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CSR Study and Policy Advocacy for Better Governance of Extractive Industries in Gunung Mas District



FORD FOUNDATION



Table of Contents

Table of Contents	1
Executive Summary	3
1. Policy development approaches.....	3
2. Institutional options.....	4
1 Introduction	5
1.1 Background	5
1.2 Objectives.....	5
1.3 Method	5
2 Profile of Extractive Industries in Gumas	6
2.1 Plantation.....	6
2.2 Forestry.....	6
2.3 Mining	6
3 Governance of Extractive Industries in Gumas	7
3.1 Study Dimensions	7
3.1.1 Financial Aspects of Extractive Industries	7
3.1.2 Administration of Extractive Industries.....	7
3.1.3 Relations with Directly-Impacted Communities	8
4 Corporate Social Responsibility of Extractive Industries in Gumas.....	10
4.1 CSR Contribution in Gumas: Opportunity and Challenge.....	13
4.1.1 The Opportunity.....	13
4.1.2 The Challenge.....	13
4.2 Current CSR Implementation in Gumas	14
4.2.1 CSR in Practice.....	14
4.2.2 Managing CSR.....	17
4.2.3 Accountability.....	20
4.3 Policies for CSR.....	22
4.3.1 National Policies	23
4.3.2 Gunung Mas Policy	24
5 Recommendations	27
5.1 Policy Development Approaches	27
5.1.1 Sociological Approach.....	27
5.1.2 Legal Framework Approach.....	27
5.1.3 Enabling Environment Approach	28
6 Conclusions	30
Annexes	32
Annex 1: Term of Reference.....	33
Annex 2: PERDA – Government Regulation on Social and Environmental Responsibility of Limited Liability Company	39
Annex 3: Database of Palm Oil Companies Operating in Gunung Mas.....	50
Annex 4: Database of Mining Companies Operating in Gunung Mas	65
Annex 5: Assessment of Regional Economy of Gumas GRDP 2009-2013	67

Annex 6: Interview Samples	71
Annex 7: FGD Crosscheck Sessions.....	79

CSR Study and Policy Advocacy for Better Governance of Extractive Industries in Gunung Mas District

Executive Summary

Gunung Mas District has 154.084 people scattered in 12 subdistricts, in 115 rural villages and 12 urban villages.¹ The main livelihoods of the people are traditional gold mining, hunting, rubber cultivation, and uphill dry rice farming.

Gunung Mas is a resource-rich district. It has 83 mining companies, 21 palm oil plantation companies, and 11 forestry companies.

YTS, through its Governance Project, supported by the Ford Foundation and the ASEAN CSR Network (ACN), has two main objectives in doing CSR Study and Policy Advocacy:

- Map out the CSR contribution from the mining, plantation, and forestry sectors; and
- Provide recommendations for policy improvement on CSR

This CSR study looked at 13 companies, seven directly-affected communities, and several government agencies as targeted respondents.

The study mapped out all of the extractive industries in Gunung Mas district, and has systematically documented and analyzed their CSR responsibilities and contributions. This has created a knowledge platform for enabling informed discussions by all stakeholders – communities, companies, government and CSOs – on a comprehensive package of policies, regulations and guidelines that would ensure that extractive companies fulfill their CSR obligations and contributions to equitable and sustainable development in the district. This process could provide an example for other districts in the province to follow suit.

This study discovered that most stakeholders in Gunung Mas District - in government, companies and communities - are not clear about the concept of Corporate Social Responsibility. Companies have a low commitment to deliver adequate CSR programs. Communities develop a high dependency on the company, and can become too demanding. This is bad for village governance and does not support sustainable development. Government finds it difficult to encourage companies to deliver well-designed and sufficient CSR program, if it doesn't have the proper tools to oversee and advice.

The main recommendations from this study are:

1. Policy development approaches

Sociological: the regulation concerning CSR should not be developed only based on numerical calculation. Each process in a CSR programs requires expertise, and sufficient management capacity. This is because the CSR program must relate to locality, usefulness, empowerment, mutual relations, and stakeholder interests. District Government has to make a serious effort to make sure each of these aspects is implemented.

Legal framework: this study highlights that the regulation on CSR cannot apply a “one size fits all” approach. As Gumas has three types of extractive industries, the District Regulation should classify the CSR contribution scheme and rate (percentage or else) for each industry. This can be stated clearly in the District Regulation, or mandated by the District Regulation² to be governed in the Regent

¹ Gumas in Number 2014, Statistic Biro of Gunung Mas and Bappeda of Gunung Mas

² District Regulation requires approval from the District Assembly/Legislature

Regulation³. Besides, from the perspective of the legal framework, the Gumus Government has only **one best option** in deciding funding management and program management: The company will manage their budget based on guidance in the improved regulation. The Government will only manage the contribution for CSR Task Force⁴ meetings. The government will supervise, audit the fund, and evaluate the plans, outputs and outcomes jointly with all key stakeholders - from companies, government, civil society and communities. This option will secure the values of CSR as a tool for improving the quality of governance through a participatory approach – ie, active cooperation between government, business, and community – based on the principles of transparency and **effective engagement**. As the sites for CSR programs are mostly in villages close to the company's operations, it would be best if the CSR District Regulation takes into account district regulations that directly govern the affected villages. For example: in Indonesia, all districts have a mandate to develop District Regulations on the Village Law. Technical guidance in the district regulation should govern the mechanism to build a conducive environment for effective engagement among the three pillars of governance – government, companies, directly- affected communities. Government can maximize the positive impact more widely.

2. Institutional options

(1). Extension of the Investment Coordination Team of the Gumus government: The Task Force can extend the scope of work, which currently is providing a coordination forum for the CSR program. Details and scope of work for this forum will be explained in the Regent Regulation. There is no funding issue as it is charged to the Government Budget. However, contributions for meetings of the CSR multi-stakeholder's forum can come from companies.

(2). Create a new Task Force: The CSR coordination forum is separate from the Investment Coordination Team, but would have a close relationship with the team in terms of collecting data and information as part of assessing how well CSR is delivered and evaluated according to the agreed plan. The consequence of this option is that the team structure is slimmer, but it may be challenging for team members to drive the forum effectively, due to lack of capacity. The funding can be part of the company's contribution that is allocated in their CSR program budget.

Both options above have to be inclusive, especially in formulating the representativeness of each stakeholder group. Numbers and composition of each stakeholder group will influence how well the decision-making process will function in the forum. Therefore, drafting on the Regent Regulation should follow a deliberative and comprehensive process.

³ Regent Regulation does not require approval from District Assembly (capacity to govern below the District Regulation)

⁴ Task Force is one of name options for the CSR Coordination Team that will run the stakeholders' meetings for CSR communication and coordination in Gunung Mas

1 Introduction

1.1 Background

Gunung Mas (Gumas) Regency is one of the resource-rich districts in Central Kalimantan. It has 154,084 inhabitants spread among 115 rural villages and 12 urban villages (*kelurahan*)⁵. Gumus is the youngest district in Central Kalimantan, established only 13 years ago.

Yayasan Tambuihak Sinta has been working in Gumus for nearly two decades, and has been engaged more intensively with the District Government for the last four years by working together closely to improve the quality of governance in the district. Currently, Gumus is number five out of 13 districts in Central Kalimantan on the Human Development Index. Its most significant success has been in reducing the isolation of remote areas.

YTS, through its Governance Project with joint support from Ford Foundation and ASEAN CSR Network, has mapped out all of the extractive industries in Gumus district, and has systematically documented and analyzed individual company CSR responsibilities and contributions. This has created a knowledge platform for enabling informed discussions by all stakeholders – communities, companies, government and CSOs – on a comprehensive package of policies, regulations and guidelines that would ensure that extractive companies fulfill their CSR obligation and contribution to equitable and sustainable development in the district. This process could provide an example for other districts in the province to follow suit.

1.2 Objectives

The Governance Project will provide a framework for better management of CSR contributions from extractive industries that can be verified in government development planning and can be tracked for contributing to the achievement of specific development objectives, especially in generating better outcomes for poor people in terms of health, education, livelihoods and natural resource management.

1.3 Method

This study uses quantitative and qualitative approaches combined with the collection of secondary data from government reports, company reports, laws and regulations, books, studies, journals, and related articles, as well as interviews, Focus Group Discussion (FGDs), and workshops. Sources in the qualitative approach were observations on social dynamics in targeted villages and YTS partner villages, and statements from respondents in companies, communities, and government. Results from these two approaches have been verified in a multi-stakeholder workshop, involving all respondents.

Overall, this initiative fits well with national legislation on CSR in Indonesia, and is in line with national and regional goals on contributions of extractive industries to the democratization process and people's welfare.

⁵Gumas in Number 2014, Biro Statistic of Gumus & Board of Planning of Gumus (Bappeda)

2 Profile of Extractive Industries in Gumas

2.1 Plantation

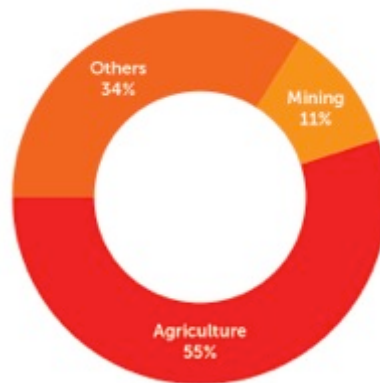
Gumas has 23 plantation companies, of which six are in active operation and production⁶ (*see Annex I*). The Agriculture sector is the major contributor to the GDP (Gross Domestic Product) of Gunung Mas Regency, contributing 53% in 2013. This sector, especially palm oil, grew 8% in 2013 – higher than the overall development growth of Central Kalimantan – making it the most advanced and fastest growing sector⁷ with a total production of 10,175 tons from 41,767 hectares, valued at USD 5.6 – 6.7 million. The additional value coming from plantation sector in Gumas is the establishment of CPO (Crude Palm Oil) factories. This sector is predicted to continue growing.⁸

2.2 Forestry

Gumas has 11 forestry companies of which 7 are in active operation (*see Annex 2*)⁹. In accordance with Forestry Ministry Decree No.SK.965/Menhut-II/2013 dated 27 December 2013, a model of the Production Forest Management Unit (*Kesatuan Pengelolaan Hutan Produksi/KPHP*) has been formed in Gunung Mas (Unit-XVI) utilizing ± 294,000 hectares as follows:¹⁰

- Protected Forest (*Hutan Lindung/HL*) ± 57,000 hectares
- Limited Production Forest (*Hutan Produksi Terbatas /HPT*) ± 187,000 hectares
- Permanent Production Forest (*Hutan Produksi Tetap/HP*) ± 50,000 hectares

Figure 1: Comparison of contributions to GDP from Mining, Agriculture and other Economic Factors



2.3 Mining

In 2015, there were 82 mining companies, of which 64 were still in the exploration stage and 18 were operational. However, 19 exploration company licenses expired between 2012 and 2015. These companies were entering the production stage, which requires a new license (*see Annex 3*)¹¹.

The contribution of the mining sector to Gumas GDP in 2013 was only 10%, placing it in the 4th rank compared to other sectors. The growth of this sector in 2013 was only 1.2% and is decreasing each year. Thus, it is categorized as a ‘slowing growth sector’. Compared to the same sector in the province, it is classified as the advanced but slowest sector for its low growth rate¹².

⁶Investment Data, Bappeda 2015

⁷Investment Data, Statistic Biro of Gumas and Bappeda

⁸Ibid

⁹Investor Data/PMA/PMDN/Gunung Mas 2015, Forestry Agency of Gumas

¹⁰KPH Profil of Gunung Mas, www.kph.dephut.go.id (official sub-website of Forestry Ministry of Indonesia)

¹¹Investment Data, Bappeda

¹²Statistic Biro of Gumas, Bappeda of Gumas

3 Governance of Extractive Industries in Gumas

3.1 Study Dimensions

This study looks at the governance of Extractive Industries in Gumas in three dimensions: financial, administrative, and in relation to directly-impacted communities.

3.1.1 Financial Aspects of Extractive Industries

The advantage for governments in having an extractive industry sector operating in their region is the additional financial benefit of obtaining funds from non-tax revenues. Revenue-sharing is part of fiscally-balanced funding (*dana perimbangan*), and therefore, will provide additional revenue for respective districts. Fees (in the Indonesian system they are called *retribusi* or non-tax charges) charged to the palm oil sector include the use of regional assets, production and regional sales of palm oil seedlings, replacement of administration costs, forest product levy fees, and other legitimate regional revenues. Tariffs on these are decided by each district.¹³

Revenue from mining, particularly from land rent and royalties, is shared between national and sub-national governments (provinces and districts). However, there is no such royalty for plantations, especially palm oil. The concern for district governments is that the royalty from shipments of CPO (crude palm oil) goes to the central government, and therefore the districts do not know how much these companies actually earned from their production.

Profits from six natural resources sectors should be shared according to Law No. 33 year 2004 concerning Financial Balance of the Central Government and Local Government. These six sectors are forestry, mining, fisheries, petroleum, natural gas and geothermal. Plantations are not governed under this law.

In Gunung Mas District, progressive income from revenue sharing comes from the mining and forestry sectors. Mining is the highest contributor to revenue sharing, despite most companies still being in the exploration stage and therefore not generating any actual income. This means that Gumas has a tremendous potential to increase income in the near future from the mining sector alone, considering that the region's rich mineral resources remain largely unexploited.

Table 1: Data on Gumas Revenue Sharing from Extractive Industries 2013 - 2015

Type of Industry	2013 (Rp million)	2014 (Rp million)	2015 (Rp million)	Remarks
Mining (royalty & land rent)	18,236	30,928	43,875	Assumption for 2015
Forestry (PSDH, DR, IIUPH)	19,498	31,633	70,681	Data from 2015 based on the Environment & Forestry Ministry Decree on Revenue Sharing 2015
Plantation	-	-	-	Under Act No 33/2004, plantations are excluded as revenue sharing from non-tax (eg, royalty) sources

Source: Asset and Financial Management Agency of Gumas

In 2015 Gumas received about Rp.917 million in revenue from the plantation sector. This did not come from revenue sharing, but from property tax sharing. As some palm oil companies in Gumas had already been producing since 2013, the government had the right to collect funds but the supporting policy, the District Spatial Regulation had not yet been issued. The regulation was

¹³Study on State Revenue from Plantation and Forestry Sectors, ICW 2011

completed in 2014 and applied in 2015 after the study on spatial planning was revised and approved both by the provincial and national governments.¹⁴

3.1.2 Administration of Extractive Industries

A major change in the distribution of powers, based on Law No.23/2014, re-centralized authority for several types of licensing from the district back to the province. This law was enacted because the national government thought that Law No.24/2009 on Regional Autonomy was not being implemented effectively. There was a lot of abuse of power in the districts, especially cronyism and greed in the exploitation of natural resources. Provinces also have been assigned the authority to oversee and monitor the performance of district officials, include management of the palm oil, timber and mining sectors. This creates the possibility for improving governance of land use that could reduce deforestation and peat land conversion¹⁵. However, there also are concerns regarding the assignment of more responsibilities to the province government for supervision and control in all districts, while current manpower and bureaucracy are not able to function efficiently and effectively¹⁶.

In the Mining and Energy Agency (*Distamben*) of Gumus, for example: the transfer of authority for licensing could potentially create more ‘illegal miners’¹⁷. So far, no Artisanal Small-scale Gold Mining (ASGM) miners are licensed. However, the Government of Gumus wants these ‘illegal miners’ to become a legitimate small scale mining business. Before the change in the law, miners were required to submit their licence proposal to the district government. Under the new Law, miners should submit their proposal for a license to the province. However, this now is more difficult to do due to the high cost of transportation and the time required for travel. This is one of the concerns about this transfer of authority.

Furthermore, under this law, the District Head will be less able to take immediate actions on issues in the districts regarding extractive businesses. Therefore, the National Association for District Government is planning to file a judicial review of Law No.23/2014. They have consulted with experts, such as Prof. Ryaas Rasyid¹⁸ stated this law is considered unconstitutional due to the fact that the spirit of the law is against the Indonesian constitution which stipulates that the national government should encourage more broad regional autonomy in governance practices¹⁹. The intention is to improve public services in districts and provide a quick response to social justice issues.

In addition to the above issues, the process for obtaining a land use permit, especially in the mining sector, is very long. It can take more than two years for a mining company to get a license for forestry land use. For example, PT. Investasi Mandiri, a zircon sand company had to wait about six years to operate in Tewang Pajangan Village, Kurun²⁰. It has happened to many other companies as well, both coal and gold²¹. As mentioned in the Profile Section above, the trend for mining in Gumus is to ‘advance with the slowest growth’.

3.1.3 Relations with Directly-Impacted Communities

Many places in the world with extractive industries, including Indonesia, are vulnerable to conflicts. Conflict may arise over environmental and socio-economic impacts: eg, inequitable distribution of

¹⁴Asset and Financial Agency of Gumus

¹⁵Indonesia’s Evolving Governance Framework for Palm Oil, Daemeter, 2015

¹⁶Interview results with Gumus Government

¹⁷Also known as Artisanal and Small-scale Miners

¹⁸Prof. DR. M Ryaas Rasyid, M.A is a former Minister of Regional Autonomy and Minister of Utilization of State Apparatus in 1999-2001, and now is a member of the President’s Advisory Council (2010-now)

¹⁹APKASI FGD regarding UU No.23/2014, www.APKASI.org (official website for District Government Association)

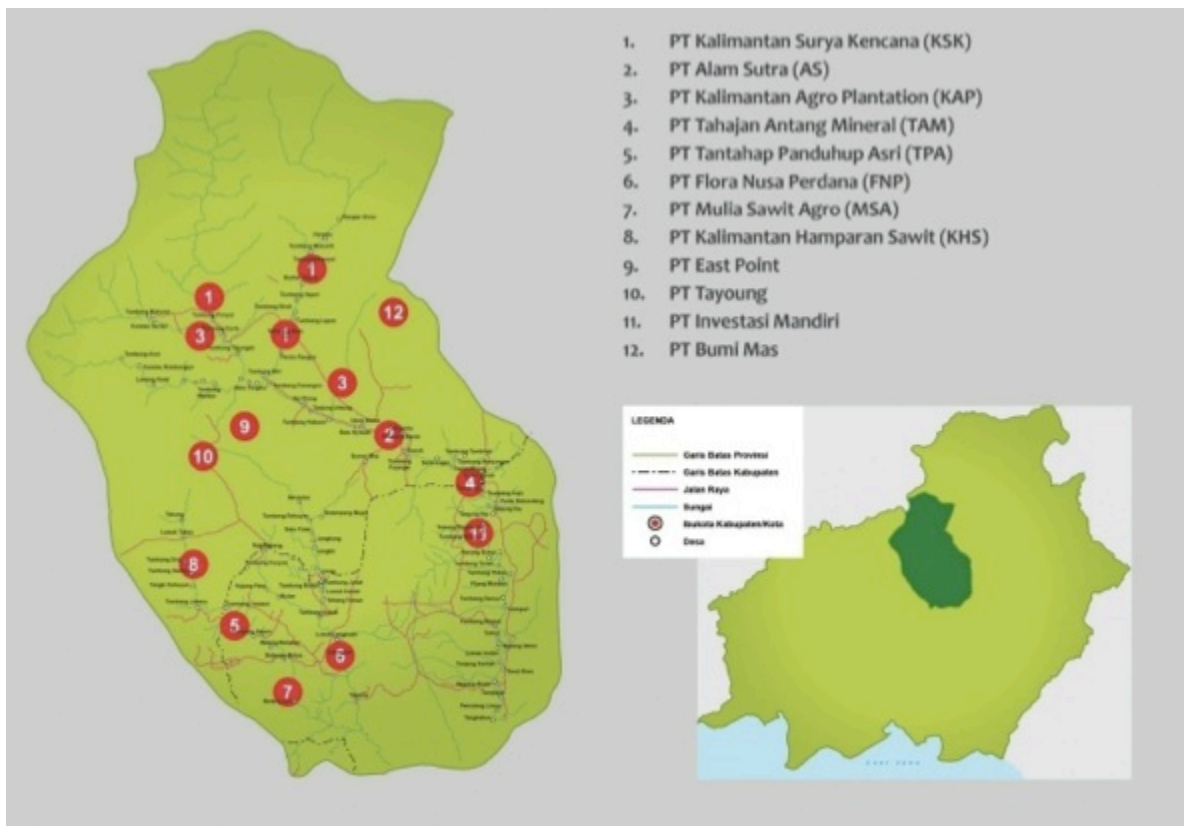
²⁰Interview result

²¹Interview with Head of Distamben

costs and benefits. It also happens because of inadequate involvement of communities and other stakeholders in decision-making processes.

