



FEASIBILITY STUDY:

SYSTEMATIC DISCLOSURES OF EITI DATA IN INDONESIA

The World Bank

Jakarta, July 2021

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Feasibility Study Overview

Goal:

to examine the country's readiness to mainstream EITI implementation based on EITI 2019 Standard.

Assessment:

- (1) reviews the extent to which there is routine disclosure of the data required by the EITI Standard in requisite detail, and
- (2) whether the financial data is subject to credible, independent audit, applying international standards

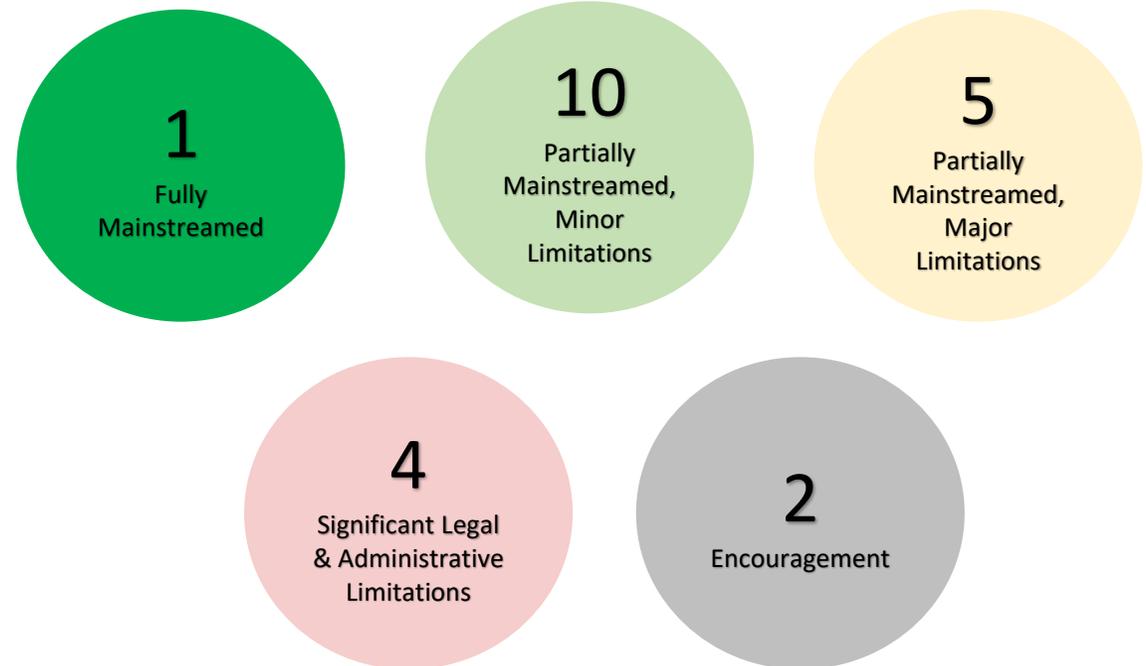
Data Quality Dimensions Assessed:

- 1) Accessibility
- 2) Comprehensiveness
- 3) Level-of Disaggregation
- 4) Timeliness
- 5) Reliability

Assessment Result

The majority of the information required by the 2019 EITI Standard, revenue as well as non-revenue information, is **routinely disclosed**. However, **not all meets the dimension** as required by EITI standard, especially in regards to comprehensiveness such as level of disaggregation.

Out of 22 Requirements requiring data disclosure:



Assessment Result

Non Revenue Data

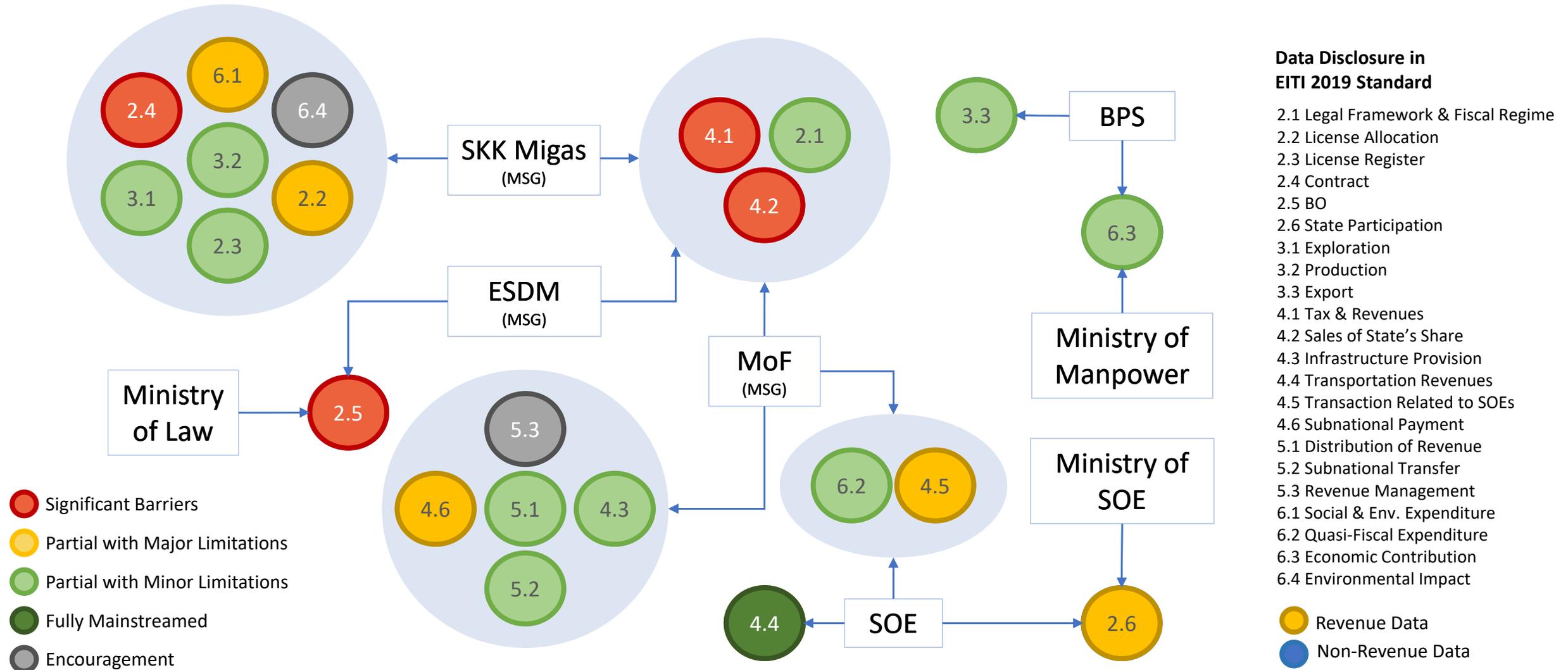
Requirement	Feasibility Study Finding	2018 Validation Result
2.1 Legal Framework and Fiscal Regime	Partially mainstreamed, minor limitations	Satisfactory
2.2 License Allocation	Partially mainstreamed, major limitations	Meaningful Progress
2.3 License Register	Partially mainstreamed, minor limitations	Meaningful Progress
2.4 Contract Disclosure	Significant legal and administrative limitations	Meaningful Progress
2.5 Beneficial Ownership	Significant legal and administrative limitations	
2.6 State Participation	Partially mainstreamed, major limitations	Meaningful Progress
3.1 Exploration	Partially mainstreamed, minor limitations	Satisfactory
3.2 Production Data	Partially mainstreamed, minor limitations	Meaningful Progress
3.3 Export Data	Partially mainstreamed, minor limitations	Meaningful Progress
5.1 Distribution of Revenues	Partially mainstreamed, minor limitations	Satisfactory
6.3 The contribution of the extractive sector to the economy	Partially mainstreamed, minor limitations	Satisfactory
6.4 Environmental Impact	Partially mainstreamed, major limitations (an encouragement)	

