CEPF Final Project Completion Report

Organization Legal Name:	Indonesia Business Council for Sustainable Development
Project Title:	Advocacy on Sustainable Mining Guideline
Grant Number:	CEPF-109147
CEPF Region:	Wallacea
Strategic Direction:	5 Engage the private sector in conservation of priority sites and corridors, in production landscapes, and throughout the hotspot
Grant Amount:	$60,001.14
Project Dates:	December 01, 2018 - November 30, 2019
Date of Report:	January 23, 2020

IMPLEMENTATION PARTNERS

List each partner and explain how they were involved with the project.

1. *Directorate* of *Essential Ecosystem* Areas Management (BPEE), Ministry of Environment and Forestry
2. Center for Education and Training of Environment and Forestry Human Resources, Ministry of Environment and Forestry
3. Directorate of Mineral and Coal Engineering and Environment, Ministry of Energy and Mineral Resources
4. Directorate of Pollution and Environmental Damage (PROPER Secretariat), Ministry of Environment and Forestry
5. South Sulawesi Conservation Agency (BKSDA Sulawesi Selatan).
6. South Sulawesi Provincial Forestry Service (Dinas Kehutanan Sulawesi Selatan)..
7. Larona Malili Forest Management Unit (KPHL Larona Malili)
8. PT Vale Indonesia Tbk. is our implementing partner in this project who is responsible to pilot the biodiversity management module for mining sector within their concession area.
9. Tropenbos Indonesia
10. Wildlife Conservation Society (WCS)
11. IDEAS
12. Business Association – Indonesian Mining Association (IMA)
13. Hassanudin University Makassar

CONSERVATION IMPACTS

Summarize the overall impact of your project, describing how your project has contributed to the implementation of the CEPF ecosystem profile.

The following are the main results of the project:

1. **The development of the Biodiversity Management Practical Module for Mining Sector derived from Ecosystem and Environmental Conservation Guideline for Mining Sector that was developed with the supports from CEPF and Burung Indonesia in the previous phase of the project. Mainstreaming biodiversity conservation and protecting high conservation value area in mining concessions need to emphasis on developing practical document that is implementable in the field. So this is where the practical module will take an important role.**
2. **Indonesia Business Council for Sustainable Development (IBCSD) signed a partnership agreement with Indonesia Mining Association (IMA) on 23 May 2019 to conduct advocacy on Biodiversity Protection for Mining Sector Guideline. IMA is an association of 108 mining companies, consultants and contractors in Indonesia. Through this partnership, IMA confirms its position to support sustainable mining maintaining balance between biodiversity conservation and business sustainability aspects. IMA then communicated this partnership through its network and connected its Environmental Committee, within the organisation, to help the advocacy process of the biodiversity management module.**
3. **A training of biodiversity management module was conducted from 25th to 28th September in Makassar, South Sulawesi (Annex 2). As part of advocacy process, IBCSD was not only inviting PT Vale Indonesia, but also other mining companies such as PT Arutmin Indonesia and PT Antam Tbk. In addition to that, we also invited relevant government agencies that will contribute to the success of module piloting in Sorowako, South Sulawesi. Through the training, it was also delivered a recommendation on how –to do piloting steps to be taken by PT Vale Indonesia. The key steps on conserving and managing biodiversity & environment were documented for PT Vale Indonesia.**

Planned Long-term Impacts – 3+ years (as stated in the approved proposal)

Impact Description	Impact Summary
Improved management of the Lake Matano KBA and the lake, itself, through better management of the PTVI Sorowako mining site	- Define mitigation strategy to address threats of each high conservation value area - Include the strategy into practical SOPs at the mining management unit level - Conduct monitoring and evaluation on the effectiveness of each high conservation value mitigation approach and action
Improved habitat in Lake Matano for endemic fish species	We have recommended to PTVI make the conservation of Lake Matano ecosystem one of the conservation goals, in addition to species protection.
Improved management at Bahodopi and the Central Sulawesi corridor	The possibility of project intervention entering the reserve area or being explored has not yet been explored. and if get new funding, will be replicated to the other PTVI mining site in Central Sulawesi (22.699 Ha) and Southeast Sulawesi 24.752 Ha. (Adendum AMDAL No. SK 708/Menlhk/Setjen/PLA 4/12/2017)

Planned Short-term Impacts – 1 to 3 years (as stated in the approved proposal)

