

THE ILLUSION OF GOVERNANCE REFORM

ANNUAL
REPORT
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A photograph of a man from behind, wearing a black t-shirt with the Indonesian text "#REFORMASI DI KORUPSI" printed in yellow. He has his right fist raised in a gesture of protest or solidarity. The background is a blurred crowd of people at what appears to be a public demonstration or protest, with a yellowish-green color cast over the entire image.

**#REFORMASI
DI KORUPSI**

FOREWORD

THE ILLUSION OF GOVERNANCE REFORM

Indonesia's Corruption Perceptions Index (CPI) rebounded in 2021 after a drop in 2020. With a score of 38 (from 37 in 2020) and rank of 96 globally (from 102 in 2020), corruption eradication efforts in Indonesia appeared to improve. But what does this really mean? According to Transparency International (TI) Indonesia, Indonesia's CPI score in 2021 was primarily driven by the country's economic sector. Corruption and graft in license issuance, investment, and business sectors were perceived to have stronger response due to the government's various interventions, such as deregulations and the passing of the Job Creation Law.

However, such responses could not be found in other areas that are highly strategic for Indonesia's bolder anti-corruption agenda: the stagnancy of rule of law reform, and the deteriorating quality of democracy in the country. The combination of a weaker democracy and rule of law dysfunction has birthed an all-powerful and more authoritarian government. On top of that, the Corruption Eradication Commission (KPK), a statutory body that had been a very effective oversight body in the past, has been deprived of its independence, resulting in the failing mechanism of checks and balances of power. A higher prevalence of corruption in politics would only be a logical consequence led by these causes.

Is the trade-off between economic growth and the paralyzed integrity of our political and justice sectors worth it for Indonesia? This is an important question that we should be asking. The answer, certainly, would be that the cost of that trade-off is too high.

A policy that cuts the red tape in license issuance – which we know has been a magnet for bribery – may be alleviating the risk of corruption. But if the same policy strips the system to its core, including indiscriminately removing important safeguards that protect our environment and people, then we are only closing a small loophole for corruption while giving way to a bigger one. In many economic sectors, lax policies write off important procedures that were in place to ensure the transparency and accountability of any business that benefited from public resources. Intentionally or otherwise, these policies only facilitate oligarchs to thrive.

The government's pragmatics tendency, which demands for anything and everything to be accelerated, has led to new and even more complex issues. Issues such as regressing democracy, violation of human rights, environmental exploitation, policing practices in many events, law-making processes that break procedures and without any public participation are time-bombs in the context of corruption eradication. And the clock is ticking.

In order to provide safety and certainty to investors, businesses and their cronies, our values and ethics are compromised, conflict of interests among public officials increase, the government is becoming even more closed off to the public's access to information, and physical and digital threats continue to take place. All of these demonstrate one thing: that our improved governance, indicated by Indonesia's CPI score in 2021, was merely an illusion.

Kalibata, January 2022
Adnan Topan Husodo
Coordinator





ANNUAL REPORT 2021

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TABLE OF CONTENT

02 FOREWORD

06 INTRODUCTION

08 STRENGTHENING ORGANIZATIONAL CAPACITY

24 BUILDING ANTI-CORRUPTION NETWORK

- 1.1 Strengthening the Organization 9
 - 1.1.1 Capacity building for ICW's staff (HR) 9
 - 1.1.2 Strengthening Accountability and Financial Resiliency 10
 - 1.1.3 Strengthening Organizational Management 13
- 1.2 Data-Driven Innovations and Technology Use in Anti-Corruption Movement 14
 - 1.2.1 Mainstreaming Opentender.net as an Oversight Instrument of Public Contracting 14
 - 1.2.2 Anti-Corruption Learning Center 15
 - 1.2.3 Building Anti-Corruption Campaign Strategies 19
 - 1.2.4 Strengthening Data Analysis for Public Policy Monitoring 20

- 2.1 Strengthening Anti-Corruption Network 25
 - 2.1.1 Strengthening the Investigative Journalists' Club (KJI) 25
 - 2.1.2 Establishing New Anti-Corruption Groups 27
 - 2.1.3 Facilitating Capacity Building of New Anti-Corruption Groups and Networks 31

33 ADVOCATING ANTI-CORRUPTION POLICY

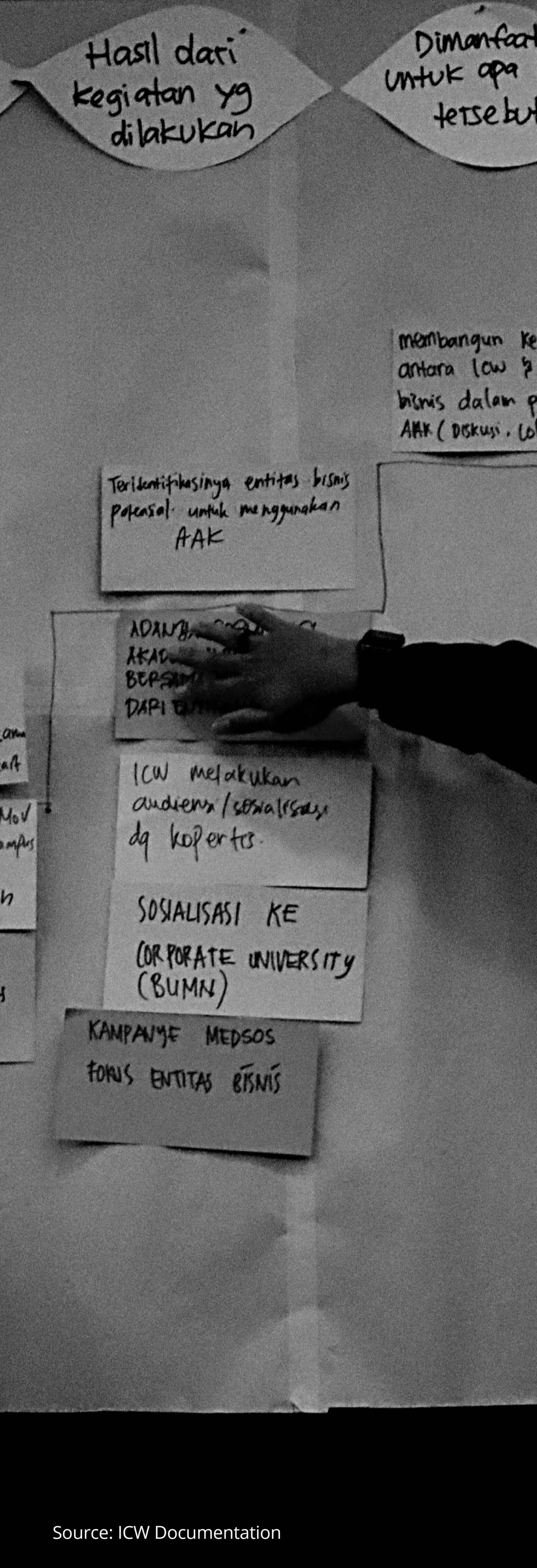
- 3.1 Data-Driven Anti-Corruption Advocacy 34
 - 3.1.1 Using Data in Public Policy Advocacy 34
 - 3.1.2 Pushing for Policies that Enable Clean Governance 36
 - 3.1.3 Advocating Against Measures that Weaken Corruption Eradication Efforts 40

44 AWARDS FOR ICW

INTRODUCTION

Covid-19 pandemic continued to rage in 2021. It was perhaps Indonesia's worst year with the emergence of the Delta variant that paralyzed health systems nationwide. The cost of the pandemic has been dramatically high – too many lives have been lost, whether documented in the government's statistics or went uncaptured by the system. The pandemic has also triggered policies of mobility restrictions to curb the Covid spread. While this to some extent hampered public oversight, ICW's anti-corruption work continued undeterred. Together with other civil society groups and with the champions – the government's decision makers with remarkably strong commitment to improve governance and strengthen efforts to fight corruption – we stayed true to our course over the year.





This 2021 annual report captured most of what we did during the year. While we were primarily guided by the 2019-2022 Strategic Plan on anti-corruption and focused on sustaining the continuity of activities identified in the document, we could never turn a blind eye on the national political situation. We produced responses, studies, advocacy, and campaign to challenge emerging issues in 2021. They included Indonesia's PCR test pricing policy, which was highly costly and burdensome to the people.

This report is structured in three main parts that reflect three key strategies of ICW in garnering anti-corruption movement. First, organizational strengthening. Strengthening ICW's organizational capacity is just as important with our advocacy work. With a solid organization, the impacts of our efforts to fight corruption may not achieve the magnitude that we desire. Second, anti-corruption network strengthening and expansion. We want to answer corruption, committed at times by a group of people, with collective action. There is power in number – with more people paying attention to this issue and willing to take actions, the bigger the chance for Indonesia to weed out this detrimental practice. Third, public policy advocacy strategies. Corruption is born from the wrong policies and can be validated by corrupt policies. Because of this, we need to continue fighting for public policies that are geared towards creating an ecosystem that is against corruption and strengthening citizens' role in tackling corruption.

STRATEGY 1

STRENGTHENING ORGANIZATIONAL CAPACITY



1.1 STRENGTHENING THE ORGANIZATION

A strong organization is a modality that we need to achieve our common goals. Since the very beginning, ICW realizes the importance of a credible, transparent institution with ingenuity and ability to come up with strategies to fight corruption in the long-term. It is imperative for a civil society organization like ICW to continue building solid internal mechanisms, ensuring effective and efficient management of resources, refining procedures to reduce discretionary decisions, and building its capacity in fighting corruption.

1.1.1 CAPACITY BUILDING FOR ICW'S STAFF (HR)

People quality is crucial for ICW's growth. In 2021, ICW held various capacity building activities for its human resource under programs that are tailored to the specific needs of the individuals. Our training programs were divided into three streams – junior staff, middle staff, and managers. Training themes for our junior staff members included “Introduction to Law on the Crime of



Corruption” and “Tracking Documents and Business Process of Public Reports. Meanwhile, our senior non-structural staff members attended programs such as “Dissecting Corporate Crimes”, “Business Judgment Rule and the Crime of Corruption”, “Campaign and Organizing Strategies”,

and “Communications and Advocacy Strategies”. Finally, our managers followed “Proposal Writing Techniques”. We also carried out “Mobile Cloud and File Structure” and “Kanban and Password Management” for the entire ICW staff. – these trainings aimed to improve ICW’s knowledge management system.

In addition to training activities, ICW has developed a step-by-step guideline for performance measurement that we apply for each of our staff member. Performance indicators have been formulated in a way that ensures performance assessment is objective and impartial, and that the indicators are measurable. The indicator formulation was an inclusive process where all staff members were asked to provide their feedback. We also applied the 360-degree approach to get a holistic view not only of our staff’s development and progress, but also challenges. This way, we can immediately take corrective actions in a more precise manner.

1.1.2 STRENGTHENING ACCOUNTABILITY AND FINANCIAL RESILIENCY

Public trust needs to be maintained through demonstrated financial accountability, especially since ICW has, for years, always been active in public fundraising activities and engage both individual and corporate donors. ICW has embedded various accountability measures, including digitizing its entire financial documents and carrying out a financial system migration to go fully digital. Our aim is to be make our report production faster and easier. Having digital copies also mean we no longer need to worry of physical damage. Moreover, with the new digital system, financial information can be presented real-time, and this helps with our financial audit.

