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Transparency for Indonesian Extractive Industries

Contents

EITI Indonesia Activities Calendar - June 2013

June 3, 2013: Discussion with Riau Community Leaders' Forum, organized by LPAD Riau

4 June 2013: Media Briefing for Indonesian media journalists

18 June 2013: Second Round of Communication-Dissemination for EITI Indonesia's First Report at Hotel Novotel, Surabaya, with the agenda of:

1. Disseminating EITI Indonesia's 2009 Annual Report
2. Preparation for the 2010-2011 Reporting Process

For further information, visit http://eiti.ekon.go.id/ or contact the secretariat through sekretariat@eiti.ekon.go.id

The EITI Indonesia delegation during the 6th EITI Global Conference, Sydney, Australia, 23-24 May 2013.

Indonesia's First EITI Report Provides a Look inside the Black Box

The First Extractive Industries Transparency Initiative (EITI) Report by Indonesia, which compares revenues reported to have been paid to the government by nearly all oil, gas, mineral and coal companies operating in the country with those reported to have been received by the government, shows that in 2009, after certain deductions, the government collected US$24.2 billion (Rp251 trillion at Rp10,400 per US$).

Although the overall contribution of the oil and gas sector to public revenues has long been public information, the EITI report shows the exact contribution of each oil and gas company. Even more extraordinarily, it does the same for each large and medium sized mining company, including those that are locally licensed.

Emy Perdanahari, Chairwoman of EITI Indonesia Secretariat, commented, "The Indonesian extractives sector and the amount of revenues it generates have long been sources of contention, simply because detailed information was not available to the general public. With the release of this report, the public will finally know how much, officially speaking, each resource company paid to each government agency. This is a huge milestone in government transparency."

The report provides what may be the first ever figure on the overall income tax and royalty contribution of the mineral vs. the coal sectors. Before the implementation of EITI, the only number that was public was a single figure for all royalties paid by mining firms. The EITI Indonesia report determines that the nation's mineral (copper, gold, nickel, tin and bauxite) companies contributed about US$1.2 billion (Rp12.5 trillion) in income taxes and US$1.2 billion (Rp12.5 trillion) in royalties, while its coal companies contributed about US$1 billion (Rp10.4 trillion) in income taxes and US$1.3 billion (Rp13.5 trillion) in royalties. The real figures are larger, because the EITI numbers exclude smaller mining companies, as well as a handful of large and medium sized companies whose taxes the DG of Tax declined to report, due to lack of supporting documentation related to the adherence to the Tax Law's stipulations' on disclosure.

Supriatna Suhala, Executive Director of the Indonesian Coal Mining Association, stated, "The EITI report provides the public with the clearest understanding so far of the coal mining sector's contribution to state revenue. We also have to keep in mind that there would be a multiplier effect which may be higher than the recorded contribution."

Although the report helps illuminate the official contribution of the coal sector to national development, it also highlights possible shortcomings in how this information is managed. The report found that the Government recorded receiving US$282 million more in income tax than coal companies said they paid. This was mostly due to the two biggest coal producing units of Indonesia's biggest coal mining group, Bumi Resources, not reporting to EITI Indonesia what are believed to be its back taxes from 2007 and 2008 that were paid in

Indonesia's First EITI Report... (cont'd)

2009.

The EITI Indonesia Report also showed a weakness of information management at the Directorate General of Minerals and Coal. This was shown through discrepancies in the area of coal royalties. Differences between what companies paid and what the government received started out at US$727 million, but were narrowed down to US$54 million, due to EITI Indonesia conducting a review of physical records maintained by the Directorate General of Minerals and Coal. Specific to non-tax revenues from mining, 493 adjustments were made in this way, more than 75 percent of all adjustments in the entire report.

The report also helps local people understand how much of the official payments of individual companies should, in theory, have arrived in local treasuries. The Indonesian government decreed over ten years ago that about 15 percent of the value of oil and 30 percent of the value of gas surrendered by producers to the state, as well as 80 percent of mineral and coal royalties, would be redistributed to the districts, surrounding districts, and provinces within which they operate.

