

# EITI INDONESIA PROGRESS REPORT

January – December 2016



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## **I. GENERAL ASSESSMENT OF YEAR'S PERFORMANCE**

### **SUMMARY OF ACTIVITIES**

The implementation of EITI in Indonesia in the beginning of 2016 got a big challenge because of financial problems in the EITI National Secretariat. The financial problems were caused by delay of administration process both grant that administered by the World Bank and budget from Government of Indonesia. It hampered all of EITI activities especially in preparing the fourth EITI Report (2014 Report) because it was financed by the grant. The EITI implementation can back on track in the second semester of 2016 after all of financial problems solved.

The activities in the 2016 focused on various activities to prepare 2014 EITI report as a requirement to keep the compliant status, from engaging the Independent Administrator (IA), determine the content of the report (reconciliation and contextual), and send extension request for publication of 2014 EITI Report. Communication and outreach activities were also conducted to raise awareness of the stakeholders to the EITI implementation. Other activities in 2016 are publication of Beneficial Ownership (BO) roadmap, preparation of Commodity Trading pilot, and creating EITI Data Portal.

### **PREPARING THE FOURTH EITI REPORT**

#### **A. ENGAGING THE INDEPENDENT ADMINISTRATOR (IA)**

The engagement process of Independent Administrator (IA) was hampered by the financial problems. In the first semester of 2016, the Multi-Stakeholder Group (MSG), in Indonesia called The Implementation Team finished the Term of Reference (TOR) of the IA. The tender process began in the end of June 2016 after financial problems solved. The Implementation Team approved Ernst and Young (EY) as the IA that will work for gather and reconcile data for 2014 EITI report in the Implementation Team Meeting 5 December 2016. The duration contract of the IA was from beginning of December 2016 until end of February 2017.

#### **B. GETTING NUMBER OF COMPANIES TO BE RECONCILED**

The Implementation Team had some discussion to decide scoping study that contained information about number of companies that will be reconciled for the EITI Report 2014. Based on the Scoping Study verified by the Implementation Team, there are 176 oil and gas companies that met the threshold (consisting of 72 operators and 104 non-operators) and 120 companies in the mining sector. In the oil and gas sector, 100% of oil and gas companies were carrying production activities were requested to join the reporting activities. In mining sector, companies that paid over 20 billion rupiah royalties to the state (contributing 85.33% of the state revenues from royalties in 2014) were requested to give data for the report. The EITI Report 2014 is the first Indonesia's Report which used Standard 2016 as base of rules. In the MSG Meeting August 22, 2016, The MSG also decided that EITI Secretariat could send template of the 2014 EITI report to the companies before engagement of the IA. This decision was taken to reduce longer delay of the publication of the report because of the financial problems.

### **C. DETERMINING THE CONTENT OF THE EITI REPORT 2014**

In some discussion, the Implementation Team and relevant stakeholders give inputs for IA to get more complete insight for the content of the EITI report. The activities were also used to discuss and creating debates and dialogue among stakeholders from Government, Private Sectors, and Civil Society Organization (CSO). Some topics of the discussion are:

1. Legal framework for the extractive industries
2. Contract disclosure
3. Government's revenue from extractive industries: royalties, tax, and others
4. Revenue sharing of the local government
5. Beneficial Ownership

### **D. DATA COLLECTION AND RECONCILIATION**

The Implementation Team and The National Secretariat always monitored the development of Independents Administrators (IA) data collection and reconciliation. The EITI National Secretariat have send template of the report to the companies on October 2016 or 2 months before IA engagement. Both The Implementation Team and National Secretariat also help the IA to solve bureaucracy problems between institutions and companies that hamper the IA to get data needed. Every Implementation and Technical Team meeting, the IA gave presentation about the progress of the data collecting. Not all companies were responsive to send their template before 31 December 2016. In the mid of December 2016, The National Secretariat invited all of companies that have not submit the template. It was about 35 companies that came to the meeting. Until the publication of the report on February 2017, 54 companies fail (or late) to return reporting format – consisting 9 oil and gas non-operator companies and 45 mining and mineral companies. The lack of sanction and the limited time were the main factors that cause those companies did not send the templates. The data from the government (especially DG Tax) only can be gathered after the IA get letter of authorization from the companies because it needed companies' agreement for DG Tax to release the data.

### **E. CONTEXTUAL REPORT**

The preparation of contextual report was a good opportunity to show the governance of extractive industries in Indonesia. It brought the development of EITI Report that not only contains reconciliation report. The contextual report gave information of Indonesian extractive industry. It provided comprehensive illustration on the sector's legal framework as well as governance mechanism, types of contract/license, current licensing process, payments of companies to central and local government, social and environmental responsibility, and participation of State-Owned Enterprises (SOEs). One topic that also discussed in the report is implementation of Beneficial Ownership (BO) roadmap in Indonesia. The IA collected information for contextual report from many sources including direct contact to the officials that have data about governance of extractive industries in Indonesia.

## **F. REQUEST FOR EXTENSION DEADLINE FOR PUBLICATION OF FOURTH EITI REPORT**

Indonesia should publish the fourth report at the latest on December, 31 2016 to avoid suspension sanction. Suspension sanction would be automatically given to country that failed to publish report at the latest two years before the current year. The Implementation Team considered that the report would not be finished in the end of the year because the IA began to work at the beginning of December 2016. On the MSG meeting December, 5 2016, The Implementation Team decided to send a formal letter to EITI Board to request an extension deadline for publication of the fourth report. The deadline requested to publish the report was until end of February 2017 same as contract duration of the IA.