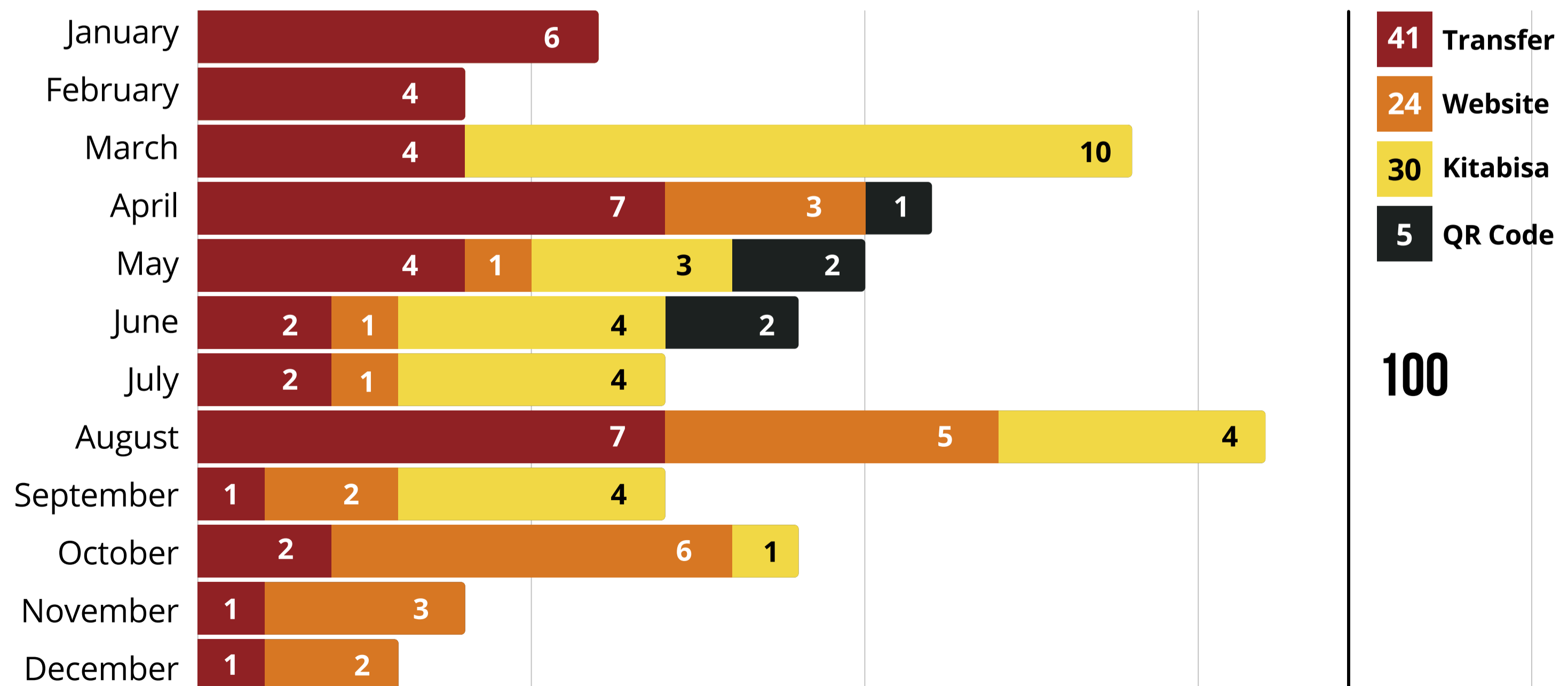
We have started to modernize our financial Management Information System (MIS) by accommodating a new model that can provide better and more regular information on the organization’s financial standing. There have also been improvements in our financial management procedures. The financial Standard Operating Procedures (SOPs) were revised to better manage and reduce conflict of interests in ICWs’ procurement and to provide clarity on length of financial document retention, transaction mechanism, and accountability – especially in terms of the time needed to review the financial report of our activities.

In terms of financial resiliency, other than using its own platform, ICW has started to engage the kitabisa.com platform for fundraising. We also intensified our on-time donation approach that resulted in an increase in donation throughout 2021.

2021 ONE-TIME DONATION



SUPPORTER SUCCEEDED IN ONE TIME DONATION 2021



“

**“I AM PROUD TO HAVE BEEN
SUPPORTING ICW SINCE I WAS
STILL A COLLEGE STUDENT.
CORRUPTION IS THE ENEMY OF
DEMOCRACY, AND IT PREVENTS
THE FULFILMENT OF HUMAN
RIGHTS.**

”



ICW's work in fighting corruption inspires me that we can live bravely and with our conscience. Good luck to ICW."

Sisilia Nurmala
Team Leader 350.org Indonesia
ICW Supporter

We also produced ICW merchandise to get public support and we have expanded our sales channel to major marketplaces such as Tokopedia and Shopee. The strategy has brought results, as noted in the increase in sales from these channels.

Following-up on the recommendations of the public accountant firm, in 2020 ICW started to invest to develop new funding sources. This initiative continued in 2021 and we achieved this by subscribing to government bonds and investing in a cooperative. Our social entrepreneurship arm, PT Visi Integritas, has gone through its viability testing phase; since its inception in 2018, the company has strived to be financially self-reliant. As the company's founder, ICW is looking forward to having funding opportunities. By the end of 2022, if PT Visi Integritas can deliver a positive bottom-line, ICW will receive donations for its anti-corruption activities.

1.1.3 STRENGTHENING ORGANIZATIONAL MANAGEMENT

In 2021, ICW's organizational strengthening also targeted its management practices. With robust rules in place to help ICW make appropriate decisions, we have completed several SOPs, both new ones and the revision of existing SOPs, such as: staff recruitment, employment, finance, and asset management. In asset management, we have developed a template to document our assets to clearly identify their condition and who's using what in a certain period. This approach makes it easier for the management to calculate asset depreciation and to secure the assets.



ICW also reviewed its articles of association last year. ICW is a legal entity categorized as an 'association' (perkumpulan). The review resulted in recommendations to improve our regulations, add some provisions, clarify the governance of ICW as Association, and make sure that the Association's key bodies have their clear roles, responsibilities, duties, and rights. ICW also discussed the proper implementation of checks and balances mechanisms.

In addition to reviewing the articles of association, we also worked to improve our Code of Ethics and Code of Conduct. The codes cover not only anti-corruption issues, but more broadly address values, attitude, and respect for democracy, human rights, and gender equality. The broad scope aims to make sure that the organization's fundamental principles can be applied consistently by all members of the Association and ICW staff.

▲ 1.2 DATA-DRIVEN INNOVATIONS AND TECHNOLOGY USE IN ANTI-CORRUPTION MOVEMENT

The Government of Indonesia positioned the industry 4.0 concept as the bedrock of digitalization in the economic sector. Similarly, ICW recognizes the relevance of using information technology and web-based innovations to expand the role of the society in the fight against corruption. We have developed a public oversight instrument and anti-corruption learning platform that is accessible to anyone. Moreover, ICW aligns its information dissemination strategies and public campaign with strong internet use prevalence in the society.

1.2.1 MAINSTREAMING OPENTENDER.NET AS AN OVERSIGHT INSTRUMENT OF PUBLIC CONTRACTING

One of the most important outcomes from our stakeholder evaluation in 2020 was the development of Opentender.net as an oversight instrument of public contracting. Not only Opentender.net is useful for CSO activists and journalists, but the platform is also designed to be used by the government's internal auditors (called 'inspectorate'). The promotion of Opentender.net has therefore expanded, focusing not just on civil society and journalists, but also government institutions at the central and subnational level – all of them are encouraged to be familiar with the tool. We envision the platform to be useful for inspectorate teams in exercising their oversight.



Committed to strengthening the government's internal supervisors, ICW carried out capacity building for several local inspectorates in Jayapura District, South Sorong District, Merauke District, Banda Aceh, Jogjakarta, and several inspectorates from South Sulawesi Province. In Jayapura, other than engaging public sector officials, ICW also trained local journalists on how to use Opendender.net in their investigative work. This training contributed to the publication of several stories that highlighted infrastructure development in Papua.

1,2,2 ANTI-CORRUPTION LEARNING CENTER

The development of ICW's Anti-Corruption Learning Center focused on two goals. First, the formulation of curriculum to be adopted in Sekolah Anti Korupsi (Anti-Corruption School, abbreviated as SAKTI in Bahasa Indonesia). The curriculum is expected to be more adaptive to participants or partners' needs. The second goal was to enrich learning materials in the Anti-Corruption Platform, an e-learning platform that ICW first developed in 2018.

During the pandemic, SAKTI had shift to online mediums. ICW heavily relied on internet access and applications such as Zoom and Canva to support its online training activities. In 2021, ICW held at least six online SAKTI sessions for CSOs in South Sulawesi, West Kalimantan, Banten, West Java, Central Java, and East Java. The sessions were part of the efforts to mainstream anti-corruption issues in the MADANI partner network, a USAID program to strengthen local CSOs in demanding accountability from the government.

There was also a SAKTI session for youth in West Kalimantan. The activity was a three-way collaboration between ICW, Perkumpulan BHACA, and SAKA, and youth organization on anti-corruption in Pontianak. In contrast with SAKTI MADANI, the SAKTI for Youth in Pontianak centered around building a youth network and creating a new generation of anti-corruption activists in Pontianak as the target area.



SAKTI Pontianak is an excellent program!

I learned very interesting things and met the experts in anti-corruption issues. Hopefully, SAKTI alumni can team up and work together for a corruption-free Pontianak.

Lulu Van Salimah
Participant of SAKTI Borneo
Student in Universitas Tanjung
Pura, Pontianak

In Banten and East Nusa Tenggara, SAKTI sessions specifically targeted local journalists with interests in doing investigative reporting on corruption. SAKTI in these regions built upon the idea of Klub Jurnalis Investigasi (KJI, or Investigative Journalist Club) that had been established in Jakarta. This local version of KJI is expected to reinforce the relationship between journalists and activists so that they can go hand in hand in exercising social control. One of the concrete outcomes of SAKTI in Banten and East Nusa Tenggara was joint investigative reporting projects to shed light on corrupt practices. The reporting work revealed several suspicious public projects, such as hospital construction and development of village internet facilities in East Nusa Tenggara. In Banten, journalists and activists teamed up to question Tanjung Teja terminal construction.

ICW complements SAKTI, which usually has specific audience targets, with the Anti-Corruption Academy, an e-learning platform that is accessible to anyone for free. Using this platform, anyone can learn more about anti-corruption and start with the topic they feel most relevant to them from the platform's menu. Leveraging Indonesia's deep internet penetration and its huge number of users, regardless of their background, the Academy breaks the access barrier that in the past hindered anti-corruption education.



"We're proud and grateful to be working with ICW. Our cooperation will inspire the anti-corruption movement, amplify our students' learning, and can be leveraged for public education."

**Dr H Engkus Kustyana, M.Si,
Lecturer, FISIP UIN Sunan
Gunung Djati Bandung**

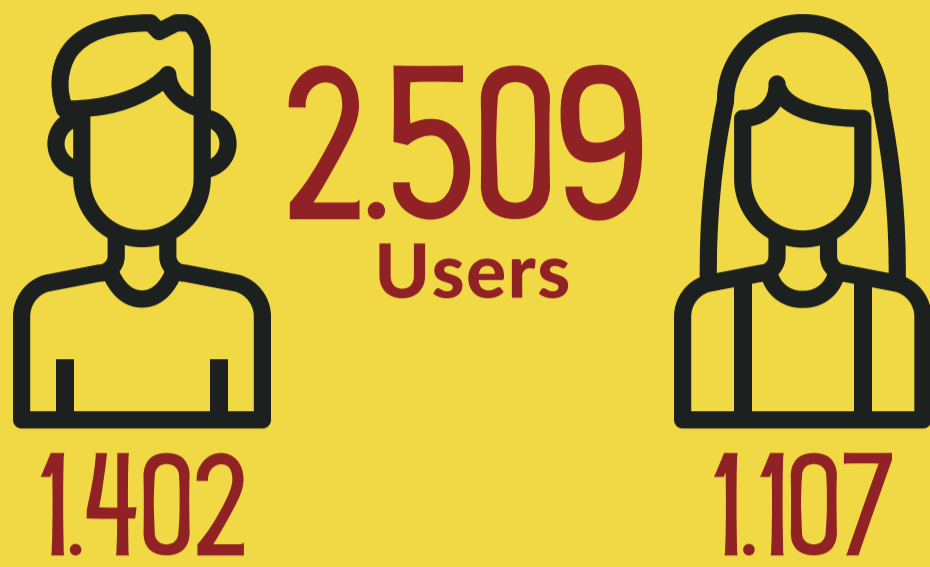


The courses in the Anti-Corruption Academy e-learning tool, especially Corporate Corruption, are highly relevant and appropriate for Indonesia Power employees. We get new knowledge and exercise with a case study. We hope that this knowledge can help us mitigate risks of fraudulent practices, including corruption in the corporate sector.

