

Additional Information to Program Safeguard Systems Assessment

November 2015

Perusahaan Listrik Negara
Electricity Grid Strengthening—Sumatra Program
(Guaranteed by the Republic of Indonesia)

1. This document supplements the Program Safeguard Systems Assessment for the Electricity Grid Strengthening—Sumatra Program, and includes; (i) Table 1: Safeguards Diagnostic Assessment; (ii) Table 2: Safeguards Program Actions; and (iii) Figure 1: Map of Protected Areas and Key Biodiversity Areas in Sumatra.

Table 1: Safeguards Diagnostic Assessment

Principles	Triggered Yes / No	Current system (policy and legal frameworks) / practices and gap between them and the ADB SPS
Environment		
<p>Principle 1. Use a screening process for each proposed project, as early as possible, to determine the extent and type of environmental assessment so that appropriate studies are undertaken commensurate with the significance or potential impacts and risks.</p>	Yes	<p><System> <i>MOER No. 05/2012 Regarding Type of Activities Requiring AMDAL</i> is a prescriptive screening process used to determine whether projects are required to conduct an AMDAL and secure an environmental clearance from the environmental agency. Under <i>MOER No. 05/2012</i>, AMDAL is required for business/activities listed in its <i>Appendix I</i> which include transmission line (above 150 kV) and substation (above 150 kV) but not for distribution line. In addition, <i>MOER No. 05/2012, Article 4</i> requires AMDAL for business/activities which; (a) have the scale/magnitude smaller than those listed in <i>Appendix I</i>; and/or (b) not listed in <i>Appendix I</i> but have a significant impact on the environment. These business/activities shall be determined based on: (a) scientific considerations regarding environmental capacity and its acceptability; and (b) the significance of environmental impact regarding the type of local ecosystem. <i>MOER No. 05/2012, Article 3</i> also requires AMDAL for business/activities in or directly adjacent to protected areas which are listed in <i>MOER No. 05/2012, Appendix III</i>. For rehabilitation or improvement of existing transmission line and substation, <i>Government Regulation No. 27/2012 Regarding Environmental Permit, Article 50</i>, requires the project proponent to present the proposed modification to BLHD which will determine whether the modifications will result to significant impacts and whether new/updated environment document (AMDAL or UKL/UPL) will be required. If found necessary, BLHD will evaluate the new/updated environment document and issue an amendment of the environmental clearance.</p> <p><Practices> PLN UIPs, being the PLN focal units for planning and construction of transmission line and substation, follow the screening criteria as stipulated in <i>MOER No. 05/2012</i>. For reconductoring of transmission line and extension of substation, PLN UIPs examine the scope of environment documents which were prepared when the existing transmission line and substation were installed. If the reconductoring or extension is deemed to be out of the scope described in the original environment documents, PLN presents the proposed modification to BLHD for their determination on necessary procedure. The AMDAL or</p>

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		<p>UKL/UPL with EMP is to be submitted to BLHD as required. In general, new/updated AMDAL will not be required for reconductoring of transmission line, because the activity is covered by the original AMDAL of existing transmission line as part of operation and maintenance activity.</p> <p>For distribution line, some PLN <i>wilayahs</i> prepare SPPL and submit it to BLHD on voluntary basis.</p> <p><Gap> The screening process in <i>MOER No. 05/2012</i> is not equivalent to the ADB SPS requirements since ADB's screening is based on the significance of subproject's environmental impacts and not based on a prescriptive list of activities and thresholds.</p>
<p>Principle 2. Conduct an environmental assessment for each proposed project to identify potential direct, indirect, cumulative and induced impacts and risks to physical, biological, socioeconomic (including impacts on livelihood through environmental media, health and safety, vulnerable groups, and gender issues), and physical cultural resources in the context of the project's area of influence. Assess potential transboundary and global impacts, including climate change. Use strategic environmental assessment where appropriate.</p>	Yes	<p><System> The scope and components to be studied for AMDAL are stipulated by <i>MOER No.16/2012 Regarding Guidelines for Preparation of Environmental Documents</i>. AMDALs need to cover potential direct, indirect, cumulative and induced impacts and risks. The components to be studied include geo-physical-chemical, biological, and social-economic-cultural impacts.</p> <p><Practices> PLN conducts environmental assessment and prepare AMDALs for the installation of transmission lines (above 150 kV) and substations (above 150 kV) following <i>MOER No.16/2012</i>. For reconductoring of transmission line and extension of substation, PLN UIPs conduct an additional environmental assessment if required by the decision of BLHD (see the <Practices> of Principle 1. above).</p> <p><Gap> The GOI legal framework exempts distribution line projects from environmental assessment requirement. Therefore an environmental assessment is not conducted for installation of distribution line.</p>
<p>Principle 3. Examine alternatives to the project's location, design, technology, and components and their potential environmental and social impacts and document the rationale for selecting the particular alternative proposed. Also consider the no project alternative.</p>	Yes	<p><System> The examination of alternatives is covered under <i>MOER No. 16/2012, Appendix I</i>, whereby environmental assessment should consider other alternatives such as technology, equipment used, capacity, technical specification, outline, operational duration, time, location, among others.</p> <p><Practice> Alternatives on location, route, equipment, capacity, technical specifications and other design considerations are examined during selection and planning of subprojects by PLN, regardless of legal requirement, for transmission line, substation, and distribution line.</p> <p><Gap> N/A</p>