The letter for extension request was sent to the EITI Board on December, 19 2016. Because of the request, Indonesia was not formally getting suspension sanction until the end of February 2017. Indonesia could publish the 2014 EITI report on February, 28 2017. It maintained Indonesia as a compliant country in EITI. The report has been formally launched on May, 24 2017.

## **COMMUNICATION AND OUTREACH ACTIVITIES**

Communication activities are needed to spread information to the public so the result of EITI reports does not just become a set of data that is unused. The reports are expected to trigger public debate. The EITI Indonesia Secretariat collaborated with various organizations had conducted some communication activities in 2016. There were several types of activities to communicate the transparency of extractive industry to improve public understanding. Direct communications such as dissemination and Focus Group Discussion (FGD) were conducted to the main target of stakeholders. The targets of dissemination were government, local governments, extractive companies, Civil Society Organization (CSO), and think thank.

The information in EITI Reports has been broadly disseminated to the public. Some indirect communication activities were also held in order to raise public awareness of this initiative. The EITI secretariat used some tools such as social media, websites, newsletter, and brochure to disseminate the information for the broader public. The secretariat also used mass media to get wider unreached audience by invited journalists in some EITI activities. Using mass media, it was expected to make general public especially from rich natural resources provinces more aware of their right to get information about extractive industries in their areas.

## **CAPACITY BUILDING FOR EITI IMPLEMENTATION**

### **A. CREATION OF INDUSTRIES EXTRACTIVE DATA PORTAL**

During 2016, EITI Indonesia and the World Bank developed the Indonesia Extractive Industries Data Portal (the Portal) as part of its efforts to facilitate public communication and outreach of EITI Reports, and more broadly, to serve as the “one-stop-shop” for timely and relevant data, information and analysis about the extractives sector in Indonesia. The information and analysis to be presented on the portal will draw from the EITI Reports and other relevant sources, such as the contextual

information and revenues from the sector, as well as related materials, e.g. policy briefs, info graphics and data visualization. The portal has been launched on May 24, 2017 along with the launch of the EITI Report. It can be accessed through <http://portal-ekstraktif.ekon.go.id/>

## **B. SUB-NATIONAL EITI**

The implementation Team decided to form sub-national EITI to strengthen EITI Implementation in local level. Sub-national EITI is a way to support local governments to get data and information about industries extractive in their regions. It can be used by local governments in planning their program. In 2017, EITI will visit some local governments to spread information about transparency and disseminate the sub-national EITI. It needs local governments support before The Implementation Team moves forward by forming legal basis for its implementation.

## **C. WORKSHOP AND FOCUS GROUP DISCUSSION**

The implementation team conducted workshops, Focus Group Discussion (FGD), and discussions to build capacities about EITI implementation. These activities discussed about some of EITI programs such as Beneficial Ownership and Commodity Trading pilot. FGD that was held in 2016 discussed about the role of stakeholders to the transparency of extractive industries. It was a way to raise awareness of stakeholders for EITI implementation.

# **REVIEW OF REGULATIONS FOR IMPROVING TRANSPARENCY EFFORTS**

## **A. COMMUNICATING THE FINDINGS OF THE EITI REPORT**

There are several findings from the 2012-2013 EITI Report that to be followed up in 2016 by The Implementation Team. Some of the findings had been communicated during Implementation Team meeting. One of the follow up of the findings was contract disclosure to public. In oil and gas sector, Production Sharing Contract (PSC) is not for public information because there is law that prohibits it. Central Information Commission (KIP) permits to open the contract to public, but the Supreme Court decides the contract is not a public document. In mineral and mining sector, Central Information Commission (KIP) permits to open the contract to public. Unlike oil and gas sector, there was no effort to bring KIP's decision to Supreme Court and the decisions were final. In several meetings with stakeholders, KIP said that although decisions was final, but it needs deep discussions to know parts of the contract that can be opened to the public and parts of the contract that stay covered, especially information that sensitive for national secrecy.

## **B. BENEFICIAL OWNERSHIP**

The EITI Implementation Team has published a Roadmap or Beneficial Ownership (BO) transparency. The publication is conducted to meet the requirements of the 2016 EITI Standard which requires implementing countries to publish the Road Map of BO by the end of 2016. In 2020, Indonesia should be able to publish the name, domicile, and nationality of the person or group of people who control the extractive companies in the EITI Report.

The BO road map published was created based on input from various Ministries and Institutions that have the same effort in this initiative. Although EITI's Road Map specifically highlights the transparency of the BO's extractive sector companies, the steps to be taken will involve all stakeholders to the BO transparency. The results of the BO roadmap implementation are expected to affect the openness of all industry sectors, not just the extractive sector. Implementation of the road map will involve a number of agencies: Coordinating Ministry for Economic Affairs, Bappenas, Ministry of Justice and Human Rights, Ministry of Finance, Office of Presidential Staff (KSP), Corruption Eradication Commission (KPK), Financial Transaction Reports and Analysis Center (PPATK), Financial Services Authority OJK), and Bank Indonesia (BI).

