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Summary of talk at CASM Ghana September 2003-09-26

SSM and Large Mine Relationships: PT KEM (Kelian Equatorial Mining) Mine Closure

Mining at Kelian, East Kalimantan started in 1991 and the mine is now moving towards mine closure in 2004.

The local population consists of:

1. traditional landowners (Dyaks)
2. migrant populations.
 - a) government transmigration people
 - b) itinerant and voluntary migrants (Bugis, Banjarese, and Javanese).

The number of small scale miners operation in the area is between 2,000 and 4,000. They are mostly located downstream from the minesite along the Kelian river down to the junction with the Mahakam River. According to several sources both written and informal the majority of the miners are Bugis (approximately 60-75%) and the remainder a mixture of Dyaks and other ethnic groups.

The main group carrying out the intensive mining are the Bugis:

1. Having no land ownership are economically oriented
2. Use pumps to generate more throughput in the sluice boxes and so obtain more gold.
3. This generates more environmental damage. What is left behind is just the cobbles which has little use to an agricultural community.
4. One miner when queried about his concern for this damage that may be caused commented "We are not farmers."

The Dyaks have generally, traditionally, a seasonal approach to the work.

1. The traditional Dyak approach is governed by their beliefs that the gold is a gift from God.
2. Mining the gold is a holy activity and when carrying out this activity you should not engage in any behaviour that might be offensive.
3. Gold is removed and when you return to mine in the same place next season the gold has been replaced as a gift of God. This would be explained by the seasonal flooding.
4. This is reinforced by the seasonal nature of the activities.

Economics

1. Panning 1-2 gm per day depending on richness of the ground
2. Using the two pump system 20-100gm per/day depending on ground
3. Income for pumps at 2000 March is based on USD 300/oz and 10,000 Rp to 1 USD. (2003 August Gold 370 USD/oz, 8,400 Rp/USD would increase the figure below).
4. Income would probably be around 20,000 Rp/d for the 2000 figures. This compares with an average for a farm based income (non rubber) of about 15,000 Rp/d (Michael Hopes) which is not always cash based. It can be barter based income or simply subsistence agriculture.

SSM, Mine Closure and Social Sustainability

Mine closure steering committee was constituted with representatives from stakeholders: Government, Customary Law, KEM, Community groups. Alluvial mining groups are represented through these.

Issues relating to the mine closure are worked through and decisions made by the group.

SSM is only one issue out of many.

1. SSM and Mine closure

For long term sustainability of any systems implaced then it must be valid for the community and decisions verified by the community.

- a) Protection of the regeneration works carried out
 - i) removal of alluvial gold from the proposed wetlands site with community verification
 - ii) Wetlands set up to filter low level metals contamination from mine site. (Dr Geraldine Maguire)
- b) Protect the integrity of the tailings dam through community advisory group decision making.(Budi Sulistijo)
 - i) Identification of any gold resource in the tailings dam by local miners
 - ii) Mine out any resource identified by local miners by local miners
- c) Community awareness programs on various issues such as mercury. (Chrusharini Chamid & Ratih Loekito)

2. SSM and social sustainability

Sustainability can only be achieved if the local community is involved in decision making and they own the decisions and carry through the decisions and verify any outcomes.

This means that both Women and children should be involved in all community programs to make sure that all areas in the community have access to awareness programs.

- a) Long term economic survival
Gold recovery will diminish over time as the major source has been removed.
There are still pockets of alluvial gold that have yet to be worked adjacent to and downstream from the minesite.
Some traditional landowners have refused to allow mining on their land but this may change.
- b) Long term environmental sustainability
OH&S programs especially re mercury use and abuse and dangers
Protection forest set upon former CoW to protect forest from loggers,
Maintain the environmental regeneration provide long term use of the area for locals.
Regulation system to allow the community to manage ongoing SSM activities

Risks Summary

1. Areas become targets as gold returns diminish
2. New people move in and try their luck
3. Community regulation diminishes

Risks can be reduced by Community verification program making sure that all sectors/stakeholders are included in decision making and education/awareness programs and a long term commitment to post mining regime.

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Geoff Crispin