



**KEMENTERIAN KOORDINATOR BIDANG PEREKONOMIAN
REPUBLIK INDONESIA**

**MINUTES OF MEETING
EITI INDONESIA TRANSPARENCY IMPLEMENTATION TEAM**

Day/Date : Friday/30 November 2012
Time : 9:30 am – 11.30 am
Venue : Serayu Room –3rd Floor, A.A. Maramis II Building
Coordinating Ministry for Economic Affairs
Agenda : 1. The current status of EITI reporting
2. The results of procurement of Independent Reconciler to develop the first report of EITI Indonesia
3. EITI Indonesia Work plan 2013
4. Validation (evaluation) of EITI Indonesia

Attendees:

Government

1. Badan Pengawasan Keuangan dan Pembangunan (BPKP), Delpina Siahaan
2. Badan Pengawasan Keuangan dan Pembangunan (BPKP), Yanti Sukmayanti
3. Kementerian Dalam Negeri, Dyah Kartika
4. Kementerian Dalam Negeri, Gatot Setyo
5. Kementerian Energi dan Sumber Daya Mineral, Direktorat Jenderal Mineral dan Batubara, Erry Kundari
6. Kementerian Energi dan Sumber Daya Mineral, Direktorat Jenderal Mineral dan Batubara, Istayu Indri. H.
7. Kementerian Energi dan Sumber Daya Mineral, Direktorat Jenderal Mineral dan Batubara, Juniarti Chandra
8. Kementerian Energi dan Sumber Daya Mineral, Direktorat Jenderal Mineral dan Batubara, M. Iqbal M.P.
9. Kementerian Energi dan Sumber Daya Mineral, Yosua Martin
10. Kementerian Energi dan Sumber Daya Mineral, Direktorat Jenderal Minyak dan Gas Bumi, Yulianto
11. Kementerian Energi dan Sumber Daya Mineral, Ristriardani
12. Kementerian Keuangan, Direktorat Jenderal Pajak, Agung Wijanarko
13. Kementerian Keuangan, Direktorat Jenderal Pajak, Arif Mahmudin Zuhri
14. Kementerian Keuangan, Direktorat Jenderal Pajak, M. Reza Fahmi
15. Kementerian Keuangan, Direktorat Jenderal Pajak, Ronny Purwanto
16. Kementerian Keuangan, Direktorat Jenderal Perbendaharaan, M. Irfan S.



KEMENTERIAN KOORDINATOR BIDANG PEREKONOMIAN REPUBLIK INDONESIA

17. Kementerian Keuangan, Direktorat Jenderal Perbendaharaan, Taukhid
18. Kementerian Keuangan, Direktorat Jenderal Perimbangan Keuangan, M. Hijrah
19. Kementerian Keuangan, Direktorat Jenderal Perimbangan Keuangan, Sandy Firdaus
20. Kementerian Koordinator Bidang Perekonomian, Deputi Bidang Koordinasi Ekonomi Makro dan Keuangan, Alexius W. Bayu S.
21. Kementerian Koordinator Bidang Perekonomian, Deputi Bidang Koordinasi Ekonomi Makro dan Keuangan, Bobby Hamzar Rafinus
22. PT. Pertamina, Budhi Dermawan
23. Dinas Energi dan Sumber Daya Mineral Propinsi Jawa Timur, Yoyok Suroyo
24. Dinas Pendapatan Daerah Propinsi Kalimantan Timur, Edward Noviansyah
25. Dinas Pertambangan dan Energi Propinsi Kalimantan Timur, Bantolo
26. Dinas Pertambangan dan Energi Propinsi Riau, Januaris
27. Sekretariat Daerah Propinsi Riau, Emrizal Pakis

Industry

1. Indonesian Coal Mining Association, Supriatna Suhala
2. Indonesian Mining Association, Hendra Sinadia

NGO

1. IDEA, Wasingatu Zakiyah
2. PWYP, Maryati Abdullah
3. ICEL, Dyah Paramita

Indonesia EITI Sekretariat

1. Plh Wakil Sekretaris Tim Transparansi, Ambarsari Dwi Cahyani
2. Advisor World Bank, David W. Brown
3. Regulatory Specialist, Ronald Tambunan
4. IT Specialist, Nugraha Adi Prasetya
5. Finance Specialist, Agus Prasetyono
6. Communication Specialist, Inggita Notosusanto
7. Stakeholder Specialist, Dyah Hestu Lestari
8. Administrative Specialist, Anita Pascalia

The World Bank

1. Advisor on the EITI, David W. Brown



**KEMENTERIAN KOORDINATOR BIDANG PEREKONOMIAN
REPUBLIK INDONESIA**

EITI International Secretariat

1. Technical Advisor, Sam Bartlett
2. Asia Coordinator, Wouter Biesterbos

Minutes of meetings

Emy Perdanahari:

On behalf of Deputy for Energy and Mineral Resources and Forestry, The Coordinating Ministry for Economic Affairs, Mrs. Emy as Deputy Assistant for Energy and Electricity opened the meeting and informed four meeting agenda:

1. The current status of EITI reporting
2. The results of procurement of Independent Reconciler to develop the first report of EITI Indonesia/
Preparation of report reconciliation
3. EITI Indonesia Work plan 2013
4. Validation (evaluation) of EITI Indonesia

The fourth item on the agenda will be presented first, then each item will be discussed one by one. Material was presented as in the presentation material.



