

**TANGGUH INDEPENDENT ADVISORY PANEL**

**FIRST REPORT ON OPERATIONS PHASE  
OF THE  
TANGGUH LNG PROJECT**

**JANUARY 2011**

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## ACRONYMS AND INDONESIAN TERMS

<i>adat</i>	Local and traditional customs, laws, and dispute resolution systems used in many parts of Indonesia
AMDAL	<i>Analisis Mengenai Dampak Lingkungan</i> – Integrated Environmental and Social Impact Assessment
ADB	Asian Development Bank
BHBEP	Bird’s Head Business Empowerment Program
BPMIGAS	<i>Badan Pelaksana Kegiatan Usaha Hulu Minyak dan Gas</i> – the National Upstream Oil and Gas Implementing Agency, the Government of Indonesia, partner in the Tangguh Project
BPKP	<i>Badan Pengawasan Keuangan Dan Pembangunan</i> – State Development Audit Agency
Brimob	Mobile Indonesian police brigade
<i>Bupati</i>	The head of a <i>kabupaten</i> , or Regency
CAP	Community Action Plan – the support program approach to facilitating community-driven development projects in Directly Affected Villages
DAV	Directly affected village as originally identified by the Tangguh project
<i>Dinases</i>	Agencies
DPRD	<i>Dewan Perwakilan Rakyat Daerah</i> – local parliamentary body
EITI	Extractive Industries Transparency Initiative
GOI	Government of Indonesia
ICBS	Integrated Community Based Security Program
ICITAP	U.S. Department of Justice’s International Criminal Investigative Training Assistance Program
IPB	<i>Institut Pertanian Bogor</i> , or Bogor Institute of Agriculture
ISP	Integrated Social Program – an implementation unit within the Tangguh Project and the social-economic development programs managed by that unit
JUKLAP	Field Guidelines for Security

JUKLAP/PAMBERS	2009 update to and extension of the JUKLAP agreement
<i>kabupaten</i>	District or regency
<i>kampong</i>	Village
<i>Kapolda</i>	Papua Chief of Police
KNPB	West Papua National Committee – a Papuan separatist organization
<i>Komnas HAM</i>	Indonesian National Human Rights Commission
<i>Kopassus</i>	<i>Komando Pasukan Khusus</i> – Indonesian army special forces command
LARAP	Land Acquisition and Resettlement Action Plan – the Tangguh Project action plan describing the involuntary resettlement impacts of the Project
LNG	Liquified natural gas
LP3BH	Papuan human rights NGO
MCC	Mediatama Cipta Citra
MOU	Memorandum of understanding
MRP	Papuan People’s Council – a representative body composed of religious, <i>adat</i> , and women’s leaders created by the Special Autonomy law
NGO	Non-governmental organization
OECD	Organization for Economic Cooperation and Development
OPM	<i>Organisasi Papua Merdeka</i> , or Free Papua Movement – a separatist organization
<i>Otsus</i>	Special Autonomy
<i>Pangdam</i>	Papua Regional TNI Command
PDP	BP’s Personal Development Plans
PSC	Production sharing contract
PSKK UGM	Center for Population and Policy Studies at Gadjah Mada University
RESPEK	Governor’s village empowerment program
RAV	Resettlement Affected Village as originally identified by the Tangguh Project – Tanah Merah Baru, Saengga, and Onar
SBY	Indonesian President Susilo Bambang Yudhoyono

SKJ	GOI policy restricting access to Papua
SOP	Standard operating procedure
STAN	State Administration College
TIAP	Tangguh Independent Advisory Panel
TNI	<i>Tentara Nasional Indonesia</i> – Indonesian armed forces

## **I. Introduction**

The Tangguh Independent Advisory Panel (“TIAP”) was established by BP in 2002 to provide external advice to senior decision-makers regarding non-commercial aspects of the Tangguh LNG Project (“Tangguh” or the “Project”). During the construction phase, the Panel was Chaired by Senator George Mitchell, and included Lord Hannay of Chiswick, Ambassador Sabam Siagian and Reverend Herman Saud. The first panel ended its work in May 2009.

BP established a second TIAP in 2009 to be headed by former U.S. Senator Chuck Hagel and including Augustinus (“August”) Rumansara, a Papuan who is currently an environmental advisor to the Governor of Papua and who previously served as the Chair of the Asian Development Bank Compliance Review Panel between December 2003 and December 2008. In March 2010, Senator Hagel encountered an unexpected commitment and had to withdraw from the Panel. BP is in process of naming a new international Chair but chose not to delay the work of the Panel until that process was completed. Thus, in the interim, Pak August, as acting Chair, together with Gary Klein, a senior partner in the law firm DLA Piper, the Panel’s independent counsel and secretariat since it was established, visited Jakarta and Papua<sup>1</sup> in advance of this report. In addition, this report follows an earlier familiarization visit by Pak August in December 2009.

The Panel’s scope is narrower than the original TIAP in order to avoid duplication. The Tangguh Lenders Group (represented by the Asian Development Bank, Japan Bank for International Cooperation and Mizuho Corporate Bank) have established an External Panel that

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<sup>1</sup> For the purposes of this report, the term “Papua” refers to the region encompassing both Papua province and Papua Barat (“West Papua”) province. The term “Papua province” refers to the province of Papua following its split with Papua Barat province. The term “Papua Barat” refers to province of Papua Barat (previously known as Irian Jaya Barat) following its establishment in 2004. A map of Papua Barat showing key locations related to Tangguh is included as Appendix 1.

is staffed by independent experts who visit regularly and publish their reviews of compliance (on the ADB website) on issues connected to safety, environment, resettlement, indigenous people and progress with social programs. With the exception of the reviews of resettlement issues (the physical aspects of which has been completed) these reviews should continue to 2021.

In recognition of the work of the Tangguh Lenders Group and the start of Tangguh operations, the new TIAP will focus its advice to BP on matters relating to non-commercial aspects of the Project while not duplicating the existing Tangguh Lenders Group's independent external review procedures. Accordingly, TIAP will particularly focus its attention on matters relating to security, human rights, governance and revenue management in the region, while maintaining an overview of the related broader non-commercial issues that affect how Tangguh is perceived by the Papuan people and government in general. This is because these perceptions affect Tangguh security and relate directly to whether Tangguh can achieve its potential as a world-class model for development.

On this trip, from September 28 – October 5, 2010, the Panel met with government officials and NGOs in Jakarta, Manokwari and Jayapura, the Papua TNI Commander (the “*Pangdam*”), the Papua Chief of Police (the “*Kapolda*”) and the U.S. and U.K. Ambassadors to Indonesia. TIAP travelled to Bintuni Bay for visits with local leaders, villagers on both the north and south shores, skilled Papuan workers employed by BP, and the operations and security teams at the LNG site.<sup>2</sup>

This Panel, as did the original TIAP, will consider BP's activities in relation to the most respected current global norms that establish best practices for projects in developing countries. These include the Universal Declaration of Human Rights; the U.N. Norms on the

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<sup>2</sup> A list of all individuals and entities consulted by the Panel during the past year and over the period of its work since 2002 is included at Appendix 2.

Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights; the Organization for Economic Cooperation and Development (“OECD”) Guidelines for Multinational Enterprises; the International Labor Organization Convention Concerning Indigenous and Tribal Peoples in Independent Countries; the World Bank Operational Directive with respect to indigenous peoples; and the U.S. – U.K. Voluntary Principles on Security and Human Rights (the “Voluntary Principles”).

The Panel does not audit BP’s compliance with Indonesian or local law, but does consider BP’s obligations under the AMDAL (which governs BP’s social and environmental commitments).<sup>3</sup> The Panel was given complete access to all information it requested and total independence in its inquiries and findings. The conclusions and recommendations in this report are those of the Panel alone.

## **II. Overview**

Tangguh is now in full operation, the construction of two LNG trains is complete, both trains are active and LNG tankers are regularly traversing Bintuni Bay. The facility footprint is confined to 335 hectares and surrounded by approximately 2,900 hectares of indigenous forest. From land, it is only visible from the resettled villages of Tanah Merah Baru and Saengga, but it is visible clearly from many points on Bintuni Bay. The LNG tanks are by far the largest structures in the region, and the flare is visible from the Bay for many miles. The two jetties extend well offshore, impeding the movement of local fishermen from the resettled villages. The two offshore production platforms do not interfere with fishing or other commercial activities.

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<sup>3</sup> The Lenders’ Panel will continue to review BP’s LARAP (resettlement), AMDAL, and Integrated Social Program (“ISP”) obligations. The Lenders’ Panel reviewed ISP and resettlement issues biannually until 2009; the ISP reviews will continue annually until 2021; the environmental monitoring will take place annually for the duration of the loan period (15 years) to ensure compliance with the requirements of the Asian Development Bank and the Japan Bank for International Cooperation.

Activity in the nearby town of Babo, which served as base camp during the construction phase, is now reduced; regular commercial flights to Babo's airstrip, maintained by BP and still operating, have ended. However, other non-indigenous activities in the area are increasing. In addition to commercial fishing by non-Papuan companies, and logging operations, other oil and gas companies have now entered the Bintuni Bay area exploring under six separate production sharing contracts ("PSCs").

Manokwari, which became the capital of Papua Barat province upon its creation in 2004, shows much economic and construction activity. Although roads are being improved, Manokwari remains at least five to six hours away from Bintuni by road. The regency, or *kabupaten*, capital of Bintuni is also growing rapidly since the designation of the new regency in 2003. In part because both Manokwari and Bintuni are still new to this level of government, they suffer from a lack of established governmental capacity and civil society. Jayapura, the historic capital of the region, now the capital of Papua province, has such capacity but is less directly involved in matters related to Tangguh. However, both the *Pangdam* (TNI) and the *Kapolda* (police), who retain security jurisdiction over Papua province and Papua Barat, remain in Jayapura. That sprawling city and its environs are also growing rapidly, with many signs of construction and commercial activity, but it is seriously overcrowded with migrants, with an estimated population of 350,000.

The villages near the facility (the Directly Affected Villages or "DAVs") now all have improved infrastructure, clean water programs and at least some electricity; the resettled villages ("RAVs") of Tanah Merah Baru and Saengga additionally have all new modern housing, public buildings and religious facilities. Several of the DAVs have begun commercial agriculture development, and are selling fruits and vegetables to BP's food service contractor. Others are

developing improved fishing and crabbing techniques, making sales to Tangguh and others. All of the DAVs have benefited from the health, education, governance, livelihood and community relations programs of the Integrated Social Program (“ISP”), which began in 2006; the ISP has been continued for a second five-year period, 2010- 2015 (“ISP 2”). The LNG facility itself has about 1,700 Papuan employees (counting contractors), including about 320 security guards and almost 100 skilled technicians trained by BP.<sup>4</sup>

Support for the Project and its potential to improve Papua is strong among government officials at all levels. Officials in Jakarta are supportive of BP’s community development, social and security programs. BPMIGAS, the upstream regulator, supports all of BP’s security related activities and is encouraging other PSC operators to replicate the Integrated Community Based Security program (“ICBS”). Regional and local leaders, although anxious for more employment and advancement of Papuans, are pleased at BP’s efforts and accomplishments thus far. Local villagers are also generally supportive, even on the north shore, where there was considerable hostility earlier. Complaints relate primarily to livelihood issues, *adat* (cultural rights) compensation, employment, and in-migration.

