

## MANAGEMENT RESPONSE

UNDP/GEF MID-TERM REVIEW Management Response and Tracking

**Project Title:**

GLOBAL OPPORTUNITY FOR LONG-TERM DEVELOPMENT - INTEGRATED SOUND MANAGEMENT OF MERCURY IN INDONESIA'S ARTISANAL AND SMALL-SCALE GOLD MINING (GOLD-ISMIA)

**Project PIMS #:** 5872

**MTR Completion Date:** April 30, 2021

No.	Key Issues and Recommendation	Management Response	Tracking				
			Key Actions	Timeframe	Responsible unit(s)	Status	Comments
1.	The Project Management Unit should undertake revision of the project results framework in order to have measurable indicators and achievable end-of-project target values. The revised logframe should be put for approval by the Project Board.	<p>The PMU is not an independent and autonomous entity. It works under the Implementing Partner (Ministry of Environment and Forestry - MoEF). It is better for the consultants to address the recommendation to the Implementing Partner.</p> <p>The Project Result Framework (PRF) was agreed among the stakeholders in the country (GOI and other relevant institutions. It went through a long process at national and international levels. It was already reviewed by UNDP at regional and HQ levels, GEF Secretariat and GEF Council. GEF provided funding according to the PRF that should be achieved.</p> <p>If PMU proposed revision on the Project Results Framework, it would require approval at many layers, including the GEF Council. Therefore, the project in coordination with Implementing Partners (MoEF and BPPT), RTA and UNDP CO would review the list of revision and</p>	The project will develop stand-alone performance indicators as part of the Annual Work Plan to track activities progress.	30 June 2022	MoEF, BPPT & UNDP	On going	

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		<p>further discuss with Project Board members.</p> <p>The best approach to facilitate the recommendation would be to develop a technical strategy document with measurable indicators.</p>					
2.	In the remaining time of the project. PMU should accelerate activities under Components 2 and 3 as access to financing and technical support are critical for achievement of the planned reduction in mercury use.	<p>In coordination with MoEF, BPPT and relevant stakeholders, the project will accelerate activities under Component 2 and 3.</p> <p>The project has conducted 2 (two) technical trainings on existing mercury-free processing plant in Kulon Progo to strengthen the capacity of 102 miners from 6 project sites. More trainings will be held in 2021. In order to achieve the target on mercury reduction, project has developed 6 (six) Mercury-free Detailed Engineering Design (DED) that will be established in 6 project sites by early 2022.</p> <p>The provision of financial access to ASGM miners is on progress. Through Low Value Grant Agreement (LVGA) between the project and 6 ASGM cooperatives, the project has delivered USD 481,853 that will be used by the cooperatives to establish mercury-free processing plants. By the end of this year, 6 (six) mercury - free plants will be established.</p> <p>In coordination with The Agency for Revolving Fund Management for Cooperatives and Small and Medium Enterprises (LPDB), relevant banks and</p>	<ul style="list-style-type: none"> <li>The project facilitates technical training and mercury-free field-testing technology. It is on progress and expected to finish by the end of 2021. It will contribute to the total amount of mercury reduction in ASGM sector.</li> <li>The project continues its partnership with Bank Negara Indonesia (BNI), Bank Rakyat Indonesia (BRI) and The Agency for Revolving Fund Management for Cooperatives and Small and Medium Enterprises (Lembaga Pengelola Dana Bergulir - LPDB) to provide loans for ASGM miners.</li> <li>The project will keep on monitoring the progress under Component 2 and Component 3 that will be addressed in annual report.</li> </ul>	30 Nov 2022	MoEF and BPPT	On going	

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		Ministry of Cooperative and SMEs, the project keeps on maintaining its progress.					
3.	The project Implementation Partners should consider cooperation with the Geological Agency of Indonesia for establishment of ore testing facilities in the project field locations for determination of concentration of gold in the ore.	<p>MoEF and BPPT have initiated the collaboration with Geological Agency since 2020. The Geological Agency supported the project in formalization process by conducting gold exploration in Obi (Halmahera Selatan). In 2021, MoEF and BPPT will coordinate with the Geological Agency to conduct gold exploration survey in North Gorontalo to meet the requirement of mining area permit (WPR).</p> <p>In 2020, the project conducted ore characteristic survey for primary and secondary ore in 6 project sites to figure out the mineral composition. The result of the survey can be found at <a href="#">LINK</a> (page 54 – 72). For secondary ore or alluvial, BPPT completed ore testing in a project site, Kuantan Singingi in Riau Province. The result can be found at <a href="#">LINK</a>. Both results according to the ore testing are used to determine the design of mercury-free gold processing plant that will be introduced by the project.</p> <p>On the other hand, the establishment of ore testing facilities is beyond the project target. BPPT and Badan Geology are available to support when the project needs ore testing.</p>	Field survey for gold exploration and capacity building on mineral prospecting by Geological Agency in Hulawa Village is scheduled in Q1 2022.	30 Nov 2022	MoEF and BPPT	On going	
4.	The PMU should ensure that trainings of the ASGM operators include practical demonstration of low efficiency of the whole ore	The project has provided trainings related with formalization, alternative technology, waste treatment for ASGM operators in 6 project sites.	The project continues delivering the technical training to introduce the alternative mercury-free technology including practical	30 Nov 2022	MoEF, BPPT	On going	

