

Report



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in small-scale gold mining.

A GEF Initiative

Documentation of planetGOLD Programme: Formalization Interventions in Indonesia

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Abbreviations/Acronyms

Abbreviation/Acronym	Definition
ASGM	Artisanal and Small-scale Gold Mining
ASM	Artisanal and Small-scale Mining
GoI	Government of Indonesia
GOLD-ISMIA	Global Opportunities for Long-term Development – Integrated Sound Management of Mercury in Indonesia’s Artisanal and Small-scale Gold Mining
IPR	<i>Ijin Pertambangan Rakyat</i> or People’s Mining License
IUI	<i>Ijin Usaha Industri</i> or Industrial Business License
MEF	Ministry of Environment and Forestry
MEMR	Ministry of Energy and Mineral Resources
NAP	National Action Plan
RAP	Regional Action Plan
SPPL	<i>Surat Pernyataan Pengelolaan Lingkungan</i> or The Environmental Letter
UNDP	United Nations Development Programme
WP	<i>Wilayah Pertambangan</i> or Mining Areas
WPR	<i>Wilayah Pertambangan Rakyat</i> or People’s mining areas

Executive Summary

The planetGOLD Indonesia project aimed to protect human health and the environment by reducing or eliminating mercury use in Indonesian artisanal and small-scale gold mining (ASGM). The project was implemented as a partnership program between the Government of Indonesia (GoI) and the United Nations Development Programme (UNDP) from 2018 until 2023. The Ministry of Environment and Forestry (MEF) was the project's main government partner.

The purpose of planetGOLD Indonesia's formalization component was to strengthen institutions and the policy/regulatory framework for mercury-free ASGM in Indonesia. The project acknowledged that achieving mercury-free ASGM requires the formalization of ASGM miners and groups. Therefore, the project promoted two main formalization interventions:

- Assisting the development of national and subnational policies on the reduction and abolishment of mercury as mandated by Law 11/2017
- Facilitating the formalization of ASGM miners as required by Law 3/2020, previously Law 4/2009.

As part of these efforts, the project, in collaboration with MEF, developed the national guidelines for the development of Regional Action Plans (RAPs) for mercury reduction. RAPs were required under the 2019 National Action Plan (the 2019 NAP). The project also successfully facilitated the 12 subnational governments in the project locations to develop their RAPs. At the national level, the planetGOLD Indonesia team also facilitated MEF in developing the National Action Plan for ASGM.

At the subnational and local levels, the project successfully assisted ASGM miners in establishing 38 new ASGM cooperatives and strengthened the management capacity of 22 ASGM cooperatives. The project facilitated ASGM cooperatives in submitting applications for establishing mining areas, and for obtaining environmental and mining permits, across all project locations. However, at the time of project closure, only ASGM Cooperatives in Tatelu Village, North Sulawesi, had received the environmental permit. The main reason for the delays was the fact that ASGM policies and regulations were in transition, with multiple amendments impacting the ASM governance in Indonesia within the period of 2018 to 2022.

The planetGOLD Indonesia project contributed to the process of the mining law revision for matters that were relevant to ASM in Indonesia. The project also mainstreamed gender into all activities of the formalization interventions at the national, subnational and local levels.

The ASGM formalization efforts in Indonesia require continued facilitation at the multiple levels to achieve the target of zero use of mercury by 2030¹. Lessons learned and results from the project, in the form of guidebooks, policies, and training modules, can be further utilized for scaling up ASGM formalization efforts in the current project locations and beyond.

¹ The Presidential Decree 21/2019 sets the target until 2025. The NAP for ASGM however sets a series of actions until 2030 for the mercury reduction and elimination in Indonesia. Therefore, this report uses the target until 2030.

1 Background on Formalization interventions

Background and Context

The planetGOLD Indonesia project (known locally as ‘Global Opportunities for Long-term Development – Integrated Sound Management of Mercury in Indonesia’s Artisanal and Small-scale Gold Mining (ASGM),’ or GOLD-ISMIA in short) aimed to protect human health and the environment by reducing or eliminating mercury use in the Indonesia ASGM sector. planetGOLD Indonesia was implemented as a partnership program between the Government of Indonesia (GoI) and the United Nations Development Programme (UNDP) from 2018 until 2023. The Ministry of Environment and Forestry (MEF) was the main government partner institution for the project.

The planetGOLD Indonesia project’s formalization component was aimed at *strengthening institutions and the policy/regulatory framework for mercury-free ASGM in Indonesia*. For the ASGM formalization interventions in Indonesia, the project focused on improving the implementation of two main laws relevant to the ASGM sector. The first law was Law 11/2017 on the Ratification of the Minamata Convention. Under this law, the GoI developed the National Action Plan (NAP) in 2019 on the reduction and abolishment of mercury (the 2019 NAP) with [a legal status of Presidential Regulation 21/2019](#). The 2019 NAP requires sub-national governments to develop a Regional Action Plan (RAP) translating the 2019 NAP into the provincial/regency targets and contexts. In addition, because the 2019 was not specific to ASGM, the GoI (via MEF) needed to develop a NAP for ASGM as the extension of the 2019 NAP that specifically focuses on the ASGM sector.

The second law was Mining Law 4/2009 (later amended with Mining Law 3/2020). The mining law requires artisanal and small-scale mining (ASM) including ASGM to be legalized and provides the requirements for ASM formalization. ASGM legalization is the first step to allow ASGM miners to receive assistance from national and subnational governments so that they can contribute to the reduction and abolishment of mercury in ASGM operations.

