

# Terms of Reference: Enhancing Transparency and Accountability of State-owned Enterprises in Indonesia

The Extractive Industries Transparency Initiative (EITI) is seeking a consultant (either a firm or an individual) to support the transparency efforts of State-owned Enterprises (SOEs) in Indonesia's extractive sector. The consultant will assist SOEs and other extracting companies to comply with disclosures requirements of the 2023 EITI Standard, promote the systematic disclosure of information, and collaborate with EITI Indonesia to address any existing gaps.

## Background

The EITI is a global standard that promotes transparency and accountability in the oil, gas and mining sectors. The EITI Standard requires the disclosure of information along the extractives industry value chain from the point of extraction, to how revenues make their way through the government, and how they benefit the public. By doing so, the EITI seeks to strengthen public and corporate governance of a country's resource endowment, promote understanding of natural resource management, and provide the data to enable accountability in the extractives sector. In each of the 55 implementing countries, the EITI is supported by a coalition of government, companies, and civil society.

Indonesia has implemented the EITI since 2010 and was last Validated under the 2019 EITI Standard in 2024. EITI implementation has helped Indonesia identify opportunities for reforms in government oversight of state-owned enterprises and their accountability to the broader public. Indonesia has strengthened EITI implementation by launching the [Indonesia Extractive Data Portal](#) which collates and publishes systematically disclosed and EITI-collected information. Increased state participation in recent years is changing landscape of SOEs in Indonesia, where state interests are managed through the [MIND ID](#) holding company in the mining sector and through [PT Pertamina](#) in the oil and gas sector.

SOEs play an important role in exploiting natural resources and managing the extractive sector. They can generate significant revenue for the state, help improve local technologies and skills and manage exposure to energy transition risks. The way that state participation and SOEs are governed has considerable implications for public finances and the economy. Lack of transparency about how much the state receives from the sale of its oil and gas (i.e. "first sales") can create a distorted picture of government revenues from the extractive sector. EITI reporting and Validation have shown that although financial transactions related to state-owned companies have become more transparent, there is still demand for improving transparency standards around SOE governance.

The Consultant will provide support to the Indonesian government and SOEs to improve their EITI disclosures, address recommendations of the [2024 Validation](#) and ensure the updated Requirements of the EITI 2023 Standard relevant to state-participation are incorporated into EITI reporting. In addition to this, the consultant will review current company reporting practice and

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improve the reporting template for all extracting companies participating in the EITI. The project is expected to result in improved overall governance of extractive sector SOEs in Indonesia.

The EITI Secretariat, with support from SECO, will commission a Consultant in four parts with the objective of scoping the current status SOE transparency (Part 2) in line with the 2023 Standard, develop a simplified reporting form for SOEs, provide capacity building to SOEs on EITI reporting and transparency and to provide recommendations to the MSG on annual assessment of SOE materiality, given the changing landscape of evolving state participation.

## Scope of assignment

The Consultant will be expected to undertake the following tasks:

1. Collaborate with EITI Indonesia and Indonesia's SOEs to improve EITI reporting in alignment with Requirements 2.6, 4.2, 4.5, 4.3 and 6.2.
  - a. Undertake a comprehensive mapping of the full extent of state participation in the extractive sectors in Indonesia, including both holding and subsidiary SOEs. The mapping is expected to cover the full value chain (exploration, extraction, refinement, sales, and distribution) of mining, oil and gas projects and should include:
    - i. details of SOE shareholding in each project and the nature of their participation, e.g., do they share in costs and at which stage of the project;
    - ii. details of the location of projects with SOE involvement; and
    - iii. details of SOEs involved in transportation.
  - b. Produce a detailed summary of the legal and regulatory framework for state participation in Indonesia's extractive sector. This should include a description of the legal mandate of the holding company MIND ID and the financial relationships with its subsidiaries and with government, and an analysis of legal barriers to disclosure by SOEs.
  - c. Based on the mapping (Task 1.a), support the MSG to assess the scope and materiality of SOE participation for 2024 EITI reporting.
  - d. Support the MSG, through the assessment of prevailing rules and practices and available data, to review its definition of quasi-fiscal expenditures (QFEs) to ensure all forms of quasi-fiscal activities in Indonesia are included in EITI reporting. Support the MSG to develop a mapping of which SOEs have QFEs and undertake an assessment of scope and materiality of QFEs for 2024 EITI reporting.
  - e. Support the MSG to collaborate with SKK Migas, Pertamina and other relevant agencies to improve the quality and disaggregation of disclosures of in-kind revenues and sales to third parties.
  - f. In close communication with the Indonesia MSG and National Coordinator, collaborate with SOEs and relevant government ministries to disclose information for the 2024 EITI Report.
  - g. Produce a mapping of revenue flows between SOEs and national and local government, indicating which agencies (or SOEs) act as conduits for extractive revenues and which agencies are the ultimate recipients.

