
Country Safeguards Review: Indonesia

Consultation Draft

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ABBREVIATIONS

ADB	–	Asian Development Bank
AMDAL	–	Environmental Impact Assessment (for significant impact activities, equivalent to ADB Category A project)
ANDAL	–	Environmental Impact Analysis (report)
ARC	–	AMDAL Review Commission
B3	–	hazardous substances
BBWS 2C	–	River Basin Organization of Ciliwung-Cisadane (Balai)
BAPPENAS	–	National Development Planning Agency
BBWS 3C	–	River Basin Organization of Cidanau-Ciujung-Cidurian (Balai)
BLH/BLHD	–	Local Environmental Management Agency
BPLHD	–	Local Environmental Management and Control Agency (DKI Jakarta)
BPN	–	National Land Agency
CFC	–	Chloro-Fluoro-Carbon (ozone depleting substance)
CSR	–	Country Safeguard Review
CSS	–	Country Safeguard System
DADU	–	Dokumen AMDAL dan UKL-UPL (online platform)
DGH	–	Directorate General of Highways (Dirjen Binamarga)
DGHS	–	Directorate General of Human Settlements (Dirjen Cipta Karya)
DGLA	–	Directorate General of Land Acquisition
DGWR	–	Directorate General of Water Resources (Dirjen Sumber Daya Air)
DMC	–	Developing Member Countries
FGD	–	focus group discussion
EHSG	–	Environment, Health and Safety Guidelines (WB)
EIA	–	Environmental Impact Assessment
EIASS	–	Environmental Impact Assessment Support System
EMA	–	Environmental Management Agency
EMP	–	Environmental Management and Monitoring Plan (ADB SPS 2009)
ESDM	–	Ministry of Energy and Mineral Resources
GITET	–	High voltage relay station
GN-GRK	–	National Action Plan for Greenhouse Gas
GOI	–	Government of Indonesia
HKI	–	Hutama Karya Infrastruktur (contractor company of PT Hutama Karya)
HSE	–	Health, Safety and Environment
IEE	–	Initial Environmental Examination
IFC	–	International Finance Company
IUP	–	permit for quarry exploitation
K3	–	Occupation Health and Safety
KA-ANDAL	–	Terms of Reference for AMDAL study
Keppres	–	Presidential Decision
KJA	–	floating cage fishery
KLHK	–	MOEF (Ministry of Environment and Forestry)
KLHS	–	Strategic Environmental Assessment (SEA)
KPA	–	ARC (AMDAL Review Commission)
LA	–	Land Acquisition
LARP	–	Land Acquisition and Resettlement Plan
MASP/NLA	–	Ministry of Agrarian and Spatial Planning/National Land Agency

MAPPI	–	Masyarakat Profesi Penilai Indonesia
MOEF	–	Ministry of Environment and Forestry
NGO	–	Non-Government Organization
NSPK	–	Norms, Standard, Procedure and Criteria
OHSAS	–	Occupational Health and Safety System
Perda	–	Local Regulation
Perpres	–	Presidential Decree
PKTL	–	Directorate General for Forest Planning and Environmental System
PLN	–	Perusahaan Listrik Negara (State-Owned Electric Company)
POP	–	Persistent Organic Pollutant
PPLH	–	Environmental Supervising Officer
PPNS	–	Environmental Investigating Public Servant
PPP	–	Public Private Partnership
PT HKI	–	state-owned toll road developer and operator
PUPR	–	Ministry of Public Work (now merged into Ministry of Public Work and Housing)
QA/QC	–	Quality Assurance/Quality Control
RKL-RPL	–	Environmental Management and Monitoring Plan (companion of ANDAL)
RPPLH	–	Environmental Planning, Protection and Management
RTRW	–	Regional Spatial Plan
SATKER	–	Satker Inventarisasi dan Pengadaan Lahan, Pengadaan Tanah Jalan Tol Palembang–Indralaya
SDA	–	Directorate General of Water Resource (DGWR)
SEA	–	strategic environmental assessment
SILH	–	Environment Information System
SKKL	–	Environmental Feasibility Clearance
SMK3L	–	Occupational Health and Safety and Environmental Management System
SNVT	–	Satuan Non Vertikal Tertentu
SOP	–	Standard Operating Procedure
SPPL	–	Commitment Letter for Environmental Management
SPS	–	Safeguard Policy Statement
SUTET	–	Extra High Voltage Air Transmission
TOR	–	Terms of Reference
UIP	–	Main Power Generation Project
UKL-UPL	–	Environmental Management and Monitoring Measures (for less significant impact activities, equivalent to ADB Category B project)
UNFCCC	–	United Nations Framework Convention on Climate Change
UPK JJB	–	Construction Implementation Unit of Java-Bali Network
UPT	–	Technical Implementation Unit

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I. INTRODUCTION

A. Background

1. The Asian Development Bank (ADB), based on its 2009 Safeguard Policy Statement (SPS), may consider the application of country safeguard systems (CSS) to identify and manage the social and environmental risks associated with ADB-financed projects at the national, subnational, sector, or agency level.¹ Application of CSS has two prerequisites: equivalence and acceptability.²

2. On 23 July 2013, the Director of Multilateral Foreign Funding, National Development Planning Agency (BAPPENAS), on behalf of the Government of Indonesia, requested ADB to formally consider the use of Indonesia's CSS for environment and involuntary resettlement in ADB-financed projects. The government expects that the use of their safeguards system would support the smooth implementation of land acquisition/involuntary resettlement in ADB-financed projects in the country,³ as well as enhance the capacity of agencies in addressing environmental safeguards issues.

3. ADB defines CSS as a country's legal and institutional framework, consisting of its national, subnational, or sectoral implementing institutions and relevant laws, regulations, rules, and procedures that pertain to the policy areas of environmental and social safeguards.⁴ The SPS authorizes ADB to use CSS as long as ADB retains and does not delegate its role in due diligence and loan supervision to the borrower/client. Accordingly, ADB retains its role in reviewing safeguard documents produced by the project, in this case, under the CSS, and in supervising implementation of the relevant safeguard plans produced by the CSS as would be referenced in the loan agreements. This report presents the findings of the equivalence and acceptability assessments, which are accompanied by recommendations, as necessary, for Indonesia's CSS to attain full equivalence with the objectives, scope and triggers and policy principles of ADB's SPS. This is a preliminary draft document to be used as the basis for public consultations.

¹ The ADB Safeguard Policy Statement (2009) (SPS) describes common objectives of ADB, lays out policy principles, and outlines the delivery process for ADB's safeguard policy. The SPS is designed for application to lending modalities and caters to the varying capacities and needs of the developing member countries (DMC) clients in both the public and private sectors. ADB. 2009. *Safeguard Policy Statement*. Manila.

² Equivalence requires that the country's laws and legal frameworks have provisions to achieve the same objectives and principles as ADB's SPS. Acceptability measures the country's implementation practice, track record, and capacity.

³ BAPPENAS's letter to ADB indicates that the request is a follow-up to the bilateral meeting between BAPPENAS and ADB at the 46th ADB Annual Meeting in Delhi, India in May 2013. During the fact-finding mission for Technical Assistance (TA) 8548-INO, BAPPENAS requested ADB to broaden the TA scope to environmental safeguards, which was approved by ADB in response to the request.

⁴ ADB's SPS defines "safeguard policies" as operational policies that seek to avoid, minimize, or mitigate adverse environmental and social impacts, including the rights of those likely to be affected or marginalized by the development process. ADB. 2009. *Safeguard Policy Statement*. Manila. p. 4.

B. Requirements for the Use of Country Safeguard Systems

4. In its response to BAPPENAS, on 2 August 2013, ADB explained that in order to use CSS for ADB-financed projects, assessments of equivalence and acceptability are required.⁵ Once the assessments are completed, and an action plan to address any identified gaps for the use of CSS is agreed upon by the government and ADB, the use of CSS is proposed to the ADB Board of Directors for its consideration and approval. The use of CSS can also be pursued in an incremental manner by first selecting a specific safeguard policy and/or sector or agency to conduct the assessment and associated procedures to use CSS. Additional safeguard policies and/or sectors can be subsequently included for CSS following the same procedure.

5. ADB responded to the request from the Government of Indonesia by approving a capacity development technical assistance (TA) project for Aligning ADB and Country Systems for Improved Project Performance. The TA aims to help align the environmental and social safeguards systems of ADB and the government of Indonesia as well as their procurement and project preparation and start-up systems. Under the TA, two out of the three safeguard areas in ADB's SPS were assessed—environment and involuntary resettlement—for four priority sectors: (i) water resources, (ii) road and transport, (iii) energy, and (iv) urban planning.⁶ A review of Indonesia's Indigenous Peoples CSS is not part of the scope of the TA.⁷

C. Key Findings

6. The equivalence assessment found that Indonesia's CSS are broadly aligned with the objectives, scope and triggers of the ADB SPS with regard to environment and involuntary resettlement safeguards. The equivalence assessment also found that the laws, government regulations, and presidential decrees of Indonesia are aligned with the environment and involuntary resettlement policy principles of ADB's SPS. There are no significant gaps that would preclude ADB's selective use of Indonesian's legal framework. The few gaps identified can be addressed by implementing a proposed action plan at the sector or agency level. The action plan mostly calls for capacity development and guidance notes. The assessment for involuntary resettlement indicates that the Indonesia legal framework is fully equivalent with 31 out of 36 Key Elements (KE), and in 8 out of 12 Policy Principles (PP). Only 5 Key Elements are still partially equivalent. There is no KE or PP considered to be not equivalent. The assessment for environment showed that the Indonesia legal framework is fully equivalent with 40 out of 41 Key Element, and 10 out of 11 Policy Principles. Only 1 KE is considered partially equivalent.

7. The acceptability assessment shows that there are a number of key government agencies that have good capacity, procedures, and performance (outputs and outcomes)⁸ for

⁵ Equivalence assessments determine if the CSS is equivalent to ADB's SPS, i.e., the CSS is designed to achieve the objectives and adhere to the policy scope, triggers, and applicable principles set out in the SPS (Tables 1-3). Acceptability assessments evaluate the country's implementation practice, track record, capacity, and commitment to implement applicable laws, regulations, rules, and procedures. ADB. 2009. *Safeguard Policy Statement*. Manila. p. 24.

