

Draft Resettlement and Indigenous People Plan

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INO: Tangguh LNG Expansion Project

Prepared by BP Berau Ltd.

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Tangguh Sustainable Development Program 2015-2019

Progressing Together: Sustainable LNG
Operations with Tangguh
as A Catalyst for Sustainable Local Development

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List of Acronyms

Abbreviation	Meaning
ADB	Asian Development Bank
AMDAL	<i>Analisa Mengenai Dampak Lingkungan</i> , Social and Environmental Impact Analysis
ATM	Automatic Teller Machine
BDS	Business Development Service
BLK	<i>Balai Latihan Kerja</i> , Vocational Skills Training Centre
BUMD	<i>Badan Usaha Milik Daerah</i> , Regional - State Owned Enterprise
CAP	Community Action Plan
CBO	Community Based Organisation
CEPPS	Consultation, Empowerment, Participation, Partnership, and Sustainability
CIP	Community Investment Program
CSO	Civil Society Organisation
DAV	Directly-Affected Villages
DBH	<i>Dana Bagi Hasil</i> , Revenue Sharing Fund
DGS	Diversified Growth Strategy
DOMKER	<i>Pedoman Kerja</i> , Work Guideline
DPR	<i>Dewan Perwakilan Rakyat</i> , Peoples Representative Assembly
DPRD	<i>Dewan Perwakilan Rakyat Daerah</i> , Regional Peoples Representative Assembly
EPA Program	Environmental Protection and Awareness Program
EPII	External Panel for the ISP2 mid-term review
ESIA	Environmental and Social Impact Assessment
FGD	Focus Group Discussions
FPIC	Free, Prior and Informed Consent
GDP	Group Defined Practices
GRP	Group Recommended Practices
HDI	Human Development Index
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
ICBS	Integrated Community Based Security
IDR	Indonesian rupiah
IFC	International Finance Corporation
INDAV	Indirectly-affected villages
IP	Indigenous Peoples
IPDP	Indigenous Peoples Development Plan
ISP	Integrated Social Program
LNG	Liquefied Natural Gas
MCU	Medical Check-Up
MOU	Memorandum of Understanding
MRP	<i>Majelis Rakyat Papua</i> , Papua Peoples' Council

Abbreviation	Meaning
Musrenbang	<i>Musyawahar Perencanaan Pembangunan</i> , Development Planning Meeting
NGO	Non-Governmental Organisations
OP	Other Papuan
PBM	<i>Perencanaan Berbasis Masyarakat</i> , Community-based Planning
PCDF	Public Consultation and Disclosure Framework
PEME	Plan, Execute, Monitor, Evaluate
PLN	<i>Perusahaan Listrik Negara</i> , State Electricity Company
Posbumil	<i>Pos Pelayanan Ibu Hamil</i> , pregnant women service post
Posyandu	<i>Pos Pelayanan Terpadu</i> , mother and child integrated service post
PSCs	Production Sharing Contracts
Puskesmas	<i>Pusat Kesehatan Masyarakat</i> , community health centre
RKL	<i>Rencana Pengelolaan Lingkungan</i> , Environmental Management Plan
RPJM	<i>Rencana Pembangunan Jangka Menengah</i> , Medium-term Development Plan
RPJP	<i>Rencana Pembangunan Jangka Panjang</i> , Long-term Development Plan
RPL	<i>Rencana Pemantauan Lingkungan</i> , Environmental Monitoring Plan
RTRW/D	<i>Rencana Tata Ruang Wilayah/Daerah</i> , Local/Regional Spatial Plan
SD	<i>Sekolah Dasar</i> , Primary School
SK	<i>Surat Keputusan</i> , government Decree
SKK Migas	<i>Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak dan Gas</i> , Special Task Force for Upstream Oil and Gas Business Activities
SKPD	<i>Satuan Kerja Pemerintah Daerah</i> , Local Government unit
SLTA	<i>Sekolah Lanjutan Tingkat Atas</i> , Senior High School
SMA	<i>Sekolah Mengengah Atas</i> , Senior High School
SME	Small and medium-sized enterprises
SMK	<i>Sekolah Mengengah Kejuruan</i> , Technical Junior School
SMP	<i>Sekolah Mengengah Pertama</i> , Junior High School
STI	Sexually Transmitted Infection
TB	Tuberculosis
TEP	Tanggung Expansion Project
TIAP	Tanggung Independent Advisory Panel
TLO	Tanggung Liaison Officer
TMB	Tanah Merah Baru village
TNI	<i>Tentara Nasional Indonesia</i> , Indonesian Armed Forces
TSDP	Tanggung Sustainable Development Program
TSP	Tanggung Sustainability Projects
VIP	Very Important Person
VPSHR	Voluntary Principles on Security and Human Rights
WFM	Workforce Management

Definition of Key Terms

TSDP defines **quality of life** as two mutually reinforcing aspects, which are improvements in local community well-being, and the wider opportunity for local communities to pursue their own development process.

Operational sustainability is defined as the secure and enduring Tangguh LNG operation sustained by good relationships, constructive cooperation and engagement with key stakeholders, in particular the local communities and local government.

Participative and accountable local development practice is local development based on the participation of local communities and on their accountability for achievements. Participative local development practice requires an effective mechanism for local communities, especially indigenous people in Papua Barat Province and particularly Bintuni Bay Regency, to influence decisions, policies, programs and resources that affect them.

A Program refers to a set of interventions grouped around a common theme (for example, Education), which are interrelated and share a common objective (the program objective). Under TSDP the various programs are comprised of several program components, which provide a further logical coherence to the sub-sets of activities under a particular program.

Stakeholders refer to diverse parties that have an interest in Tangguh LNG and in sustainable local development around Bintuni and Berau Bays. These parties have varying stakes in as much as the nature of their interest varies – direct, indirect, high, medium or low, for example. The main categories of Tangguh LNG stakeholders include: local communities, government, civil society organisations, academia, the media, as well as other commercial entities, professional organisations, regulators and lenders.

The term “**Indigenous Peoples**” is used in a generic sense to refer to a distinct social and cultural group possessing the following characteristics in varying degrees:

- *Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;*
- *Collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories;*
- *Customary cultural, economic, social, or political institutions that are separate from those of the mainstream society or culture; or*
- *distinct language or dialect, often different from the official language or languages of the country or region in which they reside (source: IFC Performance Standard 7).*

Applied to the Tangguh LNG context, Tangguh LNG defines the Indigenous People beneficiaries in the first ‘ring’ of focus or priority as: “the customary or tribal people residing in the coastal areas of Bintuni Bay, comprising the original clans from the Sebyar, Iraputu, Simuri and Petuanan Arguni, Wertuwar and SekarPikpik ethnic groups, who inhabit a defined custom-owned area, as well as the other community members in that area who are acknowledged by the indigenous people as part of their tribal community, and have lived in the custom-owned areas since before the presence of Tangguh LNG in 2002”. This interpretation and usage of the term Indigenous People by Tangguh LNG was explained during the AMDAL hearing process in 2014 and was not contested.

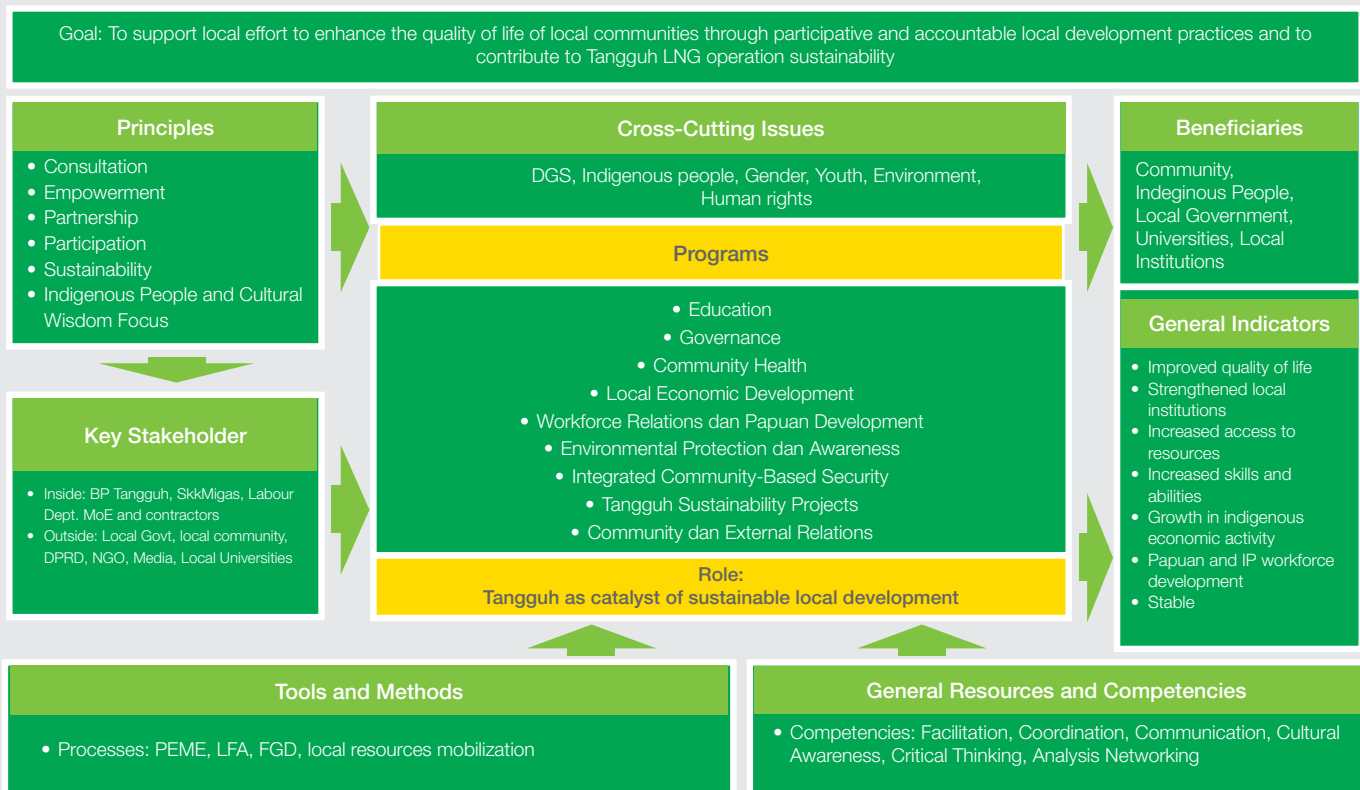
Executive Summary

The Tangguh Sustainable Development Program (TSDP) is Tangguh LNG’s approach to achieving its strategic social development objective, to **“be a catalyst for sustainable local development in Bintuni and Berau Bays area of Papua Barat Province, Indonesia”**. The TSDP builds on achievements and lessons from the Integrated Social Program (ISP 2005-2010) and the Community Investment Program (CIP or ISP2, 2011-2015).

TSDP frames the programs that will deliver tangible activities to address Tangguh’s social, economic and cultural impacts, meeting new (2014) Environmental and Social Impact Assessment (ESIA) / *Analisa Mengenai Dampak Lingkungan* (AMDAL), corporate and lenders safeguard requirements. It also encompasses Papuan workforce development, security and voluntary environmental initiatives envisaged for the next 5 years.

