

22 May 2014

Rt. Hon. Clare Short
Chair
EITI Board of Directors
C/O EITI International Secretariat
Ruselokkveien 26, 0251
Oslo
Norway

Dear Chair Short,

Re: TTEITI Validation Report

It gives me great pleasure to present the Final Validation Report of the Extractive Industries Transparency Initiative in the Republic of Trinidad and Tobago.

As you know, beginning at the first Plenary Conference in 2003, Trinidad and Tobago has travelled a very long road with the EITI and we are very pleased to have finally reached this stage. Despite the many challenges faced along the way, the multi-stakeholder Steering Committee and the Government remain very committed to the EITI process and the benefits that will accrue to our country.

I look forward to the Board's favourable consideration of the Validation Report and will provide any additional information that may be required. We are hopeful of gaining Compliant Country status at the earliest.

Sincerely



Victor A. Hart,
Chair,

TTEITI Steering Committee.

Cc. -Jonas Moberg,
Head, EITI International Secretariat
-Dyveke Rogan,
Regional Director, EITI International Secretariat
-Trond Kubberud, Director
International Petroleum Associates Norway (IPAN)



This Report has been endorsed by TTEITI Multi-Stakeholder Group Steering Committee (MSGSC) at the 44th Meeting of the MSGSC on May 22nd, 2014.

**Validation of the
Extractive Industries
Transparency Initiative**

The Republic of Trinidad and Tobago

Oslo, 15th May, 2014

by

International Petroleum Associates Norway AS

Acknowledgements

The Validation Team would like to thank the Chair of the Trinidad and Tobago EITI Multi Stakeholder Group Steering Committee, the Multi- Stakeholder Group Steering Committee, the Head and the staff of the TTEITI Secretariat, the EITI International Secretariat, and all the government, civil society and company stakeholders with whom we met and from whom we received valuable feedback, for their contributions to this validation process.

Disclaimer

This Validation Report is only meant to comply with the provisions of the Contract entered into between the Ministry of Energy and Energy Affairs (MEEA) acting on behalf of the Government of the Republic of Trinidad and Tobago (GORTT) and International Petroleum Associates Norway AS (IPAN).

This Validation Report is not intended to be a comprehensive analysis, opinion or evaluation of permitting, environmental assessment, social, or economic development guidance on compliance with any laws and regulations of the Republic of Trinidad and Tobago or any other state, nor with international standards other than the EITI Rules, 2011 Edition.

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Section 0 Abbreviations

BIR	Board of Inland Revenue
BOPD	Barrels of Oil Produced per Day
CSO	Civil Society Organisation
EITI	Extractive Industries Transparency Initiative
EITISec	EITI International Secretariat
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Society for International Cooperation)
GORTT	The Government of the Republic of Trinidad and Tobago
IPAN	International Petroleum Associates Norway AS
ISSAI	International Standards of Supreme Audit Institutions
IADB	Inter-American Development Bank
MEEA	Ministry of Energy and Energy Affairs
NGC	National Gas Company of Trinidad and Tobago
MMSCFD	Millions of Standard Cubic Feet per Day
MoFE	Ministry of Finance and the Economy
MoU	Memorandum of Understanding, dated 7 th June 2013
MSGSC	TTEITI Steering Committee (Multi- Stakeholder Group)
PSC	Production Sharing Contract
RWI	Revenue Watch Institute
T&T	Trinidad and Tobago
TTEITI	Trinidad and Tobago Extractive Industries Transparency Initiative

ToR Terms of Reference

WB World Bank

Section 1 Executive Summary

T&T was engaged in the start-up of the EITI in 2003, but did not gain Candidate member status up until 2011. The Chairman was named and the Multi-Stakeholder Group Steering Committee (MSGSC) established in 2010. The TTEITI Secretariat has received financial support from the GORTT, WB, IADB, EU extractive companies and civil society organisations. Technical and other support has been received from EITI Sec, WB, IADB, GIZ and RWI.

The oil and gas companies with the largest operations in T&T supported the EITI on a corporate level prior to the country's application for Candidate country status. These companies have actively supported the EITI in T&T and encouraged the other companies to participate and support. Stakeholders were invited to participate on a voluntary basis and 17 companies representing 42 reporting companies out of the 45 companies on the BIR and MEEA lists signed the MOU. There are no indications that the three companies that did not sign made any relevant material payments to the GORRT during the reporting period.

T&T has been an established democracy for a long time with citizens having full freedom to speak. Relevant and fully independent civil society organizations are represented on the MSGSC. All stakeholders have supported the EITI-activity and express a clear objective for T&T to become fully compliant.

T&T's extractive industries were pretty transparent before implementation of the EITI. Aggregate revenue numbers are made available via the annual national budget documents which are available online for those interested in searching for it. The two state owned companies produced financial reports disclosing similar information and also some of the subsidiaries of the international companies disclosed relevant information.

The contracts between the government and the companies have confidentiality clauses and certain parts of these clauses had to be waived before work on the first EITI-report could begin. T&T has strict laws forbidding civil servants from disclosing confidential tax information that they receive on behalf of the government. There was a fine tuned balance between disclosing information required for EITI-submissions and breaching the legislation meant to protect sensitive information submitted to the government by individuals and companies.

It took time to solve this issue and work on the first EITI-report could not start until early 2013. The first EITI-report was published in the fall of 2013 and only minor discrepancies remained after reconciliation.

The Secretariat and the MSGSC have undertaken impressive dissemination and

outreach activities. The EITI requirements are in general met with a huge margin, but there is a shortcoming as to the audit of payments to the MEEA and the BIR. The Auditor General has acknowledged the requirement as set out in the EITI-standard and has started compliance audits of these payments for the fiscal year starting 1st October, 2012 and is currently revising the audit process to conform with ISSAIs in 2014 with full stage implementation planned for 2015. This shortcoming implies that one of the requirements has not been met. Meaningful progress and a will to meet all requirements has, however, been demonstrated.

Section 2 Introduction

2.1 The Team

This Validation has been carried out by International Petroleum Associates Norway AS of Oslo, Norway (IPAN).

Trond Kubberud (IPAN) served as team leader. Johan Tårup (IPAN) served as team member.

2.2 Timeline

- The Invitation to tender for the services of a Validator was announced by letter of 23rd July 2013 from The Government of the Republic of Trinidad and Tobago, Ministry of Finance and Economy, Central Tender Board.
- IPAN submitted its Technical and Financial Proposals for the Services, both dated 19th August 2013.
- IPAN submitted a revised Financial Proposal 4th November 2013
- IPAN submitted its proposed payment schedule by letter dated 28th November 2013.
- By Letter of Award dated 29th November 2013 IPAN was informed that the company had been awarded the Contract for the performance of the Trinidad and Tobago EITI Validation.
- The Contract for the Services of a Validator in respect of the Extractive Industries Transparency Initiative in Trinidad and Tobago was signed by IPAN and the Permanent Secretary, Ministry of Energy and Energy Affairs for and on behalf of the Government of the Republic of Trinidad and Tobago on the 3rd January 2014 and the 10th January 2014, respectively.
- The Effective date of the Contract is the 10th January 2014.
- Preparations for the field visit to Trinidad and Tobago started immediately.
- The field visit to Trinidad and Tobago took place from and including 13th to 21st February, 2014.
- In a meeting with the TTEITI MSGSC on 20th February 2014 IPAN presented preliminary observations and unbinding reflections.

- A preliminary report was submitted to the EITI Secretariat and the TTEITI MSGSC for comments on 10th March 2014.
- After having assessed the comments received, a draft validation report was forwarded to the TTEITI MSGSC and the Validation Committee of the EITI Board on 17th March 2014.
- After having received final comments from the Validation Committee of the EITI Board a revised draft validation report was submitted to TTEITI MSGSC for consideration the 6th May 2014.
- A final validation report is hereby presented to the Validation Committee of the EITI Board.

2.3 Methodology

The validation has been carried out in accordance with the steps of the Validation Guidelines as outlined in Section 4.3 in the EITI Rules, 2011 Edition. This means:

- Preparations
- Examination of relevant documents
- Meetings with stakeholders
- Reporting

Preparations

The preparations comprised planning of the field visit in cooperation with the Head of the TTEITI Secretariat in order to determine:

- which companies, government agencies, CSOs and possible others to be invited to meetings in addition to the reconciler, the Chairman of the TTEITI MSGSC and the Secretariat, and
- other administrative arrangements including travel arrangements.

The Head of the TTEITI Secretariat kindly made arrangements for the meetings with stakeholders.

Examination of Relevant Documents

The team collected information for the validation through a combination of documentary sources and interviews. Available documentation included:

- The TTEITI MSGSC's Terms of Reference, dated 18th August 2011
- The MoU
- Minutes from TTEITI MSGSC Meetings,

- Fiscal year 2011 TTEITI Report,
- The TTEITI Work Plan and other planning documents such as budgets and communication plans,
- TTEITI messages from the Chair and TTEITI Quarterly Newsletters,
- EITI Reports and supplementary information, and
- Details of workshops hosted.

Meetings with Stakeholders

During the field visit meetings were conducted with the stakeholders listed in Attachment D.

Reporting

The outcome of the Validation is documented in this Validation Report including the Attachments hereto.

2.4 Overall Progress in implementing the EITI Work Plan

The first draft Work Plan was presented at the MSGSC's 2nd meeting and was unanimously adopted for inclusion with the country's application for membership in February 2011. The plan was approved by the GORTT, and it has later been updated. The Work Plan is available via the TTEITI website.

The TTEITI Work Plan contains 28 goals. Actions to be taken including responsibilities, timeline, budget and funding sources are identified for each goal. The goals are organized in the following groups:

- Sign – up for candidate status
- Set – up
- Disclosure and publication phase
- Public dissemination and discussion
- EITI review
- Budget

All the sign – up actions have been completed.

One of the Set – up goals was review of T&T's legal framework to identify potential obstacles to EITI implementation including BIR constraints. Legal reviews have been conducted for that purpose. Further, a legal consultant has been appointed to produce draft EITI legislation for T&T. The first draft was presented 30th September, 2012, and the draft has been reviewed by the MSGSC on 7th March and 25th July, 2012. The final review of the draft legislation took place on 24th April, 2014.

Sources of finance for EITI implementation have been identified and finance secured. An EITI Secretariat has been established. An Administrator was appointed, and reporting templates agreed. Extractive companies' agreement to participate in the EITI has been obtained.

Several capacity building workshops have been held.

Regarding the disclosure and publication phase, the first EITI-report has been completed, and the contract with the Administrator also includes production of the second EITI report.

The first EITI report is made publicly available and widely disseminated.

2.5 Summary of Engagement by Civil Society Organisations

T&T's Civil Society Organisations are large in numbers, but are not organized under an umbrella organization.

Initially, the Oilfields Workers' Trade Union and the Trinidad and Tobago Transparency Institute in addition to The Trinidad and Tobago Chamber of Industry and Commerce and The Energy Chamber of Trinidad and Tobago were the four CSOs represented on the MSGSC.

The membership of the MSGSC was upon advice from the EITI Board increased with the addition of four representatives from civil society in August, 2011. The additional four civil society members represented: The National Youth Council of Trinidad and Tobago, The Cropper Foundation (environment), Fishermen and Friends of Sea (fisherfolk), and The Network of NGOs of Trinidad and Tobago for the Advancement of Women (gender equality).

It is difficult for small CSOs to be completely operationally independent of Government grant funding in a small resource rich country like T&T where GORTT expenditure plays a large role across the economy. However, in policy terms the CSOs represented on the MSGSC, particularly the Trinidad and Tobago Transparency Institute (the local chapter of Transparency International), Fishermen and Friends of the Sea and the Oilfields Workers Trade Union, have consistently demonstrated independence from the Government on issues of policy as it relates to their respective stakeholder constituencies.

CSOs have been actively involved in the EITI implementation process as demonstrated in the minutes of the MSGSC meetings. Evidence of this on the part

of CSOs includes the development of the materiality document by a Civil Society representative as well as the development of criteria for the review of Expressions of Interest for the performance of the first EITI reconciliation.

2.6 Summary of Engagements of Companies

Production of oil and gas in T&T is dominated by the state-owned Petroleum Company of Trinidad and Tobago (Petrotrin) and subsidiaries of large multinational companies such as BG Trinidad and Tobago Limited (BGTT), BP Trinidad and Tobago LLC (bpTT), BHP Billiton, EOG Resources Trinidad Limited (EOG), Centrica Trinidad and Tobago Limited (Centrica), Repsol E&P T&T Limited (Repsol) and TOTAL E&P Trinidad BV (TOTAL).

Petrotrin, BGTT, bpTT, BHP Billiton and EOG which represent more than 60% of the daily oil and natural gas production are all represented on the MSGSC.

These four upstream companies have contributed actively to the implementation of EITI in T&T through their participation both in the MSGSC and the MSGSC's three sub – committees where they have agreed to the Work Plan, the establishment of an EITI Secretariat and supported extensive outreach activities. They have also supported the work of the Administrator and agreed the materiality document and the templates for the first EITI reconciliation report.

In January and February 2012, a draft reporting template for the first EITI report was developed. The template was discussed at a workshop in June 2012 where the companies and government agencies participated. Subsequent to this workshop, the draft reporting template was circulated to companies for comment and further refined based on comments received.

The companies also had the opportunity to comment on and influence the drafting of a Memorandum of Understanding which committed companies to report to the Administrator. Seventeen (17) companies, representing the 42 reporting companies signed the Memorandum of Understanding on 7th June, 2013.

Section 3 Overview of the Extractive Industry Sector in Trinidad and Tobago

3.1 Sector Overview / History

T&T has had a long history with the extractive industries. The first extractive resource, asphalt, was mined by the British adventurer Sir Walter Raleigh in the 16th century. In 1857 the first oil well was drilled in Trinidad. A Government Department of Mines was established in 1903, two years after the commencement of commercial oil production.

The extraction and use of natural gas commenced in the 1950's with the introduction of natural gas as a low cost feed stock for the supply of electricity for the country's burgeoning industrial sector. By the late 1950's T&T had established cement and ammonia industries.

With the discovery of large tranches of natural gas off the east coast of Trinidad in the late 1960's and early 1970's T&T began a gradual transition from a focus on oil production. Natural gas became the lynchpin of an industrialisation policy facilitated by the creation of the National Gas Company of Trinidad and Tobago (NGC) in 1975.

By the early 1990s, the hydrocarbon sector in T&T transitioned from being oil dominant to predominantly natural gas based. Most oil and gas production is now offshore.

3.2 Oil and Natural Gas

T&T has distinct and well-developed upstream, midstream and downstream extractive industries sectors. The upstream sector involves oil and gas exploration and production activities and is dominated by large foreign multinational companies such as BGTT, bpTT, Centrica, BHP Billiton, EOG Resources and Repsol.

Petrotrin is the largest local company engaged in upstream activities. Midstream activities include the refining of crude oil and the transmission, processing, distribution, marketing of natural gas and crude oil. Petrotrin operates the only oil refinery in T&T. The NGC and Phoenix Park Gas Processors Limited (PPGPL) are the major midstream operators in the T&T gas business. NGC holds a monopoly position in the natural gas sector. It purchases, compresses, sells, transmits and distributes natural gas to a cross-section of consumers including petrochemical, steel and power generation plants in the Point Lisas Industrial Estate. PPGPL extracts propane, butane and natural gasoline from the natural gas

stream at its processing plant in Point Lisas. The conversion of natural gas to liquefied natural gas is also classified as a midstream activity. Atlantic (formally Atlantic LNG) is the sole producer of LNG in T&T.

The downstream energy sector in T&T is characterized by the production of three main petrochemicals: ammonia, methanol and urea. T&T is the world's leading exporter of ammonia and methanol. Two companies are engaged in the methanol production: Methanol Holdings Trinidad Ltd., a locally owned joint venture, and Methanex, the world's largest methanol producer. On the other hand, ammonia production is shared among PCS Nitrogen, Trinidad Nitrogen (Tringen), Point Lisas Nitrogen Limited (PLNL), Yara and Caribbean Nitrogen Limited (CNC). PCS Nitrogen and the new MHTL Ammonia Urea Melamine (AUM) plant produce urea.

In the downstream oil subsector, the National Petroleum Marketing Company Limited (NP) and the United Independent Petroleum Marketing Company Limited (UNIPET), both local companies, dominate the retail distribution of petroleum products.

3.3 Production

Total crude production is comprised of the production of crude oil and condensates. Condensates form about one quarter of overall crude production in T&T. Over the period 2000 to 2013, crude oil production in T&T dropped from a high of 143,450 bopd in 2006 to 81,200 bopd in 2013 a more than 40% decline. The decline in oil production is in part due to the natural decline of reservoirs of mature fields as well as lower condensate production from maturing gas fields.

Over the last ten years, natural gas production increased by about 174%, from 1498 mmscfd in 2000 to 4104 mmscfd in 2012 (MEEA). This rise in natural gas production was stimulated by growth in demand for natural gas over the last ten years, as new petrochemical and LNG plants came on stream, including LNG Trains II, III and IV; M5000; AUM and Titan Methanol. Natural gas production in T&T is dominated by four large foreign multinationals Corporations. bpTT is the largest producer, (55%) followed by BGTT(24%), EOG Resources (13%) and BHP Billiton(7%).

3.4 Contribution to the Economy

The oil and gas sector contributes on average 44% of GDP; 46% of Government revenue and 85% of export earnings (The Central Bank of Trinidad and Tobago).

Employment in the sector remains marginal in comparison to other sectors,

averaging less than 4% of the total labour pool during the period 2006 – 2010 (Central Statistical Office).

The petroleum sector accounts for a significant portion of total government revenue averaging 42% over the past 10 years. The upward trend was a result of a combination of increasing output and prices. However, GORTT energy sector revenue is sensitive to fluctuations in energy commodity prices. This was very evident in fiscal year 2009 (October 2008 – September 2009) when the petroleum sector's share of total government revenue declined by 24%, as a result of the collapse in global oil prices (The Central Bank of Trinidad and Tobago Various Years).

Conversely, the minerals sector represents a small contribution to GORTT revenues from the extractive industries. From 2003 to 2011, quarries, sand and gravel pits accounted for the lion's share of royalties received by the government from the mining industries. Over the nine fiscal year periods (which runs from October to September), royalties from quarries sand and gravel pits averaged TT\$ 1.3 million while royalties received from asphalt averaged TT\$ 87,000 per fiscal year.

3.5 Mining

Mineral mining is conducted for sand and gravel, yellow limestone, porcellanite, clay, blue limestone, red sand, oil sand and asphalt. Sand and gravel, yellow limestone and porcellanite account for the majority (73%) of mineral production.

The mineral resources are widely distributed across Trinidad. Clay is used in the manufacture of blocks, tiles and pottery. Porcellanite is used as low grade road base material (MEEA 2012). Oil sand and asphalt are found in the oil belt of the south-western peninsula. In Tobago the primary material quarried is andesite.

Mineral mining occurs in sixty-nine (69) active quarries in Trinidad (both public and private), thirty one (31) of which are sand and gravel quarries. Forty percent of these quarries are located on state lands (MEEA 2012).

The MEEA has recently embarked on a process of regularizing and licensing of these quarries. As at December 2012, 43 of the 69 active quarries had been licensed. Sand and gravel, yellow limestone and porcellanite account for the majority (73%) of mineral production.

As part of its programme of regularisation, the MEEA took steps during 2013 to

ensure compliance with the Minerals Act of 2000. The Minerals Act states that no licence shall be granted to any person to operate a mine or to mine within a specified area unless such a mine or mining is located within a mining zone. In order to establish these Zones, the MEEA contracted the services of a consultant to undertake a Strategic Environmental Impact Assessment (SEIA) of all locations where quarrying activities are conducted across the two islands Trinidad and Tobago.

Section 4 Progress against the Work Plan

The TTEITI Work Plan contains 28 goals. Actions to be taken including responsibilities, timeline, budget and funding sources are identified for each goal. The goals are organized in the following groups:

4.1 Sign – up for Candidate Status

All the six sign-up goals have been met, namely:

1. *GORTT makes statement of intention to join EITI*
2. *GORTT commits to work with the other stakeholders (Oil and gas companies and Civil Society)*
3. *GORTT appoints implementation team*
4. *GORTT advises the EITI Sec of its decision to join the EITI*
5. *GORTT publishes an EITI Work Plan with implementation schedule and budget*
6. *GORTT makes EITI Sign – up application*

4.2 Set - up

All of the 11 set-up goals have been met, namely:

7. *Review T&T's legal framework to identify potential obstacles to EITI implementation including Board of Inland Revenue constraints.*

Reviews of the legal framework of T&T have been conducted. (See discussion under Requirement No. 8)

8. *Identify sustainable sources of finance for EITI implementation.*

Sources of finance for EITI implementation have been identified and finance secured.

9. *Establish and operate EITI Secretariat office.*

The EITI Secretariat is established, and is in operation

10. *Appoint Independent Administrator to conduct 2011 and 2012 reports*

Independent Administrator has been appointed. (See discussion under Requirement No. 8)

11. *Agree Reporting Templates and guidelines*

The reporting templates have been agreed. (See discussion under Requirement No. 9)

12. *Obtain extractive companies agreement to participate in the EITI*

17 companies signed the MoU

13. *Capacity building*

Civil society consultant hired, Youth Advisory Committee created, workshops held with MEEA staff, companies and mining sector. First CSO Consultative Workshop and first Youth Forum held.

14. Organize tripartite workshops to discuss responsibilities of stakeholders in the EITI process.

Administrator held workshops for government and company officials

15. Media awareness

Various engagements, publications and interviews have been conducted to educate and raise awareness among the media. A planned education workshop is to be held

16. Stakeholder awareness

Six civil society outreach workshops held in 2013.

17. Public awareness

Communications consultant hired. EITI brochures, newsletters and booklets on extractive industries for civil society workshops printed and distributed.

4.3 Disclosure and Publication Phase

All the three disclosure and publication goals have been met, namely:

18. Companies and MoFE to produce reports on corporate taxes, fees etc. paid to and received by each party respectively

This information has been published in the TTEITI Report.

19. MCGSC receives and reviews Administrators reconciliation report

The EITI report has been reviewed by MSGSC

20. GORTT submits Reconciliation Report to the EITI Secretariat.

The report has been submitted to the EITI Sec.

4.4 Public Dissemination and Discussion

Two of the three dissemination and discussion goals have been met, namely:

21. Publish and disseminate the EITI Report

The EITI report has been published and disseminated. The report is available on the TTEITI website and a mobile application created to assist in its dissemination.

22. Public Forum/discussions on the EITI Report

Public forums and discussions on the EITI Report began in October 2013 and are continuing nationally. (See discussion under Requirement No. 18)

23. Publish EITI Handbook

Pending

4.5 EITI Review

24. Implementation of lessons learnt to date

Ongoing, lessons learnt have been documented, with appropriate actions included in revised Work Plan.

25. Develop annual work plan to continue EITI implementation

The work plan has been updated. Revision No. 3 covering the period December 2010 – August 2013 was approved by the MSGSC on 25th July 2013. The latest work plan was approved by MSGSC at its 40th meeting on 20th February, 2014.

26. Review the EITI process to date

Ongoing

27. Validation of EITI implementation

Validator's preliminary report was submitted to the EITI Sec and the TTEITI MCGSC for comments on 10th March, 2014. A draft validation report was submitted 17th March, and a draft final report was forwarded to the TTEITI MSGSC for consideration on 6th May, 2014. The Final Report was submitted 12th May.

28. Publication and dissemination of validator's report

Pending approval of Validation Report

Section 5 Progress against the EITI Requirements

5.1. Sign – up Requirements

Requirement 1: The Government is required to issue an unequivocal public Statement of its Intention to implement the EITI

Progress – Initial Attempt

T&T was represented by Christine Sahadeo, Minister of Finance, as one of 31 countries that attended the first EITI Plenary Conference in London in 2003.

At that conference, T&T committed itself to participate in the EITI. T&T and seven other countries (Azerbaijan, Congo, Ghana, Nigeria, Peru, Sao Tome e Principe and East Timor) undertook a pilot phase in order to interpret and implement the EITI Principles.

T&T was also represented at the conference in London in 2005 by Minister Christine Sahadeo. At that occasion T&T recommitted itself to implementing the EITI.

Minister Christine Sahadeo advised 12th September 2007 the EITI Chair that the T&T remained committed to implementing the EITI and had appointed an implementing committee of technical experts.

The EITI Board admitted the first 15 countries to membership 27th September 2007, but T&T was not among them.

