

Killings mar Papua peace efforts

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JAYAPURA

President Joko "Jokowi" Widodo has done more than any of his predecessors to assist Papua and West Papua, the nation's eastern-most provinces, which have long been plagued by extreme poverty and violent separatism.

Jokowi, who is seeking reelection in 2019, has sped up infrastructure development and implemented a policy of uniform fuel prices in the two provinces — where otherwise market prices for fuel would be much higher than in other regions — to boost the local economy and bring prosperity to Papuans.

The populist policies, however, have failed to put an end to the desire of some Papuans for independence from Jakarta.

The region has seen ongoing political violence over the years, with the latest incident apparently taking place on Sunday, when gunmen reportedly massacred at least 28 workers hired by state-owned construction firm Istaka Karya to build a section of highway in Yigi district, Nduga regency, Papua.

The attackers, suspected to belong to a faction of the National Liberation Army of West Papua (TPNPB) led by Egianus Kogoya, are also believed to have killed a soldier and injured another.

The workers, thought to be mostly from South Sulawesi, were employed to build a 275-kilometer road section connecting Wamena and Mamugu, part of Jokowi's signature trans-Papua road project.

National Police and Indonesian Military (TNI) personnel have been deployed to the remote location to verify reports of the massacre and to recover the bodies of any victims. "Our duty and priority is to rescue those who are still alive and check if the number of victims reported in the media is correct," National Police spokesman Insp. Gen. M. Iqbal said in Jakarta on Tuesday.

According to the police, the incident took place after one of the workers took a photo of a pro-Papuan independence ceremony on Saturday.

Responding to the reported violence in Nduga, President Jokowi gave assurances that the development in Papua would continue. "Papua's infrastructure development will not stop because of this."

The government, however, has decided to suspend construction work on some parts of the trans-Papua road project following the reports of the mass killing.

Public Works and Housing Minister Basuki Hadimuljono told reporters on Tuesday the government would suspend the construction of 35 bridges

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Jokowi says infrastructure
projects will continue

on the road.

"Following this incident, we will stop all the work from Wamena to Mamugu while waiting for the situation to become conducive [to continuing the project]," he said.

Jokowi has received support from Papuans, winning 72 percent of the vote in the region during the 2014 presidential election.

Since he was elected president in 2014, Jokowi has visited Papua eight times, with the last visit taking place in April this year, when he vowed to accelerate development in Papua.

Analysts, however, have said Jokowi's populist policies are not enough to contain the separatist sentiment.

"The separatist sentiment in Papua is still strong, because the government, in particular President Jokowi, has not tackled the root of the problem yet, from the Papuan perspective," Adriana Elisabeth, head researcher in Papua studies at the Indonesian Institute of Sciences (LIPI), told *The Jakarta Post* via telephone on Tuesday.

"The root of the problem includes discrimination and marginalization, priority of development and violence as well as the violation of human rights."

"Jokowi's infrastructure development has only focused on the structures, and not yet on human resources," she further said. "All of the problems are correlated."

National Committee for West Papua (KNPB) chairman Agus Kossay deplored the reported mass killing in Nduga, saying civilians should not have been killed in the ongoing conflict between the TNI and the TPNPB.

"The KNPB as the media [representatives] of the Papuan people calls on the two military forces to focus on their respective targets. They must not harm civilians."

The reported massacre took place only days after police arrested more than 500 Papuans taking part in nationwide rallies on Dec. 1 to commemorate what some Papuans claim to be the birth of the West Papuan nation in 1961.

Human rights groups have condemned the arrests, calling on the authorities to release the arrestees and respect the rights of the Papuans. "This is a clear and shocking violation of Papuans' human rights to freedom of expression and assembly. These people did nothing other than peacefully attend public events," said Amnesty International Indonesia executive director Usman Hamid. (ggq/spl)

New body to oversee oil, gas

Stefanno Reinard Sulaiman

THE JAKARTA POST/JAKARTA

The House of Representatives is looking to establish a special body called BUK Migas to manage the oil and gas industry, the new body will be under the authority of the President but the head will be approved by the House.