This TSDP document has been developed primarily as information for Tangguh LNG stakeholders, including local communities, government, civil society organisations, academia, the media, as well as other commercial entities, professional organisations, regulators and lenders, all of whom have diverse interests in the management and mitigation of Tangguh LNG impacts, including how the benefits derived can be utilised for sustainable local development. The theme of “progressing together” colours the TSDP, as Tangguh and local stakeholders continue to seek and trial ways to collaborate in areas of mutual interest near Tangguh operational activities, and in the wider region. Multiple stakeholders share responsibility for the sustainable development of the Bintuni and Berau Bays because Tangguh LNG’s social interventions alone cannot meet local needs and aspirations. The overall framework of TSDP is shown below.

Figure 1: TSDP Framework



The programs described in the TSDP are the main vehicle through which commitments from the AMDAL, lender requirements and other objectives will be achieved from 2015-2019; the TSDP document sets out how the goals and objectives of the program will be approached, as well as monitored and evaluated. It serves as the Tangguh LNG's new Indigenous Peoples Development Plan (IPDP) for lender purposes, and is a key reference for the Public Consultation and Disclosure Plan (PCDP) yet to be updated for the Tangguh Expansion Project. Whereas this public document sets out the programs and implementation approaches, detailed implementation plans are prepared on an annual basis.

The TSDP provides guidance on the way the programs and activities will be implemented, with emphasis as on 4 strategic approaches, 5 cross-cutting themes to be addressed, shown below. Community participation, previously known as community-driven programs through Community Action Plans (CAPs), will be addressed as part of the comprehensive programs implemented at community level, such as health, education and livelihoods.

Table 1: **Strategic Approaches and Cross-cutting Themes in TSDP**

Strategic Approaches	Cross-cutting themes
Moving in to Development by Community and Government	Modified Diversified Growth Strategy
Capacity Strengthening	Indigenous Peoples
Targeted Interventions	Youth
Promoting Development based on local Assets	Environment
	Human Rights

A key change between the previous Tangguh social programs and the TSDP is an increased focus on indigenous people as participants and beneficiaries of the programs.

Based on analysis and consultation, and consistent with international definitions including the IFC Performance Standard 7, Tangguh LNG defines the Indigenous People beneficiaries in the first 'ring' of focus or priority as: "the customary or tribal people residing in the coastal areas of Bintuni Bay, comprising the original clans from the Sebyar, Irarutu, Simuri and Petuanan Arguni, Wertuwar and SekarPikpik ethnic groups, who inhabit a defined custom-owned area, as well as the other community members in that area who are acknowledged by the indigenous people as part of their tribal community, and have lived in the custom-owned areas since before the presence of Tangguh LNG in 2002". The next ring of priority are not indigenous people by this definition, but rather are other Papuans living in Fakfak and Bintuni Bay regency, followed by Papuans from the wider province and region.

This policy has been adopted in order to enhance the benefits to these people, to reduce the risks of marginalisation and therefore create a more equitable and sustainable impact from Tangguh LNG's presence. The TSDP has also been developed as Tangguh's Indigenous Peoples Development Plan (IPDP), specifically to address lender safeguard attention to indigenous peoples' development related to Tangguh LNG.

The TSDP period 2015-2019 covers the planned Tangguh Expansion Project, which when successfully implemented will bring further benefits to the local area, while also contributing to a sustainable LNG operation. For this, the essential element is a shared commitment by Tangguh LNG and stakeholders from the local community and government to strengthen dialogue and collaboration.

The TSDP is subject to revision, adjustment or modification if change is made to the AMDAL document. In addition, the TSDP and its budget will be adjusted taking into consideration, among others, the change in circumstances, stakeholder feedback and lessons learned. In the event of ambiguity, contradiction or conflict between the AMDAL document and TSDP document, then AMDAL document shall take precedence.



1. Introduction

The Tangguh LNG Project began production and delivery of LNG in 2009 and has managed a comprehensive program of integrated social impact and community investment activities since 2002. As Tangguh LNG's business evolves and expands, so too our social responsibility approach is reviewed and enhanced. For 2015-2019, the company is committed to the Tangguh Sustainable Development Program (TSDP), as its vehicle for managing impacts and addressing community needs and aspirations in conjunction with other local stakeholders.

The TSDP 2015-2019 has been developed as a framework document, to explain the program's scope, guiding principles, standardised approaches, specific programs and key indicators. This 'TSDP book' explains these boundaries, within which the Tangguh LNG team will work to implement its program for sustainable development. Fulfilling AMDAL commitments to manage Tangguh's impacts is the primary responsibility of Tangguh LNG, whereas in the larger perspective of sustainable local development, Tangguh and local stakeholders also seek and trial ways to collaborate in addressing myriad development challenges in the areas near Tangguh operational activities, and in the wider region. Multiple stakeholders share responsibility for the sustainable development of the Bintuni and Berau Bays - Tangguh's social interventions alone cannot meet local needs and aspirations. For this reason, a theme of "mutual responsibility" colours the TSDP, and the notion of "progressing together" is highlighted.

The TSDP is Tangguh LNG's approach to achieving its AMDAL commitments, with the underlying strategic social development objective, to "be a catalyst for sustainable local development in Bintuni and Berau Bay areas of Papua Barat Province, Indonesia". The TSDP builds on achievements and lessons from the Integrated Social Program (ISP 2005-2010) and the Community Investment Program (CIP or ISP2, 2011-2015). TSDP frames the programs that will deliver concrete activities to address Tangguh's social, economic and cultural impacts, meeting new (2014) Environmental and Social Impact Assessment (ESIA) / *Analisa Mengenai Dampak Lingkungan* (AMDAL) and lender safeguard requirements. It also encompasses Papuan workforce development, security and voluntary environmental initiatives envisaged for the next 5 years.

Tangguh LNG has committed to a more deliberate focus on indigenous people, which will affect most aspects of the business, from recruitment, training and development, to supply chain (purchasing) and community investment activities in health, education scholarships and livelihoods. As part of this commitment, the TSDP has been developed as Tangguh's Indigenous Peoples Development Plan (IPDP), fulfilling lender safeguard attention to indigenous peoples' development related to Tangguh LNG. Tangguh's definition of indigenous people is outlined under Key Terms (page viii) and discussed further in Sections 2.2 and 5.6.

The previous ISP and CIP also targeted indigenous people, as the majority of the population in the directly-affected villages (DAV). Regular program monitoring and recent research have shown that the proportion of indigenous people as part of the local population is decreasing and will continue to do so over time (see Chapter 2). The indigenous population is generally lagging in numerous development indicators, for example related to health, education and economic participation. Emerging opportunities related to Tangguh's presence and wider development continue to attract migrants with whom indigenous populations have difficulty competing. There is also evidence of indigenous marginalisation elsewhere in Papua and Papua Barat, and increasing potential around Bintuni and Berau Bays. As such, there is a strong rationale for Tangguh LNG increasing the focus on indigenous people, and more explicitly prioritising them as beneficiaries of TSDP.

This TSDP document was developed between December 2013 and October 2014, in parallel with the finalisation of the AMDAL process for the Tangguh Expansion Project (TEP). It reflects the consultation process undertaken officially for the AMDAL process, which includes both formal and informal activities, including studies, focus-group discussions, mini-workshops, public meetings, multi-stakeholder 'hearings', as well as "deep dive" sessions with government and expert stakeholders. These consultation processes took place between February 2013 and April 2014, with key issues summarised in Section 2.4).

The expanded scope of TSDP, compared with ISP and CIP, is a result of these review and consultation processes with community and other stakeholders, combined with expert analysis and recommendations. The TSDP provides both internal and external stakeholders with a clear reference and basis for realistic expectation towards Tangguh LNG.

This 'TSDP book' may also serve as a resource for other stakeholders in developing programs or activities with parallel or shared objectives and arrangements. In particular, the government, civil society organisations (CSOs) and other companies, especially any with facilities or operations associated with Tangguh LNG, can refer to this TSDP book for information and insights as to how they could complement and work together with Tangguh LNG on sustainable development in Bintuni and Berau Bays, Papua Barat, Indonesia.

1.1. Relationship between AMDAL and TSDP

TSDP is the framework for delivering on all of Tangguh's commitments from the AMDAL, Environmental Management and Monitoring Plans (RKL and RPL), except for those related to the project technical description and the (biological, chemical and physical) environment. It is thus part of how AMDAL will be implemented, for the non-environmental requirements. TSDP also encompasses environmental commitments that are not included in the AMDAL, i.e. commitments to the environment as part of the sustainable development concept – additional to, and not related to, the environmental impact management plans in the RKL.

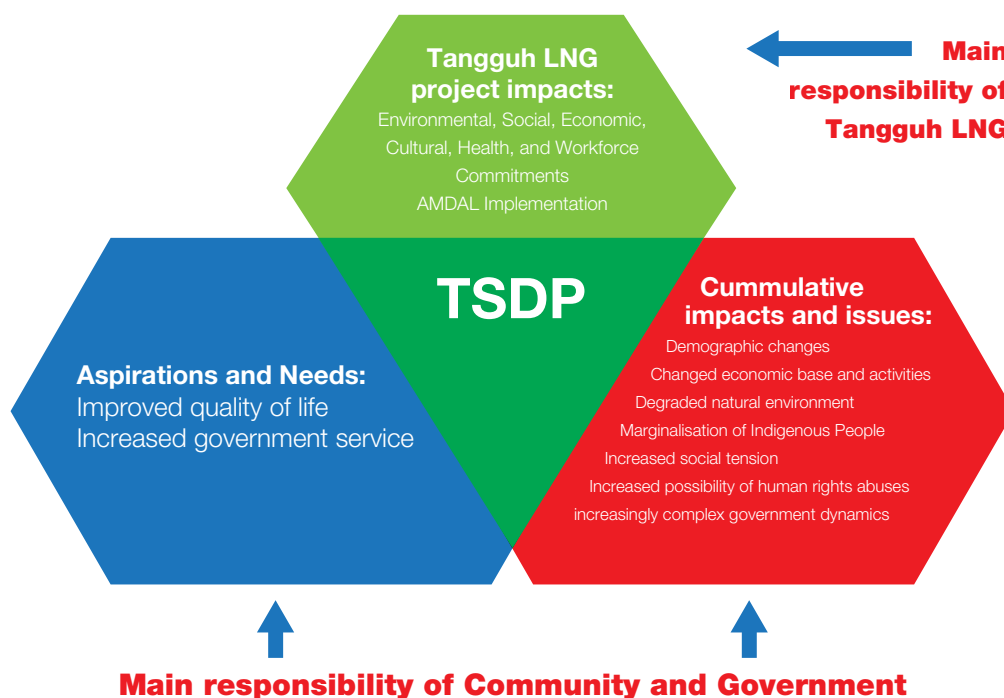
TSDP also addresses some community aspirations and some cumulative impacts and issues, which are neither entirely nor directly Tangguh's responsibility. A summary of aspirations and concerns raised through extensive consultations with local stakeholders from 2013-2014 is provided in Section 2.4.

The TSDP lays out the 5-yearly implementation framework for AMDAL commitments and is subject to revision, adjustment or modification if change is made to the AMDAL document. In addition, the TSDP and its budget will be adjusted taking into consideration, among others, the change in circumstances, stakeholder feedback and lessons learned. In the event of ambiguity, contradiction or conflict between the AMDAL document and TSDP document, then AMDAL document shall take precedence.