By letters of 8th October and 28th November 2007 The EITI Chair informed the GORTT that the EITI Board was requesting more information with respect to the sign – up criteria by the end of the year 2007 in order for the EITI Board to accept T&T membership at its meeting in early 2008.

In its meeting the 22nd February, 2008 the EITI Board noted that T&T had not provided the sign – up information requested and could not be accepted as a Candidate. However, T&T was welcome to apply for Candidacy status at a later date.

Progress – Reaffirmation

The new Government of Trinidad and Tobago reaffirmed the country's commitment to the EITI on 9th September, 2010 and, on 8th December, 2010, the Minister of Energy and Energy Affairs, Mrs.Carolyn Seepersad-Bachan, publicly announced GORTT's decision to apply for EITI membership. In this statement, the Government committed to working with the other stakeholders, namely extractive industries companies and civil society.

In speeches in February and April 2011, the Minister of MEEA expressed, without

reservations, the full support of the GORTT in implementing EITI in T&T and made reference to the section 'Managing our Energy Assets' of the manifesto of the People's Partnership Government, where, they stated their intentions to expeditiously implement EITI.

On 4th April 2011, an EITI implementation programme was launched in a meeting hosted by the then Minister Carolyn Seepersad-Bachan with keynote speaker Peter Eigen. The address made by the Minister is posted on the MEEA website (<http://www.energy.gov.tt/media centre.php?mid=97>). The event was broadcasted widely on Government Information Services Limited (GISL) media Programming Guide – Towards EITI Compliance.

The TTEITI launch was also covered by the newspapers Trinidad Guardian, Daily Express and Newsday. Daily Express and Newsday reported on the Minister's speech at the TTEITI launch.

When GORTT 8th December 2010 publicly reaffirmed its commitment to the EITI it simultaneously established a Multi stakeholder Group Steering Committee (MSGSC) to oversee the EITI implementation in T&T.

In a letter of 17th January, 2011 to the EITI Secretariat the Minister of Energy and Energy Affairs reaffirmed the commitment of T&T.

The membership application was submitted by MEEA to the EITI International Secretariat 4th February 2011. In addition to the membership application, the package of documents contained the Statement of Commitment and the Work Plan and Budget, both approved by the MSGSC on 31st January, 2011, along with the Reaffirmation of Commitment sent by the Minister on 17th January, 2011 and the relevant attachments.

T&T was admitted to membership with EITI Candidate Country Status 1st March, 2011, and a deadline of 28th February, 2013, given to achieve Compliant Country status. The deadline has been extended first time to 28th August, 2013 and later to 28th February, 2014.

Stakeholder Views

There is no disagreement among stakeholders that GORTT has publicly stated its intention to implement the EITI.

Validator's Assessment

Trinidad and Tobago has met Requirement No. 1

Requirement 2: The Government is required to commit to work with Civil Society and Companies on the Implementation of the EITI.

Progress

When the Minister of MEEA announced the decision of GORTT to apply for EITI membership, she at the same time informed that a MSGSC was established to oversee the implementation of the EITI process in T&T. In addition to government representatives the MSGSC comprised representatives from privately owned energy companies and civil society.

The TTEITI held its inaugural Capacity Building Workshops to educate MSGSC members, the media and other stakeholders on the EITI implementation process 26th and 27th September 2011.

The MSGSC held a workshop for members of upstream energy companies operating in T&T to inform them of the status of the EITI implementation process and the expectations of them on 7th December 2011.

During 2011 several meetings were held by the Chair of the MSGSC and the Secretariat Head to engage key public persons and to inform them of the status of the EITI implementation progress and how their assistance might be needed.

Also the TTEITI activities were covered in a number of interviews and articles in newspapers and TV shows during the year.

CSOs and companies are actively involved in the EITI implementation process as demonstrated in the minutes of the MSGSC meetings. Evidence of this on the part of civil society organisations includes the development of the Materiality document by a civil society representative as well as the development of criteria for the review of Expressions of Interest for the performance of the first EITI Reconciliation. Evidence of company participation can be found in their active participation in the development of a Memorandum of Understanding on the Implementation of the extractive Industries Transparency Initiative in Trinidad and Tobago.

With the expansion from 4 to 8 organisations in June 2011, the civil society stakeholder grouping is now the largest single constituent group on the MSGSC.

Petrotrin and NGC together with 4 of the major privately owned international companies operating in T&T participate actively in the MSGSC.

T&T enjoys a free media environment where public criticism and investigative journalism is normal. The following links to newspaper articles citing comments from civil society on EITI related matters bear this statement out.

http://www.trinidadexpress.com/letters/Going_for_Gold-169065156.html,

<http://www.newsday.co.tt/businessday/0,164883.html>,

<http://www.guardian.co.tt/news/2012-08-26/murray-tt-needs-minimise-corruption>,

Recent examples of this include two Civil Society member organisations on the TTEITI MSGSC having taken decidedly anti-Government and company positions on issues involving seismic surveys and the allocation and use of revenues from the petroleum sector. This was done as recently as the last three months of 2013 and the first two months of 2014 without interference from the GORTT.

T&T's legislative and administrative regulations provide an environment for free civil society and company participation in EITI implementation. As a result, CSOs and companies freely comment on EITI issues without fear of repercussion.

There are no restrictions on the communications between civil society and company representatives who are engaged in the EITI process, including but not limited to members of the MSGSC.

Stakeholder Views

There was definite agreement among stakeholders that GORTT is committed to work with civil society and companies on the implementation of the EITI. (Ref. MoU – Attachment I)

Validator's Assessment

CSOs and companies play a significant role in the EITI implementation. The GORTT takes no leadership role in the functions and operations of the TTEITI MSGSC. The Chair of the MSGSC is a representative of civil society and was specifically chosen for this role due to his civil society credentials.

Company and civil society representatives have chaired the MSGSC's three sub-committees (ref. discussion on Requirement No. 4 below) to which substantive issues are delegated for detailed review and recommendation to the MSGSC. The GORTT has never sought to override any decision of the EITI MSGSC.

There is no indication that the GORTT has obstructed public debate on implementation of the EITI. In fact the topic for debate on the EITI has been encouraged by GORTT.

Company representatives are free to comment on GORTT natural resource policies. Company representatives have often been quoted in the daily newspapers, providing comments or views on the benefits or shortcomings of the Government's energy policies and fiscal regime changes, especially around the national budget

presentation and the annual Energy Conference run by a MSGSC member organisation, the Energy Chamber of Trinidad and Tobago.

Trinidad and Tobago has met Requirement No. 2

Requirement 3: The government is required to appoint a senior Individual to lead on the Implementation of the EITI

Progress

In September 2010, the Cabinet agreed to appoint a prominent person with a civil society background as Chairman of its proposed implementing MSGSC.

Mr. Victor A. Hart, a well - known transparency advocate and former Chair of Trinidad and Tobago Transparency Institute (TTTI), the Trinidad and Tobago Chapter of Transparency International, was named Chair of the TTEITI SC on the 8th of December, 2010.

Mr. Hart earned the position of Chair of the TTEITI MSGSC on the back of well-established pedigree as an anti-corruption champion particularly in the construction sector.

The appointment of Mr. Hart was announced by the Minister of the MEEA at a public ceremony, and was repeated by the Minister in a speech given in February 2011 to the Energy Chamber of Trinidad and Tobago. Representatives of the other stakeholder organisations which accepted appointment to the MSGSC were also named at the same public ceremony.

Based on his well-established track record in the Piarco Airport Commission of Enquiry and his active Chairmanship of TTTI, Mr. Hart has enjoyed the full confidence of all stakeholder groups represented on the TTEITI MSGSC.

As Chairman of a Cabinet appointed Committee, Mr. Hart has the authority to communicate with ministers and GORTT officials with respect to the mobilization and coordination of resources across ministries and agencies for EITI implementation.

As Chair of the MSGSC, Mr. Hart is supported in the coordination across GORTT agencies by the Head of the TTEITI Secretariat and the Head of the Energy Research and Planning Division of the MEEA .

The MEEA served as secretariat for the MSGSC in the initial phase following the reaffirmation of the commitment of T&T to the EITI in 2010.

In September, 2011, the MSGSC, with support from the WB and the MEEA, established an autonomous Secretariat with an Interim Head, funded by the WB, to facilitate the day to day implementation process. The initial contract with the Interim Head expired 30th April 2012, and the existing contract for the Head of the TTEITI Secretariat expires 28th February, 2015.

Stakeholder Views

Our impression was that the stakeholders were very satisfied with the role and the performance of the Chair and the TTEITI Secretariat.

Validator's Assessment

The GORTT has appointed an outstanding senior individual to lead on the implementation of EITI.

Mr Hart is visible, and has demonstrated authority and freedom to coordinate action on EITI across relevant ministries and agencies and ability to mobilise resources for Trinidad and Tobago implementation.

The Chair and the MSGSC has been supported by a professional and efficient Secretariat.

Trinidad and Tobago has met Requirement No. 3

Requirement 4: The Government is required to establish a Multi-Stakeholder Group to oversee the Implementation of the EITI

Progress

When making the decision to reaffirm T&T's commitment to the EITI, the Cabinet also mandated the MEEA to establish a Multi-Stakeholder Group (Steering Committee (MSGSC) to oversee the EITI implementation and to provide it with general administrative support and annual funding.

When the Minister of MEEA on the 8th December, 2010 publicly announced the decision of GORTT to apply for EITI membership, she also informed that a MSGSC had been established.

The selection of the initial fifteen (15) members of the MSGSC was made by the MEEA with the member companies. Informal consultation was also had with a small group of civil society organisations known to express interest in matters of transparency and accountability in public expenditure.

Agencies, companies and CSOs identified for nomination were invited by letter from MEEA to nominate a representative to serve on the Committee. The respective stakeholders made their nominations, and as far as we are aware, the candidates proposed were appointed as members of the MSGSC. As regards key government institutions, they have all been represented in the MSGSC by senior government officials.

Terms of Reference for the MSGSC are agreed, and minutes from all meetings are distributed. The MSGSC established in October 2011 three sub-committees to handle and advice on three priority areas: 1) Legal / Tender, 2) Technical, and 3) Communications and Outreach.

The Terms of Reference for these sub-committees defined an active role for members of the MSGSC and their alternates and also allowed for the co-opting of the non MSGSC members.

The sub-committees have taken actions within their respective areas of responsibilities and have provided advice to the MSGSC.

The MSGSC, when first established, had representatives from the ministries and state agencies including state owned companies, private oil and gas companies and civil society:

- Chair: Mr. Victor A. Hart with civil society background
- three government representatives from MEEA, MoFE and BIR
- three government representatives from the state – owned companies Petrotrin, NGC, and National Quarries Company Ltd.
- four representatives from privately owned energy companies: bpTT,

BGTT, BHP Billiton and EOG.

- four representatives from civil society: The Energy Chamber of Trinidad and Tobago, The Trinidad and Tobago Chamber of Industry and Commerce, Trinidad and Tobago Transparency Institute, and The Oilfield Workers Trade Union

It was noted in the first meeting of the MSGSC that civil society might not be adequately represented in the committee. Two of the four representatives within the civil society grouping came from the business community through the Chambers of Commerce. The Energy Chamber had furthermore nominated an employee of an oil company as its alternate. CSO's normally represents civil society in the EITI MSGSC.

The EITI Board noted the anomaly and stated in a letter the importance of civil society being adequately represented in the MSGC that oversees EITI implementation.

The TTEITI MSGSC was consequently on 18th August, 2011 increased with four more representatives from civil society to a total of 19 representatives. The four new civil society organizations were: The National Youth Council of Trinidad and Tobago, The Cropper Foundation, Fishermen and Friends of the Sea, and The Network of NGOs of Trinidad and Tobago for the Advancement of Women.

The MSGSC agreed at its first meeting that a quorum of meetings will comprise a total of seven (7) members consisting of the Chairman and two (2) members of each stakeholder group. (Ministries and State Agencies, Extractive Industries and the Civil Society). It was also agreed that a named alternate should attend in the absence of the Committee member.

At the 39th Meeting of the MSGSC, discussions were held and a decision by a majority vote of 6 to 3 the MSGSC amended the constitution of the Civil Society quorum to consist of two (2) representatives of Civil Society of which, at least one (1), shall be a representative of a named CSO other than a Business Chamber or Industry Association.

Stakeholder Views

The GORTT established the MSGSC and responded to the issues of representation by civil society organisations as they should and took action about the concern expressed by the EITI Board and appointed four civil society organisations recommended by the MSGSC. Based on our discussions / interviews with Civil

Society during our field visit to T&T it is our impression that Civil Society now feels they are adequately represented

Civil Society representatives also demonstrated their collective action by drafting a joint letter of complaint to the government expressing their dissatisfaction with delays in the publication of the first EITI Report caused by the MoFE not acting quickly enough to solve the problem of tax confidentiality that was delaying the work of the Administrator.

Validator's Assessment

The Terms of Reference (ToR) for the MSGSC deals with the following subjects:

1. Establishment of the MSGSC
2. Composition of the MSGSC
3. Purpose
4. Objectives and Deliverables
5. Reporting Obligations and Timelines, and
6. The Secretariat

Item (iii) under "Objective and Deliverables" establishes a requirement to develop a detailed work plan, inclusive of costs and measurable targets, while item (iv) focuses on addressing "all technical and implementation issues relevant to the EITI". Procedures for hiring the reconciler is one of the relevant issues, but not mentioned specifically in the ToR. However, as discussed under Requirement No. 10, the SC and its Legal / Tender Sub – Committee were directly involved in the appointment of the Administrator, and the Administrator selected was the one recommended by the MSGSC. Therefore, it is our opinion that it has not made any difference whether or not the ToR contained any specific provisions related to procedures for the selection of the reconciler.

In spite of the fact that the composition of the MSGSC is de jure established by the GORTT, it is our view that the TTEITI MSGSC from the outset has maintained its independence from the Government and has made all its decisions, such as the identification and nomination of four additional CSO members of the MSGSC, without reference to the Government. The fact that the Chairman himself is an independent civil society member has driven this culture of independence.

We are not aware that the Government at any time has sought to influence, question, or override any decision of the MSGSC.

Generally, the members representing civil society are operational and independent of government and companies. There is no indication that this should not be the case.

It is difficult for small civil society organisations to be completely operationally independent of Government grant funding in a small resource rich country like T&T where Government expenditure plays a large role across the economy.

However, in policy terms the CSOs represented on the MSGSC, particularly the Trinidad and Tobago Transparency Institute (the local chapter of Transparency International), Fishermen and Friends of the Sea and the Oilfields Workers Trade Union, have consistently demonstrated independence from the GORTT on issues of policy as it relates to their respective stakeholder constituencies. The adoption by the above mentioned organisations, of positions opposing the GORTT, have not impacted their freedom or capacity, to deliver on their responsibilities as members of the MSGSC as the minutes of the meetings demonstrate.

Government ministries/agencies, companies and CSOs are free to change their representatives on the MSGSC via a simple process of advising the change in writing to the Permanent Secretary of the MEEA copying the Chair of the MSGSC who announces the change at the next MSGSC meeting.

The initial representation from civil society on the MSGSC group was questionable. However, after the extension of the group to include four more representatives from the civil society in August 2011, the representation from civil society has been satisfactory. It is our impression that civil society now feels adequately represented, but it is not possible to present any documentation to support this statement without having made any survey in that respect. (That is in our opinion outside the scope of the validation).

We are not aware that any request from any CSO regarding membership on the MSGSC has been denied.

Generally, the members representing civil society are operational and independent of government and companies.

Trinidad and Tobago has met Requirement No. 4.

Requirement 5: The Multi - Stakeholder Group, in Consultation with key EITI Stake - holders, should agree and publish a fully costed Work Plan, containing measurable Targets, and a Timetable for Implementation and incorporating an Assessment of Capacity Constraints.

Progress

The sixth EITI Criterion requires that a Work Plan be produced and is agreed with key EITI stakeholders.

The first draft Work Plan was presented at the MSGSC's 2nd meeting and unanimously adopted for inclusion with the country's application for membership in February 2011. The plan was approved by the GORTT.

The Work Plan is available via the TTEITI website (<http://www.tteiti.org.tt/>). The TTEITI Work Plan sets targets and deadlines for fulfillment of priorities in the key areas of sign up, institutional creation of the TTEITI Secretariat, reconciliation and reporting, dissemination, capacity building and validation.

The Work Plan place a heavy emphasis on the importance of capacity building for all three stakeholder groups, particularly civil society, whose knowledge of the EITI was scarce.

The first Work Plan focused on the actions and initiatives required to take T&T from successful sign up and membership in the EITI to EITI Compliant country status. The actions and objectives outlined in the Work Plan were estimated to cost TT\$10 million (US\$1.5 million) to be sourced from the GORTT with support from institutional donors like the WB and IADB as well as supporting companies. Potential constraints were identified and listed as goals number 7 (Review of T&T's legal framework), 8 (Identify sustainable sources of finance for EITI implementation) and 13 (Capacity building) and proposed mitigating actions identified. Performance against these targets and the specific actions needed to reach these objectives are tracked via a status column which reports on actions taken to the period of update.

Since its establishment, the TTEITI Secretariat has been delegated responsibility for the regular updating of the Work Plan.

A first revised Work Plan as an Integrated Activity Plan with five key activity streams viz statutory meetings, EITI / validation reports, capacity building / workshops, external funding and development was approved by the MSGSC 20th October 2011. (Meeting No.11). The Work Plan has been updated, and the latest

edition (revision No. 3) covering the period December 2010 – August 2013 was approved by the MSGSC 25th July 2013. The successor 2014 – 2016 Work Plan which focuses on the post-Validation phase was approved by the MSGSC at its 40th meeting on 20 March 2014.

Stakeholder Views

The stakeholders seem satisfied with the establishment and updating of the Work Plan and their involvement in the process.

As mentioned, the representatives of the civil society were not satisfied with the slow progress made with respect to removal of the obstacle regarding release of information from BIR to the Administrator, but nevertheless the first EITI report was completed by the end of September, 2013.

Validator's Assessment

The MSGSC has undertaken to establish and update the Work Plan, and it has been published as required.

The plan includes measurable goals, actions, timelines, responsibilities for the various tasks, budget, funding sources and status reporting.

Trinidad and Tobago has met Requirement No. 5

5.2 Preparation Requirements

Requirement 6: The Government is required to ensure that civil Society is fully, independently, actively and effectively engaged in the Process

Progress

T&T's civil society organisations are large in numbers, but are not organized under an umbrella organization. There has nevertheless been a long and strong tradition of CSOs independent from Government influence.

This is underpinned by vibrant and independent media, willing to expose GORTT mismanagement and challenge its policies and programmes.

The MSGSC has established a Communication and Outreach sub-committee which together with the Chair of the MSGSC, the MSGSC and the Secretariat have undertaken substantial outreach activities during the entire process.

One example is the development of a jointly delivered pilot workshop entitled "Understanding Extractive Industries in Latin America and the Caribbean" aimed at building the capacity of T&T's civil society and other English speaking Caribbean actors in the understanding of the operations of extractive industries. The courses were held over six days in February and March 2014 in cooperation with universities in the area. The long term objective of this initiative is the development of a more informed regional civil society trained via the delivery, on an ongoing basis, of courseware designed with civil society in mind on the operations of the extractive sector for civil society actors. It is hoped that this would lead to the establishment in the first Caribbean Region coalition of Publish What You Pay or Revenue Watch Institute.

It is difficult for small civil society organisations to be completely operationally independent of Government grant funding in a small resource rich country like T&T where GORTT expenditure plays a large role across the economy. However, in policy terms the CSOs represented on the MSGSC, particularly the Energy Chamber of Trinidad and Tobago, Trinidad and Tobago Transparency Institute (the local chapter of Transparency International), Fishermen and Friends of the Sea and the Oilfields Workers Trade Union, have often demonstrated independence from the GORTT on issues of policy as it relates to transparency and accountability for the extractive sector.

Good examples of civil society freedom have been demonstrated particularly by

two CSOs on the MSGSC, Fishermen and Friends of the Sea (FFOS) and the Oilfields Workers Trade Union (OWTU). These two organisations have maintained concerted advocacy campaigns which have challenged the GORTT and the state owned oil company Petrotrin's response to the largest offshore oil spill in the country's history which occurred in December 2013. The collective actions taken by the FFOS and the OWTU have raised public awareness and concerns about the GORTT's health, safety and environmental regulation of the operations of Petrotrin in particular and other oil and gas companies by extension. In spite of these differences of opinion on policy grounds, these organisations continue to work collaboratively across the table from the GORTT and its companies Petrotrin and NGC at the level of TTEITI MSGSC without animosity or restriction.

The adoption by the above mentioned organisations, of positions opposed to that of the GORTT, have not impacted their freedom nor capacity, to deliver on their responsibilities as members of the MSGSC as the minutes of the meetings demonstrate.

Stakeholder Views

The stake-holders seem to be satisfied with the way civil society has been involved in the EITI process.

Validator's Assessment

It is a real challenge to engage the civil society in an EITI process. This will be the case in any country. It cannot be expected that most people have specific information on EITI even if they from time to time can read about the EITI process in newspapers or watch interviews etc. on TV.

The civil society organisations represented on the MSGSC seem cover a wide spectrum of society and are very committed. Also a wide cross-section of Civil Society especially at workshops held in February and March 2014, including environmental groups, community groups, village councils, youth, etc. have been involved.

We are very impressed by the outreach activities undertaken in T&T with respect to information and capacity building related to the EITI.

We are not aware of any obstacles in T&T affecting civil society participation.

Trinidad and Tobago has met Requirement No. 6

Requirement 7: The Government is required to engage Companies in the Implementation of the EITI.

Progress

Requirement No. 7 reinforces Requirement No. 5.

Basically, engagement of the companies has been through the MSGSC where bpTT, BGTT, EOG and BHP Billiton, representing close to 100% of T&T's gas production are participating actively.

The companies are also engaged in various ways in the comprehensive outreach activities undertaken in the country.

Stakeholder Views

Since companies representing most of the oil and gas production in T&T are represented in the MSGSC, it goes without saying that they have been engaged in the implementation of the EITI in the country. But also representatives of a subsidiary of an international oil company not represented on MSGSC expressed satisfaction with the way they had been involved. They had been invited to present their input, and they had noted that their comments in some cases had been accepted.

Validators' Assessment

Trinidad and Tobago has met Requirement No. 7

Requirement 8: The Government is required to remove any Obstacles to the Implementation of the EITI

Progress

Requirement no. 8 means that the Government must remove legal, regulatory or other obstacles that might prevent implementation of EITI. Such obstacles include confidentiality clauses in contracts, laws and regulations.

Confidential Information – Production Sharing Contracts (PSCs) and Other Contracts

The terms and conditions pertaining to exploration and production of petroleum resources are in most countries either regulated in Licenses or PSCs entered into between the government and the oil and gas companies. Like in many other countries the PSC concept is used in T&T. The PSCs and other contracts typically contain confidentiality provisions prohibiting disclosure of confidential information to third parties, and the Administrator will normally be regarded as a third party. However, the parties (government and the oil and gas companies) are in control of the content and interpretation of the contracts entered into. To the extent both parties agree that confidential tax information can be released to the Administrator, the confidentiality clauses in the contracts do not represent any obstacle to the EITI implementation.

It should be noted that since the 1990's the MEEA has inserted an information disclosure clause in all new PSCs which allows the Minister "...at any time to prepare and publish reports or studies, using information derived from any informational data related to the contract area".

Initially, the confidentiality provisions in the PSCs were identified as a possible obstacle, but since both GORTT and the major oil companies were in favour of EITI implementation, this issue was quickly resolved.

Confidential Information Provision in Income Tax Law

The need to remove legal and administrative obstacles to EITI implementation, specifically the legal impediment contained in the Income Tax law was identified as a potential significant constraint from the first meeting of the MSGSC in December 2010. The constraint revolved around a long standing interpretation of the Income Tax law, which deemed the release of tax information (with or without the consent of the tax payer) by officials of the BIR to a third party like the EITI Administrator to be a criminally prohibited act with a serious penalty.

In the 2nd MSGSC meeting in January 2011 the Chair suggested, that legal advice was sought from the MEEA Legal Department to examine the laws of the country to determine if any pose an obstacle to implementing the EITI. This was the start of

a lengthy and complicated legal process where a number of internal and external legal opinions were produced.

