. Then, they presented about debt management, debt repayment and reforms, and debt sustainability analysis, foreign and domestic loans and government's insurance.

Following the session, they described that in the future plan of the Treasury Department, they were planning to develop a more comprehensive “Medium-term Management Debt Strategy – MTDS” to ensure that foreign borrowings stay under the limit of indexes in Debt Sustainability Analysis – DSA; to develop the treasury bond market; to manage potential losses and to build the capacities of the staffs.

(C) Presentation by Central Statistical Organization

In the Central statistical organization's presentations, they stated that – the Statistics Law was enforced back on January 22, 2018; they were working with (10) sectoral working groups to implement the National Strategy for the Development of Statistics; one of them included “Energy Statistics Cluster”; they were working on developing National indicators framework for monitoring the implementation of Myanmar Sustainable Development Plan; and that Central Committee for Accurate and High Quality Statistics had been newly reformed. Then, they presented about the groups participating in the National strategy for the Development of Statistics; Myanmar Sustainable Development Plan indicator framework and also about the publications of monthly paper on economic indicator, quarterly statistics paper and annual Myanmar statistics paper; and presented the production statistics of Oil and Gas sector, Gem sector and Mining sector.

Following the session, they described about their future activities – to ensure accuracy and high quality of the statistics; to produce and provide with qualified and reliable statistics in a timely manner; and to

develop an indicator required in establishing National Indicators Framework; i.e Level of progress in meeting 2016 EITI standards, with the help of EITI Committee.

(D) Presentation by Planning Department

Planning Department presented about the current situations of SOEs, future activities according to Myanmar Sustainable Development Plan, and information included in the directives of Project Bank related to SOEs. They explained that the proposal from the Parliament to establish SOEs reform project and strategy had been confirmed and that state needed to study the experiences of other countries in policy reforms and to adopt relevant legal regulations and policies. Then, they described that – steps should be taken to ensure accountability of independent state-owned economic enterprises with transparent and accountable economic rules as an expected result of the implementation of future plans of Myanmar Sustainable Development Plan; SOEs reform processes should be continued; and that the state should consider governing with rules and regulations to develop private sector and SOEs.

(E) Presentation by Project Appraisal and Progress Reporting Department

Project Appraisal and Progress Reporting Department presented about their visions, current implementation regarding the SOEs, appraisal process, future workplan, challenges and recommendations. They highlighted weaknesses such as – collection of information was solely based on data sent out by SOEs; weak completeness and reliability of data being sent; complications of management regarding the SOEs; and that it needed to become a report that meets international standards. For the challenges related to operations of SOEs, they highlighted weaknesses such as lack of quality, innovation, technological modernization; lack of endeavors; weak market branding and customer attractions; incompetent quality and pricing when compared to foreign-imported materials; lack of market position; unnecessarily excessive staff salaries and pensions; weak laws and policies regarding the SOEs, and weak law and procedures required to revolutionize their economic standing grounds.

As for recommendations, they mentioned – to ensure performance building and spiritual empowerment of staffs, encourage and push for technological development and quality products, ensure a happy working environment for employees; to undergo privatization, hiring, corporatization, joint ventures, purchasing power parity for enterprises with higher expenditures ; shutting businesses that should cease to operate; to enact clear and consistent laws and implement those laws; and the need of clear and consistent policies for employees related to SOEs; as well as creating a convenient environment for them were needed; and to disclose transparently about the guarantees and supports that the government could provide.

7.4. Presentation of challenges of extractive sector SOEs by NNGI

NNGI presented about the challenges of extractive sector SOEs mentioning that – to improve SOEs performances, line ministry and SOEs should ensure that SOEs set clear objectives and Numerical and Bound targets; to ensure public disclosure of annual reports and financial reports; to maintain an independent auditor; to separate operational roles and regulatory responsibilities; and to provide management incentives in the managerial bodies.

7.5. Presentation of Governance and future activities of SOEs by Myanmar Oil and Gas Enterprise of the Ministry of Electricity and Energy (MOEE)

In the presentation of current implementations and future activities by the Oil and Gas Enterprise of the Ministry of Electricity and Energy, they described about the constitution of the MOEE; their Energy sector development efforts; key duties of Myanmar Oil and Gas Enterprise; form of SOE budget requests; budget plan of Myanmar Oil and Gas Enterprise; status of implementation on tentative productions; incomes and expenditures; coordination processes; debt and government securities; and efforts made for transparency. Then, they also presented about their legal reforms.

As for their current implementations and future plans, MOGE explained that – they published National Energy Master Plan and Myanmar Natural Gas Master Plan (Draft) with the international assistances to maintain the declining rate of oil and gas manufacturing; projects that MOGE would like to propose had been being integrated as Myanmar was implementing the Sustainable Development Plan; they had been receiving assistances from international organizations for the development of Oil and Gas sector; according to current economy situations, preparing, drafting and implementing laws, by-laws and policies were needed; effective management was needed for safety instructions and guidelines in the extractive sector; and that precise implementations of regulatory and operatory processes were needed in Oil and Gas sector.

Following the session, they presented about the monitoring process and mentioned that – MOGE needed to improve to a level of international Operator; challenges included emergence of Specific Good Tax – SGT; requirements of agreement among Political functions; to put legal and organizational policies in place; clear strategies and tactics were needed; as well as with technical and financial difficulties, there were low chances of successful uncovering in in-land mining areas; and that for off-shore, extreme depth-mining had to be deployed.

After the presentations, workshop attendees raised several questions they wanted answers and are listed accordingly.

To the question asking how MOGE had been planning to improve as an international operator, MOGE responded that it could not act alone to accomplish that goal; the ministry and state needed to transform it; and in order to do so, staffs and officers from the department were being sent abroad to study; it was also receiving “technical transfer” from foreign companies and was studying and learning from their operations; and that the state support was of the key importance.

Another question stated that as MOGE mentioned technical and financial difficulties and “Training Fund and Research & Development Fund” was found in the Income Flow Chart; and in the presentation of the Ministry of Planning and Finance, 55% contribution deposited to Other Account was for the purpose of financial independence of SOEs, and such funds had to be disbursed to the SOEs such as MEC Bank; and asked how it was incurring the expenditures with the fund and how it had perceived such expenditures. MOGE responded that – it annually paid 45% tax to the state and the rest 55% went into Other Account; according to the figures of MOGE, it maintained 8 billions in its Other Account at the closure of the previous fiscal budget; the companies had to annually contribute to the Training Fund according to their agreement contracts; there was an organization safeguarding such training fund; it can make procurements for the training for MOGE and training-related materials; and that requests for such procurements had to be made steps by steps to the Union government and could be spent only when approved; for the Research and Development Fund, it was kept at the company according to the PSC contract and was used in the Research and Development processes associated with the whole project; and that MOGE was not directly related to it.

7.6. Presentation of policies by the Department of Mines of the Ministry of Natural Resources and Environmental Conservation (MONREC)

In the presentation of the Department of Mines of MONREC on their implementations and challenges, they explained about the constitutional structure of the ministry, duties and responsibilities of the Department of Mines; orders/directives related to mining sector so far being issued; mining sector development workshops conducted; capacity building of staffs; serving the role of the inspector general of the Department of Mines; collection of fixed dead-rent (rent for the land) and mineral tax from the operation plots permitted by the ministry; state/regional director was serving as the secretariat of State/regional Plot licensing body; and that the following was serving as a focal point of the ministry to successfully implement the EITI processes.

In regards to the challenges of the ministry, they explained in details about –

- (1) Collaboration between two ministries
- (2) Permits and employee workforce
- (3) Tax collections
- (4) Compliance with Laws and by-laws
- (5) Technology, human resources and employee workforce
- (6) Field assessments and compliance with obligations set forth in the Permits
- (7) Issues of environmental harms
- (8) Illegal mining.

After the explanation, workshop attendees raised several questions they wanted answers and are listed accordingly.