Ayres Charlos Sirait
Assistant Analyst of Non-Technical Learning Development Indonesia Power

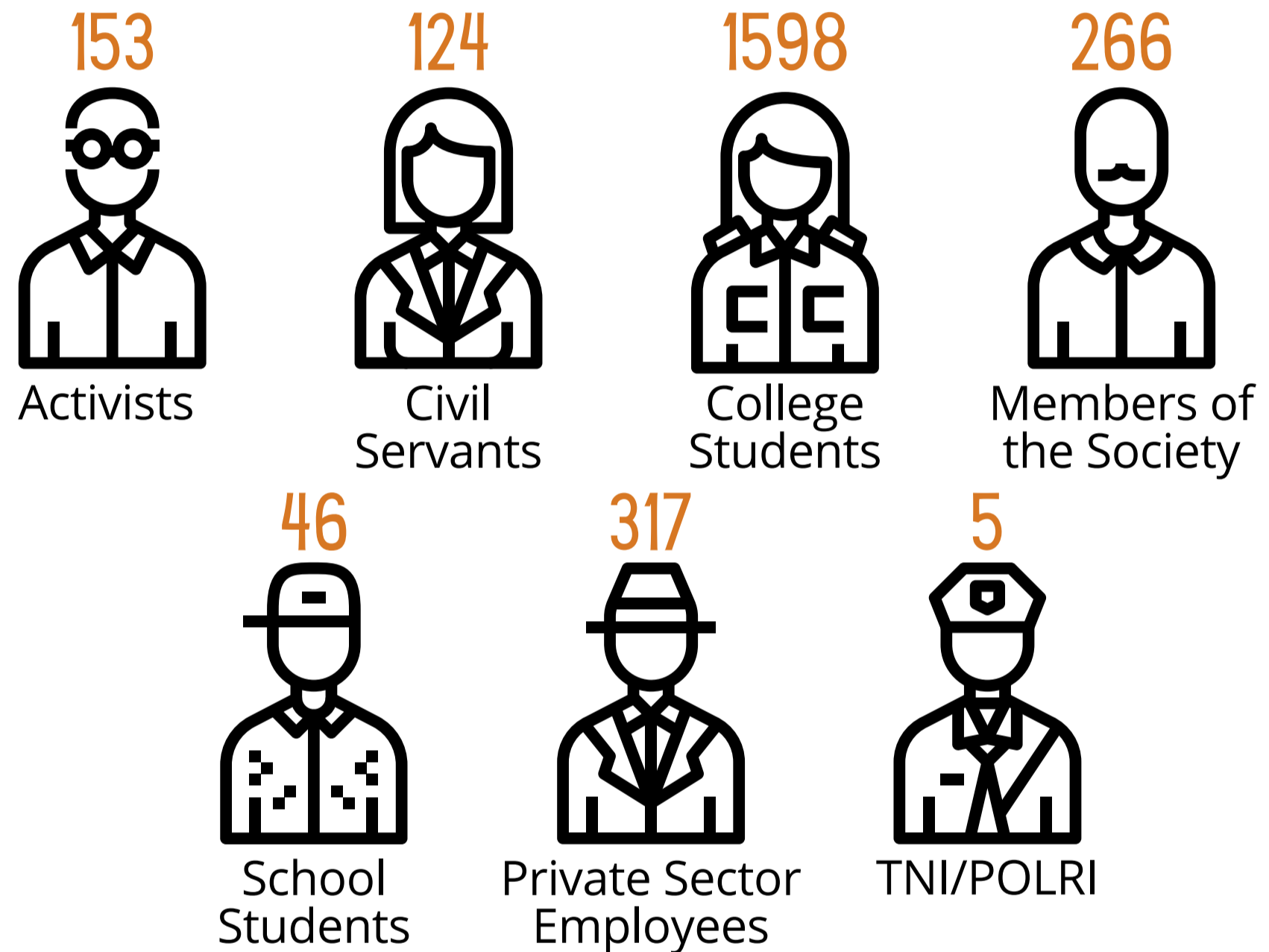


2021

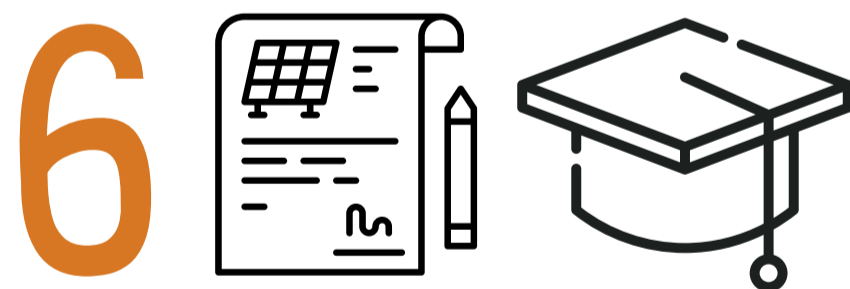


In 2021, we recorded 2,509 unique platform users from a wide range of backgrounds: activists, civil servants, college students, school students, private sector employees, and other members of the society. The program was enriched with a new added course on Public Service Oversight and Public Service Advocacy.

USERS BACKGROUND



2021 ACHIEVEMENTS



6 MoU with universities (**UIN Sunan Gunung Djati, Unjani, Univ Wiraraja Madura, Univ Raden Rachmat Malang, Univ Airlangga, FEB Unjani**)



Website Redesign



New module: Public Service Supervision, Public Service Advocacy



Anti-Corruption Academy success story



Final Report of Academic Improvement and Evaluation

Of a total 19 courses in the Academy, 8 courses became most popular in terms of participation in 2021