The planetGOLD Indonesia project, however, faced challenges in advancing the formalization of ASGM miners, because Law 4/2009 needed to be amended due to the introduction of Law 23/2014 on regional development. Law 23/2014 changed the authority governing ASM, from regency governments to the national government. The amendment of Law 4/2009 was not finalized until 2020 with the introduction of Law 3/2020. In the transition period of 2014 to 2020, matters in relation to ASM were managed by the national government. However, once Law 3/2020 was introduced, the ASM authority changed from the national government to the provincial government. The subsidiary regulations of Law 3/2020 detailing the role of provincial governments and the process of formalization were not available until the end of 2022, with some clauses still open for various interpretations between different levels of government, across ministries, and even within the same ministry (i.e., the internal MEF divisions have multiple perceptions for the type of the ASGM environmental permit and its documentation).

With the above rationale and challenges, planetGOLD Indonesia focused the formalization interventions on both assisting the national government with input in the amendment process of Mining Law 4/2009, and facilitating ASGM miners to be legalized so they could benefit from planetGOLD Indonesia's other components that aim at:

- establishing financing lending arrangements to provide loans for mercury-free processing technologies,
- increasing capacity for mercury-free ASGM through the provision of technical assistance, technology transfer, and support for formalization, and
- raising awareness, as part of strengthening the capacity of ASGM miners and communities to conduct sustainable and responsible ASGM operations.

2 Formalization Interventions Chosen

As described above, to achieve the objective of the formalization component at *strengthening institutions and the policy/regulatory framework for mercury-free ASGM in Indonesia*, two interventions were chosen:

Intervention One: Assisting the development of national and subnational policies on the reduction and abolishment of mercury (the implementation of Law 11/2017).

Intervention Two: Assisting the formalization of ASGM miners (as required by Law 3/2020, previously Law 4/2009).

Intervention One was designed to strengthen the capacity of the national government (MEF) to implement the 2019 NAP on mercury reduction and abolishment as mandated by Law 11/2017 on the Indonesian Ratification on the Minamata Convention. This was achieved by facilitating the development of the national guidelines for developing RAP at the subnational level (by provincial and regency governments) and the development of NAP specific to the ASGM sector (NAP for ASGM). Under this intervention, the project also assisted the 12 subnational governments within the project locations in developing RAPs once the national RAP guidelines were finalized.

Intervention Two was arranged to support the legalization of ASGM miners based on Law 3/2020.

Gender mainstreaming has been part of both interventions through training activities and the inclusion in national policy documents (i.e., national guidelines for RAP and the NAP for ASGM) and subnational policy documents (the RAP in each province/regency). At the community and mining site levels, gender-sensitive mining practices were promoted.

3 Intervention One: the development of national and subnational policies on the reduction and abolishment of mercury

Description of the intervention

This intervention was designed to support the implementation of Law 11/2017, including its 2019 NAP, to achieve zero use of mercury by 2030. [The 2019 NAP](#) is administered by MEF and it has a legally binding status (Presidential Regulation 21/2019 translated into MEF's ministerial Regulation 81/2019) to the sub-national governments across Indonesia. Therefore, planetGOLD Indonesia assisted MEF in implementing [the 2019 NAP](#) through three main activities.

First, [the 2019 NAP](#) requires provincial and regency governments to develop RAPs across Indonesia (34 provinces and more than 500 regencies/cities). The MEF's Ministerial Regulation P.18/Menlhk/Setjen/Kum.1/10/2019 mandates subnational governments to develop RAPs for the reduction and abolishment of mercury at the provincial/regency level since 2019.

When the planetGOLD Indonesia project commenced in 2018, none of the sub-national governments had produced RAPs. To expedite the development of RAPs, the project assisted MEF in developing national guidelines for RAP. The guidelines serve as guidance for subnational governments across Indonesia to develop RAPs.

Second, in parallel with the development of national guidelines for RAP, and in collaboration with the United Nations Environment Program, and Basel and Stockholm Conventions Regional Centre for Southeast Asia, the project assisted MEF in the development of a National Action Plan for the ASGM sector ([The Indonesia NAP for ASGM](#)).

Lastly, once the national guidelines for developing RAP were finalized, the project assisted 12 provincial and regency governments in the project locations to develop RAPs. The development of RAPs involved three main steps (as highlighted in the [Guidebook #1](#)):

- The technical assessment involved the identification of mercury uses in ASGM but also covered other sectors like infrastructure, energy, and health sectors. The assessment then investigated challenges and determined the target of mercury reduction and abolishment in each province or regency.
- Developing the RAP document involved the identification of priority actions to achieve the stated target of mercury reduction and abolishment in various sectors, including ASGM.
- Finalizing the RAP document required the obtain of a legal status in which planetGOLD Indonesia assisted the regulatory process of the RAP document through the provincial or regency regulation.

National policies (the RAP guidelines and the Indonesia NAP for ASGM) and regional policies (RAP documents) under Law 11/2017 have specifically considered the mainstreaming of gender (see Section 5.1 on the gender mainstreaming).

Target Areas and Target Groups

The development of national policies (RAP guidelines and NAP for ASGM) was conducted in partnership with MEF. The activity was conducted at the national level. The products i.e., the RAP guidelines (in the form of guidebooks) are intended for use by the provincial and regency governments across Indonesia, especially for subnational governments in the project locations involving 6 provincial governments and 6 regency governments:

Provincial Governments:	Regency Governments:
Special Province of Yogyakarta	Kulonprogo Regency
Riau Province	Kuantan Singingi Regency
West Nusa Tenggara Province	West Lombok Regency
Gorontalo Province	North Gorontalo Regency
North Sulawesi Province	North Minahasa Regency
North Maluku Province	South Halmahera Regency

In addition to the 12 targeted subnational governments for the project, other subnational governments in Indonesia have also used the RAP guidelines.