Revenue Data

Requirement	Finding	2018 Validation Results
4.1 Comprehensive Disclosure of Taxes and Revenues	Significant legal and administrative limitations	Inadequate
4.2 Sale of The State's Share	Significant legal and administrative limitations	Meaningful Progress
4.3 Infrastructure Provision and Barter Arrangement	Partially mainstreamed, minor limitations	N/A
4.4 Transportation Revenue	Fully mainstreamed	Satisfactory
4.5 Transactions Related to SOEs	Partially mainstreamed, major limitations	Meaningful Progress
4.6 Subnational Payments	Partially mainstreamed, major limitations	N/A
5.2 Subnational Transfer	Partially mainstreamed, minor limitations	Meaningful Progress
5.3 Revenue Management and Expenditure	Partially mainstreamed, minor limitations (an encouragement)	
6.1 Social and Environmental Expenditure	Partially mainstreamed, major limitations	Meaningful Progress
6.2 Quasi-fiscal Expenditure	Partially mainstreamed, minor limitations	Inadequate

Stakeholders — Government-Side Data Providers

Type Result



Recommendations

The following summary are meant to highlight points to be discussed. For a more comprehensive assessment results please refer to the Mainstreaming Feasibility Study.

Summary of the Assessment Criteria of The Gap

1) Stakeholders Involved

The number of entities involved and whether the entities are within direct or indirect control of ESDM.

2) Types of Barriers

Whether the nature of the barriers are administrative and or legal.

3) Scale of Barrier

The scope of change required to address the barriers, minor vs major.

4) Strategic Issues

If the issues reflects current pressing National as well as International Issues.

5) Availability of Resource

Political and Management Support, Commitment, Human Resource, Financial Resource, Time.

Technical & Administrative Gap Improvement

- **Additional details to disclosure with data already internally available**
 - a) Full Contract Documents (2.4)
 - b) SOEs Participation including Subsidiaries & JV (2.6)
 - c) Tax and Non-Tax Revenue Disaggregated by Payer (4.1)
 - d) Transaction Related to SOE including Subsidiaries & JV (4.5)
 - e) Formula and Variables for Subnational Transfer by Region (5.2)
 - f) Calculation and actual payment on Coal DMO and Oil DMO Fee as Quasi Fiscal Expenditure (6.2)
- **Additional details to disclosure which require improvement on data collection (reporting mechanism)**
 - a) License's Date of Application (2.3)
 - b) Beneficial Owners (2.5)
 - c) Value of Production (3.2)
 - d) List of HS Code for extractive Commodities (3.3)
 - e) Buyer Information for Government Lifting (4.2)
 - f) Beneficiary for CSR Data (6.1)
 - g) Gender and Occupational Level on employment data (6.3)
 - h) Estimate on Artisanal and Small Scale Mining (6.3)
- **Provision of Online Disclosure Medium**
 - a) Summary Description on Legal Framework & Fiscal Regime (2.1)
 - b) License Allocation Related Information (2.2)
 - c) Significant Exploration Activities (3.1)
 - d) Distribution of Extractive Revenue (5.1)
- **Improvement on Open Data Format**
 - a) To all requirements

Legal Gap Improvement

- **Missing Legal Basis**
 - a) Technical & Financial criteria for License Transfer **(2.2)**

- **Prohibiting Legal Basis**
 - a) Disclosure of contract documents **(2.4)**
 - b) Disclosure of Tax Payment disaggregated by Tax Payer **(4.1)**

Cross-Cutting Requirement

Data Quality Dimension

- **Level of Disaggregation (4.7)**

MSG to ensure that financial information are disaggregated by project/by company, government entity and by revenue stream.

- **Data Timeliness (4.8)**

MSG to agree on disclosure calendar with related agencies for each required dataset which include not only revenue data.