In relation to LNG Tangguh's impacts, stakeholders have particular expectations and interests of the company related to improved quality of life, employment and increased government services.

Figure 2 shows the TSDP at the intersection or in the overlap of Tangguh, community and other stakeholders impacts, needs and aspirations. TSDP's scope is explained in the following sections.

Figure 2: Tangguh LNG responsibilities for TSDP through AMDAL





2. Internal and External Context

2.1. Relevant External Standards and Best Practice

Tanggung LNG's TSDP is guided by global standards and best practices, as well as by national requirements and regulations including the Tangguh LNG Social and Environmental Impact Assessment (AMDAL). It responds to BP's "Group Defined Practice (GDP) 3.6-0001: Environmental and Social Requirements for New Access Projects, Major Projects, International Protected Area Projects and Acquisition Negotiations", and the "Group Recommended Practice (GRP) 3.6-0001: Environmental and Social Recommendations for Projects", which considers environmental and social standards and practices generally accepted in the international oil and gas industry. These include guidance and recommendations issued by international finance organisations such as International Finance Corporation (IFC) as well as industry associations and organisations such as the International Petroleum Industry Environmental Conservation Association; the International Association of Oil and Gas Producers; and the American Petroleum Institute; and BP's GDP and GRP are benchmarked against the Equator Principles and the environmental and social requirements of the IFC.

TSDP is also consistent with:

- BP's Code of Conduct, which addresses relevant topics such as "dealing with governments" and "engaging with communities and respecting their rights and dignity";
- BP's Business and Human Rights Policy (2013). BP is a formal signatory and a founding member of the United Nations Global Compact and the Voluntary Principles on Security and Human Rights (VPSHR); and a founding partner of the World Bank Global Gas Flaring Reduction Public-Private Partnership; and
- BP's Operating Management Standards and GDP on Risk Management, 3.1

2.2. Context for TSDP

2.2.1. Social and environmental context

Bintuni Bay, and the adjoining Berau Bay, is a vast sea area fringed largely by estuarine, mangrove and swampy coastlines with diverse flora and fauna including endemic species. It is populated by at least 38 different ethnic groups, who are spread throughout several districts and villages along the coast and inland areas and have a variety of traditional livelihood activities such as fishing, agriculture, hunting and gathering, as well as some trading and modern employment. The Bays' cultural and biodiversity are important assets, along with the sub-surface resources that exist in the area.



The term “Indigenous Peoples” is used in a generic sense to refer to a distinct social and cultural group possessing the following characteristics in varying degrees:

- Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;
- Collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories;
- Customary cultural, economic, social, or political institutions that are separate from those of the mainstream society or culture; or
- A distinct language or dialect, often different from the official language or languages of the country or region in which they reside.

By IFC definition, there are at least 9 indigenous tribes in the Bintuni and Berau Bay coastal area including Sebyar, Simuri, Irarutu, Wamesa, Soub, Kuri, Moskona, SekarPikpik, Wertuwar and Petuanan Arguni.

Law 21 of 2001 on Special Autonomy in Papua defines indigenous people as those who came from Melanesian ethnic groups and/or those who are accepted and acknowledged as indigenous Papuan people by Papuan customs (adat) within the local communities. Generally speaking, ethnic groups or tribes (suku) comprise several clans, which in turn comprise several extended families. Typically each clan is led by the head of the clan (marga), and there is also a head for each ethnic group. The person or persons represent the ethnic group in managing matters with external parties.

Since 2002 when the Tangguh construction activities and ISP began, Tangguh has monitored population changes around Bintuni Bay, particularly in the areas closer to where Tangguh’s activities have been carried out. Whereas before Tangguh began initial construction, the population comprised more than 70% indigenous Melanesian people, in 2012, the mix had changed by around 10%, and is predicted to continue to alter to less than 20% indigenous Melanesian people by 2027 (see Figure 4, based on Tangguh analysis of *Badan Pusat Statistik* [Statistics Agency] and *Universitas Gajah Mada* [Gajah Mada University] data). Similar changes in population composition are occurring at the regional level, i.e. across Papua and Papua Barat provinces, due to migration to the region. This significant change highlights the plight of the indigenous people of the area, who are at increased risk of social and economic impoverishment and marginalisation (see Section 3.3 for discussion of those identified as indigenous people for Tangguh purposes, and Annex 1 for more detail on marginalisation). Table 2 summarises specific issues and response approaches that frame an Indigenous Peoples’ focus in TSDP.

Figure 4: Projected population composition changes around Tangguh LNG

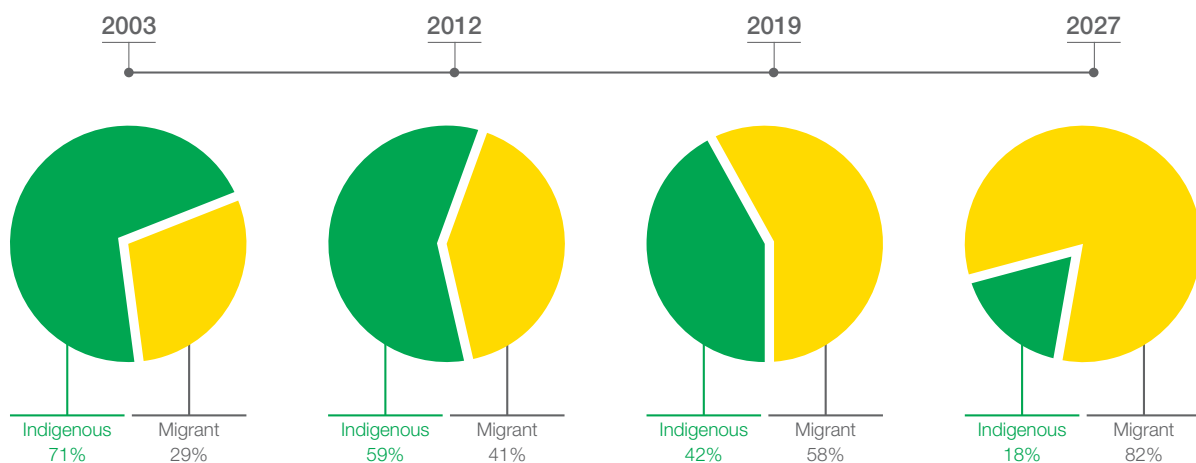


Table 2: Summary of impacts on indigenous peoples, based on AMDA

Issue or Impact on Indigenous Peoples	Mitigation or activity objectives
Change in Access to Marine Resources	<ul style="list-style-type: none"> · Ensure access to same area, where feasible · Provide alternative livelihood activities to ensure income sources at same or better level, and facilitate replacement/improved nutrition
Traditional Rights and Recognition	<ul style="list-style-type: none"> · Maximise cultural harmony within and around the Tangguh LNG Project. · Minimise or prevent the marginalisation of indigenous people · Contribute to Indigenous Peoples (IP) communities' sense of self and cultural pride
Employment Opportunities	<ul style="list-style-type: none"> · Maximise the participation of indigenous people and other Papuans in the project workforce. · Improve harmony within the multicultural workforce and between the project and the local population
Health	<ul style="list-style-type: none"> · Maintain or improve the health status of the community by working in partnership with health authorities and other organisations
Social Cohesion and Adjustment	<ul style="list-style-type: none"> · Build trust and communication within and between stakeholder groups. · Proactive communication to rapidly identify and resolve potential issues
Security and Human Rights	<ul style="list-style-type: none"> · Protect the project's human and material assets · Promote secure surroundings and peaceful existence for affected areas
Spatial Plans and Changes in Zones	<ul style="list-style-type: none"> · Work with government, and other stakeholders including industry, to develop strategic programs to distribute benefits of the project, to promote regional growth centres and discourage unsustainable rates of in-migration.
Community Access to Information and Influence	<ul style="list-style-type: none"> · Enable frequent and effective communication within and between project stakeholders and project proponents / promoters. · Facilitate wider, multi-stakeholder dialogue on sustainable development for Bay area, sharing lessons and data from Tangguh
Cultural Heritage Sites	<ul style="list-style-type: none"> · Avoid disturbance of sites where possible, and ensure appropriate management of sites where disturbance is necessary.

2.2.2. Economic and Development Context

Papua and Papua Barat have been among the provinces in Indonesia most favoured by fiscal transfers to provincial and local government from the central government. In 2002, the province received around IDR 1,7 million per capita, second only to East Kalimantan. In 2009, Papua and Papua Barat (along with the 36 regencies within them) received about IDR 7,5 and 8,9 million per capita respectively, more than any other province in Indonesia. The Ministry of Finance reported (2010) that Bintuni Bay Regency has a high fiscal and poverty index, meaning that they local government is obliged to allocate a large amount of its local funds for public poverty alleviation. Most recent publicly-available data is shown below.

Table 3: Revenue Sharing - Transferred to Papua Barat, Teluk Bintuni, and Fakfak

Year	Papua Barat		Teluk Bintuni		Fakfak	
	Tax Revenue Sharing (Rp)	Natural Resources Revenue Sharing (Rp)	Tax Revenue Sharing (Rp)	Natural Resources Revenue Sharing (Rp)	Tax Revenue Sharing (Rp)	Natural Resources Revenue Sharing (Rp)
2012	988,830,432,271	1,390,648,382,856	156,133,226,547	78,804,428,748	71,919,448,314	19,867,288,694
2013	1,124,816,008,251	1,269,069,849,230	213,567,759,924	151,912,641,787	62,927,473,365	23,204,160,815
Jul-14	539,337,201,486	480,108,390,450	128,453,506,765	38,496,010,329	26,923,422,406	12,122,071,500

Source: www.djpk.depkeu.go.id/itd/

In recent years, however, the higher allocations and requirement for higher spending on poverty-related services has only translated into minor improvements in the Human Development Index (HDI) for the province. In 2014, Papua and Papua Barat provinces are still the lowest ranking areas of Indonesia in terms of Poverty Gap Index and Poverty Severity Index. Although the HDI ranking is improving, Papua Barat still ranks poorly, indicating problems with capacity in government institutions and governance issues that prevent development activities from being more effective.

Table 4: HDI for Papua Barat Province.

Years	2004	2008	2012	2013
Papua Barat	63.7	67.95	70.22	70.62
Teluk Bintuni	n/a	65.29	67.58	67.95
Fakfak	67.5	70.24	72.64	73.33

Source: Susenas (National Census) 2011-2013; West Irian Jaya Province Mid-term Development Plan (RPJMD) 2006-2011.

Tanggung LNG is still the largest investment in the province so far. It pioneered industry and socio-economic and cultural development activities in Bintuni Bay, and now other oil and gas operators and others are becoming active and have development plans. Tangguh LNG shares information, for example via TSDP documents, with other stakeholders, as an effort to influence their policies and approaches for the common good. Government, Tangguh, communities and especially other companies, including those with associated facilities or connected to Tangguh through commercial arrangements, need to be aware of the possible consequences of future development in the area, particularly if opposing approaches are adopted to dealing with key issues. For example, different policies and approaches related to workforce management, security, social development and risk management will have different effects:

- Migration is a natural phenomenon, which has positive and negative consequences. A company's approaches and policies related to workforce management (hiring policies, demobilisation procedures etc.) can affect the rates of migration to the Bay area and to villages in particular. Tangguh has avoided and minimised social tension and conflict by applying specific preference for Papuan workers, having a closed, single status camp and requiring workers to be returned to points of hire at the end of a shift or contract.
- Security risks to company activities, assets and personnel, and to communities in the villages and district towns in particular, can be minimised by directly engaging communities in security functions. Tangguh LNG has ensured priority benefits to them through employment, the Integrated Community Based Security (ICBS), and responsible social support activities (not hand-outs), underpinned by pro-active, respectful communications based on ethical principles and practices.
- Activities supporting operational aspects through community engagement must empower and require communities to take responsibility for their futures, both in terms of decisions, resources and actions. Hand-outs and development that provides 'short term gains' are proven to create dependency and increase demands in the medium term, as well as causing frustration and difficulties for all parties.