Partners and Key Stakeholders

At the national level, planetGOLD Indonesia partnered with MEF as the national focal point of the Minamata Convention in Indonesia and the responsible ministry to implement the 2019 NAP and supervise the development of RAPs as one of the 2019 NAP's actions.

In each province and regency, the project worked collaboratively with the Environmental Agency as the responsible government institution to develop and implement RAPs for mercury reduction and abolishment. The development of RAPs required the involvement of multi-stakeholders like multiple technical agencies (e.g., energy and mineral resource agency, infrastructure agency) and the local parliament to legalize the RAPs.

Main Activities, Outputs, and Achievements

Developing national guidelines for the development of RAPs at the subnational level

The planetGOLD Indonesia project and its partner (MEF) produced guidelines in the Indonesian language in 2020 that consist of four guidebooks:

- [Guidebook #1: Mercury reduction and abolishment policy in Indonesia](#)—describes the obligation of the subnational governments (governors and regents) to develop RAPs based on aspects mentioned in the four guidebooks.
- [Guidebook #2: Mercury and its impact on the environment](#)—guides the development of the province/regency profile, the use of mercury, and the impacts of mercury on the environment. It also provides calculation methods for mercury emissions and contents on sediments, plants, and biotas.
- [Guidebook #3: Mercury and its impact on human health in the ASGM sector](#)—describes the impacts of mercury on human health and methods to measure mercury in human bodies.
- [Guidebook #4: Technology on gold processing in the ASGM sector in Indonesia](#)—compares bad cases of gold processing using mercury and good practices of alternative technology in gold processing.

These four guidebooks were then used as guidance to assist the development of RAPs in the six project locations involving 12 subnational governments (Section 3.4.3).

Assisting the development of the Indonesia NAP for ASGM

The planetGOLD Indonesia project assisted MEF in developing [The Indonesia NAP for ASGM](#) published in 2022. [The Indonesia NAP for ASGM](#) is the expansion of the [2019 NAP](#) discussing specific actions to reduce and eliminate mercury in the ASGM sector. It was developed based on the [UN's global guidance](#) for the Minamata Convention Signatories to develop each country's NAP for ASGM.

[The Indonesia NAP for ASGM](#) provides information on the estimated mercury quantities used in the ASGM sector (as a baseline) and suggests actions to eliminate the worst practices of mercury by promoting mercury-free processing technologies. [The Indonesia NAP for ASGM](#) identifies that ASGM formalization is key to allowing ASGM miners to access alternative technologies and this formed the justification for assisting miners with formalization as an intervention under the project.

[The Indonesia NAP for ASGM](#) also identifies the importance of coordination between relevant ministries and agencies and different levels of government in formalizing the ASM sector. The planetGOLD Indonesia team improved the ministerial coordination through the

project's formalization working group led by MEF. The project also intensively liaised with the Ministry of Energy and Minerals Resources (MEMR) to advance the formalization of ASGM miners in the project locations (the second formalization intervention, described below).

Facilitating the development of RAPs at the subnational level

The planetGOLD Indonesia project achieved its targets to work with subnational governments in the project locations and successfully developed twelve RAPs on mercury reduction and abolishment at the provincial/regency level. The project country manager suggested this subnational support for the development of RAPs was the first in Indonesia.

The project facilitated the development of RAPs through several [stages](#):

- Preparation stage—by identifying relevant government agencies at the provincial/regency level and creating a task force for the development of RAPs.
- Technical assessment stage—the team collected data and information to prioritize sectors as the target of RAPs including the ASGM sector. At this stage, relevant regulations, and challenges were identified.
- Writing of the RAP documents, which consist of executive summary, the profile of specific province/regency, and the mercury baseline from each sector priority including the ASGM sector.

Specific to the ASGM sector, the RAP provides information on:

- the geographical location, number of people involved, and legal status of ASGM operations
- identifying mercury use, and gold processing technology
- identifying the distance of ASGM from the nearby communities
- discharge and waste management including the quantity of mercury emissions,
- any health indications of mercury impact on human bodies.

The common actions proposed within RAPs include:

- the urgency of ASGM formalization including the creation of Cooperatives
- the promotion of good mining practices with mercury-free technology
- preventive actions (i.e., occupational health and safety measures) to mitigate the impacts of mercury on human bodies
- educating ASGM miners, governments, and communities on the impact of mercury.

RAPs were developed based on the national guidelines and these translated the national target on the reduction and elimination of mercury, based on the specific context of each province or regency.

RAPs mainstreamed gender by prioritizing gender-sensitive programs. The planetGOLD Indonesia project also assisted [the initiative of the gender-responsive village in ASGM, for example in Logas village, Kuantan Sengingi Regency in Riau Province](#). The objective of this gender-responsive village in ASGM was to promote gender equality in ASGM and broader village governance, by encouraging village authorities to have gender balance in village institutions.

Logas village was the first village in Indonesia to incorporate gender in the village regulations. The Logas Village Regulation describes good mining practices—what activities (including gold processing) are allowed or are not allowed due to their impacts on women. Also, this village regulation mandates a gender balance in the village activities for ASGM planning and decision-making processes.

