

**Presentation at National Roundtable on Corporate Social Responsibility  
and the Canadian Extractive Sector in Developing Countries  
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My name is Inda Fatinaware from WALHI Sulsel, which is the local South Sulawesi office of Friends of the Earth Indonesia. I would like to share the environmental concerns with regards to the Sorowako Inco nickel mines and smelter in my home province.

WALHI is very concerned about the environmental impacts of the Inco nickel mines and smelter in Indonesia. In particular the opening of protected forests for the nickel mines and the ecological impact of hydroelectric dams that provide the mining operations with cheap electricity.

Forest and mountains in the Verbeek mountain range in Sorowako are very rich in biodiversity and endemic flora and fauna. Inco is operating in a protected forest area here. This area is threatened. 47% of Inco's contract area is located in protected forest. Inco is also threatening the sustainability of three lakes in the area.

The destruction of the protected forest is just one environmental crime and it is also a human rights abuse because Inco opening up the protected forest will cause an ecological disaster for future generations. Vast areas being opened up are also facilitating other forms of exploitation like illegal logging.

In order to mine in protected forest, Inco has threatened Indonesia's sovereignty by intervening and being successful in making amendments to the 1999 Forestry Act No. 41.

Another environmental concern is the hydroelectric dams that Inco has constructed. Inco is currently building a third dam in protected forest area. Inco's first dam, the Larona dam, was funded with Export Development Canada money in the amount of 60 million dollars. The dam flooded nearby villages, coconut groves, rice fields and a mosque. The dam also prevented the migration of native eels that was a major source of food and protein for the local communities.

Inco is currently building a third dam in Karebbe protected forest. Inco's president director Arif Siregar is currently being investigated by the local police for not obtaining the proper permits to open up protected forest.

Other environmental concerns include lakes that are clearly affected by mine and smelter runoff.

As the mining operations developed, rural Sorowako was transformed into a small town that soon became overcrowded with people from all around Sulawesi and Indonesia seeking work at the mining operation. Inco's decision to only house the upper half of the workforce and the land take over for the mining operations squeezed the population into a

small area where overcrowding and the building of illegal shanties on top of Lake Matano occurred. Today, nearly 1000 people live in unsanitary and unhealthy living conditions in houses over the water on top of the waters of Lake Matano. Lake water once used untreated for household needs, bathing and drinking water became the site where sewage and garbage was dumped. High levels of bacteria were found.

The Buttini fish, an endemic fish only found in the lakes of Sorowako, is currently at risk of extinction. The fish also has become smaller and its teeth have become smaller and more scarce. There has yet to be any in depth research on why the changes to the fish are happening. The people of Sorowako consume the buttini fish but many are now scared to eat it because of contamination concerns.

The Inco plant is also contaminating the air in Sorowako. Red and black emissions rise from the furnace stacks that have yet to be installed with filters to clean the emissions. Only ten years ago did Inco start to install some of the filters. This is a serious community health concern.

**WALHI supports the demands of the Karonsi'e Dongi indigenous community to the Canadian government during its time of discussing regulations on Canadian minning companies that operate overseas include:**

1. The Canadian government must acknowledge that human rights abuses including abuses against the Karonsi'e Dongi indigenous people have occurred and the government must urge for a just resolution to these abuses.
2. The Canadian government must also ensure that Canadian companies abide by the same regulations in Canada at its operations abroad.
3. The Canadian government must ensure that Canadian companies do not intervene on Indonesian regulations. For example, Inco was successful in lobbying the Indonesian government to amend Indonesia's 1999 Forestry Act No. 41 that bans open-pit mining in protected forests. The Canadian government must ask that the Indonesian reverse its decision to make amendments to this regulation.
4. The Canadian government must ensure that environments are restored that have been destroyed by Canadian mining companies and that compensation be provided to communities that have incurred losses due to Canadian companies. This compensation must be made in agreement with the local communities.