⁶ These sectors were identified and selected through ADB's initial consultation with BAPPENAS as sectors most likely to be proposed for ADB support in the near or medium term.

⁷ BAPPENAS informed ADB that the Indonesian government did not request the use of the CSS for the Indigenous People safeguard at this stage.

⁸ Outputs of the CSS include documentation, which is normally the responsibility of the project proponent, subject to public consultation and approval by public authorities. For environmental safeguards, such documentation includes an environmental impact assessment (which for Indonesia, is the *Analisa Mengenai Dampak Lingkungan* [AMDAL]), and where AMDAL is required, an environmental management

both environment and resettlement; however, these strengths are primarily concentrated at the national level. At the provincial and district levels, capacity, procedures, and outcomes are considered moderate to weak. Among the four agency-led sectors, the energy sector, represented by the national electric company, PLN (*Perusahaan Listrik Negara*, a state-owned enterprise), shows strong capacity in most areas both for environment and involuntary resettlement, while the water resource sector, represented by the Directorate General of Water Resources (DGWR, *Dirjen Sumber Daya Air*) of the Ministry of Public Works and Housing shows moderate capacity at national and regional levels, and at times shows strong capacity when the involvement of local government for involuntary resettlement is significant. These two agencies will be proposed to use CSS after ADB board consideration. The road and transport sector, represented by the Directorate General of Highways (*Dirjen Bina Marga*), shows strong to moderate capacity for environment and involuntary resettlement, and land acquisition for most of the projects is the responsibility of the local governments. The urban planning sector, represented by the Directorate General of Human Settlements (DGHS, *Dirjen Cipta Karya*) of the Ministry of Public Works and Housing (MPWH) shows strong to weak capacity for both involuntary resettlement and environment and would still require some more capacity building to be suitable for CSS application.

II. APPROACH AND METHODOLOGY

A. Equivalence Assessment

8. The equivalence assessment compared Indonesia's country safeguard systems to the ADB SPS objectives, scope, triggers, and policy principles on environment and involuntary resettlement. The equivalence assessment used a standard gap analysis as its basic analytical tool. The gap analysis employed a matrix format to compare Indonesia's legal frameworks for CSS to the ADB SPS policy principles on environment and involuntary resettlement. To facilitate comparison, the SPS policy principles were disaggregated into their constituent key elements, and compared with corresponding mandatory provisions of Indonesia's legal framework. Each comparison yielded a determination of relative equivalence between the Indonesian legal instrument (law, regulation, etc.) and the corresponding SPS key element, ranging from full equivalence, to partial equivalence, to no equivalence.⁹ Where full equivalence is absent, the specific gaps in the Indonesian legal framework were identified and recommendations formulated to bridge the gaps. Collectively, the recommended gap-filling measures were consolidated into an action plan for full equivalence.

and monitoring plan (which for Indonesia, is the *Rencana Pengelolaan Lingkungan dan Rencana Pemantauan Lingkungan* [RKL-RPL]) is also prepared. For projects that have a lesser, or no significant impact on the environment, the required documentation includes Environmental Management and Monitoring Measures (which for Indonesia, is the *Upaya Pengelolaan Lingkungan dan Upaya Pemantauan Lingkungan* [UKL-UPL]). For projects involving land acquisition and resettlement (physical or economic displacement), a land acquisition/resettlement plan (which for Indonesia, is the *Dokumen Perencanaan Pengadaan Tanah*), or LARP, is required. Outcomes of CSS focus on whether the CSS achieves the basic objectives of the CSS legal system as these objectives are transposed into policy and legal requirements.

⁹ "Full equivalence" denotes that the Indonesia legal requirement(s) are in complete harmony with the corresponding ADB SPS Policy Principle or Key Element. "Partial equivalence" denotes that the Indonesia legal requirement is in partial harmony with the corresponding ADB SPS Policy Principle or Key Element. "No equivalence" denotes that no Indonesia legal requirements can be found that corresponds to the particular ADB SPS Policy Principle or Key Element.

9. The equivalence assessment examined a hierarchy of three levels of government legal frameworks: (i) acts or laws that provide overarching policy intent and direction; (ii) government regulations that govern or define implementation provisions deriving from the acts or laws; and (iii) presidential regulations that govern implementation provisions of the acts or laws. In some cases, the assessment also examined the existence or absence and the scope of ministerial regulations or decrees.

10. In addition to a detailed desk study conducted by relevant legal experts, the equivalence assessment solicited inputs from focused group discussions, facilitated by BAPPENAS, with relevant regulatory and sector-specific government agencies at the central and regional levels, ADB and other development partner agencies,¹⁰ and selected stakeholders, including professional organizations (such as the AMDAL Forum and Social Safeguard Forum) and experts on safeguards.¹¹

B. Acceptability Assessment

11. The CSS acceptability assessment methodology was developed based on the SPS and the draft Guidance Note for Review of Country Safeguard Systems,¹² with specific questions and qualitative ratings tailored to fit the Indonesian context.¹³ This assessment confirmed that the institutional capacity, implementation practices, and performance of the CSS met the requirements of ADB's SPS.¹⁴

12. The acceptability assessment utilizes a combination of desk review and field research and was conducted as a consultative process that included discussions with key personnel of relevant agencies and regulatory bodies. Specific to the Indonesian CSS, the assessment examined existing literature/studies on the Indonesian environmental impact assessment system (AMDAL) and land acquisition/involuntary resettlement systems. This review focused on macro-level issues of environmental and social safeguards impacts and management at the national, regional, and sector levels, as well as an assessment of current safeguard systems for ongoing results-based lending programs. The desk review also identified key government agencies and other institutions that play a significant role:

¹⁰ Department of Foreign Affairs and Trade of Australia, Japan International Cooperation Agency, and the World Bank.

¹¹ In July 2014, under TA 8548, BAPPENAS established three focus group discussions (FGD) groups: FGD for Readiness Criteria, FGD for environment and involuntary resettlement country safeguards review, and FGD for procurement. The FGD members for safeguards are ADB, BAPPENAS, Ministry of Agrarian and Spatial Planning/National Land Agency, Ministry of Environment and Forestry, Ministry of Home Affairs, and Ministry of Public Works and Housing.

¹² ADB. 2016. *Guidance Note for Review of Country Safeguard Systems* [Draft]. Manila.

¹³ The acceptability assessment also built on the environmental and social safeguards acceptability assessments from ADB's TA projects and ADB-financed projects including: (i) Strengthening AMDAL and Social Safeguards subproject financed under TA 7566 for Strengthening and Use of Country Safeguard Systems; (ii) Program Safeguard System Assessment (PSSA) for Electricity Grid Strengthening—Sumatra Program (RRP-INO 49080); and (iii) PSSA of Integrated Participatory Development and Management of Irrigation Program (RRP I43220). The PSSA examines the program safeguards system of Indonesia, including its implementation practices and capacities.

¹⁴ The detailed methodology and acceptability assessment findings for environment and involuntary resettlement are provided in the Appendixes.

- (i) **Capacity.** Primarily the capacity (and commitment) of the implementing institutions and other authorities responsible for CSS implementation as assigned by the legal framework;
- (ii) **Implementation practice.** The delivery procedure by which CSS safeguard requirements are implemented;
- (iii) **Performance.** As evaluated according to both “outputs” and “outcomes”. Outputs refer primarily to safeguard documentation prescribed under the CSS, including the Environmental Impact Assessment and Environmental Management Plan (*Analisa Mengenai Dampak Sosial*, AMDAL) and Land Acquisition/Involuntary Resettlement Plan. Outputs are normally the responsibility of project proponents. Outcomes refer to whether CSS achieve their basic objectives. The assessment of outcomes evaluates whether the outputs substantively and qualitatively address the elements required by the legal framework.

13. The CSS acceptability assessment examined the institutional setup and capacity of key regulatory agencies,¹⁵ evaluated their performance-to-date, and identified programmatic and budgetary allocations that support capacity development. Key regulatory agencies playing a significant role in Indonesia’s CSS for environmental and involuntary resettlement safeguards are: (a) the Ministry of Environment and Forestry (MOEF) with units in charge of AMDAL, strategic environmental assessment (SEA), and pollution prevention and control; (b) Ministry of Agrarian and Spatial Planning/National Land Agency (MASP/NLA).¹⁶ Other institutions having a role in implementing certain elements of the CSS may include: the provincial and district Local Environmental Management Agency (BLH/BLHD) for environmental safeguards and for land acquisition/involuntary resettlement the regional land office, the local government agency responsible for land acquisition preparation, the Indonesian Association of Appraisers (*Masyarakat Profesi Penilai Indonesia* [MAPPI]), and any institution offering training or other capacity building activities.

14. The CSS acceptability assessment also examined the institutional setup and capacity of the four selected sectors: (i) the water resource sector represented by Directorate General of Water Resources (DGWR); (ii) the road and transport sector, represented by the Directorate General of Highways (DGH); (iii) the energy sector, represented by the State Electric Company (PLN); and (iv) the urban planning sector, represented by the Directorate General of Human Settlements (DGHS) of the Ministry of Public Works and Housing.

15. The acceptability assessment also looked at how national level findings are being realized at the project level within the TA-relevant sectors¹⁷ using individual case studies (Table 1).

¹⁵ Key regulatory agencies are defined as government units and directorates that have a direct role in environmental and land acquisition/involuntary resettlement safeguards

¹⁶ In particular, the Deputy of Land Acquisition is responsible for formulating and implementing policies for land acquisition for development in the public interest and the establishment of agencies responsible for land, land valuation, and land consolidation.

¹⁷ Sectors relevant to this TA are: water resources; road and transport; energy; and urban planning.

Table 1: Sectors, Agencies and Projects Review for Acceptability Assessment

	Sector	Agencies	Project
1	Water Resource Sector	Directorate General of Water Resources, River Basin Organization of Cidanau-Ciujung-Cidurian (BBWS 3C)	Karian Multipurpose Dam ¹⁸ (Banten)
2	Road and Transport Sector	Directorate General of Highways, Task Force (<i>Satker</i>) of Inventory and Land Acquisition, Land Acquisition of Palembang Toll Road–Indralaya/ PT HKI	Palembang–Indralaya Toll Road (Palembang)
3	Energy Sector	National Electric Company Headquarters (PLN Pusat), PLN UIP VII.	SUTET/GITET 500 kV Central Java Transmission Line ¹⁹ (Cilacap, Central Java)
4	Urban Planning Sector	Directorate General of Human Settlements, DKI Jakarta.	Normalization of Kali Ciliwung and Pesanggrahan and Development of Rempoa Flat

Notes: PLN UIP VII = PLN UIP VII = state electric company main power generation project; PT HKI = the state-owned toll road developer and operator
Source: ADB.