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<p>Principle 4. Avoid, and where avoidance is not possible, minimize, mitigate, and/or offset adverse impacts and enhance positive impacts by means of environmental planning and management. Prepare an EMP that includes the proposed mitigation measures, environmental monitoring and reporting requirements, related institutional or organizational arrangements, capacity development and training measures, implementation schedule, cost estimates, and performance indicators. Key considerations for EMP preparation include mitigation of potential adverse impacts to the level of no significant harm to third parties, and the polluter pays principle.</p>	Yes	<p><System> The identification of environmental impacts and preparation of the EMP and EMoP to address adverse impacts are prescribed in <i>MOER No. 16/2012, Appendix III</i>. The EMP and EMoP form parts of AMDAL document, and their scope comprises of efforts to prevent, control, and manage significant and negative impacts to environment, as well as enhance the positive impact as a result of the business/activities. The EMP needs to explain how the potential impacts will be managed with the information of (i) environmental impact; (ii) source of the impact; (iii) successful indicator, form, location, period and institution of environmental management. The EMoP needs to include the information of (i) impacts to be monitored; (ii) monitoring form; and (iii) institutional arrangement of the monitoring. The EMoP should be economically feasible considering the sustainability of the monitoring throughout the life of the business/activities.</p> <p><Practices> EMP and EMoP are prepared as required by <i>MOER No. 16/2012</i> for all transmission line and substation projects handled by PLN. The EMP includes the impacts to be managed, sources of impact, mitigation measures, location, schedule, and institutional arrangement. For distribution line, <i>Decree of the Board of Directors of PLN (PLN Decree) No. 473/2010 Regarding Construction Standard for Low Voltage Power Network</i> and <i>PLN Decree No.606/2010 Regarding Construction Standard for Medium Voltage Power Network</i> include the mitigation measures to be taken against environmental impacts caused by distribution line during construction and operation stages. The mitigation measures include proper handling of excavated soil, appropriate selection of vehicle for transportation of poles, recovery of excavation site, adequate distance from other objects (1-6 m depending on the kind of the objects), etc. The contract of the civil works specifies the compliance of <i>PLN Decrees No. 473/2010</i> and <i>No. 606/2010</i>. Sample SPPL of distribution line (see the <Practices> of Principle 1. above) shows the commitment of PLN <i>wilayahs</i> to conduct proper trimming of trees and to conduct consultation (socialization) with affected persons during line installation and maintenance.</p> <p><Gap> N/A</p>
<p>Principle 5. Carry out meaningful consultation with affected people and facilitate their informed participation. Ensure women's participation in consultation. Involve stakeholders, including</p>	Yes	<p><System> <i>MOER No. 16/2012, Appendix I</i> and <i>MOER No. 17/2012 Regarding Guidelines for Public Participation in AMDAL Process and Environmental Permit</i> prescribe the requirements for community involvement and public consultation (socialization). For projects requiring AMDAL, public consultation from the AMDAL TOR preparation stage is mandatory. The community involvement during the process</p>