- **Data Quality (4.9)**

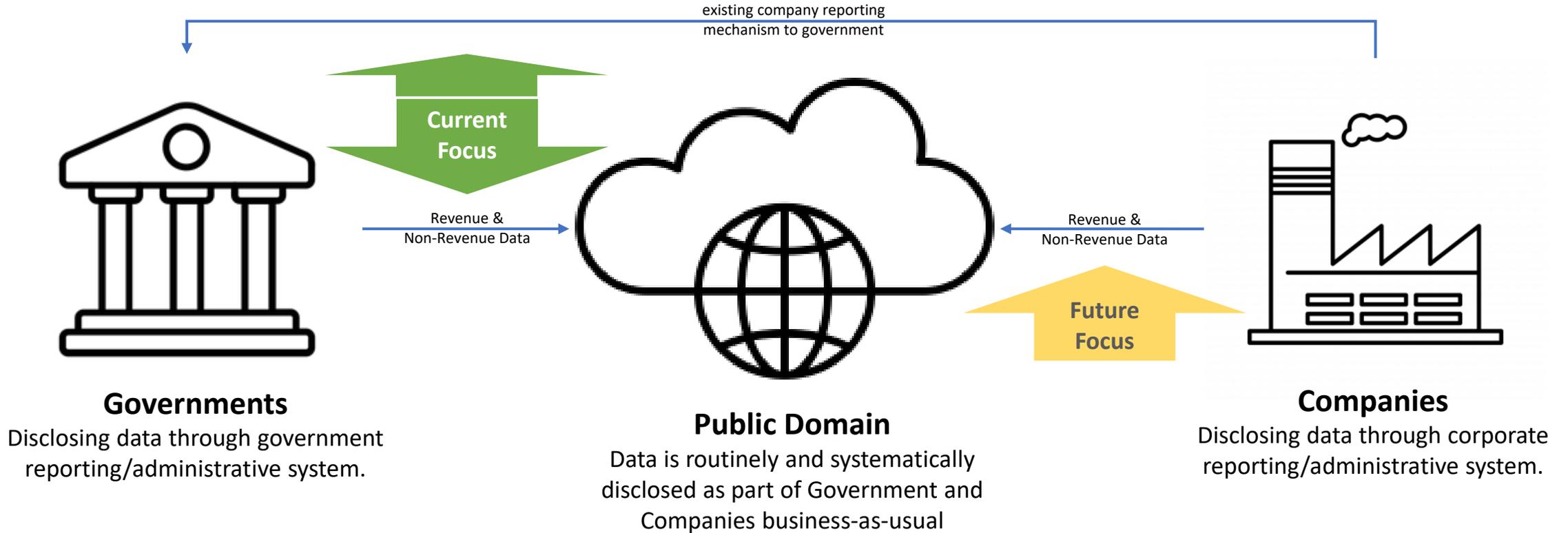
MSG to assure that Government and Company are audited according to International Auditing Standard.

- **Data Accessibility & Open Data (7.2)**

MSG to agree on a clear open data policy on the access, release and re-use of EITI data to make users aware that information can be reused without prior consent.

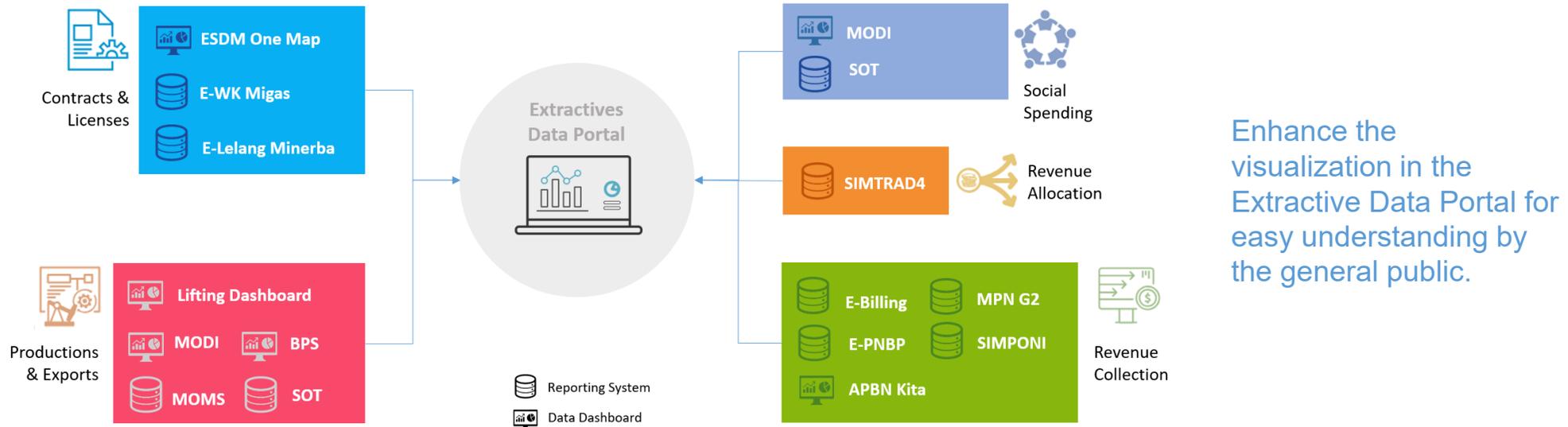
MSG to improve reporting entities' open data policies to increase lasting public access to data.

Government vs Company Disclosure



Enhancing Data Accessibility and Open Data through an Integrated Data Portal

Shift in the Extractive Data Portal Function is necessary to increase data accessibility to the public by collating the information into one-stop portal in an open data format.



Recommended Prioritization

Requirement to Exclude:

Fully Mainstreamed

4.4 Transportation Revenue

Encouragement

5.3 Revenue Management

6.4 Environmental Impact

Does Not Apply

4.3 Infrastructure Provision

4.6 Subnational Payment

Cross-Cutting Requirement:

4.7 Level of Disaggregation

4.8 Data Timeliness

4.9 Data Quality

7.2 Data Accessibility & Open Data

EITI Requirement	Assessment Result	Stakeholders
3 Very Low Hanging Fruit		
2.1 Legal Framework & Fiscal Regime	Minor Limitation	ESDM, MoF
3.1 Exploration	Minor Limitation	ESDM
5.1 Distribution of Revenue	Minor Limitation	MoF
6 Low Hanging Fruit		
2.3 License Register	Minor Limitation	ESDM
3.2 Production	Minor Limitation	ESDM, SKK Migas, BPS
3.3 Export	Minor Limitation	BPS
5.2 Subnational Transfer	Minor Limitation	MoF
6.2 Quasi Fiscal Expenditure	Minor Limitation	ESDM, SKK Migas, SOE
6.3 Economic Contribution	Minor Limitation	ESDM, SKK Migas, BPS
5 Strategic Issues		
2.4 Contract	Significant Barrier	ESDM, SKK Migas
2.5 Beneficial Owner	Significant Barrier	ESDM, SKK Migas, MoL
2.6 & 4.5 State Participation	Major Limitation	SOE, MoSOE
4.1 Tax & Non Tax Revenue	Significant Barrier	ESDM, MoF
3 Others		
2.2 License Allocation	Major Limitation	ESDM, SKK Migas
4.2 Sale of State's Share of Production	Significant Barrier	SKK Migas
6.1 Social and Environmental Expenditure	Major Limitation	ESDM, SKK Migas

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INDICATIVE TIMELINE

EITI Requirement	Assessment Result	Stakeholders	2021	2022		2023
			S2	S1	S2	S1
3 Very Low Hanging Fruit						
2.1 Legal Framework & Fiscal Regime	Minor Limitation	ESDM, MoF				
3.1 Exploration	Minor Limitation	ESDM				
5.1 Distribution of Revenue	Minor Limitation	MoF				
6 Low Hanging Fruit						
2.3 License Register	Minor Limitation	ESDM				
3.2 Production	Minor Limitation	ESDM, SKK Migas, BPS				
3.3 Export	Minor Limitation	BPS				
5.2 Subnational Transfer	Minor Limitation	MoF				
6.2 Quasi Fiscal Expenditure	Minor Limitation	ESDM, SKK Migas, SOE				
6.3 Economic Contribution	Minor Limitation	ESDM, SKK Migas, BPS				
5 Strategic Issues						
2.4 Contract	Significant Barrier	ESDM, SKK Migas				
2.5 Beneficial Owner	Significant Barrier	ESDM, SKK Migas, MoL				
2.6 & 4.5 State Participation	Major Limitation	SOE, MoSOE				
4.1 Tax & Non Tax Revenue	Significant Barrier	ESDM, MoF				
3 Others						
2.2 License Allocation	Major Limitation	ESDM, SKK Migas				
4.2 Sale of State's Share of Production	Significant Barrier	SKK Migas				
6.1 Social and Environmental Expenditure	Major Limitation	ESDM, SKK Migas				

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Proposed Next Steps for MSG

To achieve full-mainstreaming within the next 2-3 years, the immediate steps proposed are:

- Review and provide feedback for the Feasibility Study (Target: Mid August)
- Establish technical working group to develop draft Mainstreaming Roadmap (Target: ASAP)
- Review and provide feedback for the Roadmap
- Provide clearance to The Study and Roadmap, as part of the partial mainstreaming application

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Roadmap Examples - Kazakhstan

Table 5. Road Map on mainstreaming EITI in Kazakhstan

#	Recommendations	Year 1				Year 2				
		qtr1	qtr2	qtr3	qtr4	qtr1	qtr2	qtr3	qtr4	
Requirement 2. Legal and regulatory framework, including allocation of contracts and licenses										
1.	Rule out data duplication/overlaps in publicly assessable inventories and contents of laws and LAs that regulate the activity extractive sectors									
2.	Eliminate gaps in disclosed information about transfer of subsol use rights and competitions									
3.	Accelerate the work aimed at recording contract areas on the interactive map									
4.	Continue active work to ensure disclosure of the text of subsol use contracts									
5.	Continue active work to ensure disclosure of information on beneficial ownership of extractive companies									
6.	Ensure disclosure of a comprehensive list of subsol use enterprises with controlling government ownership interest									
7.	Independent validation of data contained in the annual reports of subsol use companies									
8.	Ensure disclosure of data on loans and/or loan guarantees provided by the government and SOEs to extractive companies in terms of individual transactions and disaggregated by specific companies that receive such loans and/or loan guarantees									
Requirement 3. Exploration and production										
#	Recommendations	qtr1	qtr2	qtr3	qtr4	qtr1	qtr2	qtr3	qtr4	
9.	Rule out data duplication/overlaps in production reports currently presented to MNE Statistical Committee and online EGSU system.									
10.	Automate and simplify the mechanism of collecting data on production volumes.									
Requirement 4. Revenue collection										
11.	Disclosure of data on revenue collection from sale of the state's share of production disaggregated by buying companies									
12.	Rule out data duplication/overlaps between reporting on tax and non-tax revenues presented by subsol users to SRC, and uploaded to online EGSU system.									
13.	Continue working to ensure disclosure of data on terms of agreements and/or contracts on infrastructure and barter transactions alongside promotion of contract (text) disclosure (see Item 4 of the Table with recommendations) (Requirement 4.3)									
14.	Work out a description of railway routes most frequently used for transportation of minerals in the country, and make it publicly accessible.									
Requirement 5. Revenue allocations										
15.	Introduce a mechanism allowing for comparison of subsol user payments with revenues received from extractive industries for specific development programs or geographic regions									
Requirement 6. Social and economic spending										

#	Recommendations	Year 1				Year 2			
		qtr1	qtr2	qtr3	qtr4	qtr1	qtr2	qtr3	qtr4
16.	Rule out the following data duplication/overlaps: <ul style="list-style-type: none"> ▶ on number of personnel and local content employed by extractive companies, ▶ on expenditures for training local specialists, ▶ on share of local content in procured GWS, including GWS expenditures in the area of training/education. 								
17.	Ensure reporting on SOE quasi-fiscal expenditures, and monitor its submission								
18.	Ensure assessment of informal sector share (including but not necessarily limited to artisanal and small scale mining) of RK mineral production.								
19.	Work out a uniform approach to assessing employment in the extractive industries in absolute terms and as a percentage of the total employment.								