Overall, the planetGOLD Indonesia activities at the mining sites promoted gender mainstreaming principles by considering the roles and responsibilities of women miners and considering the specific impacts of mercury on women and children. The Logas Village Regulation was also developed to implement good mining practices to achieve the goal of zero mercury use in ASGM.

Communication strategy and monitoring

National level — Four guidebooks (RAP guidelines) were written in the Indonesian language to be used by subnational governments. The project, in collaboration with the government partners, conducted socialization and dissemination of these guidebooks at national and subnational levels. The project communication team used guidebooks #2 and #3 as references to conduct awareness-raising and campaign activities at multiple levels.

The guidebooks are available on [the planetGOLD global website](#) and the [planetGOLD Indonesia website](#) for local outreach in the country. The guidebooks are now owned and communicated by the Directorate of Dangerous and Poisonous Substances Management, MEF. MEF is responsible for advancing the development of RAPs beyond the project's locations.

Subnational level — The development of RAPs involved a series of meetings and consultations with relevant agencies at the sub-national level. A task force consisting of relevant technical agencies at the subnational level was formed. The planetGOLD Indonesia project's consultant assisted with the legal process involving multiple meetings with government agencies and people representatives at the subnational level.

Local (village) level — Similarly, the legal process for the gender-responsive village in ASGM involved intensive facilitation led by the project's appointed consultant. The consultant supported and facilitated meetings for the village regulation, and for the head district and the regent decrees.

Learning

The guidebooks (RAP guidelines) were used (and tested) at the project locations. The 12 subnational governments at the project locations developed their RAPs based on the

national guidelines. These have provided evidenced-based policy development to other subnational governments across Indonesia in developing RAPs.

So far, there have been 16 RAPs across Indonesia of which 12 RAPs were developed by the sub-national governments within the project locations (assisted by the planetGOLD Indonesia project). The additional four sub-national governments (outside the project locations) that have developed their RAPs are West Java Province, Jambi Province, West Sumbawa Regency, and Sumbawa Regency. These subnational governments did not receive assistance from the project. However, they followed the national guidelines for RAP developed by MEF assisted by the planetGOLD Indonesia project. The project country manager shared the process and documentation for the development of RAPs with these subnational governments. That is, the project country manager often received invitations during the project lifetime, to be the source person to discuss and help other sub-national governments in developing RAPs on mercury reduction and elimination. This demonstrates that the project has contributed to knowledge sharing and learning in the development of RAPs.

RAPs have considered gender issues by prioritizing gender-sensitive programs. As mentioned above, the planetGOLD Indonesia team also assisted [the initiative of the gender-responsive village in ASGM, for example in Logas village, Kuantan Sengingi Regency in Riau Province](#). The objective of this gender-responsive village in ASGM was to promote gender equality in ASGM and broader village governance, by encouraging village authorities to have gender balance in village institutions.

4 Intervention Two: Assisting the formalization of ASGM miners

Description of the Intervention

To achieve the 2019 NAP target of reducing and eliminating mercury use in ASGM, miners need to be formalized. Without being formalized, ASGM miners are not able to receive assistance to have cleaner, mercury-free technologies in gold processing. Being formalized can also give opportunities for ASGM miners to have access to formal financing. Financial institutions can only support ASGM groups in Indonesia if their operations are legal and aligned with the existing regulations. Therefore, the second formalization intervention of planetGOLD Indonesia was to assist the formalization processes of ASGM miners and informal groups by creating ASGM Cooperatives, obtaining technical and environmental permits, issued by relevant government agencies, and conducting capacity-building on good mining practices at the ASGM communities and mining sites across the project locations.

Assisting the ASGM formalization, however, was not a straightforward task. The ASGM regulatory uncertainties—the changing regulations and authorities in governing ASGM e.g., the changing of mineral law from Law 4/2009 to Law 3/2020, have changed the landscape of the ASGM regulatory framework and this led to, in 2021, a regulatory assessment and re-evaluation of the project’s formalization strategy.

Target Areas and Target Groups

The GoI selected six priority project sites for the implementation of the planetGOLD Indonesia activities including,

- Hargorejo village, Kulonprogo District, Yogyakarta Province
- Logas village, Kuantan Singingi Regency, Riau Province
- Buwun Mas village, West Lombok Regency, West Nusa Tenggara Province
- Hulawa village, North Gorontalo Regency, Gorontalo Province
- Tatelu village, North Minahasa Regency, North Sulawesi Province
- Anggai village, South Halmahera Regency, North Maluku Province).

These areas were the target areas for providing formalization assistance, especially at the community and mine sites.

Partners and Key Stakeholders

National level—the planetGOLD Indonesia team closely worked with the formalization working group (specifically MEMR) to influence the amendment of Law 4/2009 for matters relevant to the ASGM sector. Also, the project worked with MEF to get clarity for the authorities and requirements for the issuance of the ASGM environmental permits.

Subnational and local levels—the planetGOLD Indonesia team worked in partnership with the governors in the six provinces and relevant technical agencies (e.g., the environmental agency, cooperative agency, and energy and mineral resource agency) at the provincial and regency levels to advance the ASGM formalization submissions. At the local level, the project assisted men and women ASGM miners and Cooperatives for the ASGM formalization processes and conducted capacity building programs for them.

Main Activities and Outputs/Achievements

Conducting the assessment of the ASGM regulatory framework and re-evaluation of ASGM formalization strategy under the project

The planetGOLD Indonesia project assessed the Mining Law 4/2009 to understand aspects that could have been suggested for improvements in the revision processes. For example, the project facilitated ASGM miners to meet and talk with the responsible governments to influence the change of the legal tunnel depth for hard rock ASGM operations from 25 meters to 100 meters. This aspect was successfully accommodated in the Mining Law 3/2020.