The idea of setting up BUK Migas first circulated last year but it became official on Monday after lawmakers gave it the nod at a plenary meeting. The draft law will be subject to deliberation with the government.

Lawmaker Bara Hasibuan from the opposition National Mandate Party (PAN) told *The Jakarta Post* the House aimed to pass the bill into law early next year.

According to the draft law, a copy of which has been obtained by the *Post*, BUK Migas will take over the current authority of the Upstream Oil and Gas Regulatory Special Task Force (SKK Mi-

Draft law stipulates establishment of special body

Appointment of special body head to require House approval

gas) and the downstream agency (BPH Migas).

The entity will have the role of auditing the development plans of oil and gas working areas, to be the state representative to sign all partnership contracts, to act as arbitrator for private contractors looking to invest and to be the agency responsible for the preparation and exploration of national reserves.

Aside from dealing with the upstream business, BUK Migas is also set to become the coordinator of all business processes in the downstream sector.

NasDem Party lawmaker and Commission VII member Kurtu-

bi told the press on Monday that Pertamina, the state energy holding company, would in effect become BUK Migas. Once the bill is passed into law, Pertamina will work under the President, unlike currently where it is under the State Owned Enterprises Ministry (SOE Ministry).

"Pertamina has the crucial role of maintaining affordable energy prices for society. Hence, it must be under the President, not under the SOE Ministry, which has the goal of making profits," Kurtubi explained.

Jakarta-based research group ReforMiner Institute's researcher Pri Agung Rakhmanto agreed with the idea to set up BUK Migas in order to normalize the contracts in the oil and gas sector into business to business (B2B) schemes.

"[B2B] will ease the hassle of financial calculations between the government and business entities. It is also expected to settle

taxation issues," he said.

In addition, the draft law stipulates that BUK Migas will consist of two boards, namely the overseeing board and the management board. All of the board members will be appointed by the government, but only the president director of BUK Migas should get House approval.

Pri Agung disagreed with the suggestion of involving the House in the appointment of the BUK Migas head, saying it was better that the decision to appoint the BUK Migas head should rest in the hands of the government.

"It is an executive role just like the appointment of other SOE managements," he said on Tuesday.

House legislation body (Baleg) chairman Supratman Andi Agtas said the next step would be to bring the draft law for deliberation with the government.

"We are awaiting the President's letter and the government's

proposal to be discussed with the government," he said.

Regarding the government's proposal, Energy and Mineral Resources Ministry Director General for Oil and Gas Djoko Siswanto did not give a clear answer as to whether the government had prepared the list of proposals, saying only that the ministry was awaiting a call from the House to discuss it.

The discussion to revise the oil and gas bill has been ongoing since at least 2010, when the item was included in that year's National Legislation Program (Prolegnas). The new bill is intended to revise the prevailing 2001 Oil and Gas Law.

Furthermore, Pri Agung of ReforMiner said that it was better for both the House and government to show greater political willingness to complete the bill soon, especially as the Constitutional Court (MK) ruled in 2013 that the current law must be revised.

INFRASTRUCTURE

Indonesia seeks PPP funds for social-based projects

Rachmadea Aisyah

THE JAKARTA POST/JAKARTA

The government is seeking to use public-private partnerships (PPP) to fund social sector infrastructure projects, such as health-care and education facilities, after its previous success with the method on other projects.

Since 2014, 15 projects worth US\$1.2 billion had been funded through PPP schemes, said National Development Planning Board (Bappenas) head Bambang Brodjonegoro during a seminar held by the Islamic Development Bank Group (IsDB) on Tuesday.

However, he said most PPP projects were facilities that charged fees to users, such as toll roads, to ensure high returns for the investors. The 15 PPP projects included nine toll roads, he said.