Unit type symbols:

qtr – quarter

Time frame for implementation of the recommendations with estimated *non-material* need for resources

Time frame for implementation of the recommendations with estimated *material* need for resources



Roadmap Examples - Kyrgyz

Phase 1: Interim solution: mainstream contextual information and reduce scope of EITI Reporting

Green: Action can commence immediately or is on-going; Blue: Action is dependent on approval or completion of other projects

Recommendation	2018			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Phase 1: Interim solution: mainstream contextual information and reduce scope of EITI Reporting				
1. Review and revise the scope of reconciliation to reduce the number of companies and revenue streams				
1.1 Redefine the materiality of companies				
1.2 Redefine the materiality of revenue streams				
2. Publish short reconciliation reports for 2015, 2016 (and 2017)				
2.1 Publish short reconciliation reports for 2015, 2016 (and 2017)				
3. Make contextual data available online				
<u>License allocations (2.2)</u>				
3.1 Include historical data on auctions				
3.2 Include decisions and decrees on direct negotiation				
<u>License registry (2.3)</u>				
3.3 Complete uploading licenses to the license registry				
<u>Contract disclosure (2.4)</u>				
3.4 Document the government's policy on disclosure of license agreements, and reference publicly available license agreements				
<u>State participation (2.6)</u>				
3.5 Monitor the development of the State Property Management Fund's new portal				
3.5.1 Monitor inclusion of financial relationships and ownership				
3.5.2 Review data on financial relationship and ownership				
3.6 Reference the portal				
<u>Exploration (3.1)</u>				
3.7 Update information on commodities and extractive sector activities of SCIESU's interactive map				
<u>Production (3.2)</u>				
3.8 Disclose missing production volumes and values				
<u>Exports (3.3)</u>				
3.10 Disclose detailed data on export volumes and values				
3.9.1 Request NSC to publish				
3.9.2 Reference export data of the NCS, and UN's COMSTATSS in the interim				
<u>Subnational transfers (5.2)</u>				
3.10 Assess the nature and materiality of the following transfers:				
3.10.1 the state budget's allocations of extractive-specific revenues				
3.10.2 transfers to local and regional development funds.				
<u>Contribution to the economy (6.3)</u>				
3.11 Disclose total government revenues received by extractive sector on SCIESU's website				
4. Address corrective actions from Validation: demonstrate N/A or immateriality of ...				
4.1 Infrastructure and barter arrangements (4.3)				
4.2 Transportation revenues (4.4)				
4.3 Transactions related to state-owned enterprises (4.5)				
4.4 Sub-national payments (4.6)				
4.5 Social expenditures (6.1)				
4.6 Quasi-fiscal expenditures (6.2)				

Phase 2: Adapt existing revenue portals for mainstreaming

Recommendation	Months from project commencement																							
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
5. Enable electronic submissions																								
5.1 Enable electronic submission of EITI data to the State Committee on Industry, Energy and Subsoil Use website.																								
6. Mainstreaming revenue disclosures:																								
Revise the SCIESU portal: http://gkpen.on.kg/ , ensuring SCIESU discloses company payments to the Kyrgyz Republic, commensurate with EITI Requirements.																								
6.1 Ensure political buy-in																								
6.2 If granted, implement changes																								
Revise Open Budget portal, to ensure comprehensive government disclosures of revenues, adhering to EITI Requirements.																								
6.3 Ensure political buy-in																								
6.4 If granted, implement changes																								

Roadmap Examples - Mongolia

Phase 1: Interim solution: mainstream contextual information and reduce scope of EITI Reporting

Green: Action can commence immediately or is on-going; Blue: Action is dependent on approval or completion of other projects

Recommendation	2019			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Phase 1: Interim solution: mainstream contextual information and reduce scope of EITI Reporting				
1. Review and revise the scope of reconciliation to reduce the number of companies and revenue streams				
1.1 Redefine the materiality of companies and revenue streams				
1.2 Revise ToR in line with new materiality decisions				
2. Initial reconciliation by the EITIM Secretariat				
2.1 Contracting of the IA prior to data collection through eReporting system				
2.2 Initial data collection from companies – 31 Mar 2019				
3. Make contextual data available online				
<u>License allocations (2.2)</u>				
3.1 Include historical data on auctions				
3.2 Include decisions and decrees on direct negotiation				
<u>License registry (2.3)</u>				
3.3 Complete uploading licenses to the license registry				
<u>Contract disclosure (2.4)</u>				
3.4 Document the government's policy on disclosure of license agreements				
3.5 Include references to license agreements				
<u>State participation (2.6)</u>				
3.6 Develop an online portal for viewing both DAPCSP and Erdenes Mongol SOEs				
3.6.1 Monitor inclusion of financial relationships and ownership				
3.6.2 Review data on financial relationship and ownership – audited financial statements				
3.7 Reference the portal				
<u>Exploration (3.1)</u>				
3.8 Update reserves data				
<u>Production (3.2)</u>				
3.9 Disclose missing production volumes and values				
<u>Exports (3.3)</u>				
3.10 Disclose detailed data on export volumes and values				
3.10.1 Integration with Bank of Mongolia for monthly export data from Customs				
3.10.2 Methodology and integration into MRPAM database				
<u>Subnational transfers (5.2)</u>				
3.11 Assess the nature and materiality of the following transfers:				
3.11.1 Variables for the formula to calculate GLDF transfer				
3.11.2 Executed transfers to local and regional development funds.				
<u>Social expenditures (6.1)</u>				
3.12 Prepare a statement assessing materiality of mandatory social expenditures				
3.13 Ensure reconciliation of mandatory social payments to government on EITIM Data Portal				
<u>Contribution to the economy (6.3)</u>				
3.14 Disclose total extractives employment figures as part of routine government disclosures (e.g. NSO), integrated on EITIM Data Portal				
4. Address corrective actions from Validation: demonstrate N/A or immateriality of ...				
4.1 Infrastructure and barter arrangements (4.3)				
4.2 Transportation revenues (4.4)				
4.3 Transactions related to state-owned enterprises (4.5)				
4.4 Sub-national payments (4.6)				
4.5 Quasi-fiscal expenditures (6.2)				