There is a growing trend to involve a wider range of actors in forest management, especially at local levels, including communities. This holds the potential to reduce the pace and scale of palm oil-driven deforestation by increasing transparency and broadening participation. There are clear opportunities emerging to rationalize land allocation by reinforcing steps toward greater transparency of licensing, strengthening tenure, and re-adjusting Forest Zone boundaries. This will be aided by renewed government commitment to maintaining the One Map initiative and plans to pilot its use at sub-national levels.²² On the other hand, issues in the mining sector are still complicated, whether with traditional mining or companies and government. Members of directly-impacted communities also are players in the mining business. Thus, a multi-stakeholder dialogue in a deliberative forum is very crucial. But it requires willingness, skills and a systematic process.

Figure 2: Location of Targeted Companies Respondents in the Study



Source: Basic map from Bappeda Gumas; graphics developed by YTS

²²Indonesia's Evolving Governance Framework for Palm Oil, Daemeter, 2015

4 Corporate Social Responsibility of Extractive Industries in Gumas

Corporate Social Responsibility (CSR) is a broad concept covering a company's responsibility toward all of its stakeholders, including customers, employees, shareholders, and affected communities in all aspects of its operations.²³ Therefore, CSR is closely related to the concept of 'sustainable development'. It means that a company should not make decision to implement activities based on economic impact only, but also needs to consider social and environmental impacts, both in the short term and long term. Under this concept, CSR can be described as the company's contribution towards sustainable development objectives through impact management - minimize negative impact and maximize positive impact.²⁴

Another definition by the World Business Council for Sustainable Development (WBCSD)²⁵ – a global association of 200 member companies that are committed to sustainable development states:

“Continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families, as well as of the local community and society at large”

In Indonesia, various CSR programs contribute to infrastructure, health, and education, and some for community empowerment. However, a more common approach to CSR is corporate philanthropy. This includes monetary donations and aid given to nonprofit organizations and communities. Donations are made in areas such as the arts, education, housing, health, social welfare and the environment, among others.

Creating Shared Value or CSV is based on the idea that corporate success and social welfare are interdependent. A business needs a healthy, educated workforce, sustainable resources and adept government to compete effectively. For society to thrive, profitable and competitive businesses must be developed and supported to create income, wealth, tax revenues and philanthropy.²⁶

²³De George, Richard T. (2011), *Business Ethics* – ISBN 978-81-317-6335-3, Mc. Williams at all (2006), *CSR Working Paper*, New York, and various sources, Wikipedia

²⁴Ibid

²⁵The World Business Council for Sustainable Development (2000), *Making Good Business Sense*

²⁶Montreal School of CSR, *CSR approaches*

Figure 3: Classification of CSR Value

Where should big cooperation be spending their CSR response?

Value	Purpose	Impact	Benefits
CSR as value creation ★★★★★	Innovative and promotes sustainable business model	Fundamental strategic and operational impact	<ul style="list-style-type: none"> • Shared value (business-institutions and communities) • Promotes competitiveness and innovation • Promotes a sustainable business model • Integrates business into the community • Develops Human Capital (key in developing countries) • Incorporated into the Business Strategy
CSR as risk management ★★★	Compliance	Medium to high strategic and operational impact	<ul style="list-style-type: none"> • Mitigates operational impact • Mitigates operational risk • Support external relationship
CSR as corporate philanthropy ★★	Providing funding and skills	Little strategic and operational impact	<ul style="list-style-type: none"> • Corporate Philanthropy and sponsorship • Short-term benefits/not always sustainable • Limited fund available • Impact diluted because limited budget is allocated to many charities • Corporate competencies and other business assets not fully utilized • Misalignment between business and social responsibility strategies and function • Result in minimal social in business impact of social programmes

Chart credit: Wikipedia

Some experts have classified CSR value into three approaches (refer to Figure 3 above):

1. **CSR as Value Creation:** a social responsibility initiative focused on creating shared value recognizes that long-term business success and balanced social systems are interdependent. In order for a business to thrive, its community must be healthy, educated and well governed. Factoring formal investment in social welfare, education, civil society and healthcare into a strategic business plan creates opportunities to build social value and longterm growth.²⁷
2. **CSR as Risk Management:** Companies face a new reality that has changed the nature of risk and risk management: networked operations and value chains, empowered stakeholders, and the dynamic tension among sectors. The emergence of the new forms of social risk cannot be mitigated through traditional means. The new environment requires innovation by companies in both sensing and understanding these risks, and in adapting risk management systems to include new tools and network-based models of information sharing.²⁸
3. **CSR as Corporate Philanthropy:** This includes monetary donations and aid given to local and non-profit organizations and communities, including donations in areas such as the arts, education, housing, health, social welfare, and the environment, among others, but excluding political contributions and commercial sponsorship of events. Some organizations do not like a philanthropy-based approach as it might not help build on the skills of local people.²⁹

In Indonesia, most extractive industries, especially mining, are located in remote areas with high rates of poverty, low levels of education, and high levels of distrust often exist between the communities and companies, as well as there being poor governance from village up to district and provincial levels.

²⁷ WWW.greenerpittsburg.com – CSR approaches

²⁸ John Gerard Ruggie, Working Papers on CSR and Risk Management, Harvard March 2005

²⁹ Montreal School of CSR, ibid

Many companies are implementing CSR to varying degrees.³⁰ This is also the case in Gumus because there is no consensus at district level binding and governing all stakeholders regarding what kind of CSR to implement. It therefore is a timely and wise decision that the government in Gumus is now making regulations on CSR.

In district level, some districts have demonstrated good practices, or at least good efforts toward better implementation of CSR. Bojonegoro Regency in Eastern Java is one of them.

Bojonegoro Regency has received some awards on good practices for information openness and participatory development.³¹ The Bojonegoro Government policy for income management from extractive industries for sustainable development, especially oil and gas, has become an example for study for many countries, specifically in Asia and Pacific.³² One of the forms is collaboration between government, private parties and the community in CSR program development.

There are about 10 business sectors that run CSR program with a total value of IDR 30.257.550.000 or USD 2.176.802³³. The mining and construction sectors contribute 99% of the total income.³⁴

Bojonegoro is using three strategies in implementing CSR:³⁵

- (1). Self-implementation/direct: This is the CSR program that is run by the company itself without any external party involvement;
- (2). Partnership with Government: The company runs the CSR program by collaborating with government. However, the CSR fund is fully managed by the company.
- (3). Partnership with Private Parties (NGO/CSO, Universities, and Vendors): The company chooses and decides on which private party will run the corporate CSR program.

The company is involved in regional planning processes, like the Musrenbang³⁶. Besides that, Medium-Term District Plan (RPJMD), Technical Agency Strategic Plan (Renstra SKPD), and the government's annual priorities become the focus in structuring the menu for the CSR program. The menu is made collectively between the government, the company, and the community in a CSR Coordination Forum.

Implementation Model³⁷

The partnership model program includes the economic sector: fisheries, agriculture, animal husbandry, and plantations, in the form of micro, small, and medium businesses through mutual cooperation with companies or other parties, based on a targeted community business unit.

The community development model includes programs in the sectors of health, education, economy, and environment, which are done through full community engagement in program planning, implementation and monitoring.

The donation/charity is a form of direct support in the form of money or materials or services to a community that is suffering from poverty, a disaster-emergency situation, or a remarkable achievement community.

³⁰Mining in Indonesia – Yayasan Tambuhak Sinta

³¹ Bojonegoro District official website

³² Natural Resources Governance Initiative, Indonesia country based

³³ With exchange rate USD 1 = IDR 13.900

³⁴ Presentation of Mr. Suyoto, Bojonegoro Head of District in CSR Study Workshop in Gunung Mas, 2 December 2015

³⁵ Ibid

³⁶ Musyawarah Perencanaan Pembangunan or Annual Development Planning Meeting

³⁷ Ibid

Regulation

District Regulation of Bojonegoro No.6/2012 concerning transparency on income governance, environment, and corporate social responsibility for the oil and gas business.

District Regulation of Bojonegoro No.5/2015 concerning Corporate Social Responsibility

Bojonegoro CSR program 2015 in photos:



Figure 4: Women's economic empowerment program



Figure 5: Cattle Health Service Unit



Figure 6 and 7: Business Incubator: training and field practices (technical assistance)



4.1 CSR Contribution in Gumus: Opportunity and Challenge

4.1.1 The Opportunity

Gumas has 82 mining companies, 13 plantation companies, and 12 forestry companies - a total of 107 extractive companies. Nevertheless, most of them – 77 mining companies and 7 plantation companies - are in the exploration stage. This represents a large potential for more CSR programs in the near future. Based on respondents' data, company contributions in Gumus vary from Rp.50 million to Rp.2 billion per year. The 13 extractive industry companies that participated in this study made a total annual contribution amounting to at least Rp.5 billion rupiah³⁸.

4.1.2 The Challenge

Extractive Industries often face high expectations to provide direct benefits in the form of compensation payments, particularly if the environmental and social cost caused by industry

³⁸This assumption is based on current expenditures of companies for CSR/social contribution in Gumus from Interview results

operations is material, such as damaged roads, water pollution or air pollution, eg, noise, smoke and dust. Those companies are often asked to contribute gifts, or cash payments³⁹. This also happens in Gumas. Many companies have to deal with 'predatory actors' (*preman*, corrupt elites) too. They often spend more time dealing with those parties instead of taking care of directly-impacted communities, as it affects their security and safety⁴⁰.

A good CSR program will avoid these kinds of compensatory payment schemes and strive instead to achieve overall community empowerment, and self-development that can be sustainable. Care must be taken to ensure that the delivery of benefits is done on an equitable basis, to avoid elite capture or disenfranchisement of women, youth, or marginalized groups.⁴¹

4.2 Current CSR Implementation in Gumas

4.2.1 CSR in Practice

In Gumas, most of the extractive company respondents implement traditional charity programs or donations, instead of CSR programs focused on development. These schemes are often based on proposals prepared only by village governments. Only a few, larger companies in Gumas have a structured program of CSR, such as PT. KAP, PT. KSK, PT. East Point, and PT. Bumi Mas.

PT. KAP (Kalimantan Agro Plantation), a palm oil company, has been operating since 2009 and works in 16 villages in three subdistricts: 6 in Tewah, 6 in Kahayan Hulu Utara, and 4 in Damang Batu. The company spends about 1.5-2 billion rupiah per year to support its CSR program, including donations for proposals submitted by the community and government at various levels.

The beneficiaries at village level include more than 200 households in 6 villages in Kahut subdistrict, more than 250 households in 4 villages in Tewah subdistrict, and in Damang Batu subdistrict about 300 households in 6 villages.

The program includes:

1. Infrastructure: community security post (Poskamling), clean water installation (DAM), fix village bridges, repair church and other religious facilities, children's playground, 5 generator units
2. Health: conduct regular blood donation campaigns
3. Education: provide scholarships to needy children and students with remarkable achievements, books, white boards, school bags, shoes for elementary and secondary schools, and laptops.
4. Community development: provide training on Plasma farming to village representatives-village government, BPD, local leaders, youth leaders, and subdistrict heads (40 people in total). PT. KAP sent them all to Bengkulu to learn more about plasma farming.
5. Donations: support during Idul Fitri, Christmas, Safari Ramadhan, annual Qur'an reading competition (MTQ), annual Christian Gospel competition (Pesparawi), Indonesia's Independence Day, etc.

³⁹Interview results with companies, and FGDs with communities

⁴⁰Ibid

⁴¹Mining in Indonesia – Yayasan Tambuhak Sinta



Figure 8: Book donation (above) and Figure 9 road rehabilitation are two of many PT KAP CSR activities

The program is run by one of the Public Relations staff, and combines requests from villages and initiatives by the company.

The most difficult challenge is promoting community empowerment. Villagers have become very dependent on the company and demand that it provides and pays for everything in the CSR program. On the other hand, villagers are reluctant to get involved in the CSR program, as they prefer to mine gold, where they can earn large amounts of money quickly, instead of growing vegetables or raising fish. A new issue making it more difficult to develop a community empowerment program is the use of drugs and narcotics in communities near the concession area.

PT. KSK (Kalimantan Surya Kencana), a mineral exploration company operating since the early 1980s, funds a CSR program that involves 22 villages in three subdistricts - Kahayan Hulu Utara, Miri Manasa, and Damang Batu - through its foundation, Yayasan Tambuihak Sinta (YTS). YTS designed and runs a comprehensive program aimed at community empowerment, which includes support for an economic livelihood program and strengthening the capacity of village government. The company spends about 1-2 billion rupiahs per year, depending on availability of funding.



Figure 10: Livelihood program: Interest Group is making a plot for vegetables



Figure 11: Livelihood program - Vegetable Interest Group is collecting the harvest to sell to the KSK camp



Figure 12: Livelihood program: Fish Interest Group is harvesting Nila fish species

PT. Bumi Mas, a forestry company operating since 2010, provides a CSR program which it calls 'Community Development around Forestry Program' (*Program Pembinaan Masyarakat Desa Hutan/PMDH*). The company provides its program to nine villages in three subdistricts: Miri Manasa, Kahayan Hulu Utara, and Tewah, spending about 1.5 - 2 billion per year. The company also is active in Kapuas Regency.

1. Economic: Since 2010 the company together with village government and community leaders of Karason Raya, Taja Urap and Sandung Tambung villages have established a cooperative named "BUMI HAPAKAT". This cooperative functions as a company partner in receiving funding to assist villages, based on the price per cubic meter of wood, as obligated by Ministry of Forestry Regulation for the CSR/PMDH42 program. The company hopes that the fund is used for community empowerment.
2. Infrastructure: Provided water supply, electricity support, and housing program.
3. Donation: Basic household food packages for Christmas and New Year in three villages.

⁴²Pemberdayaan Masyarakat Desa Hutan or Community Empowerment for Villages around Forest

The CSR program is run by the Community Development Division. The Manager is helped by five field staff. In addition, the company pays local partners from village government on a monthly basis to work as community relations staff.

So far, the company is still focusing on maintaining good relations through its CSR program and donations. As a result, there is not much to see at the level of outcomes right now.



Figure 13: Village road rehabilitation is one of Bumi Mas's CSR activities, especially for those that have direct access to the company site



Figure 14: Housing program of Bumi Mas to support the provincial government program

4.2.2 Managing CSR

Management practices in Gumus vary considerably from company-to-company. This is a reflection of their understanding of and their philosophy and approach to CSR, which can be seen in how they manage different aspects of their CSR programs. Companies can approach CSR as 'creating value', 'managing risk' or 'providing corporate philanthropy'. Each of these approaches varies in the level of sophistication needed to manage the design and implementation of the CSR program.

In Gumus, most companies interviewed chose the 'corporate philanthropy' approach. Only a few respondents try to manage CSR for 'value creation' or 'risk management'. A few others do not yet have any conceptual framework for their approach.

One of the big decisions is whether or not to manage CSR in-house or collaborate with an outside party, such as a local NGO or consultancy. There also can be combinations of in-house and outside

collaboration. Of the 13 firms interviewed only one, the mineral exploration company PT Kalimantan Surya Kencana (KSK), chose to outsource their CSR by setting up a separate foundation.

In Gumus, most companies interviewed do not have a special team to run their CSR program. All of their activities are managed by the Public Relations Officer. A few choose other strategies, such as PT. KSK which subcontracts the task completely to their partner foundation -Yayasan Tamburak Sinta (YTS). PT. KAP has an only one public relations staff who works together with village and subdistricts governments to implement the program. PT. Bumi Mas works together with Community Cooperatives in villages for certain activities.

Referring to the classification of CSR approaches above, this study classified the CSR values of companies practices in Gumus as follows:⁴³

4.2.2.1 Program Planning Approaches

The approach to program planning takes different forms, from very participatory and bottom-up to the company deciding in a top-down manner.



Figure 15: Annual planning and review of YTS partner villages related to the CSR program and other activities in villages under YTS's assistance

Yayasan Tamburak Sinta - the implementing organization for PT. KSK's CSR program - takes a very inclusive approach, consulting with village leaders and other villagers to get agreement on the terms and conditions of the engagement, and signing an engagement agreement at the start of the relationship. Support to the community is demand-driven, based on a comprehensive participatory analysis and planning process lead by the villagers. The result is a village development plan created by the villagers that can provide a framework for a needs-based CSR support program, as well as inputs for the formal Village Midterm Development Plan (RPJMDes).

PT. KAP engages with communities via formal and informal meetings. Their CSR program is based on proposals that village governments make after sharing their requests in formal and informal meetings. The Public Relations Unit, which also acts as the Community Development division will make a list of the proposals and submit them to top management decision-makers in the company. The unit consists of only one person. Their program supports infrastructure, education and training for livelihood skills. The company also provides donations for social and cultural events.

⁴³Interview results

PT Bumi Mas conducts participatory planning for their CSR program with directly-impacted villages, and in partnership with district government. Bumi Mas is the only one of the companies contacted that designs its program to incorporate district and provincial government programs.

The company coordinates regularly with community representatives and village governments, as well as with subdistrict and district government. The company also responds to provincial government proposals, in cooperation with provincial technical agencies, such as the Social Agency. In addition, the company also provides donations for government and public events.



Figure 16: Company representatives meeting with the community to distribute the royalty fund: (above) in the Palangka Raya Office; Figure 17 (below) the same meeting in the village

4.2.2.2 Stakeholder Engagement

Companies engage with their key stakeholders in a variety of formal and informal ways, from informal discussions to formal meetings and written reports.

Communications for coordinating with communities and local government are a major component in company CSR programs. Bumi Mas and KSK are the only companies that have formed a Coordination Forum to enable the company, the community and the government to interact and make decisions on program issues. This forum is used for formal meetings on program planning and for

program coordination. The company's community development teams conduct informal meetings during their regular visits to the villages

PT KSK: YTS sets up a series of meetings and coordination mechanisms with village government, communities, and district government. At village level, the coordination is done on a monthly basis during the regular visits by program officers. Program officers work directly with Livelihood Interest Groups and the village government. At the end of each year, YTS conducts a participatory review and planning event in each village and at the subdistrict. At village level, village government, VMGs, LIGs and other villagers are involved in the meeting. At subdistrict level, the subdistrict government hosts and participates in the meeting with partner villages. The subdistrict event focuses on sharing and consolidating the results of the village annual reviews and planning.

PT. Bumi Mas: The company sets up a communication-coordination meeting involving village government, subdistrict government, including the subdistrict Chief of Police unit, the subdistrict Chief of Army Unit, Customary Leaders from villages and subdistrict, community representatives, and religious leaders. From the company side: a Board of Director member, Branch Manager, Camp Manager, Comdev Officer, and field staff. The meeting can take place in the company base camp, the log pond, working block or in the branch office in Palangka Raya. Besides this formal meeting, informal meetings take place when the comdev officer or manager visits the villages.

Others companies: Basically, most companies do not set up an annual planning mechanism for their CSR program, since the donations they provide respond to proposals from village governments, communities and sometimes from subdistrict and district governments.

4.2.3 Accountability

4.2.3.1 Monitoring and Evaluation

Only a few companies monitor and evaluate their program on a regular basis. This includes PT. KAP, PT. KSK (YTS), and PT. Bumi Mas.

PT KAP: The company does not use any special method for monitoring, and so far has not conducted any evaluation of its program. This is because they feel that the company is still in the process of convincing the community and village government to become more active participants in the program. So far their efforts have not yet shown much positive results. For example: the training activity for 40 people on plasma farming that took place in Bengkulu Province in Sumatra. The participants consisted of 16 village representatives (village government apparatus and community representatives) and subdistrict government leaders. None of those 40 people have put into practice the skills they learned to create a plasma farmer group. The company wanted this training to enable the village to become an example of a self-reliant village. The Subdistrict Head from Damang Batu and the Lurah from Marikoi responded more positively to the training by encouraging the community to appreciate PT. KAP's contribution to village development.

The officer in charge (PR staff) uses field visits to villages and company operation sites as part of his monitoring activity. The PR staff would like to propose that one of the company's consultants conducts an evaluation of the CSR program in the near future.