In practice, the implementation of this policy is rarely noticed by the Indonesian public simply because detailed information on the amount of resource revenues intended to flow to the local governments, and from which company in a given year, has never been compiled into a detailed report. Now, the information has been made available by EITI Indonesia.

"With the publication of the EITI Indonesia report, citizens in resource rich districts will finally begin to receive answers to their questions not only about the amount of revenues from oil, gas and mining companies paid to the central government, but perhaps more importantly from a local perspective, how much of the revenues from each company should have made its way to their province and district. This is a tool for the people to force accountability from their government," said Faisal Basri, a Civil Society Representative on the Indonesian EITI Implementing Team. (*)

The EITI Indonesia Secretariat at the 6th EITI Global Conference, Sydney. left-to-right: Ronald Tambunan, Yuliana, Fajar Reksoprodjo, Ambarsari Dwi Cahyani, Anita Pascalia, Tri Wicaksono.

Representatives from the EITI Indonesia Secretariat, Reconciler KAP Gideon Ikhwan Sofwan, CSO IDEA, SKK Migas and MoF's Non-Tax Directorate during the finalization of EITI Indonesia's First Report at the Implementation Team's Meeting, 22 April 2013, Jakarta.

Validation: Determining EITI Indonesia's Status

All EITI implementing countries must undergo a process known as "validation", which is a process whereby an accredited, external, independent party known as a "validator" ascertains the degree of compliance or non-compliance of an EITI implementing country with 18 EITI Rules. The validator must be financed by the implementing state from its own national budget.

The Procurement Committee of the Coordinating Ministry of Economic Affairs appointed Deloitte Australia to the position of validator of EITI Indonesia.

Deloitte Australia has performed its work since 25 February 2013. It was expected that the validation report would be completed by 18 April 2013, which is the deadline for the submission of EITI Indonesia's validation report to the EITI International Board. However, it was impossible to meet the deadline since there were some delays in the completion of the reconciliation report. Extra time is also needed so the validator can consider inputs from the Validation Committee of the EITI International Board.

In anticipation of the possible delays, the Indonesian Government requested an extension of the deadline to submit the validation report. The Validation Committee conveyed the situation to the EITI International Board and suggested a three month extension to 18 July 2013, which was granted by the EITI International Board. Nevertheless, it is hoped that the validator can complete its final report faster than this.

As this article went to press, the validator has been engaged for approximately four months, and is considering the Validation Committee's comments to its draft report. The validator has already evaluated dozens of documents related to the EITI process in Indonesia, and has also conducted nearly two weeks of interviews with stakeholders to gather a broader picture of EITI implementation in Indonesia.

If the plan runs well, the report will be finalized by the validator in early July 2013, and after that the EITI Board will decide whether Indonesia's status may be promoted from Candidate to fully Compliant.

If Indonesia is considered to have not met any of the 18 requirements, there are two possible scenarios: In the more favourable scenario, if Indonesia is deemed to have made meaningful progress, Indonesia will be granted an up-to-one-year extension to implement remedial actions (drawing on the findings from validation). In the less favourable scenario, if Indonesia is considered not to have made meaningful progress, it will be delisted from the candidacy. This latter scenario is considered unlikely to occur to Indonesia, as only two nations have ever been delisted from EITI.

As a note, related to a doubts raised by some CSOs regarding the number of reports that must be published by EITI Indonesia, the EITI International Secretariat has stated that there is no requirement that mentions the number of reports that must be published prior to validation which applies to Indonesia.

If Indonesia is found to be EITI Compliant, many parties will enjoy the benefits. For the country, this will improve the investment climate, by providing a clear signal to investors and international financial institutions that the government is committed to greater transparency. It will also raise the prospects for greater economic and political stability and the possible prevention of conflicts based around the oil, mining and gas sectors.