To the questions asking – why there was no more state-owned mine but instead there were state-owned economic enterprises under MONREC, how many professional inspectors were there in the current staffing, and what plans the government had to resolve insufficient employee workforce; MONREC responded that – it underwent ‘periodical inspection’, respective enterprises took charge in ‘Phase by phase inspection’; among enterprises presented, there had been complications between Inspector Role and Regulator Role; they were mainly operated as State-owned mines until 1997; therefore, No.1, No.2 and No.3 Mines still practiced as previous state-owned economic enterprises; at the time being, how to subtly reform should be considered; currently there were over (2400) staffs and officers and these must be re-structured somehow; it was hard to answer the capacity level, and that the state commitment was also necessary; despite the requirements that there must be Mining Engineering in the mines, the challenge was that the industry cannot manufacture one; there were very few Mining Engineering graduates from the Technological Universities; therefore, it was impossible to employ them in every mine; their ministry and ministry of education must coordinate and work on this issue for a long-term solution; and that for short-term, scholars must be sent to Japan and Korea; ‘Inspector TOT training’ in partnership with Germany, and Technical Transfer from those trainings – must be undertaken.

In regards to the question asking why the number of operation plots decreased and illegal plots emerged; and to explain regarding the contracts; and how they would resolve since monitoring was found to be necessary; MONREC responded that – emergence of illegal plots were not due to revoking of licenses; these occurred in areas to which only few humans could barely reach; in some regions, mining under the license awarded by the regional authorities were actually lack of official license and hence illegal mining; to resolve these issues, restrictions had also been lifted in awarding license for artisanal/subsistence

mining plots; Mining Law was drafted in consultation with business owners and enacted after the discussions within the parliament; since the law provisioned that only profit-sharing or production-sharing or equity was allowable, actions must be carried out within such stipulations; if otherwise conducted with Resource Rental Tax outside of those three approaches, the law needed to be amended and hence difficult to accomplish; a word to properly replace it, and as well as the tax regime must be considered; it was found that there was no ringfencing among companies in Myanmar according to 4th Myanmar EITI report and this needed to be discussed; PSC being an expense and inability to depreciate it in calculating income taxes must also be re-considered; according to the new by-laws, all small-scale enterprises must be re-contracted as medium-scale enterprises; businesses could enter into agreement only after rigorous negotiations with the respective enterprises; their ministry was also trying to be 'Fair played'; they were also trying to make 'Effective Tax Rate' to 50%; revenue declines were due to tax rates; and that how to redress this would be collectively discussed and implemented soon.

Internal Revenue Department also intervened that – in regards to the findings that there were no ringfencing among Myanmar companies, and PSC being an expense and inability to snub it while calculating income taxes and re-consideration about the following, and stating that revenue decline was due to large tax rate; IRD mentioned that ringfencing had been included in drafting new Income Tax Law; depreciation allowance had been granted in accordance with income tax, regulations and by-laws; revenue decline was not due to large tax rate; when compared to ASEAN countries, the tax rate of Myanmar was not that high; in Indonesia, incomes taxation over individuals/companies was 30%, 25% Malaysia, 20% in Thailand, and 25% in Myanmar; for trading taxes, 10% in Indonesia, 6% in Malaysia, 7% in Thailand and 5% in Myanmar; since commodities and materials related to agriculture, livestock, health and education and other basic food commodities were tax-free and tax-exempted, some specific taxes were collected very few, however, the Internal Revenue Department's collection of taxes over each category had increased annually over the years.

7.7. Presentation of Governance and Future Activities by No.1 Mining Enterprise

In the presentation of current implementation, future activities and challenges by No.1 Mining Enterprise, they described about their constitution, vision, policies, objectives and missions, current implementations; mineral and industrial raw materials produced by No.1 Mining enterprise; production plots for each type of minerals; and Standard operating procedures drafted by No.1 mining enterprise.

As for their future activities, they described that in accordance with Myanmar Mining Law 2018, transformation to medium-scale productions would be undertaken latest by March 31, 2019; Tha-2 level

Mining Report and “feasibility study” had been tentatively planned to validate latest by March 31, 2019 for production permits transforming into medium-scale permits; medium-scale permits had been tentatively planned to be contracted for April 2019 no later by March 31; with minerals and industrial metals, raw materials, they aimed to ensure increase in state incomes, job opportunities for locals, entries of technologies and investments inside the country, after only then, to the next step of foreign exports; it was found that they were making regular exports and hence were not at a position with no foreign demands and no ability to export and sell sustainably; they had been doing public disclosures on the department’s websites and in daily newspapers to ensure transparency; they had been inspecting the mineral production companies with the working departments and groups within the ministry; and separate groups formed for special cases.

Following the presentation, they described about their challenges that – demanding compensations by trespassing the mineral exploration permitted plots or land areas; blockage and interference of operation routes, stealing using manpower; and having to give times to deal with alleged complaints and reports pertaining incorrect information.

After the presentation, workshop attendees raised several questions they wanted answers and are listed accordingly.

In regards to the question asking how a foreign external expert was defined, how the position was recruited and whether there was coordination with the Ministry of Labor in the process, No.1 Mining Enterprise answered that – for joint ventures, external experts were recruited in accordance with Myanmar’s Investment Laws; in the first year, there was an allowance for 75% foreign workers and in second year, 50% and 25% in the third year accordingly; and there were not only foreign experts but also foreign labor/physical workers; and that they obtained and presented the Certificates of the expert persons if there was one for each sector.

In regards to the question seeking explanation on – the recommendation included in Myanmar EITI report stating that No.1 and No.2 Mining enterprises did not inspect Military owned companies, and how they were working on military holding sub-contracts; the No.1 Mining Enterprise responded that – there was no military holdings in their enterprise; Myanmar Economic Holdings and Myanmar Economic Corporations acted as companies; stating that there was no inspection was incorrect; their department led the plot inspection visits, and inspector general in special cases; sub-contracts were allowed according to by-laws; if sub-contracts were submitted, their department would often present it to the office of minister; in some cases, they knew it was sub-contract only when the special cases had

occurred; and that if they found that sub-contracts had not been submitted, they would take actions and terminate the companies in accordance with the Mining Law and by-laws.

7.8. Presentation of Governance and Future Activities by No.2 Mining Enterprise

In the presentation of current implementations, difficulties, challenges and proposed activities forward by No.2 Mining Enterprise, they mentioned about – their current implementations, constitutional structure, mines they previously managed, permits they were currently managing, tax collection, and continuing management on In-kind minerals and financial aspects. Then, they explained about challenges in granting new mining plot permits and in the existing permits; their challenges included – weak number of professional experts/employees related to mining operations; the need to transform profit-sharing to be contracted over plots into mutually benefitting and long-term profit-sharing system; and that natural resource policy currently implemented by the state could undermine the sustainability of the department in the long term.

As for the steps that should be taken forward; state should prioritize collection of resource taxes by easing current procedures related to granting new mining plot permits; training and manufacturing respective professional experts required for systematic mining operations; current profit-sharing over productions should be transformed into international profit-sharing system; raising awareness of locals living around respective permit areas to ensure compliance with the existing Mining law/by-laws; and that National resource policy should be amended in a contemporary fashion to ensure sustainable development of mining sector.

After the presentation, workshop attendees raised several questions they wanted answers and are listed accordingly.

No.2 Mining Enterprise stated that – establishment of International Financial Centre should be encouraged in order to ensure stability of the market for financial and market competitions amid the lack of mineral market, and to meet international standard; although the Vice president has granted that proposal to ensure Comparative Economic Region, they encourage the ministry to move this forward.

They also explained that – there were cases in which the companies determined the permit territories; in practice, such determination should be carried out by No.2 Mining Enterprise and taxation had to be made also to the Ministry of Forest aside from the Department of Mines for each of the license; in examining gold minerals, procedures tended to vary and prolong, leading to losses in case of foreign

exports. In regards to the question recommending One Stop Service (OSS) and asking how OSS was planned, No.2 Mining Enterprise answered that – the ministry had been presented about the determination of permit areas; the ministry had to re-issue an order for the determination of the treasure area and could be difficult; if it was to be done, it was eligible under the Governance law of the ministry; and that the ministry must coordinate and collaborate with states/regions.