PT. KSK (YTS): YTS conducts monitoring on a monthly basis and conducts an evaluation of the overall program at the end of the year through its annual review mechanism with partner villages. The annual review discusses what was successful, what was not successful, and what were the influencing factors for each condition. The livelihood program continues each year with adjustments that address weaknesses and challenges from the previous year.⁴⁴ The Musrenbang or annual village planning is

⁴⁴ YTS-Kahayan Project reports

also implemented each year, with an effort to improve on previous year's results. For the last two years, the Village Musrenbang in partner villages has shown a positive trend. The village government and the community now realize the importance of the Musrenbang and have taken the initiative to implement the Musrenbang with minimum support from YTS. Previously, YTS was dominant and had to work hard to convince the village government and villagers to seriously engage with this activity. Now, the participation rates have increased in all villages.⁴⁵

PT. Bumi Mas: This company does not use any special method for monitoring. The Senior Advisor for the company's CSR Program makes regular field visits and also receives visits from village government or community members close to company sites. In addition, they regularly hold formal multi-stakeholder forums at village, subdistrict, and district levels for monitoring purposes. In these forums they discuss issues arising in the communities, new request or proposals, and coordination about the company's up coming plans and activities. Information collected goes into their monthly and quarterly reporting mechanism to government

Monitoring and evaluation is at the core of company reporting to government and shareholders.

4.2.3.2 Reporting

Reporting is a tool for tracking accountability on CSR implementation, and it is mandatory. Measuring social impact is always the biggest challenge. Many companies commission an external audit to ensure the accuracy of their annual report, including their contribution to sustainable development. There is no single, standard report format: the style and the methodology also varies, even within the same industry. During this study, we discovered companies submit two types of reports to government:

a. Government format

The Forestry Agency provides a format for monthly reporting on community development close to forestry operations. The report format compares realization of CSR versus the budget (*sample below*).

Table 2

LAPORAN KEGIATAN NON TEBANG PILIH TANAM INDONESIA (NON-TPTI)									
Tahun : 2015		Kegiatan : Pembinaan Masyarakat Desa Hutan		RKT : 2015					
Bulan : Februari		RKT : 2015		Periode RKTU : 2011 - 2020					
KABUPATEN : Gunung Mas		Tahun RKTU : IV							
PROVINSI : Kalimantan Tengah									
No.	Jenis Kegiatan	Rencana		Realisasi (x 1000)				Keterangan	
		Sekuan/Volume	Biaya	Bulan Lalu	Bulan Ini	Total	Progres %		
A.	TUMBANG MAJUROI (237 KK)								
1.	Pertanian Monevop								
	1. Pencetakan Sawah	Ha	-	-	-	-	-	-	
	2. Pembangunan Dam/irigasi	Unit/Km	-	-	-	-	-	-	
	3. Pembuatan Kolam Ikan	Ha	-	-	-	-	-	-	
	4. Usaha Tani Lahan Kering	Ha	-	-	-	-	-	-	
	5. Sarana Produksi Pertanian :								
	a. Peralatan (sengkel & parang)	Buah	10	50	500				Masyarakat
	b. Pupuk	Kg	100	5	825				--Sda--
	c. Insektisida	Liter	5	80	400				--Sda--
	d. Benih/ bibit	Kg/BUK	5	80	400				--Sda--
	e. Lain-lain	-	-	-	-				
	6. Penyuluhan tanaman pangan & horticulture	Kali	1	500	500				Kerjasama PPL Kec. P.M.D.H
	7. Biaya operasional	Kali	12	250	3.000	250	250	500	16,67
	*** Sub Total I ***				5.825	250	250	500	
B.	Peningkatan Ekonomi								
	1. Pemanfaatan Tenaga Kerja	Orang	-	-	-	-	-	-	
	2. Industri Rumah Tangga	Unit	-	-	-	-	-	-	
	3. Pembinaan Peternakan	Unit	-	-	-	-	-	-	
	4. Pembinaan Kerajinan/ Industri Rumah Tangga	Unit	-	-	-	-	-	-	
	5. Pengembangan Koperasi	Unit	-	-	-	-	-	-	
	6. Sistem Bajak Angkut	Orang	-	-	-	-	-	-	
	7. Bantuan Peternakan	Ekor	-	-	-	-	-	-	
	8. Pemasaran Hasil Peternakan	Kg	-	-	-	-	-	-	
	9. Bantuan Perusahaan/ Kemitrap	KK	1	100	1.200	100	100	200	16,67
	*** Sub Total II ***				1.200	100	100	200	
C.	Pengembangan Sapras								
	1. Pemeliharaan jalan	Km/M	-	-	6.000	-	-	-	
	2. Jambatan	Bh	-	-	-	-	-	-	
	3. Pengairan	Bh	-	-	-	-	-	-	
	4. Air Bersih	Bh	-	-	-	-	-	-	
	5. Penerangan	KVA	-	-	-	-	-	-	
	6. Gedung	M ²	-	-	-	-	-	-	
	*** Sub Total III ***				6.000				

⁴⁵YTS-Governance Project reports

The Plantation Agency has developed a quarterly reporting format to capture the contribution to communities close to plantation areas (*see sample below*).

Table 3

Subsistem Sosial, Ekonomi, dan Lingkungan Hidup

a. Sosial

1. Fasilitas Kesehatan Untuk Masyarakat Sekitar Kebun

No.	Jenis Fasilitas Kesehatan	Satuan	Realisasi sampai dengan Triwulan				Keterangan
			I	II	III	IV	
1	2	3	4	5	6	7	8
1.	Rumah Sakit	Unit					
2.	Poliklinik	Unit					
3.	Balai Pengobatan	Unit					
4.	Dokter	Orang					
5.	Mantri	Orang					
6.	Perawat	Orang					
7.	Bidan	Orang					
8.	dll						

2. Fasilitas Pendidikan untuk Masyarakat Sekitar Kebun

No.	Jenis Fasilitas Pendidikan	Satuan	Realisasi sampai dengan Triwulan				Keterangan
			I	II	III	IV	
1	2	3	4	5	6	7	8
1.	Bangunan TPA	Unit					
2.	Bangunan TK	Unit					
3.	Bangunan SD	Unit					
4.	Bangunan SLTP	Unit					
5.	Pengasuh/ Guru TPA	Orang					
6.	Guru TK	Orang					
7.	Guru SLTP	Orang					
8.	dll						

This kind of report is quite informative about how funds are allocated and actually spent. However, it does not show any detailed dynamics, outcomes, and impacts from CSR programs. Monthly and quarterly reports should provide information about issues, progress, and communication aspects between village governments and community groups. This will help the government make decisions about any required actions.

b. Company initiatives

Most companies submit annual reports using their own formats. However, some companies do not include any information on CSR or their contribution to the community in their report. Only PT. KSK (mining), PT. KAP (plantation), PT. East Point and PT. Bumi Mas (forestry) provide this information.

PT. KSK submits quarterly, semi-annual and annual reports to the Mining Agency, Forestry Agency, District Head, Ministry of Energy and Mineral Resources, Ministry of Forestry, the provincial Governor, and the Energy and Mineral Resources Agency and Forestry Agency at province level.

PT. KAP submits an annual report to the Energy and Mineral Resources Agency that includes information on its CSR program. It also conducts special meetings with the District Head to discuss progress and to share feedback.

PT. Bumi Mas provides quarterly reports based on the government format and submits them to the Forestry Agency in Gumus and at province level.

4.3 Policies for CSR

CSR should no longer be interpreted as a voluntary responsibility; it must be mandatory and fit within a mutually agreed upon framework and guidelines, with clearly defined objectives. These should be defined together by all of the key players in a stakeholders' forum. There also needs to be a mechanism for providing oversight, monitoring and evaluation of results and outcomes. This also

could be established by the forum. The EITI⁴⁶ is an example of this kind of mechanism, albeit on a national and international level.

Investors, both national and foreign, are not justified in earning profits at the expense of other parties, and shall be subject to and comply with the provisions of CSR as a legal obligation, if they want to invest in the extractives sector in Indonesia. Implementation of CSR would show a commitment to the principles of sustainable development and would reflect a conducive investment climate for investors that benefits public welfare. CSR in the context of investment should be interpreted as an instrument to reduce unethical business practices⁴⁷.

4.3.1 National Policies

Currently there are four articles of legislation that require certain companies to implement CSR activities or exhibit social and environmental responsibility. There also are international guidelines on sustainable responsibility:⁴⁸

- State Owned Enterprises (SOEs) shall implement the Partnership Program and Community Development (CSR) in accordance with the Regulation of the Minister of State Enterprises: Per-05/MBU/2007, Article 1 (6) which states that the Partnership Program SOEs and SMEs, which is a program to improve the ability of small businesses to be strong and independent through the use of funds from the profits of SOEs. Whereas Article 1, paragraph (7) explains that the Community Development Program, is a program by the state to empower people's social conditions through the utilization of funds from the profits of SOEs. The Community Development Program includes: aid to victims of natural disasters; educational assistance and/or training; support for health promotion; support for developing infrastructure and/or public facilities; support for religious facilities; and support for nature conservation.
- Law No.40 year 2007 concerning a Limited Company (*PT/Perusahaan Terbatas*) requires companies, including resource-based companies, to implement social and environment responsibility programs. Article 74 stipulates that: (1) Any company that runs its business activities in fields and/or relating to natural resources is required to implement a Social and Environment Responsibility program; (2) It is the obligation of the Company to prepare a budget and account for expenses of a Social and Environmental Responsibility program, and implement with due regard to decency and fairness, (3) A Company that does not carry out the obligations referred to in paragraph (1) will get sanctioned within the provisions of the legislation; and (4) Further provisions on Social and Environmental Responsibility are regulated by Government Regulations.
- Law Number 25 Year 2007 regarding Investment, Article 15 (b) states that "Every investor is obliged to carry out corporate social responsibility". Sanctions against enterprises or individuals who violate the rules are set forth in Article 34, namely in the form of administrative sanctions and other sanctions, including: (a) written warning; (b) restrictions on business activities; (c) suspension of business and/or investment facility; or (d) revocation of business activities and/or investment facility.
- An oil and gas company is bound by Act No. 22 Year 2001 on Oil and Gas, Article 13, paragraph 3 (p) which states that: "Cooperation Contract referred to in paragraph (1) shall contain at least a principal provision which is the development of surrounding communities and guarantees for the rights of indigenous peoples ". Therefore, based on the Act, both oil

⁴⁶ Extractive Industries Transparency Initiative

⁴⁷ DR, Sukarni, SH – Ministry of Law and Human Rights of Indonesia, official website 2010

⁴⁸ Rahmatullah, 2011

and natural gas exploration and exploitation, are required to conduct community development and guarantee the rights of indigenous peoples around the company operations.

- ISO 26000 is an international standard for Corporate Social Responsibility. Based on the understanding that Social Responsibility is essential for business continuity, the ISO focus on organizational governance, human rights, employment, environment, fair operating practices, consumer issues and community development. ISO itself aims to help various forms of organizations in implementing social responsibility by providing practical guidelines and broadening public understanding of social responsibility.

So far, many companies have not yet carried out CSR activities optimally. This is one reason why local government needs to develop district regulations (Perda). There are several indicators that can be used to measure the commitment of a company to run CSR activities. For example: (1) the existence of a Standard Operating Procedure (SOP) regarding CSR; (2) the existence of a specific department or division that handles CSR – not under the Public Relations or Human Resources Development Division, as currently practiced; and (3) focus on establishing human resources with the capacity to manage CSR. Without these three aspects, CSR activities would likely be a form of charity or donation, which is far away from the responsibility that is incorporated in the sustainable development approach. Companies whose products are related to export and import are recommended to follow the guidelines of ISO 26000 on implementing Social Responsibility, which were established in 2010.⁴⁹

The current 108 extractive companies listed in Gumás, as well as government businesses require a clear framework and set of guidelines on CSR responsibilities in the district. In response to this vacuum, the government issued a district regulation concerning CSR this year.

4.3.2 *Gunung Mas Policy*

Central Kalimantan Province had issued the District Regulation (Perda) Number 11 2012 on Corporate Social Responsibility (CSR). This Perda has been one of the references for Gunung Mas developing its own regulation on CSR.

District Regulation No.4/2015 on Implementation of Company Social and Environmental Responsibility in Gunung Mas Regency, has 14 chapters and 24 articles (*see Annex 4*). A summary of five significant aspects of this regulation follows:

4.3.2.1 *Objectives, Principles, Guidance, and Scope of Work (Chapter II & III)*

Objectives (aims)

The general objectives statements contain two components: (1) Assurance and protection of all stakeholders in CSR implementation; and (2) Guidance for CSR implementation to adjust with government programs.

The first objective is to ensure that government, companies, and community can reach a common ground on what is considered a CSR program and what is not. It includes protection for companies in conducting their CSR programs.

The second objective is to provide guidance for companies in developing their programs to ensure that they are relevant to government programs, in order to improve the quality of the environment and social welfare. This can be tricky. The government program should reflect the needs of communities, but the issue is that community needs are not uniform, which may mean that some needs are not represented in the government program. Therefore, companies have an option to create a program that directly supports or relates to the government program, but that also meets the needs of communities that are not covered in any government program.

⁴⁹Ibid

Principles, guidance, and scope of work

The seven principles, guidance, and scope of work in this regulation/Perda will protect companies from 'extortionary' practices, will provide parameters for their CSR program planning, and will help them create a better plan. The community, especially directly-impacted communities, will get a more fair contribution with clearly spelled out rights and obligations from the government, the company, and the villagers. The government will receive broader support to achieve its development targets and will be able to reduce conflicts in the district.

4.3.2.2 Funding Source & Benefits (Chapter IV & V)

Contribution Requirement

The funding source as stated in Chapter IV-Article 2, is the most crucial part of this Perda. The extractive companies in Gumás should be informed about the reason behind the decision obliging them to allocate 5% for their CSR programs. Unfortunately, there is no explanation regarding this in the supplement to this regulation (Explanation of Perda).

Based on interviews with some Gumás officials⁵⁰, the background of this 5% allocation was derived from practices in other districts, specifically on CSR contributions from palm oil companies, such as Waringin Timur City and Sampit District in Central Kalimantan. According to the Law⁵¹, state-owned companies are required to allocate 10% for their CSR programs. Thus, the Gumás government thought it would be appropriate for private companies to allocate only half of that. Another explanation for this logic is that any losses that state-owned companies incur are subsidized by the government, whereas that is not the case with private companies. Therefore, 5% was considered a moderate number.⁵²

In this study, we looked at the 5% allocation that applied to all three industries:

- Price volatility; mining and plantation (palm oil) relies on the global market, as the price is set internationally. The price of timber in Indonesia is set by the Ministry of Forestry. However, a moratorium on harvesting and the seasonal incidents like forest fires influence fluctuations in prices. Mining is the most volatile among these three industries. Therefore, how should the government apply the Perda in these cases?
- Seasonal cost and revenues: Some businesses, such as zircon sand, rely very much on the weather; so in the dry season, they earn less profit and in rainy season they are more profitable. Thus, the 5% allocation can be very small or very large, depending on the season. So, how to apply the requirements for the CSR program to this kind of business based on this Perda - Article 16 and 17, types of program and activities?

In the case that social and environmental impacts are bigger than 5%, who will be responsible for the rest of the liability? Referring to the above factors, the big issue is CSR funding stability that insulates it from revenue or profit variations and provides future security for on-going programs that need a multi-year, assured funding base.

Benefits

The Perda lists clear benefits for all stakeholders regarding CSR implementation in Gumás. The aim is for companies to build accountability and a good image or branding; and to achieve social security, investment security, and business continuation. Communities benefit by improving the quality of

⁵⁰Interview Results

⁵¹Desk study

⁵²Information from the Head of BPMPD in a preliminary meeting for the study - interview with the Secretary of BPMPD, and Head of the Legal Division in Gumás

education, health, the local economy, infrastructure, and the environment. Government benefits by accelerating the achievement of development targets.

4.3.2.3 Organizational Aspect (Chapter VI, VII, VIII)

The Perda requires the government to form a task force or separate organization to implement CSR in Gumas. The operational cost of this task force can be charged to the CSR fund. It is not clear whether the CSR fund is put in the government treasury, or the company allocates some amount as its Task Force contribution and reports it as part of their CSR budget expenditure. According to this Perda, further details to be regulated by a Regent's Regulation.

4.3.2.4 Stakeholders: Actors, Rights and Obligations (Chapter IX, X, XI)

Government is clearly identified at each level- District, Subdistrict and Village/Kelurahan - as is the identity of the company. However, sometimes directly-impacted communities and the status of community land are not clearly identified. The following is an example:

PT. Investasi Mandiri, is a zircon sand company in Tewang Pajangan Village, Kurun. In 2006, the company held a meeting with village government and villagers, announcing that the company has a permit to use the land as the company's production site. At that time, the land belonged to the state, not individuals. In 2015, when the company came back to start production, the land was already divided into plots which were owned by villagers. The villagers showed their ownership documents, the Letter of Land Information or *Surat Keterangan Tanah* (SKT) issued by the village and subdistrict governments. The government stated that they could not do anything about it and asked the company to negotiate and make an agreement with the villagers. As a result, even though the company had a permit to work the land, they now buy sand from the villagers. Furthermore, the villagers hired workers from outside Gumas, mostly Javanese labor. In this case, as more than 50% of Tewang Pajangan villagers are business partners of the company, are they still eligible for CSR as a directly-impacted community?

As stated in the Perda, the impacted community is the beneficiary of the CSR program, which implies they are not business partners of the company. In this case, the villagers themselves are causing the social and environmental impact on the village and its surroundings.

4.3.2.5 Reward and Dispute Settlement (Chapter XII & Chapter XIII)

The reward scheme in the Perda is good for encouraging a company to implement a proper CSR program. Details of the reward system will be governed by the Regent's Regulation. However, the statement on dispute settlement is not clear. It states that there are three options for dispute settlement: negotiation in a meeting, negotiation outside a court of law, and filling a lawsuit in court of law. The question is: what is the different between negotiation in a meeting and negotiation outside a court of law? This has to be clarified; otherwise it will create collusion practices.

5 Recommendations

5.1 Policy Development Approaches

5.1.1 Sociological Approach

One way of defining CSR is that it's the company's contribution towards sustainable development objectives through impact management –minimizing negative impacts and maximizing positive impacts. Therefore, the regulations concerning CSR should not be developed only based on numerical calculation. The government as regulator should see the CSR regulation as a governance instrument for generating a better quality of life for stakeholders in Gumas. The regulation should provide a sense of justice for the company, community, and government.

Development and implementation of CSR requires a high level of expertise, including a strong management capability. Any CSR program has to specifically relate to the locality. It also must be useful, empower local people, and foster mutual relations and stakeholder interests. District Government has to make a serious effort to ensure that programs comply with these criteria.

Ideally, the CSR regulations should be developed in a participatory way, involving all the major stakeholders. Government should provide sufficient time and space to run a series of meetings starting with the primary stakeholders –the companies, impacted communities, intermediary groups (Civil Society Organizations), and academics who work with communities. All of these parties should be working directly in Gumas. This process would require expertise to manage and would have to be carefully and sensitivity facilitated, given the potential for imbalance of capacity between these groups.

The main key is the willingness of government to conduct a process that enables stakeholders to interact with one another and to generate deep and fruitful insights. From the results of that process, the government can develop a vision about regulations that can govern the issue in the best way and maximize positive impacts.

Collecting good regulations from other districts with a lot of good experience in managing CSR could provide some useful reference material at some point in the above process.

The following steps are recommended to provide a good process for reviewing the Perda:

- Set up a multi-agency team that has sufficient field experience to assess and to improve the content of the Perda, by using results from related studies, conducting observations, and having Focus Group Discussions with more stakeholders.
- Formulate the best way to maximize positive impacts.
- Collect good regulations from other districts that have a good track record with managing CSR.

5.1.2 Legal Framework Approach

This study highlights the reality that it is not possible to apply a 'one size fits all' approach and policy to CSR. There are three types of extractive industries in Gumas, and therefore, the guidelines in the Perda should distinguish between each of those industries. This can be stated clearly either in the Perda or mandated by the Perda to be governed in the Regent's Regulation.

From the perspective of the legal framework, it is best for the company to manage its budget based on guidance from the improved Perda. The Government will manage the contribution for the CSR Task Force. The Government will supervise, audit the fund, and evaluate the plans, outputs and outcomes jointly with all key stakeholders from companies, government, civil society and communities.

5.1.3 Enabling Environment Approach

As the sites for CSR programs are mostly in villages close to the company's operations, it would be best if the CSR Perda takes into account district regulations that directly govern the affected villages.