Impact Description	Impact Summary
20,500 hectares at the PTVI Sorowako mining site under improved management (production landscape managed for biodiversity	PTVI Sorowako mining site under improved management, 70.984 hectares. It has already been explained to Vale, there are two choices, namely managing small patches (which is

conservation)	insignificant impact) or connecting these patches to be well connected. Then this can be called landscape management.
Reduced exposure to hazards from poor management of a mining site for downstream communities of up to 25,000 people	This is also only seen after steps 3,4 and 5 are done
Promotion of a network of companies, NGOs, and government agencies promoting sustainable mining	- Indonesia Mining Association through its network has conducted sustainable mining advocacy by sending a lesson learnt taken from Training of Biodiversity Management Module - Advocacy on sustainable mining to BKSDA Sulawesi Selatan, Dinas Kehutanan Sulawesi Selatan, DPLH Sulawesi Selatan and KPHL Larona Malili through Training of Biodiversity Management Module - Together with MoEF, Tropenbos Indonesia and Wildlife Conservation Society giving input to the revision of Directorate General Decree on High Conservation Value Area in Indonesia
15 personnel trained in improved mining site operation	26 persons trained in improved mining site operation consisted of 12 various organizations (private sectors and government agencies) on September 25-27, 2019 in Makasar.

Describe the successes or challenges of the project toward achieving its short-term and long-term impact objectives.

The biodiversity management practical module that has been developed focused on the High Conservation Value (HCV) approach that was already implemented in forestry and agriculture sectors. Mainstreaming HCV implementation in all land-based investment is important, not only in forestry and agriculture, but also in the mining sector, considering the nature of dominated pit mining is extractive to natural resource degradation and pose risk to cause human and natural disasters in many areas in Indonesia. However, the Government of Indonesia has put mining as priority among other land – based investment, and the sector has driven economic growth in several provinces in Indonesia, including South Sulawesi. As such, the inclusion of biodiversity and environmental conservation is a must. The module will guide the mining companies to mitigate environmental risk in order to minimize cost and increase the productivity of the company through conducting good business practices.
The training of the biodiversity management module was conducted from 25th to 28th September in Makassar, South Sulawesi. The training material comprises of high conservation value area identification, management, monitoring and reporting. In the original project document, we designed the training specifically for PT Vale Indonesia and (if possible) other mining companies. After discussions with experts, reassessment and re-mapping the stakeholders, we changed the direction to a broader target beneficiaries, those are relevant government agencies, CSOs and academics, who will be significantly contributing to the implementation process of the project. Biodiversity and environment conservation needs to be done at the landscape level, not only at the site level, to ensure the connectivity between the remaining important forest patches. The patches need to be connected to larger intact forest landscape nearby to bring the impact we wanted. The company alone can't create the significant impact. Therefore, we need a strong leadership from relevant governments and stakeholders to fulfill the goal.
Training participants were 26 persons coming from following various organizations:

- **PT Vale Indonesia Tbk.**
- **PT Arutmin Indonesia**
- **PT Antam Tbk.**

- **Ministry of Environment and Forestry**
- **South Sulawesi Conservation Agency (BKSDA Sulawesi Selatan)**
- **South Sulawesi Provincial Forestry Service (Dinas Kehutanan Sulawesi Selatan)**
- **Larona Malili Forest Management Unit (KPHL Larona Malili)**
- **South Sulawesi Environmental Agency (DPLH Sulawesi Selatan)**
- **Wildlife Conservation Society (WCS) Sulawesi**
- **Hassanudin University Makassar**
- **Perkumpulan Payo – Payo**
- **IBCSD staffs**

At the project plan document, IBCSD planned to conduct the training in Sorowako, South Sulawesi at PTVI site, while the actual implementation took place in Makassar. There were several consideration to change the training location:

- **After discussions with experts and trainers, it was clear that analysis and exercise (in the training process) can be done using GIS technology, not necessarily need to visit the concession area**
- **The importance of national, regional and local governments for module piloting, as well as Hassanudin Makassar University. Therefore, to mobilize many people to Sorowako was not costs effective.**
- **More than 60% of Vale's area are located inside protection forest (Hutan Lindung), as PT Vale was one of the 13 companies held licenses to operate in protection forest. It was a sensitive case for some of the experts as they avoid to be correlated with. Therefore, we tried to find a way where the experts still can contribute without degrading the output and impact of the process.**

The training were also resulted a recommendation to be taken by PT Vale Indonesia in piloting the module. Those are:

1. **Define the conservation and environmental goals of identified high conservation value areas**
2. **Identify threats of each high conservation value area**
3. **Define mitigation strategy to address threats of each high conservation value area**
4. **Include the strategy into practical SOPs at the mining management unit level**
5. **Conduct monitoring and evaluation on the effectiveness of each high conservation value mitigation approach and action**
6. **Adjust the strategies and the associated SOPs (if necessary)**
7. **Report the mitigation efforts and associated adaptation mining operations to the government**
8. **Promote the best practices high conservation value management to national and international level.**

(Please find Annex 3 for a more detailed recommendation)

Were there any unexpected impacts (positive or negative)?