Despite this success, all matters including the issuance of IPRs and IUIs were on hold until the subsidiary regulations of 3/2020 were issued.

The project also conducted an assessment of the ASGM regulatory framework and mapped the legal status of the ASGM miners and their associated organizations across all the project locations in 2019. There are several requirements for ASGM miners to be legalized:

- ASGM operations need to operate within areas that have been declared as people's mining areas (known as *wilayah pertambangan rakyat* or WPR) by the Minister of EMR. WPRs are stated in the regional (provincial and regency) spatial plans.
- ASGM miners or ASGM organizations must hold the people's mining permit (known as *ijin pertambangan rakyat* or IPR).
- ASGM miners or ASGM organizations must hold *ijin usaha pertambangan* or IUI for the gold processing activities.
- Although it was not compulsory under Law 4/2009, cooperatives are the preferred institutional form of organization of the ASGM operations.

The legal mapping showed that the project locations had different legal maturity across the ASGM legal parameters, and they were divided into three categories:

- Category 1 (having WPR, IPR with no IUI): North Minahasa, South Halmahera, and Kulon Progo Regencies.
- Category 2 (having WPR, with no IPR and IUI): Kuantan Singingi Regency
- Category 3 (without WPR, IPR, and IUI): North Gorontalo and West Lombok Regency.

The baseline data showed that across the project locations, there were 4 blocks of WPRs, 7 IPRs, 27 ASGM miners' groups (with 22 Cooperatives and 5 informal groups or *kelompok masyarakat*) and no IUIs.

Initially the planetGOLD Indonesia project aimed to support 60 Cooperatives (22 existing and 38 new Cooperatives), with all Cooperatives targeted to operate within WPRs with IPRs and IUIs. However, these ideal targets were unachievable due to various local and national factors that were present at the mining locations. The planetGOLD Indonesia team documented [the challenges and lessons](#) from the formalization activities at the local level, including the high complexities and dynamics of ASGM groups, the halting of issuance of all mining licensing processes due to the non-existence of the subsidiary regulations under Law 3/2020 and many others.

A significant issue contributing to the complexity of the implementation of the planetGOLD Indonesia's formalization intervention was the unclear responsibilities (and requirements) to obtain mining and environmental permits as the laws kept changing with the latest change in the mining Law from Law 4/2009 to 3/2020.

Because of the regulatory changes, the planetGOLD Indonesia project conducted [its second assessment on the achievement of the formalization intervention in 2021](#) and adjusted the

project formalization intervention strategy in the second half of the project lifetime to support: 1) the creation of ASGM cooperatives (and its necessary training programs); 2) assist ASGM cooperatives to obtain mining and environmental permits and 3) conduct training to improve ASGM mining practices as discussed below.

Supporting the creation of ASGM cooperatives including necessary training programs

The planetGOLD Indonesia project assisted ASGM miners in organizing themselves into a Cooperative setting. This is because Law 3/2020 states that *kelompok masyarakat* or informal groups of ASGM miners are no longer eligible to be IPR and IUI holders. IPRs can only be awarded to either individuals or Cooperatives. Cooperatives however were the preferred option to be assisted by the project².

Based on [its 2021 assessment](#), the project targeted to support the establishment of 38 new ASGM Cooperatives and further assistance to the 22 existing ASGM Cooperatives, for a total of 60, which is equal to 10 ASGM groups in each project location on average. These numbers were based on the readiness of the ASGM communities, based on leadership, and the potential for managerial capability. The project found that convincing miners to join and work in a Cooperative setting was not easy. The idea of Cooperatives was new to ASGM miners. Another reason is that ASGM miners are very secretive and tend to work individually or in an informal group to keep the secret of the gold location and the quantity that they got.

To solve the above issue, the project conducted socialization with the message that ASGM miners can operate individually, however, obtaining permits would be expensive, require technical assessments, and be time-consuming to meet all documentation. The project successfully convinced ASGM miners to be in a Cooperative setting so that they collectively could prepare all the requirements to obtain technical and environmental permits. Also, the project communicated to ASGM miners that the project's assistance for ASGM legalization could only be advanced if ASGM miners are part of a Cooperative.

Assisting ASGM Cooperatives to obtain environmental permits and IPRs, as well as WPR establishment

Once the ASGM Cooperatives were established, the planetGOLD Indonesia project continued its formalization program assisting ASGM Cooperatives to prepare all documents for the IPR application but first, the environmental permit needed to be obtained.

An environmental permit is required for the IPR application (as provided in Law 3/2020), but it has its legal basis and procedures based on Law 32/2009 on environmental protection and management and Government Regulation 27/2012 on environmental permits.

² Cooperatives have a high level of bankability based on the planetGOLD Indonesia's financial assessment for ASGM.

Unfortunately, both regulations do not explicitly and specifically regulate environmental permits for people's mining in Indonesia³. The regulations are open for various interpretations regarding the type of documents needed for an environmental permit for ASGM both at the national level (within MEF) and across the provincial governments within the project locations. For MEF, it took 1.5 years (in 2023) to decide their position on the ASGM environmental permit and that was up to the end of the project.

Most provincial governments in the project locations did not want to advance the process of the environmental permits as they waited for the MEF decision. An exception was the North Sulawesi Province; this province interpreted that the IPR application process has been delegated to the Provincial Government (Law 3/2020), therefore, the Governor has the power to decide the requirements for the environmental permit. In this case, the North Sulawesi Governor agreed to advance the environmental letter (*Surat Pernyataan Pengelolaan Lingkungan – SPPL*). Subsequently, the project was able to assist with the technical assessment for the environmental letter and other required documentation for the IPR submissions.

