

FEASIBILITY STUDY:

# SYSTEMATIC DISCLOSURES OF EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI) DATA IN INDONESIA

**The World Bank**  
Jakarta, July 2021



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## Executive Summary

**EITI Indonesia has commissioned the following assessment of routine online disclosures in Indonesia’s extractive sector to examine the country’s readiness to mainstream EITI implementation.** The assessment follows the Terms of Reference for the mainstreaming feasibility study (EITI 2021) and reviews the extent to which there are: (i) routine disclosures of the data required by the EITI Standard in requisite detail; and (ii) whether the financial data is subject to a credible, independent audit applying international standards. It is important to emphasize that this study is not a comprehensive assessment of all publicly available information about the extractive sector in Indonesia. Rather, the goal has been to identify any potential gaps that need to be addressed to ensure fully mainstreamed disclosures of the data that is required to be disclosed in accordance with the EITI Standard.

**The key finding is that most of the information—both revenue and non-revenue—required by the 2019 EITI Standard is routinely disclosed.** Not all meets the dimension as required by EITI Standard, however, especially about comprehensiveness such as level of disaggregation. The main areas to be addressed as part of the transition to mainstreaming are:

- (1) implementation of Requirement 2.4 on contracts;
- (2) implementation of Requirement 2.5 on beneficial ownership transparency;
- (3) improvement of the disclosure of State-Owned Enterprises (SoEs) as per Requirements 2.6 and 4.5 which include information on SoEs’ subsidiaries and joint ventures;
- (4) establishment of a mechanism for government disclosures of taxes and other payments as per Requirement 4.1 and Requirement 4.9 to address the tax confidentiality issue;
- (5) establishment of a mechanism to facilitate company disclosures of taxes and other payments as per Requirement 4.1 and Requirement 4.9;
- (6) review and improvement of open data policies and practices of the companies and government agencies as the primary sources of data as per Requirement 7.2 to ensure that the disclosure mechanism meets the mainstreaming principles; and
- (7) enhancement of the Indonesia EITI Data Portal to shift its function from a platform to republish EITI report data into a cross-governmental open data platform to collate and integrate data disclosures by government agencies to make the information disclosed easier to find and it can be linked to one another as per Requirement 7.2.

**Some additional recommendations and considerations that could greatly improve the disclosures—such as publishing in an open data reusable format—are provided in this report.** Section 2 provides a background on Indonesian EITI implementation to date. Section 3 presents the main findings concerning the disclosure gaps and recommendations to close the gaps. Section 4 concludes the assessment. Appendix I provides a summary to the assessment made in Section 3. Appendix II presents’ assessments for data disclosures per individual SoEs while Appendix III includes a proposed schedule for how these issues will be addressed.

## List of Abbreviations and Acronyms

<b>AHU</b>	<i>Administrasi Hukum Umum</i> (General Law Administration)	<b>CMMIA</b>	Coordinating Ministry of Maritime and Investment Affairs
<b>AMDAL</b>	<i>Analisis Mengenai Dampak Lingkungan</i> (Environmental Impact Analysis)	<b>CoW</b>	Contract of Work
<b>APBN</b>	<i>Anggaran Penerimaan dan Belanja Negara</i> (State Revenue and Expenditure Budget)	<b>CSO</b>	Civil Society Organization
<b>APRI</b>	<i>Asosiasi Penambang Rakyat Indonesia</i> (Association of Community Miners Indonesia)	<b>CSR</b>	Corporate Social Responsibility
<b>ASM</b>	Artisanal and Small-Scale Mining	<b>DBH</b>	<i>Dana Bagi Hasil</i> (Revenue Sharing Fund)
<b>ASR</b>	Abandoned Site Restoration Fund	<b>DG</b>	Directorate General
<b>BBNKB</b>	<i>Biaya Balik Nama Kendaraan Bermotor</i> (Motor Vehicle Transfer of Title Fee)	<b>DJPK</b>	<i>Direktorat Jenderal Perimbangan Keuangan</i> (Directorate General of Fiscal Balance)
<b>BO</b>	Beneficial Ownership	<b>DMO</b>	Domestic Market Obligation
<b>bopd</b>	Barrels of Oil Per Day	<b>DPR</b>	<i>Dewan Perwakilan Rakyat</i> (National Parliament)
<b>BP Migas</b>	<i>Badan Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi</i> (Upstream Oil and Gas Business Activities Implementation Agency)	<b>EITI</b>	Extractive Industries Transparency Initiative
<b>BPH Migas</b>	<i>Badan Pengatur Hilir Minyak dan Gas Bumi</i> (Downstream Oil and Gas Regulatory Agency)	<b>ESDM</b>	<i>Kementerian Energi dan Sumber Daya Mineral</i> (Ministry of Energy and Mineral Resources)
<b>BPK</b>	<i>Badan Pemeriksa Keuangan</i> (Supreme Audit Board)	<b>FQR</b>	Financial Quarterly Report
<b>BPKP</b>	<i>Badan Pengawasan Keuangan dan Pembangunan</i> (Development and Financial Supervisory Agency–National Government Internal Auditor)	<b>FS</b>	Financial Statement
<b>BPS</b>	<i>Badan Pusat Statistik</i> (Statistics Indonesia)	<b>FTP</b>	First Tranche Petroleum
<b>CCoW</b>	Coal Contract of Work	<b>FY</b>	Fiscal Year
<b>CMEA</b>	Coordinating Ministry of Economic Affairs	<b>GDP</b>	Gross Domestic Product
		<b>GIS</b>	Geographical Information System
		<b>GMS</b>	<b>General Meeting of Shareholders</b>
		<b>Gol</b>	Government of Indonesia
		<b>IAI</b>	<i>Ikatan Akuntan Indonesia</i> (Indonesia Chartered Accountants)

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<b>IAPI</b>	<i>Institut Akuntan Publik Indonesia</i> (Indonesian Institute of Certified Public Accountants)	<b>MODI</b>	Minerba One Data Indonesia
<b>ICP</b>	Indonesian Crude Price	<b>MoF</b>	Ministry of Finance
<b>IDX</b>	Indonesia Stock Exchange	<b>MoL</b>	Ministry of Law and Human Rights
<b>IFAC</b>	International Federation of Accountants	<b>MOMS</b>	Mineral Online Monitoring System
<b>INALUM</b>	PT. Indonesia Asahan Aluminium	<b>MPN G2</b>	<i>Modul Penerimaan Negara Generasi 2</i> (State Revenue Module 2 <sup>nd</sup> Generation)
<b>INTOSAI</b>	International Organization of Supreme Audit Institutions	<b>MSG</b>	Multi-Stakeholder Group
<b>IPR</b>	<i>Izin Pertambangan Rakyat</i> (People's Mining/Artisanal Small-Scale Mining License)	<b>NPWP</b>	<i>Nomor Pokok Wajib Pajak</i> (Taxpayer Identification Number)
<b>ISA</b>	International Standard on Auditing	<b>NRGI</b>	Natural Resource Governance Institute
<b>ISSAI</b>	International Standards of Supreme Audit Institutions	<b>PAD</b>	<i>Pendapatan Asli Daerah</i> (Local Own Source Revenue)
<b>IUP</b>	<i>Izin Usaha Pertambangan</i> (Mining Business License)	<b>PEFA</b>	Public Expenditure and Financial Accountability
<b>IUPK</b>	<i>Izin Usaha Pertambangan Khusus</i> (Special Mining Business License)	<b>PEP</b>	Politically Exposed People
<b>JDIH</b>	<i>Jaringan Dokumentasi dan Informasi Hukum</i> (Legal Information and Documentation Network)	<b>Perda</b>	<i>Peraturan Daerah</i> (Regional Government Regulation)
<b>Kepmen</b>	<i>Keputusan Menteri</i> (Ministerial Decree)	<b>Pergub</b>	<i>Peraturan Gubernur</i> (Governor's Regulation)
<b>KIP</b>	<i>Komisi Informasi Pusat</i> (Central Information Commission)	<b>Permen</b>	<i>Peraturan Menteri</i> (Ministerial Regulation)
<b>KUP</b>	<i>Ketentuan Umum Perpajakan</i> (General Tax Provision)	<b>Perpres</b>	<i>Peraturan Presiden</i> (Presidential Regulation)
<b>LKPP</b>	<i>Laporan Keuangan Pemerintah Pusat</i> (Central Government Financial Report)	<b>Perpu</b>	<i>Peraturan Pemerintah Pengganti Undang-Undang</i> (Government Regulation in Lieu of Law)
<b>MA</b>	<i>Mahkamah Agung</i> (Supreme Court)	<b>PKP2B</b>	<i>Perjanjiaan Karya Pengusahaan Pertambangan Batubara</i> (Coal Mining Exploitation Work Agreement)
<b>Migas</b>	<i>Minyak dan Gas</i> (Oil and Gas)	<b>PKBL</b>	<i>Program Kemitraan dan Bina Lingkungan</i> (Partnerships and Community Development Programs)
<b>Minerba</b>	<i>Mineral dan Batubara</i> (Coal and Mining)	<b>PMK</b>	<i>Peraturan Menteri Keuangan</i> (Minister of Finance Regulation)

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<b>PNBP</b>	<i>Penerimaan Negara Bukan Pajak (Non-Tax State Revenue)</i>	<b>SIMPONI</b>	<i>Sistem Informasi PNBP Online (Online Non-Tax State Revenue Information System)</i>
<b>PP</b>	<i>Peraturan Pemerintah (Government Regulation)</i>	<b>SIMTRAD4</b>	<i>Sistem Informasi Transfer ke Daerah dan Dana Desa (Subnational Transfer and Village Fund Information System)</i>
<b>PPID</b>	<i>Pejabat Pengelola Informasi dan Dokumentasi (Information and Documentation Management Officer)</i>	<b>SIPKD</b>	<i>Sistem Informasi Pengelolaan Keuangan Daerah (Regional Finance Management Information System)</i>
<b>PSAK</b>	<i>Pernyataan Standar Akuntansi Keuangan (Statement of Financial Accounting Standard)</i>	<b>SKK Migas</b>	<i>Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi (Special Work Unit for Upstream Oil and Gas Business Activities)</i>
<b>PSC</b>	Production-sharing Contract	<b>SoE</b>	State-owned Enterprise
<b>PT</b>	<i>Perseroan Terbatas (Limited Liability Company)</i>	<b>SP3KTRA</b>	<i>Sistem Pengelolaan, Penatausahaan dan Pelaporan Keuangan Kota Tangerang (Tangerang City Management, Administration and Financial Reporting System)</i>
<b>PT. Pertamina</b>	PT. Pertamina Gas	<b>SPAN</b>	<i>Sistem Perbendaharaan dan Anggaran Negara (State Treasury and Budgeting System)</i>
<b>PT. PGN</b>	PT. Perusahaan Gas Negara	<b>SPAP</b>	<i>Standar Profesi Akuntan Publik (Indonesian Public Accountant Professional Standards)</i>
<b>PT. KAI</b>	PT. Kereta Api Indonesia	<b>UU</b>	<i>Undang-Undang (Law)</i>
<b>QFE</b>	Quasi Fiscal Expenditure	<b>WIUP</b>	<i>Wilayah Izin Usaha Pertambangan (Mining Business License Zone)</i>
<b>SE</b>	<i>Surat Edaran (Circular Letter)</i>	<b>WLKP</b>	<i>Wajib Laport Ketenagakerjaan Perusahaan (Mandatory Report of Company Manpower)</i>
<b>SFAS</b>	Statement of Financial Accounting Standards	<b>WPR</b>	<i>Wilayah Pertambangan Rakyat (People's Mining/Artisanal Small-Scale Mining Area)</i>
<b>SIKD</b>	<i>Sistem Informasi Keuangan Daerah (Regional Finance Information System)</i>		
<b>SIMAKDA</b>	<i>Sistem Informasi Manajemen Anggaran dan Akuntansi Keuangan Daerah (Regional Budget Management and Financial Accounting Information System)</i>		
<b>SIMDA</b>	<i>Sistem Informasi Manajemen Daerah (Regional Management Information System)</i>		

# 1. Background

**Indonesia commenced implementation of the EITI in 2010 and, to date, has produced seven EITI Reports covering nine fiscal years (2009-2017).** The reporting requirements for companies and government agencies were enacted in Presidential Regulation No. 26/2010 on Transparency of National and Regional Revenues from the Extractive Industries signed by President Susilo Bambang Yudhoyono on April 23, 2010, pursuant to Law No. 22/2001 on Oil and Gas and Law No. 4/2009 on Mineral and Coal Mining. According to the regulation, the transparency team has the authority to request information on payments made to the state by companies operating in Indonesia, as well as information on revenues received by the state from key government agencies.

**Over these nine fiscal years covered in EITI Indonesia Reports (2009-2017), discrepancies between payments made by companies and revenues received by the government were found to be immaterial and mainly due to erroneous reporting by companies.** All discrepancies were successfully resolved each year, proving government-reported revenues as consistently reliable. The government maintains a website called the Indonesia Extractives Industries Data Portal<sup>1</sup> which provides detailed and disaggregated data on production and revenues from the results of the EITI reporting.

**Given both the 2019 EITI Standard, as well as the Presidential Regulation on One Data Indonesia (Perpres No. 39/2019), it is widely acknowledged by all stakeholders that the current EITI Reporting should move toward systematic disclosure.** Since 2018, together with the World Bank, EITI Indonesia has been focusing efforts to move toward mainstreaming to embed data disclosure into government processes and systems, and shift away from the annual data collection, reconciliation, and publication process. The World Bank has conducted a feasibility study for mainstreaming to inform the Multi-Stakeholder Group (MSG). Complementary to this, user research was conducted to collect feedback for improvement of the Extractives Data Portal to better reach and serve its targeted audience. As part of the mainstreaming agenda, enhancement of the Extractives Data Portal is also necessary to shift its function from a platform to republish EITI report data into a platform to integrate data disclosures by government agencies in the mainstreaming setting.

**Recent changes to the government structure pose a challenge to the sustainability of EITI participation of Indonesia.** Since Indonesia applied for candidacy to EITI in 2010, CMEA had served as the lead agency for EITI implementation and the host institution of the National Secretariat. With the formation of a new cabinet and reorganization of functions among ministries at the end of 2019, however, the mandate for coordination of extractive sector policies shifted from CMEA to the Coordinating Ministry of Maritime and Investment Affairs (CMMIA). Then most recently, the Presidential Regulation on COVID-19 Response and National Economic Recovery (*Perpres* No. 82/2020) issued in July 2020 transferred the responsibility for coordinating EITI implementation to the Ministry of Energy and Mineral Resources (*Kementerian Energi dan Sumber Daya Mineral*: ESDM) and the Ministry of Finance (MoF). It has now been confirmed that the ESDM shall take on the leadership role for EITI Indonesia and become the host institution for the National Secretariat under its Secretary General.

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<sup>1</sup> Due to the transition process of the EITI host institution in Indonesia this portal is not yet accessible. It was previously accessible through a domain managed by the Coordinating Ministry of Economic Affairs (CMEA) here: <http://portal-ekstraktif.ekon.go.id>. This will be moved to Ministry of Energy and Mineral Resources once the transition takes place.

**This also marks an opportunity for Indonesia to refresh its approach to EITI implementation by reflecting upon the progress and the lessons learned to date and align them with its future reform priorities.** The intention of *Perpres* No. 82/2020 is also to mainstream the EITI implementation into the key responsible institutions (ESDM and MoF) and is broadly aligned with the direction of EITI globally to move towards systematic disclosures. ESDM is committed to following up on EITI implementation in Indonesia in the process of developing a legal umbrella through a draft Ministerial Regulation on Guidelines for the Implementation of Extractive Industries Transparency. The World Bank supports the transition process to renew the EITI in Indonesia to create greater impact for extractives sector governance reform and to ensure greater sustainability of transparency and accountability mechanisms through mainstreaming disclosures into government processes and systems.

**This feasibility study seeks to assess the extent to which the disclosures required under Requirements 2-6 of the EITI Standard are already publicly available, and whether the disclosures are publicly accessible, timely, comprehensive, disaggregated, and reliable.**

## 2. Main Findings

This section presents disclosure gaps by grouping those requirements that require data disclosures into non-revenue (Section 2.1) and revenue data (Section 2.2). Each requirement will be evaluated using the following five data quality dimensions required by the EITI Standard where applicable: (i) public accessibility; (ii) comprehensiveness; (iii) level of disaggregation; (iv) timeliness; and (v) reliability. Section 2.3 discusses the cross-cutting issues related to data quality dimensions that apply to other requirements. In each of the requirements, recommendations will be formulated to close the gap which applies specifically to each requirement.

**Recommendations that are relevant to the overall mainstreaming context are as follows:**

- 1. The MSG has to define and publish materiality thresholds for each of the requirements and check if the data is disclosed as required and is quality assured.** Where disclosure is not possible, the MSG should document barriers to the disclosure.
- 2. To improve on public accessibility and encourage data usage, relevant agencies/ companies are encouraged to adopt publication in open data reusable format.**
- 3. Before the above recommendations are implemented, conventional EITI reporting of data that is not yet systematically disclosed would be needed to close gaps in disclosures as an interim measure.**
- 4. As disclosures cross several entities, ESDM through the National Secretariat support could collate the disclosures into the Indonesia Extractives Industries Data Portal as a one-stop shop to facilitate easy access for the public.**

## 2.1 Non-Revenue Data

None of the requirements related to non-revenue data are fully mainstreamed, but most non-revenue (contextual) information in EITI reports is partially mainstreamed with minor limitations. Of 12 disclosure requirements, two are found to have significant legal and administrative limitations (Requirements 2.4 and 2.5), while two other requirements are partially mainstreamed with major limitations (Requirements 2.2 and 2.6). The full summary is in Table 2-1.

**Table 2-1: Contextual Information Mainstreaming Status**

Disclosure Requirement	Feasibility Study Finding	2018 Validation Result
2.1 Legal Framework and Fiscal Regime	Partially mainstreamed, minor limitations	Satisfactory
2.2 Contract and License Allocations	Partially mainstreamed, major limitations	Meaningful Progress
2.3 Register of Licenses	Partially mainstreamed, minor limitations	Meaningful Progress
2.4 Contracts	Significant legal and administrative limitations	Meaningful Progress
2.5 Beneficial Ownership	Significant legal and administrative limitations	(Not Assessed)
2.6 State Participation	Partially mainstreamed, major limitations	Meaningful Progress
3.1 Exploration	Partially mainstreamed, minor limitations	Satisfactory
3.2 Production	Partially mainstreamed, minor limitations	Meaningful Progress
3.3 Exports	Partially mainstreamed, minor limitations	Meaningful Progress
5.1 Distribution of Extractive Industry Revenue	Partially mainstreamed, minor limitations	Satisfactory
6.3 Contribution of the Extractive Sector to the Economy	Partially mainstreamed, minor limitations	Satisfactory
6.4 Environmental Impact of Extractive Activities	Partially mainstreamed, major limitations (an encouragement)	(Not Assessed)

## Legal Framework and Fiscal Regime (#2.1)

### **Partially mainstreamed with minor limitations**

**[Public Accessibility]** An extractive-specific legal framework and fiscal regime is publicly available in legal documents hosted in the Regulation Portal of the ESDM and MoF. Using the right keywords, the portal filters the specific documents governing the extractive sector which are published in searchable pdf format. Technical working procedures for oil and gas operations are also available from the Special Unit for Upstream Oil and Gas Business Activities (SKK Migas).<sup>2</sup>

**At the subnational level, public accessibility of local government regulations (*Peraturan Daerah: Perda*) varies across regions as not all regions own and publish regulations on a publicly accessible website.** A disclosure example would be the Gubernatorial Regulation (*Pergub*) of Nusa Tenggara Barat (NTB) Province No. 24/2015 on the Implementation of Mineral and Coal Mining Business Activities which is published on the website of their mining agency.<sup>3</sup> Alternatively, the Regulation Portal of the Supreme Audit Board (*Badan Pemeriksa Keuangan: BPK*)<sup>4</sup> also hosts a range of *Perda* including on extractives.

**[Comprehensiveness]** In the 2018 validation, Indonesia was said to have made Satisfactory progress on Requirement 2.1. The coverage of the information in the EITI reports to date could, therefore, be used as a reference to assess the comprehensiveness of the information being disclosed. To date, all legal documents referenced in EITI Contextual Reports are publicly available.

Nevertheless, while there are a considerable number of legal documents being disclosed, there is no single page that provides a summary description explaining how all of the regulations—including those at the subnational level—relate to one another in building the extractive sector governance framework.

**[Level of Disaggregation]** Not applicable.

**[Timeliness]** *Perpres No. 33/2012 on National Network of Legal Documentation and Information stipulates that the regulation portals are evaluated every six months.* Moreover, the latest legal documents available in the regulation portals are dated 2021 which indicates that the portals are regularly updated.

**[Reliability]** According to *Perpres No. 33/2012, each government agency should have a regulation portal as an official place to host and publicize regulations issued by their institution.* Although there may be up to a six-months lag in the evaluation of the information in the portal, the information found in the portal constitutes the official legal documents issued by the institution.

### Recommendations

- i. Ensure that ESDM, SKK Migas, and/or MoF provide a description of the extractive-specific legal framework and fiscal regime on their website(s) reflecting the coverage in EITI reports to date.

<sup>2</sup> SKK Migas. 2021. *Pedoman Tata Kerja* (“Work Procedures Guidelines”). <http://skkmigas.go.id/pedoman-tata-kerja>

<sup>3</sup> At <https://desdm.ntbprov.go.id/page/perijinan-tambang.html>

<sup>4</sup> At <https://peraturan.bpk.go.id/>

- ii. Encourage ESDM, SKK Migas, and/or MoF to include subnational government regulations (*Perda*) pertaining to extractive legal framework and fiscal regime for each of the respective regions.
- iii. The MSG should have a mechanism to ensure routine disclosure and regular updates. This would maintain the coverage and timeliness of the information, including MSG’s assessment of the status of implementation of ongoing reforms related to the extractive industries and public finance management.

## Contract and License Allocations (#2.2)

### Partially mainstreamed with major limitations

Indonesia has established systems for allocating licenses to explore and exploit oil, gas, and minerals. Table 2-2 presents the summary assessment for each of the component of license allocation as required by the EITI Standard. It illustrates that most assessment criteria fulfill the requirement.

**Table 2-2: Disclosure Assessment on License Allocation**

Components	Coal & Mining					Oil & Gas				
	A	C	L	T	R	A	C	L	T	R
Allocation Procedures	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Technical & Financial Criteria	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Bidding Round	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
List of Bidders	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No
Bid Winner	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
License Transfer	No	No	No	No	No	No	No	No	No	No

Note: A: accessibility; C: comprehensiveness; L: level of disaggregation; T: timeliness; R: reliability.

**[Public Accessibility]** License allocation procedures for coal and mining—including technical and financial criteria—are defined in Government Regulation (*Peraturan Pemerintah: PP*) No. 23/2010 on The Implementation of Coal and Mining Business Activities (as amended several times) which is accessible in the ESDM regulation portal.<sup>5</sup> The regulation sets out how and on what conditions companies are granted rights, including license transfer rights. The regulation also provides information on which type of licenses will require bidding, appointment, or applications.

The allocation of contracts or licenses for mining areas under the authority of regional governments may be further regulated through regional government regulations. For example, the Gubernatorial Regulation (*Pergub*) of Nusa Tenggara Barat (NTB) Province No. 24/2015 on the Implementation of Mineral and Coal Mining Business Activities regulates license allocations specific for NTB province and is published on the website of their mining agency.<sup>6</sup> The Regulation Portal of BPK<sup>7</sup> also hosts a range of *Perda* regulating the extractive sector. With the passing of Law No. 3/2020 on Coal and Mining, the authority over coal and mining rest in the central government and is no longer shared with regional government (Article 4).

<sup>5</sup> MoF Regulation Portal: <https://jdih.kemenkeu.go.id/#/home>

<sup>6</sup> Mining Agency of the NTB Province, Mining Licensing: <https://desdm.ntbprov.go.id/page/perijinan-tambang.html>

<sup>7</sup> BPK Regulation Portal: <https://peraturan.bpk.go.id/>

**For bidding, both central and regional governments are required to publicly announce the bidding round through the respective government office or their official website and advertise it in at least one local print media and/or one national print media outlet, in accordance with ESDM Permen No. 07/2020.** For the full list of bidders and the bid winners, both central and regional governments are required to announce the participants who passed the pre-qualification stage (not all applicants) as well as the bid winners in the respective government office or on their official website. This is a requirement of ESDM Decree (*Kepmen ESDM*) No. 1798 K/30/MEM/2018 on Implementing Guidelines on the Preparation, Establishment, and Provision of Mineral and Coal Mining Business Licensing Regions as amended by *Kepmen ESDM* No. 24 K/MEM/2019.

**On license transfers for mining, only limited information on procedures is available, while there is no information on technical and financial criteria or the history of license transfers.** PP No. 23/2010 stipulates the conditions in which transfers could take place while the aforementioned ESDM *Permen* No. 07/2020 regulates that such transfers may only be conducted upon written approval from the Minister of ESDM or the relevant provincial governor, however, no regulations specify the technical and financial criteria to be assessed for license transfers. The history of license transfers is also not available. While the criteria for the award of license are defined, the lack of criteria for transfers may create the conditions for unqualified companies to be able to acquire a license from a qualified company seeking to divest itself from a license.

