

PT. NEWMONT MINAHASA RAYA

LOCAL COMMUNITY DEVELOPMENT PROGRAM

Community Development programs in Minahasa project started in 1995. Since 1997 most community development projects are planned and executed in cooperation with the Community Consultative Committee. Most physical infrastructure development has been executed by local contractors through tender or by community groups. Training program and capacity buildings are carried out in partnership with provincial / regional government's training centers / institutes, NGOs (Bina Swadaya, ASPISIA) and international funded projects (PEP/CIDA, IFC).

Area directly covered by community development program:

Kecamatan (Subdistrict) of Kotabunan, Regency of Bolaang Mongondow:

1. Buyat Village
2. Kotabunan Village

Kecamatan Ratatotok:

1. Ratatotok Satu Village
2. Ratatotok Dua Village
3. Ratatotok Selatan (South) Village
4. Ratatotok Timur (East) Village
5. Soyowan Village
6. Moreah Village
7. Moreah Satu Village
8. Basaan Village
9. Basaan Satu Village

Kecamatan Belang:

1. Mangkit Village
2. Mangkit Satu Village
3. Borgo Village
4. Belang Village
5. Buku Village
6. Tababo Village

Programs for the community include among others:

I. Development and maintenance of economic and social supporting infrastructure and facilities

- Roads, bridges, markets, ports:
 - Provincial road connecting sub-districts of Kotabunan, Ratatotok and Belang

- Streets in Buyat, Ratatotok I, Ratatotok II, East Ratatotok, South Ratatotok, Basaan, Basaan Satu, Mangkit, Mangkit Satu, Borgo, Belang, Buku villages.
 - Road connecting Soyowan, Moreah, and Moreah Satu to Ratatotok
 - Gabion, Culvert preventing erosion & land slide along Buyat – Kotabunan road and Ratatotok – Belang road.
 - Bridges in Borgo, Belang, Soyowan and Moreah
 - A market with a bus terminal in Ratatotok Satu
 - Fishermen Ports in Ratatotok Satu and East Ratatotok
- Facilities for socio cultural, sporting, and community activities :
 - community halls
 - 2 mini stadiums were built in Kecamatan Belang and Ratatotok
 - 3 soccer fields in Ratatotok villages
 - Equipments and funding for the Minahasan Traditional music & dance troop (Musik Bambu, Maengket Dance, Kabasaran)
 - Community beach facilities on Lakban and Buyat Beaches.
- Facilities for government activities:
 - village administration and parliament (BPD) buildings in Ratatotok I, Ratatotok II, South Ratatotok, East Ratatotok, Buyat, Mangkit, Mangkit I, Soyowan, Moreah, Moreah Satu, Basaan, Basaan Satu, Belang
 - Sub-district government office building and facilities in Kotabunan, Belang and Ratatotok
 - Regency and provincial governments offices & buildings in Manado, and Amurang
- Natural disaster prevention structures :
 - Buyat River naturalization (2001)
 - Ratatotok River - Flood prevention structure (2004)
 - Abrasion control in East Ratatotok Coast

II. Development in education:

- Education facilities: buildings, renovation of facilities, provision of facilities :
 - 6 Kindergartens were built between 1999 – 2004
 - a library was built in Ratatotok
 - Renovation (partly and totally) and up-grading of school buildings (Elementary, Junior & Senior High Schools) in Buyat, Ratatotok, Basaan, Belang
 - A new high school developed (building & systems) in Moreah village where there was not a high school before.
 - A new elementary school developed (building & systems) in Soyowan village

- An office with equipment for the Belang Sub-district Office of Ministry of Education
- Stationary, computer sets, furniture for school
- School bus for Buyat Pantai students (since 2004)
- Upgrading of teacher's competence : 40 elementary teachers from sub-districts of Belang and Ratatotok graduated with a diploma from teaching college.
- Scholarships :
 - Provision of scholarship for students with low economic background and students with high achievement 1995 – 2001
 - Total number of students received scholarship : 2071

