

Draft Report

# Indonesia’s subnational extractives: How EITI’s communications can augment citizen debates

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## Contents

- Key Findings ..... 2
- Introduction ..... 3
- I. Background and local context..... 6
  - Key challenges in Indonesia’s extractives sector governance ..... 6
  - Key challenges in the Indonesian selected regions..... 8
  - EITI Indonesia communications ..... 10
- II. Landscape of subnational actors and information needs ..... 13
  - Subnational extractives-sector actors ..... 13
  - Information need and knowledge gap..... 18
- Annex ..... 26

## Key Findings

- Despite having been running in Indonesia for 10 years, awareness of EITI at the subnational level in Indonesia is extremely low to nonexistent, while awareness at the national level seems to be limited only to certain groups that focus specifically on extractive governance per se.
- There are forums at the subnational level created by local CSOs in order to convene dialogues with subnational government officials but they have not been effective so far.
- Political and extractive context in Indonesia have changed over the past 10 years. If Indonesia wants to continue EITI, the stakeholders need to recognize the new context and align its communication strategy. For instance, agenda setting and group interest mapping are crucial to understand political and economic dynamics between groups before designing any communication strategy and develop tools to promote EITI to regions where Indonesia wants to introduce EITI.
- The report was able to obtain EITI Indonesia's communications strategies for 2015 until 2018. A review of these documents suggests that EITI Indonesia, to some extent, had clear objectives set, but was unable to manifest them in systematic communications strategies and was lacking in the sustainability of its communications activities.
- The EITI Indonesia MSG should formulate its work plan and communications strategy in a way that allows it to augment extractive debates at the subnational level by:
  - Undertaking power and interest mappings to understand the political-economic dynamics at selected regions to tailor communication strategies and instruments.
  - Integrating communication plan as part of the EITI subnational outreach.
  - Ensuring that communication plans are budgeted with clear targets, bringing together issues matter to subnational government and local communities.
  - Developing a medium-term action plan and communications strategy (three to five years).
  - Holding regular briefings/workshops/discussions/seminars/capacity building sessions for the subnational MSGs.
  - Establishing a discussion forum for each subnational area.
  - Engaging specifically with subnational media outlets.
  - Adding communications personnel for the national secretariat.

## Introduction

Under the consultancy agreement, the consultants are asked to (1) map civil society organisations and other actors active on extractive resources governance at the local level and identify their information needs, with support from the national MSG and EITI International Secretariat; (2) help identify opportunities and tools to improve the communications and dissemination activities of the national MSG; (3) Provide recommendations for how the EITI and partners can better support local stakeholders in using extractive sector information and the EITI multi-stakeholder platform strategically to participate in policy discussions on natural resource governance. In order to respond to these, the consultants undertake desk review, interview with key actors working on EITI especially those in the Indonesia's MSG group, and a trip to East Kalimantan and Central Sulawesi to meet with local actors - CSOs and local government officials.<sup>1</sup>

The Extractive Industries Transparency Initiative (EITI) International Secretariat approved in 2009 Indonesia's bid to become a candidate member, which subsequently triggered the issuance of Presidential Regulation No. 26/2010 on Transparency of National and Subnational Revenues Obtained from the Extractive Industries as the legal standing of EITI Indonesia. Indonesia published its first report in 2013, covering 2009 data. For this first report, Indonesia was still short in meeting a number of requirements and was therefore yet to be recognized as a compliant member. The country eventually became a full member after publishing its 2014 report. Despite the dynamics surrounding Indonesia's move to finally adopt EITI in 2009, as well as the politics along its 10 years of implementation, the country had published seven EITI reports as of January 2020 and deemed to have achieved meaningful progress.<sup>2</sup>

EITI is expected to promote transparency and accountability in countries that adopt the initiative. Transparency is about how governments are able to share extractives data and show every detail on how they govern the industries, while accountability constitutes the ability of stakeholders – national and subnational – to use the data to hold governments accountable for their actions. As an important tool for citizens to promote a transparent and accountable government, however, the EITI Indonesia, after having been running in the country for a decade, is still missing out on the opportunity to augment policy debates at the subnational level in Indonesia. Based on focus group discussions (FGDs) and interviews with subnational stakeholders in two Indonesian resource-rich provinces, this study found that subnational actors' awareness of EITI is low to nonexistent due to minimum outreach in regions outside of the capital city of Jakarta. FGD participants either knew about the presence of EITI in Indonesia and that it somehow relates to the extractives sector however with minimum knowledge about what it does, or knew nothing at all about EITI. This raised the question about EITI Indonesia's and the multi-stakeholders' performance in fulfilling the initiative's accountability function in Indonesian regions. The

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<sup>1</sup> Consultant undertook a field trip to East Kalimantan and central Sulawesi in March 2020 and conducted FGDs and interviews with actors working on mining governance.

<sup>2</sup> [https://eiti.org/board-decision/2019-74?utm\\_source=Board%20Members%202019%20-%202022%20%28Board%20Circular%29&utm\\_campaign=292eef0247-EMAIL\\_CAMPAIGN\\_2019\\_12\\_17\\_11\\_51&utm\\_medium=email&utm\\_term=0\\_f87a9e53a3-292eef0247-104202001](https://eiti.org/board-decision/2019-74?utm_source=Board%20Members%202019%20-%202022%20%28Board%20Circular%29&utm_campaign=292eef0247-EMAIL_CAMPAIGN_2019_12_17_11_51&utm_medium=email&utm_term=0_f87a9e53a3-292eef0247-104202001)

consultant then explained about EITI and pointed how there were areas in which EITI could become an important tool for subnational actors. A member of EITI MSG from Indonesian Coal Mining Association also said that EITI at the subnational level could be an important tool for convening actors to talk about issues matter to communities and the mining companies such as human rights and environmental issues that sometimes lead to violent conflict between communities and companies.<sup>3</sup>

Currently, extractive governance and government extractive revenues transparency debates stimulated by EITI still focus at the central level in Jakarta. Meanwhile, the people most and directly affected by extractive activities are those at the subnational levels where the extractions take place, be it in terms of the environmental effect or from the risks of mismanagement of the billions of dollars in oil, gas and mining revenues.

In fact, as evident in the work by a number of civil society organizations (CSOs) in Jakarta, EITI data can help CSOs push the government to be more transparent and accountable as it provides quality data that can inform the general public about the flow of money from extractive companies to the government, and later track what the government uses this money for. EITI has also informed CSO groups in their stance concerning extractive governance, such as those related to the Indonesian oil and gas, and mining laws revisions. In 2018, after consistent support from the EITI MSG, Indonesian President Joko Widodo issued Presidential Regulation No. 13/2018<sup>4</sup>, opening way for extractive authorities to regulate the submission of beneficial ownership information. Although verification of such data remains a serious challenge, or that the presidential regulation may be more related to Indonesia's bid for membership at the Financial Actions Task Force (FATF), the EITI multi-stakeholder group did play a crucial part in the passing of this regulation.

In addition to mainstreaming EITI into subnational extractive dynamics, EITI might also look into areas beyond its current reporting to make itself more relatable to the situation in Indonesia's regions. This is because data needs at the subnational level are different compared to augment policy debates at the national level. People in regions require more information on the post-extraction phase such as the environmental consequences of extractive activities or the dissemination of EITI's data set that leads to the publication of its reports.<sup>5</sup> There is an opening for EITI to help address these issues by either carrying out the information gathering itself or by pushing the Indonesian government to provide this to the public. This report will elaborate further on these needs in the following sections.

The sections in this report tries to shed light on how EITI and the multi-stakeholder group can, going forward, formulate their work plan and communications strategy to cover the subnational advocacy gaps that have existed for years since the Indonesia secretariat and its multi-

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<sup>3</sup> Interview with Hendra Sinadia, a member of EITI Indonesia MSG representing Indonesian Coal Mining Association, in March 2020.

<sup>4</sup> <http://eiti.ekon.go.id/en/perpres-13-2018/>

<sup>5</sup> FGDs in East Kalimantan and Central Sulawesi in March 2020

stakeholder forum were formed. The report begins by looking into the EITI implementation in Indonesia in general and specifically the communications strategies it has been using over the years to see the missing link. It also provides an analysis of the political dynamics around EITI implementation in Indonesia and extractive governance in general. After that, the report identifies subnational stakeholders and their needs and see where EITI Indonesia can come in. Lastly, it provides recommendations for the EITI Indonesia MSG on how it can improve its function as a tool for promoting transparency and accountability at all levels of governments, both national and subnational.

