

PROCEDURES FOR MONITORING, EVALUATING AND REPORTING THE FINANCING OF PROJECTS/ACTIVITIES THROUGH THE ISSUANCE OF STATE SHARIA SECURITIES

(Regulation of the Minister of Finance Number
120/PMK.08/2016, Dated July 18, 2016)

BY GRACE OF GOD THE ALMIGHTY

THE MINISTER OF FINANCE OF

THE REPUBLIC OF INDONESIA,

Considering:

- a. that in order to implement the provision of Article 21 of Government Regulation Number 56 Year 2011 on the Financing of Projects through the Issuance of State Sharia Securities, the Minister of Finance has stipulated Regulation of the Minister of Finance Number 44/PMK.08/2014 on Procedures for Monitoring, Evaluating and Reporting the Financing of Projects/Activities through the Issuance of State Sharia Securities;
- b. that based on result of the evaluation and implementation of Regulation of the Minister of Finance Number 44/PMK.08/2014 on Procedures for Monitoring, Evaluating and Reporting the Financing of Projects/Activities through the Issuance of State Sharia Securities as meant in letter a, and in the framework of supporting the monitoring and evaluation of the financing of projects/activities through the issuance of state sharia se-

curities, it is necessary to re-regulate procedures for the monitoring, evaluation, and reporting of the financing of projects/activities through the issuance of state sharia securities;

- c. that having regards to letter a and letter b, it is necessary to stipulate a regulation of the Minister of Finance on Procedures for Monitoring, Evaluating and Reporting the Financing of Projects/Activities through the Issuance of State Sharia Securities;

In view of:

1. Law Number 19 Year 2008 on State Sharia Securities (Statute Book of the Republic of Indonesia Year 2008 Number 70, Supplement to Statute Book of the Republic of Indonesia Number 4852);
2. Government Regulation Number 56 Year 2011 on the Financing of Projects through the Issuance of State Sharia Securities (Statute Book of the Republic of Indonesia Year 2011 Number 137, Supplement to Statute Book of the Republic of Indonesia Number 5265);
3. Regulation of the Minister of Finance Number

234/PMK.01/ 2015 on Organization and Working Mechanism of the Ministry of Finance (State Gazette of the Republic of Indonesia Year 2015 Number 1926);

DECIDES :

To stipulate:

THE REGULATION OF THE MINISTER OF FINANCE ON PROCEDURES FOR MONITORING, EVALUATING AND REPORTING THE FINANCING OF PROJECTS/ACTIVITIES THROUGH THE ISSUANCE OF STATE SHARIA SECURITIES

CHAPTER I

GENERAL

Article 1

Referred to in this regulation as:

1. State Sharia Securities hereinafter abbreviated to SBSN or called Sukuk Negara shall be securities issued on the basis of sharia principles, as evidence of part of the participation in assets of SBSN, either in the rupiah or foreign currency.
2. State Budget of Revenue and Expenditure hereinafter abbreviated to APBN shall be annual financial plan of state administration approved by the House of Representatives.
3. Project shall be the activity as meant in the law regarding state budget of revenue and expenditure, which constitutes a part of program executed by ministries/institutions, with the financing resulting from the issuance of SBSN in APBN.
4. Project Initiator shall be ministries/institutions submitting project proposal.
5. Ministry shall be a government apparatus in charge of specified affairs in administration.
6. Institution shall be non-ministerial organization and other institution of budget user established to execute specified task on the basis of the constitution of 1945 and/or other legislation.
7. Completing List of Budget Realization hereinafter abbreviated to DIPA shall be a document of the realization of budget which is prepared by budget user/proxy of budget user and used as reference by budget user/proxy of budget user in executing public administration activities as the realization of APBN.
8. Minister shall be the Minister of Finance of the Republic of Indonesia.
9. Director General of Financing and Risk Management hereinafter called the Director General shall be leader