### **C. COMMODITY TRADING**

Indonesia becomes one of the eight EITI member countries that become a pilot country in transparency of Commodity Trading. Transparency of this information is aimed to countries that receive revenue of in kind materials. This activity is conducted to fulfil EITI 2016 requirements 4.2 which require the opening of information on government revenues, including State-Owned Enterprises (SOEs) from in kind materials including the opening of volume amounts sold and received revenues. Implementation of Commodity Trading pilots start in 2017. Several meetings in 2016 had been conducted to get input from some stakeholders especially from oil and gas sector (SKK Migas and Pertamina).



## II. ASSESSMENT OF PERFORMANCE AGAINST TARGETS AND ACTIVITIES SET OUT IN THE WORKPLAN

The EITI Indonesia work plan set some priority targets. Below is a summary of EITI Indonesia's progress in implementing activities in the work plan.

TARGET AND ACTIVITIES	PROGRESS
PUBLICATION OF EITI REPORT 2014	<p>The Implementation Team was unable to publish EITI Report 2014 on 2016 because of administration problems. The report can be published on February, 2017.</p> <ul style="list-style-type: none"> <li>- The implementations Team sent a formal letter to EITI Board to request an extension deadline for publication of the report. EITI Indonesia can publish the report on February 2017 without formally get suspension although it was two months late from the deadline.</li> <li>- Transparency of tax and non-tax payment from the industries as well as revenue of the government</li> <li>- Analysis of the findings of the EITI report and how such findings should be follow up</li> <li>- Contextual report contains Information of extractive industries in Indonesia including transparency of beneficial ownership</li> <li>- Publication of Revenue Sharing Fund of three rich natural resources provinces.</li> <li>- Transparency of social expenses of the companies (CSR)</li> </ul>
COMMUNICATION ACTIVITIES	<ul style="list-style-type: none"> <li>- EITI Indonesia conducted <a href="#">dissemination</a> for the stakeholders to spread information of the EITI Report</li> <li>- <a href="#">Focus Group Discussion</a> was conducted several times to discuss specific topics of extractive industries.</li> <li>- EITI Indonesia invited journalist in several activities to widely disseminate EITI Report through mass media</li> <li>- Indirect communication trough social media and website.</li> </ul>

TARGET AND ACTIVITIES	PROGRESS
CAPACITY BUILDING	<p>Capacity Building activities that were conducted in 2016:</p> <ul style="list-style-type: none"> <li>- Understanding EITI Report template for the companies</li> <li>- Three times <a href="#">workshop</a> for Beneficial Ownership roadmap</li> <li>- User consultation for Industries Extractive Data Portal</li> <li>- Annual planning for Scoping study</li> </ul>
STRENGTHEN REGULATION ABOUT TRANSPARENCY	<ul style="list-style-type: none"> <li>- Publication of Beneficial Ownership roadmap.</li> <li>- Agreement by the Implementation Team for Indonesia to be a commodity trading pilot country in 2017</li> <li>- Agreement by the Implementation Team to form sub-national EITI</li> <li>- EITI Indonesia is a part of Anti-Corruption Action</li> </ul>
IMPACT ASSESSMENT OF EITI INDONESIA	<ul style="list-style-type: none"> <li>- The Implementation Team agreed to conduct impact assessment for EITI implementation in Indonesia. It begins in 2017.</li> </ul>

### III. ASSESSMENT OF PERFORMANCE AGAINST EITI REQUIREMENTS

REQUIREMENTS	PROGRESS
Effective oversight by the Multi Stakeholder Group	<p>Implementation Team meetings are conducted to make important decisions in implementing the EITI. Some of key decisions made by the Implementation Team:</p> <ol style="list-style-type: none"> <li>1. Approval of the scope of EITI Report 2014</li> <li>2. Approval of Ernst and Young as the Independent Administrator of 2014 Report</li> <li>3. Approval of Final EITI Report 2014 in the end of February 2017.</li> <li>4. Approval of Beneficial Ownership Roadmap</li> <li>5. Recommendation for Industries Extractive Data Portal</li> <li>6. Recommendation for Sub-National EITI</li> <li>7. Approval of work plan 2017</li> </ol> <p>On 2017, The Implementation Team is still preparing the five reports that cover the period of 2015. The report is planned for publication before the deadline in the end of 2017.</p>
Timely Publication of EITI Reports	<p>Indonesia was unable to meet the deadlines for publication of the fourth EITI report (2014 report) before the deadline on December, 31 2016 because of administration problems. To avoid suspension sanction, The Implementation Team sent a formal letter to EITI Board to request an extension deadline for publication of the fourth report. The deadline requested to publish the report was until end of February 2017 same as contract duration of the IA. Indonesia could publish the report on February 2017 that made Indonesia keep compliant status. Indonesia was also published Annual Activity Report 2015 on August, 22 2016 after approved by the Implementation Team.</p>
EITI Reports that include contextual information about the extractive industries	<p>Contextual information is included in the fourth report because it based on the 2016 EITI Standard that requires contextual information. There are four books of the report: executive summary, reconciliation report, contextual report, and appendix of reconciliation report.</p>