16. Case study projects were chosen based on the following criteria: (i) project category with significant environment and involuntary resettlement impacts (preferably Category A according to ADB's SPS); (ii) use of the latest prevailing laws and regulations; (iii) geographic variation (comparing Java/off-Java); and (iv) government funding source (government or state-owned enterprise only); and relative complexity (ranging from complex to very complex).²⁰

17. In order to assess the relative effectiveness of environmental practices, the four case studies focused on the following:

- (i) Institutional capacity of the proponents to prepare and implement AMDAL recommendations (including Environmental Management /Environmental Monitoring Plans [RKL-RPL]);
- (ii) Implementation practices (process and procedure) for AMDAL preparation, review, approval, implementation and monitoring; and
- (iii) Track record or performance (outputs and outcomes) of environmental assessment and management.

18. In order to assess the relative effectiveness of practices in projects involving land acquisition/involuntary resettlement, the case studies focused on the following:

¹⁸ *Kali Pesanggrahan* and Development of Rempoa Flat segment for AMDAL/environmental case study, and *Kali Ciliwung* segment for resettlement/involuntary resettlement,

¹⁹ Transmission Line SUTET 500 kV PLTU 2 Jawa Tengah—GITET 500kV Kesugihan, Cilacap District.

²⁰ See the Appendixes for selection methodology and indicators for rating capacity, process and procedure, output, and outcome.

- (i) Institutional capacity of proponents and land management agencies to assess potential impacts of land acquisition on project-affected people and host communities;
- (ii) Processes and procedures for land acquisition/involuntary resettlement;
- (iii) Quality of outputs, such as socio-economic impact assessments and land acquisition/involuntary resettlement plans; and
- (iv) Outcomes relative to legal entitlements of project-affected people (including both physical and economic displacement and titled and non-titled persons) relative to their compensation, standard of living, employment, community infrastructure and other impacts resulting from land acquisition/involuntary resettlement.

19. Acceptability assessment findings were organized in tables together with the following rating indicators: weak (W), moderate (M), and strong (S).²¹ These indicators were applied for institutional capacity,²² process and procedure,²³ output, and outcome.²⁴ The scoring of the assessment of process and procedure and of AMDAL documents and outcomes used specific MOEF quality criteria.²⁵

20. Throughout the acceptability assessment process, consultations with relevant agencies, including focus group discussions, were conducted regularly, as coordinated by BAPPENAS. This draft CSR report is posted on ADB's website for public commenting prior to public consultation. Comments received will be collated by ADB for consideration and deliberations. The final CSR report will be disclosed on ADB's website on completion.

III. RESULTS AND FINDINGS

21. Indonesia's CSS for environment have incrementally evolved as project-specific environmental impact assessment (*analisis dampak lingkungan*; AMDAL) instrument since the

²¹ Scoring was done by comparing the various aspects to benchmark cases, as already applied in the previous 2005 MOE–World Bank study (i.e., Good Practices of Environmental Impact Analysis—presenting examples of AMDAL good practice drawn from five regions in Indonesia).

²² It indicates “Strong” if it has institutional structure (safeguard unit/task force for environment or land acquisition/ resettlement) with sufficient human, technical and financial resources. It indicates “Moderate” if it has a task force or staff assigned to handle safeguards, and it indicates “Weak” if it has no institutional structure or staff assigned to support safeguards.

²³ It indicates “Strong” if the process and procedure applied fully meet with all safeguard delivery mechanism set forth by laws/regulations. It indicates “Moderate” if they partially meet with safeguard mechanism, while it indicates “Weak” if they poorly meet with safeguards delivery mechanism.

²⁴ It indicates “Strong” if the outcome fully meets with requirements of AMDAL (for environment) and Land Acquisition Plan (for land acquisition/resettlement) documents set forth in the regulations and achieve the legal framework objectives. It indicates “Moderate” if the outcome partially meets with the requirements of AMDAL or LAP documents and partially achieves legal framework objectives. It indicates “Weak” if the outcome poorly meets with requirements of AMDAL or LAP documents and poorly achieve legal framework objectives.

²⁵ For implementation (process and procedure) level assessment, MOEF's criteria on coherence, transparency, consistency, and effectiveness were applied to determine the score/rating of “strong,” “moderate,” and “weak.” For the quality of the AMDAL documentation, three criteria were used: consistency, mandatory requirements, depth, and relevance, to determine whether these are of “strong quality,” “moderate quality,” and “weak quality.” Scoring for outcome uses similar terms, “strong outcome,” “moderate outcome,” and “weak outcome.”

1980s.²⁶ The primary legislation requiring AMDAL is Law 32 of 2009 on Environmental Protection and Management under the Ministry of Environment. It requires that every activity which has potential impacts is obliged to have an AMDAL.²⁷ Prescriptive provisions for the content and format of AMDAL processes and documentation are further defined in various acts, government regulations, and supporting technical operational regulations,²⁸ as summarized below. The operation of AMDAL is supported by government institutions at the central, provincial, and district/municipality levels, and well-developed consulting practices exist to support preparation and implementation of required environmental activities. Government capacity for management and regulation is continually improving.

22. Indonesia's CSS for land acquisition/involuntary resettlement is in place and has been progressively implemented since the promulgation of Law 2 of 2012 on Land Acquisition for Development in the Public Interest (Land Acquisition Law) in January 2012. Various ministries including the Ministry of Finance, Ministry of Home Affairs and MASP/NLA have subsequently prepared implementing regulations. As a result, the Land Acquisition Law provides clear, time-bound procedures for facilitating land acquisition through eminent domain. The law has significantly improved CSS for land acquisition with greater protection of the rights of entitled parties²⁹ through consultation, grievance redress mechanism and fair compensation. It also deals with compensation for non-land titled holders and owners of buildings and other assets. In addition, several sector agencies (road and energy) have established safeguards learning centers to build awareness and increase capacity of staff to address environmental and social safeguards issues. Several universities have also established centers for environment and social studies (University of Indonesia, Bogor Agriculture Institute, University of Pajajaran, etc). ADB and the World Bank are in the process of jointly preparing feasibility studies for safeguards learning centers in Indonesia to further support capacity development of government and other stakeholders in social and environmental safeguards.

23. Several Technical Assistance (TAs) have been implemented as efforts in enhancing capacity of government agencies in social and environmental safeguards, including on-going TA 7566,³⁰ TA 8548,³¹ TA 8661,³² TA 8530³³ and TA 8745.³⁴ These have been resulting in

²⁶ Act No. 4 of 1982 on Basic Provisions of Environmental Management / Undang-Undang No 4 Tahun 1982 tentang Ketentuan-Ketentuan Pokok Pengelolaan Lingkungan Hidup.

²⁷ Law Number 32 of 2009 Concerning Environmental Management and Protection, Article 22 (1).

²⁸ I.e., Government Regulation Number 27 of 2012 Concerning Environmental Permits, which effectively replaces Government Regulation Number 27 of 1999 Concerning AMDAL; Minister of Environment Regulation No. 08 of 2006 regarding Guidelines for the Composition of AMDAL Documents; Minister of Environment Regulation No. 11 of 2006 on type of business plan and/or activity that require analysis of environment impact; Act No. 4 of 1982 on Basic Provisions of Environmental Management.

²⁹ According to Law 2 of 2012, "entitled party" means any party by whom objects of the acquired land are possessed or owned.

³⁰ ADB. 2009. *Technical Assistance for Strengthening and Use of Country Safeguard Systems*. Manila. Specifically, this TA supported, in part, strengthening social and environmental safeguard systems for the energy and water resources sectors.

³¹ ADB. 2013. *Technical Assistance to Indonesia for Aligning ADB and Country Systems for Improved Project Performance*. Manila.

³² ADB. 2014. *Technical Assistance to Indonesia for Stepping Up Investments for Growth Acceleration Program*. Manila.

³³ ADB. 2013. *Technical Assistance to Indonesia for Strengthening Community Participation in Project Design, Implementation, and Monitoring in Regional Road Development Projects*. Manila.

³⁴ ADB. 2014. *Technical Assistance to Indonesia for Institutional Strengthening of Baluran and Bali Barat National Park Authorities to Address Biodiversity Conservation*. Manila. This TA includes monitoring biodiversity.

improving the knowledge and awareness of agencies involved in handling social and environmental risks.

A. Equivalence Assessment

24. **Environment.** The level of equivalence for Indonesia's CSS for environment is high, since it is found that the Indonesia legal framework is fully equivalent with 10 of the 11 policy principles (91%) and with 40 of the 41 key elements (98%) of the ADB's environmental safeguard. This level of equivalence is also high in comparison with other ADB's developing member countries (DMCs).³⁵

25. One key element identified as partially equivalent, Key Element 5, Policy Principle 2, pertains to the identification of socio-economic impacts (including impacts on livelihood through environmental media, health and safety, vulnerable groups, and gender issues). The Indonesian CSS is partially equivalent with respect to provisions for vulnerable groups, since the Indonesian CSS provides only for customary communities and poor people, whereas the ADB SPS has a broader definition of vulnerable groups, including those below the poverty line, the landless, the elderly, female-headed households, women and children, Indigenous Peoples, and those without legal title to land.

26. **Involuntary Resettlement.** The Indonesian CSS is fully equivalent with 8 of the 12 policy principles (67%) of the SPS for involuntary resettlement. When the policy principles are disaggregated into their respective key elements, the Indonesian CSS is fully equivalent with 31 of 36 key elements (86%). The gaps can be addressed through administrative measures with no need for legislative recourse.

27. The high level of equivalence can be attributed to the recently enacted Law 2 of 2012 and its implementing regulations which were designed to align the Indonesian legal framework with international best practices, including the safeguard systems of ADB, the World Bank, and other development partners.