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<p>affected people and concerned non-government organizations, early in the project preparation process and ensure that their views and concerns are made known to and understood by decision makers and taken into account. Continue consultations with stakeholders throughout project implementation as necessary to address issues related to environmental assessment. Establish a grievance redress mechanism to receive and facilitate resolution of the affected people's concerns and grievances regarding the project's environmental performance.</p>		<p>of AMDAL and the environmental permit should be based on the principles; (i) the provision of transparent and complete information; (ii) position of equality among the parties involved; (iii) fair and prudent dispute settlement; and (iv) coordination, communication and cooperation among the concerned parties.</p> <p><i>MOER No. 17/2012</i> also mentions the grievance redress procedure for community complaints against a project. The procedure also outlines the methods and timeline for resolving complaints.</p> <p><Practice> For reconductoring of transmission line and extension of substation, meaningful consultation (socialization) is conducted following <i>MOER No. 16/2012</i> and <i>MOER No. 17/2012</i>. The affected stakeholders to be consulted are determined by BLHD.</p> <p>Especially for reconductoring of transmission line and installation of distribution line, meaningful consultation (socialization) and coordination with affected communities are conducted by PLN and contractors prior to civil works regardless of legal requirement. The agenda of the consultation includes project plan and safety.</p> <p>Prior to the formal public consultations, the project information is disclosed to community through various means such as media and/or posting at village offices. The information is further presented during public consultations.</p> <p>GRM has been developed by PLN through; (a) <i>Call Centre 123</i>; (b) online by using APKT; and (c) front line i.e. customer services which will also be used for the program. The complaints to the <i>Call Centre 123</i> would be recorded and divided in three subjects: 1) Technical, 2) Customer services (commercial), and 3) Other (including environmental and social safeguards matters).</p> <p><Gap> N/A</p>
<p>Principle 6. Disclose a draft environmental assessment (including the EMP) in a timely manner, before project appraisal, in an accessible place and in a form and language(s) understandable to affected people and other stakeholders. Disclose the final environmental assessment, and its updates if any, to affected people and other stakeholders.</p>	Yes	<p><System> <i>Government Regulation No. 17/2012</i> requires the disclosure of environmental documents (both draft and final versions including EMP) to stakeholders including affected people.</p> <p>Before preparing the draft environmental documents, a project proponent requests environmental clearance to the MOEF by providing general concept of its business/activities as well as proposed impact mitigation measures. Then the MOEF, through BLHD, announces the request with information of; (i) name/address of applicant; (ii) type, scale, and location of the business/activities; and (iii) where people can obtain the AMDAL/UKL/UPL. The announcement is delivered for 10 working days in Bahasa Indonesia in a form of (i) printed media such as national/local newspaper, (ii) announcement board that can be accessed by the public at central, provincial and/or municipal level, and (iii) other media</p>

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		<p>such as brochure, pamphlet, banner, or electronic media through television, website, social media, text message, and/or radio.</p> <p>When the MOEF issues a final environmental permit after receiving the final environmental documents from the project proponents, the MOEF, through BLHD and within 5 days after the issuance, disclose the documents and announces the issuance in a form of mass media and/or multimedia including website that can be accessed by the public effectively and efficiently.</p> <p>Under <i>Law No. 14/2008 Regarding Public Information, Chapter 1, Article 4</i>, everyone has the right to obtain public information, attend public meetings to obtain public information, obtain copies of public information through an application, and/or disseminate public information.</p> <p><Practice> Project information and draft and final versions of the environmental assessment documents of transmission lines and substations are disclosed following <i>MOER No. 17/2012</i>. Project details are further presented during public consultations.</p> <p><Gap> For distribution line, environmental assessment is not disclosed because the assessment is not required (see the <Practices> of Principle 1. above).</p>
<p>Principle 7. Implement the EMP and monitor its effectiveness. Document monitoring results, including the development and implementation of corrective actions, and disclose monitoring reports.</p>	Yes	<p><System> The EMP and EMoP form part of AMDAL and UKL/UPL as required under <i>MOER No. 16/2012</i> (see the <System> of Principle 4. above). Following <i>Government Regulation No. 27/2012</i>, a project proponent, as an environmental permit holder, is obliged to; (i) implement EMP and EMoP; (ii) prepare and submit to BLHD a monitoring report semi-annually, and (iii) provide guarantee fund for the restoration of environment. The monitoring report needs to include location, frequency, period, method of monitoring as well as collected monitoring data which needs to be analyzed by accredited environmental laboratories.</p> <p>The public has access to the results of monitoring from BLHD in accordance with <i>Law No. 14/2008</i>.</p> <p><Practices> (See para. Error! Reference source not found. of PSSA) For transmission line and substation, PLN UIPs, P3BS, and <i>wilayahs</i> conduct regular monitoring during construction and operation stages, and submit copies of the quarterly environmental monitoring reports to PLN headquarters. Reports are also submitted to BLHD every semester (twice a year). The EMF levels, ambient air, surface water quality, noise levels along affected areas of transmission line and substation, and the hazardous waste generation quantities are monitored.</p> <p>PLN <i>wilayahs</i>, being in charge of the construction and</p>