In regards to the questions asking – why the approved employees had not been positioned; plans forward; whether there were plans to re-contract regardless of multi-million profits if the company earned 99% but only 1% for the government; what actions would be taken for debt issues; to explain the fact in Myanmar EITI report stating there was no mechanism to monitor the mineral production sector; whether the timing was right or not to sustainably transform and establish ‘Integrated License’ due to tax evasions for discoveries of gold metal since the license permitted was for other metals; No.2 Mining Enterprise responded that – positioning of employees had been postponed due to the financial management system of the state; positions had been refilled with the staffs with relevant experiences within the ministry; there had been mutual agreements between the giver and taker for Joint Venture Ratio; a new course had currently also been drafted; they would invite consultations; and that there were still more on-going discussions regarding the Integrated License.

7.9. Presentation of Governance and Future Activities by Myanmar Gems Enterprise (MGE)

In the presentation of current SOE governance and future activities by Myanmar Gem Enterprise, they explained about – how MGE came into establishment; operational and constitutional structure; states/regions office locations; roles and responsibilities of MGE; situations of permits granted in different gem territories and situations of permit plots; and efforts for transparency and drafting of Myanmar Gem Law. Then, they mentioned that the new Myanmar Gem Law had been enacted on January 30, 2019 and explained about the details provisioned in the following law. They then presented about their challenges such as – necessity of rule of law since most gem-unearting areas (For example : Lonekin, Phakant, Khamti, Mong Hsu) were of low safety and security; tracing was easy for medium-scale productions since there would be a profit-sharing system, however, for small-scale and subsistence mining, tracing could be difficult after taxation at the mine entrance; and they mentioned about Mineral refining sector development, development of refined mineral market, technology, craftsmanship quality, and international market penetration.

7.10. Presentation of Governance and Future Activities by Myanmar Pearl Enterprise (MPE)

In the presentation of Myanmar Pearl Enterprise about their current implementations and future activities to continue; they briefed about the history of Myanmar Pearl; current implementations and constitutional structure of MPE; their visions, missions, existing laws/by-laws/procedures; affiliated activities between the ministry departments and external departments; affiliated activities within ministry departments; pearl production island camps; Myanmar pearl production; procurements, selling and total incomes of MGE; renting, transferring of state-owned infrastructures; joint ventures and pearl pricing. They then presented about their future plans including – development of the by-law amending Myanmar Pearl Law for the third time; processes to be implemented by operation inspection groups; processes to be followed in applying for pearl cultivation and production, and extension of tenure. Then, as they presented about their challenges, they mentioned – hotels and tourisms, illegal fishing in pearl farm water areas, scarcity of workers, and assurance for the data security of the companies.

After the presentation, workshop attendees raised several questions they wanted answers and are listed accordingly.

In regards to the question asking – why the Pearl Law was being amended frequently; and since fisheries, Hotels and Tourisms were mentioned, what were the criteria and standards for granting pearl farm license; MGE responded that – the Myanmar Pearl Law was first enacted back in 1995 and by-law was published on 2000; in 2014, the law was amended to maintain an up-to-date fashion, especially transformations from PSC systems for domestic companies; in 2018, a system of inserting artificial nucleus was reviewed and amended; after the Myanmar Pearl Law was amended for the second time, there had been In-kind system in place; in regards the licenses, one who wished to apply for pearl culturing would have to apply to the MONREC via Myanmar Pearl Enterprise; and that there were trying to implement a win-win situations not only for the tourisms and fisheries, but also for the pearl industries.

In regards to the question asking whether there was record of sales from foreign-exported pearls listed in Myanmar EITI report, MPE responded that the list had already been included; sales went into the state budget; there were also national/foreign pearl sale exhibitions; and that all the sales were contributed into the state budget.

7.11. Presentation of Governance and Future Activities by Myanmar Timber Enterprise (MTE)

In the presentation of Myanmar Timber Enterprise about their governance and future activities, they described about the policy, vision, missions, constitutions, manpower, production power, timber

production plan, selling and distribution plans, situations of timber production, ordinary budgets and ordinary incomes of MTE, capital incomes and expenditures, number of elephants, machinery power and timber machines. Then, they presented about the implementations of elephant nurturing-based tourism camps; profits and losses according to annual closing account; timber and hard-wood production plan for 3 years beginning from 2019-2020 fiscal year; analysis of tentative Operating Ratio for 3 years; sale policy currently implemented by MTE; and continuing implementations related to data and information.

MTE explained about their challenges which included – a need in rigid constitution to ensure independent SOE with reduced extraction of state-owned forestry resources; a need of time to carefully implement the reforms to avoid undermining of the original structure; although MTE could be financially independent with balanced incomes and expenditures, it faced sustainability challenges due to staff salaries and pensions which started off since 1948; there were huge challenges for economic profitability (or) for a sustainable existence of MTE since – MTE had to extract the State’s forestry resource, and cut precious timber and hardwoods in accordance with the (Annual Allowable Cut – ACC) and (Diameter at Breast height – DBH) restrictions set forth by the Department of Forest; and that there were illegal production of precious and qualified timbers and hardwoods, charcoal productions, and utilization of forest lands which was resulting in deforestations and scarcities of qualified timbers to be logged and produced; and that aged and superannuated vehicles, machineries, factories and workshops caused a great impediment for market competitiveness in reducing MTE’s production amount and increasing productions of premium processed woods to generate more incomes.

After the presentation, workshop attendees raised several questions they wanted answers and are listed accordingly.

In regards to the questions asking – at the ground, cutting tree branches were found and hence what criteria MTE changed; how it was monitored since they perceived that DBH production and deforestations were unrelated; whether woods and timbers seized from states/regions were confiscated as state properties or tendered to private companies; how they were tendered; when they were tendered; with what cubic ton standard they were sold in foreign countries; Forest Department produced many mottos, however, most of them were irrelevant to laws but rather religion-based and hence to reconsider whether they were actually fit for the country; MTE responded that – it was a department that produced and sold woods; mottos were produced by the Forest Department; MTE’s motto was “Myanmar Timber Our Treasure Sustainable Forever”; the duty of arresting lied on the Forest Department whereas to sell the woods transferred by the Forest Department was the duty of MTE; however, woods under the cases

of on-going jurisdiction could not be transferred to MTE; transferred woods were sold with an Open Tender system to avoid resting for long; tenders were announced from the newspapers two weeks ahead; Hoppus ton system was used for in-country sales; cubic meter system was used in foreign markets; and that they can only cut down trees permitted by the Forest Department.

In regards to the recommendation suggesting MTE should consider how to meet the Operation Ratio in the forest sector; and requesting to let people know when MTE had time to review the Operation Ratio, tons of woods extracted and expenditures incurred over the past 70 years of MTE's operations; MTE responded that – the list they provided was audited for 2017-2018 fiscal year by the Union Office of the Auditor General; 30,000 MMKs was taxed per one ton of timber; they produced Statistical Data book covering for (10) years; and that the Operation Ratio had never exceeded 70%.

In regards to the question asking – the price of a ton of timber sold as a whole log after tree marking, and whether the production's worth and profit made over the sales balanced for MTE; MTE added that – tax for a ton of timber and Padauk was 30,000 MMK; tax for a ton of Pyinkado and Gorup-2 was 20,000 MMK; and 6,000 MMK for other types of woods; the Forest Department also had 5 thickness categories in differentiating classes of timber logs; special quality timber ranged from USD 4,500 to 5,000; under that, there were 7 classes of machine-cut and class (7) ranged from USD 2,000 to 2,500; the current production amount decreased with forest class lowered that subsequently lowered the timber classes; and that mostly, machine-cut class (4,5 and 6) were produced.

