

BHP Billiton's IndoMet Project: Digging Deep into the Heart of Borneo

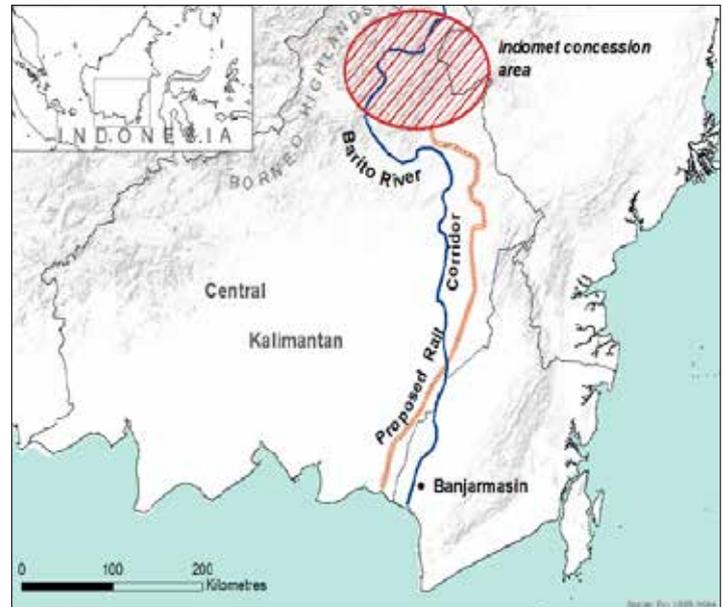
For centuries, the indigenous Dayak peoples of Indonesian Borneo lived from the abundant forests and rivers that blanketed the region. Now, BHP Billiton is planning to build a series of massive coal mines that would destroy primary rainforest, deprive indigenous peoples of their customary land, and pollute water sources relied on by up to 1 million people.

Known as the IndoMet Project, BHP Billiton's coal mining concessions span an area of 350,000 hectares, more than twice the size of Greater London. The concessions contain more than 1.2 billion tonnes of mostly metallurgical coal that would be shipped to Asian markets if the projects were developed.¹

The 7 concessions granted to BHP Billiton lie within the remote and largely undisturbed forests of central Borneo – forests recognised globally for their biodiversity.² The area is also



Indigenous Dayak villagers rely on the forest for food, water, non timber forest products and other sustenance. Credit: WALHI



the headwaters for the Barito River, one of the main arteries of Central and South Kalimantan, providing water, transport and sustenance for millions.

IndoMet and the Heart of Borneo

The IndoMet Project is located deep in Central Kalimantan in an area known as the “Heart of Borneo”. Covering an area the size of England and Scotland combined and spanning three countries, the Heart of Borneo is one of the largest transboundary rainforests remaining in the world. According to WWF, which has been closely involved in managing the Heart of Borneo initiative, the area is home to 6 per cent of the world's biodiversity, contains the headwaters for 14 of Kalimantan's 20 major rivers and provides food, water and livelihoods to 11 million people.

The area is known for the cultural and linguistic diversity of its indigenous Dayak peoples who depend on the forest for food, medicinal

plants, non-timber forest products and water. The Heart of Borneo is also a treasure trove of biodiversity. The area provides habitat for orangutans, pygmy elephants, clouded leopards, rhinoceros, proboscis monkeys and numerous other rare and endangered species.³ Such is the biological richness of these vast remote forests that new animal and plant species are discovered every year.

The IndoMet concessions contain an estimated 75,000 hectares of primary forest - some of the last remaining in Kalimantan - and many of these forests have not been independently surveyed. The secondary forests inside the concession areas provide a refuge for large numbers of orangutans who are already critically endangered and have already been displaced by rampant land-clearing in the more accessible lowland regions. If IndoMet goes ahead, their habitat will be threatened and they will face displacement once more.

Development for Whom?

The Upper Barito Basin contains the traditional lands of a number of indigenous Dayak groups. For these people, local forests provide a principal source of subsistence, including extensive traditional forest gardens with native fruits, vegetables, nuts and herbs, numerous small-scale forest products, medicinal plants and selective timber harvested for local homes.



Rainforest such as this is threatened by BHP Billiton's IndoMet Project. Credit: Andrew Taylor/WDM



Children playing in the Barito River near a coal loading facility. If IndoMet goes ahead, their river could become more polluted. Credit: WALHI

In the wide-ranging forests outside villages, extensive communal hunting grounds supply pigs and deer, and the rivers that flow from these forests provide healthy fisheries and basic household water for drinking, washing, livestock and horticulture. For the indigenous Dayak groups these forests are traditional homelands, a source of material life, and a bedrock of cultural and spiritual sustenance in a rapidly changing world. The project will directly impact ten villages that live in and surrounding the concession areas, affecting an estimated 10,000 people.