## I. Background and local context

### Key challenges in Indonesia's extractives sector governance

The Indonesian government has been showing reluctance in adopting the Extractive Industries Transparency Initiative (EITI) since the beginning,<sup>6</sup> although it eventually did in 2010 after the initiative ran for around eight years, and has since been more or less compliant. The Presidential Regulation 26/2010, the legal basis of EITI Indonesia, states that the national secretariat – termed as the “Transparency Team” – consists of two teams, Steering and Implementation teams, reports directly to the Indonesian president. The former team members include some ministers and Emil Salim as members of the team. Emil Salim is a professor of economics at the University of Indonesia and had held various ministerial positions in the past.<sup>7</sup> On the other hand, the Implementation Team is occupied by some deputy ministers, ministry high-rank officials, company and subnational representatives and CSO activists.

In 2010, Indonesia under President Susilo Bambang Yudhoyono was eager to conduct itself as a good global player by signing up into various international initiatives. In 2008 Indonesia became a member of the biggest 20 economies (G20). Hence, EITI fitted very well into the SBY's international political profile. His ambition was to regain the trust of International community and attracting more investment after Indonesia's political and economic breakdown in late 1990s and early 2000s.<sup>8</sup>

EITI Indonesia was hosted by the Coordinating Ministry for Economic Affairs led by a deputy minister and day to day operation is managed by a national secretariat. The institutional set up at the Coordinating Minister of Economic Affairs according to a source<sup>9</sup> is actually strong but some sources concurred that human resources and management of the secretariat are the weak points.<sup>10</sup> Underneath this is the question of how important the initiative is to the Coordinating Ministry for Economic Affairs. For most government officials, doing reports is just another bureaucratic burden than a desire to better manage the extractive sector.<sup>11</sup> Adding to the question about the political will, in January 2020, the government transferred the hosting of EITI Indonesia to the Coordinating Ministry for Maritime Affairs due to the change in the economic ministry's designation. As of March 2020, the transition process is still ongoing.

The context has changed since the adoption of EITI in 2010. The EITI standard also has evolved from just a reconciling financial report between companies and government to include

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<sup>6</sup> Rosser, Andrew, and Widya Kartika. “Conflict, Contestation, and Corruption Reform: the Political Dynamics of the EITI in Indonesia,” *Contemporary Politics*, 2019, p.2. <https://doi.org/10.1080/13569775.2019.1693244>.

<sup>7</sup> Emil Salim held several ministerial positions in between 1971 to 1993, with the last one being State Minister for Population and Environment in President Suharto's Development Cabinet V, serving from 1983 until 1993.

<sup>8</sup> Interview with Hasrul Hanif of Gadjah Mada University in March 2020

<sup>9</sup> Interview with Fridolin Berek of the Corruption Eradication Commission (KPK) in March 2020.

<sup>10</sup> Interview with Djoko Widijatno (Indonesian Mining Association), Hendra Sinadia (Indonesian Coal Mining Association), Fridolin Berek (KPK) in March 2020.

<sup>11</sup> Interview with Djoko Widijatno of the Indonesian Mining Association in March 2020.

contextual report and additional transparency demands such as contract disclosure and beneficial ownership disclosure. Indonesia continue to make effort to comply with these new standards and align with domestic push for the transparent and accountable management of natural resources, led by other state agencies such as the Corruption Eradication Commission (KPK), Office of the President (KSP), the National Development Planning Agency (Bappenas), Indonesian Financial Intelligence Unit (PPATK), Indonesian Financial Authority (OJK), and others.

These joint efforts gain its momentum through a movement to push for beneficial ownership (BO) disclosure in Indonesia. The approach to BO disclosure in Indonesia is a successful example that has shown how an international initiative or norm such as EITI finds its root at the domestic level for the same quest resulting in a more coherent and synergized policy which gather various government institution, private sector and CSOs to back it up. However, during this process EITI Indonesia did not show leadership. It is Bappenas which plays more leadership role to bring all these actors to the table.

Has the political dynamic changed since the signing up of Indonesia to the EITI? Scholars argue that there are two variables surrounding political dynamics of countries responding to EITI. First, interest and political calculations of political leaders; second, the extent of civil society mobilization in support of the initiative.<sup>12</sup> In 2010, it was clear that president Susilo Bambang Yudhoyono saw EITI as an important political instrument to support his international exposure. However, after 10 years, politics has changed. Economics also has a different outlook. At the national level, Indonesia's economic dependence on extractives have declined steadily since 2014 due to declining oil prices. In 2019, Indonesia realized Rp. 160.4 trillion from the natural resource sector, or 7.2 percent from the country's Rp. 2,233.2 trillion of total revenues.<sup>13</sup> On top of that, profile of investors have become more Asian with the increasing Chinese investment in extractives. As a result, it has changed also the way companies and investors view international norms such as EITI.<sup>14</sup>

The formation of the EITI Indonesia secretariat was for it to act as a catalyst and media for the development of transparency and accountability in extractive governance,<sup>15</sup> with the end goal being the sustainable best practice of extractive governance in Indonesia. EITI is expected to function not only as trigger for transparency improvements in Indonesia, but to also augment policy debates in Indonesia, both at the national and subnational levels. To a certain extent, EITI had influenced CSO movements in some sectors at the national level, especially anti-corruption movements. The KPK's coordination and supervision (*Korsup KPK*) functions, for example, has been using the multi-stakeholder approach that EITI introduced, as well as the reconciliation method EITI uses, to work with 12 ministries and agencies and resource-rich subnational governments to verify government and company documents.<sup>16</sup> However, many aspects from EITI

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<sup>12</sup> Rosser, Andrew, and Widya Kartika. "Conflict, Contestation, and Corruption Reform: the Political Dynamics of the EITI in Indonesia," *Contemporary Politics*, 2019, p.9-10. <https://doi.org/10.1080/13569775.2019.1693244>

<sup>13</sup> <http://berkas.dpr.go.id/puskajianggaran/referensi-apbn/public-file/referensi-apbn-public-18.pdf>

<sup>14</sup> <sup>14</sup> Interview with Hasrul Hanif of Gadjah Mada University in March 2020

<sup>15</sup> Extractive Industries Transparency Initiative Indonesia. "*Laporan Akhir Studi Dampak*", August 2018.

<sup>16</sup> Interview with Maryati Abdullah, national coordinator, Publish What You Pay (PWYP) Indonesia, in March 2020.

is still lagging behind. An independent impact study by the EITI Indonesia suggests that EITI in Indonesia had brought changes to some aspects in the governance of the country’s extractive governance, but such changes ‘had been unsystematic and insignificant.’<sup>17</sup>

The current political leadership emphasize more domestic politics, public demand for better extractive governance is still limited to a few NGOs such as PWYP indonesia and centered in the capital city of Jakarta. Extractive sector revenues also continue to decline since 2014 and make the sector becomes less a priority for the government officials. Although regions such as East Kalimantan, revenues from extractive sector continue to be dominant source for the economy.<sup>18</sup> Problems related to human rights and environment suffered by communities in the mining sites such as in East Kalimantan and Central Sulawesi have not been well articulated by the CSOs sitting in the Multi Stakeholder Working Group (MSG), resulting in a less coherent approach between NGOs working on human rights and environment such as Wahana Lingkungan Hidup (WALHI) and Jaringan Advokasi Tambang (JATAM) with those working on resource governance such as PWYP Indonesia coalition. In short, there is a different political and economic setting that Indonesia’s EITI need to take into account to ensure that EITI continue to become a drive for change in resource governance, especially at the subnational level.