7.12. Summary discussions of Workshop Day-1

In the summary presented by U Maw Htun Aung, country manager of NRGI, he mentioned that – financial governance of extractive sector SOEs, and the chain of relation with Myanmar Sustainable Development Plan by the Ministry of Planning and Finance; the importance of role of SOEs and its relation to peace sector by NRGI; details of Myanmar Oil and Gas by the Ministry of Electricity and Energy; policies of Ministry of Natural resources and environmental conservation; current projects by No.1 and No.2 Mining Enterprises; current operations of Myanmar Gems Enterprise; unique history of Myanmar Pearl Enterprise; implementations of Myanmar Timber Enterprise, as well as its operations and financial aspects – were respectively presented and that he believed it was the first workshop to encourage free and open discussions between upstream ministries and downstream ministries.

On Workshop Day-2, Myanmar National Airline (MNA) presented that extractive sector SOEs would be able to learn from the 5-year transformation of MNA; with focused group discussions; and that there

would be 6 facilitators leading the discussions; and that the following workshop was the first ever for SOEs to meet each other.

8. Workshop Day (2) (February 22, 2019)

8.1. Presentation by Myanmar National Airline – MNA on its experiences in transforming into corporation

In the presentation of Myanmar National Airline – MNA about its transformation into corporation, it described that – MNA was first established on 1948 as UBA; it was first transformed into an independent economic enterprise in 2012-2013 fiscal year, aiming to be able to operate economically in accordance with the market economy system for the Economic Reform; Union Government Office issued Order letter No. (68/2012) on October 5, 2012, transferring duties and authorities to be able to operate as such; Myanmar National Airline Law was published on December 5, 2014 under 2014, Pyidaungsu Hluttaw Law No. 52; Myanmar National Airline by-law had been published by the Ministry of transportation under order letter no. (231/2015) dated 12-11-2015 as agreed in the meeting of the Union government held on September 24, 2015; the name of airline was changed to Myanmar National Airline on January 15, 2015 according to the Myanmar National Airline law; Myanmar National Airline management was formed with 7 members with the approval of Union Government by the meeting held on March 10, 2015; all the properties and operations were transferred to MNA under order (70/2015) issued by the Ministry of Transportation; and that Myanmar National Airline Com. ,Ltd had been granted permission from the Myanmar Investment Commission to operate in-bound and out-bound airline transportations. Then, they briefed about the challenges faced during the transformation, overcoming of those challenges and current implementations.



Photo of MNA CEO Captain Than Htun Sharing the Corporation Transformation Experiences

After the presentation, workshop attendees raised several questions they wanted answers and are listed accordingly.

In regards to the question asking they would like to know more about shares in MNA Com., Ltd; and how assets were indicated on the Balance Sheet; MNA responded that – assets were transferred to MNA Com., Ltd; and that the same value would remain as the State’s shares. To another question asking what MNA’s biggest challenge was among so many others, it responded the “mindset” of the employees and mindset was of the most importance everywhere in every sector. To the following answer, the workshop attendees added that – there were open and honest discussions during the workshop Day-1; it was important to change the mindset of high-level personnel above the Director general; and asked whether it would be wrong to reflect that the change in employee’s mindset was due to the CEO’s mindset too. It was answered with explanation on detailed considerations taken for cost-cutting and concluded that with unity, nothing was impossible.

In regards to the question asking – how it managed debts as an enterprise outside of state-budget; what its relation was with the regulator, Department of Civil Aviation; and how the strategies of Department of Civil Aviation were inclusively drafted; MNA responded that – they had to transform as zero-debt; they had to provide for 3 years’ investments; they were unreadyly transformed; although they were able to pay off China debts during the year-1 and year-2 after transformation, they informed about it to the government and the government paid for those China debts; they were not able to pay off debts since they had to transform without investments; and that they were paying off the rest of the debts on their own accounts.

In regards to the question stating that the reports of Myanmar National Airline Com., Ltd were prepared and published in accordance with IFRS standards, and asking what challenges they faced during the preparation of the first report; MNA responded that they were still not 100 percent perfect till then, and they faced coordination challenges during the first report, and that by the third year, there were a lot of improvements.

To another question asking – who participated in the lead of transformation and how; what type of assistance they received; and how much the legal aspect was important; MNA answered that – Office of the President provided a roadmap in 2012; there were weekly discussions with former minister and the government including MNA and other departments transforming into enterprises outside of state-budget; and that they took 2 years to prepare the draft law.

8.2. Presentation on international experiences and methods of transformation

In the presentation by NRG I on the role of SOEs in the country's economy and development process, recommendations for methods of transformations and international experiences; they described that they were participating in Commercial, Operational, Regulatory and Development sectors; and that there were 5 potential losses in engaging so, such as – slow project development, high costs, low revenues, insufficient tax fund sharing between SOEs and public entities, and financial liabilities over the tax bearers; and explained the causes of such cases by giving example countries.

Then, in sharing about the experiences of successful SOEs from other countries, they added that it was crucially important to keep legal and assets policies in place; to assign an authorized body to establish SOE policies and to monitor and govern their implementations; to keep 'performance management' and 'incentives' in place; to disclose financial and non-financial information transparently; and explained about enhancing employees' performances and compensations with examples. They mentioned that it was necessary – to assign independent boards for SOE oversight; to differentiate between commercial and regulatory roles of SOEs; to set clear standards based on the objectives of SOEs; to strengthen the governance of the Ministry of Planning and Finance, Office of Auditor General and the parliaments; to conduct audits by independent auditor and the Internal Revenue Department; and to disclose information including the annual reports to the public transparently;

For the finances of SOEs,

1. Tax revenue saving rules

- All the incomes flow into general reserve fund (GRF) and the budget is determined and approved by the legislative body
- Target success or special formula based on percentage of revenue collection
- Rates based on the market assessment of strategy need

2. Income benefits were interconnected with the accomplishments of implementations of SOEs

And they added that political option for the governance and implementations of SOEs was to ensure laws, policies, objectives and targets were set and the decisions of the board/management committees were published; and audits of partner costs were conducted.

In regards to the notion calling independent auditors and Internal Revenue Department to conduct audits, the IRD responded that – the accounts of IDR were being audited both by the internal auditors and the corresponding states/regional audits.

8.3. Group Discussions by the Workshop Attendees

Six separate groups were formed with multi-sectoral representatives and; (2) groups led by Dr. Aung Myat Kyaw, Director from SOE Sub-department of Department of Budget of MOPF, and Daw Khin Saw Htay from NRG I as facilitators discussed about the topic “Methods – Legal reforms to improve extractive sector SOEs, Strategic vision and tentative activities”; (2) groups led by Deputy director U Kyaw Thet from the Department of Mines of MONREC, and General Manager U Win Naing from Myanmar Timber Enterprise of MONREC as facilitators discussed about the topic “Finances, Governance reporting and Evaluation of implementations”; and another (2) groups led by Project and Technical Advisor Daw Zin Mar Myaing from Myanmar EITI National Coordination Secretariat office and U Arkar Hein from Renaissance Institute as facilitators discussed about the topic “Strengthening monitoring organizations such as Public Accounts Committee of the Parliament, Natural resources and environmental conservation committee, Office of auditor general and civil society organizations” respectively.

8.4. Presentations of discussions by the groups

Topic (1) – Discussions related to methods such as legal reforms, strategic visions and tentative activities to improve extractive sector SOEs



Photos of Topic (1) Being Discussed by Group (1) (Left) and Group (2) (Right)

Group (1)

Dr. Aung Myat Kyaw from the SOE sub-department of the Department of Budget of MOPF presented that within his group – they discussed that it was necessary to establish SOEs reform process framework for legal reforms and setting strategic visions; under that framework, it was required to review and evaluate existing laws, by-laws, policies, related laws and other potential laws such as Corporation

Transformation laws; to revolutionize the economic process to ensure good governance, strengthen and supply-based when discussing about methods of differentiating commercial role and operational role; operational process with coordination and collaboration was necessary; and that building the capacities of employees and formation of boards for the development process beside having regulatory process was also necessary.