REQUIREMENTS	PROGRESS
<p>The Production of comprehensive EITI Reports that include full government disclosure of extractive industry revenues, and disclosure of all material payments to government by oil, gas, and mining companies.</p>	<p>EITI Indonesia Reports contain reliable data and material from the companies and the government. The third and fourth books of the report disclose comprehensive data about 242 companies' payments to the government and the government's revenues from extractive sector. The Implementation Team ensures the data to be reconciled in order to get a comprehensive report.</p>
<p>A credible assurance process applying international standards</p>	<p>Applicable for the 2014 report. The process of reconciling EITI Indonesia Reports addresses to international standards (EITI Standard 2016). The IA was required to get the Implementation Team's approval in all key process of reconciliation.</p>
<p>EITI Reports that are comprehensible, actively promoted, publicly accessible, and contribute to public debate.</p>	<p>The 2014 report can be freely accessed in the EITI Indonesia website <a href="http://www.eiti.ekon.go.id">www.eiti.ekon.go.id</a> . The report has been actively promoted through direct communication activities such as workshop and seminar. It is also promoted using social media and mass media.</p> <p>EITI Indonesia Secretariat also has launched Industries Extractive Data Portal that can be accessed through <a href="http://portal-ekstraktif.ekon.go.id/">http://portal-ekstraktif.ekon.go.id/</a>. It serves as the "one-stop-shop" for timely and relevant data, information and analysis about the extractives sector in Indonesia.</p> <p>CSO's coalition who involved in EITI – Publish What You Pay Indonesia was developed open data portal <a href="http://www.opendataextractive.com">www.opendataextractive.com</a> and creating mobile phone application named 'Open Mining' in android OS system. 'Open Mining' application also bundled with official government application named 'LAPOR' as public grievance/aspiration for development – hosted by Presidential Staff Office.</p>
<p>The multi stakeholder group takes steps to act on lessons learned and review the outcomes and impact of the EITI implementation.</p>	<p>In 2016, The Implementation Team agreed to review the outcomes and impact of the EITI implementation. The impact assessment process is conducted in 2017.</p>

#### IV. OVERVIEW OF THE MULTI-STAKEHOLDER GROUP'S RESPONSES TO THE RECOMMENDATIONS FROM RECONCILIATION AND VALIDATION

GAPS	OVERVIEW OF THE MSG (THE IMPLEMENTATION TEAM)	PROGRESS
Contract Disclosure	<p><b>SKK Migas:</b> Production Sharing Contract (PSC) cannot be opened; SKK Migas only can provide data that are agreed to be opened in the contract.</p> <p><b>DG Mineral and Coal:</b> Some parts of the contract can be opened but some parts must remain closed especially that relate with natural resources wealth</p> <p><b>CSO:</b> Contract in mining and coal sector should be opened because there was a court's decision</p>	<ul style="list-style-type: none"> <li>- Production Sharing Contract (PSC) on oil and gas cannot be opened because it was decided by the Supreme Court. SKK Migas only can provide data that are agreed to be opened in the contract.</li> <li>- It needs further discussion to decide parts of the mining and coal contract that can be opened and must remain closed.</li> </ul>
Public Access for Cadaster Information and mining license (IUP)	<p><b>DG Mineral and Coal:</b> Minerba One Map Indonesia (MOMI) will be launched. Public can access kadaster information although it is limited. Public can access soft copy of mining license (IUP) that have already Clear and Clean (CnC) status.</p>	<ul style="list-style-type: none"> <li>- Licensing mining authority was moved from district to province. It is expected to make government easier to collect data of mining license and to push mining and coal companies to get a CnC status.</li> </ul>
Land rent has not been reconciled	<p><b>CSO:</b> Land rent has to be reconciled although the amount is not significant</p>	<ul style="list-style-type: none"> <li>- Land rent will be reconciled in the 2015 EITI report.</li> </ul>
List of bidder of oil and gas contract	<p><b>DG Oil and Gas:</b> List of bidder oil and gas contract can be opened</p>	<ul style="list-style-type: none"> <li>- EITI Report 2014 contains information about list of bidder oil and gas contract</li> </ul>
Beneficial Ownership	<p><b>All Agencies:</b> EITI Indonesia should join national BO initiative with other agencies</p>	<ul style="list-style-type: none"> <li>- EITI Indonesia have join national BO initiative with other agencies (including agencies outside The Implementation team)</li> <li>- Implementation Team have published BO roadmap</li> </ul>