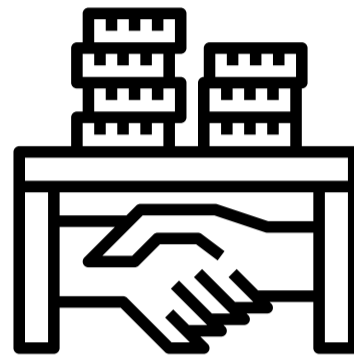
MOST POPULAR COURSES

Introduction to Anti-Corruption for the General Audience



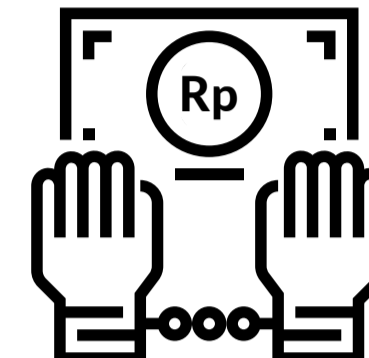
731
Participant

Corporate Corruption



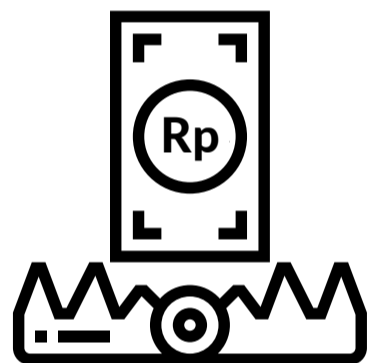
615
Participant

Democracy and Anti-Corruption



506
Participant

Indonesia's History of Corruption and Its Eradication



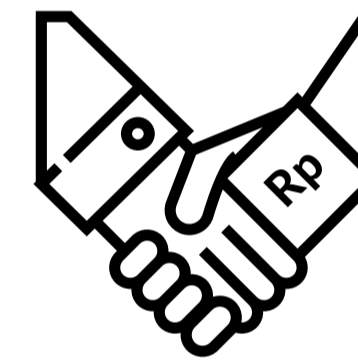
454
Participant

Corruption and Bureaucratic Reform



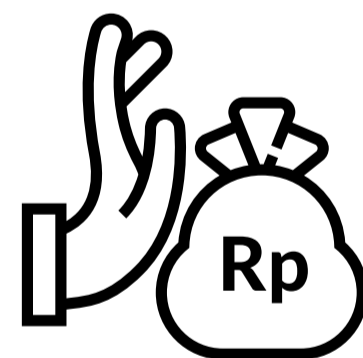
296
Participant

Village Fund Oversight



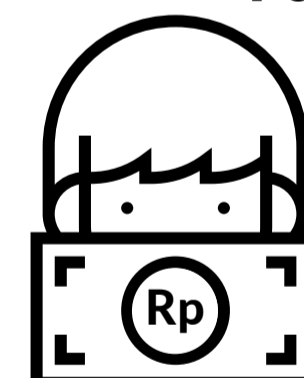
177
Participant

Introduction to Anti-Bribery Management System



165
Participant

Monitoring Political Funding

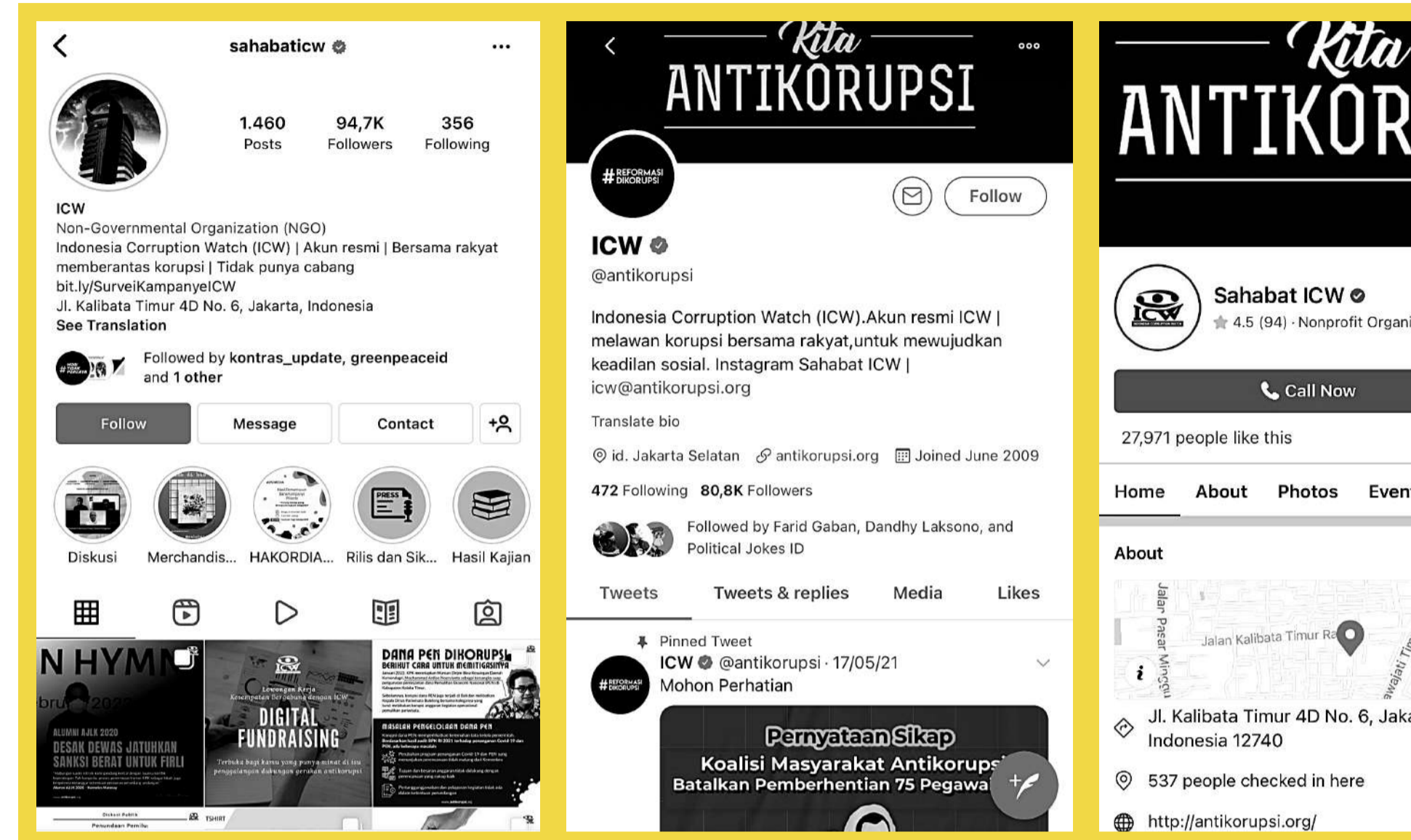


158
Participant

To expand access to the Academy, ICW initiated a series of collaborations to provide anti-corruption education in higher education institutions. Our partners include UIN Sunan Gunung Djati-Bandung, Universitas Jenderal Ahmad Yani-Bandung, Universitas Wiraradja-Madura, Universitas Raden Rachmat-Malang, and the Social and Political Sciences Faculty of Universitas Airlangga-Surabaya. The vision of collaboration is to provide ease of access to the campuses and their students; they are free to access the courses they want and that are most relevant with their curriculum. Admittedly, this collaboration has not been as effective as intended, especially when the campuses lacked initiators that could lead the materialization of our collaboration.

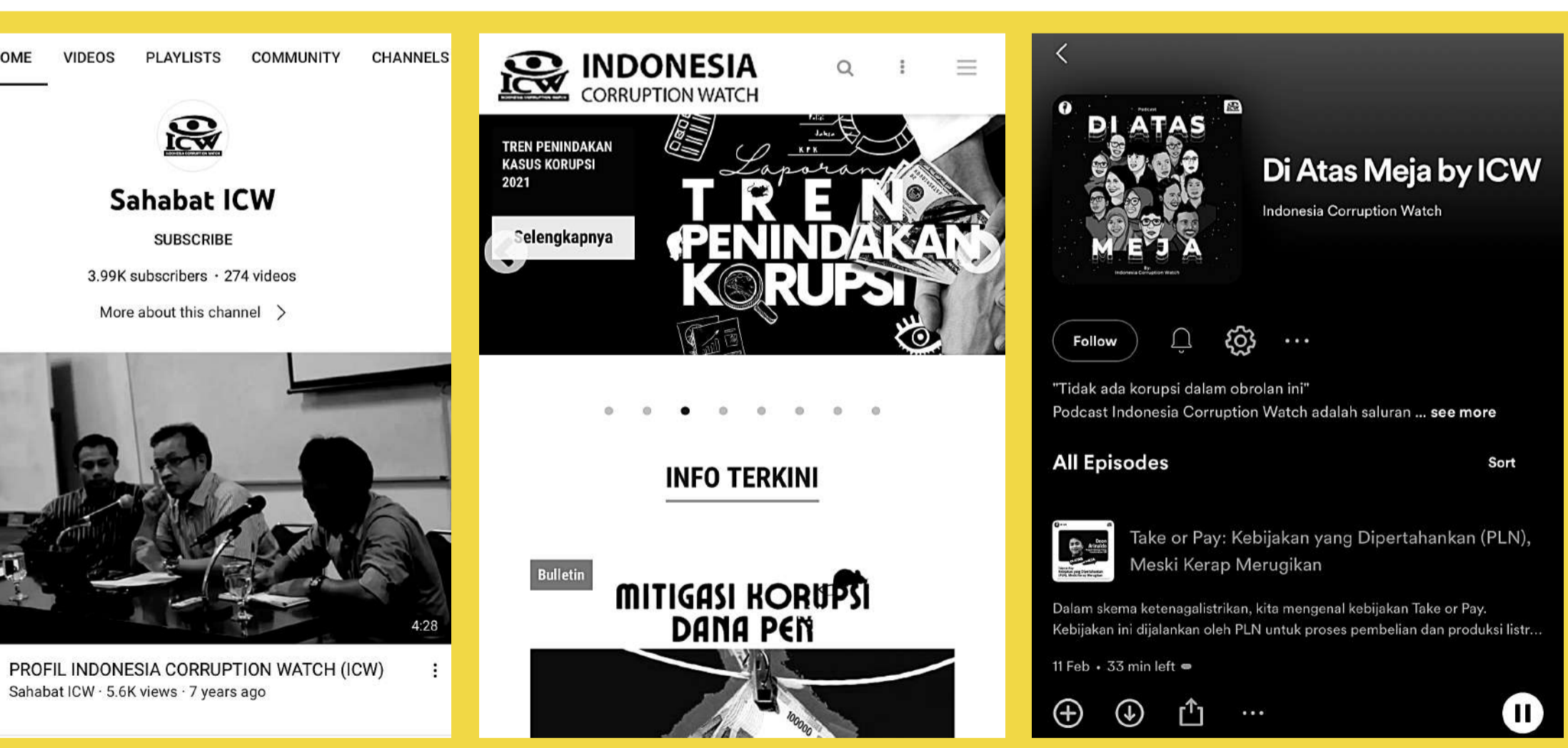
1.2.3 BUILDING ANTI-CORRUPTION CAMPAIGN STRATEGIES

The rapid growth of digital technology has affected the way ICW disseminates and executes its public campaign. Given Indonesians' ever-growing internet use, ICW has also joined the net and benefited from a variety of web platforms to disseminate information and raise public attention on certain issues. Today, ICW's activities and messages are promoted in an array of digital channels – aside from ICW's official website, information are also available in ICW's social media accounts, such as Facebook, Twitter, and Instagram.



Our use of various social media channels reflected the demand for ICW to use digital tools effectively, especially since the social media landscape will only get bigger. In 2021, ICW started an online discussion program in a podcast format called Ngobras (Ngobrol Santai Antikorupsi, or Anti-Corruption Chit-Chat). Meanwhile, for dissemination activities, discussions, press conferences, and seminars, ICW relies on the accessible YouTube. On Instagram, ICW has made

use of its IG Live feature to get internet users, especially ICW's young supporters, to know more of ICW's work. Shifting away from the traditional dissemination and public campaign methods prior to the social media boom, ICW today produces more digital information items, such as infographics, photo series, digital flyers and posters, short videos, teaser videos, or document slides that can be easily shared across platforms.



Source: ICW Social Media

1.2.4 STRENGTHENING DATA ANALYSIS FOR PUBLIC POLICY MONITORING

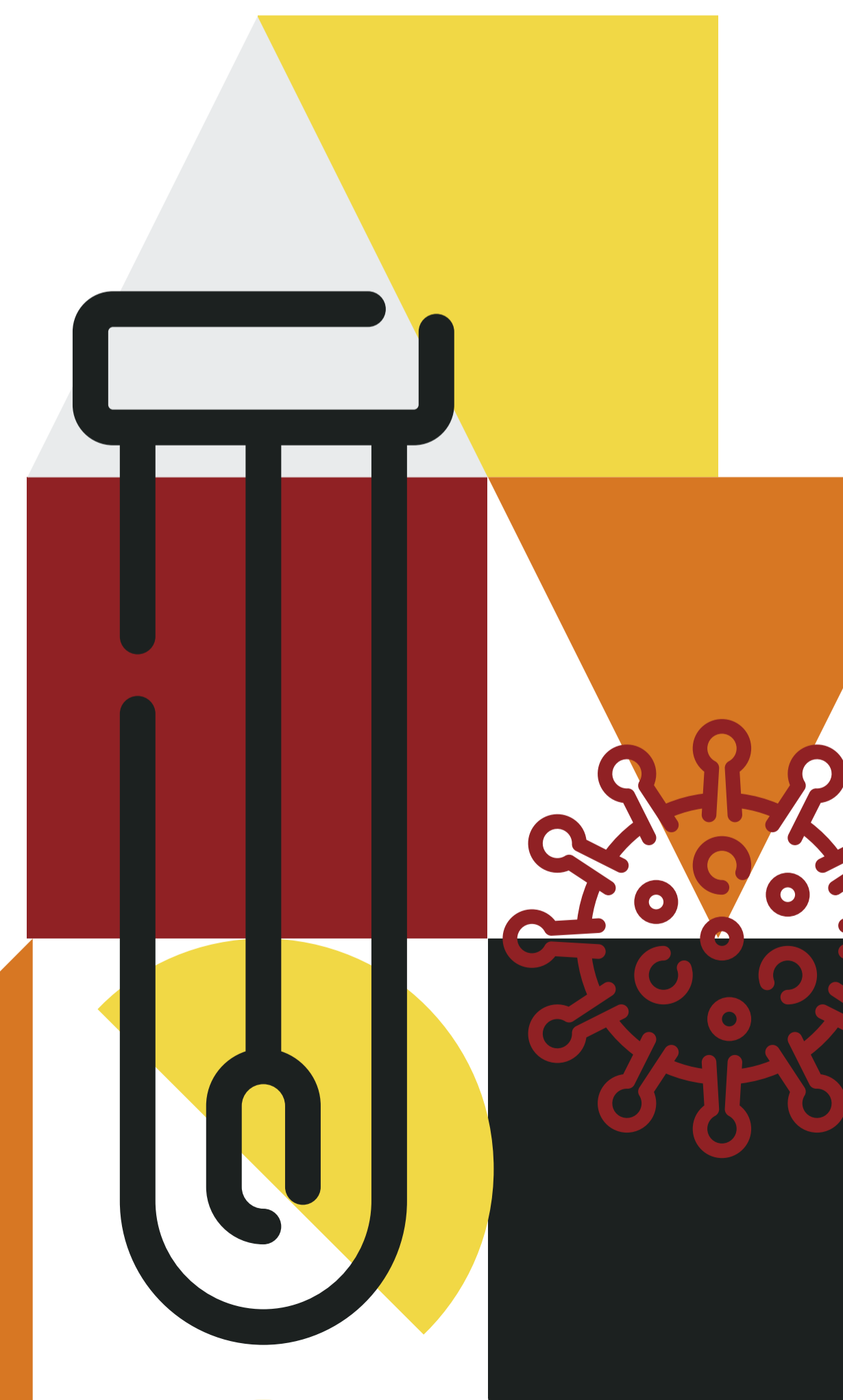
Mainstreaming evidence-based policy in the public sector is very much aligned with ICW's activities in studying, analyzing, and criticizing public policies – especially when the government equates criticism with slander, hate speech, hoax.

In 2021, ICW put a spotlight on conflict of interests involving public officials who promoted Ivermectin as Covid-19 treatment drug. At the time of promotion, the drug had not received the government's official approval. Because of our critical voice, however, we were reported to the Police's Criminal Investigation Department for allegedly defaming the officials in question. While the criminal complaint did not continue – at least up until now – the fact that public officials could easily make criminal complaints against ICW's report and research only motivated us to be better in our data exploration and processing strategies.

For that reason, evidence-based studies are vital to public policy advocacy strategies. Without robust evidence, ICW would not be able to publish a statement or announce its position on high-profile issues. Access to big data that ICW has also demands for appropriate data management strategies so that our reports are always credible and methodologically sound.

In 2021, ICW studied various strategic public policies to map corruption hotspots and potential of power abuse. One of the most crucial of these studies was the government's pandemic response policies that strongly indicated conflict of interests among public officials. We published our findings among others in ICW's study on costly PCR testing relative to the testing's inexpensive price structure.