For companies and investors, Indonesian Compliance will help to mitigate the political and reputational risks of doing business in Indonesia. For civil society, Compliance will be an indicator that the amount of information in the public domain about revenues that the government receives from the extractive industries has increased and will continue to increase. (*)

CSOs Educate the Indonesian Public on EITI

Civil society has played a pivotal role in the emergence of the EITI in Indonesia; the EITI Multi Donor Trust Fund CSO Direct Support Program funds activities for Indonesian CSOs to effectively contribute to EITI implementation. A capacity building project is allowing CSOs to carry out research, assessments of sub-national data contained in the EITI report as well as communications activities to disseminate the findings to their communities.

The CSO Article 33, which is a member of the Publish What You Pay Indonesia coalition, is currently coordinating research and communications activities by organizations on five big Indonesia islands or island groups, and the topics are:

1. Identification of district licensed mining permits and assessment of sub-national revenues in Riau province of Sumatra Island (oil, gas and mining revenues);
2. Spatial research in the biggest bauxite producing province in Indonesia (West Kalimantan), to include the overlaying of maps of mining and other resource concessions on top of provincial base maps to show areas of land conflict, and potentially illegal operations;
3. Assessment of the contribution of EI revenues collected locally, as well as at the centre and then re-distributed locally to West Nusa Tenggara provincial and district budgets, with a focus on West Lombok and West Sumbawa districts;
4. Assessment of sub-national revenues in Southeast Sulawesi province through the collection of information (ownership, production numbers, and revenue generated) on district-licensed nickel mining permits in three districts;
5. EITI data dissemination in Papua by a journalists' association through TV talk shows, radio talk shows, press conferences, and new media to explain the findings of the first EITI Indonesia report.

The findings of research activities will be presented in the regions in which they are carried out, and made available to the wider public. The research and communications activities are expected to be largely completed in calendar year 2013. (*)

Scoping Note for the Second EITI Indonesia Report, 2010-2011

Currently Indonesia is making preparations for its second EITI Report. EITI Rules require that the time difference between the year that a country's EITI report covers and the year in which that report is published may not exceed two years. In order to bring Indonesia into line with this requirement, EITI Indonesia second report aims to cover both the 2010 and 2011 calendar years.

The decision on "scoping" is an important part in the EITI process. The scoping note is a reference for the EITI report. Indonesia's most recent scoping note has been discussed and decided in the Implementing Team meetings in July 2012, as well as in January and March 2013.

One of the important scoping decisions that must be made is which natural resource revenue streams to include in a country's EITI Report. Indonesian natural resources revenues from oil, gas, and mining can be classified into two types, tax and non-tax. In 2010 and 2011, the contribution of the largest of these revenue streams that are currently published by government are shown in Table 1, and on average accounted for 25 percent of all state revenue.

EITI Indonesia's second Scoping Note makes five important determinations, as summarized below:

1. Types of Revenue:

   As was the case in 2009, oil and gas operators (and their JV partners) will submit templates on the conveyances of the following oil and gas revenue streams to the government:

   - Volumes of government share of equity oil (including condensate) and gas surrendered by operators to the government;
   - Monetary value of over/under lifting;
   - Volume of Domestic Market Obligation oil surrendered by operators to the government (in exchange for typically-nominal Domestic Market Obligation fees).
   - Monetary value of corporate and dividend tax;
   - Monetary value of Signature and Production bonuses.

   In the second report, oil and gas operators will also report DMO fees received from the government. The amounts of government share of equity of gas will be reported not only in volume but also in millions of British

Table 1

Natural Resources Revenue from oil, gas, and mining (in trillions of Rupiah)

Description	2010	2011
Tax		
Income Tax from oil and gas	58.87	76.43
Land and Building Tax from oil and gas sector	19.33	20.48
Land and Building Tax from mining	0.50	0.40
Non Tax		
Revenue from crude oil	111.82	141.30
Revenue from gas	40.92	52.19
Revenue from general mining	12.65	16.37
Total	**244.09**	**307.17**
Total State Revenue	**992.25**	**1,205.35**

Source: Central Government Financial Report (LKPP) 2011, pages 182-184
Note: One US Dollar equals approximately 10,000 Indonesian Rupiah.