"We have already allocated 5 percent of our state budget for health care [...] and 20 percent for education, but it [state funding] will not be sufficient," Bambang said in Jakarta, referring to the minimum allocations for health and education mandated in the State Budget Law.

He hinted that it would take extra effort to attract PPP funds into the social sector, as investment returns might not be as attractive as those offered in regular projects.

A case in point were two clean water facilities among the aforementioned 15 PPP projects that required financial support from the government, as their profit margins could not offset what investors had disbursed, he said.

Currently, investors were seeking an investment return rate (IRR) of around 11 to 13 percent, he said. "We have to come up with schemes so we can meet the IRR desired [by investors]."

Bambang said no target had been set for PPP-based investment in the social sector, so long as the partnerships were able to meet the country's infrastructure needs to help improve welfare.

"I think the most important thing is how we can disseminate the PPP concept and change peo-

ple's mindsets [by saying] that building something does not really need to wait for state funds," he said. "Many bureaucrats and local administrations enjoy fighting to get a piece of the budget to build projects rather than coming up with innovative schemes for financing."

Bappenas, which oversees a joint PPP government office, aims to raise \$131.1 billion in infrastructure financing from private sources, or 36.5 percent of the total investment need of \$359.2 billion from 2015 to 2019.

Progress was made in October with the launch of SDG Indonesia One, an integrated funding platform to support Sustainable Development Goal (SDG)-related infrastructure projects. During the event, the IsDB signed a commitment pact with the government to help the latter raise \$500 million for social-related infrastructure projects in the next three years.

Ibrahim Shoukry, IsDB's regional hub leader based in Indonesia, said the SDG Indonesia One program was managed by government-backed infrastructure financing agency Sarana Multi Infrastruktur (SMI) to blend philanthropic and private financing.

Shoukry said IsDB had committed to assisting Indonesia attract PPP funds in social sectors, as it had a unique advantage over other multinational development banks — all of its products and project plans were sharia-compliant, matching the needs of Indonesia's Muslim majority population.

"Sharia products rely on the [value of] assets, so [...] we usually finance the construction of projects through local agencies [as a way to provide financial assistance]," he said.

He acknowledged that protection for investors and their investments, as well as offering lucrative projects with attractive IRR, were among the main challenges the government faced in funding social projects through PPP schemes.

LIABILITIES

PLN, Pertamina debts highest among SOEs

Riska Rahman

THE JAKARTA POST/JAKARTA

Electricity firm PLN and energy holding company Pertamina carry the biggest amount of debt among state-owned enterprises (SOE) this year, a ministry official has said, as they are tasked with implementing major government programs.

The interest-bearing debt of the two giants accounted for almost half of the combined debt of 10 SOEs at the end of September, said Aloysius Kiik Ro, the SOEs Ministry's undersecretary for business restructuring and development, on Tuesday.

He said the 10 SOEs had accumulated debt of Rp 1.73 quadrillion (US\$121 billion). That amount excluded third-party funds and reserve liabilities at state-owned banks and financial firms, as well as their accounts payable for operational needs.

PLN's debt of Rp 543 trillion accounted for 31.37 percent of the combined debt of 10 SOEs. Pertamina, meanwhile, saw its debt reach Rp 522 trillion, or 30.16 percent of the total, data from the ministry show.

However, PLN spokesperson I



Antara

Aloysius Kiik Ro

Made Suprateka argued that the company's debt as of the third quarter was still considered little compared to the amount of investment it had to make.

"We have to invest about Rp 15 trillion to Rp 20 trillion for one power plant, while the government has ordered us to generate 10 gigawatts of power for the 35 GW program," he told *The Jakarta Post* on Tuesday.

PLN data show that its investment grew along with its debt. The company saw its capital expenditure grow by Rp 139 trillion to Rp 269.1 trillion as of the third quarter of 2018 from 2015.

Aside from building power plants, PLN used the borrowed money for the construction of vital infrastructure, such as substations and transmission

lines to distribute electricity to customers.

