



Government of the Republic of Trinidad and Tobago  
MINISTRY OF ENERGY AND ENERGY AFFAIRS

**FEATURE ADDRESS**

**BY**

**THE HONOURABLE NICOLE OLIVIERRE  
MINISTER OF ENERGY AND ENERGY INDUSTRIES**

**OFFICIAL LAUNCH OF EITI REPORT 2013**

**DODDRIDGE ALLEYNE CONFERENCE ROOM  
LEVEL 26  
MINISTRY OF ENERGY & ENERGY INDUSTRIES**

**ON**

**OCTOBER 2<sup>ND</sup> 2015**

## **SALUTATIONS**

- Senators – Wade Mark, David Small, Melissa Ramkisoan.
- Mr. Victor Hart, Chair of the Trinidad and Tobago EITI Steering Committee
- Mr. Selwyn Lashley, Permanent Secretary, Ministry of Energy and Energy Industries
- Mr Riaz Ali, Principal of BDO Trinity Limited, the EITI Administrator
- Captains of Industry,
- Leaders of Civil Society Organisations
- Members of the TTEITI Steering Committee and Secretariat
- Staff of the Ministry of Energy and Energy Industries
- Members of the media
- Other distinguished Ladies and Gentlemen

Good Morning

For better or for worse, I hope that you are aware that this is my maiden speech as the Minister of Energy and Energy Industries. And I am very pleased that my first speech focuses on the issue of transparency in the energy sector. The Ministry of Energy and Energy Industries, and by extension, the Government of Trinidad and Tobago, reaffirms its commitment to the ideals and principles of the EITI in accounting for our energy sector revenues.

Trinidad and Tobago has played a pivotal role in the development of the EITI from its inception in 2003 and was granted EITI Compliant Country status in January 2015. And I am sure this is by no small measure due to the hard work, dedication, commitment and passion of the steering committee. Mr. Hart your country owes you a debt of gratitude.

The EITI is a global standard for resource revenue transparency where revenue payments from oil and gas companies are compared to Government receipts as verified by an independent Administrator.

If there is any discrepancy between the payments made by the companies and Government receipts, that cannot be reconciled by The EITI Independent Administrator, the EITI Report explains the nature of these differences. For resource rich countries, the EITI is a transparency yardstick and Trinidad and Tobago remains committed to this movement.

Some may question the value of the EITI, but in these times of low commodity prices and prevailing concerns on how these price declines will impact the national budget, to be presented on Monday, information on our energy revenue takes pride of place as we move from transparency to accountable and sustainable revenue management.

Our energy sector is the pillar of our economy, and the requisite transparency that the EITI brings should give comfort to citizens and investors alike, that **we** are willing and able to disclose crucial information related to energy sector revenues. In this regard, Government, companies and civil society all benefit from this initiative.

Government benefits from following an internationally recognized transparency standard. One that demonstrates commitment to reform, reduces corruption and leads to improvements in the tax collection process. This brings with it a degree of enhanced trust and stability in a sector that is essential to the economy.

It is international compliance to processes such as the EITI Standard that foreign investors look at when considering where they will make their next investment. In our quest to attract Foreign Direct Investment, adherence to the EITI Standard sends a message that we want the right type of investors to partner with us in developing our natural resources.

The industry benefits from a level playing field in which all companies are required to disclose the same information. They also build trust with local communities where the companies operate and benefit from an improved and more stable investment climate in which they can better engage with their stakeholders.

Citizens and civil society benefit from receiving reliable information about the sector and a multi-stakeholder platform where they can better hold the Government and companies to account.

In our country, civil society is becoming more and more vocal and organized. The EITI provides civil society with reliable data to bring weight to their advocacy for sustainable development.

As was done for the previous two reports, the function of the “Independent Administrator” was performed by a local-foreign partnership between local Accounting firm, BDO Trinity Limited, and international audit firm, The Hart - Nurse Limited.

This team is currently contracted to produce the reports for 2013, 2014 and 2015. I am especially pleased that this partnership has provided an important opportunity for knowledge transfer and capacity building in our local companies.

I have not yet had the opportunity to read the report, however I would like to make a few brief comments on the findings of the Administrator’s Report as mentioned by Mr. Riaz Ali:

Trinidad and Tobago’s third EITI Report reveals total receipts reported by Government from the oil and gas sector of **\$21,187 million** reconciled to the amounts disclosed by a total of 51 reporting companies. I need to mention that these 51 companies have voluntarily engaged in the EITI process.

To put this 21.2 billion into context, that figure represented 36% of the total national budget for 2013 and compares with \$20.9 billion for Fiscal 2012 and \$23.1 billion for Fiscal 2011.

It is noteworthy that this Third TTEITI Report covers more than 99% of all revenue earned in the oil and gas sector in Trinidad and Tobago for Fiscal 2013.

I note also that the differences between what companies paid and what Government received can be attributed to the following:

- Foreign exchange differences;
- Timing differences;
- Insurance premium tax payments on foreign policies paid by insurance brokers; and
- Unidentified receipt differences due to an absence of adequate data

While it is important to reconcile the figures from the report and spot any inconsistencies, we must recognize that the EITI places emphasis on long term reform, and in order for a country to remain a member of this exclusive club it must show that it is taking the recommendations of the report seriously.

The MEEI takes note of the recommendations of the Administrator, particularly the need to ensure the sustainability of EITI in Trinidad and Tobago by establishing a replacement mechanism for the Memorandum of Understanding.

Mr. Hart mentioned the EITI bill. Once I get a chance review the details I pledge to lend my support to this legislation as it is very important to institutionalize the EITI as the premiere system of good governance and transparency in the extractive sector in Trinidad & Tobago.

I recognize that the EITI Report thus far only covers the upstream oil and gas companies. I look forward, in the near future, to see steps taken to have the midstream and downstream energy sector companies, as well as the mining sector, also report as part of the initiative.

To facilitate this, we will be embarking on capacity building within the mining industry as we move to improve the management and regulation of the mining sector.

Government is committed to the longevity of this initiative and we plan to use the EITI as a transformative tool.



It is now widely accepted that the resources of a country belong to the citizens of that country, and that they have a right to know how these resources are being extracted and monetized both today and for future generations. While information asymmetry is still a problem we face, the EITI is helping filter valuable information to the national community. As government, as investors and as citizens, we all have a stake in this report and we all stand to benefit from reviewing and sharing its contents with others.

When we think of the energy sector, images of rigs, plants and pipelines dominate our imagination but the sector is linked to our daily lives; the fuel for our cars, the electricity that powers our appliances, even the LPG used for cooking.

Having the relevant levels of transparency in this sector will help us harness its true value. The EITI is a convergence of transparency, full disclosure and tripartite cooperation among Government, Industry and Civil Society. It shows us a way forward by capturing today's energy revenue and providing us with an information bridge to ensure we use this revenue sustainably.

In closing, I wish to thank the Administrator and again commend the TTEITI Steering Committee and its three stakeholder groups for their dedication shown to the EITI Process in Trinidad and Tobago.

I thank you.