With the assistance of donor agencies like the WB and IADB several solutions were identified, explored and eventually rejected due to their incompatibility with the T&T legislation. The workable solutions were eventually reduced to three; firstly an appropriate revision to the Income Tax law confidentiality clause by way of EITI specific legislation. Secondly the use of a never used provision in the Income Tax Act to obtain a Presidential waiver to the confidentiality provisions believed to be prescribed in the Tax law. Thirdly a reinterpretation of the confidentiality provisions in the Tax law without the need for amending legislation.

In November 2011 at its 12th meeting the MSGSC accepted an MEEA legal review on legal barriers to EITI implementation, which recommended that T&T follow the examples of Liberia and Nigeria in seeking to enact an EITI legislation that would remove the obstacles related to the TTEITI implementation.

On 22nd March 2012 the Cabinet gave its approval to begin the process for enacting EITI legislation in order to increase transparency and accountability for the extractive industries and thus remove obstacles for implementation of EITI principles in the legislation of T&T.

A contract was awarded to a legal consultant for the preparation of a draft EITI Bill and Regulations to entrench the implementation of the EITI principles in the laws of T&T.

The legal consultant presented the first draft EITI Bill to the Secretariat Head on 8th September 2012 and a few weeks later to the TTEITI MSGSC.

However, implementation of a new law and amendment of existing legislation is a time consuming process, and would probably not be in place in time for the first EITI reconciliation.

On 5th September 2013 the Cabinet accepted Legal advice provided by the Attorney General, to instruct the BIR to release tax receipt information of the participating companies to the Administrator as requested. In so doing the Government reinterpreted a long held view of the confidentiality obligation of BIR officials under the Income Tax Act, to allow the disclosure to a third party of the tax receipt information of the companies.

Other Issues

There is no legal obligation for the companies to provide information to the Administrator in accordance with agreed templates. This matter was solved by entering into a Memorandum of Understanding where 17 companies, 8 civil society organisations and the GORTT committed themselves to work together and agree on the definition of material payments and the format of the data reporting templates to be filled in. There is, however, no requirement ensuring that this must always be the case. See discussion under Requirement No. 11

Stakeholders Views

The confidentiality clauses in the PSCs were identified and addressed through the letters of consent signed by the companies to the MEEA and BIR and were therefore not commented on specifically.

Some stakeholders commented on the lengthy process regarding solving the issue of BIR release of confidential information. They had been afraid that this issue might jeopardize the entire EITI implementation in T&T. A joint letter expressing concern from the CSOs was therefore drafted to the GORRT in this respect.

BIR confirmed that the solution chosen will apply also to future reconciliations.

Validator's Assessment

Seen from a legal point of view, the confidential provisions in the PSCs do not represent any major challenge. It all boils down to the contract parties' willingness to find practical solutions, either by way of contract interpretation or contract amendments.

Even if the confidentiality provisions in the PSCs did not prevent release of tax information at the first reconciliation, the GORTT should in future PSCs, include provisions making it mandatory for the oil companies to release tax information and other relevant information to the Administrator. GORTT should also in our opinion consider introducing similar amendments to each of the existing PSCs, since the wording also in the PSCs entered into after the 1990's should be more explicit in this respect.

The obstacle related to BIR release of tax information to the Administrator was caused by various conflicting interpretations of Section 4 (2) of the Income Tax Act. Since the law might be interpreted in different ways, the obvious solution to overcome that challenge would have been to amend Section 4 (2). Amending laws is often a time consuming process, but since the problem was identified already in December 2010, there had been ample time available, and in particular since the issue was not controversial. However, for some reason various other options were contemplated, and that process lasted until 5th September 2013. Due to the time constraint the only viable option then was the Cabinet acceptance of the latest legal opinion and issuing Instructions to the BIR in order to have the first EITI Reconciliation for T&T for the period from 1st October 2010 to 30th September 2011 finalized by end of September 2013.

Our understanding is that the issue of BIR releasing tax receipt information of the participating companies to the Administrator has been solved in a sustainable way by the Cabinet Instruction. However, such a Cabinet Instruction may, at least in theory, be withdrawn or amended, even if the risk in that respect probably is very minor.

We have noted that the draft EITI legislation include provisions of amending the

Income Tax Act to make it clear that BIR is allowed to release tax receipt information to the Administrator. In our opinion Section 4 (2) of the Income Tax Act should be amended, whether or not that is part of an EITI Act.

Also the selection of the Administrator turned out to be a lengthy process, but the challenges in that respect were more of an administrative nature and are explained below under the discussion of Requirement No. 10. Neither the issue of the accounts of subsidiaries of international companies being audited according to international standards, nor the requirement to provide information to the Administrator has been addressed in the draft EITI legislation.

Trinidad and Tobago has met Requirement No. 8.

Requirement 9: The Multi - Stakeholder Group is required to agree a Definition of Materiality and the Reporting Templates.

Progress

In the Memorandum of Understanding publicly signed on 7th June, 2013, 17 companies, 8 civil society organisations and the GORTT committed themselves to work together and agree on the definition of material payments and the format of the data reporting templates to be completed. The GORTT and the companies committed to ensuring that information submitted was based on accounts audited to international standards.

In anticipation of the start of work by the first Administrator, the MSGSC started out on the development of Reporting Templates as part of its Materiality determination.

A draft Reporting Template was developed in January and February 2012. The template was discussed at a dedicated sensitization workshop held in June 2012 for companies and government agencies. That workshop was facilitated in conjunction with expert presenters from the WB, IADB and the International EITI Secretariat. Subsequent to this workshop, the draft reporting template was circulated to companies for comment and further refined based on comments received.

On 2nd August, 2012 Petrotrin held a workshop for small farm – out / lease – out companies. The objective was to facilitate discussion on the circulated documents and receive feedback on the companies' participation in the EITI process. Representatives of 14 of 19 companies were present. The responses from the companies were generally favourable.

Following its appointment in February 2013, the Administrator reviewed the work of the MSGSC and its Technical Sub-Committee with respect to the design of Reporting Templates. Several one to one meetings were held with companies between 25th February and 6th March, 2013. The Administrator subsequently reviewed the reporting template and the revised template was reviewed by the Technical Sub-Committee and subsequently approved by the MSGSC on 7th March, 2013.

In the presentation to the MSGSC at the meeting 7th March, 2013 the Administrator according to the Minutes of Meeting *“noted that, in the absence of access to revenue information from the BIR due to the confidentiality provisions of the Income Tax Act, it was not possible for the Administrator to assess which companies are making material payments. Given these constraints, it was recommended that the companies meeting the following criteria be invited to participate: Companies with oil production greater than 400,000 barrels in 2011; a partner in a venture under an E&P or PSC with a group whose oil production exceed 400,000 barrels or responsible for the payment of proceeds from the sale of oil and*

gas representing government's profit share, royalty and any other payment to the government. This would allow the first EITI Report to cover 97% of oil production."

The Administrator conducted its own workshop for government officials and company representatives on 8th March 2013 to explain the format of the Reporting Templates and the requirements for providing data. The Administrator revised the Reporting Template based on the comments received.

On March 12th, the Administrator issued Reporting Templates to the companies that 1) met the determined materiality threshold and 2) agreed to voluntarily participate in the reconciliation exercise, as well as to the MEEA and the MoFE.

The Reporting Template for the BIR was issued after the legal issues concerning the sharing of confidential information on tax receipts were solved.

From the MSGSC meeting 21st March 2013 it is minuted that *"the Technical Sub-Committee reported that the decision on materiality was revisited in the context of the continued absence of revenue data from BIR. After the review of data from the MEEA, it was proposed that the materiality threshold of the first EITI Report be amended to cover companies representing 97.0 % of oil production, 99.0 % of gas production and 99.7 % of royalty payments. As a consequence of this new threshold, twenty-one (21) companies / company groupings representing some fifty (50) reporting entities were asked to participate in the first report. These 21 companies constitute primarily the country's six major oil and gas players BGTT, BHP Billiton, BPTT, EOG Resources, Repsol, Petrotrin & Trintomar, NGC and their partners plus Primera, Niko Resources, Chaoyang Petroleum, Anadarko Petroleum, Sonde, MoraVen, Ten degrees (Trinity Oil), Bayfield Energy, Lease Operators and Oilbelt Services would be asked to report."*

The MSGSC approved 21st March a revised materiality threshold to cover companies representing 97.0% of the oil production, 99.9% of the gas production and 99.7% of royalty payments. It was noted that this assessment was made in the absence of revenue data from the BIR that was requested, but not made available due to legal issues.

The reporting templates define the revenue streams that are included and the government disclosures:

a) Direct payments to the MoFE, Inland Revenue Division: Supplemental Petroleum Tax, Petroleum Profit Tax, Unemployment Levy, Corporation Tax, Green Fund Levy, Withholding Tax paid on dividends remitted, and Withholding Tax paid on branch profits deemed remitted.

b) Payments to the MEEA: Royalty, Minimum Rent (E&P), Annual Licence (acreage), Petroleum Levy, Petroleum Impost, PSC Share of Profit, PSC Signature Bonus, PSC Bidding Fees and other PSC Payments (Transfer Fees, Reinstatement Fees, Annual administration charges, Training, R&D, Production achievement, Technical assistance, Scholarships and other payments (To be described)).

c) Liability to the MoFE, Inland Revenue Division settled by the MEEA out of the profit share from PSC related to Supplemental Petroleum Tax, Petroleum Profit Tax, Unemployment Levy, Corporation Tax and Green Fund Levy

d) Other payments to GORTT (to be described) Contributions in kind to GORTT or state owned entities (natural gas) or other (volumes and reason for contribution to be specified)

f) Production data

g) Social payments (Details to be given)

A decision to exclude mining from the first TTEITI reports was part of the early discussion of the MSGSC. At its second meeting on January 13, 2011 the MSGSC was advised that on a materiality basis the MSGSC should focus only on the oil and gas sector due to the low level of revenue (aggregate revenue earned from mining sector royalties totalled US\$250,000 on average during the period 2003 – 2011) as compared to that earned from oil and gas. This point was further reiterated in the MSGSC's Materiality Paper which was approved at the MSGSC's 15th meeting on February 16th 2012 and in the contextual information reported in the first TTEITI report. Due to strong demands from Civil Society, however, the MSGSC has built in a timetable for the inclusion of reporting on the mining sector into its recently approved 2014 – 2016 Work Plan.

Stakeholder Views

Our impression is that the stakeholders in general share the opinion that the quarry industry should also be included in the reconciliation. However, most stakeholders realised that the current revenue information available on the quarry industry was insufficient to do reconciliation. Also, inclusion of the quarry industry will probably require new or amended legislation and improved implementation vehicles.

Validator's Assessment

The MSGSC has been very much aware of the importance of the definition of materiality, and that the templates clearly define which revenue streams needs to be included in the company and government disclosures. The Technical Sub – Committee has prepared drafts which have been discussed and agreed in the MSGSC. The final draft templates were prepared in consultation with stakeholders from companies, civil society organizations and GORTT over their format and finally approved by the MSGSC.

The templates have defined by agreement of the MSGSC what the material payments and revenues constitute. The templates are meant to identify all the taxes and payments that were material to T&T. It was decided that all companies

whether producing or non – producing should report. Payments made and received in the midstream sector were not included because the MSGSC considered these activities not to be extractive and the amounts involved are thought to be relatively small.

The MSGSC decided that a threshold of TT \$ 1 million per single payment for voluntary payments and donations e.g. to educational institutions, should be established. Further, it was noted and documented as a lesson learned, that for future reports the total amount of all payments for voluntary payments and donations would be included, however, these amounts would not be subject to audit/reconciliation.

The EITI Criterion No. 1 requires:

“Regular publication of all material oil, gas and mining payments by companies to governments and all material revenues received by governments from oil, gas and mining companies to a wide audience in publicly accessible, comprehensive and comprehensible manner.”

Since the obstacle preventing BIR from disclosure of information in the meantime has been overcome, it is anticipated that the next reconciliation will cover all production and royalties and thus fully meet the requirement of including “all material revenues”.

Even if the quarry industry is of significant importance to the society of T&T, their economic contribution can probably not be classified as material.

The MSGSC has agreed:

- the revenue streams that companies and government must disclose
- the companies that shall report
- the time period to be covered in the two first EITI reports should be the fiscal years beginning 1st October 2010 and ending 30th September 2011, and beginning 1st October 2011 and ending 30th September 2012, respectively
- the degree of disaggregation of data in the EITI report

It is our understanding that all relevant income streams have been reported.

We are not aware of any significant income streams to regional or local entities.

In kind contributions are included in the templates (basically gas in kind under the PSCs)

Trinidad and Tobago has met Requirement No. 9

Requirement 10: The Organisation appointed to produce the EITI Reconciliation Report must be perceived by the Multi – Stakeholder Group as credible, trustworthy and technically competent.

Progress

The preparations for appointment of the Administrator consisted of the following steps:

- Determine, prepare and issue Terms of Reference for the Administrator (ToR) for Expression of Interest (Eoi)
- Evaluate and shortlist firms for selective tender
- Award contract for 2011 and 2012 reconciliation reports

The process was initiated at the 5th meeting of the MSGSC on 28th April 2011. The MSGSC was updated on the progress in every meeting thereafter until award of contract, and the MSGSC discussed and made decisions on matters brought to its attention.

The first step was to agree the ToR for Eoi. Various aspects of the ToR were discussed in the MSGSC in the period until the end of 2011. At the meeting 11th October 2011 the MSGSC spent considerable time discussing the 4th draft ToR, and the Interim Head of Secretariat stressed that “to achieve the objective of submission of the first reconciliation report by July – August 2012 the Administrator needed to be appointed by mid – January 2012.”

One key issue was still concerning funds being available for the start – up payment to the Administrator, in the event that the WB grant funding was not in place by the time of tender award.

On 6th January, 2012 the MSGSC requested the Permanent Secretary, MEEA to issue an invitation for Eoi for the reconciliation of the T&T oil and gas sector. The invitation for Eoi was issued 12th January, 2012.

13 firms/partnerships submitted Expressions of Interest for providing the services as Administrator. The MSGSC Legal/Tender Sub – Committee evaluated the submissions based on agreed criteria and proposed a short list of 6 firms/partnerships.

Certain procedural matters related to such as (1) the RFP document conformance with Central Tender Board (CTB) Regulations, (2) whether the services of the Administrator should be classified as “consultancies” or “goods and services” which (3) had an impact on the procurement limits for the Permanent Secretary of the MEEA, had to be sorted out. The conclusions were that the CTB's procurement procedure rather than the Permanent Secretary procedure would need to be followed. This necessitated redrafting of both the RFP and Administrator’s contract

in line with the templates of CTB for both documents.

The CTB accepted the recommendation to invite the 6 firms on the shortlist, and the deadline for submission was 28th June 2012. The CTB established an Evaluation Committee for the selection of the Administrator. The committee comprised principally of members of the MSGSC / MSGSC Legal / Tender Sub – Committee and personnel from MEEA and MoFE. The Evaluation Committee agreed on the local/foreign consortium BDO – Hart as the preferred firm. In its meeting 20th September, 2012 the MSGSC made the following decision:

“The MSGSC recorded its approval of the recommendation of the Legal / Tender Sub – Committee that the local / foreign consortium BDO – Hart be hired as the Administrator for the first two EITI reports for the fiscal periods 2011 and 2012.”

The recommendation was submitted to the CTB.

The CTB awarded the Tender in September 2012 and passed its draft contract for the consultancy for review and approval to the Chief State Solicitor’s (CSC) department, which is charged with responsibility for preparing state contracts.

The CSC created an unexpected delay in executing the contract by initially ignoring the CTB’s draft template contract for the consultancy (which had been seen and agreed to by all tendering companies) and sought to negotiate a new form of contract directly with the winning bidder between October and November 2012.

After an intervention of the TTEITI Secretariat, the CSC reverted to the original draft contract submitted with the RFP and the terms were negotiated between the CSC, the winning firm and the TTEITI Secretariat across the end of year/new year period December 2012 to January 2013. The CSC’s administrative delay in finalizing the contract set back the process by a further two months approximately.

The various challenges having been overcome, the Administrator’s contract was signed on 18 February 2013, more than one year after the issuance of the EOI. After some initial consultation with the companies and the Government agencies, the reconciliation process commenced in March 2013.

Stakeholder Views

MSGSC Members consulted, including companies and civil society representatives, all expressed satisfaction with the appointment of the Administrator and other stakeholders expressed no negative views.

Validator’s Assessment

The process of the award of contract with the Administrator lasted for nearly two years, and the initial schedule slipped with more than a year. The initial schedule may have been too optimistic, or the procurement process not as efficient as it

should have been, or a combination of both.

Funding for the Administrator needed to be secured and WB funding was considered an option, but would take some time to access. This would result in some delay in procuring the Administrator and WB was also of the opinion that funding should be accessed before engaging the services of the Administrator.

It would probably have helped if the various stakeholders (MSGSC, Permanent Secretary of the MEEA, CTB, CSC, MoFE and others) had clarified their roles and involvement in the process upfront and also the applicable procedures to be followed.

Since the contractor to produce the reconciliation report “must be perceived by the multi – stakeholder group as credible, trustworthy and technically competent” involvement of the MSGSC was necessary. This means that the Administrator chosen must be acceptable to the MSGSC, but it does not mean that the MSGSC necessarily needs to be deeply involved in the preparations leading up to the contract award.

MSGSC is not a legal entity and as such is not in a position to enter into any binding contracts. Therefore the relevant GORTT agencies will have to be involved, and the applicable procurement procedures adhered to. However in the Minutes of Meeting from the MSGSC meeting 11th June 2011 it is stated that “Members were of the view that the Government is only a facilitator and as such is not the one in control of the process. The responsibility for implementation of the EITI would entail the tripartite stakeholders (the Government, companies and civil society) acting together to bring the process to fruition.”

Our conclusion is that the obstacles encountered might have delayed the implementation of EITI at T&T, but not prevented it.

The MSGSC and its Legal / Tender Sub – Committee were directly involved in the appointment of the Administrator, and the Administrator selected was the one recommended by the MSGSC.

Trinidad and Tobago has met Requirement No. 10

Requirement 11: The Government is required to ensure that all relevant Companies and Government Entities report.

Progress

Participation in the EITI for companies and thus reporting was formally on a voluntary basis. While voluntarism was the chosen method of participation the Minister of MEEA wrote 22nd April 2013, officially to all the 45 companies on the lists of BIR and MEEA, encouraging participation in the EITI process. 17 companies representing 42 out of the 45 companies signed the Memorandum of Understanding of 7th June, 2013 and committed to report. They also committed themselves to work together and agreed on the definition of material payments and the format of the data reporting templates to be filled in. All the major companies were already supporting the EITI and this has apparently been a guideline for the rest of the companies.

The mining companies had been excluded from the EITI-reporting at an early stage. The EITI in T&T covers all upstream petroleum activities. See discussion under Requirement 9.

The MEEA and the BIR reported as the receivers of payments on the government side. The Central Bank was not participating in the reporting on the Government side. See discussion under Requirement 13.

Stakeholder Views

All relevant companies have reported. Several stakeholders wanted the mining sector to be included in the future, but none stated that they should have been included in the first round. Nobody maintained that the mining sector was material compared to the petroleum sector. The arguments put forward were based on the view that the mining sector should be better regulated for several reasons and that including the mining sector in the EITI might be one way forward. One stakeholder also wanted the midstream companies to participate in the future.

Validator's Assessment

The GORTT has not legally ensured that all companies report as participation was on a voluntary basis. The Minister wrote to all companies having exclusive rights to explore for petroleum resources according to the lists of the BIR and the MEEA and only three of these companies abstained from signing the Memorandum of Understanding. Also companies not meeting the materiality threshold were invited to participate. We are informed that all companies that are relevant have reported and that the three companies abstaining were not meeting the materiality threshold for reporting. Good explanations have been presented for the three

companies that did not participate such as lack of activities and that they have discontinued their operations in T&T. So the fact that three companies abstained from voluntary participation could not have had any material impact on the stated figures. All entities within the agreed scope participated fully according to our information. So there was no need for further actions beyond the Minister's letter to the companies on this occasion. We still believe, however, that a legal obligation to report should be considered.

The benefits streams from small producers; lease-outs and farm-outs were considered by the MSGSC and only three were deemed to be material and included in the reconciliation. See minutes from MSGSC-meeting 21.

We would also like to stress that the total benefits to the GORTT has been available to the public for many years.

The MEEA and the BIR reported as the two government entities included for reporting. There were serious legal obstacles to BIR releasing information to the reconciler, but this issue was handled by the GORTT. See discussion under R8.

The companies were in some cases required to pay in foreign currencies. These payments were made to the Central Bank that forwarded the money to the MEEA and the BIR in local currency. We believe that the Central Bank should also be included among the receiving entities on the government side due to this scheme.

Trinidad and Tobago has met Requirement No. 11.

Requirement 12: The Government is required to ensure that Company Reports are based on Accounts audited to international Standards.

Progress

There are apparently no legal requirements for independent financial auditing of accounts of subsidiaries of foreign companies in T&T. We consider this to be in line with general requirements in OECD countries. Such subsidiaries are, however, subject to ordinary audits by the Tax Authorities of GORTT for fiscal purposes.

The pattern appears to be that foreign companies operate in T&T through a subsidiary or branch of a company incorporated in another country and not necessarily the country where the ultimate parent company is incorporated. The foreign owned subsidiaries and branches in the petroleum sector seem generally, however, being fairly sizeable companies, to be subject to auditing requirements to international standards through the auditing requirements of the parent companies.

In the Memorandum of Understanding of 7th June 2013, the Government and the 17 companies committed to ensuring that information submitted by the companies were based on accounts audited to international standards.

The MSGSC decided to rely upon an assurance from senior company management that the information submitted was consistent with their audited financial statements. The MSGSC furthermore acting on the recommendation of the Administrator on this subject agreed at its 38th meeting in December 2013, to encourage participating companies to obtain a confirmation letter from the companies' external (parent company) auditors that the information submitted for future EITI Reports, is comprehensive and consistent with the parent company's audited financial statements for the period. This is to be phased in to allow for this to be done as part of the company's normal annual preparation of accounts.

The two state-owned companies were audited to international standards.

Stakeholder Views

The fact that they were audited according to international standards due to corporate obligations was emphasized by all the major players in the petroleum industry in T&T (bpTT, BGTT, BHP Billiton, EOG and Repsol) who collectively represent more than 90% of natural gas production and 69% of the revenue reported in the fiscal 2011 report.

Company representatives considered this requirement to be met.

Validator's Assessment

All the reporting companies are audited to international standards. The reconciler has raised some issues whether this also applies to the Trinidad and Tobago subsidiaries of these companies. We have no reason to doubt that the information reported is based on accounts audited to international standards. There was thus no need for further action by the government at this stage and for this purpose.

There is, however, no legal requirements ensuring that this must always be the case. So there may be a case for reviewing the legal auditing and financial reporting requirements in T&T in order to introduce a legal obligation for all companies being party to Production Sharing Contracts or other arrangements conferring upon them sovereign rights to produce hydrocarbons from a delineated area to be audited according to international standards and to publish at least some financial information on their activities in T&T also when they are organized as a subsidiary of a foreign company.

The MSGSC also discussed the possibility of having the EITI Reports itself certified by the companies' CPA and has encouraged companies to seek such certification. This extends beyond the applicable EITI-requirements. We consider such confirmation a good idea, but it might also be a good idea to introduce a step-wise approach. First step would be to improve the reporting template for the petroleum companies to a permanent set up and make sure that they are carefully completed. We believe that would make it easy for the CPA to include confirmation of the EITI Report in their ordinary auditing routines.

Trinidad and Tobago has met Requirement No. 12.

Requirement 13: The Government is required to ensure that Government Reports are based on Accounts audited to international Standards.

Progress

The companies make the major payments to the BIR and the MEEA. Payments made in TT\$ are made directly to the BIR and MEEA. Payments made in US\$, however, are made to the Central Bank which transfers the equivalent amount in TT\$ to the BIR and MEEA respectively. T&T have good macroeconomic reasons for this scheme.

In the Memorandum of Understanding of 7th June 2013, the GORTT committed to ensuring that information submitted was based on accounts audited to international standards.

The Auditor General's standards have been adopted from UK standards and developed further according to international best practice as handed down by INTOSAI and the standards are now to be fully ISSAI-compliant.

The Auditor General audited the expenditure accounts of the MEEA, but did not audit the MEEA's revenue accounts for the period the first EITI Report covers.

We were told that information on the lack of auditing of the MEEA's income accounts came as a surprise during the reconciliation process.

The Auditor General has neither been in a position to do a full audit of the BIR as to oil companies' tax liabilities.