There is near unanimous support for the ICBS program, from national leaders to the *Kapolda* and the *Pangdam* to local villagers. Virtually all the private security guards employed by contractor G4S are Papuan; most from the Bird’s Head region of Papua Barat. All have undergone human rights training under the Voluntary Principles, as have the police and TNI troops stationed in Bintuni Bay. There have been no allegations of abuse or excessive force by any of the security guards or by local public security forces. With the exception of a small police post at Tanah Merah Baru, there are no police or military stationed in the immediate area of the

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<sup>4</sup> This is a sharp decrease from the height of construction, when the facility had approximately 10,000 workers, and at its peak almost 3,000 were Papuan.

Project. The most serious incidents related to the Project involved: (1) demonstrations/protests at nearby towns regarding *adat* compensation or hiring; and (2) violations of the marine exclusion zone surrounding the jetties by local fishermen. There have also been firings of employees (some local) for violations of Tangguh's zero tolerance policy relating to theft of fuel, possession of alcohol and fighting.

### **III. Recommendations**

#### **Security and ICBS**

- **If any financial or material support is requested by the Police or TNI, BP should make clear that it cannot provide funding or equipment to either the military or the police and that any support is pursuant to the procedures of the JUKLAP/PAMBERS agreement and the approval of BPMIGAS. BP should confirm with BPMIGAS its commitment to posting any payments to Papuan police on its website.**
- **BP should work with the police and the TNI to ensure that any police or TNI units that could be deployed at Tangguh in an emergency receive periodic training in the human rights principles of the Voluntary Principles embodied in the JUKLAP/PAMBERS.**
- **BP should continue to organize the annual joint training exercise with the police required by the JUKLAP/PAMBERS and include the TNI and human rights NGOs as observers. BP should include these observers in its evaluation of the joint exercises. BP security should work with the *Kapolda* to develop crisis management simulation procedures and test these procedures during the annual exercise.**
- **BP should encourage BPMIGAS and the two Papuan Governors to require other oil and gas companies operating in Papua to implement security procedures similar to the ICBS.**

#### **Security and Papuan Development**

##### ***Employment, Advancement and Procurement:***

- **BP should continue to discourage migration into the area by limiting recruitment to distant employment centers, other than recruitment of DAV residents in families from the original census. It should also seek to make sure that all Papuans who are recruited are indigenous Papuans.**

- **The Papuan Development Committee should focus, as one of its priorities, on the advancement of skilled Papuan technicians at Tangguh. Advanced training programs should be offered and/or efforts should be made to increase top-level and middle management attention to fulfilling the goals of the Personal Development Plans of Papuan technicians. An annual target for recruitment, training and advancement of Papuan technicians should be set to ensure that AMDAL commitments are met.**
- **BP should work with its contractors to increase local recruitment and ensure it meets its AMDAL commitments for Papuan and DAV employment. Annual targets should be set for employment of Papuans. If targets for hiring Papuans by BP and/or its contractors are not met, BP should increase Papuan recruitment efforts. If the manpower office in Bintuni is insufficient to recruit local Papuans, BP should expand recruitment activities at other locations in Bintuni Bay.**
- **BP should include local procurement obligations, similar to those included in the Indocater contract, in all Tangguh procurements, as appropriate. If procurement of fish, prawns, produce or other products from local sellers is not feasible, contractors should be required to use products from the region, or justify why this is not possible.**

*ISP:*

- **Given the absence of effective media or civil society in the area, BP should more actively publicize and communicate the benefits of its programs for Papuan human resource development, livelihood enhancement, education and health, as well as the effectiveness of ICBS for the peaceful resolution of disputes.**
- **The Bird’s Head Business Empowerment Program (“BHBEP”) should be continued for the long term, and adapted periodically to focus on those aspects of the program that most effectively bring new businesses into the Tangguh supply chain.**
- **Microenterprise and microfinance development in the Bay is essential for a sustainable and self reliant household and local economy. BP should augment ongoing programs with increased effort to develop a value chain structure to link potential buyers outside the Bay with local producers, particularly of fish and prawns.**

**Human Rights**

- **Oil and gas law familiarization briefings and security forums in the DAVs and other local communities should be conducted on a regular basis. BP should fully socialize the community complaint process at each of the security forums held in the local communities.**

- BP should review the relevant procedures in its community complaint process, consulting with local leaders and simplifying the process if necessary or useful. It may be necessary to institute an oral complaint process or publicize the procedure more broadly.
- BP should support the work of at least a part-time human rights advocate in Bintuni Bay. The advocate should participate in the community security forums conducted by BP.

### Governance and Revenue Management

- BP should maintain a sustained effort to increase capacities of government and civil society at the village, *kabupaten* and provincial levels. These programs should be revisited regularly for performance assessments and modified as needed.
- In the DAVs, BP should provide training and support for village decision-making in the use of the Community Action Plan (“CAP”) funding until it expires in 2015.
- BP should work with the *kabupaten* government to formulate a policy to integrate and coordinate the various development plans for each village, including under the Government of Indonesia (“GOI”) Musbangdes program, the Governor’s Village Empowerment Program (“RESPEK”) and BP’s CAP funding.
- For the *kabupaten* level, BP should consider working with another implementing partner that specializes in in-depth public administration training to provide such training for selected senior level local officials and leaders in civil society.
- BP should make the provincial government at Manokwari the “secondary” focus of the governance program. It should regularly sponsor good government and anti-corruption activities, such as the 2008 seminar in Manokwari with the KPK. All of these activities should be coordinated with the provincial government and/or the DPRD, as appropriate.

### Revenue Flows and Transparency

- BP should continue its governance program and work closely with the *Kabupaten* administration to exercise transparency in their budgets and spending, particularly with regard to funds related to Tangguh.
- In recognition of the *adat* rights of all the tribes in the local area, and to sustain community development activities in the *kabupaten* beyond the DAVs, BP should encourage the *kabupaten* and provincial government to establish a community development trust fund for this purpose. Experience from the approach used by the *Dimaga* Foundation could be a model for this new entity.

#### IV. Political Developments

The political environment in Papua may be somewhat less stable now than in 2009. This is primarily the result of widespread dissatisfaction with the implementation of Special Autonomy. The fundamental political/economic underpinning for stability in Papua is the Special Autonomy law, which was enacted in 2001 as a way to afford Papua unique economic and political rights and to undermine separatist sentiment. Special Autonomy, known as *Otsus* in Papua, provides significant additional funding for provincial and local (*kabupaten*) programs, as well as avowed deference to Papua's unique cultural heritage. Very large revenue flows are now going to Papua, detailed more fully in section X below, but the benefits of this revenue do not all accrue to Papuans. There is a broad view that the real beneficiaries are local elites in both Papua provinces, "Jakarta" and non-Papuan migrants.

Even more importantly, it is widely believed that the political aspects of Special Autonomy, primarily of cultural respect and deference, have largely been disregarded by the GOI. This dissatisfaction erupted last year when the Papuan People's Council ("MRP"), a cultural institution created by Special Autonomy, issued a decision, known as SK14, that would require all candidates for *Bupati* and Deputy *Bupati* to be indigenous Papuans. The decision was based in part on the provision in Special Autonomy that permits the MRP to ensure that all candidates for Governor and Vice Governor are Papuans. But this edict was fundamentally a result of the serious concern among Papuan leaders that with migration from Java and other areas, they are becoming a minority in their own land and with time will lose their political power and their cultural heritage. Some have stated that indigenous Papuans are already a minority in Papua.<sup>5</sup> SK14 needed the approval of the GOI to be effective but was rejected

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<sup>5</sup> The preliminary report of the 2010 census reveals that Papua and Papua Barat's populations now stand at around 2.9 million and 761,000 respectively, or about 3.6 million people combined. The figure jumped from 2.2 million in

summarily by Jakarta as a violation of national law. There was no dialogue or effort to address the underlying concerns.

As a result, the MRP hosted a consultation of indigenous Papuans in June that concluded by adopting militants' recommendations to: (1) "hand back" Special Autonomy; (2) demand an internationally-mediated dialogue; (3) conduct a referendum on independence; and (4) close the Freeport mine.<sup>6</sup> There followed in June and July mass demonstrations against Special Autonomy, and requests to the provincial parliament, the DPRD, to take action on the recommendations.<sup>7</sup> When the Panel was in Jakarta, President Susilo Bambang Yudhoyono ("SBY") sent 11 ministers, including the three senior Coordinating Ministers for Politics and Security, Economics, and Public Welfare to Papua for consultations. The two Papuan Governors then travelled to Jakarta for further discussions. SBY has since gone to Jayapura for discussions with the two Governors.<sup>8</sup> The Panel cannot predict the outcome of these deliberations, although they seem to indicate that Jakarta has determined to enter into some dialogue with Papuan leaders.

A second cause of political instability is the continuing tension regarding subdivision of political jurisdictions in Papua. The province of Papua Barat was created in 2004 over the strenuous objections of the MRP, which seems to have the right to approve such divisions under the Special Autonomy law. In part because of that controversy, SBY has imposed a moratorium on new provinces, but that is not likely to be permanent. Now that Papua Barat is functioning

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2000, when the two provinces were still one province, making them the provinces with the fastest population growth in Indonesia. Much of this increase is the result of migration.

<sup>6</sup> TIAP was informed by one person close to these discussions that closure of Tangguh was on some of the original lists of demands but later withdrawn.

<sup>7</sup> The political background of this dispute and a detailed description of the events of this year are detailed in a report of the International Crisis Group, *Indonesia: Deepening Impasse in Papua* (August 2010). See also, International Crisis Group, *Radicalisation and Dialogue in Papua* (March 2010).

<sup>8</sup> President SBY travelled to Jayapura on November 21-22. He met officials from the Papua and Papua Barat administrations at the Papua governor's office to discuss strengthening the local economy. The President and administration officials also signed an integrity pact, reaffirming their loyalty to the country.