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		<p>operation of distribution line, have a supervisor handling matters related to health and safety whose scope of work includes the monitoring of the compliance of <i>the PLN Decrees</i> (see the <Practices> of Principle 4. above). The result of the monitoring is summarized in a quarterly <i>K2 K3 Performance Report</i> and Environmental Performance Report submitted to PLN headquarters.</p> <p>The environmental documents including monitoring reports are disclosed when requested by stakeholders including communities.</p> <p><Gap> N/A</p>
<p>Principle 8. Do not implement project activities in areas of critical habitats, unless (i) there are no measureable adverse impacts on the critical habitat that could impair its ability to function, (ii) there is no reduction in the population of any recognized endangered or critically endangered species, and (iii) any lesser impacts are mitigated. If a project is located within a legally protected area, implement additional programs to promote and enhance the conservation aims of the protected area. In an area of natural habitats, there must be no significant conversion or degradation, unless (i) alternatives are not available, (ii) the overall benefits from the project substantially outweigh the environmental costs, and (iii) any conversion or degradation is appropriately mitigated. Use a precautionary approach to the use, development and management of renewable natural resources.</p>	<p>Yes</p>	<p><System> GOI has ratified international regulation on biodiversity through <i>Law No. 05/1994 Regarding United Nation Convention Regarding Biodiversity</i> which requires the environmental assessment of proposed projects likely to have significant impacts on biological diversity with a view of avoiding or minimizing such effects. <i>MOER No. 05/2012, Article 3</i> requires AMDAL for activities in or directly adjacent to protected areas which are listed in <i>MOER No. 05/2012, Appendix III</i> which includes areas of wildlife sanctuaries/reserves and refuge for animals. <i>Presidential Decree No. 32/1990 Regarding Management of Protected Area, Article 37</i> stipulates that; (i) in protected areas, cultivation, which interferes with the environmental function of the protected area, is prohibited; and (ii) in nature reserves and areas of cultural heritage, cultivation, which alters the landscape, land use conditions, natural ecosystem, or environmental function of the nature reserves or cultural heritage, is prohibited. If AMDAL indicates that cultivation activities interfere with the function of protection, it should not be developed, and function as a protected area should be gradually restored.</p> <p><Practices> To the extent possible PLN adopts the precautionary approach when identifying locations of project components. In case there are subprojects that would be located in or directly adjacent to protected area, the said subproject will be required under <i>MOER No. 05/2012</i> to conduct extensive AMDAL and to develop conservation programs to avoid the degradation of the environment. In case AMDAL indicates that the project interferes with the function of protection, it should not be developed. Distribution lines are all in community areas, and not likely to be located in protected areas, however, in case they need to be installed in or directly adjacent to protected area, AMDAL clearance will be required.</p> <p><Gap> <i>MOER No. 29/2009 Regarding Guidelines for Biodiversity Conservation</i> outlines policies, sustainable use and control of</p>

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		biodiversity. However, this regulation has not been applied because there is limited biodiversity data/information to be cited as a reference.
<p>Principle 9. Apply pollution prevention and control technologies and practices consistent with international good practices as reflected in internationally recognized standards such as the World Bank Group's Environmental, Health and Safety Guidelines. Adopt cleaner production processes and good energy efficiency practices. Avoid pollution, or, when avoidance is not possible, minimize or control the intensity or load of pollutant emissions and discharges, including direct and indirect greenhouse gases emissions, waste generation, and release of hazardous materials from their production, transportation, handling, and storage. Avoid the use of hazardous materials subject to international bans or phase-outs. Purchase, use, and manage pesticides based on integrated pest management approaches and reduce reliance on synthetic chemical pesticides.</p>	Yes	<p><System> <i>Law No. 32/2009 Regarding Environmental Protection and Management, Article 3</i> mentions that EMP is intended to prevent Indonesia's territory from the environmental pollution and/or damages, control the natural resources usage and establish the sustainable development. In order to preserve environmental function, pollution and environmental damage shall be controlled through prevention, mitigation, and recovery. <i>MOER No.16/2012</i> states that the principle of prevention of pollution and prevention of damage to the environment needs to be considered through environmental assessment and applied in the context of environmental management. <i>Government Regulation No. 101/2014 Regarding Management of Toxic and Hazardous Waste Substances</i> regulates the proper management of hazardous waste covering; (i) method of identifying, reducing, storing, collecting, transporting, utilizing, processing, and hoarding hazardous wastes; (ii) risk mitigation and emergency responses to address environmental pollution caused by hazardous waste.</p> <p><Practices> Environmentally acceptable standards are being adopted by PLN. In compliance with the Government's hazardous waste regulations, PLN is storing used oil and batteries in warehouse and will commission the services of Government-recognized third party to dispose of these materials. Certification from the government of the third party is being required before the waste materials can be collected.</p> <p><Gap> An oil containment system around operating transformers was missing at some substations as well as in their AMDALs (See para.Error! Reference source not found. of PSSA). There are flaws on the implementation of environmental mitigation measures to manage industrial wastes including hazardous wastes (See paras.Error! Reference source not found. and Error! Reference source not found. of PSSA).</p>
<p>Principle 10. Provide workers with safe and healthy working conditions and prevent accidents, injuries, and disease. Establish preventive and emergency preparedness and response measures to avoid, and where avoidance is not possible, to minimize adverse</p>	Yes	<p><System> <i>Law No. 13/2003 Regarding Manpower</i> states that every company has the obligation to practice health and safety management and to integrate them into the company management system. Implementation of health and safety system had been issued by <i>Government Regulation No. 50/2012 Regarding Practice of Health and Safety Management System</i>.</p> <p><Practices> To address the potential risks on workers' and communities'</p>