We have furthermore received confirmation that the Auditor General has started to audit revenue payments to the MEEA as of the fiscal year starting 1st October 2012. In a letter dated 12th March 2014 the Auditor General states that compliance audits were conducted on the 2012 revenue reported by the MEEA and the BIR and that a pilot audit meeting ISSAI-standards are planned for 2013.

The Minister of Finance further attested to the commitment of GORTT to ensure that government's accounts are audited to the requirements of EITI.

A copy of the letter from the Auditor General is enclosed as Attachment G.

A copy of the letter from the Minister of Finance is enclosed as Attachment H

Stakeholder Views

Other stakeholders had no comments to this information. No stakeholder expressed any lack of confidence in the government accounts.

Validator's Assessment

We cannot find this requirement met, but we stress that we see very significant progress and a strong dedication towards meeting the requirement.

The MSGSC decided to rely upon the assurance of relevant senior government officials concerning the preparation of the EITI-data. The templates submitted by the MEEA and the BIR were signed by the Permanent Secretary and the Acting Chairman.

We furthermore note that the Auditor General acted promptly and duly upon the information on insufficient audits and that auditing of these accounts has already been launched. A Memo from the Steering Committee summing up the actions taken is enclosed as Attachment K. We see no need for further action from the MSGSC at this stage, but we also note that MSGSC still is deeply engaged in solving these challenges.

The scope of EITI is limited to matching payments and we are likely to see a total of less than a thousand relevant payments annually in the T&T. Improvement of the reporting templates and improved understanding on completing the reports are likely to do away with most of and hopefully all the discrepancies. The insignificant amount of discrepancies after reconciliation and the fact that the reasons for the remaining discrepancies are known, indicate that this shortcoming has had no material effect on transparency in T&T.

Trinidad and Tobago has demonstrated very significant progress towards meeting Requirement No 13.

5.3 Disclosure Requirements

Requirement 14: Companies comprehensively disclose all Material Payments in accordance with the agreed Reporting Templates.

Progress

There is no general legal obligation in T&T for the companies to disclose all material payments to the Administrator. It should still be noted that since the 1990's the MEEA has inserted an information disclosure clause in all new Production Sharing Contracts which allows the Minister "...at any time to prepare and publish reports or studies, using information derived from any informational data related to the contract area". In the Memorandum of Understanding publicly signed 7th June, 2013, 42 companies, 8 civil society organisations and the GORTT committed themselves to work together and agreed on the definition of material payments and the format of the data reporting templates to be filled in. Companies representing 97.0% of the oil production, 99.9% of the gas production and 99.7% of royalty payments have reported.

The Administrator states that the templates had slots for reporting streams of petroleum delivered from the companies to the government in kind, but that neither companies nor government entities reported any volumes. The Administrator seems to assume that there have been some streams in kind.

Stakeholder Views

The stakeholders considered all material payments to be reported for the upstream petroleum activities. They nevertheless seem to agree on some adjustments to future templates in order to include some payment streams where each payment was not material, but where the aggregated amounts could be considered material. Some stakeholders assumed that the fact that the production volumes reported by the government and those reported by the companies did not match completely was due to varying reading of the applicable definitions.

Validator's Assessment

The extent of the reporting templates has been discussed under Requirement No. 9. The Administrator points to some cases where the templates had not been completed the way the Administrator thought they should have been and that some reports lacked signature when they were initially submitted. This caused the Administrator additional work, but they were apparently able to solve the problems caused by incorrectly completed reports. There are no indications that the agreed templates have not been completed as foreseen beyond misunderstandings made in this first round of reporting. We feel that such misunderstandings are normal at the first round and that they will disappear when

EITI-reporting becomes better understood.

We have no information that any reporting company meeting the threshold failed to participate as requested.

A very varied and complicated contractual system has developed in T&T over many years. This means that the definitions that are developed for the templates have to be understood in the same way by everybody completing the reports even when the reports are based on different contractual systems. This is often a cause for misunderstandings.

We consider the discrepancies observed before reconciliation of the first submissions ever as normal, given the complexity of the system in T&T. The remaining unexplained discrepancies after reconciliation were small.

The first EITI Report represents a learning process. We feel sure that the discrepancies will be much lower in the second EITI Report with improved definitions, greater training, experience and care by the company representatives filling in the reporting templates.

Requirement 14 applies to payments and all details refer to payments in cash. We agree with the Administrator that petroleum streams from the companies to the government in kind if any should also be reported. Please see our recommendation under Requirement 17.

We still recommend that the MSGSC urges companies to improve their quality control of the EITI-reporting. All formal reports should be signed. There are a limited number of payments in T&T and it should be possible to match the payments completely when the templates and definitions have been tried out for a couple of reporting rounds and adjusted based on the experience from the first rounds.

Trinidad and Tobago has met Requirement No. 14.

Requirement 15 Government Agencies comprehensively disclose all Material Revenues in accordance with the agreed Reporting Templates.

Progress

In the Memorandum of Understanding publicly signed 7th June, 2013, 42 companies, 8 Civil Society Organisations and the GORTT committed themselves to work together and agreed on the definition of material payments and the format of the data reporting templates to be filled in.

The BIR and the MEEA were included as the reporting entities on the government side. The amounts due are computed in TT\$, but the companies pay in both TT\$ and US\$ according to specific rules that may vary between companies. The companies pay directly to the BIR and the MEEA when paying in TT\$. They pay to the Central Bank, however, when paying in US\$ and the Central Bank transfers the money further on to the BIR and the MEEA. This system easily creates at least small discrepancies that blur the picture of payments.

The Administrator states that the templates had slots for reporting streams of petroleum delivered from the companies to the government in kind, but that neither companies nor government entities reported any volumes.

Stakeholder Views

Amounts paid in US\$ should probably be reconciled in US\$ and amounts paid in TT\$ reconciled in TT\$. No other comments beyond pinpointing that developing and understanding the templates were challenging due to the wide variations of contracts in use in T&T.

Validator's Assessment

The Government entities requested to report have reported and we have no information that they have not complied with agreed templates except from the fact that the Administrator states that no streams in kind have been reported by the companies or the government agencies.

The Administrator has, however, stated that more detailed templates would improve the quality of the reporting.

We consider the discrepancies observed before reconciliation of the first submissions as normal, given the varied and complicated contractual system that has developed in T&T over the years and the high number of definitions that have to be understood in the same way by everybody involved in order for these templates to be completed correctly. The discrepancies remaining after

reconciliation were insignificant.

The first EITI Report represents a learning process. We feel sure that the discrepancies will be much lower in the second EITI Report and later on provided that quality assurance is maintained.

This Requirement No 15 applies to revenues and all details refer to payments in cash. Streams In kind, if any, would presumably not be transferred to the BIR or the MEEA. We still agree with the Administrator that petroleum streams from the companies to the government in kind, if any, should also be reported. Please see our recommendation under Requirement No. 17.

We further appreciate that the MSGSC already considers improvements in the templates.

However, we believe that payments in US\$ made to the Central Bank raises the following issues:

- We consider the Central Bank to be a part of the GORTT even if many central banks benefit from a high degree of independence as to monetary decisions. The Central Bank acts as a third receiver of payments from the companies on the government side in T&T and should probably be included as such in the reporting requirements.
- Amounts due are calculated in TT\$. Exchange rates may vary between the companies paying the Central Bank and the Central Bank transferring the money to the MoFE and BIR. The Administrator that did the first reconciliation found varying exchange rates between these kinds of payments to be the explanation for at least some of the discrepancies. The exchange rates between US\$ and TT\$ have been very stable over the past years. We understand that the Central Bank has transferred money to the BIR and MoFE promptly upon request. So the discrepancies that can be explained by varying exchange rates are small. The EITI-standard focus entirely on payments. We recommend that reconciliation in the currencies used for payments be considered.

Trinidad and Tobago has met Requirement No 15

Requirement 16: The Multi - Stakeholder Group must be content that the Organisation contracted to reconcile the Company and Government figures did so satisfactorily.

Progress

On January 12th 2012, the Permanent Secretary, MEEA, on the TTEITI MSGSC's behalf, advertised a request for Expressions of Interest from firms interested in conducting a reconciliation of oil and gas sector companies' payments. In advance of the issuance of the Expression of Interest, in December 2011, the MSGSC partnered with the Institute of Chartered Accountants of Trinidad and Tobago, the fraternity's self-regulating body, to host a special sensitization workshop on the EITI and the role of the Administrator. This workshop was facilitated by Anwar Ravat, the then senior EITI Manager at the WB. At the close of the EOI period, thirteen (13) accounting firms, both local and foreign submitted proposals.

The MSGSC's Legal – Tender Sub-Committee evaluated the 13 submissions and at its 15th Meeting held on 16th February, 2012, the MSGSC approved the sub-committee's recommended short list of 6 firms deemed to have satisfied the requirement for a selective tender process. Given the estimated value (in excess of TT\$1 million) and unique nature of the consultancy, it was subsequently determined that the selective tender process be overseen by the Government's statutory procurement agency, the Central Tenders Board (CTB).

On June 5, 2012, the CTB issued a selective tender to the six (6) shortlisted firms. On the close of the Tender on 28th June, 2012, the CTB appointed an Evaluation Committee comprised primarily of Government and civil society representatives from the MSGSC, to review the submissions of the six (6) firms and recommend a firm for the award of a consultancy contract. The Evaluation Committee recommended that a local – foreign partnership between the firms BDO Trinity Limited (T&T) and Hart Nurse Limited (UK) be contracted to perform the function of Trinidad and Tobago's first independent EITI Administrator. The CTB accepted this recommendation and on 20th September, 2012, awarded a contract to BDO – Hart to prepare the TTEITI's first two EITI Reports for GORTT fiscal years 2011 and 2012. After a period of negotiation, a fixed price contract was signed on 18th February, 2013, between the GORTT on behalf of the TTEITI MSGSCo and BDO – Hart.

The work could not start until the summer, however, due to the legal difficulties related to the release of tax data. The Administrator completed their work over a relative short time and their final report is dated 27th September 2013.

There were significant discrepancies based on the initial reporting, but the Administrator was able to sort out the majority of the discrepancies and the remaining discrepancies are insignificant and understood.

The MSGSC accepted the Report in a two step process:

The MSGSC agreed 20th September 2013 that if no comments were received by noon on Wednesday 25th September, 2013, the Report would be considered accepted by the MSGSC. Once this timeline was maintained, the Administrator would provide his final report for review and acceptance by the MSGSC on September 28th, 2013. The Chair further noted that, in the absence of a formal meeting prior to the publication deadline of 30th September, MSGSC members would be asked to provide their acceptance of the final report by e-mail to the Secretariat by 29th September.

The MSGSC formally approved the final TTEITI Report produced by the Administrators, a joint-venture partnership between BDO Trinity Limited and the Hart Nurse group in the MSGSC's formal meeting on 17th October 2013. The MSGSC started to discuss the recommendations immediately.

Stakeholder Views

MSGSC members consulted expressed satisfaction with the appointment of the Administrator and the work undertaken by the Administrator. There were no critical comments to the selected administrator or to the reconciliation process.

Validator's Assessment

Trinidad and Tobago has met Requirement No. 16.

Requirement 17: The Reconciler must ensure that that the EITI Report is comprehensive, identifies all discrepancies, where possible explains those Discrepancies, and where necessary makes Recommendations for remedial Actions to be taken.

Progress

The reconciliation was completed by BDO-Hart in the fall of 2013. The final Report is dated 27th September. All discrepancies have apparently been identified and most of them have been explained.

We appreciate that T&T has developed a varied and complicated system of contracts over the years and find it quite natural that the template and the definitions have not been read in the same way by everybody involved in this first reporting round. The first EITI Report has been a learning process and we feel sure that there will be very few discrepancies in the next reporting round. BDO-Hart has made recommendations beyond what is strictly required to meet the EITI-requirements i.a. to introduce a fully IT-based accounting system.

BDO-Hart has also collected numbers for produced volumes of oil and gas. These numbers did not match completely. Reporting produced volumes were not part of the EITI-requirements and we understand that BDO-Hart have not made any attempts to reconcile or explain the discrepancies in reported volumes.

Stakeholder Views

Stakeholders considered this a learning process. They stressed that all the various systems in place in T&T made development of unequivocal templates and definitions challenging and that the MSGSC had spent a lot of time on templates and definitions, but that there were still a margin for improvement. They also pointed to technical problems related to the reconciliation of production volumes. They considered the outcome of the reconciliation to be very satisfactory.

Validator's Assessment

The remaining unexplained discrepancies after reconciliation are minor. Varying exchange rates and timing differences in the reporting of some transactions probably explain the bulk and possibly all of the remaining discrepancies. We believe that payments must be reported and reconciled in the currency used for payments in order to avoid discrepancies completely.

Trinidad and Tobago has met Requirement No 17

We recommend that reporting and reconciliation be undertaken in the currencies

actually used for payments.

The reported produced volumes should match. We recommend that the MEEA reviews the fiscal metering regime to understand the reasons for the discrepancies reported by BDO-Hart and introduce the necessary adjustments in the fiscal metering regime if any to secure that the fiscal metering system will produce only one set of numbers. This should also solve the problem of reporting streams transferred to the government in kind if any.

The Administrator presented 17 recommendations. Please see the EITI Report pages 49-55 also included as Attachment G in this report:

Recommendation 1 – Production Information: Our views are presented above, but we also consider this to be outside the scope of the applicable EITI-requirements.

Recommendation 2 – Non Reporting Companies: Please see discussion and our views under Requirement No. 11. We see no need for further action towards these companies.

Recommendation 3 – Determination of TTEITI Scope: The MSGSC is already discussing these issues.

Recommendation 4 - Audit and Assurance: This corresponds to our recommendation. See discussion under Requirement No. 12 and Requirement No. 13.

Recommendation 5 – PSC Tax Settlement: We support the recommendation that the MSGSC looks into these issues and the principle that payments should be allocated to the company ultimately responsible for the liability, but we also note that the scope of the applicable EITI-rules is limited to payments. Tax Settlement is beyond the present scope of the EITI. We support the reconciler's recommendation that the MSGSC looks into the issue, but are not prepared to support that the EITI should start to look into tax settlements.

Recommendation 6 – Government Systems: We fully support this recommendation, but we have also been informed that the GORTT applies computerized systems for accounting to a much larger extent than may be appreciated from this recommendation by the Administrator.

Recommendation 7 - Nomenclature: We support this recommendation even if we have not encountered this practice as a serious problem.

Recommendation 8 – Mining Sector: The MSGSC is looking at the mining sector in line with this recommendation and we understand that the Committee had done so also ahead of this recommendation.

Recommendation 9 – Inclusion of Offshore Companies: We read this to be a piece of information rather than a recommendation.

Recommendation 10 – Reporting of In Kind Flows: The T&T has a complicated and

varied system and we support this recommendation fully. This is also in line with our recommendation under Requirement No. 14 and Requirement No.15. See also our recommendation above.

Recommendation 11 – Improvement in Categorization of Payments: The T&T has a complicated and varied system. We appreciate that the development of definitions across the various systems has represented a challenge. We were not surprised to learn that such misunderstandings have appeared and consider this to be a part of the learning process. We support this recommendation fully.

Recommendation 12 – PSC Payments Made Directly to Third Parties: A timely recommendation that we support fully.

Recommendation 13 – Interest and Penalty Payments to MOFE - IRD: We support the view that interest and penalties should be accounted for separately and support the recommendation that this should be stressed in the next reporting round. We once again consider this a part of the learning process.

Recommendation 14 – Social Payments: We support this recommendation and appreciate that the issue is already being discussed.

Recommendation 15 – Petroleum Pricing Committee: We support this recommendation, but note that this recommendation reaches beyond the present EITI-requirements.

Recommendation 16 – NGC – Gas Sales: We support that this issue is studied, but believe that this is a responsibility for the GORTT rather than the MSGSC and we also consider the issue to be beyond the present EITI-requirements.

Recommendation 17 – Licensed Companies: This recommendation corresponds to our own recommendation. See discussion under Section 10 Conclusions and recommendations.

5.4 Dissemination Requirements

Requirement 18: The Government and Multi - Stakeholder Group must ensure that the EITI Report is comprehensive and publicly accessible in such a way as to encourage that its Findings contribute to public Debate.

Progress

The EITI Administrator presented 30th September, 2013 a copy of T&T's first EITI Report to the Chair before a public gathering of distinguished persons and the media. In turn, the Chair presented a copy of the Report to Senator the Hon. Kevin Ramnarine, Minister of MEEA, who received the report on behalf of the government. Simultaneously, the Report was published on the TTEITI website and an appropriate link to this website placed on the MEEA website.

The EITI Report was widely distributed in print and is easily available in electronic form and can be downloaded from the TTEITI website. CDs are also easily available. A smaller Summary Report has also been produced and distributed and several articles have been printed in the newspapers on the report.

Public Consultations were also conducted to explain the published figures to ensure that stakeholders understood the process and the findings. The Administrator was mandated to write the Report in simple language so as to ensure that the general public could easily understand the findings, conclusions and recommendations. A section providing contextual / background information on the structure and operation of the oil and gas sectors was included and infographics used to highlight key topics for discussion in the report.

Taking into consideration the country's high level of mobile phone ownership (estimated at 100%) the MSGSC specially commissioned the creation of a TTEITI mobile application that made the contents of the first EITI Report accessible on Android, IOS and BlackBerry mobile phones and compatible tablets.

In December 2013, as part of its report dissemination exercise, the MSGSC hosted a special Open Data workshop on the first TTEITI Report at which participants were encouraged to develop mobile applications to further enhance the TTEITI App. One such app developed at the workshop, which integrates a search function for participating companies, was added to the main TTEITI application in a January 2014 update. A lessons-learnt document on how to make EITI Reports ready for Open Data application is being prepared by the TTEITI Secretariat for sharing with the International Secretariat.

Stakeholder Views

All stakeholders expressed that the Secretariat had done a very good job disseminating the EITI Report. Many also expressed a belief that the EITI-activity could contribute to improving the thrust between the civil society in general and the political elites as they feared that this thrust was dropping. Some stakeholders thought that the publicity around the requirements for transparency in the oil and gas sector would contribute to a higher level of transparency all through the society and the development of a more participatory democracy.

Validator's Assessment

We find that the MSGSC, the Secretariat, several participating companies, other organizations represented on the MSGSC and many other stakeholders have done an impressive job in disseminating the EITI Report and information on the EITI in T&T.

The dialogue on the EITI generally, and more specifically the TTEITI Report, was done through public forums and workshops throughout Trinidad and Tobago and the TTEITI-secretariat made widespread use of print (newspapers and professional magazines), electronic (radio and television), and social (Facebook, Twitter and LinkedIn) media.

They engaged a wide cross-section of stakeholders including the general public comprising adults, young-adults and students at secondary and tertiary education levels.

The TTEITI Secretariat also established a Youth Advisory Committee and trained Youth Champions to take the EITI message to their peers.

We note that many articles have been printed and many events have taken place in order to spread information about the EITI and the findings of the first EITI Report.

We appreciate that the fact that only small differences remained after reconciliation limited the potential for headlines and front page news as spreading good news are not always easy in to-days media reality.

This fact also spurred the only case of public debate that we are aware of. One renowned energy journalist thought the previous government did right when they discontinued the work on EITI. He argued (rightly) that the numbers for government income were already available even if not very easily accessible and that the EITI-process was a waste of time in T&T. He furthermore thought that T&T did not belong to the group of countries that the EITI apparently aimed at and maintained that EITI-compliance was no guarantee for honest behaviour pointing

to the countries that had gotten compliant status.

All in all we noticed an almost unanimous support for the EITI in T&T.

Trinidad and Tobago has met Requirement No. 18 by a huge margin.

5.5 Review and Validation Requirements

Requirement 19: Oil, gas and mining Companies must support EITI Implementation.

Progress

All the oil and gas companies with the largest operations in T&T support the EITI on a corporate level (group level) and these companies have actively supported the EITI-process in T&T. They have explained the EITI-idea to smaller companies and supported the dissemination of the EITI Report. One leading company regretted very much that they did not have a seat on the MSGSC. They had nevertheless participated actively in the development of the MOU, the reporting templates and via the hosting of workshops for all the three stakeholder groups (GORTT, companies and civil society).

The BIR and the MEEA had produced lists of altogether 45 oil companies that were requested to sign the MOU and report to the Administrator/reconciler. 42 out of the 45 companies signed the MOU on a voluntary basis and submitted reports.

The mining sector in T&T consist of quarries producing sand, gravel etc for the national building and construction industries. The mining sector was omitted from the first EITI-work. This decision was supported by good arguments. The estimated total turnover of the quarrying companies was dwarfed by the turnover of the oil and gas companies and the turnover of each company could hardly be seen material compared to the values created in the petroleum industry. More than 30 quarrying companies compete in a free market and the potential for monopoly or windfall profits appear non-existent. No special taxes very leveraged on the quarry business.

Stakeholder Views

In spite of the lower revenues Stakeholders wanted in general the mining sector to be included in future EITI Reports as they thought that these companies ought to be better regulated and controlled especially due to the current and potential environmental damage caused by their operations. Some also thought that the real income earned from the sector was higher than what was actually estimated and reported in aggregate form in the annual national budget documents. Most stakeholders considered inclusion of mining payments in the disaggregated EITI-reporting requirements the best way to introduce better regulation of the quarrying activities.

Some expressed that this would be a tall order as several of the quarry companies were small, family-owned business and that the kind of disclosure EITI-reporting called for might be beyond everything they were used to.

Validator's Assessment

We consider this requirement met even if the mining sector has been omitted from the initial EITI-work. It is noted that the MSGSC has stated an intention to extend the reporting on mining from its third report (fiscal year 2013) onwards.

We appreciate the wishes to include the mining sector in the EITI-work, and support the plans to include the quarries in the EITI Reports in the future. But we also understand the views that this will take time. It appears that the relevant legislation will have to be reviewed and probably adjusted and approved before an implementing scheme can be put in place. It is likely to take several years to have the quarrying sector completely included in the EITI-reporting scheme. Incomplete reporting from the quarrying sector should not prevent T&T from becoming a full member of the EITI.

Trinidad and Tobago has met Requirement No. 19.

Requirement 20: The Government and Multi - Stakeholder Group must take Steps to act on Lessons learnt, address Discrepancies and ensure that EITI Implementation is sustainable. Implementing Countries are required to submit Validation Reports in accordance with the Deadlines established by the Board.

Progress

T&T had only completed one EITI Report when the validation was contracted and has not really had the time to take much action based on lessons learnt from the EITI Report. The major shortcoming, the missing audits of the payments received by the MEEA, has already been handled as the Auditor General has announced that these payments will be subject to auditing as of the fiscal year 2013-2014. The Administrator for the second EITI Report is already contracted and the work is scheduled to commence soon. Improvements in the templates are also being considered as are the options on how to include the mining sector.

Stakeholder Views

All stakeholders want to move forwards in order for T&T to become fully compliant.

A fear was aired that that it might take a long time to bring the quarry-industry up to the EITI-standard and it was argued that shortcomings in the quarry industry should not delay full membership in the EITI for T&T as the payments from the quarry industry should not be considered material compared to the payments in the petroleum industry.

Validator's Assessment

T&T has a long petroleum industry history with a varied set of contracts between the government and the companies.

Confidentiality clauses in contracts had to be waived before the work on the first EITI Report could commence.

IPAN feel that it normally shall not be easy for a Government to request changes in contracts between the government and private companies in a democracy. We further feel that such a process shall take some time.

Developed societies collect and store a lot of information from and about companies and individuals. The need to collect and store all this information is balanced by legislation securing that what is sensitive information about individuals and information pertaining to the competitive edge of companies are kept confidential. Only civil servants that really need access to these details shall have

access and strict confidentiality rules shall be levied upon these civil servants.

IPAN strongly feels that it shall not be easy to change or avoid legislation developed to protect basic democratic rights of companies and individuals. We appreciate that the way legislation to protect these basic rights are made up in T&T means that T&T have met unusually large problems in finding a solution to the issue. It is a sign of quality of a democratic regime that such changes take time.

We further feel confident that the discrepancies to be identified in the second EITI Report will be minor compared to the initial discrepancies of the first EITI Report.

Some of the actions that probably should be taken seem to require adjustments in the legislation and will have to take some time to be completed.

Trinidad and Tobago has met Requirement No. 20

Section 6 Company Implementation

All the companies with the largest activities in T&T support the EITI on a corporate level. These companies have also supported the EITI-activities actively in T&T and pulled the other companies along. Only three companies on the BIR / MEEA lists did not sign the MOU voluntarily and we have seen convincing explanations for their decisions.

