

Anggota Project Board yang hadir pada Project Board Meeting 10 Maret 2022:

<p>Rosa Vivien Ratnawati</p>  <p>Direktur Jenderal Pengelolaan Sampah, Limbah dan Bahan Berbahaya Beracun, KLHK</p>	<p>Agus Prabowo</p> <p>DocuSigned by:</p>  <p>43E34D5762CD480...</p> <p>Head of Environment Unit UNDP Indonesia</p>
<p>Anton Sri Probiyantono</p> <p>DocuSigned by:</p>  <p>7C095536EF694FC...</p> <p>Senior Programme Manager UNDP Indonesia</p>	<p>Rudi Nugroho</p>  <p>DNPD / Plt. Direktur Pusat Teknologi Pengembangan Sumberdaya Mineral - BPPT</p>
<p>Muhammad Wafid</p>  <p>Plt. Direktur Teknik dan Lingkungan Mineral dan Batubara - KESDM</p>	<p>Yudi Prabangkara</p>  <p>Asisten Deputi Industri Pendukung Infrastruktur – KemenkoMARVES</p>
<p>Purnoto</p>  <p>Kepala Seksi Pinjaman dan Hibah Multilateral - Kementerian Keuangan</p>	<p>Anna Amalia</p>  <p>Fungsional Perencana Muda Unit Kerja, Direktorat Lingkungan Hidup - Bappenas</p>
<p>Rizky Bagastari</p>  <p>Direktorat Pendanaan Luar Negeri Multilateral - Bappenas</p>	

GOLD – ISMIA PROJECT BOARD MEETING

Jakarta, March 10, 2022

MINUTES OF MEETING

The Project Board Meeting (PBM) for GOLD-ISMIA was held in Jakarta, on March 10, 2022 and attended by:

1. Director General of Trash, Waste and B3 Management, MOEF
2. GEF Operational Focal Point, Laksmi Dewanthi
3. Head of Environment Unit, UNDP Indonesia, Mr. Agus Prabowo
4. Assistant Deputy for Infrastructure Support Industry – Coordinating Ministry for Maritime Affairs and Investment, Yudi Prabangkara
5. Director of Technical and Environmental Mineral and Coal - Ministry of Energy and Mineral Resources (MEMR), Muhammad Wafid
6. PIC Director of the Technology Center for Mineral Resources Development - Agency for the Assessment and Application of Technology (BPPT), Rudi Nugroho, as the Deputy National Project Director of GOLD-ISMIA
7. Directorate of Multilateral Foreign Funding - Bappenas, Rizky Bagastari
8. Directorate of the Environment - Bappenas, Anna Amalia
9. Directorate of Loans and Grants - Ministry of Finance, Purnoto
10. Senior Programme Manager, UNDP Indonesia, Mr. Anton Sri Probiyantono
11. National Project Manager of GOLD - ISMIA Project, Mrs. Baiq Dewi Krisnayanti
12. Consultant of the GOLD-ISMIA Project, Mr. Henry Bastaman

1. Opening by the Moderator, Mr. Henry Bastaman

The Project Board is the highest decision-making forum in the implementation of activities chaired by the Director General of Waste Management of Toxic Hazardous Waste (PSLB3), Mrs. Rosa Vivien Ratnawati.

The Project Board has the following functions and duties:

- i) Provide strategic directions on the work plan and implementation of the GOLD-ISMIA project;
- ii) Validate the Annual Work Plan and project funding;
- iii) Monitoring and evaluating all proposals discussed in the meeting;
- iv) Assess and decide to proceed with project changes through appropriate revisions; and
- v) Hold meetings 2 times in 1 year.

At today's meeting, the main agenda of the Project Board Meeting is:

- i) Receive reports on the progress of the GOLD-ISMIA project in 2021 and the 2022 work plan by the National Project Manager of GOLD-ISMIA, Mrs. Baiq Dewi Krisnayanti;
- ii) Approve project budget revisions for 2022 and 2023;
- iii) Approve the submission of the grant or Low Value Grant Agreement to the Hargoselo Kencono Mining Cooperative in Kulon Progo, approve the assessment criteria to be included in the LVGA terms of reference, and approve the selection process to be carried out by the assessment committee from UNDP;
- iv) Approve the modified project indicator matrix in accordance with the recommendations of the Mid Term Review consultant that was carried out in April 2021. The matrix shall be submitted to UNDP as a management response document.

