

For Immediate Release

WALHI/Friends of the Earth Indonesia Response to the Revocation of Thousands of Company Permits

Permit Revocation Must be Followed by the Restoration of People's Rights

JAKARTA, January 6, 2021 – In a positive step forward, the Indonesian government announced it would revoke 2,078 mining permits, 192 forestry permits, and 137 plantation concessions. Advocates hope this process creates the essential momentum for resolving agrarian problems between people and companies, both state-owned and private.

To ensure that the revocation of these licenses supports conflict resolution, the government must disclose information about which companies have had their licenses revoked and reveal which have been in dispute with local communities. This will allow these lands to be returned to communities and restore people's rights that the state has taken away through this licensing scheme.

This revocation should not relieve companies of responsibility for the damage they have caused, as they are obligated to address environmental damages, undertake environmental restoration efforts, and address ongoing agricultural conflicts.

"For example, in the forestry industry, the government must ensure that corporations restore forest ecosystems by restoring forest services. If companies in the forestry sector have been in conflict with communities, the state must ensure the recognition and return of land (people's management area) to the people," explained Uli Arta, Forestry and Plantation Campaigner with WALHI National Executive.

In addition to permits in the forestry sector, she added, Land Use Rights (HGU) permits that have been revoked due to conflicts with community land claims must also be returned to the people. Where concession permits located in critical areas have been canceled, land use rights must be restored to local community management.

Tri Jambore, Campaigner of Mining and Energy of WALHI National Executive, explained that the revocation of mining permits for companies who have never submitted a work plan or have had permits for years but have not used them is regulated by Minister of Energy and Mineral Resources Regulation No. 7 of 2020. This is a solid beginning step toward improving the administration of mineral and coal mining permits. Without this strong stance, the government will face mining management that will not provide optimal benefits according to the mandate of the law.

"The government should also enforce regulations in a comprehensive manner. The obligations of the mining permit holder, among others, are to maintain the preservation of the function and carrying capacity of the relevant water resources in accordance with the provisions of the

legislation, and also to ensure the application of environmental quality standards in accordance with the characteristics of each region. Henceforth, it is expected that the examination of current mining licenses would focus on the permit holder's compliance with this environmental requirement, because if there is no guarantee, the environmental improvement of the mining operating area will be neglected. Furthermore, the government does not solely review mining company licenses based on administrative factors. It also takes into account the region's carrying capacity, as well as the adequacy of spatial planning and catastrophe susceptibility as a result of mining activity modifying the landscape," said Tri Jambore.

Parid Ridwan, Campaigner for Coastal and Small Islands of WALHI National Executive, stated that the government must ensure all IUPs ("Mining Business Licenses," in its Indonesian acronym) in coastal areas and small islands proven to prolong socio-ecological crises and generate community disputes are canceled. According to 2018 data, there were 1895 IUPs in coastal areas throughout 23 Indonesian provinces affecting about 35,000 fishing families and 6,081 coastal villages with mining waste-polluted waters. In 2019, there were 164 mineral and coal mining concessions on 55 small islands.

"The existence of mining in coastal areas and small islands accelerates ecological disasters and the loss of people's lives in these two critical locations, which have already been ravaged by the detrimental consequences of climate change," explained Parid.

In conclusion, Zenzi Suhadi, Executive Director of WALHI, stated that "the revocation of permits as conveyed by the President today (06/01) is the government's step forward in continuing to improve natural resource governance, equity, transparency and fairness while correcting inequality, injustice, and natural damage. The President should carry out evaluation activities and the revocation of permits continuously and periodically, with indicators not limited to lack of activity by the license holder in permit areas, but also considering permits that are in conflict with local communities and causing environmental damage and ecological disasters. The President must also ensure that relevant Ministries do not issue and auction new permits in areas where permits have been revoked, in order to realize the goal of improving good governance related to natural resources and the environment."