The two state owned companies incorporated under T&T law already produced financial reports disclosing the same kind of information. Also some of the subsidiaries of the international companies disclosed the required information already.

Both the Industry Chamber and the Energy Chamber support the EITI fully. Oil and gas companies appear in general interested in demonstrating the large values they contribute to the economy of T&T.

The companies have participated actively in development of the templates, the reconciliation process and other EITI-activities.

The companies we met with saw no problems in having their submissions confirmed by their auditor in the course of the ordinary financial audit of the accounts once the template had been tested and modified to a permanent format.

Section 7 Impact of EITI based on Discussions with Stakeholders

The EITI has a narrow scope and the information to be published according to the EITI-standard was in general already available in aggregated numbers and several companies already published the same information for their activities.

One merited petroleum journalist had criticized the EITI and argued that EITI was a waste of time and resources in T&T as this information were already available in aggregated format.

The EITI Report has, however, made this information easily available to the general public and not only to experts who knew where to search. The EITI-report has also put a focus on the importance of the petroleum sector to the EITI-economy. The T&T-nationals in particular considered this important.

The EITI Report identified some weaknesses like the lack of audit of payments to the MEEA and this weakness was acted upon promptly.

EITI has a potential to increase the thrust between the ordinary people and the political elites and many of the stakeholders considered the dropping trust between these groups to represent a worrying challenge for T&T. The EITI was considered an excellent tool to build accountability.

Some of the CSOs praised the EITI for having established a forum where different interest groups talked constructively together and worked constructively together towards solutions and compared this to other meeting places where there was little real communication and participants ended up yelling at each other.

Section 8 Sustainability of the EITI Process based on Discussions with Stakeholders

All stakeholders expressed a unanimous wish to take the process forwards for T&T to become a fully compliant member of the EITI. There was no hesitation or reservations about working on the issues that have to be acted upon in order to be fully compliant.

The large majority of the stakeholders wanted to see more regulation of the quarrying industry and saw the EITI as a useful tool to introduce more regulation of the quarries and pointed to the fact that mining was also the responsibility of the MEEA.

The former government of T&T actively supported the initiative of establishing the EITI in 2003, but this was not followed up until the current government in 2010 decided to reaffirm T&T's commitment to EITI. Implementing EITI legislation will probably contribute to increase the sustainability of the EITI process in T&T.

Section 9 Overall Assessment and Validator's Judgement

The MSGSC and the TTEITI Secretariat have made very impressive efforts as to the dissemination and outreach of the EITI Report and the EITI-activities in general.

Most of the information required to meet the EITI-standard was already available in T&T at least on an aggregated level for experts that knew where to search. The EITI Reports will make this information much easier available for everybody. Some stakeholders also praise the additional details.

T&T has a long petroleum history and a very varied and complicated system of Production Sharing Contracts and other contract forms. This means that the development of the templates was challenging and so were the exact wording of the definitions.

T&T has been validated after only one EIT Report which was not completed until last fall. This means that there has been very little time to act on the findings of the first EITI Report. We notice that the most noticeable shortcoming, the lack of audit of payments to the MEEA, has already been acted upon. We also notice that the relevant subcommittee of the MSGSC is reviewing the templates. We are convinced that there will be only very few and minor discrepancies, if any, already in the initial reports for the second EITI Report.

Some other minor issues appear to require some adjustments in legislation. IPAN fully appreciates that such adjustments will and shall take time in a democracy. These changes are not likely to be completed before the deadline of the second EITI Report.

Section 10 Conclusions and Recommendations

Trinidad and Tobago has met seventeen out of the eighteen requirements and in some instances by huge margins, which clearly demonstrate the commitment and seriousness of the various parties in T&T. The fact that payments to the MEEA and the BIR have not been subject to auditing (Requirement 13) by the Auditor General, means that we cannot conclude that T&T is fully compliant with all requirements. We would like to stress, however, that very significant progress have been made which can be tangibly demonstrated, towards meeting the EITI-standard and commitments to meet the requirement have been made by the highest level of government. We leave it to the Validation Subcommittee and the Board of the EITI to exercise their discretion with respect to this requirement.

T&T was quite transparent in the first place. Meeting EITI-requirements means that the information will be more detailed and much easier available to everybody. Meeting the requirements also means that the information provided will be more trustworthy and that the government will be more accountable to the general public.

We have noticed a strong will with all stakeholders to make T&T a full member of the EITI.

We support with only a few comments the recommendations from the Administrator that did the reconciliation. See discussion under Requirement No.17. We also recommend

- the MEEA to keep an up to date publicly available register of all contracts conferring sovereign rights to explore for and produce hydrocarbons from a delineated area
- to consider if reporting should be in the currencies of the payments
- if the Central Bank should be included in the reporting entities
- to consider legal changes in order to require all companies with exclusive rights to file EITI Reports
- to consider legal changes to require that all companies with exclusive rights be audited according to international standards for their activities under these exclusive rights in T&T
- to consider legal changes to require all companies with exclusive rights to publish some information on activities, key financial data and payments to public entities in T&T

We note that different countries have different challenges in order to meet with all the EITI-requirements and that depending on the nature of the challenges it might and in some cases shall take time to act upon these challenges even if the country is very close to meeting the standards from the beginning.

Changes in legislation when required will and shall take some time in a democracy. So there seems to be a case for arguing that the EITI deadlines for EITI Reports and validations could be made a little more flexible depending on the reasons for slow progress in each case.

Attachment A

Summary of Requirements

Requirement	Comments/Recommendations	Judgement
1 The government is required to issue an unequivocal public statement of its intention to implement the EITI		met
2 The government is required to commit to work with civil society and companies on the implementation of the EITI.		met
3 The government is required to appoint a senior individual to lead on the implementation of the EITI		met
		met
5 The multi-stakeholder group, in consultation with key EITI stake-holders, should agree and publish a fully costed work plan, containing measurable targets, and a timetable for implementation and incorporating an assessment of capacity constraints.		met
6 The government is required to ensure that civil society is fully, independently, actively and effectively engaged in the process		met
7 The government is required to engage companies in the implementation of the EITI.		met
8 The government is required to remove any obstacles to the implementation of the EITI	Some adjustments shall take time	met
9 The multi-stakeholder group is required to agree a definition of materiality and the reporting templates		met
10 The organisation appointed to produce the EITI reconciliation report must be perceived by the multi – stakeholder group as credible, trustworthy and technically competent.		met
11 The government is required to ensure that all relevant companies and government entities report	Updated publicly available register	met
12 The government is required to ensure that company reports are based on accounts audited to international standards	Introduction of legal requirements	met
13 The government is required to ensure that government reports are based on accounts audited to international standards.	Audit implemented as of 01.10.2013	very significant progress
14 Companies comprehensively disclose all material payments in accordance with the agreed reporting templates	Legal obligations to be introduced	met
15 Government agencies comprehensively disclose all material revenues in accordance with the agreed reporting templates	Central Bank to be included	met
16 The multi-stakeholder group must be content that the organisation contracted to reconcile the company and government figures did so satisfactorily		met
17 The reconciler must ensure that that the EITI Report is comprehensive, identifies all discrepancies, where possible explains those discrepancies, and where necessary makes recommendations for remedial actions to be taken.	Reconciliation in currency of payments	met

18 The government and multi-stakeholder group must ensure that the EITI Report is comprehensive and publicly accessible in such a way as to encourage that its findings contribute to public debate.	Impressive performance	met
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Attachment B

The EITI Implementation Work Plan – Revision 4 including Summary Table of Progress Against the Work Plan



The Government of the Republic of Trinidad and Tobago (GORTT)



EITI Implementation Work Plan Dec. 2010 – Aug. 2013 Revision # 4 September 30, 2013

EITI IMPLEMENTATION WORK PLAN SUMMARY

The Trinidad and Tobago Extractive Industries Transparency Initiative (TTEITI) Implementation Work Plan was first prepared in January 2011 as part of the Sign-up requirements to support the country's membership application to the EITI International Secretariat.

The Cabinet of the Government of the Republic of Trinidad and Tobago (GORTT), on September 9, 2010, committed unequivocally to working with the extractive industries companies and civil society to achieve full implementation of the EITI Principles and Criteria. The Cabinet assigned to the Ministry of Energy and Energy Affairs the responsibility for providing general administrative support to the EITI Steering Committee

and the annual funding for the estimated cost of implementing the EITI. The Honourable Carolyn Seepersad-Bachan, the then Minister of Energy and Energy Affairs, reaffirmed the commitment of Trinidad and Tobago to the EITI Secretariat in a letter dated January 17, 2011, to Dr. Peter Eigen, EITI Chair.

The Cabinet also agreed to the establishment of a fifteen (15) member tripartite TTEITI Steering Committee comprising representatives of Government Ministries and State Agencies including state-owned extractive companies (6), Extractive Industries companies (4), Civil Society (4) and a chairman with a Civil Society background. The committee was subsequently increased to 19 members by the addition of four (4) more Civil Society representatives.

The TTEITI Steering Committee is the author of the Work Plan which sets out fully costed measurable targets and a timetable for implementation. The first Work Plan covered the period from GORTT's public reaffirmation of its commitment to the EITI, December 8, 2010, to the then projected completion of Validation by March 1, 2013. The timeframe was later changed to reflect a revised projected completion of Validation by 28 August 2013. Potential constraints were identified and listed as Goals Nos. 7, 8 and 13 and steps have been taken to determine the extent of any constraints and the strategies needed to overcome them.

The overall budget for the period from the GORTT's reaffirmation (September 2010) to compliant country status (August 2013) is projected as TT\$10 Million (US\$ 1.6 Million). Primary Funding for this project comes from a mix of budget-support grants and technical assistance from the World Bank, Inter-American Development Bank and the European Union and direct funding by the GORTT.

On March 9 2012, the World Bank approved US\$325,000 in EITI implementation support for Trinidad and Tobago from its EITI Multi Donor Trust Fund. In April, 2012 the World Bank identified an additional US\$100,000 in grant funding to strengthen CSO participation in the Steering Committee, broaden the diversity of civil society organizations engaged in the EITI process and support more intensive and thorough use of information generated by the EITI.

Also in April 2012, approval was granted for Trinidad and Tobago to access up to US\$180,000 in technical assistance from the IADB under its Regional programme RGX - 1129 for strengthening governance in the extractive industries of Latin America and the Caribbean established in December 2011.

The sustainability of EITI implementation will be further enhanced by the EU Delegation's approval of the EITI as a programme eligible for funding under its €8 million Environment Sector Policy Support Programme for the period 2013 - 2016. Such counterpart funding, the exact quantum of which is still to be decided, will support Trinidad and Tobago's entrenching of the EITI and the retention of its Compliant Country status beyond August 2013.

Additional sources of funding through technical assistance arrangements are also being explored for the EITI programme, particularly to assist with capacity building initiatives. Some financial support for the conducting of TTEITI Steering Committee workshops is being received from extractive companies.

GORTT EITI INITIATION STEP 1: SIGN-UP FOR CANDIDATE STATUS

No.	Goals	Action	Time	Responsibility	Budget (TT\$)	Funding Source	Expected Outcome
1	GORTT makes statement of intention to join EITI	Public launch	8 Dec. 2010	Min. Energy and Energy Affairs (MEEA)	\$15,000	GORTT	GORTT statement widely reported in media
2	GORTT commits to work with other stakeholders (Oil and Gas Companies and Civil Society)	GORTT official statement	8 Dec. 2010	MEEA	Nil	N/A	Other stakeholders agree to work with GORTT to implement EITI.

3	GORTT appoints implementation team.	GORTT appoints EITI SC	8 Dec. 2010	MEEA	\$600,000	GORTT	Formal launch of SC under chairmanship of Victor Hart. Stakeholders sign Statement of Commitment to implement the EITI.
4	GORTT advises the EITI Secretariat of its decision to join the EITI	Letter to EITI International Secretariat	17 Jan. 2011	MEEA	Nil		GORTT letter to EITI Secretariat advising of its intention to implement EITI
5	GORTT publishes an EITI Work Plan with implementation schedule and budget.	SC to draft Work Plan	31 January 2011.	SC with World Bank (WB) assistance	\$15,000	GORTT	Work Plan approved by stakeholders
6	GORTT makes EITI Sign-up application	Application to EITI International Secretariat	4 Feb 2011 (Done)	MEEA	\$100,000	GORTT	T&T attendance at the EITI Global Conference in Paris. Confirmation of EITI Candidate Status by March 2011

GORTT EITI INITIATION STEP 2: SET-UP

No.	Goals	Action	Time	Responsibility	Budget (TT\$)	Funding Source	Outcome
7	Review T&T's legal framework to identify potential obstacles to EITI implementation including Board of Inland Revenue constraints.	<p>Appoint legal consultant to review legislative framework.</p> <p>Presentation of new draft enabling legislation and regulations for the conduct and publication of the audit of EI payments and receipts</p>	<p>Q2 2011 – Q2 2012</p> <p>Q3 – Q4 2012</p>	<p>SC</p> <p>MEEA/SC</p>	<p>Nil</p> <p>250,000</p>	<p>GORTT</p> <p>IADB</p>	<p>Identification of obstacles and recommendations for removal</p> <p>EITI mainstreamed in the legal and regulatory framework.</p>

8	Identify sustainable sources of finance for EITI implementation	MEEA to approve its EITI budget	In progress Q2 2011	SC/ MEEA. MEEA	Nil	GORTT	Sustainable finance identified to support EITI implementation and formal discussions entered into and concluded with contracts as necessary.
		GORTT to apply to WB EITI Multi-Donor Trust Fund for grant funding to support EITI implementation	Q2 2011	MEEA/MOF.			
		Ditto EU	Q2 2011				
		Ditto IADB	Q2 2011				

9	Establish and operate EITI Secretariat Office		8 Dec. 2010	MEEA	\$75,000	GORTT	Establishment of Operational EITI Secretariat	
		GORTT appoints temporary secretariat staff		SC	\$320,000	WB		
			Q3 2012/Q1 2013	MEEA/ SC	\$757,000 2012 to August 2013	WB/ GORTT	Strengthening Secretariat to effectively manage EITI implementation.	
		MEEA/SC appoint contract staff	Q3 2013					
			Q4 2012	MEEA/SC	\$1,200,000	GORTT/ World Bank		
			GoRTT appoints permanent staff	Q3 2012	TTEITI Secretariat	\$200,000		
			Set up and maintain work environment: <i>(Equipment etc)</i>		WB/IADB	\$128,000		Capacity building for SC members and Secretariat staff to understand and effectively manage EITI implementation
	Staff/SC training in EITI rules and procedures							

GORTT EITI INITIATION STEP 3: REPORTING PROCESS DEVELOPMENT

No.	Goals	Action	Time	Responsibility	Budget (TT\$)	Funding Source	Outcome
10	Appoint independent Administrator to conduct 2011 and 2012 reports.	<p>Determine prepare and Issue TOR's for Expression of Interest</p> <p>Evaluate and shortlist firms for selective tender for Administrator</p> <p>Award contract for 2011 and 2012 Reports</p>	<p>Q1 2012</p> <p>Q32012</p> <p>Q4 2012</p>	SC/MEEA	\$1,000,000	GORTT	Administrator appointed to conduct audit of fiscal 2011 and 2012 payments and receipts.

11	Agree Reporting Templates and guidelines	Determine and agree level of materiality Develop draft Reporting template Discuss and agree level of aggregation/dis aggregation	Q3 2012-	SC/ Administrator.	Included		Ensure all companies with significant contributions to EI revenue are captured Publish Reporting Templates and guidelines Confirm disclosure details: who, what and how.
12	Obtain extractive companies agreement to participate in the EITI	Identify and consult with companies	Q4 2011, Q2 2012	SC/MEEA/ Administrator.	NIL* (Workshops sponsored by companies)	WB/ Comp. sponsor	Agreement of participants

13	Capacity building	Identify stakeholders capacity needs Develop formal and informal capacity building programmes	Q2-3 2012	SC/ Consultants/ Administrator	*Cost taken up in various consultations	WB	Training needs identified

		Capacity building needs developed for –		SC/Consultants	\$300,000	WB/ Sponsor	Close any information gaps between stakeholders. Create better understanding by stakeholders of EITI issues and the different roles to be played. Training
		-Government	Q2-Q3 2012	Ditto	*Cost covered by Companies	EOG and Repsol	Create better understanding by stakeholders of EITI issues and the different roles to be played. Training
		-Companies (oil&gas)	Q4 2011, Q2 2012	Ditto		EOG, Repsol	
		Mining	Q4 2012	Secretariat/IA DB		WB	
		-Civil Society	Q3-Q4 2012	Secretariat/WB	\$64,000		Programmes in place to impart understanding of Oil and Gas companies and Mining companies.
		- Youth	Q4 2012 Q1 2013 Q3 2013	Secretariat/ Youth Committee			Fora held to determine areas of Youth interest and

14	Organize tripartite workshops to discuss responsibilities of stakeholders in the EITI process	Conduct tripartite meetings and workshops on EITI process	Q4 2012	SC/Consultant/Administrator	*Cost in Administrator's contract	WB	
15	Media awareness	Media education workshop on EITI	Q4 2012	SC/Consultant	\$40,000	WB	Better understanding of EITI to enhance quality of reporting.
16	Stakeholder awareness	Launch stakeholder education programmes -Government -Companies -Civil Society	Q4 2012	SC/Consultant	\$250,000	WB, IADB,	Better understanding of EITI to enhance quality of participation.

17	Public awareness	Dissemination of EITI information	Q2/3 2012	Ditto.	\$150,000	WB/IADB	EITI buy-in by public at large
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GORTT EITI IMPLEMENTATION: DISCLOSURE AND PUBLICATION PHASE

No.	Goals	Action	Time	Responsibility	Budget (TT\$)	Funding Source	Outcome
18	Companies and Ministry of Finance (MOF) to produce reports on corporate taxes, fees etc paid to and received by each party respectively	Companies and MOF to submit reports to Administrator according to agreed reporting templates	Q4 2012	SC/ Administrator.	Nil		Administrator or receive information needed to prepare Reconciliation Report
19	SC receives and reviews Administrator's Reconciliation Report	Administrator analyses processes, payments and revenue data and submits Reconciliation Report to SC.	Q4 2012	Administrator. SC	Cost included in cost of Administrator	GORTT	Reconciliation Report received by SC and reviewed, adopted/ rejected
20	GORTT submits Reconciliation Report to EITI Secretariat	Formal submission of Reconciliation Report for evaluation by EITI Secretariat	Q1 2013	SC/MEEA.	Nil		Reconciliation Report adopted/ rejected by EITI Secretariat (The EITI Report)

GORTT EITI IMPLEMENTATION: PUBLIC DISSEMINATION AND DISCUSSION

No.	Goals	Action	Time	Responsibility	Budget (TT\$)	Funding Source	Outcome
21	Publish and disseminate the EITI Report	<ul style="list-style-type: none"> -EITI Report posted on EITI web sites; - 5000 copies of each EITI - Reports printed and distributed - summaries highlighted in media - Develop a grassroots dissemination strategy for the EITI Report -Implement communication and outreach strategy over 1 year period 2012 - 2013 	Q4 2012/Q1 2013	<ul style="list-style-type: none"> SC/Communications Consultant Communications Consultant Communications and CSO engagement consultants 	* See costs at 16 and 17 above	<ul style="list-style-type: none"> WB/GORTT WB/IADB/GORTT 	EITI Report publicly available and widely disseminated.
22	Public Forum/discussions on the EITI Report.	Stakeholder workshop/s etc. for experts to discuss EITI Report	Q4 2012	SC/Communications Consultant	*See cost at 16 and 17 above	WB/IADB/GORTT	Transparency and accountability of EITI processes and findings shared with stakeholders

23	Publish EITI Handbook	-Agree contents of EITI Handbook -Prepare, publish and distribute limited edition of EITI Handbooks	Q3 2013	SC/Communications consultant EITI.	\$100,000	World Bank/IADB	EITI Handbook publicly available and widely disseminated Document EITI processes and guidelines for future Work Plans Increase public knowledge and oversight on the process
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GORTT EITI REVIEW

No.	Goals	Action	Time	Responsibility	Budget (TT\$)	Funding Source	Outcome
24	Implementation of lessons learnt to date.	Review the findings and recommendations of the Administrator and the EITI's International Secretariat and stakeholders' feedback on the first EITI report	Q3 2012	SC	\$120,000	WB	Revisions to and improvement of EITI processes for introduction in the next reporting year.

25	Develop annual Work Plan to continue EITI implementation.	Decide on revisions to the processes, the implementation costs and sources of funding. Get agreement of stakeholders to proposed changes.	Q3 2012	SC/Secretariat	NIL		New Work Plan to continue EITI reporting.
26	Review the EITI process to date	Assess the benefits of EITI implementation and publicize findings.	Q3 2012	SC	Nil		EITI process gains credibility among local and international stakeholders.
27	Validation of EITI implementation	Employ independent Validator to assess if EITI processes are compliant with EITI Principles and Criteria. SC to review Validation Report	Q1 2012	SC/Secretariat MEAA. SC	\$640,000	GORTT	Validation Report completed Q1 2013. Validation Report submitted to SC and EITI Board and agreed (or rejected).
28	Publication and dissemination of Validation Report	Validation Report posted on websites and published in media.	01.03 2013.	SC EITI.	\$50,000		Validation Report widely disseminated

29	Miscellaneous activities				\$100,000	WB/EU/GORTT	Contingency allowance
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GORTT EITI IMPLEMENTATION: BUDGET

30	TOTAL BUDGET (candidate country phase 2010 - 2013)				TT\$10 Million		
31	World Bank contribution				US\$425K confirmed		
32	IADB Contribution				US\$330,000*(includes US\$150,000 for Sustainable Mining conference)		
33	European Union				€8 million		
34	GORTT 's budget to cover the difference				TT\$5 million To be confirmed		
	Budget Apportioned by Year						
	Year 2010 (1 Month)				TT\$100,000		
	Year 2011				TT\$,600,000		
	Year 2012				TT\$4,300,000		
	Year 2013 (8 Mons)				TT\$5,000,000		

Attachment C

Companies with Active Licenses

1.1.1 COMPANIES INCLUDED

The TTEITI Steering Committee determined the list of companies which are included in the reconciliation. These companies were required to return the information for the 2010/11 reconciliation on the agreed data collection templates; and the government reporting entities were required to return information in respect of each of these companies

The companies included in the 2010/11 reconciliation by the TTEITI Steering Committee, and the groupings under which they are reported, are:-

Company/Grouping	Contact name	E-mail address
BG Group		
BG International Ltd (Trinidad branch)	Ms. Uchenna Ogbue	uche.ogbue@bg-group.com
BG Manatee Limited		
BG Trinidad 5A Limited		
BG Trinidad EC Limited		
BG Trinidad and Tobago Ltd (Trinidad branch)		
BG Trinidad Central Block Ltd		
BPTT Group	Mrs. Deborah Ragoonath-Rajkumar	deborah.ragoonath-rajkumar@bp.com
BP Trinidad and Tobago LLC Trinidad branch		
Amoco Trinidad Gas BV Trinidad branch		
BP EOC Trinidad branch		
BHP Billiton Group	Carla Noel-Mendez	Carla.Noel-Mendez@bhpbilliton.com
	Kristy Quintal	Kristy.quintal@bhpbilliton.com
BHP Billiton Trinidad 2C Ltd		
BHP Billiton (Trinidad 3A) Limited		
BHP Billiton Tdad 2AB		
EOG Resources Group	Jerome Lopez	Jerome_lopez@eogresources.com
EOG Resources Trinidad Ltd		
EOG Resources U(B) Block Ltd		
EOG Resources Tdad U(A) Block Limited		

EOG Resources T'dad Blk 4A Unlimited		
Repsol E&P T&T Limited	Simone David/Heidi Diquez	sdavidd@repsol.com ; hdiquezd@repsol.com
Petrotrin Group	Aneitha Bruneau	Aneitha.bruneau@petrotrin.com
Petroleum Company of Trinidad and Tobago Limited		
Trintomar		
Primera Group	Jim Krissa	jkrissa@territorialservices.com
Primera Block 3(B) limited	Tricia Thong	tthong@territorialservices.com
Primera Block 4(A) Limited		
Primera East Brighton Limited		
Primera Modified U(B) Limited		
Primera Rock Dome Limited		
Primera Oil & Gas Ltd		
Oil Belt Services Limited		
Centrica Group	Ms. Soraya Khan	soraya.khan@centrica.com
Centrica Upstream Limited		
Centrica Resources Ltd		
Centrica (Horne&Wren) Ltd		
Venture North Sea Gas Ltd		
NSGP (Ensign) Ltd		
Centrica Resources (Amada) Limited		
Centrica Trinidad and Tobago Limited		
Centrica North Sea Oil Limited		
ENI Group	Mr. Prietraroia Biaigo	biagio.pietraroia@eni.com.ve
ENI Trinidad & Tobago Exploration		
ENI Trinidad Limited		
Total Group* (*closed operations in 2013)	Winston Boodoo	eptwb@tstt.net.tt