GAPS	OVERVIEW OF THE MSG (THE IMPLEMENTATION TEAM)	PROGRESS
Submission from Reporting Companies (Many companies do not submit template of the report)	<p><b>All Agencies:</b> It needs rewards and punishment to the companies that are targeted to submit report</p> <p><b>CSO:</b> Create publication for companies that have not submitted report template and sends warning to the company.</p>	<ul style="list-style-type: none"> <li>- Publication for companies that did not submit templates in the mass media.</li> <li>- There is a plan to conduct EITI awards for the companies that are transparent.</li> </ul>
Tax Disclosure (Tax Procedures Act prohibits the disclosure of taxpayers identities, unless companies attach Letter of Authorization (LoA))	<p><b>DG Tax:</b> Chair of the Implementation Team should submit request to the Minister of Finance to provide written approval for the DG Tax to disclose Corporate Income Tax taxpayers' data.</p> <p><b>CSO:</b> The EITI Secretariat should collect the authorization letter from the report entities (companies) more early, and asking Ministry of Finance to write recommendation to DG Tax letter based on those authorizations letter.</p>	It will be discussed further by the Implementation Team for the 2015 EITI Report
Accounting Errors in Mining Sector (Because it two different accounting systems that are used: General Accounting System ( <i>Sistem Akuntansi Umum/SAU</i> ) is used by the Ministry of Finance and Institution Accounting System ( <i>Sistem Akuntansi Instansi/SAI</i> ) is used by DG Mineral and Coal.	<p><b>DG Treasury:</b> create integrated payment and reporting system to eliminate SAU-SAI differences</p> <p><b>CSO :</b> Discuss the adjustment and create integrated system for reporting in the future</p>	- Payment and reporting system that some parts still manual was ended in 31 December 2016. It was changed by Integrated online payment and reporting system to eliminate accounting errors.

GAPS	OVERVIEW OF THE MSG (THE IMPLEMENTATION TEAM)	PROGRESS
Discrepancies of reconciliation is more than 5%	<p><b>IMA:</b> Agree because it is suitable with requirements from Financial Authority (OJK)</p> <p><b>DG Budget:</b> Agree, but it is not necessary to be announced, because IA has target to achieve as small as possible discrepancies.</p> <p><b>BPKP:</b> Percentage of every post has different judgments. For example: small percentage in oil and gas sector is actually big.</p>	Discrepancies in the reconciliation process of EITI Report are as small as possible.
Scoping Study	<b>All Agencies:</b> Increase the number of companies that will be reconciled in the 2015 EITI Report.	Materiality threshold for 2015 EITI Report is 14 billion rupiahs. It will raise number of companies that will be reconciled.

## **V. SPECIFIC STRENGTHS OR WEAKNESS IDENTIFIED IN THE EITI PROCESS**

### **V.1 Strengths of EITI Indonesia Implementation**

1. The Implementation Team commits to produce a better content in the fifth EITI Report. The number of companies that will submit report increase because the materiality threshold of companies that will be reconciled in 2015 report is at least 14 billion rupiah of royalty payment. It is lower than the fourth report that only 20 billion rupiah of royalties payment.
2. Beneficial Ownership (BO) transparency roadmap has been published in the end of 2016. It is a part of implementation BO at national level. Implementation of the roadmap will involve a number of agencies: Coordinating Ministry for Economic Affairs, Bappenas, Ministry of Justice and Human Rights, Ministry of Finance, Office of Presidential Staff (KSP), Corruption Eradication Commission (KPK), Financial Transaction Reports and Analysis Center (PPATK), Financial Services Authority OJK), and Bank Indonesia (BI).
3. Indonesia becomes one of the eight EITI member countries that become a pilot country in transparency of Commodity Trading. It will make EITI Indonesia easier to follow EITI requirements in the future.
4. EITI Indonesia is a part of National Anti-Corruption Action.
5. Publish What You Pay (PWYP) Coalition that consist of 35 Civil Society Organization (CSO) and Non-Government Organization (NGO) strongly support the EITI Implementation. The PWYP Coalition in almost all of provinces in Indonesia, actively communicate the transparency message to the public, especially people around mining. PWYP also contextualizes EITI to current initiative reform such as Open Government Partnership (OGP) and Supervision of Anti-Corruption Commission on mineral and energy sectors.
6. Discussion with local government in several provinces has been conducted to form sub national EITI. It can develop EITI participation in the local level.
7. EITI Indonesia develop some platforms such us Industry Extractive Data Portal and Open Mining to spread EITI information easier and to get wider targets. Active and critical mass media, public news as well as social media are good environment for raising public awareness and monitoring the energy and extractive industries sectors
8. The active participation of Indonesian government in the multilateral global platform on governance, economic and sustainable development issue such us OGP, G20, ASEAN-AEC, UNCAC, UNFCCC, UN-SDGs and etc, are the good modalities for Indonesia to collaborate globally to address common interest on good governance.

### **V.2 Weakness of EITI Indonesia Implementation**

1. The administrative and financial process of EITI Indonesia implementation (especially in 2016) is very long. It hampers all of the EITI activities including preparation of the EITI Report 2014. The slow processes of financial have caused delays in the engagement of Independent Administrator (IA) that is very critical for timely submission of the fourth EITI Report.
2. The absence of punishment to all companies that did not disclose their data is one of the challenges. The enabling law can make the EITI implementation stronger.
3. There are still many regulations that hamper transparency in Indonesia because transparency also relates with public information that sometimes is included as a state secrecy.
4. A transparency issue is not a highest priority yet of the government rather than the fiscal and economic policy. The government should increase awareness of transparency (especially EITI) so it can develop good governance of extractive industries.



## VI. TOTAL COST OF IMPLEMENTATION

The following cost is total cost of EITI Indonesia implementation in 2016. As indicated below, activities were funded by government of Indonesia and grant from grant that administered by the World Bank.