### Key challenges in the Indonesian selected regions

This study takes the Indonesian provinces of East Kalimantan and Central Sulawesi as the targets for information gathering as they represent the best and most feasible case-study areas among the five main islands<sup>19</sup> in Indonesia. East Kalimantan represents the island of Kalimantan due to its high dependence on extractive industry. East Kalimantan receives significant revenues from extractives (46 Percent), but it also faces environmental and human rights issues due to mining activities.<sup>20</sup> Civil society and media are also very active to raise these issues. In 2019, JATAM noted that mining sites in East Kalimantan covered an area of 5.14 million hectares, or around 40.39 percent of the province’s land. On these lands, there are currently 372 mineral and coal mining IUPs<sup>21</sup> and 30 coal contract of works (PKP2B). Meanwhile, in Central Sulawesi, 108 IUPs were active as of March 2020 and no PKP2Bs.

Table 1. Holders of Coal Contract of Work (PKP2B) companies in East Kalimantan with the largest concession area.

Company	Location	Area
PT Berau Coal	Berau regency	118,400 hectares
PT Tambang Damai	East Kutai regency	97,580 hectares
PT Kaltim Prima Coal	East Kutai regency	90,938 hectares
PT Multi Harapan Utama	Samarinda city	46,062 hectares
PT Sumber Barito Coal (Adaro)	Mahakam Ulu regency	44,650 hectares

Source: Jaringan Advokasi Tambang (JATAM) East Kalimantan

<sup>17</sup> Extractive Industries Transparency Initiative Indonesia. “Laporan Akhir Studi Dampak”, August 2018.

<sup>18</sup> Extractive sector contribute 46 percent of its revenues

<sup>19</sup> Sumatra, Java, Kalimantan, Sulawesi and Papua. The rationale of dividing by island is due to similarities of conditions between provinces within the same island, such as their infrastructure and access to technology.

<sup>20</sup> <https://www.bbc.com/indonesia/indonesia-50184425>

<sup>21</sup> IUPs is a term for mining license in Indonesia

Another case study is Central Sulawesi. The province has mining activities such as nickel and contributes almost 13 percent to its provincial revenues. Like East Kalimantan, civil society and media in Central Sulawesi are also very active in advocating for environmental and human rights problems related to mining activities. However, communications with stakeholders like companies and local government have not been productive to come up with concrete solutions for their demands. Relationship between them is more conflictual rather than constructive. Forums where companies, government and civil society can come together to talk about these issues are yet to be established.

Riau was not selected for this study as it has already been the only province in Indonesia that uses EITI. Riau province has been using EITI data since 2017-2018 to validate the amount of revenue sharing it receives from the central government.<sup>22</sup> Recommendations from this report can be used for EITI in Riau. Papua was also not part of the information gathering for this study despite its high dependence on the extractives sector. Similar to Papua, Southeast Sulawesi is another interesting case study location to represent the island of Sulawesi for its dependence on the sector. However, both Papua and Southeast Sulawesi experience ongoing social conflicts, making data collection difficult and, to some extent, dangerous. Meanwhile, considering budget and time constraints, North Kalimantan and South Kalimantan were dropped off the potential area due to the difficulties of the research taking place in these areas. The two provinces' most active and vocal organizations are human rights and environmental defenders that were not welcome in discussing about extractive governance due to their presumed effects towards human rights and the environment.<sup>23</sup> Initial approaches had taken place to discuss the idea of this study with these organizations. However, longer discussions and direct meet would need to take place in order to familiarize these institutions with the idea of this study and EITI. While this situation was regretful, East Kalimantan's representation for the island in this study may shed some light to the situation in these two other Kalimantan provinces. As for South Sumatra, the rationale behind its exclusion was its relatively higher dependence on oil and gas rather than mining – the sector focus of this research.

Table 2. Contribution of extractive industries to provincial revenues in 2017.<sup>24</sup>

Province	Oil, gas, geothermal (%)	Coal, lignite, iron ore (%)	Other mining and quarrying (%)	Extractives' contribution to provincial revenues (%)
East Kalimantan	7.90	35.00	3.32	46.23
Papua	-	31.32	4.75	36.07
Riau	3.85	19.51	4.03	25.93
North Kalimantan	20.22	0.27	5.45	27.38
South Kalimantan	0.56	19.42	0.77	20.75
Southeast Sulawesi	-	10.80	9.89	20.68

<sup>22</sup> Extractive Industries Transparency Initiative Indonesia. "Laporan Akhir Studi Dampak", August 2018

<sup>23</sup> Interview with Aryanto Nugroho, Advocacy and Campaign Manager, PWYP Indonesia in March 2020

<sup>24</sup> Badan Pusat Statistik. "Gross Regional Domestic Product of Provinces in Indonesia by Industry 2013-2017," 2018.

South Sumatra	7.65	5.43	6.01	19.09
Central Sulawesi	2.98	5.22	4.64	12.83
Central Kalimantan	0.56	9.98	0.90	11.44
West Kalimantan	-	2.69	2.71	5.40

Central Sulawesi brings an interesting and important case for this study. Among the top 10 areas with the highest portion of revenues from the extractives sector, the province also currently houses two smelters for nickel (the most being East Java with three smelters) and is expected to have at least four more nickel smelters concentrated in the province’s Morowali regency by 2021 (See table 6 in annex). By 2021, the potential annual input capacity of the six smelters reaches 16 million tons while the output capacity will be more than 1.5 million tons per annum.<sup>25</sup> In addition, the government has mentioned at least two other foreign investment expected to finance two other nickel smelters to specifically produce raw materials for lithium battery production.<sup>26</sup> The potential for economic development is huge in Central Sulawesi due to these development plans and this calls the need for an active multi-stakeholder group that could help the government and the local people monitor revenue management resulting from these smelters.

### EITI Indonesia communications

Awareness of EITI in Indonesia’s subnational is extremely low. Even in the capital city of Jakarta where EITI data is often used, knowledge of EITI is limited to a specific group of people, especially those involved in promoting extractive governance. Media people, who are expected to help turn EITI’s highly technical data into friendly articles that most citizens can easily understand and relate to, have limited to no knowledge of EITI.<sup>27</sup> At this point, communicating the purpose of EITI is extremely crucial<sup>28</sup> in order to improve the people’s awareness and subsequently allow public debates to take place, and make significant and systematic changes to extractive governance in Indonesia. Yet, since the adoption by the Indonesian government, the EITI Indonesia secretariat has been struggling with its external communications due to various reasons, including funding issues and shortage of staffs<sup>29</sup>, as well as less-than-ideal communications approaches. The last couple of years also saw that the government seemed to be cutting its commitment towards the implementation of this initiative.<sup>30</sup>

Drawing on the needs to communicate EITI to the public, the EITI Indonesia has been formulating a communications strategy every year. In these documents<sup>31</sup>, EITI Indonesia lays out its activities, targets, key messages and time plans. These plans have been divided based on the types of

<sup>25</sup> <https://geoportal.esdm.go.id/minerba/>

<sup>26</sup> <https://www.tambang.co.id/2021-indonesia-punya-6-pabrik-bahan-baku-baterai-litium-22377/>

<sup>27</sup> Interview with Aris Prasetyo, energy journalist, Kompas newspaper, in March 2020.

<sup>28</sup> Extractive Industries Transparency Initiative Indonesia. “*Laporan Akhir Studi Dampak*”, August 2018.

<sup>29</sup> Interview with Doni Erlangga, communications officer, EITI Indonesia, in February 2020.

<sup>30</sup> Rosser, Andrew, and Widya Kartika. “Conflict, Contestation, and Corruption Reform: the Political Dynamics of the EITI in Indonesia,” *Contemporary Politics*, 2019, p.2. <https://doi.org/10.1080/13569775.2019.1693244>.