Elf Exploration Trinidad BV		
Total E&P Trinidad Block 3A		
Total E&P Trinidad BV		
Niko Group	Ivan kam	ikam@nikoresources.com
Niko Resources (NCMA2 Caribbean) Limited		
Niko Resources (NCMA3 Caribbean) Limited		
Niko Resources (Caribbean) limited		
Niko Resources (Block 5C Caribbean)Limited		
Niko Resources (Block 4B Caribbean) Limited		
Niko Resources (Trinidad and Tobago Ltd)		
Voyager Energy (T'dad) Ltd		
Bayfield Energy (Galeota) Limited**	Peter Machikan	peter.machikan@betrinidad.com
Bayfield Energy Trinidad Limited**	Peter Machikan	peter.machikan@betrinidad.com
Ten Degrees North (Operating Company) Limited** (**Ten Degrees North successor company Trinity Oil, purchased Bayfield Energy in 2013. All reporting for Bayfield and Ten Degrees North was done by Trinity Oil on behalf of Ten Degrees.)	Vindra Bissessar	vbissessar@trinioil.com
Chevron Trinidad and Tobago Resources SRL	Partap Misir	Partap.misir@chevron.com
National Gas Company of Trinidad and Tobago	Rebecca Ramdhanie	rebeccar@ngc.co.tt
Chaoyang Petroleum 2c Limited	Mr. Shi Guangnan	gnshi.sipc@sinopec.com
Lease Operators Limited	Daniel Brash	dbrash@wellservicesgroup.biz

Attachment D

List of Stakeholders consulted

Validation Programme**IPAN Country Visit****13 – 21 February 2014****Hotel of residence – Carlton Savannah****Working base – T&TEITI Secretariat, 15th floor Ministry of Energy and Energy Affairs**

Thursday 13 February, 2014			
Time	Stakeholder	Attendee	Location
10am – 12 noon	TTEITI Steering Committee Chair and Secretariat	Victor Hart, Chair, TTEITI Steering Committee Mark Regis, Head, TTEITI Secretariat Gisela Granado, Policy Analyst, TTEITI Secretariat	TTEITI Secretariat, 15 th floor Ministry of Energy and Energy Affairs Tower C International Financial Centre #1 Wrightson Road Port of Spain
LUNCH			
1:15pm – 3:15pm	Meeting with BDO Trinity Limited (local Validators)	Riaz Ali and team	BDO Trinity Limited 7a Warner Street Port of Spain (*Corner Warner and Woodford Streets. Opposite Buzo restaurant)
3:45pm – 4:30pm	Meeting with Repsol (Trinidad and Tobago Business Unit)	Heidi Diquez External Relations & Communications Manager And Rehanna La Borde Finance Manager	Repsol Tower, 4 Queen's Park West PORT OF SPAIN
Friday 14th February, 2014			
Time	Stakeholder	T&T Attendee(s)	Location

9am	Minister of Energy and Energy Affairs	Senator the Honourable Kevin Ramnarine, Minister of Energy and Energy Affairs Victor Hart, Chair, TTEITI Steering Committee and Selwyn Lashley Permanent Secretary, Ministry of Energy and Energy Affairs	Minister's Office Ministry of Energy and Energy Affairs 26 th floor #1 Wrightson Road PORT OF SPAIN
9:30am – 10:15am	Deputy Permanent Secretary, Ministry of Energy and Energy Affairs	Richard Oliver, Deputy Permanent Secretary	Ministry of Energy and Energy Affairs 26 th floor Wrightson Road PORT OF SPAIN
10:20am – 11:00am	Ministry of Energy Focal points	Enid Donawa, Head Energy Research and Planning Division, Grace Corneal, Revenue Audit Unit	Ministry of Energy and Energy Affairs, 15 th floor Conference room Wrightson Road PORT OF SPAIN
11am – 12noon	Board of Inland Revenue	Nayak Ramdahin, Commissioner, Petroleum and Large Tax Payers	Ministry of Energy and Energy Affairs, 15 th floor Conference room Wrightson Road PORT OF SPAIN
LUNCH			
1:30pm – 2:30pm	BHP Billiton	Carla Noel – Mendez Manager, Communications and Community Relations and Kristy Quintal External Affairs and Community Relations Adviser	BHP Billiton Invaders Bay Tower, Invaders Bay Off Audrey Jeffers Highway PORT OF SPAIN
Saturday 15 February, 2014			
Time	Stakeholder	T&T Attendee(s)	Location
AM	PRIVATE PROGRAMME		

2:30pm – 3:30pm* (*optional)	Presentation by TTEITI Secretariat Head to Energy MBA Programme Business School students	Mark Regis Gisela Granado	Arthur Lok Jack Graduate School of Business, Max Richards Drive, Mount Hope
Sunday 16 February, 2014			
Time	Stakeholder	T&T Attendee(s)	Location
PRIVATE PROGRAMME			
Monday 17 February, 2014			
Time	Stakeholder	T&T Attendee(s)	Location
9:00am	National Gas Company of Trinidad and Tobago (NGC) And Petroleum Company of Trinidad and Tobago (Petrotrin)	Rebecca Ramdhanie Manager Financial & Information Management Group NGC And Aneitha Bruneau, Manager, Management Accounting Petrotrin	NGC Head Office Orinoco Drive Point Lisas Industrial Estate COUVA* (*next door to the Energy Chamber)
10:50am	The Oilfields Workers Trade Union	Oswald Warwick Chief Information and Education Officer	Oilfield Workers' Trade Union Paramount Building 99a Circular Road SAN FERNANDO (*70 minutes from the Capital)
LUNCH			
1:15pm	The Cropper Foundation	Keisha Garcia Former CEO, Omar Mohammed, Programme Officer/Co-Chair, TTEITI Youth Advisory Committee	The Cropper Foundation Building #7, Fernandes Industrial Centre, Laventille PORT-OF-SPAIN
4:15pm	bpT&T Limited	Norman Christie, Regional President Giselle Thompson, Vice President, Corporate Services Deborah Ragoonath Rajkumar, National Tax Manager	BP Trinidad & Tobago LLC Queen's Park Plaza, 5-5a Queen's Park West, PORT OF SPAIN
Tuesday 18 February, 2014			

Time	Stakeholder	T&T Attendee(s)	Location
9am	EOG Resources Limited	Jerome Lopez, Manager, Finance and Administration	EOG Resources Trinidad and Tobago Ltd Briar Place, 10-12 Sweet Briar Road ST. CLAIR
10:30am	BG Trinidad & Tobago Limited	Uchenna Ogbue Legal Counsel Wendy Montoute Finance Manager	BG Trinidad and Tobago Limited 5 St. Clair Avenue ST. CLAIR
LUNCH			
1:15pm	Energy Chamber of Trinidad and Tobago	Thackwray Driver, CEO, The Energy Chamber of T&T	Suite B2.03 Atlantic Plaza Atlantic Avenue, Point Lisas, COUVA (*45 minutes from the Capital)
5:30pm-6:15pm	T&TEITI Youth Advisory Committee	Members of the Executive of the TTEITI Youth Advisory Committee	TTEITI Secretariat 15 th floor, Ministry of Energy and Energy Affairs
Wednesday 19 February, 2014			
Time	Stakeholder	T&T Attendee(s)	Location
9am	Trinidad and Tobago Chamber of Industry and Commerce	Melanie Richards, CSR Committee Member	TTEITI Secretariat, 15th floor Ministry of Energy and Energy Affairs TTEITI Secretariat Meeting Room
10:30am	Trinidad and Tobago Transparency Institute	Debbie Mohammed, SC Member Lorraine Rostant, Board Member	Trinidad and Tobago Transparency Institute Unit 4-12, Building 7, Fernandes Industrial Centre, LAVENTILLE
LUNCH			
1pm	Network of NGO's for the Advancement of Women	Ms. Arlene Ross Member	TTEITI Secretariat, 15th floor Ministry of Energy and Energy Affairs TTEITI Secretariat Meeting Room

2:15pm	Media Association of Trinidad and Tobago	Mr. Curtis Williams President	TTEITI Secretariat, 15th floor Ministry of Energy and Energy Affairs TTEITI Secretariat Meeting Room
Thursday 20 February, 2014			
Time	Stakeholder	T&T Attendee(s)	Location
9:00am – 10:30am* (*optional)	TTEITI Steering Committee Caribbean Pilot on Understanding Extractive Industries Workshop for Civil Society Actors	Victor Hart, Chair, TTEITI Steering Committee Mark Regis Head, TTEITI Secretariat	Social Sciences Lounge University of the West Indies St. Augustine Campus St. Augustine
Any time between 9am and 12 noon	Chief State Solicitor's Department, (***Signature and witnessing of the annexures of your contract)	Mrs. Rajaram	Chief State Solicitor's Department First floor Ministry of the Attorney General, Cabildo Chambers 23-27 St. Vincent Street PORT OF SPAIN
LUNCH			
1:30pm	TTEITI Steering Committee	All TTEITI Steering Committee member organisations	25 th floor Conference Room Ministry of Energy and Energy Wrightson Road PORT OF SPAIN
Friday 21 February, 2014			
AM	IPAN team Departs T&T		

Attachment E

Company Collated Forms

THE VALIDATION GUIDE
EITI COMPANY SELF-ASSESSMENT FORM (COUNTRY LEVEL)

Attachment 4 – EITI company self-assessment form

COMPANY:

COUNTRY:

Mark indicators below with a ✓

1. Has the company made public statements in support of the EITI process in this country?
 Yes No
2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI-related directives (e.g., laws and MoUs) and, where appropriate, meeting with stakeholders?
 Yes No
3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI Report as per agreed EITI reporting templates and pursuant to agreed timelines?
 Yes No
4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI Report taken from accounts independently audited to international standards?
 Yes No
5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI Report to assist in the reconciliation of country payments with government receipts in accordance with EITI reporting templates?
 Yes No

Narrative opinions

If any indicators above are marked "No", please provide an explanation:

1) Company does not make public statements

Any other comments:

Bope?
 54 EMPLOYEES

EOG Resources Trinidad Limited

THE VALIDATION GUIDE

EITI COMPANY SELF-ASSESSMENT FORM COUNTRY LEVEL

Attachment 4 – EITI company self-assessment form

COMPANY:

COUNTRY:

Mark indicators below with a ✓


1. Has the company made public statements in support of the EITI process in this country?
 Yes No
2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI-related directives (e.g., laws and MoUs) and, where appropriate, meeting with stakeholders?
 Yes No
3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI Report as per agreed EITI reporting templates and pursuant to agreed timelines?
 Yes No
4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI Report taken from accounts independently audited to international standards?
 Yes No
5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI Report to assist in the reconciliation of country payments with government receipts in accordance with EITI reporting templates?
 Yes No

Narrative opinions

If any indicators above are marked "No", please provide an explanation:

Any other comments:

54 EITI RULES


IVAN KAM (Finance Manager)

NINGBO RESOURCES (TRINIDAD AND TOBAGO) LTD.
13/17 Keale Street, Port of Spain,
Trinidad, West Indies.

THE VALIDATION GUIDE

EITI COMPANY SELF-ASSESSMENT FORM COUNTRY-LEVEL

Attachment 4 – EITI company self-assessment form

COMPANY: THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED (NGC) **COUNTRY:** REPUBLIC OF TRINIDAD AND TOBAGO

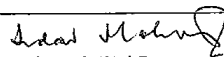
Mark indicators below with a

1. Has the company made public statements in support of the EITI process in this country?
 Yes No
2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI-related directives (e.g., laws and MoUs) and, where appropriate, meeting with stakeholders?
 Yes No
3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI Report as per agreed EITI reporting templates and pursuant to agreed timelines?
 Yes No
4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI Report taken from accounts independently audited to international standards?
 Yes No
5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI Report to assist in the reconciliation of country payments with government receipts in accordance with EITI reporting templates?
 Yes No

Narrative opinions

If any indicators above are marked "No", please provide an explanation:

Any other comments:


INDAR MAHARAJ
PRESIDENT (NGC)

THE NATIONAL GAS COMPANY OF
TRINIDAD AND TOBAGO LIMITED

THE VALIDATION GUIDE

EITI COMPANY SELF-ASSESSMENT FORM (COUNTRY LEVEL)

Attachment 4 – EITI company self-assessment form

COMPANY: *PETROLEUM COMPANY OF TRINIDAD AND TOBAGO*
TRINIDAD AND TOBAGO LIMITED COUNTRY: *TRINIDAD AND TOBAGO*

Mark indicators below with a ✓

1. Has the company made public statements in support of the EITI process in this country?
 Yes No
2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI-related directives (e.g., laws and MoUs) and, where appropriate, meeting with stakeholders?
 Yes No
3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI Report as per agreed EITI reporting templates and pursuant to agreed timelines?
 Yes No
4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI Report taken from accounts independently audited to international standards?
 Yes No
5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI Report to assist in the reconciliation of country payments with government receipts in accordance with EITI reporting templates?
 Yes No

Narrative opinions

If any indicators above are marked "No", please provide an explanation:

Any other comments:

Bruneau
Manager Financial Accounting

54 EITI RULES

**PETROLEUM COMPANY OF
TRINIDAD AND TOBAGO LIMITED**

THE VALIDATION GUIDE

EITI COMPANY SELF-ASSESSMENT FORM COUNTRY-LEVEL

Attachment 4 – EITI company self-assessment form

COMPANY: BG Manatee Limited

COUNTRY: Trinidad

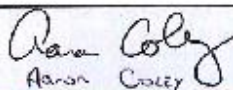
Mark Indicators below with a ✓

1. Has the company made public statements in support of the EITI process in this country?
 Yes No
2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI-related directives (e.g. laws and MoUs) and, where appropriate, meeting with stakeholders?
 Yes No
3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI Report as per agreed EITI reporting templates and pursuant to agreed timelines?
 Yes No
4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI Report taken from accounts independently audited to international standards?
 Yes No
5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI Report to assist in the reconciliation of country payments with government receipts in accordance with EITI reporting templates?
 Yes No

Narrative opinions

If any indicators above are marked "No", please provide an explanation:

Any other comments:


Aaron Coley

34 EITI RULES V? FINANCE

THE VALIDATION GUIDE

EITI COMPANY SELF-ASSESSMENT FORM COUNTRY-LEVEL

Attachment 4 – EITI company self-assessment form

COMPANY: BG Trinidad EC Limited

COUNTRY: Trinidad

Mark indicators below with a ✓

1. Has the company made public statements in support of the EITI process in this country?

Yes No

2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI-related directives (e.g., laws and MoUs) and, where appropriate, meeting with stakeholders?

Yes No

3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI Report as per agreed EITI reporting templates and pursuant to agreed timelines?

Yes No

4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI Report taken from accounts independently audited to international standards?

Yes No

5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI Report to assist in the reconciliation of country payments with government receipts in accordance with EITI reporting templates?

Yes No

Narrative opinions

If any indicators above are marked "No", please provide an explanation:

Any other comments:

Aaron Coley
Aaron Coley

THE VALIDATION GUIDE

EITI COMPANY SELF-ASSESSMENT FORM COUNTRY-LEVEL

Attachment 4 – EITI company self-assessment form

COMPANY: BG Trinidad Central Block Limited **COUNTRY:** Trinidad

Mark indicators below with a ✓

1. Has the company made public statements in support of the EITI process in this country?
 Yes No
2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI-related directives (e.g., laws and MoUs) and, where appropriate, meeting with stakeholders?
 Yes No
3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI Report as per agreed EITI reporting templates and pursuant to agreed timelines?
 Yes No
4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI Report taken from accounts independently audited to international standards?
 Yes No
5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI Report to assist in the reconciliation of country payments with government receipts in accordance with EITI reporting templates?
 Yes No

Narrative opinions

If any indicators above are marked "No", please provide an explanation:

There is no requirement in Trinidad & Tobago for private companies to have their local accounts audited. As such, BG conducts a rigorous internal review of BG Trinidad Central Block Limited's accounts to ensure the company's books are aligned with BG group's Accounting Policies and International Standards.

Any other comments:

Aara Coley

99 EITR/LLS Aara Coley
V.P. Finance

THE VALIDATION GUIDE

EITI COMPANY SELF-ASSESSMENT FORM COUNTRY-LEVEL

Attachment 4 – EITI company self-assessment form

COMPANY: BG International Limited - Trinidad **COUNTRY:** Trinidad
Branch

Mark indicators below with a ✓

1. Has the company made public statements in support of the EITI process in this country?
 Yes No
2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI-related directives (e.g., laws and MoUs) and, where appropriate, meeting with stakeholders?
 Yes No
3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI Report as per agreed EITI reporting templates and pursuant to agreed timelines?
 Yes No
4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI Report taken from accounts independently audited to international standards?
 Yes No
5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI Report to assist in the reconciliation of country payments with government receipts in accordance with EITI reporting templates?
 Yes No

Narrative opinions

If any indicators above are marked "No", please provide an explanation:

Any other comments:

Aaron Coley
AARON COLEY
UP FINANCE

54 EITI/11/FS

THE VALIDATION GUIDE

EITI COMPANY SELF-ASSESSMENT FORM COUNTRY-LEVEL

Attachment 4 – EITI company self-assessment form

COMPANY: **BHP BILLITON**

COUNTRY: **TRINIDAD AND TOBAGO**

Mark indicators below with a ✓

1. Has the company made public statements in support of the EITI process in this country?
 Yes No
2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan, (as agreed by the multi-stakeholder group), including abiding by government EITI-related directives (e.g. laws and MoUs) and, where appropriate, meeting with stakeholders?
 Yes No
3. Have all material payments been disclosed to the organization contracted to reconcile figures and produce the EITI Report as per agreed EITI reporting templates and pursuant to agreed timelines?
 Yes No
4. Was the data that was submitted to the organization contracted to reconcile figures and produce the EITI Report taken from accounts independently audited to international standards?
 Yes No
5. Has the company responded to queries from the organization contracted to reconcile figures and produce the EITI Report to assist in the reconciliation of country payments with government receipts in accordance with EITI reporting templates?
 Yes No

Narrative opinions

If any indicators above are marked "No", please provide an explanation:

Any other comments:

"Public Statements" made via company Annual Reports which are shared with Trinidad and Tobago stakeholders.

Kristy Quental
KRISTY QUENTAL

THE VALIDATION GUIDE

EITI COMPANY SELF-ASSESSMENT FORM COUNTRY-LEVEL

Attachment 4 – EITI company self-assessment form

COMPANY:

**CENTRICA
TRINIDAD AND TOBAGO
LIMITED**

COUNTRY:

INDU SHARMA

Mark indicators below with a ✓

1. Has the company made public statements in support of the EITI process in this country?

Yes No

2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI-related directives (e.g., laws and MOUs) and, where appropriate, meeting with stakeholders?

Yes No

3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI Report as per agreed EITI reporting templates and pursuant to agreed timelines?

Yes No

4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI Report taken from accounts independently audited to international standards?

Yes No

5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI Report to assist in the reconciliation of country payments with government receipts in accordance with EITI reporting templates?

Yes No

Narrative opinions

If any indicators above are marked "No", please provide an explanation:

Any other comments:

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THE VALUATION GUIDE

EITI COMPANY SELF-ASSESSMENT FORM COUNTRY-LEVEL

Attachment 4 – EITI company self-assessment form

COMPANY: BP Trinidad & Tobago LLC. COUNTRY: TRINIDAD & TOBAGO

Mark indicators below with a ✓

1. Has the company made public statements in support of the EITI process in this country?
 Yes No
2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI-related directives (e.g. laws and MoUs) and, where appropriate, meeting with stakeholders?
 Yes No
3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI Report as per agreed EITI reporting templates and pursuant to agreed timelines?
 Yes No
4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI Report taken from accounts independently audited to international standards?
 Yes No
5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI Report to assist in the reconciliation of country payments with government receipts in accordance with EITI reporting templates?
 Yes No

Narrative options

If any indicators above are marked "No", please provide an explanation:

BP Trinidad and Tobago (LLC)
(Incorporated in U.S.A. with Limited Liability)
Post Office Box 714
Port of Spain
Republic of Trinidad and Tobago, WI

Any other comments:

BPTT is fully committed to the implementation of EITI processes in Trinidad & Tobago.

Signed: Deewanki Rajgopal R. Rajkumar
National Tax Manager
Trinidad Region

INTERNATIONAL PETROLEUM ASSOCIATES

THE VALIDATION GUIDE

EITI COMPANY SELF-ASSESSMENT FORM COUNTRY-LEVEL

Attachment 4 – EITI company self-assessment form

COMPANY: CHEYRON TRINIDAD AND TOBAGO RESOURCES SRL COUNTRY: TRINIDAD & TOBAGO

Mark indicators below with a ✓

1. Has the company made public statements in support of the EITI process in this country?
 Yes No
2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI-related directives (e.g., laws and MoUs) and, where appropriate, meeting with stakeholders?
 Yes No
3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI Report as per agreed EITI reporting templates and pursuant to agreed timelines?
 Yes No
4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI Report taken from accounts independently audited to international standards?
 Yes No
5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI Report to assist in the reconciliation of country payments with government receipts in accordance with EITI reporting templates?
 Yes No

Narrative opinions

If any indicators above are marked "No", please provide an explanation:

Any other comments:

T. Niles

Attachment F

Administrator's Recommendations

RECOMMENDATIONS

During the course of undertaking the Assignment, we noted areas where improvements could be made, affecting

- the conduct and scope of future reconciliations; and
- the oversight of the TTEITI Steering Committee over the EITI process; and
- the extent of the EITI in Trinidad and Tobago.

In this section, we set out our observations and make recommendations to the TTEITI Steering Committee for improvements. The determination of the relative merits and time-scale for implementation of those recommendations which are accepted are a matter for the TTEITI Steering Committee.

8.1.1 PRODUCTION INFORMATION

Information provided on production by reporting entities was initially incomplete. If such information is to be gathered as part of TTEITI reporting, the TTEITI Steering Committee should take steps to ensure that in future, all entities report fully. We note that production information is regularly published by MEEA, and suggest that the TTEITI Steering Committee considers whether to refer to this data in its own reporting.

8.1.2 NON-REPORTING COMPANIES

Companies which were included in the 2010/11 reconciliation but which did not report are set out in Section 2.8. To the extent that subsequent investigation has established that these companies do not meet the criteria for inclusion in the 2010/11 reconciliation, no further action is required in terms of this reconciliation. The TTEITI Steering Committee should engage with these companies to confirm whether they meet the criteria for inclusion in the reconciliation and the Government should take action to ensure that in future they submit the required reports in line with EITI requirements on inclusion of all companies making material payments.

8.1.3 DETERMINATION OF TTEITI SCOPE

We recommend that the scope of the 2011/12 reconciliation is examined prior to commencement of the reconciliation in order to confirm that all material flows to government are captured and that all relevant entities making material payments are included. Appropriate definitions of nationality and materiality thresholds should be determined by the TTEITI Steering Committee.

In line with the requirement that all extraction activities should be included, the TTEITI Steering Committee should include in its forward planning consideration of the mining sector.

Specific areas which should be considered in relation to the scope of the EITI reconciliation include:-

Trinidad and Tobago Extractive Industries Transparency Initiative ("TTEITI") Report
October 1st 2010 - September 30th 2011

8.1.3.1 Selection of financial flows

During the course of our reconciliation work, a number of flows to governments which were not included by the TTEITI Steering Committee in the current reconciliation were identified.

These flows were:-

- i. Withholding tax on loan interest
- ii. Insurance premium tax
- iii. Fees for assignment of PSCs
- iv. PSC holding fee
- v. Payments into environmental escrow account

We have not assessed the materiality of these flows in the context of TTEITI.

8.1.3.2 Selection of companies

Since both the MOFE – IRD and MEFA receive material payments from the extractive sector, both MOFE – IRD and MEFA should provide information sufficient to enable the TTEITI Steering Committee to be able to select all companies making material payments to these Government agencies. The Government will need to resolve any residual issues over release of information by MOFE – IRD so that complete information is available⁶.