**Oil and gas licenses can only be granted by the central government—with the process of awarding licenses, including the technical and financial criteria, regulated in ESDM Permen No. 35/2008 on Procedures for Establishing and Offering Oil and Gas Working Areas.** *Permen* No. 35/2008 mandates that the bidding round must be announced. Information on the latest bidding rounds can be found on their online bidding platform e-wkmigas.<sup>8</sup> The platform also includes more detailed information on the technical and financial criteria in the bid documents which can be obtained for a fee. There is no requirement to disclose the bid participants, and a full list of bidders for each license awarded is not publicly available. Information on the appointment of the bid winner is available in the ESDM Legal Information and Documentation Network (*Jaringan Dokumentasi dan Informasi Hukum: JDIH*) in the form of a ministerial decree (*Kepmen ESDM*).

**Article 33 of PP No. 35/2004 on Oil and Gas Upstream Business Activity (as amended) requires the minister's approval to transfer an oil and gas Production-sharing Contract (PSC) to a third party, however, the regulation does not stipulate further details about the transfer procedures.** The history of transfers is available in EITI Reports sourced from DG Oil and Gas but is not publicly available online.

**[Comprehensiveness] The disclosure of information on license allocation procedures for the coal and mining sector for central government is comprehensive, however, the practice varies among subnational governments.** Information can be found in the regional government and/or BPK regulation portals. Meanwhile, only a limited archive of past bidding announcements can be found in the news section of the DG Coal and Mining website.<sup>9</sup> Similarly, there are no provisions in the implementing regulations regarding how long the announcement must be made publicly available. No archive is found for the past bidding processes that includes the announcements, applicants, and

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<sup>8</sup> DG Oil and Gas, e-wkmigas: <https://e-wkmigas.esdm.go.id/>

<sup>9</sup> See DG Coal and Mining, News Section: <https://www.minerba.esdm.go.id/berita/minerba/detil/20190723-pengumuman-rencana-lelang-wilayah-izin-usaha-pertambangan>

winners, and there are no ongoing bidding processes that can be found on the ESDM website. In addition, there are no clear requirements or procedures outlined in the regulation as to whether the recipients of the transfer should be publicly announced once the transfer takes place. Information on such transfers is not publicly available.

**The situation is also similar for the oil and gas sector—no archive of past announcements can be found on the platform and only limited information can be found in the news section of the DG Oil and Gas website.<sup>10</sup>**

**[Level of Disaggregation]** Information on license allocation procedures and standards, and technical and financial criteria are available as general information as stipulated in the related laws and regulations—as previously explained. For oil and gas, more elaborate information for a specific bidding round is available in the bid documents prepared for each bidding round.

**Information on awarded licenses is available as a Ministerial Decree (*Kepmen*) for each bidding round for both sectors, however, no information on license transfers is available at all.**

**[Timeliness]** *Perpres* No. 33/2012 mandates the publication of legal documents in each agency regulation portal (JDIH), therefore, the publicly available regulation pertaining to license allocation should be up to date. In the coal and mining sector, the publication of bidding rounds, bid participants, and bid winners are mandated by regulation with a clear deadline, however, as past bids are not archived, evaluation cannot be performed to assess the timeliness of the publication. The situation is similar in the oil and gas sector except that bid participants are not required to be publicised.

**[Reliability]** All of the information disclosed for license allocations is published on official government websites, therefore, the information is reliable.

## Recommendations

- i. Ensure that ESDM records information on license allocations in a centralized location for each sector through the existing government website(s) in a timely manner.**
- ii. Ensure that the DG Coal and Mining publishes bidding rounds.** This should include process, technical and financial criteria, bidding round announcement, as well as participants, and the bid winner in a timely manner.
- iii. Ensure that ESDM provides further details on the process for license transfers—including technical and financial criteria—as the basis of approval of the transfer and make the transfer history publicly available.**
- iv. In addition to the above recommendations, the MSG is encouraged to comment on the efficiency and effectiveness of the licensing procedures in their annual review and reporting.**
- v. To enable the public use of data, ESDM should consider publishing data and information in searchable tabular formats.** This includes historical data, especially for past bidding rounds where possible.

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<sup>10</sup> See DG Oil and Gas, News Section: <https://migas.esdm.go.id/post/category/berita>

## Register of Licenses (#2.3)

### *Partially mainstreamed with minor limitations*

**[Public Accessibility]** A license register is available in the ESDM geoportal, ESDM One Map.<sup>11</sup> The system presents cadastral information as a map with other details in tabular format, however, there is no download feature available.

**[Comprehensiveness]** Most of the required information is provided in the portal except date of application which is available in the license application documents but is not currently recorded in the ESDM One Map system.<sup>12</sup> Although technically possible, to include the date of application would require a decision and additional effort by ESDM to change the recording process. An online bidding system is, however, currently under development for the coal and mining sector<sup>13</sup> which should allow easier tracking of the date of application.

**[Level of Disaggregation]** The register presents license information per individual license/block granted to company.

**[Timeliness]** The system is reported to be updated in real time whenever new license information is received by the administrator, however, there might be a lag between the date of issuance and publication in the system.

**[Reliability]** The license register is managed by ESDM, therefore, it is a reliable source of disclosure.

**[Interoperability]** License data in ESDM One Map is not yet integrated with other types of extractive data, such as Beneficial Owner, production, and revenue data. ESDM is currently seeking to integrate their existing systems across the ministry to build an integrated system, referred to as ESDM Data Enterprise, which might also include some reform on how they manage license data.

### Recommendations

- i. Ensure that ESDM includes the date of application in ESDM One Map and make sure the dates of award and expiry are complete.
- ii. Ensure that ESDM establishes assurance procedures to maintain reliability, comprehensiveness, and timeliness of the license information in ESDM One Map.
- iii. Encourage ESDM to explore the possibility of linking license data in ESDM One Map to other requirements, such as project-level payments and/or contracts, production, and exports.
- iv. Encourage ESDM to streamline the ESDM Data Enterprise project with a systematic disclosure agenda.

<sup>11</sup> ESDM One Map Geoportal. <https://geoportal.esdm.go.id/>

<sup>12</sup> Meeting with ESDM during EITI International mission in November 4-8, 2019.

<sup>13</sup> ESDM Coal and Mining Online Bidding System: <https://wilayah-minerba.esdm.go.id>

## Contracts (#2.4)

### **Significant legal and administrative limitations**

There are no active contracts made publicly available by the government for both sectors, therefore, the assessment below explains the barrier to disclosure for both sectors.

**[Coal & Mining]** In 2011, a dispute between a CSO and ESDM resulted in a decision (No.197/VI/KIP-PS-M-A/2011) by the Central Information Commission (*Komisi Informasi Pusat: KIP*) that the mining contracts requested by the plaintiff were public information in their entirety. These included three Contracts-of-Work (CoWs), namely PT. Freeport Indonesia, PT. Kalimantan Timur Prima Coal, and PT. Newmont Mining Corporation. Nevertheless, the KIP decision on contract disclosure is applicable only to the specific companies requested.

The current disclosure regime is on a case-by-case basis by request and not open by default. Even the aforementioned contracts have not yet been disclosed because the Public Information Officer (*Pejabat Pengelola Informasi dan Dokumentasi: PPID*) of ESDM must coordinate with other related parties. Furthermore, according to the DG Minerals and Coal, these contracts cannot be disclosed due to the civil aspect in the contract (EITI 2016).

For the time being only a portion of information in contract document are publicly available through Minerba One Data Indonesia (MODI)—company profile, company address, shareholders, board of directors, company tax identification numbers, activity stages, mining locations, time period, commodity, and area.

**[Oil & Gas]** For the oil and gas sector, in 2011, the Decision of KIP No. 356/IX/KIP-PS-M-A/2011 stated that a PSC document is classified as partially open information in which the full text of contracts is not open. The KIP decision only covers a limited amount of contractual information: the date of the contract, the contract period, the number of firm commitments, and general provisions. Nevertheless, The Implementing Agency for Upstream Oil and Gas Business Activities (then BP Migas, now SKK Migas) successfully appealed the decision to the District Court of South Jakarta. This was later confirmed by the Supreme Court (*Mahkamah Agung: MA*) which rejected the appeal from KIP. One of the considerations of the Supreme Court was that BP Migas was not a public agency as per the definition of Law No. 14/2008 (Freedom of Information Act).

Similarly, in 2020, the decision of KIP of Riau Province (No. 020/KIP-R/PS-A-M-A/IX/2018) which declared that PSCs are public information was overturned by the MA (211 K/Pdt.Sus-KIP/2020) even though, in the latter case, BP Migas had transformed into SKK Migas which is a public entity. The MA declared that the requested information which includes all PSCs documents covering Riau province in the year 2016 to 2018 is not public information, however, three PSCs and one old concession could be found in the Natural Resource Governance Institute (NRGI) website, which compiles information from companies that are subject to transparency requirements in other jurisdictions.<sup>14</sup>

Discussions are in progress within ESDM to adopt a transparency policy which could provide an opportunity to push for public disclosure of contracts in the interests of transparency. The ministry

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<sup>14</sup> NRGI Resource Contracts: <https://www.resourcecontracts.org/search/group?q=indonesia>

is also currently conducting a risk and public interest assessment on making contracts publicly available. A legal basis might, therefore, be necessary to expand the KIP decree to all extractive sector contracts, licenses, and associated documentation. Once the policy is in place, the relevant license registry should incorporate any agreements and associated documentation in them to facilitate contract disclosure.

### **Recommendations**

- i. PPID of ESDM to disclose documents of contracts and licenses in accordance with the KIP's Decision No. 197/VI/KIP-PS-M-A/2011.**
- ii. PPID of ESDM to complete the risk and public interest assessment on making contracts publicly available for the extractive sector as the effort to expand the scope of KIP decision for opening contracts and licenses.**
- iii. ESDM to provide supporting legal basis in addition to KIP decree in opening contract documents and disclose all contracts executed after January 1, 2021.**
- iv. ESDM or SKK Migas to disclose a list of all active contracts in accordance with EITI requirements for both coal and mining and oil and gas contracts.**
- v. ESDM to develop a system for tracking amendments to contracts.**
- vi. Encourage ESDM to disclose a model contract/license which demonstrates the structure of a contract/license for both coal and mining and oil and gas, including different contract iterations for each sector.**
- vii. Encourage companies to voluntarily disclose their contract(s).**
- viii. The MSG should identify contracts that could be disclosed without controversy—for example, contracts that can be disclosed without barriers and contracts that could be voluntarily disclosed despite barriers.**
- ix. The MSG should agree and publish a work plan with clear steps and responsibilities to ensure continuous progress towards contract transparency which includes documenting contracts to be revised or published from January 1, 2021.**

## Beneficial Ownership (#2.5)

### Significant legal and administrative limitations

**Beneficial Ownership (BO) information for companies in the extractive sector is not yet publicly available.** The Beneficial Ownership Roadmap (EITI Indonesia n.d.) was jointly produced by the EITI Indonesia National Secretariat with related agencies to meet the EITI requirement for public disclosure of BO information by January 2020, however, despite the ongoing efforts, disclosing BO data still has significant challenges.

**In March 2018, the government issued *Perpres No. 13/2018 on The Principles of Recognizing Beneficial Owners of Corporations in the Context of Prevention and Eradication of Money Laundering and Terrorism Crimes.*** The regulation mandates that corporations must identify and disclose their beneficial owners. Key provisions include the definition of beneficial owner, corporate obligations, reporting procedures, and the required information to be reported (see Table 2-3).

**Table 2-3: Provisions of *Perpres No. 13/2018***

Topic	Provision		
Definition of Beneficial Owner	<ul style="list-style-type: none"> <li>▪ Having more than 25% of capital—in the form of money / shares / other assets.</li> <li>▪ Receiving gains or profits of more than 25%.</li> <li>▪ Having more than 25% of voting rights.</li> <li>▪ Having the authority to appoint, replace, or dismiss members of the board of directors and board of commissioners.</li> <li>▪ Having the authority or power to influence or control the corporation without having to get authorization from any party.</li> <li>▪ Receiving benefits from the corporation.</li> <li>▪ Being the actual owner of funds for paid-up capital / share ownership (Article 4-10).</li> </ul>		
Corporate Obligations	<ul style="list-style-type: none"> <li>▪ Determining the beneficial owners from various information and documents (Articles 3 and 11).</li> <li>▪ Establishing categories of beneficial owners: (i) identified; (ii) has not been identified; and (iii) not yet verified (Article 12).</li> <li>▪ Applying the principle of recognizing the beneficial owners and appointing officials and employees to apply the principle and providing information about the beneficial owners (Articles 14-22).</li> <li>▪ Providing correct information about the beneficial owners (Article 18).</li> <li>▪ Providing updated information on beneficial owners every year (Article 21).</li> </ul>		
Beneficial Owner Reporting Procedure	<ul style="list-style-type: none"> <li>▪ Information on the beneficial owner is submitted by the founder / management / notary / other party authorized by the competent agency (Article 18).</li> <li>▪ The application of the principle of recognizing the beneficial owner is carried out when: (i) the application for the establishment, registration, approval, or licensing of a corporate business; (ii) the corporation carries on its business or activity (Article 15).</li> </ul>		
Information on Beneficial Owner	<table border="0"> <tr> <td> <ul style="list-style-type: none"> <li>▪ Full name.</li> <li>▪ Identity number, driving license or passport.</li> <li>▪ Place and date of birth.</li> <li>▪ Citizenship.</li> <li>▪ Residential address listed on the identity card.</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>▪ Address in country of origin, in the case of foreign nationals.</li> <li>▪ NPWP or similar tax identification number.</li> <li>▪ Relationship between corporation and beneficial owners.</li> </ul> </td> </tr> </table>	<ul style="list-style-type: none"> <li>▪ Full name.</li> <li>▪ Identity number, driving license or passport.</li> <li>▪ Place and date of birth.</li> <li>▪ Citizenship.</li> <li>▪ Residential address listed on the identity card.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Address in country of origin, in the case of foreign nationals.</li> <li>▪ NPWP or similar tax identification number.</li> <li>▪ Relationship between corporation and beneficial owners.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Full name.</li> <li>▪ Identity number, driving license or passport.</li> <li>▪ Place and date of birth.</li> <li>▪ Citizenship.</li> <li>▪ Residential address listed on the identity card.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Address in country of origin, in the case of foreign nationals.</li> <li>▪ NPWP or similar tax identification number.</li> <li>▪ Relationship between corporation and beneficial owners.</li> </ul>		

**In 2018, EITI Indonesia implemented a pilot scheme to collect BO data through the EITI Report.** BO data was submitted by 62 out of 80 participating coal and mining companies and 46 out of 70 PSCs. The collected BO information was published in the Annex of the 2016 EITI Report. The data was included again in the Annex to the 2017 EITI Report, which listed 76 out of 122 participating coal and mining companies and 72 out of 77 PSCs.

**As noted in the 2016 EITI Contextual Report, in the process, the person in charge of the reporting company is still having difficulties in reporting the beneficial owner.** This is due to several reasons: (i) the process of obtaining information on beneficial owners requires special expertise in determining the level of ownership of the company; (ii) authorities in the company do not have access to parent company's documents; and (iii) in several companies, no shareholder has 25 percent or more of the share capital and the authorities cannot determine the beneficial owner by using a qualitative definition. The reporting company, therefore, mostly can only report on direct shareholders of the company and most of them are corporations instead of individual owner.

**To implement *Perpres* No. 13/2018, the Minister of Energy and Mineral Resources issued Decree No. 1796 K/30/MEM/2018 which stipulates that, as a requirement for issuing licenses, business entities must provide information on individual BOs in the register of shareholders.** ESDM had previously initiated efforts to collect BO data for licensing purposes in 2017, as regulated by its Ministerial Decree (No. 48/2017) on Concession Supervision in the Energy and Mineral Resources Sector. DG Coal and Mining issued Circular Letter (SE) No. 16.E/30/DJB/2017 concerning Licensing Service Requirements to obtain complete information on the final BO from licensing applicants in the coal and mining sector and compliance with tax regulations. ESDM is currently developing an online licensing system that would facilitate BO data collection, however, BO data collected by ESDM is not publicly available by default. Based on ESDM's risk assessment, BO data could be disclosed to a certain level by request which would require prior agreement between the recipient and BO data provider.

**To implement *Perpres* No. 13/2018, the Ministry of Law and Human Rights (MoL) issued Ministerial Decree (*Permenkumham* No. 15/2019) on Implementation Procedures for the Application of Principles of Recognizing the Beneficial Owners of Corporations.** The company's notary public/legal counsel has the obligation to update company information every year in AHU Online—the Company Registry maintained by MoL.<sup>15</sup> BO information must be updated as soon as the counsel becomes aware of changes in ownership.

**One of the challenges with the BO disclosure in Indonesia is the means of verification.** According to *Perpres* No. 13/2018, verification is the obligation of the corporation by matching BO information with supporting documents. Whenever necessary, authorized agencies can perform further verification, however, neither MoL nor ESDM have sufficient instruments to double-check if the information about BO provided by the notary is correct. Furthermore, the already collected BO information is not yet publicly available. BO data can only be accessed by a limited circle that includes five ministries—MoF, ESDM, Ministry of Agriculture, Ministry of Cooperatives and Small and Medium Enterprises, and Ministry of Agrarian Affairs and Spatial Planning.<sup>16</sup>

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<sup>15</sup> AHU: *Administrasi Hukum Umum* (General Law Administration): AHU Online: <https://ahu.go.id/>

<sup>16</sup> Information on those ministries that can currently access BO data was sourced from an FGD on Beneficial Ownership with PPAATK on 15 November 2019.

In summary, there are three BO data sources (see Table 2-4). Only BO data from EITI Report is publicly accessible and the other two, sourced from MoL and ESDM, are not yet publicly accessible.

**Table 2-4: BO Data Sources**

Scheme	Responsible Institution	Coverage	Mechanism	Public Accessibility
<ul style="list-style-type: none"> <li>▪ <i>Perpres</i> No. 13/2018</li> <li>▪ <i>Permenkumham</i> No. 15/2019</li> </ul>	MoL	BO information from all companies operating in Indonesia	Company Registration System	Not Accessible
<ul style="list-style-type: none"> <li>▪ <i>Kepmen</i> ESDM No. 1796 K / 30 / MEM / 2018</li> <li>▪ SE No. 16.E/30/DJB/2017</li> </ul>	ESDM	BO information from all extractive industry companies operating in Indonesia	Licensing Process in ESDM	Not Accessible
<ul style="list-style-type: none"> <li>▪ BO Roadmap for Indonesia EITI</li> <li>▪ EITI Standard</li> </ul>	EITI Secretariat	BO information from extractive companies that are required to report through the EITI Report	EITI Report	Accessible

## Recommendations

- i. Ensure that both MoL and ESDM either jointly or separately makes the BO registry publicly accessible in open data format, or at a minimum in tabular format with the level of detail as required by the EITI Standard for BO disclosures.
- ii. The MSG should develop a procedure for annually confirming BO data verification has taken place for material companies based on the agreed method for data verification of BO information.
- iii. The MSG should document MoL’s plan on BO disclosure and encourage MoL to consider data interfacing with other datasets—for example, tax collection, and politically exposed people (PEP) asset disclosures.
- iv. The MSG is encouraged to document ESDM’s plan to collect data on BOs in their online licensing system that is under development if there are plans to make the information public. As an alternative to BO disclosure by MoL, ESDM to work with MoL on interfacing BO data collected by ESDM for licensing purposes and MoL’s BO data.
- v. The MSG should regularly assess gaps or weaknesses in disclosure of beneficial ownership information, including an assessment of the materiality of omissions and the reliability of beneficial information (Requirement 2.5 c).

## State Participation (#2.6)

### *Partially mainstreamed with major limitations*

**[Reporting State-owned Enterprises: SoEs]** In 2017, PT. Indonesia Asahan Aluminium (INALUM) became the holding SoE in the coal and mining sector. With the formation of the holding entity, PT. Aneka Tambang, PT. Bukit Asam, and PT. Timah, which were previously SoEs in the coal and mining sector became subsidiaries of PT. INALUM and were no longer considered SoEs as per the definition in Law No. 19/2003 on SoEs. PT. INALUM has, therefore, become the sole SoE in the coal and mining sector. Similarly, with the acquisition of PT. PGN in 2018, PT. Pertamina becomes the only SoE in the oil and gas Sector. PT. PGN becomes its gas subholding to which PT. Pertagas ownership has been transferred from PT. Pertamina to PT PGN.

**[Public Accessibility]** An explanation of the role of SoEs in the sector and prevailing rules and practices regarding the financial relationship between the government and SoEs is available in the EITI Contextual Reports. The description is based on regulations which are available in the Ministry of SoEs<sup>17</sup> and MoF<sup>18</sup> Regulation Portal. Both SoEs publish annual reports, audited financial statements, and corporate governance information on their websites in a searchable pdf format.

**[Comprehensiveness and Level of Disaggregation]** Most of the required information is either available in the Annual Report and/or the Financial Statements of both SoEs. A more detailed assessment of the comprehensiveness and level of disaggregation for the disclosure practice for each requirement can be found in Appendix II.

**[Timeliness]** According to the EITI Standard, the publication is timely with less than a two-year lag between the end of the SoE's financial year and publication of their audited financial statements. Article 14 of the Freedom of Information Act (Law No. 14/2008) states that SoEs' audited financial statement is public information that should be disclosed annually. In May 2021, PT. Pertamina published its 2020 audited financial statement. The latest audited financial statement published for PT. INALUM is for FY 2020.

**[Reliability]** The financial statements are audited by an independent auditor as mandated by the SoE Act (Law No. 19/2003) and Limited Liability Company Act (Law No. 40/2007). A public accountant who performs an audit in Indonesia follows the Indonesian accounting standard, namely the Statement of Financial Accounting Standards (SFAS) which conform to the International Standard on Accounting (ISA).

**[Further Review on Financial Information]** To understand the current disclosure practice of financial information (Requirement 2.6a i & ii), preliminary review is performed for each SoE and a sample of five of its subsidiaries (see Table 2-5). PT. INALUM has a total of only five subsidiaries while the selection of five subsidiaries of PT. Pertamina was based on the highest asset value in FY 2019. The financial statement reviewed is for FY 2019 for all the companies, except PT. INALUM which used FY 2018 due to the absence of FY 2019 disclosure at the time of the assessment.

<sup>17</sup> Ministry of SoEs Regulation Portal: <http://jdih.bumn.go.id/>

<sup>18</sup> MoF Regulation Portal: <https://jdih.kemenkeu.go.id/#/home>

**Table 2-5: SoE and Its Subsidiaries/Joint Ventures Financial Statements Disclosure**

SoE and Subsidiaries/Joint Venture	Percentage of Ownership	Type of Company	Financial Statement Disclosure
<b>Coal &amp; Mining SoE: PT. INALUM</b>	100% Gol	SoE	Available
PT. Antam <sup>1) 2)</sup>	65%	Publicly Listed	Available
PT. Bukit Asam <sup>1) 2)</sup>	65.93%	Publicly Listed	Available
PT. Timah <sup>1) 2)</sup>	65%	Publicly Listed	Available
PT. Freeport Indonesia <sup>2)</sup>	51.23%	Privately Owned	None
PT. Vale Indonesia <sup>1) 2)</sup>	20%	Publicly Listed	Available
<b>Oil &amp; Gas SoE: PT. Pertamina</b>	100% Gol	SoE	Available
PT. Pertamina EP <sup>3)</sup>	100%	Privately Owned	None
PT. PGN <sup>1) 3)</sup>	56.96%	Publicly Listed	Available
PT. Pertamina Internasional EP <sup>3)</sup>	100%	Privately Owned	None
PT. Pertamina Hulu Energi <sup>3)</sup>	100%	Privately Owned	None
PT. Pertamina EP Cepu <sup>3)</sup>	100%	Privately Owned	None

Note: 1) Company listed in the Indonesia Stock Exchange; 2) PT. INALUM subsidiaries on the upstream sector based on Annual Report 2020<sup>19</sup>; 3) Top five subsidiaries of PT. Pertamina with highest asset value in FY 2019.

**Table 2-5 illustrates that PT. INALUM and PT. Pertamina publish their financial statements.** Although they are not publicly listed companies, disclosure of audited financial statements is mandatory for an SoE. Nevertheless, not all of their subsidiaries publish their financial statements online. Those who publish are public companies listed in the Indonesia Stock Exchange (IDX). Companies listed in the IDX have to publicly disclose information on a routine basis, including their Audited Financial Statements, Annual Reports, and Sustainability Reports which can be accessed on their official website.<sup>20</sup> These include: PT. Aneka Tambang (ANTM), PT. Bukit Asam Tbk (PTBA), PT. Timah Tbk (TINS), PT. Vale Indonesia Tbk (INCO), and PT Perusahaan Gas Negara Tbk (PGAS). According to the review, for those that publish their audited financial statements, the required information from SoEs and their subsidiaries/joint ventures are mostly available in their respective financial statements.

**Company accounting practice follows accounting standards (*Pernyataan Standar Akuntansi Keuangan: PSAK*) set by Indonesia Chartered Accountants (*Ikatan Akuntan Indonesia: IAI*) which has adopted International Accounting Standards.** Most of the information required by requirement 2.6 on state participation are regulated in those standards. All of the material companies participated in the EITI reporting in the past are audited using International Auditing Standards which ensure the compliance to the aforementioned accounting standard.

<sup>19</sup> PT. INALUM Annual Report for FY 2020: <https://mind.id/files/Laporan-Tahunan-PT-INALUM-Persero-Tahun-2020.pdf>

<sup>20</sup> Annual and Financial Reports of Companies Listed in IDX: <https://www.idx.co.id/en-us/listed-companies/financial-statements-annual-report/>

The Indonesian Institute of Certified Public Accountants (*Institut Akuntan Publik Indonesia: IAPI*) and Indonesia Chartered Accountants (IAI) are members of the International Federation of Accountants (IFAC). Under the Public Accountants Act (2011) IAPI has direct responsibility for setting auditing standards in Indonesia and has adopted the Indonesian Public Accountant Professional Standards (*Standar Profesi Akuntan Publik: SPAP*). From 2014 onwards, International Standards on Auditing (ISAs) were adopted as SPAP for all companies which are subject to external audits.