NO	ACTIVITIES	WORK PLAN COST (RUPIAH)	OUT TURN COST (RUPIAH)
<b>Funded by Government of Indonesia (GOI)</b>			
1	Materials	200,230,000.00	200,210,000.00
2	Payment for Resource Person and Output Activities	97,200,000.00	95,500,000.00
3	Other Non-Operating Goods	2,700,000.00	2,686,560.00
4	Consumer Goods	50,000,000.00	49,906,000.00
5	Consultant Services Expenses	450,000,000.00	448,540,000.00
6	Rental Expenses	61,700,000.00	61,699,300.00
7	Traveling in Indonesia	445,850,000.00	445,737,127.00
8	Traveling Abroad	440,000,000.00	439,693,392.00
9	Other Expenses	2,786,000.00	2,310,000.00
	<b>Total</b>	<b>1,750,466,000.00</b>	<b>1,746,282,379.00</b>
<b>Funded by Grant Administered by World Bank</b>			
NO	ACTIVITIES	WORK PLAN COST (RUPIAH)	OUT TURN COST (RUPIAH)
1	Materials	200,000,000.00	100,611,364.00
2	Consultant Services Expenses	2,988,000,000.00	810,827,000.00

<b>NO</b>	<b>ACTIVITIES</b>	<b>WORK PLAN COST (RUPIAH)</b>	<b>OUT TURN COST (RUPIAH)</b>
<b>Funded by Grant Administered by World Bank</b>			
3	Traveling Abroad	209,400,000.00	147,500,000.00
4	Other Traveling Expenses	650,600,000.00	650,599,899.00
	<b>Total</b>	<b>4,500,000,000.00</b>	<b>1,709,538,263.00</b>
<b>GRAND TOTAL</b>		<b>6,250,466,000.00</b>	<b>3,455,820,642.00</b>

Approved by the MSG

Date: 24 July 2017

## RECORD ATTENDANCE OF THE 2016 IMPLEMENTATION TEAM MEETING

Agencies	1 <sup>st</sup> Meeting	2 <sup>nd</sup> Meeting	3 <sup>rd</sup> Meeting
<b>Ministry of Energy and Mineral Resources (ESDM)</b>			
Secretariat General			1
Directorate General of Oil and Gas	2		1
Directorate General of Mineral and Coal		4	
<b>Ministry of Finance</b>			
Directorate General of Budget	1	4	2
Directorate General of Tax	2	2	2
Directorate General of Treasury	2	2	2
Directorate General of Fiscal Balance	1	2	2
<b>Ministry of Home Affairs</b>			
Directorate General for the Administrative Development of Local Finance			2
<b>Coordinating Ministry for Economic Affairs</b>			
Coordinating Ministry for Economic Affairs	2	4	4
<b>The Audit and Development Agency (BPKP)</b>			
Deputy for National Accounting	2	2	2
<b>Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas)</b>			
SKK Migas	2	1	3

## RECORD ATTENDANCE OF THE 2016 IMPLEMENTATION TEAM MEETING

Agencies	1 <sup>st</sup> Meeting	2 <sup>nd</sup> Meeting	3 <sup>rd</sup> Meeting
<b>Sub-National Government</b>			
Province of Riau	<b>2</b>		
Province of Jawa Timur			
Province of Kalimantan Timur			<b>2</b>
<b>Companies and Association</b>			
PT Pertamina			<b>5</b>
Indonesian Mining Association (IMA)	<b>1</b>	<b>1</b>	<b>1</b>
Indonesian Petroleum Association (IPA)			
Indonesian Coal Mining Association (APBI)	<b>1</b>	<b>1</b>	<b>1</b>
<b>Civil Society Organization</b>			
Publish What You Pay Indonesia and its CSO's Coalition member	<b>3</b>	<b>4</b>	<b>3</b>

## MEMBERSHIP OF THE IMPLEMENTATION TEAM

### GOVERNMENT

Agencies	Name
<b>Coordinating Ministry for Economic Affairs</b>	
Deputy for Energy Management , Natural Resources and Environment Coordination, as Head of The Implementation Team	Mr. Montty Girianna
Deputy for International Economics and Financial Cooperation	Mr. Rizal Affandi Lukman
Deputy for Macroeconomic Coordination and Finance	Mr. Iskandar Simorangkir
<b>Ministry of Energy and Mineral Resources (ESDM)</b>	
Secretary General	Mr. M. Teguh Pamuji
Director General of Oil and Gas	Mr. I Gusti Nyoman Wiratmaja
Director General of Mineral and Coal	Mr. Bambang Gatot Ariyono
<b>Ministry of Finance</b>	
Director General of Budget	Mr. Askolani
Director General of Tax	Mr. Ken Dwijugastadi
Director General of Treasury	Mr. Marwanto Harjowiryono
Director General of Fiscal Balance	Mr. Boediarso Teguh Widodo
<b>Ministry of Home Affairs</b>	
Director General for the Administrative Development of Local Finance	Mr. Reydonnyzar Moenoek
<b>The Audit and Development Agency(BPKP)</b>	
Deputy for National Accounting	Mr. Gatot Darmasto
<b>Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas)</b>	
Head of SKK Migas	Mr. Amien Sunaryadi
<b>Sub-National Government</b>	
Sub National Secretary of Riau	Mr. Ahmad Hijazi
Sub National Secretary of Jawa Timur	Mr. Akhmad Sukardi
Sub National Secretary of Kalimantan Timur	Mr. Rusmadi