28. The five key elements which are identified partially equivalent are as follow;

- (i) **Policy Principle 4, Key Element 1.** "Provide physically and economically displaced persons with needed assistance, including, if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities. Integrate resettled persons economically and socially into their host communities, and extend project benefits to host communities."

The Indonesian legal framework does not provide for comparable access to employment and production opportunities. The legal framework also does not require integration of resettled persons into their host communities and does not extend project benefits to host communities.

³⁵ The result of equivalence assessment on environmental safeguards carried out in 2014 for the six DMCs; Azerbaijan, People's Republic of China (PRC), Kazakhstan, Malaysia, Thailand, and Turkmenistan. The assessment indicates that no one country assessed has full equivalence for environmental safeguard. ADB. 2014. Promoting the Use of Country Systems in ADB's Operations: A Systematic Approach. Manila.

- (ii) **Policy Principle 4, Key Element 2.** “Provide physically and economically displaced persons with transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities.”

Under the Indonesian CSS, transitional support is limited to housing and settlement area development.

- (iii) **Policy Principle 7, Key Element 1.** “Ensure displaced persons without titles or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.”

The Indonesian legal framework does not provide for resettlement assistance for displaced persons.

- (iv) **Policy Principle 8, Key Element 2.** “Prepare a resettlement plan elaborating income and livelihood restoration strategy.”

The Indonesian legal framework contains no clear provision for including an income and livelihood strategy for displaced persons in the resettlement plan.

- (v) **Policy Principle 12, Key Element 1.** “Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring.”

The Indonesian legal framework does not require monitoring of land acquisition/resettlement impacts to the livelihoods and living standards of displaced persons and does address whether the objectives of the resettlement plan have been achieved.

B. Acceptability Assessment

29. **Environment.** The overall findings of the acceptability assessment for environmental safeguards indicate trends ranging from strong to moderate institutional capacity; moderate process and procedure; and moderate to weak outputs and outcomes. It is clear from this analysis that in spite of generally strong institutional capacity, processes, and procedures, there is considerable room for improvement in the quality of outputs and outcomes. Such improvement may be readily achieved through better resource mobilization and accountability of institutions and procedures for, and targeting of, required outputs and outcomes. This apparent “disconnect” between institutions and procedures on the one hand and outputs and outcomes on the other may be attributed in part to the decentralization of project approval authority from the central to the district level that occurred beginning in 2001. The decentralization was not accompanied by a reallocation of resources and expertise, which has remained largely centralized at the national and some regional levels.³⁶

Table 2: Summary of Environmental Acceptability Assessment Results per Sector

	Sector	Component	Assessment Results
1	Water Resource Sector Karian Multipurpose Dam (DGWR-BBWS 3C)	Institutional Capacity	Moderate
		Process and Procedure	Moderate
		Output	Moderate
		Outcome	Moderate

³⁶ This outcome was anticipated in a World Bank discussion paper in 2006. World Bank. 2006. *AMDAL Reform and Decentralization: Opportunities for Innovation in Indonesia*. Washington, DC. <http://documents.worldbank.org/curated/en/554461468039047307/pdf/536930WP0Indonesia0Box345623B01PUBLIC1.pdf>

	Sector	Component	Assessment Results
2	<u>Road and Transport Sector</u> Palembang-Indralaya Toll Road (DGH/Satker-PT HKI)	Institutional Capacity	Moderate
		Process and Procedure	Moderate
		Output	Moderate
		Outcome	Strong
3	<u>Energy Sector</u> Transmission Line SUTET 500 kV PLTU 2 Jawa Tengah-GITET 500kV Kesugihan (PLN HQ-PLN UIP VII)	Institutional Capacity	Moderate
		Process and Procedure	Strong
		Output	Strong
		Outcome	Strong
4	<u>Urban Planning</u> Normalization of Kali Pesanggrahan and Development of Rempoa Flat Human Settlement (DGHS – DKI Jakarta)	Institutional Capacity	Weak
		Process and Procedure	Moderate
		Output	Moderate
		Outcome	Moderate

Notes: DGH = Directorate General of Highways, DGHS = Directorate General of Human Settlement; DGWR-BBWS 3C = Directorate General of Water Resources-River Basin Organization of Cidanau-Ciujung-Cidurian; GITET = high voltage relay station; PLN HQ = state electric company headquarters, PLN UIP VII = state electric company main power generation project; PT HKI = the state-owned toll road developer and operator; Satker = Satker Inventarisasi dan Pengadaan Lahan, Pengadaan Tanah Jalan Tol Palembang-Indralaya.

Source: Asian Development Bank.

Institutional Capacity

30. *Regulatory Agencies [MOEF]*. The institutional capacity of MOEF can be considered strong with respect to organization (legal authority and establishment), staffing, knowledge management, expertise, legal counsel, equipment and facilities, capacity building, training centers (*Pusdiklat*), and supervision monitoring. However, the institutional setup is not adequately supported with budgetary resources, in part due to the recent restructuring of the then Ministry of Environment and the Ministry of Forestry into the MOEF, which has resulted in a decrease of the budget of the Directorate of Prevention for Environmental Impact of Business and Activities (PKTL) in the face of an increasing workload. Institutional capacity and resources at the provincial/district level (BLHD) face similar challenges.

31. *Water Resource Sector Agency [DGWR]*. The national level DGWR has no legal mandate to set up a dedicated environmental safeguard unit.³⁷ However, the Sub-Directorate of Hydrology and Water Resource Environment under the DGWR has the authority to provide assistance in the hydrological management of river basins and water quality through the preparation of strategic environmental assessments of water resources and related global issues, such as climate change mitigation and adaptation. Responsibility for the execution and implementation of policies is assigned to the technical implementing unit (UPT/Balai).

32. One of the river basin organizations, BBWS 3C, an extended arm of DGWR, has no designated unit for conducting AMDAL. For that reason, in practice, responsibility for AMDAL is commonly outsourced to consultants. Due to the lack of a dedicated unit for quality assurance of

³⁷ The main duties and functions of DGWR and its sub-directorates are limited to formulating policy, guidelines and assistance related to environmental safeguards.

the AMDAL study, limited time allocated for the AMDAL, and the limited budget available, the institutional capacity of BBWS is considered moderate.

33. *Road and Transport Sector Agency [DGH].* Under the DGH for the road and toll road sector, there are two sub-directorates dedicated to implementation of environmental safeguards and construction safety (including occupational health). They are represented by (i) the Sub-Directorate for Environment and Road Safety, and (ii) the Sub-Directorate for Construction Management.³⁸ Accordingly, at the implementation level, the state-owned toll developer and operator (PT HKI) has established a special unit to cover safeguard issues. However, improvement of human resources and organization is still required.

34. *Energy Sector Agency [PLN].* In line with its vision, “Running Environmentally-Oriented Business Activities,”³⁹ the national electric company (PLN) strives to take into account environmental aspects in all of its activities. PLN seeks to implement continuous environmental management and periodic environmental monitoring. This effort is carried out across all of PLN’s electricity supply activities, including power generators, transmitters or substations and distribution terminals.⁴⁰ At the corporate level, PLN is in the process of establishing a Safety, Occupational Health, and Environment) Division (K3L) to implement its environmental safeguards.⁴¹

35. The case study of PLN’s domestically funded UPK VII JJB project (UIP VII, PLN) indicates a relatively strong organizational structure at the corporate level, including a General Planning and Environment Unit, responsible for environmental management and related issues. However, high staff turnover, understaffing (relative to project workload) and frequent revision of the organizational structure continue to present challenges to fully effective environmental management.

36. *Urban Planning Sector Agency [DGHS].* Institutionally the Directorate of Human Services (DGHS) of the Ministry of Public Work and Housing (PUPR) is responsible for administering, formulating and implementing policies on the development of settlement areas, assistance for buildings arrangement, development of water supply systems, development of wastewater systems, and drainage and solid waste management. As there is no legal mandate, there is no dedicated structure established within DGHS responsible for environmental safeguards. Due to the absence of a special unit or persons assigned to ensure the quality of the AMDAL study, the institutional capacity generally is considered weak. The responsibility for environmental safeguards (primarily AMDAL or UKL-UPL preparation and implementation) is delegated to the Local Government, BUMN/BUMD, and/or private sector proponents.

³⁸ *Subdirektorat Lingkungan dan Keselamatan Jalan and Subdirektorat Manajemen Konstruksi*), respectively.

³⁹ This commitment is reflected in the development plan for the 35,000 MW Power Plant Development Program, which promotes the construction of power plants using new and renewable energy sources. See PT PLN. 2015. Annual Report (Laporan Keberlanjutan 2015 PT PLN (PERSERO). Indonesia. p. 136.

⁴⁰ PLN has been “committed to making electricity as a medium to improve the quality of people’s lives, to seek power become the driving economic activity and execute environmentally sound business activities”, PLN is determined to align all three aspects of development in the provision of electricity, namely economic, social and environmental. To that end, PLN is developing a program of Corporate Social Responsibility (CSR) as a tangible manifestation of Corporate Social Responsibility. In addition, a total of 34 units spread throughout Indonesia PLN has been certified ISO 14001 and as many as 12 units have a Health and Safety Management System (SMK3) certification. <http://www.pln.co.id/2011/03/pln-peduli/>

⁴¹ Workshop on Country Safeguard System (Jakarta, 28 April 2016).

Processes and Procedures.

37. *Regulatory Agencies [MOEF].* Assessment at the national level indicates that the processes and procedures for centrally-managed AMDAL conform to Indonesia's prevailing laws and regulations. As intended, the AMDAL process is relatively efficient (per the "public service" requirement), accurate (per regulatory requirements) and of high quality (relative to technical and managerial requirements).

38. Similarly, the processes and procedures implemented at the project level generally meet the criteria set forth by MOEF with regard to coherence, transparency, consistency, and effectiveness. Of the four projects under case study, on average, most of the required steps for AMDAL had been followed with respect to compliance, and the quality of the AMDAL process and outputs ranged from moderate to strong.