The social, environmental, fiscal/administrative and wider development context in which TSDP is positioned all indicate that to sustainably and peacefully develop the Bintuni Bay area, the various actors will need to collaborate closely and adopt approaches that support and reinforce the lessons outlined above.

2.2.3. Project context

Tangguh LNG is a field facility for producing and exporting LNG gas and condensate. The LNG plant site is located on the southern shore of Bintuni Bay in Bintuni Bay Regency of Papua Barat province, as shown in Figure 1. The gas is sourced from six natural gas fields: Vorwata, Wiriagar Deep, Ofaweri, Roabiba, Ubadari and Wos, as shown in Figure 5.

The current LNG operation includes all facilities for the production, collection, and transmission of natural gas and associated liquids from the Vorwata reservoir. The gas is produced from 14 production wells at two offshore locations and transported via two subsea pipelines approximately 61cm (24") in diameter to an Onshore Receiving Facility at the Tangguh LNG plant to be purified and liquefied into LNG for marine export by LNG tankers.

The LNG plant consists of two LNG production trains with an annual production capacity of 7.6 million tonnes. An LNG train consists of equipment that purifies and liquefies the natural gas. The marine facilities consist of: a) 1.6 km long jetty to an LNG loading dock; b) a separate 1.2km long trestle to a multi-purpose dock ("combo dock") used to support importation of equipment and material for the onshore facilities construction, offshore drilling operations, cargo and personnel marine transportation, and the loading of condensate during the Operations Phase, which began in 2009.

Figure 5 Tangguh gas reservoir

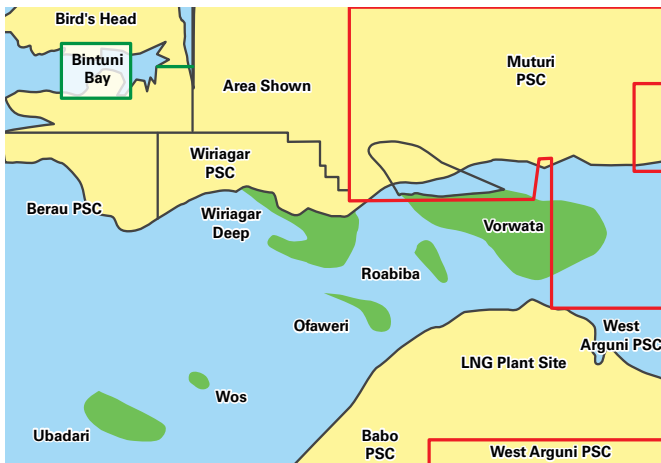


Figure 6 Facilities within Tangguh LNG site



The AMDAL for TEP has been approved covering impact analysis for current operations and the development of an additional 2 LNG trains within the existing site area, and up to another 11 offshore platforms and marine pipelines. The TEP will expand the area of operation from Bintuni Bay into Berau Bay, with onshore and offshore impacts in the Kokas region of Fakfak Regency. The first construction stage for the TEP which consists of 1 LNG train, 2 offshore platforms and marine pipelines will run from 2015 to 2020, with additional LNG production planned beyond 2020 .

Significant positive and negative impacts of the ongoing operation and the planned construction activities related to TEP have been identified and assessed in the AMDALs (2002 and 2014), as summarised in Figure 7: Summary of Tangguh operations and expansion construction activities and significant impacts. Some of the impacts include: local workforce opportunities and expectations, increased sea transportation and reduced area for traditional economic activities in Bintuni Bay. During the TSDP period 2015-2019, the TEP will bring specific short term impacts related to local purchasing (economic opportunities), construction workforce opportunities, and increased potential for in-migration.

In general, the operation and additional construction activities contribute to increased economic development through employment and business opportunities, but also lead to social and cultural changes associated with reduced access to natural resources and related to increased in-migration. At the same time, while environmental impacts are carefully managed there are both positive and negative changes to environmental quality. The increased intensity of impacts is anticipated during the TEP construction stage, planned over 2015-2019, while the simultaneous and ongoing operation means that Tangguh's social program will continue and expand, as outlined in this TSDP book.

Figure 7: Summary of Tangguh operations and expansion construction activities and significant impacts



Tangguh LNG also considers the cumulative impact of its presence, government policies and other companies' activities, which together are causing the overall changes occurring in Bintuni and Berau Bays. The potential cumulative impacts include: demographic changes, changes in the economic base and types of economic activities, degraded natural environment, marginalisation of indigenous peoples, change in disease profile, increased social tension, increased possibility of human rights abuses, and increasingly complex government dynamics. These impacts are highlighted in TSDP for all stakeholders to consider and address together, in the spirit of mutual responsibility. Other companies that have facilities or operations associated with Tangguh LNG in particular are encouraged to access lessons learned and consider consistent approaches and policies, to mitigate the cumulative impacts highlighted through Tangguh's AMDAL and other research including monitoring and evaluation data.

The relationship between Tangguh's impacts, cumulative impacts and wider stakeholder interests and aspirations is shown in Figure 2. An overview of the cumulative impacts is provided in Annex 2.

2.3. Progress and Achievements

Tangguh's impact management and social investment activities through the ISP 1 and CIP/ISP2 periods (2006-2014) have been implemented in a range of areas, with diverse participants and implementing partners. In the past period, the program organised its activities around themes of: Livelihoods, Community Health, Education and Training, Governance and Communication and External Affairs. Activities related to community-based security for example, were managed as part of Governance program, and participatory community planning was through the Communications and External Affairs program. Other activities related to workforce development,

the Dimaga Foundation which is a legacy of the Tanah Merah resettlement project, and the *Yayasan Pengembangan Teluk Bintuni* (Bintuni Bay Development Foundation) initiated and funded by Tangguh LNG, are other complementary activities that have helped toward the overall goal of improving quality of life and contributing to a sustainable LNG operation.

A sample of progress and achievements to date is provided in Table 5 below. The data is based on routine monitoring by Tangguh LNG and on social surveys by Gadjah Mada University.

Table 5: **Sample of progress and achievements of Tangguh's ISP and CIP to 2014**

Subject area	Achievement summary / Indicative fact
Education and Training	<p>Basic literacy rates in villages around Tangguh LNG have improved by more than 5% since 2007.</p> <p>953 teachers have received training to improve their teaching capacity in school.</p> <p>185 senior high school and university level students receive scholarships from Tangguh LNG.</p>
Community Health	<p>Malaria prevalence rate in villages around Tangguh LNG dropped from 23% in 2000 to 0,08% in 2013.</p> <p>The rate of deaths caused by diarrhoea in villages around Tangguh LNG has fallen from 4,7% in 2006 to 1,6% in 2013.</p> <p>Infant death has declined from 13,5% in 2006 to 2,7% in 2011.</p>
Livelihoods	<p>Local household income has improved by 166% between 2009-2012.</p> <p>Villagers trained in post-harvest production of salted fish and crackers are now selling to Tangguh LNG and local markets in Babo and Bintuni.</p> <p>Between 2008-2013, more than 1278 tons of local produce has been supplied to Tangguh, to the value of Rp 27.2 billion.</p>
Papuan Workforce and Enterprise Development	<p>At least 51.5% of Tangguh's workforce comes from Papua (1,349 people - September 2014).</p> <p>Tangguh LNG has organised 8 apprenticeship cycles with 136 apprentices participating.</p> <p>177 companies have participated in mentoring on enterprise management, administration, business sustainability since 2006.</p>
Governance	<p>34 non-governmental organisations (NGOs) in the Birds Head region have participated in training and networking to build capacity, supported by Tangguh LNG.</p> <p>Understanding of oil and gas revenue sharing laws has improved amongst local stakeholders, and local bylaw drafted.</p> <p>Training and mentoring in organisation, strategic planning, budgeting and reporting have been provided to 724 government officials from regency to village levels.</p>

Reviewers from University of Indonesia (2013) have suggested that aspects of the programs may be overly ambitious and require greater involvement of other parties. Like Tangguh's Independent Advisory Panel (TIAP), they have noted some unintended effects from the activities implemented. However, according to the most recent independent evaluation, the ISP2 mid-term review of June 2014 by the External Panel ("EP II") concluded that: *regarding specific ISP2 activities among communities, generally EP II has witnessed positive changes in infrastructure and services. EP II has often heard statements from community members testifying to improved wellbeing from the BP [Tangguh LNG] programming. As such EP II feels that on the whole, ISP2 is on track in meeting its overall goal of improving quality of life*".

2.4. Consultation and input to the TSDP

Stakeholder consultation is an important process in Tangguh LNG's impact management and monitoring, as well as for wider purposes as outlined in Section 5.6. Requirements pertaining to Free, Prior and Informed Consent (FPIC) of affected peoples, in particular indigenous peoples, have been an important consideration in the consultations processes used for TSDP design and implementation. Input to the TSDP includes results of the routine processes established within Tangguh LNG's ISP and CIP to date, including:

- Regular community-level consultations as a part of the participatory planning process ('PBM') and development of annual Community Action Plans (CAPs), up to 2013;
- Two program mid-term reviews, completed in December 2013 and June 2014;
- External Panel and lenders' consultant annual audits; and
- TIAP 18-monthly reviews.