8.1.4 AUDIT AND ASSURANCE

8.1.4.1 Companies

There is no requirement in Trinidad and Tobago for private companies to have their local accounts audited; this includes subsidiaries of international companies. Where subsidiaries of international companies are subject to audit by the auditors of their Group for purposes of allowing a report on the Group accounts under international auditing standards, the review of the local accounts undertaken by the Group auditors may not necessarily comprise an audit under international standards.

The TTEITI Steering Committee decided that companies should submit a copy of their local accounts covering the period of the 2011 reconciliation (1st October 2010 to 30th September 2011), so that the audit status applying to reporting companies can be evidenced. Details of the information received are included in Appendix 9.5.

For purposes of the 2010/11 reconciliation, the TTEITI Steering Committee decided to rely upon an assurance from senior company management (see the templates included at Appendix 9.6 for the form of the declaration).

⁶ EITI Requirements state that payments and revenues are considered material if their omission or misstatement could significantly affect the comprehensiveness of the EITI Report.

⁷ By way of guidance, the EITI Standard (Requirement 4.2a) states that "All government entities receiving material revenues are required to comprehensively disclose those revenues in accordance with the applicable laws."

**Trinidad and Tobago Extractive Industries Transparency Initiative ("TTEITI") Report
October 1st 2010 - September 30th 2011**

Some of the templates received from companies were not signed (see Appendix 9.G), even after follow up. The TTEITI Steering Committee should take all necessary steps to ensure that in future, the required assurance is obtained.

The TTEITI Steering Committee should consider obtaining, in the case of larger companies, a confirmation letter from the companies' external auditor that confirms that the information they have submitted is comprehensive and consistent with their audited financial statements, with such a procedure imposed in so that the confirmation letter may be integrated into the usual work programme of the company's auditor.

8.2.5.2 Government

We held discussions with the Auditor General, who expressed firm support for the initiative and the assurance requirements. It appears that the work carried out by the Office of the Auditor General in respect of the fiscal year 2011 accounts for the MEEA and MOFE (including the BIR) is insufficient for her to be able to confirm that the accounts for these Government Ministries/agencies have been audited under International auditing standards.

We have been told that the BIR has raised concerns over breaches of its statutory duty to maintain confidentiality if it were to grant access to its records to auditors from the OAG. As a result, the Auditor General is not in a position to express an opinion on the accounts of the BIR.

For purposes of the 2010/11 reconciliation, the TTEITI Steering Committee decided to rely upon the assurance of relevant senior government officials concerning the preparation of the EITI data, including a declaration that the government reports provide a faithful representation of the extractive industry revenues received (see templates included at Appendix 9.3 for the form of the declaration).

The templates from the MEEA and MOFE – Investment Division were signed by the Permanent Secretary. The templates from the MOFE – IRD were provided under a covering letter signed by the Acting Chairman.

We recommend that the Government should review the audit practices applied to the accounts of the MEEA and MOFE, and should ensure that the Auditor General carries out appropriate audit work on the MOFE – IRD and other relevant government agencies.

September 27th 2013

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Trinidad and Tobago Extractive Industries Transparency Initiative ("TTEITI") Report
October 1st 2010 - September 30th 2011

8.1.5 PSC TAX SETTLEMENT

Under PSCs, the Contractor (the Operator and other parties to the PSC) is responsible for paying to the MEEA a profit share on behalf of itself and other parties in the PSC, in an amount determined under the provisions of the PSC. Such payments are made by the Operator on behalf of all the parties to the PSC.

The MEEA is responsible under the PSC for payment, on behalf of the Contractor out of the Government's Share of Profit, Petroleum, of the Contractor's liability for Royalty, Petroleum Import, Petroleum Profits Tax, Supplemental Petroleum Tax, Petroleum Product or Levy, Green Fund Levy, Unemployment Levy and any other taxes or impositions whatsoever measured upon income or profits arising directly from the operations.

Each company which is a party to the PSC notifies the MEEA of its liability to PPT, SPT and other taxes and levies payable to the MOFE – IRD. An internal settlement is made between MEEA and MOFE – IRD, which issues a receipt to each company for the amount of the settlement.

This 2010/11 TTEITI reconciliation reports cash paid by the Operator to MEEA in respect of PSC profit share. Settlements between MEEA and MOFE – IRD are not reported, although information was collected on the liabilities for each company and on settlements between MEEA and MOFE – IRD.

The reconciliation therefore reflects payments made from the extractive sector to Government, but could improve transparency if the liabilities for each company were also disclosed, together with the settlements from MEEA to MOFE – IRD. Care would be needed when collecting data to ensure that differences on account of timing of payments were properly explained and understood, and that any differences between types of PSCs were taken into account.

Transparency would be improved because the timeliness of receipt by the ultimate Government recipient would be disclosed; and the amount of profit share compared to the taxation liability applying to the sector would be visible. This would be of assistance to the Government in determining appropriate levels of profit sharing in future PSCs.

The TTEITI Steering Committee resolved to consider expanding the scope of the next reconciliation in this area, and we support this approach to improving the Report. We recommend that the profit share paid to the Government should be identified in the Report by each party to the PSC; and that the Report should include the quantum and timing of settlements between MEEA and MOFE – IRD for each party to the PSC.

8.1.6 GOVERNMENT SYSTEMS

The records of the MEEA are kept using manual systems. This makes the obtaining and collection of information time consuming and prone to error. It also makes management of the information, and control over government revenues, more difficult and prone to error.

We recommend that the MEEA introduce appropriate computerised systems to record and control information relating to the production and finances from the oil and gas sector.

Trinidad and Tobago Extractive Industries Transparency Initiative ("TTEITI") Report
October 1st 2010 - September 30th 2011

8.1.7 NOMENCLATURE

In common with many other countries, it is customary on a day to day basis to refer to the organisations involved in the oil and gas sector in a "shorthand manner" i.e. without using full company names.

In some instances in the reconciliation, this area led to unnecessary discrepancies and confusion. For purposes of reporting and proper identification of liabilities and allocation of payments, it is important that full legal names are used. We recommend that participants take care to improve their practice in this area, so that government revenues are properly controlled.

8.1.8 MINING SECTOR

The mining sector was not included in the 2010/11 TTEITI reconciliation.

We recommend that the TTEITI Steering Committee includes in its work plan reference to the proposed timescale for the inclusion of the sector, and makes this information public.

8.1.9 INCLUSION OF OFFSHORE COMPANIES

The liabilities of some Trinidad registered companies for signature bonuses and other PSC payments were settled in cash by their Barbados registered parent. The Barbados company submitted templates giving details of the payments and they are included in the reconciliation against the relevant Trinidad registered companies.

8.1.10 REPORTING OF IN KIND FLOWS

The data collection template provided for entities to report flows in kind from reporting companies to government or to state owned companies. These flows were not defined in detail beforehand, and the templates were not completed by any entities, even though we understand that there are in kind flows.

We recommend that the TTEITI Steering Committee should gain a fuller understanding of the in kind flows so that they can be explained to participants in the reconciliation and reported appropriately.

8.1.11 IMPROVEMENT IN CATEGORISATION OF PAYMENTS

There were unexpected conjunctions of payments, and inadequate attention to the nature of certain payments made to the MEEA.

Thus, it was reported that individual companies paid PSC payments and E&P rentals; and MEEA reported certain payments as royalty while companies reported them as E&P rentals. This issue appeared on the E&P reporting, but in some cases the underlying documentation was also confused, with the parties describing the same payment as different things. A number of these differences remain unresolved at the time of this report.

**Trinidad and Tobago Extractive Industries Transparency Initiative ("TTEITI") Report
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The CITI reconciliation is unnecessarily complicated by such matters, and the control over government revenue is weakened to the extent that there is inaccurate recording of payments.

We recommend that the TTEITI Steering Committee takes a loss in promoting improvements in improving the accuracy of reporting to and by MEEA; and that the parties concerned (companies and MEEA) are encouraged to give further attention to this area.

8.1.12 PSC PAYMENTS MADE DIRECTLY TO THIRD PARTIES

The MEEA is responsible for ensuring that the obligations to make the payments under a PSC are met. Certain payments – e.g. university training support – are made directly to the University and the notification of the payment to the MEEA is not made on a timely basis, or in a number of cases was not made at all.

The MEEA should examine its systems for monitoring such PSC obligations to ensure that it is in a position to fulfill its responsibilities.

8.1.13 INTEREST AND PENALTY PAYMENTS TO MGEF - IRD

The templates provided for the reporting of interest and penalties paid to MGEF - IRD. While we were able to reconcile the amounts reported by companies and government, the MGEF - IRD reported interest and penalties as part of the taxes giving rise to the charge, rather than as separate line items as required by the templates.

We recommend that the Steering Committee should determine the treatment it wishes to adopt in future, and require entities to report in the format required.

8.1.14 SOCIAL PAYMENTS

In seeking information from companies on a voluntary reporting basis, the Steering Committee set a minimum individual payment level of TT\$1m. A number of companies reported payments totalling in excess of TT\$2m, although none of the individual payments exceeded TT\$1m.

We recommend that in the light of the experience in this reconciliation, the Steering Committee should reconsider the limit in the future.

8.1.15 PETROLEUM PRICING COMMITTEES

The Petroleum Pricing Committee is established under the provisions of the Petroleum Taxes Act to advise the Minister of Energy and Energy Affairs on determining the fair market value of hydrocarbons for certain purposes. Amongst these, the Committee is responsible for setting the Crude Oil Transfer Price for oil transferred between the upstream and refining divisions of Petrotrin. The Committee has not been meeting regularly and has not therefore been fulfilling its statutory responsibilities.

The Government should ensure that the Petroleum Pricing Committee meets regularly as required.

**Trinidad and Tobago Extractive Industries Transparency Initiative ("TTEITI") Report
October 1st 2010 - September 30th 2011**

8.1.15 NGC – GAS SALES

NGC supplies gas to the Trinidad and Tobago Electricity Commission. The supply of gas is derived from a royalty arrangement relating to gas supplied to Atlantic LNG. There is no formal contract in place setting out the terms for sale and payment of gas to the Electricity Commission, and the take or pay arrangements for the royalty entitlement are not clearly understood.

It is important that transactions relating to state-owned enterprises are properly regulated and transparently explained. We recommend that the TTEITI Steering Committee should establish the manner in which these arrangements should operate, and that there is an appropriate framework covering the arrangements, so that the provisions of the EITI Standard relating to this area can be met when the Standard is applied to Trinidad and Tobago.

8.1.17 LICENSED COMPANIES

Details of the licences granted to oil and gas and mining companies, as provided by the MEEA, are included in this report (Appendix 5.5).

As part of ensuring the licence records are accurate and up to date, we recommend that the companies holding licences are agreed to the records for taxpayers maintained by the MOF/IRD and that the TTEITI Steering Committee monitors progress on this exercise.

We also recommend that the list of licence holders is published on the MEEA website, and regularly updated.

Attachment G

Letter from the Auditor General

Footnote 3



AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO
Levels 2-4, Tower C, Port of Spain International Waterfront Centre, 1, Wrightson Road, Port of Spain
Phone: (868) 625-6585; 627-6727 Fax: (868) 222-8972
Branch Offices: 11A Independence Avenue, San Fernando Phone/Fax: (868) 652-4953
Caribana Building, Bacolet Street, Tobago Phone: (868) 639-4935 Fax: (868) 639-2886
Website: <http://www.auditorgeneral.gov.tt>

Please address your response to the Auditor General and quote the reference particulars below.

Ref No: AGD 15/1/13/24

12th March, 2014

Mr. Mark Regis
Head
TTEITI Secretariat
15th Floor
Port of Spain International Waterfront Centre
1, Wrightson Road
PORT OF SPAIN

Dear Mr. Regis

Re: Recommendations arising from Trinidad and Tobago's First Extractive Industries Initiative Report

Your letter dated March 05, 2014 addressed to the Auditor General on the abovementioned subject refers. In this connection, the following information is submitted in response to the questions posed.

Question 1:

Whether your Audit Reports for Fiscal year 2012 included an audit of the revenue accounts of the Ministries of Energy and Energy Affairs, Finance and the Economy and the Board of Inland Revenue.

Response to Question 1:

Compliance audits were conducted on the 2012 revenue reported by the Ministry of Energy and Energy Affairs and by various divisions under the Ministry of Finance and the Economy including the Board of Inland Revenue.

Question 2:

If the answer to 1) is no, whether an audit of the revenue accounts of all these Ministries/entities is contemplated for your Fiscal 2013 Audit Report?

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International Petroleum Associates Norway AS

Meltzersgt 4, 0257 OSLO, ORG.NO: 989 795 007 MVA, TEL: 90678435, FAX: 22 43 12 20, E-MAIL: tk@ipan.no

Response to Question 2

Similar compliance audits are being done on the 2013 revenue reported by these entities in addition to a pilot audit on the system of revenue assessment and collection by the Ministry of Energy and Energy Affairs using the risk-based approach being developed in accordance with international Standards for Supreme Audit Institutions (ISSAIs) as indicated in the response to question 3 below.

Further, a legal opinion has been requested from the Attorney General with respect to the limitation of scope imposed by the Board of Inland Revenue on access to documents by the Auditor General which is required to audit the completeness of revenue reported by that entity in light of the secrecy provisions of the Income Tax Act. A response is awaited.

Question 3

Whether your department's audit processes conform or are in alignment with the International Standards of Supreme Audit Institutions (ISSAI) issued by the International Organization of Supreme Audit Institutions (INTOSAI) and if not, what is the standard to which your Audit process subscribes?

Response to Question 3

The Department's audit processes conform with internally derived standards whose roots can be traced back to the 1988 Public Audit Manual issued by the United Kingdom National Audit Office and the United Kingdom Overseas Development Administration, and which have been updated from time to time with developments in international best practice as handed down by INTOSAI. The audit processes are currently being revised to conform with the ISSAIs and a new financial audit manual which will be fully ISSAI-compliant is expected to be completed in 2014 with full-stage implementation by 2015.

Yours sincerely



Sharman Ottley
Auditor General

"championing good governance"

Page 2 of 2

Attachment H

Letter from the Minister of Finance



MINISTER OF FINANCE AND THE ECONOMY

Senator the Honourable Larry Howai
Government of the Republic of Trinidad and Tobago

May 9th, 2014

Mr. Trond Kubberød
IPAN – International Petroleum Associates Norway AS
Meltzersgt 4, 0257 OSLO,
ORG NO: 989 795 007 MVA

Dear Mr. Kubberød,

Re: EITI Requirement 13

The Government of the Republic of Trinidad and Tobago ('GORTT') acting through the Ministry of Energy and Energy Affairs ('the Ministry') has taken steps to increase revenue transparency in the extractive sector of Trinidad and Tobago by implementing the Extractive Industries Transparency Initiative (EITI).

As part of the EITI Rules 2011, GORTT is required "to ensure that government reports are based on accounts audited to international standards".

We are aware that at present, the audit process utilized by the Office of the Auditor General of Trinidad and Tobago, conforms with internally derived standards based on the 1988 Public Audit Manual issued by the United Kingdom National Audit Office, and the United Kingdom Overseas Development Administration, which, from time to time have been updated given developments in international best practice handed down by the International Organisation of Supreme Audit Institutions (INTOSA).

As we strive to continually improve and update our processes, and to ensure compliance with current, international best practice, the Auditor General's Department is in the process of revising its approaches to conform with

Ministry of Finance and the Economy, Eric Williams Finance Building, Eric Williams Plaza, Independence Square, Port of Spain,
Trinidad and Tobago, W.I. Telephone: 1-(868) 427-5633; Facsimile: 1-(868) 625-8374 E-mail: tremsd@gov.tt



MINISTER OF FINANCE AND THE ECONOMY

Senator the Honourable Larry Howai
Government of the Republic of Trinidad and Tobago

the International Standard of Supreme Audit Institutions (ISSAIs) and a new financial audit manual which will be fully ISSAI-compliant is expected to be completed in 2014, with full-stage implementation by 2015.

We can however confirm, at this time that compliance audits were conducted on the Fiscal year 2012 revenue reported by the Ministry of Energy and Energy Affairs and by various divisions under the Ministry of Finance and the Economy including the Board of Inland Revenue. Further, similar compliance audits are being done on the 2013 revenue reported by these entities in addition to a pilot audit on the system of revenue assessment and collection by the Ministry of Energy and Energy Affairs using the risk-based approach being developed in accordance with ISSAIs.

Our Government remains committed to increasing revenue transparency in the extractive sector of Trinidad and Tobago through the EITI, and will provide the support required by the relevant Government Departments in ensuring that our auditing systems and processes conform to international standards.

Yours Sincerely,

Larry Howai
Minister of Finance and the Economy

Ministry of Finance and the Economy, Eric Williams Finance Building, Eric Williams Plaza, Independence Square, Port of Spain,
Trinidad and Tobago, W.I. Telephone: 1-800-627-5633; Facsimile: 1-(848) 925-9354 E-mail: howai@ttr.gov.tt

Attachment I

The Validator

The team

Trond Kubberud, team leader. Trond holds a graduate degree (siviløkonom) from the Norwegian School of Economics and Business Administration, an MBA from University of California – Berkeley, and a graduate degree (cand. mag.) in Political Science from the University of Oslo. He served more than 20 years in the Ministry of Petroleum and Energy as Head of the Petroleum Development Division, Head of the Gas Division, Head of the Planning Division and special advisor as well as serving as assistant to the Permanent Secretary. Trond headed the team that undertook the first EITI-validation ever, the validation of Azerbaijan and participated in the validation of Timor Leste. He knows EITI in detail and is very well acquainted with reporting in the oil industry and company and government accounting. Trond has been a consultant since 2000 and has been manager for and partner of IPAN since 2006.

and

Johan Tårup, deputy team leader. Johan is Master of Law (cand. jur.) from the University of Oslo, Norway. He has also studied Business Administration at the Norwegian School of Economics and Business Administration, Bergen, Norway. For a period of some 12 years he held various managerial positions in Norwegian local administration (Legal, technical and finance sectors. His duties also included responsibilities for budgeting, accounting and reporting). He joined Statoil in 1980. He has been Deputy to the head of Statoil corporate legal department and held a variety of managerial positions in Statoil (Marketing Manager Natural Gas, Commercial Manager, Chief Negotiator, President Norpipe a.s and Norpipe Petroleum UK Ltd (at that time 50% owned by Statoil). Johan has been a consultant since 2002 and has been partner of IPAN since 2006. Johan knows budgeting, reporting, accounting and auditing in commercial business and with the government. He is familiar with EITI principles and requirements and has supported Validation team members with advice and quality assurance.

The company

IPAN was incorporated in May 2006 and is owned by 11 small Norwegian consultancies.

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The owners and employees of these consultancies have deep and wide experience in energy, especially petroleum. The managers of these consultancies are partners of IPAN.

The IPAN partners have been in energy for a long time and have had core positions with the Norwegian government as deputy ministers or top officials and been high ranking executives with international and Norwegian oil, gas and energy companies. IPAN-staff has experience from all over the world, and is familiar with energy issues from every angle. This includes the political and economic context as the growing importance of climate change.

The 13 initial partners were well acquainted for decades and cooperated from time to time before IPAN was established in order to undertake assignments outside Norway. IPAN has a number of associate partners to complement IPAN's core competence and a number of sub suppliers in our framework contracts.

IPAN has framework agreements with the Norwegian Petroleum Directorate (NPD), Petrad and the Norwegian Agency for Development Cooperation (NORAD) under its Oil for Development (OfD) program. Under these agreements IPAN has carried out assignments in Sudan, Uganda, Ghana, Nigeria, Angola, Tanzania, Mozambique, Somaliland, Ivory Coast, Afghanistan, Cambodia and Bangladesh. Furthermore IPAN has carried out assignments under contracts with EITI (Extractive Industries Transparency Initiative), other institutions and commercial companies in Timor-Leste, Azerbaijan, Surinam, Palestinian Area and Russia. We also have a framework contract with DFID as part of a consortium with DFID as lead company.

IPAN's core competence is advising governments and companies on

- organising the energy sector and energy companies (state as well as privately owned) and projects, being familiar with all organizational, structural and legal models commonly in use, including relevant legislation, contracts etc.
- international sharing of and cooperation on developing petroleum resources
- petroleum/energy taxation, economic and political analysis of projects, terms and conditions
- energy markets and gas chains, including regulatory issues
- managing petroleum resources and the effects on the non-oil economy, including fund issues

IPAN's business idea is using the extensive experience of our partners from the energy business as well as the public sector to the benefit of governments, companies and others who can make use of this experience. In this work the company is also drawing on a larger resource pool, primarily, but not exclusively, Norwegian.

The 11 companies now owning IPAN undertake assignments in Norway mainly for commercial entities and IPAN undertakes assignments outside of Norway so far mainly under the framework agreements.

Attachment J

Memo of Understanding

**Memorandum of Understanding on Implementation of the Extractive Industries
Transparency Initiative ('EITI') in the Republic of Trinidad and Tobago**

This Memorandum of Understanding (hereinafter referred to as "**this Memorandum**") is entered into this...7... day of...July... 2013 in Port-of-Spain

Among

The **Government of the Republic of Trinidad and Tobago** represented by the **MINISTRY OF ENERGY AND ENERGY AFFAIRS** ("the **Ministry**") specifically listed as a signatory to this Memorandum in Appendix #1 attached hereto (hereinafter referred to as "**the Government**");

The **selected Civil Society Organizations** of the Republic of Trinidad and Tobago specifically listed as signatories to this Memorandum in Appendix #2 attached hereto (hereinafter collectively referred to as "**the Civil Society**"); and

The **selected local and foreign companies operating in the extractive industries** (oil, gas and minerals industry) of the Republic of Trinidad and Tobago specifically listed as signatories to this Memorandum in Appendix #3 attached hereto (hereinafter collectively referred to as "**the Extractive Industries Companies**").

Hereinafter each individual signatory being a "**Party**" and together the "**Parties**".

The Parties:

- a) welcome the steps taken by the Government directed at increasing transparency and accountability in extractive industries, including the country's joining the Extractive Industries Transparency Initiative ("EITI"), the International Transparency Initiative for the promotion of transparency, good governance and accountability in the oil, gas and minerals sectors,
- b) greatly value and agree with the Government's request that the Extractive Industries Companies of the Republic of Trinidad and Tobago submit their payment reports under **FITI Rules guidelines** as long as all necessary approvals are obtained with regard to each company's contractual confidentiality clauses in their individual contracts and or licences and for the enactment of FITI legislation by the Government permitting companies to disclose necessary information for EITI purposes,

- r) recognize the role of the Republic of Trinidad and Tobago's Civil Society in the implementation of the EITI.

have agreed on the following with the aim of realizing and implementing the EITI mechanisms in Trinidad and Tobago.

1. The Trinidad and Tobago EITI Steering Committee (hereinafter referred to as "**the TTEITI Committee**"), which was appointed by the Cabinet of the Government and which reaffirmed the commitment of the Government to the EITI, has been directed to prepare a consolidated national report on receipts of state authorities and revenues of state companies and other state owned entities of the Government in connection with extraction of oil, gas and mineral resources in Trinidad and Tobago and the local and foreign companies operating in the oil, gas and minerals extractive industries of the Republic of Trinidad and Tobago. The TTEITI Committee shall produce a report once a year using the relevant reporting templates prepared in accordance with the EITI Rules. The payments reported shall be audited to international accounting standards.
2. A recognized accounting/audit company or partnership (hereinafter referred to as "**the Administrator**") shall be assigned to review and collate the reports submitted by the Government and the Extractive Industries Companies as well as to draft findings on these reports. The Administrator shall be selected through a competitive bidding process under the Central Tenders Board Act, Chap. 71:91 and shall produce the first two reports for Government fiscal years 2011 and 2012. Thereafter the Administrator shall be selected via the competitive bidding process to produce subsequent reports.
3. The report containing the data on the payments received by the Administrator from the Extractive Industries Companies shall be prepared in the format of the reporting templates set out in Appendix #4 attached hereto with such adaptations as may be agreed from time to time by the Parties hereto.
4. The following sequence of events shall be adopted for the purpose of filling out, submitting, analyzing, collating and publishing the reports:

- a) The Administrator, that is to conduct the review and collation of the reports referred to in Clause 2 above, shall conclude a contract with the Ministry. A copy of this contract will be provided to the other Parties to this Memorandum.
 - b) The TTEITI Committee shall send a letter of instruction regarding the provision of reporting templates to the Extractive Industries Companies. The letter shall instruct the companies to deliver completed reports directly to the Administrator by the specified reporting date.
 - c) The Government and the Extractive Industries Companies' reporting templates shall be duly completed and signed by the appropriate officer and submitted directly to the Administrator by the reporting date stated.
 - d) The Administrator shall, in accordance with the Administrator's contract described in Clause 4(a) above, analyze and collate the reports of the Government and the Extractive Industries Companies.
 - e) The Administrator shall make all reasonable attempts, and the Parties hereto shall co-operate in good faith with the Administrator, to reconcile any discrepancies that may have arisen during the preparation of the report (hereinafter referred to as the "EITI Report"). All material un-reconciled discrepancies will be reflected in the Administrator's final EITI Report.
 - f) The Administrator shall provide a first draft of the EITI Report to the TTEITI Committee for comment. Thereafter the Administrator shall finalize the EITI Report and submit same to the Ministry for publication.
 - g) The Parties to this Memorandum shall develop, agree and publish a joint press release regarding the Administrator's final EITI Report.
 - h) The Administrator shall keep the individual reports submitted by the Government and the Extractive Industries Companies strictly confidential and shall not disclose or divulge these in whole or part to the Parties to this Memorandum, any third parties or to the public.
5. The mechanism for reimbursement of the Administrator's service fees shall be discussed and agreed by the Ministry and shall form part of the Administrator's contract.

