



9 October 2019

Reff: Clarification of Indonesia Validation Report concerning company engagement

EITI Validation Committee,

Dear Sirs/Madames,

We are grateful and appreciate the Board's continuing support and assistance to the EITI Indonesia. With regard to the initial result validation of EITI Indonesia, we would like to address the following issues for your attention:

1. Representative of Industries in the Multi-Stakeholder Group (MSG) that consist of Indonesian Mining Association (IMA), Indonesian Coal Mining Association (ICMA), and Indonesian Petroleum Association (IPA) are fully committed to support EITI implementation in Indonesia. Besides our active participation in the MSG activities, we routinely disseminate EITI implementation activities to the member of our respective associations through associations' websites, messaging applications, as well as regular discussions.
2. Oil and gas companies and mineral and coal companies have disclosed to the public their contribution to state revenue (production data, government revenue, trade, and companies' payments) through the EITI Report. Every year, 100 % of the oil and gas companies operating in Indonesia (approximately 70 to 75 companies) disclose full details of their oil and gas contribution for state revenue and are in full compliance with all reporting requirements. We believe this clear evidence of the deep commitment of the industry to fulfill and open reporting of the required data. For mineral and coal companies, approximately 100 companies disclose its revenues every year, which collectively contribute more than ninety percent of the total annual mineral and coal contribution for state revenue.
3. Indonesia has implemented mandatory submission of Beneficial Owners of corporation as stipulated in the Presidential Decree No. 13/2018. In 2018, information of Beneficial Ownership from 45 (fourty five) oil and gas companies and 57 (fifty seven) mineral and coal companies have been published in the EITI Report that can be accessed by public.

- Specifically regarding for the consultation that was conducted with companies during validation process, there was a possible mis-representation since representatives of companies that attend the consultation were from accounting divisions that are responsible for producing the revenue data for EITI Report. However, they are not responsible for outreach and engagement as discussed by the validator that may lead a wrong perception by validator concerning companies' participation and engagement in the EITI implementation.

With this letter, the representatives of industries in the EITI Indonesian MSG would guarantee our ongoing commitment for participation and engagement in the EITI Implementation in Indonesia. We are also committed to elevate our participation and engagement. We believe our industries have significant roles in developing transparency and accountability of extractive industries governance in Indonesia and will continue to support implementation of EITI.

Thank you for your kind attention.

Sincerely Yours,



Marjolijn Wajong
Executive Director of IPA
As Member of the EITI Indonesia MSG



Hendra Sinadia
Executive Director of ICMA
As Member of the EITI Indonesia MSG



Djoko Widjijatno
Acting Executive Director of IMA
As Member of the EITI Indonesia MSG

Cc:

Montty Girianna, Ph.D
Deputy for Energy and Mineral Resources
As Chairman of the EITI Indonesia Multi Stakeholders Group