- h. Produce standardised reporting templates for SOEs (both revenue and non-revenue information) as required/expected/encouraged under the 2023 EITI Standard that can be used for 2024 and future reporting.
  - i. In collaboration with the National Coordinator, review and revise the reporting template for extractive companies to reflect the 2023 EITI Standard and remove any duplication of reporting. Develop a guidance note for companies on how to fill out the reporting template.
  - j. Support the MSG to develop analysis of SOE disclosures for the 2024 EITI Report. This could include, for example, producing a mapping of trading partners or assessing financial impact of QFEs.
2. Collaborate with EITI Indonesia and Indonesia's SOEs to improve systematic disclosure of EITI data.
- a. Produce a study mapping each SOE's systematic disclosures against the 2023 EITI Standard. This should include financial and non-financial data. The study is expected to highlight information gaps and develop actionable recommendations to enhance systematic disclosure of information by each SOE in line with the EITI Standard.
  - b. In coordination with National Secretariat, organise at least one workshop to present results of the mapping and to facilitate a discussion among SOEs in Indonesia. Also, organise a workshop for the extractive companies to present the updated reporting template in accordance with the 2023 EITI Standard and a guidance note.
  - c. Provide detailed guidance on how to systematically disclose SOE data for each material SOE based on EITI requirements.
3. Produce a final report and set of recommendations to the MSG to improve the scope and quality of disclosures related to state-participation, including actionable steps to improve systematic disclosure of information.

## Deliverables and timetable

The assignment is expected to take up to 50 consultancy days between April and December 2025. The proposed schedule, which will be confirmed ahead of launching the project, is set out below:

Task/Deliverable	Timeline
Initial meeting with EITI International Secretariat and the Indonesia EITI Secretariat	April 2025
Submit inception report and workplan	May 2025
Submit mapping study of SOE participation in extractive sectors in Indonesia to MSG; support MSG to take a decision on materiality and scope of 2024 reporting	July 2025

Support MSG to review definition of QFEs and decide on materiality and scope for 2024 reporting;	July 2025
Collaborate with the MSG, the National Coordinator and Indonesia's SOEs to disclose information for Indonesia's 2024 EITI Report	August-October 2025
Submit revised reporting templates: one for SOEs and one for other extractive companies	August 2025
Organise a workshop or webinar for the extractive company to present the updated reporting template in accordance with the 2023 EITI Standard and the guidance note.	September 2025
Submit mapping study of SOE systematic disclosures to MSG	September 2025
Organise a workshop in Indonesia to present the preliminary results of the study	September/ October 2025
Submit final report and recommendations to the MSG	December 2025

## Consultant's qualifications

The Consultant should be a prominent firm, organisation or an individual(s) that the EITI International Secretariat considers to be credible, trustworthy and technically competent. The Consultant must demonstrate and if possible, provide evidence of:

- Understanding of the governance and transparency space in Indonesia, data transparency, anti-corruption and resource governance issues, preferably with practical knowledge of the extractive industries, including of state-owned enterprises (SOEs).
- Knowledge of Indonesian corporate reporting requirements, as they relate to SOEs and the extractive industries.
- Familiarity with laws, rules and regulations governing all categories of SOEs that operate within the extractive's domain.
- Familiarity with Indonesian political dynamics and experience of coordination and stakeholder engagement with government and company officials.
- Experience in and knowledge of the implementation of the EITI Requirements on beneficial ownership transparency and SOE governance is preferred but not essential.
- Skills and experience in research and technical writing.
- Experience in the design and delivery of capacity-building, peer learning and training activities for varied stakeholders.
- Fluency in Bahasa and English.

