Implementation of community development and empowerment master plan of PT Agincourt Resources in Batangtoru, South Tapanuli, North Sumatera

B A Boangmanalu*, R H Harahap2 and Rujiman3
1Natural Resource and Environment Department, Universitas Sumatera Utara, Medan, Indonesia.
2Department of Political, Faculty of Social and Political Sciences, Universitas Sumatera Utara, Medan, Indonesia.
3Departement of Economic Development, Faculty of Economics and Business, Universitas Sumatera Utara, Medan, Indonesia.

E-mail: *bennybomaco@gmail.com

Abstract. This research aims to research the implementation of the community development and empowerment master plan (RIPPM) programs of PT Agincourt Resources in villages around a mine (hereinafter referred to as “ring 1”). This is a descriptive research using a qualitative approach. This research was conducted in Batangtoru District, which consists of twelve villages in ring 1 of PT. Agincourt Resources. The results show that the implementation of RIPPM of PT Agincourt Resources has performed quite well. However, from the perspective of the community, the aspect of economic independence has not been implemented properly.

1. Introduction
Mining is an extractive operation that contributes to and controlled by the state, and is fully utilized for the prosperity of Indonesians. This is a mandate of the 1945 constitution of the Republic of Indonesia. Public welfare is not only the responsibility of the government and industries, but also society itself. The amount of public support towards a mining company depends on the commitment, actions and performance of the company to the surrounding community, which can objectively be reflected in the development of the community [1].

The efforts of mining companies to improve the quality of life and welfare of the public are reflected through Community Development and Empowerment (PPM) programs around their mines as regulated in Law Number 4 of 2009 on Mineral and Coal Mining along with its derivatives and amendments, namely Law Number 3 of 2020 which states that mining license holders are required to implement and compile PPM programs and activity plans as outlined in the Master Plan for Community Development and Empowerment (RIPPM) program documents of the company based on the results of social mapping analysis that have been previously carried out by companies in the surrounding area.

PPM is an effort to improve the livelihood and independent living skills of communities surrounding the mine [2]. Aspects of PPM include: education, health, real income or employment level, economic independence, social and cultural, providing opportunities for local communities to participate in the management of a sustainable livelihood, establishing community institutions in supporting PPM
independence, and infrastructure development that supports PPM contained in the Ministry of Mineral and Coal Mining Regulation Number 25 of 2018 and the Ministry of Mineral and Coal Mining Decree Number 1824 of 2018.

2. Materials and methods
This research was conducted in Block 2 of PT Agincourt Resources, precisely in Batangtoru District, South Tapanuli Regency, North Sumatera Province.

![Figure 1. South Tapanuli Regency, North Sumatera Province, Indonesia.](image)

This research uses a qualitative approach with purposive sampling technique. Data collection was carried out by field observation and questionnaire distribution to respondents.

3. Results and discussion

3.1. Study area
South Tapanuli, coordinates 0°58’35”-2°07’33” North Latitude 98°42’50”-99°34’16” East Longitude, is one of the regencies in North Sumatera. It is located south of Medan (the capital of North Sumatera), has a total area of 435,535 hectares, consists of 15 districts, 36 sub-districts, 212 villages, 437 sub-villages and 151 neighborhoods. Batangtoru, the research district, has an area of 38,000.19 hectares [3,4].

This research was conducted in twelve villages around the mine (ring 1), including Sipenggeng, Hapesong Baru, Wek 1, Wek 2, Wek 3, Wek 4, Telo, Napa, Perkebunan Batangtoru, Aek Pining, Sumuran, Batu Hula in Batangtoru, South Tapanuli. The results showed that PT Agincourt Resources has implemented PPM decently, which can be seen in the results of interviews and questionnaires with fifty respondents including 15 informants with an average score of 3.63. Researcher assessment of the government-approved RIPPM showed that eight aspects of PPM were implemented properly, with an average score of 4.13.
**Figure 2.** Study area: Batangtoru District, South Tapanuli Regency, North Sumatera Province.

