

Intervention by Indonesian Delegation
8th Session of EMRIP
Item 4
Geneva, 21 July 2015

Mr. Chair,

First of all, I would like to refer to our statement on item 3 for our basic position.

Now, allow me to share our views regarding the issue of business and human rights, including with regard to extractive industries.

As mandated by the Constitution, the Government is obliged to ensure that all activities involving extraction of natural resources are aimed to benefit all Indonesian people. The Government implements this mandate through, *inter alia*, legislation, administrative measures and law enforcement. The Government continues efforts to ensure that businesses, including those in the extractive industries, respect human rights principles, notably respecting the rights of the communities.

Series of Laws have also been enacted, such as Law No. 25 of 2007 on Investment, Law No. 40 of 2007 on Private Company and Law No. 19 of 2003 on State-Owned Enterprises, to ensure companies in upholding their responsibilities with regard to human rights and environment. Other administrative measures include, *inter alia*, Presidential Decree No. 26 of 2010 on Transparency of State Income and Local Government Income Acquired from Extractive Industries, Government Regulation No. 47 of 2012 on Corporate Social and Environmental Responsibility, and the President's Regulation of 2010 on Extractive Industry Transparency Index (EITI).

The Government also continuously strives to foster good corporate governance among businesses, through, *inter alia*, the National Committee on Good Corporate Governance and the implementation of the national Code of Good Corporate Governance since 2006. Also in 2006, Indonesia established Global Compact Network, which has become one of the largest networks in Asia. Since 2008, we have launched a national movement of Corporate Social Responsibility (CSR).

At the international level, Indonesia supports the adoption of the UN Guiding Principles on Business and Human Rights. We also support the adoption of the HRC resolution to establish the OEIWG on a legally-binding instrument on TNCs

and other business enterprises. We have actively participated in the 1st session of the OEIWG two weeks ago.

Mr. Chair,

All above is by no means saying that all problems are eliminated. Indeed, challenges remain. Implementation and/or operations of business projects can be seen from various perspectives and can pose certain challenges. Those may be in the form of allegations of improper consultation and consent of the local/*adat* communities or lack of compensation, or damaging the ecosystem and environment.

The Government is committed to continue efforts in addressing the shortcomings and any unintended impacts. The Government takes seriously of any complaint of violation of human rights which have caused loss of means of livelihood and environmental degradation. Complaints relating to such violations can be brought by individuals or communities to the respective Community Complaint Services under the Regional Office of the Ministry of Law and Human Rights, the National Commission on Human Rights or Ombudsman, where they will be resolved through mediation or legal procedures. These violations will be followed-up according to the prevailing laws and regulations.

Moreover, to address the challenges, the Government has taken concrete steps. For example, the President has issued an Instruction in 2011 on the Postponement of New Licence Issuance and the Improvement of Primary Forest and Peat Land Management. Early this year, the Ministry of Agrarian and Spatial Planning/Land Agency has issued 168 communal land certificates for *Adat* communities, which in effect recognise the ownership of *Adat* Community to *Adat* Forest/Land. This landmark policy is expected to address the concerns of *Adat* Community on this issue as well as to manage the issue of the Land/Forest use for development.

I thank you.