2. Speech by Mr. Agus Prabowo (*Head of Environment Unit UNDP*)

- a. In his remarks, Mr. Agus Prabowo said that from various reports received by UNDP in 2021, the GOLD-ISMIA project is on the right track and is running according to the project document and annual workplan. In 2021. GOLD-ISMIA managed to achieve a delivery budget of up to 100%.

At the UNDP Country Office, the GOLD-ISMIA project has several times become a model for other projects in terms of field implementation strategies during the Covid-19 pandemic, whereas other projects have difficulties in continuing their activities due to restrictions during the pandemic.

- i. The project also regularly reports on project progress against the GOLD planetary indicators or also known as Core Indicator Strategies that consists of: (i) formalization; (ii) access to finance; (iii) technical solutions; (iv) access to formal market; (v) gender; (vi) awareness
- b. The project already carried out a Mid Term Review in 2021, and this year it shall prepare all the necessary documents in response to the recommendations provided by the MTR consultant.
- c. In 2022, the project will carry out a procurement tender for the construction of mercury-free gold processing equipment, which will be followed by training activities on the equipment spread over 6 project locations. I will oversee this tender process and assist so that the timeline for this tender is according to what has been determined and support the approval for travel to 6 project sites.
- d. For information, UNDP has just completed the annual audit process and GOLD ISMIA is one of the audit objects. After this audit, there were several adjustments in the regulations, one of which is the importance of the approval note from the Project Board Meeting in deciding strategic matters for the smooth project implementation.

3. Speech by Mrs. Rosa Vivien Ratnawati (Director General of PSLB3, MOEF)

- a. Thank you for your presence this afternoon and this meeting is the 5th meeting of the GOLD-ISMIA Project Board Meeting.
- b. We all agree that the mercury issue has become an issue at the national level even as a global pollutant. There are many evidences in the field indicating that mercury has a negative impact on human health and the environment. Facing this, the government has agreed to make the mercury reduction and elimination program one

of the national priority programs which according to its rules and policies refer to Presidential Regulation Number 21 of 2019 regarding the National Action Plan for Mercury Reduction and Elimination (RAN-PPM).

- c. Through the issued Presidential Regulation, the Ministry of Environment and Forestry under the Directorate General of Waste and B3 Management has become the leading sector in the mercury reduction and elimination program. The Minister of MOEF also issued the MOEF Minister Regulation Number 81 of 2019 as a guideline for implementing the mercury reduction and elimination action plan.
- d. There are 4 (four) priority activity areas in reducing and eliminating mercury related to the GOLD-ISMIA project, one of which is assisting the government in reducing and eliminating mercury in the PESK Sector with a target of 100% by 2025.
- e. The GOLD-ISMIA project with funding from the Global Environment Facility (GEF) supports the implementation of regulation no. 81 of 2019 through the facilitation of the 14 RAD-PPM preparation for the provincial and district levels, 5 of which have been approved by the Governor and 6 validated by the Regent.
- f. Through the project assisted by the Global Environment Facility (GEF), the Government of Indonesia has benefited, among others, in strengthening the policies of the Government of Indonesia, providing an alternative to non-mercury PESK facilities and proving to international parties that Indonesia has performed its obligations properly as a state party of the Minamata Convention.
- g. The GOLD-ISMIA Project, can be a trigger for the fulfilment of reporting and data strengthening that periodically shall be submitted to the Minamata Secretariat as National Reporting in order to achieve the target of reducing and eliminating mercury from the small-scale gold mining sector in Indonesia.
- h. The election of Indonesia as host of the 4th Conference of the Parties to the Minamata Convention (COP-4 Minamata Convention), where the second trial will be held in-person from March 21 to 25 in Bali, is a form of acknowledgment of

Indonesia's achievements in efforts to reduce and eliminate mercury so that it is the right momentum for Indonesia to increase international support in handling mercury.