- of first-echelon unit within the Ministry of Finance in charge of financing and risk management affairs.
10. Directorate General of Financing and Risk Management hereinafter abbreviated to DJPPR shall be first-echelon unit in the Ministry of Finance, which is assigned to prepare and implement policies in the field of the management of loan, grant, state securities and financial risk in accordance with the provision of legislation.
11. Funds Withdrawal Plan hereinafter abbreviated to RPD shall be a document containing projection of the withdrawal of project funds during the excuting period of project, which is prepared by project initiator.
12. State Ministry for National Development Planning/the National Development Planning Board hereinafter called Ministry of PPN/Bappenas shall be an executive element of the government subordinate and responsible to the president, which is assigned to help the president implement administration tasks in the field of national development planning in accordance with the provision of legislation.

CHAPTER II

MONITORING, EVALUATION AND REPORTING OF THE FINANCING OF PROJECT THROUGH THE ISSUANCE OF SBSN

Part One

Monitoring, Evaluation and Reporting by Ministries/Institutions

Article 2

- (1) Project initiators shall monitor and evaluate the performance of projects financed through SBSN.
- (2) The monitoring and evaluation as meant in paragraph (1) shall be done in phases:
- a. the realization, covering the monitoring and evaluation of:
 - 1) progress of the absorption of funds;
 - 2) physical project accomplishment;
 - 3) encountering issues; and
 - 4) required follow up;
 - b. completion of project work.

Article 3

- Project initiators shall prepare the monitoring and evaluation report as meant in Article 2 paragraph (2) in the form of:
- a. report on the realization; and

- b. report on the completion of project work.

Article 4

- (1) The realization report as meant in Article 3 letter a, shall contain recapitulation of the absorption of funds and supporting data in the form of:
 - a. progress of project physical accomplishment; and
 - b. encountering issues as well as the required follow up.
- (2) Model of the realization report as meant in paragraph (1) shall refer to format in Attachment A, which constitutes a part inseparable from this regulation.
- (3) The realization report as meant in paragraph (1):
 - a. shall be prepared for quarterly period;
 - b. shall be submitted to the Minister attn the Director General in no later than the 10th of the ensuing month on the following working day in the case of the 10th constituting holiday or dayoff.

Article 5

- (1) The report on the completion of project work as meant in Article 3 letter b shall contain at least:
 - a. copy of account of the transfer of work; and
 - b. copy of the submitted proposal of the stipulation of the utilization status of project referring to the provision of legislation related to state property management.
- (2) The report on the completion of project work as meant in paragraph (1) shall be submitted to the Minister attn. the Director General in no later than 12 (twelve) months after the fiscal year where the project is wholly realized expires.

Article 6

- (1) In the case of project being not yet able to settle up to the expiration of contract in the current fiscal year and having the completion of work extended in accordance with the provision of legislation, project initiators shall submit additional monitoring and evaluation report in accordance with the format as contained in AttachmentB, which constitutes an integral part of this regulation.
- (2) The additional monitoring and evaluation result report to as meant in paragraph (1), shall be submitted in no later than 15 (fifteen) calendar days following the expiration of the extension period of contract or on the ensuing working day if the deadline of the submission of the report is holiday or dayoff.

Part Two

Monitoring and Evaluation by the Ministry of Finance

Article 7

- (1) DJPPR shall monitor the realization of the absorption of project funds:
- a. on the basis of the report on result of monitoring and evaluation by project initiator as meant in Article 3 dan Article 6; and
 - b. referring to RPD.
- (2) The monitoring of the realization of the absorption of project funds as meant in paragraph (1) shall be done by:
- a. comparing RPD to the realization of the absorption of project funds;
 - b. involving related units within the Ministry of Finance and Ministry of PPN/Bappenas, if required.