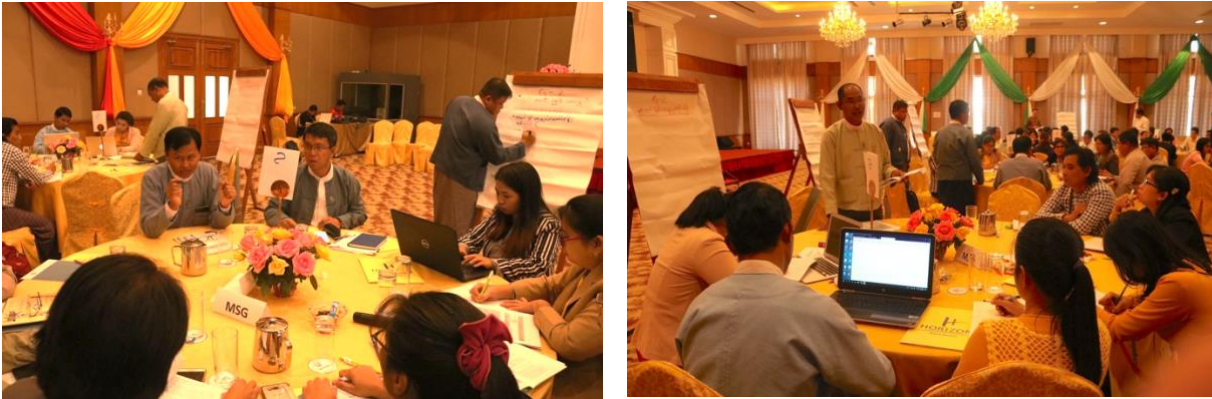
Moreover, it was necessary that a leading authority is assigned to implement the requirements for such policy framework and its role and responsibilities were specifically defined; there were regulatory bodies in current organizations; those organizations should govern under those leading authority; it was needed to collectively review and evaluate current activities and implementations; in summary, not only it was necessary to establish such framework but also to ensure there was an implementation body to follow the track.

Group (2)

Daw Khin Saw Htay from NGRI presented that within her group, when they discussed about the leaders to organize a leading authority committee for SOE reform, they mentioned that the Vice President should lead the process; the committee needed members who were technical experts in their respective areas and with good management skills; there should be sub-committees under the committee; order letter including duties and responsibilities such as drafting legislations, strategies and workplans for SOEs, must be issued in order to be able to form such committees; moreover, MOPF should lead to consult with other ministries to prepare other information that should be included;

It was necessary that the Union minister of MOPF submit the following order to the government by on March, 2019; the Union minister of MOPF should make efforts to ensure the committees were allowed to form latest by June 2019 in the nearest government meeting happening; after the order had been issued by July 2019, SOE reform process leading committee and sub-committees should continue implementing their duties and responsibilities; and to publish SOE reform law by January 2020.

Topic (2) – Discussions related to SOE transparency process (Finance, Governance reporting, Evaluation of implementations)



Photos of Topic (2) Being Discussed by Group (3) (Left) and Group (4) (Right)

Group (3)

National coordinator of MEITI, U Ye Lin Myint presented the points discussed within his groups which included – current situations of transparency; due to some conditions, the extractive sector SOEs could not be transparent for the time being; for example, there were situations which could not be transparent for the security reason of an organization, when disclosing financial data, because the potential consequences on the groups and employers from the side of another organization had to be taken into account; in some cases, they could not be transparent due to the risks of economic imbalances; another factor was because the accounting system was in hand-writing manual; at the time being, they were not ready to be transparent; there were still technical difficulties; and computerized documentations according to E-governance system were under on-going implementations.

Moreover, there were restrictions in policy; it was difficult to follow-up not knowing whether it was true or not; currently, such as Budget department of MOPF had been working with Budget Law; majorities of the sectors had been made transparent yet some others sectors could still lack; initiatives such as Mining Cadastre had been implemented for granting permits in the mining sector; policy as well as those who will lead the implementation of the policy politically was needed to initiate a transparency process; a workplan drafted with time period and activities was necessary; employees with expertise matching their duties and responsibilities were needed; currently, there could be different areas of expertise for implementing transparency and would need resources such as budgets, equipment and technologies;

There were internal connection and external connection in inter-department networking due to different natures and areas of work; for example, a monitoring system not only with one ministry department but

also with the rest of the ministry departments to oversee the whole process from granting license to collecting taxes in a timely manner was needed; it was important to know what level holds what authorities and how much responsibilities for each ministry; political commitment was the key factor; the decision of current government was the key importance; and therefore, a policy was needed; in that policy, it was necessary to consider unanimous efforts as ministry or as ministries consisting of SOEs or as all the ministries in implementing transparency; and a clear political decision on the extent of implementation was also needed;

For the short-term, although it was necessary to transparently disclose current contracts and documents related to public interests, there could be difficulties in some departments; mainly, the confidential clauses provisioned in the contracts between the department and the companies; contracts should be entered only after examinations not only by one department but also by other affiliated departments and experts; current contracts excluded provisions that should be included and included those which should be excluded; it was important to allow hiring of professional experts in contracting if needed; for example – the Department of Mines may be excelled in all the processes related to mining, however, they could be flawed in calculating profitability.

Group (4)

General Manager U Win Naing from Myanmar Timber Enterprise of MONREC presented the points discussed in his group which included – in organization structure reform, transparency could be achieved by reviewing and evaluating organizational purposes, values, visions to equalize numerous top-bottom position levels of organization's dynamics to restore a linear line; not only the extractive sector SOEs but also other SOEs mandatorily had to maintain securities and production sharing contracts to strengthen legal binding over the contracts; and according to current conventions, contracts normally included payment determinations, accountabilities and responsibilities, but penalties for breaching those provisions should also be stipulated to make them more legally binding.

Another point was to reconsider and set up the processes and processes stating who would do what, when and where; only then would bring transparency; moreover, nearly every department had Internal audits; it was necessary to find more effective ways by reviewing the processes and systems of such internal audits; conducting pre-auditing system for each respective groups and departments was needed; many knowledge sharing workshops, like today's workshop, were needed; from those workshops, processes of the corresponding SOEs could be known; that, in a way, was just implementing transparency; it was required to establish industry clustering for networking; transparency could also be

improved with more inter-relations and connections as all the organizations and operations were serving as supply chains for one another;

As SOEs are natural resources-based enterprises, their conservations of natural environment were mandatory; since the respective ministries and related SOEs already had guidelines and policies, general public and other organizations always needed to engage them; public acknowledgement of whether those policies were followed or not meant transparency; monitoring and evaluation was needed; results of those M&E must be published for public awareness at all times; from that, Corrective Review Action such as strengths, weaknesses, revisions, progresses – must also be published in a timely manner; laws obsolete and inconsistent with the current situations must be amended; and transparency would be improved by letting people know and evaluate such amendments;

There have been tentative plans to establish national level SOE policy by studying the current SOE situations in Myanmar's sustainable development plans; amendments that shall be made to that policy were also important; when transforming SOEs in line with that policy, how to change to improve transparency was also important;

There was environmental impact as well as the social impact; it was required to establish a CSR by studying those impacts; a conduct of free, prior and informed consent (FPIC) was needed; they are crucially important for transparency in the long run; transparency and disclosure were different; and that not every transparency need to be of disclosures.

Topic (3) – Discussions related to strengthening monitoring organizations



Photos of Topic (3) Being Discussed by Group (5) (Left) and Group (6) (Right)

Group(5)

Programme and technical advisor Daw Zin Mar Myaing from Myanmar EITI Coordination Secretariat presented the discussions among the group regarding how to monitor; there had been improvements

since the governments could separate Integrated Amount to Disintegrated Amount; such improvement had to do with Oil and Gas sector; Myanmar Oil and Gas enterprise was also the largest SOE in EITI; for examples, gas produced by MOGE included estimated values and amounts, and productions consisted of both domestic supplies and foreign exports; current and capital expenditures had come to be included; in regards to debts, domestic debts and foreign debts had been described in their budget clarifications; expenditures related to constructions were included in the capital expenditures; project expenditures were audited at the World Bank and other expenditures, in its department; all those statistics and data had to be used in accordance with the Union Budget Law; the following Budget Department budget sheet had to be presented to MOPF; the Union minister of MOPF then presented and explained about it in the parliament;

In analyzing the findings for monitoring to present the project level reporting, contract disclosure and systematic disclosures in relation with Capital expenditures and current expenditures of the Budget Department; unlike the current situations of the state, Myanmar's Sustainable Development plan had been established as a national plan; that plan had been validated since August 2018; an issue had been ordered to the project bank behind that plan on November, 2018; since it was described in the statement that the departments had to perform as a new structure, the plan was included in the discussions under the progress plan section; it was known that the relevant departments had been conducting trainings for comprehensive understanding of reporting formats; it was known that there would be budget-sharing in the upcoming fiscal years; citizen budget had come to be included in the Budget sheet as well as in the states/region budgets; (6) indicators in the Citizen budget were being used in sharing the incomes from extractive sector; states/region budgets were divided in such manner; daily exchange rates had been applied to calculate since there were both local currencies and foreign currencies included in the domestic and foreign debts; and that profits and losses were disbursed by the State based on the Budget deposit.