In that particular study, ICW obtained valid data on the procurement of PCR reagents and PCR kits by the National Disaster Management Agency (BNPB) in 2019-2020, where the



agency procured the items at just Rp200-Rp300 thousand. The cost of PCR testing, which was set at Rp900 thousand by the government, seemed irrational, especially when Indonesia was dealing with the Delta case surge. The costly testing caused serious damage with many people avoiding the test for price reasons. At the same time, testing for Covid, whether it is the rapid antigen or PCR, were and are the only way to confirm someone's diagnosis. The government eventually lowered the price point to Rp275,000 in September 2021. While we could claim that our study directly contributed to the price cut, we are pleased that our report helped provide substantial insights in public policy making in the health sector.

ICW also pays close attention to corruption prosecution. We completed a Public Examination on the acquittal of Sofyan Baashir, formerly the President Director of state-owned power company PLN. Baashir was a defendant in a corruption case of a steam-powered power plant construction PLTU-Riau 1. We involved legal experts and the Public Examination provided some critical notes to the judges' consideration of acquitting the defendant.

Furthermore, ICW, together with TII and PUKAT UGM released a report that evaluates KPK's performance under the leadership of Firli Bahuri. ICW also looked into the prosecution of corruption of Covid-related social assistance in the Social Affairs Ministry – a case that involved the then minister Juliari Batubara. In our note, the KPK, Indonesia's anti-corruption body, completely overlooked manipulation in the procurement of staple foods that made up the social assistance packages despite the substantial amount of state loss. The manipulation involved political elites, businesspeople, and bureaucrats.



"Social assistance is the people's right. It's not right for anyone to pocket or embezzle something that belongs to the people, especially in the middle of Covid-19 pandemic that has made millions suffer. What the corrupt officials did was inhumane."

Eni Rochayati, housewife and member of Jaringan Rakyat Miskin Kota (JRMK)

one of the plaintiffs against Juliari Batubara (former Social Affairs Minister), a defendant in Covid-19-related social assistance corruption case.

Our next study was another Public Examination on the judgment rendered in a graft case that involved Public Prosecutor Pinangki Sirna Malarasi. We decided to study the case since the defendant received a light sentence compared to the gravity of the crime and her position as a law enforcement officer. In early 2021, around the time of the inauguration of Indonesia's new chief of police, ICW issued a working paper focusing on issues within the national police institution that the new chief would need to look into.

Our other studies highlighted a range of issues, namely the mechanism of Covid-related social assistance distribution that was vulnerable to abuse, problems in the governance of medical equipment procurement for Covid response, and issues in the policy of injecting funds as part of the National Economic Recovery (PEN) program to state-owned enterprises that had already been ailing firms since before the pandemic. PEN's vague criteria of beneficiaries and unclear flow and mechanism of disbursement put the program at risk of being corrupted.

Finally, ICW maintained its focus on public procurement, a sector that is highly prone to corruption. ICW evaluated Indonesia's progress of public procurement reform, and this report disclosed the trend/pattern of public procurement from the dimensions of competition, efficiency, participation, and integrity. In the report, we also discussed the use of open contracting data made available for use on Opentender.net. ICW also paid attention to the supporting ecosystem for the development of public spending governance in Papua in terms of tender competition, new suppliers, the maturity of procurement units, tender duration, and others.





Source: ICW Documentation - Aksi Pembatalan PP 99/2012 di depan gedung MA

STRATEGY 2

BUILDING ANTI-CORRUPTION NETWORK



● 2.1 STRENGTHENING ANTI-CORRUPTION NETWORK

ICW has always believed that the effectiveness of corruption eradication will be amplified with active citizens' active participation. In Indonesia, the state's lack of political willingness to completely eradicate corruption means that the anti-corruption agenda needs to rely on the citizens' push. Because of this, ICW has continued to expand and strengthen the anti-corruption network as a modality of citizen-driven anti-corruption movement.

2.1.1 TRENGTHENING THE INVESTIGATIVE JOURNALISTS' CLUB (KJI)

KJI is a collaboration of journalists and ICW to investigate corruption scandals. Collaboration in investigative work is important because reporting alone is not enough to warrant policy change. At the same time, ICW's advocacy work needs the wide support of journalistic publications. The stories resulting in this collaboration can also benefit civil society in their advocacy work. This is the kind of cooperation that has to be built to strengthen public oversight on the government in power.

In 2021, our collaboration with KJI produced a report on the problematic contracting process of medical supplies in BNPB. The report identified the high-cost of medical devices, conflict of interests involving BNPB's officials, BNPB's engagement of dubious suppliers, and quality assurance failure of goods purchased by the agency – resulting in the agency receiving bulks of expired medical goods, or simply unusable by Covid testing labs.



Thank you, Indonesia Corruption Watch (ICW), for keeping up your work of creating networks and fostering collaborations with different sectors. Through our stories, KJI NTT is proud to engage with ICW in concrete activities of strengthening skills, methods, and network. Together, we watch and demand transparent bureaucracy as the public wants, to eradicate corruption in Indonesia. KJI NTT is glad to play its part to keep watch over corruption eradication efforts in our region through our investigative reporting.

Lidia Radjah
Journalist- KJI NTT



Given KJI's strategic role in spotting corruption risks in the public sector, ICW recognizes the need to replicate this collaboration approach in other regions. For the piloting phase, ICW chose Banten and East Nusa Tenggara Timur (NTT). In Banten, ICW engaged Banten Bersih (in English: Clean Banten) whose several of its activists are also local journalists. In NTT, ICW engaged the Independent Journalists' Association (AJI) in Kupang, NTT's capital city. AJI KUPANG in turn invited local CSOs that worked on policy oversight and anti-corruption.

I congratulate and am proud of Indonesia Corruption Watch (ICW) for building collaborations and expanding their networks to other cities, especially in East Nusa Tenggara, to fight corruption regardless of where it happens. We know that corrupt practices are prevalent in Indonesian cities and sometimes they get overlooked by the law enforcement.

As the fourth pillar of democracy, journalists need to be actively supporting our law enforcement professionals to exert the law against the act of corruption and to seriously prevent the crime. ICW's collaboration with Kupang's Aliansi Jurnalis Independen (AJI, Alliance of Independent Journalists) has boosted our motivation and knowledge, especially our skills in doing investigative reporting on corruption issues and the various criminal methods.

We wish ICW continued success, please keep expanding your collaborations to the whole Indonesia, and we hope you continue to be in the forefront of corruption eradication efforts in Indonesia.

Marthen Bana
Chairperson, AJI of Kupang City

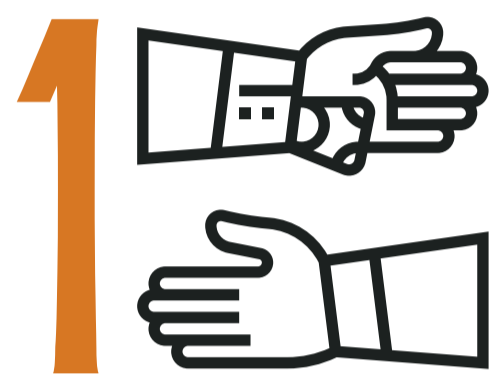


The KJI replication in Banten and NTT is ongoing. However, this preliminary stage showed promising results, as we already have findings and joint investigative reporting projects between local CSOs and journalists in both places. The collaboration of these parties would not only foster their relationship, but also give both of them stronger bargaining power in exercising their social control.



2.1.2 ESTABLISHING NEW ANTI-CORRUPTION GROUPS

As explained, SAKTI is ICW's strategic program with a goal of creating a new generation of anti-corruption activists in Indonesia. SAKTI's design is very flexible and can be modified to ensure its goal can be realized in a way that caters to participants' needs. While its delivery is adjustable, SAKTI comprises a standard curriculum structured around three knowledge blocks.



The introduction to corruption and anti-corruption issues

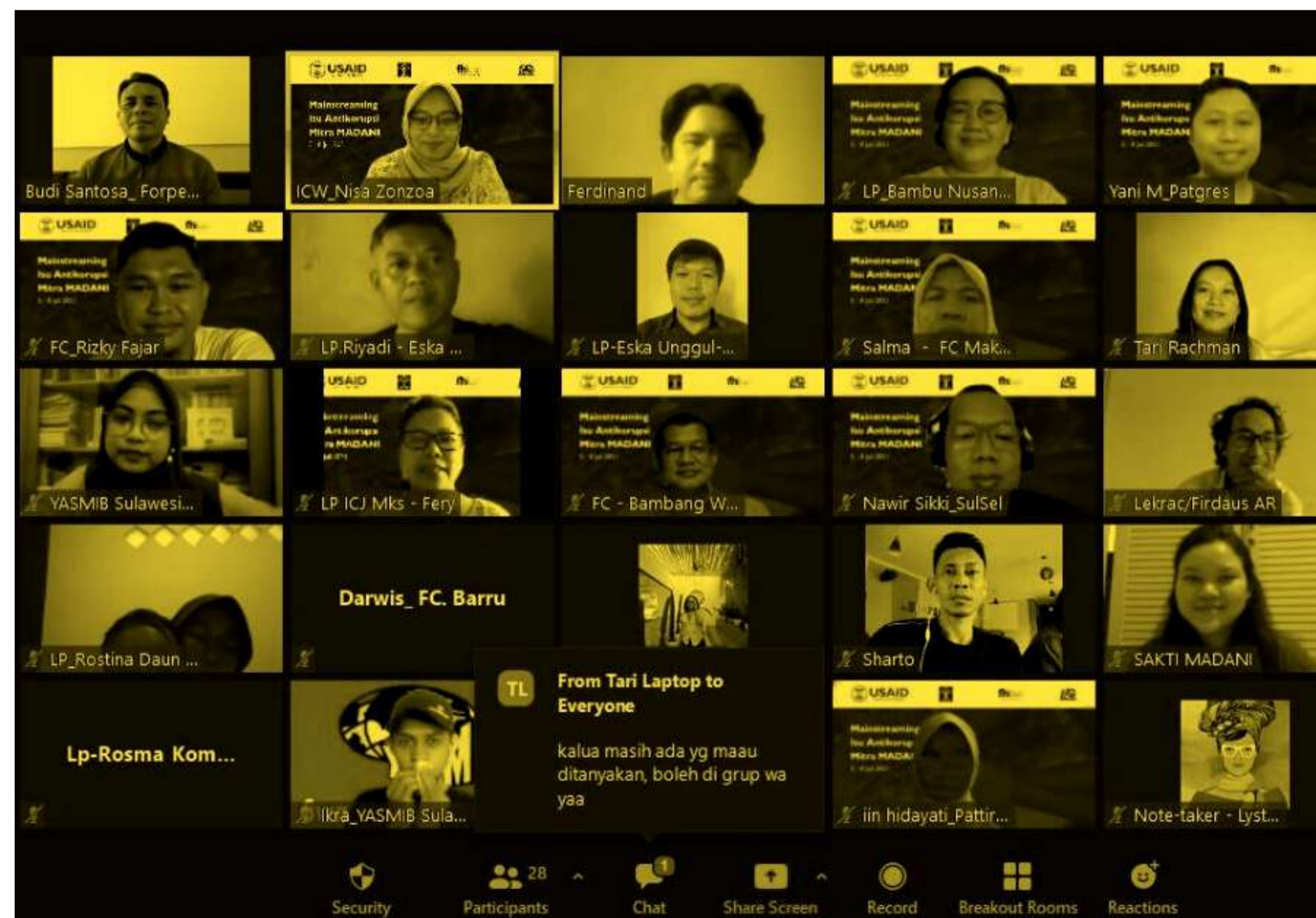


Development of anti-corruption ideology



Practical skills to fight corruption

ICW has organized SAKTI for a wide range of target audience. In 2021, amid mobility restrictions, SAKTI was held online. The SAKTI for Youth in Pontianak saw ICW to team up with SAKA, a youth organization focusing on eradicating corruption. In fact, a SAKA co-founder was ICW's SAKTI for Youth's batch 2017 alum. Youth networking is a strategy of ICW to ensure the continuity of the anti-corruption movement.