Pertamina was not available for comment regarding the matter.

Toto Pranoto, an SOE expert from the University of Indonesia, told the *Post* that Pertamina had a lot of debt due to its obligation to fulfill the country's oil and gas needs, while it also faced pressure from the rupiah depreciation.

Importing oil and gas as well as complying with the government's policy for uniform fuel prices, which could hurt Pertamina's cash flow, were just two of its many public-service obligations, he said.

"Furthermore, most of [Pertamina's] debt and transactions are in US dollars, just like those of PLN, so this puts a lot of pressure on the company's liabilities," he said.

Aloysius of the SOE Ministry said on Tuesday that the liabilities of 143 SOEs totaled Rp 5.27 quadrillion as of the third quarter, up 9.13 percent on the year.

Ten SOEs had the most liabilities as of the third quarter, half of which came from the financial sector, while the other half came

from the real economy, such as oil and gas, energy, construction, telecommunication and petrochemicals. If all types of financial obligations are included, the total debt of the 10 companies amounted to Rp 4.48 quadrillion, or 84.96 percent of all SOEs' combined liabilities.

Three of the country's biggest banks — Bank Rakyat Indonesia (BRI), Bank Mandiri and Bank Negara Indonesia (BNI) — were the SOEs with the biggest amount of liabilities. State-owned lender Bank Tabungan Negara (BTN) and state-owned pension fund and insurer Taspen took the sixth and seventh spot, respectively.

Aloysius said these financial firms' big debts were caused by their huge reserves and third-party funds that needed to be returned to their customers.

As of September, third-party funds of BRI, Mandiri, BNI and BTN stood at Rp 873 trillion, Rp 831 trillion, Rp 549 trillion and Rp 195 trillion, respectively.

Meanwhile, Taspen's total liabilities as of the third quarter amounted to Rp 222 trillion, Rp 220 trillion of which was in the form of reserves to pay off insurance claims, he said.

Election watchdog investigates potential violations at 212 rally

The Jakarta Post

JAKARTA

The Elections Supervisory Agency (Bawaslu) is investigating political elements of a rally on Sunday that was organized by a group calling itself the 212 Rally Alumni, in reference to a large demonstration by Islamic groups on Dec. 2, 2016.

A video featuring Islam Defenders Front (FPI) leader Rizieq Shihab was shown at Sunday's rally. Rizieq, who is currently in Saudi Arabia, said it was haram to vote for presidential or legislative candidates backed by support-

ers of former Jakarta governor Basuki "Ahok" Tjahaja Purnama, based on edicts issued by religious leaders.

Other than calling on Muslims to reject certain candidates, the FPI also endorsed an anti-Jokowi campaign known under the hashtag #2019GantiPresiden (2019ChangePresident).

Bawaslu member Mochamad Afifuddin said no report had been submitted by anyone on this matter yet, and the ongoing investigation was based on Bawaslu's own findings.

"We haven't received any report yet, but we are currently re-

viewing potential violations," he told *The Jakarta Post* on Tuesday.

Association for Elections and Democracy director Titi Angraini said that, if criteria signifying violations were met, Prabowo Subianto's coalition could be punished for campaigning out of schedule.

Violators of the regulation can be sentenced to up to 12 months in prison and a fine of up to Rp 12 million (US\$838).

Based on the Constitution and the Elections Law, a campaign involving more than 3,000 people on a national scale can only be held 21 days before the calm pe-

riod, which will be from March 24 to April 13, 2019.

Moreover, references to the #2019GantiPresiden campaign by 212 leaders at the rally clearly supported one particular candidate.

"A call to change the president is clearly an effort to convince voters to support a certain candidate in the presidential election. Therefore, the agency must conduct a full study of elements that could be considered violations," she said.

Prabowo's party, Gerindra, meanwhile, claimed the rally had not included any political elements.