In presenting about the challenges and difficulties – the Office of the auditor general had to report to the Public Accounts Committee of the Union parliament if they observed any special cases and findings after investigating the accounts submitted to them; they published and disclosed the findings of budget accounts; they also publicly report on the Union Parliament Development Fund, 1000 lakh; the difference between Office of the Auditor General and EITI was that the Office could not disclose the information directly to the public;

For the challenge in implementation with the current system - the need of many capacity building and awareness trainings for the ministries to be able to meet IFRS standards in implementing International Financial Reporting System had been mentioned.

Following the session about the discussions on the Central Statistical Organization (CSO) – in CSO, a statistical Year Book was published annually; they disclosed indicators related to the country's extractive sector; EITI was also disclosing extractive sector figures; data received from the government and data received from the companies were compared and checked in publishing those figures; and then discrepancies were published; the following report was also published by the government; moreover, CSO also published a report and there had been discrepancies between the two reports; there should be only one concrete and same country data representation about the state's resources; in discussing about what if the discrepancies were due to the gaps in period of time, the difference between the fiscal year and calendar year, Myanmar EITI had to implement the EITI standards and mandatory tasks such as Systematic Disclosure and Integrated Reporting started to include in December, 2018; the key purpose of implementing EITI was to figure out how to distinguish and use the finding by gathering the figures disclosed for transparency rather than taking prolonged times to compare and check the data, publishing on the websites, requesting data from the ministries and companies and mandatorily publishing the reports; in doing so, they found a solution of needing to negotiate how to combine the figures and data of EITI and Central Statistical organization in order to reduce the costs for hiring Independent Administrator to publish the report and to lessen the intense negotiations.

International EITI also provided 3-5 years for Integrated reporting; feasibility study must be conducted within the following 3-5 years; results could differ since EITI member states could have different backgrounds and information; timeline for each state and pathways to take can be designed; workplan should be developed with the results from the studies; therefore, the matter concerning the coordination and collaboration between CSO and the Budget Department would be presented to the MSG; then, this would again be presented to the EITI technical working committee and leading committee to request inputs and guidelines on how to implement Integrated reporting.

After the presentations, the workshop attendees gave the following recommendations.

Prior to the presentation of the data and information from the workshop to the MSG, EITI technical working committee and leading committee; feed-backs from the responsible persons of the relevant departments should be requested first; feed-backs must be requested from all since no clarification had been made on how to implement Systematic disclosures and Integrated reporting and studying the recommendations and discussions; as a member of EITI, it was mandatory to meet the standards of EITI from December 2018 and in regards to this, the corresponding departments should be informed, and recommendations and comments would be retrieved by conducting coordination meetings; Integrated Reporting must be implemented not as a whole new process but basing on the current and

existing activities and data; again, that would be connected to the Open Data Policy and hence would need recommendations from the MTE and Departmental responsible persons; moreover, since feasibility study would also be undertaken, what departments and how they would be coordinated and collaborated also needed to be discussed, revealing strengths and weaknesses; and that this was just the beginning stage.

One participant additionally suggested that – their finances and savings would become more stable if investments and financial issues were implemented in the mineral sector; however, resource market was what needed most in the mining sector; SOEs should lead in that process; development of resource market would result in the development of resource-related financial centers; every country had it and the development of mineral market would then attract investments, MTE too; investments were unstable due to the instability and uncertainty of the banking systems; some business men invested in buying lands and made further investments on such lands and that they assumed that those were wrong investments; as a duty, SOEs must provide supports to ensure the minerals produced by Myanmar were qualified and have market-competitiveness; ‘standardization’ was important in doing so and SOEs should lead the process; private companies could not issue certificates for the product standards; only departmental organizations could issue the following and the products eligible for country-wide standard accreditation still did not include mineral products; therefore, SOEs related laws, by-laws should address the following and make them include; only then, the products could be exported to international market with true market prices; it was known that the Department of Mines itself could not issue Accreditation certificate; it was known so far that the only ministry which could issue accreditation was the Ministry of Education; gold, copper and other products related to mineral products still held no certification; and that standard criteria should be set with methodology for each type of minerals.

Group (6)

MATA project coordinator U Htoo Aung presented the points discussed in his group – strong policy frameworks could lead to successful process of monitoring and guidance; monitoring of SOEs before corporatization and during corporatization should be encompassed in the policy frameworks; each government department should have separated duties and responsibilities defined too;

Monitoring process could be undertaken based on the receipts of information; information, therefore, was also important; moreover, it was important to publish laws and by-laws consistent to the country contexts and situations; audit reports of the Office of the Auditor General was presented to the parliament and the Presidential Office and the public still had difficulties accessing them; and then,

capacity building of the monitoring organizations should also be taken into considerations; departments bearing the duty of Regulatory role should plan to not confuse the implementation duties, and to improve the Regulatory role; and then, it was necessary to be a third-party independent organization in monitoring; and that a Data portal to collectively describe the information was needed in order to monitor SOEs.

Reporting line as well as the reporting entity should also be clear; since the Office of the Auditor General would also conduct Performance audit aside from the accounts, this would support the monitoring too; and then, if the reporting formats were consistently the same in the government departments, this could also support in gathering and collecting data; and that monitoring process would be implemented effectively by conducting Independent audits, guidance with policy enforcements, providing technical supports, providing separated accreditations by the government on the data and report audited.

8.5. Recap of the Workshop

After the presentations of focused group discussions, country manager U Maw Htun Aung from NGRI recaptured that – there were activities which could be immediately implemented for future activities; some must be implemented in affiliation with the EITI and some, in relation with the legal sector and could take more time;

Means of improving extractive sector SOEs such as legal reform, strategic visions and tentative missions, must be implemented with a framework; Ministry of Planning and Finance should lead the process of developing the following framework; according to timeline, the framework would come into development by 2020;

In regards to the discussions related to transparencies of SOEs such as financial governance reporting and evaluation of implementations, the public tended to know more about information related to operations, revenues, licenses of SOEs rather than daily operations; it had come to need contract transparency; transparency must not just remain as policy but must come along with the human, financial and technical resources intended to implement it; currently, no department had departmental procedures within themselves to implement transparency; although there was one spokesperson in each of the departments, there seemed to be collective engagements when requesting for EITI related data; such situations needed to be considered; transparency could be strengthened only when there were clear authorities for each level; it was necessary to be able to use a third-party in entering contracts; how to implement the Confidential clauses later in accordance with the policies was discussed;

Monitoring was needed to legally bind the stipulations set forth in the contracts; it was needed to know not only the by-laws published by the government in regards to the Functional procedure reform, but also the orders and departmental circulars; if not, conflicts could occur; it was, therefore, needed to consider how to ensure transparency; workshops like this where all the different departments could meet altogether and engage in interactive dialogues were good; conducting regular meetings, forums and workshops was also discussed; industrial clustering was also discussed;

Transparency was the foundation to good governance; to link with the current existing systems and programs with the Goal 2.5 of Myanmar Sustainable Development Plan: Reform of SOEs; and EITI to move its way forward; Responsible Business Framework related to transparency should be established; existing Information and Technologies (IT) should be effectively made use of; familiarity with the IT could lead to the development of Oversight Mechanism which could benefit the monitoring entities; reforms of SOEs should be linked to the E-Governance; transparency and disclosures were two different things;