39. *Water Resource Sector Agency [DGWR].* For the Karian Multipurpose Dam, all processes and procedures complied with those set forth in the AMDAL regulations.⁴² The study was completed in a timely manner, with some limitations in the case of transparency and effectiveness. However, the AMDAL study did not reflect explicit efforts to encourage participation of women and vulnerable groups.⁴³ Similarly, due to poor scoping, the study did not cover all issues relevant to the project. As a consequence, a supplementary AMDAL and environmental permit were required for additional project-supported activities to be defined later (including a quarry and access road). In addition, scoping did not cover assessment of post-operational impacts for the multipurpose dam. For that reason, the AMDAL process for this project was assessed as moderate for compliance and quality.

40. *Road and Transport Sector Agency [DGH].* For the Palembang–Indralaya Toll Road, the assessment identified gaps with respect to transparency. As required by regulation, the announcement in local newspapers and its posting in public places were carried out. Key stakeholders and affected people and/or their representatives were invited to and involved in several public consultations. However, no special efforts were made to ensure representation of women and vulnerable groups. Scoping did not include associated activities of river dredging and impacts of "induced development" resulting from the toll road development. In this case, the involvement of other parties (local government) for implementing AMDAL was insufficiently considered. For that reason, the AMDAL process for this project was also assessed as moderate in terms of compliance and quality.

41. *Energy Sector Agency [PLN].* The SUTET/GITET 500 kV Central Java Transmission Project exemplifies strong implementation processes and procedures, especially relative to the case studies of the water resources and the road and transport sectors. The AMDAL generally met the criteria of coherence, transparency, consistency, and effectiveness. Although there was no special attention addressing representation of gender and vulnerable groups, an extensive socialization process was carried out during the study.

42. *Urban Planning Sector Agency [DGHS].* The Pesanggrahan Normalization and Development of Rempoa Flat Project exhibited moderate implementation process and procedure. The project and AMDAL were publicly announced in local newspapers, and posted

⁴² As the study was carried out in 2014, it referred to an older regulation, which preceded enactment of the environmental permit regulation in 2012.

⁴³ This finding is consistent with the single gap found in the Equivalence Assessment relative to the ADB SPS.

in public places and government offices. The consultations were carried out at the sub-district level. The AMDAL study was approved by MOEF and is consistent with the required processes and procedures. The AMDAL process was considered effective as the time span between AMDAL's approval and construction commencement is relatively short.

Outputs and Outcomes.

43. *Outputs.* The assessments of outputs and outcomes of the four case study projects vary, reflecting the diversity of proponents, level of approval required, project location, sector, and others. As outputs of the AMDAL process, the AMDAL documents (ANDAL, RKL-RPL) were assessed using four main criteria: consistency, compliance, depth, and relevance. For example, the AMDAL for the Karian Multipurpose Dam [Water Resource Sector], Normalization of Kali Pesanggrahan and development of Rempoa Flat, and Palembang-Indralaya Toll Road [Road and Transport Sector] can be considered to be of weak to moderate quality, while the AMDAL for the Transmission Line SUTET 500 kV PLTU 2 Jawa Tengah – GITET 500kV Kesugihan (Cilacap) [Energy Sector] can be considered relatively strong.

44. *Outcomes.* The outcomes⁴⁴ of the AMDAL study were intended to achieve “harmony, compatibility, and a balance of development activities and environmental carrying capacity,” as well as to ensure that environmental considerations have been incorporated into planning, design, decision making, and project implementation. Per these criteria, for example, the outcomes of the AMDAL process for the Karian Multipurpose Dam and Normalization of Kali Pesanggrahan development of Rempoa Flat can be considered moderate, relative to those for the Palembang-Indralaya Toll Road [Road and Transport Sector] and the SUTET/GITET 500 kV Central Java Power Transmission (Cilacap) [Energy Sector], which can be considered strong.

45. **Involuntary Resettlement.** The acceptability assessment for resettlement used the same three main parameters as for environmental safeguards: institutional capacity; processes and procedure; and outputs and outcomes. The results vary from weak to strong. This indicates that there is some room for improvement in and among the various institutions charged with the implementation of Law 2 of 2012 and its implementing regulations. These gaps may be explained by the fact that the law is quite recent and that it introduced many new elements into the Indonesian legal framework for land acquisition/involuntary resettlement that have yet to be fully socialized and institutionalized at the regional and local levels where decision-making authority has traditionally been vested.

Table 3: Summary of Involuntary Resettlement Acceptability Assessment per Sector

No.	Sector/Project	Component	Assessment Results
1.	<u>Water Resource Sector</u> Karian Multipurpose Dam (DGWR–BBWSC3)	Institutional Capacity DGWR – BBWSC3	Moderate - Moderate
		Process and Procedure	Moderate
		Output	Moderate
		Outcome	Moderate
2.	<u>Road and Transport Sector</u> Palembang-Indralaya Toll Road (DGH–Satker)	Institutional Capacity DGH - Satker	Strong - Moderate
		Process and Procedure	Moderate
		Output	Not accessed
		Outcome	Moderate

⁴⁴ “Outcomes” in this context focus on whether the CSS achieves the basic objectives of the CSS legal system as these objectives are transposed into policy and legal requirements.

3.	<u>Energy Sector</u> Transmission Line SUTET 500 kV PLTU 2 Jawa Tengah–GITET 500kV Kesugihan (PLN Pusat - PLN UIP)	Institutional Capacity PLN Pusat – PLN UIP	Strong - Strong
		Process and Procedure	Strong
		Output	Moderate
		Outcome	Strong
4.	<u>Urban Planning Sector</u> Kali Ciliwung Normalization (DGHS–Jakarta Government)	Institutional Capacity DGHS – DKI Jakarta	Weak - Moderate
		Process and Procedure	Moderate
		Output	Not applicable
		Outcome	Moderate

Notes: DGH = Directorate General of Highways; DGHS = Directorate General of Human Settlement; DGWR-BBWS 3C = Directorate General of Water Resources-River Basin Organization of Cidanau-Ciujung-Cidurian; GITET = high voltage relay station; kV = kilovolt; PLN = state electric company; PLN UIP VII = state electric company main power generation project; Satker = Satker Inventarisasi dan Pengadaan Lahan, Pengadaan Tanah Jalan Tol Palembang–Indralaya.

Source: Asian Development Bank.

Institutional Capacity.

46. *Regulatory Agencies [MASP/NLA and MAPPI].* For involuntary resettlement, the key national level regulatory agency is MASP/NLA through the Deputy on Land Acquisition as a result of the enactment of Law 2 of 2012 and Presidential Regulations (Perpres) 17 and 20 of 2015. According to the Presidential Regulation No. 17 of 2015, the Directorate General of Land Acquisition (DGLA) is responsible for formulating and implementing policies for land acquisition, land valuation, setting and determination of agencies land, and guidance and control of land acquisition.⁴⁵ In carrying out these tasks, the DGLA is supported by the Directorate for Land Acquisition, the Directorate for Land Valuation, and the Directorate for Land Consolidation. The Directorate of Land Acquisition has the following functions:⁴⁶

- Setting norms, standards, procedures, and criteria for land acquisition for the public interest; determination of land rights; licensing and transition of agency land; and legal termination with entitled parties.
- Implementing land acquisition; implementing and arranging above and underground space rights, right to use of waters, and the right to lease land for land acquisition; implementing transitional arrangements of rights and release of land management rights of government entities, state-owned enterprises, and foreign legal entities; and database development for land acquisition.
- Providing technical guidance and supervision on land acquisition and land valuation or appraisal; regulating and stipulating land for government institutions.
- Implementing evaluation and reporting on land acquisition and land valuation or appraisal; regulating and stipulating land for government institutions; and
- Advisory and oversight of land acquisition.

47. These functions are essentially the same as those previously conducted by the National Land Agency, which was responsible for developing and implementing land tenure and acquisition policies under the previous legal system as governed by the Basic Agrarian Law of

⁴⁵ The DGLA has the following detailed tasks: (i) formulating and implementing policy on land acquisition, land valuation, arrangement and establishment of institution's land, and guidance and control of land acquisition; (ii) formulating norm, standard, procedure, criteria, and guidance and supervision for land acquisition, land valuation, arrangement and establishment institution's land, and guidance and control of land acquisition; and (iii) evaluation and reporting.

⁴⁶ National Land Agency, Head of NLA Regulation No. 1 of 2014.

1960. MASP/NLA now has the responsibility to implement the land acquisition law. It is intensively involved in the government coordination for infrastructure development and involved in the sector agency's task force for land acquisition. MASP/NLA has a program for capacity building improvement for staff at regional offices. However, the program is not conducted regularly because of budgetary limitations. With respect to provincial and district/city levels, and to a lesser extent at the national level, Law 2 of 2012 can be expected to pose implementation challenges while officials at all levels are re-trained to understand their respective responsibilities under the new law and regulations.

48. A second national level entity with important responsibilities for land acquisition/involuntary resettlement, particularly given the new legal framework, is the Indonesian Society of Appraisers (MAPPI).⁴⁷ MAPPI was established in 1981 as an independent, nonprofit professional organization with the goal of setting national standards, consistent with international best practice, for property valuation, and land appraisers who are members of MAPPI are licensed by Ministry of Finance and MSAP/NLA. MAPPI also provides accreditation, certification, training and professional development to appraisers (also known as "valuers") of land and other real property in Indonesia. MAPPI is internationally recognized for its professional approach to land valuation. All appraisers in Indonesia have to be members of MAPPI. Its total membership in 2015 included more than 6,000 independent appraisers. Law 2 of 2012 mandates appraisers to assess the objects of land acquisition. Article 31 of said law stipulates that the Land Office (MASP/NLA) shall designate and announce the appraiser(s) who will appraise the objects of land acquisition. The appraiser is accountable for the appraisal conducted and any violation is subject to administrative and/or criminal sanctions.⁴⁸

49. At the regional levels, the local government at either the provincial and/or district/city level has an important role in the preparation phase for land acquisition. According to the land acquisition law and government regulation,⁴⁹ the governor/regent/mayor conducts the preparation stages of land acquisition. For this purpose, the governor/regent/mayor establishes a preparation team consisting of the regent/mayor, working unit of the related apparatus in the province, the institution requiring the land, and other related institutions. The result of land acquisition preparation is the issuance of a Determination of Development Plan location by the governor/regent/mayor with the agreement of the entitled parties and affected communities.⁵⁰

Table 4: Institutional Capacity of Regulatory Agency [MASP/NLA]

No.	Agency	Institutional Capacity
1	Ministry of Agrarian and Spatial Planning (National)	Strong
2	Land Agency – Banten	Moderate
3	Land Agency – South Sumatra	Moderate
4	Land Agency – Cilacap	Moderate

⁴⁷ A "land appraiser," also called "appraiser" or "valuer", means any individual who carries out an appraisal independently and professionally to calculate the value of the land acquisition objects, and has obtained an appraising permit from the Minister of Finance and a license from the Land Agency. Law 2 of 2012 on Land Acquisition for the Development of the Public Interest.