**Table 2-6 presents disclosure for items required in Requirement 2.6 (a)(i) and (ii) regarding financial information on state participation.** Most of the required information for point (i) are commonly disclosed in an audited financial statement.<sup>21</sup> When the information is missing, therefore (for example, information on reinvestment and third-party financing for PT. Vale Indonesia), it could be assumed that there is no such type of transaction in the FY covered.

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<sup>21</sup> Information required by Requirement 2.6 (a)(i) is regulated in PSAK 65 on Consolidated Financial Statement, PSAK 15 on Investment on Associated Entities and Joint Ventures, and PSAK 71 on Financial Instrument.

**Table 2-6: Financial Statement for FY 2019 Content Analysis Mapping to Requirement 2.6 (a)**

Company	Requirement 2.6 (a) (i)				Requirement 2.6 (a) (ii)				
	Transfer	Retained Earnings	Reinvestment	3 <sup>rd</sup> Party Financing	Level of Ownership		Change of Ownership		Loan/ Loan Guarantee
					Terms of Equity	Level of Responsibility	Terms of Transaction	Valuation & Revenues	
<b>PT. INALUM</b>	✓	✓	✓	✓	✓	-	Business Combination	Business Combination	✓
- PT. Antam	✓	✓	✓	✓	✓	-	Business Combination	Business Combination	
- PT. Bukit Asam	✓	✓	✓	✓	✓	-	-	-	
- PT. Timah	✓	✓	✓	✓	✓	-	-	-	
- PT. Vale Indonesia	✓	✓	-	-	✓	-	-	-	
<b>PT. Pertamina</b>	✓	✓	✓	✓	✓	-	Acquisition	Acquisition	✓
- PT. PGN	✓	✓	✓	✓	✓	-	Acquisition	Acquisition	

**Information required for disclosure in financial statements under point (ii) is, however, less routinely disclosed.** Point (ii) requires information on Level of Ownership (which includes Terms of Equity and Level of Responsibility) attached to the terms. If not specifically mentioned, Terms of Equity could be represented by information regarding percentage of ownership. PSAK 15 (Investment on Associates and Joint Ventures) regulates default terms which applies if a company owns a particular percentage of another company. If the practice is deviating from the default terms, the company is required to make a specific mention in their financial statements. In the financial statements reviewed, no specific mention was found. The terms should, therefore, follow the default terms according to the percentage of ownership as regulated by PSAK 15.

**Information on the Level of Responsibility for covering expenses at various phases of the project cycle could not be found in the financial statements.** This is due to the nature of the participation of SoEs and their subsidiaries/joint ventures in the extractive industry which do not directly involve the extraction or exploitation activity. Such information would be available in contract and license documents for each concession which is assigned to entities under the reviewed companies. The implementation of the responsibility would be reported through the operational report to the regulator—such as monthly and quarterly reports<sup>22</sup> for coal and mining companies and Financial Quarterly Reports (FQR)<sup>23</sup> for oil and gas companies.

**One of the means to disclose detailed information on Level of Responsibility could, therefore, be for the SoE to prepare and publish separate notes to specifically explain such information.** The notes would elaborate Level of Responsibility for entities which are directly or indirectly associated with an SoE. Alternatively, this information could also be included as a section in the SoE's Annual Report. Furthermore, point (ii) of Requirement 2.6 (a) requires information on Change of Ownership which is regulated in PSAK 15 and PSAK 22 (Business Combination). In cases where this information is not available in some of the reviewed financial statements, this might be due to the absence of the transaction in the FY reviewed.

## **Recommendations**

- i. Encourage the Ministry of SoEs to tap into existing summary descriptions of financial relationships between SoEs/government from EITI Reports and publish such summaries on their website.**
- ii. The MSG to consider materiality for disclosure of Requirement 2.6 at the level of the subsidiary given their significance in the context of Indonesia.**
- iii. Encourage SoEs to improve their disclosures according to the gap identified in Appendix II and Table 2-6 including publishing financial data with downloadable Excel/csv formats and necessary details from SoEs' subsidiaries and joint ventures.** Information required from subsidiaries could be included in the SoEs' consolidated Audited Financial Statements and/or in separate notes prepared by the SoE published through the website and/or Annual Report.
- iv. Encourage SoEs to join the EITI's SoE transparency network, to engage with other extractive SoEs in EITI implementing countries and help shape emerging best practice.**

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<sup>22</sup> Permen ESDM No. 7/2020 on Procedures for Granting Areas, Licensing, and Reporting on Mineral and Coal Mining Business Activities.

<sup>23</sup> SKK Migas Standard Operating Procedures PTK-066/SKKMA0000/2019/S0 on Preparation and Reporting of Upstream Oil and Gas Business Activities with a Gross Split Scheme.

### Exploration (#3.1)

#### *Partially mainstreamed with minor limitations*

**[Public Accessibility]** Oil and gas exploration data can be found in the SKK Migas Annual Reports while coal and mining exploration data is available in the Geology Agency website as a table in the Mineral Balance Sheet<sup>24</sup> and as a Geology Resource web-GIS.<sup>25</sup> Exploration activities for a particular year can be found in the Geology Agency annual performance report,<sup>26</sup> however, the data is not presented in open data format and, therefore, cannot be easily reused for further analysis.

**[Comprehensiveness]** Requirement 3.1 is noted as Satisfactory in the 2018 validation report against the EITI Reports which cited information that is publicly available—as mentioned earlier.

**[Level of Disaggregation]** Not applicable.

**[Timeliness]** The SKK Migas annual report is published annually with a lag of less than one year, while the Geology Agency also publishes an annual performance report.

**[Reliability]** Information is published by government agencies and, therefore, should be a reliable source of information.

#### Recommendations

- i. Encourage SKK Migas and the Geology Agency of ESDM to publish exploration data in an open data format.
- ii. To ensure continuous comprehensiveness and assurance of the information, MSG is encouraged to develop procedures to check and document the comprehensiveness, reliability, disaggregation, and timeliness of data.

### Production (#3.2)

#### *Partially mainstreamed with minor limitations*

**[Public Accessibility]** Production data<sup>27</sup> for oil and gas is collected by SKK Migas and is disclosed online in the Lifting Monitoring Dashboard.<sup>28</sup> Production data for coal and mining is collected by the DG Coal and Mining and is disclosed on the MODI website,<sup>29</sup> however, while the dashboard provides interactivity, both websites do not feature a download function to obtain the data in open data format.

**[Comprehensiveness]** The Lifting Monitoring Dashboard includes data on lifting volumes disaggregated by company/project with no information on values. Moreover, there is no further explanation on the methods for calculating production volumes on the website. Publication by value

<sup>24</sup> ESDM Geology Agency. Strategic Metal Mineral based on Administrative Boundaries: <http://webmap.psdg.bgl.esdm.go.id/geosain/neraca-mineral-strategis.php?mode=administrasi>

<sup>25</sup> ESDM Geology Agency. Geology Resource web-GIS: <http://webmap.psdg.bgl.esdm.go.id/>

<sup>26</sup> ESDM Geology Agency Performance Report: <https://geologi.esdm.go.id/id/publikasi/laporan-kinerja>

<sup>27</sup> In Indonesia, oil and gas production data consists of two types, production (volume extracted) and lifting (production ready to be sold).

<sup>28</sup> SKK Migas. Lifting Monitoring Dashboard: <https://lifting.skkmigas.go.id/tab/lifting2/index.php>

<sup>29</sup> DG Coal and Mining. Minerba One Data Indonesia: <https://modi.minerba.esdm.go.id/pimpinan>

is not a common practice in Indonesia as the value can only be calculated after the realization of sales. The Indonesian Crude Price (ICP) is, however, published as a Ministerial Decree on a monthly basis and is publicly available on the ESDM website.<sup>30</sup>

Similarly, MODI includes data on volumes disaggregated by commodity, but does not include production values, nor does MODI provide a disaggregation by region or project. Furthermore, no information on the sources and the methods for calculating production volumes is available on MODI. A pricing reference for coal and mining commodity is, however, published as a Ministerial Decree on a monthly basis on the ESDM website.<sup>31</sup> Within ESDM, in the coal sector, only production volume (tonnage) is being recorded, while the value of production is not currently recorded due to a difference in the quality of coal produced and coal sold (as a result of mixing). In addition, the published index price is the price at the coal delivery point, not the production price at the mine.

**[Level of Disaggregation]** The Lifting Monitoring Dashboard presents the data disaggregated by company/project while MODI only provides disaggregation by commodity. For coal, however, information on production volume disaggregated by company can be found in the annual performance report of the DG Coal and Mining.

**[Timeliness]** Data on the Lifting Monitoring Dashboard are sourced from the daily lifting data reported by PSCs to SKK Migas and are reconciled monthly. Meanwhile, MODI is regularly updated using data sourced from the Mineral Online Monitoring System (MOMS).

**[Reliability]** The data is published in official government agencies with a disclaimer that the data is a temporary figure. The final figure is released in the annual performance report of each of the government agencies as an aggregate value.

#### Recommendations

- i. **SKK Migas and the DG Coal and Mining should publish information on production values in addition to volumes.** An alternative approach could be for the MSG to continue providing value information by calculating production values (as it did for validation) to be confirmed by SKK Migas and the DG Coal and Mining.
- ii. **Encourage SKK Migas and the DG Coal and Mining to disaggregate the published data by company, region, and project and include a description of the methods for calculating production volumes and values.**
- iii. **Encourage SKK Migas and the DG Coal and Mining to publish in reusable/open formats.**
- iv. **Encourage disclosing entities to ensure and MSG to check data timeliness, comprehensiveness, and quality.**

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<sup>30</sup> DG Oil and Gas. Indonesia Crude Price: <https://migas.esdm.go.id/post/read/harga-minyak-mentah>

<sup>31</sup> DG Coal and Mining. Coal and Mining Pricing Reference: [https://www.minerba.esdm.go.id/harga\\_acuan](https://www.minerba.esdm.go.id/harga_acuan)

### Exports (#3.3)

#### **Partially mainstreamed with minor limitations**

**[Public Accessibility]** Export data are collected by the DG Custom and Excise (MoF) and disclosed by BPS on their Export and Import page<sup>32</sup> which allows data to be downloaded as an Excel file.

**[Comprehensiveness]** The publication includes both values and volumes. The BPS website includes a summary description of data collection methods, but it does not provide information on how volumes and values are calculated.<sup>33</sup> In the coal and mining sector, export values refer to the Surveyor's Report. Export volumes are currently reported by business entities through MOMS.

**[Level of Disaggregation]** The data is presented per sector and per specific commodity based on international classifications (that is, a 10-digit HS code), but it is not disaggregated by company.

**[Timeliness]** The data is regularly updated on a monthly basis.

**[Reliability]** The data is sourced from the DG Customs and Excise and is published on the official BPS website which is reliable.

#### Recommendations

- i. Encourage the DG Customs and Excise to publish export data for extractive commodities by company.
- ii. Encourage BPS to provide a comprehensive list of all HS codes for extractive commodity exports.
- iii. Encourage BPS to include a summary of the methods for calculating export volumes and values under the methodology section of its website.

### Distribution of Extractive Industry Revenue (#5.1)

#### **Partially mainstreamed with minor limitations**

**[Public Accessibility]** Natural resource revenues go straight to the state budget which is published annually in the Central Government Financial Report (*Laporan Keuangan Pemerintah Pusat: LKPP*)<sup>34</sup> in June. The revenue classification system can be found in the Standard Chart of Accounts published by MoF.<sup>35</sup> The account names can indicate the types of revenues from the extractive sector. There is, however, no specific earmarking for extractive revenue once it enters the state budget except that some portion of the revenues go to the revenue sharing fund which is calculated by the DG Fiscal Balance by drawing information from the DG Budget, ESDM, and SKK Migas. Further information on the revenue sharing fund is discussed for requirement 5.2 on subnational transfers.

<sup>32</sup> BPS. Export and Import: <https://www.bps.go.id/exim/>

<sup>33</sup> BPS. Export and Import Data Collection Methodology: <https://www.bps.go.id/subject/8/ekspor-import.html#subjekViewTab2>

<sup>34</sup> MoF. Central Government Financial Statement (LKPP): <https://www.kemenkeu.go.id/publikasi/laporan/laporan-keuangan-pemerintah-pusat/>

<sup>35</sup> MoF. Standard Chart of Accounts: <https://hai.kemenkeu.go.id/downloads/files/kep-211-pb-2018-tentang-kodefikasi-segmen-akun-pada-bas/download>

**[Comprehensiveness]** Progress on Requirement 5.1 is noted as Satisfactory in the 2018 validation report. Coverage in the EITI Reports to date could be used as a reference to update and routinely disclose the information on the related agencies websites/portals.

**[Level of Disaggregation]** Not applicable.

**[Timeliness]** The audited LKPP is regularly published annually by 30 June of the following financial year.

**[Reliability]** The data is audited by BPK and is, therefore, deemed to be reliable information.

#### Recommendations

- i. ESDM, SKK Migas, and/or MoF should provide a description of the distribution of revenues from the extractive industries on their website(s) reflecting on the coverage in the current EITI Contextual Report.
- ii. The MSG is encouraged to ensure continuous comprehensiveness and assurance of the information by developing procedures to check and document the comprehensiveness and timeliness of data.

### Contribution of the Extractive Sector to the Economy (#6.3)

#### *Partially mainstreamed with minor limitations*

The five data items required to demonstrate extractives contribution to the economy are managed by different agencies:

#### GDP

The size of the extractive industries in absolute terms and as a percentage of GDP can be found in BPS's publication of quarterly GDP by sector<sup>36</sup> which also includes the methodology on how these are calculated. The data is available for download in Excel format.

#### Artisanal and Small-Scale Mining (ASM)

Artisanal small-scale mining (*Pertambangan Rakyat*) is regulated in Law No. 4/2009 on Coal and Mining (as amended by Law No. 3/2020) and covers an area of 1-10 hectares.<sup>37</sup> The ASM license (*Izin Pertambangan Rakyat*: IPR) is granted by regents/mayors (*bupati/walikota*).<sup>38</sup> The holder of an IPR has to periodically report to the regent/mayor who in turn should periodically report to the minister.<sup>39</sup> The implementation of the legislation still has many problems especially on artisanal small-scale gold mining. In fact, most artisanal gold mining activities in Indonesia are not yet legal.

**Public ASM-related data is available on varied platforms that are owned by different government institutions and are updated and maintained separately.** For instance, there are multiple maps of ASM locations. First, information on licensed ASM could be found in the ESDM's license register<sup>40</sup>

<sup>36</sup> BPS. *Produk Domestik Bruto Lapangan Usaha*: <https://www.bps.go.id/subject/11/produk-domestik-bruto--lapangan-usaha-.html#subjekViewTab1>

<sup>37</sup> Article 68 of Law No. 4/2009 on Coal and Mining (as amended by Law No. 3/2020).

<sup>38</sup> Article 67 of Law No. 4/2009 on Coal and Mining (as amended by Law No. 3/2020).

<sup>39</sup> Article 70 of Law No. 4/2009 on Coal and Mining (as amended by Law No. 3/2020).

<sup>40</sup> ESDM. ESDM One Map Geoportals: <https://geoportal.esdm.go.id/>

although this is very limited.<sup>41</sup> Second, the Ministry of Environment and Forestry geoportal also provides a map which focuses on artisanal small-scale gold mining activities, irrespective of their legal status.<sup>42</sup>

**According to the DELVE Indonesia Country Profile (DELVE 2021), ASM employed an estimated 3,600,000 people in 2020—a figure that is nearly 2.5 times as large as the 1,454,256 employed in the mining sector.** Although still new, the Delve platform could be the potential alternative for a unified ASM-related information database which is planned to be updated yearly or bi-annually.<sup>43</sup>

**Illegal oil and gas drilling where individuals siphon oil from long-distance pipelines has been reported in many regions including Riau, Kalimantan, Java, and Papua.** Based on SKK Migas estimation, the theft constitutes between 10,000 to 15,000 barrels of oil per day (bopd) which is equal to less than 2 percent of Indonesia’s oil production of 746,222 bopd in 2019 (The Jakarta Post 2020). There is limited information on illegal drilling from official sources.

#### **Government revenue**

**The value of tax and non-tax government revenues are available as aggregate numbers in the LKPP.** The relative contribution of extractive revenues to total revenue can, therefore, be calculated using the available data, however, the data disclosed on government revenues in the LKPP is not in open data formats.

#### **Exports**

**Exports from the extractive industries in absolute terms and as a percentage of total exports can be calculated using the data from the BPS’ monthly publication of Foreign Trade Statistics Bulletin.** The bulletin is not, however, published in open data format.

#### **Gender-disaggregated employment data**

**Employment data are reported by extractive companies to ESDM through their annual Work Plan and Budget.** For coal and mining<sup>44</sup> and oil and gas,<sup>45</sup> the employment data include details on occupational level and citizenship status but do not cover gender. Gender and employment data are also collected by the Ministry of Manpower in sufficient detail as required by the EITI Standard through their online company employment reporting platform (*Wajib Laporan Ketenagakerjaan Perusahaan*: WLKP).<sup>46</sup> As the platform is relatively new (established in 2018), the information might not be comprehensive.

**In 2017, there were a total of 33,577 medium- and large-scale enterprises according to BPS (2021), while WLKP recorded 35,671 medium and 15,695 large enterprises in November 2020.** It needs to be confirmed if BPS and WLKP share the same definition of medium and large enterprises. More

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<sup>41</sup> As of March 17, 2021, there are 19 IPR listed in the register.

<sup>42</sup> Ministry of Environment and Forestry. Geoportal on Artisanal Small-Scale Gold Mining – Mercury: <https://sitkb3.menlhk.go.id/merkuri/index.php>

<sup>43</sup> DELVE. Data Standards: <https://delvedatabase.org/contribute/data-standards>

<sup>44</sup> ESDM *Kepmen* No. 1806 K/30/MEM/2018 on Implementation Guidelines on The Preparation, Evaluation, and Approval of Work Plan and Budget.

<sup>45</sup> SKK Migas Working Procedures PTK-018/SKKMA0000/2018/SO on PSC Human Resource Management.

<sup>46</sup> Ministry of Manpower. *Wajib Laporan Kemnaker*: <https://wajiblapor.kemnaker.go.id/>

importantly, the Ministry of Manpower should also confirm if EITI reporting entities are among the reported numbers. While gender-disaggregated employment data are collected per company, these data are disclosed as aggregate numbers of male and female workers by province. Gender-disaggregated employment data by sector or by company, including specifically for the extractives sector and companies in the sector, are not published.

### Key regions

**Subnational transfer data is available in SIMTRAD<sup>47</sup> which is maintained by the DG Fiscal Balance (MoF).** Key regions can be identified by ranking subnational transfer values for each producing region of the commodity as it is proportional to their production. A further elaboration on this point is presented under the section on requirement 5.2. The data is disaggregated by province down to regency (district/municipality) level.

### Recommendations

- i. **The MSG to consider whether artisanal and small-scale mining and illegal drilling would be a priority to be included in the systematic disclosure scope.**
- ii. **Encourage BPS to include an estimate of the informal sector activity.**
- iii. **Encourage MoF (Social and Public Relations Division) to disclose LKPP data in or with downloadable reusable data files.**
- iv. **Encourage BPS to publish the Foreign Trade Statistics Bulletin in or with downloadable reusable data files.**
- v. **Encourage ESDM and SKK Migas to include details on gender in their Work Plan and Budget reporting requirement for extractive companies.** Alternatively, encourage the PPID of the Ministry of Manpower to publish employment data disaggregated by gender and, when available, by occupational level and by company for the extractive sectors.
- vi. **Encourage ESDM and SKK Migas to publish data on key producing regions.**

## Environmental Impact of Extractive Activities (#6.4)

### ***Partially mainstreamed with major limitations***

**[Public Accessibility]** The environmental impacts of the extractive industries in the oil and gas sector are monitored and managed by SKK Migas, and this information is available in the annual sustainability report<sup>48</sup> published by SKK Migas on their website.

**Monitoring and managing environmental impacts in the coal and mining sector are the responsibility of the DG Coal and Mining—reclamation information is available in their annual performance report.<sup>49</sup>** The DG Coal and Mining also has an Environment Management Information System<sup>50</sup> to collect quarterly progress reports on reclamation activities. It has a publicly accessible dashboard which provides information on the progress of reclamation.

<sup>47</sup> DG Fiscal Balance. *Sistem Informasi Transfer ke Daerah dan Dana Desa*: <http://djpk.depkeu.go.id/simtrada/>

<sup>48</sup> SKK Migas. Sustainability Report: <https://www.skkmigas.go.id/publikasi/sustainability-report>

<sup>49</sup> DG Coal and Mining. Performance Report: [https://www.minerba.esdm.go.id/show/show\\_pdf?link\\_file=95](https://www.minerba.esdm.go.id/show/show_pdf?link_file=95)

<sup>50</sup> DG Coal and Mining. Environment Management Information System: <http://simlingkungan.minerba.esdm.go.id/sim/>

Given that few companies have a website, disclosure of the approved AMDAL by company are very unlikely to be found. The publication of approved AMDAL disaggregated by company also seems to be unavailable from the government.

**[Comprehensiveness]** The comprehensiveness and the regularity of the update need to be confirmed.

**[Level of Disaggregation]** The data are presented as aggregate values.

**[Timeliness]** The SKK Migas Sustainability Report and the DG Coal and Mining Annual Performance Report are both published annually.

**[Reliability]** The data are disclosed in the official website of the government and are, therefore, reliable.

#### Recommendations

- i. Encourage ESDM to establish a centralised publicly accessible register of approved Environmental Impact Analyses (AMDAL).
- ii. SKK Migas should maintain the regularity of publishing their sustainability report on an annual basis as the medium to disclose the environmental impact of the oil and gas industry.
- iii. Encourage ESDM to maintain the regularity of publishing their performance report on an annual basis as the medium to disclose the environmental impact of the coal and mining industry. Alternatively, ESDM could also improve the comprehensiveness and the regularity of the data update in the Environment Management Information System.

## 2.2 Revenue Data

**Most revenue information in EITI Reports is partially mainstreamed with some limitations.** The significant limitations are mainly about data disaggregation and tax confidentiality issues (see Table 2-7).

**Table 2-7: Revenue Information Mainstreaming Status**

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 of Production	Significant legal and administrative limitations	Meaningful Progress
4.3 Infrastructure Provision and Barter Arrangement	Partially mainstreamed, minor limitations	n.a.
4.4 Transportation Revenues	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 Transfers	Partially mainstreamed, minor limitations	Meaningful Progress
5.3 Revenue Management and Expenditures	Partially mainstreamed, minor limitations (not assessed)	Not Assessed
6.1 Social and Environmental Expenditures by Extractive Companies	Partially mainstreamed, major limitations	Meaningful Progress
6.2 Quasi Fiscal Expenditures (QFEs)	Partially mainstreamed, minor limitations	Inadequate

### Comprehensive Disclosure of Taxes and Revenues (#4.1)

#### **Significant legal and administrative limitations**

**[Public Accessibility]** Government tax and non-tax revenue data are disclosed in the audited LKPP<sup>51</sup> as well as the monthly publication (*APBN Kita*) by MoF. The reports are published in a searchable PDF format. Non-tax revenue data for the coal and mining sector is also regularly updated in the publicly available MODI dashboard by ESDM,<sup>52</sup> however, this system does not allow download in an open data format.

<sup>51</sup> MoF. Central Government Financial Statement (LKPP): <https://www.kemenkeu.go.id/publikasi/laporan/laporan-keuangan-pemerintah-pusat/>

<sup>52</sup> DG Coal and Mining. Minerba One Data Indonesia: <https://modi.minerba.esdm.go.id/pimpinan>

**The disclosure practices for company data differ for the two sectors.** In the oil and gas sector, data disclosures are only made by either SKK Migas and/or ESDM as PSC holders are bound by confidentiality agreements in the PSC. Table 2-8 presents the profiles of 71 reporting companies for the oil and gas sector in the 2016 EITI Report. Most companies do not own a website and, of those that do, only two publish their financial statements on their website.

**Table 2-8: Oil and Gas Companies' Profile in the 2016 EITI Report**

Website Ownership	Legal Entity	Association Membership
<ul style="list-style-type: none"> <li>- 18% have a website:                             <ul style="list-style-type: none"> <li>- 2 websites with financial statement.</li> <li>- 11 websites with no financial statement.</li> </ul> </li> <li>- 82% have no website:                             <ul style="list-style-type: none"> <li>- 53 are a subsidiary of a company which has a website.</li> <li>- 5 have no website.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Public Limited Company (Listed in the Indonesian Stock Exchange): 0.</li> <li>- Private Limited Company: 71 (7 of them are a subsidiary of company listed on the Indonesian Stock Exchange).</li> <li>- Others: 0</li> </ul>	<ul style="list-style-type: none"> <li>- Only 20% are members (14 out of 71 coal companies) of the Indonesian Petroleum Association (IPA).</li> <li>- 45% are a subsidiary of an IPA member (32 out of 71).</li> <li>- 35% are not members (25 out of 71).</li> </ul>

**Of 112 reporting companies in the coal and mining sector in the 2016 EITI Report, only 10 publish their financial statements on their website.** Moreover, most companies do not have websites and not all that do publish financial statements. It would, therefore, be a challenge to expect all companies to disclose their financial reports on their own platform. Moreover, only 34 percent of the reporting companies are members of industry associations which will make outreach and a push for disclosure a challenge.