## MEMBERSHIP OF THE IMPLEMENTATION TEAM

### COMPANIES AND ASSOCIATION

<b>Agencies</b>	<b>Name</b>
<b>Companies</b>	
President Director of PT Pertamina	Mr. Elia Massa Manik
<b>Association</b>	
Executive Director of Indonesian Mining Association (IMA)	Mr. Syahrir A.B
Executive Director of Indonesian Petroleum Association (IPA)	Mrs. Marjoline Wajong
Executive Director of Indonesian Coal Mining Association (APBI)	Mr. Supriatna Suhala

### CIVIL SOCIETY ORGANIZATION

<b>Publish What You Pay Indonesia Coalition</b>
Mr. Aryanto Nugroho
Ms. Yenny Sucipto
Mr. Joko Purwanto

## IMPLEMENTATION TEAM MEETING 2016

No	Date	Agenda	Result
1	April 19, 2016	<ol style="list-style-type: none"> <li>1. Discussion of EITI 2016 Standard</li> <li>2. Discussion of Scoping Study for EITI Report 2014.</li> <li>3. Discussion of Independent Administrator Terms of Reference (TOR)</li> </ol>	<ol style="list-style-type: none"> <li>1. Approval for scoping study EITI Report 2014 (with some feedback)</li> <li>2. Approval for Independent Administrator TOR</li> </ol>
2	August 22, 2016	<ol style="list-style-type: none"> <li>1. Discussion of the engagement of IA for the EITI Report 2014</li> <li>2. Discussion on Follow-Up Recommendation of EITI Report 2012-2013</li> <li>3. Discussion of Independent Administrator TOR</li> </ol>	<ol style="list-style-type: none"> <li>1. EITI 2014 Template will be sent by The Secretariat before engagement of the IA</li> <li>2. Approval of the 2015 EITI Indonesia Progress Report</li> <li>3. Recommendations of EITI Report 2012-2013 will be followed up by related institutions.</li> <li>4. There will be various Beneficial Ownership related activities</li> </ol>
3	December 5, 2016	<ol style="list-style-type: none"> <li>1. Presentation of Ernst and Young (EY) as IA for EITI Report 2014</li> <li>2. Discussion of request for extension deadline for publication of EITI report 2014.</li> <li>3. Discussion of draft of BO Roadmap</li> <li>4. Discussion of Commodity Trading pilot plan</li> <li>5. Presentation on development of the Data Portal</li> </ol>	<ol style="list-style-type: none"> <li>1. Approval for EY to be the IA</li> <li>2. Approval to send request for extension deadline for publication of the report to the EITI board</li> <li>3. Approval and Input for BO roadmap</li> <li>4. Approval and Input for Commodity Trading pilot</li> <li>5. Input for Data Portal</li> </ol>

## TECHNICAL TEAM MEETING 2016

No	Date	Agenda	Result
1	March 30, 2016	<ol style="list-style-type: none"> <li>1. Discussion of TOR of The Implementation Team</li> <li>2. Discussion of EITI Data Portal</li> </ol>	<ol style="list-style-type: none"> <li>1. Recommendation of TOR of The Implementation Team</li> <li>2. Recommendation of EITI Data Portal</li> </ol>
2	April 29, 2016	<ol style="list-style-type: none"> <li>1. Discussion of Scoping Study of EITI Report 2014</li> </ol>	<ol style="list-style-type: none"> <li>1. Recommendation of Scoping Study</li> </ol>
3	September 23, 2016	<ol style="list-style-type: none"> <li>1. Discussion of Beneficial Ownership roadmap</li> <li>2. Discussion of commodity trading pilot</li> </ol>	<ol style="list-style-type: none"> <li>1. EITI will join other agencies that are also working on the BO roadmap</li> <li>2. EITI International secretariat will discuss with a number of stakeholders related to commodity trading</li> </ol>
4	October 19, 2016	<ol style="list-style-type: none"> <li>1. Discussion of Commodity Trading pilot</li> </ol>	<ol style="list-style-type: none"> <li>1. Indonesia becomes one of commodity trading pilot countries</li> <li>2. Inputs for Term of Reference (TOR) of Commodity Trading pilot</li> </ol>
5	December 19, 2016	<ol style="list-style-type: none"> <li>1. Discussion of Beneficial Ownership roadmap</li> </ol>	<ol style="list-style-type: none"> <li>1. Recommendation for Beneficial Ownership roadmap</li> </ol>