Thermal Units (MMBTU).

In the mining sector, mineral and coal companies will report income tax, land and building tax, royalties, and dead rent. Dividends will also be reported by state owned enterprises and a single private company with shares owned by the government. All these items are to be reconciled. The Government entities who report are the following:

- Ministry of Energy and Natural Resources: Directorate General of Minerals and Coal;
- Ministry of Finance: Directorate General of Budget; Directorate General of Tax; and Directorate General of Fiscal Balance;
- Special Work Unit for Upstream Oil and Gas Business Activities (SKK MIGAS, formerly known as BPMIGAS).

2. Materiality and production units to report:

In EITI Reports, materiality is defined in part as a basis for how to determine whether a production unit is sufficiently large to be included as reporting entity or not. This materiality is determined based on amounts that companies have contributed of a specific type of revenue stream, and whether that amount is considered to constitute a sufficiently high contribution to state revenues for the company to be included. In the second report, the materiality definition to be used is the same as for the first report. For oil and gas, the materiality threshold is zero. It means that all (or 100 percent of) oil and gas operators who surrender equity oil and gas volumes to the government (and the partners of those operators) will report.

Meanwhile for the mining sector, materiality is based on those units which paid USD 500,000 or more in royalties to the government in 2010 and/or 2011. Using this definition, the mining entities who will submit data for the net EITI report will account for 97.5 percent of all royalties paid to the government in 2011.

According to these definitions of materiality, the numbers of oil and gas as well as mineral and coal production units that will submit their report are shown in the Table 2.

Scoping Note for the Second EITI Indonesia Report, 2010-2011 (cont'd)

Table 2

Reporting companies under the Second EITI Report, 2010-2011

Commodity	Number of Production Unit	
Oil and Gas	60 PSC Operators*	
Mining		
Copper/Gold	5 CoW	2 IUP
Tin	1 CoW	19 IUP
Bauxite	-	7 IUP
Nickel	1CoW	15 IUP
Iron Ore	-	3 IUP
Coal	35 CCoW	106 IUP
Total	**261 production units**	

*Partners of these PSCs will also report

Note: PSC = Production Sharing Contract
CoW = nationally awarded mineral Contracts of Work
CCoW = nationally awarded Coal Contracts of Work
IUP = locally awarded Mining Business Licenses (may include mineral or coal units)

EITI Indonesia will be taking on a significant challenge in its 2010 and 2011 reports in asking so many provincially and district licensed IUP to report. Most of these units do not consider themselves particularly answerable to the central government, as they are licensed by local authorities. With great effort, EITI Indonesia collected reporting templates from 22 of these units for its 2009 report, but it must now collect templates from almost seven times this number for its 2010 and 2011 report.

3. Reconciliation method:

The reconciler will reconcile reporting templates submitted by industry with those from government. If there are discrepancies, then it will attempt to resolve these through limited audits, or other processes. The limited audit is the last option, to be used only after other options have been tried.

The minimum limit above which discrepancies will be investigated will be proposed by the reconciler and approved by the Implementing Team. This decision, when it is taken, is typically based on considerations of the complexity of the revenue stream in question, and the timeline of the reconciliation.

4. Local governments to report:

The Directorate General of Fiscal Balance recommended six possible local governments in which sub-national reporting might be piloted. They were the province of East Kalimantan; and the districts of Bengkalis, Riau; Muara Enim, South Sumatra; Kutai Kartanegara, East Kalimantan; Banjar, South Kalimantan; Tabalong, South Kalimantan.