**Table 2-9: Coal and Mining Companies' Profile in the 2016 EITI Report**

Website Ownership	Legal Entity	Association Membership
<ul style="list-style-type: none"> <li>- 28% have a website:                             <ul style="list-style-type: none"> <li>- 10 websites with financial statement.</li> <li>- 21 websites with no financial statement.</li> </ul> </li> <li>- 72% have no website:                             <ul style="list-style-type: none"> <li>- 25 are a subsidiary of a company which has a website.</li> <li>- 56 have no website.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Public Limited Company (Listed on the Indonesian Stock Exchange): 7.</li> <li>- Private Limited Company: 100 (22 of them are a subsidiary of a company listed on the Indonesian Stock Exchange).</li> <li>- Others: 5.</li> </ul>	<ul style="list-style-type: none"> <li>- Only 34% are members (31 out of 91 coal companies) of the Indonesian Coal Mining Association (ICMA).</li> <li>- Only 13% are members (15 out of 112) of the Indonesian Mining Association (IMA).</li> <li>- 8 companies are members of both ICMA and IMA.</li> </ul>

**Companies operating in Indonesia that are based in other jurisdictions may be subject to transparency requirements for the disclosures of financial information in those jurisdictions.**

According to the Resource Project Portal developed by NRGJ,<sup>53</sup> there are 25 extractive companies domiciled in the EU or Canada operating in Indonesia. Based on the review of 2016 reporting companies, 14 out of 71 PSC holders are associated with seven of those companies. The reconciled revenues of these 14 PSC holders constitute 40.93 percent of the total reconciled revenue of the oil and gas sector. Of 112 mining companies, while only four are associated with three of the companies identified in the Portal, they comprise 22.35 percent of the total reconciled revenue for the coal and mining sector.

**The balance of the assessment for Requirement 4.1 only evaluates government disclosure.**

**[Comprehensiveness]** Revenue data are disclosed as an aggregate value with the numbers representing total value for all companies/projects and are, therefore, comprehensive.

**[Level of Disaggregation]** GoI financial statements and APBN *Kita* disaggregate data based on the government revenue classification system as defined in the Standard Chart of Accounts published by MoF.<sup>54</sup> The account names can indicate the types of revenues from the extractive sector, including tax revenue—for example, Land and Building Tax for the Mineral and Coal Sector. Similarly, revenue data disclosed in MODI for coal and mining is also presented by revenue streams.

**[Timeliness]** GoI financial statements are published annually in June while APBN *Kita* is released monthly. On the other hand, MODI data points are also regularly updated at different frequencies, meaning that the date of the latest update for each data points could be different. The frequency is relatively high which, in some cases, could be several times a month.

**[Reliability]** Data in the GoI financial statements are audited while the others are temporary figures.

**[Overview of Treasury System]** All state revenues are recorded in the State Revenue Module (*Modul Penerimaan Negara Generasi 2: MPN G2*) as part of the bigger State Treasury and Budgeting System (*Sistem Perbendaharaan Anggaran Negara: SPAN*) managed by the DG Treasury (MoF). Tax payments are made through a billing system operated by the DG Tax (E-Billing)<sup>55</sup> while non-tax state revenues are paid through a billing system operated by the DG Budget (*Sistem Informasi PNBPN Online: SIMPONI*).<sup>56</sup> For the coal and mining sector, however, companies access e-PNBP which is integrated with SIMPONI. e-PNBP provides an additional interface to capture more details on non-tax revenue payments for the sector. These systems demonstrate that State Treasury is systematically managed electronically. Disclosure of tax payments for both sectors will, however, be subject to tax confidentiality as regulated under Article 34 of the General Taxation Law (*UU Ketentuan Umum Perpajakan: KUP*) which will not allow disaggregation by company/project.

**[Non-Tax Revenue – Oil and Gas]** The billing system for Oil and Gas's PNBPN called SIMPONI is managed by the DG Budget. Some PNBPN—for example, signature bonus—is paid through SIMPONI, however, revenues that are subject to a cost-recovery scheme (for example, government lifting) go into a transitory account first. Deductions (such as VAT reimbursement) are applied to the fund by the DG Budget, before it finally enters the State Treasury. It is not yet known if the transaction in the

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<sup>53</sup> NRGJ Resource Project Portal Indonesia: <https://resourceprojects.org/country/Indonesia>

<sup>54</sup> MoF. Standard Chart of Accounts: <https://hai.kemenkeu.go.id/downloads/files/kep-211-pb-2018-tentang-kodefikasi-segmen-akun-pada-bas/download>

<sup>55</sup> DG Tax E-Billing: <https://pajak.go.id/e-billing>

<sup>56</sup> DJ Budget. SIMPONI: <https://www.simoni.kemenkeu.go.id/welcome/login>

transitory account is systematically recorded in an information system, however, PNB information is available and the details of the transaction can be traced down to company/project level,<sup>57</sup> so disclosing this information is technically possible. Depending on how this information is stored, it would need a certain level of effort to make the data publicly available, however, as is the case with the oil and gas sector, one legal entity can only correlate with one PSC.<sup>58</sup> The information should already be collected and stored on a per project basis.

**[Non-Tax Revenue – Coal and Mining] For PNB in the coal and mining sector, payments are made through e-PNB, a billing system managed by the DG Coal and Mining.** e-PNB and SIMPONI systems interface with one another. Payment data recorded in e-PNB is also recorded in SIMPONI, with e-PNB storing more technical and sector-specific details. e-PNB requires details up to project level in the payments because in the coal and mining sectors a company might have multiple licenses (*Izin Usaha Pertambangan*: IUP). A company can only be granted one Mining Business License Zone (*Wilayah Izin Usaha Pertambangan*: WIUP) unless it is a publicly listed company on the stock exchange, however, in a single WIUP, one or more licenses can be granted.<sup>59</sup> The number of licenses that each of the companies have is publicly available in the license register as previously explained under Requirement 2.3.

## Recommendations

- i. **For tax revenue, the MSG has to develop a company waiver system specifically for systematic disclosures.** This is currently done for EITI reporting which can then be used as the basis for the DG Treasury or the DG Tax to disclose disaggregated data. The MSG could consider including the blanket waiver clause in the EITI *Perpres* revision.
- ii. **For non-tax revenue, ensure the DG Treasury discloses non-tax revenue recorded in MPN G2 for the extractive sector disaggregated by company/project.** The DG Budget, SKK Migas, and/or the DG Coal and Mining could be the alternative to disclose the data.
- iii. **For company disclosure, there are two stages to move toward systematic disclosure:**
  - a) **In the long run, every material company is required to publish information as required by Requirement 4.1 on their own websites.**
  - b) **In the interim, on the companies' behalf, ESDM and SKK Migas could disclose information which has been routinely submitted by the extractive companies to them using their existing reporting mechanism.** SKK Migas could publish relevant information in the FQR reported by PSC holders while the DG Coal and Mining could disclose for coal and mining companies using information reported to them. The existing reporting mechanism should be improved to accommodate the mandatory details which are not yet covered.

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<sup>57</sup> Meeting with MoF during EITI International mission November 4-8, 2019.

<sup>58</sup> Law No. 22/2001 on Oil and Gas, Article 13.

<sup>59</sup> Government Regulation No. 23/2010 on Implementation of Coal and Mining Business Activities, Articles 6, 7 and 9.

## Sale of The State's Share of Production (#4.2)

### **Significant legal and administrative limitations**

**[Applicability]** Sharing mechanism with the states only applies to the oil and gas sector.

**[Public Accessibility]** Sales of the state's share of production can be found in SKK Migas Annual Reports, however, these are not disclosed in open data format.

**[Comprehensiveness]** SKK Migas' Annual Reports provide details of the volumes of government liftings of aggregated non-tax revenues, volumes sold, and proceeds of those sales.

**[Level of Disaggregation]** The state's share of production is known as government liftings and consists of three revenue streams: (i) First Tranche Petroleum (FTP); (ii) Domestic Market Obligation (DMO); and (iii) equity oil. SKK Migas do not calculate FTP, DMO, and equity oil separately but they could disclose the calculation of FTP and equity oil for tax purposes, which could be used as proxy data for disaggregated revenues (EITI 2019). This information was submitted in an annex to the MSG's second letter to the Validation Committee on November 27, 2019, although it has not yet been published on the EITI Indonesia website.<sup>60</sup> It is expected that this disaggregated data will be published in future EITI-related disclosures.

**Information on oil and gas sales is not disaggregated by buyer.** According to the Indonesia commodity trading report (EITI 2018), only information on the destination without buyer information is available from SKK Migas. Buyer information is available in the Bill of Lading which is tedious to extract. It will, therefore, be challenging to mainstream buyer information.

**[Timeliness]** SKK Migas as a government body is bound by the Freedom of Information Act (*Undang-Undang Keterbukaan Informasi Publik*) and, therefore, has to publish its performance report (that is, its Annual Report) at least once each year.

**[Reliability]** The SKK Migas Annual Report is based on its audited Financial Report.

### Recommendations

- i. **SKK Migas to disclose volumes and values of both oil and gas material in-kind sales per #4.2.** This includes 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. The data should also be disaggregated by individual buying companies.
- ii. **SKK to disclose disaggregated revenue for government lifting—that is, the calculation of FTP, DMOs, and equity oil.**
- iii. **SKK Migas should consider improving the administrative system for easy matching of B/L numbers with individual buyers to allow easy disclosure of the required disaggregation levels.**
- iv. **The data should be published in open data reusable format based on a threshold agreed by the MSG.**

<sup>60</sup> CMEA. 2019. MSG's Second Letter to the Validation Committee.  
[https://eiti.org/files/documents/additional\\_validation\\_documents\\_submitted\\_by\\_msg\\_on\\_27.11.2019.pdf](https://eiti.org/files/documents/additional_validation_documents_submitted_by_msg_on_27.11.2019.pdf)

### Infrastructure Provision and Barter Arrangement (#4.3)

#### Partially mainstreamed, minor limitations

**[Applicability]** In principle, the extractive industry in Indonesia does not apply barter arrangements. Contractual provisions which may be relevant for this requirement regarding infrastructure are considered immaterial (less than 1 percent of state revenue), therefore, in the 2018 validation (EITI 2019), Requirement 4.3 is noted as not applicable for Indonesia. Nevertheless, information on infrastructure provision is available in the EITI Reports for both sectors.

**In the oil and gas sector, the PSC regulates all assets of PSC holders in Indonesia used in operational activities owned by the state, including infrastructure to support operations.** Although the infrastructural investment to support extraction is considered part of the project cost, this is not equivalent to infrastructural development in exchange for rights to operate. Nevertheless, this information is available in the EITI Reports (see Table 2.10).

**For the coal and mining sector, the infrastructure provision fits the definition of Requirement 4.3, however, the provisions are on a case-by-case basis and depend on the agreements between the company and the government for specific contracts.** EITI Reports also include this information. This demonstrates that the value is not material for the fiscal year covered, therefore, the applicability of Infrastructure Provision and Barter Arrangements in the context of Indonesia should be revisited and agreed frequently.

**[Public Accessibility]** Outside of the EITI Reports, information for the oil and gas—the value of PSCs operations’ infrastructure—is available in the audited GoI’s LKPP which is published in searchable pdf format. For the coal and mining sector, the data disclosed in the EITI Reports (see Table 2.10) are currently not systematically disclosed elsewhere.

**Table 2-10: Infrastructure Provision Information**

Year	Oil & Gas	Coal & Mining
2009	PSC’s operations infrastructure is owned by the state. This information is available in the GoI’s LKPP.	Not yet included in the reporting template*
2010 – 2011		Not yet included in the reporting template*
2012 – 2013		PT. Adimitra Baratama Nusantara constructed an underpass with a project value of Rp 18 billion in 2012 and Rp 24 billion in 2013
2014		None
2015		None
2016		PT. Kaltim Prima Coal: US\$3.7 million
2017		PT. Aneka Tambang Tbk Rp 26 billion PT. Arutmin Indonesia US\$2.76 million

Source: Compiled from Indonesia EITI Reports.

Note: \*There is no information on infrastructure provision and barter arrangements in either the Indonesia EITI Scoping Notes or the reports for FY 2009 and 2010-2011.

**[Comprehensiveness & Level of Disaggregation]** For oil and gas, the information noted above is comprehensively available in the LKPP and includes all PSCs. The value is presented as an aggregate in the balance sheet, listed as *aset lain-lain* (other assets) with more details available in the notes to the financial report, amounting to Rp 314 trillion in 2018 (see Table 2-11). On the other hand, for coal

and mining, as noted above, no information is publicly available other than what is reported by companies in the EITI Reports.

**Table 2-11: PSC Oil and Gas Assets per 31 December 2018 and 31 December 2017**

Aset KKKS	31 Desember 2018 <i>(Audited)</i>	31 Desember 2017 <i>(Audited)</i>
a) Aset Tanah	22.365.774.965.994	22.028.148.948.127
b) Aset NonTanah	469.236.643.866.872	467.480.510.143.557
1. HBM	443.187.162.878.817	442.731.782.028.218
2. HBI	97.017.511.748	70.785.280.181
3. Material Persediaan	25.952.463.476.307	24.677.942.835.158
<b>Jumlah Bruto</b>	<b>491.602.418.832.866</b>	<b>489.508.659.091.684</b>
Akumulasi Penyusutan	(177.629.405.691.706)	(162.493.375.705.530)
<b>Jumlah Neto</b>	<b>313.973.013.141.158</b>	<b>327.015.283.386.154</b>

Source: Notes to the Financial Report of the 2018 LKPP.

**[Timeliness & Reliability]** Information in the LKPP is timely as it is published annually by June of the following fiscal year and is an official audited financial statement from the Gol.

Disclosure of any material agreements involving provision of infrastructure in the coal and mining sector would require the MSG to frequently revisit the applicability and materiality of such arrangements in the extractive contractual provisions.

#### Recommendations

- i. **The MSG has to develop and make public a definition of materiality for infrastructure provisions and barter arrangements as per Requirement 4.3.** The MSG must document if there have been any material infrastructure agreements or barter arrangements for the disclosed fiscal year. Whenever applicable and material, the MSG has to ensure that this information is disclosed.
- ii. **For oil and gas, where applicable and material, the MSG has to ensure information in the Gol's LKPP is sufficient.** If necessary, SKK Migas should also provide complementary information.
- iii. **For coal and mining, where applicable and material, both ESDM and relevant companies have to disclose the provision of infrastructure that is made in full or partial exchange for extractive rights or delivery of extractive commodities as per Requirement 4.3.** This should provide a level of detail and disaggregation commensurate with the other payments and revenue streams on their respective websites and in a timely manner.
- iv. **ESDM and SKK Migas to include details on infrastructure provision in their company reporting mechanism.**
- v. **Encourage disclosures in open data reusable format.**

## Transportation Revenues (#4.4)

### Fully Mainstreamed

**[Applicability]** In the 2018 validation results, Requirement 4.4 is noted as satisfactory which confirms the quality of information disclosed in the EITI Reports. There are two SoEs involved in the transportation of extractive commodities—PT. Pertamina and PT. KAI. Through its subsidiaries, PT. Pertamina provides pipelines to transmit natural gas to end users. In 2018, PT. PGN became a subsidiary of PT. Pertamina while PT. Pertagas which was previously PT. Pertamina’s subsidiary became a subsidiary of PT. PGN. PT. KAI collects mineral commodity transport revenues from PT. Bukit Asam’s use of two of its railway lines.

**[Public Accessibility]** Information on transportation revenue is publicly accessible in the Annual Reports of the respective SoEs.

**[Comprehensiveness]** To go beyond what is mandatory, the coverage in the EITI Reports to date could be used as a reference to update and routinely disclose the information on the SoEs’ websites/portals.

**[Level of Disaggregation]** The PT. Pertamina 2019 Annual Report provides revenue information from its subsidiary including PT. PGN that originates from its services, including its transportation service. Information regarding the routes and the consumers of each route is available on the PT. Pertagas website,<sup>61</sup> while the calculation of tariffs is regulated by Downstream Oil and Gas Regulatory Agency (*Badan Pengatur Hilir Minyak dan Gas Bumi*: BPH Migas) which is available in their Regulation Portal.<sup>62</sup>

Information on mineral commodity transport revenues collected from PT. Bukit Asam for the use of two of its railway lines is disclosed in the PT. KAI annual report.

**[Timeliness]** The annual reports are published annually.

**[Reliability]** The annual reports are based on audited financial statements.

### Recommendation

- i. The MSG is encouraged to agree a procedure to address data quality and assurance of information on transportation revenues—in accordance with Requirement 4.9.

## Transactions Related to SoEs (#4.5)

### Partially mainstreamed with major limitations

**[Reporting SoEs]** In 2017, PT. INALUM became the holding entity for SoEs in the coal and mining sector. With the formation of the holding company, PT. Aneka Tambang, PT. Bukit Asam, and PT. Timah—the previous SoEs in the coal and mining sector—became subsidiaries of PT. INALUM and were no longer considered SoEs as per the definition in Law No. 19/2003 on SoEs. PT. INALUM is now the only SoE in the coal and mining sector. Its subsidiaries are publicly listed companies (including PT. Freeport Indonesia) with each required to disclose information publicly, including their Audited Financial Statements, Annual Reports, and Sustainability Reports.

<sup>61</sup> PT. Pertagas. Gas Transportation. <http://www.pertagas.pertamina.com/gas-transportationid-ID>

<sup>62</sup> BPH Migas Regulation Portal: <http://jdih.bphmigas.go.id/>

Similarly, with the acquisition of PT. PGN in 2018, PT. Pertamina has become the only SoE in the oil and gas sector. PT. PGN becomes its gas subholding to which PT. Pertagas ownership has been transferred from PT. Pertamina. PT. PGN is also a publicly listed company which makes a mandatory disclosure of its audited financial report.

**[Public Accessibility]** Both SoEs publish audited financial statements on their websites in a searchable pdf format. The financial statements are a consolidated statement of their subsidiaries using an accrual accounting basis—except for cash flow and specific accounts explicitly mentioned in its accounting policies.

**[Comprehensiveness and Level of Disaggregation]** While they are a consolidated statement, for some accounts, the Notes to the Financial Statements provide information disaggregated by subsidiaries. For example, in PT. Pertamina's financial statements for FY 2019 are, due to the government's requirement, are disaggregated by payment type and subsidiary (for example, overlifting, dividend, and loan instalments). They also provide information on government payments to PT. Pertamina for example, subsidy reimbursement), while PT. INALUM provides information on dividend payments and retained earnings.

**[Timeliness]** The publication is timely with less than a two-year delay after the conclusion of the financial year. In May 2021, PT. Pertamina published its 2020 audited financial statement. The latest audited financial statement published for PT. INALUM is for FY 2018, however, an overview of its financial performance based on the audited financial statement is available for FY 2019 in the PT. INALUM annual report.

**[Reliability]** The financial statements are audited by independent auditors as mandated by the SoE Act (Law No. 19/2003) and Limited Liability Company Act (Law No. 40/2007). Public accountants who perform audits in Indonesia follow the Indonesian accounting standard, namely the Statement of Financial Accounting Standards (SFAS) which conform to the International Standard on Accounting (ISA).

A more detailed assessment of each individual SoE disclosure for Requirement 4.5 along with assessment of SoEs for other requirements can be found in Appendix II.

## Recommendations

- i. Encourage the MSG to document if transactions between SoEs are material.
- ii. The MSG to consider materiality for disclosure of Requirement 4.5 at the level of the subsidiary given their significance in the context of Indonesia.
- iii. Ensure that SoEs include payments by companies to SoEs and transfers between SoEs and government in financial statements and to disclose such information with downloadable and reusable formats. Appendix II presents a more detailed gap assessment for each SoE.
- iv. Ensure that details of the transactions are made available disaggregated by subsidiaries.

## Subnational Payments (#4.6)

### Partially mainstreamed with major limitations

**[Applicability]** Although Requirement 4.6 of the 2016 EITI Standard requires disclosures of direct payments to local governments, in the 2018 validation (EITI 2019), Requirement 4.6 is noted as not applicable in Indonesia, due to the immateriality of their value. Direct payments from companies to local governments are based on local regulations (*Perda*) and based on commitments between companies and local governments. In the published EITI Report, this revenue is considered immaterial and, therefore, is not reconciled. To provide an overview of the value range of the revenue, Table 2-12 illustrates subnational payment data in the past three EITI Reports, showing the fluctuating number for each FY with only a few companies involved.

**Table 2-12: Subnational Payment Information in EITI Reports**

Year	Oil & Gas	Coal & Mining
2015	n.a.	- Rp 437 billion & US\$1.8 million from 11 companies
2016	- DG Budget to Local Government: Rp 48 billion - PSCs to Local Government: Rp 3.4 billion	- Rp 287 billion from 13 companies
2017	- DG Budget to Local Government: Rp 115 billion - PSCs to Local Government: Rp 6.3 billion	- Rp 593 billion & US\$14.33 million based on <i>Perda</i> - Rp 393 billion & US\$1 billion from 16 companies

Source: Compiled from EITI Reconciliation Reports.

**Complementary data is also collected by provincial government representatives.** Table 2-13 demonstrates example of the data for two provinces. Some of the numbers fluctuate quite drastically (refer to regional levies for East Kalimantan in 2015). Table 2.14 illustrates that the components collected for each FY on direct subnational payments varied, therefore, the total values are not comparable. The disaggregated data for each revenue type as shown in Table 2.14 is available in the Annex of EITI Reports for each reporting regions.

**Table 2-13: Data on Direct Payments by Extractive Sector Companies to Subnational Government for Two Reporting Provinces for FY 2015 - 2017 (Millions of Rp)**

Year	East Kalimantan Province			South Sumatra Province		
	Taxes	Levies	Others	Taxes	Levies	Others
<b>Oil &amp; Gas</b>						
2015	—	13,188	1,181,297	Not reported	Not reported	Not reported
2016	3,127,251	19	882,678	—	—	—
2017	1,439,980	16	1,067	1,646,819	15,442	180,750
<b>Coal &amp; Mining</b>						
2015	—	—	—	Not reported	Not reported	Not reported
2016	—	—	—	817,166	18,403	107,489
2017	—	—	—	823,409	—	180,750

Source: Compiled from Appendix of EITI Reports.

**Table 2-14: Regions and Components Reported for Direct Subnational Payment in EITI Reports**

	2015	2016	2017
<b>Regions</b>	Riau, East Kalimantan, East Java	Riau, East Kalimantan, East Java, South Kalimantan, South Sumatra	Riau, East Kalimantan, East Java, South Kalimantan, South Sumatra
<b>Components</b>	<p><b>Local Own Source Revenue (Pendapatan Asli Daerah: PAD)</b></p> <p><b>Regional Taxes:</b></p> <ul style="list-style-type: none"> <li>- Motor Vehicle Tax</li> <li>- Motor Vehicle Fuel Tax</li> <li>- Surface Water Tax</li> <li>- Cigarette Tax</li> <li>- Motor Vehicle Transfer of Title Fee (BBNKB)</li> </ul> <p><b>Regional Levies:</b></p> <ul style="list-style-type: none"> <li>- General Service Fee</li> <li>- Business Service Fee</li> <li>- Specific Permits Fee</li> </ul> <p><b>Others:</b></p> <ul style="list-style-type: none"> <li>- Proceeds from Separated Regional Assets Management</li> <li>- Other legitimate PAD</li> </ul>	<p><b>PAD</b></p> <p><b>Regional Taxes:</b></p> <ul style="list-style-type: none"> <li>- Motor Vehicle Tax</li> <li>- Motor Vehicle Fuel Tax</li> <li>- Surface Water Tax</li> <li>- Cigarette Tax</li> <li>- Motor Vehicle Transfer of Title Fee (BBNKB)</li> </ul> <p><b>Regional Levies:</b></p> <ul style="list-style-type: none"> <li>- General Service Fee</li> <li>- Business Service Fee</li> <li>- Specific Permits Fee</li> </ul> <p><b>Others:</b></p> <ul style="list-style-type: none"> <li>- Proceeds from Separated Regional Assets Management</li> <li>- Other legitimate PAD</li> </ul>	<p><b>PAD</b></p> <p><b>Regional Taxes:</b></p> <ul style="list-style-type: none"> <li>- Surface Water Tax</li> <li>- Underground Water Tax</li> <li>- Heavy Equipment Tax</li> <li>- Motor Vehicle Transfer of Title Fee (BBNKB)</li> </ul> <p><b>Regional Levies:</b></p> <ul style="list-style-type: none"> <li>- General Service Fee</li> <li>- Business Service Fee</li> <li>- Specific Permits Fee</li> </ul> <p><b>Others:</b></p> <ul style="list-style-type: none"> <li>- Proceeds from Separated Regional Assets Management</li> <li>- Other legitimate PAD</li> </ul>

Source: Compiled from EITI Reporting Templates.

Note: BBNKB: *Biaya Balik Nama Kendaraan Bermotor* (Motor Vehicle Transfer of Title Fee).

**[Public Accessibility]** Outside of the EITI Reports, the DG Fiscal Balance (MoF) collects this information through the Regional Finance Information System (*Sistem Informasi Keuangan Daerah: SIKD*) and discloses the data in Excel format on their website.<sup>63</sup> SIKD covers all regional governments in Indonesia—including provinces and districts. The system retrieves and integrates financial information from different Financial Information Systems used by regional governments,<sup>64</sup> such as SIMDA, SIPKD, Sp3ktra, and SIMAKDA.<sup>65</sup>

**[Comprehensiveness]** The disclosed data includes data for all provinces as well as regencies.

**[Level of Disaggregation]** The disclosure disaggregates the data by region and revenue type, however, it does not distinguish payments from extractive companies. The value is, therefore, an aggregate from other sectors. As the standard chart of accounts for subnational governments also does not specifically distinguish types of extractive revenues,<sup>66</sup> there would be significant issues to monitor these totals for each region. For example, levies that might come from the extractive sector would be coded similarly with levies from other sectors.

