
Terms of Reference

Technical Consultant for a Study on Corruption Prevention in the Oil, Gas and Mining sectors

1. Background

The EITI is a global standard that promotes transparency and accountability in the oil, gas and mining sectors. Additional information is available on <http://www.eiti.org>.

With the support from the USAID, the International Secretariat of the Extractive Industries Transparency Initiative (EITI) together with the EITI Indonesia is seeking a consultant to undertake a comprehensive documentation, review and analysis of Indonesian government corruption prevention initiatives in the oil, gas and mining sectors and provide recommendations on how EITI Indonesia can support and complement these initiatives as well as identify best practices that can be used to enrich the EITI Standard.

The objective is to strengthen overall Indonesia's corruption prevention system in the oil, gas, and mining sectors by aligning EITI Indonesia objectives and implementation with the Indonesia's national strategy for corruption prevention.

This project is part of EITI Indonesia Multi-stakeholder Working Group (MSG) Work Plan for 2022-2023.

1.1 EITI implementation in Indonesia

Indonesia officially joined EITI in October 2010. The legal basis for EITI implementation in Indonesia is Presidential Regulation No.26/2010 aiming to promote good governance, transparency, sustainable development, and active participation of a multi stakeholder group from government, industry, and civil society groups in the management of extractive industries.

In 2020, as a result of the change in the government structure and mainstreaming of various initiatives within the government system, EITI Indonesia was moved from the Coordinating Ministry of Economic Affairs (MENKO) to the Ministry of Energy and Mineral Resources (MEMR or ESDM) through Presidential Regulation No 82/2020. Despite the challenges of the COVID-19 crisis, EITI Indonesia continues to progress in its implementation through publication of flexible reports and embarking on an extractive data mainstreaming project to further integrate EITI within the government system.

1.2. Corruption Prevention and EITI data disclosures

In the [Indonesia EITI FY 2018 flexible report](#), corruption prevention is specifically discussed as part of Indonesia's national strategy. The national strategy for corruption prevention (*Stranas PK*) is coordinated by a National Team based at the Indonesia's Corruption Eradication Commission

(KPK) with the purpose of coordinating and aligning all corruption prevention action plans set out by government ministries, agencies and subnational governments with the Corruption Eradication Commission's objectives and plans. The Indonesia's national strategy for corruption prevention has three focus areas: licensing and commerce in all sectors, state finance, law enforcement and bureaucratic reform. Every two years the Indonesian government assesses and produces action plans that will be carried out in the next two years. The latest action plan will be completed in 2022, therefore a new action plan will be produced for 2023-2024.

In the energy and mineral sectors, the corruption prevention action plan and implementation are carried out by the Ministry of Energy and Mineral Resources (MEMR). Over the past two years MEMR has focused on implementing 7 sub-actions:

- Acceleration of the Online Single Submission (OSS)
- Implementation of One Map Policy
- Strengthening and Utilization of Beneficial Ownership (BO) Data
- Optimization and Expansion of Taxpayer Status Confirmation (KSWP)
- Implementation of National Data Repository (NDR)
- Integrity Zone Development
- Acceleration of Merit System Implementation

As noted in the Indonesia's EITI report FY 2018, MEMR has been progressing in implementing these sub-actions and was awarded as the best performing ministry by the leadership of *Stranas PK* to improve corruption prevention systems in the energy and mineral sectors.

MEMR is also developing an integrated information system in the energy and mineral sectors called "ESDM Data Enterprise" and integrating Extractive Industry Transparency Initiative (EITI) data disclosure into that system. This is in line with the EITI 2019 Standard to promote systematic data disclosure. The integrated data disclosure system will strengthen the capacity of the MEMR to prevent corruption in the energy and mineral sectors, promote stable business environment for investment, increase government revenues and strengthen social and environmental performance.

Indonesia's Corruption Eradication Commission has been making efforts to strengthen corruption prevention system and mechanism in the energy and mineral sectors through various initiatives such as:

- National movement to save Indonesia's natural resources (GN-SDA)
- Establishment of Information system on coal and mineral sectors (SIMBARA) and online single submission
- Piloting Quantitative Assurance tool to improve oil and gas production data collection and reporting
- Improvement of anti-bribery management

Given all these corruption prevention initiatives led by the Corruption Eradication Commission (KPK) in collaboration with all government ministries and agencies as well as subnational governments including the Ministry of Energy and Mineral Resources, EITI stakeholders in Indonesia have expressed the need to provide a comprehensive overview of the gains from these

anti-corruption reforms in the extractive sector to help stakeholders evaluate what practices worked well, what are the areas for improvement and how EITI Indonesia can support and complement these efforts.

