

Chinese-Indonesian joint venture mine breaches Indonesian laws, threatens communities.

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(13 October, 2021) —Dairi Prima Mineral (DPM) zinc mining project in Dairi Regency, is a joint venture between the Beijing-based mining conglomerate China Nonferrous Metal Industry’s Foreign Engineering and Construction Co., Ltd. (NFC) and Indonesian coal-mining giant Bumi Resources. The mine is currently under construction. In 2019 the Ministry of Environment and Forestry informed DPM that changes to the project design required new environmental approval. The environmental approvals process is intended to safeguard the environment and local people close to development projects. DPM subsequently provided an Addendum to the Environmental Impact Assessment that, amongst other things, requested a change in location for a tailings storage facility.

- ❑ In July 2021, DPM commenced on-the-ground work for a tailings storage facility in a location that the Indonesian government has not announced environmental approval for. Lawyers acting for community representatives believe, based on the 2021 Government Regulation number 22 on Environmental Implementation and Management, this is an environmental crime committed by DPM, and call for the all Indonesian government approvals for the mine to be terminated.
- ❑ A community petition with 2,200 signatures was presented to the Ministry of Environment and Forestry, demanding the mine be stopped.
- ❑ The bishop of the Batak Protestant church has written a letter to DPM saying the church refuses to relocate the Sopokomil church to make way for the proposed tailings storage facility.
- ❑ An expert review of hydrological aspects of the latest DPM Environmental Impact Assessment Addendum found DPM’s plans are fundamentally flawed and do not ensure the safety of the communities and environment. It also found that the addendum contains many contradictions and errors.
- ❑ A review of the Addendum by an international dam stability expert found that the proposed tailings storage facility would represent a severe danger to human life and the environment.

Mr. Tongam Panggabean, the Director of BAKUMSU, a legal group in Medan, North Sumatra, that is acting as legal representatives for concerned affected people, said: “The approval for the tailings storage facility has not been publicly announced in line with legal requirements. Yet, we now see on-the-ground work. We believe DPM is disregarding Indonesian laws.”

The work on the ground has been called “stone column testing” by DPM. Stone columns are said to be a way to extract water from under a tailings storage facility to reduce the risk of liquefaction in the event of an earthquake of the unstable foundation on which the tailings would be located.

“We call on the Indonesian government to withdraw any previous approvals for this mine and prosecute the company,” Panggabean added.

Mr. Adrianus Eryan, Head of the Forest and Land Division of the Indonesian Center for Environmental Law (ICEL) said “Indonesian law prohibits a mining company from starting on-the ground works related to tailings storage facilities, mine portals and explosive storage facilities prior to obtaining formal government environmental approval”.

“If DPM has been conducting activities without the required permit, (i.e. Environmental Approval), then its activities are illegal”, he added.

Mr. Barisman Hasugian from Sub-village 3 of Bonkaras Village said: “In all of their Environmental Impact Assessments, DPM do not even consider the possibility of a tailings dam failure. Yet we know this area is extremely high earthquake risk zone and the site is unstable. That’s why 2,200 people signed a petition to stop the mine.”

Ms. Menteria Situngkir from Bongkaras village, is also concerned about the tailings dam. “There are 10 villages down from the mine site. We know the waste will be toxic. This mine will poison us. Most of our water supplies come from downstream of the mine.”

Diakones Sarah Naibaho of the Christian NGO, YDPK, based in Parongil, near the mine site, said: “Earlier, the local church leaders were put under pressure to relocate one of their churches to make way for the tailings storage facility. Now, after listening to the voices of the community, the Bishop of the Batak Protestant Church has refused the relocation.”

Residents’ and church fears are well-founded. Dr. Steven Emerman, an expert on lead-zinc mine environmental issues, stated in an earlier report that, if NFC built this project within China, the dam would be illegal for safety reasons. Now he has reviewed a revised version of the DPM EIA Addendum noting that none of the issues in previous versions have been addressed. “Now, however, it is clear that, after closure of the dam, tailings pond water will flow through an emergency spillway and enter downstream waterways without treatment 15% of the time. Such a frequent discharge of untreated, likely toxic mine wastewater must be regarded as unacceptable by any standard.”

There is also a high risk of catastrophic failure of the tailings dam. The proposed dam site is in one of the most active earthquake zones in the world and close to the fault line that caused the 2004 Boxing Day tsunami. Dr. Richard Meehan, an expert with 50 years’ experience in dam stability in earthquake zones, expressed major concerns about the tailings dam the company plans to construct: “As well as extreme earthquake risk, in the 2019 EIA Addendum, DPM tried to gloss over the unstable geology at the proposed dam site. Now, in their April 2021 EIA Addendum, DPM admit the site has in places over 50 meters of unstable volcanic ash deposits.”

Meehan explained: “whatever the strength of the dam wall might be (even if it is massive concrete), if it rests on unstable foundations, it will fail by sinking, spreading or sliding, with either overtopping of the sunken dam wall or a local space breach that then enlarges and may substantially empty the TSF with discharge to the lands below.”

Meehan also noted DPM had used an outdated method for dam stability analysis: “the standards they used were old and improperly applied. The dam, if built, would almost certainly collapse or otherwise fail. They propose “stone column” stabilization, but these techniques are untested and likely inadequate.” He added “with many people living down from the proposed dam, this is no place to be using untested technologies.”

Mr. Merah Johansyah, National Coordinator of national mining network, JATAM, said: “the plan for this mine dates back to the old Suharto regime. It should never have been allowed in the first place. Now we see the company operating without regard for Indonesian laws and contrary to international standards. The people do not want it. It is dangerous to people and to the environment. It should be stopped.”

The DPM project is the subject of a complaint to the Compliance Advisor Ombudsman of the International Finance Corporation. The Ombudsman accepted the complaint in March last year because IFC’s financial intermediary client, Postal Savings Bank of China, is a major financial backer of mine’s lead developer.

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