Phase 2: Adapt existing revenue portals for mainstreaming

Recommendation	Months from project commencement																							
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
5. Enable electronic submissions																								
5.1 Integrate EITIM Data Portal with databases from GDT, MRPAM and Customs through the National Data Centre																								
6. Mainstreaming revenue disclosures: The Supervisory Board should review the following two options, A and B																								
6.A Option A: Revise open budget portal, to ensure the Open Budget portal adheres to EITI Requirements on financial disclosures.																								
6.1.A Ensure political buy-in																								
6.2.A If granted, implement changes																								
6.B Option B: Widen the scope of the EITIM Data Portal, ensuring the MRPAM integrates its database, adhering to EITI Requirements on financial reporting.																								
6.1.B Ensure political buy-in																								
6.2.B If granted, implement changes																								

Roadmap Examples - Norway

Objective	Action	Timeframe	Responsible	Comments
Ensure that data that is not yet routinely disclosed is fully mainstreamed through publication at www.norskpetroleum.no	1. Implementation of requirement #2.5 on beneficial ownership transparency.	TBC	MoF	Subject to the forthcoming decision on the proposed amendments to the 4 th EU AMLD, expected by July 2017, the Norwegian government will decide next steps for the creation of the BO register.
	2. Agree a mechanism for disclosure of taxes and other revenues received by the government on	April-May 2017	MPE, MoF	The revenue data currently available on www.norskpetroleum.no is based on the EITI Reporting

	governments reports prepared by companies can be accessed.			
Identify and outline plans to address any potential legal or regulatory obstacles to mainstreamed implementation.	1. Explore whether it is necessary to maintain the existing EITI Regulation in order for the government to continue to disclose disaggregated revenue data on www.norskpetroleum.no .	April-May 2017	MPE	
	2. The MoF will initiate an evaluation of the current country-by-country reporting in 2017, which amongst others will give a better picture on compliance	The evaluation start in the Spring	MoF, with input from stakeholders as part of regular hearing/consultation process.	

	www.norskpetroleum.no , disaggregated by company.			templates. This needs to be replaced with data collected directly from the relevant government agencies.
Ensure that stakeholders have an opportunity to engage in dialogue about the data disclosed at www.norskpetroleum.no	Will hold an annual meeting where representatives from both the Ministry of Petroleum and Energy and the Norwegian Petroleum Directorate give a presentation of recent development in Petroleum Sector,	1 January 2017	MPE	
Assess and outline plans to address any potential capacity constraints in government agencies, companies and civil society that may be an obstacle to effective mainstreamed disclosures.	N/A	N/A	N/A	Stakeholders did not identify any capacity constraints likely to affect mainstreaming.
Address the scope of EITI Reporting and produce an annual EITI Report that collects data from the publicly available sources.	1. Request adapted implementation from the requirement to produce an annual report.	April-May 2017	MPE/MSG	Completed and attached to this request.
	2. Maintain www.norskpetroleum.no up to date with the latest information about the sector in accordance with the EITI Standard.	Ongoing.	MPE	
	3. Publish annual government revenue data disaggregated by company on www.norskpetroleum.no .	1.Sept 2017	MoF and MPE	
	4. Publish annual payments to government reports on company websites.	By 1 August every year	Industry	
	5. Publish a reference on www.norskpetroleum.no to the Regulation on country-by-country reporting and how payments to	April-May 2017	MPE	

Fully Mainstreamed, Encouragement and Does Not Apply (5 out of 22)

Fully Mainstreamed

4.4 Transportation Revenue

Encouragement

5.3 Revenue Management and Expenditure

6.4 Environmental Impact

Does not apply in Indonesian context

4.3 Infrastructure Provision

4.6 Subnational Payment

Very Low Hanging Fruit (3 out of 22)

Intervention

Reflecting on past descriptive coverage in EITI Reports, ensure that the information are available in public domain (online in a website) on a continued basis.

Related Requirements

2.1 Legal Framework & Fiscal Regime

3.1 Exploration

5.1 Distribution of Revenue

Low Hanging Fruits (6 out of 22)

2.3 License Register

- Add date of submission attribute to the current register.

3.2 Production

- Publish production values per commodity.

3.3.Export

- Provide a comprehensive list of all HS codes for extractive commodity exports.

5.2 Subnational Transfer

- Disclose the variables used in calculating the formula, i.e., the value of the revenue to be shared, and over/under transfer for previous FY disaggregated per regions.

6.2 Quasi-fiscal Expenditure

- Publish calculation on Coal DMO and Oil DMO Fee, to quantify quasi-fiscal expenditures.
- PT Pertamina and PT Inalum to publish the actual payment of DMO which is considered as quasi-fiscal expenditures.

6.3 Economic Contribution

- Publish an estimate of the informal sector activity
- Include details on gender in WP&B reporting requirement for extractive companies and publish the data.

Strategic Requirement – National & International Issues

(5 out of 22)

Contract Transparency

2.4 Contract

- Provide supporting legal basis in opening contract documents and disclose all contracts executed after 1 January 2021 accordingly.

Beneficial Ownership

2.5 Beneficial Ownership

- Make the BO registry publicly accessible in open data format.
- Develop a procedure for annually confirming BO data verification has taken place for material companies.

Revenue Transparency

4.1 Comprehensive Disclosure of Taxes and Revenues

- Develop a blanket company waiver system specifically for systematic disclosures to be used as the basis for DG Treasury or DG Tax to disclose per company/project tax data.
- Disclose tax and non-tax revenue data per company/project basis from existing government data collection system.

Strategic Requirement – National & International Issues

(5 out of 22) cont'd

State Participation in Extractive Industry

2.6 State Participation

4.5 Transaction Related to SOE

- Tap into existing summary descriptions of financial relationships between SOE/government from EITI Reports and publish such summaries on website.
- Consider materiality for disclosure of Requirement 2.6 & 4.5 at the level of the subsidiary given their significance in the context of Indonesia.
- SOEs to improve their disclosures according to the gap identified including necessary details from SOEs' subsidiaries and joint ventures. Information required from subsidiaries could be included in the SOEs' consolidated AFS and or in separate notes prepared by the SOE published through the website and or Annual Report.