<sup>63</sup> DG Fiscal Balance. Regional Government Budget and Realization: <http://www.djpk.kemenkeu.go.id/?p=5412>

<sup>64</sup> DG Fiscal Balance. SIKD Client Developer Guide: [http://www.djpk.kemenkeu.go.id/sikd/files/materi/dev\\_guide-sikd1.pdf](http://www.djpk.kemenkeu.go.id/sikd/files/materi/dev_guide-sikd1.pdf)

<sup>65</sup> SIMDA: *Sistem Informasi Manajemen Daerah* (Regional Management Information System); SIPKD: *Sistem Informasi Pengelolaan Keuangan Daerah* (Regional Financial Management Information System); SP3KTRA: *Sistem Pengelolaan, Penatausahaan dan Pelaporan Keuangan Kota Tangerang* (Tangerang City Management, Administration, and Financial Reporting System); SIMAKDA: *Sistem Informasi Manajemen Anggaran dan Akuntansi Keuangan Daerah* (Regional Budget Management and Financial Accounting Information System).

<sup>66</sup> MoF. Standard Chart of Accounts: <https://jdih.kemenkeu.go.id/fullText/2011/238~PMK.05~2011PerLamp.pdf>

**[Timeliness]** The data is published quarterly.

**[Reliability]** The data is not audited as it is ongoing data collected from regional government by the DG Fiscal Balance.

#### Recommendations

- i. Encourage MoF to improve the standard chart of accounts for subnational governments to include necessary details for subnational payments as required by the EITI Standard.
- ii. Encourage the DG Fiscal Balance to disclose subnational payments data with the necessary details required by the EITI Standard on behalf of subnational governments.
- iii. Encourage ESDM and SKK Migas to include details on subnational payments in their company reporting mechanism.
- iv. Encourage companies to unilaterally disclose subnational payments.

#### Subnational Transfers (#5.2)

##### **Partially mainstreamed with minor limitations**

**[Public Accessibility]** The DG Fiscal Balance (MoF) calculates the share of the revenue sharing fund (*Dana Bagi Hasil: DBH*) from natural resource revenues by drawing information from the DG Budget, ESDM, and SKK Migas. The formula used in the calculation is available on the Directorate General of Fiscal Balance (*Direktorat Jenderal Perimbangan Keuangan: DJPK*) website.<sup>67</sup>

DBH data is publicly available in SIMTRAD4<sup>68</sup> but not in an open data format. SIMTRAD4 is a system that was developed to facilitate the confirmation of DBH transfers by regional governments to the DG Fiscal Balance. The list of producing regions along with the production forecast are stipulated every year in a Ministerial Decree separately for the oil and gas and the coal and mining sectors.<sup>69</sup>

**[Comprehensiveness and Level of Disaggregation]** SIMTRAD4 provides different sets of information according to the type of user. The data disclosed to the general public includes projected (allocation) figures based on formula and actual payments (realization) for each relevant subnational entity (provinces and districts) (see Table 2-15). The formula consists of two things: (i) the revenue to be shared; and (ii) sharing ratios which apply across regions.

The allocation figures can be easily calculated using the formula and production forecast available in the annually published Ministerial Decree on producing regions. The disclosed actual payments (realization) number includes the reconciliation of under/over transfers of the previous FY due to the differences in the realization of production. Both the value of the realization of revenue to be shared and the value of under/over transfers are not disclosed for the public, however, these values are available for users with access rights to the system as a regional government.<sup>70</sup>

<sup>67</sup> DG Fiscal Balance. Handbook on Natural Resources' Revenue Sharing Fund Allocation: <http://www.djpk.kemenkeu.go.id/wp-content/uploads/2017/06/Buku-Pegangan-Perhitungan-Alokasi-DBH-SDA.pdf>

<sup>68</sup> DG Fiscal Balance. SIMTRAD4: <http://www.djpk.depkeu.go.id/simtrada/>

<sup>69</sup> Ministerial Decree of ESDM No. 201 K/80/MEM/2019 on The Determination of Producing Regions and Basis for Calculating Revenue Sharing Fund of the Coal & Mining Natural Resource Year 2020.

<sup>70</sup> DG Fiscal Balance. SIMTRAD4 User Guide: <http://www.djpk.kemenkeu.go.id/simtrada/petunjuk%20penggunaan.pdf;jsessionid=2302f39996bd4c92fb2312755974>

**Table 2-15: Subnational Transfer Disclosure Based on Components and Audience**

DBH Information	Component	Accessibility to Regional Government		Accessibility to Public		
		Channel	Disaggregation	Channel	Disaggregation	
Allocation	- Amount	SIMTRAD4	Per Region	- Presidential Regulation on State Budget* ( <i>Perpres</i> APBN). - Presidential Regulation on the Revision of State Budget* ( <i>Perpres</i> APBN P). - Minister of Finance Regulation* ( <i>Peraturan Menteri Keuangan</i> : PMK).	Per Province	
	- Formula	<b>Oil &amp; Gas</b> Minister of Finance Regulation No. 48/2016 (as amended) <b>Coal &amp; Mining</b> Government Regulation No. 55/2005	-	<b>Oil &amp; Gas</b> Minister of Finance Regulation No. 48/2016 (as amended) <b>Coal &amp; Mining</b> Government Regulation No. 55/2005	-	
	- Variable					
	a) Projected Revenue	ESDM Ministerial Decree	Per Region	ESDM Ministerial Decree*	Per Region	
	b) Sharing Ratios	<b>Oil &amp; Gas</b> Minister of Finance Regulation No. 48/2016 (as amended) <b>Coal &amp; Mining</b> Government Regulation No. 55/2005	-	<b>Oil &amp; Gas</b> Minister of Finance Regulation No. 48/2016 (as amended) <b>Coal &amp; Mining</b> Government Regulation No. 55/2005	-	
Realization	- Amount	SIMTRAD4	Per Region	SIMTRAD4	Per Province	
	- Formula	<b>Oil &amp; Gas</b> Minister of Finance Regulation No. 48/2016 (as amended) <b>Coal &amp; Mining</b> Government Regulation No. 55/2005	-	<b>Oil &amp; Gas</b> Minister of Finance Regulation No. 48/2016 (as amended) <b>Coal &amp; Mining</b> Government Regulation No. 55/2005	-	
	- Variable					
	a) Actual Revenue	Gol FS	Aggregate	Gol FS	Aggregate	
	b) Sharing Ratios	<b>Oil &amp; Gas</b> Minister of Finance Regulation No.	-	<b>Oil &amp; Gas</b>	-	

DBH Information	Component	Accessibility to Regional Government		Accessibility to Public	
		Channel	Disaggregation	Channel	Disaggregation
		48/2016 (as amended) <b>Coal &amp; Mining</b> Government Regulation No. 55/2005		Minister of Finance Regulation No. 48/2016 (as amended) <b>Coal &amp; Mining</b> Government Regulation No. 55/2005	
	c) Over/Under Payments	SIMTRAD4	Per Region	- Minister of Finance Regulation*	Aggregate

Note: \* Regulations are published periodically.

**[Timeliness]** Eighty percent of funds have usually been disbursed to both producing and non-producing regions by November each year according to ministerial regulations (PMK) on the change of allocation based on realization prognosis of DBH for the year. SIMTRAD4 updates the figure according to the progress of the transfer of the fund during the year.

**[Reliability]** Data in SIMTRAD4 is updated based on transaction data from the DG Fiscal Balance. DBH data can also be found in the Gol audited LKPP.

#### Recommendations

- i. Encourage the DG Fiscal Balance to disclose the variables used in calculating the formula— that is, the value of the revenue to be shared, and over/under transfers for the previous FY disaggregated by region.
- ii. Encourage the DG Fiscal Balance to disclose data in SIMTRAD4 in an open data reusable format.

### Revenue Management and Expenditures (#5.3)

#### **Partially mainstreamed with minor limitations**

**[Applicability]** Natural resource revenues go to the state budget with no earmarking for spending on specific programs. Special autonomy regions (Papua, West Papua, and Aceh) are, however, entitled to a higher proportion of the DBH. These revenues are further earmarked for specific programs in each of the provinces. Article 7 of Law No. 18/2001 on Special Autonomy in Aceh Province mandates that 20 percent of the DBH from extractives must be earmarked for education. Similarly, Article 36 of Law No. 21/2001 on Special Autonomy in Papua stipulates that 30 percent of the DBH from extractives must be earmarked for education and 15 percent for health and nutrition improvements in Papua Province. Through *Perpu* No. 1/2008, this also applies to West Papua Province.

**[Public Accessibility]** Provincial budget and realization data are available on the DG Fiscal Balance website.<sup>71</sup> Information on budgeting and auditing processes is available on MoF's website, while updates on government budget realization and expenditures are available in the monthly *APBN Kita*

<sup>71</sup> DG Fiscal Balance. Regional Government Budget and Realization: <http://www.djpk.kemenkeu.go.id/portal/data/apbd>

publications.<sup>72</sup> Revenue sustainability can be inferred from the medium-term income projections (three years) which are available in the GoI Financial Note.<sup>73</sup>

**[Comprehensiveness]** The description of earmarking for extractive revenues can be found in the aforementioned laws including the method to ensure accountability and efficiency in their use.

**[Level of Disaggregation]** The information on provincial budget and realization is disaggregated by province.

**[Timeliness]** The budget and realization for provincial governments are updated on a quarterly basis while central government budget and realization are updated monthly and the GoI Financial Note is published annually.

**[Reliability]** The final figures for central government are available in the audited LKPP, while the monthly publication of central government budget realization and expenditures reports the interim figures during the year published on MoF's official website. For Aceh, the audited financial statement is available upon request through BPK's official website,<sup>74</sup> while the audited financial statements for Papua and West Papua provinces are not available online. Government financial statements are reliable sources of financial data as they are audited by BPK, which meets the EITI requirement for data assurance through credible, independent audit that applies international auditing standard (see Requirement 4.9 in Subsection 2.3).

#### Recommendation

- i. Encourage MoF to disclose their financial report in open data reusable format.

### Social and Environmental Expenditures by Extractive Companies (#6.1)

#### *Partially mainstreamed with major limitations*

**[Applicability]** There is a legal obligation for extractive companies to administer a community development program (see Table 2-16). The law and its implementing regulations do not, however, state the amount/value of the CSR that the respective companies must provide, with the exception of SoEs which is set at a maximum of 4 percent of their profit of the previous financial year. For both sectors, the proposed program should be included in the annual Work Plan and Budget and be subject to evaluation and approval from both the DG Coal and Mining and SKK Migas.

**Table 2-16: CSR-related Regulations**

Legal Basis	Details on CSR Obligation
Law No. 22/2001 on Oil and Gas	PSC must include CSR components (Article 11) and PSC holders are responsible for the development of the local community (Article 40).
Law No. 4/2009 on Coal and Mining (as amended by Law No. 3/2020)	License holders are obliged to administer a community development program (Article 108).

<sup>72</sup> MoF. Monthly APBN Kita: <https://www.kemenkeu.go.id/publikasi/apbn-kita/>

<sup>73</sup> MoF. GoI Financial Note: <https://www.kemenkeu.go.id/informasi-publik/uu-apbn-dan-nota-keuangan/>

<sup>74</sup> BPK RI. Aceh Province Financial Statement: <https://bandaaceh.bpk.go.id/lkpd-provinsi-aceh/>

Law No. 40/2007 on Limited Liability Company	Limited liability companies are obliged to implement social and environmental responsibilities for the company that runs its business activities in the field of and/or related to natural resources (Article 74).
Law No. 25/2007 on Capital Investment	Investors are obliged to administer CSR (Article 15 b) and preserve the environment (Article 16 d).
Government Regulation No. 23/2010 on Implementation of Coal and Mining Business Activity (as amended several times)	License holders are obliged to administer community development programs (Article 106) proposed annually as part of the annual Work Plan and Budget to the respective authority for approval (Article 107).
Minister of SoEs Regulation PER-09/MBU/07/2015 on Partnerships and Community Development Programs (as amended several times)	Allocation of CSR fund by SoEs is a maximum of 4% of their profit of the previous year (Article 8).

Regarding environmental expenditures, mineral and coal mining companies with IUP and special mining licenses (*Izin Usaha Pertambangan Khusus: IUPK*) are required to provide two types of guarantees: (i) reclamation (exploration and production operation); and (ii) post-mining guarantees.<sup>75</sup> In the oil and gas sector, environmental payments are in the form of *Dana Kegiatan Pasca Operasi* (Abandoned Site Restoration Fund: ASR) which is intended to fund restoration projects.<sup>76</sup> The value of the fund is subject to approval by SKK Migas according to the restoration plan.

**[Public Accessibility]** Social and environmental expenditure data in the coal and mining sector (that is, CSR and reclamation fund) is disclosed in the ESDM Annual Performance Report,<sup>77</sup> while for oil and gas, these data (CSR and ASR Fund) are disclosed in the SKK Migas' annual Sustainability Report.<sup>78</sup> In addition, SoEs' CSR information can be found on the Ministry of SoEs website.<sup>79</sup>

**[Comprehensiveness]** The disclosure is not comprehensive—names of beneficiaries and the nature of projects are not commonly described in detail. The SKK Migas Sustainability Report only highlights the priority programs.

**[Level of Disaggregation]** Disclosure of this information comes in aggregate values for both sectors, with the most disaggregated disclosure to date in the EITI Report and on the EITI Website. For example, the 2016 EITI report disaggregates CSR data for the oil and gas sector by the type of expenditure—public relations, community service, community empowerment, infrastructure, and environmental. The 2016 EITI report disaggregates CSR data for the coal and mining sector by whether the expenditure was paid in cash or in-kind. None of the reviewed disclosures provide details of individual beneficiaries.

**[Timeliness & Reliability]** The aforementioned documents are published annually, based on audited financial statements.

<sup>75</sup> ESDM *Permen* No. 26/2018 on Implementation of Good Mining Principles and Supervision of Minerals and Coal Mining.

<sup>76</sup> ESDM *Permen* No. 15/2018 on Post-Operation Activities.

<sup>77</sup> ESDM. Annual Performance Report: <https://www.esdm.go.id/id/publikasi/lakip>

<sup>78</sup> SKK Migas. Sustainability Report: <https://www.skkmigas.go.id/publikasi/sustainability-report>

<sup>79</sup> Ministry of SoEs. Partnerships and Community Development Programs: <http://infopkbl.bumn.go.id/>

**Table 2-17: Amount of CSR Reported in Past EITI Reports**

Year	Coal & Mining		Oil & Gas	
	(Millions of Rp)	(Thousands of US\$)	(Millions of Rp)	(Thousands of US\$)
2015	508,718	104,609	—	16,747
2016	362,817	94,928	10,320	17,553
2017	471,745	94,066	143,579	4,329
<b>Total</b>	<b>1,343,280</b>	<b>293,603</b>	<b>153,899</b>	<b>38,629</b>

Source: Compiled from EITI Reconciliation Reports.

Note: CSR is paid in both US\$ and Rp.

**[Opportunity]** Based on past EITI Reports, the value of CSR is not material (less than 1 percent of state revenue in extractives) and is, therefore, not reconciled (see Table 2-17). Nonetheless, disaggregation and further details of CSR disclosure as per Requirement 6.1 would help beneficiaries to understand details of expenditures undertaken by extractive companies in their communities. SKK Migas and ESDM has the authority to disclose company data submitted by companies and can disclose relevant aspects of the Work Plan and Budget and/or FQRs to demonstrate disaggregated data by companies along with other information as required by the EITI Standard.

### Recommendations

- i. Encourage ESDM to enhance the existing company reporting system to capture the necessary details for social and environmental expenditure as required by the EITI Standard:
  - a) **The nature of the expenditure:** Is this expenditure (CSR) for an environmental project or a social project and what in what form is it provided—scholarship, infrastructure works, food subsidy and so forth.
  - 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—for example, construction of training center and the deemed value in cash.
  - c) **The actual beneficiary:** For example, a government (local or provincial) or a third party (non-government, such as an NGO, school, or community). The identity of the actual beneficiary should be specific—for example, residents of a certain town in a certain province.
- ii. Encourage SKK Migas and ESDM to publish mandatory social and environmental expenditures as per Requirement 6.1.
- iii. Encourage companies to publish mandatory social and environmental expenditures as per Requirement 6.1 a.
- iv. Encourage the MSG to agree on a procedure to address data quality and assurance of information on social and environmental expenditures, in accordance with Requirement 4.9.

## Quasi-fiscal Expenditures (QFEs) (#6.2)

### **Partially mainstreamed with minor limitations**

**[Applicability]** QFEs by SoEs in the extractive sector have never been mandated specifically by the government. As discussed multiple times in the MSG meetings, however, DMOs by SoEs in the extractive sector are considered as QFEs in accordance with the EITI Standard (CMEA 2019). Another government-mandated expenditure for SoEs is the *Program Kemitraan dan Bina Lingkungan* (Partnerships and Community Development Programs) which is considered as CSR expenditures in the EITI implementation context.

EITI Indonesia conducted a focus-group discussion on the coal DMO topic in 2018 (CMEA 2018) in which the MSG considered a DMO by the SoE for supplying coal for public power plant generation to be a form of QFE. A DMO for coal is sold using prices equal to, or below, the market value. On the other hand, a DMO for oil is compensated with a DMO fee in which the amount of the fee is normally less than the market value of the DMO. Hence, the difference between the market value and DMO fee corresponding to the DMO of oil surrendered by an SoE company can be considered to be QFEs.

**[Public Accessibility]** Each of the five extractives SoEs' respective websites provides access to annual reports and audited financial statements, although these do not highlight any QFEs. Information on aggregated DMO fees is available in the central government's LKPP, while aggregated information for DMO of coal is available in the ESDM Annual Performance Report.<sup>80</sup>

**[Comprehensiveness and Level of Disaggregation]** Although the values are presented as an aggregate, the aggregate values represent the total for DMOs for all companies and are, therefore, comprehensive.

**[Timeliness and Reliability]** Audited financial reports are published annually by SoEs and government agencies along with annual reports.

### **Recommendations**

- i. Encourage the MSG to undertake a comprehensive review of all expenditures undertaken by extractives SoEs that can be considered quasi-fiscal.
- ii. Encourage the MSG to develop a reporting process for QFEs with a view to achieving a level of transparency commensurate with other payments and revenue streams.
- iii. Encourage ESDM to publish its calculation on the coal DMO and oil DMO fee to quantify QFEs by the SoEs with a disaggregation level as required by the EITI Standards. Furthermore, that SoEs (PT. Pertamina and PT. INALUM) publish the actual amount of DMO payments which are considered QFEs.
- iv. National Secretariat to ensure that the MSG documents its discussions on QFEs.

<sup>80</sup> ESDM. Annual Performance Report: <https://www.esdm.go.id/id/publikasi/lakip>

## 2.3 Requirements Related to the Data Quality Dimension

**None of the four disclosure requirements related to data quality are fully mainstreamed.** Three have been partially mainstreamed with minor limitations (Requirements 4.8, 4.9, and 7.2), while one has significant legal and administrative limitations (Requirement 4.7). The summary is presented in Table 2-18.

**Table 2-18: Data Quality Mainstreaming Status**

Requirement	Finding	2018 Validation Results
4.7 Level of Disaggregation	Significant legal and administrative limitations	Inadequate
4.8 Data Timeliness	Partially mainstreamed, minor limitations	Satisfactory
4.9 Data Quality and Assurance	Partially mainstreamed, minor limitations	Inadequate
7.2 Data Accessibility and Open Data	Partially mainstreamed, minor limitations	Not Assessed

### Level of Disaggregation (#4.7)

**[Number of Licenses/Contract per Company]** For project-level reporting in the oil and gas sector, **one PSC is to be held by one legal entity,<sup>81</sup> therefore, one report by company as a PSC holder will represent one project.** On the other hand, in the coal and mining sector, contracts (granted in the past) and IUPs are granted under the WIUP.<sup>82</sup> In the same period, one company can only have one WIUP unless it is a publicly listed company, although one company could have multiple contracts and/or IUPs.

**[Reporting]** As one oil or gas company can only have one PSC per project, the PSC holder would always report on both a company and project-level basis for all types of activities and payments.

**On the other hand, coal and mining companies might have multiple licenses/contracts.** Nevertheless, non-tax payments are reported by each company at the project/license level through the e-PNBP system,<sup>83</sup> while tax payments are reported through the e-Billing system which require details by company. Table 2-19 summarizes the types of revenue streams along with the level of disaggregation on how each is reported. It demonstrates that while disclosure does not yet feature data disaggregated by project, most of the data are reported to the government on a project-level basis.

<sup>81</sup> Article 13 of Law No. 22/2001 on Oil and Gas.

<sup>82</sup> Articles 6 and 9 of PP No. 23/2010 on the Implementation of Coal and Mining Business Activities.

<sup>83</sup> DG Coal and Mining. E-PNBP User Manual for Coal and Mining.  
<https://drive.esdm.go.id/wl/?id=evseA1buVaWBYrzJMNdbZfPP02hNzka3>

**Table 2-19: Reporting Disaggregation per Revenue Stream**

Revenue Stream	Level of Disaggregation	
	By Project	By Company
<b>Non-Tax Revenue</b>		
<b>Coal &amp; Mining</b>		
Royalty	V	
Land/Dead Rent	V	
Sales Revenue Share	V	
Forestry Fee		V
<b>Oil &amp; Gas</b>		
Government Lifting Oil	V	
Government Lifting Gas	V	
DMO	V	
Total Lifting Oil	V	
Total Lifting Gas	V	
DMO Fees	V	
Over/Under Lifting Oil	V	
Over/Under Lifting Gas	V	
Signature Bonus	V	
Production Bonus	V	
<b>Tax Revenue</b>		
<b>Both Sectors</b>		
Corporate and Dividend Tax		V
Land and Building Tax		V
VAT Reimbursement	V	
Local Tax and Levy	V	
Dividend Tax		V
<b>Production &amp; Export</b>		
Coal & Mining Production		V
Export Selling		V
<b>Social &amp; Environmental Expenditure</b>		
<b>Both Sectors</b>		
CSR		V
<b>Oil &amp; Gas</b>		
Abandonment Site Restoration	V	
<b>Coal &amp; Mining</b>		
Post-Mining Fund		V
Reclamation Guarantee Fund		V

**Recommendation**

- i. Each of the related agencies to disclose required information disaggregated by project/by company as explained in the previous discussion section for each requirement.

## Data Timeliness (#4.8)

**As noted above, data on revenues collected by the government as presented in the audited central government's LKPP will be available by June every year.** It will, therefore, be possible to publish revenue data on either government websites or the Extractive Industries Data Portal well within the timeframes stipulated by EITI Requirement 4.8. For retention of data, audited LKPP has been available on the MoF website since fiscal year 2004. There is no known regulation which stipulates how long the historical data must remain accessible by the public.

**For other datasets than financial data, the disclosure frequency varies.** For example, data on production for oil and gas is collected on a daily basis while production data for coal and mining are less frequently reported.

### Recommendation

- i. **The MSG to agree on a disclosure calendar with related agencies for each required dataset which include not only revenue data but also non-revenue data.**

## Data Quality and Assurance (#4.9)

**[Compliance Audit]** The government's internal auditor, the Development and Financial Supervisory Agency (*Badan Pengawasan Keuangan dan Pembangunan: BPKP*) has been following the EITI process closely, while BPK has not yet been part of the process. Due to capacity constraints, the two agencies share the burden of compliance audits of extractive sector companies' payments to the government.

**[Government - Financial Audit]** The audit report from BPK is prepared and made public annually on the BPK website<sup>84</sup> and the MoF website.<sup>85</sup> MoF submits the central government's LKPP to BPK no later than three months after the end of the fiscal year.<sup>86</sup> BPK then has two months to audit the report before it goes to the national parliament (*Dewan Perwakilan Rakyat: DPR*). The BPK audits the State's accounts and all annual accounts by state institutions and other governmental bodies that have to present annual accounts. The audit is performed in accordance with the law and regulations for BPK and by the standards and guidelines of BPK.

**BPK participates in the International Organisation of Supreme Audit Institutions (INTOSAI) and follows the International Standards of Supreme Audit Institutions (ISSAI).** In the 2018 PEFA (Public Expenditure and Financial Accountability) assessment (PEFA 2018), Indonesia scores A for audit coverage and standard dimension. It is reported that financial reports of all central government entities are audited using national audit standards consistent with ISSAI. For the independence dimension, Indonesia scores B based on the observation that BPK operates independently of the executive and has access to most of the audited entities except for some restrictions regarding tax and fraud data.

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<sup>84</sup> BPK. Audit Reports of Central Government Financial Statement (LKPP): <https://www.bpk.go.id/lkpp>

<sup>85</sup> MoF. Central Government Financial Statement (LKPP): <https://www.kemenkeu.go.id/publikasi/laporan/laporan-keuangan-pemerintah-pusat/>

<sup>86</sup> In accordance with Law No. 1/2004 on State Treasury.