Source: ICW Documentation - SAKTI MADANI

Meanwhile, SAKTI MADANI is a special program to mainstream anti-corruption issues to civil society groups that traditionally work in fields other than anti-corruption. We hope to build their knowledge in anti-corruption, which they can bring and be useful in their main advocacy work. Other than anti-corruption training, SAKTI MADANI also came up with an action plan to integrate anti-corruption issues in the organization's advocacy agenda.

SAKTI MADANI opened an access for ICW to communicate with other civil society groups that ICW has never been in contact with. In 2021, we saw various local groups joining SAKTI MADANI. They are:

- Yayasan SAPA
- LGPP Jember
- PPSW Pasoendan
- Pimpinan Daerah Nasyyiatul Aisyiyah Garut
- PDNA Bulukumba
- Sabadesa
- Persepsi
- LKTS
- Yayasan Paramitra
- Yayasan Eska Unggul Indonesia
- Lembaga Demokrasi Celebes
- Pimpinan Daerah 'Aisyiyah Sumedang Aisyiyah Kab.Serang
- Lembaga Kajian dan Pengembangan Sumber Daya Manusia (Lakpesdam Sumenep)
- Lembaga Pengembangan Masyarakat Pedesaan (GAPEMASDA)
- Kompip Surakarta
- Yayasan Bambu Nusantara
- Perkumpulan Wallacea
- KITA Institute
- PPO DAUN HIJAU BARRU
- Pergerakan Relawan Kemanusiaan dan Lingkungan Indonesia (PRKI- Tasikmalaya)
- Yayasan Metamorfosis Menuju Inklusi
- Yayasan Advokasi Keadilan Untuk Masyarakat/ICJ
- Swandiri Inisiatif Sintang
- PD'Aisyiyah Mempawah-Kabupaten Mempawah
- Yayasan Bumi Sawerigading (YBS) Palopo
- Sanggar Hijau Indonesia
- Pattiro Gresik.

To make sure that SAKTI alumni were left with a clear next-steps agenda, ICW introduced them with the GAAS concept. GAAS – an Indonesian abbreviation for Anti-Corruption Ideas for SAKTI Alumni – is a dedicated program for SAKTI alumni to propose relevant, new, and innovative anti-corruption activities. Due to resource constraint, ICW could only grant support to the best proposals, assessed against a set of criteria. The alumni whose idea is chosen can execute their anti-corruption program in their area.

GAAS also encourages the sustainability of the newly established anti-corruption groups. In Bali, through GAAS, SAKTI alumni established AAMBAK (Bali Youth Against Corruption) in 2019. Additionally, GAAS was also applied by the alumni of SAKTI Papua and SAKTI Seniman (artists) in Bandung. Indeed, the greatest challenge of SAKTI is for the alumni to sustain the momentum and continue with their own agenda.

At the national level, our anti-corruption network is driven to advocate for public policies during the pandemic. A coalition consisting of ICW, YLBHI, LaporCovid, and Lokataru actively dissected many of the government's problematic policies. One of the most prominent issues in 2021 was the PCR test pricing policy that was incredibly costly for regular citizens. We also criticized the government's measure of making PCR testing mandatory for travelers and we pointed out indications of economic interests of public officials. Other than that, we continued advocating for the rights of the people throughout the pandemic – whether in the case of Covid social assistance or intimidation against some citizens because of their criticism towards the government's pandemic response.

To further mainstream anti-corruption issues, in 2021 ICW engaged women's groups in East Java to be involved in monitoring the policies and distribution of Covid-related social assistance for women. For this activity, we worked with, among others, the East Java chapter of women disability group Himpunan Wanita Disabilitas Indonesia (HWDI), Fatayat NU, and Saya Perempuan Anti Korupsi (SPAK). These groups were under the coordination of the Indonesian Women Coalition in the East Java region. We expect to maintain long-term communication with these groups and have them as partners in advocating anti-corruption issues.

EMPOWERING WOMEN AS COVID-19 AID DISTRIBUTION WATCHERS

Social assistance instruments during Covid-19 pandemic came in different forms and technical guidelines for execution. The complex arrangement was unsurprisingly confusing for the program's beneficiaries in various cities in Indonesia, including in Surabaya. The root of the problem was the lack of information and the highly dispersed communication channels. Eventually, the disorganised program opened rooms for corruption and misappropriation.

Given the situation, Koalisi Perempuan Indonesia Jawa Timur (KPI Jatim, the Coalition of Indonesian Women in East Java), an ICW's partner in monitoring Covid-19 assistance distribution in Surabaya, established a communications forum for women and dedicated for social aid-related issues. Three other organizations joined this forum: the East Java chapter of Himpunan Wanita Disabilitas Indonesia (HWDI, Indonesian Women with Disability Organization), Fatayat NU (the women arm of one of Indonesia's two largest Muslim organizations, NU), and Saya Perempuan Anti Korupsi (SPAK, Women Against Corruption).

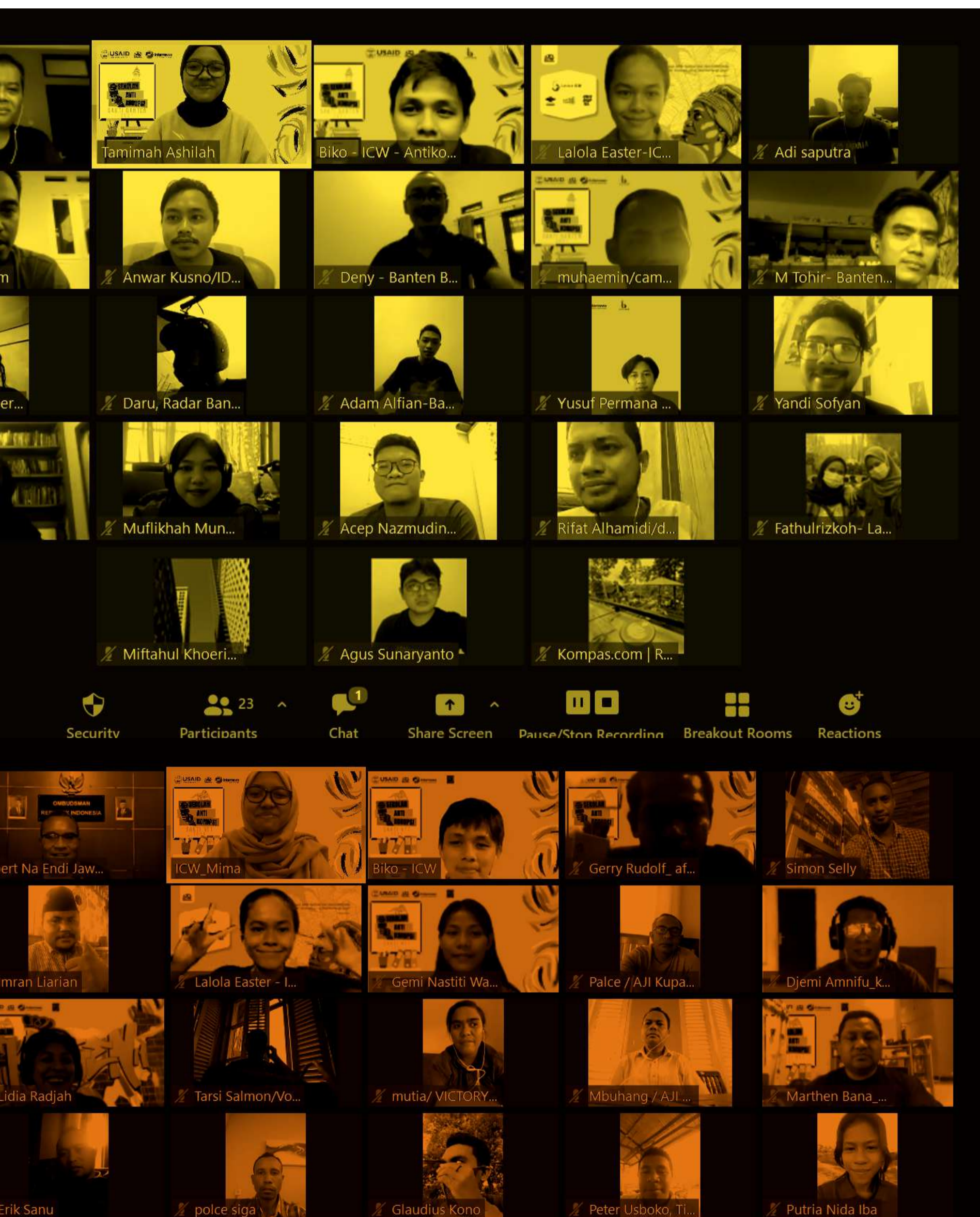
The forum aimed to exchange information on social assistance programs and issues in response to the government's lack of information. The four organisations made the forum powerful, as they have members or mentored groups that are directly affected by social assistance programs – both as beneficiaries and program volunteers. Their participation could provide extra sets of public eyes on social assistance implementation in Surabaya.



2.1.3 FACILITATING CAPACITY BUILDING OF NEW ANTI-CORRUPTION GROUPS AND NETWORKS

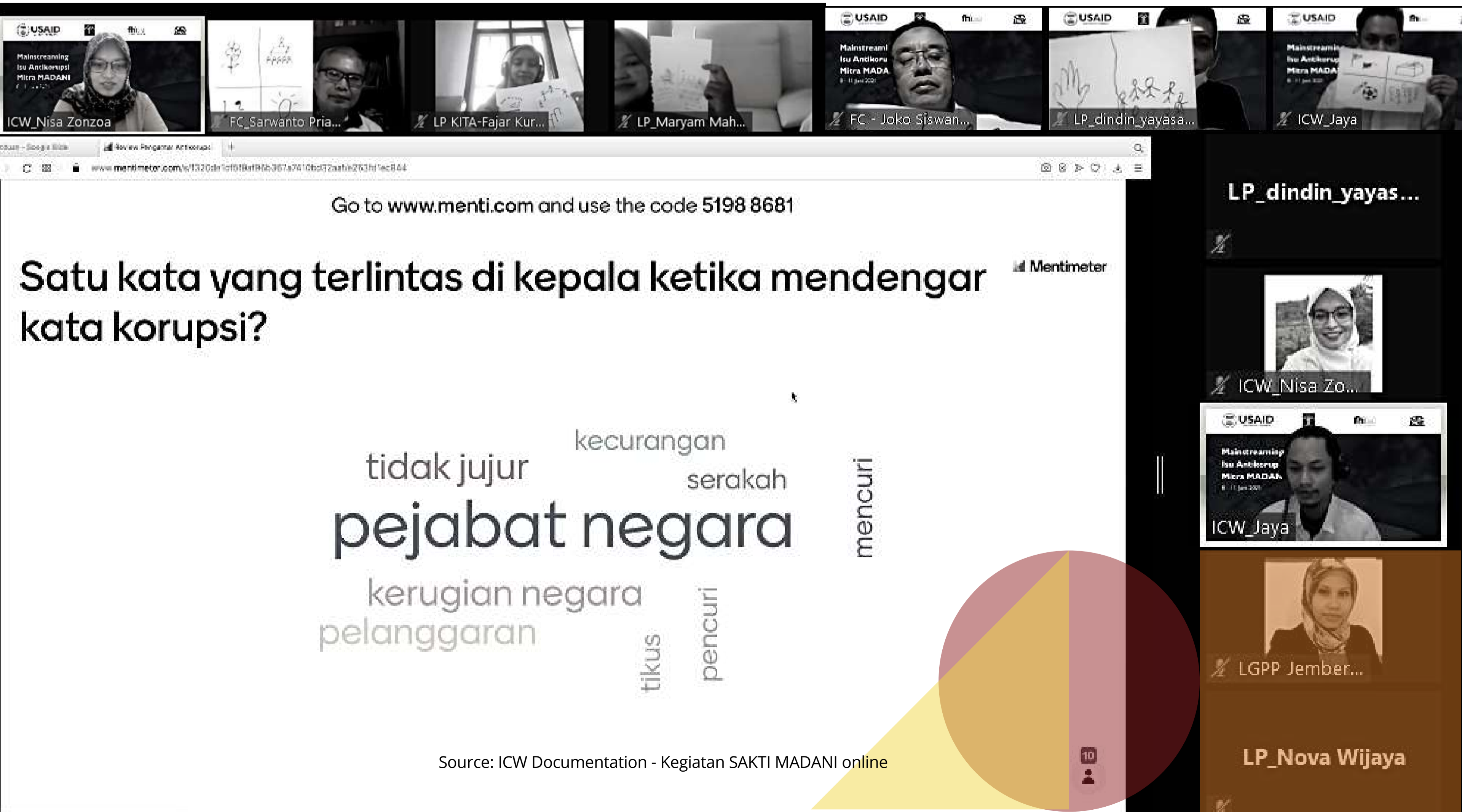
For ICW, capacity building programs for new anti-corruption groups and networks may never end. ICW's vision is to build a citizen-driven anti-corruption movement, therefore various training activities must continue using various platforms, such as the online Anti-Corruption Academy, online and offline interactive training, and hybrid formats.