Despite the success of preparing all documents for the IPR submissions, the One-Stop-Service (OSS) online submission was not ready to complete the IPR application conducted at the provincial level. It required approval from the MEMR. Overall, planetGOLD Indonesia was only able to assist in the issuance of the environmental permit in Tatelu village (North Sulawesi Province). For the other five sites, the project assisted in the process, but these sites were not able to have the environmental permit by the end of the project.

Another challenge in the process of IPR issuance was for the category 3 project locations (the non-existence of WPRs) i.e., in North Gorontalo and West Lombok Provinces. planetGOLD Indonesia in collaboration with the Gorontalo Provincial Government developed [a technical review report for establishing WPR in Hulawa Village](#) and found multiple barriers, including institutional, policy, technical, and socioeconomic aspects in the process of WPR establishment. The establishment of WPR in Hulawa Village was not successful as MEMR returned the WPR application to the Gorontalo Provincial Government due to the proposed areas within forested areas, near rivers, and within large-scale mining concession areas. Also, the WPR proposal did not have an estimation of the gold deposit that will be mined by ASGM Cooperatives. The planetGOLD Indonesia project appointed a resource person to further assist the process, but up to the conclusion of the project, the WPR was unsuccessfully granted due to regulatory challenges beyond the control of the project. Furthermore, WPRs need to be established by the MEMR through *wilayah pertambangan* (WP) or mining areas. Within the project lifetime, the Hulawa WPR proposal was not able to be finalized as WP can only be revised through the five-year cycle. The process was due in 2022, but it would require an extensive task for MEMR to coordinate all

³ Depending on the size of a project, there are several levels of environmental documents to obtain environmental permit or environmental letter. Environmental Impact Assessment document (ANDAL) and its environmental management and monitoring documents (RKL/RPL) are required for an environmental permit (large-scale projects); RKL/RPL are required for an environmental permit (medium-size projects); or agreements with nearby communities, village and district governments are needed for the application of the environmental letter (SPPL).

provinces and regencies across Indonesia to propose WPRs and other industrial mining areas. Such task was beyond the scope of the project formalization scope.

Overall, by the end of the project's lifetime, the planetGOLD Indonesia project was unsuccessful in facilitating ASGM groups (especially new ASGM Cooperatives) to obtain IPRs or IUIs due to these many challenges. The project, however, has laid the fundamental work in providing examples of the WPR establishment proposal (with the case of the Hulawa Village, Gorontalo Province), and IPR applications including the environmental permit issuance as the case of the Tatelu Village, North Sulawesi Province.

Conducting capacity buildings on good mining practices

The planetGOLD Indonesia team conducted awareness and capacity-building activities through training at the community and ASGM sites on topics of good mining practices, financial management, formalization, gender, and the danger of mercury. These activities were documented through training modules with some in the Indonesian language (can be downloaded through <https://www.planetgold.org/languages/indonesian>) including:

- Gold mining practice handbook for small-scale primary gold mining sector - this training helped ASGM miners and cooperatives to meet the environmental and technical mining permits. The training also covered environmental management and rehabilitation.
- Story from a mining village, Banyungalir Village - this story provided evidence-based good mining practices that can be learned by other ASGM miners.
- Training Module: *Pelatihan pengelolaan keuangan untuk koperasi dan keluarga penambang emas skala kecil (PESK)* [training on financial management for Cooperatives and ASGM families] - financial training was needed for Cooperative management, including the accountability and transparency aspects of Cooperative finance system. Financial training was also conducted for ASGM miners and families, to help them in family budget management to avoid high debts.
- Training Module: *Modul pelatihan membangun kesadaran gender untuk komunitas pertambangan emas skala kecil (PESK)* [training on gender awareness building for ASGM communities] - planetGOLD Indonesia promoted gender-sensitive ASGM operations including the role of women in village decision making.
- Training Module: *Modul pelatihan formalisasi untuk sektor pertambangan emas skala kecil (PESK)* [training on ASGM formalization] - this training was specifically designed to improve the capacity of local governments and ASGM miners/Cooperatives to understand Laws, their requirements, and processes in obtaining the environmental letter and ASGM permits.
- Training Module: *Modul pelatihan peningkatan kapasitas pemerintah dalam sektor pertambangan emas skala kecil (PESK)* [training on ASGM formalization] - this

training was specifically designed for subnational governments to understand their responsibilities to manage the ASGM sector as mandated by Law 3/2020.

- Video: Panning hope, achieving dreams: Helping women miners in Indonesia – this video helped to visually understand the role of women in ASGM and therefore, their voice can be included in the ASGM policies, especially at the village and mining sites.

5 Cross-cutting Issues

Gender

Gender mainstreaming had been an essential element of the project as it aimed to integrate the gender equality concept into ASGM policies and promote equal and inclusive access to financial services and capacity-building events⁴. To this end, the planetGOLD Indonesia project developed the [guideline for gender mainstreaming in ASGM](#) in 2022. The development of the guideline involved multiple reviews, a series of discussions, and reviews involving institutions and experts, and it received validation from relevant ministries and institutions.

This guideline aligned with Presidential Instruction 9/2000 concerning gender mainstreaming in national development. The guideline required gender analysis and the inclusion of results from this analysis into the development of RAPs, as well as into the planetGOLD Indonesia formalization (and other pillars) activities.