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impacts and risks to the H&S of local communities.		health and safety, health and safety guidelines respectively for transmission line, substation, and distribution line are in place, and being implemented. <Gap> N/A
Principle 11. Conserve physical cultural resources and avoid destroying or damaging them by using field-based surveys that employ qualified and experienced experts during environmental assessment. Provide for the use of “chance find” procedures that include a pre-approved management and conservation approach for materials that may be discovered during project implementation.	Yes	<System> <i>MOER No. 05/2012, Article 3</i> requires AMDAL for activities in or directly adjacent to protected areas which are listed in <i>MOER No. 05/2012, Appendix III</i> which includes areas of cultural heritage. The definition, criteria, procedures and mechanism for cultural heritage preservation is regulated in <i>Law No. 11/2010 Regarding Physical Cultural Resources</i> . <Practices> During identification of site locations, physical cultural resources (mosques, burial sites, historical sites, etc.) are avoided. In case there are subprojects that would be located in or directly adjacent to areas of cultural heritage, an extensive AMDAL is conducted to develop conservation programs to avoid the degradation of the cultural resources. distribution lines are all in community areas, and not likely to affect cultural resources. <Gap> N/A
Involuntary Resettlement^a		
Principle 1. Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.	Yes	<Practices> The potential IR impact of the program activities is limited to (i) damage on non-land assets (primarily trees and crops) under the transmission line conductor and along access roads to transmission line towers caused by reconductoring of transmission line; (ii) use of no more than 0.2 m ² of land for installation of concrete utility poles; and (ii) removal of non-land assets (primarily trees) existing beyond a distance of 2.5 m below from the conductors (in the 7-meter-width ROW in case of trees) for stringing of conductors. <Gap> N/A
Principle 2. Carry out meaningful consultations with affected persons, host communities, and concerned nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and	Yes	<Practices> PLN's practices promote meaningful consultation (socialization) with stakeholders including APs (see the <Practices> of Environmental Principle 5. above). For reconductoring of transmission line, possible damage on non-land assets and compensation for the damage are explained in advance of the civil works. For distribution line, consultation (socialization) with APs will be conducted in close coordination with relevant local government agencies because the distribution line will be constructed along the public roads. The agenda of the consultations includes project plan, cable stringing that may

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<p>monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.</p>		<p>require cutting trees, and obtainment of agreement from land owners for use of land in case poles need to be located on private land.</p> <p>The APs complaint are brought to PLN through (a) <i>Call Center 123</i>; (b) online by using APKT; and (c) front line (see the <Practices> of Environmental Principle 5. above).</p> <p><Gap> N/A</p>
<p>Principle 3. Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where</p>	No	<p><Practices> The impact is minimal (see the <Practices> of Principle 1. above). Deterioration of APs' livelihoods is not foreseen.</p> <p><Gap> N/A</p>

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possible.		
<p>Principle 4. Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.</p>	No	<p><Practices> There is no relocation (see the <Practices> of Principle 1. above).</p> <p><Gap> N/A</p>
<p>Principle 5. Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.</p>	No	<p><Practices> (see the <Practices> of Principle 3. above)</p> <p><Gap> N/A</p>
<p>Principle 6. Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated</p>	Yes	<p><Practices> The impact of the program activities is not likely to affect the income and livelihood status of the APs (see the <Practices> of Principle 1. above). For reconductoring of transmission line, compensation for the damage on non-land assets is provided by contractors based on negotiated settlement.</p>