"There was no political content

at all. No campaign by Prabowo and no announcement to choose Prabowo for president in 2019. There was also no vision and mission declared by him," Gerindra Party deputy secretary-general Andre Rosiade said.

"If the Bawaslu wants to study the political content of the 212 rally, please do so. Our question is, does it count as a violation when Rizieq is not even in Prabowo's [campaign] team?" he added.

Meanwhile, Jokowi's Indonesian Democratic Party of Struggle (PDI-P) stated that it considered the 212 Rally a campaign event in the guise of a demonstration.

"It was packaged as a reunion [of participants in the 2016 demonstration]. We need to get back to the meaning of campaign itself. If campaigning is interpreted broadly, the rally could be considered a campaign movement," PDI-P executive Hendrawan Supratikno said.

Hendrawan added that mixing politics with religious sentiment would harm democracy.

"We have to build synergy between religious values and democracy instead. If not, Indonesia will be excluded from the cultural quality race among nations," he said. (ggq)

Political parties slow down country's graft fight

Kharishar Kahfi

THE JAKARTA POST/JAKARTA

As part of the commemoration of International Anticorruption Day, the Corruption Eradication Commission (KPK) is building on its momentum to urge for internal reform within political parties, which are considered the Achilles' heel of the country's fight against graft.

Politicians and party members are involved in corruption cases more often than people from other professions. According to data from the KPK's Anticorruption Clearing House, there were at least 229 politicians in legislative institutions prosecuted by graft busters from 2007 to September this year.

While the idea of party reform had been around since Antasari Azhar was KPK chairman between 2007 and 2009, the KPK's current chairman Agus Rahardjo said it became important once again because of Indonesia's latest Corruption Perception Index (CPI) score.

During the opening of Tuesday's commemoration of International Anticorruption Day, which falls every Dec. 9, he highlighted

KPK depicts political parties as weak links in country's graft fight

Antigraft body prepares reform program for all parties to follow

Indonesia's CPI score, which has remained stagnant at 37 out of 100 for the second year in a row.

"We obtained a low score in political and democratic aspects — political parties play roles in both. Therefore, we will ask for commitments from these parties to enforce the political integrity of their respective institutions," Agus said.

It was not the first time political parties have been considered the weak links in the country's graft fight. Another survey conducted by Transparency International Indonesia (TII) in 2017 had listed the House of Representatives as the institution judged by Indonesians to be the most corrupt, followed by government officials and regional councils.

In accordance with the findings, the TII called on political parties to conduct reform and im-

prove their performances at the House and in regional councils.

"The successful of the antigraft movement is not measured by the number of people prosecuted for alleged corruption, but the low number of people committing the crime," President Joko "Jokowi" Widodo said during in his opening speech.

The antigraft body said the reform package, which is called the Political Party Integrity System, would focus on a number of components of political parties: codes of ethics, internal democratic processes within parties, member recruitment and party funding.

The KPK has revealed a number of instances when party officials asked businesspeople to illegally fund their party's activities, with the latest being a case of alleged bribery related to the construction of a coal-powered power plant in Riau implicating two Golkar Party politicians: Eni Saragih and Idrus Marham.

In a KPK indictment against Eni dated Nov. 29, prosecutors said they suspect Idrus of telling his fellow Golkar politician to ask for US\$2.5 million from businessman Johannes Budisutrisno Kot-

jo to fund the party's extraordinary congress in December 2017.

The KPK has been working on the system since last year, when the antigraft body visited various political parties to campaign for better party accountability by improving their integrity and financial transparency.

While the 2011 law on political parties requires all to make their financial reports available to the public, a survey by Indonesia Corruption Watch in 2015 showed only three parties had done so, namely the Prosperous Justice Party, the Hanura Party and the Gerindra Party. All high-ranking officials of parties participating in the 2019 election stated their agreement for reform and said each had or would adopt the integrity system soon.