<sup>31</sup> The study was able to extract EITI Indonesia’s communications strategies of 2015-2018, but was unable to obtain any communication strategy data before that.

stakeholders: government institutions, companies, local government, journalists and the public. A review into these documents is necessary to understand the way EITI Indonesia approaches communications. The review into the communications strategies for four years found the following similarities between all versions:

- **Very limited frequency for every activity.** Most of the activities laid out in these strategies were set to take place two to three times a year. For example, the item to ‘Organize several Focus Group Discussions (FGDs) in some provinces about extractive industries issues that can trigger public debates’ in the 2015 strategy was set to take place in ‘August-October.’ Issues around this item include indefinite number of activities (‘several’), unclear targeted area (‘some provinces’), and the limited time range to actually do the events (‘August-October’).
- **Unclear activities and targeted areas.** EITI Indonesia communications strategies use generic and less specific terms in laying out the planned activities. It is unclear, for instance, what exactly do the phrases ‘conduct dissemination’ or ‘develop coordination’ refer to. In fact, dissemination and coordination can take place in many forms, including through FGDs, seminars, workshops and many others.
- **Focus on high-level events.** The national secretariat planned for high-level events but at the same time mentioned that its communications activities were ‘very dependent on the budget.’<sup>32</sup> There were also plans to spend money on radio and television talk shows, activities that require a huge amount of money. With limited budget, the national secretariat has instead opted for these expensive activities instead of holding onto smaller events that can run more frequently and promise better sustainability for its campaign.
- **Minimum activities at local level.** In 2017, the EITI Indonesia planned to conduct three discussions at the local level, however without mentioning any plans about which provinces are targeted and when and how were these activities expected to take place. This is similarly shown in the communications strategies for the other years.

The presence of a strategy developed specifically for communications show that EITI Indonesia understands its importance to help it map its targets well. The points above, however, show that EITI Indonesia has not been clear in what it aims to gain from its communications activities. The 2015 and 2016 strategies each elaborated the communications plans based on the objectives, while the following years did not specifically connect objectives to the strategies. This might be a way for EITI Indonesia to plan for the safest scenario, especially since budget allocation may not be clear.<sup>33</sup> The EITI Indonesia’s funding is of two sources, i.e. state budget (APBN) and grants.<sup>34</sup> Over the course of 2013 to 2017, the amounts from both sources have been fluctuating: the gradual increase in state budget allocation and the gradual decrease in grants.<sup>35</sup> In 2017,

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<sup>32</sup> EITI Indonesia communications strategies 2017 and 2018.

<sup>33</sup> Interview with Doni Erlangga, communications officer, EITI Indonesia, in February 2020.

<sup>34</sup> International grants are given by a multi-donor trust fund administered by the World Bank.

<sup>35</sup> EITI Indonesia annual reports 2013 to 2017.

APBN allocation rose from Rp 1.8 billion (US\$110,000)<sup>36</sup> in 2016 to Rp 4.3 billion in 2017. Despite the increase in state budget allocation, a significant portion of it goes to reconciliation expenses, which constitutes slightly below 65 percent of the allocation, while communication was only designated a small portion.

Small and unclear budget allocations eventually led to the EITI Indonesia not producing any communications strategy for 2019. As a result, outreach activities during the year were more reactive than planned, and were mainly focused on disseminating EITI reports,<sup>37</sup> although this was also the case in the previous years. This made the secretariat unable to execute an outreach strategy that was sustainable for the EITI itself as an organization. This kind of reactive activity, for example, is holding one-time seminars at hotels in different regions without extensive discussions about what those seminars would mean for EITI Indonesia's work. The secretariat managed to hold a number of events at the subnational level but never had any clear follow-ups that would have improved and sustained the awareness of the multi-stakeholder groups in the regions. The national secretariat's Twitter account has also not shown major progress in producing engaging tweets. The EITI Indonesia's efforts in communicating EITI as a norm instead of simply its reports are still hampered by the labor- and time-intensiveness of publishing reports, as late publication threatens Indonesia's status before the EITI<sup>38</sup> as evident in the Indonesia case in 2015. In addition, EITI Indonesia has been severely impacted by the political dynamics of actors at the national level. Nevertheless, in this situation, EITI has, to a certain degree, influenced the passing of some vital transparency and accountability moves.

Another important aspect that the national secretariat lacks is to analyze its communications strategy implementation. This study found no document that indicates the EITI Indonesia produced such report. An implementation report is important for EITI to analyze the issues it faced during implementation and provide notes they should use in the next year to avoid going into the same situation where some communications items were not executed and up the already fruitful efforts to produce better results. This study found that EITI Indonesia has only been mentioning in its annual progress reports that some of its communications efforts have been implemented and note in some instances that it could not meet some of the other efforts, therefore carrying forward the allocated budget for the following year's communications plan. Due to this situation, this report is unable to provide an analysis of the national secretariat's communications strategy implementation.

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<sup>36</sup> US\$1 = Rp. 16,447.

<sup>37</sup> Interview with Doni Erlangga, communications officer, EITI Indonesia, in February 2020.

<sup>38</sup> Extractive Industries Transparency Initiative Indonesia. "*Laporan Akhir Studi Dampak*", August 2018.

## II. Landscape of subnational actors and information needs

### Subnational extractives-sector actors

Extractive industry governance debates among CSOs in Indonesian regions have always been dynamic. In the two regions covered in this study, for example, discussions carried out by CSOs take place almost every week throughout the year, although varying in size and formality.<sup>39</sup><sup>40</sup><sup>41</sup> One that happens most often is the CSO forum discussion, usually held in a less formal fashion at CSO offices and mainly focus on smaller discussions, updates and sharing. Larger and more formal discussions involving a larger group of people take places less often, but usually occur a number of times throughout the year. These discussions are not always initiated by extractives-focused organizations, but also other institutions due to the heavy linkage between extractives and the livelihood of the people in general. The high number of mining activities in East Kalimantan has brought organizations like WALHI, an environmental protection organization that is part of the Friends of the Earth International network, initiate discussions on the post-extractions phase. Although not primarily focused on extractive as per EITI standards, information on environmental protection has also been a great focus of extractive-focused organizations.

Stakeholders are divided into regional and provincial governments, civil society actors and local communities, companies and the media. The majority of discussions in subnational areas focus around the topics of environmental and human rights protection – the post-extractions phase – due to high frequency of these cases occurring in the province. Larger groups that also have links in Jakarta and in many other places in Indonesia, such as WALHI and JATAM, are leading in terms of the understanding of these issues, although some other organizations also play their role. In East Kalimantan, this includes Pokja 30, which is part of the Publish What You Pay (PWYP) Indonesia and the Indonesian Forum for Budget Transparency (FITRA) coalitions, the two existing and most active forums in both East Kalimantan and Central Sulawesi. However, despite the frequency of discussions, not much impact has been made, especially in terms of mutual understandings among stakeholders because a harmonious relationship among the stakeholders is absent. At CSO discussions, participation from government officials is represented by different people of lower ranks, therefore unable to disseminate it to the higher level of government. There are no existing extractives forums set up by either the provincial or city and regency governments.

### Regency and Provincial Governments

Regency and provincial governments are members of the multi-stakeholder group that are open to discussions with others. In discussions and debates taking place in East Kalimantan and Central Sulawesi, they almost always delegate representatives to participate. When talking about

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<sup>39</sup> Interview with Buyung Marajo, director, Pokja 30 Samarinda, in March 2020.

<sup>40</sup> Interview with Fadhlullah of FNKSDA in March 2020.

<sup>41</sup> Interview with Aldi Rizki, advocacy and campaign manager, KOMIU, in March 2020

governments, however, the extent of their participation always goes back to regime in power. A regime in support of transparency and accountability has always been supportive of campaigns from civil society groups. They join in discussions and debates, and follows up on any actions taken by civil society groups. On the other hand, a regime that is opaque and unsupportive of transparency is less consistent in taking part in these debates. The similarity between the two types of regime is that regional governments officials are not equipped with the sufficient technical skills about extractives. This is mainly because of the rotations that occurs periodically that blocks the opportunity of officials to get the full idea of the industries.

High turnaround within the regional government is inevitable, may it be political or not. Regardless of the reasons behind them, it has become a barrier for officials to understand the highly technical nature of extractives industries. Government officials argue that rotations have made them deemed as incompetent by civil society actors and the public in general.<sup>42</sup> While civil society groups have been demanding for a transparent and accountable governance of oil, gas and mining in the province, the East Kalimantan provincial government as well as the Samarinda<sup>43</sup> city government, on the other hand, acknowledge such shortcoming, however unable to do much in several aspects. In the end, it might go back to the political will of the regional governments to be transparent. JATAM, a strong advocate for transparency in East Kalimantan, argues that the regional government's inability to get a full grip of the issue should not become a reason to not be transparent and should instead be opened to the people in order for all stakeholders to work on the problems.<sup>44</sup> Civil society groups claim that the regional government has a lot of things to hide from the people, including corruption and bribing practices, hence the secrecy of information,<sup>45</sup> but there has been no specific data to back that up.