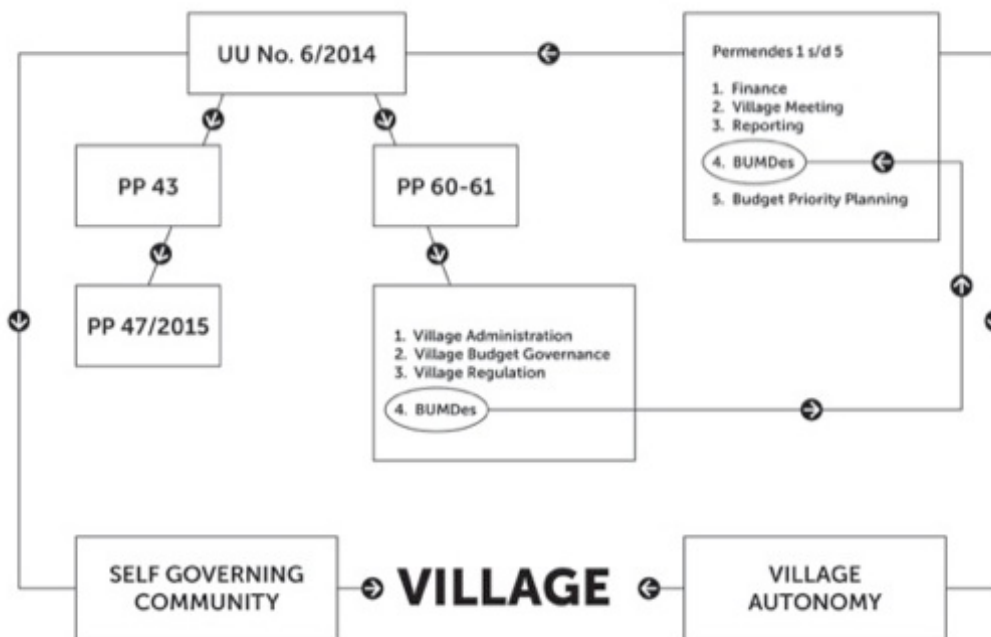
At this moment, the Gumus Government is developing District Regulations on the Village, as mandated by Law No.6/2014 on the Village. It would be good to synchronize formulation of both Perdas.

Law No.6/2014 has many implementing regulations from the Ministry of Home Affairs and the Ministry of Villages and Undeveloped Areas. The implementing regulations of the Ministry of Home Affairs emphasized that the village is a self-governing community, and the Ministry of Villages tends to support the village as the smallest unit of regional autonomy.

Village autonomy means that the spirit of the regulations is focused on empowering village government; this will provide the village and local people with some authority and rights.

A self-governing community focuses on strengthening the capacity of its citizens, indigenous people, culture, and community groups to reach a consensus on managing local resources.

Figure 18 Spirit of Government Law No.6/2014 and its technical regulations



Referring to Figure 7, the guidance on Perda No.4/2015 on CSR, Article 17 on program development of CSR is supposed to consider the nature and capacity of each organization in the village. Article 17 clearly encourages local economic development operated by certain institutions in the village. Based on the mandate of government law No.6/2014, BUMDesa is the right vehicle to respond to this. Therefore, it is recommended that the government maps all regulations, including those still being drafted, in order to analyze the correlation and potential mutual benefits or potential conflict created by these regulations.

A comprehensive set of regulations in Gumas, with a clear correlation between each regulation will provide a degree of certainty to all stakeholders when working together toward common objectives.

Institutional Option for the CSR Coordination Forum

The Gumas Government has formed a Task Force, called the Investment Coordination Team, for coordinating services, and for controlling and evaluating investment in Gumas. This Task Force gets its mandate every year through a Regent's Decision Letter (*see the latest version in Annex 4*).

This team reports directly to the Regent/Bupati. This is the scope of work:

1. Inter-agency coordination that relates to services, control, and license evaluation in plantations, mining, forestry, transmigration, which has a direct correlation with land use in the district;
2. Provide advice to the Gumas Regent regarding follow up on services, supervision and control of licenses and their evaluation;
3. Record and inventory all activities that relate to investment in the district, including licensing for either domestic or foreign investment;
4. Provide advice on alternatives (strategies) for developing investments, especially in mining, plantations, and forestry that will provide benefits and added value for investors, government revenues, communities, and the environment;
5. Provide advice on incentives for investors who are willing to invest in Gumas;
6. Analyze and solve the problems between communities and other parties;
7. Develop the capacity to detect early on potential threats, either directly or indirectly, toward the government investment plan or investment implementation in Gumas; and
8. Conduct monitoring, supervision, control, and evaluation on a regular basis to overcome problems/issues that may occur at district level.

Referring to the above, the mandate of the Perda for establishing the CSR Coordination Forum can consider two options:

- This Task Force can extend the scope of work to provide a Coordination Forum for the CSR program. Details and the scope of work for this Forum will be explained in the Regent's Regulation. There will be no issue on funding as it is charged to the Government Budget. However, a mechanism should be set up to get regular contributions from companies that wish to participate in the Forum meetings.
- The CSR Coordination Forum is separate from the Investment Coordination Team, but it maintains close relations with the team in order to collect data and information as part of assessing how well CSR is delivered and evaluated, according to an agreed plan. The consequence of this option is that the team structure is slimmer, but the capacity of the team members to drive the forum effectively could be challenging. Funding from companies can come out of their annual CSR budget.

Both options above have to be inclusive, especially in determining representation from government, companies and communities. Numbers and composition of each stakeholder group will influence how the decision-making process will be set up in the forum, and much more. Therefore, drafting the Regent Regulation should be done carefully.

Drafting the Regent Regulation of the CSR Perda should follow the three recommendations above: sociological approach, legal framework approach, and enabling environment approach.

6 Conclusions

This study has discovered that most stakeholders in Gunung Mas District - in government, companies and communities - are not clear about the concept of Corporate Social Responsibility. Companies have a low commitment to deliver adequate CSR programs. Communities can develop a high dependency on a company, and can become overly demanding. This is not good for village governance and does not support sustainable development. Government finds it is difficult to encourage companies to deliver a good and sufficient CSR program, if it doesn't have the proper tools to guide and supervise.

This study also highlighted the importance of having a long term commitment. Uneven funding for CSR makes it impossible to sustain a process of meaningful development. Working with communities is very different from running an extractives operation. It takes time to build trust and to nurture that trust, and it can't be turned on and off like a tap. Therefore it may be best to outsource CSR work to a credible partner that is experienced with community development, such as a local NGO. This would take the CSR work out of an alien environment – ie, the business world – and put it into an environment that is more compatible and appropriate. The foundation concept⁵³ is good example of this, and several of these have been established already in Indonesia – eg, the Rio Tinto Foundation.

Issuing Perda No.4/2015 would be a breakthrough action for the government of Gumas. However, some aspects in the Perda should be clarified and more information provided on the following:

- The options companies have in developing their CSR programs - either following the government program or providing a complementary program - have to be identified transparently. The process for when and how the decision on a CSR program is taken should be made clear as well.
- The 5% contribution from the net profit of the company requires some thoughtful analysis – eg, why 5% and under what condition will this 5% provide a sufficient contribution for the social and environmental impacts generated by the company's operations; and the calculation (is there any simulation that led the legal drafter to decide that 5% will generate the maximum benefit in a fair way for the company, society and the environment). This becomes a problem since there is no mandate to detail this issue in the Regent's Regulation. And therefore, the 'why' and the 'calculation' remains unclear.

Another issue is that companies do not generate any profit until some years into production. There is no profit during exploration or pre-production phases. Freeport for example, self-imposed a 1% of net revenue allocation for its foundation, and also established a separate Partnership Fund for CSR activities that is managed by a local NGO, LPMAC⁵⁴. This combination is a more stable mechanism as the CSR program is less subject to revenue fluctuations. In mineral exploration, a figure of 7% of overall expenditures has been used as a rule of thumb. It therefore is best to look at each industry and situation separately, and set guidelines with a range of figures that work for that industry and specific company, and that covers each phase in the company's development and operations.

Other issues that offer no detailed explanation in the regulation, and therefore require more information are:

- Article 16 and 17 imply that the CSR program is managed by the companies. However, Chapter IV- Article 7 should explain who manages the CSR fund. In the explanation of this Perda, Articles 16 and 17 advise the companies to design their CSR programs in relation to

⁵³The World Bank, June 2010, Mining Foundations, Trusts and Funds: A Sourcebook

⁵⁴www.lpmak.org

their core business and not as a charity. However, there is a lack of clarity in Chapter V, article 7 where there is no statement regarding who manages the CSR fund – the 5% allocation from net profit after tax. This creates confusion for companies who wish to apply the guidelines in Articles 16 and 17: if companies run the program, it makes sense for them to develop programs based on the guidance in Articles 16 and 17, but if government runs the program, why should companies bother creating a CSR program? I think this explanation belongs in a discussion on the Perda not in the conclusion. There needs to be a definition of an affected community, and who is eligible as the direct or main beneficiary.

- The Dispute Settlement as explained above is not clear. It has to cover the process, the roles, and the responsibilities of the parties involved.

To conclude: The Perda needs some improvement and then the Regent Regulation can be developed accordingly on organizational development for CSR coordination.

Annexes

Term of Reference

PERDA – Government Regulation on Social and Environmental Responsibility of Limited Liability Company

Database of Palm Oil Companies Operating in Gunung Mas

Database of Mining Companies Operating in Gunung Mas

Assessment of Regional Economy of Gumas GRDP 2009-2013

Interview Samples

FGD Crosscheck Sessions

Annex 1:
Terms of Reference



Yayasan Tambuhak Sinta

Terms of Reference

CSR STUDY WORKSHOP

1. Background

Corporate Social Responsibility (CSR) is a concept in which a company acknowledges its responsibility to all of its stakeholders, including consumers, employees, shareholders, communities and the environment; in every aspect of its operation that has a social, economic, and ecological/environmental impact. Therefore, CSR has a close correlation with the concept of ‘sustainable development’. This means that a company should not implement its activities based on economic impact only, but also needs to address social and environmental impacts, for both its short term or long term goals. Accordingly, CSR is the company’s contribution to sustainable development through impact management, and is a means to minimize negative impact and maximize positive impact).⁵⁵

Gunung Mas (Gumas) Regency is a resource-rich district in Central Kalimantan, with about 102 extractive companies, include mining, plantation, and forestry. This year the government of Gumus has just completed its District Regulation (*Perda*) on Corporate Social Responsibility (CSR), and is now in the process of developing a Regent Regulation to continue implementation of this *Perda*. The government of Gumus has given approval to Yayasan Tambuhak Sinta (YTS) to conduct a study on CSR to support this process. The study is funded by the ASEAN CSR Network and is implemented through YTS’s Governance Project.

The project started in August, and has completed the data gathering, processing, and analysis stages. The YTS team conducted interviews with 13 selected companies and held Focus Group Discussions (FGDs) in seven CSR-impacted villages. The team also conducted in-depth interviews with several government agencies (SKPD): Regional Development Planning Agency (Bappeda), Regional Community Empowerment Agency (BPMPD), Forestry Agency, Mining & Energy Agency, Agriculture & Plantation Agency, and Financial & Asset Management Agency. The team also conducted in-depth interviews with the District Legislative members (DPRD).

The draft report is now ready for consultation with related stakeholders; and YTS and BPMPD, the agency responsible for the regulation, will conduct a workshop with all key stakeholders.

⁵⁵ Various sources, Wikipedia

Pre-Workshop and Workshop

1.1. Process & Methodology

The event will be conducted over two days. On Day One the Pre-Workshop event will consist of some Focus Group Discussions (FGDs), and on Day Two the Workshop will consist of three sessions.

Day One: FGDs

After registration and lunch, the participants will be briefed by the host, the Secretary of BPMD, and the main facilitator. For efficiency and effectiveness, participants will work in separate groups – one for community members, another for company representatives, and the third for government. Each group will have its own facilitator:

- Community group - Mr. Dino Mika
- Company group - Ms. Lia Anggreani
- Government group - Ms. Dian Anggraeni

The aim of the groups is to cross-check and clarify any data in the CSR study; to share experiences on what is good CSR and how it fits in with good governance practices; and to transfer information on the rights and the responsibilities of each stakeholder in the CSR program.

This process will give all of the participants the same starting point before participating in the plenary sessions on Day Two.

Day Two: The Workshop

This is a Plenary Meeting with the following agenda:

- Opening
- Presentation of Speakers
- Presentation of the CSR Study
- Questions and Answers
- Response from the Regent regarding the CSR study
- Conclusions
- Closing

1.2. Objectives and Expected Results

Objectives

- *Increase participants' understanding of CSR best practices outside Gumas*
- *Reach common ground on good CSR definition and roles of stakeholders*
- *Get feedback and acceptance of the CSR study in Gumas*

Expected Results

- *Gumas officials and participants are aware of some CSR good practices in Indonesia*
- *Gumas officials and participants agree on what is good CSR for Gumas and how it is compatible with the spirit of good governance*
- *The data and information in the CSR Study is clarified, and the recommendations in the study are accepted*

2. Date, Personnel, Location

2.1. Date

December 1: FGDs

December 2: Workshop

2.2. Personnel

Event Organizer: Regional Community Empowerment Agency (BPMPD) of Gunung Mas, YTS, and the Public Relations Office (15 people)

Participants

- 24 Agency staff (SKPD), 12 subdistricts, and 7 village government representatives from directly-affected locations
- 13 company representatives from the 13 respondents to the CSR Study
- 14 representatives from seven affected-communities

Facilitators

- Dian Anggraeni
- Lia Anggreani
- Dino Mika

Resource Persons

- Mr. Suyoto, Head of District Bojonegoro Regency, East Java Province
- Mr. Kemal Soerawidjaja, Executive Director of CCPHI (Company-Community Partnership for Health in Indonesia)
- Mr. Joko Purwanto, Executive Director of Bojonegoro Institute

Guests of Honor

- Mr. Bryan Khoo, ACN representative – Singapore (*to be confirmed*)
- Mr. Syahril Tarigan, Mining & Energy Agency of Central Kalimantan
- Mr. Guntur, Chairman of CSR Forum of Central Kalimantan

Total personel involved approximately 106 people

2.3. Locations

Palangka Raya: Arrival and Departure from and to Jakarta/Surabaya

- Swiss Belhotel/Neo Hotel

Kuala Kurun, Gumas :

- Welcome dinner in Regent's official residence
- Workshop in Bappeda
- Accommodation in Adelin Hotel or other hotel

Outline of Schedule

Time	Activity	Resource Person/ Person in charge	Remarks
Guest Arrivals & Travel: Tuesday, 1 December 2015			
09.00 -12.00	Resource Persons and guests arrive in Palangka Raya	YTS	YTS staff pick up res. persons & guests
12.30 – 14.00	Introduction & lunch	YTS	YTS office
14.00 – 16.45	Trip to Kurun (prayers enroute)	YTS	2 cars
17.00 – 18.30	Check into hotel in Kurun	YTS & Humas	Resting & prayers
	Village participants check into hotel in Kurun	YTS	Dinner arranged by YTS
18.40 – 20.00	Welcome dinner in Regent's official residence	BPMPD & Humas	YTS, guests, resource persons
Focus Group Discussions: Tuesday, 1 December 2015			
12.00-13.00	Lunch	YTS & BPMD	All
13.00-13.10	Opening & welcome speeches (description of event & outputs)	YTS & BPMD	Dian A, Mr. Yulius/Mr. Osner from BPMD
13.25-16.00	Focus Group Discussion	YTS & BPMD	BPMD assists the facilitator from YTS
15.00	Afternoon break	YTS	
16.00	Conclusions from each group	YTS & BPMD	The event finish

Time	Activity	Resource Person/ Person in charge	Remarks
Wednesday, 2 December 2015			
07.30 – 08.00	Registration	BPMPD & YTS	Materials distribution
08.00 – 08.30	Opening <ul style="list-style-type: none"> • Report from Head Organizer of Event • National Anthem & Prayer • Speech from YTS • Speech & opening remarks 	Mr. Yulius Agau Protocol & Dino M Mr. Bardolf Paul Mr. Arton S. Dohong	Head of BPMPD YTS Executive Dir. Regent of Gumasp
08.35 – 11.00	Presentations <ul style="list-style-type: none"> • Partnership in CSR • CSR Coordination Forum • CSR practices in Bojonegoro 	Mr. Kemal S. (CCPHI) Mr. Joko P. (Bojonegoro Inst.) Mr. Suyoto (Regent of Bojonegoro)	Questions & Answers Facilitator: Ms. Dian Anggraeni
11.00 – 11.30	Presentation of CSR study	Ms. Dian A	YTS Snacks and drinks served during the presentation
11.30 – 13.00	Feedback & comments from Gumasp officials, participants and the Regent	Ms. Dian A	Regent's comments can be considered as conclusions
13.00 – 14.00	Closing, group photo, lunch	Protocol & Ms. Endah DA	Humas & YTS
14.05 – 17.00	Trip to Palangka Raya	YTS	YTS, res. persons, guests
17.00 – 20.00	Check into Swiss Belhotel/Neo Hotel	Ms. Endah - YTS	Rest, dinner
Thursday, 4 December 2015			
05.00 – 05.30	Check out from hotel	Mr. Suyoto, Mr. Joko	Organized by Ms. Endah - YTS
06.30 – 07.00	Check out from hotel	Mr. Kemal, Mr. Bryan	
	Travel to airport & waiting in executive lounge	Same as above	Same as above

Annex 2:

PERDA – Government Regulation on Social and Environmental Responsibility of Limited Liability Company



CENTRAL KALIMANTAN PROVINCE
DISTRICT REGULATION OF GUNUNG MAS
NUMBER 4 YEAR 2015
CONCERNING
IMPLEMENTATION OF CORPORATE SOCIAL AND ENVIRONMENTAL
RESPONSIBILITY IN GUNUNG MAS DISTRICT
BY THE GRACE OF GOD ALMIGHTY
THE REGENT OF GUNUNG MAS,

- Considering : a. that according to provisions of Article 74 section (1) of Law of The Republic of Indonesia Number 40 year 2007 on Limited Liability Company, any Corporation operating business activity in the field and/or related with natural resources shall be obliged to implement social and environmental responsibilities; and that Article 15 item b of the Law of the Republic of Indonesia No. 25 of 2007 concerning Investment obliges investors to implement corporate social responsibility;
- b. that in order to properly achieve prosperity and well being of community, whenever there is synergy and sustainable relation between the District Government and company and community, such that the company and its business operation bring about positive impact both socially and environmentally, the company should participate in social and environmental responsibility to support social-economy empowerment of community, and protection of environment and each of its related aspects;
- c. that based on the considerations as referred to in item a and item b above it is necessary to enact a District Regulation concerning the Implementation of Corporate Social and Environment Responsibility in Gunung Mas District;
- In view of : 1. Article 18 section (6) of Indonesian Constitution of 1945;
2. Indonesian Law No. 5 Year 1990 concerning Conservations of Natural Resources and Ecosystem (State Gazette year 1990 No 49, Supplement to State Gazette No 3419);
3. Indonesian Law No. 41 in 1999 on Forestry (State Gazette 1999 No. 167, Supplement State Gazette of the Republic of Indonesia Number 3888) as was amended with the Indonesian Law number 19 of 2004 on Resolution of Government Regulations of Law Substitute No. 41 year 1999 to State Law (State Gazette of the

- Republic of Indonesia Number 86 of 2004, Supplement to State Gazette Number 4412);
4. Indonesian Law no. 22 of 2001 on Oil and Gas (State Gazette of the Republic of Indonesia no. 136 of 2001, Supplement to State Gazette no 4152);
 5. Indonesian Law No. 5 of 2002 on establishment of new Regencies in Central Kalimantan Province: Katingan, Seruyan, Sukamara, Lamandau, Gunung Mas, Pulang Pisau, Murung Raya, and Barito Timur (State Gazette of the Republic of Indonesia no. 18 of 2002, Supplement to State Gazette no. 4180);
 6. Indonesian Law No. 19 of 2003 concerning State-owned Enterprises (State Gazette of the Republic of Indonesia no. 70 of 2003, Supplement to State Gazette no. 4297);
 7. Indonesian Law No. 25 of 2007 concerning Investment (State Gazette of the Republic of Indonesia no. 67 of 2007, Supplement to State Gazette no. 4724);
 8. Indonesian Law no. 40 of 2007 concerning Limited Liability Company (State Gazette of the Republic of Indonesia no. 106 of 2007, Supplement to State Gazette no. 4756);
 9. Indonesian Law No. 4 of 2009 on Mineral and Coal Mining (State Gazette of the Republic of Indonesia no. 4 of 2009, Supplement to State Gazette no. 4959);
 10. Indonesian Law No. 11 of 2009 concerning Social Welfare (State Gazette of the Republic of Indonesia no. 12 of 2009, Supplement to State Gazette no. 4967);
 11. Indonesian Law no. 32 of 2009 on Environmental Protection and Management (State Gazette of the Republic of Indonesia no. 140 of 2009, Supplement to State Gazette no. 5059);
 12. Indonesian Law No. 12 of 2011 concerning Establishment of Law and Regulation (State Gazette of the Republic of Indonesia No. 82 of 2011, Supplement to State Gazette No. 5234);
 13. Indonesian Law No. 23 of 2014 on Regional Government (State Gazette of the Republic of Indonesia No. 244 of 2014, Supplement to State Gazette No. 5587) which has been amended several times, and currently to the Law No. 9 of 2015 on Second Amendment of Indonesian Law No. 23 of 2014 concerning Regional Government (State Gazette of the Republic of Indonesia No. 58 of 2015, Supplement to State Gazette No. 5679);
 14. Government Regulation No. 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies (State Gazette of the Republic of Indonesia No. 89 of 2012, Supplement to State Gazette No. 5305);
 15. Social Ministry Regulation No. 50/HUK/2005 on Guidelines to Implementation of Cross-sector Collaboration and Business Operation;
 16. Regulation by Ministry of State-owned Enterprise No. PER-05/MBU/2007 on Partnership Program between the State-owned Enterprise and the Micro Enterprise Entities and the

Environmental Development Program with the current amendment by the State-owned Enterprise Regulation No. PER-08/MBU/2013 of 2013 concerning The Fourth Amendment to the Regulation of Ministry of State-owned Enterprise No. PER-05/MBU/2007 concerning Partnership Program between State-owned Enterprises with Small-scale Business Enterprise and Environmental Development Program;

17. Regulation of Ministry of Internal Affairs No 1 of 2014 on Establishment of Legal Products at the Regional Level (State Gazette No 32 of 2014);
18. Regional Regulation of Central Kalimantan Province No. 11 year 2012 on Social and Environmental Responsibilities of Companies (Provincial Gazette of Central Kalimantan No. 11 of 2012, Additional Provincial Gazette No. 54);

By Joint Approval of
THE HOUSE OF REPRESENTATIVE OF GUNUNG MAS DISTRICT
and
REGENT OF GUNUNG MAS DISTRICT

D E C I D E S:

To Stipulate : DISTRICT REGULATION CONCERNING THE IMPLEMENTATION OF SOCIAL AND ENVIRONMENT RESPONSIBILITY IN GUNUNG MAS DISTRICT.

