

MINUTES

SEITI MSG Meeting (No 01/ 2019)

Date: Friday, 11 January, 2019
Time: 14:10h- 15:40h
Location: BIS Conference Room

Present		
Government	Civil Society	Companies
J. ten Berge (JtB)	R. Artist (RA)	T. Jbara (TJ)
H. Deel (HD)	R. Caupain (RC)	S. Jadnanansing (SJ)
	M. Essed-Fernandes (ME)	M. Naarendorp (MN)
		V. Gangaram Panday (VG)

Absent with notice	Absent without notice
A. Jadoenathmisier (AJ) (Government)	E. Aviankoi (EA) (Civil Society)
D. Abeleven (DA) (Government)	V. Lalji (VL) (Government)
L. Best (LB) (Civil Society)	
R. Bhattacharji (RB) (Civil Society)	
A. Ramdin (AR) (Companies)	
T. Fauria (TF) (Companies)	

SEITI-Secretariat	Observers	Guests
V. Sabajo (VS)	M. Raafenberg (MR) (Rosebel Goldmines N.V.)	
F. Bondhla (FB)	M. Resomardono (MRe) (Kosmos Energy Suriname)	
	E. Kramp (EK) (Government)	

Agenda

1. Opening
2. Announcements
3. Presentation Communication Firm "O' Media"
4. Approve minutes 09 Nov 2018 en 07 Dec 2018
5. Status submitting data to BDO Portal per 03 January 2019 and the next steps / Approval list of names to submit data to the BDO portal for fiscal year 2017.
6. Approval Addendum of MoU 2018 to submit data for fiscal year 2017
7. Questions
8. Closing

1. Opening

Opening by ME at 14:10h

2. Announcements

- JtB indicated that DA was late, but asked if ME wants to chair the meeting. This has been adopted by ME and the rest of the members
- ME: With the passing of Director BIS, Mrs. Vaseur, also condolences on behalf of MSG and asked to this could be conveyed to Mrs. Vaseur's family
- VS: No Presentation of O'Media because the presenter broke his leg yesterday (January 10th) and has an appointment with the orthoped. ME: What is the purpose of this presentation? VS: The intention is for this company to present its plan of action to MSG. The MSG must also approve some of the activities that they must do based on the ToR.
- ME: ME asked if the presentation could be sent.
- VS: This has already been done by the Secretariat but will send it to the members again. ME requests that they send their PPPs before the start of O'media' s presentation. The Secretariat also sent an email to the members based on the presentation of O'Media on November 15, 2018, whereby the matters that were discussed were sent to the MSG members by email for feedback. However, the Secretariat never received feedback from the members.
- SJ: An important point that was still open on related to Communication is a "plan of action for community engagement" because not all communities can be reached via social media. No feedback has been received on this point.
- VS: O' Media is hired for one year and indicated that the piece of "Community Engagement" is not scheduled for year one.
- SJ: believes it should be included immediately because there must be a follow up on things and the timeline has passed so quickly.
- ME: ME asked when is the start date of O'Media ? VS: They should have started a long time ago. Their contract has already been signed. ME: There is a backlog in Implementation of communication activities.
- SJ: SJ Asked if O'Media could send their plan of action and explain their outreach during the presentation.
- ME: ME stated that Joan Veldhuizen has informed MSG by email that she will no longer be part of the MSG as of 1st January 2019. Is there a replacement for her? JtB: There is no replacement yet. VG: What she missed in the email is if a replacement has been arranged. Joan will work at Staatsolie, but she still has to start. Her contract still has to be signed, but if everything goes well, she will start at Staatsolie next week.

3. Presentation Communication Firm O'Media

Postponed to the next MSG meeting

4. Approve the minutes of 09 November and 07 December 2018

After some comments and correction of typos, the minutes were approved.

Points of attention in the minutes of 09 November 2018

ME: To check if feedback has been received on the letter sent to EITI International Secretariat in November 2018

VG: Asked if it is useful to put that issue of MSG functioning per resolution or if it can be done in another way?

SJ: The installation of MSG went through the Council of Ministers because there is no other Legal basis for establishing MSG. In other countries it is specifically regulated in the mining law. It is important to ask DA for an update/ status of the extension of the MSG's term of office.

ME: What does the replacement entail? Everything must be worked out. The 3 entities must determine the persons who will represent the entities in MSG.

Points of attention in the minutes of 07 December 2018

SJ: DA would examine to what extent it is possible to make the extension of the term of the MSG proportionate to the term indicated in the ToR.

VG: Regarding the discussion to which constituency Staatsolie should belong to "We are a 100% State-owned company but we are a N.V. and all our operations within Suriname are purely commercial". In EITI perspective, the main point is transparency and Staatsolie sees itself as a commercial company "Staatsolie" that makes payments to the government, which is why we see ourselves as a constituent group of "companies". It is entirely correct that we are the state's agent in the role in which we conclude contracts with international oil companies such as Kosmos, Tullow Oil, etc., and in that role we are the regulator.