In addition, the regional governments are in an awkward position because they are bound by rules set by the central government. Extractive contracts and license transparency, for example, has been a popular topic in regions, but regional governments are not sharing any of such data even if they possessed it. In Indonesia, oil and gas contracts are held by the central government. As for mining licenses (IUPs), other than those of state-owned enterprises or of foreign investment, they are held by the respective regional governments, including artisanal mining licenses (IPR). The issue around extractive contracts and licenses transparency is an ongoing debate in Indonesia. While the central government, especially the ESDM ministry insists that these documents are private, CSOs and the Public Information Commission (KIP) believe that such information is public. ESDM's measure seems to be the basis for regions to not disclose contracts and licenses, especially those that are in their possession.

As part of the efforts to improve EITI awareness, local government officials must have a great understanding of the importance of EITI as a tool, i.e. by understanding the broader picture of the extractives sector. Here, there is an opening for EITI to come in – by developing a capacity

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<sup>42</sup> Interview with Tajuddin of the East Kalimantan Energy and Mineral Resources (ESDM) Agency in March 2020.

<sup>43</sup> Samarinda is the capital city of East Kalimantan province.

<sup>44</sup> Interview with Pradarma Rupang, *dinamicator*, Jaringan Advokasi Tambang (JATAM) East Kalimantan, in March 2020.

<sup>45</sup> Ibid

building program for these civil servants. The experience from of Indonesian Development Planning Ministry (Bappenas) could be one way for EITI to provide these trainings. In 2018, Bappenas worked together with the Natural Resource Governance Institute (NRGI) to develop a training module specifically aimed at improving the capacity of civil servants in regulatory reforms.<sup>46</sup> The development of this module, which was informed by regulation and adult-learning experts, was welcomed by Indonesian ministries. By using a similar approach, such a module could become EITI's investment in developing the capacity of Indonesian subnational actors and, at the same time, their awareness. EITI will need to allocate resources for this in the first couple of years in order to formulate the module through consultations with various experts, perform trials and make revisions where applicable. From there, EITI could start training subnational stakeholders and establish champions within regional governments. This will allow these champions to take over in the future and use the module for the years to come, therefore safeguarding the sustainability element of this effort. It is imperative, however, that EITI remains available to guide the implementation in the early phase as well as to assist these trainings in securing funding.

### **Civil Society Actors and the Communities**

Civil society movements in East Kalimantan and Central Sulawesi aim to represent the people's rights, supposedly without any political motives. As explained earlier in this report, civil society activities in the subnational areas are very active, perhaps due to the high number of cases that relate directly to the people. Interestingly, the most active civil society organization have been working side by side in all their advocacy works because there are common areas of work. In East Kalimantan, the Aliansi Masyarakat Adat Nusantara (AMAN) that focuses on advocating indigenous people's rights, for instance, has some overlapping in its work with the FNKSDA that focuses on natural resource sovereignty. While AMAN's work go beyond the scope of extractives, there is part of its work that focus on advocating indigenous people's rights to the natural resources beneath their soils, hence a common area of work with the FNKSDA. Most of them focus on or at least have programs on environmental protection and upholding human rights, both of which relate to extractives. This common goal has made civil society movement strong and heavily relied upon by the communities. As part of the stakeholders, local communities get the worst from any mismanagement of oil, gas and mining activities. However, they have no power and have nowhere else to go other than seeking support from civil society groups. In Samarinda, Pokja 30 notes that most of the time, communities do not get any response from authorities when reporting on potential mining code violations.<sup>47</sup> As for many cases in Central Sulawesi, citizens' report on extractives activities may not only be denied, but also result in further consequences, such as threats or even violence.<sup>48,49</sup>

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<sup>46</sup> <https://resourcegovernance.org/blog/indonesia-where-rule-making-diffuse-better-method-training-regulators>

<sup>47</sup> Interview with Buyung Marajo, director, Pokja 30 Samarinda, in March 2020.

<sup>48</sup> Interview with Aldi Rizki, advocacy and campaign manager, KOMIU, in March 2020.

<sup>49</sup> Interview with Anto Sangaji, a citizen in Palu, Central Sulawesi, in March 2020.

In many cases, communities' reliance on civil society movements apparently does not always meet expectations. Resource has become an important issue for CSO groups in Indonesia's subnational regions. The main issue has been funding, which results in the lack of staff, limited operational budget, as well as limitations in the operational area that they could cover. Further, CSOs in both the studied regions still rely on the conventional method of advocacy, i.e. visiting the impacted areas, except during urgent cases where CSO activists would stay in the area for a period of time to closely monitor the situation and accompany the communities.<sup>50</sup> This has made advocacy work very limited and dependent on a number of external factors. To maintain this advocacy network, CSOs usually rely on certain individuals they see as champions – usually a local figure – with whom they maintain communications. Despite these limitations, CSO actors still remain the most informed stakeholder in Indonesian regions as they possess the necessary knowledge. As mentioned earlier in this paper, EITI data could become a complementary tool for their campaign as data is not always available in regions.

## Companies

Companies have been absent in almost all discussions around extractive governance in both East Kalimantan and Central Sulawesi. They have been discreet in their business and refuses to share information with the other stakeholders. In the case of East Kalimantan, one of the main reasons for this could be the fact that the regional government has been mistreating them.<sup>51</sup> Civil society groups believe that companies always have to bribe officials in order to run their businesses in East Kalimantan. Companies are also perceived as often using violence in operating their business. This is confirmed by civil society actors in East Kalimantan and Central Sulawesi. In Central Sulawesi, civil society organizations have deliberately not been inviting companies for any discussion, citing security reasons. In 2019, an office of one of the CSOs in Palu city, Central Sulawesi, was raided by plainclothes police officers for unknown reasons. Members of the organization believe that it has something to do with their advocacy work related to an oil palm plantation in Central Sulawesi. This plantation is believed to be owned by an army general, who did not like his business be scrutinized in any way.<sup>52</sup> Some also experience other smaller disturbances at their offices and homes, like electricity turned off for numerous times and getting thrown by stones by strangers, to the extent that it caused them to having to relocate. Companies in Central Sulawesi perceive CSOs as 'disturbance to their business.'<sup>53</sup>

Unfortunately, at this point, the report has not been able to obtain any information from the companies to confirm or deny these allegations. Regardless, the heavy involvement of police and military personnel in extractives business has been a general notion in Indonesia, which goes far

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<sup>51</sup> Interview with Buyung Marajo, director, Pokja 30 Samarinda, in March 2020.

<sup>52</sup> Interview with an informant in March 2020.

<sup>53</sup> Interview with Aldi Rizki, advocacy and campaign manager, KOMIU, in March 2020.

back to the Suharto era. In 2018, news outlet Tempo magazine wrote an article<sup>54</sup> titled “*Perang Tambang, Perang Bintang*” (War of Mining, War of Stars), referring to star generals’ involvement in extractives activities. The article was about an area conflict in South Kalimantan between PT Sebuk Iron Lateritic Ores (SILO), an ore mining company, with PT Multi Sarana Agro Mandiri (MSAM), an oil palm plantation firm, both of whose areas were next to each other. The article mentions that MSAM is owned by a businessman with strong ties with high-rank police generals and has been deploying Mobile Brigade personnel to secure its facilities. On the other side, SILO hired military officers to secure its mining site. In December 2017, when the new Indonesia military chief Air Marshall Hadi Hadi Tjahjanto was installed, he pulled all the troops at SILO, showing how police and military involvement in the mining business could be traced back to the highest levels of police and military generals. In 2019, CNN Indonesia also wrote an article about military people in mining and palm oil businesses.<sup>55</sup>

With the absence of data and a communication forum for companies to interact with the other stakeholders, this could be one way for EITI to come in. There is a precedent at the central level where EITI Indonesia and its multi-stakeholder group could build trust among each other because the EITI forum provides a platform to all parties.<sup>56</sup> In the initial stage of this, there is a need, however, to collaborate with some ministries in order to make a strong basis of support and obedience at the local level due to the lack of awareness of EITI.