(and accepted by the MRP), there are other efforts to carve Papua into as many as seven separate provinces. At the same time, some areas within each province are seeking to form new *kabupatens*, claiming separate cultural and language heritages. None of these new subdivisions would likely affect Tangguh directly. Each new province or *kabupaten* would get its allocable share of revenues and authorities under Special Autonomy and the nationwide Regional Autonomy laws. Accordingly, the Panel expects these pressures for subdivision to continue for some time.

In Bintuni Bay, the considerable tensions between north and south shore villages regarding the benefits relating to Tangguh seem to have subsided. These tensions were exacerbated by claims from clans on the north shore of *adat* ownership rights to gas that is under their land, and also by the special benefits provided to the RAVs on the south shore, where the LNG facility is located. In relation to these *adat* claims, the GOI, together with the Governor of Papua Barat and the *Bupati*, agreed to a special payment of about \$600,000 to the north shore clans. In addition, as a result of BP's efforts as well as the *Bupati*'s, the Bintuni Bay Development Foundation was established and is now functioning to accelerate infrastructure improvement in north shore communities.

However, tensions between indigenous Papuans and in-migrants continue. These tensions may not create a direct threat to the Project, but they affect the well-being of the people closest to the Project. Most of these in-migrants settled in the RAVs or other villages on the south shore during the construction phase, or in the larger towns of Bintuni and Babo.<sup>9</sup> The migrants brought competition for scarce resources, as well as social and cultural tensions to the villages. Problems with alcohol, gambling, prostitution and HIV/AIDS accompanied the influx.

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<sup>9</sup> BP discouraged in-migration to the extent possible by not hiring any workers at the RAVs or at the LNG site. All workers (except DAV residents) were recruited at four larger towns at some distance from the facility: Bintuni, Fak-Fak, Sorong and Babo. In addition, BP built no roads to the RAVs or to the LNG site.

Much of the new commercial activities in the RAVs were started by and are run by the migrants, rather than by Papuans. At one point, during construction, it was estimated that half of the residents of the RAVs were migrants, some of whom were renting the new homes or rooms therein from villagers. The local government was unable to agree on a policy relating to migrant's rights and repatriation.<sup>10</sup> The number of migrants in the RAVs has decreased materially since the end of construction and the consequent huge declines in the workforce.<sup>11</sup> Also, the local government and BP's Integrated Social Program ("ISP") have made efforts to encourage indigenous commercial activity. Other than support livelihood development, BP can do little directly to reduce underlying tensions. But BP can continue to discourage migration by limiting recruitment to distant employment centers, other than DAV residents in families from the original census, and it can seek to make sure that any DAV residents that are recruited are actually indigenous local Papuans.

Bintuni Bay held its second general election in 2009.<sup>12</sup> The *Bupati*, Alfons Manibui, and his running mate, Deky Kawab, were reelected to a second and final term in September by a vote of about 17,000 to 13,000. However, in what is becoming a typical exercise in the growing democracy, the result was challenged in the Constitutional Court in Jakarta by the losing candidate who claimed fraud. Interestingly, *Bupati* Alfons, whose father is not Papuan, would not have qualified for office had the MRP's SK14 been implemented.<sup>13</sup> The *Bupati* survived the court challenge and will serve until 2014. This augers well for local stability during this period.

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<sup>10</sup>See TIAP Seventh Report at 55 (March 2009).

<sup>11</sup> The village office in Tanah Merah Baru, which has a wall board detailing the demographics of all residents, indicates that only about 20-25% of the residents are now migrants.

<sup>12</sup> Direct elections of Governors and *Bupatis* were begun in 2004. Previously, these officials were appointed by the governing party in Jakarta.

<sup>13</sup> SK14 defines a Papuan eligible for office as one with two Papuan parents or a Papuan father. There are several other definitions of Papuan, including one who is recognized as Papuan by a clan, and one who has lived in Papua for 10 years. These multiple definitions further complicate eligibility for all programs designed to benefit "Papuans," including BP's programs for Papuan employment and advancement.

## V. Security Developments

The level of political violence in Papua generally has increased in the past year. The violence began in 2009 around the time of the elections in April, primarily in Jayapura and the nearby Cenderwasih University community of Abepura. But most of the violence has been in the area of Freeport's mining road near Timika, which is several hundred kilometers from Tangguh, and in the remote Central Highlands, equally distant. Several shootings have occurred that may be the work of separatist militants. Reactions by the TNI have raised serious issues of abuse and human rights violations.

The U.S. Department of State, in its most recent annual Country Report on Human Rights Practices, again highlighted a range of human rights infringements by the security forces in Indonesia, including in both Papua and Papua Barat. These included killings by security force personnel; the beating and detention of numerous Papuans for raising the Morning Star flag; monitoring, threatening, and intimidation of Papuan NGOs by Indonesian intelligence forces; and restrictions on travel to Papua. The report also references widespread discrimination against indigenous Papuans, noting that there has been little improvement with respect to their land rights.<sup>14</sup>

In addition, the U.S. Congress's Subcommittee on Asia and the Pacific, chaired by Delegate Eni Faleomavaega of American Samoa, held a hearing on September 22, 2010 titled "Crimes Against Humanity: When Will Indonesia's Military Be Held Accountable for Deliberate and Systematic Abuses in West Papua."<sup>15</sup> The hearing was called to bring attention to what some human rights NGOs and Papuan activists claim are continuing violations of international

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<sup>14</sup> U.S. Department of State, *Country Reports on Human Rights Practices – 2009* (March 2010).

<sup>15</sup> The hearing title's reference to West Papua alludes to Papua's name prior to its inclusion in Indonesia, not to the newly formed province of Papua Barat.

human rights standards by the TNI. Rep. Faleomavaega was most irked by the GOI's refusal to allow him, on a visit to Indonesia in 2007, to freely enter Papua. He was allowed only to go to Biak for several hours; he was not permitted to go to Jayapura, or to get off the plane in Manokwari. The GOI policy of limiting access to Papua continues to this day. Known as SKJ, the policy denies access to foreign NGOs, academics, journalists and most others without a legitimate business purpose to visit Papua. The Panel made clear to GOI officials, as had the prior Panel on many occasions, that this policy is counterproductive and not only stifles Papuan development, but also leads to suspicions about what is really happening in the province.

Further, the U.S. Senate has proposed to continue the longstanding restrictions on the funding for the Indonesia "Foreign Military Financing Program." These restrictions were initially instituted in protest of Indonesia's human rights practices and past abuses in East Timor, but, more recently, include criticism over the GOI's restrictions on access to Papua. The full level of appropriated funds, \$22 million, would only be made available following a report by the Secretary of State describing steps taken by the GOI to address human rights abuses by the military as well as steps taken by the military to implement transparency and accountability reforms, including the divestment of military businesses. The report would also address whether the GOI is allowing public access to Papua for foreign diplomats, NGOs and journalists.<sup>16</sup>

Human Rights Watch also continues to focus attention on Papua. It states that there are

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<sup>16</sup>State Department and Foreign Operations Appropriations, S. 3676, 111th Cong. 2nd. Sess. (2010). This has not been enacted into law, but the conditions imposed previously will remain in effect pursuant to the Continuing Resolution that funds the Department of State, H.R. 3082 (December 21, 2010). Despite these restrictions, U.S. Defense Secretary Gates earlier this year began a gradual, limited program of security cooperation activities with the Indonesian Army Special Forces ("*Kopassus*"). He credited this improvement to Indonesian military reforms over the past decade, the ongoing professionalization of the TNI, and recent actions taken by the Ministry of Defense to address human rights issues. He noted that these initial steps will take place within the limits of U.S. law and do not signal any lessening of the importance the U.S. places on human rights and accountability. He added that the ability of the U.S. to expand upon these initial steps will depend upon continued implementation of reforms within *Kopassus* and TNI as a whole. Senator Patrick Leahy (D-VT), author of the restrictions on cooperation, responded that "Kopassus has a long history of abuses and remains unrepentant, essentially unreformed, and unaccountable. I deeply regret that before starting down the road of reengagement, our country did not obtain and Kopassus did not accept the necessary reforms we have long sought."

48 Papuan political prisoners jailed for treason and details several of the cases in its report, “Prosecuting Political Aspiration: Indonesia’s Political Prisoners” (June 2010). Most recently, a video appeared on the website “YouTube” depicting the torture by men in TNI fatigues of a prisoner in the Central Highlands. SBY and the TNI have expressed disapproval of such actions. In response, a court martial has convicted three soldiers of relatively minor crimes of abuse and disobeying orders, with sentences of eight to 10 months. However, the minor charges and short sentences have led human rights activists to doubt the Indonesian government’s pledges to rein in military abuse. In addition, the National Human Rights Commission (Komnas HAM) says it will launch an independent investigation into this and other reports of rights violations committed by law enforcers against Papuans.

## **VI. Security and ICBS**

The Panel met with both the *Kapolda* and the *Pangdam* to discuss security issues. Under a military reform law enacted in 2005, the police, rather than the TNI, have responsibility to protect Tangguh and other vital national assets. The National Police and BPMIGAS entered into a MOU that formed the framework for security guidelines related to specific facilities. Under such an implementing agreement between BP and the *Kapolda*, called the JUKLAP or Field Guidelines for Security, ICBS procedures are detailed for responses to any incident at the facility requiring security forces. These procedures make clear that: (1) BP security will be responsible for most incidents; (2) the police will respond only when called by BP pursuant to specific guidelines; and (3) the TNI will be called in very rarely, and only when the police and BP agree that such a response is needed. Both the *Kapolda* and the *Pangdam* are aware of and very supportive of these arrangements. The *Pangdam* could not see any reasonably foreseeable

situation, other than a natural disaster, that would require the intervention of the TNI at Tangguh.<sup>17</sup>

Both the *Kapolda* and the *Pangdam* are supportive of affirmative action to elevate Papuans in the security forces and sensitive to the need to protect and respect the local *adat* culture. Both also are receptive to human rights training for their forces. Regarding Tangguh, their most significant security concerns relate to the remoteness of the facility and the long response time required if called. Bintuni, the nearest substantial police and TNI presence, is three or four hours away by boat. The *Kapolda* made clear there is no need for more troops, but there is need for increased capacity. He desires a small, fast boat for marine response and the *Pangdam* would like a better helicopter capability. These may be legitimate needs for effective response; however, the Panel and BP made clear that such equipment cannot be provided by BP.

In 2009, the JUKLAP was extended for five years and amended to include offshore security by the JUKLAP/PAMBERS, which further refines and formalizes the principles of ICBS. Under this agreement, BP security is responsible for all routine or even “alarming” conditions within its capability and police backup will participate only upon the request of BP security. The TNI could be called only under “extremely alarming conditions” or other compelling circumstances with which the police cannot cope, and based on an evaluation by both the police and the BP Tangguh Operations Security Manager.