III. Health

- Development of health facilities: construction and maintenance of community health centers, upgrading of facilities, medication programs, supervision and information sessions:
 - 6 community health clinics built and rebuilt :
 1. Puskesmas Ratatotok (1998)
 2. Puskesmas Pembantu Desa Moreah Satu (2003)
 3. Puskesmas Kotabunan (2003)
 4. Puskesmas Pembantu Desa Buyat (2002)
 5. Puskesmas Belang (2003)
 6. Puskesmas Pembantu Desa Basaan (2004)
 - Provision of medicine for the community through Puskesmas Pembantu Ratatotok from 1999 to July 2002. In July 2002 the Puskesmas Pembantu was awarded full Puskesmas accreditation by the government. Being a (fully accredited) Puskesmas, the Puskesmas should receive funding from the government for medicine and operational cost. In July 2004, Newmont resumed its provision of funding for medicine for poor patients, amounting Rp. 7.5 million a month.
 - Health awareness campaign & education
 - Training for health cadres (women) in the Posyandu (Integrated health service groups) program in sub district Belang (2002) and in the 9 villages in sub-district of Ratatotok (2003)
 - Free immunization and medical check up program for the communities in Ratatotok villages and Buyat Pantai hamlet in collaboration with government program (1999, 2000, 2002, 2003, 2004)

- Upgrading of environmental sanitation: supply of freshwater, construction of sanitation facility, garbage storage facility, etc.
 - Fresh water supply using cistern truck for Buyat Pantai hamlet (1999 – 2004)
 - Fresh water supply using cistern truck for 4 Ratatotok villages (1999 – now)
 - Up grading the PDAM water piping system in Ratatotok (2000)
 - Fresh water pump & systems in Buyat village (2001). Later the water is piped through Buyat Pantai hamlets (2004), designed to replace the cistern truck water supply system. The water facilities and operation was handed over to the government owned water company (PDAM) in 2001.
 - Water supply facilities in Belang (2001)
 - 4 units (each unit consist of 2 WC) public toilets in Buyat Pante
 - 5 units (each unit consist of 4 WC) public toilets in East Ratatotok
 - 2 units (each unit consist of 4 WC) public toilets in each village in other Ratatotok villages
 - Public toilets at public places (fishermen ports, beach)
 - 11 units of garbage bin in Buyat Pante hamlet & 5 units of garbage disposal center in Ratatotok village.
 - Beach clean up service in Buyat Pantai and Lakban Beach

IV. Development of Local Economic Capacity:

- Development of Local Businesses (as contractors/suppliers or other business players). Local business players have been given a priority to become Newmont suppliers and contractors for needs that may be fulfilled by local businesses. For this purpose, they received business training and were given a priority in winning tenders. There are 44 businesses from Ratatotok and Buyat villages listed as PTNMR contractors and suppliers in the area of civil engineering & construction, labor & service provider, food supplies, office supplies, reclamation & re-vegetation works, etc.
- Vocational Training Program:
 - Electrical Services : 3 in 1999, 1 in 2001
 - Hair & Beauty Salon : 2000
 - Printing 2000
 - Sewing / dress making : 2000, 2004
 - Mechanical Services : 2002
 - Furniture making / carpentry : twice in 2002
- Agriculture Development:
 - Demonstration plot for horticulture farming (2000)
 - Training in plantation / perennial agriculture techniques (coconut, vanilla, clove plantation) for farmers from Buyat, Ratatotok, and Belang