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	amalgamation process and its consequences on profitability of the micro-miners' operations.	Since the project's inception workshop and technical trainings, the operators have been informed that the amalgamation process has lower efficiency compare with cyanidation. The materials about low efficiency of amalgamation refer to miner's testimonial and project's assessment in 6 project sites which stated that cyanidation is able to produce gold 80 – 90% higher than amalgamation (report is available at: <a href="#">LINK</a> ). In addition, the project also provided calculation of operational cost and revenue of small mobile mercury-free processing plant according to the following report page 22 – 25: <a href="#">LINK</a> .	demonstration of waste management and the profitability of this gold processing technology.				
5.	The PMU should ensure training of the ASGM operators includes education about management of final tailings after cyanidation.	The training material about management of final tailing after cyanidation has been developed and included on <a href="#">training module</a> . Since 2020, the project has conducted the training on mercury-free technology using this training module.	The technical training on mercury-free alternative technology for ASGM miners from 6 project sites is on progress. The upcoming training will be conducted in Kulonprogo (Yogyakarta), Sekotong (NTB) and Pulau Aro (Riau).	30 Nov 2022	BPPT, MoEF and UNDP	On going	
6.	The PMU should intensify activities related to small-scale cyanidation in order to provide clear and customized guidance to the ASGM communities. In particular, the field testing and demonstration of the mobile cyanidation plant should be accelerated. The project should collect and share the experience from the demonstration and early	The 1 <sup>st</sup> batch of field testing and demonstration of micro-leaching tank was held in March 2021 and the 2 <sup>nd</sup> batch is scheduled in Q4 2021. Such activities are expected to finish in Q4 2021. A video about demonstration activities and result has been published ( <a href="#">video's link</a> ).	The upcoming field testing will be conducted in Obi in Q4 2021.	31 Dec 2021	BPPT and UNDP	On going	

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	use of the mobile processing plant.						
7.	The PMU should consider provision of support for specific capacity building on mineral prospecting including facilitation of access to relevant services and equipment, in cooperation with the Geological Agency of Indonesia.	In supporting the formalization to obtain mining area permit (WPR) which requires gold content in the proposed area, the project in coordination with Geological Agency will conduct gold exploration survey in North Gorontalo. By the end of the survey, Geological Agency will provide capacity building for miners about the important of mineral prospecting.	Field survey for gold exploration and capacity building on mineral prospecting by Geological Agency in Hulawa Village is scheduled in Q1 2022.	30 Nov 2022	BPPT, MoEF and UNDP	On going	
8.	The PMU should intensify consultations with the project ASGM communities about ownership and structure of miner co-operatives for distribution of loans for ASGM operations. Such consultations should include owners of ASGM operations and local investors, If possible, the project should also consider support for small-business loans to individuals who are legal ASGM operators.	<p>The project has supported the establishment of 16 ASGM cooperatives in project site. It is including facilitation of consultation between Cooperative Agency in District level with cooperative members to discuss the ownership, organization structure and business plan. Afterwards, the project provided trainings related with all project components and supervision on how to apply loans.</p> <p>As of April 2021, 18 loan applications were approved by the financial entities i.e. BRI and Cooperatives. All loans were submitted by individual ASGM miners.</p> <p>In the upcoming project implementation, the project will intensify the coordination with miner cooperative and financial entities to support the financial access for establishment of mercury-free equipment.</p>	In coordination with relevant stakeholders i.e. Ministry of Cooperative and SMEs, Cooperative Agency, The Agency for Revolving Fund Management for Cooperatives and Small and Medium Enterprises (LPDB) and financial entities, the project will conduct socialization on ASGM business to miner's cooperatives, to support ASGM's small-business loans for individual miners.	30 Nov 2022	MoEF and UNDP	On going	
9.	The PMU should consider targeted awareness raising events about mercury pollution from burning amalgams including	The raising awareness activities that were held in 6 project sites delivered information about sources of mercury pollution including from burning amalgams and also information on impacts of mercury to human health and	Production of poster/infographic about preventing mercury air pollution could reduce the impacts.	30 Nov 2022	MoEF, BPPT and UNDP	On going	