In regards to the discussions related to strengthening the monitoring bodies such as Public Accounts committee, Natural resources and environmental conservation committee, Office of the Auditor General and civil society organizations – budget disclosure was improving year by year; there had been Dedicated Extractive Sections; after EITI implementations, the Citizen's budget included separate section for extractive sectors; Data for Oversight should be Disaggregated Data at the project-level reporting instead of aggregated ones; only then the benefits of the Transparency Mechanism would be delivered; since SOEs are big enterprises and organizations, unclarities of grass-root data disaggregation could leave out the important data unnoticed;

Since there could be change in reporting template and budget request templates according to Myanmar Sustainable Development Plan, this could be an opportunity for strengthening Budget reporting of SOEs; public disclosures of the reports of Office of the Auditor General were different from each other; special cases, occasionally or annually in accordance with the Accounting law, were simultaneously presented to the Union parliament and the President; and that the Parliament can publicly disclose;

A responsible person from the Office of the Auditor General also added that – the duty of the Office of the Auditor General was to audit the transactions in the Union Budget account; transactions that were not made into the Union Budget Fund was audited by the External audit firm; accounts outside of Union Budget were not audited by the Office of the Auditor General; SOEs operating outside of Union Budget

(for example – Myanmar National Airline) could not be audited by the Office of the Auditor General; Order Letter No. 35/2017 also insisted that an Internal audit be established during the term of the ruling government and that after formation, an Auditing Committee must be formed.

NRGI described that – International Financial Reporting system was essential to improve the governance; especially, EITI should coordinate and collaborate more with Central Statistical Organization; systematic disclosure should be implemented as a national process instead of annually; moreover, standard criteria was needed to develop a mineral market; National lab and reliable standards for the gem sector;

More strengthening of law was needed; law and responsibilities were needed to be set specifically to transform into corporation; for example, if we look at the Myanmar National Airline, their struggle was successful because of a systematic leader; laws and by-laws consistent with Myanmar's context were also needed; and that regulators should be enriched with awareness and knowledges related to their field to improve the role of regulators.

In regards to the discussions related to future plans, Mining sector representative member of MSG added that – a comprehensive mechanism to receive complaints should be inclusively constructed under the SOEs process; that would be according to the Grievance Policy of the UN Protocol Article : Free, Prior and Informed Consent (FPIC); such establishment could be more helpful in resolving issues; public consultation prior to the process initiation was the 'social license'; the process could be initiated only after 'social license' agreement; and that therefore, 'Social License to Operate' should be included.

As NRGI discussed about the future activities – the group discussions included the future activities and timeline; the workshop was also a part of EITI work plan and was conducted because it was actually needed; the time of the next convening was another importance; the first step would be to draft a report reflecting and including the challenges, difficulties of SOEs, and discussions covered in the workshop; since the process was kicked off from the Myanmar EITI process, this would be presented to the MSG as well; 'discussions' and 'challenges' topics shall be divided; the result of the report would be informed and recommended to the relevant entities; and then, the MSG would discuss in details and would make decisions based on the level of priorities in the process; the process must be coordinated not only by the Myanmar EITI but also the departments; there could be requirements to contact and work with the National Economic Coordination Committee (NECC) along the process; after the MSG had made decisions, they would be presented to the Myanmar national leading committee; therefore, formation of taskforce should also continue to be discussed in the MSG;

The government sector representative participant also added that the report should be presented to the stakeholders before submitted further. MSG member mining sector government representative participant also added that – in the presentation for oil and Gas sector SOEs, despite stating that they wanted to be SOEs meeting the international standards, Regulator and commercial roles still remained in confusions; in their ministry department, except for pearl sector, there was no investments and hence, they were only functioning tax collections; therefore, it should be discussed at a higher-level of the ministry whether to take on as a regulator role or as a commercial role; and that they wanted the summaries from the following workshop to be carried forward in line with the EITI process.

8.6. Conclusion Remarks by the Director General of the Department of Mines of the Ministry of Natural Resources and Environmental Conservation, Vice-chair of Myanmar EITI MSG



In the conclusion remark by the director general of the Department of Mines of the Ministry of Natural Resources and Environmental Conservation, Vice-chair of Myanmar EITI MSG, he stated that – he was thankful to all the workshop attendees, and for the positive discussions and recommendations given together by the departments, companies and civil society organizations and also to NRGI for sharing international experiences; as the incomes generated from the SOEs ranged to 45% of the total state incomes,

SOE played an important role for the country; he was thankful for active participations and discussions envisaging to increase the SOE incomes and the development of the SOE sector; and that the data and information received from the extractive sector SOEs reform workshop would be discussed during the MSG meeting and then submitted further to the leading committee consisting of the union ministers to be able to give instructions.

9. The Findings from the Workshop

During the two-day workshop, the needs of the State-Owned Enterprises (SOEs), and reform implementation process were discussed; the following are key findings from the workshop.

i. Findings from discussions with the Ministry of Planning and Finance (MOPF)

- It is encouraged to determine whether inoperable natural resource industries, power generating industries, or other like such industries, that no longer provide national infrastructure and public services:
 - should be considered as SOEs,
 - should be allowed to only operate in low-capacity environments, or
 - should be given time to develop into companies that can compete on a level playing field with the private sector.
- The reconsideration of whether joint ventures, SOEs with potential to corporatization, industries with financial loss, and industries with no market influence, should remain as SOEs is required as well.
- A new classification framework is needed to establish for SOEs to help differentiate between:
 - commercially viable SOEs without a need for public subsidy,
 - commercially viable SOEs with a need for public subsidy, and
 - non-viable SOEs.
- The Treasury Department aims to ensure that foreign loans are within the limit stated in the indexes of the Debt Sustainability Analysis (DSA), and to draft a more comprehensive Mid-term Debt Management Strategy (MTDS)
- The participation and support of MEITI Leading Committee, MEITI Working Committee and MEIIT Multi-Stakeholder Group are much needed to develop the Level of Progress in Meeting the EITI Standards; which is required for establishing the National Indicators Framework
- SOEs must procure International Financial Reporting Standards (IFRS) that provides oil, gas, and mining companies with specific rules in following international accounting standards.

Note: These rules are designed to provide investors with adequate information for assessing company performance. The IFRS provides a company with a list of requirements and information that should not be made public. Rather, a means for internally tracking activities and finances for employees and investors. As such, the IFRS is deemed an internal reporting standard as opposed to an external reporting standard. That said, some SOEs have however adopted these standards with releases of public reports

for the public to utilize. According to the NRGPs soon-to-be-released National Oil Companies (NOC) database, 27 out of the 63 NOCs of their subsidiaries, for which data was collected, have audited their financial reports according to the IFRS. These include Abu Dhabi's IPIC, Angola's Sonangol, China's CNOOC Ltd, Denmark's Ørsted A/S, Ghana's GNPC, Indonesia's Pertamina, Jamaica's PCJ, Kazakhstan's Kazmunaigaz, Namibia's NAMCOR, Russia's Rosneft and Venezuela's PDVSA.

- SOEs are need to adopt more enthusiasm and innovativeness to be competitive with imported quality and price.
 - A strong legal and regulatory framework is important for providing clarity on the relationship between the Government, the SOE board, and SOE management; as well as creating a level playing field between SOEs and the private sector.
 - During the reformation process of SOEs, it is required to obtain strategies and procedures in order to systematically re-allocate staff and ensure a balance in staff capability, salary, and pension.
 - The Union's Auditor General submits the report on performance and findings to the the office of the President and the Joint Public Accounts Committee of Pyidaungsu Hluttaw simultaneously. Those reports are publicly accessible on the official website of the Union Parliament at www.pyidaungsu.hluttaw.mm/reports.

ii. **Findings from discussions with the Ministry of Electricity and Energy (MOEE) and the Ministry of Natural Resources and Environmental Conservation (MONREC)**

Energy (MOEE)

- In order for MOGE to be made a NOC (National Oil Company), it is required to upgrade to policy, rules and regulations, organizational framework, development strategy, technology, and financing.
- MOEE shall utilize the training fund/ commitment, contributed by companies in accordance with the production sharing contract and maintained by a committee under MOEE, for training, and procurement of training-related equipment and materials, only upon the approval of the union government.
- Research and development funds are to be maintained by the company according to the contract and are not directly related to MOGE.