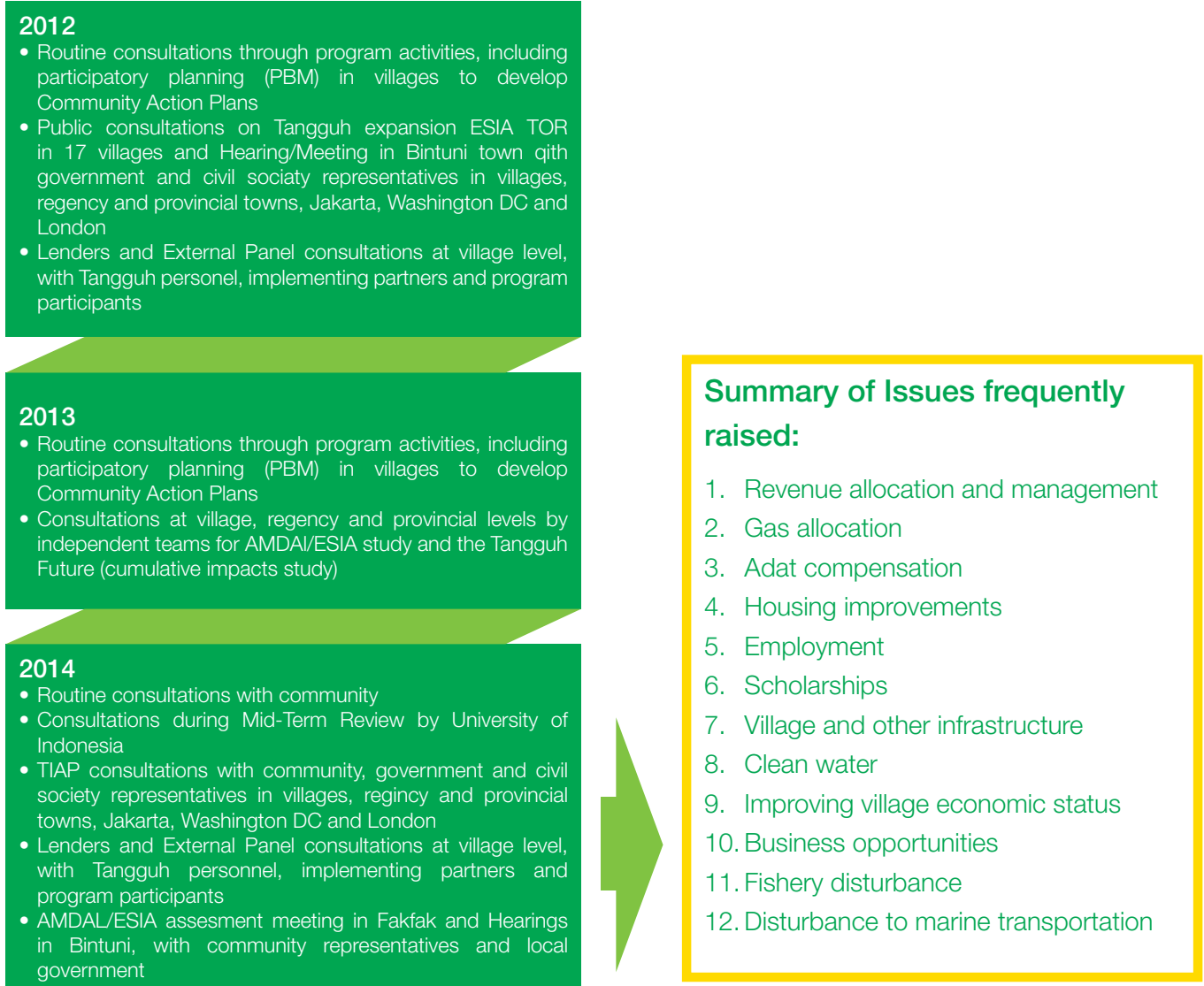
The External Panel, lenders and TIAP consultations at village level are typically focus group discussions (FGDs) and informal interviews, as well as more formal interviews and group meetings with government and civil society representatives in various locations including Bintuni, Fakfak, Manokwari, Jakarta, London and Washington DC.

In addition to these routine processes, an extensive program of community and local stakeholder consultation was conducted as part of the AMDAL requirements for the TEP. This included an extensive program of public meetings around Bintuni Bay villages on the AMDAL Terms of Reference in 2013 and for the AMDAL Hearings, in Jakarta, Fakfak and Bintuni town, to assess the impact study findings and proposed impact mitigation plans in early 2014. Special effort was made to ensure the traditional leaders, indigenous women, civil society representatives were all included in the consultation processes, and culturally-appropriate language, examples and images were used. Figure 9 provides a summary of the consultations undertaken and key issues arising frequently during those consultations. A highlight in terms of FPIC was the special training or pre-AMDAL hearing meetings with indigenous community representatives, facilitated by UNIPA (university) to prepare local people to be able to follow and participate effectively in the formal, government-led hearing process.

Subsequent up to AMDAL approval, disclosure of the AMDAL commitments ("AMDAL Socialisation") and TSDP to local government and civil society groups was done through presentations, meetings and sharing of draft hardcopies in late 2014 and early 2015.

Regular disclosure of progress in implementing the TSDP will be through formal mechanisms with local government (parallel with AMDAL reporting) and annual stakeholder forums.

Figure 8: Consultation Processes and Key Issues Identified





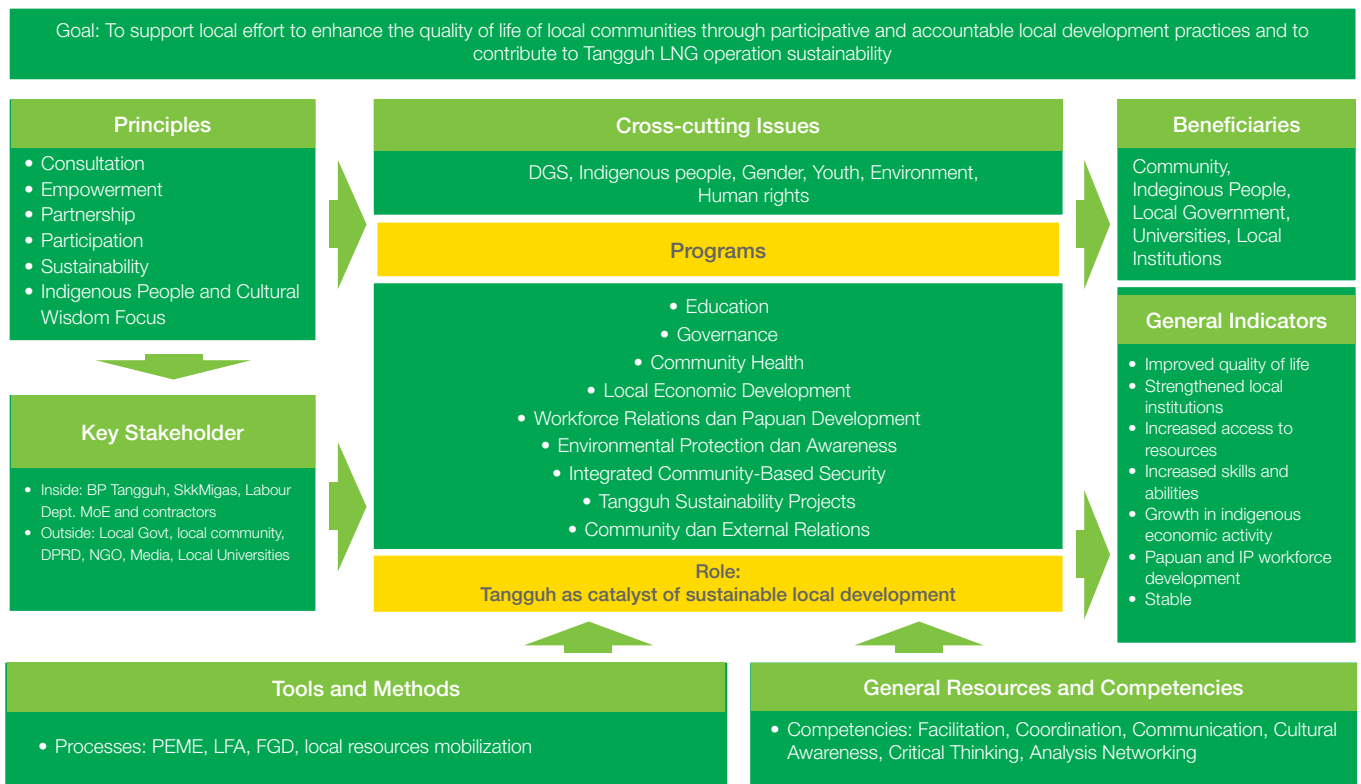
3. Framework and General Objective of TSDP

The TSDP Framework provides a comprehensive and concise overview of the objectives and scope of TSDP, which is captured in Figure 9 and outlined in detail in this document. The TSDP framework consists of the Overall Goal, Principles, Cross-cutting issues, Programs, Role of Tangguh LNG, Type of Development Intervention, Key Actors, Beneficiaries, General Indicators, Tools and Methods, General Resources and Competencies required for successful delivery of TSDP objectives.

The overall goal of TSDP-2 is “to support local efforts to enhance the quality of life of local communities through participative and accountable local development practices and to contribute to Tangguh LNG operational sustainability”. A definition of key terms used in discussing the objective and programs is provided at the beginning of this document, following the list of abbreviations. This includes ‘quality of life’, ‘operational sustainability’, ‘participative and accountable local development practice’, and ‘programs’.

General indicators for the overall TSDP program are provided to help measure performance, or to gauge how well Tangguh contributes to achieving TSDP’s goal. The general, shared indicators for TSDP are: improved quality of life; strengthened local institutions; increased access to resources; improved skills and abilities; growth in indigenous economic activity; Papuan and IP workforce development, stable environmental quality; and strengthened government accountability.

Figure 9: TSDP Framework



3.1. Role of Tangguh

The relationship between TSDP and AMDAL is depicted in Figure 2, which also shows the main areas of responsibilities shared between Tangguh LNG, government and other stakeholders including communities. TSDP affirms the position and role of Tangguh LNG as a catalyst for regional development and self-reliant society, especially the indigenous people. The meaning of a catalyst is an external agent (or in chemistry, an enzyme) that is introduced to facilitate or create change, and then becomes obsolete; when no longer needed, its function ends but the change it stimulated is maintained or endures. Tangguh's role as a catalyst is interpreted as an interim driving force, connector, and activator in the middle of the society, providing guidance such as advocacy and support for agreed changes, considering stakeholders' ability to manage resources for the improvement of social welfare, and generally urging the use of its resources (technical and financial) towards a self-reliant society supported by active and accountable local government. Tangguh LNG will continue to encourage initiative and self-reliance by increasing the intensity of interventions, build communities, strive to maximise the role of others, and minimise interventions particularly in the longer term.

As a catalyst for *sustainable local development*, Tangguh will advocate and build capacities for the wealth generated from the LNG to be well-used and invested for long-term benefits of the local people. The approach to levels of interventions is described further in Chapter 5. The role of Tangguh and others is depicted in more detail in Table 6.

Table 6: Expected role of key stakeholders relative to TSDP

National and Provincial Government	Community and Civil Society, including Adat, religious and Media actors	Local Government	Elected Representatives (DPRD, DPR, MRP etc.)	Tangguh LNG
<ul style="list-style-type: none"> · Create, support and supervise implementation of policies in support of sustainable local development · Implement regulation on sharing fund (<i>Dana Bagi Hasil</i>, or DBH) - province · Develop capacities to carry out local government functions effectively · Allocate personnel appropriately 	<ul style="list-style-type: none"> · Participate actively in local affairs, seeking frequent communication with government to demand accountability · Collaborate on priorities and resolve differences peacefully · Engage with Tangguh and government in programs of common interest, to further local capacities · Initiate and innovate to meet own needs 	<ul style="list-style-type: none"> · Transparently and efficiently allocate and disburse resources for local service delivery, monitoring and correction when needed · Allocate and develop professionalism of personnel · Respond to community needs and priorities · Access experts to guide appropriate development for local context, short, medium and long term timeframes · Communicate transparently about Tangguh and other revenues' use 	<ul style="list-style-type: none"> · Visit villages and consult frequently with constituents to understand issues and local priorities · Review and critique government plans and budgets, ensuring appropriate allocations · Assess and press local government performance · Implement regulation on revenue sharing (DBH) transparently and communicate with the public about key issues 	<ul style="list-style-type: none"> · Conduct safe and reliable operation, producing LNG to meet sales agreement timeframes · Pay revenues and taxes to Government on time · Provide assistance through programs defined in TSDP to mitigate impacts from Tangguh LNG activities · Communicate frequently and transparently, including addressing stakeholder questions or issues related to Tangguh LNG

3.2. Principles underpinning TSDP

Efforts to meet TSDP's general objective are achieved through programs to deliver on AMDAL commitments related to social and economic impacts and development. The principles that apply as a foundation of TSDP and to all the programs have been known in Tangguh as "CEPPS": consultation, empowerment, participation, partnership, sustainability. The principles relate to how programs are developed, what the objectives and activities are to reflect. For TSDP, there is a further principle that has been included, namely Indigenous People and Local Cultural Wisdom. This has been added because as a matter of principle, the attention given to local cultural knowledge, values and systems must increase, if Tangguh LNG through TSDP is to ensure that its increased focus on indigenous peoples has a positive effect. The "CEPPS ++" principles are elaborated, with a definition of each principle and general points on how these translate to principled action in TSDP, in Table 7: Guiding principles for TSDP and its programs..