Others (3 out of 22)

2.2 License Allocation

- Organize license allocation related information in a centralized through the existing government website(s) in a timely manner including:
 - ✓ process,
 - ✓ technical and financial criteria,
 - ✓ bidding round announcement,
 - ✓ participants, and
 - ✓ the bid winner.
- Provides further details on the process for license transfer including technical and financial criteria as the basis of approval of the transfer and make the transfer history publicly available.

4.2 Sale of State's Share of Production

- Disclose volumes and values of both oil and gas material in-kind sales disaggregated by individual buying companies, including:
 - ✓ the volumes received and sold by the state,
 - ✓ the revenues received from the sale, and
 - ✓ the revenues transferred to the state from the proceeds of oil, gas, and minerals sold.
- Consider improving the administrative system for easy matching of B/L numbers with individual buyers to allow easy disclosure of the required disaggregation levels.
- Disclose disaggregated revenue for government lifting, i.e., the calculation of FTP, DMO and equity oil.

Others (3 out of 22) cont'd

6.1 Social and Environmental Expenditures

- Enhance the existing company reporting system to capture the necessary details for social and environmental expenditure as required by the Standard, as follows:
 - a) The **nature** of the expenditure -- Whether this expenditure (CSR) is an environmental project or a social project and what kind, e.g., scholarship, infrastructure works, food subsidy, etc.
 - b) Whether the expenditure was paid **in cash to the beneficiaries or in kind**. If in-kind, disclose the nature of the in-kind expenditure e.g., construction of training centre and the deemed value in cash.
 - c) The **actual beneficiary** e.g., a government (local or provincial) or a third party (non-government, such as a NGO, school, or community). The identity of actual beneficiary should be specific, e.g., residents of certain town in certain province.

Data Quality Dimension (Cross-Cutting Requirements)

4.7 Level of Disaggregation

- Disclose required information under Req 4.1-4.6 disaggregated by project/by company as explained in the previous discussion section of each requirements.

4.8 Data Timeliness

- MSG to agree on disclosure calendar with related agencies for each required dataset which include not only revenue data.

4.9 Data Quality and Assurance

- Require company to attach audited financial statements, alongside the reporting to government.
- MSG to provide a combination of publication or references to the final audit reports, with a specific focus on opinions/results for the extractive sector ministries and agencies covered.

7.2 Data Accessibility and Open Data

- MSG to agree on a clear open data policy on the access, release and re-use of EITI data to make users aware that information can be reused without prior consent.
- MSG to improve reporting entities' open data policies to increase lasting public access to data.

Company Disclosure

Table 3-8 Oil & Gas Companies' Profile in the 2016 EITI Report

Website Ownership	Legal Entity	Association Membership
<ul style="list-style-type: none"> - 18% have <ul style="list-style-type: none"> - 2 websites with FS - 11 websites with no FS - 82% have not <ul style="list-style-type: none"> - 25 is a subsidiary of a company which has a website - 56 no website whatsoever 	<ul style="list-style-type: none"> - Public Limited Company (Listed in the Indonesian Stock Exchange): 0 - Private Limited Company: 71 (7 of them is a subsidiary of Company Listed in the Indonesian Stock Exchange) - Others: 0 	<ul style="list-style-type: none"> - Only 20% is members (14 out of 71 coal companies) of the Indonesia Petroleum Association (IPA) - 45% is a subsidiary of an IPA member (32 out of 71) - 35% is not a member (25 out of 71)

Table 3-9 Coal & Mining Companies' Profile in the 2016 EITI Report

Website Ownership	Legal Entity	Association Membership
<ul style="list-style-type: none"> - 28% have <ul style="list-style-type: none"> - 10 websites with FS - 21 websites with no FS - 72% have not <ul style="list-style-type: none"> - 58 is a subsidiary of a company which has a website - 5 no website whatsoever 	<ul style="list-style-type: none"> - Public Limited Company (Listed in the Indonesian Stock Exchange): 7 - Private Limited Company: 100 (22 of them is a subsidiary of Company Listed in the Indonesian Stock Exchange) - Others: 5 	<ul style="list-style-type: none"> - Only 34% is members (31 out of 91 coal companies) of the Indonesia Coal Mining Association (ICMA) - Only 16% is members (15 out of 91) of the Indonesia Mining Association (IMA) - 8 companies are both member of ICMA and IMA

According to Resource Project Portal developed by NRGI, there are 25 extractive companies domiciled in the EU or Canada operating in Indonesia.

Based on the review of 2016 reporting companies, there are 14 out of 71 PSC holders associated with 7 of those companies. The reconciled revenues of these 14 PSC holders constitute 40,93% of the total reconciled revenue of the Oil & Gas sector.

Meanwhile, there are only 4 out of 112 mining companies associated with 3 of the companies identified in the Portal. However, the 4 companies compose 22,35% of the total reconciled revenue for the Coal & Mining sector.

NRGI, Resource Project Portal Indonesia, accessed on: <https://resourceprojects.org/country/Indonesia>