## Media

The nature of the relationships between the media in East Kalimantan and Central Sulawesi are different. In East Kalimantan, media groups have been having a close and mutual relationship with civil society actors – they exchange data, sit together in discussions and the media follow closely the campaigns by CSOs, although remaining as neutral and balanced as possible in presenting their stories.<sup>57</sup> With companies, the relationship is different; there is a perceived gap with the media.<sup>58</sup> Media in Central Sulawesi sees a similar condition in their area, although the relationship with CSOs is not as close as that in East Kalimantan. CSOs in Central Sulawesi tend to be more reluctant to bound with the media due to the intimidations they get (See the Civil Society Actors and the Communities section). Intimidations in East Kalimantan have had less impact towards media reporting in the province.<sup>59</sup>

Media has the tools to push stakeholders into promoting transparency and accountability. In doing this, they need the political will, capacity and data to play their role well. In terms of their will, media in East Kalimantan and Central Sulawesi seem to be committed towards presenting

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<sup>54</sup> <https://kolom.tempo.co/read/1077261/perang-tambang-perang-bintang/full&view=ok>

<sup>55</sup> <https://www.cnnindonesia.com/nasional/20190220063330-32-370896/jejak-para-purnawirawan-di-pusaran-bisnis-tambang-dan-sawit>

<sup>56</sup> Interview with Buyung Marajo, director, Pokja 30 Samarinda, in March 2020.

<sup>57</sup> Interview with Felanas Mustari, reporter, Kaltim Kece, in March 2020

<sup>58</sup> Ibid

<sup>59</sup> Ibid

fair and balanced stories about extractives in their respective areas. In part, this is evident in the high number of news coverage by media about extractives in both regions. In another, this is supported by information provided by some CSOs and media people themselves. However, there is a question when it comes to their capacity about the broader knowledge of extractives. News reports are indeed presented regularly. But does it reflect the whole situation in their regions? Felanans Mustari, a reporter for Kaltim Kece, an online news site which in March 2019 published a special report with JATAM on the owners of mining areas in East Kalimantan<sup>60</sup>, mentioned that the short answer is no. What he said was certain was that journalists' capacity has been affecting their ability to develop their stories beyond what is clearly seen and relate these topics with their stories.<sup>61</sup> The media in both studied provinces seem to be lacking in this department. Their capacity is limited to process stories that their sources provide them with or is in response to incidents, such as workplace accidents,<sup>62</sup> but not much has been written beyond that.

At one point, this is normal. Like government officials, journalists also experience rotations to other sectors after some time covering extractives. They might not have the time and urgency to go beyond their current reporting coverage. But on the other point, this is regrettable as the media could actually act as a neutral agent in disseminating information about what is going on in the sector. There is a need to improve the capacity of not only the journalists, but the media companies at which they work. There needs to be an understanding by media companies the highly technical nature of the sector and the needs for the media to bring information of the sector to the public eye. Drawing from media experience in both regions, for EITI to plan for capacity building sessions specifically for subnational media people is crucial. This report does not specifically elaborate on how EITI should conduct these sessions. However, information gathered from resource persons suggests that EITI must develop a curriculum to train journalists.<sup>63</sup> Such an undertaking clearly calls for a huge amount resources, from human capital, time, to finance, but it is necessary as one of the ways for the EITI to augment extractive debates in the subnational.

### Information need and knowledge gap

Some believe in the influence that transparency can bring for Indonesian regions, but see it as less of a priority when compared to issues at the post-extraction phase,<sup>64</sup> such as human rights protection and the people's and environmental safety. Communities in the regions prioritize these aspects of the extractives industries as they closely relate to them and that the issues are tangible. Unlike taking part in debates on extractive revenues where people feel they only talk about money that will in any way go into their pockets, or to support the provincial government identify the best practice most suitable for the region but has no direct impact to their lives, people feel that violation against their rights or the destructions of forests in which they live are

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<sup>60</sup> The article is available at <https://kaltimkece.id/warta/lingkungan/siapa-penguasa-tanah-kaltim>

<sup>61</sup> Interview with Felanans Mustari, reporter, Kaltim Kece, in March 2020

<sup>62</sup> Interview with Intoniswan, editor-in-chief, Niaga Asia, in April 2020

<sup>63</sup> Ibid

<sup>64</sup> Interview with Buyung Marajo, director, Pokja 30 Samarinda, in March 2020

more crucial than any other aspects of the extractives sector.<sup>65</sup> As a province with large amounts of minerals under its soils, East Kalimantan also sees rampant smaller illegal mining activities. This exacerbates the concern over environmental protection as these illegal activities usually take place in plain sight, allowing communities around them to see clearly what is going on inside these illegal mines, as well as see clearly how they destruct the area that these communities live in. In March 2020, communities around Senoni village in Kutai Kartanegara regency, East Kalimantan, can clearly see how a mining site<sup>66</sup> is excavating just next to a main road, raising concerns about the safety of road users and the legality of the site.<sup>67</sup> This situation is similar in Central Sulawesi, even though extractive activities in this region are not as visible as those in East Kalimantan. Security has been a main concern for both regions, making discussions with companies absent.

The conditions in East Kalimantan and Central Sulawesi have apparently dictated civil society groups about where their advocacy should focus on. Unlike the debates at the national level in Jakarta, debates at the subnational level are at a different level altogether, more focused on issues that directly relate to the people. The majority of organizations in East Kalimantan and Central Sulawesi cover issues around human rights violations, environmental destruction, illegal mining and gender equality related to extractions. In 2012, civil society groups in East Kalimantan initiated a move to demand transparency of the province’s oil, gas and mining data. This move was supported by champions from within the East Kalimantan government’s ranks at that time as the government itself claimed it was not in possession of those data. Led by Pokja 30, the group found no luck, citing ‘regulatory barriers’ as the main block. The group was ping-ponged by oil and gas regulator SKK Migas, the ESDM Ministry and national oil company Pertamina, all of which mentioned that the other was the authority to help put their demand in place.<sup>68</sup> With its limited resources, Pokja 30 eventually backed down, ending one of the only few campaigns for transparency in East Kalimantan.

Table 3. Information needs (non-exhaustive list).

<b>Information need</b>	<b>Note</b>	<b>Availability in EITI</b>
Oil lifting	East Kalimantan government	
Coal production quota	East Kalimantan government	
EITI data set	East Kalimantan government	
Production data	JATAM	
Revenue sharing (DBH) and its components	Pojka 30, et al.	
Mining pits distribution	JATAM	
Reclamation payment from each company	JATAM, et al.	

<sup>65</sup> Ibid

<sup>66</sup> Question still remains about whether the site was legal or illegal. This is due to the poor data and the lack of political will from the provincial and city governments to provide information to the people.

<sup>67</sup> Interview with Fadhlullah of FNKSDA in March 2020.

<sup>68</sup> Interview with Oky S.A. of Pokja 30 Samarinda in March 2020.

Post-extraction data	JATAM	
The economies of extracting and not extracting mining sites	JATAM	
Environmental damage from extractions	JATAM	
List of artisanal mining	JATAM	
List of barges	JATAM	
CNC data	Pokja et al.	
Disaggregated extractives revenue data	Pokja et al.	
Contracts and licenses	JATAM et al.	
Artisanal mining	JATAM et al.	
Extractives sites within forests	JATAM et al.	
IUP/IUPK/PKP2B	Multiple sources	
AMDAL documents	Multiple sources	

Subnational actors also mentioned the need for a timely EITI data. Although acknowledging the importance EITI's current reporting mechanism would still help local actors bring changes, a more recent up-to-date data would better allow actors to use the data, such as to make immediate comparisons and analyses of the data, while backdated data would require stakeholders to review older data before performing any analyses, risking bureaucratic hassles.<sup>69</sup> There is also a request that EITI could share its full dataset in order for local stakeholders to review how figures came about in the final report. And finally, there is a call for the Indonesian government to establish EITI Indonesia as an extractives industries *ad hoc* commission that should deal specifically with transparency and accountability matters, however possessing more power that it does today.