The planetGOLD Indonesia project also developed [a specific module training to strengthen the capacity of subnational governments in the ASGM sector](#). The module was developed based on evidence from the project locations including gender (in)justice, the role of women in ASGM and opportunities for women in ASGM formalization. The module was used throughout the capacity-building activities for institutional strengthening in understanding gender equality and equity principles and a concept for community development based on inclusive participation.

Lastly, the project conducted [gender mapping in ASGM in the 6 project areas](#) and developed [a module for gender awareness and sensitization in ASGM communities](#). The gender module provides guidance for the planetGOLD Indonesia team in conducting participatory gender training at the ASGM communities and mining sites. It promotes gender equality and covers topics of gender mainstreaming in village development, ASGM, mercury campaigns, and household financial management. Furthermore, the project supported the elaboration of the concept of a gender-responsive village, based on the idea of encouraging village authorities to promote gender balance in their institution and the community level.

Based on the concept, [a gender-responsive village was established in the Logas Village, Kuantan Singingi regency](#) in cooperation with the Ministry of Women Empowerment and Child Protection. Among others, the Logas village regulation regulates the number of women (50%) as members of village institutions, the involvement of the representatives of women groups in decision-making processes, and the requirement of gender information

⁴ See the GOLD-ISMIA Termination Report.

in the village profile. The Logas village also developed the ‘do and don’t practices’ in the ASGM operations due to the impacts on women.

Local Communities

ASGM miners are part of the ASGM communities through the village administration. The planetGOLD Indonesia team intensively engaged with the village governments and village communities as part of the ASGM communities. The engagement with village governments were done through the consultation when preparing technical assessment for the environmental permit as well as through village letters as part of the application for establishing Cooperatives, WPR proposals and IPR submissions. Also, local communities were engaged in the establishment of a village regulation, for example, in Logas Village, Kuantan Singingi Regency, Riau Province.

Environmental Issues (Beyond Mercury) and Climate Change Issues

Issues beyond mercury like environment, infrastructure, forest, water, and many others are discussed in RAPs as part of the background context and profile of a specific province or regency. RAPs provide baseline information about mercury emissions from ASGM, and it also identifies mercury sources from other sectors, e.g., health and infrastructure.

Another context of environmental consideration is through the process of obtaining the environmental permit as part of the IPR application. ASGM Cooperatives are required to conduct environmental assessments (e.g., environmental management system including discharges from the gold processing, and environmental rehabilitation) to obtain environmental permits, and this is a key requirement for the IPR application. Climate change issues however are not covered. The project helped in conducting the assessments and drafting the documents.

Human Rights

The ASGM formalization efforts are to assist ASGM miners to be legalized. Informal ASGM miners often become the subject of law enforcement due to ASGM activities outside the legal framework. Formalizing ASGM operations in Indonesia helps to promote the rights of ASGM miners to have livelihoods, better health, and work safety arrangements.

6 Findings, Experiences, and Lessons Learned

Highlights of Formalization Interventions

The planetGOLD Indonesia’s formalization interventions were designed to align with the national government’s priorities to address the barriers to reducing and abolishing mercury use in the ASGM sector so that Indonesia meets its obligations under the Minamata Convention. The highlights of the formalization intervention include:

- The development of national guidelines (with four guidebooks) for the development of RAPs for mercury reduction and elimination at the national level—the guidebooks have now been used by subnational governments across Indonesia. The planetGOLD Indonesia project successfully facilitated the 12 subnational governments within the project locations to develop RAPs on mercury reduction and abolishment. RAPs have specifically considered gender issues and the Logas village, Kuantan Sengingi Regency, Riau Province has established a specific village regulation for ASGM good practices with specific considerations of ‘do and do not do’ activities due to their impacts on women. For example, if any, mercury-burning practices are banned in houses and nearby settlement areas where women and children can be impacted.
- The project has successfully assisted in organizing ASGM miners into the creation of 38 new ASGM Cooperatives and strengthening the existing 22 Cooperatives. Through the ASGM Cooperatives, the project provided capacity-building and awareness programs. The project assisted the ASGM Cooperatives in the six locations to obtain environmental permits and IPRs/IUIs by preparing all the required assessments and documentation for the permit submissions. However, while Tatelu village in North Minahasa Regency, North Sulawesi Province has successfully received its environmental permit, none of the other ASGM Cooperatives (within the project timeframe) have successfully received environmental permits and therefore IPRs and IUIs. Despite this challenge, the project has laid the foundation for ASGM miners to continue the legalization processes of their operations.

Broader Implication for Formalization

Although limited tangible results for the issuance numbers of WPRs, environmental permits, IPRs and IUIs, the planetGOLD Indonesia project has contributed to the improved ASGM-related regulatory and policy frameworks and to strengthen the capacity of national, provincial, regency, district, and village governments and other stakeholders to formalize ASGM operations.

At the national level, the planetGOLD Indonesia project facilitated the development of RAP guidelines (guidebooks), a gender mainstreaming guideline, policies, and laws. At the subnational and local levels, the project created multiple training modules with input from the six project locations to advance ASGM formalization and the guidelines for gender-sensitive and responsible villages. The project pioneered the inclusion of gender in the ASGM-related national policies and training modules describing the gender concept, gender and mercury impacts, and better finance management for families and Cooperatives. In total, the project trained 344 government staff from 39 government entities with 47% were women.

The project country manager suggested that the project was ‘an eye-opening’ to the danger of mercury, its use in the ASGM sector, and therefore the importance of assisting the ASGM sector to be formalized.