In 2021, ICW facilitated training for women groups in East Java to empower them as watchers of social assistance procurement and distribution in Covid time. Other training activities included SAKTI Banten and SAKTI NTT with journalists and activists, focusing on anti-corruption knowledge, such as the basics of corruption crime, corruption in public contracting, Opentender.net how-to, and public campaign strategies. For KJI, ICW delivered materials on how to investigate governance problems in the procurement of medical devices and drugs for Covid response. The training intended to impart knowledge on emergency procurement. We also trained journalists involved in Covid spending monitoring in Surabaya, Jogjakarta, Semarang, and Banten.



Meanwhile, SAKTI MADANI activities taught its participants about several fundamental knowledge in anti-corruption through sessions themed “The History of Corruption Eradication”, “Introduction to Anti-Corruption”, “The Law and Corruption”, “Citizens’ Role and Participation”, and “Corruption in the Public Service Sector”. Post-training, the participants were asked to develop anti-corruption programs that are contextualized to their organizations.

To promote the use of Opentender.net, ICW facilitated training for the government’s employees who are responsible for procurement management and oversight, CSOs, and journalists. We focused our training in Papua and West Papua, and now three districts/cities have become our training alumni: Jayapura District, Merauke District, and Sorong District. We introduced Opentender.net to inspectorates in South Sulawesi, Banda Aceh, and Jogjakarta.



STRATEGY 3

ADVOCATING ANTI-CORRUPTION POLICY



■ 3.1 DATA-DRIVEN ANTI-CORRUPTION ADVOCACY

To drive public policy reforms that adopt the spirit of anti-corruption, ICW makes use of data – both publicly accessible and data that requires special access. We process, present, and use the data to inform our arguments and policy recommendations. Since the data reflect real situations, we are also able to offer concrete recommendations.

3.1.1 USING DATA IN PUBLIC POLICY ADVOCACY

Data has a strong advantage in that it is difficult to deny. Because of that, access to primary data is one of the keys to successfully raise an important issue and get the public's attention. Certainly, it should be followed by the government's attention and swift reaction to an issue by changing weak public policies. Overall, data can make public policy advocacy more successful.

Therefore, all studies, advocacy work, and policy monitoring that ICW engages must be informed by quality data. We demonstrated the importance of data among others in our report on PCR testing pricing policy; armed with contract information on reagent and kit purchases from BNPB, ICW issued a study that criticized this policy. Our data showed that the government's pricing was too high compared to the actual purchase value. The policy was burdensome for many people, especially when PCR testing became mandatory for travelers.

Another dataset that we used was the list of owners of PCR laboratories in various locations. The data cited Luhut Binsar Panjaitan (LBP) who at the time juggled between five concurrent public positions, including one position that was central to pandemic response: the Vice Director of Covid Response Team. Finding his name in the list of shareholders of a major PCR lab was a red flag of conflict of interests. Another red flag was found for Minister of State-Owned Enterprises Eric Thohir who also has ownership in a PCR lab. Both individuals were clearly directly responsible for pandemic response.

Following a heated public debate, the government finally lowered the PCR test cost to Rp275 thousand. This decision might not be directly affected by ICW's study, but this experience

underscored the importance of robust data to help build public debate about PCR cost – something that would have been difficult to do without data. At the same time, data supported our claim of costly PCR pricing by the government, which made the argument irrefutable.

Other than PCR test cost, ICW also examined possible conflicts of interests of public officials who promoted Ivermectin to treat Covid patients, even though Indonesia's drug administration agency had never tested the drug. Several countries, such as the U.S., banned Ivermectin because the drug had only been used for animals such as horses and cows. In the U.S., the illegal use of Ivermectin to treat Covid had led to life-threatening cases due to toxic reactions of the drug in the patient's body. We did social and business networking tracking of individuals who promoted the drug and found potential commercial incentives for those individuals to do so.

ENHANCING PUBLIC OVERSIGHT WITH TECHNOLOGY

Corruption often involves a wide network of actors. ICW conducted a study using the Social Network Analysis (SNA) method to map individuals who may be abusing public resources or are associated with those committing the act of corruption. The method was useful to learn the relationships between actors that were otherwise difficult to ascertain using traditional monitoring methods. This is because public officials often obscure their association to a business entity through the entity's layers of ownership, by using another person's name (a nominee), or by using the name of their family members and associates. However, SNA helped us map state actors with businesses, which we could use to disclose conflict of interest potentials and abuse.



Source: ICW Documentation



3.1.2 PUSHING FOR POLICIES THAT ENABLE CLEAN GOVERNANCE

The ecosystem that supports clean, accountable governance is determined by the quality and content of public policies. For ICW, efforts to push public policies that favor corruption eradication must continue. One of those policies is the recovery of assets obtained from the crime of corruption.

Asset recovery legislation has been advocated for a while but has never been successfully passed. For political elites, this law may be seen as a threat and may eventually be a setback for them in the future. Nevertheless, this legislation will be highly beneficial for the government and would increase the level of recovered corruption-related losses and losses from other financial crimes.

Because of the lack of support among political elites towards making asset recovery as a new legislation, ICW tried other measures to amplify state losses' recovery, including to use attachment of property against defendants in corruption cases. This way, the defendants may not convert, transport, transfer, or sell their assets to a third party. For investigators and prosecutors, this mechanism helps determine the value of recoverable losses and map other assets that may be proceeds of money laundering. This study is being finalized; once completed, it will be used to urge Indonesia's Supreme Court to formulate a technical guideline to be used by law enforcement when dealing with corruption crimes.

ICW also advocated for the government's contract documents to be designated as public documents. This advocacy was successful following the issuance of the Regulation of Central Information Commission (KPI) No. 1 of 2021, which officially designates contract documents as

THE URGENCY OF ASSET RECOVERY LAW

Imprisonment and the recovery of proceeds of corruption are two important measures that make corruption eradication efforts more effective. Unfortunately, asset recovery to compensate the state and public's losses due to corruption is still far from its potential. According to our study on convictions on corruption cases from 2019 to 2020, the state suffered a loss of up to Rp70 trillion due to corruption. Less than Rp21 trillion of those stolen assets were recovered. We need to have a legal breakthrough that optimises remedy for the state and the people. This includes finalising and passing the Asset Recovery Bill. The government and the Indonesian Parliament carry a great responsibility to provide the legal principles necessary to support corruption eradication work.

public information and that their disclosure is mandatory. ICW's advocacy was important, because while contract documents are already treated as public information under Law on Public Information Disclosure No. 14 of 2008, in practice officials often denied disclosing the contracts when requested – citing that contract information is exempted from disclosure.

Government contracts resulting from public contracting are important tools for citizens, including journalists, to exercise oversight. Fraudulent practices, manipulation, even the commission of a crime and potential state losses can be studied through open contract data. Without this information, detecting shady deals or analyzing the potential of corruption in government tenders will be highly difficult. Now, the new regulation explicitly recognizes government contracts as public information and must be provided whenever requested.

Further in public contracting, ICW was also successful in encouraging faster contracting governance reform in Papua – especially in terms of transparency. The success was evidenced by a Circular Letter issued by Merauke District's Regional Secretary Ruslan Ramli that calls upon all heads of public entities in Merauke to publish contracting information under their agencies.

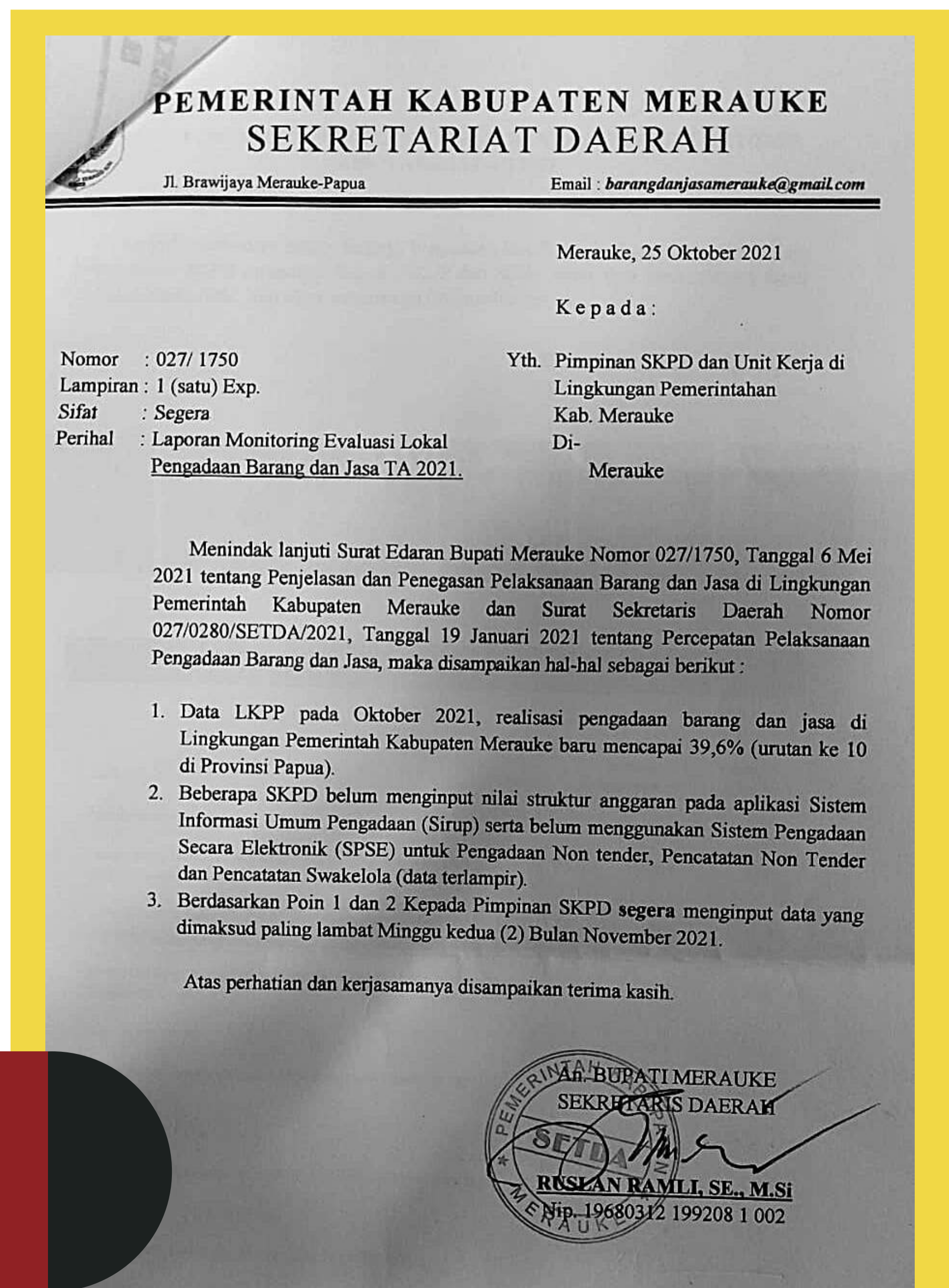
The Circular, SE No 027/1750, was directly contributed by ICW's study based on its evaluation on Merauke's e-procurement service website in May 2021. ICW concluded that there was only information on 12 procurements in the health sector and none from the education sector in 2016-2021. The findings had not mentioned other, equally important sectors that ICW had not had the time to examine. The findings were submitted to Mr. Ramli, who immediately responded with the circular.