There is a knowledge gap between civil society actors and the communities that they assist. The issue is two-folds. First, for smaller local organizations that believe in the power that transparency and accountability can bring for the area, there have been no access to reliable source of data of the region. In most cases, CSOs have no idea about how much has their area received from the oil, gas and mining sectors or how barrels of oil were lifted for a certain year. Civil society must literally fight with provincial or regional data officials to obtain data, which in most cases end up with not being provided with very few to no data but spending lots of resources. JATAM East Kalimantan, with networks across Indonesia, spent three years of court proceedings before finally being granted access to 700 mining licenses closed from public access by the Kutai Kartanegara

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<sup>69</sup> Interview with Tajuddin of East Kalimantan Energy and Mineral Resources (ESDM) Agency in March 2020

regional government in East Kalimantan.<sup>70</sup> Due to this, some organizations have resorted to illegal yet easier and faster practices, such as hacking or stealing data from companies directly out of desperation.<sup>72</sup> This has made advocating for transparency and accountability much more difficult for CSO groups in Indonesian regions. This situation brings the second issue in place, which is the fact that local communities, who have never cared so much about things like extractive policies or revenue transparency, remain with their fight for their personal gains. Civil society groups are not equipped with reliable tools to advocate communities, in a sustainable manner, to look beyond their personal needs.

Both East Kalimantan and Central Sulawesi are in high need of information pertaining to the issues mentioned above. As a global initiative already adopted by the central government, EITI should fit in very well to meet the needs of subnational stakeholders in Indonesia. EITI possess the important data that subnational actors need and has the capacity to assist them with implementing the best practice in extractive governance. The presence of EITI will cover some of the loopholes that the subnational governments cannot fill. Certainly, EITI cannot be the key to all that have been going on East Kalimantan and Central Sulawesi or any other provinces in Indonesia. There are certain aspects of the campaign that would require EITI a huge amount of resources, such as looking into the economics of mining or not to mine, especially in areas with vast mining potential.<sup>73</sup> However, EITI data can serve as a comparison that the subnational government, civil society groups and the general community can use.<sup>74</sup> And to maintain its work at Indonesia's subnational level, EITI must not only present their data, but to also compare it with data that is available at the regional level in order to show communities about the importance of EITI data.<sup>75</sup> As for regional governments, EITI data can help with calculating what they deserve from the oil, gas and mining activities in their area and hold the central government accountable for the calculation of Balance Funds.<sup>76</sup>

In its entirety, EITI data is a crucial part of the subnational debate on extractives. It provides a new perspective and data to subnational stakeholders that they can compare with the available data they already have. Subnational actors have been using data from whichever source possible, however lacking in comparative data. Regardless of the delayed data in EITI reports, the information will be vital to verify many aspects related to extractives activities in all provinces, such as oil lifting or domestic market obligation (DMO) data, and allow subnational governments to fight for their rights.<sup>77</sup><sup>78</sup>

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<sup>70</sup> Interview with Pradarma Rupang, *dinamisator*, Jaringan Advokasi Tambang (JATAM) East Kalimantan, in March 2020.

<sup>71</sup> <https://www.jatam.org/2016/09/07/breaking-news-hari-ini-distamben-kukar-serahkan-data-tambang-batubara-ke-jatam-kaltim/>

<sup>72</sup> Interview with an informant in March 2020.

<sup>73</sup> Interview with Moh. Tauhid of JATAM Central Sulawesi in March 2020.

<sup>74</sup> Interview with Tajuddin of the East Kalimantan Energy and Mineral Resources (ESDM) Agency in March 2020.

<sup>75</sup> Ibid

<sup>76</sup> Interview with Indah Erwani, economic planner, the Samarinda Development Planning Agency, in March 2020.

<sup>77</sup> Interview with Tajuddin of the East Kalimantan Energy and Mineral Resources (ESDM) Agency in March 2020.

<sup>78</sup> Interview with Indah Erwani, economic planner, the Samarinda Development Planning Agency, in March 2020.



## Conclusion and recommendation

Aside from communications issues, EITI implementation in Indonesia might face yet another challenge with the secretariat's transition from the Coordinating Ministry for Economic Affairs to the Coordinating Ministry of Maritime Affairs. Since EITI implementation started in 2010, the economic affairs ministry has been able to develop sufficient awareness and knowledge of the EITI regardless of the remaining question about the government's political will to implement the initiative. Such understanding is an important aspect in successfully implementing EITI in Indonesia as it allows government actors to get a grip of the actual things that require improvements and therefore make the correct concrete actions. With the transition to the maritime ministry, there is a high possibility that the EITI will deal with the issue of adjustments, whether in terms of the team's composition or the technical knowledge of the members. The strategy will certainly change, but what is important is that it will take some time for the new ministry to fully comprehend the initiative. By March 2020, there were no signs that the transition would start taking place any soon.

In fact, the EITI Indonesia has shown positive progress in terms of publishing its annual EITI reports and, as of January 2020, had published seven editions. Each iteration of the report is an improvement from the previous ones, despite some hiccups that led to Indonesia being suspended in 2015 year for late reporting. However, the national secretariat must not measure its success only by its publishing of annual EITI reports, but also by looking at how it promotes greater transparency and accountability for the people in Indonesia. Until end of 2019, the EITI Indonesia was focused more on its high-level agendas and the national and international levels without so much putting great attention to its work at the subnational level.

The current setting of EITI Indonesia secretariat is certainly not the best way for Indonesia to adopt EITI. The legal basis, a presidential regulation, has never been and will never be able to push EITI to its full potentials. However, putting aside the ideal situation, there are several measures that the EITI can do to optimize its functions in this current setting. EITI Indonesia should move forward with a better-planned communications strategy in order to optimize its functions and reach a wider audience, specifically the multi-stakeholder groups in Indonesia's resource-rich subnational regions. To achieve this, the steps this report recommends include:

- **Undertake power and interest mappings to understand the political-economic dynamics at selected regions to tailor communications strategies and instruments.**

The challenge with EITI Indonesia communication strategy and activities so far is that it tends it lacks power and interest mapping to be able to understand what drives actors involved in EITI process. As a result meetings, workshops tend to become "ritualistic" rather serve as an agenda setting for these actors to agree on policy reforms advocated by EITI. By understanding common interests of these actors a communication strategy or plan will be able to accurately articulate domestic demands for change and how they are aligned with international norm such as EITI. This will ensure support from various sides to secure EITI agenda at the subnational level. This becomes more important especially in

regions like East Kalimantan and Central Sulawesi where issues matter most for communities and civil society are environment and human rights rather than extractive revenues per se. Also that companies and regional governments are more reluctant to deal with civil society.

- **Integrate communications plan as part of the EITI subnational outreach.**

Most of the time, communication is seen minor to EITI plans and work. It is not become a priority and this is reflected in the resources allocated for it. In order to ensure more effective outreach EITI needs to ensure that a communication plans are integrated into its outreach plan.

- **Ensure that communications plans are budgeted with clear targets, bringing together issues matter to subnational government and local communities.**

As above, communication plans need to be realistic with clear target and well resourced. Issues matter to communities, companies and governments in the selected regions, need to be reflected in the communication plan which will serve as an agenda setting to build consensus among these actors. In this case, EITI needs to play its role as a “neutral broker” trusted by these actors for more constructive engagement.

- **Develop a medium-term action plan and communications strategy (three to five years).**

To maintain program and set specific targets for the short to medium terms, the EITI Indonesia secretariat must develop a short- to medium-term plan that elaborates its targets for the next couple of years and how it envisions achieving these targets. This allows the secretariat to connect each of its activities in a certain year with those in the preceding and following years, therefore providing a greater clarity of the route it will be taking to achieve the desired targets as well as see clearly any gaps that occur. The secretariat can start by mapping the stakeholders at the national and subnational level, assess their levels of understanding and then create a plan that can span more than one year. Funding for the national secretariat has indeed become an issue for the past couple of years, if not ever since the Indonesian government’s adoption of the initiative, and has affected the formulation of communication strategies. However, this should not burden the secretariat’s endeavors for a medium-term communications strategy as adjustments can always be made when funding is short of what has been forecast.