**[Company – Financial Audit]** Most material companies are constituted as a Limited Liability Company and, as such, are subject to regular external audits.<sup>87</sup> For example, in 2016, only five out of 112 reporting companies in the coal and mining sector were not Limited Liability Companies. Moreover, in the 2015 EITI reporting template, the attestation is written as follows:

*“I declare that the contents of the above submission are true, complete, and can be reconciled referring to financial statements that have been audited by a public accounting firm or an independent auditor.”*

Based on this statement, all reporting companies who submitted the template confirmed that they are audited by independent auditor.

**The Indonesian Institute of Certified Public Accountants (IAPI) and Indonesian Chartered Accountants (IAI) are members of the International Federation of Accountants (IFAC).** Under the Public Accountants Act 2011, IAPI has direct responsibility for setting auditing standards in Indonesia and has adopted the Indonesian Public Accountant Professional Standards (SPAP). From 2014 onwards, International Standard on Auditing (ISAs) were adopted as SPAP for all companies which are subject to external audits.

**As previously discussed in Requirement 4.1 not all reporting companies publish their financial statements in the public domain (see Table 2.9).**

#### Recommendations

- i. **SKK Migas should require regular FQRs to be accompanied by the publication or attachments of audited financial statements of companies, alongside the filing of payments to government.**
- ii. **The MSG should produce and publish a summary of its review on the opinion/results of the annual audit reports for the extractives sector ministries and agencies.**
- iii. **For company audits, a similar approach could be proposed to what is recommended in Requirement 4.1 for company disclosure—which includes information on audited financial information.**

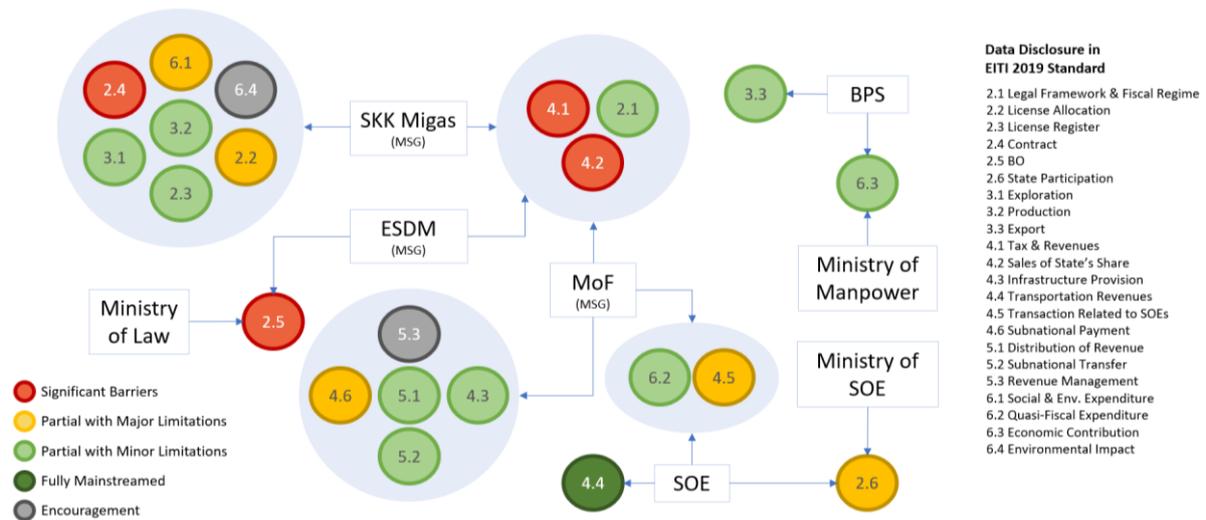
#### Data Accessibility and Open Data (#7.2)

**[As-Is]** Since 2016, Indonesia has been publishing EITI data in open formats to enable broader use and analysis of the information through EITI Indonesia’s data portal. Past efforts in the portal had focused on how to make data in EITI Reports more accessible. In a mainstreamed setting, however, it is expected that the open data policies and practices of the companies and government agencies that are the primary sources of data will be reviewed and improved. Improving reporting entities’ open data policies would increase ongoing public access to data.

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<sup>87</sup> According to Law No. 40/2007 on Limited Liability Companies, Indonesian companies that collect or manage public funds, issue debt-acknowledgements to the public, public companies, SoEs, companies with assets exceeding Rp 50 billion, and other companies obliged by certain legislative regulations are subject to audits.

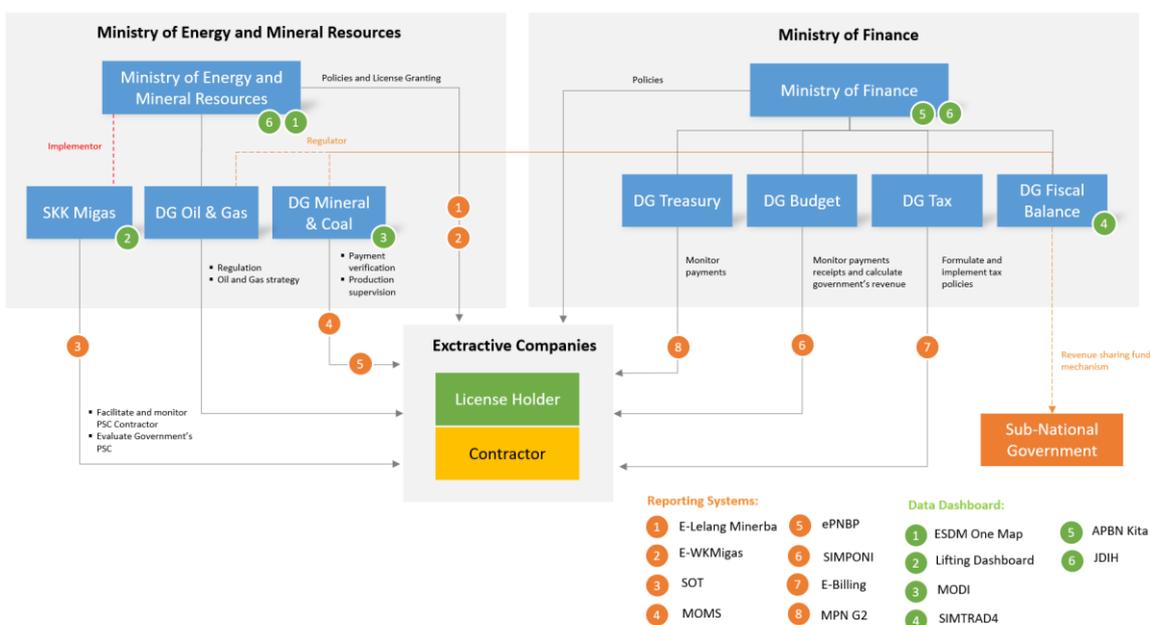
Figure 2-1: Assessment Result and Provider of Government Data



Source: World Bank analysis.

This study has found that most of the required information required by the EITI Standard is already available in the public domain, although not in the requisite detail (see Figure 2-1). Open Government Initiative along with One Data Indonesia has encouraged government agencies to develop numerous data portals for public access to information. For example, the extractive sector regulator’s MODI which is linked to their internal reporting system such as MOMS. Within ESDM itself, multiple platforms are developed to serve different purposes. MODI provides coal and mining statistics while cadastral information is published through the ESDM Geoportal. Although managed under one ministry, these systems do not yet integrated. Other systems and publications are spread across different agencies—such as the Lifting Dashboard in SKK Migas and the monthly publication of state revenue and subnational transfers by MoF. A mapping of the identified Data Dashboard and Reporting System in ESDM, SKK Migas, and MoF is presented in Figure 2-2.

Figure 2-2: Data Dashboard and Reporting System in ESDM, MoF, and SKK Migas



Source: World Bank analysis.

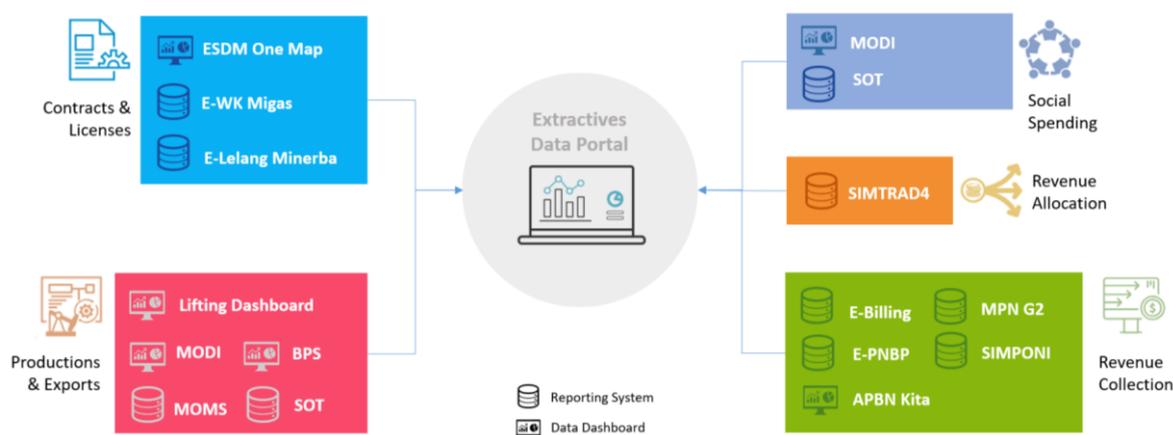
Given the diverse range repositories holding information on the extractives sector, finding the information might not be easy for the general public. It requires a certain degree of familiarity to understand which agencies would be the producer of which information. In addition, the disclosures are not only made through multiple platforms, but the data are also not always published in open data format.

**[To-Be]** As part of the mainstreaming agenda, it is necessary to enhance the Indonesia EITI Data Portal by shifting its function from a platform to republish EITI report data into a platform to collate and integrate data disclosures by government agencies in the mainstreaming setting. Disclosing EITI data in open formats will ensure users have the best access to that information. By publishing it in cross-governmental open data portals tailored specifically for extractive information, the disclosed information would be easier to find and can be linked.

The previous Indonesia EITI's Data Portal is, therefore, expected to be transformed into a cross-governmental platform housing extractive-related information from relevant agencies. To do that, first, the open data policies and practices of the companies and government agencies as the primary sources of data should be reviewed and improved to ensure there is a disclosure mechanism to meet the mainstreaming principles. Improvement made in the data source policies and practices is paramount to safeguarding public access to data. Second, improvement needs to be made in the EITI Indonesia Data Portal to gather and accommodate information in-flows by linking the disclosure mechanism of each primary data provider.

In such a setting, the envisioned Extractives Data Portal should not be developed independently of core administrative information management systems as this could lead to duplication and a reduced focus on systems as the primary source and guarantor of reliable data. Disclosure in the portal should not be a separate effort but an extension to the disclosure practice made by each of the government agencies. Figure 2-3 shows the positioning of the Extractive Data Portal which would draw information from existing sources as previously identified in Figure 2-2. In cases where the government agencies have no platform to disclose the data on their own, however, the portal could also provide the medium to publish the data for public access.

Figure 2-3: Extractives Data Portal Data Source Diagram



Source: World Bank analysis.

**In a mainstreamed setting, EITI Reports would be used to provide additional context, collating sources where systematic disclosures can be found and address any gaps and concerns about data quality.** With a cross-governmental open data portal, the collation of information could also be facilitated in the platform either by connecting to the internal government data system or by linking references to publicly available information. The data portal could, therefore, help as a real-time EITI report. Less resource-intensive data collection will also allow EITI implementation to be more effective and focus more on use and the analysis of data, and support of future policy development in the sector.

### **Recommendations**

- i. The MSG to improve reporting entities' open data policies to increase lasting public access to data.**
- ii. The MSG to agree on a clear open data policy on the access, release, and reuse of EITI data to make users aware that information can be reused without prior consent.**
- iii. ESDM to enhance the existing Extractive Data Portal by referencing and or integrating information from the existing government data dashboard and reporting systems.**
- iv. ESDM to enhance the visualization of the Extractive Data Portal for easy understanding by the general public.**

### 3. Conclusions

**Based on the assessment, Indonesia has shown numerous practices of partial mainstreaming in most of the EITI requirements.** Most of the challenges are mainly administrative. There are also, however, significant legal barriers for issues such as Beneficial Ownership, contract transparency, and tax confidentiality.

**The study has identified the gaps and formulated recommendations to close the gaps.** Appendix III will provide the timeline for each of the proposed recommendations which could be the basis to formulate action item to include in the annual National Secretariat workplan. If properly implemented, systematic disclosures would bring Indonesia into a new era of extractive transparency.

# Appendix I: Indonesia EITI Mainstreaming Feasibility Summary Table

**Public accessibility:** Is the information publicly accessible? Is the information in an open data format?

**Comprehensiveness:** Is the data complete according to the EITI Standard?

**Level of disaggregation:** Is the data disclosed sufficiently disaggregated as per the EITI Standard?

**Reliability:** Is the data subject to adequate audit and assurance procedures and practices?

**Timeliness:** Are the disclosures up to date?

Req.	Feasibility Study Finding	Existing Disclosures and Gaps		Nature of Gap and Solution Needed		Recommendations
		Checklist	Yes/No	Legal Solutions	Administrative Solutions	
2.1 Legal Framework and Fiscal Regime	Partially mainstreamed, minor limitations	Public accessibility	✓	✗	✓	<ul style="list-style-type: none"> <li>i. Ensure that ESDM, SKK Migas, and/or MoF provide a description of the extractive-specific legal framework and fiscal regime on their website(s) reflecting the coverage in EITI reports to date.</li> <li>ii. Encourage ESDM, SKK Migas, and/or MoF to include subnational government regulations (<i>Perda</i>) pertaining to extractive legal framework and fiscal regime for each of the respective regions.</li> <li>iii. The MSG should have a mechanism to ensure routine disclosure and regular updates. This would maintain the coverage and timeliness of the information, including MSG's assessment of the status of implementation of ongoing reforms related to the extractive industries and public finance management.</li> </ul>
		Comprehensiveness	✗			
		Level of disaggregation	Not Applicable			
		Reliability	✓			
		Timeliness	✓			
2.2 Contract and License Allocations	Partially mainstreamed, major limitations	Public accessibility	✗	✓	✓	<ul style="list-style-type: none"> <li>i. Ensure that ESDM records information on license allocations in a centralized location for each sector through the existing government website(s) in a timely manner.</li> <li>ii. Ensure that the DG Coal and Mining publishes bidding rounds. This should include process, technical, and financial criteria,</li> </ul>
		Comprehensiveness	✗			
		Level of disaggregation	✗			

Req.	Feasibility Study Finding	Existing Disclosures and Gaps		Nature of Gap and Solution Needed		Recommendations
		Checklist	Yes/No	Legal Solutions	Administrative Solutions	
		Reliability	✗			<p>bidding round announcement, as well as participants, and the bid winner in a timely manner.</p> <p><b>iii. Ensure that ESDM provides further details on the process for license transfers—including technical and financial criteria—as the basis of approval of the transfer and make the transfer history publicly available.</b></p> <p><b>iv. In addition to the above recommendations, the MSG is encouraged to comment on the efficiency and effectiveness of the licensing procedures in their annual review and reporting.</b></p> <p><b>v. To enable the public use of data, ESDM should consider publishing data and information in searchable tabular formats.</b> This includes historical data, especially for past bidding rounds where possible.</p>
		Timeliness	✗			
2.3 Register of Licenses	Partially mainstreamed, minor limitations	Public accessibility	✓	✗	✓	<p><b>i. Ensure that ESDM includes the date of application in ESDM One Map and make sure the dates of award and expiry are complete.</b></p> <p><b>ii. Ensure that ESDM establishes assurance procedures to maintain reliability, comprehensiveness, and timeliness of the license information in ESDM One Map.</b></p> <p><b>iii. Encourage ESDM to explore the possibility of linking license data in ESDM One Map to other requirements, such as project-level payments and/or contracts, production, and exports.</b></p> <p><b>iv. Encourage ESDM to streamline the ESDM Data Enterprise project with a systematic disclosure agenda.</b></p>
		Comprehensiveness	✗			
		Level of disaggregation	✓			
		Reliability	✓			
		Timeliness	✓			

Req.	Feasibility Study Finding	Existing Disclosures and Gaps		Nature of Gap and Solution Needed		Recommendations
		Checklist	Yes/No	Legal Solutions	Administrative Solutions	
2.4 Contracts	Significant legal & administrative limitations	Public accessibility	✗	✓	✓	<ul style="list-style-type: none"> <li>i. PPID of ESDM to disclose documents of contracts and licenses in accordance with the KIP's Decision No. 197/VI/KIP-PS-M-A/2011.</li> <li>ii. PPID of ESDM to complete the risk and public interest assessment on making contracts publicly available for the extractive sector as the effort to expand the scope of KIP decision for opening contracts and licenses.</li> <li>iii. ESDM to provide supporting legal basis in addition to KIP decree in opening contract documents and disclose all contracts executed after January 1, 2021.</li> <li>iv. ESDM or SKK Migas to disclose a list of all active contracts in accordance with EITI requirements for both coal and mining and oil and gas contracts.</li> <li>v. ESDM to develop a system for tracking amendments to contracts.</li> <li>vi. Encourage ESDM to disclose a model contract/license which demonstrates the structure of a contract/license for both coal and mining and oil and gas, including different contract iterations for each sector.</li> <li>vii. Encourage companies to voluntarily disclose their contract(s).</li> <li>viii. The MSG should identify contracts that could be disclosed without controversy—for example, contracts that can be disclosed without barriers and contracts that could be voluntarily disclosed despite barriers.</li> <li>ix. The MSG should agree and publish a work plan with clear steps and responsibilities to ensure continuous progress towards contract transparency which includes documenting contracts to be revised or published from January 1, 2021.</li> </ul>
		Comprehensiveness	✗			
		Level of disaggregation	✗			
		Reliability	✗			
		Timeliness	✗			

Req.	Feasibility Study Finding	Existing Disclosures and Gaps		Nature of Gap and Solution Needed		Recommendations
		Checklist	Yes/No	Legal Solutions	Administrative Solutions	
2.5 Beneficial Ownership	Significant legal & administrative limitations	Public accessibility	✗	✓	✓	<ul style="list-style-type: none"> <li>i. Ensure that both MoL and ESDM either jointly or separately makes the BO registry publicly accessible in open data format, or at a minimum in tabular format with the level of detail as required by the EITI Standard for BO disclosures.</li> <li>ii. The MSG should develop a procedure for annually confirming BO data verification has taken place for material companies based on the agreed method for data verification of BO information.</li> <li>iii. The MSG should document MoL’s plan on BO disclosure and encourage MoL to consider data interfacing with other datasets—for example, tax collection, and politically exposed people (PEP) asset disclosures.</li> <li>iv. The MSG is encouraged to document ESDM’s plan to collect data on BOs in their online licensing system that is under development if there are plans to make the information public. As an alternative to BO disclosure by MoL, ESDM to work with MoL on interfacing BO data collected by ESDM for licensing purposes and MoL’s BO data.</li> <li>v. The MSG should regularly assess gaps or weaknesses in disclosure of BO information, including an assessment of the materiality of omissions and the reliability of beneficial information (Requirement 2.5 c).</li> </ul>
		Comprehensiveness	✗			
		Level of disaggregation	✗			
		Reliability	✗			
		Timeliness	✗			
2.6 State Participation	Partially mainstreamed, major limitations	Public accessibility	✓	✗	✓	<ul style="list-style-type: none"> <li>i. Encourage the Ministry of SoEs to tap into existing summary descriptions of financial relationships between SoEs/government from EITI Reports and publish such summaries on their website.</li> </ul>
		Comprehensiveness	✗			
		Level of disaggregation	✗			

Req.	Feasibility Study Finding	Existing Disclosures and Gaps		Nature of Gap and Solution Needed		Recommendations
		Checklist	Yes/No	Legal Solutions	Administrative Solutions	
		Reliability	✓			<ul style="list-style-type: none"> <li>ii. The MSG to consider materiality for disclosure of Requirement 2.6 at the level of the subsidiary given their significance in the context of Indonesia.</li> <li>iii. Encourage SoEs to improve their disclosures according to the gap identified in Appendix II and Table 2-6 including publishing financial data with downloadable Excel/csv formats and necessary details from SoEs' subsidiaries and joint ventures. Information required from subsidiaries could be included in the SoEs' consolidated Audited Financial Statements and/or in separate notes prepared by the SoE published through the website and/or Annual Report.</li> <li>iv. Encourage SoEs to join the EITI's SoE transparency network, to engage with other extractive SoEs in EITI implementing countries and help shape emerging best practice.</li> </ul>
		Timeliness	✓			
3.1 Exploration	Partially mainstreamed, minor limitations	Public accessibility	✓	✗	✓	<ul style="list-style-type: none"> <li>i. Encourage SKK Migas and the Geology Agency of ESDM to publish exploration data in an open data format.</li> <li>ii. To ensure continuous comprehensiveness and assurance of the information, MSG is encouraged to develop procedures to check and document the comprehensiveness, reliability, disaggregation, and timeliness of data.</li> </ul>
		Comprehensiveness	✗			
		Level of disaggregation	✓			
		Reliability	✓			
		Timeliness	✗			

Req.	Feasibility Study Finding	Existing Disclosures and Gaps		Nature of Gap and Solution Needed		Recommendations
		Checklist	Yes/No	Legal Solutions	Administrative Solutions	
3.2 Production	Partially mainstreamed, minor limitations	Public accessibility	✓	✗	✓	<ul style="list-style-type: none"> <li>i. <b>SKK Migas and the DG Coal and Mining should publish information on production values in addition to volumes.</b> An alternative approach could be for the MSG to continue providing value information by calculating production values (as it did for validation) to be confirmed by SKK Migas and the DG Coal and Mining.</li> <li>ii. <b>Encourage SKK Migas and the DG Coal and Mining to disaggregate the published data by company, region, and project and include a description of the methods for calculating production volumes and values.</b></li> <li>iii. <b>Encourage SKK Migas and the DG Coal and Mining to publish in reusable/open formats.</b></li> <li>iv. <b>Encourage disclosing entities to ensure and MSG to check data timeliness, comprehensiveness, and quality.</b></li> </ul>
		Comprehensiveness	✗			
		Level of disaggregation	✓			
		Reliability	✓			
		Timeliness	✓			
3.3 Exports	Partially mainstreamed, minor limitations	Public accessibility	✓	✗	✓	<ul style="list-style-type: none"> <li>i. <b>Encourage the DG Customs and Excise to publish export data for extractive commodities by company.</b></li> <li>ii. <b>Encourage BPS to provide a comprehensive list of all HS codes for extractive commodity exports.</b></li> <li>iii. <b>Encourage BPS to include a summary of the methods for calculating export volumes and values under the methodology section of its website.</b></li> </ul>
		Comprehensiveness	✓			
		Level of disaggregation	✗			
		Reliability	✓			
		Timeliness	✓			

Req.	Feasibility Study Finding	Existing Disclosures and Gaps		Nature of Gap and Solution Needed		Recommendations
		Checklist	Yes/No	Legal Solutions	Administrative Solutions	
4.1 Comprehensive Disclosure of Taxes and Revenues	Significant legal & administrative limitations	Public accessibility	✓	✓	✓	<p><b>i. For tax revenue, the MSG has to develop a company waiver system specifically for systematic disclosures.</b> This is currently done for EITI reporting which can then be used as the basis for the DG Treasury or the DG Tax to disclose disaggregated data. The MSG could consider including the blanket waiver clause in the EITI <i>Perpres</i> revision.</p> <p><b>ii. For non-tax revenue, ensure the DG Treasury discloses non-tax revenue recorded in MPN G2 for the extractive sector disaggregated by company/project.</b> The DG Budget, SKK Migas, and/or the DG Coal and Mining could be the alternative to disclose the data.</p> <p><b>iii. For company disclosure, there are two stages to move toward systematic disclosure:</b></p> <p style="margin-left: 20px;"><b>a) In the long run, every material company is required to publish information as required by Requirement 4.1 on their own websites.</b></p> <p style="margin-left: 20px;"><b>b) In the interim, on the companies' behalf, ESDM and SKK Migas could disclose information which has been routinely submitted by the extractive companies to them using their existing reporting mechanism.</b> SKK Migas could publish relevant information in the FQR reported by PSC holders while the DG Coal and Mining could disclose for coal and mining companies using information reported to them. The existing reporting mechanism should be improved to accommodate the mandatory details which are not yet covered.</p>
		Comprehensiveness	✗			
		Level of disaggregation	✗			
		Reliability	✓			
		Timeliness	✓			

Req.	Feasibility Study Finding	Existing Disclosures and Gaps		Nature of Gap and Solution Needed		Recommendations
		Checklist	Yes/No	Legal Solutions	Administrative Solutions	
4.2 Sale of the State's Share of Production	Significant legal & administrative limitations	Public accessibility	✓	✓	✓	<ul style="list-style-type: none"> <li>i. <b>SKK Migas to disclose volumes and values of both oil and gas material in-kind sales per #4.2.</b> This includes 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. The data should also be disaggregated by individual buying companies.</li> <li>ii. <b>SKK to disclose disaggregated revenue for government lifting—that is, the calculation of FTP, DMOs, and equity oil.</b></li> <li>iii. <b>SKK Migas should consider improving the administrative system for easy matching of B/L numbers with individual buyers to allow easy disclosure of the required disaggregation levels.</b></li> <li>iv. <b>The data should be published in open data reusable format based on a threshold agreed by the MSG.</b></li> </ul>
		Comprehensiveness	✗			
		Level of disaggregation	✗			
		Reliability	✓			
		Timeliness	✓			
4.3 Infrastructure Provision and Barter Arrangement	Partially mainstreamed, minor limitations	Public accessibility	✓	✓	✓	<ul style="list-style-type: none"> <li>i. <b>The MSG has to develop and make public a definition of materiality for infrastructure provisions and barter arrangements as per Requirement 4.3.</b> The MSG must document if there have been any material infrastructure agreements or barter arrangements for the disclosed fiscal year. Whenever applicable and material, the MSG has to ensure that this information is disclosed.</li> <li>ii. <b>For oil and gas, where applicable and material, the MSG has to ensure information in the Gol's LKPP is sufficient.</b> If necessary, SKK Migas should also provide complementary information.</li> <li>iii. <b>For coal and mining, where applicable and material, both ESDM and relevant companies have to disclose the provision of infrastructure that is made in full or partial exchange for extractive rights or delivery of extractive commodities as per</b></li> </ul>
		Comprehensiveness	✗			
		Level of disaggregation	✗			
		Reliability	✓			
		Timeliness	✓			