**Table 1.** PPM implementation score of PT Agincourt Resources.

| Master Plan of Community and Empowerment Development Program (RIPPM) in accordance with the Ministry of Mineral and Coal Mining of the Republic of Indonesia Regulation No 25 of 2018 and the Ministry of Mineral and Coal Mining Decree Number 1824 of 2018 | Implemented PPM Programs of PT Agincourt Resources | Respondents | Researchers | Average Score |
|---|---|---|---|---|
| Education | 3.99 | 4 | 3.99 |
| Health | 3.96 | 4 | 3.98 |
| Real income or employment level | 3.45 | 4 | 3.72 |
| Economic independence | 2.76 | 4 | 3.38 |
| Social and cultural | 3.96 | 5 | 4.48 |
| Providing opportunities for local communities to participate in the management of a sustainable livelihood | 3.66 | 4 | 3.83 |
| Establishing community institutions in supporting PPM independence | 3.44 | 4 | 3.72 |
| Infrastructure development that supports PPM | 3.82 | 4 | 3.91 |
| Mean score | 3.63 | 4.13 | 3.88 |

*Description: 1=Very Bad, 2=Bad, 3=Decent, 4=Good, 5=Very Good*
3.2. Implementation of each aspect
PT Agincourt Resources has implemented PPM in accordance with RIPPM and in reference to the technical instructions of Ministry of Mineral and Coal Mining Decree Number 1824 of 2018 on Guidelines for Community Development and Empowerment.

Table 2. PPM activities of PT Agincourt Resources.