PAPUA CIRCULAR

By now, the public should easily be able to access contracting information at the subnational level from local procuring entities through their respective local e-procurement services. In practice, disclosure of contracting information is still limited. This was the issue that we found in Merauke. In May 2021, ICW team accessed Merauke's e-procurement platform and saw only 12 records of procurement in the health sector. Meanwhile, sectors like education had zero data from 2016-2021.

We reported our findings to the Merauke Procurement Agency and Regional Secretary, Ruslan Ramli during a meeting at his office on 22 October 2021. We recommended that the Agency and the Regional Secretariat be more proactive in evaluating and encouraging all local procuring entities to be more disciplined in putting their data in the system and publish those data in the e-procurement platform. Ramli responded positively and immediately issued a Circular Letter to all heads of procuring entities, requiring them to publish contracting information that their agencies had performed.



3.1.3 ADVOCATING AGAINST MEASURES THAT WEAKEN CORRUPTION ERADICATION EFFORTS

Corruption eradication may be losing its momentum, as social oversight becomes feeble while the political system is growing to be less transparent, but more repressive. The amendments to the KPK law proved how anti-corruption commitment is losing its footing. To prevent further hindrance to anti-corruption efforts, ICW engaged in advocacy work that focused on the situation in the KPK. Issues included the highly controversial Tes Wawasan Kebangsaan (TWK), where employees had to sit in some sort of exam and answer questions on their civic knowledge. In fact, the test appeared to have been arranged with the goal of weeding out KPK's employees who were 'uncooperative'.

Together with the Coalition of Civil Society Against Corruption, ICW stood by KPK employees who decided to challenge the test to two important bodies in Indonesia: the National Human Rights Commission and the Ombudsman. With the Commission, the Coalition appealed for the case to be considered from the lens of potential human rights abuse – the employees who 'failed the test' were let go without any consideration. Not to mention that during the test they had to endure inappropriate, harassing questions. Meanwhile, before the Ombudsman, the case was presented as administration malpractice. Both institutions agreed that the test was problematic; they recommended the test to be reviewed and the employees reinstated. Nevertheless, there seemed to be some political backdoor agenda behind the termination of 75 KPK employees and the recommendations were ignored by the KPK.



Further, ICW also pointed out potential dishonesty in a criminal prosecution against an Indonesian public prosecutor, Pinangki. She was arrested and prosecuted for taking bribes from the then fugitive, Djoko S. Tjandra (also known for his code name: Joker), who was convicted for embezzling state funds that were disbursed to his company in an account receivable transfer scheme and which were supposedly paid to Bank Bali. The Joker fled Indonesia and stayed a fugitive for years. To secure his return, he bribed several officers in the Attorney General's Office and Indonesian Police – as a wanted person, he would not be able to enter Indonesia as a free man, let alone getting his business back up and running. With his bribes, he expected to cross back to Indonesian borders undetected and to have his case appealed for a judicial review, where he, in conspiracy with Pinangki, planned to overturn his conviction.

ICW noticed gaps in the professionalism of AGO's officers. Pinangki was not a high-ranking official, and so questions remained: who had facilitated or instructed Pinangki to connect with Djoko? Moreover, the AGO's impartiality is rightly questioned considering they were investigating one of their own.

ICW urged KPK to take over the case. ICW also reported misconduct of AGO's officers in the Pinangki case to the AGO'S Ethical Commission. ICW also launched various public campaigns to hold the spotlight on the case, which potentially involved other, more powerful officials in the AGO. Pinangki was eventually convicted and sentenced; ICW carried out a public examination on the light verdict and other irregularities in the AGO's legal procedure.



Lastly, ICW and YLBHI, LBH Jakarta, change.org, Center for Anti-Corruption Studies under UGM, KontraS, and Law Firm Visi adopted a new strategy in fighting corruption. This approach underlined the importance of corruption to take legal actions to recover their losses. We know that people are the victims of corruption: they lose access to social assistance and to quality public services that they deserve. Therefore, our coalition encourages those who suffer from Covid-19 social assistance corruption to take up their case and demand compensation to the convicted perpetrator, Juliari P. Batubara (then minister of social affairs at the time of corruption).

This approach is not new. Referring to the provisions under Article 98 of Indonesia's Criminal Procedural Code and Article 35 of the UN Convention Against Corruption (UNCAC), demands for reparations in corruption cases can be done by initiating a collective criminal lawsuit. The lawsuit may be denied using questionable arguments, but the Coalition believes that this approach needs to be used more and expanded and treated as a new arsenal for the people in the fight against corruption.



Source: ICW Documentation

BRINGING A LAWSUIT AGAINST DEFENDANTS IN CORRUPTION CASE

The real victims of embezzlement of public funds, influence peddling, and bribery are not just a state's economy, but also the people. The individuals who commit the act of corruption essentially rob other people of their rights – e.g., right to education, quality healthcare, and to fast, affordable, and clear public services. Using the available legal instruments, such as Article 98 of the Criminal Procedural Code (KUHAP) and Article 35 of the UN Convention Against Corruption (UNCAC), those suffering damages from corruption can initiate legal proceedings to demand compensation.

Pasal 98 KUHAP

(1) If an act which becomes the basis of a charge in the examination of a criminal case by a court of first instance causes harm to another person, the head judge at trial may at the request of said person decide to combine the case of the compensation demand with the criminal case.

(2) The request as intended by Paragraph (1) may only be made at the latest prior to the submission of charges by the public prosecutor. Where a public prosecutor is not present, the request shall be submitted at the latest prior to the rendering of judgement by the judge.

Pasal 35 UNCAC

Each party shall take such measures as may be necessary, in accordance with the principles of its domestic law, to ensure that entities or persons who have suffered damages as a result of an act of corruption have the right to initiate legal proceedings against those responsible for that damage in order to obtain compensation.



AWARDS FOR ICW IN 2021

A Plaque of Appreciation from the Indonesian National Development Planning Agency for ICW's contributions in the civil society sector to the attainment of SDGs (Sustainable Development Goals)



OGP Impact Award
Asia & the Pacific



Stephanie Muchai
Stephanie Muchai
OGP Steering Committee Member
Director of Partnerships, International Lawyers Project

스테파이 무차이
OGP 운영위원
국제변호사프로젝트(ILP) 파트너십 국장

ICW and the National Procurement Policy Agency (LKPP) earned second place in the OGP Impact Award for their work in driving open data in public procurement.



Institute FundRaising Award (IFA) recognized ICW as Best NGO in Fundraising in the anti-corruption sector.



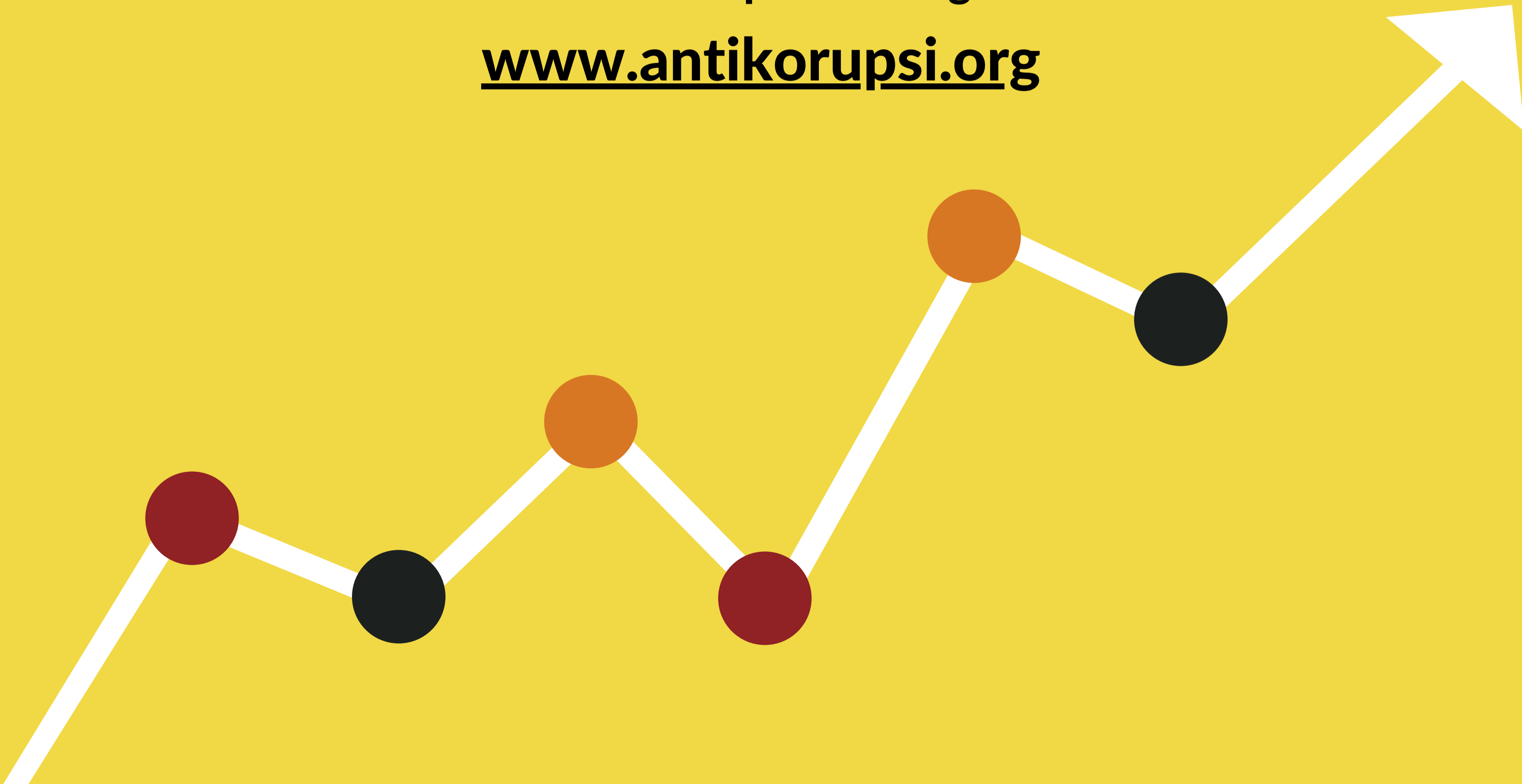
FUNDRAISING
AWARD 2021



ICW FINANCIAL AUDIT REPORT 2021

Due to the ongoing audit process, we will submit
ICW's 2021 financial report through the website

www.antikorupsi.org



Source: ICW Documentation - Aksi Solidaritas Pemecatan 57+ Pegawai KPK





INDONESIA CORRUPTION WATCH

ANNUAL
REPORT
2021

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