Mining (MONREC)

- A clear separation of operational and regulatory functions is required. In this case, removing the regulatory functions from MOEE, MONREC, and from the sectoral associations, among other

things, is critical to avoid conflicts of interest when negotiating fiscal terms and condition with private companies.

- The ministry has more than 2,400 personnel, however, there are very few experts on the field. Moreover, the industry cannot supply the demand of the mining experts because there are only a few graduates specialized in Mining Engineering from the technological universities.
- In the Mining Law, mining operations are only permitted to perform either Profit-Sharing, Production-Sharing, or Equity, making it difficult to perform Resource Rental Tax, therefore, the Tax regime needs to be reconsidered.
- For sustainable development of the mining industry, resource tax collection should be prioritized, along with appropriately updating the national resources policy.
- It is encouraged that relevant ministries push towards establishing an International Financial Centre in order to achieve a stable market, to support equal competition, and to reach international standards.
 - MONREC has capacities to develop One-Stop-Service (OSS) for the Mining sector with coordination of States and Regions, through administrative laws of the ministry
 - Standards for developing a mineral market are encouraged to be established.

Gems and Jade (MONREC)

- A National Laboratory needs to be established under a set of reliable Standards.
- In the Gems sector, it is hard to better monitor or track the background of gems extracted by small-scale industries, after collecting loyalty.

Forestry (MONREC)

- It has become a challenge for the long run for Myanmar Timber Enterprise to manage the civil servants' pension funds which started back in 1948.
- Back when timber was highly produced, over 3000 trained elephants were accumulated. However, the annual allowable cut (AAC) has greatly decreased since then. Although there currently are elephant camps options, the usefulness of the elephants still needs to be determined for the long run.
- Aging vehicles, equipment, and factories in the industry have been a huge roadblock when competing in the market economy for Myanmar Timber Enterprise
- When annual production quantities are reduced, current domestic timber needs and situation of timber-based industries need to be re-analyzed.

10. The Recommendations from the Workshop

The following recommendations were concluded from the discussions by the attending MSG officials, and stakeholders:

- SOE governance guidelines should be designed to serve as a “roadmap to reform” for government entities that manage and oversee SOEs.
- Clear policies and capacity building activities needs to be developed for staff within SOEs.
- In moving towards an E-Governance, computerized systems are to replace the current manual documentation systems in order to promote transparency.
- For the drafting of rules, regulations, procedures, and strategies, a technical working group should be formed in order to lead the implementation of the reform process of SOEs.
- Capacity building trainings are required in order to publish reports for International Financial Reporting System (IFRS).
- In order to implement “Open Data Policy” & “Systematic Disclosure”, required by the 2019 EITI Standards, and to establish a standardized terms and usages, MEITI needs to cooperate with the Central Statistical Organization (CSO).
- In order to better improve the roles of the Regulator, there needs to be more educational activities for the purpose of awareness raisings within relevant sectors.
- It is encouraged to revise, simplify and optimize the present licensing procedures, speeding-up the duration and establishing separated and different procedures for exploration and mining rights as the preparation for the execution of “Phase 2” and the preconditions to the implementation of the computerized Myanmar Mining Cadastre System.
- Beneficial Ownership (BO) is one of the EITI requirements and Myanmar has committed to disclose BO information of the 154 companies listed in the 4th MEITI report by 1st January 2020. BO online form pieces of training were conducted on 19th and 20th August 2019 altogether with the 154 companies (including SOEs) in Mandalay and Yangon respectively and SOEs need to describe the number of affiliated ministries (parent ministry) and their country for disclosing BO information.
- Awareness workshops, such as this workshop, are useful for planning future activities and should be held in the future.

11. Future Activities

The following future activities were agreed:

- To draft a report for the current workshop

- To distribute the draft report and ask for feedback from the departments
- To submit the report to the MSG and discuss on the feedback received
- To submit the report to the EITI technical working committee and leading committee
- To further continue holding meetings

The reform process for Extractive State-Owned Enterprises (SOEs) should be carried out, not only by the Myanmar EITI, but by other government sectors, committees, such as the National Economic Coordination Committee (NECC), and organizations.

12. Conclusion

The two-day workshop enabled an environment between MEITI MSG members, Extractive SOEs and relevant stakeholders to openly share their experiences, challenges, and situations, enabling national level projects to reach international level standards.

The workshop produced well-focused discussions, assertive recommendations, and good results that were targeted towards a more transparent, and accountable form of natural resource governance for Extractive SOEs.

Annex I: Workshop Agenda

Time	Particular	
8:30 to 9:00	Registration	MEITI NCS
9:00 to 9:10	Opening Speech	Deputy Minister, Ministry of Planning and Finance (MOPF), Chairman of MSG
9:10 to 9:20	Key Note Address	MEITI National Coordinator
9:20 to 10:20	Statements from MOPF on current state of play in SEEs management and future plans -Budget Dept. (State Owned Economic Enterprise) and Treasury Department -Central Statistical Organization -Planning Department -Project Appraisal and Progress Reporting Department	MOPF
10:20 to 10:35	Photo ops/ Coffee break	MEITI NCS team
10:35 to 10:50	Introduction: Extractive sector State Owned Economic Enterprises (SEEs) overall challenges	NRGI
10:50 to 11:10	-Statements from MOEE on current state of play in SOE management and future plans -Questions and Answers with audience	MOEE –MOGE
11:10 to 11:30	Statements from MONREC (Mineral sector)	DOM, MONREC
11:30 to 12:10	-Statements from Mining Enterprise-1 on current state of play in SEE management and future plans --Questions and Answers with audience	ME-1, MONREC
	Lunch break	
1:00- 1:20	-Statements from Mining Enterprise-2 on current state of play in SEE management and future plans --Questions and Answers with audience	ME-2, MONREC
1:20-1:40	-Statements from Myanmar Gems Enterprise on current state of play in SEE management and future plans --Questions and Answers with audience	MGE, MONREC
2:30-3:00	Coffee break	
3:30 to 3:50	-Statements from Myanmar Pearl Enterprise on current state of play in SEE management and future plans --Questions and Answers with audience	MPE, MONREC
3:50-4:20	-Statements from Myanmar Timber Enterprise on current state of play in SEE management and future plans	MTE, MONREC

4:20-4:440	Wrap up of first day	NRGI/MEITI-NCS
Second Day		
8:30 to 9:00	Registration and Coffee	
9:00 to 9:10	Recap of first day	NRGI/MEITI-NCS
9:10 to 9:30	Lesson learn from Myanmar National Airline(MNA) Corporatization	MNA
9:30 to 9:50	International Experiences- the role of SEEs/SOEs in country's economic development processes	NRGI (TBC)
9:50 to 10:30	Transitional options: policy recommendations for SEEs --Questions and Answers with audience	NRGI
10:30 to 11:30	Topics of Group Discussion (1) Options for improving extractive SOEs (improve legal reform, strategic objectives and performance targets) (2) SOE's transparency mechanism (financial and management reporting, performance review) (3) Strengthening oversight institutions: Office of the Auditor General, Civil Society, Hluttaw Public Account Committees	MOPF (Budget, Treasury, CSO, PAPRD) MOEE (MOGE, OGPD) MONERC (ME1, ME2, MGE, MTE, Pearl) OAG, Civil society representatives Hluttaw Representatives
11:30 to 12:30	Presentation of Group Discussion Points	Group representatives
12:30 to 12:45	Action plan and way forward	MEITI-NCS & NRGI
12:45 to 12:55	Closing section	Director General, Department of Mines, Vice- chairman of MSG
12:55 to 1:30	Lunch	