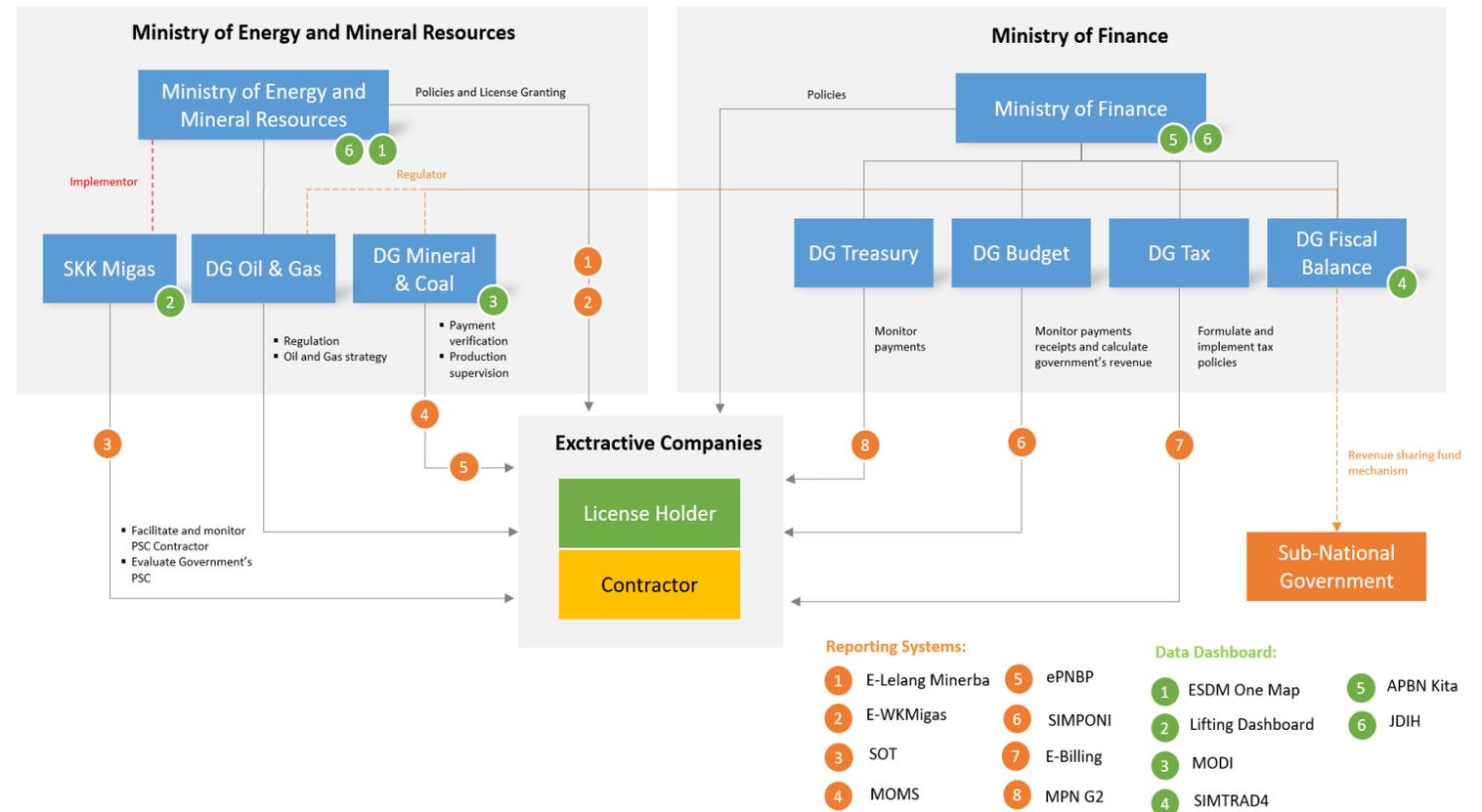
Req. 7.2 Data Accessibility and Open Data

Shift in the Extractive Data Portal Function to increase accessibility of the data by the public by collating the information into one-stop portal in an open data format.

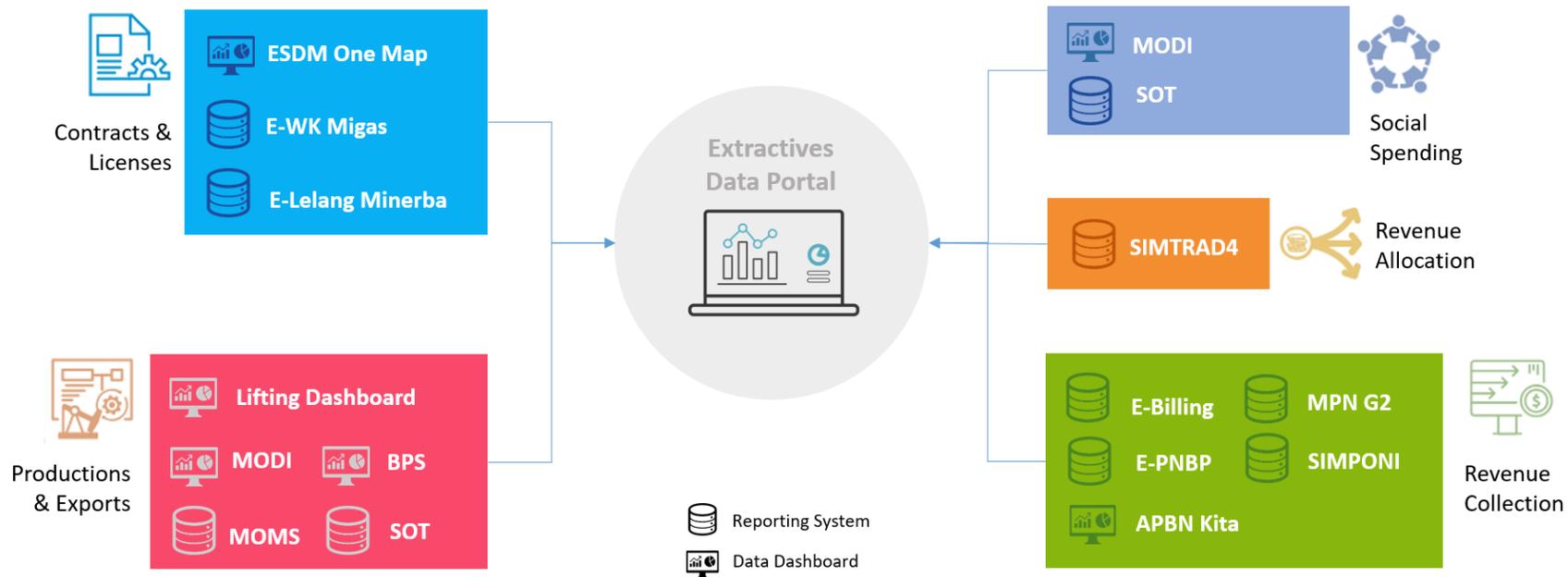


Req. 7.2 Data Accessibility and Open Data

Enhance the existing Extractive Data Portal by referencing and or integrating information from existing government data dashboard and reporting system.



Req. 7.2 Data Accessibility and Open Data



Enhance the visualization in the Extractive Data Portal for easy understanding by the general public.