But these companies are not yet producing. No off-shore oil is currently being produced. Prime position Staatsolie in EITI now: Reporting remittances to the government.

RC: This discussion started when TF indicated that it must be checked to which constituency Staatsolie belongs to because they have 2 hats on. They are regulator and operator.

VG: But the MSG's job is not to monitor, that is the job of the Independent Administrator (IA). Staatsolie is a reporting company in MSG. The IA can also request reporting outside of MSG. If oil is found and Staatsolie starts competing, the roles still have to be decided. Internally it already happens, but when the time comes, MSG will also bring back what has been decided. Commercial company in MSG or Regulator. Nor does it have to be that Staatsolie is always in MSG.

SJ: This discussion was created by Kosmos. Tom had a specific reason, but she can't remember that. But when the Minister arrived, it was assumed that this issue should indeed to be looked into.

VG: From the point of view of international companies, they see Staatsolie as Government Agency

ME: Park this point and when TF is here, then we can ask him why he raised this point of attention.

VG: For 2016 and 2017, Staatsolie will do its reporting as a company.

The Confidentiality Agreement needs to be worked out better. It was said in the meeting that companies pay / transfer royalties to government and non-government accounts.

SJ: The Confidentiality agreement applies to all companies

VG: Staatsolie always pays to the government. This is not a concern for Staatsolie.

MN: The issue regarding confidentiality agreement was brought forward by AR based on the fact that it is unclear whether names of third party would be published in the report due on royalty payments if there is a confidentiality agreement.

SJ: RGM always pays royalty/taxes etc based on the Minerals Agreement. The government is always free to state on which account the funds must be deposited eg. EBS etc. But the problem is that MoF will not find it in the books.

VG: Is there an action point on this issue?

ME: For the people who take the minutes: View on a substantive discussion. After 2 years it must be clear that a discussion has taken place, that must be clear. What we need in the minutes is that something substantive is said instead of just the leaders.

FB: Maybe I can comment on that. In the past the Secretariat has quoted that the minutes are drawn up, but no feedback is given. During the MSG meetings the minutes are then only looked at, which means that a lot of time is lost. It would be reasonable and fair if the minutes were sent and feedback was given.

ME: No, listen: Now the minutes are recorded. Then you would write a summary of the discussion, and MSG can indicate that it is right or wrong.

VS and FB: That is why the minutes are sent to supplement.

ME: "Minutes must also state what has been discussed in terms of content. But if I only have a listing of "confidentiality agreement". I was not at the meeting, it gives me absolutely no idea of what has been discussed". It's about the future, people who come after us can also check what has been discussed. Eventually we will upload the minutes on the website.

VS: MSG members rarely give feedback on the minutes

ME: It's not about feedback, but about the correct presentation of the discussion. Otherwise you ask us to write down the minutes.

ME: ME suggests to put this issue on the agenda for the next meeting or when it is appropriate to be discussed during MSG meeting

VG: The point was also to see where the Secretariat should be housed, up to this moment it's housed at BIS. After issuing the first report it would be good to look into the issue of the Secretariat in order of housing, staffing etc.

ME: This must not be viewed as an accusation towards the Secretariat.

FB: When Mrs. Vaseur died, the Secretariat completely deflated. We were asked to help and we do our part to our best ability possible.

VG: Regarding appointing the chair of MSG, we still have to make a decision. Initial thought as indicated in the ToR was stirring among the three constituencies or do we want an independent chair.

Jtb: Is it a decision that emerged that the government will not chair?

RC: DA indicated in the previous meeting that the government will not lead the MSG in the next term.

Jtb: This statement alone is not enough.

ME: Agenda point for the next meeting: Chairing of the MSG or the next term.

5. Status submitting data to BDO Portal per 03 January 2019 and the action points/ Approval list of names to be submit data to BDO Portal for Fiscal year 2017

ME: Can the different entities state what the issues are?

VG: We have been uploading since October 2018. It is a complex template but no issue on that. We try to submit data as quickly as possible. It is not always in the right place. We had everything uploaded. The issues are more things where things are placed. The last issue we had this week is that part of the subsidiaries. The annual accounts are consolidated. BDO has said that they only want that of Staatsolie because the subsidiary companies PCS and Gow2 are not extractive companies. VG was not in the last meeting but maybe MSG should take a decision about this.

Our Audited Financial statement is consolidated. BDO cannot indicate that it is not possible to segregate the amounts.

The dilemma that arises as a result is also the piece of "settlements". With regard to fuel, the government does not pay. The mother settled on behalf of the daughter.

"If you do not take the daughter what do I have to do with the settlement".

ME: ME can remember the discussion with BDO, that they get the "consolidated" amounts, but it must be clear what the separate amounts of the various entities are.