Table 7: Guiding principles for TSDP and its programs.

Principle	Meaning
Consultation	Consultation as a process of dialogue with citizens and stakeholders, which has the aim of providing and receiving information, to inform company decisions on activities affecting external stakeholders and community members in particular.
Empowerment	Increasing the capacity of civil society and the general public, encouraging their sense of belonging to, and their ability to meaningfully participate in, community and regional development processes.
Partnership	Prominent figures and institutions – including NGO, government, academia, religious organisations, bilateral and multi-lateral agencies, and so forth – collaborate and share accountability for achievements.
Participation	An active process whereby beneficiaries influence the direction and implementation of programs rather than merely receive benefits.
Sustainability	Integrated consideration of long-term, cultural, economic and environmental health and vitality, with emphasis on long-term, for future generations and viability post-Tangguh.
Indigenous Peoples and Local Cultural Wisdom	Acknowledging and incorporating relevant aspects of local indigenous cultural values and traditional knowledge to enhance program quality.

3.3. Key Actors and Beneficiaries

The TSDP Framework identifies key stakeholders, as not only Tangguh LNG and its implementing partners, who come from universities, civil society and the private sector, but also the government, other companies, industry organisations, the media and communities themselves. Tangguh LNG regularly reviews its stakeholder analysis and engagement approaches. For TSDP, stakeholders 'inside the fence' are Tangguh LNG, Special Task Force for Upstream Oil and Gas Activities (*Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak dan Gas*, or SKK Migas), Ministry of Manpower, Ministry of Environment, LNG contractors, other contractors. Stakeholders 'outside the fence' are public figures, NGOs and CSOs, local government, local Parliament (DPRD), media, universities and communities.

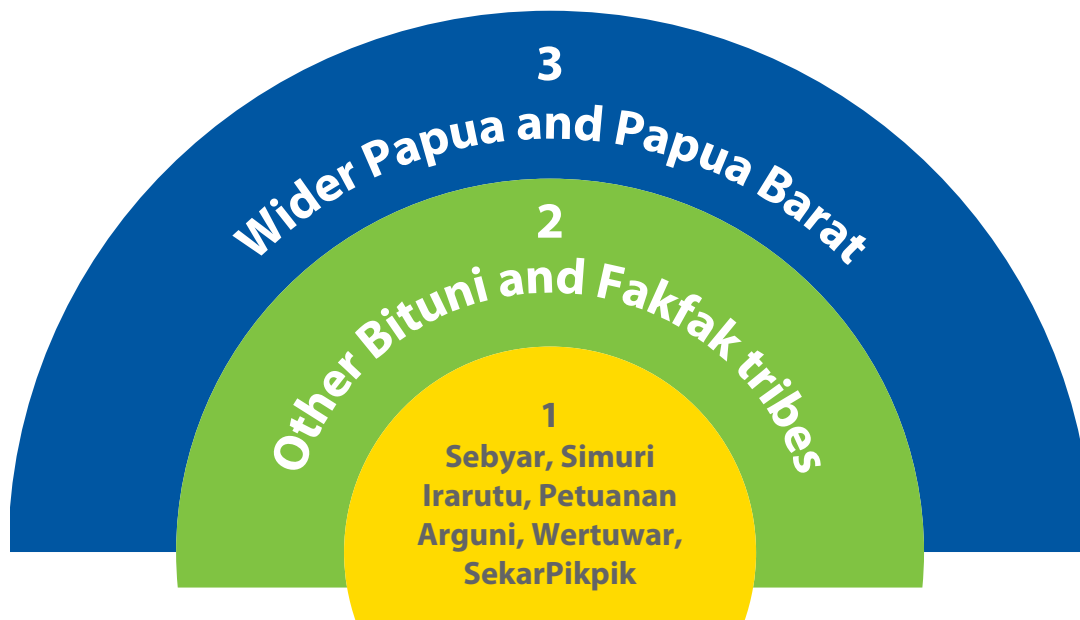
The notion of mutual responsibility dictates that all parties have a role to play in achieving both the goals of specific programs (such as health, education, and so forth), and also in contributing to the overall goal, assuming all parties ultimately aim for sustainable improvements to quality of life.

The term ‘program beneficiaries’ refers to the people, as individuals, families or organisations, who are expected to experience a positive change as a result of TSDP activities. The changes could be material or attitudinal, and can occur because of direct or indirect involvement in a program. In other words, people can benefit even if they do not participate – for example, teachers trained benefits the students; people employed benefits their families and local businesses where they spend their pay.

TSDP targets Indigenous People as the primary beneficiaries overall and in relation to each specific program. In the approved Tangguh LNG AMDAL, Indigenous People are defined as “the customary or tribal people residing in the coastal areas of Bintuni Bay, comprising the original clans from the Sebyar, Irarutu, Simuri and Petuanan Arguni, Wertuwar and SekarPikpik ethnic groups, who inhabit a defined custom-owned area, as well as the other community members in that area who are acknowledged by the indigenous people as part of their tribal community, and have lived in the custom-owned areas since before the presence of Tangguh LNG in 2002”. The TSDP also serves as Tangguh’s comprehensive Indigenous Peoples Development Plan (IPDP), for lender purposes. Focusing primarily on Indigenous People both in the AMDAL and through TSDP, the program activities, intervention approaches and indicators, Tangguh LNG emphasises a commitment to address impacts as well as the risk of marginalisation, by prioritising indigenous peoples’ development in the area surrounding LNG operational activities. The overall intended direction of development specific to Indigenous peoples’ needs and priorities is a shared vision and responsibility between Tangguh LNG, local government and the indigenous people themselves, addressed in part through the TSDP.

While Indigenous People are the main priority beneficiaries of all Tangguh LNG programs, there is also a priority focus on other Papuans in the bay area, and in the wider provincial area, as shown in Figure 10. The yellow area shows first priority being those defined as indigenous people beneficiaries for Tangguh context. The green and blue areas show other groups, who may or may not be indigenous in the general sense, and are the second and third priority for Tangguh LNG when implementing the TSDP. In addition to community level beneficiaries, TSDP will impact positively on other people in the local population, the local and provincial governments, business associations, universities and other entities that are targeted by specific programs, particularly for capacity building. Guidance on how the priority focus on Indigenous People is to be achieved is provided in Chapter 5 of this document.

Figure 10: Priority beneficiaries and participants in TSDP activities



3.4. Key Programs

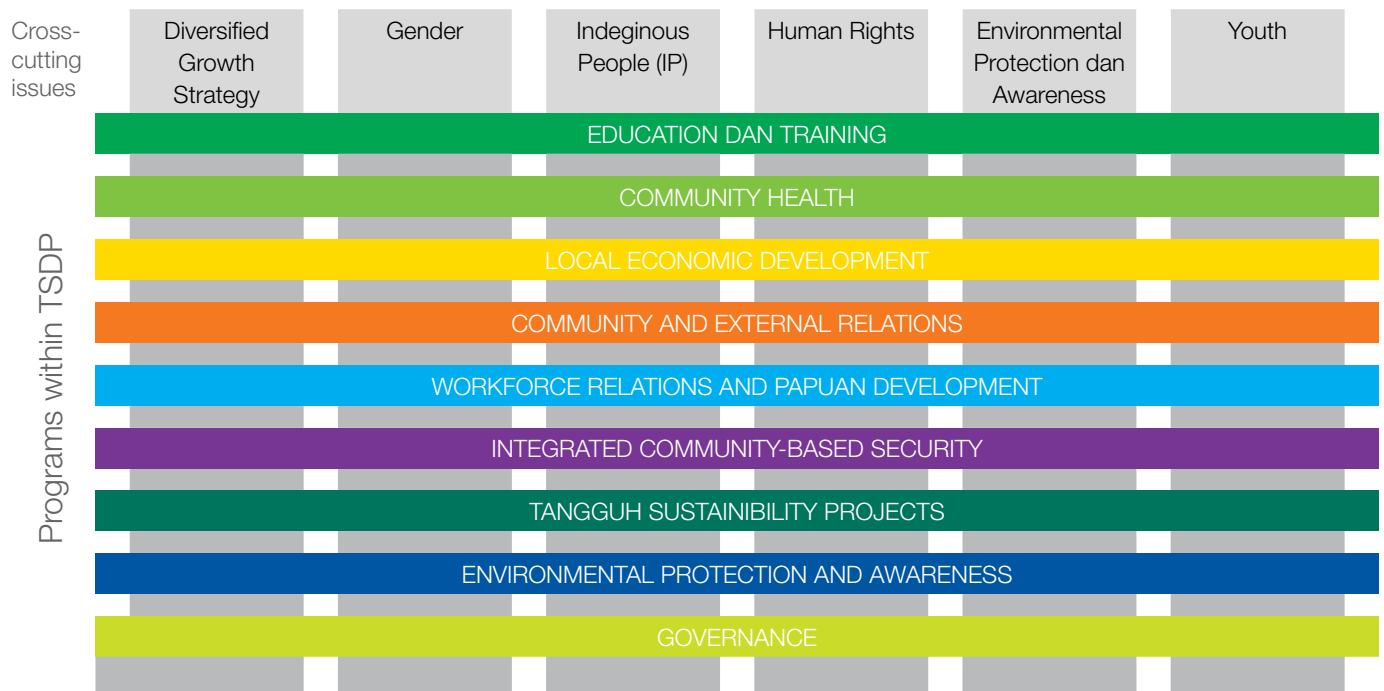
Tangguh LNG will focus through TSDP on 9 main programs as shown in Figure 11 and Figure 12. Programs specific to Community Health, Education, Papuan Workforce Relations and Development, Local Economic Development, Governance, Community and External Relations, Integrated Community-Based Security, Tangguh Sustainability Projects (TSP), and Environmental Protection and Awareness, all affect key sectors related to community welfare and quality of life.

The TSDP framework positions the programs as central, with supporting elements such as guiding principles, key stakeholders and cross-cutting issues directly related to the programs. The programs are diverse but interrelated and connected through their shared contribution to the TSDP goal, common principles and related stakeholders and target beneficiaries. All rely on effective use of processes for planning, implementation and review, as well as availability of resources. At the same time, each program has a special role, as follows:

- The programs ensure management of Tangguh’s direct impacts, and
- The programs help Tangguh manage risks by supporting or contributing to the fulfilment of community needs and aspirations, particularly for employment, economic improvements and delivery of quality, basic services.