| PT Agincourt Resources PPM activities are in accordance with the Community Development and Empowerment Master Plan (RIPPM) of the company | Implementation of PPM activities according to PT Agincourt Resources RIPPM in Batangtoru District and others (2018 to 2019) |
|---|---|
| **Activities** |  |
| Education |  |
| Improvement of education quality and services | Martabe Prestasi Scholarship (Batangtoru and Muara Batangtoru Districts), School quality improvement (SMAN 1 & SMPN 2 Batangtoru, SDN 100707 sub-districts in Batangtoru Plantation), Student Festival in Batangtoru District, capacity building and empowerment of teachers, Guidance and Development of "Taman Baca Anak" at 14 villages around the mine, education and creativity center for children in Batangtoru District, improvement of educational facilities and infrastructure at SMAN 1 and SMKN 1 Batangtoru; SDN Napa and SDN Batangtoru |
| Health |  |
| Revitalization and acceleration of public health service quality | Maternal and child health in Batangtoru district and Muara Batangtoru district, health assistance for the elderly in fifteen villages around mines, youth health- implementation of PKPR & UKS in Batangtoru and Muara Batangtoru districts, sanitation and hygiene (STBM & PHBS), prevention of infectious diseases (pulmonary tuberculosis and HIV/AIDS) in Batangtoru and Muara Batangtoru district, Social service- free treatment in Batangtoru and Muara Batangtoru district, free cataract assistance program in North Sumatera, capacity building and empowerment of POSYANDU cadres at Batangtoru and Muara Batangtoru public health centers, health seminars at Padangsidimpuan city, monitoring and evaluation meetings for health programs at Batangtoru Public Health Center, Batangtoru Public Health Center facilities assistance, media health education and promotion in Batangtoru and Muara Batangtoru districts |
| |  |
| Real income or employment level | Development of cocoa cultivation and processing in the villages of Sipenggeng, Hapesong Baru and Wek I, Agricultural inclusive assistance in Pulo Godang and Bongal, assistance for greening and productive planting in Wek I, Wek II, Wek III, Wek IV, Telo, Sumuran, Bandar Hapinis and other villages, independent agricultural cultivation programs in the villages of Sipenggeng, Telo/ Pulogodang, Napa, Hapesong Baru/ Saba Julu, Sumuran and Aek Nadol, integrated farming in Aek Pining sub-district, climate response agro-synergy program in Batangtoru district, a leading and resilient ecotourism program in Hapesong Baru and Sipenggeng villages |
| Economic independence |  |
| Area                                      | Activities                                                                 |
|-------------------------------------------|-----------------------------------------------------------------------------|
| Development of various local potential-based business centers | Marketing local businesses to Medan |
| Development of training centers for entrepreneurship, creative industries and sustainable agriculture | Establishment of independent institutions, development of South Tapanuli Batik in Aek Pining, market innovation for farmers in Sipenggeng village, development of a waste bank in Batangtoru district, The center for Bagasta souvenirs in Batangtoru district, processing used wood/pallet, motorbike mechanic training in Batangtoru and Muara Batangtoru district. |
| Social and cultural                       | Reparment of houses of worship in Aek Pining, Batu Hula, Napa, Hapesong Baru, Hutagodang, Hutaraja, assistance for major holidays (christmas, month of ramadhan, EID celebration, islamic New Year commemoration), Nasyid Festival and ATQ Festival, religious activities (Dzikir Akbar) in Batangtoru district (15 villages around the mine) |
| Biodiversity conservation program and revitalization of local artistic, religious and cultural wealth | Cultural arts festival in Godang Topak and traditional documentation, sports competitions and youth development in Batangtoru district (Women's Volleyball Tournament), Environment Day and South Tapanuli Anniversary in fifteen villages around the mine |
| Providing opportunities for local communities to participate in the management of a sustainable livelihood | Support of training/seminars at South Tapanuli, community visits to the mine (TEM), village meetings in Sipenggeng, Wek I, Wek II, Wek III , Perkebunan Batangtoru, Bandar Hapinis, Hutaraja, Sumuran and Batu Hula |
| Environmental sanitation towards sustainable settlements | Donations and humanitarian assistance in Hapesong Baru, Batangtoru district, Muara Batangtoru district, Center Tapanuli regency and South Tapanuli regency |
| Disaster risk reduction program | Establishing community intitutions in supporting PPM independence |
| Community institutional capacity building | Martabe Community Consultation Institute (LKMM)-(operational etc) in Aek Pining sub-district |
| Development of government apparatus capacity to improve public service performance | increasing the capacity of village officials in Batangtoru district |
| Strengthening and developing community business networks | comparative study of youth (from Wek I, Wek II, Wek III, Wek IV and Napa villages), ecotourism-capacity building of village institutions and government officials in fifteen villages around the mine |
| Infrastructure development that supports PPM | clean water management for the surrounding community (in Padang Lancat, Wek IV, Wek III, Garoga, Hutabarau, Telo, Sisipa, Napa), development of village facilities in Aek Pining, Wek II, Ack Ngadol, Pulo Goya, Banteng, Perkebunan Batangtoru, repairment of public facilities and agricultural assistance in fifteen villages around the mine, irrigation programs with hydram pumps in Batu Hula and Sumuran villages, construction of district offices, community support centers and automotive laboratories in Wek I, construction of rice mills in Batu Hula village. |

Source: Quarterly PPM activity report of PT Agincourt Resources
3.3. The concept of community development and empowerment (PPM)

The term Corporate Social and Environmental Responsibility (TJSL) is an application of the concept of Corporate Social Responsibility (CSR) [5] and is referred as CSR by a number of people [1, 6, 7]. It is considered as a concept that was born from Law Number 40 of 2007 on Limited Liability Company and its derivatives, namely Government Regulation Number 47 of 2012 on Social and Environmental Responsibilities of Limited Liability Companies. The development of this concept is mainly based on philanthropy [8]. Some are based on charity while others are based on community development [9]. However, the program plan is determined by the company itself and the budget depends on company performance [10] and profit/revenues with due regard to the principles of propriety and fairness. The implementation of the principles of appropriateness and fairness conveyed in this TJSL is difficult to be measured in terms of budget sizes and calculations of costs.