Significantly, all expenses incurred by either BP or the police in performance of the agreement will be borne by that party, other than in the event that BP requests police backup. If police are called in by BP, payment will be limited to actual transport, lodging, meals and per diem expenses. No payments are authorized to individuals (per diems will be paid to the account

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<sup>17</sup> The *Pangdam* also noted that TNI troops would be responsive to any request by the Governor or the *Bupati* for dealing with an emergency.

of the Police), and no payment will be made without BPMIGAS approval and pursuant to its procedures as the regulatory authority. The JUKLAP/PAMBERS does not require that BP post any such payments to the police for public inspection, but instead leaves these disclosures to the discretion of the police or BP. BP has in the past agreed to post all payments to the Papua police on its website; it should reiterate its commitment to disclose all such payments and make certain that such disclosure is acceptable to BPMIGAS.

Importantly, this agreement places upholding human rights and the use of minimal force as fundamental principles. It specifically incorporates and requires adherence to the Voluntary Principles on Security and Human Rights as well as the U.N. Basic Principles on the Use of Force. It requires BP security and Papua police to be trained in and be familiar with these standards. All BP private security personnel have been so trained. BP has contracted for training of local police and certain selected police stationed at Bintuni, Babo and Manokwari. The training is sponsored by ICITAP, a U.S. funded Department of Justice program.<sup>18</sup>

The *Kapolda* is receptive to human rights training for any and all of these units. If a request to the police is made for police backup to deal with an emergency at Tangguh, they could be deployed from any of the several locations, including Babo, Bintuni, Fakfak, Sorong or Manokwari. Thus, BP should ensure that any units that could be deployed at Tangguh from these locations receive periodic training in the human rights principles embodied in the JUKLAP.

In addition to human rights training, the JUKLAP/PAMBERS calls for joint exercises at least once a year and special crisis management simulation and training to be developed and

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<sup>18</sup> The mission of the International Criminal Investigative Training Assistance Program (ICITAP) is to work with foreign governments to develop professional and transparent law enforcement institutions that protect human rights, combat corruption, and reduce the threat of transnational crime and terrorism. Situated in the Department of Justice's Criminal Division, it is funded primarily by the U.S. State Department.

scheduled. For several years, annual table top training exercises have been carried out with the police, with TNI participating recently as observers. Given the high turnover of both police and TNI personnel, it is critical that these joint exercises take place every year, and that they include the TNI as observers. Although it is unlikely that TNI would be involved in any response, it is important that current officers and commanders understand that fully, and feel comfortable with the JUKLAP process. Representatives of human rights NGOs should also be invited as observers. Comments of these observers should be included in the evaluation of the joint exercises. It is also important that the crisis management simulation training not only be developed, but that it also be implemented and tested each year in the joint exercises.

BP's contracted private security force has been a model for local capabilities. It is almost entirely Papuan; 95% from the local area. All have taken basic human rights training. There have been no incidents alleging excessive use of force. There are far fewer serious breaches of the exclusion zone around the jetties than previously. This is the result of cooperation between BP security and the marine police, as well as stern warnings issued to villagers who trespassed.

### **Recommendations**

- **If any financial or material support is requested by the Police or TNI, BP should make clear that it cannot provide funding or equipment to either the military or the police and that any support is pursuant to the procedures of the JUKLAP/PAMBERS agreement and the approval of BPMIGAS. BP should confirm with BPMIGAS its commitment to posting any payments to Papuan police on its website.**
- **BP should work with the police and the TNI to ensure that any police or TNI units that could be deployed at Tangguh in an emergency receive periodic training in the human rights principles of the Voluntary Principles embodied in the JUKLAP/PAMBERS.**
- **BP should continue to organize the annual joint training exercise with the police required by the JUKLAP/PAMBERS and include the TNI and human rights NGOs as observers. BP should include these observers in its evaluation of the joint**

**exercises. BP security should work with the *Kapolda* to develop crisis management simulation procedures and test these procedures during the annual exercise.**

- **BP should encourage BPMIGAS and the two Papuan Governors to require other oil and gas companies operating in Papua to implement security procedures similar to the ICBS.**

## **VII. Security and Papuan Development**

In many respects, the most critical program to ensure security at Tangguh is the implementation of ICBS. As the framework for responding to threats or incidents, ICBS together with the JUKLAP and its extension have been a success thus far, and a model for others in Indonesia to follow. But ICBS is really the last line of defensive security, coming into play primarily after a threat materializes. The foundation for effective security at Tangguh is the attitudes and feelings of the people in the region toward Tangguh and BP. These attitudes are formed primarily by their perspective of what Tangguh does for the community, and for Papua more generally. From the highest political levels in Jayapura and Manokwari (as well as Jakarta) to the villagers in the DAVs, it is most important to security that the Project is known to be benefitting Papuans and the local community and that every conflict within the indigenous community regarding Tangguh is resolved peacefully.<sup>19</sup> Thus, BP's programs for Papuan human resource development, livelihood enhancement, education and health are inextricably tied to security. And communicating the benefits of these programs effectively is essential given the absence of any media or civil society in the area.

Human resource development may be the most important program that gives Papuans, and local Papuans in particular, a sense of ownership in the Project. There are at least two

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<sup>19</sup> TIAP was informed by one person close to the discussions organized by MRP with regard to SK14 that the withdrawal of closing Tangguh from the original lists of demands was precisely because of a general opinion that Tangguh could be a model for companies operating in Papua. *See* footnote 5.

components of human resource development important to this goal: Papuan recruitment and Papuan advancement.

Regarding recruitment, BP has worked to meet its AMDAL commitments for Papuan employment, which will reach 100% of skilled workers and significant portions of supervisory and management positions by 2029 (20 years from startup). It has established a Papuan Development Committee (as recommended by TIAP) to oversee progress toward these and interim requirements. For the most part, BP has met its targets.<sup>20</sup>

However, as of September 2010, recruiting has failed to meet the 2009 interim requirement of 50% of low skilled workers from the DAVs. This is surprising because of the much lower numbers of total unskilled employees following the end of construction. Because all of the low skilled workers are Papuan, this failure is only of consequence locally.<sup>21</sup> But it illustrates the difficulty that lies ahead as the targets for local and Papuan employment increase for all skill levels. Many of these more skilled workers are likely to come from workers already employed at Tangguh who are promoted. BP should work with its contractors to increase local recruitment. If the manpower office at Bintuni is insufficient, it should expand recruitment activities at other locations in Bintuni Bay.

The principal program promoting advancement is the training of Papuan technicians. Three groups of about 25 Papuans were trained at Bontang before Tangguh began operating; new “classes” are now being trained at Tangguh. In discussions with Tangguh management and a group of the technical trainees who are on the job, it is clear that more needs to be done to move

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<sup>20</sup> It is important that the Papuans that are hired both by BP and its contractors through normal manpower recruiting are considered Papuans by the accepted definitions. While this can be an ambiguous test, it would be unfortunate if BP were alleged not to have met AMDAL requirements because the Papuans hired are not considered Papuans by local cultural standards.

<sup>21</sup> There have been protest demonstrations in Babo and Bintuni regarding BP hiring and procurement practices for local Papuans. But it is not clear to the Panel that these were directly related to the missed target of unskilled workers from the DAVs.

significant numbers of Papuans into supervisory and management positions over the long term. Although English language training is now available and being utilized, and senior management wants these Papuans to succeed, the program needs to be intensified. Advanced training should be offered and/or efforts should be made to increase middle management attention to helping these Papuans achieve the goals of their Personal Development Plans (“PDP”). Affirmative action is never easy, but it is required here. The Papua Development Committee, with the supervision of Tangguh top level management, should focus as one of its priorities on the advancement of these Papuans, who will be among the best ambassadors over the long term for what BP accomplishes at Tangguh.<sup>22</sup> In addition, an annual target should be established for the recruitment of new Papuan technicians to ensure meeting AMDAL commitments.

Livelihood enhancement in the region is another program that will surely deliver benefits to both the local economy and to Tangguh security. This applies particularly to the development of fishing, agriculture and micro-enterprises in the DAVs and the procurement of goods and services from businesses in the Bird’s Head region. At the local level, BP, with its partners the SatuNama Foundation and the Bogor Institute of Agriculture (“IPB”), has developed commercial fruit and vegetable gardens and stocking points in several of the DAVs. BP is supporting increased fish production through more effective nets, outboard motor repair and crab fattening; and it continues to support savings and loan ventures in the DAVs (although progress has been very slow). This is useful. But additional support for microenterprise activity, particularly efforts to connect these local sellers of fish and prawns with purchasers outside of Bintuni Bay would bring significant benefits to the economies of the DAVs.

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<sup>22</sup> TIAP previously recommended that management conduct a yearly review to determine what additional actions may be needed, and that annual performance reviews for managers responsible for these goals consider whether targets were met. The current Panel endorses those recommendations.

Indocater, Tangguh's food service contractor, is purchasing fish, fruits and vegetables from these DAV enterprises. While there are issues in dispute regarding amounts purchased and terms of payment, the project is a clear success. Those involved in the DAVs are excited about their production and their revenues. These local purchases were a requirement of the Indocater contract. Although the AMDAL does not impose quantitative local procurement requirements, similar obligations should be included in all Tangguh procurements, as appropriate. If local procurement is not feasible, contractors should be required to use content from the region, or justify why this is not possible.

On the regional level, BP has continued the Bird's Head Business Empowerment Program ("BHBEP") with its new partner PT Austraining Nusantara through 2010. BHBEP's goal is to develop businesses with capabilities and systems that can supply Tangguh and others. It has conducted mentoring of businesses in Bintuni and the other population centers in the Bird's Head region. Progress is slow and incremental. However, expansion of regional procurement is not likely without the BHBEP. The program not only advances the regional economy, but it also promotes and disseminates the benefits of Tangguh throughout the region, enhancing Tangguh's reputation and security. For these reasons, the BHBEP should be continued for the long term and adapted to focus on those aspects of the program that most effectively bring new businesses into the Tangguh supply chain.

Over time, progress in education and health in Bintuni Bay will be recognized both locally and regionally as related to Tangguh. Setbacks or stagnation in these critical areas also will be attributed to BP. These are, of course, social ("ISP") programs that are not directly related to plant security. Therefore, as explained earlier, TIAP will not assess these programs in detail, or make specific recommendations. However, the well-being of the people of Bintuni

Bay relates directly to their view of Tangguh, and to the broader Papuan political view of whether Tangguh benefits Papua. Because progress is relative, it is particularly important that, over time, the economic and social indicators for the Bintuni Bay *kabupaten* increase compared with other jurisdictions in Papua. Prior to Tangguh, Bintuni Bay had been among the lowest rated *kabupatens* in Papua on the World Bank's rankings of social and economic indicators. Education and health indicators are two of the most visible (and important) measures of development.