- i. Your role as members of the Project Board Meeting representing the relevant Ministries, in this case MOEF, BRIN, the Ministry of Finance, Bappenas, the Coordinating Ministry for Maritime Affairs and the Ministry of Energy and Mineral Resources is very important in the implementation of the mercury reduction and elimination program and particularly in the implementation of the GOLD-ISMIA project.
- j. Although the implementation of the project that has been carried out for 3.5 years and produced appropriate outputs and is running as it should, however I hope that there will be a joint evaluation so that the remaining time period until September 2023 can be optimized with a work plan that can serve as a basis for meeting determined targets according to the project scope. Therefore, directions and input from the Project Board members are very much needed so that in the future the project can provide maximum results for mercury management in general and in particular for the management of small-scale gold mining that is more responsible and environmentally friendly.
- k. As the chair of the GOLD-ISMIA project, I would like to express my appreciation to UNDP, BRIN, and in particular to the Project Board members who have committed to support the mercury reduction and elimination program. I hope that this project can inspire the relevant Ministries to create a mercury elimination and reduction program in achieving the national target set by the President.
- l. Accordingly are my notes with the hope that today's Project Board Meeting may run according to our goals and I do not forget to once again express my appreciation and thank you for your participation as members of the Project Board and for taking the time to participate in today's meeting.

4. Presentation of the GOLD-ISMIA Project by Mrs. Baiq Dewi Krisnayanti

- a. In her presentation, Mrs. Dewi explained the main objective of the GOLD-ISMIA project, namely the project shall be able to reduce or eliminate mercury use in PESK

by providing technical assistance, technology transfer, establishing private-public partnerships, and access to funding for the purchase of mercury-free gold processing equipment.

The achievement of this goal is carried out in four ways, namely:

- i) Strengthening of institutions and policy or regulatory frameworks for mercury-free PESK.
 - ii) Establishment of a financing system to provide loans for the purchase of mercury-free gold processing equipment.
 - iii) Improvement of PESK technical capacity through technical assistance, technology transfer, and support for formalization.
 - iv) Supervision, evaluation and public awareness on the dangers of mercury.
- b. Mrs. Dewi further also reminded on the important project dates until 2023. The end of the project will be September 5, 2023, where it is targeted that project activities and funding will end 6 months before the project end date, namely March 5, 2023. Before the project ends, from March to May 2023, an evaluation terminal will be carried out, where the consultant will assess project activities. It will then end with a final PBM which will state that the project is officially closed.
- c. Mrs. Dewi explains the achievements of GOLD-ISMIA that can be measured quantitatively, namely:
- (i) Around 17,000 people took directly part in the implementation of the GOLD-ISMIA Project.
 - (ii) 40 cooperatives consisting of 1114 miners received formalization support, which means that they are aware of the importance of formalization and Small Scale Gold Mining (PESK) activities.
 - (iii) As of February 2022, the project has built 4 mercury-free gold processing equipment: 1 unit in the Kuantan Singingi District, 2 units in the North Minahasa District and 1 unit in the Kulon Progo District.
 - (iv) Has developed 30 regulations and guidelines for mercury reduction in the PESK sector. Of the 30 regulations, 13 regulations related to gender have been signed by the Regents and villages.

- (v) Introduced 5 financial mechanisms for PESK miners to gain access to finance in building mercury-free gold processing equipment, including a direct grant mechanism from the project to mining cooperatives.
- (vi) Provided a mercury hazard campaign to nearly 14,000 people.
- (vii) The establishment of a gender responsive village for the small-scale gold mining community in Logas and Logas Hilir Villages in the Kuantan Singingi District which is the only village in Indonesia.
- (viii) Around 1457 people attended regulatory training, financial training, technology formalization and gender training from the national, provincial, district to village levels.
- (ix) Together with technical commission 7301, SNI 9035:2021 on mercury-free gold processing has been ratified.
- (x) The Indonesian government has reduced 11.6 tons of mercury use from 3 GOLD-ISMIA project sites, while from the mercury reduction almost 2 tons of mercury-free gold was produced. Still homework for the project is the sale of mercury-free gold to the formal market. So far, the project only managed to sell 756 grams of mercury-free gold to the formal market. Several obstacles are that the selling price in the formal market is lower and the buying and selling mechanism is not paid 100% in advance because it is waiting for the outcomes of the gold content test in the buyer's laboratory.

d. Mrs. Dewi explained the achievement percentage of the 4 project components as follows: Component 1 reached 150%, Component 2 is 87%, Component 3 is 62%, Component 4 is 64% and the gender Component 77%.

e. Further, Mrs. Dewi explained the project work plan in 2022 for each component as follows:

Component 1:

- i) Review of good mining practice guidelines to be issued by MEMR.
- ii) Review of draft document for a responsible and mercury-free mining village.

Component 2:

- i) Describe the process of submitting a grant or Low Value Grant Agreement to the Hargoselo Kencono Mining Cooperative in Kulon Progo, along with the

assessment criteria that will be included in the LVGA terms of reference, and describe the selection process which will be carried out by the assessment committee from UNDP, in this description it is hoped to obtain approval for the grant process, selection and evaluation process, up to the grant submission process to the designated Cooperatives (description of the attached assessment criteria).