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settlements will maintain the same or better income and livelihood status.		<p>For distribution line, contractors provide “cutting cost” or compensation for the other non-land assets with the APs based on negotiated settlement only upon a request. Written consensus/permission is obtained only for impacts caused by distribution line facilities requested by communities and utility poles with transformers.</p> <p><Gap> Negotiated settlements for affected trees/crops are handled exclusively by contractors, and PLN is not involved in the settlement. Document pertaining to the settlements is not necessarily issued. For distribution line, compensation of affected trees is provided only when the APs request. The information of “adequate” and “fair price” of affected assets may not be provided to the APs during the negotiation.</p>
Principle 7. Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of nonland assets.	Yes	<p><Practices> APs who can demonstrate that the non-land assets belong to them are deemed as the owners of the assets regardless of the titles to land or any recognizable legal rights to land.</p> <p><Gap> N/A</p>
Principle 8. Prepare a resettlement plan elaborating on displaced persons’ entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.	No	<p><Practices> No resettlement plan is prepared.</p> <p><Gap> N/A (Voluntary donation and negotiated settlement are applied.)</p>
Principle 9. Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.	No	
Principle 10. Conceive and execute involuntary	Yes	<p><Practices> IR procedures are part of development projects. The cost of</p>

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resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.		compensation, if any, is borne by the contractors as part of the cost of engineering contract. The budget for such compensation is covered by overheads, contingency, or profit, thus constitutes the projects' overall budget. <Gap> N/A
Principle 11. Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.	Yes	<Practices> For reconductoring of transmission line, compensation is paid only if and after the damage occurs (mainly accidental in nature), because possible damage is unknown before the civil work. For distribution line, agreement on land use and cutting trees, if required, is obtained, and "cutting cost" for affected trees/crops, if any, is provided before the commencement of civil works. <Gap> N/A
Principle 12. 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. Disclose monitoring reports.	Yes	<Practices> Settlements for affected trees/crops are handled exclusively by contractors, and not monitored by PLN or any third party, although PLN may acknowledge the agreement over the impacts caused by distribution line facilities requested by communities and utility poles with transformers. <Gap> Monitoring is not conducted.

AMDAL = Analisis Mengenai Dampak Lingkungan (environmental impact assessment), AP = affected person, APKT = Aplikasi Penyelesaian Keluhan Terpadu (integrated complaint solving application), BLHD = Badan Lingkungan Hidup Daerah (provincial/district Environment Agency), EMP = environmental management plan, EMoP = environmental monitoring plan, EMF = electromagnetic field, GOI = Government of Indonesia, kV = kilovolt, MOEF = Ministry of Environment and Forestry, MOER = Ministry of Environment Regulation, P3BS = Pusat Penyalur dan Pengatur Beban Sumatera (Sumatra Load Dispatch Center), PLN = Perusahaan Listrik Negara (State Electricity Corporation), TOR = terms of reference, UIP = Unit Induk Pembangunan (development unit), UKL/UPL = Upaya Pengelolaan Lingkungan Hidup/Upaya Pemantauan Lingkungan Hidup (environmental management efforts and environment monitoring efforts), wilayah = regional office.

^a There is no system (policy and legal frameworks) which covers the involuntary resettlement impact triggered by the program.

Sources: ADB.2009. *Safeguard Policy Statement*. Manila. pp.16–18; Diagnostic assessment of Government of Indonesia's current system and PLN practices.