In both of these areas there already have been significant improvements as a direct result of the ISP programs. The malaria prevalence rate is the most dramatic health related improvement, decreasing almost steadily from 23% in 2000 to only 0.6% in 2010. The innovative village community health kiosks have made this possible, as well as significant gains in child immunizations, nutrition and maternal health. In education, although the work of BP's implementing partners the British Council and three religious-based foundations that are providing teachers took several years to show meaningful results, the improvement has been remarkable in the past two years: students passing the national test for high school graduation increased from only one in 2008 to more than two-thirds in 2009 to nearly 100% in 2010. BP also supported 75 scholarships for university and 25 for high school, and continues a literacy training program in the DAVs. If a World Bank ranking of *kabupatens* in Papua were conducted today, Bintuni Bay would surely rise on the list. These gains must be consolidated and sustained. Together with other indicators, they will demonstrate the benefits that Tangguh is bringing to the community and to Papua, with concomitant benefits to security.

### **Recommendations**

#### ***Employment, Advancement and Procurement:***

- **BP should continue to discourage migration into the area by limiting recruitment to distant employment centers, other than recruitment of DAV residents in families from the original census. It should also seek to make sure that all Papuans who are recruited are indigenous Papuans.**
- **The Papuan Development Committee should focus, as one of its priorities, on the advancement of skilled Papuan technicians at Tangguh. Advanced training programs should be offered and/or efforts should be made to increase top-level and middle management attention to fulfilling the goals of the Personal Development Plans of Papuan technicians. An annual target for recruitment, training and advancement of Papuan technicians should be set to ensure that AMDAL commitments are met.**
- **BP should work with its contractors to increase local recruitment and ensure it meets its AMDAL commitments for Papuan and DAV employment. Annual targets should be set for employment of Papuans. If targets for hiring Papuans by BP and/or its contractors are not met, BP should increase Papuan recruitment efforts. If the manpower office in Bintuni is insufficient to recruit local Papuans, BP should expand recruitment activities at other locations in Bintuni Bay.**
- **BP should include local procurement obligations, similar to those included in the Indocater contract, in all Tangguh procurements, as appropriate. If procurement of fish, prawns, produce or other products from local sellers is not feasible, contractors should be required to use products from the region, or justify why this is not possible.**

*ISP:*

- **Given the absence of effective media or civil society in the area, BP should more actively publicize and communicate the benefits of its programs for Papuan human resource development, livelihood enhancement, education and health, as well as the effectiveness of ICBS for the peaceful resolution of disputes.**
- **The BHBEP should be continued for the long term, and adapted periodically to focus on those aspects of the program that most effectively bring new businesses into the Tangguh supply chain.**
- **Microenterprise and microfinance development in the Bay is essential for a sustainable and self reliant household and local economy. BP should augment ongoing programs with increased effort to develop a value chain structure to link potential buyers outside the Bay with local producers, particularly of fish and prawns.**

## VIII. Human Rights

Serious human rights concerns continue in Papua, principally in the areas around Jayapura, the Central Highlands and in the area near Timika where the Freeport mine is located. There have been several incidents and allegations of abuse in each of these areas recently involving the TNI or the Brimob (Mobile Brigade of the police). These would raise grave concerns for BP if they occurred in the Bird's Head region or at any location near Tangguh. Fortunately, no such incidents have occurred in the Bintuni Bay area. In part, this is due to the remoteness of the area and its non-violent past. There is little or no activity by separatist groups like the Free Papua Movement ("OPM") or the West Papua National Committee ("KNPB"). Thus, the area has not necessitated the deployment of substantial security forces. The absence of human rights incidents is also the result of the work BP has done with the police, the TNI and the local population in human rights training and communications. This has surely lowered the threat of human rights abuses taking place. Nonetheless, the local population remains apprehensive about the recent deployment of TNI troops in Bintuni and Babo as well as a constant stream of rumors regarding additional deployments in the area.<sup>23</sup>

The area near the Freeport mine has long been a lightning rod for violent extremist activity and security force retaliation. From July 2009 into early 2010, there were several shootings along Freeport's main road, killing at least two and injuring at least nine people. It is not clear who is responsible for these incidents; some claim OPM forces and others blame the TNI or Brimob.<sup>24</sup> Even more recently, there have been at least two instances of alleged gruesome torture and abuse by the TNI of prisoners or suspects in the Central Highlands. Both of these incidents commanded international attention when videos of the abusive action were

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<sup>23</sup> One company of TNI (approximately 130 troops) was redeployed from Sorong to Bintuni/Babo in 2008. This seemed to relate primarily to the establishment of the new *kabupaten* and the large increase in population.

<sup>24</sup> See International Crisis Group, *Radicalization and Dialogue in Papua* (March 2010).

aired on the internet. This prompted both the head of the TNI and President SBY to announce an immediate investigation and courts martial of all soldiers implicated. The results thus far, as described previously, have disappointed human rights groups.

There also have been incidents in Manokwari that raise human rights issues. Most significantly there was recently a shooting by Brimob troops who fired into a crowd of protesters following a hit and run traffic accident near its barracks. Two civilians were killed. Human rights NGOs called for an investigation and punishment of those involved for what some called a serious human rights violation. The Chief of Police informed TIAP, which inquired about this issue, that an investigation was conducted and that 11 Brimob troops had been punished.<sup>25</sup> He also welcomed human rights training for all police stationed in Manokwari if BP expanded its program.

In Bintuni Bay, the Panel is not aware of any allegations of human rights abuses or incidents of note in the DAVs. Police and TNI stationed in Bintuni Bay, as well as the Tangguh private security force, have all undergone human rights training that includes Voluntary Principles training. At the recommendation of BP Group security, a standard operating procedure (“SOP”) also has been developed for proper use of batons by Tangguh security.<sup>26</sup> The Bintuni Bay police recently announced an expansion of its operations, noting that it is focusing the expansion on adding police sub-precincts in four newly formed districts of the *kabupaten*, rather than near Tangguh. The local Chief of the police said the new districts were more populated and recorded more crimes than the remaining 20 districts across the regency, which include those adjacent to Tangguh.

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<sup>25</sup> We are not aware of the level of any punishment. The *Kapolda*'s detailed explanation of the incident also raised questions about who was responsible for the violence in the first instance.

<sup>26</sup> The audit by BP Group security, in March 2009 at the suggestion of TIAP, included a number of other useful recommendations which are being implemented.

In addition to the human rights training for security forces, BP has conducted law familiarization and security forums in the DAVs and other local communities. These help the community understand the security needs of the Project, in particular the importance of respecting the marine exclusion zone. These briefings are very useful and should be continued on a regular basis.

One element of the human rights program that needs greater attention is the community complaint process, which was initiated in 2005 pursuant to the Voluntary Principles and provides procedures for the filing and disposition of complaints to BP by local villagers. In its report of March 2006, TIAP recommended certain improvements to this process to make it more user friendly and effective.<sup>27</sup> It is not clear which of these modifications were made. In any case, despite BP's publicizing the process, no complaints have been filed to date. While this may be the result of scrupulous adherence to procedure by all security forces and other employees, the cause is more likely a lack of awareness of, or complexity in, the complaint process. It is appropriate for BP to review these procedures, consult with local leaders, and simplify the process if deemed useful. It may be necessary to institute an oral complaint process or publicize the procedure more broadly. Whatever changes are made, the process needs to be socialized fully in the security forums held in each of the local communities.

For several years, BP has supported the activities of the human rights advocacy group in the region, LP3BH. This includes support for training and certification of human rights advocates, of which there are now 28 in Papua Barat. But there is no certified advocate in Bintuni Bay, even intermittently. The Panel is hesitant to recommend that BP support placing such an advocate in the *kabupaten* even though there have been no complaints relating to human rights. But it would be useful to have the expertise of such an advocate at least available to

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<sup>27</sup> See Fourth report on Tangguh LNG Project, at 25 (March 2006).

residents of the area, if a need arose. One possibility is to support rotation of a single advocate in Bintuni Bay, who would travel among the towns and villages, akin to a judge “riding the circuit.” The advocate could participate in the community security forums conducted by BP. Whether full or part time, such an advocate could make certain that residents understand their rights and have some outlet for any complaints. This would help to guarantee the effective implementation of the processes and procedures that Tangguh has implemented for the protection of human rights locally.

Taken together, the programs and procedures implemented under ICBS and related human rights activities constitute an effective execution of the requirements of the Voluntary Principles. Properly carried out, any abuses by security forces should be kept to a minimum and, if any abuse is alleged or occurs, it should be investigated and resolved promptly and fairly.

### **Recommendations**

- **Oil and gas law familiarization briefings and security forums in the DAVs and other local communities should be conducted on a regular basis. BP should fully socialize the community complaint process at each of the security forums held in the local communities.**
- **BP should review the relevant procedures in its community complaint process, consulting with local leaders and simplifying the process if necessary or useful. It may be necessary to institute an oral complaint process or publicize the procedure more broadly.**
- **BP should support the work of at least a part-time human rights advocate in Bintuni Bay. The advocate should participate in the community security forums conducted by BP.**

## **IX. Governance and Revenue Management**

Support for governmental capacity is one of the five focus areas of the ISP 2. In the Panel’s view, it is the foundation for sustainability of all the economic and social programs designed to improve the lives of those most affected by the Project. TIAP stated in its 2009

report that “BP’s support for government and civil society may be the most critical area within the ISP. The inevitable need to have government take charge of all social programs, the clear benefit of this occurring at the earliest possible time, and the large increase in local revenues [that will result from Tangguh] all put a premium on effective governance.”<sup>28</sup> In 2009, the partnerships for supporting governmental capacity at both the *kabupaten* and the provincial levels were coming to a close. TIAP recommended that BP maintain a sustained effort to increase capacities of government and civil society at the village, *kabupaten* and provincial levels. That support should continue.

At the DAV level, “governance” support is primarily training to make better use of the Community Action Plan (“CAP”) programs implemented by the BP Community Relations team and its implementing partners. Since 2005, the CAP funds have been a useful tool to support DAV infrastructure and other pressing social needs.<sup>29</sup> Training in process and planning is even more critical today, because each DAV may now also seek funding for local improvements under the GOI MUSBANGDES program, and from the Governor’s Village Empowerment Program (“RESPEK”), in addition to its CAP funds from Tangguh. Receiving funding from three separate sources for similar or overlapping needs creates complications, confusion and possibly conflict. The subdivision of existing villages (*kampungs*), even among the DAVs, largely because of these multiple sources of funds, has added to this challenge. In the Bintuni *kabupaten*, there are more than 160 new villages. BP’s implementing partners are working with villagers in the DAVs to improve planning and coordination of funding from these programs.