CHAPTER I
GENERAL PROVISION

Article 1

Referred to in this Regulation as:

1. District is the District of Gunung Mas.
2. District Government is the Government of Gunung Mas.
3. Regent is the Regent of Gunung Mas.
4. The District House of Representative hereinafter abbreviated to DPRD is the House of Representative of Gunung Mas District.
5. The Corporate Social and Environment Responsibility or in other name that has been implemented by the company hereinafter abbreviated to CSR is the Company's commitment to involve in sustainable development to improve the quality of life in economy, social and environment sectors that benefit, both the Company and the local communities as well as other communities in general.
6. Company is business body that has legal proof or not that established based on agreement, to conduct business activities by collecting capital, and operate in the activities of producing goods and/or services to get profits and the establishment is according to the Regulations.
7. Stakeholders are every parties, in the company or outside of the company, that have direct or indirect authority that may influence or influenced by the existence, activities and behavior of the company.
8. Targeted Areas are the industrial areas, community housing areas, and the area for any purposes according to the law either on land or in the sea/ coastal

areas that get direct or indirect impacts from the existence of the company where it disturbs the environment functions and causes physical and/ or not physical damages.

9. Community are all parties, both the state resident or the resident as an individual, groups, or legal body in the environment or related to the Company's business activities directly or indirectly.
10. CSR Implementer Team is a team that implements CSR, involving the stakeholders as the media for communication, consultation and evaluation of CSR implementer.

CHAPTER II PURPOSES AND OBJECTIVES

Article 2

This Regulation on CSR has the purpose to:

- a. providing certainty and legal protection for the implementation of CSR program in Gunung Mas District; and
- b. Providing guidance to every companies and stakeholders in Gunung Mas District that the implementation of their CSR is in accordance with the work program of Gunung Mas District in improving the community well-being and the environment quality.

Article 3

The objectives of the Regulation are:

- a. Creating clear limitation about the corporate social and environment responsibility and also the parties that become the implementers;
- b. Providing directions and guidance on implementation of CSR according to the Regulations in an integrated coordination;
- c. Creating certainty and legal protection for the companies in implementing the CSR in an integrated and useful way.
- d. Protecting the companies to avoid paying illegal fees that not in accordance with the current regulations;
- e. To minimize negative impacts from the companies existence and optimize the positive impacts of the companies existence; and
- f. To program a district plan to conduct appreciation for the companies that has implemented CSR by providing award as well as provide easy access in administration services.

CHAPTER III BASIS, GUIDANCE AND SCOPE

Part One

Basis

Article 4

The basis for CSR implementation is:

- a. Legal certainty;
- b. General interest;
- c. Non discrimination;
- d. Obligated the law and business ethics;
- e. togetherness;

- f. participative and full of aspiration;
- g. openness;
- h. sustainability;
- i. empowerment sound;
- j. independency; and
- k. Balance of development and unity of national economy.

Part Two
Guidance
Article 5

The implementation of CSR is based on:

- a. healthy management principles and good corporate governance;
- b. professional;
- c. transparent;
- d. Accountability;
- e. Creative and innovative;
- f. measurable;
- g. sustainable improving program;
- h. policy with justice

Part Three
Scopes
Article 6

- (1) the scope of CSR is including the programs that inline with district government programs and implemented by the companies in form of:
 - a. budget support to implement the social prosperity and religion institutions;
 - b. improve the quality of community education and cultural;
 - c. improvement of community health;
 - d. compensation for restoration and/or improvement of environment functions;
 - e. encourage qualified economic development with people based;
 - f. Development of public infrastructures that are in line with district government programs and the companies' business activities.
- (2) The scopes referred to in paragraph (1) for community empowerment conducted in the area that directly or indirectly impacted by the companies' operational activities.
- (3) The Subdistrict without Companies that implement CSR can propose for SCR program to the CSR Implementer Team cc the Regent.
- (4) The Regent may follow up the proposal from the Subdistrict as referred in paragraph (3) through coordination of CSR Implementer Team.
- (5) CSR Implementer Team in the District may conduct coordination and synchronization with CSR forum in the Province in developing and realization of CSR program in Gunung Mas District.

CHAPTER IV
BUDGET
Article 7

- (1) For the companies that conduct its business in the sectors and/ or related with natural resources have the obligation to implement CSR with the budget that is allocated and counted as companies budget by considering the size of the business, the scope of stakeholders and financial performance.

- (2) The budget for CSR as referred in paragraph (1) is allocated for 5% from net profit after taxes.

CHAPTER V
BENEFITS
Article 8

CSR benefits are:

- a. For the companies, CSR has the benefit as the proof for public accountability, image, trust, social security, investment security and sustainability of the company;
- b. For the communities, CSR has the benefit to improve community well-being, improve the level of community health, the amenities and sustainability of the environmental functions, availability of decent public infrastructures, decrease the gap of social economy; and
- c. For district government, CSR has the benefit to grow mutual commitment in supporting the acceleration to achieve community well-being.

CHAPTER VI
IMPLEMENTATION OF THE CORPORATE SOCIAL AND ENVIRONMENT
RESPONSIBILITY

Part One
General
Article 9

- (1) CSR is implemented through the stages of need assessment, program planning, application of programs, and evaluation.
- (2) CSR implementation as referred in paragraph (1) is implemented by Company or other parties on behalf of the company.
- (3) In implementing its CSR as referred in paragraph (1) the Company coordinate with CSR Implementer Team.

Article 10

- (1) The Regent establishes CSR Team as the place for communication and coordination between the stakeholders in CSR implementation.
- (2) The member of CSR Implementer Team:
- (3) The TSLP team consists of:
 - a. representative from the Company;
 - b. representative from the District Government; and
 - c. representative from the community.
- (3) The Head of CSR Implementer Team is ex officio by the Head of Agency that administrated the district investment capital.

Part Two
Planning
Article 11

In developing the CSR work plan should consider the policies and the program of the District Government, community aspiration, as well as the current Regulations.

Article 12

In developing the CSR program planning as referred in Article 11 the Company may involve the participation for the community that targeted by CSR program.

Part Three

Announcement

Article 13

- (1) The Company is required to announce the CSR implementation by making a sign board or banner or other information that can be accessed by community.
- (2) The sign board or banner as referred in paragraph (1) publishes the program or CSR activities, the companies that conduct the CSR, timing and places or locations of activities, budget activities and technical specification.

Part Four

Reporting

Article 14

- (1) The Company is required to report the plan and implementation of CSR to the District Government and/or to the SKPD that perform the regional investment affairs and to related SKPD.
- (2) Further provisions about the reporting as referred in paragraph (1) are regulated in the Regent Regulation.

CHAPTER VII

THE IMPLEMENTATION OF CORPORATE SOCIAL AND ENVIRONMENT RESPONSIBILITY

Article 15

- (1) The CSR implementers consist of:
 - a. Business entities with legal status namely Limited Liability Company (PT), yayasan/foundation and cooperative; and
 - b. Business entities without legal status namely Firm (Fa) and Limited Partnership (CV); and
- (2) The Company as referred in paragraph (1) has the status of central, branch or implementing unit domiciled in Gunung Mas District Area.
- (3) The Company that is not included in paragraph (1) that conducting its business in the sectors and/or related to the natural resources and/or environment based on the size of the business, the scope of stakeholders and the business sectors, is equivalent to a Limited Liability Company (PT) that required to conduct CSR in Gunung Mas District area.
- (4) The CSR Implementer as referred in paragraph (1) and (3) are the Companies that carry out business in the sector and/ or related to natural resources.
- (5) The CSR Implementer as referred in Paragraph (1) and (3) that not carry our business in the sector and/ or related to natural resources, but has the size of business with basic capital is equivalent with at least Rp. 10.000.000.000,00 (Ten Billion Rupiahs) is required to conduct CSR Program.
- (6) There is no different of CSR Implementer Companies, whether it is private companies or state-owned businesses, it produces goods or services.

Article 16

- (1) In conducting CSR, the company has the obligation to:
 - a. Develop, manage, design and carry out CSR program activities in accordance with the principles of social and environment responsibility with regard to the district government policies and applied Regulations;
 - b. Growing, strengthen and develop the networking system for collaboration and partnership with other parties as well as conducting assessment, monitoring and evaluation toward CSR implementation with regard to the interest of companies, district government, community and environment sustainability;
 - c. Establish the code of conduct for the company leaders, manager and employees in accordance with applied law and company's ethics; and
 - d. Stipulate CSR as an integral part in the management policies and the company development programs.
- (2) For the Company that does not conduct the provision as referred in Paragraph (1) is subjected to administration sanctions such as:
 - a. written warning;
 - b. restriction of business activities;
 - c. recommend for suspension of business activities and/ or investment facilities; or
 - d. revocation of business activities and/ or investment facilities.
- (3) Imposing administration sanctions as referred in paragraph (1) is conducted in accordance to the Law and Regulations.

CHAPTER VIII THE CORPORATE SOCIAL AND ENVIRONMENT RESPONSIBILITY Article 17

- (1) CSR programs consist of:
 - a. Social and environmental development;
 - b. Partnership in micro, small, and medium enterprises and cooperatives; and
 - c. Direct programs for communities.
- (2) The programs as referred in paragraph (1) is planned, conducted and developed to improve community empowerment in the context to create social welfare, improve education quality, cultural, improve health level, improve the strength of community economy, seek to strengthen the sustainability of the business for the business actors and maintain the environment functions in a sustainable manner.

CHAPTER IX THE IMPLEMENTER TEAM OF THE CORPORATE SOCIAL AND ENVIRONMENT RESPONSIBILITY Article 18

- (1) District Government facilitates the establishment of CSR Implementer Team.
- (2) The CSR Implementer Team that has been established before this District Regulation is published can continue carry out the activity by doing adjustment and alignment if considered necessary.
- (3) The operational fee for Secretariat and CSR Implementer Team are funded by CSR funding.
- (4) The establishment of CSR Implementer Team and the budget will further regulated on Regent Regulation.

CHAPTER X
THE OBLIGATION OF THE DISTRICT GOVERNMENT

Article 19

- (1) In context of CSR implementation, the District Government is obliged to:
 - a. collect the data of companies that required to conduct CSR;
 - b. inform about the program and priority of the district development to the Company for consideration in planning the CSR program;
 - c. conduct empowerment and monitoring toward CSR implementation; and
 - d. announce for the community about the companies that carry out CSR and their program and also the companies that do not carry out CSR.
- (2) District Government is required to make reports about the implementation of CSR as referred in paragraph (1) to the DRPD every year.

CHAPTER XI
COMMUNITY PARTICIPATION

Article 20

- (1) The community may participate in CSR implementation.
- (2) Participation as referred in paragraph (1) may be conducted in every stage of planning, implementation as well as monitoring of CSR.

Article 21

- (1) The community that receives the partnership program has the obligation to:
 - a. conduct business activities according to the plan that has been agreed with the partner company;
 - b. repay the loan in timely basis in accordance with the agreement; and
 - c. submit the report of business development periodically to the partner company.
- (2) the community that receives the program for environment development has the obligation to use the support with responsibility.

CHAPTER XII

REWARD

Article 22

- (1) The District Government provides reward for the companies that has proved conducting the CSR seriously.
- (2) The form of reward, assessment procedures, nomination and determination of companies entitled to receive award will further regulated in Regent Regulation.

CHAPTER XIII
DISPUTE RESOLUTION

Article 23

- (1) Resolution for CSR dispute in the first stage is settled based on the consensus principles (*musyawarah mufakat*).
- (2) In term of dispute settlement as referred in paragraph (1) cannot be reach; the parties may settle the dispute out of court or through the court.

CHAPTER XIV
CLOSING PROVISION
Article 24

The District Regulation comes into force at the date of promulgation.

In order that everyone may know it, it is ordered to promulgate this District Regulation by insertion on the District Gazette of Gunung Mas District.

Stipulated in Kuala Kurun
on 31 Agustus 2015

GUNUNG MAS REGENT,

ttd

ARTON S. DOHONG

Promulgated in Kuala Kurun
On 2 September 2015

DISTRICT SECRETARY
GUNUNG MAS DISTRICT,

ttd

KAMIAR

DISTRICT GAZZETTER OF GUNUNG MAS DISTRICT YEAR 2015 NUMBER 219

Duplicate of the original file
HEAD OF LAW SECTION,

MURIE, SH

NIP. 19670712 199302 1 005

NOREG PERATURAN DAERAH KABUPATEN GUNUNG MAS PROVINSI
KALIMANTAN TENGAH : 21/2015

Annex 3: Database of Palm Oil Companies Operating in Gunung Mas

NO	COMPANY NAME	ADDRESS	LEGAL BASIS	VALID THROUGH DATE	COMMODITY	SITE LOCATION	SIZE	STATUS
1	PT. ALAM SUTERA	Jl. Anggrek Rosliana D.II/Pal merah Jakarta Barat	Decree of Gunung Mas Regent No. 75/DPE/III/V/2011 License date: 30 Mei 2011	29 December 2009 s/d 28 December 2026	Gold (dmp)	The village of Sumur Mas, Subdistrict of Tewah and Rungan Hulu	332.4	Operation
2	PT. ALAM SUTERA	Jl. Anggrek Rosliana D.II/Pal merah Jakarta Barat	Decree of Gunung Mas Regent No. 76/DPE/III/V/2011 License date: 30 Mei 2011	29 December 2009 s/d 28 December 2026	Gold (dmp)	The village of Sumur Mas, Subdistrict of Tewah and Rungan Hulu	400	Operation
3	PT. ANUGERAH ALAM KATINGAN	Jl. Danau Rangas I No. 06 Palangka Raya	Decree of Gunung Mas Regent No. 92/DPE/III/VI/2011 License date: 27 June 2011	20 June 2008 s/d 19 June 2015	Coal	The village of Harowu, Subdistrict of Miri Manasa	5,100	Exploration
4	PT. ANUGERAH ALAM MANUHING	Jl. Danau Rangas I No. 06 Palangka Raya	Decree of Gunung Mas Regent No. 91/DPE/III/VI/2011 License date: 27 June 2011	20 June 2008 s/d 19 June 2015	Coal	The village of Lawang Kanji and Tumbang Maraya Subdistrict of Damang Batu	10,000	Exploration
5	CV. BERKAT RUNGAN SEJAHTERA	Tumbang Bunut RT. III Rw. II Subdistrict of Rungan Kab. Gunung Mas Kalteng	Decree of Gunung Mas Regent No. 56/DPE/III/V/2011 License date: 13 Mei 2011	30 January 2006 s/d 29 January 2014	Zircon (dmp)	The village of Talangkah and Bereng baru Subdistrict of Rungan	1,054	Exploration

YAYASAN TAMBUHAK SINTA
CSR Study and Policy Advocacy for Better Contribution of Extractive Industries in Gunung Mas District

6	PT. BUMI MAS SEJAHTERA	Jl. Kartini Raya No.7 RT. 012/05 Kel. Pasar Baru Subdistrict of Sawah Besar, Jakarta Pusat	Decree of Gunung Mas Regent No. 101/DPE/III/XII/2011 License date: 21 December 2011	29 November 2011 s/d 28 November 2023	Zircon (dmp)	The village of Taringen Subdistrict of Manuhing	2,529	Operation
7	PT. BUMI SELARIS	Jl. MT. Haryono No. 126 Balikpapan 76114	Decree of Gunung Mas Regent No. 13/DPE/VII/2010 License date: July 2010	12 July 2006 s/d 12 July 2010	Zircon (dmp)	The village of Pilang Munduk and Tumbang Empas Subdistrict of Kurun and Mihing Raya	10,000	Exploration
8	PT. BUMI INDAH KAYA ABADI	Jl. Kutilang No. 23 RT.01 RW. XIX Palangka Raya	Decree of Gunung Mas Regent No. 37/DPE/III/V/2011 License date: 10 Mei 2011	25 January 2008 s/d 24 January 2016	Zircon (dmp)	The village of Sepang Simin Subdistrict of Sepang	3,000	Exploration
9	PT. BUMI MAS LESTARI	Jl. Kristopel Mihing Palangka Raya	Decree of Gunung Mas Regent No. 86/DPE/III/V/2011 License date: 30 Mei 2011	08 January 2009 s/d 07 January 2016	Coal	The village of Lawang Kanji Subdistrict of Damang Batu	9,785	Exploration
10	PT. BLACK DIAMOND MINING	Komp. Bandara Mas Blok Y.22 Kel. Selapajang Jaya Subdistrict of Neglasari, Tangerang Komp. Bandara Mas Blok X.27 Jl. Marsekalsurya dharma Kel. Selapajang Jaya Subdistrict of Neglasari, Tangerang	Decree of Gunung Mas Regent No. 89/DPE/III/IX/2011 License date: 10 November 2011	25 January 2008 s/d 24 January 2015	Coal	The village of Tanjung Riu, Tewang Pajangan, and Tumbang Miwan Subdistrict of Kurun and Tewah	7,850	Exploration

YAYASAN TAMBUHAK SINTA

CSR Study and Policy Advocacy for Better Contribution of Extractive Industries in Gunung Mas District