⁴⁸ Law 2 of 2012 on Land Acquisition for the Development of the Public Interest, Article 31–32.

⁴⁹ Presidential Regulation 71 of 2012 on Implementation of Land Acquisition for Development in the Public Interest.

⁵⁰ Article 16 of Law 2 of 2012 on Land Acquisition for the Development in the Public Interest lists three main activities conducted at the stage of land acquisition preparation: (i) notification of the development plan; (ii) preliminary data collection on the location of the development plan; and (iii) public consultation on the development plan.

50. *Sector Agencies.* While MASP/NLA and MAPPI have overall institutional responsibility to implement land acquisition/involuntary resettlement, the sector-level agencies as institutions needing the land have the main role in land acquisition/involuntary resettlement planning. The institutional capacity of sector agencies depends upon the availability of “safeguard” units that are responsible for coordination with local government and MSAP/NLA.

Findings for the Four Sectors (National Level)

51. The findings for the four sectors at the national level can be summarized as follows:

- (i) *Water Resource Sector Agency*, Directorate General of Water Resources (DGWR): Strong – There is a safeguard unit⁵¹ (Division of Land Facilitation under the Secretariat of Directorate General of Water Resources) and a task force for monitoring of land acquisition established in 2015.⁵²
- (ii) *Road and Transport Sector Agency*, Directorate General Highway (DGH)/Bina Marga: Strong – There are safeguard units in place (Sub Directorate of Environment and Road Safety and Directorate of land acquisition under the Directorate of Highways, Urban and Regional Roads Facilitation) with adequate budget and experience in dealing with social safeguard issues.⁵³
- (iii) *Energy Sector Agency*, PT PLN Persero: Strong – There are safeguards units in place with adequate budget and experience in dealing with social safeguard issues. PLN is a decentralized operation and therefore has a dedicated social safeguard unit at headquarters⁵⁴ and a social safeguard team in regional offices and units. Headquarters staff is responsible for policy matters while regional staff is responsible for the delivery.
- (iv) *Urban Planning Sector Agency*, Directorate General of Human Settlement (DGHS): Weak – There is no dedicated safeguard unit at the DG level. Land acquisition/involuntary resettlement and environmental safeguards are facilitated (or implemented, if central DGHS is the project owner) by the concerned sub-directorates responsible for project preparation and implementation in collaboration with the local governments where the projects are located. Normally, land acquisition is carried out by the relevant local governments as their contribution to the projects financed by DGHS.

⁵¹ The safeguard unit or Section of State Assets Management and Land Facilitation established in 2015 is under the Secretariat of Directorate General of Water Resources. The land facilitation has the task of facilitating acquisition and handling of land for the implementation of water resources management.

⁵² The establishment of Task force of Monitoring, Evaluation, and Coordination for Acceleration of Land Acquisition for Infrastructure of Water resource was legalized under the Director of Water Resources Decree No: 97/KPTS/D/2015.

⁵³ Government of Indonesia. 2015. Ministry of Public Work and Housing Regulation No: 15/PRT/M/2015 Concerning Organization and Working Procedure of Ministry of Public Work and Housing.

⁵⁴ At PLN headquarters, the Division of Permits and Land Acquisition under Directorate of Procurement comprises six (6) full time staff who handle land acquisition/resettlement safeguard; while the Division of Occupational Health and Safety under Directorate of Human Capital comprises 6 full time staff with senior manager handling environmental and resettlement safeguards.

Findings for the Four Sectors (Regional Level)

52. The findings for the four sectors in terms of capacity of the regional level implementing offices can be summarized as follows:

- (i) *Water Resource Sector Agency*, BBWSC3: Moderate – The Task Force (Satker) has a planning section responsible for land acquisition, but there is no legal mandate for a specific safeguard unit. The work on land acquisition and resettlement is outsourced to consultants. Two engineers are assigned to handle land acquisition and resettlement issues for the project: one in the planning section and one for implementation. They have a dedicated budget to implement land acquisition for the project, with supporting activities provided by DGWR.
- (ii) *Road and Transport Sector Agency*, Toll Road Satker: Moderate – Satker is the office assigned to implement project land acquisition in accordance with Law 2 of 2012. The establishment of Satker is under the Ministry of Public Work Decision Letter (SK Menteri PU) dated 22 February 2013. Satker has contracted one project manager and staff to handle land acquisition issues for the project. The PPK is trained as an engineer and is only tasked to manage land acquisition issues on an intermittent basis; staff learn about land acquisition during the course of project implementation. The project implementation budget for land acquisition is adequate.
- (iii) *Energy Sector Agency*, PT PLN UIP: Strong – The UIP has a land acquisition and ROW compensation team consisting of the coordinator and staff responsible for all development of transmission line projects under their jurisdiction. It has a budget to implement land acquisition for the project, as well as an annual budget (in coordination with its Human Resources Unit) for supporting social safeguards mandates including training and workshops.
- (iv) *Urban Planning Sector Agency*, DKI Jakarta: Moderate – There is a Land Technical Implementation Unit (UPT Pertanahan) responsible for land acquisition for the project. The office has a budget to run the land acquisition activity in connection with the project, while budget for capacity building depends on the resources allocated by the office.

Processes and Procedures.

53. *Regulatory Agencies [MASP/NLA and MAPPI]*. As a result of detailed provisions in Law 2 of 2012 and its implementing regulations, the processes and procedures for land acquisition/involuntary resettlement are now articulated in a thorough, coherent, and relatively expeditious manner.⁵⁵ The land acquisition stages include: planning, preparation, implementation, and accountability for results, as illustrated in Table 5 (below).

54. During implementation, provincial and district governments may apply different practices to exercise their regulatory authority as long as they comply with all steps and within the

⁵⁵ The most recent Presidential Decree 148 of 2015 has reduced the time needed for the land acquisition process related to grievance handling, deliberation consultation at the implementation stage, and handover of acquired land to enhance the development of infrastructure from 86 to 68 working days. In addition, there is clear time frame (4 working days) under Perpres 148 of 2015 for the establishment of the land acquisition implementation committee.

designated timeframes. However, in all cases, the responsible authority for the implementation stage is the Land Office at the provincial level; it may delegate its authority to the district level.⁵⁶

55. Valuation for purposes of compensation is conducted by Independent and Professional Appraisers licensed by the Ministry of Finance as Public Appraisers and registered with the MASP/NLA. In addition, MAPPI has issued Valuation Standard 306, Valuation in the Context of Land Acquisition for Development for Public Interest.⁵⁷ The assessment identified that the Valuation Standard 306 is in line with the replacement cost principle set forth in ADB's SPS.

56. Based on the limited experience to date from the implementation of the new legal and regulatory framework, the following process and procedural issues remain to be fully addressed:

- There are an insufficient number of personnel to conduct land measurement and survey at the MASP/NLA regional offices. The valuation process in cases with multiple land parcels takes longer than required (more than 30 days) due to incomplete data for valuation and non-availability of independent appraisers. There are instances when landowners misunderstand valuation criteria, which often leads to disputes. The MASP/NLA has increased the personnel by collaborating with the licensed surveyors, mobilizing retired MASP/NLA staff, and increasing surveyor staff. This effort needs to be continued along the increasing need of land acquisition.
- There is weak delivery of social action/livelihood restoration programs for the entitled parties considered vulnerable and severely affected. The social action/development programs are generally given when there is a request or demand from the community.
- There are delays in the land acquisition process and there is a lengthy process for land acquisition of government-owned assets.
- There is a lack of relocation assistance to physically displaced persons. The moving cost and facilitation in the relocation areas have been covered by the land acquisition law and regulations; however, transitional allowance is not stipulated.
- There is inconsistent compensation and assistance provided for non-land rights holders. Some government agencies or projects provide compensation for non-land assets and assistances to the affected non-land rights holders and other projects do not provide any compensation.
- There is weak protection of acquired land from new encroachers/squatters.
- While there is monitoring on the land acquisition progress carried out by the agency needing the land and agencies facilitating land acquisition process (by the local government at the preparatory phase, and by MASP/NLA at the implementation phase of land acquisition and in the use of acquired land), there is no monitoring and evaluation of land acquisition outcome and impacts of living standard of displaced persons.

57. *Sector Agencies.* The effectiveness of processes and procedures shows some variation from sector to sector, based on the project case studies. For example, for the energy sector, the PLN power station projects in Central Java successfully completed all prescribed land acquisition/involuntary resettlement and processes and procedures and may be considered examples of strong practice, whereas the effectiveness of the land acquisition/involuntary resettlement phase for the Karian Multipurpose Dam Banten project ranges from moderate to strong. For the transport sector, the Palembang—Indralaya Toll Road project has also been

⁵⁶ The Head of Land Office Decree 2 of 2013 refers to the delegation of authority for land rights and land registration activities.

⁵⁷ The Valuation Standard 306 was issued in 2013 and the updated Valuation standard was issued in 2015. The updated standard does not include depreciation of affected structures.

assessed to range from moderate to strong, as all requisite procedures have been followed to date.

Table 5: Land Acquisition Stages in Indonesia

No	Steps of Activities	Time Frame	
		UU 2 of 2012, Perpres 71 of 2012 (number of days)	UU 2 of 2012, Perpres 148 of 2015 (number of days)
I	Planning Phase		
1	Preparation of land acquisition and submission to the Governor	No time frame	No amendment
II	Preparatory Phase		
1	Establishment of a land preparatory team, delegation of authority Delegation of authority to regent/mayor and establishment of a preparatory team	10 No time frame	12 10
2	Notice of development plan, preliminary identification of land acquisition objects	50	33
3	Consultations and reconsultation (in case of any complaints or disagreements)	60–90	60–90
4	Grievance handling by the Governor and courts	14–88	3–88
5	Issuance location determination and announcement	14	7
III	Implementation Phase		
1	Establishment of a land acquisition implementation team (LAIT), delegation of authority for land acquisition, establishment of a task force in LAIT	No time frame	4
2	Inventory of loss (land acquisition objects), announcement, data verification, mobilization of appraiser, valuation by appraiser,	104–132	104–132
3	Deliberation/consultation	35	32
4	Responding to complaints	88	88
5	Compensation payment and transfer of land rights	14	14
IV	Handover of acquired land		
1	Handover of acquired land and certification	37	33

Perpres = presidential regulation.