2. Objectives of the assignment

The consultant is expected to achieve the following objectives:

- Documenting corruption prevention initiatives in the energy and mineral sectors that have been implemented by the Indonesian government in collaboration with partners and undertaking analysis of how these initiatives have been successful and if there are challenges and lessons learnt and areas for improvement
- Producing recommendations in the report to help EITI MSG integrate and align their anti-corruption work with Indonesia's national strategy for corruption prevention:
 - Identify how EITI Indonesia can complement Indonesia's national strategy for corruption prevention in the oil, gas and mining sectors
 - Identify areas where EITI Indonesia can offer support to address some of the challenges identified in the implementation of national strategy for corruption prevention in the oil, gas and mining sectors
 - Align EITI Indonesia's anti-corruption objectives with Indonesia's national strategy for corruption prevention
 - Producing proposed corruption prevention action plans for EITI Indonesia that will inform national strategy for corruption prevention action plans 2023-2024
 - Detailed description of the role that the EITI Indonesia MSG can play within the context of corruption prevention efforts in the oil, gas and mining sectors by the Indonesian government
- Identifying best practices of Indonesia's corruption prevention initiatives that can be used to enrich the EITI Standard.

3. Scope of services, tasks and expected deliverables

3.1. The study should contain:

- a. An executive summary of the complete report.
- Comprehensive documentation and analysis of corruption prevention initiatives in the oil, gas and mining sectors that have been implemented so far:
 - Analysis of how these initiatives have contributed to mitigating corruption in the oil, gas, and mining sectors. This analysis should include a systematic assessment of the internal and external factors which have facilitated, or obstructed initiatives' influence on corruption prevention
 - The analysis should explicitly consider the quality of evidence supporting claims that specific initiatives have had a positive or negative impact on corruption, as well as claims regarding factors that have facilitated or inhibited such impact.

Evaluation of the quality of evidence should be made in accordance with international best practice for the evaluation of development programming

- o Analysis of how EITI data disclosure could best contribute to preventing corruption. In light of the assessment of Indonesia's corruption prevention initiatives in the oil, gas and mining sectors, the analysis should also assess different ways in which EITI data disclosure could be leveraged, either in support or in complement to other initiatives.
- b. A description of opportunities where Indonesia's oil gas and mining sector corruption prevention initiatives can be presented and shared with other countries
- c. A proposed action plan for EITI Indonesia corruption prevention programmes linking with National Strategy for Corruption Prevention in light of the next 2023-2024 corruption prevention action plans

3.2. To achieve the foregoing, the Consultant is expected to perform the following tasks:

- o Prepare and submit an inception report containing a proposed and detailed outline of the narrative or write-up, and a description of the approach and technical research methodology to be employed;
- o Perform desk research, review of related literature including:
 - [EITI Guidance Note: Addressing corruption risks](#)
 - [Diagnosing Corruption in the Extractive Sector: A Tool for Research and Action](#)
 - [Anticorruption Guidance for Partners of State-Owned Enterprises](#)
 - [Recommendations for Strengthening the Role of the EITI in the Fight Against Corruption](#)
 - [How Can Anticorruption Actors Use EITI Disclosures?](#)
 - Other relevant literature
- o Study the relevant reports and documents such as Indonesia's EITI reports, National strategy for corruption prevention action plans and implementation reports, EITI Indonesia's impact evaluation report in 2018, and other relevant documents;
- o Facilitate meetings, consultations, and workshops as identified in the preceding section or as necessary, including with civil society organizations and other anti-corruption actors to identify needed data for their corruption prevention efforts;
- o Submit draft report to EITI Indonesia National Secretariat, Stranas PK and EITI International Secretariat for review and comment;
- o Submit a draft consolidated report and present the key findings to the EITI Indonesia MSG;
- o Write the final copy of the study, incorporating comments and inputs from EITI National Secretariat, Stranas PK team and EITI International Secretariat;
- o All intellectual property ("IPR") resulting from the consultant performing its services and duties hereunder will belong exclusively to the EITI from the moment of creation. ;
- o Cover all relevant costs incurred in the conduct of the study;
- o Perform other tasks related to those outlined in this TOR that are necessary for the completion of the study.