## ACTIVITIES OF EITI INDONESIA 2016

ACTIVITIES SET IN THE WORKPLAN	PLACE/ DATE	OBJECTIVES/TARGETS
<b>EITI INDONESIA SECRETARIAT</b>		
Beneficial Ownership Workshop	Jakarta, May 26, 2016	<ul style="list-style-type: none"> <li>- Show requirements in EITI Standard</li> <li>- Raising capacity to the stakeholder about BO</li> <li>- Get input for Indonesia in forming BO roadmap</li> </ul>
Dissemination of EITI Indonesia	Bali, August 25, 2016	<ul style="list-style-type: none"> <li>- Disseminate EITI Report 2012 - 2013</li> <li>- Show the effort of EITI Indonesia for the improvement of extractive industries governance</li> <li>- Raise awareness of satkeholders for EITI Implementation</li> </ul>
Focus Group Discussion	Palembang, September 27, 2016	<ul style="list-style-type: none"> <li>- Show EITI as a tool of transparency for governance of extractive industries</li> <li>- Get inputs from local level for EITI implementation</li> <li>- Raise awareness of satkeholders for EITI Implementation</li> </ul>
Discussion on Commodity Trading	Jakarta, October 19, 2016	<ul style="list-style-type: none"> <li>- Get inputs for TOR of Commodity Trading</li> <li>- Get recommendation for Indonesia to be a Commodity Trading pilot country</li> </ul>
Beneficial Ownership Workshop	Jakarta, November 9-10, 2016	<ul style="list-style-type: none"> <li>- Raising capacity to the stakeholder about BO</li> <li>- Get input in for BO roadmap</li> </ul>
Beneficial Ownership Workshop	Jakarta, November 24-25, 2016	<ul style="list-style-type: none"> <li>- Raising capacity to the stakeholder about BO</li> <li>- Get input in for BO roadmap</li> </ul>
User consultation for Data Portal	Jakarta, November 30, 2016	<ul style="list-style-type: none"> <li>- Get input in for Data Portal</li> </ul>
Dissemination of EITI Template for companies	Jakarta, December 13, 2016	<ul style="list-style-type: none"> <li>- Show background and current position of EITI Indonesia</li> <li>- Raise participation of companies to EITI implementation</li> </ul>

<b>ACTIVITIES SET IN THE WORKPLAN</b>	<b>PLACE/ DATE</b>	<b>OBJECTIVES/TARGETS</b>
<b>EITI INDONESIA SECRETARIAT</b>		
Newsletter	September, December	Create stakeholders and public awareness
Throughout 2016	EITI website and social media	Create stakeholders and public awareness through Internet. Website contains data and information about EITI Indonesia. Social media especially twitter use to spread the information of extractive industries.
Throughout 2016	EITI merchandise and promotional tools	Broaden transparency campaign through promotional products such as brochures, pen, bag, flash disc etc.
<b>ACTIVITIES OUTSIDE THE WORKPLAN</b>	<b>PLACE/ DATE</b>	<b>OBJECTIVES/TARGETS</b>
<b>EITI INDONESIA SECRETARIAT</b>		
Meeting for Indonesia participation in EITI Global Conference	Jakarta, 18, January 2016	Get input in for EITI Indonesia role in Global Conference in Lima, Peru
EITI International Board Meeting	Lima, Peru, February 24-25, 2016	<ul style="list-style-type: none"> <li>- To report progress of EITI implementation in Indonesia</li> <li>- To discuss with Chair of EITI about the role of EITI to improve governance of extractive industry</li> </ul> Create network and cooperation between EITI Secretariat around the world and other international stakeholders
EITI Global Expo	Lima, Peru, February 24-25, 2016	<ul style="list-style-type: none"> <li>- To show development of EITI Implementation in Indonesia</li> </ul>
International Secretariat Visit	Jakarta, May 25-27, 2016	<ul style="list-style-type: none"> <li>- Strengthen EITI Implementation in Indonesia</li> <li>- Coordinate with EITI stakeholders</li> <li>- Disseminate about BO in EITI Standard</li> </ul>
International Secretariat Visit	Jakarta, May 18-20, 2016	<ul style="list-style-type: none"> <li>- Strengthen EITI Implementation in Indonesia</li> <li>- Coordinate with EITI stakeholders</li> <li>- Disseminate about Commodity Trading pilot</li> </ul>

ACTIVITIES OUTSIDE THE WORKPLAN	PLACE/DATE	OBJECTIVES/TARGETS
<b>CIVIL SOCIETY ORGANIZATION ( PUBLISH WHAT YOU PAY and Its members of CSOs Coalitions )</b>		
Workshop on Reinforcement of Mining Governance Reform Design Program	Jakarta, February, 3 2016	<ul style="list-style-type: none"> <li>- Encourage role of CSO in the transparency process</li> <li>- Encourage CSO role in advocacy</li> </ul>
Discussion: Regional Revenue from the Mining Sector, Post-Implementation of the Regional Government Law	Solo, March 16, 2016	<ul style="list-style-type: none"> <li>- Increase knowledge of regulation in governance of extractive industries</li> </ul>
Discussing Panama Papers	Jakarta, April 11, 2016	<ul style="list-style-type: none"> <li>- Encourage role of CSO in the transparency process</li> <li>- Encourage CSO role in advocacy</li> <li>- Increase knowledge about the important of transparency, especially Beneficial Ownership</li> </ul>
Capacity Building: Data Extractor	Harare, Zimbabwe May, 2016	<ul style="list-style-type: none"> <li>- Encourage role of CSO in the transparency process</li> <li>- Increase understanding about data extractor</li> </ul>
Launch of Open Mining Application	Jakarta, May 2016	<ul style="list-style-type: none"> <li>- Encourage public participation for governance in extractive industries</li> <li>- Increase people understanding to access information especially in extractive industries</li> <li>-</li> </ul>
Launch of Batu Hijau Mining Fiscal Model	Nusa Tenggara Barat , November 2016	<ul style="list-style-type: none"> <li>- Encourage public participation for governance in extractive industries</li> <li>- Increase people understanding to access information especially in extractive industries</li> </ul>