Req.	Feasibility Study Finding	Existing Disclosures and Gaps		Nature of Gap and Solution Needed		Recommendations
		Checklist	Yes/No	Legal Solutions	Administrative Solutions	
						<p><b>Requirement 4.3.</b> This should provide a level of detail and disaggregation commensurate with the other payments and revenue streams on their respective websites and in a timely manner.</p> <p>iv. <b>ESDM and SKK Migas to include details on infrastructure provision in their company reporting mechanism.</b></p> <p>v. <b>Encourage disclosures in open data reusable format.</b></p>
4.4 Transportation Revenues	Fully mainstreamed	Public accessibility	✓	✗	✗	i. <b>The MSG is encouraged to agree a procedure to address data quality and assurance of information on transportation revenues—in accordance with Requirement 4.9.</b>
		Comprehensiveness	✓			
		Level of disaggregation	✓			
		Reliability	✓			
		Timeliness	✓			
4.5 Transactions Related to SoEs	Partially mainstreamed, major limitations	Public accessibility	✓	✗	✓	<p>i. <b>Encourage the MSG to document if transactions between SoEs are material.</b></p> <p>ii. <b>The MSG to consider materiality for disclosure of Requirement 4.5 at the level of the subsidiary given their significance in the context of Indonesia.</b></p> <p>iii. <b>Ensure that SoEs include payments by companies to SoEs and transfers between SoEs and government in financial statements and to disclose such information with</b></p>
		Comprehensiveness	✗			
		Level of disaggregation	✓			
		Reliability	✓			

Req.	Feasibility Study Finding	Existing Disclosures and Gaps		Nature of Gap and Solution Needed		Recommendations
		Checklist	Yes/No	Legal Solutions	Administrative Solutions	
		Timeliness	✓			<p><b>downloadable and reusable formats.</b> Appendix II presents a more detailed gap assessment for each SoE.</p> <p><b>iv. Ensure that details of the transactions are made available disaggregated by subsidiaries.</b></p>
4.6 Subnational Payments	Partially mainstreamed, major limitations	Public accessibility	✗	✗	✓	<p><b>i. Encourage MoF to improve the standard chart of accounts for subnational governments to include necessary details for subnational payments as required by the EITI Standard.</b></p> <p><b>ii. Encourage the DG Fiscal Balance to disclose subnational payments data with the necessary details required by the EITI Standard on behalf of subnational governments.</b></p> <p><b>iii. Encourage ESDM and SKK Migas to include details on subnational payments in their company reporting mechanism.</b></p> <p><b>iv. Encourage companies to unilaterally disclose subnational payments.</b></p>
		Comprehensiveness	✗			
		Level of disaggregation	✗			
		Reliability	✗			
		Timeliness	✗			
5.1 Distribution of Extractive Industry Revenue	Partially mainstreamed, minor limitations	Public accessibility	✗	✗	✓	<p><b>i. ESDM, SKK Migas, and/or MoF should provide a description of the distribution of revenues from the extractive industries on their website(s) reflecting on the coverage in the current EITI Contextual Report.</b></p> <p><b>ii. The MSG is encouraged to ensure continuous comprehensiveness and assurance of the information by developing procedures to check and document the comprehensiveness and timeliness of data.</b></p>
		Comprehensiveness	✓			
		Level of disaggregation	✓			
		Reliability	✓			
		Timeliness	✓			

Req.	Feasibility Study Finding	Existing Disclosures and Gaps		Nature of Gap and Solution Needed		Recommendations
		Checklist	Yes/No	Legal Solutions	Administrative Solutions	
5.2 Subnational Transfers	Partially mainstreamed, minor limitations	Public accessibility	✗	✗	✓	<ul style="list-style-type: none"> <li>i. Encourage the DG Fiscal Balance to disclose the variables used in calculating the formula—that is, the value of the revenue to be shared, and over/under transfers for the previous FY disaggregated by region.</li> <li>ii. Encourage the DG Fiscal Balance to disclose data in SIMTRAD4 in an open data reusable format.</li> </ul>
		Comprehensiveness	✓			
		Level of disaggregation	✓			
		Reliability	✓			
		Timeliness	✓			
5.3 Revenue Management and Expenditures	Partially mainstreamed, minor limitations (an encouragement)	Public accessibility	✗	✗	✓	<ul style="list-style-type: none"> <li>i. Encourage MoF to disclose their financial report in open data reusable format.</li> </ul>
		Comprehensiveness	✓			
		Level of disaggregation	✓			
		Reliability	✓			
		Timeliness	✓			
6.1 Social and Environmental Expenditures by Extractive Companies	Partially mainstreamed, major limitations	Public accessibility	✓	✗	✓	<ul style="list-style-type: none"> <li>i. Encourage ESDM to enhance the existing company reporting system to capture the necessary details for social and environmental expenditure as required by the EITI Standard:                             <ul style="list-style-type: none"> <li>a) <b>The nature of the expenditure:</b> Is this expenditure (CSR) for an environmental project or a social project and in</li> </ul> </li> </ul>
		Comprehensiveness	✗			
		Level of disaggregation	✗			

Req.	Feasibility Study Finding	Existing Disclosures and Gaps		Nature of Gap and Solution Needed		Recommendations
		Checklist	Yes/No	Legal Solutions	Administrative Solutions	
		Reliability	Not Applicable			<p>what form is it provided—scholarship, infrastructure works, food subsidy and so forth.</p> <p><b>b) Whether the expenditure was paid in cash to the beneficiaries or in-kind:</b> If in-kind, disclose the nature of the in-kind expenditure—for example, construction of training center and the deemed value in cash.</p> <p><b>c) The actual beneficiary:</b> For example, a government (local or provincial) or a third party (non-government, such as an NGO, school, or community). The identity of the actual beneficiary should be specific—for example, residents of a certain town in a certain province.</p> <p>ii. Encourage SKK Migas and ESDM to publish mandatory social and environmental expenditures as per Requirement 6.1.</p> <p>iii. Encourage companies to publish mandatory social and environmental expenditures as per Requirement 6.1 a.</p> <p>iv. Encourage the MSG to agree on a procedure to address data quality and assurance of information on social and environmental expenditures, in accordance with Requirement 4.9.</p>
		Timeliness	✓			
6.2 QFEs	Partially mainstreamed, minor limitations	Public accessibility	✗	✗	✓	<p>i. Encourage the MSG to undertake a comprehensive review of all expenditures undertaken by extractives SoEs that can be considered quasi-fiscal.</p> <p>ii. Encourage the MSG to develop a reporting process for QFEs with a view to achieving a level of transparency commensurate with other payments and revenue streams.</p> <p>iii. Encourage ESDM to publish its calculation on the coal DMO and oil DMO fee to quantify QFEs by the SoEs with a</p>
		Comprehensiveness	✗			
		Level of disaggregation	✗			
		Reliability	✗			

Req.	Feasibility Study Finding	Existing Disclosures and Gaps		Nature of Gap and Solution Needed		Recommendations
		Checklist	Yes/No	Legal Solutions	Administrative Solutions	
		Timeliness	✗			<p><b>disaggregation level as required by the EITI Standards.</b> Furthermore, that SoEs (PT. Pertamina and PT. INALUM) publish the actual amount of DMO payments which are considered QFEs.</p> <p><b>iv. National Secretariat to ensure that the MSG documents its discussions on QFEs.</b></p>
6.3 Contribution of the Extractive Sector to the Economy	Partially mainstreamed, minor limitations	Public accessibility	✓	✗	✓	<p><b>i. The MSG to consider whether artisanal and small-scale mining and illegal drilling would be a priority to be included in the systematic disclosure scope.</b></p> <p><b>ii. Encourage BPS to include an estimate of the informal sector activity.</b></p> <p><b>iii. Encourage MoF (Social and Public Relations Division) to disclose LKPP data in or with downloadable reusable data files.</b></p> <p><b>iv. Encourage BPS to publish the Foreign Trade Statistics Bulletin in or with downloadable reusable data files.</b></p> <p><b>v. Encourage ESDM and SKK Migas to include details on gender in their Work Plan and Budget reporting requirement for extractive companies.</b> Alternatively, encourage the PPID of the Ministry of Manpower to publish employment data disaggregated by gender and, when available, by occupational level and by company for the extractive sector.</p> <p><b>vi. Encourage ESDM and SKK Migas to publish data on key producing regions.</b></p>
		Comprehensiveness	✓			
		Level of disaggregation	✗			
		Reliability	✓			
		Timeliness	✓			

Req.	Feasibility Study Finding	Existing Disclosures and Gaps		Nature of Gap and Solution Needed		Recommendations
		Checklist	Yes/No	Legal Solutions	Administrative Solutions	
6.4 Environmental Impact of Extractive Activities	Partially mainstreamed, major limitations (an encouragement)	Public accessibility	✓	✗	✓	<ul style="list-style-type: none"> <li>i. Encourage ESDM to establish a centralised publicly accessible register of approved Environmental Impact Analyses (AMDAL).</li> <li>ii. SKK Migas should maintain the regularity of publishing their sustainability report on an annual basis as the medium to disclose the environmental impact of the oil and gas industry.</li> <li>iii. Encourage ESDM to maintain the regularity of publishing their performance report on an annual basis as the medium to disclose the environmental impact of the coal and mining industry. Alternatively, ESDM could also improve the comprehensiveness and the regularity of the data update in the Environment Management Information System.</li> </ul>
		Comprehensiveness	✗			
		Level of disaggregation	✗			
		Reliability	Not Applicable			
		Timeliness	✗			
<b>Requirement Related to Data Quality</b>						
4.7 Level of Disaggregation	Significant legal and administrative limitations	Level of disaggregation	✗	✓	✓	<ul style="list-style-type: none"> <li>i. Each of the related agencies to disclose required information disaggregated by project/by company as explained in the previous discussion section for each requirement.</li> </ul>
4.8 Data Timeliness	Partially mainstreamed, minor limitations	Timeliness	✓	✗	✓	<ul style="list-style-type: none"> <li>i. The MSG to agree on a disclosure calendar with related agencies for each required dataset which include not only revenue data but also non-revenue data.</li> </ul>
4.9 Data Quality and Assurance	Partially mainstreamed, minor limitations	Reliability	✓	✗	✓	<ul style="list-style-type: none"> <li>i. SKK Migas should require regular FQRs to be accompanied by the publication or attachments of audited financial statements of companies, alongside the filing of payments to government.</li> <li>ii. The MSG should produce and publish a summary of its review on the opinion/results of the annual audit reports for the extractives sector ministries and agencies.</li> </ul>

Req.	Feasibility Study Finding	Existing Disclosures and Gaps		Nature of Gap and Solution Needed		Recommendations
		Checklist	Yes/No	Legal Solutions	Administrative Solutions	
						<ul style="list-style-type: none"> <li>iii. For company audits, a similar approach could be proposed to what is recommended in Requirement 4.1 for company disclosure—which includes information on audited financial information.</li> </ul>
7.2 Data Accessibility and Open Data	Partially mainstreamed, minor limitations	Public Accessibility	✓	✓	✓	<ul style="list-style-type: none"> <li>i. The MSG to improve reporting entities' open data policies to increase lasting public access to data.</li> <li>ii. The MSG to agree on a clear open data policy on the access, release, and reuse of EITI data to make users aware that information can be reused without prior consent.</li> <li>iii. ESDM to enhance the existing Extractive Data Portal by referencing and or integrating information from the existing government data dashboard and reporting systems.</li> <li>iv. ESDM to enhance the visualization of the Extractive Data Portal for easy understanding by the general public.</li> </ul>

# Appendix II: Summary of SoEs Systematic Disclosure Assessment

## 2.1: SoE in the Oil & Gas Sector: PT. Pertamina

Requirement	Mainstreaming Assessment
2.1 Legal Framework	<p><b>PT. Pertamina public disclosures would be considered meaningful, but not yet satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>The explanation of the role of SoEs in the sector and prevailing rules and practices regarding the financial relationship between the government and SoEs as required by EITI standard is available in the EITI contextual reports based on:</p> <p>Authority: Law No. 19/2003 on SoEs.            Financial:</p> <ul style="list-style-type: none"> <li>- Law No. 40/2007 on Limited Liability Companies.</li> <li>- Government Regulation No. 44/2005 as amended by Government Regulation No. 72/2016 on State Equity Participation.</li> <li>- Regulation of the Minister of Finance No. 5/PMK.02.2013 on Dividend Payouts.</li> <li>- Government Regulation No. 59/2009 on Privatization.</li> <li>- Regulation of the Minister of Finance No. 45/PMK.08/2014.</li> <li>- Regulation of the Minister of Finance No. 108/PMK.05/2016.</li> <li>- Regulation of the Minister of BUMN No. PER-09/MBU/07/2015 on Partnerships and Community Development Programs (<i>Program Kemitraan Bina Lingkungan</i>: PKBL).</li> </ul> <p>Mainstreaming this information would require the Minister of SoEs or MoEMR to publish the summary information on their website.</p>
2.6 State Participation	<p><b>PT. Pertamina public disclosures would be considered meaningful, but not yet satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Requirement 2.6 point (a):</p> <ul style="list-style-type: none"> <li>i) Similar to 2.1.</li> <li>ii) Disclosures from the government and SoE(s) of their level of ownership in mining, oil, and gas companies operating within the country's oil, gas, and mining sector, including those held by SoE subsidiaries and joint ventures, and any changes in the level of ownership during the reporting period are available in the Financial Report (<a href="https://www.pertamina.com/id/laporan-keuangan">https://www.pertamina.com/id/laporan-keuangan</a>) including the terms of the transaction. Similarly, loan information and the terms are also available in the financial report.</li> </ul> <p>Requirement 2.6 point (b):</p> <p>PT. Pertamina publicly disclose their audited financial statements including the main financial items (i.e. balance sheet, profit/loss statement, cash flows) on their website in less than Y+2.</p> <p>Audited Financial Statements: <a href="https://www.pertamina.com/id/laporan-keuangan">https://www.pertamina.com/id/laporan-keuangan</a></p>

Requirement	Mainstreaming Assessment
	<p>Requirement 2.6 point (c) (encouragement):</p> <p>The description of the rules and practices related to SoEs' operating and capital expenditures, procurement, subcontracting, and corporate governance, e.g. composition and appointment of the Board of Directors, Board's mandate, and code of conduct are available on their website: <a href="https://www.pertamina.com/id/pedoman-tata-kelola-perusahaan">https://www.pertamina.com/id/pedoman-tata-kelola-perusahaan</a></p>
3.1 Exploration	<p><b>PT. Pertamina public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Information on exploration activities is publicly available in the PT. Pertamina Annual Report: <a href="https://www.pertamina.com/id/dokumen/laporan-tahunan">https://www.pertamina.com/id/dokumen/laporan-tahunan</a>. The annual report is published in a timely manner (less than Y+2) and in a searchable pdf format.</p>
3.2 Production data	<p><b>PT. Pertamina public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>There are two types of production data in the oil and gas sector. First is production volume extracted. Second is lifting volume as production which is ready to be sold. Lifting data is publicly available in a disaggregated format (per PSCs) along with disclosure for other PSCs in SKK Migas Lifting Dashboard <a href="https://lifting.skkmigas.go.id/tab/lifting2/index.php">https://lifting.skkmigas.go.id/tab/lifting2/index.php</a>. The dashboard is updated daily, however, the data could not be downloaded in an open data format.</p>
3.3 Export data	<p><b>PT. Pertamina public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Information on exports is publicly available in the PT. Pertamina annual report: <a href="https://www.pertamina.com/id/dokumen/laporan-tahunan">https://www.pertamina.com/id/dokumen/laporan-tahunan</a>. It presents the information on volume and value by commodity, however, no disaggregation is available for export destination.</p>
4.1 Comprehensive Disclosure of Tax and Revenues	<p><b>PT. Pertamina public disclosures would be considered meaningful, but not yet satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Financial information is publicly available in their Financial Statement on the website: <a href="https://www.pertamina.com/id/laporan-keuangan">https://www.pertamina.com/id/laporan-keuangan</a></p>
4.2 In-Kind Revenues	<p><b>PT. Pertamina public disclosures would be considered inadequate with regard to this provision of the 2019 EITI Standard.</b></p> <p>No information found on government in-kind sales yet except in the commodity trading report.</p>
4.4 Transport Revenues	<p><b>PT. Pertamina public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Information on transportation revenue is publicly available in the PT. Pertamina annual report: <a href="https://www.pertamina.com/id/dokumen/laporan-tahunan">https://www.pertamina.com/id/dokumen/laporan-tahunan</a>. It presents the information on volume and value for transporting gas, however, no information is found on:</p> <ol style="list-style-type: none"> <li>i. A description of the transportation arrangements including: the product; transportation route(s); and the relevant companies and government entities, including SoE(s), involved in transportation.</li> <li>ii. Definitions of the relevant transportation taxes, tariffs or other relevant payments, and the methodologies used to calculate them.</li> <li>iii. Disclosure of tariff rates and volume of the transported commodities.</li> </ol>
4.5 Transactions Related to SoEs	<p><b>PT. Pertamina public disclosures would be considered meaningful, but not yet satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Financial information is publicly available in their Financial Statement on the website: <a href="https://www.pertamina.com/id/laporan-keuangan">https://www.pertamina.com/id/laporan-keuangan</a></p>
4.9 Data Reliability	<p><b>As a limited liability company, PT. Pertamina is subject to audit by an independent auditor.</b></p>

Requirement	Mainstreaming Assessment
6.1 Social and Environmental Expenditures	<p><b>PT. Pertamina public disclosures would be considered meaningful, but not yet satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Article 88 and 90 in Law No. 19/2013 on SoEs mandates the spending on partnerships and community development programs. This is further operationalized in the Regulation of the Ministry of SoEs No. PER-09/MBU/07/2015 on Partnerships and Community Development Programs. The regulation obliges SoEs to implement partnerships and community development programs whose source funds can derive from a maximum allowance of 4% of net profit after tax of the previous year. The budget and program are subject to approval at the General Meeting of Shareholders (GMS).</p> <p>Information on social and environmental expenditure is available in the PT. Pertamina Annual Report (<a href="https://www.pertamina.com/id/dokumen/laporan-tahunan">https://www.pertamina.com/id/dokumen/laporan-tahunan</a>) and Sustainability Report (<a href="https://www.pertamina.com/en/document/laporan-keberlanjutan">https://www.pertamina.com/en/document/laporan-keberlanjutan</a>). The report presents categorization of the program with the aggregate number of beneficiaries.</p>
6.2 QFEs	<p><b>PT. Pertamina public disclosures would be considered inadequate for this provision of the 2019 EITI Standard.</b></p> <p>According to the EITI Contextual Report 2017, the difference in market prices and the DMO price of oil as part of PT. Pertamina’s responsibility as a PSC holder can be considered QFE, however, no information is available regarding this difference. Information is available as aggregate value of Government Lifting which consists of FTP, Equity Oil, and DMO.</p>

**2.2: Subsidiary of SoE in the Oil and Gas Sector: PT. Perusahaan Gas Negara (PGN)**

Requirement	Mainstreaming Assessment
2.1 Legal Framework	<p><b>PT. PGN public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>The explanation of the role of SoEs in the sector and prevailing rules and practices regarding the financial relationship between the government and SoEs as required by EITI standard is available in the EITI contextual reports based on:</p> <p>Authority: Law No. 19/2003 on SoEs. Financial:</p> <ul style="list-style-type: none"> <li>- Law No. 40/2007 on Limited Liability Companies.</li> <li>- Government Regulation No. 44/2005 as amended by Government Regulation No. 72/2016 on State Equity Participation.</li> <li>- Regulation of the Minister of Finance No. 5/PMK.02.2013 on Dividend Payouts.</li> <li>- Government Regulation No. 59/2009 on Privatization.</li> <li>- Regulation of the Minister of Finance No. 45/PMK.08/2014.</li> <li>- Regulation of the Minister of Finance No. 108/PMK.05/2016.</li> <li>- Regulation of the Minister of BUMN No. PER-09/MBU/07/2015 on PKBL.</li> </ul> <p>Mainstreaming this information would require the Minister of SoEs or MoEMR to publish the summary information on their website.</p>
2.6 State Participation	<p><b>PT. PGN public disclosures would be considered meaningful, but not yet satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Requirement 2.6 point (a):</p> <ul style="list-style-type: none"> <li>i) Similar to 2.1.</li> <li>ii) Disclosures from the government and SoE(s) of their level of ownership in mining, oil and gas companies operating within the country's oil, gas, and mining sector, including those held by SoE subsidiaries and joint ventures, and any changes in the level of ownership during the reporting period is available in the Financial Report including the terms of the transaction. Similarly, loan information and the terms are also available in the financial report.</li> </ul> <p>Requirement 2.6 point (b):</p> <p>PT. PGN publicly discloses their audited financial statements including the main financial items (i.e. balance sheet, profit/loss statement, cash flows) on their website in less than Y+2.</p> <p>Audited Financial Statements: <a href="https://ir.pgn.co.id/financial-information#FinancialReports">https://ir.pgn.co.id/financial-information#FinancialReports</a></p> <p>Requirement 2.6 point (c) (encouragement):</p> <p>The description of the rules and practices related to SoEs' operating and capital expenditures, procurement, subcontracting, and corporate governance, e.g. composition and appointment of the Board of Directors, Board's mandate, and code of conduct is available on their website: <a href="https://pgn.co.id/tata-kelola?lang=en">https://pgn.co.id/tata-kelola?lang=en</a></p>
3.1 Exploration	<p><b>PT. PGN public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Information on exploration activities is publicly available in the PT. PGN Annual Report: <a href="https://ir.pgn.co.id/financial-information#AnnualReports">https://ir.pgn.co.id/financial-information#AnnualReports</a>. The annual report is published in a timely manner (less than Y+2) and in a searchable pdf format.</p>

Requirement	Mainstreaming Assessment
3.2 Production data	<p><b>PT. PGN public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>There are two types of production data in the oil and gas sector. First is production volume extracted, while the second is lifting volume which is production which is ready to be sold. Lifting data is publicly available in a disaggregated format (per PSCs) along with disclosure for other PSCs in the SKK Migas Lifting Dashboard <a href="https://lifting.skkmigas.go.id/tab/lifting2/index.php">https://lifting.skkmigas.go.id/tab/lifting2/index.php</a>. The dashboard is updated daily, however, the data could not be downloaded in an open data format.</p>
3.3 Export data	<p><b>PT. PGN public disclosures would be considered inadequate in adhering to the 2019 EITI Standard.</b></p> <p>Not Found.</p>
4.1 Comprehensive Disclosure of Tax and Revenues	<p><b>PT. PGN public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Financial information is publicly available in their Financial Statement on the website: <a href="https://ir.pgn.co.id/financial-information#FinancialReports">https://ir.pgn.co.id/financial-information#FinancialReports</a></p>
4.2 In-Kind Revenues	<p><b>This requirement is not applicable in Indonesia.</b></p>
4.4 Transport Revenues	<p><b>PT. PGN public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Information on transportation revenue is publicly available in the PT. PGN annual report: <a href="https://ir.pgn.co.id/financial-information#AnnualReports">https://ir.pgn.co.id/financial-information#AnnualReports</a>. It presents the information on volume and value for transporting gas, however, no information is found on:</p> <ol style="list-style-type: none"> <li>i. A description of the transportation arrangements including: the product; transportation route(s); and the relevant companies and government entities, including SoE(s), involved in transportation.</li> <li>ii. Definitions of the relevant transportation taxes, tariffs, or other relevant payments, and the methodologies used to calculate them.</li> <li>iii. Disclosure of tariff rates and volume of the transported commodities.</li> </ol>
4.5 Transactions Related to SoEs	<p><b>PT. PGN public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Financial information is publicly available in their Financial Statement on the website: <a href="https://ir.pgn.co.id/financial-information#FinancialReports">https://ir.pgn.co.id/financial-information#FinancialReports</a></p>
4.9 Data Reliability	<p><b>As a limited liability company, PT. PGN is subject to audit by an independent auditor.</b></p>
6.1 Social and Environmental Expenditures	<p><b>PT. PGN public disclosures would be considered meaningful, but not yet satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Article 88 and 90 in Law No. 19/2013 on SoEs mandates the spending on partnerships and community development programs which is further operationalized in the Regulation of the Ministry of SoEs No. PER-09/MBU/07/2015 on Partnerships and Community Development Programs. The regulation obliges SoEs to implement partnerships and community development programs whose source of funds derives from a maximum allowance of 4% of net profit after tax of the previous year. The budget and program are subject to approval by the GMS.</p> <p>Information on social and environmental expenditure is available in the PT. PGN Sustainability Report (<a href="https://ir.pgn.co.id/financial-information#SustainabilityReports">https://ir.pgn.co.id/financial-information#SustainabilityReports</a>). The report presents categorization of the program with aggregate number of beneficiaries.</p>