Table 2: Safeguards Program Actions

Proposed Action	Indicator/Target	Responsible Agencies ^a	Timeframe	Budget Resource
Screening				
<p>1. PLN headquarters issues guidance on screening criteria for selecting locations and components to ensure that the program will exclude</p> <p>(i) activities that would be classified environment category A in the Asian Development Bank Safeguard Policy Statement (2009). Considering the anticipated scope and scale of the impacts, activities located in or directly adjacent to Key Biodiversity Areas^b in addition to protected areas which are listed in <i>Ministry of Environment Regulation No. 05/2012, Appendix III</i> will be classified as environment category A^c;</p> <p>(ii) activities related to extension of substations (including installation of reactors and capacitors, and expansion of switchgear) that require land acquisition; and</p> <p>(iii) activities that directly or indirectly affect the dignity, human rights; livelihood systems; or culture of indigenous peoples; or affect the territories or natural or cultural resources that indigenous peoples own, use, occupy, or claim as an ancestral domain or asset.^d</p> <p>PLN <i>wilayahs</i>, UIPs and P3BS submit to PLN headquarters a list of activities excluded from the program following the guidance issued through this program action annually.</p>	Guidance on safeguard screening criteria for the program issued	DIV K3L DIV PR SUM DIV KR SUM PLN <i>wilayahs</i> UIPs P3BS	Prior to the first disbursement and 2016 onwards	PLN HQ (as required)
Environment				
2. PLN UIPs equip transformers with oil retention facilities at substations extended by the program. The provision of the facilities will be integrated into the design of transformer and/or UKL/UPL of the substations.	Oil retention facilities equipped for all the transformers installed by the program	UIPs	2016 onwards	PLN UIPs
3. PLN <i>wilayahs</i> improve the management of industrial waste including old transformers and hazardous waste. The improvement includes provision of appropriate oil containment/protection measures to avoid oil spillage. Management of hazardous waste needs to fully comply with Government Regulation No. 101/2014.	Waste management fully complies with GOI requirement	PLN <i>wilayahs</i>	Within a year of program commencement	PLN <i>wilayahs</i>

Proposed Action	Indicator/Target	Responsible Agencies ^a	Timeframe	Budget Resource
Involuntary resettlement				
4. PLN <i>wilayhas</i> and P3BS monitor the resettlement outcomes and their impacts on the living standards of displaced persons through reviewing complaints received and conducting consultations with the community, and take necessary actions if the impacts are found to affect the income and livelihood status of the affected persons. ^e Implementation of this program action will be reported to PLN headquarters semiannually.	The monitoring result reported to PLN HQ semi-annually	DIV K3L DIV PR SUM PLN <i>wilayahs</i> P3BS	2016 onwards	PLN <i>wilayhas</i> and UIPs
Capacity building to handle safeguards				
5. PLN headquarters, <i>wilayhas</i> , UIPs and P3BS appoint focal persons to implement environmental and social safeguard activities of the program across the stages of selection/screening, planning, preparation and implementation. At <i>wilayhas</i> , UIPs, and P3BS, different focal person will be assigned respectively for environment and social safeguards.	Safeguards focal persons are appointed	DIV K3L PLN <i>wilayahs</i> DIV PR SUM UIPs P3BS	4 th quarter 2015	PLN HQ, <i>wilayhas</i> , UIPs, and P3BS
6. PLN build capacity of relevant field personnel at PLN headquarters, <i>wilayhas</i> , UIPs, P3BS, and contractors on environmental and social safeguards focusing on the safeguard program actions.	Refresher trainings held annually	DIV K3L PLN <i>wilayahs</i> DIV PR SUM UIPs P3BS	Every 4 th quarter starting from 2015 onwards	PLN HQ
Monitoring				
7. The focal persons at <i>wilayhas</i> and UIPs monitor and ensure the implementation of the program actions; 2 and 3, and report the results quarterly to DIV K3L through the environmental performance report.	The monitoring result reported to PLN HQ quarterly	DIV K3L PLN <i>wilayahs</i> UIPs	2016 onwards	PLN HQ (as required)

DIV K3L = Health, Safety, and Environment Division, DIV KR SUM = Sumatra Construction Division, DIV PR SUM = Sumatra Development Division, GOI = Government of Indonesia, HQ = headquarters, PLN = *Perusahaan Listrik Negara* (State Electricity Corporation), P3BS = *Pusat Penyalur dan Pengatur Beban Sumatera* (Sumatra Load Dispatch Center), UIP = *Unit Induk Pembangunan* (Development Unit), UKL/UPL = *Upaya Pengelolaan Lingkungan Hidup / Upaya Pemantauan Lingkungan Hidup* (environmental management efforts and environment monitoring efforts), *wilayah* = regional office.

^a The agencies listed are subject to revision in light of PLN's reorganization on 7 August 2015.

^b See footnote **Error! Bookmark not defined.** of Program Safeguard Systems Assessment. A map of the protected areas and Key Biodiversity Areas in Sumatra is shown in Figure: Map of Protected Areas and Key Biodiversity Areas in Sumatra. The GIS data of the Key Biodiversity Areas has been provided by ADB with PLN.