Considering the second report's magnitude and complexity, the Implementing Team meeting of 14 March 2013 decided that of the six recommended local government units, only two would be included in the second report, the province of East Kalimantan and the district of Kutai Kartanegara. The precise revenue streams and the companies from which they originate, on which these two local governments will be asked to report, have yet to be determined by the EITI Indonesia Implementing Team. (*)

Mining Sector Transparency

Erry Riyana Hardjapamekas – one of two elected Implementing Country Representative for Asia on the International Board of the EITI, Oslo, Norway, between 2011 and 2013

(Printed in Kompas, Opinion, 24 May 2013)

For years now a dedicated group of Indonesians has worked quietly in trying to shed light on the revenues earned from the nation's oil, gas, mineral and coal industries. This week, they succeeded.

The year 2010 marked the signing of Presidential Regulation 26/2010, which laid the regulatory underpinnings for Indonesia to implement the Extractive Industries Transparency Initiative (EITI). A global standard practiced in 37 nations around the world, the EITI encourages the reporting by oil, gas, mineral and coal producers of what they have paid to the government; conversely, the government reports what it has received from these companies. The reports from the companies and the government are compared by an independent "reconciler" and make up what is called the country's "EITI report."

The whole process is overseen by a multi-stakeholder working group that includes government, companies, and civil society. In Indonesia, this working group is made up of 13 Directors General from five ministries, the most highly ranked civil servants from three resource rich provinces, three members from the oil and gas, mineral and coal industry associations, and three elected civil society figures.

Indonesia's first EITI report is an ambitious endeavour. It presents the results of a reconciliation of revenues conveyed by the nation's largest 50 oil and gas Production Sharing Contracts (PSC), 16 mineral companies, and 53 coal companies to the Government of Indonesia, with the amounts of those same revenues received by the Upstream Oil and Gas Business Development authority (now known as SKKMIGAS), the Directorate General of Budget, the Directorate General of Tax, and the Directorate General of Minerals and Coal. The time-frame for this particular report focuses on calendar year 2009.

Some differences which could not be resolved

Differences were found between what companies reported paying to the government, and what the government says it collected from the companies. But these were mostly instances where the government reported collecting more than companies reported paying, which runs contrary to what many people might have predicted.

In the area of payments for over- and under-lifting of oil and gas, the government reported collecting US$29 million more than what the companies said they paid. This is in part due to the government claiming as future receivables amounts which are still under the process of resolution.

In the area of oil and gas income taxes, the government reported collecting US$96 million more than the amount companies reported paying. This was partly attributable to EITI Indonesia not sending reporting templates to 76 non-operator PSC partners of the 50 oil and gas operators. As a result, some of these partners did not report.

The government reported collecting US$273 million more coal income taxes than companies said they paid. This is partly due to the failure of at least two large units to report to EITI Indonesia taxes from 2007 which were paid to the state in calendar year 2009.

In the area of coal royalties, the government reported receiving US$54 million more than the amount companies said they paid. Initially, the differences were in excess of $750 million dollars. These differences were narrowed only by resorting to paper records maintained by the Directorate General of Minerals and Coal.

It is heartening to note, however, that these resolved and unresolved differences do not appear to indicate theft or misappropriation. Instead, the causes seem to be disputes, human error, and sub-optimal revenue management systems.

Understanding the locally licensed mining sector

The Directorate General of Minerals and Coal conjectures that there are 10,250 locally issued mining licenses. While no definitive figure exists, that estimate is alarming enough, largely because many of these companies are accountable only to the district heads that issue many of the licenses.

As long as the Indonesian public does not know who are these locally licensed mining companies-- their names, who owns them, what they mine, and how much they do (or do not) pay to the national treasury --the public can not gauge their contribution to Indonesia's development, particularly as critics deride the environmental impact of some mines.

EITI Indonesia's first report offers details on the 22 largest (in terms of revenue contribution) of

Mining Sector Transparency (cont'd)

Indonesia's locally-licensed mining companies, and the second report, to be published later this year, will include submissions from the 149 largest. Two of these mine gold; 18, tin; 14, nickel; 3, iron ore; 7, bauxite; 105, coal.