- ii) Training for staff of financial institutions in two project sites.
- iii) Monitoring of LVGA implementation in 7 mining cooperatives.

Component 3:

- i) Construction of 1 unit of fix-plant equipment in North Minahasa, 1 unit of mobile-plant in South Halmahera, 4 units of micro-scale plant for North Gorontalo and West Lombok.
- ii) FGD with local government representatives and PESK miners at the project site to discuss the regional readiness to receive equipment grants and the related equipment design.
- iii) Carry out training on MOEF equipment in the Aro Island, BRIN equipment in Kulon Progo and AGC equipment in North Minahasa.
- iv) Formalization training for 2 project sites, followed by optimization of the equipment.
- v) Implementation of gold sales to the formal market.
- vi) Monitoring of equipment, commissioning and officialising equipment to be build later on.
- vii) Finalization of the design of a center of excellence for small-scale gold mining.

Component 4

- i) Implementation of mercury hazard campaign in 3 project sites webinar day.
- ii) Implementation of Kartini day and Environment day webinars.
- iii) Monitoring of project evaluation through field visits and media visits.
- iv) Compilation of project progress reports to UNDP, GEF and planetGOLD.
- v) Dissemination of project outcomes at national and international levels.
- vi) Preparation of BAST (Minutes of Handover) documents and verification of project items submitted by BRIN and MOEF.

Component Gender

- i) Carry out gender evaluation.
 - ii) Provide training for the PESK community to build gender awareness in the PESK sector
 - iii) Launch guideline document on gender mainstreaming.
 - iv) Awareness of gender and financial inclusion.
- f. The following is the total budget for the GOLD-ISMIA project of 6.72 million USD, whereas the proposed activities in 2022 that are mentioned above require a budget of 1,250,912 USD and in 2023 the project requires funds of 123,164 USD.
- g. Several matters that need to be approved by the Project Board Meeting are: (i) proposed budget changes for 2022 from USD 685,000 to USD 1,250,912, that are drawn from the remaining budget from 2018-2021; (ii) proposed 2023 budget from 0 to 123,164 USD. This is because the project only started in September 2018, so it needs a budget allocation until September 2023; (iii) proposed grant process, selection process and grant submission worth Rp. 387,000,000 through the Low Value Grant Agreement (LVGA) mechanism to the Hargoselo Kencono Cooperative to build 1 unit of mercury-free gold processing equipment, implement savings and loan business units, and increase institutional and human resource capacity of cooperative members; (iv) proposed modification of project indicators for management response, in accordance with the recommendations of the Mid-Term Review consultants.

Discussion Session

1. Anna Amalia

- Mrs. Anna Amalia expresses appreciation for the GOLD-ISMIA project which has been implemented for 3.5 years. She proposes that this year it is better to evaluate projects at the impact level, not only evaluating the outputs produced but also the impacts and benefits for larger outputs at the national or global level.
- The project should start thinking about an exit strategy for project sustainability, for example, if there is an intervention to formalize a policy or technology etc. what

needs to be carried out and needs to be regulated in planning documents at the national and regional levels so that it becomes formal and its sustainability can be maintained. Also to strengthen the necessary institutions because in the end the implementation for the sustainability of mercury-free small-scale gold mining is very dependent on the control in the mining community itself so as not to use mercury again.

- Regarding the approval of budget changes etc., we see that if there is an urgency to optimize the budget, in principle we do not object. The project management team certainly has detailed activities and budget plans that already exist and will be a better guideline for us to review.
- Replication of success in a number of project sites also needs to be considered.
- It is necessary to ensure that the management of waste containing cyanide also needs to be considered so as not to cause holistic problems.

2. Muhammad Wafid

- Regarding 3 matters that need approval from the Project Board, in principle we agree with all the proposed agenda, in terms of financial re-arrangements etc. For the record, it should be noted that for the appointment and delivery of grants to cooperatives, the status of the appointed cooperatives shall be considered, this is to avoid providing grants to cooperatives or mining activities that in quotes are illegal because it will have a bad impact.
- These GOLD ISMIA activities are indeed closely related or in-line with what is a program from MINERBA, namely the formalization of PETI, while we also always convey to the public that PETI is an illegal activity, which should be controlled towards small-scale gold mining activities that are comfortable and safe.
- We at MINERBA still have one task, namely to prepare the people's mining area or WPR which we are currently finalizing to become WPR. The GOLD-ISMIA project site becomes a pilot project for the formalization of PESK.