KEMENTERIAN KOORDINATOR BIDANG PEREKONOMIAN REPUBLIK INDONESIA

The responses of the meeting participants are as follows:

Erry Riyana Hardjapamekas:

EITI is a showroom of our efforts to be more open, started with Indonesia as the initiator of the open government partnership together with the U.S., Brazil, and so on. Many things have been done, but at the forefront is EITI. So how strategic this program.

Forget that "EITI" is not stated in the President Decree. Initially, EITI is the source of idea to develop the President Decree . So as a consequence of our participation in the EITI, then validation is an important part of the standard that we have to follow.

We've been trying since almost 3 years ago, EITI will be a model of how the government will work positively with the industry and community groups, the so-called multi-stakeholder dialogue.

EITI is not simply reconciling the numbers, more than that we want to convey that this is a valid data for the purpose of next public policy formulation, for instance, mining and oil and gas supervision. Increase royalties and income from oil and gas, governance, and mining permit.

So that the government has a footing valid data in developing the public policy. The one in front of our eyes is royalty of coal mine, which is definitely smaller than it should be, this is hypothetical calculation. Mining permit granting must be bad, almost all districts, grants many mining permit ahead of the district head elections, that becomes a business and political commodity. Then about tax, if the company is not obedient to pay their royalties, moreover to pay their tax, as for example in South Kalimantan. So, it is not just the matter of equating the figures, in the future, a lot to be gained, especially governance improvement and state income.

Emy Perdanahari:

We have to agree that we intend to succeed EITI to distribute evenly the revenues from natural resource. Greece is a victims example of the absence of transparency that resulted in the destruction of that country. This situation creates resource curse in many countries. So we need to prevent this by the success of EITI

Bobby Hamzar Rafinus:

Mr Bobby asked the process of reconciler procurement and the outline of it's terms of reference.



KEMENTERIAN KOORDINATOR BIDANG PEREKONOMIAN REPUBLIK INDONESIA

Ambarsari Dwi Cahyani

P2K and procurement committee are authorized to procure validator. (Then the validator's term of reference was presented and some important items was briefly described). The terms of reference has been approved by the Implementing Team. in a meeting held on August 24, 2011 with input from the International EITI Secretariat and the World Bank. The validator's terms of reference will then be submitted to the members of the ImplementingTeam.,
(then, chronology of the process of reconciler procurement was displayed)..

Januaris:

He questioned whether the reconciler auction is international or local? refers to the chronology, the auction process was carried out over 60 days, it was not in accordance with the auction rules in the Presidential Decree. However,in principle if all the requirements of the auction system has been met, we will follow it.

Regarding the progress of report collection, he asked for the names of the oil and gas companies partners, that have not yet submitted the reports so he can help.

Emy Perdanahari:

Reconciler auction is not international auction.

Supriyatna Suhala:

The distribution of royalties from the Ministry of Finance to the local government, is it reconciled or not?

Ambarsari Dwi Cahyani:

Data on revenue sharing from the Directorate General of Fiscal Balance (DJPK) is still unilateral in it's nature. DJPK himself had done quarterly consignment with local government. For the next reporting, there will be a pilot where two (2) local governments to reconcile payment made by mining companies to local government and income received by local government from mining companies. So this is not revenue sharing transfer, but direct revenue of the local government.

Yulianto:

Related with procurement reconciler, as there is no NOL (No Objection Letter) from the World Bank, the reconciler should not be approved by this meeting in accordance with the appropriate process.

Emy Perdanahari:

The NOL from the World Bank hopefully would be obtained. It is just the matter of procedural. For the approval of the Implementing Team and the NOL from the World Bank, can be done in parallel.

David W. Brown:

He believes that the World Bank will issue the NOL. So it may be done in parallel.



KEMENTERIAN KOORDINATOR BIDANG PEREKONOMIAN REPUBLIK INDONESIA

Emy Perdanahari:

She asked the attendees whether the reconciler procurement and requesting the NOL from the World Bank to be carried out in parallel, and following the issuance of the NOL from the World Bank, the chairman of the Implementing Team will send notification to all member of the Implementing Team, this is in considering the urgency to start reconciliation.

Yulianto

Agree....