There is a positive unexpected impact from changing the training location from Sorowako to Makassar, so that we could invite all relevant provincial and local government to the training as most of their office are located in Makassar city – it was budget effective. More importantly, the training could raise awareness from provincial and local government in biodiversity and environment management for mining sector, in particular. Make them to see the challenges the company has on

biodiversity conservation and to see the importance of collaboration among different stakeholders group.

PROJECT COMPONENTS AND PRODUCTS/DELIVERABLES

Describe the results from each product/deliverable:

Component		Deliverable		
#	**Description**	**#**	**Description**	**Results for Deliverable**
1	Module Development. Interpreting the guideline to the form of training module on how the guideline can be put into practices.	1.1	Training Module 1 on Biodiversity Management Planning.	Done. The training module 1 on Biodiversity Management Planning was conducted. This Training embaeded in Training on Identification and management of High Conservation Value areas in Mining Sector on September 25-27, 2019 in Makasar
1	Module Development. Interpreting the guideline to the form of training module on how the guideline can be put into practices.	1.2	Training Module 2 on Operations (exploration, operations, clean-up)	Done. The Training Module 2 on Operations (exploration, operations, clean-up) was conducted. This Training embaeded in Training on Identification and management of High Conservation Value areas in Mining Sector on September 25-27, 2019 in Makasar
1	Module Development. Interpreting the guideline to the form of training module on how the guideline can be put into practices.	1.3	Training Module 3 on Monitoring and Evaluation	Done. The Training Module 3 on Monitoring and Evaluation was conducted. This Training embaeded in Training on Identification and management of High Conservation Value areas in Mining Sector on September 25-27, 2019 in Makasar
2	Training for mining companies	2.1	Report on training of 10-15 participants at PTVI, including agenda, participant list broken down by gender, meeting notes, and photos	Done This Training embaeded in Training on Identification and management of High Conservation Value areas in Mining Sector on September 25-27, 2019 in Makasar

3	Piloting the Guideline at PT. Vale Indonesia	3.1	Report on implementation measures taken by PTVI at Sorowako site, including specific inputs by PTVI (e.g., person-hours, materials); changes in operations; and changes in impacts in relation to conservation (e.g., water quality at an outflow location)	According to PTVI, because its concession area is fragmented, the company has challenge to implement HCV approach at landscape level. It needs commitment from related stakeholders to implement the HCV approach to make it works, because HCV can't be implemented partially (in patches).
3	Piloting the Guideline at PT. Vale Indonesia	3.2	Report on any actions taken by PTVI in relation to Bahodopi site	PTVI is currently in the process of AMDAL, and only plans to establish an operating factory in the location.
2	Training for mining companies	2.2	Report on outreach to other mining companies via the IMA	Done The consultation process of the guideline prior to the implementation is critically important to ensure ownership and support from all relevant stakeholders to thrive together. In this partnership, IMA confirms its position to support sustainable mining maintaining balance between biodiversity conservation and business sustainability aspects. IMA said that VALE already has a captive breeding model for high conservation areas: maleo and anoa birds. Cooperation involving the environment has already taken place between several groups, but all groups need to sit together because each model offers specificity. IMA said that, based on discussions with the president of the Republic of Indonesia, it was hoped that collaboration could be established with various parties.
3	Piloting the Guideline at	3.3	Report on actions taken	many other companies are found in the area around, but not yet involved to participate in this

	PT. Vale Indonesia		by coal mining company or other company participating in Sorowako activities	project. the plan, will be involved in the next project.
4	Civil Society Tracking Tool	4.1	Final CSTT	Done submitted in other

Describe and submit any tools, products or methodologies that resulted from this project or contributed to the results.

The biodiversity management practical module is emphasizing practical /technical things on HCV management, monitoring and reporting (Annex1). It goes beyond biodiversity protection, as it is also include management of environmental services, social, economic and cultural values. The principle of high conservation value areas designations process which comply on (inter) national law and regulations on biodiversity and environmental management, stakeholder engagement, public consultations and landscape approaches would improve transparency of such exclusive land-based business.

LESSONS LEARNED

Describe any lessons learned during the design and implementation of the project, as well as any related to organizational development and capacity building.