11	PT. CAKRA EKA CEMERLANG	Jl. Buni. No. 22 Tomang Asli, Jakarta 11430	Decree of Gunung Mas Regent No. 67/DPE/III/V/2011 License date: 30 Mei 2011	02 April 2008 s/d 01 April 2016	Galena (dmp)	The village of Tumbang Maruhoi, Subdistrict of Damang Batu	4,431	Exploration
12	PT. CAKRA EKA CEMERLANG	Jl. Buni. No. 22 Tomang Asli, Jakarta 11430	Decree of Gunung Mas Regent No. 68/DPE/III/V/2011 License date: 30 Mei 2011	02 April 2008 s/d 01 April 2016	Galena (dmp)	The village of Tumbang Maruhoi, Subdistrict of Damang Batu	5,569	Exploration
13	PT. COAL IRON SYNERGY	Jl. M. H. Thamrin No. 09 Jakarta 10340 Phone (021) 39840698 Jl. Dr. Wahidin 118, Pekalongan, Jawa Tengah	Decree of Gunung Mas Regent No. 54/DPE/III/V/2011 License date: 13 Mei 2011	03 April 2008 s/d 02 April 2016	Mineral logam (dmp)	The village of Harowu Subdistrict of Miri Manasa	20,600	Exploration
14	PT. DAYAK MEMBANGUN PRATAMA	Jl. Tambun Bungai No. 15 Palangka Raya Phone (0536) 3227981	Decree of Gunung Mas Regent No. 47/DPE/III/V/2011 License date: 12 Mei 2011	17 July 2007 s/d 18 July 2015	Zircon (dmp)	The village of Buleng, Subdistrict of Manuhing	1,350	Exploration
15	PT. DAYAK MEMBANGUN PRATAMA	Jl. Tambun Bungai No. 15 Palangka Raya Phone (0536) 3227981	Decree of Gunung Mas Regent No. 62/DPE/III/V/2011 License date: 12 Mei 2011	29 November 2011 s/d 28 November 2031	Coal	Subdistrict of Kurun and Tewah	6,944	Operation
16	PT. EAST RASEN MINERAL	Menara Kuningan Unit 6L Jl. HR. Rasuna Said Blok. X7 Kav.5 Setiabudi Jakarta 12940 (PT. Kalteng Resources) Up. Didik Iswahyudi (0821- 14158412)	Decree of Gunung Mas Regent No. 79/DPE/III/X/2009 License date: 10 October 2009	05 June 2008 s/d 04 June 2012	Gold (dmp)	The village of Tumbang Miwan, Tumbang Tariak, Tumbang Hakau and Pilang Munduk Subdistrict of Kurun and Mihing Raya	5,190	Exploration

YAYASAN TAMBUHAK SINTA
CSR Study and Policy Advocacy for Better Contribution of Extractive Industries in Gunung Mas District

17	CV. ELIAN INDO KALTENG	Jl. Kusuma Negara No. 17 Kuala Kurun	Decree of Gunung Mas Regent No. 01/DPE/III/VII/2014 License date: 1 July 2014	28 February 2012 s/d 27 February 2022	Zircon (dmp)	The village of Kampuri, Tumbang Danau, Dahian Tambuk, Tumbang Hakau, and Hurung Bunut	2,793	Operation
18	PT. FIBER KAKEN INDONESIA	Jl. Rajawali IV N0. 05 Palangka Raya Phone (0536) 3233874/3231521	Decree of Gunung Mas Regent No. 103/DPE/III/XII/2011 License date: 22 December 2011	29 November 2011 s/d 28 November 2031	Zircon (dmp)	The village of Taringen Kecamatan Manuhing	1,904.8 0	Operation
19	PT. GUNUNG MAS COALINDO	Jl. Kristopel Mihing, Palangka Raya	Decree of Gunung Mas Regent No. 07/DPE/III/IX/2012 License date: 24 September 2012	08 January 2009 s/d 07 January 2016	Zircon (dmp)	The village of Sepang Simin, Kecamatan Sepang	4,047	Exploration
20	PT. GENESIS MINERAL BORNEO	Jl. RTA Milono Km. 2,5 No. 09 Palangka Raya	Decree of Gunung Mas Regent No. 98/DPE/III/XII/2011 License date: 21 December 2011	07 January 2009 s/d 06 January 2016	Coal	The village of Penda Rangas and Tumbang Lapan Subdistrict of Kahayan Hulu Utara	8,770	Exploration
21	PT. GENESIS MINERAL KALIMANTAN	Jl. RTA Milono Km. 2,5 No. 09 Palangka Raya	Decree of Gunung Mas Regent No. 99/DPE/III/XII/2011 License date:: 21 December 2011	07 January 2009 s/d 06 January 2016	Coal	The village of Tumbang Posu and Batu Tangkui Subdistrict of Kahayan Hulu Utara	6,770	Exploration
22	CV. GITA KARUNIA	Jl. Sangkurun No. 17 Kuala Kurun	Decree of Gunung Mas Regent No. 97/DPE/III/XII/2011 License date:: 20 December 2011	23 Maret 2007 s/d 22 Maret 2013	Zircon (dmp)	Subdistrict of Mihing Raya and Sepang	10,220	Exploration
23	PT. GANDANG	Jl. Damang Batu No.	Decree of Gunung Mas	23 June 2008	Coal	The village of	10,000	Exploration

YAYASAN TAMBUHAK SINTA
CSR Study and Policy Advocacy for Better Contribution of Extractive Industries in Gunung Mas District

	GARANTUNG MINING	4A Palangka Raya	Regent No. 11/DPE/III/X/2012 License date: 9 October 2012	s/d 22 June 2015		Tumbang Lambaing, Teluk Lawah, Tubang Beren, Upun Batu, Batu Nyiwuh, Tumbang Habaon.		
24	PT. GUNUNG TIMANG ABADI	Gedung KRS Lt.7, Jl. S, Parman Kav. 77 - Slipi Jakarta Barat 11410	Decree of Gunung Mas Regent No. 51/DPE/III/V/2011 License date: 13 Mei 2011	22 July 2005 s/d 21 July 2012	Coal	The village of Tumbang Manyangan, Sararangan and Tumbang Lambaing, Subdistrict of Kurun and Subdistrict of Tewah	2,850	Exploration
25	PT. HASNUR JAYA UTAMA	Jl. Brigjend H. Hasan Basry No. A2-A4 Banjarmasin	Decree of Gunung Mas Regent No. 73/DPE/III/V/2011 License date:: 30 Mei 2011	03 February 2007 s/d 02 February 2014	Coal	The village of Batu Nyapau, Tumbang Pajangei and Teluk Lawah Kecamatan Tewah	4,360	Exploration
26	PT. HASNUR JAYA UTAMA	Jl. Brigjend H. Hasan Basry No. A2-A4 Banjarmasin Phone (0511) 3305494, Fax (0511) 3301765 Wisma 77, 7th floor, Jl. Letjend S. Parman Kav. 77 Jakarta 11410, Phone (021) 5362778, Fax (021) 5363055	Decree of Gunung Mas Regent No. 74/DPE/III/V/2011 License date:: 30 Mei 2011	03 February 2007 s/d 02 February 2014	Coal	The village of Taja Urap, Subdistrict of Tewah and Kahayan Hulu Utara	5,590	Exploration
27	CV. INVESTASI MANDIRI	Jl. Sabirin Muchtar No. 20 Kuala Kurun	Decree of Gunung Mas Regent No. 16/DPE/IX/2010 License date:02	02 September 2010 s/d 01 September 2020	Zircon (dmp)	The village of Tewang Pajangan and Tumbang Miwan Kecamatan	2,032	Operation

YAYASAN TAMBUHAK SINTA
CSR Study and Policy Advocacy for Better Contribution of Extractive Industries in Gunung Mas District

			September 2010			Kurun		
28	PT. INDOPENTA JAYA SUKSES	Jl. Muara Karang Blok N6 Utara No. 1 Jakarta Utara	Decree of Gunung Mas Regent No. 69/DPE/III/V/2011 License date: 30 Mei 2011	08 January 2009 s/d 07 January 2016	Coal	The village of Taja Urap, Subdistrict of Tewah and Kahayan Hulu Utara	4,280	Exploration
29	PT. INDOPENTA JAYA SUKSES	Jl. Muara Karang Blok N6 Utara No. 1 Jakarta Utara	Decree of Gunung Mas Regent No. 70/DPE/III/V/2011 License date:: 30 Mei 2011	08 January 2009 s/d 07 January 2016	Coal	The village of Taja Urap, Subdistrict of Tewah and Kahayan Hulu Utara	3,800	Exploration
30	PT. INTI BARA PELITA	Menara Anugerah Lt. 27 Kantor Taman E.3.3 Kawasan Mega Kuningan Jakarta Phone (021) 57948860	Decree of Gunung Mas Regent No. 44/DPE/III/V/2011 License date: 12 Mei 2011	14 June 2008 s/d 13 June 2015	Coal	The village of Fajar Kahayan, Taringen, Tumbang Kerah, Tumbang Sepan and Tumbang Keruh Subdistrict of Manuhing	10,000	Exploration
31	PT. ILLUMINE ZIRCON INDONESIA	Jl. Padang No. 68 RT/RW. 014/003 Komp. Klausrefe Banjarbaru 70712, Kalimantan Selatan	Decree of Gunung Mas Regent No. 40/DPE/III/V/2011 License date: 10 Mei 2011	02 July 2013 s/d 01 July 2023	Zircon (dmp)	The village of Pematang Limau, Tampelas, Sepang Kota and Sepang Simin, Subdistrict of Sepang	7,104	Operation
32	PT. JUWANA UTAMA PERKASA	Jl. Nangka No. 03 Kel. Tanjung Barat Subdistrict of Jagakarsa Jakarta Selatan	Decree of Gunung Mas Regent No. 65/DPE/III/V/2011 License date:: 18 Mei 2011	10 February 2014 s/d 09 February 2034	Gold (dmp)	The village of Sei Antai and Tumbang Rahuyan Kecamatan Rungan	9,961	Operation
33	PT. JOIN MANDIRI SUKSES	Jl. Muara Karang Blok N6 Utara No. 1 Jakarta	Decree of Gunung Mas Regent No. 63/DPE/III/V/2011 License date:: 30 Mei	08 January 2009 s/d 07 January 2016	Coal	The village of Tumbang Beren Subdistrict of Tewah	10,000	Exploration

YAYASAN TAMBUHAK SINTA
CSR Study and Policy Advocacy for Better Contribution of Extractive Industries in Gunung Mas District

2011								
34	PT. JOIN MANDIRI SUKSES	Jl. Muara Karang Blok N6 Utara No. 1 Jakarta	Decree of Gunung Mas Regent No. 90/DPE/III/V/2011 License date:: 30 Mei 2011	08 January 2009 s/d 07 January 2016	Coal	The village of Tumbang Beren Subdistrict of Tewah	9,371	Exploration
35	PT. KAHAYAN MINERAL	Menara Kuningan Unit 6L Jl. HR. Rasuna Said Blok. X7 Kav.5 Setiabudi Jakarta 12940 (PT. Kalteng Resources) Up. Didik Iswahyudi (0821-14158412)	Decree of Gunung Mas Regent No. 38/DPE/III/V/2011 License date: 10 Mei 2011	23 June 2008 s/d 22 June 2016	Gold (dmp)	The village of Tumbang Hatung, Rangan Hiran and Harowu Subdistrict of Miri Manasa	8,450	Exploration
36	PT. KALIMANTAN MINING AND MINERAL	Jl. M. H. Thamrin No. 09 Jakarta 10340 Phone (021) 39840698	Decree of Gunung Mas Regent No. 57/DPE/III/V/2011 License date:: 13 Mei 2011	03 April 2008 s/d 02 April 2016	Mineral logam (dmp)	The village of Rangan Hiran and Harowu Subdistrict of Miri Manasa	24,800	Exploration
37	PT. KALTENG MEGAH ABADI	Ruko Textile Mangga Dua Blok. D1 No. 14 Jl. Mangga Dua Raya, Jakarta Utara Phone 6128021 Fax. 612803	Decree of Gunung Mas Regent No. 10/DPE/III/X/2012 License date:: 8 October 2012	25 January 2008 s/d 24 January 2016	Gold (dmp)	The village of Tumbang Rahuyan, Batu Nyapau, Subdistrict of Rungan Hulu and Tewah	8,100	Exploration
38	PT. KALTENG NALITO	Ruko Textile Mangga Dua Blok. D1 No. 14 Jl. Mangga Dua Raya, Jakarta Utara Phone 6128021 Fax. 612803	Decree of Gunung Mas Regent No. 09/DPE/III/X/2012 License date: 8 October 2012	25 January 2008 s/d 24 January 2012	Gold (dmp)		10,000	Exploration
39	PT. KAPUAS MINING MAKMUR	Gedung Bangun Cipta Lt. 1, Jl. Jend. Gatot Soebroto Kav. 54	Decree of Gunung Mas Regent No. 59/DPE/III/V/2011	08 January 2009 s/d 07 January 2016	Coal	The village of Luwuk Langkuas, Subdistrict of	9,507	Exploration

YAYASAN TAMBUHAK SINTA
CSR Study and Policy Advocacy for Better Contribution of Extractive Industries in Gunung Mas District

		Jakarta Barat	License date: 18 Mei 2011	Rungan				
40	CV. KENCANA MAKMUR MANDIRI	Jl. Raya Adhyaksa RT.41 Banjarmasin	Decree of Gunung Mas Regent No. 33/DPE/III/V/2011 License date:: 10 Mei 2011	05 June 2008 s/d 04 June 2015	Coal	The village of penda pilang and Batu Nyapau Kec Kurun and Subdistrict of Tewah	5,021	Exploration
41	PT. KATINGAN MINERAL	Menara Kuningan Unit 6L Jl. HR. Rasuna Said Blok. X7 Kav.5 Setiabudi Jakarta 12940 (PT. Kalteng Resources) Up. Didik Iswahyudi (0821- 14158412)	Decree of Gunung Mas Regent No. 66/DPE/III/V/2011 License date: 18 Mei 2011	25 June 2008 s/d 24 June 2016	Gold (dmp)	The village of Tumbang Takoi, Tumbang Kurik Tumbang Sian and Tumbang Lapan Subdistrict of Kahayan Hulu Utara	9,941	Exploration
42	PT. KATINGAN SURYA HARAPAN	Jl. Sangkurun No. 27 Kuala Kurun	Decree of Gunung Mas Regent No. 93/DPE/III/VI/2011 License date:: 27 June 2011	20 June 2008 s/d 19 June 2016	Bijih Besi	The village of Karetausurian and Tumbang Anoi, Subdistrict of Damang Batu	10,000	Exploration
43	PT. KALIMANTAN USAHA SEJAHTERA (II)	Jl. MT. Haryono No. 126 Balikpapan 76114 Jl. Pahlawan Revolusi No. 11 RT. 001/RW.007 Pondik Bambu Duren Sawit, Jakarta Timur 13430. Phone 021 8608604	Decree of Gunung Mas Regent No. 85/DPE/III/V/2011 License date:: 30 Mei 2011	09 June 2008 s/d 08 June 2015	Coal	The village of Tumbang Maraya and Lawang Kanji Subdistrict of Damang Batu	9,000	Exploration
44	PT. KALIMANTAN USAHA SEJAHTERA (I)	Jl. MT. Haryono No. 126 Balikpapan 76114	Decree of Gunung Mas Regent No. 84/DPE/III/V/2011 License date:: 30 Mei 2011	09 June 2008 s/d 08 June 2015	Coal	The village of Tehang, Subdistrict of Manuhing Raya and Subdistrict of	9,000	Exploration

Damang Batu								
45	PT. MAKMUR PALANGKA LESTARI	Jl. Raya Galaxi No. 3A Palangka Raya	Decree of Gunung Mas Regent No. 50/DPE/III/V/2011 License date: 13 Mei 2011	01 February 2007 s/d 31 January 2015	Zircon (dmp)	The village of Tumbang Miwan and Tewang Pajangan Subdistrict of Kurun	2,175	Exploration
46	PT. MAHKOTA GELAM MULIA	Jl. Pasar Minggu, Kav. 49 No.01 RT.002/RW.007 Kel. Duren III, Subdistrict of Pancoran, Jakarta Selatan	Decree of Gunung Mas Regent No. 36/DPE/III/V/2011 License date:: 10 Mei 2011	05 September 2007 s/d 04 September 2015	Zircon (dmp)	The village of Bereng Baru, Talangkah, Luwuk Langkuas and Bereng Balawan Subdistrict of Rungan and Manuhing	5,000	Exploration
47	PT. MENTARI KHATULISTIWA	Sudirman Plasa, Indofood Tower 7th Floor	Decree of Gunung Mas Regent	10 February 2006 s/d 09 February 2014	Gold	The village of Tumbang Tuwe, Sei Antai dan	9,707	Exploration
		Suite 701, Jl. Jend. Sudirman Kav. 76-78 Jakarta, 12910 Indonesia	No. 81/DPE/III/V/2011 License date:: 30 Mei 2011			Tumbang Pasangon, Subdistrict of Rungan Hulu Manuhing Raya and Kahayan Hulu Utara		
48	PT. MIRI MINERAL MINING	Jl. Hiu Putih No. 17A Palangka Raya	Decree of Gunung Mas Regent No. 03/DPE/III/II/2012 License date:: 02 Mei 2011	02 April 2008 s/d 01 April 2016	Tembaga (dmp)	The village of Tumbang Siruk, Tumbang Napoi, Kuroi, Tumbang Manyoi, Mangkuhung and Tumbang Masukih	8,315	Exploration
49	PT. MITRA KREASI SUKSES BERSAMA	Jl. Pinang No. 7 Subdistrict of Curug,	Decree of Gunung Mas Regent No.	07 January 2009 s/d 06	Coal	The village of Teluk Lawah	1,380	Exploration

YAYASAN TAMBUHAK SINTA
CSR Study and Policy Advocacy for Better Contribution of Extractive Industries in Gunung Mas District

		Tangerang	52/DPE/III/V/2011 License date:: 13 Mei 2011	January 2016		Tumbang Tambirah Subdistrict of Tewah		
50	PT. MEGA CITRA ABADI	Menara Anugerah Lt. 27 Kantor Taman E.3.3 Kawasan Mega Kuningan Jakarta Phone (021) 57948860	Decree of Gunung Mas Regent No. 31/DPE/III/V/2011 License date:: 10 Mei 2011	14 June 2008 s/d 13 June 2015	Coal	The village of Taringen, Tumbang Karah Tumbang Sepan, Tumbang Keruh and Tatas Ranggau and Jalemu Subdistrict of Manuhing and Rungan	10,000	Exploration
51	PT. MEGA DAYA UTAMA	Menara Anugerah Lt. 27 Kantor Taman E.3.3 Kawasan Mega Kuningan Jakarta Phone (021) 57948860	Decree of Gunung Mas Regent No. 32/DPE/III/V/2011 License date: 10 Mei 2011	14 June 2008 s/d 13 June 2015	Coal	The village of Bereng Balawan Taringen, Pata, Tatas Rangau and Jalemu Subdistrict of Manuhing and Rungan	10,000	Exploration
52	CV. NUSSA PERKASA NUSANTARA	Jl. Murai II No. 2 Palangka Raya	Decree of Gunung Mas Regent No. 53/DPE/III/V/2011 License date:: 13 Mei 2011	31 Mei 2006 s/d 30 Mei 2014	Zircon (dmp)	The village of Rangan Tate and Kampuri Subdistrict of Mihing Raya	4,326	Exploration
53	PT. PANCA DUTA KALTENG	Jl. Batu Suli No. 16 Bukit Hindu, Palangka Raya	Decree of Gunung Mas Regent No. 04/DPE/III/V/2012 License date:: 22 Mei 2012	28 February 2012 s/d 27 February 2022	Gold (dmp)	The village of Jangkit and Tumbang Lapan, Subdistrict of Rungan, Rungan Hulu and Subdistrict of Tewah	10,000	Operation

YAYASAN TAMBUHAK SINTA
CSR Study and Policy Advocacy for Better Contribution of Extractive Industries in Gunung Mas District

Jl. Tamanggung Panji Gg Zaitun No. 14 Kuala Kurun								
54	PT. PASIFIK TAMBANG INDONESIA	Jl. Pakin No. 1 Apartemen Mitra Bahari B Lt. 24 Jakarta Utara	Decree of Gunung Mas Regent No. 49/DPE/III/III/2011 License date:: 13 Mei 2011	12 July 2006 s/d 11 July 2014	Zircon (dmp)	The village of Parempai and Pematang Limau, Subdistrict of Rungan and Sepang	11,990	Exploration
55	PT. PERSADA MAKMUR SEJAHTERA (I)	Gedung Bangun Cipta Lt. 1, Jl. Jend. Gatot Soebroto Kav. 54 Jakarta Pusat MT. HARYONO No. 126 Balikpapan 76114 Kaltim	Decree of Gunung Mas Regent No. 12/DPE/III/IX/2011 License date:: 23 September 2013	17 September 2013 s/d 16 September 2033	Coal	The village of Tumbang Baringei Subdistrict of Rungan	6,200	Operation
56	PT. PERSADA MAKMUR SEJAHTERA (II)	Gedung Bangun Cipta Lt. 1, Jl. Jend. Gatot Soebroto Kav. 54 Jakarta Pusat	Decree of Gunung Mas Regent No. 11/DPE/III/IX/2011 License date:: 23 September 2013	17 September 2013 s/d 16 September 2033	Coal	The village of Tumbang Baringei, Subdistrict of Rungan	10,000	Operation
57	PT. PRIMA BARA INDONESIA	Graha PMA Jl. Puyau I No. 1 Sei. Besar, Banjarbaru	Decree of Gunung Mas Regent No. 61/DPE/III/V/2011 License date:: 18 Mei 2011	08 January 2009 s/d 07 January 2016	Coal	The village of Bangun Sari Subdistrict of Manuhing	10,000	Exploration
58	CV. RUNGAN PERKASA JAYA	Jl.RTA Milono Km. 2,5 No.09 Palangka Raya	Decree of Gunung Mas Regent No. 100/DPE/III/XII/2011 License date:: 21 December 2011	09 January 2009 s/d 08 January 2016	Coal	The village of Tumbang Siruk Subdistrict of Miri Manasa	1,400	Exploration
59	PT. RAHAYU SEJAHTERA	Jl. Kerinci No. 231 Palangka Raya	Decree of Gunung Mas Regent No. 08/DPE/III/X/2012	28 February 2012 s/d 27 February 2022	Zircon (dmp)	The village of Hurung Bunut, Dahian Tambuk,	2,500	Operation