The programs’ respective objectives, key outputs, key activities and targets for 2015-2019 are presented in Chapter 4. Implementation strategies for the TSDP programs are described in Chapter 5 and specific indicators for each program are presented in Chapter 7 on Monitoring and Evaluation. The change of scope between ISP-CIP (ISP2) and TSDP is shown in Annex 3.

Figure 11: Scope of TSDP - programs and cross-cutting theme



3.5. Overview of Cross-Cutting Issues

There are 6 cross-cutting issues or themes to be addressed through each program under TSDP: **Diversified Growth Strategy (DGS), Indigenous People, Gender, Youth, Environment, and Human Rights**. These are critical to the success of TSDP as a whole, while certain of the themes have particular relevance to some programs and projects more than others. TSDP defines these focus areas in order that the program planning, implementation, review and roles of other stakeholders may all be mindful of the issues and how they can be addressed or can contribute to TSDP's goal "to support local efforts to enhance the quality of life of local communities through participative and accountable local development practices and to contribute to Tangguh LNG operational sustainability". How these cross-cutting issues relate to specific programs is summarised per program in Chapter 5; guidance for assessing efforts related to the cross-cutting issues are presented in a separate publication (TSDP Operational Guide/Internal Implementation Plan).

DGS: DGS is part of Tangguh's policy to support its operating philosophy, to develop as a catalyst for sustainable local development. This means operating Tangguh LNG as a remote site with controlled environmental and social impacts, rather than promoting it as a magnet for unplanned development. To this end, the DGS entails the workforce hiring and management strategy, procurement through existing growth centres around the Birds Head of Papua (Sorong, Manokwari and Fakfak), as well as working with government to develop the capacity for responsible planning, budgeting and use of revenues from Tangguh. Under TSDP the DGS is expanded to include Bintuni town, and to a lesser extent Babo and Kokas towns, as activity centres where further engagement with Tangguh LNG will take place. For the Local Economic Development program, access and development options related to villages nearer to the LNG site may be reviewed further, in consultation with community and local government. A description of how the DGS affects TSDP implementation is elaborated in Chapter 5.

Indigenous Peoples (IP): Tangguh LNG prioritises indigenous people as beneficiaries of its impact management efforts and its social investment more generally, to acknowledge original inhabitants of the Tangguh area and to address the risk of marginalisation of indigenous people in a changing demographic context. The focus on indigenous peoples as a cross-cutting theme in TSDP recognises their vulnerability and special development challenges. TSDP design and implementation must ensure program efforts are appropriate to indigenous needs and priorities. Related to this are affirmative actions to ensure meaningful participation of indigenous peoples in any activities that are directly or indirectly related to the TSDP. A description of how the IP focus translates in TSDP implementation is elaborated in Chapter 5.



Gender: There is a causal link between human development improvements and gender-awareness in programs, and evidence that the targeting and participation of women and girls in development activities leads to better outcomes in different dimension of society. In Papua generally, there are strong gender biases and often a balance of power that disadvantages women and girls, with subsequent effects related to health, education, and income levels, for example. The participation of women, indigenous women in particular, in TSDP is strategic focus area through which TSDP principles will be demonstrated, for example in targeted consultation, participation and partnerships with women.

Youth: Youth are a significant portion of the indigenous population in Bintuni and Berau Bays, and an important focus in immediate program implementation, as well as in the long-term development activities supported through the objective of TSDP. Engaging with local youth in a way that reflects TSDP principles, for example consulting with youth, ensuring a youth focus or youth participation in all programs, is considered vital to the sustainability of Tangguh and others' investments in sustainable development. Building capacity of young people gives a better likelihood of changes being maintained over time, including beyond TSDP or other social investments.

Environment: Responsible natural resource utilisation and protection are the heart of economic development, as well as being fundamental to local social and cultural identities and lifestyles. Ensuring a level of environmental awareness throughout the TSDP activities is important because the way different parties perceive and treat natural resources and surroundings will determine the achievements and sustainability of TSDP activities related to livelihood, education, health and other program areas. To further mainstream the environment as a theme in TSDP, a new program specific to Environmental Protection and Awareness has also been developed (see Chapter 4).

Human Rights: In line with BP's Human Rights Policy, Tangguh LNG is committed to respecting internationally-recognised human rights, as set out in the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Potential human rights impacts identified by Tangguh LNG are related to livelihoods, workforce welfare, health and safety, the environment, land acquisition, and security. BP is signatory to two voluntary agreements with implications for specific aspects of human rights: the United Nations Global Compact and the VPSHR. Human rights assessment was included in Tangguh's preparation for the TEP AMDAL, and through TSDP, a rights-based and human-security based approach to impact management is being applied to carefully manage related issues.

General indicators and guidance that the cross-cutting issues are being addressed in the TSDP and its programs and projects are presented in a separate publication (TSDP Operational Guide).





4. Overview of Strategic Programs

TSDP has 9 programs: Education and Training, Community Health, Local Economic Development, Community and External Relations, Workforce Relations and Papuan Workforce Development, Integrated Community-Based Security, TSP, and Environmental Protection and Awareness, and Governance (see also Figure 12). These programs have been designed “to support local efforts to enhance the quality of life of local communities through participative and accountable local development practices and to contribute to Tangguh LNG operational sustainability”, which is TSDP’s overarching goal. Figure 12 provides an overview of the programs’ objectives and interrelationships, demonstrating their link to the TSDP goal. Table 7 summarises key government support required by the Tangguh team and their implementing partners, in order for Tangguh’s programs to succeed in achieving the desired outcomes.

TSDP is only one among several initiatives in the Bintuni Bay area to develop the local community. While TSDP programs all contribute to the TSDP goal, it must be recognised that a prosperous local economy, improved welfare of indigenous communities and good governance locally cannot be achieved with Tangguh LNG’s support alone, but also requires significant involvement and contributions by other local stakeholders.

In developing the programs, Tangguh LNG recognises the roles and functions of local governments especially in delivering basic social services and public administration services. Tangguh LNG sees TSDP as a supplement to local development initiatives lead by local government and to be managed in accordance with good governance principles. This is consistent with the one of the strategic approaches in TSDP implementation, described as “development by the community” in Chapter 5.

Table 8: Summary of key support needed from external stakeholders, by program

Program	Important external support for TSDP program objectives to be achieved
General	<ul style="list-style-type: none"> • Agreement on the “work with” approach to cooperation in TSDP programs • Regarding participation in activities, develop a regulation or standard for per diems and specify which activities should be join voluntarily/without a sitting fee • Agreement on a process for decision making related to TSDP program activities • DPRD to be involved in officiating Memorandum of Understanding (MOU) document and be given updates from Tangguh/TSDP on a regular basis • Transparency with government data • Transparent coordination of private sector actors and PSCs in Teluk Bintuni • Government to play an active role in events (as resource persons, speak positively of TSDP, etc.)
Education and Training	<ul style="list-style-type: none"> • Agreement on a (5 year) work plan for the Bintuni Bay Education Strategy • Budget and resources/facilities to support flagship schools • Collaboration in supply of education data, coordination on scholarships database • Leading a forum for education stakeholders
Community Health	<ul style="list-style-type: none"> • Human resources support that can be developed and committed to work in agreed locations for a reasonably long period to carry on the program activities in future • Funding support as part of local government responsibility, primarily related to infrastructure and equipment • Support to ensure that relevant parties in government and the private sector are commitment to mutually supporting and implementing health programs • Maintain good coordination with Tangguh LNG and partners in program implementation
Local Economic Development	<ul style="list-style-type: none"> • Disperindakop to ensure business approvals are granted according to official regulations • Support for the concept of integrated agencies (7 SKPD) or “one-stop shop” related to TSDP (agriculture/plantations/livestock, fisheries, cooperatives and industry, women’s’ empowerment and the Training/Extension Agency (Badan Penyuluhan) • Ensure budgets for agriculture and fisheries programs that have been mutually agreed

Program	Important external support for TSDP program objectives to be achieved
Community and External Relations	<ul style="list-style-type: none"> Government participation in routine Tangguh LNG activity update meetings Participation of government representatives in planning and oversight of TSDP programs Government letter (SK) agreeing Tangguh's role in the transitional approach to community participation in development planning (Musrenbang)
ICBS	<ul style="list-style-type: none"> Pemda to promote ICBS approach for other PSCs in Bintuni Bay Regent and Head of Police to use consistent messages to communities about laws, public behaviour and Tangguh LNG
Workforce Relations and Papuan Development	<ul style="list-style-type: none"> Labour/Manpower Agency to agree on prioritizing IPs and to cooperation on recruitment permits (Akad) and other coordination issues Budget support for collaborating on development of technical education
TSP	<ul style="list-style-type: none"> Regency and Provincial government cooperation on <i>Badan Usaha Milik Daerah</i> (BUMD) (Regional - State Owned Enterprise) formation and operation. Support to ensure <i>Perusahaan Listrik Negara</i> (PLN) (State Electricity Company) construction of electricity grid per Supply Offtake Agreement. Build awareness of payment requirement for electricity. Local government support to clarify priority beneficiaries and communicate proactively with stakeholders. Efforts to reduce jealousy from other Districts' community members (for example, accelerating a similar program elsewhere). Support from Bintuni Bay local government to form special collaborative taskforce to manage the North Shore Housing Restoration Program for IP in Weriagar and Tomu Districts.
Environmental Protection and Awareness	<ul style="list-style-type: none"> Cooperation in supply of data to support environmental studies Support and participation in carrying out various program activities such as environment discussions, workshops, training and local curriculum development Financial support in the context of local government responsibilities, especially in providing infrastructure and equipment related to waste management Cooperation in developing a biodiversity conservation model Function as a facilitator in communicating between Tangguh and community/public on environmental matters
Governance	<ul style="list-style-type: none"> Bappeda to take an active role in coordinating and supporting Tangguh and partner activities to enhance local government agencies' capacities Musrenbang as the mechanism for planning TSDP program activities (by 2019) Active support for forming a multi-stakeholder forum on strategic, sustainable development issues in Bintuni Bay Budgets, data and processes related to Revenue Sharing (DBH) to be published transparently