Consider lessons that would inform:

- Project design process (aspects of the project design that contributed to its success/shortcomings)
- Project implementation (aspects of the project execution that contributed to its success/shortcomings)
- Any other lessons learned relevant to the conservation community

1. **PT. Vale Indonesia has not yet practiced the module, because it still thinks in carrying out this activity to fit the module, it must be landscape. The landscape approach is the next phase, the approach being inclusive involving all parties.**
2. **There is no team for transformative / collaborative leadership. Forest Service, BPSDA, Environmental Agency, company, community, compile landscape ABKT management which will later be inserted into the RKT document. This is proof of ABKT management that benefits all parties. This is not a "Vale document", but a joint document.**
3. **Requires a lengthy process to form the commitment of all parties to do it, and there needs to be encouragement from IMA and associations.**
4. **So far the approach to the mining industry has always been the same, and the existing regulations have always changed.**

5. **The approach used is not bottom up, so ABKT sometimes does not suit the environment, setting levels (1-6).**

SUSTAINABILITY/REPLICATION

Summarize the successes or challenges in ensuring the project will be sustained or replicated, including any unplanned activities that are likely to result in increased sustainability or replicability.

Summarize Successes:

1. **This project has succeeded in forming champions such as PT Vale Indonesia.**
2. **Although there are no regulations on the HCV area, PTVI as a company has been willing to run voluntarily. There is leadership that can transform corporate behavior. Without legally binding regulations, PT Vale could become an example for other companies.**
3. **Phase 1 of this project has produced a book that writes biodiversity in the mining industry. Phase 2 has produced modules and guidelines.**
4. **When Vale volunteers, this can be new knowledge for similar companies.**

Challenges by PT Vale Indonesia in the field:

External:

1. **Conflicts between regional spatial planning and conservation efforts, case: HL status change to HP in areas directly adjacent to the Vale concession.**
2. **Assistance from Gakkum for resolving conflicts, both illegal and social activities, is still low**
3. **The social management aspect must be very strong, because the challenges come from people who live around the Malili lake complex (matano, towuti, mahalona)**

Internal:

1. **Factors influencing post-mining soil fertility: Currently top soil collection is carried out at a depth of 1m, whereas fertile topsoil is only up to a depth of 20 cm. There are technologies that can be used but are not economical, so far top soil extraction is still at a depth of 1m.**
2. **To be produced, nickel must be mixed between east (soft) and west (hard). The location of nickel sources east and west are also not concentrated in the same source, so land clearing due to the search and harvesting of these two types of nickel is needed by the company.**

SAFEGUARDS

If not listed as a separate project component and described above, summarize the implementation of any required action related to social, environmental or pest management safeguards.

PT Vale conducts social mapping and identification in the area around the work area to see the potential of joint community activities and prevent conflicts with surrounding communities and prevent the transition from areas that affect HCV / ABKT that have been managed.

Challenges have identified by PT Vale Indonesia in the field:
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ADDITONAL COMMENTS/RECOMMENDATIONS

Use this space to provide any further comments or recommendations in relation to your project or CEPF.

Target 1: Make a comprehensive reporting

1. **Inventory of the results of activities that have been carried out by the company;**
2. **Legacy;**
3. **Guide book;**
4. **Training Results / Modules;**
5. **Preparation of reports;**

Target 2. Proposed Follow Up next Activities:

- **Companies [consultants] conduct ABKT;**
- **ABKT assessment results are discussed with related parties (Dishut, KLHD, Company, etc.);**
- **The best practice book on biodiversity management around the mine;**
- **Transformative Leadership Training for companies;**
- **Knowledge Sharing to Corporate Associations and universities.**

ADDITONAL FUNDING

Provide details of any additional funding that supported this project and any funding secured for the project, organization or region as a result of CEPF investment.

Total additional funding (US$)
$0.00

Type of funding

Provide a breakdown of additional funding (counterpart funding and in-kind) by source, categorizing each contribution into one of the following categories:

A. Project co-financing (other donors or your organization contribute to the direct costs of this project)
B. Grantee and partner leveraging (other donors contribute to your organization or a partner organization as a direct result of successes with this CEPF-funded project)
C. Regional/portfolio leveraging (other donors make large investments in a region because of CEPF investment or successes related to this project)

There has not been any additional funding to support this project, including the results of CEPF investments

INFORMATION SHARING AND CEPF POLICY

CEPF is committed to transparent operations and to helping civil society groups share experiences, lessons learned and results. Final project completion reports are made available on our website, www.cepf.net, and may be publicized in our e-newsletter and other communications.

1. Please include your full contact details (name, organization, mailing address, telephone number, email address) below.

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