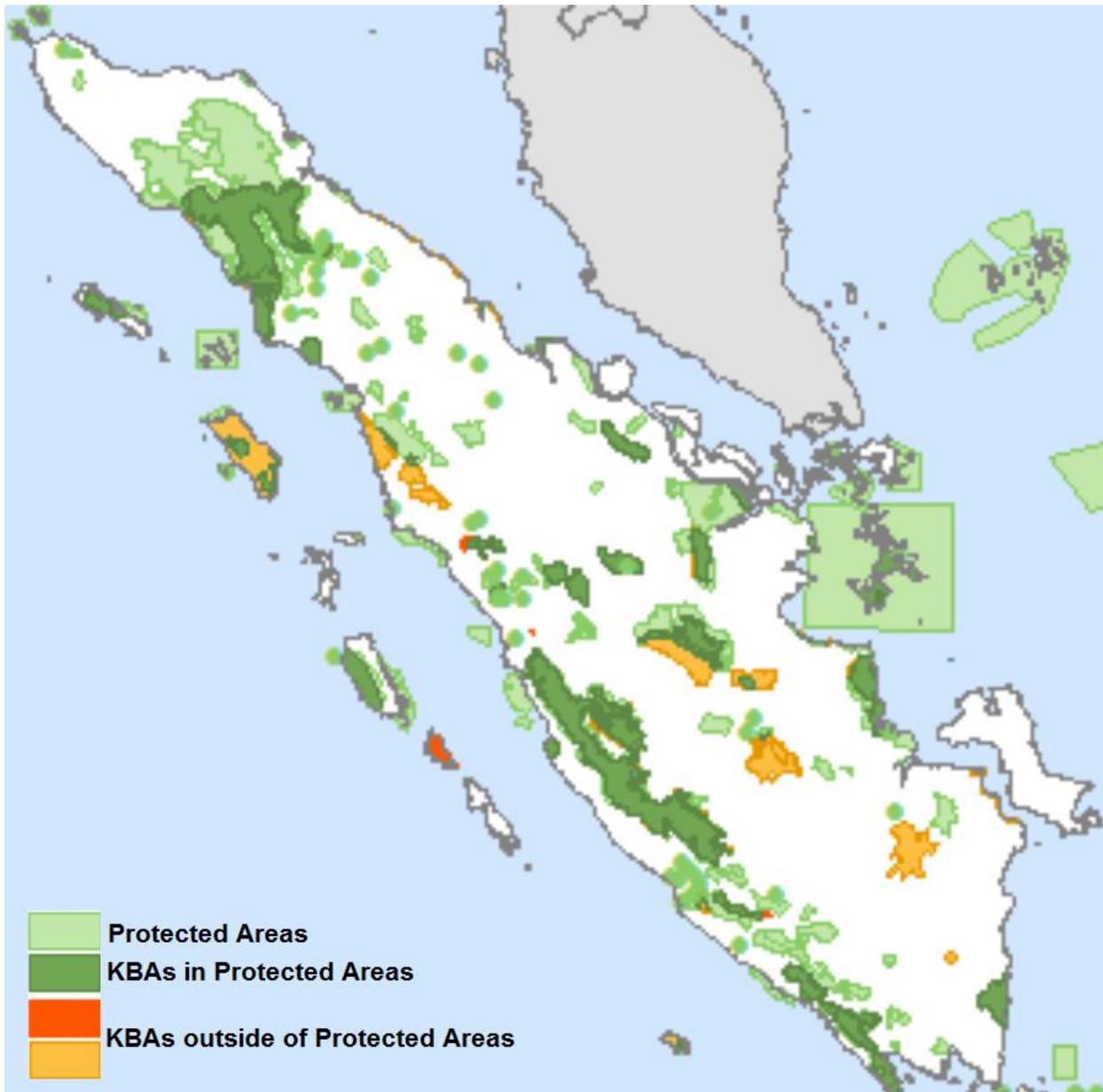
^c See para. **Error! Reference source not found.** of Program Safeguard Systems Assessment.

^d Data of Remote Customary Communities (2009)" published by the Ministry of Social, Directorate General of Social Empowerment, Directorate Empowerment of Remote Customary Communities identifies remote customary communities living in all provinces in Sumatra such as ethnics of Kubu, Mentawai, Nias, Anak Dalam, Mandailing, Mentawai, Laut, Bugis, Sakai, Bone, and Batak.

^e Resettlement means removal or damage of non-land assets and use of private land for installation of concrete poles.

Source: Asian Development Bank.

Figure 1: Map of Protected Areas and Key Biodiversity Areas in Sumatra



Source: Integrated Biodiversity Assessment Tool (IBAT). BirdLife International and Conservation International, 2015. Key Biodiversity Areas: December 2014 version. Maintained by BirdLife International on behalf of BirdLife International and Conservation International.