The Panel attended a training session at Wiriagar relating to planning effective use of government funds under these programs. It was clear that this training is useful and important to

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<sup>28</sup> TIAP Seventh Report, at 28 ( March 2009).

<sup>29</sup> The CAPs did not begin in the RAVs until 2009. The March 2009 TIAP report, Appendix 5, details CAP spending for each of the DAVs.

the villagers. For BP, it should be most important that the CAP funding, about \$10,000/year for each DAV (the RAVs joined the CAP program in 2009), be spent usefully and without creating unnecessary conflict. To ensure this goal, it is essential that this support continue while the CAPs remain in effect, until 2015. In addition, better integration of planning for funds from these separate programs would diminish confusion and complications. BP should work with the *Bupati's* Administration to issue some guidance or regulation on the coordination of these three programs.

At the *kabupaten* level, the local governance program from 2006 – 2009 focused on development of capacities for Bintuni – both executive (selected officials and *dinases*/agencies) and legislative (DPRD members and administration staff) – in planning, fiscal management and service delivery. In ISP 2, BP has begun working with a new highly regarded implementing partner, PSKK UGM (the Center for Population and Policy Studies at Gadjah Mada University), to develop *kabupaten* capacity. BP has determined to focus a minimum of 70% of its governance support resources on the Bintuni regency. PSKK has already begun its ambitious agenda by supporting Bintuni's spatial planning, institutionalizing its planning process, training local government officials in finance and performance based budgeting, and building the capacity of the Bintuni Council (“DPRD”).<sup>30</sup> Multiple workshops and training sessions have been conducted and are planned, including programs on revenue sharing and the functioning of the oil and gas law.

At the provincial level there has been a lapse of support for governance training. But, beginning in 2011, a new BP implementing partner consortium led by Mediatama Cipta Citra (MCC) will begin work with Prakarsa (a national NGO) and Triton (a Sorong-based NGO) on

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<sup>30</sup> Training and mentoring has been focused around five key local agencies: agriculture, marine and fisheries, education, health and planning.

capacity building for the province of Papua Barat. The consortium plans to conduct an assessment on transparency and good governance as well as a series of workshops and a media campaign in good governance and revenue management. The consortium will continue these programs for three years.

The Panel endorses these efforts, including the primary focus on the Bintuni Bay *kabupaten* and the return to support for governance for the new province. In order to be effective, these programs must be sustained for the long term and revisited regularly for performance assessments. Given the weak capacity that currently exists, both in the executive and legislative branches of government, as well as the rapid turnover of local officials and the very limited capacity of civil society, this training must be continuing and repetitive. There should be no assumption that the training on a given topic has been conducted and is therefore concluded. Sessions on key topics, such as how the oil and gas law works or how to analyze governmental budgets, should be repeated, with updates as appropriate.

Further, BP should consider working with another implementing partner that specializes in more in-depth training for selected public officials. In discussions with UNIPA, the Institute for Public Administration (IIP) and State Administration College (STAN) were suggested as capable in this area. Developing or adapting several short courses in key areas, such as budget, accounting, transparency or procurement and providing them periodically in Bintuni to senior local officials and leaders in civil society would begin to provide the foundation of skills needed by local government to sustain BP's economic and social programs over the long term and spend its increasing revenues effectively.

In addition, although the Panel endorses BP's governance focus on the Bintuni *kabupaten*, the provincial government at Manokwari cannot be overlooked and should be the

“secondary focus” of the governance program. The Papua Barat government is equally new and will be the recipient of the largest share of revenues from Tangguh. Unfortunately, Manokwari has been listed as the third most corrupt city in Indonesia by the Indonesia chapter of Transparency International (“TI”). In 2008, BP sponsored a seminar in Manokwari with the anti-corruption agency KPK entitled “Managing Ethical dilemmas and Facilitating Payments.” Activities such as this should be sponsored regularly by BP, which should be known as the company associated with transparency and good government. Of course, all of these activities should be coordinated with the provincial government and/or the DPRD, as appropriate.

### **Recommendations**

- **BP should maintain a sustained effort to increase capacities of government and civil society at the village, *kabupaten* and provincial levels. These programs should be revisited regularly for performance assessments and modified as needed.**
- **In the DAVs, BP should provide training and support for village decision-making in the use of the CAP funding until it expires in 2015.**
- **BP should work with the *kabupaten* government to formulate a policy to integrate and coordinate the various development plans for each village, including under the GOI Musbangdes program, the Governor’s Village Empowerment Program (“RESPEK”) and BP’s CAP funding.**
- **For the *kabupaten* level, BP should consider working with another implementing partner that specializes in in-depth public administration training to provide such training for selected senior level local officials and leaders in civil society.**
- **BP should make the provincial government at Manokwari the “secondary” focus of the governance program. It should regularly sponsor good government and anti-corruption activities, such as the 2008 seminar in Manokwari with the KPK. All of these activities should be coordinated with the provincial government and/or the DPRD, as appropriate.**

## **X. Revenue Flows and Transparency**

Indonesia’s Regional Autonomy law and Special Autonomy for Papua result in large revenue transfers from the GOI to Papua. These transfers have increased dramatically since

2001. Special Autonomy transfers have gone directly to the province of Papua Barat only since 2008. Even in advance of any revenues relating to Tangguh, fiscal transfers to the two Papua provinces are the highest per capita levels of any of Indonesia's provinces. Total transfers to Papua Barat in FY 2010 were Rp 8.320 trillion (approximately \$900 million).<sup>31</sup> Despite these large cash infusions, Papua and Papua Barat remain Indonesia's poorest provinces, and Bintuni Bay one of Papua Barat's poorest *kabupatens*.<sup>32</sup>

One of the significant features of Special Autonomy is the higher level of revenue sharing from oil, gas and mining. Until 2027, Papua and Papua Barat will receive 70% of net revenues from natural gas and oil production, after taxes and cost recovery. In contrast, other provinces receive only 30% (gas) and 15% (oil) of these revenues. For gas, this 70% is divided among the provincial government and the *kabupatens* and *kotas* (cities), with 46% going to the province, 12% to the producing region (Bintuni in the case of Tangguh), and 12% equally divided among the other *kabupatens* and *kotas* in Papua Barat. Since the recognition of Papua Barat province, none of the revenues from Tangguh will go to Papua province or any of its subdivisions.<sup>33</sup>

There are several producing PSCs in Papua Barat today, mostly oil in Sorong to the West of Bintuni. Several produced greater revenues than Tangguh generated in 2009, but, with time, Tangguh revenues to the province and particularly to the Bintuni Bay regency will be substantial. As detailed in previous reports by TIAP, these revenues should grow until cost recovery is completed in about 2017, and remain very substantial at least until Special Autonomy ends after 2026. In August, the GOI announced that it would conduct a thorough review of the

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<sup>31</sup> This is down from Rp. 8.767 trillion in FY 2009, the first time the level has declined in the decade. Papua and Papua Barat have received Rp. 28 trillion since 2001.

<sup>32</sup> Indonesia Central Statistics Bureau: Papua Barat poverty rate of 36.8% (poorest in Indonesia); Papua at 34.8% (second poorest). Bintuni Bay lagged even in Papua Barat in all indicators except per capita GDP and child immunizations.

<sup>33</sup> Similarly, the revenues from Freeport's gold and copper mine in Papua province is now divided among Papua province and its subdivisions.

implementation of Special Autonomy in 2011. Thus, it is possible that these percentages could change before 2027.<sup>34</sup>

Fiscal transfers have become much more transparent in recent years. During the past several years, the Ministry of Finance has expanded the publication and the detail of its fiscal transfers. TIAP had urged GOI officials to increase transparency and to join the Extractive Industries Transparency Initiative (“EITI”). In April, after a two-year deliberation process, the President issued a ruling (Perpres #26/2010) on transparency in state revenue from the extractive industry. In October, Indonesia was accepted as a “candidate country” for EITI, which provides two years for validation that the state’s accounts comply with EITI standards. Significantly, the Perpres assigns the State Development Audit Agency (“BPKP”) to audit the accounts of the central and regional governments; these will be reconciled with the results of audits by private accounting firms of industry producers. This is a very promising development for fiscal integrity. BPKP is known as an honest and thorough auditor. It is now headed by former Finance Ministry official Mardiasmo, with whom TIAP met several times and who was instrumental in increasing transparency during his tenure at the Finance Ministry.

The adoption of EITI will help to bring pressure on all levels of government for better fiscal management and accountability for oil and gas revenues. However, it does not appear that EITI will lead directly to increased transparency or auditing of the *kabupaten* government’s use of its oil and gas revenues. BPKP will audit the provincial accounts as a matter of course, but will only audit local disbursements “upon demand.” It is important that receipts and expenditures of the *kabupaten* be open to review and analysis by third parties.

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<sup>34</sup> Unless the law is changed or Special Autonomy is extended, the revenue sharing formula in 2027 will revert from 70% to 30%, of which only 6% would go to the province, 12% to the producing *kabupaten* and 12% to the other *kabupatens* and *kotas* in the province. Thus, all of the reduction in revenues would come from the share now allocated to the province. Bintuni Bay would continue to receive the same allocation, and would certainly be among the “wealthiest” *kabupatens* in Papua, if not Indonesia.

As part of its support for local governance, BP should encourage the *Bupati* and other local leaders to publish their sources and uses of funds, particularly those funds related to Tangguh. Such publication will allow NGOs, civil society and the DPRD to understand what choices are being made, and will go a long way to avoiding misunderstandings, dissatisfaction and corruption. Additionally, in recognition of the *adat* rights to oil or gas reserves, BP should encourage the Governor to set aside a portion of the 40% of the natural resource Special Autonomy revenues attributable to each *kabupaten* for village development, to allow continuation of the CAPs program or the Governors' RESPEK program. One possible model for promoting village development is the *Dimaga* Foundation, which was required by the LARAP to support livelihood development in the RAV's.