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	methods for preventing this pollution	<p>environment, disadvantages of using mercury in ASGM, some facts about illegal status of mercury Information. Miner communities, teachers, local communities and youth groups involved in the raising awareness.</p> <p>In regards to the preventive action of mercury pollution, the project distributed 1500 Personal Protective Equipment (PPE) to the miners in 6 project sites in 2020. A <a href="#">video</a> about the function of PPE and how to use PPE have been shared to miners.</p>					
10.	The PMU, in cooperation with the GoI, should consider inclusion of APRI in the project activities including presence on the Project Board.	<p>According to the project organization structure, APRI is not a member of Project Board. Therefore, APRI is not invited to Project Board Meeting.</p> <p>However, during the project preparation, UNDP, BPPT and MoEF invited APRI and other stakeholders to share their experience and expertise. During the project implementation, MoEF and BPPT invited APRI regularly in the project activities at national level and project sites.</p> <p>In 2019, MoEF, BPPT and UNDP invited APRI to join the National and District inception workshops. In 2020, MoEF, BPPT and UNDP invited APRI to get involved in the following events: (1) International seminar on alternative technology for ASGM; (2) Raising awareness event; (3) Two coordination meetings with Project Implementing Partners; (4) Technical training in technology.</p>	<p>APRI representatives at 6 project sites are invited to the ASGM formalization trainings that are conducted in Q2-Q4 2021.</p> <p>The project will keep inviting APRI to the project's upcoming events.</p>	30 Nov 2022	MoEF, BPPT and UNDP	On going	

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11.	UNDP, in cooperation with the GoI Implementing Partners, should develop a road map for continued inter-ministerial coordination of activities on mercury reduction in ASGM in line with the National Action Plan for ASGM. This could include consideration of temporary institutionalization of the ISMIA Project Board until establishment a permanent coordination body.	<p>According to Presidential Decree No. 21 Year 2019 regarding RAN-PPM (National Action Plan on Mercury Reduction and Elimination, there are 17 Ministries/ Institutions assigned by the President of Indonesia to be the responsible parties.</p> <p>List of the parties is available at <a href="#">this link</a> Page 13 – 14.</p>	The Ministry of Environment and Forestry as a focal point for National Action Plan will organize inter-ministerial coordination to provide some updates on the preparation of COP-4 Minamata Convention that will be held in 2021/2022.	30 Nov 2022	MoEF and UNDP	Achieve	
12.	The PMU in cooperation with UNDP and the GoI Implementing Partners should develop an exit strategy for the project to encourage strong commitment to sustainability. The exit strategy should include discussion with key GoI stakeholders for possibility of preparation of a follow-up project under funding from GEF-8.	<p>PMU will complete the exit strategy in coordination MoEF, BPPT and UNDP.</p> <p>Considering the lessons learned and recommendations, the project will prepare a concept note able to follow up the project under GEF-8 funding.</p>	<ul style="list-style-type: none"> <li>PMU in coordination with MoEF, BPPT and UNDP has identified the exit strategy i.e. the initiation of Center of Excellent as a training centre for mining sector.</li> <li>UNDP CO Indonesia will work with UNDP BRH to follow-up any potential funding from GEF-8.</li> </ul>	30 Nov 2022	MoEF, BPPT and UNDP	On going	
13.	The PMU in cooperation with the UNDP CO should consider initiating a pilot assessment of the ways the ISMIA project interventions contribute to gender equality e.g. through monitoring the changes under the concrete case of establishment of the	The Project will have a specific gender assessment to complete the mid-term evaluation as a process of comparing and assessing the achievement of project intervention, according to the gender action plan. In addition, the gender assessment will measure the project intervention contribute to gender equality and review the progress of Gender	<ul style="list-style-type: none"> <li>The project will develop the Term of Reference (ToR) of gender assessment.</li> <li>The gender assessment will be conducted by an expert consultant in Q4 2021.</li> </ul>	30 March 2022	MoEF, BPPT and UNDP	ongoing	

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	gender-responsive village. The results of the pilot assessment would serve as a basis for development of gender impact indicators for future programming.	<p>Responsive Village that was established in Kuantan Singingi District.</p> <p>The findings of gender assessment will improve the gender workplan to strengthen gender equality through better transformative action to make sure that any discriminatory actions in ASGM sector of project areas are either mitigated or removed.</p> <p>In addition, the result of gender assessment will be reviewed together with Implementing Partners and The Ministry of Women Empowerment and Child Protection (MoECP).</p>					