- **Hold regular briefings/workshops/discussions/seminars/capacity building sessions for the subnational MSGs.**

In setting the communications activities, EITI Indonesia must include plans to conduct a series of briefings/seminars/workshops/capacity building programs (whichever is applicable) held regularly throughout the five-year term. As the study suggests, multi-stakeholder groups in the subnational areas have yet to get a grasp of what EITI is and what it can do to help in their endeavor to achieve development. These series of direct meetings will allow subnational actors to get a consistent advocacy and technical assistance on EITI. This also answers the issue of governmental officials’ rotations that have been breaking the dynamics around subnational extractive discourses at the subnational level. It is often that once actors have identified champions from the

subnational government, they are transferred to a new role and no longer have any concerns with regards to extractive dialogs, let alone EITI. These series of meetings are indeed labor intensive will take time, but are necessary to fill the gaps created by the rotation of officials. The EITI national secretariat should also endeavor towards developing a training module for subnational government officials in order to produce champions in extractive transparency and accountability and act as its extension in the region.

- **Establish a discussion forum for each subnational area.** A discussion forum that includes all stakeholders – from subnational government officials, companies and CSOs – is vital to keep the discussion alive in all the resource-rich areas. Such a forum will also serve as a tool for EITI to guide subnational actors and provide them with technical assistance. With the high penetration of WhatsApp messaging application in Indonesia, the EITI Indonesia is recommended to use this platform to create groups as a media for discussions and information disseminations and exchanges. Since this is labor intensive, the EITI Indonesia can start with a pilot in some priority areas or divide groups based on the main islands. A mailing list is another option from WhatsApp, although there will be delays in the discussions when using this platform unlike the real-time chatting experience that WhatsApp can provide.
- **Engage specifically with subnational media outlets.** Specific engagement with media outlets at the subnational level is crucial to help EITI Indonesia with dissemination and building awareness. The approach towards this engagement is highly dependent on the resources that EITI Indonesia has, but it may be in the form of periodic briefings, workshops or media visits. This will allow EITI Indonesia to build the capacity of the comprehension of EITI and its data by subnational media, who will subsequently produce articles in a form that is easily understood by local readers.
- **Add communications personnel for the national secretariat.** Communications efforts for an organization of EITI's nature is labor intensive, and it is therefore imperative that the EITI Indonesia secretariat add more people to execute its communications strategies. In addition, the national secretariat can study the options of engaging a number of subnational actors in priority areas to work specifically as subnational communications officers/assistants to assist the national secretariat in carrying out a range of communications activities. Working arrangements can be determined by EITI Indonesia depending on its resources and activities planned.

## Annex

Table 4. The most active civil society organizations in East Kalimantan.

Organization	Location	Focus of Work
Aliansi Masyarakat Adat Nusantara (AMAN)	Samarinda	Indigenous people's human rights advocacy <sup>79</sup>
Front Nahdliyin untuk Keselamatan Sumer Daya Alam (FNKSDA)	Samarinda	Natural resource sovereignty, agrarian affairs <sup>80</sup>
Jaringan Advokasi Tambang (JATAM)	Samarinda	Human rights, gender, environment, indigenous people and justice issues related to mining <sup>81</sup>
Jaringan Advokat Lingkungan Hidup (JAL)	Balikpapan	Environmental advocacy <sup>82</sup>
Kawal Borneo Community Foundation	Samarinda	Extractive governance for community's economic development <sup>83</sup>
Naladwipa Institute	Samarinda	Human rights and mining advocacy <sup>84</sup>
Perkumpulan Nurani Perempuan	Samarinda	Women's rights <sup>85</sup>
Pokja 30	Samarinda	Budget and public policy advocacy <sup>86</sup>

Stabil	Balikpapan	Environmental advocacy <sup>87</sup>
Wahana Lingkungan Hidup (WALHI)	Samarinda	Environmental advocacy <sup>88</sup>
Yayasan Bumi	Samarinda	Research and environmental advocacy <sup>89</sup>
Yayasan Padi	Balikpapan	Environment-based economic development advocacy <sup>90</sup>

Table 5. The most active civil society organizations in Central Sulawesi.

Organization	Location	Focus of Work
Ekonesia Institute	Palu	Local transformation and capacity building <sup>91</sup>
Imunitas	Palu	Sustainable resource and environmental governance for economic development <sup>92</sup>
Indonesia Bangkit	Palu	
Jaringan Advokasi Tambang (JATAM)	Palu	Human rights, gender, environment, indigenous people and justice issues related to mining <sup>93</sup>
Karsa Institute	Palu	Village development <sup>94</sup>

Kompas Peduli Hutan (KOMIU)	Palu	Sustainable resource and environmental governance for economic development <sup>95</sup>
LBH Sulawesi Tengah	Palu	Legal assistance <sup>96</sup>
Relawan untuk Orang dan Alam	Palu	Social forestry, climate change mitigation and economic empowerment <sup>97</sup>
Sikola Mombine	Palu	Women's rights <sup>98</sup>
Wahana Lingkungan Hidup (WALHI)	Palu	Environmental advocacy <sup>99</sup>
Yayasan Merah Putih	Palu	Capacity building and environmental protection <sup>100</sup>
Yayasan Tanah Merdeka	Palu	Social justice for the poor and people impacted by extractives activities <sup>101</sup>
YLBH Apik	Palu	Legal assistance for women <sup>102</sup>
Yayasan Panorama Alam Lestari	Palu	Environmental advocacy and social justice <sup>103</sup>

Table 6. List of existing and planned smelters in Indonesia.<sup>104</sup>

Province	Company	Commodity	Note
Riau Islands	PT Telaga Bintang Jaya	Bauxite	2022
Bengkulu	PT Rusan Sejahtera	Iron	2021
West Kalimantan	PT Borneo Alumina Indonesia	Bauxite	2021
	PT Kalbar Bumi Perkasa		
	PT Indonesia Chemical Alumina	Bauxite	2021
	PT Dimanima Sejahtera Mandiri		
	PT Laman Mining	Bauxite	2016
	PT Well Harvest Winning Alumina Refinery	Bauxite	2021
		Bauxite	2021
		Bauxite	2021
Central Kalimantan	PT Kapuas Prima Citra	Lead	2021
	PT Parenggean Makmur Sejahtera	Bauxite	2021
South Kalimantan	PT Sebuku Iron Lateritic Ores	Iron	2021
Banten	PT Heng Tai Yuan Indonesia	Nickel	2021
	PT Century Metalindo	Nickel	2013
	PT Cahaya Modern Metal Industri	Nickel	2021
	PT Smelter Nikel Indonesia		
		Nickel	2021
West Java	PT Lumbang Mineral Sentosa	Lead	2021
	PT BCMG Tani Berkah	Lead	2021
	PT Sumber Baja Prima	Iron	2017
East Java	PT Freeport Indonesia	Copper	2023
	PT Gebe Industri Nickel	Nickel	2015
	PT Smelting	Copper	2010
	CV Sumber Mas	Iron	2021
	PT Premier Budidaya Industri	Manganese	2013
Central Sulawesi	PT Cor Industri Indonesia	Nickel	2017
	PT Sulawesi Resources	Nickel	2021
	PT Wanxiang Nickel Indonesia	Nickel	2021
	PT Ang and Fang Brother	Nickel	2021
	PT Sulawesi Mining Investment	Nickel	2015
	PT Arthabumi Sentra Industri	Nickel	2021
South Sulawesi	PT Vale Indonesia	Nickel	2012
Southeast Sulawesi	PT Ceria Nugroho Indotama	Nickel	2021
	PT Aneka Tambang	Nickel	2011
	PT Mapan Asri Sejahtera	Nickel	2021
	PT Artha Mining Industri	Nickel	2021
	PT Bintang Smelter Indonesia	Nickel	2021
	PT Macika Mineral Industri	Nickel	2020
	PT Mahkota Konaweaha	Nickel	2021
	PT Virtue Dragon Nickel Industry	Nickel	2021
West Nusa Tenggara	PT Amman Mineral Nusa Tenggara	Copper	2023
East Nusa Tenggara	PT Gulf Mangan Grup	Manganese	2020
Maluku	PT Batutua Tembaga Raya	Copper	2014
North Maluku	PT Fajar Bhakti Lintas Nusantara	Nickel	2015
	PT Aneka Tambang	Nickel	2021
	PT Teka Mining Resources	Nickel	2021
	PT Wanatiara Persada	Nickel	2019

	PT Halmahera Persada Lygend	Nickel	2021
	PT Megah Surya Pertiwi	Nickel	2016
	PT Megah Surya Pertiwi	Nickel	2017
Total			48 smelters