VG: They can see it, but the reporting is consolidated.

Payment of wage tax etc takes place separately, but the payments to the government take place in a consolidated manner.

Jtb: It's not complex to segregate the amount

VG: BDO only wants cash, (the remittances), settling is not cash.

That is why we have been playing around with BDO for so long. I am an MSG member, not from finance department of Staatsolie.

Now this week I hear that consolidated amount is good for the reporting which were already good since months.

Jtb: Despite the consolidated reporting, you can still make the various payments.

VG: The problem is if we only report cash-based, no settlement, it will give a wrong statement

I would like MSG to make a decision that gross reporting money (the payments), so on paper and not just cash based. I'm tired of this discussion.

ME: There should be a discussion with BDO about this.

Jtb: BDO has various sheets, the "main" and "tell me something more"

VG: There is also a comments sheet, where you can write and explain things.

The settling does not appear in the main sheet, why? It does not work in Suriname, because in Suriname we "settle" a lot.

The difference is 100 million dollars. I don't want that in the "footnote", otherwise a wrong image is created in the extractive industries. The whole purpose of EITI is transparency

Regarding allocation: The government determines where the amount goes.

ME: Suggest a discussion with BDO about this. In the next meeting or just a bilateral discussion.

VG: If MSG can make a final decision about the template.

Jtb: Staatsolie-finance and BDO can sit down to discuss matters.

SJ: Regarding RGM, everything is already uploaded, but they were in various folders but it was uploaded again in January in the right folders. Can BDO confirm if everything is ok?

As long as Rosebel Gold Mines N.V. has not received confirmation that 2016 data is ok, no data from 2017 will be uploaded.

VG: It's the first time, so mistakes can be made, but include issues in the following reports.

ME: A meeting with BDO with the companies regarding outstanding issues. Hopefully a solution will be found.

VG: Who does BDO listen to? Only to DA. I want a MSG decision on approval of reporting of the consolidated amounts.

ME: Newmont issue: VS: signed MoU received but no data submitted yet.

RC: AR indicated that they are working on it.

ME: ME suggested that DA should contact Newmont representative.

TJ: There will be a SHMR meeting on Tuesday about the template.

SJ: Who will the MOU for SHMR?

MN: TJ and MN. 21 companies out of 43 will contribute to this report. By the end of the month it is okay that data will be "uploaded".

SJ: Also include the narrative behind this.

SJ: Issue of Grassalcoregarding signing the MoU. Secretariat: the email was also sent to representative

ME: Issue Apache and Tullow Oil.

Secretariat: Tullow Oil is now in compliance. Apache has not signed the MoU nor has it submitted data to the BDO Portal.

ME: MSG must also decide what will be done about Apache and Grassalco.

JtB: Outstanding issue MoF? Anytime data can be uploaded.

Secretariat: Representative MinNR has already made contact with BDO regarding the outstanding issues.

Secretariat: BDO has sent a list of names dated 11 January 2019 for data submission to the BDO Portal yet to be approved by MSG.

ME: MSG members should check and approve this by email.

6. Approval Addendum of MoU 2018 for submitting data to the BDO portal for Fiscal Year 2017

Jtb: Jtb gave an explanation of article 3 that she has made to the addendum. The first MoU is not in compliance. There is a pass on the waiver of confidentiality and that answer was received at the end of December. Article 11 not covered. MoF is not covered when I view the MoU. Special exemption from the confidentiality of the tax authorities. The article to cover MoF included in the addendum. No approval of the addendum yet. SJ will review and provide feedback.

ME: To what extent will this have consequences for the reporting to sign the addendum? For some companies it takes longer because their Legal department also has to screen it.

Why is it done on an annual basis? Also prefer general comments over specific comments. Just check the wording.

MN: It is not easier for 2016 and 2017. Otherwise it will be harder to get the document approved by the Legal department. Take all issues with you next time.

SJ: Will look at it now that she has heard the government's issues.

7. Questions

The next meeting is scheduled for 25th January, 2019

8. Closing

Closing of the meeting by ME at 15:40h

Action points

Action	deadline	Responsible	Remarks
DA will check if there is a response from EITI International regarding the letter that has been sent and submit a proposal for the SEITI report	25 January 2019	DA	
DA will inquire about the extension of the MSG parallel to the ToR. The ToR indicates that MSG is for 3 years, but Council of Ministers has given MSG a mandate for 2 years.	25 January 2019	DA	
DA would ask Apache if they are still participating in the EITI event and still provide their data to BDO.	25 January 2019	DA	
Make contact with BDO with regard to the data delivery template.	25 January 2019	JtB, VG, BDO	
Sending the O'Media presentation	20 January 2019	SEITI Secretariat	
Give comments on the Addendum	20 January 2019	SJ	

(SEITI-Secretariat)