### **Recommendations**

- **BP should continue its governance program and work closely with the *Kabupaten* administration to exercise transparency in their budgets and spending, particularly with regard to funds related to Tangguh.**
- **In recognition of the *adat* rights of all the tribes in the local area, and to sustain community development activities in the *kabupaten* beyond the DAVs, BP should encourage the *kabupaten* and provincial government to establish a community development trust fund for this purpose. Experience from the approach used by the *Dimaga* Foundation could be a model for this new entity.**

# **APPENDICES**



## APPENDIX 2

### INDIVIDUALS AND ENTITIES CONSULTED

#### CONSULTATIONS IN 2010 LISTED IN BOLD

##### Government Officials: Indonesia

**Rizal Asir, External Affairs, BPMIGAS**

**Ellan Biantoro, External Affairs, BPMIGAS**

Boediono, Coordinating Minister for Economic Affairs\*

Dr. M. Lobo Balia, Environmental and Regional Affairs, Department of Energy and Mineral Resources

H.E. Soemadi Brotodiningrat, Indonesian Ambassador to the United States\*<sup>35</sup>

Edi Butar-Butar, Media Relations, Ministry of Defense

N.T. Dammen, Charge d'Affaires, Embassy of Indonesia in London\*

Tedjo Edmie, Director General of Defense Planning, Ministry of Defense

Ibnu Hadi, Counsellor, Economic Division, Embassy of Indonesia in Washington, D.C.\*

**Hardiono, Deputy Chairman, BPMIGAS**

Djoko Harsono, Executive Advisor, BPMIGAS (Executive Agency for Upstream Oil and Gas Business Activities)

A. Edy Hermantoro, Director of Oil and Gas Upstream Business Supervision, BPMIGAS

Dodi Hidayat, Deputy of Operations, BPMIGAS

R. Ir. Pos Marojahan Hutabarat, MA, Advisor to the Minister of Defense on Economic

Mohamad Ikhsan, Senior Advisor, Coordinating Ministry for Economic Affairs

Sri Mulyani Indrawati, Chairman of National Development Planning Agency (Bappenas)\*

Gellwynn Jusuf, Adviser for Social-Economics, Department of Marine Affairs and Fisheries

Kadjatmiko, Secretary, Directorate General of Fiscal Balance, Ministry of Finance

Manuel Kaisepo, Minister for Eastern Territories\*

Ahmad Kamil, Deputy for Home Affairs, Coordinating Ministry for Political, Legal and Security Affairs

Dr. Dorodjatun Kuntjoro-Jakti, Coordinating Minister for the Economy\*

Bonnie Leonard, Ministry of Defense

Nabiel Makarim, Environment Minister\*

Andi Mallarangeng, Spokesperson to President Yudhoyono\*

Mardiasmo, Director General of Fiscal Balance, Ministry of Finance\*

Mardiyanto, Minister of Home Affairs\*

Albert Matondang, Deputy for Foreign Policy Affairs, Coordinating Ministry for Political, Legal and Security Affairs

Mohammad Ma'ruf, Minister of Home Affairs\*

Agung Mulyana, Director, Department of Home Affairs

Sri Mulyani Indrawati, Minister of Finance\*

Dr. Daeng Mochamad Nazier, Director General, Department of Home Affairs

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<sup>35</sup> \* indicates that the person no longer holds the listed position

A. Sidick Nitikusuma, Senior Executive Advisor, BPMIGAS\*

Freddy Numberi, Minister of Maritime Affairs & Fisheries\*

**Freddy Numberi, Minister of Transportation**

Progo Nurdjaman, Secretary General, Department of Home Affairs

I Made Pastika, Chief of Police for Bali, formerly Chief of Police for Papua\*

**Pramudjo, Ministry of Finance Director of Fiscal Balance**

R. Priyono, Chairman, BPMIGAS

Agus Purnomo, Special Assistant to the Minister, Ministry of Environment

Mayjen Setia Purwaka, Head of the Papua Desk of the Coordinating Minister for Security and Political Affairs\*

Yanuardi Rasudin, Deputy Minister, Ministry of Environment

Lt. Gen. Agustadi Sasongko, Secretary to the Coordinating Minister, Coordinating Ministry for Political, Legal and Security Affairs

Maj. Gen. Romulo Simbolon, Deputy for Defense, Coordinating Ministry for Political, Legal and Security Affairs

Dr. Sodjuangon Situmorang, Director General of Public Administration, Department of Home Affairs

Djoko Soemaryono, Secretary General to the Coordinating Ministry for Politics & Security

Mardiasmo, Directorate General of Fiscal Balance, Ministry of Finance

Dr. Heru Subiyantoro, Director General, Center for Research on Economics and Finance, Ministry of Finance

Widodo Adi Sucipto, Coordinating Minister for Political, Legal and Security Affairs

Dr. Ir. Sudarsono, Director General, Home Affairs

H.E. Juwono Sudarsono, Minister of Defense\*

Rachmat Sudibjo, Chairman, BPMIGAS\*

Yoga P. Suprpto, Project Manager, Pertamina\*

Benny P. Suryawinata, Assistant Deputy for Foreign Affairs to the Coordinating Minister for Security and Political Affairs\*

Dadi Susanto, Director General for Defense Strategy, Ministry of Defense

Budi Susilo, Director General for Defense Potential, Ministry of Defense

Dr. I Made Suwandi, Home Affairs

Iin Arifin Takhyan, Director General of Oil and Gas, Ministry of Energy and Mineral Resources\*

Alex Bambang Triatmojo, Deputy for Communications and Information, Coordinating Ministry for Political, Legal and Security Affairs

Budi Utomo, Deputy for National Security, Coordinating Ministry for Political, Legal and Security Affairs

Kardaya Warnika, Chairman, BPMIGAS\*

Ir. Rachmat Witoelar, Minister of State for the Environment

General Yudhi, Deputy Chairman, LEMHANAS\*

Susilo Bambang Yudhoyono, Coordinating Minister for Security and Political Affairs\*

General (Ret) Susilo Bambang Yudhoyono, President of Indonesia

Purnomo Yusgiantoro, Minister of Energy and Mineral Resources\*

General Nurdin Zianal, Regional TNI Commander for Papua Regional Government\*

Government Officials: Papua

**Abraham O. Atururi, Governor of Papua Barat**

Colonel Max D. Aer, Chief of Operations of Papuan Police\*

**Agus Alua, MRP Chairman, and MRP Members**

Decky Asmuruf, Secretary to Governor of Papua\*

**J. Auri, DPRD Speaker**

Frans Nikopas Awak, Babo Camat

Y. Berty Fernandez, Office of the Governor, Papua Province

Deky Kawab, Deputy Regent of Bintuni

John Ibo, President, Provincial Assembly

Jimmy Demianus Ijje, Speaker, DPRD, Irian Jaya Barat and Members of DPRD\*

Ibrahim Kaatjong, Vice Governor of Papua Barat

**drH. Costant Karma, Regional Secretary, Papua**

Pak Mandagan, Regent of Manokwari District

Pak Mandowen, President of Manokwari Representative Council

Daud Mandown, Ketua DPRD, Irian Jaya Barat

Dr. Alfons Manibui, *Bupati* of Bintuni

**Mayjen TNI Hotma Marbun, Pangdam XVII Cendrawasih**

Pak Paquil, Vice *Bupati* of Bintuni

Colonel Molosan, Deputy to General Simbolon (during General Simbolon's post as Regional TNI Commander in Papua)

Bernard Nofuerbanana, Babo Adat leader

Lt. Daniel Pakiding, Regional Police Chief for Babo

Captain Puryomo, Local military commander

ML Rumadas, Deputy Interim Governor of West Irian Jaya\*

Jaap Solossa, Governor of Papua Province\*

**Barnabas Suebu, Governor of Papua Province (and Agus Sumule, Advisor)**

Colonel Suarno, Director of Security of Police in Papua\*

Brig. Gen. Pol. Dody Sumantiawan, Chief of Police for Papua \*

**Irjen Pol. Drs. Bekto Suprpto, Kapolda, Papua**

Frans A. Wospakrik, Vice Chair of MRP

Irjen. Tommy Yacobus, Chief of Police for Papua

Mayjen Zamroni, Local military commander

Officials of Bintuni Kabupaten government

Chairman, Committee on Security

Director of Planning for Manokwari, and several other senior officers of Manokwari

Government Officials: United States

Hans Antlöv, Governance Advisor, Local Governance Support Program, U.S. Agency for International Development ("USAID")

H.E. Ralph Boyce, U.S. Ambassador to Indonesia\*

Karen Brooks, Director for Asian Affairs, National Security Council\*

Christopher Camponovo, U.S. Department of State, Bureau of Democracy, Human Rights & Labor

Matthew Censer, Second Secretary, U.S. Embassy in Jakarta

Michele Cenzer, Assistant Cultural Affairs Officer, U.S. Embassy in Jakarta  
Marc L. Desjardins, Counselor for Political Affairs, U.S. Embassy in Jakarta  
Judith Edstrom, Chief of Party/Director, Local Governance Support Program, USAID  
Nadine Farouq, USAID  
Faye Haselkorn, Senior Local Governance Advisor, Local Governance Support Program,  
USAID  
William A. Heidt, Economic Counselor, U.S. Embassy in Jakarta  
James M. Hope, Director, Education Office, USAID Indonesia  
Richard Hough, Director of Programming, USAID  
H.E. Cameron Hume, U.S. Ambassador to Indonesia\*  
Karin Lang, U.S. Department of State, Bureau of East Asian and Pacific Affairs, Office of  
Indonesia and East Timor  
Allan D. Langland, Deputy Director, U.S. Department of State, Bureau of East Asian and Pacific  
Affairs, Office of Indonesia and East Timor  
Jon D. Lindborg, Deputy Director, USAID  
**H.E. Scot Marciel, U.S. Ambassador to Indonesia**  
Walter North, Mission Director, USAID Indonesia  
Office of Maritime Southeast Asian Affairs (Brian McFeeters, Deputy Director; Donald  
Mattingley, Indonesia Country Officer)  
Anne Patterson, USAID  
Richard Pedler, Communications Advisor, Local Governance Support Program, USAID  
H.E. B. Lynn Pascoe, U.S. Ambassador to Indonesia\*  
Maria Pica, Senior Advisor, U.S. Department of State, Bureau of Democracy, Human Rights &  
Labor  
Fred Pollock, Director, Natural Resources Management Program, USAID  
Henry (“Hank”) M. Rector, First Secretary, U.S. Embassy in Jakarta  
**Edward Saeger**  
Geoffrey Swenson, Field Operations Advisor, Local Governance Support Program, USAID  
Michael Uyehara, Energy and Minerals Resource Officer, U.S. Embassy in Jakarta  
Kurt van der Walde, Energy and Mineral Resources Officer, U.S. Embassy in Jakarta  
Shari Villarosa, Economic Counselor, U.S. Embassy in Jakarta  
John Wegge, Advisor, Office of Decentralized Local Government, USAID  
Holly Wise, USAID

Government Officials: United Kingdom

**Deborah Clarke, UK Embassy in Jakarta**

H.E. Richard Gozney, UK Ambassador to Indonesia\*

**H.E. Martin Hatfull, UK Ambassador to Indonesia**

H.E. Charles Humphrey, UK Ambassador to Indonesia\*

Eleanor Kiloh, Second Secretary (Political), UK Embassy in Jakarta

Theresa O’Mahony, Second Secretary (Political), UK Embassy in Jakarta

Matthew Rous, Deputy Head of Mission, U.K. Embassy in Jakarta

**Nicolas Stewart, UK Embassy in Jakarta**

Jonathan Temple, UK Embassy in Washington, D.C.