Indonesian Institute of Sciences political analyst Syamsuddin Haris said verbal commitments from parties on the integrity system would not be enough. "High commitment to the system could be shown when parties submit it for the revision of the Political Party Law. This should be the public and civil society organization's focus from now on."

Jakarta sinking fast: Experts

A. Muh. Ibnu Aqil

THE JAKARTA POST/JAKARTA

More than a quarter of Jakarta's 661.52 square kilometers will be submerged by water in less than a decade, as the sprawling capital will continue to sink rapidly if no significant measures are taken to ensure the survival of the city, experts have warned.

Seawater could cover as much as 26.86 percent of Jakarta by 2025 and if this trend continues, 35.61 percent of the city will be completely submerged, according to a study by the geodesy research division of the Bandung Institute of Technology (ITB).

"North Jakarta alone could be 90 percent underwater by 2050," a member of the team Heri Andreas told *The Jakarta Post* on Tuesday.

The city's looming submergence, according to the study, was not primarily caused by rising sea levels but by the sinking of city itself.

ITB's research into land subsidence from 1925 to 2015 showed that significant land subsidence began in 1975, with North Jakarta the worst affected area. Land in Marunda and Cilincing had sunk 1.5 meters by 2015. Kelapa Gading has reportedly sunk by up to 2.4 m, while the worst affected area, Pluit, has sunk up to 4 m.

Like many other global cities in the world, overuse of ground water has served as the leading cause of Jakarta's problem.

The issue was also highlighted by a study conducted by the University of Indonesia's (UI) math and sciences department.

UI geophysicist Syamsu Rosid said that recently published 4D microgravity research of Jakarta's soil revealed an alarming rate of land subsidence, especially in North Jakarta. The method registers land subsidence by recording the gravitational strength of an area over the course of four years from 2014 to 2018.

"The research shows the most affected area is on Jakarta's coast, as North Jakarta is sinking approximately 11 centimeters per year because of human activities, especially over exploitation of groundwater," he told the *Post*, adding that it could affect the stability of buildings and infrastructure in addition to increasing the risk of tidal flooding as the land was now under sea level.

Jakarta's piped-water service only covers 60 percent of the capital, according to data from Jakarta tap water company PAM Jaya. That means the remaining 40 percent of the city relies on groundwater.

Poorly enforced regulations have also led to excessive illegal groundwater use, and not only by residents. Data from the Jakarta Industrial and Energy Agency show that 4,231 commercial buildings, such as hotels and offices, in the city still use groundwater.

Besides the uncontrolled usage of groundwater, land subsidence has also been aggravated by a lack of green spaces, as concrete and asphalt prevents the absorption of water into the soil. As Jakarta is crossed by 13 rivers, the city's soil is also made up of alluvium, or sediment, deposited by rivers, which is loose and susceptible to erosion.

"Looking at those factors, we really urge the city administration to reevaluate its spatial plan (RTRW)," Syamsu said adding that all parties needed to follow the designated zones set in the RTRW.

North Jakarta is home to 1,696,015 residents, according to 2015 population data. In addition to being the area worst affected by land subsidence, it is also arguably the area where the socioeconomic gap between residents is the most apparent in the city, with slums only a stone's throw away from elite gated communities like those in Pluit, Pantai Indah Kapuk and Kepala Gading. The country's busiest port Tanjung Priok, as well as the city's industrial areas are also located in North Jakarta.

Jakarta Governor Anies Baswedan had said that the city administration and central government had taken measures to prevent further land subsidence, including by continuing work on a sea wall as part of the National Capital Integrated Coastal Development (NCICD) in Jakarta Bay to protect the city from tidal flooding. He also claimed the city had focused on expanding infiltration wells to help the soil better absorb rainwater.

Jakarta Industrial and Energy Agency acting head, Ricki Marojahan Mulia, said the agency had built up to 1,333 infiltration wells throughout the city, although he did not elaborate on how exactly expansion would continue given the city's densely populated nature.