

COURSE REPORT

FOCUS GROUP DISCUSSION ON MINE SITE RESTORATION ON STATE FORESTLAND

April 17, 2018

Samarinda, East Kalimantan, Indonesia

Organized by:

Environmental Leadership and Training Initiative (ELTI)

Tropenbos Indonesia Program (TBI)

Research & Development Institute for Natural Resource Conservation Technology (BALITEK KSDA)

Education and Training Center for the Environment & Forestry-Samarinda (BDLHK-Samarinda)

Directorate General for the Management of Watersheds and Protection Forests (PDASHL)

Forum of the East Kalimantan Heads of Mines (Forum KTT)



Background: The Indonesian Ministry of Environment & Forestry (MEF) allows for sections of the country's forestry estate to be used for temporary development purposes, including mining. In East Kalimantan, approximately 100 permits have been issued to companies, covering a total area of 192,450 hectares of state forestland. While mining results in serious environmental damage, the government tries to mitigate the impact by requiring concession holders to carry out mine site rehabilitation. Government regulations indicate that the mining companies must restore the mining sites within the forestry estate to their original

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Workshop participants during the opening session

condition. Mining companies are also required to rehabilitate an additional area of equal size to the companies' concession in another forestland area (typically protection forests). To guarantee compliance, the government also requires that companies put funds in an escrow account that are only returned once regulators deem the site successfully rehabilitated.

Many companies, however, have a difficult time implementing the regulations. Difficulties come from a range of sources, including conflicting regulations between MEF and the Ministry of Energy & Mineral Resources (MEMR), both of which regulate mining within state forestland, limited technical knowledge on how to conduct successful rehabilitation, a lack of guidance from government regulators, and in some cases, a lack of commitment from the companies themselves. To further refine our approach to addressing these types of problems, ELTI and its partner organizations facilitated this workshop to determine where exactly the points of confusion are, as well as to assess the capacity development needs of the private sector.

Course of Event:

The workshop started with an opening ceremony which included welcome remarks by Dr. Edi Kurniadi (Head of BDLHK-Samarinda), Dr. Ir. Muhammad Firman (Director of Air & Land Conservation), and Dr. Arbainsyah (ELTI Indonesia Program Assistant). Dr. Firman then gave the keynote address, which emphasized that mining companies operating within the forest estate are required to conduct progressive rehabilitation of their sites, rather than waiting until mining of the whole site is completed. By taking these steps, the companies can reduce their tax payments for using MEF land and facilitate the return of the land to the Ministry once the mining operations are completed. Dr. Firman also emphasized that concession holders should also quickly carry out their rehabilitation of watershed compensation areas.



Workshop session speakers

The rest of the workshop was divided into three sessions. Dr. Firman launched Session One with an overview presentation on mine site rehabilitation. Afterwards, Mr. Ahmad Gadang Pamungkas (Head of BALITEK KSDA) moderated a discussion around how to rehabilitate the site to its original conditions. What if the site was an industrial timber estate? In one case, local farmers had planted rubber and oil palm shortly before the start of mining operations. Should the site be returned to those conditions? The Ministry also requires that all excavated areas be rehabilitated, unless the mining company stated its intention to keep voids (i.e., excavated pits) in the Environmental Impact Assessment. Many companies, however, have created voids that are now too costly to fill. Company representatives wanted to know if there are options for leaving the voids open if there is a potential use for them. Other questions revolved around local community interests and what social conditions should be considered when deciding how best to rehabilitate an area.

Session Two started with three presentations. Mr. Goenoeng Djoko Hadi Poetranta (Head of the East Kalimantan Energy & Mineral Resources Department or Dinas ESMPKT) gave an overview of mining regulations; Mr. Kustanto (Forest Zone Determination Board or BPKH in Samarinda) presented on taxes, fees, and the mine reclamation guarantee fund; and Prof. Hariadi Kartodihardjo (Bogor Agricultural University) spoke about increasing the effectiveness of mine companies' rehabilitation efforts. The session was then moderated by Mr. Pamungkas. Discussions in this session revolved around differences in the regulations between the MEF and the MEMR on a series of technical issues, like planting distances and the indicators of successful revegetation, that have proven confusing to mine staff. A number of questions also arose over the process for companies to reclaim the mine reclamation guarantee funds. There was also some discussion of the general absence of significant biodiversity indicators in the regulations.

Moderated by Prof. Kartodihardjo, Session Three served as an open forum for participants to discuss other important issues which had not been previously discussed. Questions were raised regarding the territorial



Workshop resource people, organizers, and VIPs

basis for determining the mine reclamation guarantee fund (e.g., is it based on size of the concession or area disturbed?). Discussions also focused on the weak monitoring of the regulations, the problem of bribery amongst government regulators, the lack of synchronicity between regulations from the two Ministeries, and the lack of financial incentives for mining companies to do a good job in rehabilitating the areas outside of their concessions.

The workshop ended with closing remarks by Dr. Kurniadi, who emphasized that the goal of the workshop had been to generate a list of recommendations that would help mine concessionaires fulfil their regulatory obligations related to mine site rehabilitation.

Participants:

The workshop was attended by a total of 86 participants, comprised of representatives from Forum KTT, the Provincial Mining & Energy Services, the Provincial Forest Service, BALITEK KSDA, BDLHK-Samarinda, and Mulawarman University.

Follow-up:

Prof. Kartodihardjo plans to use input from the workshop to develop an action plan with the Corruption Eradication Commission (KPK) to improve the implementation of mine rehabilitation regulations. As an advisor to the Ministry of Environment & Forestry, he also has gained useful insights on how best to synchronize regulations between the two relevant ministries. Meanwhile, ELTI and its partner organizations are currently working out ways to collaborate on giving continued capacity-development support on mine site rehabilitation to the mining industry.

This event was possible thanks to Arcadia, whose Environmental Conservation grants support programmes that protect and enhance biodiversity, and provide field training and academic research.