Specific Factors for Success/Failures

Meeting the formalization target was challenging

The planetGOLD Indonesia team reflected that meeting the formalization target was challenging due to local issues (e.g., the unreadiness of miners to be grouped in a Cooperative setting) and the unclear regulatory framework and governance of ASGM formalization in Indonesia. As discussed previously, the authority to legalize ASGM kept changing while the subsidiaries' Law 3/2020 detailing the process of formalization was not available until the end of 2022 (and many others were not concluded until 2023 like the Government Regulation on the establishment of ASGM areas). Even now, some clauses within different regulations are still vague and open for various interpretations between different levels of government, across ministries, and within the internal ministry (i.e., for the case of MEF in interpreting the required type of environmental permit and its documentation for ASGM).

The importance of staying abreast of rapidly changing ASGM regulations and policy frameworks

As discussed in this report, the ASGM regulatory frameworks (and associated policies) in Indonesia changed during the planetGOLD Indonesia project timeframe. The project team demonstrated vigilance in monitoring and interpreting the regulatory changes, enabling them to promptly adjust project strategies and activities to ensure compliance and alignment with new requirements. Regular engagement with relevant government agencies and active participation in policy discussions proved instrumental in navigating these evolving regulatory environments and maintaining the project's effectiveness (see the planetGOLD Indonesia Termination Evaluation for details⁵).

⁵ <https://erc.undp.org/evaluation/documents/detail/22406>

Promoting adaptability and resilience in the face of unforeseen challenges like COVID-19

The planetGOLD Indonesia project locations are spread across six provinces in Indonesia. COVID-19 caused difficulties in reaching the locations due to travel limits and other measures to stop the spread of COVID-19. The project team adjusted implementation activities with the deployment of innovative digital platforms for communication and training that were necessary to support the implementation of formalization interventions. For example, the project arranged 12 online webinars covering topics of responsible gold mining processing, exploring opportunities in gold certification, and women's participation in empowering the ASGM communities. Despite the COVID-19 challenges, the project team has promoted leadership and ensured efficient coordination and collaboration among various stakeholders (see details in the planetGOLD Indonesia Termination Evaluation report⁶)

Long-term Sustainability

To sustain these project gains, ongoing inter-ministerial coordination of activities on mercury reduction in ASGM under the NAP is needed. Similarly, the project has successfully developed the national guideline for RAPs and facilitated the development of RAPs in the 12 sub-national governments. It is important to ensure RAPs have been implemented to contribute to the ambitious target of zero use of mercury in ASGM in Indonesia by 2030.

The process of ASGM formalization in Indonesia has been started, however, significant challenges remain as evident with the unsuccessful ASGM Cooperatives (with the support of the project) in the project locations to obtain IPRs and IUIs. Harmonization of laws, clear responsible authorities to manage ASM, the establishment of WPRs, clearer requirements for the environmental permit in ASM, resource allocation, and many other aspects need to be addressed.

Recommendations for Future Interventions

Improving the effectiveness of ASGM institutions like cooperatives and assisting them to connect with more formal finance institutions

Results from the planetGOLD Indonesia project show that ASGM organizations need to continuously be strengthened. The promise that once ASGM miners are organized will have a better chance to receive formal financial access needs to be realized. The government partners and other key stakeholders need to continue to assist ASGM Cooperatives in obtaining IPRs and IUIs beyond the project so that these ASGM organizations have legal status to connect with formal finance institutions like banks.

The Financial Services Authority (*Otoritas Jasa Keuangan* or OJK) has recently (November

⁶ Ibid.

2024) introduced a regulation ([the OJK regulation 17/2024 on Bullion Business Activities](#)) allowing financial institutions to establish bullion banks to offer gold-related services for saving, financing, trading, and depositing. This bullion banks policy opens an opportunity to create a more formalized gold trading in Indonesia, however, under this regulation, good corporate governance and risk management for institutions conducting bullion business activities are key. Therefore, legalizing ASGM operations has become urgent. This opens up an area for future interventions for better and more sustainable ASGM operations in Indonesia.

Strongly linking formalization with other components and their replicability and scalability to other sites

ASGM formalization needs to be continued in Indonesia if the country wants to progress toward its goal of achieving zero use of mercury by 2030 as stated in Law 11/2017 and NAP. The planetGOLD Indonesia formalization interventions have increased the capacity of mining Cooperatives to conduct mercury-free ASGM through the adoption of alternative processing methods to reduce/eliminate mercury use or release, including the major step to support the formalization processing of the mining groups, raising awareness of the project stakeholders and beneficiaries on dangers of mercury to human health and environment, and knowledge shared on the project results, experiences, lessons learned and best practices. These have the potential to be replicated and scaled up across Indonesia as the country has more than 2,000 hotspots of ASGM operations located in different islands and remote locations.

The involvement of APRI in future ASGM projects

For future ASGM projects, the involvement of the National Artisanal and Small-scale Mining Association (*Assosiasi Penambang Rakyat Indonesia or APRI*) could be considered. The planetGOLD Indonesia project extensively engaged with the national, provincial, regency, district, and village government institutions that oversee mercury reduction and abolishment. The project engaged with civil society groups and APRI on an ad-hoc basis as the implementing partners of specific activities or for consultations. This is because mercury reduction issues in ASGM operations are complex and cannot be fully addressed by governments alone. For future ASGM projects, it would be suggested to engage intensively with APRI and other civil society groups for the continuity and ownership of project results. APRI or other civil society working in the ASGM sector could be included in the project governance structure as members of the project management unit or board.

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