YAYASAN TAMBUHAK SINTA
CSR Study and Policy Advocacy for Better Contribution of Extractive Industries in Gunung Mas District

			License date:: 8 October 2012			Subdistrict of Kurun and Subdistrict of Mihing Raya		
60	PT. SAHEROI MINERAL PERKASA	Jl. Kinibalu No. 106 Palangka Raya	Decree of Gunung Mas Regent No. 45/DPE/III/X/2011 License date:: 12 Mei 2011	06 January 2009 s/d 05 January 2017	Zircon (dmp)	The village of Takaras, Subdistrict of Manuhing and Rungan	2,430	Exploration
61	PT. SINAR KUSUMA KALIMANTAN	Jl. MT. Haryono No. 125 Balikpapan	Decree of Gunung Mas Regent No. 29/DPE/III/V/2011 License date:: 10 Mei 2011	12 July 2006 s/d 11 July 2014	Zircon (dmp)	The village of Tumbang Hakau, Tumbang Tariak, Tumbang Miwan and Tewang Pajangan Subdistrict of Kurun	10,000	Exploration
62	PT. SINAR USAHA SEJATI (II)	Jl. MT. Haryono No. 125 Balikpapan	Decree of Gunung Mas Regent No. 83/DPE/III/V/2011 License date:: 30 Mei 2011	09 June 2008 s/d 08 June 2015	Coal	The village of Karetaurembangun and Tumbang Anoi Subdistrict of Damang Batu	10,000	Exploration
63	PT. SINAR USAHA SEJATI (I)	Jl. MT. Haryono No. 125 Balikpapan	Decree of Gunung Mas Regent No. 82/DPE/III/V/2011 License date:: 30 Mei 2011	09 June 2008 s/d 08 June 2015	Coal	The village of Lawang Kanji, Tumbang Maraya and Tumbang Posu Subdistrict of Damang Batu	10,000	Exploration
64	PT. SINAR KEMBAR LESTARI	Jl. M. H. Thamrin No. 09 Jakarta 10340 Phone (021) 39840698	Decree of Gunung Mas Regent No. 55/DPE/III/V/2011 License date:: 13 Mei 2011	03 April 2008 s/d 02 April 2016	Mineral logam (dmp)	The village of Rangan Hiran and Harowu Subdistrict of Miri Manasa	20,900	Exploration
65	PT. SURYA	Gedung Bangun Cipta,	Decree of Gunung Mas	17 September	Coal	The village of	9,930	Operation

YAYASAN TAMBUHAK SINTA

CSR Study and Policy Advocacy for Better Contribution of Extractive Industries in Gunung Mas District

	KALIMANTAN SEJATI (I)	Jl. Jend. Gatot Kav. 54, Jakarta Soebroto	Regent Number 160 Year 2015 License date: 23 September 2013	2013 s/d 16 September 2033		Tumbang Kajuei, Subdistrict of Rungan		
66	PT. SURYA KALIMANTAN SEJATI (II)	Gedung Bangun Cipta, Jl. Jend. Gatot Soebroto Kav. 54, Jakarta	Decree of Gunung Mas Regent No. 09/DPE/III/IX/2013 License date:: 23 September 2013	17 September 2013 s/d 16 September 2033	Coal	The village of Tumbang Kajuei, Subdistrict of Rungan	6,800	Operation
67	PT. SWI MINERALINDO UTAMA	Jl. Melati VI No. 04, Bumi Malaka Asri, Jakarta Timur 13460 phone : (021) 25558714, 25558716 Fax (021) 25558713, (021) 866 14125 email : contact@swi-group.com	Decree of Gunung Mas Regent No. 70/DPE/III/VIII/2009 License date:: 21 August 2009	08 January 2009 s/d 07 January 2012	Coal	The village of Tewai Baru Subdistrict of Sepang	5,360	Exploration
68	PT. TADJAHAN ANTANG MINERAL	Jl. Nyai Undang No. 99 Palangka Raya	Decree of Gunung Mas Regent No. 14/DPE/III/XII/2013 License date: 27 December 2013	27 December 2013 s/d 02 September 2019	Coal	The village of Tumbang Tambirah Subdistrict of Kurun	10,372	Exploration
69	PT. TEOPHILA ABADI	Jl. Cik Ditiro No. 43 Palangka Raya	Decree of Gunung Mas Regent No. 71/DPE/III/V/2011 License date:: 30 Mei 2011	23 August 2007 s/d 22 August 2015	Gold (dmp)	The village of Tumbang Sian, Tumbang Tanjungan and Tumbang Takoi Subdistrict of Kahayan Hulu Utara	1,000	Exploration
70	PT. TEOPHILA ABADI	Jl. Cik Ditiro No. 43 Palangka Raya	Decree of Gunung Mas Regent No. 72/DPE/III/V/2011 License date:: 30 Mei	23 August 2007 s/d 22 August 2015	Gold (dmp)	The village of Tumbang Lapan and Penda Rangas Subdistrict of	4,000	Exploration

YAYASAN TAMBUHAK SINTA
CSR Study and Policy Advocacy for Better Contribution of Extractive Industries in Gunung Mas District

			2011			Kahayan Hulu Utara and Miri Manasa		
71	PT. TIMUR RAYA MINING	Jl. Cilik Riwut Km. 1 Kuala Kurun	Decree of Gunung Mas Regent No. 46/DPE/III/V/2011 License date:: 12 Mei 2011	06 January 2009 s/d 05 January 2017	Galena (dmp)	The village of Tumbang Takoi, Tumbang Kurik and Tumbang Ponyoi Subdistrict of Kahayan Hulu Utara and Damang Batu	10,000	Exploration
72	PT. TROIKA MINING INDUSTRIAL	Jl. Patmaraga No. 3 RT/RW. 02/XIV Kel. Langkai Subdistrict of Jekan Raya Palangka Raya	Decree of Gunung Mas Regent No. 30/DPE/III/V/2011 License date:: 10 Mei 2011	11 November 2006 s/d 10 November 2014	Galena (dmp)/ Timah Hitam	Subdistrict of Miri Manasa	746	Exploration
73	PT. TUNAS ARTHA PERKASA	Jl. Yos Sudarso No. 43 Palangka Raya	Decree of Gunung Mas Regent No. 77/DPE/III/V/2011 License date: 30 Mei 2011	20 June 2008 s/d 19 June 2023	Zircon (dmp)	The village of Taringen and Takaras, Subdistrict of Manuhing	636.6	Operation
74	PT. TUNAS ARTHA PERKASA	Jl. Yos Sudarso No. 43 Palangka Raya	Decree of Gunung Mas Regent No. 78/DPE/III/V/2011 License date: 30 Mei 2011	20 June 2008 s/d 19 June 2023	Zircon (dmp)	The village of Taringen and Takaras, Subdistrict of Manuhing	1,464	Operation
75	PT. VICTORY PRIMA BUANA	Kindo Building 2nd Floor, Suite E-203 Jl. Duren Tiga No. 101 Jakarta Selatan	Decree of Gunung Mas Regent No. 34/DPE/III/V/2011 License date:: 10 Mei 2011	25 June 2008 s/d 24 June 2016	Gold, Zircon (dmp)	The village of Karitak, Rabauh, Tuyun and Tumbang Empas Subdistrict of Sepang and Mihing Raya	4,550	Exploration
76	PT. WAHANA	Jl. M.T Haryono No.	Decree of Gunung Mas	12 July 2006	Zircon (dmp)	The village of	6,937	Exploration

YAYASAN TAMBUHAK SINTA
CSR Study and Policy Advocacy for Better Contribution of Extractive Industries in Gunung Mas District

	SUMBER MAKMUR	125 Balikpapan 76114 Kalimantan Timur	Regent No. 79/DPE/III/V/2011 License date:: 30 Mei 2011	s/d 11 July 2014		Tampelas and Sepang Simin Subdistrict of Sepang		
77	PT. WAHANA SUMBER MAKMUR	Jl. M.T Haryono No. 125 Balikpapan 76114 Kalimantan Timur	Decree of Gunung Mas Regent No. 80/DPE/III/V/2011 License date: 30 Mei 2011	12 July 2006 s/d 11 July 2014	Zircon (dmp)	The village of Tampelas and Sepang Simin Subdistrict of Sepang	3,063	Exploration
78	PT. TAHASAK SUNGEI KAHAYAN	Jl. Damang Batu No. 4 Palangka Raya	Decree of Gunung Mas Regent No. 01/DPE/III/II/2012 License date: 20 February 2012	30 January 2012 s/d 29 January 2017	Rock	Subdistrict of Kurun	10	Operation
79	PT. PUTRA BINTAN BESTARI	Jl. Basuki Rahmat No. 9 Tanjung Pinang Provinsi Kepulauan Riau	Decree of Gunung Mas Regent No. 06/DPE/III/VII/2012 License date:: 10 July 2012	10 July 2012 s/d 09 July 2015	Zircon (dmp)	The village of Parempai & Bereng Subdistrict of Rungan	1,906	Exploration
80	LODOH	Tewah	Decree of Gunung Mas Regent No. 07/DPE/III/IV/2013	30 Mei 2013 s/d 29 Mei 2016	Rock	The village of Upun Batu	2	Exploration
81	PT. BAWAN PERMAI GROUP	Jl. Simpang Merapi No. 4 Palangka Raya 73112 Telp (0536)3226770	Decree of Gunung Mas Regent Number 455 Year 2014 License date:: 3 December 2014	03 December 2014 s/d 02 December 2017	Rock	The village of Rabambang Subdistrict of Rungan Barat	10	Exploration
82	PT. MULTI KARYA PRIMAS MANDIRI	Jl. Hiu Putih VII Komp. Wisma Pabelum Kav. 12 Telp/Fax (0536) 3131304	Decree of Gunung Mas Regent Number 459 Year 2014 License date: 3 December 2014	03 December 2014 s/d 02 December 2017	Rock	The village of Rabambang Subdistrict of Rungan Barat	10	Exploration

Annex 4: Database of Mining Companies Operating in Gunung Mas

No.	Company and Director Name	Investment Type	Legal Basis	Expiration	License Type & Date	Company Address	Investment Location	Size (Ha)	Status
1.	PT. SIKATAN WANA RAYA Director: Dedi Heral	Direct Domestic Investment	SK. IUPHHK (licence for utilization of timber in natural forest) No.107/Kpts-II/2000 Date: 29 Des 2000	20 Years	SK. RKT (Annual Cutting Permit) of 2008 No.522/2/256/1,03/ II/2008 Date: 24 February 2008	Jakarta: Jl. Gatot Sobroto Kav. 27 Tlp. (021) 527028 Palangka Raya: Jl. Jati No. 40 Tlp. (0536) 3233555 Kuala Kurun: Camp. Kasintu Subdistrict of Tewah (Log Pond)	Subdistrict of Miri Manasa	49,400	active
2.	PT. HASIL KALIMANTAN JAYA Director: Ir. H. Permana Nuryaji	Direct Domestic Investment	116/Kpts-II/2000 Date: 29 Des 2000	20 Years	SK. RKT (Annual Cutting Permit) of 2008 No.522/2/194/1,03/ II/2008 Date: 12 Feb 2008	Jakarta: Jl. Cirebon No. 27 Jakarta 10310 Tlp. (021) 30908019 Palangka Raya: Jl. Nyai undang No. 08 tlp. (0536) 3224835 Kuala Kurun: Camp Teluk Palentang Subdistrict of Kurun (Log Pond)	Subdistrict of Rungan	49,500	active
3.	PT. HUTAN DOMAS RAYA Director: Alex Koronpis	Direct Domestic Investment	78/Kpts-II/2000 Date: 22 December 2000	20 Years	SK. RKT (Annual Cutting Permit) of 2010	Jakarta: Jl. K.H. Wahid Hasyim No. 154 - 156 Jakarta Pusat Telp. (021) 3150706 Palangka Raya: Jl. Nangka No. 11 Tlp. (0536) 3221278 Kuala Kurun: Camp Rangan Limau Subdistrict of Tewah (Log Pond)	Subdistrict of Miri Manasa	99,870	active

YAYASAN TAMBUHAK SINTA

CSR Study and Policy Advocacy for Better Contribution of Extractive Industries in Gunung Mas District

No.	Company and Director Name	Investment Type	Legal Basis	Expiration	License Type & Date	Company Address	Investment Location	Size (Ha)	Status
4.	PT. BUMIMAS PERMATA ABADI Director: Amin Supriadi	Direct Domestic Investment	656/MENHUT- II/2009 Date: 15 October 2009	45 Years	SK. RKT (Annual Cutting Permit) of 2010	Jakarta: Ruko Mahkota Blok Blok D No. II Pademangan Jkt-Utara Telp. (021) 64701771 Palangka Raya: Jl. Seth Adji No. 123 Kuala Kurun: Camp. Paroy Subdistrict of Tewah	Subdistrict of Tewah	47,700	active
6.	PT. CARUS INDONESIA	Direct Domestic Investment	94/Kpts- II/2000 Date: 22 Des 2000	-	-	Jakarta: Gedung Nindiya Karya, Room 504 Jl. MT. Haryono Palangka Raya: Jl. Camar No. 118 - 119 Kuala Kurun: Camp. Tbg. Manggu Kab. Katingan	Subdistrict of Damang Batu	48.639	active
7.	PT. TAIYOUNG ENGREEN Kim Ji yeol	Foreign Investment	78/MENHUT- II/2009 Date: 05 Maret 2009	60 Years	SK. RKT (Annual Cutting Permit) of 2012	Jakarta: Korea Center Building Suite 202-203 Jl. Jendral Gatot Subroto No. 58 Jakarta Selatan 12950 Palangka Raya: Jl. Pinus No. 49 Telp. (0536) 3229351 Kuala Kurun: Camp. Luit Subdistrict of Manuhing Raya	Subdistrict of Manuhing Raya	50,665	active

Annex 5:

Assessment of Regional Economy of Gumas GRDP 2009-2013

Source:

KAJIAN EKONOMI REGIONAL PDRB KABUPATEN GUNUNG MAS 2009-2013

ISBN : -

Publication Number.: 62110.1408

BPS Catalogue Number : 9199018.6211

Publication Size : (6.5 x 8.5) inches

Number of Pages : ix + 73 Pages

Content Development :

Regional Account and Statistics Analysis Section, District Bureau of Statistics, Gunung Mas

Person in Charge : Drs. Ceptedy

Coordinator : Mike Fitriandari, S.ST

Cover Illustration :

Integration, Data Processing and Dissemination Statistic Section, District Bureau of Statistics, Gunung Mas

Coordinator : Budi Wibowo, S.ST

Publisher :

District Bureau of Statistics, Gunung Mas

Excerpts of Page 45-50:

The results data analysis of Table 4.2 on PDRB (Produk Domestik Regional Bruto – Gross Regional Domestic Product or GRDP) of Gunung Mas Regency suggested two sectors that are rapidly growing, i.e. Agriculture and Infrastructure sectors. At the same time, the Mining & Exploration sector is considered growing with some pressures as the sector has had major contribution to the district while the average global growth has been declining. Another sector potentially growing is the Processing Industry sector. In addition, the result of the analysis also suggest that some sectors in Gunung Mas are still considered underdeveloped, namely Power Plant, Clean Water Supply, Transportation and Communication, Banking and Financial Institution, and Sectors with services.

4.5. Analysis of Location Quotient (LQ)

The analysis of Location Quotient (LQ) was used to categorize the economic sectors in GRDP as basic and non basic sectors. LQ is basically a comparison of certain sector's significance in Gunung Mas against the significance at the province level (Central Kalimantan).

The value of $LQ > 1$ indicates that a sector is more significant at the District level rather than at the Province level. It also indicates that the District is surplus of products from the sector. On the contrary, the value of $LQ < 1$ suggests that the sector's significance is less dominant at the district compared to the province level.

The LQ values can be assumed as basic guidelines for determining which sector to be developed, considering the surplus condition means that the sector will be able to satisfy not only the district's need, but also other district's needs.

The Location Quotient (LQ) calculation in Gunung Mas over the period of 2009-2013 is presented in Table 4.5. Based on the calculation using the LQ analysis, the concentration of value added creation in Gunung Mas by 2013 is mainly in the Agriculture sector. Other leading sectors are the Infrastructure and Mining & Exploration sectors. Up to the present time, Agriculture sector is the major leading sector (basic sector) in Gunung Mas, competing with the province over the years. The sector has been stable in growth with not so many significant changes and therefore managed its position as the leading sector in Gunung Mas. Particularly in 2013, the production of food and plantation crops like rice and palm oil had spiked up in numbers. Therefore, the projection of leading sectors in the future will be Agriculture, Infrastructure and Mining & Exploration, with ratio value above one.

Table 4.5: Location Quotient (LQ) of Gunung Mas GRDP per Sector in 2009-2013 (in Percentage)

Lapangan Usaha	2009	2010	2011	2012*)	2013**)
(1)	(2)	(3)	(2)	(5)	(6)
1. Agriculture	1,78	1,81	1,81	1,84	1,92
2. Mining & Exploration	1,34	1,28	1,18	1,10	0,98
3. Processing Industry	0,30	0,29	0,30	0,31	0,32
4. Electricity, Gas & Clean Water supply	0,25	0,25	0,23	0,24	0,24
5. Infrastructure	1,12	1,16	1,21	1,27	1,36
6. Trade, Hotel & Restaurants	0,63	0,61	0,61	0,60	0,60
7. Transportation & Communication	0,21	0,22	0,23	0,22	0,21
8. Financial, Rental & Company Services	0,27	0,25	0,24	0,24	0,23
9. Other Services	0,96	0,94	0,91	0,91	0,90
PDRB	1,00	1,00	1,00	1,00	1,00

*) temporary value

**) very temporary value

4.6. Analysis of Shift Share

The Shift Share Analysis was employed to learn the process of economic growth in Gunung Mas in relation to the economy at regional level, i.e. Central Kalimantan Province. The Shift Share Analysis in this research used the income variable, the Gross Regional Domestic Product, to outline the economy of Gunung Mas.

The total growth of GRDP can be broken down into two components: shift and share, namely:

- a. Provincial Share (PS) Component is defined as the value of GRDP growth in Gunung Mas with the assumption that the growth rate is equal to the growth rate of GRDP at the province level during the research period.
- b. Proportional Shift (P) Component, is the value of net shift in Gunung Mas as result from the dynamic composition of GRDP sectors in Gunung Mas. The value of $P > 0$ suggested that Gunung Mas economy specializes in sectors whose growth at the province level is fast, and the value of $P < 0$ suggested that Gunung Mas economy specializes in sectors with slower growth at the province level.
- c. Differential Shift (D) component, is net shift value of sectors to see whether the growth is faster or slower than at the province level, due to internal, site-related factors. For example, location with good resources will indicate positive Differential Shift value ($D > 0$), and the location of less profitable resources will indicate negative Differential Shift Component value ($D < 0$).

This analysis is useful to determine strategic economic sectors, and has the potential development possibility in accelerating growth rate in Gunung Mas District. To determine the regional-based sectors its growth, the Provincial Share (PS), Proportional Shift (P), and Differential Shift (D) components were calculated.

Result from the calculation of GRDP shift share in Gunung Mas over the period of 2009-2013 is presented in Table 4.6. Based on data from Table 4.6, the proportional component growth in Gunung Mas during the period of 2009-2013 ranges from negative to positive. The positive P value indicates that Gunung Mas economy specializes in sectors whose growth is rapid at the province level. In the opposite, the negative P value suggested that the economy in Gunung Mas of the specific sectors whose growth at the province level is slower.