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To ensure quality and independence in the undertaking, the Consultant must, in their technical and financial proposals, disclose any potential or actual conflicts of interest, together with a comment about how they may be avoided.

## Ways of working

The Secretariat will facilitate the delivery of this project by providing:

- Ongoing project oversight and input to the development of the report, through regular calls and email exchanges.
- Access to necessary background information and contextual insights to ensure alignment with organizational objectives and stakeholder expectations.
- Responsive support for project needs, adapting to emerging requirements to enable efficient and effective completion of deliverables.

## Procurement process

Consultant will be selected following a Quality and Cost-Based Selection procedure. They should submit two separate proposals. Any additional annexes must be merged with these proposals.

- A **Technical Proposal**, in pdf, outlining: (a) the experience of the Consultant/s, including examples of previous work; (b) the proposed methodology and outline work plan (**one page max**) in response to the Terms of Reference (TORs); (c) the key experts' qualifications and competence, and (d) a section on potential conflicts of interest. This section should identify any areas of work, including past, present, or future consultancies related to the EITI, which might pose a conflict of interest. Please also describe strategies that you intend to use to minimise those risks.

*The Technical Proposal should not include any financial information. Technical proposals containing material financial information will be declared non-responsive.*

1. A **Financial Proposal**, presented in USD, should clearly state a lump sum amount that includes all costs associated with the assignment, inclusive of applicable taxes. It must specify both the proposed number of consultancy days and the corresponding daily rate.

*The Financial Proposal should be submitted as a password-protected PDF file. **Passwords should not be sent with the proposal**; they will be requested following the evaluation of the Technical Proposals. Financial Proposals without password protection will be considered non-responsive.*

**Submission instructions:** Proposals must be delivered by email to [SKasimova@EITI.org](mailto:SKasimova@EITI.org) by the close of Tuesday 22 April. The email subject line should read "Proposal for EITI Indonesia SOE project – [Consultant Name]". Late submissions will not be considered.

All questions related to the project, its timeline and deliverables should be submitted to [SHayton@EITI.org](mailto:SHayton@EITI.org) by later than Wednesday 9 April. Answers to the questions will be posted on the tender page.

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*Clarification process:* The EITI reserves the right to seek clarifications on Technical Proposals if necessary. Clarifications may be requested in writing or through an interview, depending on the complexity of the issues. Consultants will be given a deadline to respond to any requests for clarification. Answers to any questions submitted about the TOR will be shared with all bidders to ensure transparency.

*Evaluation criteria and weighting:* Proposals will be evaluated through a two-stage process comprising a technical assessment followed by a financial assessment. Only proposals that achieve a minimum qualifying score in the technical assessment will advance to the financial evaluation stage. The technical proposal will contribute 70% to the overall evaluation score, with the financial proposal accounting for the remaining 30%.

The criteria for assessing the technical proposals will be based on the following:

- Experience of the Consultant relevant to the Assignment
- Adequacy and quality of the proposed methodology, and work plan in responding to the Terms of Reference (TORs)
- Key qualifications and competence based on the Qualification requirements (see section on qualification requirements above)

*Shortlisting and Interviews:* A shortlist of up to two Consultants may be selected based on the evaluation scores. Shortlisted Consultants may be invited to present their proposals virtually or participate in interviews to clarify specific aspects of their submissions. Presentations will not affect the evaluation score but may provide information for clarifications.

## Payment Terms

Payments will be tied to the completion of key deliverables, with the payment structure to be agreed at the contract signing.