Providing a tool for communities to hold local government accountable

Until today, Indonesian citizens are mostly unaware of the amount of resource revenues that are flowing to their local governments. Moreover, how much of this local revenue sharing originated from a given company in a given year has not been reported at all in the public domain. As a result, citizens in communities in near proximity of oil, gas, mineral and coal production operations are in a weak position to request better services from local governments.

EITI Indonesia changes this situation. Citizens in resource rich districts now know how much revenue from a particular company flowed to their provincial and district governments.

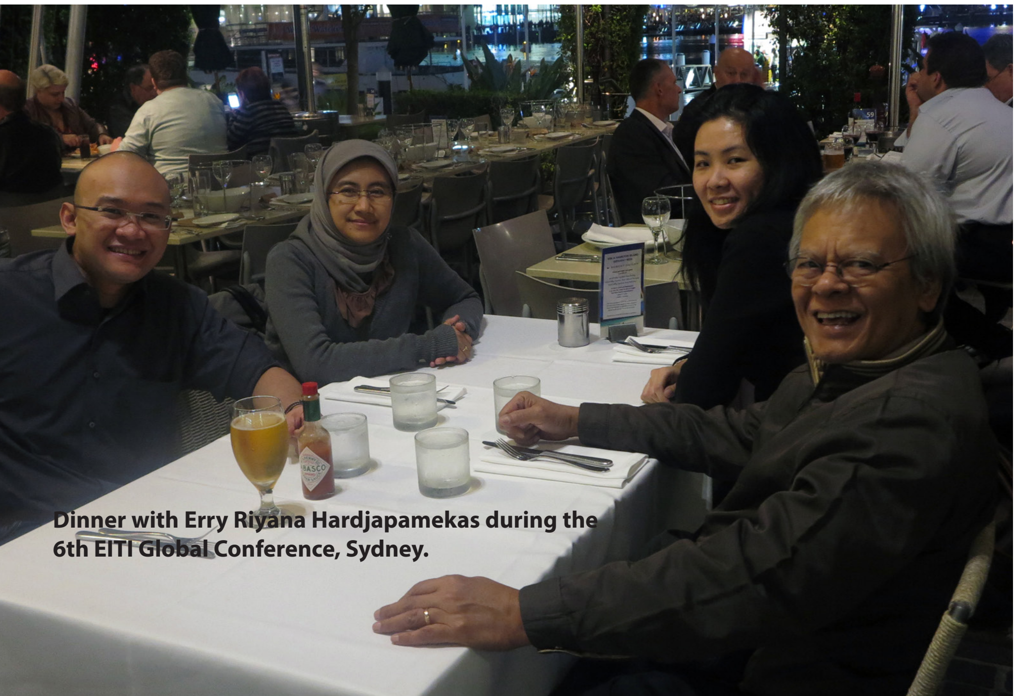
For example, EITI Indonesia shows that provincial and district governments in Riau received nearly two-thirds of a billion dollars in revenue from the largest oil producing PSC in Indonesia (Chevron's Rokan block).

East Kalimantan benefited from more than a quarter of a billion dollars in revenue from the largest gas producing PSC in Indonesia (Total's and Inpex's Mahakam block).

In Papua, more than one hundred million dollars in royalties from the largest copper and gold producing mine in the country, Freeport Indonesia, was shared with provincial and district governments there.

The EITI Indonesia report presents this same information for every one of the 50 oil and gas operations and 69 mining companies that report under it.

Article 33 of the Indonesian Constitution states the nation's natural resources belong to the people. Thanks to EITI Indonesia, information on natural resource revenues is now available to them. Before now, they had a right to know. Now, they do know. (*)



Dinner with Erry Riyana Hardjapamekas during the 6th EITI Global Conference, Sydney.