Source: UU 2 of 2012, Presidential Regulation 71 of 2012 on Implementation of Land Acquisition for Development in the Public Interest and Presidential Regulation 148 of 2015 on the Fourth Amendment for the Presidential Regulation 71 of 2012.

Outputs and Outcomes

58. *Outputs.* The acceptability assessment of outputs was based on a review of the Land Acquisition/Resettlement Plan (LARP) documentation. The quality of the documentation varied among the sector/project case studies.⁵⁸ Although the LARPs were conducted consistent with

⁵⁸ For example, the LARP documents for the Karian Multipurpose Dam Banten and High VTL 500 kV PLTU Central Java—Power Station HVTL 500 kV Kesugihan Central Java range from moderate to strong. For the Karian Dam, the LARP document assessed is for the quarry on Geblegan Mountain and the improvement of the access road from the quarry to the dam. The LARP contains detailed data on affected people, and has a global budget but does not identify the source of funding or the breakdown of fund allocation for the land acquisition planning, preparation, implementation, transfer, administration and management and announcement processes. The documentation for the Kesugihan project combines the LARP and the AMDAL documents. With respect to the Palembang Indralaya Toll Road, for administrative

legal and regulatory standards and the overall quality of the LARPs was moderate, the following issues would appear to merit continued attention:

- Lack of differentiation of socioeconomic impacts among categories of affected people, in particular, with respect to vulnerable groups and gender;
- Inconsistent criteria applied to land valuation;
- Inadequate provision for source of funding for compensation; and
- Lack of adequate details on assistance offered for livelihood restoration.

59. *Outcomes.* The recent status of the legal framework governing land acquisition/involuntary resettlement renders the assessment of project outcomes somewhat premature as the projects implemented under the framework remain under development. Given this caveat, the following preliminary conclusions can be drawn.

- *Water Resource Sector, Karian Multipurpose Dam:* Moderate - The project was given a moderate rating because efforts have been taken to minimize the social impacts and the project was found to have generally complied with the land acquisition law. There are provisions on livelihood restoration and relocation assistance in the land acquisition plan document. However, compensation payments for some components of the project have not yet been delivered.
- *Road and Transport Sector, Palembang–Indralaya Toll Road:* Weak - The project was given a weak rating because there have been long delays in the land acquisition process due to land disputes and complaints raised by many affected persons. Of the 614 land plots acquired, compensation for 347 plots was rejected by the owners and the money was deposited in the court-administered Trust Account.⁵⁹
- *Energy Sector, 500 kV Central Java Power Station:* Moderate - The project was rated moderate since no complaints were received with respect to the compensation provided to affected persons. The compensation was paid in accordance with the valuation of the independent appraiser that was nearly three times the market price. However, there was no special attention paid to vulnerable groups.
- *Urban Planning Sector, Ciliwung River Normalization:* Moderate - This project was given a moderate rating since the project provided (i) compensation to affected people with legal rights (according to the provisions of Law 2 of 2012); and (ii) access to low cost apartments (*Rumah Susun Sederhana-Rusunawa*) where they could stay rent-free for 6 months and are charged a reasonable rental fee thereafter as well as livelihood resettlement programs. Many of the affected persons are satisfied living in the *Rusunawa* because the site is not flooded and is cleaner than their previous dwellings.⁶⁰ However, there are also many affected households who are unable to pay the rental fee and are at risk of being expelled from the *Rusunawa*.⁶¹ The affected persons in Bukit Duri lodged the complaints to the court and the administrative court has ruled in favor of the affected persons. The court declared the government of DKI Jakarta violated the displacement procedure and

reasons, the team was unable to obtain a copy of the relevant LARP and other supporting documents for the project from the proponent.

⁵⁹ The entire land acquisition process is yet to be completed as of this report's writing.

⁶⁰ "Warga Kampung Pulo Merasa Nyaman Usai Pindah ke Rusunawa" ("Residents of Kampung Pulo Feel Comfortable After Move to Rusunawa"). Suara.com. 21 August 2015.

⁶¹ "Pinginnya Kayak di Kampung Pulo, Punya Rumah dan Enggak Bayar (Want to be Like Living in Kampung Pulo, Own House and Not Have to Pay)", Megapolitan.Kompas.com. 31 March 2016.

ordered the DKI government to pay the compensation.⁶² The Jakarta government will submit an appeal to the Supreme Court for a final decision.⁶³

IV. CONCLUSIONS AND RECOMMENDATIONS

A. Conclusions

60. **Equivalence Assessment.** The equivalence assessment found that Indonesia's CSS are broadly aligned with the objectives, scope and triggers of the ADB SPS with regard to environment and involuntary resettlement safeguards. The level of equivalence for Indonesia's CSS for both environment and involuntary resettlement is high in comparison with other DMCs in Asia and the Pacific. For environment, Indonesia's CSS is fully equivalent with 10 of the 11 policy principles (91%) and with 40 of the 41 key elements (98%) of the ADB SPS environmental safeguards. For involuntary resettlement, the level of equivalence is also quite strong. The Indonesian CSS is fully equivalent with 31 of 36 key elements (86%) and with 8 of the 12 policy principles (67%). The gaps can be addressed through administrative measures with no legislative recourse.

61. For environment, the high level of equivalence can be attributed to the fact that Indonesia has had several decades of experience in conducting environmental impact assessments through the AMDAL process, which was developed in the 1980's and has continued to evolve with ADB and other donor support to incrementally incorporate international best practice. For involuntary resettlement, the recently enacted Law 2 of 2012 and its implementing regulations were explicitly designed to align Indonesia's legal framework with international best practice, including the safeguard systems of ADB, the World Bank, and other multilateral and bilateral development partners. However, implementation procedures and practices have only recently begun to be applied on a project level.

62. **Acceptability Assessment.** The acceptability assessment finds that the energy sector (PLN) has strong implementation capacity in most areas both for environment and land acquisition/involuntary resettlement and would be an appropriate candidate for ADB use of CSS in the near term. The water resources sector (DGWR) shows strong to moderate capacity for environmental safeguards and moderate for land acquisition/involuntary resettlement. Given the short time frame since the enactment of the new land law and regulations, with additional capacity enhancement and implementation experience, the water resource sector (DGWR) would be an appropriate candidate for ADB use of CSS in the medium term.

63. Based on this assessment, it is recommended that the energy and water resource sectors should be prioritized for ADB's use of Indonesia's CSS for environment and involuntary resettlement. The remaining sectors and agencies would require additional capacity improvement for ADB to consider the use of Indonesian CSS in lieu of ADB safeguards.

64. In anticipation of supporting the use of CSS for projects in the energy sector (under PLN) and the water resource sector (under DGWR), the equivalence and acceptability assessments have identified gap-filling measures and have proposed actions for the use of Indonesia's

⁶² Residents of Bukit Duri Win in the Administrative Court, The DKI Provincial Government Should pay Compensation. <http://megapolitan.kompas.com/read/2017/01/06/07325911/>

⁶³ Residents of Bukit Duri Win in the Administrative Court, The DKI Provincial Government will Submit an appeal to Supreme Court. <http://megapolitan.kompas.com/read/2017/01/06/10454091/>

safeguard system in ADB-funded development projects (Tables 5 and 6, below). The actions will be implemented in the short and medium term for capacity improvement for environmental assessment and management and land acquisition/involuntary resettlement implementation.

B. Recommendations for Environment

65. Equivalence and Acceptability Actions.

1. Institutional Capacity Enhancement.

- (a) Enhance certification process and requirements;
- (b) Improve capacity of regional AMDAL Review Commission (ARC/KPA);
- (c) Improve online compliance platform & EIS (DADU, SILH);
- (d) Strengthening capacity of implementing agencies and those handling AMDAL review, implementation, monitoring and other safeguard policy practices;
- (e) Provide sufficient resources to MoEF for evaluation and monitoring of ARC/KPA capacity;
- (f) Establish and/or strengthen dedicated units for environmental safeguards.

2. Improvement of Guidelines and Procedure

- (a) Revise/update guidelines for acceptability with best international practices for: Screening/scoping with gender and vulnerable groups criteria, impact assessment, EMP, Public Consultation, Grievance redress mechanism, action plan for biodiversity/protected areas, Occupational Health and Safety, physical cultural resources & Hazardous wastes management);
- (b) Prepare AMDAL technical guidelines for specific sectors.

3. Improvement of Implementation Practices

- (a) Support AMDAL enforcement and supervise compliance in all levels (from planning to implementation)

C. Recommendations for Involuntary Resettlement

66. Equivalence and Acceptability Actions.

1. Institutional Capacity Enhancement.

- (a) Ensure sufficient number of staff responsible for land acquisition and resettlement with skills in social issues at central and regional land agencies.
- (b) At the sector level, establish social safeguard units at implementing agencies, with a clear mandate and authority, sufficient staffing, budget, and capacity building. Strengthen the existing units;
- (c) Increase the number of cadastral surveyors (*jujur ukur*) in MASP/NLA;
- (d) Implement regular training programs on social safeguards for various agencies handling land acquisition/resettlement. The topics of the training program includes (i) land acquisition legal frameworks and procedures; (ii) valuation standard for compensation; (iii) preparation of land acquisition plan document; and (iv) special attention to vulnerable groups and gender in the existing Center of Education and Training;
- (e) Support the establish of safeguards learning center;
- (f) Improve the GRM at the institutional level with clear roles and responsibilities, timeline, record covering land acquisition/resettlement, and use of human

resources (field staff) and media (phone lines, websites, newspaper, radio) for communication and outreach;

2. Improvement of Guidelines and Procedures

- (a) Prepare technical guidelines for improvement of procedures on land acquisition and resettlement;
- (b) Devise procedures to protect acquired land or assets from new encroachers or squatters.