The project has already led to conflict in Maruwei, a village of 700 people near the Haju mine, the first of BHP Billiton's mining operations in the area. The World Development Movement has documented how Maruwei residents were forced to accept token payments of 100 rupiah (the equivalent of half a UK penny) per square metre for an area of their customary forest eight years ago.⁴ The local community did not possess formal deeds to the land, so BHP Billiton was able to claim that the paltry amounts given to local people were goodwill payments rather than compensation, and to take possession of the land without the informed consent of the community.

This runs contrary to BHP Billiton's commitments to obtaining the free prior and informed consent of indigenous peoples. As a member of the International Council on Metals and

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Credit: Paul K. Anderson.

The Indonesian government's 2011 Masterplan for the Acceleration and Expansion of Indonesian Economic Development (MP3EI) outlined plans for the construction of a series of coal railways in Kalimantan to dramatically accelerate extraction of coal. The IndoMet concessions cannot be fully exploited without the development of an associated railway to ship the coal out of the area.

This 425 km long railway – known as the Central Kalimantan railway – would open up even more of the rainforest to coal mining and other destructive extractive industries. BHP Billiton is one of six companies who have signed a commitment to use the railway if it is built. The project is being developed as a public-private partnership and would allow up to 50 million tonnes of coal to be shipped out of Central Kalimantan's rainforests every year. A consortium led by China National Railway won the tender to develop the project in April 2014, but the project is awaiting finalisation of government regulations and financing.

The government will need to acquire 27,000 ha of land for the project, yet so far no attempt to consult communities in the rail corridor has been made, and local regulations putting in place a public planning process are yet to be formalised. These people are currently in the dark as to what will happen to their homes.

Local communities have begun to speak up though, and a coalition of community groups from across Central Kalimantan is raising the alarm about the impact of the railway, and of the danger of the massive increase in coal exports that the railway will bring.

Mining, BHP Billiton has committed to obtaining the consent of indigenous peoples for mining operations affecting their land, including for "customary owners or occupants of land or resources."⁵

Said Yesmaida, wife of the head of the village of Maruwei, "We signed the agreement about the land with BHP but honestly didn't understand. The compensation was 1 million rupiah per hectare of land. The communities didn't agree this price and there was no process of negotiation. They just came and asked us to sign the form and then gave us the cash. Someone who had three hectares of land got

three million, two hectares got two million...we don't want BHP to operate along the Beriwit."⁶

The Barito River: Central Kalimantan's Lifeline

IndoMet's impacts could extend well beyond the concession areas. Borneo's tropical climate with high rainfall leads to extreme levels of erosion in disturbed upland areas, and heavy siltation and sedimentation on the populated lowlands. Open-cut mining contributes directly to increased erosion and often results in the leaching of heavy metals into waterways.

Deterioration in water quality has a direct impact on fish habitat and breeding areas and pollutes drinking water for people and livestock, resulting in major impacts on the health of downstream communities.

Approximately 1.3 million people live in the Barito River catchment, and hundreds of thousands of these people rely on clean fresh water from their local rivers every day to wash in and drink. Rural Kalimantan is one of Indonesia's poorest regions, and any undermining of healthy environmental systems impacts the rural poor the hardest. Moreover, Indonesian Borneo's second largest urban centre, Banjarmasin, population 625,000, is situated on the banks of the Barito River, and many urban poor rely on the river for their daily needs, and for transport, trade and a growing tourist economy.

Mining for gold and coal in the Upper Barito and neighbouring catchments has already resulted in marked deteriorations in river water quality. There have been reports from Maruwei village of industrial pollution and a steady decline in the quality of water in the rivers since mining began. There is a reported decline in fish numbers across the region over the last decade. The need for independent environmental monitoring and catchment restoration must be addressed before any further upstream development takes place. ■

BHP Billiton's IndoMet mine is a disaster in the making. If BHP Billiton is serious about becoming a leader in responsible mining, it should withdraw from IndoMet immediately and seek permanent protection for the area. The Heart of Borneo is simply too precious a place to destroy.

Sign the petition at wdm.org.uk/borneo

FOR MORE INFORMATION CONTACT:

WALHI, Friends of the Earth Indonesia: walhi.or.id

World Development Movement: wdm.org.uk

London Mining Network: londonminingnetwork.org

Down to Earth: downtoearth-indonesia.org

Friends of the Earth Australia: foe.org.au

Notes

1. BHP Billiton, *BHP Billiton Annual Report 2013*, September 2013, p.77.
2. http://wwf.panda.org/what_we_do/where_we_work/borneo_forests/
3. WWF, *The Environmental Status of the Heart of Borneo, 2014*, available at http://wwf.panda.org/what_we_do/where_we_work/borneo_forests/?220911/Deforestation-rates-in-the-Heart-of-Borneo-worrying-yet-hope-remains
4. Alexander Scrivener, *Banking Whilst Borneo Burns*, World Development Movement, 2013, p.37
5. International Council on Metals and Mining, *Position Statement on Indigenous Peoples and Coal*, May 2013, <http://www.icmm.com/document/5433>
6. *Banking Whilst Borneo Burns*, p.38

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