3. Yudi Prabangkara

- Mr. Yudi appreciates the reported achievements of GOLD-ISMIA. Since the Government of Indonesia ratified Law no. 11 of 2017 regarding the Ratification of the Minamata convention, it is a promise from the government that it is no longer part of the MOEF or MEMR etc. but this is a national agreement so that all parties shall

indeed support and be actively involved in this activity in order that the achievements of GOLD-ISMIA that have been initiated in recent years can also become an inspiration for the scientific community, academics and government institutions.

- Regarding the 3 main matters that need to be approved by the Board, I agree to the budget changes, the grant process, the grant selection process, up till the submission of grants to the appointed cooperatives and the modification of the matrix. Related to the budget allocation, I agree to be able to relocate the remaining budget from the previous year to become this year's budget and the last year later in 2023.
- Mr. Yudi said that GOLD-ISMIA's support for the formalization of PESK is not for controlling illegal miners to become legal but more specifically coaching on how what was illegal becomes legal.
- In addition, Mr. Yudi responded to the sales of mercury-free gold to the formal market which only reached 754 grams, so very little entered the formal market. This should be our common concern to achieve project targets.
- Mr. Yudi added that related to gender issues, it does not mean that we reduce gender roles, in particular women in the PESK sector, but instead must strengthen gold craftsmen who can support jewelry sales from the PESK sector and extend the industrial chain in support of a circular economy.
- Mr. Yudi also added that regarding technology, the project just needs to be socialized to the miners. He also expressed his appreciation to BRIN for carrying out research and finding alternative mercury-free gold processing technology.

4. Rudi Nugroho

- BRIN expresses extraordinary appreciation to the NPM GOLD-ISMIA team that has set out an extraordinary target in this 4th year. It is hoped that the remaining 1.5 years will be carried out well.
- BRIN agrees with all the matters proposed by NPM GOLD-ISMIA in the previous presentation because it is realistic and can speed up project acceleration to achieve targets and particularly Component 3, which progress is only 62% of BRIN, while the PIC is committed to working even harder in order to achieve the target in the remaining next 1.5 years to become 100%.

5. Rizky Bagastari Hupito

- The Multilateral Directorate of Bappenas expresses his gratitude for the invitation of the project Board which had been implemented 5 times and extends his appreciation for the achievement of the GOLD-ISMIA project that is quite good.
- The response from the Multilateral Directorate of Bappenas in terms of funding is that in principle it can agree if it can support the GOLD-ISMIA project to be more optimal with the consideration that if possible budget details from the activity planning that have been submitted in the previous presentation are also provided because only the exit strategy after the project is complete has been submitted.

6. Purnoto

- The Director of Loans and Grants has changed to Mr. Sulkani while Mr. Schneider moved to Deputy of Development Funding for Bappenas.
- Regarding the approval of budget changes, in principle, the Directorate of Loans and Grants of the Ministry of Finance agrees on changes to the budget and grants as well as the planned activities, but perhaps the considerations from the Directorate of Loans and Grants of the Ministry of Finance are related to BAST in order that it can be completed immediately so that later the process does not exceed the loan period which is up till September 5, 2023.

7. Anton Sri Probiyantono

- Need to agree on a budget revision because if it is not used it will be considered residual and will be returned to the donor.
- What was conveyed by Mr. Agus Prabowo is that it is necessary to pay attention to aspects at the global level apart from the Conference of the Parties 4 (COP 4) because in carrying out activities we are not alone but together with other countries, in particular 8 other countries on planetGOLD so that the Indonesian government also receives more praise for this global cooperation, not only the success at the national level of the GOLD-ISMIA project but also praise from the international level.

Conclusion and closing by Rosa Vivien Ratnawati

- Expresses gratitude for the opinions of the Board members, regarding inputs for future projects, **namely that all members agree to the entire main agenda presented by NPM GOLD-ISMIA**, of course with some input on how to carry out the work, so

that it can be implemented properly and can build a program that is ultimately for the elimination of mercury in Indonesia.

Closing by Henry Bastaman

- Expresses gratitude to the Director General of PSLB3 as well as the chairman of the project Board for approving and providing notes on all inputs from Board members to be considered and carried out in the project journey till the end.
- The project has had positive outcomes and hopefully it can produce the best achievements.