



COORDINATING MINISTRY FOR ECONOMIC AFFAIRS

EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE IN INDONESIA

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DEFINITIONS

- The Extractive Industries Transparency Initiative (EITI) is a global standard to promote open and accountable management of natural resources. It seeks to strengthen government and company systems, inform public debate, and enhance trust. In each implementing country it is supported by a coalition of governments, companies and civil society working together.
- EITI has been implemented at 48 member countries. The Countries have expressed interest in implementing the EITI candidate countries. These countries are mostly dependent on extractive industries (in terms of percentage of its GDP).

EITI BENEFIT (GOVERNMENT, INDUSTRIES, SOCIETIES)

- Improve extractive industries governance.
- Trust among stakeholders.
- Availability of data and information of national income for extractive industries.
- Increase National Income.

REGULATIONS

- Presidential Regulations (Perpres) No. 26/2010 on Transparency of National/Local Extractive Industry Revenues
 - Inline with Indonesia's objective to have transparency on extractive industries for national income
- Decree of Coordinating Minister for Economic Affairs KEP-57/M.EKON/11/2010 on EITI Implementation Team
 - Member of EITI International since 2010

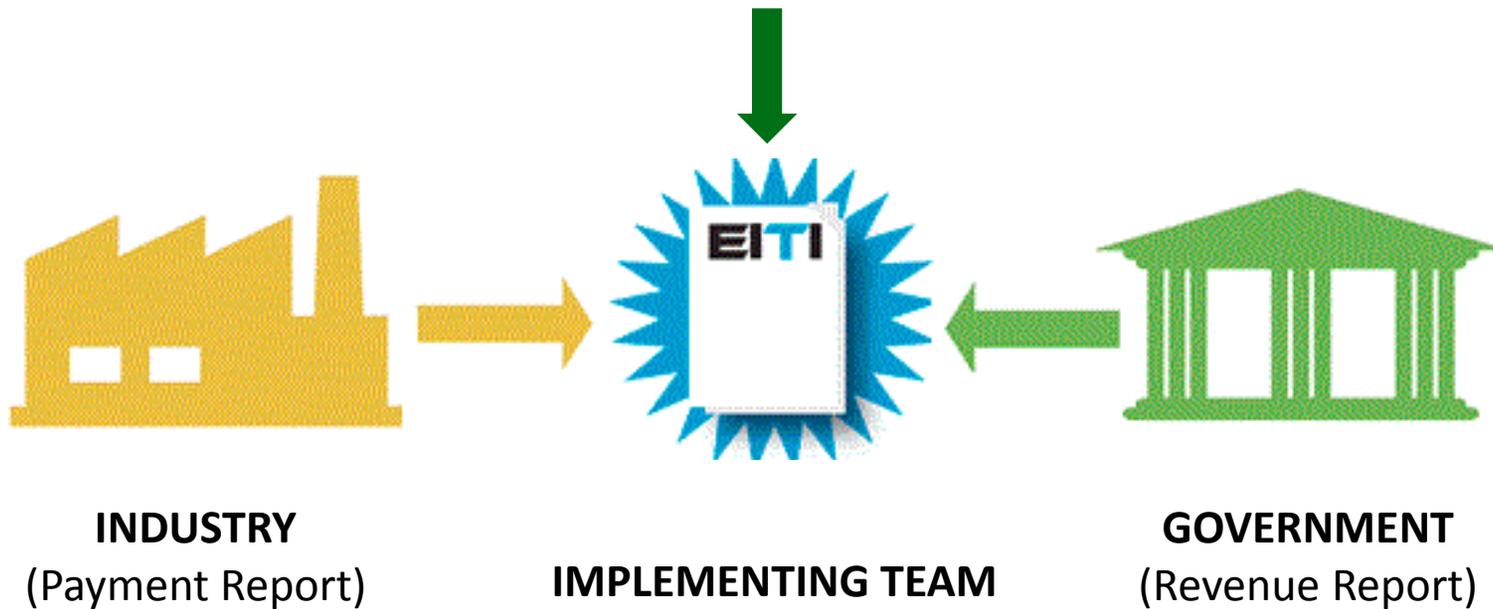
“Extractive Industries is a non renewable natural resources, therefore its use has to be more efficient and effective for increasing people's welfare”

EXTRACTIVE INDUSTRY TRANSPARENCY TEAM

- Responsibility to report to the President
- Capacity to ask information, data, input, consultation to Government (Central and Regional), Industry, and other institutions as needed.
- The Team Comprises of:
 - ✓ Government (central and regional)
 - ✓ Industry Association
 - ✓ Civil Society Organization

TRANSPARENCY MECHANISM (Presidential Regulation No. 26/2010)

Verification and
Reconciliation by
Independent Reconciliator



EITI IMPLEMENTATION



- 72 mining and coal companies
- 57 oil and gas companies

- 159 mining and coal companies
- 74 oil and gas companies

Plan for 2012 and 2013 Report:

- 76 mining and coal companies; and 156 oil and gas companies (2012)
- 99 mining and coal companies; and 163 oil and gas companies (2013)

EITI PROGRESS

- Compliant Country by 15 October 2014, after having Candidate Country *since 2010*. But currently under suspension status.
- Finalizing of EITI III Report (Fy 2012-2013) by Independent Administrator. This report has been using The New EITI Standard, including contextual information such as: *Comprehensive and accurate disclosures; Disaggregated reporting; State-owned companies; Subnational transfers; Social expenditures by companies; Payments from transit.*
- Socialization and Dissemination Program to stakeholders.
- Publish *“Overview of Extractive Industries Transparency in Indonesia 2012 State Revenue and Contextual Information Report”*.
- Parts of : (i) Indonesia Open Government Action Plan, and (ii) Action of Prevention and Eradication on Corruption.

REPORT OF 2011

Mining and Coal:

- Share of Mining and Coal (Tax and Non Tax) to National Income: 8,2%
- Reporting companies: 74
- Differences after reconcial: 0.2%

Oil and Gas:

- Share of Oil and Gas (Tax and Non Tax) to National Income: 24%
- Reporting companies: 159
- Differences after reconcial: 0.08%

Thank you