Indonesian CSOs assist Philippines Counterpart in Implementing EITI

Indonesian CSOs have been assisting their Philippines counterparts in promoting revenue transparency, and implementing the EITI, under the auspices of the IKAT-US project, managed by The Revenue Watch Institute (RWI). RWI is a global NGO that has been working in the Asia Pacific region since 2008, and its IKAT-US project is a partnership with three Indonesian NGOs—Institute for Essential Services Reform (IESR), Indonesian Parliamentary Centre (IPC), Article 33 (previously Pattiro Institute)—and civil society counterparts from Southeast Asia, Bantay Kita in the Philippines, Luta Hamutuk in Timor Leste, Cambodians for Resource Revenue Transparency (CRRT), Pan Nature and CODE in Vietnam and Research For Social Advancement (REFSA) in Malaysia. EITI is a core priority of this partnership, and participants work together to promote effective transparency and accountability in the oil, gas and mining industries, at regional, national and sub-national levels.

Recently, the IKAT project has made significant strides promoting EITI in the Philippines: Partners from Timor-Leste and Indonesia have shared their experiences about the EITI process with their counterparts in the Philippines, and RWI supported Bantay Kita to improve understanding and knowledge about EITI, and to mobilize civil society from national and local levels to engage in the EITI process. These activities culminated in January 2013 when Bantay Kita's members officially selected civil society representatives for the EITI Multi-Stakeholder Group (MSG) in the Philippines. This MSG is one manifestation of the Executive Order signed by the President of the Philippines, for the nation to implement the EITI.

This collaborative activity between CSO partners from Indonesia and the Philippines has had positive results at the sub-national level as well. Revenue Watch and Article 33 have worked closely with Bantay Kita and Paglilingkod Batas Pangkapatiran Foundation/PBPF (Service in Law for Solidarity) to establish sub-national transparency and accountability mechanisms in the Compostella Valley, a major centre for illegal gold mining in the Philippines, and to build the capacity of communities to monitor the mining sector there. Last year, drawing on the Indonesian experience with transparency in Blora and Bojonegoro districts, the partners worked to accelerate the passage of an executive order establishing the Multi-Stakeholders Council in Compostella Valley, representing local government, business and civil society. The council's oath-taking ceremony was held on November 19, 2012, and it is hoped that this project will support the national EITI process and facilitate sub-national EITI reporting in the Philippines.

For more information on RWI IKAT activities, visit http://www.revenuewatch.org/ikat-us. (*)

EITI Indonesia Milestones: First Half of 2013

17 December 2012 – 22 February: Bidding Process for Validator.

21 December: Contract signed with KAP (Public Accounting Office) Gideon and Ikhwan to reconcile industry and government figures reported for calendar year 2009, and write up the results of that reconciliation in the form of the first EITI Indonesia Report.

28 January - 2 February: World Bank's Task Team Leader for EITI Indonesia (Frederic Cegarra Escolano) performs successful supervisory mission of EITI Indonesia in Jakarta.

30 January: Reconciler Laurence Carey meets with Ministry of Energy and Mineral Resource's Director of Oil and Gas Program Development (Heri Poernomo) and the Head of his Government Revenue Division (Agus Adi Cahyono) at the Ministry for Energy and Mineral Resources (ESDM) and explains to them the importance of providing actual figures for volumes of government share of equity gas received from producers, in order to avoid large discrepancies in the forthcoming EITI Indonesia report.

31 January: EITI Indonesia Implementation Team meets and hears:

- the results of the 4 December 2012 meeting of the Ministerial-level Steering Team, which resulted in a proposed amendment to the EITI Indonesia Presidential Regulation to include a requirement that the nation undergo validation as a part of its process, and add officials from the Ministry of Trade and Forestry to the Implementation Team
- that certain data needed for the 2009 report had not yet been submitted by the Ministry of Energy and Mineral Resource's Directorate General of Oil and Gas, and the Ministry of Finance's Directorate General of Tax
- the timetable for the production of EITI Indonesia's first report covering calendar year 2009, and approves the threshold above which inquiries on discrepancies will be made ($5,000 in the cases of discrepancies of individual mining payments, $500,000 in the case of oil and gas payments and 5,000 barrels in the case of oil surrendered to the state by oil producers)
- the timetable for the completion of validation of EITI Indonesia

25 February: Selected Reconciler, KAP Gideon Ikhwan Sofwan submits first draft of reconciliation report to the Head of EITI Indonesia Implementation Team. Report contains reconciliation of industry and government reported revenue figures and the resulting discrepancies.