Sectors with positive proportional growth component value are Mining & Exploration, Power Plant and Clean Water Supply, Trade, Hotel and Restaurants, Financial, Rent, and Other Services Sectors. While other sectors with negative proportional component growth are Agriculture, Processing, Infrastructure and Transportation and Communication.

Table 4.6: Gunung Mas Shift Share Value Calculation in 2009-2013

Sector	Provincial Share (PS)	Proportional Shift (P)	Differential Shift (D)	Total (Y)
Agriculture	395.802,41	-35.158,51	39.760,92	400.404,80
Mining & Exploration	94.393,61	25.334,10	-73.003,75	46.723,96
Processing Industry	19.590,31	-9.057,30	709,65	11.242,66
Electricity, Gas & Clean Water supply	1.254,58	260,60	-238,32	1.276,86
Infrastructure	52.234,70	-10.950,46	19.410,69	60.694,93
Trade, Hotel & Restaurants	103.187,21	9.615,02	-22.584,62	90.217,60
Transportation & Communication	15.921,39	-2.852,79	-2.198,59	10.870,00
Financial, Rental & Company Services	11.946,55	3.279,31	-6.086,48	9.139,38
Other Services	93.385,22	24.570,48	-22.471,51	95.484,19
Total	787.715,96	5.040,45	-66.702,01	726.054,40

Annex 6: Interview Samples

Questions about Companies

PT Bumi Mas (Timber)	PT Kalimantan Agro Plantation (Palm Oil)	PT Kalimantan Surya Kencana (Mineral Exploration)
<i>1. What is your company doing in Gumas currently ?</i>		
Wood production based on Decision Letter of Forestry Minister Number : SK.656/Menhut-II/2009 Tanggal 15 Oktober 2009	We are now in planting stage. We already got our land acquisition in 2013	PT KSK is in the exploration stage in blok B based on contract of Beruang Kanan prospect in relation with lease permit for forestry area number 29/1/IPPKH/PMDN/2015.
<i>2. How many employee does it have ?</i>		
182 employee include in Basecamp & Logpond; Branch office in Palangkaraya and Headquarter office in Jakarta.	We have 4 people in the representatives office, and there are about 150 - 200 staff in the field	The nature of exploration company is very dynamic in terms of use of employee. In one time, it takes a lot of field staff but in the other time can be need less. This month for example is much less that last month (141 people) for field staff. Number of employee in quarter II year 2015 in average 67 people every month include contractor.
<i>3. Does it have a website/information media for public ?</i>		
No	Yes, we have it. I will send the website to you.	Yes, for company news and information can be seen in a website www.asiametresources.com
<i>4. Does it have a community development/relation or Government Relation division ?</i>		
Yes, I have Comdev/CSR Division on Organization Structure of Bumimas Permata Abadi	We have one Public Relation staff which is me. I run CSR development function in the village to district level. Everything related to community then I will handle it.	Yes, community empowerment in partnership with Yayasan Tambuhak Sinta (YTS).
<i>5. How many community lives near by the company ?</i>		

PT Bumi Mas (Timber)	PT Kalimantan Agro Plantation (Palm Oil)	PT Kalimantan Surya Kencana (Mineral Exploration)
about 5 community/village surrounding in working area of consession; Karason Raya, Taja Urap, Sandung Tambung, Datah Embak and Baronang II	More than 200 households in Kahut Subdistrict, more than 250 households in Tewah Subdistricts, in Damang Batu about 300 households. In Kahut, we cover six villages which are Marikoi, Maraya, Tumbang Posu, and Tumbang Anoi. In Kahut we covers six villages which are Batu Tangkoi, Dandang, Tumbang Miri, Tumbang Pesangon, Tumbang Hamputung,, and Teluk Kenduri. in Tewah we covers 4 villages which are Sei Rieng, Tanjung Untung, Tumbang Habaon, and Tewah.	There are no villages inside area of KSK. However, there are some traditional miners locations which involved more than 1000 people.
<i>6. Does it run a CSR program ? (if yes, continue to next questions)</i>		
Yes	Yes, we do.	Yes
<i>7. Since when and what is it ?</i>		
Since 2010 for economic development, infrastructure and donation	Since 2009	The CSR program run since 1997 with YTS as partners include livelihood program and contribute to capacity building of community groups dan villages governments in Gumas.
<i>8. Where is it ?</i>		
Cooperative Bumi Hapakat include Desa Karason Raya, Taja Urap and Sandung Tambung Kec. Tewah Kab. Gunung Mas; infrastructure in di Desa Taja Urap; premi fee of wood/cubic for Ds. Karason Raya, Taja Urap dan Sd. Tambung; and grocery donation for christmas in Ds. Karason Raya, Taja Urap; Sd. Tambun dan Dt. Embak.	The total is 16 villages (6 village in Tewah, 6 villages in Kahut, and 4 villages in Damang Batu)	CSR run in 22 villages in three subdistricts near KSK sites.
<i>9. What is kind of program ? (donation/community empowerment/both/or else ?)</i>		

PT Bumi Mas (Timber)	PT Kalimantan Agro Plantation (Palm Oil)	PT Kalimantan Surya Kencana (Mineral Exploration)
Company delivered premi fee in Desa Karason Raya, Taja Urup and Sandung Tambun (Kec. Tewah Kab. Gunung Mas) about Rp 300 Juta s/d 500 Juta per tahun;	We help build Poskamling (community security post), clean water instalation (DAM), books, white boards, school bags, shoes for elementary school and secondary school. We also provide scholarship to needy children and students with remarkable achievements. Furthermore, we fix the bridges in the villages, repairing church and other religious facilities, children playground, 5 generator engines, laptops. We also give donation support during Idul fitri, Christmas, Safary Ramadhan, MTQ, Indonesia's Independence Day, etc. In community development, we provide training on Plasma farmer to farmer group (40 people). We sent them to Bengkulu to learn more about plasma farming. For this event we spent about 270 millions. We conducted blood donation regularly.	Program is delivered through community development, capacity building village government staff. KSK do not provide donation in its CSR program.
<i>10. Who are the beneficiaries ?</i>		
Ds. Karason Raya, Ds. Taja Urup; Kp. Mampay; Kp. Dt. Embak; Ds. Sandung Tambun; Ds. Tumbang Siang; Ds. Tumbang Lapan; Ds. Tumbang Siruk; Ds. Teluk Lawah dan sekitarnya (wilayah Kab. Gunung Mas);	The villagers in the 16 villages in the tree subdistricts.	Penduduk desa di 22 desa dampingan, serta staf pemerintah (desa, kecamatan, kabupaten) di Gumus
<i>Is it community around company ?</i>		
Ditto	Yes, they are community around the company area in three subdistricts (Kahut, Damang Batu, and Tewah)	Yes it is
<i>How much money that your company spend for CSR program per year ?</i>		
About IDR 1,5 s/d IDR 2 Milyar per year	Last year we spent 635 Millions for Kahut, 610 Millions for Damang Batu, and more than 600 millions for Tewah.	2012-2014 from 1 billion to 2 billion

Questions about Community:

PT Bumi Mas (Timber)	PT Kalimantan Agro Plantation (Palm Oil)	PT Kalimantan Surya Kencana (Mineral Exploration)
<i>1. How is the involvement of community in your CSR program ?</i>		
Communities around company sites are active engaging in communication forum set up by company	Those who involve in our CSR program are village government staff, and subdistrict heads. The villagers play roles as supervisor and controller of our CSR program especially on infrastructures. The villagers are our beneficiaries.	Community involves in CSR program since assessment process to set priority of each village. In a word they involved in the whole process of CSR program implementation.
<i>2. What kind of communication form/model that your company applied for community ? (is it formal/informal/both ?)</i>		
Formal communication is communication-coordination forum include villages government and subdistrict government. Informal meeting through villages visit and meeting in base camp, log pond, working block or in Palangka Raya office	We do it by door to door visit and discussion. It is done in informal way to approach the community and village government. Usually when there is request from community for fund or material support, we suggest them to make proposals.	We use both; formal meeting in Musrenbang or training, and informal meeting such as discussion, technical assistance, coordination, and monthly monitoring.
<i>3. Are there any community representatives in the meetings with company ?</i>		
Village representatives: village government (Kades/Sekdes); BPD; Mantir Adat and community figure/religious leader;	We usually have discussion with village government staff.	Yes, it is because the meeting always hold in villages.
<i>4. Are there any company representatives in the meetings with community ?</i>		

PT Bumi Mas (Timber)	PT Kalimantan Agro Plantation (Palm Oil)	PT Kalimantan Surya Kencana (Mineral Exploration)
Ditto no.3	Yes, there are 2 -4 people from the company come to villages when it comes to land acquisition to villagers. For the CSR, it is only myself who deals with the community. When needed, sometimes our Manager also joins us in meetings with the Camat.	Company representative, Public Relation Officer conducted meetings with community for example through village annual review and planning facilitated by YTS.
<i>5. Does company representative come from one division or more ?</i>		
More than one division : Direksi, Branch Manager; Manager Camp; and Comdev Manager	Yes, from more than one division, usually 2 -3 divisions depending on the company needs.	Perwakilan dari perusahaan dilakukan oleh satu devisi yaitu devisi Humas.

Questions about Government:

PT Bumi Mas (Timber)	PT Kalimantan Agro Plantation (Palm Oil)	PT Kalimantan Surya Kencana (Mineral Exploration)
<i>1. How is the village government involvement in CSR program of your company ?</i>		
Village government engage with company include Ds. Tb. Siruk & Tb. Napi (Kec. Miri Manasa); Ds. Tb. Lapan & Tb. Sian (Kec. Kahayan Hulu Utara); Ds. Sandung Tambun; Ds. Taja Urup & Ds. Karason Raya (Kec. Tewah).	The village government and subdistrict government are our partners in running the CSR program. The district government plays role as our reminder for certain area that still need the company support. When we have problem with villagers who blocked our ways, we had to pay and the district government didn't provide solution for us. They just left us finding the solution by ourselves.	Through preparation and implementation of musrenbang
<i>2. Are there any program/activities done with collaboration with government?</i>		
Yes with Social Agency of Kalteng Province for housing in remote area Kp. Mampay Desa Taja Urup Kec. Tewah, 50 unit.	Basically, the government asks for our support when there is annual special events such as MTQ, Pesparawi, District Anniversary, and Indonesia's Independence Day. We give our donation through the Bupati	Yes, YTS is bridging the interest groups in villages to make proposal to government agency such as fishery and husbandry.
<i>3. If it is, what kind of contribution ?</i>		
The company contributes for improving the village road which also the road access for the project from Taja Urup Village to Camp Mampay about 6 km; Clearing - prepare the land for the project base for 3,5 hectares; and improve the village road in the forest to transport the logs for 1,2 km and transportation support for Social Agency to monitor to the project area.	We provide donation for District annual specials events.	YTS also provided data and report on those livelihood groups to government agencies
<i>4. If it is not, is there any activity in the same time with government activity or similar with government activity in one location or more ?</i>		

PT Bumi Mas (Timber)	PT Kalimantan Agro Plantation (Palm Oil)	PT Kalimantan Surya Kencana (Mineral Exploration)
We usually contribute to materials support when there is panjat pinang in Tumbang Miri.		
<i>5. Is your company send a report in regular basis to government ?</i>		
Yes in bi-monthly and quarterly basis	Yes, we sent annual report to government. There is also quarterly report for company assessment by the agency. However, I only send the annual report because they know that I am and the company is busy. The government feels okay if I send it once a year. We inform our CSR activity in the report such as before, during, and after the CSR program run.	Yes, we provide quarterly report, half-year report, and annual report
<i>6. if it is yes, to which government agency ?</i>		
Forestry Agency with carbon copy to forestry agency in province	Agriculture and Forestry Agency in District and Province Level	Quarterly report and annual report are submitted to Ministry of Mining and Energy with carbon copy to District of Gumas (Regent and Mining & Energy Agency) and Provincial Government (Governor and Mining & Energy Agency). Half-year report is submitted to Ministry of Environmental with carbon copy to district and provincial governments.
<i>7. If it is not, how your company informing the contribution to Gumas development ? Especially to inform the government</i>		
-	We inform the Government with the annual report. Sometimes when we have special meeting with the Bupati and related agencies.	
<i>8. Is there anything else to add ?</i>		

PT Bumi Mas (Timber)	PT Kalimantan Agro Plantation (Palm Oil)	PT Kalimantan Surya Kencana (Mineral Exploration)
	<p>During the public consultancy on the Perda CSR last month, one of the government staff said that the CSR fund should be managed by district government. I totally disagree with that and I said that the government already have APBD to manage. Let the company work for their own CSR program, I said. I think the supervision from the government on the CSR stuff is very lax. There are still some other companies in Gunung Mas who don't run the CSR work, and they are fine until now without any punishment or fine from the government As I know there is government budget allocated to build the road in Gunung Mas, the amount is 900 billion, however until now I don't know whether the money has been given or not. We spent 265 million for road improvement.</p>	

Annex 7: FGD Crosscheck Sessions

Result of FGD on CSR with the Community – 2 December 2015

What is the definition of CSR	What kind of contributions should be given by the companies related to CSR?
<p>Roads, bridge, materials supports, education, health, clean water, church, electricity, stairs,</p>	<p>Development (religious building facilities)</p>
<p>Companies responsibilities to community in social and environmental sectors in form of supports for facilities, infrastructure, education, and health</p>	<p>Community health (drugs and medical staff)</p>
<p>Companies responsibilities to community based on the existing regulations.</p>	<p>Health of school children</p>
<p>Companies have to corporate well and have to disseminate the impact of the company's activities to communities based on existing regulations.</p>	<p>Education (teacher)</p>
<p>CSR is the company responsibility to community in social and environmental aspects</p>	<p>Infrastructure and facilities (road and clean water)</p>
<p>Company has to give attention to community and environment</p>	<p>Information disseminations</p>
<p>CSR is the company responsibility to community in social and environmental aspects in order to make the surrounding community wealthy, and to make sure the community get the positive impacts</p>	<p>Electricity</p>
<p>CSR: strongly relates to sustainable community development concept</p>	<p>Youth Empowerment</p>
<p><i>Keywords: Facilities and infrastructures, Social responsibility, Environment and impact, and Community development</i></p>	

What are the roles of community, company, and government in CSR?

Community:	Company:	Government:
<p>The community has to give contribution to the environment and other community members (manpower)</p> <p>Community has to take care and maintenance the facilities</p> <p>Take care and maintain facilities from companies and government</p> <p>Take care, maintain, and enjoy the facilities</p> <p>Supporting the company and maintain the environment safety</p> <p>Maintain the security and orderliness</p> <p>Work together to keep the security and orderliness</p> <p>Taking care of environment</p> <p><i>Keywords: Manpower, taking care of facilities. Maintain the security and orderliness</i></p>	<p>Respect the local traditions</p> <p>Dissemination to community</p> <p>Obey the local rules</p> <p>Engage with the surrounding community (employee)</p> <p>Facilitate in all aspects of empowerment</p> <p>Provide supports to community</p> <p>Be responsive to community needs</p> <p>Provide supports based on needs</p> <p>Be responsible for social and culture and environment in the community (Environmental Impact Study)</p> <p><i>Keywords: respect the local tradition, community empowerment, and providing supports</i></p>	<p>Support partnership between community and company / empower community</p> <p>Provide guidelines for handling community complaints (res[pensive])</p> <p>as facilitator for the community needs and fully empower the community</p> <p>Disseminate information to company and communities on CSR</p> <p>Support partnership between community and company (administration)</p> <p>Supervise the implementation of District Regulation</p> <p>Obligate to receive any companies based on the existing regulations</p> <p>As bridge between community and company</p> <p>Providing inputs for community on what to do related to CSR</p> <p>Provide policy and facilitate community and company</p> <p><i>Keywords: Empower community, supervise, administration supports, and as bridge for community and company.</i></p>

FGD with Government – 2 December 2015

Data Clarification and Discussion on 1st draft of CSR Study

Data Clarification	First draft of CSR Study	Consensus on CSR Study Presentation
<p>All Government Agencies and individuals that become respondents confirmed the data and agreed the way YTS put those information in the relevant context.</p> <p>The head of Board of Planning (Bappeda) requested YTS to add some information regarding donation of third parties besides CSR program of companies. This is to acknowledge the contribution of private sectors in Gunung Mas. He also wanted YTS to check with Statistic Biro for clarification on the absent of forestry sector in GDP document of Gumas.</p>	<p>BPMPD quite resistant with the analysis of the Perda. Mr. Osner reminded others that this Perda has been approved by the Regent and District Assembly. Therefore, everyone or agency who condone the YTS critique to the Perda could be embarrassing the Regent and District Assembly.</p> <p>YTS convinced the forum that the YTS will remain objective but of course will present it in most elegant way.</p> <p>The forum agreed that the Perda will be implemented for first year and will be reviewed in the end of the year by taking this study analysis on Perda into account. This solution is fair for the government and also will give a chance to all stakeholders to review the analysis of YTS is right or wrong (proven or not).</p>	<p>Agreed to support YTS recommendation and will be implemented in 2016 with YTS assistance</p>

FGD Participants		
Head of Agency and Secretary	Technical Agency Staff	Local Assembly
1. Mr. Untung, Head of Board of Planning (Bappeda)	1. Esgini, BPMPD	1. Rev. Rayani, Comission II
2. Mr. Calvin, Head of Mining & Energy Agency (Distamben)	2. Fery Maigrig, Financial & Asset Management (DPKA)	2. Iswan, Comission II
3. Letus Guntur, Agriculture & Plantation Agency	3. David, Distamben	
4. Mr. Osner Sagala, Secretary of Empowerment Agency (BPMPD)	4. Nelfree Tangkas, Forestry Agency (Dishut)	
	5. Junjung, Dishut	
	6. M. Setiawan MH, Law Division of Government Secretariat	

Conclusion:

The FGD achieved its purposes: data clarification and concensus on presentation of 1st draft of CSR Study

FGD with Companies – 2 December 2015

What are the roles and responsibilities of the company, government and community related to CSR?		
Responsibilities		
Government	Community	Company
Help the community and company in developing the plan and rules that acceptable and applicable in the community to develop the area.	Help and develop the plan for the company to improve the community well being Support the program and the company's	Accomodate and collaborate with local community for development and well being Supporting the company's mission and strategies

Motivate/support the company to develop the area using their business	business operation in develop the region where the company is operating	through optimalization of land potential control, growth, and maintain the community well being and the company situation, development growth and the community and company well being.
Make the rules for the smooth implementation of the company operation in line with the Law and Regulation applied	Support the company to operate smoothly and cooperation for mutual interest	Provide social economy support for the community
Motivate/support the company to develop the area using their business and socialize to the community to support the success of development	Collaboration for mutual benefit with the company	Comply with the law that apply
Facilitate and make sure CSR will improve the community well being maximally	Propose workplan for CSR	Contribute to community and government
Set the rules for CSR	Maintain and Comply with the policy accordingly	Company is responsible to assist and empower the community around them to get social, economy, and education benefits
Guarantee the certainty for business operation according to the law applied	The community, company, and government must synergize and collaborate to create healthy and harmony working relationship without put aside the values of local culture, law/regulation and company's regulations	Hire local people
Provide justice and regulation in the policy	Control the government and company in a good way	Pay tax
Safety guarantee	Participate	Environmental
Healthy investment and permit		Get legal status
Tax distribution for local community		Get the permit
Rights		
Government	Community	Company
Organize the company in conducting their business	Well being	Get legal certainty
Manage and maintain good relationship inter-sector in the area	Get positive impact with the company's existence	Have clear guideline in managing their program
Receive regular report from company about the	Get benefits from the company	Able to operate without treats from unknown external parties
	Create working opportunity for community and	Get permit to do business from the government

CSR program	provide support the community program (CSR program etc)	Implement the rules from the government as agreed together by both parties.
Organize CSR according to the regulation		
Receive taxes and retribution according to the regulations	Improve their live quality when the company grow	
Manage or accomodate the community and company to be able to collaborate in an area	Local community get positive impacts in education, economy and job opportunity	
Make regulation for the benefit of wider community development	Get benefit from the development conducted by government and company	

Conclusion

The companies agreed with the CSR definition on the District Regulation of Gunung Mas that the ‘company should contribute to improve the community well being, get legal certainty in operating their business as well as get a clear guidelines in conducting the activities according to the regulation applied.