Requirement	Mainstreaming Assessment
6.2 QFEs	<p><b>PT. PGN public disclosures would be considered inadequate for this provision of the 2019 EITI Standard.</b></p> <p>According to the EITI Contextual Report 2017, the difference in market prices and the DMO price of gas as part of PT. PGN's responsibility as a PSC holder (through its subsidiaries) can be considered QFE, however, no information is available regarding this difference. Information is available as the aggregate value of Government Lifting which consists of FTP, Equity Gas, and DMO.</p>

2.3: SoE in the Coal and Mining Sector: PT. Indonesia Asahan Aluminium (INALUM)

Requirement	Mainstreaming Assessment
2.1 Legal Framework	<p><b>PT. INALUM public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>The explanation of the role of SoEs in the sector and prevailing rules and practices regarding the financial relationship between the government and SoEs as required by EITI standard is available in the EITI contextual reports based on:</p> <p>Authority: Law No. 19/2003 on SoEs. Financial:</p> <ul style="list-style-type: none"> <li>- Law No. 40/2007 on Limited Liability Companies.</li> <li>- Government Regulation No. 44/2005 as amended by Government Regulation No. 72/2016 on State Equity Participation.</li> <li>- Regulation of the Minister of Finance No. 5/PMK.02.2013 on Dividend Payouts.</li> <li>- Government Regulation No. 59/2009 on Privatization.</li> <li>- Regulation of the Minister of Finance No. 45/PMK.08/2014.</li> <li>- Regulation of the Minister of Finance No. 108/PMK.05/2016.</li> <li>- Regulation of the Minister of BUMN No. PER-09/MBU/07/2015 on PKBL.</li> </ul> <p>Mainstreaming this information would require the Minister of SoEs or MoEMR to publish the summary information on their website.</p>
2.6 State Participation	<p><b>PT. INALUM public disclosures would be considered meaningful, but not yet satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Requirement 2.6 point (a):</p> <ol style="list-style-type: none"> <li>i) Similar to 2.1.</li> <li>ii) Disclosures from the government and SoE(s) of their level of ownership in mining, oil and gas companies operating within the country's oil, gas, and mining sector, including those held by SoE subsidiaries and joint ventures, and any changes in the level of ownership during the reporting period are available in the Financial Report including the terms of the transaction. Similarly, loan information and the terms are also available in the financial report.</li> </ol> <p>Requirement 2.6 point (b):</p> <p>PT. INALUM publicly discloses their audited financial statements including the main financial items (i.e. balance sheet, profit/loss statement, cash flows) on their website in less than Y+2.</p> <p>Audited Financial Statements: <a href="https://mind.id/report">https://mind.id/report</a> and <a href="https://inalum.id/id/about/hub-investor">https://inalum.id/id/about/hub-investor</a></p> <p>Requirement 2.6 point (c) (encouragement):</p> <p>The description of the rules and practices related to SoEs' operating and capital expenditures, procurement, subcontracting, and corporate governance, e.g. composition and appointment of the Board of Directors, Board's mandate, and code of conduct is available on their website: <a href="https://inalum.id/id/about/tata-kelola-perusahaan">https://inalum.id/id/about/tata-kelola-perusahaan</a></p>
3.1 Exploration	<p><b>PT. INALUM public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Information on exploration activities is publicly available in the PT. INALUM Annual Report: <a href="https://inalum.id/id/about/hub-investor">https://inalum.id/id/about/hub-investor</a>. The annual report is published in a timely manner (less than Y+2) and in a searchable pdf format.</p>

Requirement	Mainstreaming Assessment
3.2 Production data	<b>Not Applicable (production is undertaken by its subsidiaries).</b>
3.3 Export data	<b>Not Applicable (exports are undertaken by its subsidiaries).</b>
4.1 Comprehensive Disclosure of Tax and Revenues	<b>PT. INALUM public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b> Financial information is publicly available in their Financial Statement on the website: <a href="https://mind.id/report">https://mind.id/report</a> and <a href="https://inalum.id/id/about/hub-investor">https://inalum.id/id/about/hub-investor</a>
4.2 In-Kind Revenues	<b>This requirement is not applicable in Indonesia.</b>
4.4 Transport Revenues	<b>Not Applicable (transportation is provided by its subsidiaries).</b>
4.5 Transactions Related to SoEs	<b>PT. INALUM public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b> Financial information is publicly available in their Financial Statement on the website: <a href="https://mind.id/report">https://mind.id/report</a> and <a href="https://inalum.id/id/about/hub-investor">https://inalum.id/id/about/hub-investor</a>
4.9 Data Reliability	<b>As a limited liability company, PT. INALUM is subject to audit by an independent auditor.</b>
6.1 Social and Environmental Expenditures	<b>PT. INALUM public disclosures would be considered meaningful, but not yet satisfactory in adhering to the 2019 EITI Standard.</b> Article 88 and 90 in Law No. 19/2013 on SoEs mandates the spending on partnerships and community development programs which is further operationalized in the Regulation of the Ministry of SoEs No. PER-09/MBU/07/2015 on Partnerships and Community Development Programs. The regulation obliges SoEs to implement partnerships and community development programs whose source of funds can derive from a maximum allowance of 4% of net profit after tax of the previous year. The budget and program are subject to approval by the GMS. Information on social and environmental expenditure is available in the PT. INALUM Sustainability Report ( <a href="https://inalum.id/id/about/hub-investor">https://inalum.id/id/about/hub-investor</a> ). The report presents categorization of the program with the aggregate number of beneficiaries.
6.2 QFEs	<b>Not Applicable (QFEs are disbursed by its subsidiaries).</b>

**2.4: Subsidiary of SoE in the Coal and Mining Sector: PT. TIMAH**

Requirement	Mainstreaming Assessment
2.1 Legal Framework	<p><b>PT. TIMAH public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>The explanation of the role of SoEs in the sector and prevailing rules and practices regarding the financial relationship between the government and SoEs as required by EITI standard is available in the EITI contextual reports based on:</p> <p>Authority: Law No. 19/2003 on SoEs. Financial:</p> <ul style="list-style-type: none"> <li>- Law No. 40/2007 on Limited Liability Companies.</li> <li>- Government Regulation No. 44/2005 as amended by Government Regulation No. 72/2016 on State Equity Participation.</li> <li>- Regulation of the Minister of Finance No. 5/PMK.02.2013 on Dividend Payouts.</li> <li>- Government Regulation No. 59/2009 on Privatization.</li> <li>- Regulation of the Minister of Finance No. 45/PMK.08/2014.</li> <li>- Regulation of the Minister of Finance No. 108/PMK.05/2016.</li> <li>- Regulation of the Minister of BUMN No. PER-09/MBU/07/2015 on PKBL.</li> </ul> <p>Mainstreaming this information would require the Minister of SoEs or MoEMR to publish the summary information on their website.</p>
2.6 State Participation	<p><b>PT. TIMAH public disclosures would be considered meaningful, but not yet satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Requirement 2.6 point (a):</p> <ul style="list-style-type: none"> <li>i) Similar to 2.1.</li> <li>ii) Disclosures from the government and SoE(s) of their level of ownership in mining, oil, and gas companies operating within the country's oil, gas, and mining sector, including those held by SoE subsidiaries and joint ventures, and any changes in the level of ownership during the reporting period are available in the Financial Report including the terms of the transaction. Similarly, loan information and the terms are also available in the financial report.</li> </ul> <p>Requirement 2.6 point (b):</p> <p>PT. TIMAH publicly disclose their audited financial statements including the main financial items (i.e. balance sheet, profit/loss statement, cash flows) on their website in less than Y+2.</p> <p>Audited Financial Statements: <a href="http://www.timah.com/v3/ina/laporan-laporan-keuangan/">http://www.timah.com/v3/ina/laporan-laporan-keuangan/</a></p> <p>Requirement 2.6 point (c) (encouragement):</p> <p>The description of the rules and practices related to SoEs' operating and capital expenditures, procurement, subcontracting, and corporate governance, e.g. composition and appointment of the Board of Directors, Board's mandate, and code of conduct is available on their website: <a href="http://www.timah.com/v3/ina/tata-kelola/">http://www.timah.com/v3/ina/tata-kelola/</a></p>
3.1 Exploration	<p><b>PT. TIMAH public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Information on exploration activities is publicly available in the PT. TIMAH Annual Report: <a href="http://www.timah.com/v3/ina/laporan-laporan-tahunan/">http://www.timah.com/v3/ina/laporan-laporan-tahunan/</a>. The annual report is published in a timely manner (less than Y+2) and in a searchable pdf format.</p>

Requirement	Mainstreaming Assessment
3.2 Production data	<b>PT. TIMAH public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b> Information on production is publicly available in the PT. TIMAH annual report: <a href="http://www.timah.com/v3/ina/laporan-laporan-tahunan/">http://www.timah.com/v3/ina/laporan-laporan-tahunan/</a> .
3.3 Export data	<b>PT. TIMAH public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b> Information on exports is publicly available in the PT. TIMAH annual report: <a href="http://www.timah.com/v3/ina/laporan-laporan-tahunan/">http://www.timah.com/v3/ina/laporan-laporan-tahunan/</a> . It presents the information on volumes and value by commodity, however, no disaggregation is available for export destination.
4.1 Comprehensive Disclosure of Tax and Revenues	<b>PT. TIMAH public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b> Financial information is publicly available in their Financial Statement on the website: <a href="http://www.timah.com/v3/ina/laporan-laporan-keuangan/">http://www.timah.com/v3/ina/laporan-laporan-keuangan/</a> .
4.2 In-Kind Revenues	<b>This requirement is not applicable in Indonesia.</b>
4.4 Transport Revenues	<b>Not Applicable (no relevant transportation activity for PT. Timah).</b>
4.5 Transactions Related to SoEs	<b>PT. TIMAH public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b> Financial information is publicly available in their Financial Statement on the website: <a href="http://www.timah.com/v3/ina/laporan-laporan-keuangan/">http://www.timah.com/v3/ina/laporan-laporan-keuangan/</a> .
4.9 Data Reliability	<b>As a limited liability company, PT. TIMAH is subject to audit by an independent auditor.</b>
6.1 Social and Environmental Expenditures	<b>PT. TIMAH public disclosures would be considered meaningful, but not yet satisfactory in adhering to the 2019 EITI Standard.</b> Article 88 and 90 in Law No. 19/2013 on SoEs mandates the spending on partnerships and community development programs which is further operationalized in the Regulation of the Ministry of SoEs No. PER-09/MBU/07/2015 on Partnerships and Community Development Programs. The regulation obliges SoEs to implement partnerships and community development programs whose source of funds can derive from a maximum allowance of 4% of net profit after tax of the previous year. The budget and program are subject to approval by the GMS. Information on social and environmental expenditure is available in the PT. TIMAH Sustainability Report ( <a href="http://www.timah.com/v3/ina/laporan-laporan-keberlanjutan/">http://www.timah.com/v3/ina/laporan-laporan-keberlanjutan/</a> ). The report presents categorization of the program with the aggregate number of beneficiaries.
6.2 QFEs	<b>Not Applicable (no relevant QFEs for PT. Timah).</b>

**2.5: Subsidiary of SoE in the Coal and Mining Sector: PT. BUKIT ASAM**

Requirement	Mainstreaming Assessment
2.1 Legal Framework	<p><b>PT. BUKIT ASAM public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>The explanation of the role of SoEs in the sector and prevailing rules and practices regarding the financial relationship between the government and SoEs as required by EITI standard is available in the EITI contextual reports based on:</p> <p>Authority: Law No. 19/2003 on SoEs. Financial:</p> <ul style="list-style-type: none"> <li>- Law No. 40/2007 on Limited Liability Companies.</li> <li>- Government Regulation No. 44/2005 as amended by Government Regulation No. 72/2016 on State Equity Participation.</li> <li>- Regulation of the Minister of Finance No. 5/PMK.02.2013 on Dividend Payouts.</li> <li>- Government Regulation No. 59/2009 on Privatization.</li> <li>- Regulation of the Minister of Finance No. 45/PMK.08/2014.</li> <li>- Regulation of the Minister of Finance No. 108/PMK.05/2016.</li> <li>- Regulation of the Minister of BUMN No. PER-09/MBU/07/2015 on PKBL.</li> </ul> <p>Mainstreaming this information would require the Minister of SoEs or MoEMR to publish the summary information on their website.</p>
2.6 State Participation	<p><b>PT. BUKIT ASAM public disclosures would be considered meaningful, but not yet satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Requirement 2.6 point (a):</p> <ol style="list-style-type: none"> <li>i) Similar to 2.1.</li> <li>ii) Disclosures from the government and SoE(s) of their level of ownership in mining, oil, and gas companies operating within the country's oil, gas, and mining sector, including those held by SoE subsidiaries and joint ventures, and any changes in the level of ownership during the reporting period are available in the Financial Report including the terms of the transaction. Similarly, loan information and the terms are also available in the financial report.</li> </ol> <p>Requirement 2.6 point (b):</p> <p>PT. BUKIT ASAM publicly disclose their audited financial statements including the main financial items (i.e. balance sheet, profit/loss statement, cash flows) on their website in less than Y+2.</p> <p>Audited Financial Statements: <a href="http://www.ptba.co.id/id/laporan-perusahaan/laporan-audit-keuangan">http://www.ptba.co.id/id/laporan-perusahaan/laporan-audit-keuangan</a></p> <p>Requirement 2.6 point (c) (encouragement):</p> <p>The description of the rules and practices related to SoEs' operating and capital expenditures, procurement, subcontracting, and corporate governance, e.g. composition and appointment of the Board of Directors, Board's mandate, and code of conduct is available on their website: <a href="http://www.ptba.co.id/id/tata-kelola/tata-kelola-perusahaan">http://www.ptba.co.id/id/tata-kelola/tata-kelola-perusahaan</a></p>
3.1 Exploration	<p><b>PT. BUKIT ASAM public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Information on exploration activities is publicly available in the PT. BUKIT ASAM Annual Report: <a href="http://www.ptba.co.id/id/laporan-perusahaan/laporan-tahunan">http://www.ptba.co.id/id/laporan-perusahaan/laporan-tahunan</a>. The annual report is published in a timely manner (less than Y+2) and in a searchable pdf format.</p>

Requirement	Mainstreaming Assessment
3.2 Production data	<b>PT. BUKIT ASAM public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b> Information on production is publicly available in the PT. BUKIT ASAM annual report: <a href="http://www.ptba.co.id/id/laporan-perusahaan/laporan-tahunan">http://www.ptba.co.id/id/laporan-perusahaan/laporan-tahunan</a>
3.3 Export data	<b>PT. BUKIT ASAM public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b> Information on exports is publicly available in the PT. BUKIT ASAM annual report: <a href="http://www.ptba.co.id/id/laporan-perusahaan/laporan-tahunan">http://www.ptba.co.id/id/laporan-perusahaan/laporan-tahunan</a>
4.1 Comprehensive Disclosure of Tax and Revenues	<b>PT. BUKIT ASAM public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b> Financial information is publicly available in their Financial Statement on the website: <a href="http://www.ptba.co.id/id/laporan-perusahaan/laporan-audit-keuangan">http://www.ptba.co.id/id/laporan-perusahaan/laporan-audit-keuangan</a>
4.2 In-Kind Revenues	<b>This requirement is not applicable in Indonesia.</b>
4.4 Transport Revenues	<b>Not Applicable (no relevant transportation activity for PT. Timah).</b>
4.5 Transactions Related to SoEs	<b>PT. BUKIT ASAM public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b> Financial information is publicly available in their Financial Statement on the website: <a href="http://www.ptba.co.id/id/laporan-perusahaan/laporan-audit-keuangan">http://www.ptba.co.id/id/laporan-perusahaan/laporan-audit-keuangan</a>
4.9 Data Reliability	<b>As a limited liability company, PT. BUKIT ASAM is subject to audit by an independent auditor.</b>
6.1 Social and Environmental Expenditures	<b>PT. BUKIT ASAM public disclosures would be considered meaningful, but not yet satisfactory in adhering to the 2019 EITI Standard.</b> Article 88 and 90 in Law No. 19/2013 on SoEs mandates the spending on partnerships and community development programs which is further operationalized in the Regulation of the Ministry of SoEs No. PER-09/MBU/07/2015 on Partnerships and Community Development Programs. The regulation obliges SoEs to implement partnerships and community development programs whose source of funds can derive from a maximum allowance of 4% of net profit after tax of the previous year. The budget and program are subject to approval by the GMS. Information on social and environmental expenditure is available in the PT. BUKIT ASAM Partnerships and Community Development Programs Report ( <a href="http://www.ptba.co.id/id/laporan-perusahaan/laporan-pkbl">http://www.ptba.co.id/id/laporan-perusahaan/laporan-pkbl</a> ) and Sustainability Report ( <a href="http://www.ptba.co.id/id/laporan-perusahaan/laporan-keberlanjutan">http://www.ptba.co.id/id/laporan-perusahaan/laporan-keberlanjutan</a> ). While the nature of the projects is described, the beneficiaries are mentioned as an aggregate number for each program. Success stories are available highlighting a sample of the beneficiaries in more detail.
6.2 QFEs	<b>PT. BUKIT ASAM public disclosures would be considered inadequate for this provision of the 2019 EITI Standard.</b> According to the EITI Contextual Report 2017, the difference in market prices and the DMO price of coal as part of PT. BUKIT ASAM's responsibility can be considered QFE, however, no information is available regarding this difference.

**2.6: Subsidiary of SoE in the Coal and Mining Sector: PT. ANEKA TAMBANG**

Requirement	Mainstreaming Assessment
2.1 Legal Framework	<p><b>PT. ANEKA TAMBANG public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>The explanation of the role of SoEs in the sector and prevailing rules and practices regarding the financial relationship between the government and SoEs as required by EITI standard is available in the EITI contextual reports based on:</p> <p>Authority: Law No. 19/2003 on SoEs. Financial:</p> <ul style="list-style-type: none"> <li>- Law No. 40/2007 on Limited Liability Companies.</li> <li>- Government Regulation No. 44/2005 as amended by Government Regulation No. 72/2016 on State Equity Participation.</li> <li>- Regulation of the Minister of Finance No. 5/PMK.02.2013 on Dividend Payouts.</li> <li>- Government Regulation No. 59/2009 on Privatization.</li> <li>- Regulation of the Minister of Finance No. 45/PMK.08/2014.</li> <li>- Regulation of the Minister of Finance No. 108/PMK.05/2016.</li> <li>- Regulation of the Minister of BUMN No. PER-09/MBU/07/2015 on PKBL.</li> </ul> <p>Mainstreaming this information would require the Minister of SoEs or MoEMR to publish the summary information on their website.</p>
2.6 State Participation	<p><b>PT. ANEKA TAMBANG public disclosures would be considered meaningful, but not yet satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Requirement 2.6 point (a):</p> <ul style="list-style-type: none"> <li>i) Similar to 2.1.</li> <li>ii) Disclosures from the government and SoE(s) of their level of ownership in mining, oil, and gas companies operating within the country's oil, gas, and mining sector, including those held by SoE subsidiaries and joint ventures, and any changes in the level of ownership during the reporting period are available in the Financial Report including the terms of the transaction. Similarly, loan information and the terms are also available in the financial report.</li> </ul> <p>Requirement 2.6 point (b):</p> <p>PT. ANEKA TAMBANG publicly disclose their audited financial statements including the main financial items (i.e. balance sheet, profit/loss statement, cash flows) on their website in less than Y+2.</p> <p>Audited Financial Statements: <a href="https://www.antam.com/en/reports/financial-reports">https://www.antam.com/en/reports/financial-reports</a></p> <p>Requirement 2.6 point (c) (encouragement):</p> <p>The description of the rules and practices related to SoEs' operating and capital expenditures, procurement, subcontracting, and corporate governance, e.g. composition and appointment of the Board of Directors, Board's mandate, and code of conduct is available on their website: <a href="https://www.antam.com/en/governing-antam/gcg-practices">https://www.antam.com/en/governing-antam/gcg-practices</a></p>
3.1 Exploration	<p><b>PT. ANEKA TAMBANG public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b></p> <p>Information on exploration activities is publicly available on the PT. ANEKA TAMBANG website: <a href="https://www.antam.com/en/reports/exploration-reports">https://www.antam.com/en/reports/exploration-reports</a> The exploration report is published monthly in a searchable pdf format. Exploration information is also available in the annual report: <a href="https://www.antam.com/en/reports/annual-reports">https://www.antam.com/en/reports/annual-reports</a></p>

Requirement	Mainstreaming Assessment
3.2 Production data	<b>PT. ANEKA TAMBANG public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b> Information on production is publicly available in the PT. ANEKA TAMBANG annual report: <a href="https://www.antam.com/en/reports/annual-reports">https://www.antam.com/en/reports/annual-reports</a>
3.3 Export data	<b>PT. ANEKA TAMBANG public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b> Information on exports is publicly available in the PT. ANEKA TAMBANG annual report: <a href="https://www.antam.com/en/reports/annual-reports">https://www.antam.com/en/reports/annual-reports</a> . It presents the information on volumes and value by commodity, however, no disaggregation is available for export destination.
4.1 Comprehensive Disclosure of Tax and Revenues	<b>PT. ANEKA TAMBANG public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b> Financial information is publicly available in their Financial Statement on the website: <a href="https://www.antam.com/en/reports/financial-reports">https://www.antam.com/en/reports/financial-reports</a>
4.2 In-Kind Revenues	<b>This requirement is not applicable in Indonesia.</b>
4.4 Transport Revenues	<b>Not Applicable (no relevant transportation activity for PT. Timah).</b>
4.5 Transactions Related to SoEs	<b>PT. ANEKA TAMBANG public disclosures would be considered satisfactory in adhering to the 2019 EITI Standard.</b> Financial information is publicly available in their Financial Statement on the website: <a href="https://www.antam.com/en/reports/financial-reports">https://www.antam.com/en/reports/financial-reports</a>
4.9 Data Reliability	<b>As a limited liability company, PT. ANEKA TAMBANG is subject to audit by an independent auditor.</b>
6.1 Social and Environmental Expenditures	<b>PT. ANEKA TAMBANG public disclosures would be considered meaningful, but not yet satisfactory in adhering to the 2019 EITI Standard.</b> Article 88 and 90 in Law No. 19/2013 on SoEs mandates the spending on partnerships and community development programs which is further operationalized in the Regulation of the Ministry of SoEs No. PER-09/MBU/07/2015 on Partnerships and Community Development Programs. The regulation obliges SoEs to implement partnerships and community development programs whose source of funds can derive from a maximum allowance of 4% of net profit after tax of the previous year. The budget and program are subject to approval by the GMS. Information on social and environmental expenditure is available in the PT. ANEKA TAMBANG CSR and Sustainability Report ( <a href="https://www.antam.com/en/reports/csr-related-reports">https://www.antam.com/en/reports/csr-related-reports</a> ). While the nature of the projects is described, the beneficiaries are mentioned as an aggregate number for each program. Success stories are available highlighting a sample of the beneficiaries in more detail.
6.2 QFEs	<b>Not Applicable (no relevant QFEs for PT. Timah).</b>

# Appendix III: Mainstreaming Roadmap

## 3.1 Recommended Prioritization

EITI Requirement	Assessment Result	Stakeholders
<b>Easily Achievable</b>		
2.1 Legal Framework & Fiscal Regime	Minor Limitation	ESDM, MoF.
3.1 Exploration	Minor Limitation	ESDM.
5.1 Distribution of Revenue	Minor Limitation	MoF.
<b>Achievable</b>		
2.3 License Register	Minor Limitation	ESDM.
3.2 Production	Minor Limitation	ESDM, SKK Migas, BPS.
3.3 Exports	Minor Limitation	BPS.
5.2 Subnational Transfer	Minor Limitation	MoF.
6.2 QFE	Minor Limitation	ESDM, SKK Migas, SoE.
6.3 Economic Contribution	Minor Limitation	ESDM, SKK Migas, BPS.
<b>Strategic Issues</b>		
2.4 Contract	Significant Barrier	ESDM, SKK Migas.
2.5 Beneficial Owner	Significant Barrier	ESDM, SKK Migas, MoL.
2.6 State Participation	Major Limitation	SoE, MoSoE.
4.1 Tax & Non-Tax Revenue	Significant Barrier	ESDM, MoF.
4.5 Transactions Related to SoEs	Major Limitation	SoE, MoSoE.
<b>Others</b>		
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.

### 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

### 3.2 Indicative Timeline

EITI Requirement	Assessment Result	Stakeholders	2021	2022		2023
			S2	S1	S2	S1
<b>Easily Achievable</b>						
2.1 Legal Framework & Fiscal Regime	Minor Limitation	ESDM, MoF.				
3.1 Exploration	Minor Limitation	ESDM.				
5.1 Distribution of Revenue	Minor Limitation	MoF.				
<b>Achievable</b>						
2.3 License Register	Minor Limitation	ESDM.				
3.2 Production	Minor Limitation	ESDM, SKK Migas, BPS.				
3.3 Exports	Minor Limitation	BPS.				
5.2 Subnational Transfer	Minor Limitation	MoF.				
6.2 QFE	Minor Limitation	ESDM, SKK Migas, SoE.				
6.3 Economic Contribution	Minor Limitation	ESDM, SKK Migas, BPS.				
<b>Strategic Issues</b>						
2.4 Contract	Significant Barrier	ESDM, SKK Migas.				
2.5 Beneficial Owner	Significant Barrier	ESDM, SKK Migas, MoL.				
2.6 State Participation	Major Limitation	SoE, MoSoE.				
4.1 Tax & Non-Tax Revenue	Significant Barrier	ESDM, MoF.				
4.5 Transactions Related to SoEs	Major Limitation	SoE, MoSoE.				
<b>Others</b>						
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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