Emrizal Pakis:

If the mechanism is already done by the committee, then there is no need for approval anymore, except if we consider there is an improper procedure. So once the World Bank issues the NOL, the mechanism is already running.

Yulianto:

It has to be in accordance with the procedure. It is still required to send a notice to the Implementing Team telling them that the World Bank has issued NOL.

Taukhid:

Director General of Treasury is not mentioned in the section on government reports. Actually the state revenue is the revenue coming into the state treasury, and, we who have the authority to declare that the money goes to the state treasury, and our role on this matter.

Ambarsari Dwi Cahyani:

The future will be more intensive ...

Emrizal Pakis:

Ask for materials to understand more about the EITI because he just recently joined as a Technical Team, as well as asking the Decree of Implementing Team.

Emy Perdanahari:

Members of the Implementing Team is equivalent to Echelon 1, but, due to their daily busy work, mostly members of the Implementation Team always delegated to their representatives, which is always changing. And in previous meetings, we asked for an official assignment letter so that the Implementing Team meeting can be recognized. And we always deliver all the results and the progress. The problem is that the representatives always changing, so it must be explained again from the beginning. For materials, such as terms of reference, templates, and minutes of meeting, will be sent. However, in the upcoming meetings, it is expected that the representatives is not changing.



KEMENTERIAN KOORDINATOR BIDANG PEREKONOMIAN REPUBLIK INDONESIA

Emrizal Pakis:

Indeed, the team was supposed are Echelon 1 , however it is difficult for them to attend the meeting because usually Echelon 1 deal with policy, whereas for a meeting like this, it is usually delegated to lower levels. In this regard, it is important to issue the team decree so that the team be permanent, to ensure that the assignment of the Echelon 1 definitely delivered to the same person.

Emy Perdanahari:

The team decree will be published in January 2013.

Januaris:

The Minister of Energy and Mineral Resources as the member of Steering Committee, concurrently as Executive Team to BP Migas, so it needs to be revised.

Emy Perdanahari:

Please propose if there is a correction to the representative of BP Migas.

Erry Riyana Hardjapamekas:

Actually do not so agree with the Technical Team because Echelon 1 delegates to Echelon 2 or 3. In modern management it should be assumed that Echelon 2 or 3 be able to read the material from website, newsletter and so on. But the important point is this meeting should be able to determine the reconciler so that they immediately begin to work, validator procurement could begin early next year and work plan can be approved.

Emy Perdanahari:

(Then the list of the Technical Team proposed by each institution was displayed, and the name of the substitute if there is retired/move to another position/*others*).

Perubahannya sebagai berikut:

- BPKP: Bonny Anang Dwijanto replaced by Arman S. Harahap, and Saria Hutapea replaced by Yanti Sukmayanti
- BP Migas: renamed SKSP Migas, but the name of the Technical Team remains.
- Director General of Tax: Amri Age pension, and the name of his successor will be delivered later by the Directorate General of Taxation.
- Home Affair: A. Fatoni replaced by Dyah Kartika.
- Directorate General of Treasury: Tri lane is replaced by Rudi Widodo (Directorate of Treasury Management), Sudarmanto replaced by Tawheed (Division Head of State Revenues)

The results of the meeting will be sent to the Implementing Team and Technical Team. A notice concerning the issuance of NOL on reconciler from the World Bank will also be sent.



KEMENTERIAN KOORDINATOR BIDANG PEREKONOMIAN REPUBLIK INDONESIA

Maryati:

Minutes of the meeting should be incorporated into the website of EITI Indonesia as minutes of meetings are considered as public information.

Regarding the work plan, should be evaluated from the 2010-2012 work plan so they can be encouraged for 2013 work plan, for example, the improvement of reconciler procurement process.

Emy Perdanahari:

The workplan has been submitted and no comments from the meeting participants, thus considered to have been approved. And this workplan is only as an overview, and still subject to revision.

If there are changes to the names of the members of the Technical Team following the dispatch of the minutes of this meeting, please send us an official letter.

Maryati:

With respect to work plan 2013, points on reporting and reconciliation, My suggestion for the next reporting scope, related with suggestions to include the State Treasury and local government, can be start from January to March 2013. But we have to pay attention to the changes in the EITI Rules which may occur sometime in May 2013 which could be adopted into the next reporting template.

With respect to budget, the budget absorption rate for the work plan 2012-2013 need to be presented in brief.

With respect to validation, we have to follow the existing schedule to be on time, although we're asking for guidance from the Steering Committee. Can be started with the agreement of TOR and contracts in the Implementing Team meeting. The Meeting of the Implementation Team suppose to be January 2013 in preparation for validation. So if in February or March 2013 there is a problem in procuring validator, then we can write a letter requesting an extension to the EITI International Secretariat.

Emy Perdanahari

Good proposal, we will carry it out

Meeting was over.