Article 8

- (1) DJPPR shall evaluate the realization of the absorption of project funds on the basis of the following criteria:
- a. "good" in the case of the project having the percentage of gap between the plan and realization less than 25% (twenty five percent), it means the realization of the absorption of project funds has been suitable or faster than the planned schedule;
 - b. "less" in the case of the project having the percentage of gap between the plan and realization 25% (twenty five percent) up to 75% (seventy five percent), it means the realization of the absorption of project funds is slower than planned schedule;
 - c. "low" in the case of the project having the percentage of gap between the plan and realization over 75% (seventy five percent), it means the realization of the absorption of project funds is extremely slow from the planned schedule.
- (2) The realization of the absorption of project funds shall be evaluated every quarter or if required.
- (3) The calculation method of the gap between the absorption of project funds shall refer to the calculation as contained in Attachment C, which constitutes an integral part of this regulation.

Article 9

- (1) DJPPR shall formulate result of the evaluation of the absorption of project funds as meant in Article 8 paragraph (1).

- (2) The result of the evaluation as meant in paragraph (1) may be formulated by using documents resulting from among others:
- realization data from the Directorate of State Cash Management, Directorate General of Treasury Affairs;
 - report on result of the monitoring and evaluation by project initiators; and/or
 - result of meeting between DJPPR and project initiators and other related parties.

Article 10

- (1) Result of the evaluation as meant in Article 9 paragraph (1) may be in the form of:
- report on result of monitoring; and/or
 - recommendation about monitoring result.
- (2) The report on monitoring result as meant in paragraph (1) letter a, shall be applied to all criteria for the evaluation of project as meant in Article 9 paragraph (1).
- (3) The recommendation about monitoring result as meant in paragraph (1) letter b, shall be granted to monitoring result with the evaluation criteria "less" and "low".

CHAPTER III

RECOMMENDATION

Article 11

- (1) DJPPR shall prepare the recommendation as meant in Article 10 paragraph (3).
- (2) The recommendation as meant in paragraph (1);
- shall contain at least recommendation to project initiators to take measures to accelerate the completion of project; and
 - shall be submitted to project initiator by the Director General on behalf of the Minister.

CHAPTER IV

DISCONTINUATION OF FINANCING

Article 12

- (1) The minister may discontinue the financing of project partly or wholly.
- (2) The discontinuation of financing as meant in paragraph (1), may be applied to projects:
- encountering legal issues; and/or

b. in state of force majeure.

Article 13

- (1) The discontinuation of the financing of project as meant in Article 12 shall be done by considering result of coordination meeting between DJPPR and the Ministry of PPN/Bappenas and project initiator.
- (2) The discontinuation of project financing shall be stipulated by a letter of the Minister and submitted to project initiator with a copy made available to at least the Minister of National Development Planning/Head of the National Development Planning Board and the Director General.

Article 14

- (1) The Director General shall submit stipulation of the discontinuation of project financing as meant in Article 14 paragraph (2) to the Director General of Treasury Affairs and the Director General of Budgetary Affairs.
- (2) The Director General of Treasury Affairs shall follow up the stipulation of the discontinuation of project financing as meant in paragraph (1), by submitting request for the discontinuation of the payment to State Treasury Service Office to discontinue the issuance of order to disburse project funds in accordance with the provision of legislation.

Article 15

Based on the letter of the minister as meant in Article 13 paragraph (2), project initiators may submit the revision of budget document in accordance with the provision of legislation.

CHAPTER V

CONCLUSION

Article 16

With the enforcement of this regulation, Regulation of the Minister of Finance Number 44/PMK.08/2014 on Procedures for Monitoring, Evaluating and Reporting the Financing of Projects/Activities through the Issuance of State Sharia Securities shall be revoked and declared null and void.

Article 18

The ministerial regulation shall come into force as from the date of promulgation.

For public cognizance, the ministerial regulation shall be promulgated by placing it in State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

On July 18, 2016

THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA

sgd.

BAMBANG P.S. BRODJONEGORO

Promulgated in Jakarta

On July 20, 2016

THE DIRECTOR GENERAL OF LEGISLATION OF THE MINISTRY OF LAW AND HUMAN RIGHTS OF

THE REPUBLIC OF INDONESIA

sgd.

WIDODO EKATJAHJANA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2016 NUMBER 1055

Editor's note:

- Due to technical reason, the attachments are not published.

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