- Development of P3A (Irrigation Water Users and Farmers Group) in Buyat Village since 2003
- Livestock/poultry Development:
 - Training in animal husbandry (goats, chicken, pigs)
 - Supervision of pig-farmer group
 - Provision of pig breeding credit in Soyowan, Moreah, Moreah Satu
- Fishery Development:
 - Training:
 - Training of *tibo-tibo* (traders/retailers) women
 - Training in fish handling and fish processing
 - Training for marine culture development in Buyat Pantai, Coastal Ratatotok , Basaan, Mangkit, Borgo, Belang, Buku villages
 - Training for sailing competence & marine engineering
 - Development and Supervision of fishermen groups in Buyat Pantai, East Ratatotok, Basaan, Mangkit, Borgo, Belang, Buku
 - Cultivation of commercial *Grouper* and Trevally fish in:
 - Buyat Pantai and Buyat village (2001 – 2003)
 - Ratatotok village
 - Basaan villages (2002 – now)
 - Mangkit village (2002 – now)
 - Belang, Buku, Borgo villages (2004)
 - Cultivation of sea weeds in Basaan, Mangkit, Belang and Buku villages
 - Assistance of facilities/accesses to micro finance for fish cultivation in Buyat Pantai, Coastal Ratatotok, Basaan, Mangkit, Belang, Buku
- Coconut Industry Development :
 - Finding “niche market” for coconut products
 - Development of appropriate technology for Virgin Coconut Oil home industry
 - VCO marketing development (marketing, technology, budgeting, training, etc.)
- Providing access to micro financing sources, especially for women:
 - Micro Finance Credit for wives of fishermen in East Ratatotok
 - Micro Finance Credit for wives of fishermen in Buyat Pante
 - Micro Finance Credit for wives of fishermen in Basaan & Mangkit
 - Micro Finance Credit for wives of fishermen in Borgo
 - Engine for small fishing boat credit in Buyat Pantai, East Ratatotok, Basaan, and Mangkit villages (2002, 2003)
- Facilitating new investments around Ratatotok and South Minahasa
 - Development of a Fish Industry in Lakban Port.

V. Environmental Awareness & Conservation Program:

- Newmont purchased the Knelson Concentrator technology and developed a demonstration plant for the introduction of non-mercury gold processing technology for the traditional miners surrounding the mine.
- The artificial reef (reef ball) project has put 3000 reef balls in the waters near the mine
- Mangrove Rehabilitation Project:
 - Supporting the Community Based Marine & Coastal Conservation Program in Basaan village
 - The Community Based Mangrove Rehabilitation Program in East Ratatotok, in collaboration with ASPISIA (Association of Scientific Divers) and UNSRAT (2002 – now). Later in 2003 JICA (Japan International Cooperation Agency) granted a year funding to the community for the activities.

This program activities include:

- Campaign program
- Training in mangrove ecology & rehabilitation for community members
- Training & coaching in mangrove nursery & cultivation
- Mangrove trees planting
- Formation of mangrove rehabilitation group within community
- Development of a mangrove information center in the village

VI. Institutional Capacity Building

- The development of Community Consultative Committee since 1997 and the process in which local development programs being planned and executed. The Committee has become a well respected committee in the community. It has also become an inspiration for the community to form other community organizations in dealing with community issues.
- Participatory Rural Appraisal and other consultation processes
- Training for local / village government staff & leaders in development planning, administration, budgeting, and general management in coping with regional autonomy (2002 – 2003).

The sustainability of development effort depends on 3 matters, i.e. economic sustainability, environment sustainability, and social sustainability. Thus, it shall be endeavored to make all the above activities offer sustainable - not just temporary - economic value. The community, through various training, should have the ability to implement and maintain the above programs. PT. NMR has also allocated US\$1,5 million in 2000 to be used as an endowment fund run Yayasan Minahasa Raya in cooperation with the Government of Minahasa and to carry out sustainable development activities in Minahasa Raya (Greater Minahasa).

Challenges and Solutions:

- There has been perception and expectation that Newmont must implement the functions and obligations supposed to be executed by the government. Newmont has limitations in doing all those functions either in terms of capacity or financing.
- Management of expectations. Different parties have different expectations. Newmont can not meet all the expectations of all parties. There must be a priority in implementing those programs. The priority must be agreed by the parties involved in the programs and receiving assistance [from Newmont]. All parties must respect what has been agreed and decided.
- Development is not only physical but most importantly is a change in behavior and values for betterment. The latter takes longer time than that of the physical development. In the environmental sanitation program, the physical development of the facility (WC and trash dumping) takes much shorter time than the change of habits and the community's awareness in getting used to living a healthy life. All parties must work dilligently and be patient. The community and other stakeholders often impatient to await the development program results.
- A sustainable development effort will be a success through the cooperation and partnership between stakeholders, not just one or two parties. For instance, to establish a sustainable clean water facility and electricity, the community, the government, water/power supply company and Newmont must work together. It is not the responsibility of one or two parties alone. Failure of any party / stakeholder in the system in fulfilling its role could lead to the in-sustainability of the program.
- There are certain parties who only disturb the programs and disseminated negative news and slanders instead of making contribution to the progress of the programs