3. Improvement of Implementation Practices

- (a) Improve LAP including identification of entitled parties and land acquisition objects and other potential appraisable losses supported by required feasibility studies;
- (b) Implement the delivery of livelihood restoration programs for vulnerable and severely affected people, in collaboration with (i) local government units and (ii) corporate sponsors;
- (c) Provide compensation for affected assets owned by non-land rights holders (“squatters”) and assistance; and
- (d) Monitor land acquisition impacts to entitled parties including non-land rights holders according to the principles and objectives of the land acquisition law (justice, benefit, and welfare). Improve the monitoring tools and disclosure of monitoring report.

D. Proposed Equivalence Actions for Concerned Agencies

67. In summary, the tables below reflect the recommendations in the section above, and propose specific equivalence action plans for the concerned agencies.

Table 6: Proposed Equivalence Actions for Environment

EQUIVALENCE ACTIONS: ENVIRONMENT		
No.	Action Plan	Timeframe
Ministry of Environment and Forestry [MOEF]		
1	Develop guidelines for addressing socioeconomic impacts related to health and safety, vulnerable groups, and gender during environmental assessment.	Year 1 - 2

Table 7: Proposed Equivalence Actions for Involuntary Resettlement

EQUIVALENCE ACTIONS: INVOLUNTARY RESETTLEMENT		
	Action Plan	Timeframe
Ministry of Agrarian and Spatial Planning/National Land Agency [MASP/NLA]		
1	Develop guidelines for project preparation and implementation that address: <ul style="list-style-type: none"> (i) providing affected people with development assistance; (ii) providing relocated people with access to employment and production opportunities; (iii) integrating affected people economically and socially into host communities; (iv) extending project benefits to host communities; and (v) including income and livelihood restoration strategies in resettlement plans. 	Year 1 - 2
2	Develop guidelines for monitoring and assessing resettlement outcomes, including achievement of resettlement plan objectives.	Year 1 - 2
3	Devise procedures to protect acquired land or assets from new encroachers or squatters.	Year 1 - 2

E. Proposed Acceptability Actions for Concerned Agencies

68. In summary, the tables below reflect the recommendations in the section above, and propose specific acceptability action plans for the concerned agencies.

69. To supplement the proposed acceptability action plans below, BAPPENAS [National Development Planning Agency] is currently coordinating with the World Bank and ADB to establish a safeguards learning center.

Table 8: Proposed Acceptability Actions for Environment

ACCEPTABILITY ACTIONS: ENVIRONMENT		
No.	Action Plan	Timeframe
Ministry of Environment and Forestry [MOEF] and Local Environmental Management Agency [BLHD]		
A	Institutional Capacity	
A.1	Enhance certification processes and requirements. [MOEF only]	Year 1–2
A.2	Improve capacity of regional AMDAL Review Commission (ARC/KPA).	Year 1–2
A.3	Improve the online compliance platform & EIS (DADU, SILH). [MOEF only]	Year 1–2
A.4	Strengthen the capacity of implementing agencies and those handling	Annual

ACCEPTABILITY ACTIONS: ENVIRONMENT		
No.	Action Plan	Timeframe
	AMDAL other safeguard practices.	
A.5	Provide sufficient resources for evaluation and monitoring of ARC/KPA capacity.	Year 1–2
B	Processes and Procedures	
B.1	Revise/update guidelines for acceptability with best international practices for: <ul style="list-style-type: none"> (i) screening/scoping with gender and vulnerable groups criteria (ii) impact assessment (iii) environmental management plans (iv) public consultation (v) grievance redress mechanisms (vi) Action Plan for biodiversity/protected areas (vii) occupational health and safety (viii) physical cultural resources (ix) hazardous wastes management. [MOEF only] 	Year 1–2
B.2	Prepare AMDAL technical guidelines for specific sectors. [BLHD only]	Year 1–2
B.3	Support AMDAL enforcement and supervise compliance at all levels (from planning to implementation).	Year 1
PLN [Energy Sector Agency] and DGWR [Water Resource Sector Agency]		
C	Institutional Capacity	
C.1	Strengthen/establish dedicated units for environmental safeguards.	Year 1–2
C.2	Strengthen the capacity of implementing agencies and institutions involved in AMDAL and other safeguard practices.	Annual
C.3	Increase budgetary allocations to DGWR BBWS 3C to allow them greater capacity to hire consultants. [DGWR only]	Annual
D	Processes and Procedures	
D.1	Prepare AMDAL technical guidelines. [PLN only]	Year 1–2
D.2	Revise/update guidelines for environmental impact assessment to ensure that implementation is consistent with best international practices for: <ul style="list-style-type: none"> (1) screening/scoping criteria for gender and vulnerable groups (2) impact assessment (3) EMP (4) public consultation (5) grievance redress mechanisms (6) action plan for biodiversity/protected areas (7) OHS (8) physical cultural resources (9) hazardous wastes management [DGWR only] 	Year 1–2
D.3	Support AMDAL enforcement and supervise compliance at all levels (from planning to implementation).	Year 1

Table 9: Proposed Acceptability Actions for Involuntary Resettlement

ACCEPTABILITY ACTIONS: INVOLUNTARY RESETTLEMENT		
No.	Action Plan	Timeframe
Ministry of Agrarian and Spatial Planning / National Land Agency [MASP/NLA]		
E.	Institutional Capacity	
E.1	Ensure that there are a sufficient number of staff members responsible for land acquisition and resettlement and with skills in social issues at both central and regional offices.	Year 1
E.2	Increase the number of cadastral surveyors (<i>juru ukur</i>) to ensure timely implementation of detailed measurement surveys.	Year 1
E.3	Continue regular training programs on social safeguards, including: <ul style="list-style-type: none"> (i) legal frameworks and procedures for land acquisition, including acquisition of less than 5 hectares; (ii) valuation standards for compensation; (iii) preparation of land acquisition plan documents; and (iv) gender and vulnerable groups.⁶⁴ 	Year 1
E.4	Prepare technical guidelines for; <ul style="list-style-type: none"> (i) ensuring high quality Land Acquisition Plans, including clarifying (a) the identification and socioeconomic survey of entitled parties; and (b) inventory of assets and other potential appraisable losses; (ii) delivery of livelihood restoration programs for vulnerable and severely affected people, in collaboration with (a) local government units and (b) corporate program; (iii) resettlement and relocation assistance, including transitional assistance for physically displaced persons (iv) extension of project benefits to host communities; (v) compensation at replacement cost for affected assets owned by non-titled persons; (vi) improving detailed measurement surveys to ensure the inclusion of other appraisable losses, such as loss of business income, change of profession, and moving costs; (vii) monitoring land acquisition impacts to the living standard of affected people, including persons without title or legal rights to land; and (viii) disclosure of monitoring reports on the agency's website and to affected people. 	Year 1
PLN [Energy Sector Agency] and DGWR [Water Resource Sector Agency]		
F.	Institutional Capacity	
F.1	Strengthen / establish social safeguard units within sub-national implementing agencies and ensure that they have a clear mandate, appropriate authority and sufficient staffing, budget, and access to	Year 1–3

⁶⁴ The term “vulnerable groups” refers to those below the poverty line, the landless, the elderly, female headed households, women and children, customary communities (Indigenous Peoples), and those without legal title to land.

ACCEPTABILITY ACTIONS: INVOLUNTARY RESETTLEMENT		
No.	Action Plan	Timeframe
	capacity-building.	
F.2	Ensure that there are a sufficient number of staff members responsible for land acquisition and resettlement and with skills in social issues at both central and regional offices.	Year 1–2
F.3	Recruit or engage additional human resources to support for land surveys or measurements. [DGWR only]	Year 1–2
F.4	Continue regular training on social safeguards, including programs on: <ul style="list-style-type: none"> (i) land acquisition law in Indonesia (e.g. training on when the <i>Penetapan Lokasi</i> is required, including land acquisition of less than 5 hectares); (ii) valuation standards for compensation; (iii) preparation of land acquisition plans, including best practices for socio-economic data collection and reporting; and (iv) safeguard requirements for gender and vulnerable groups during project design, implementation, reporting, and monitoring. 	Annual
F.5	Provide support to the existing Center of Education and Training, including by strengthening curriculum on social safeguards and land acquisition/resettlement.	Year 1–2
F.6	Improve the GRM at the institutional level by defining clear roles and responsibilities, timelines, record-keeping, use of human resources, and media for communication and outreach.	Year 1–2
G	Processes and Procedures	
G.1	Prepare technical guidelines and procedures for improving the process of land acquisition and resettlement.	Year 1–2
G.2	Devise procedures to protect acquired land or assets from new encroachers or squatters by: <ul style="list-style-type: none"> (i) improving the ROW management plan and protecting the ROW from the encroachers/squatters through programs such as awareness-raising and greening, as well as through physical infrastructure; and (ii) legalizing land assets as soon as possible after completion of land acquisition/resettlement. 	Year 2–3
H	Implementation Practices	
H.1	Improve the quality of land acquisition plan, including through the identification of entitled parties, land assets and other appraisable losses during feasibility studies.	During project preparation
H.2	Coordinate land acquisition and resettlement with (i) local government units and (ii) corporate sponsors and ensure the timely delivery of livelihood restoration programs for vulnerable and severely affected people.	During project implementation
H.3	Provide transitional support and development assistance for physically and economically displaced persons.	During project implementation
H.4	Provide compensation and assistance for affected non-land assets owned by displaced persons without titles to land or any recognizable legal rights to land (“squatters”).	During project implementation
H.5	Improve tools for monitoring land acquisition impacts, including for	Annual

ACCEPTABILITY ACTIONS: INVOLUNTARY RESETTLEMENT		
No.	Action Plan	Timeframe
	displaced persons without titles to land or any recognizable legal rights to land, according to the principles and objectives of the land acquisition law (justice, benefit, and welfare).	
H.6	Improve tools for monitoring the assessment of land acquisition/resettlement progress and outcomes.	Year 1–2
H.7	Strengthen the task force for monitoring land acquisition and resettlement at the national level.	Year 1
H.8	Disclose land acquisition/resettlement monitoring reports on the agency website or other through other media accessible to the entitled parties.	During project implementation