6. The Parties shall not exclude the possibility of delays, deficiencies, and technical shortcomings at the initial stage of EITI Report submission and collation and shall accept the necessity for their resolution with goodwill and in the spirit of cooperation with the Administrator.
7. The Parties agree that the initial EITI Reports will cover the Government fiscal years 2011 (1 October 2010 to 30 September 2011) and 2012 (1 October 2011 to 30 September 2012). Taking into consideration that these initial EITI Reports are to be submitted for the first time, the deadline for submitting such initial reports shall be agreed upon specifically among the Parties within thirty (30) days of the date on which this Memorandum has been executed by all the Parties.
8. The Parties shall convene a meeting after the submission of the first two (2) EITI Reports to discuss in good faith and agree upon the mechanism to be used for future EITI Reports.
9. An Extractive Industries Company holding subsurface use rights in extractive industries shall not be obliged to disclose any information pursuant to this Memorandum or otherwise unless it establishes, to its own satisfaction, that such disclosure will not contravene any of its own or its affiliates', partners', or contractors' obligations to preserve confidentiality or similar obligations, imposed by any applicable subsurface use contract, production sharing agreement, licence, law or otherwise.
10. The Parties agree that the initial 2011 and 2012 EITI Reports shall exclude information on the local minerals Extractive Industries Companies of the Republic of Trinidad and Tobago.
11. No Party shall be liable for special, indirect or consequential damages resulting from or arising out of actions taken pursuant to this Memorandum including, but not limited to, loss of value, loss of production, loss of financial advantage, loss of profit or business interruptions, however same may be caused.
12. This Memorandum shall take effect upon the date that all Parties have signed it. Any Party may withdraw from this Memorandum upon prior written notice to all the Parties specifying the date of withdrawal. The rights and obligations under Clause 4 (h), Clause

11, Clause 13 and Clause 14 of this Memorandum shall continue to apply to any Party that has withdrawn in accordance with this Clause 12.

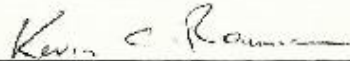
13. The Parties agree to treat all materials received in relation to this Memorandum that is not publicly available as strictly confidential until such time as all Parties unanimously agree upon its disclosure or publication.

14. The Parties agree to settle amicably any dispute or disagreement that may arise out of or in connection with this Memorandum.

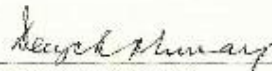
15. The Ministry shall be the depository for the fully executed originals of this Memorandum on behalf of the Government and shall provide the Parties with certified copies of same. The reporting templates and other documents submitted for the implementation of the CII shall, subject to the confidentiality requirements of Clause 4 (h), be kept in the archives of the Ministry.

16. Except for Clause 4 (h), Clause 12 and Clause 13, this Memorandum is a statement of intention only and does not create any rights, obligations, or contractual commitments on any Party hereto.

IN WITNESS WHEREOF, each Party has caused this Memorandum to be signed by its duly authorized representative effective as of the date first stated above.



Name: Senator the Honourable Kevin Ramnarine
Title: Minister
Ministry: Ministry of Energy and Energy Affairs



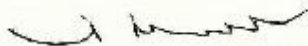
Name: Mr. Deryck Murray
Title: Chairman
Organization: Trinidad and Tobago Transparency Institute



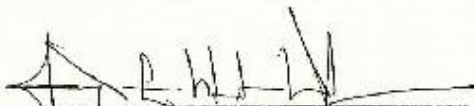
Name: Mr. Roger Packer
Title: President
Organization: The Energy Chamber of Trinidad and Tobago



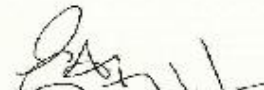
Name: Ms. Catherine Kumar
Title: Chief Executive Officer
Organization: The Trinidad and Tobago Chamber of Industry and Commerce



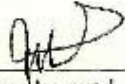
Name: Mr. David Abdulah
Title: General Secretary
Organization: The Oilfield Workers' Trade Union



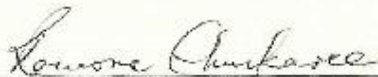
Name: Ms. Ingrid White-Wilson
Title: Secretary and Trustee
Organization: The Cropper Foundation



Name: Mr. Gary Aboud
Title: Secretary
Organization: Fishermen and Friends of the Sea



Name: Mr Ian Haywood
Title: Chairman
Organization: The National Youth Council of Trinidad and Tobago



Name: Ms. Ramona Chuckaree
Title: Advisor
Organization: The Network of NGOs for the Advancement of Women



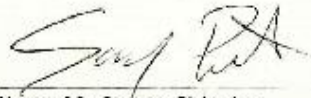
Name: Mr. Norman Christie
Title: President
Company: BP Trinidad and Tobago LLC



Name: Mr. Gary Thompson
Title: Deputy Asset General Manager
Company: BG Trinidad and Tobago Limited



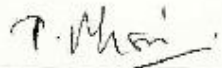
Name: Mr. Vincent Pereira
Title: President
Company: BHP Billiton (Trinidad-2C) Ltd and BHP Billiton (Trinidad-3A) Ltd



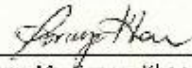
Name: Mr. Sammy Pickering
Title: Managing Director
Company: EOG Resources Trinidad Limited



Name: Mr. Luis Polo
Title: Business Unit Director
Company: Repsol E&P T&T Limited



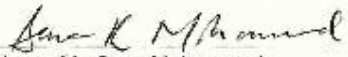
Name: Mr. Partap Misir
Title: Assistant Secretary and Assistant Treasurer
Company: Chevron Trinidad and Tobago Resources SRL



Name: Ms. Soraya Khan
Title: Director
Company: Centrica Trinidad and Tobago Limited



Name: Mr. Ajith Muralidharan
Title: Country Manager
Company: Niko Resources (Trinidad and Tobago) Limited



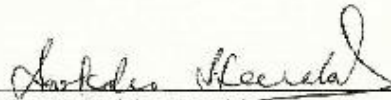
Name: Mr. Dave Mohammed
Title: Manager, Business and Finance
Company: Primera Oil and Gas Limited



Name: Mr. Biagio Pietraroia
Title: Managing Director
Company: ENI Trinidad & Tobago Limited



Name: Mr. Sookdeo Heeralal
Title: Executive Manager, Business Development
Company: Ten Degrees North Operations Company Limited



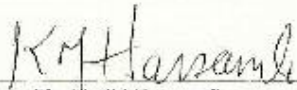
Name: Mr. Sookdeo Heeralal
Title: Executive Manager, Business Development
Company: Bayfield Energy (Galeota) Limited



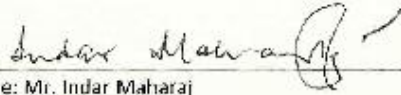
Name: Mr. Daniel Brash
Title: Director
Company: Lease Operators Limited



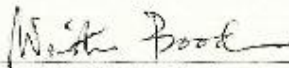
Name: Mr. Liangku Wang
Title: Chief Executive Officer
Company: Chaoyang Petroleum Zc Limited



Name: Mr. Khalid Hassanali
Title: President
Company: Petroleum Company of Trinidad and Tobago Limited



Name: Mr. Indar Maharaj
Title: President
Company: The National Gas Company of Trinidad and Tobago Limited



Name: Mr. Winston Boodoo
Title: Advisor
Company: Total E&P Trinidad BV

Appendix 1 to the Memorandum

Government Ministry

To sign the Memorandum of Understanding on Implementation of the Extractive Industries
Transparency Initiative in the Republic of Trinidad and Tobago

No.	Name of Ministry/State Agency
1	Ministry of Energy and Energy Affairs

Appendix 2 to the Memorandum

Civil Society Organizations

To sign the Memorandum of Understanding on Implementation of the Extractive Industries Transparency Initiative in the Republic of Trinidad and Tobago

No.	Name of Organization
1	Trinidad and Tobago Transparency Institute
2	The Energy Chamber of Trinidad and Tobago
3	The Trinidad and Tobago Chamber of Industry and Commerce
4	The Oilfield Workers' Trade Union
5	The Cropper Foundation
6	Fishermen and Friends of the Sea
7	The National Youth Council of Trinidad and Tobago
8	The Network of NGOs for the Advancement of Women

Appendix 3 to the Memorandum

Local and Foreign Companies Operating in the Extractive Industries

To sign the Memorandum of Understanding on Implementation of the Extractive Industries
Transparency Initiative in the Republic of Trinidad and Tobago

No.	Name of Company (Oil and Gas Sector)
1	BP Trinidad and Tobago LLC
2	BG Trinidad and Tobago Limited
3	BHP Billiton (Trinidad-2C) Ltd and BHP Billiton (Trinidad-3A) Ltd
4	EOG Resources Trinidad Limited
5	Repsol E&P T&T Limited
6	Chevron Trinidad and Tobago Resources SRL
7	Centrica Trinidad and Tobago Limited
8	Niko Resources (Trinidad and Tobago) Limited
9	Primera Oil and Gas Limited
10	ENI Trinidad and Tobago Limited
11	Ten Degrees North Operating Company Limited
12	Bayfield Energy (Galeota) Limited
13	Lease Operators Limited
14	Chaoyang Petroleum 2c Limited
15	Petroleum Company of Trinidad and Tobago Limited
16	The National Gas Company of Trinidad and Tobago Limited
17	Total E&P Trinidad BV

Attachment K



Validation Memo

Date: Friday 25th April, 2014

To: IPAN - Trond Kubberud

From: TTEITI Steering Committee

Requirement 13

The government is required to ensure that government reports are based on accounts audited to international standards

The following outlines the history of the TTEITI's experience, understanding and actions in relation to Requirement 13.

Thursday 7th February, 2013

On the recommendation of the TTEITI Steering Committee (SC), and in consultation with the Honourable Minister of Energy and Energy Affairs, the Permanent Secretary initiated the establishment of an Inter-Ministry Committee for the Implementation of EITI in Trinidad and Tobago. Understanding the important role of The Auditor General in the reconciliation process, the Auditor General's Department was invited to sit on this committee to "*ensure relevant approvals or actions are taken to ensure the country's first EITI Report is completed by 30 April*"

This can be identified as one of the first attempts by the GoRTT to meet Requirement 13.

Wednesday 27th February, 2013

A meeting was held with the Auditor General as part of the work of the Administrator in the preparation of the first EITI Report. Present at this meeting were Sharman Ottley, Auditor General, Mark Regis, Head, TTEITI Secretariat, Riaz Ali, Partner, BDO and David Quinn, Senior Consultant Hart Group.

At this meeting there was a discussion around the EITI Audit Standards and whether standards used by the Auditor General met the International Standards as required by the EITI.

Understanding the importance of this issue and the findings of the meeting, it was included in the discussions in Steering Committee (SC) Meeting No. 27 and presented by the Administrator

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to the SC.

Thursday 28th February, 2013

The feedback from the meeting with the Auditor General was discussed at the 27th Meeting of the Steering Committee held on held on **Thursday 28th February, 2013**.

Extract of Minutes of this meeting explain:

“5.9. Mr. Quinn noted that EITI requirement 13 requires that companies’ certify that their accounts are audited to international standards. This is to be signed off by a senior official. Mr. Quinn pointed out that there is no confirmation that the Auditor General audits government’s revenue accounts according to international standards and as such the accounts of Government ministries were unlikely to meet the EITI’s standards. Mr. Quinn noted that this is a difficulty encountered in many jurisdictions and it will be important for the Validation process to show that this while this issue could not be addressed in the first report, a plan of action was being developed for it to be addressed perhaps by the second report on fiscal 2012.”

Friday 20th September, 2013

The findings of the Administrator’s Draft Report were presented and discussed at SC Meeting No. 35 held on **Friday 20th September, 2013**. During this meeting the issue of the audit of Government’s accounts was also raised.

Extract of Minutes of this meeting explain:

*“4.9. Mr. Quinn presented the following issues for consideration in future Reports
4) audit and assurance of government systems... In making these recommendations Mr. Quinn noted that the findings were commendable for a first reconciliation exercise.”*

After this issue was highlighted, and in an attempt to develop a time bound action plan of action to address the concerns the following action was taken.

December 19th 2013

The importance of meeting with stakeholders (including the Auditor General) to address the Administrator’s findings was discussed at SC Meeting No. 38 held on **Thursday 19th December, 2013**.

Extract of Minutes of this meeting explain:

“7.8. The Chair noted that the SC must meet with a range of stakeholders on the issues identified by the Administrator in the first TTEITI Report, including the Ministry of Finance and the Economy (MoFE), MEEA and Auditor General before the second Report is produced and expressed his hope that these engagements could be completed by end of February 2014”.

Also tabled at this meeting was a list of Action Items recommended by the TTEITI Technical Sub Committee arising from its meeting held on **December 3, 2013**. This list included the “follow up” action with respect to the Auditor General:

ADMINISTRATOR'S RECOMMENDATIONS	TECHNICAL STEERING COMMITTEE COMMENTS	TECHNICAL STEERING COMMITTEE RECOMMENDATIONS
6 8.1.4.2 Audit of Government Revenue Accounts	The matter is to be discussed with the respective government agencies.	The SC is to ask the Auditor General to ensure the annual audit of revenue accounts of the MEEA and the MoFE

February 20th 2014

Discussion on the Auditor General action on the SC's recommendations was held at SC Meeting No. 40 held on **Thursday 20th February, 2014**.

Extract of Minutes of this meeting explain:

*“4.2. Mrs. Donawa also took the opportunity to inform the SC that the **Auditor General had started an audit of the MEEA's revenue accounts, from Fiscal 2013.**”*

In further demonstration of the Steering Committee's commitment to working in the spirit of the EITI and ensuring that the issue of Requirement 13 is addressed within given timelines, this issue was specifically included in the TTEITI Workplan for 2014-2016 and approved by the SC.

Extract of Minutes of this meeting explain:

*“7.5. The Policy Analyst presented the draft 2014 TTEITI Workplan which was divided into five sub-categories: (i) Publication of annual TTEITI reports (ii) Successful Validation and EITI Compliant Country status (iii) Communications, engagement and outreach (iv) Sustainability of EITI in T&T and (v) Improvements to the TTEITI process and scope. Mrs. Bruneau asked that the Workplan should **note that the Auditor General's audit of government revenue accounts was to come on stream by the Fiscal 2013 TTEITI Report...** There being no objections to the draft 2014 – 2016 Workplan, it was approved and the Chair directed that it be forwarded for the Validator's information and recording in their report.*

In furtherance of meeting Requirement 13 and in an attempt to have a clear understanding of the situation and to develop a time bound action plan for Trinidad and Tobago to meet Requirement 13 the following action was taken:

March 5th 2014

The TTEITI Secretariat issued a letter to the Auditor General, Sharman Ottley “to seek your assistance with a matter concerning the audit of revenue accounts of the Ministries of Energy and Energy Affairs and Finance and the Economy for the fiscal years 2012 and 2013”ⁱⁱⁱ

In this correspondence, three specific questions were asked:

- 1) *“Whether your Audit Reports for Fiscal year 2012 included an audit of the revenue accounts of the Ministries of Energy and Energy Affairs, Finance and the Economy and the Board of Inland Revenue*
- 2) *If the answer to 1) is no, whether an audit of the revenue accounts of all these Ministries/entities is contemplated for your Fiscal 2013 Audit Report?*
- 3) *Whether your department’s audit processes conform or are in alignment with the International Standards of Supreme Audit Institutions (ISSAI) issued by the International Organization of Supreme Audit Institutions (INTOSAI) and if not, what is the standard to which your Audit process subscribes?”*

March 12th 2014

A response to the letter issued by the TTEITI Secretariat was received on March 12th 2014 in which answers to the specific questions raised, were provided as follows:ⁱⁱⁱ

Question 1:

Whether your Audit Reports for Fiscal year 2012 included an audit of the revenue accounts of the Ministries of Energy and Energy Affairs, Finance and the Economy and the Board of Inland Revenue.

Response to Question 1:

Compliance audits were conducted on the 2012 revenue reported by the Ministry of Energy and Energy Affairs and by various divisions under the Ministry of Finance and the Economy including the Board of Inland Revenue.

Question 2:

If the answer to 1) is no, whether an audit of the revenue accounts of all these Ministries/entities is contemplated for your Fiscal 2013 Audit Report?

Response to Question 2

Similar compliance audits are being done on the 2013 revenue reported by these entities in addition to a pilot audit on the system of revenue assessment and collection by the Ministry of Energy and Energy Affairs using the risk-based approach being developed in accordance with International Standards for Supreme Audit Institutions (ISSAIs) as indicated in the response to question 3 below.

Further, a legal opinion has been requested from the Attorney General with respect to the limitation of scope imposed by the Board of Inland Revenue on access to documents by the Auditor General which is required to audit the completeness of revenue reported by that entity in light of the secrecy provisions of the Income Tax Act. A response is awaited.

Question 3

Whether your department's audit processes conform or are in alignment with the International Standards of Supreme Audit Institutions (ISSAI) issued by the International Organization of Supreme Audit Institutions (INTOSAI) and if not, what is the standard to which your Audit process subscribes?

Response to Question 3

The Department's audit processes conform with internally derived standards whose roots can be traced back to the 1988 Public Audit Manual issued by the United Kingdom National Audit Office and the United Kingdom Overseas Development Administration, and which have been updated from time to time with developments in international best practice as handed down by INTOSAI. The audit processes are currently being revised to conform with the ISSAIs and a new financial audit manual which will be fully ISSAI-compliant is expected to be completed in 2014 with full-stage implementation by 2015.

March 17th 2014

In an attempt to continuously apprise the Validator of the situation and achievements with respect to Requirement 13, the response from the Auditor General was shared with IPAN via email on **March 17, 2014**.

"Dear Trond,

*I assume you are still finalizing the Validation report and as such the attached response of the Auditor General will still be very relevant to include in your comments about EITI requirements 13. In the attached letter the **Auditor General advises that she has in fact done a compliance audit on the revenue accounts of the Ministries of Energy and Finance and the Board of Inland Revenue with effect from the fiscal year 2012. This would mean that in fact the second TTEITI Report due out by September 2014 will be in compliance with this Requirement of the EITI.***

The Auditor General further explains which International audit reporting standard which is applied to audits in Trinidad and Tobago. I trust that you can include this information in the draft report you are preparing.

Mark"

March 20th 2014

The response from the Auditor General was discussed at the 5th Meeting of the TTEITI Technical Sub Committee held on **March 20th 2014**.

Extract of Minutes of this meeting explain:

4.3. The Head noted that he had circulated the draft Validator's Report. He noted that Requirement 13 was not met but had made very significant progress. The Head noted that he had written to the Auditor General asking if the accounts for 2012 were audited. She noted that compliance audits were conducted on the 2012 revenue reported by the MEEA, MoFE and the BIR. From the next 2012 Report, accounts will

be audited. She noted that this is not ISSAI-compliant but that there is an action plan to become compliant with the plan in 2014 with full-stage implementation by 2015

4.4. It shows that the Auditor General had taken action based on the identification of the issue signaled by the Administrator's Report. Mrs. Gomez noted that the outstanding issue was whether or not the resources were available to train personnel in the timelines given by the Auditor General. She noted that it generally takes three (3) years to ramp up the auditing to that level. The Head will request of the Auditor General that she include in her pilot project the three government agencies related to the EITI process i.e. the Ministry of Energy and Energy Affairs, the Ministry of Finance and the Economy and Board of Inland Revenue.

4.5. The Head noted that the government took immediate steps to resolve the problem identified by the Administrator which would be looked upon positively in the country's bid for Compliant Country status.

March 27th 2014

The response from the Auditor General was also shared and discussed at SC Meeting No. 41 held on **March 27th 2014**.

Extract of Minutes of this meeting explain:

"4.1. The Head noted that the Auditor General had written the TTEITI Secretariat indicating that a Compliance Audit of government's revenue accounts had been done for Fiscal 2012 and was in progress for Fiscal 2013. The Head also noted that this was in compliance with UK's Auditing Standards for external auditors in the Public sector, and that the Auditor General has indicated her intention to have the accounts audited to international standards by 2014."

"5.2. The Validator's Draft Report was received by both the TTEITI and International EITI Secretariats on March 18, 2014. The Draft Report indicated that all requirements had been met with the exception of Requirement 13 i.e. the government is required to ensure that government reports are based on accounts audited to international standards. The TTEITI Secretariat was directed to share the letter from the Auditor General with the International Secretariat, in the hope that Trinidad and Tobago would be deemed to be in compliance with the EITI's audit standard."

The Steering Committee is of the opinion that significant tangible actions have been taken in the spirit of the EITI to ensure that Requirement 13 was addressed and that time bound actions are in place for future reports.

April 11th 2014

Draft comments from the EITI Validation Sub-Committee were received (subject to approval) on **April 11th 2014** and immediately circulated to the TTEITI Technical Sub Committee for review and consideration prior to the 6th Meeting of the TTEITI Technical Sub-Committee to be held on **April 15th 2014**.

April 15th 2014

The comments from the Validator were discussed at the 5th Meeting of the TTEITI Technical Sub Committee held on **March 20th 2014**.

Extract of Minutes of this meeting explain:

AGENDA ITEMS	DECISIONS	PERSON RESPONSIBLE	TIME FRAME
Review and Discussion on Validation Sub-Committee Comments <ul style="list-style-type: none">• EITI Validation Sub - Committee made comments on 12 of 20 requirements addressed in the validator's report;• The general consensus was that the comments related to the fact that the Validator's report did not provide sufficient evidence to support its findings, rather than a failure on TTEITI's part to adhere to requirements;• Ms. Richards advised that she had made several attempts to contact the Validator via email, with no response;	• Make a telephone call to the Validator's office (IPAN) if no email response	• Melanie Richards (Interim Head)	April 16, 2014
	• Inform TTEITI Secretariat of what information is needed to satisfy Validation Sub-Committee's comments	• IPAN	ASAP
	• Prepare a reference list of supporting documentation/information that could support the comments provided also referring to Mark's "Memos of Requirements" prepared for the validator	• Melanie Richards (Interim Head)	Upon hearing from validator

April 24th 2014

The comments from the Validator were discussed at SC Meeting No. 42 held on **April 24th 2014**. In this issue of Requirement 13 was also raised and discussed in relation to the comments received from the Validation Sub-Committee.

In an attempt to determine what if any further actions could be taken to address the issue of Requirement 13, feedback from an expert professional was explored.

April 24th 2014

The Interim Head held a discussion with the SC Member Accountant Deborah Ragoonath-Rajkumar who advised that she had informally held a discussion with Auditors Ernst & Young about the issue of the Audit of Government Accounts. In this regard, Mrs. Ragoonath-Rajkumar advised that she would put the Audit Partner in direct contact with the Head to further discuss the matter.

i February 7, 2013 – Correspondence from MEEA Permanent Secretary, Vishnu Dhanpaul Auditor General, Sharman Ottley

ii March 5, 2014 – Correspondence from TTEITI Secretariat Head, Mark Regis to Auditor General, Sharman Ottley

iii March 12, 2014 – Correspondence from Auditor General, Sharman Ottley to TTEITI Secretariat Head, Mark Regis