PPM was born from Law Number 4 of 2009 on Mineral and Coal Mining, amended to Law Number 3 of 2020 and its derivatives, namely Government Regulation Number 23 of 2010 on the Implementation of Mineral and Coal Mining Business Activities, Ministry of Mineral and Coal Mining Regulation Number 25 of 2018 on Mineral and Coal Mining Business Activities and Ministry of Mineral and Coal Mining Decree Number 1824 of 2018 on Guidelines for Implementing Community Empowerment Development. It is mandatory to have measurable PPM activities that fulfill at least eight main aspects and the company budget for mining production, if not realized in the current year, will be carried over to the next year. This is documented in the RIPPM document of the company as a reference in preparing the annual budget plan.

3.4. RIPPM implementation of PT Agincourt Resources

Mineral mining companies in North Sumatera have prepared and obtained approval for their RIPPM documents for the first time in July 2019 by The Director of Mineral Business Development at the Directorate General of Mineral and Coal Mining. Through social mapping of communities around the mine (ring 1), PT Agincourt Resources is able to calculate and document in the RIPPM the budget and PPM programs needed by the community in realizing social and economic independence in the future.

In assessing the implementation of the PPM of PT Agincourt Resources, dominant factors are different score in each aspect due to the lack of socialization on sub-activity categorization. Other obstacles are due to the varying needs of each village surrounding the mine and the high community expectation of the existence of big gold mine.

Seven aspects of PPM, namely education, health, level of real income or employment, social and culture, providing opportunities for local communities to participate in the management of a sustainable livelihood, establishing community institutions to support PPM independence and infrastructure development that supports PPM are decently implemented (score 3.88) while the aspect of economic independence was assessed by respondents as not being implemented properly (score 2.88). This is because respondents equate economic independence to providing business capital for home industries. As stated by one of the respondents from Sumuran village:

“If we talk about people’s needs, we know that there are a lot of needs air, we are aware that the budget from PT Agincourt Resources is also limited, but what is most needed now is new jobs, for example providing business capital for tempe and tahu businesses because in here, there are good soybean crops. There is also other business that need assistance, which can open up new job opportunities for those unemployed, especially now that people who were initially employed are out of jobs due to the Covid-19 pandemic”

To meet the needs of communities around the mine, the government provides substantial support in the form of activities sourced from the regional revenue and expenditure budget (APBD) and the national income and expenditure budget (APBN). Villages have budgets that are often referred to as “Village Funds”. However, the PPM program and funding should not overlap with the government budget. Village funds are considered to be sufficient to meet several needs of the community around the mine including PPM infrastructure aspects such as construction of farm roads, toilets and bridges, as stated by one of the respondents from Sipenggeng village:
“Village funds are actually sufficient to meet some community needs, but what’s important right now is to provide opportunities for people to work so that they do not become unemployed”

Seven aspects of PPM have been implemented properly around the mine when viewed according to the RIPPM of the company. However, PT Agincourt Resources should pay attention to the aspect of village economic independence which focuses on activity programs that absorb labor through business capital assistance (funds) for existing, newly opened or upcoming home industries/businesses. The community feels that the PPM activities of PT Agincourt Resources which have been implemented so far only focus on the improvement and development of sub-activities that increase abilities and skills. Still, abilities and skills without venture capital (funds) will lead to increased unemployment rates in the community around the mine in the future. In line with the focus on economic independence, PT Agincourt Resources as the compiler of the program and the holder of PPM funds and the local government as program planner and “village fund” budget holder should be more synergistic in organizing PPM activities so that they do not overlap. With better organization, people can feel the improvement of the development of villages around the mine, one of which is reflected in the economic independence of communities around the mine in addition to the proper absorption of “village funds”.

4. Conclusions
In general, PT Agincourt Resources has implemented seven aspects of community development and empowerment decently, while the eighth aspect, namely economic independence has not been implemented properly by the community. It can be concluded that every aspect has been implemented quite well, however PT Agincourt Resources should focus on activities that provide job opportunities for communities around the mine through the aspect of economic independence of the PPM program.

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