26 February: Selected Validator, Deloitte Australia, signs engagement contract to conduct a validation (external independent evaluation) of EITI implementation in Indonesia.

26 - 28 February: Meeting of the EITI Board in Oslo, Norway is attended by the elected representative of the Government of Indonesia on the EITI Board (Erry Riyana Hardjapamekas), Head of the EITI Indonesia Secretariat and Coordinating Ministry for Economic Affairs' Deputy Assistant Minister for Energy and Electricity (Emy Perdanahari), and acting daily head of operations of EITI Indonesia Secretariat (Ambarsari Dwi Cahyani).

8 March: Reconciler KAP Gideon Ikhwan Sofwan submits to EITI Indonesia Implementing Team a second draft of the EITI Indonesia report.

12 March: Validator arrives in Indonesia

14 March: EITI Indonesia Implementing Team discusses and recommends modifications to second draft of EITI Indonesia report, and meets for the first time the selected Validator

15 - 21 March: Validator visits and interviews a range of EITI Indonesia stakeholders, in particular the members of the EITI Indonesia Implementing Team.

28 March: EITI Indonesia Implementing Team meets to consider a third draft of EITI Indonesia report covering calendar year 2009, and to approve the scope of reporting for forthcoming EITI Indonesia report covering calendar years 2010 and 2011.

17 - 18 April: Meetings between representatives of SKK Migas, DG State Budget of Ministry of Finance as well as DG Oil and Gas of Ministry of ESDM with KAP Gideon Ikhwan Sofwan and EITI Indonesia Secretariat to discuss the final draft report, specifically the oil and gas section.

22 April: KAP Gideon Ikhwan Sofwan submits final EITI Indonesia Report and receives authorization for the report from the EITI Indonesia Implementing Team.

22 April: EITI Indonesia Secretariat publicizes the first EITI Indonesia Reconciliation Report for 2009 through its official website and announcements to the mass media.

24 April: Draft validation report submitted by Validator to EITI Implementing Team and the Validation Committee of the EITI Board.

7 May: Quarterly Roundtable on Extractive Industries Governance held for representatives in Indonesia of the multilateral and bilateral foreign assistance communities which support the EITI Multi- Donor Trust Fund (MDTF). Progress on EITI implementation and the launch of EITI Indonesia first report is reported by the Head of EITI Indonesia Secretariat (Dr. Emy Perdanahari).

14 May: First national meeting to communicate findings of first EITI Indonesia report and make preparations for the second report. The meeting takes place at Mercure Hotel, Ancol, Jakarta.

20-22 May: EITI International Communications Workshop for capacity and capability improvement in Sydney, Australia, attended by Anita Pascalia (Revenue Specialist) and Tri Wicaksono (IT Specialist).

20 - 21 May: Mining for Development Conference organized by the Australian government through AusAID in Sydney, Australia, attended by Ambarsari Dwi Cahyani (Revenue Specialist) and Ronald Tambunan (Regulatory Specialist).

22 - 24 May: The 6th Global EITI International Conference in Sydney, Australia, attended by representatives from the Coordinating Ministry for Economic Affairs (Chief of Indonesian Delegation: Acting Deputy III, Bambang Adi Winarso), SKK Migas, DG Oil and Gas, DG Minerals and Coal, extractive industry representatives, provincial government representatives, and the EITI Indonesia Secretariat team. Indonesia's Representative on the EITI International Board, Erry Riyana Hardjapamekas, gives a speech to the EITI Stakeholders Forum. Head of Secretariat, Emy Perdanahari, presents to a special parallel session on the impact of EITI reporting.

18 June: Second national meeting to communicate findings of first EITI Indonesia report and prepare for the second report. This meeting takes place at the Novotel Hotel, Surabaya. (*)