Government Officials: New Zealand

H.E. Chris Elder, Ambassador, Embassy of New Zealand in Jakarta

Government Officials: China

Ma Jisheng, Counsellor (Political), Embassy of China in Jakarta

Tan Weiwen, Minister Counsellor (Economic and Commercial), Embassy of China in Jakarta

Xu Qiyi, Second Secretary (Economic and Commercial), Embassy of China in Jakarta

Residents of the Bird's Head Region of Papua

Pak Biam, Camat (Mayor) of Aranday, and a village leader of Aranday

Marselinus Nanafesi, head of Tomage village

Jaelani Kabes, head of Otoweri village

Saleh Masipa, head of Tanah Merah Baru village

Mathias Dorisara, head of Tofoi village

Abdul Kadir Nabi, head of Pera-pera village

Soleman Solowat, secretary of Pera-pera village

A. Kadir Kosepa, head of Tomu village

Najib Alkatiri, community leader from Ekam village

Otto Siwana, head of Sumuri District

Adrianus Sorowat, staff from Weriagar District

Salehudin Fimbay, staff from Tomu District

I. Maneiri, Babo

**Graduates of BP's LNG technical training program at Bontang:** AB Korano Mirino, Eko

Muhammad Taher Bauw, Evert, Haris Rumbaku, Jonadap Dominggus Stepanus Sapari,

Soleman Saflafo, Steffi Edithya Florence Awom

Neles Tebay, Catholic Priest of the Diocese of Jayapura

Village leaders of Babo

Village leaders of Tanah Merah

Village leaders of Tomu/Ekam

Villagers of Aranday

Villagers of Onar Baru

Villagers of Saengga

Villagers of Tanah Merah, including the committee that oversees effects of the Tangguh project

Villagers of Taroy

Villagers of Tofoi

Villagers of Tomu/Ekam

Villagers of Weriagar/Mogotira

Non-Governmental Organizations

American Center for International Labor Solidarity (Timothy Ryan, Program Director, Asia Region)

Amnesty International (Charles Brown; Lucia Withers)

Asia Foundation (Rudi Jueng, Assistant Director)

Pastor Paul P. Tan

Dr. M. Gemnafle

Bogor Institute of Agriculture (Syaiful Anwar, Secretary to Program Study, Department of Agriculture)

BPR Pt. Phidectama Jayapura (Bram Fonata, Director)

British Council (Wendy Lee, Social Development Advisor, Toto Purwanto, Program Manager, Education Management & Governance)

Catholic Church (B.R. Edi)  
Center for Human Rights at the RFK Memorial (Miriam Young; Abigail Abrash Walton)  
Citizens International (John Wells)  
CTRC (Bas van Helvoort, Executive Director)  
Conservation International (Barita Oloan Manullang, Species Conservation Senior Specialist;  
Jatna Supriatna, Executive Director and Regional Vice President for Indonesia; Yance de  
Fretes, Papua Species Specialist; Iwan Wijayanto, Partnership Director)  
Down to Earth (Liz Chidley)  
**ELSHAM** (Aloysius Renwarin, Director; **Ferry Marisan**; Yery Baransano)  
Earthwatch (Coralie Abbott, Corporate Programmes Manager)  
Eddy Ohoirwutun, Adat Consultant  
FKIP Cenderawasih University (Dr. Leo Sagisolo)  
**FOKKER** (Yuven Ledang, Chief of Steering Committee, **Septer Menufandu, Executive  
Secretary**, Budi Setiyauto, Executive Secretary; Yul Chaidir, Steering Committee;  
Robert Mondosi, Steering Committee)  
Human Rights Watch (Mike Jendrzeczyk)  
Human Rights Commission of GKI (Obeth Rawar)  
IBLF, The Prince of Wales International Business Leaders Forum (Lucy Amis, Business and  
Human Rights Programme Manager)  
Indonesia Human Rights Network (Edmund McWilliams)  
International Committee of the Red Cross (Frank Sieverts, Assistant to the Head of the Regional  
Delegation, North America)  
**International Crisis Group** (**Sidney Jones, Indonesia Project Director**; Kathy Ward, ICG  
Deputy Director)  
International Labor Organization (Tony Freeman)  
**ILO East Project** (**Khoirul Anam**)  
International Labor Rights Fund (Dr. Bama Athreya)  
**Komnas HAM Perwakilan Papua (National Committee for Human Rights)** (Alberth  
Rumbekwan, Chief Executive; **Jules Ongge**)  
**LP3BH – Lembaga Penelitian, Pengkajian dan Pengembangan Bantuan Hukum (The  
Institute for Research Investigation and Development of Legal Aid)** (**Christian  
Warinussi, Director**; **Simon Banondi**; **Andris Wabdaro**)  
LBH HAM Papua – Sorong (Sonratho J Marola, Director)  
LP3AP – Jayapura (Selviana Sanggenafa, Director)  
National Democratic Institute for International Affairs (Blair King)  
National Human Rights Commission (Frits Ramandey, Ricky Kogoya)  
The Nature Conservancy (Ian Dutton, Country Director for Indonesia; Titayanto Pieter,  
Conservation Partnerships Manager, Arwandrija Rukma, Operations Director)  
Papua Presidium Council (Thom Beanal, Willy Mandowen)  
Proyek Pesisir (Coastal Resources Project) (Maurice Knight, Chief of Party, Coastal Resources  
Management Project)  
Pt. PPMA Jayapura (Edison Giay, Director)  
Pusat Study (Center for Studies) HAM Universitas Islam Indonesia (Suparman Marzuki,  
Director)  
PusHam (Pusat Study HAM Universitas Negeri Cenderawasih) (Frans Reumi, Director)

SKP Sekretariat untuk Keadilan dan Perdamaian (Secretariat for Justice Peace) (Budi Hermawan, Coordinator) (Budi Hermawan, Coordinator)  
TAPOL, The Indonesia Human Rights Campaign (Danny Bates)  
UK Overseas Development Institute (Michael Warner)  
US-ASEAN Council (John Phipps)  
West Papua Association UK (Linda Kaucher)  
Wildlife Conservation Society (Dr. Nicholas W. Brickley, Program Manager)  
World Wildlife Fund (Heike Mainhardt; Benja Victor Mambai; Clive Wicks)  
**YPMD Yayasan Pengembangan Masyarakat (Decky Rumaropen, Director)**  
Yayasan Satu Nama (Sigit Wahyudi, Field Coordinator)

#### Private Sector

AGI Security & Business Intelligence (Don Greenlees, Director, Research and Analysis)  
Asian Development Bank (Edgar Cua, Country Director; Indonesia Resident Mission: Adiwarman Idris, Jean-marie Lacombe, Ayun Sundari, Noraya Soewarno)  
Chemonics (Jonathan Simon, Senior Manager)  
Citigroup International (Michael Zink, Citigroup Country Officer, Indonesia)  
Halliburton KBR (John G. Baguley, Project Manager)  
Indochina Capital (Rick Mayo-Smith, Founding Partner)  
International Finance Corporation (Juanita Darmono, Program Manager, Oil/Gas/Mining Linkages\*, Carl Dagenhart, Program Manager, Hendro Hadianono, Business Development Officer\*)  
ISIS Asset Management (Robert Barrington)  
JGC Corporation (Tadashi Asanabe, Project Director)  
JMSB-KMSB-SIME Consortium (Ron E. Hogan, Project Director)  
Kiani Kertas (Jend. TNI (Pur.) Luhut Panjaitan MPA, President Commissioner)  
KJP (Okinari, Project Manager)  
Perform Project, RTI International (Ben Witjes, Senior PDPP Regional Advisor)  
YIPD/CLGI (Center for Local Government Innovation) (LeRoy Hollenbeck, Director Business Development; Alit Merthayasa, Executive Director, Endi Rukmo)

#### International Institutions

United Nations Development Programme (Bo Asplund, UNDP Resident Representative in Indonesia; Shahrokh Mohammadi, Deputy Resident Representative; Gwi-Yeop Son, Senior Deputy Resident Representative; Kishan Koday, Program Officer-Environment Unit; Abdurrachman Syebubakar, Program Office-Community Initiative Unit; Dra. Judith P.C. Simbara MSi, National Project Manager, Capacity 2015; Reintje Kawengian, Institutional Development Specialist, Capacity 2015)  
World Bank in Indonesia (Bert Hofman, Lead Economist; Andrew Steer, Country Director, Indonesia; Scott Guggenheim, Principal Social Scientist; Wolfgang Fengler, Senior Economist; Douglas Ramage, Senior Governance Specialist)  
World Bank Support Office for Eastern Indonesia (Petarca Karetji, Coordinator; Richard Manning)

Academic Institutions in Papua

**UNIPA (University of Papua, Manokwari) (Yan Piet Karafir, Rector; Frans Wanggai, Rector\*;** Fenny Ismoyo, Vice Rector; **Merlyn Lekitoo, Vice Rector; Benny Tanujaya, Adelhard B. Rehiara; Hastowow Resiyanto; Angglin P. ST;** and Faculties)  
University of Cenderawasih (Frans A. Wospakrik, Rector, and Faculties; and B. Kambuaya, Current Rector)

Individuals

John Aglionby, Correspondent, Financial Times  
Herbert Behrstock, International Development Consultant  
Admiral Dennis Blair, Ret. U.S. Navy, Chair of the Indonesia Commission, Center for Preventative Action, Council on Foreign Relations  
Dr. Jonah Blank, Professional Staff Member, U.S. Senate Committee on Foreign Relations  
Professor Michael M. Cernea, Advisor to BP on Resettlement of Tanah Merah  
Hugh Dowson  
Bennett Freeman, Principal, Sustainable Investment Strategies  
**Benny Giaiy**  
Brigham Montrose Golden  
Bara Hasibuan, Intern, U.S. House of Representatives International Relations Committee  
Ayse Kudat, Advisor to BP on Resettlement of Tanah Merah  
Ismira Lutfia, Reporter, Jakarta Globe  
Ambassador Edward Masters, Chairman, U.S.-Indonesia Society  
John McBeth, Senior Writer, The Straits Times  
Gabrielle K. McDonald, Human Rights Advisor to Freeport McMoRan  
Octovianus Mote  
Gerry Owens, External Lenders Panel  
David Phillips, Senior Fellow and Deputy Director of the Center for Preventative Action, Council on Foreign Relations  
Ed Pressman  
**Archbishop Edy Resariyanto**  
**Archbishop Alexander R.**  
**Reverend Herman Saud**  
**Ambassador Sabam Siagian**  
Gare Smith, Foley Hoag  
Agoeng Wijaya, Koran Tempo  
Arintoko Utomo, External Lenders Panel  
Reverend Socrates Yoman, President of the Fellowship of Baptist Churches