4. Qualification requirements

The Technical Consultant for this study should be perceived by the International Secretariat as credible, trustworthy, and technically competent. Short-listed candidates shall be assessed based on the following criteria/requirements:

- Background in law, public policy, public finance, natural resource governance, investigative journalism, economics, or related fields, preferably with post-graduate degree or education;
- At least ten (10) years of relevant work experience in Indonesian context;
- Previous work experience in writing and research on anti-corruption and natural resource governance preferably on Indonesia;
- Previous work experience in conducting interviews, and facilitating focus group discussions and stakeholder consultations;
- Knowledge of the legal and regulatory framework for the extractive industries and anti-corruption laws in Indonesia;
- Knowledge of the Extractive Industries Transparency Initiative (EITI); and
- Proficiency in written English, especially in technical writing as well as Bahasa Indonesia.

5. Budget, duration, and schedule of deliverables and payment

The assignment is expected to take up to 40 non-consecutive consultancy days throughout May-July 2022. The proposed schedule is set out below:

Milestone	Objective	Output	Timeframe
Submission of an inception report	To establish work plan and set expectations of deliverables	Inception report with work plan indicating the scope, approach, methodology, and proposed outline of the report	May
Provide an update about the progress of the work for inputs and comments	To undertake literature review, and data collection	Highlights of meetings, workshops, and consultations conducted, reports and documents reviewed	May
Submission of a full draft report and presentation of key findings	To document and to analyse Indonesia's corruption prevention initiatives in oil, gas and mining sectors	A draft report and presentation of the key findings to the MSG	June

Submission of final copy of the report with executive summary	To wrap up the project	A final report with executive summary	July
---	------------------------	---------------------------------------	------

6. Support to be provided by Indonesia EITI

The Consultant shall, on a regular basis, coordinate with and report to the EITI Indonesia National Secretariat through the latter's designated representative/s on all matters pertaining to the implementation of the Project. The EITI International, likewise, retains an oversight of the project and should be included in updates and discussions throughout project implementation.

The Indonesia EITI National Secretariat will provide the Consultant with the following support:

- Coordination with Stranas PK;
- Coordination with Indonesia EITI MSG members;
- Provision of relevant reference materials and information on EITI.

7. Administrative arrangements

A consultant will be selected following a quality and cost-based selection procedure. Consultants should submit:

- A **Technical Proposal**, outlining: (a) the experience of the consultant/s, (b) the proposed methodology and work plan in response to the Terms of Reference (TORs) and (c) the key experts' qualifications and competence. The Technical Proposal should not include any financial information. Technical proposals containing material financial information shall be declared non-responsive.
- A **Financial Proposal**, clearly indicating a lump sum financial proposal of all costs associated, with applicable taxes. The daily rate for the consultant fees should be clearly indicated. The Financial Proposal should be sent as a password protected PDF file. The passwords should not be sent. The passwords will be requested following the assessment of the technical proposals.

Proposals must be delivered by email to skasimova@eiti.org close of 2 May 2022.

The criteria for assessing the technical proposals are as follows:

- 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 Experts' qualifications and competence based on the Qualification requirements (see section 5 above)

The weights given to the Technical (T) and Financial (P) Proposals are:

T = 70%
P = 30%

Proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights (T = the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; T + P = 1) as following: $S = St \times T\% + Sf \times P\%$.

Contract negotiations will be held with the highest ranked consultant. If contract negotiations are unsuccessful, negotiations will be held with the next highest ranked consultant.

**When preparing your proposal, please be sure to include a section on potential conflicts of interest in the technical proposal. 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 minimize those risks.*

Reference materials:

- The EITI Standard, <http://eiti.org/document/standard>
- The online Guide to implementing the EITI Standard, <https://eiti.org/guide>
- EITI implementation guidance notes issued by the International Secretariat, <https://eiti.org/guidance-notes-standard-terms-of-reference> in particular the guidance note on Addressing Corruption Risk through EITI Implementation. The consultant is advised to contact the EITI International Secretariat for any questions or clarifications related to the EITI Standard and the implementation of the EITI requirements;