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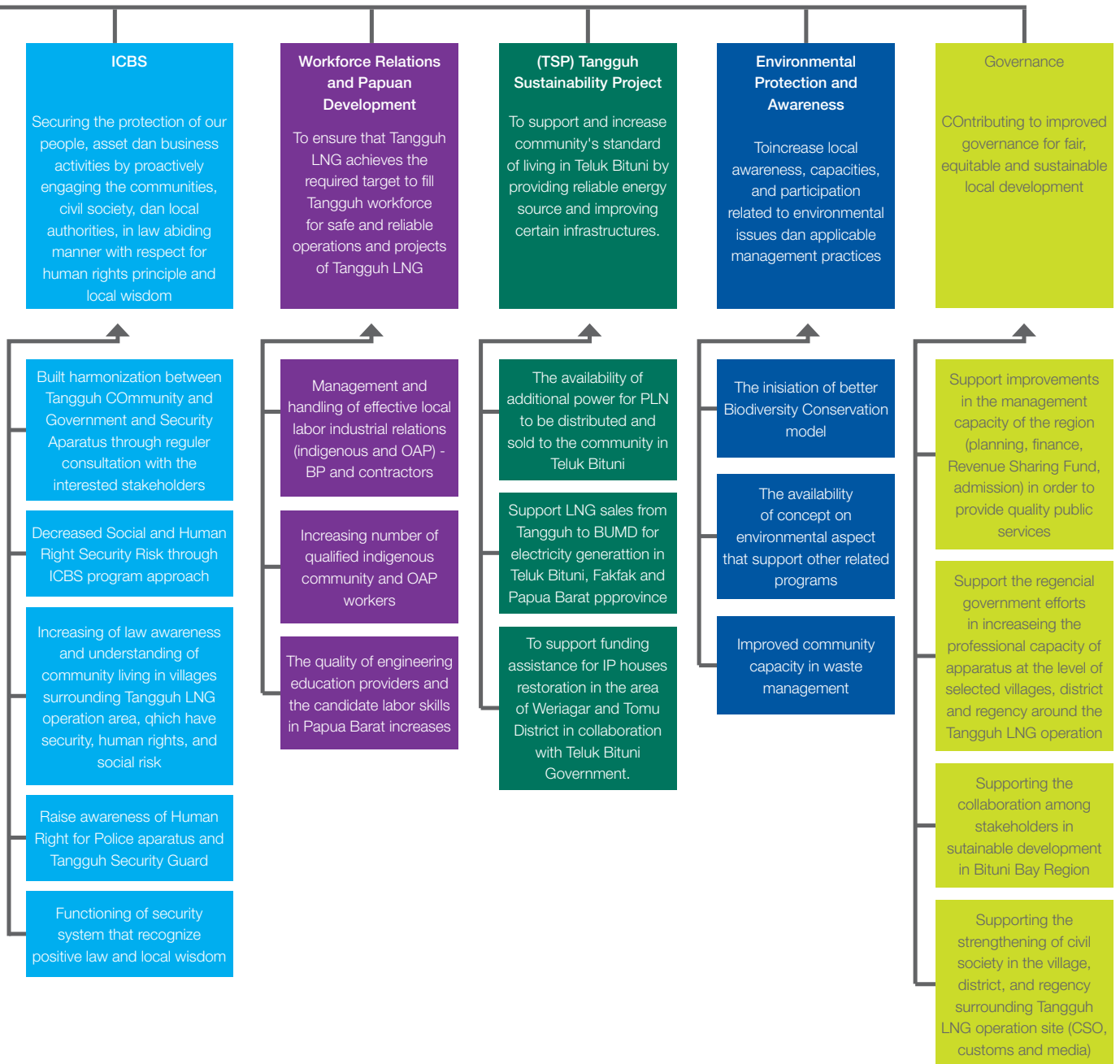
PERENCANAAN BERSAMA MASYARAKAT

YPA - TANGGUH LNG



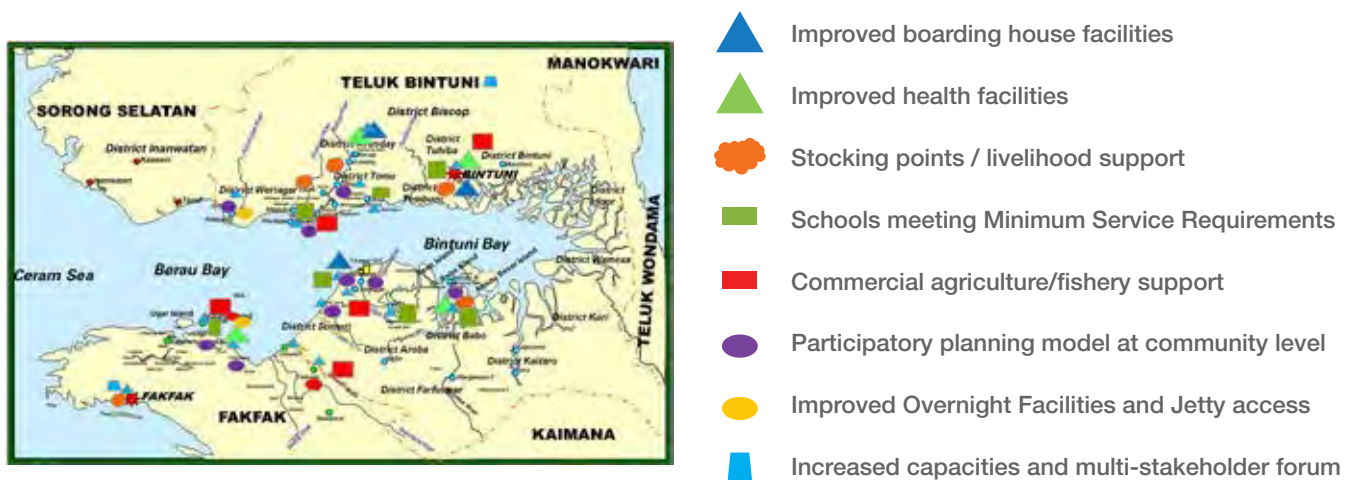
Figure 12: Overview of TSDP goal, program objectives and outcomes





The TSDP book serves as a guide, describing the basic and minimum requirements for implementing the programs. More detailed plans containing information about activities, beneficiaries, sites, roles and responsibilities, milestones/targets, budget and timescale will be developed annually. The structure of the programs is based on management principles that focus on the achievement of results for objectives, outcomes, and key outputs as a chain of results. An overview of the program's activity plans for 2015-2019 with key milestones are presented per program below. An indication of the geographic spread of some programs key activities is provided in Figure 13 below.

Figure 13: Geographic distribution of selected program activities



4.1. Overview of Programs

4.1.1. Education and Training Program

Context and background: In the Bintuni and Berau Bay area there is generally a reasonable awareness of importance of education, and a demand for education from the community. Tangguh has been implementing its Education and Training program with local government, education foundations and communities since 2004. Previously, the education and training program covered basic education and vocational training, with efforts including the provision of teachers, support for school facilities and infrastructure, provision of text books; support for the education office and improvement of local curriculum. Inconsistent quality and continuity of education provided across the area is an ongoing challenge, due in part to difficult access, and teacher and government capacity. Tangguh inputs over 10 years have had a positive effect but more effort is needed in developing a common vision with government, continuing to support access to education for certain groups, and especially to develop the quality of education, including literacy, and through improved teacher availability and capacity.

Program objective, structure and milestones: The Education and Training program’s overall objective is “to support local government and local community efforts to achieve an educated and skilled local population.” The Program is designed to address the community needs and interest in improved education, with a focus on the quality of education provided, including literacy. To plan and manage activities for the period 2015-2019, the Education and Training Program is structured around 3 main components, as detailed in Table 9: Education and Training Program overview below. Selected activities and milestones and key success indicators are also shown. The Monitoring and Evaluation section of this document sets out all program indicators and their use in program planning and implementation. Areas where the main program activities will be implemented are shown in Figure 13.

Table 9: Education and Training Program overview

Education and Training Program		
Objective: Support local government and local community efforts to achieve an educated and skilled local population;		
Targeting: Students, education providers and government.		
Components	Main activities (2015-2019)	Selected Milestones (Targets)
Basic Education Support	<ul style="list-style-type: none"> Capacity Building for The Education Department/ Agency (On-the-job training for Dinas personnel) Capacity Building for Local Education Organisations (On-the-job training for Yayasan personnel/teachers) Capacity Building for Teachers/teaching assistants Practical support for selected schools 	<ul style="list-style-type: none"> 8 training modules developed for Dinas/ Yayasan staff and teachers (2017) – education and school management, pedagogy 8 training series for Dinas/Yayasan staff and teacher/heads of schools in Bintuni/ Fak-fak (2019)
Learning and Scholarships	<ul style="list-style-type: none"> Education Assistance (criteria-based assistance with school/university fees and costs to families when sending children/youth for primary level to university or equivalent) Education services to support students success (for example matriculation support and mentoring) 	<ul style="list-style-type: none"> 200 Indigenous and other Papuan students as education aid/scholarship recipients (by 2019) School participation rates and basic primary literacy rates increase to 80% (2019)
Flagship School	<ul style="list-style-type: none"> Preparation Phase (Reviewing options, developing blueprint for flagship schools in Bintuni Bay area) Implementation Phase 	<ul style="list-style-type: none"> 1 Papua-appropriate boarding houses working systematically (2019) 20 supported schools meet minimum service standards in Bintuni and Fakfak (2019) 1 flagship schools operating and 1 in advanced preparation (2019)
Key success indicators:		
<ul style="list-style-type: none"> Participation levels in education activities by indigenous people and girls/women, relevant to level of schooling Ratio of schools meeting Education Minimum Service Standards Flagship school developed according to concept agreed with local government 		

Table 10: Cross-cutting issues in the Education and Training Program

Cross-cutting issue	Education and Training Program's main link/response
DGS	Encouraging government change management and policies to focus on investing wealth from Tangguh and natural resources in education
Indigenous People	Focuses on schools where IP students are the majority; at the same time many other schools should benefit by association
Gender	Girl students targeted for scholarship support; female teachers in training; influencing local policy to ensure indigenous girls addressed as priority in all programs implemented
Youth	Includes youth as target in schools development, introducing extra-curricular activities and life skills in the curriculum
Environment	Developing local content to address local environmental knowledge, beliefs and practices
Human Rights	Addresses right to education.

4.1.2. Community Health Program

Context and background: Public health programs have been supported by Tangguh LNG in selected villages since 2004. The program benefits all sections of the population. The program began with Malaria Control activities and then expanded in 2008 to cover Mother and Child Health, then more recently, HIV/TB and Water Sanitation. Activities have focused on improving the quality of primary health service providers, including the community health centres (*puskesmas*), mother and child integrated service posts (*posyandu*), the pregnant women service posts (*posbumil*), etc. Working with local communities' to increase awareness about habits and behaviours that contribute to health conditions has also been included, as a lesson learned from earlier years. Significant improvements to health access and services, together with decreases in several key health indicators have been achieved.

In the last years of the ISP2, the program scope also included capacity building in developing the Hospital Management and System for Binunti Regency Health Department, and less directly on Maternal and Child Health, HIV/TB and Water Sanitation. Other government entities that work or support the Community Health program such include *Komisi Penanggulangan AIDS Daerah* (Local HIV/AIDS Commission), *Badan Koordinasi Keluarga Berencana Nasional* (National Family Planning Coordination Agency), *Pemberdayaan dan Kesejahteraan Keluarga* (Family Welfare and Empowerment), etc. Other NGOs in the Public Health sector, including *Yayasan Santo Agustinus* (Saint Augustine Foundation), have partnered with Tangguh LNG in the Public Health program.

Some key challenges in achieving the program objectives include limited local resources for implementation and achieving sustainability program. This includes for funding, access (particularly sea transport), and for expanded activities to address other health issues. At the community level, lack of access to clean water, hygienic toilets, poor waste management are other challenges.

Program objective, structure and milestones: The health program's overall objective is "supporting local government and local community to improve health quality and accessibility of health services."

To plan and manage activities for the period 2015-2019, the Community Health Program is structured around 4 main components, as detailed in Table 12: Cross-cutting issues in the Community Health Program below. Selected activities and milestones and key success indicators are also shown. The Monitoring and Evaluation section of this document sets out all program indicators and their use in program planning and implementation. Areas where the main program activities will be implemented are shown in Figure 12.

Table 11: Community Health Program overview

Community Health Program:		
Objective: Supporting local government and local community to improve health quality and accessibility of health services;		
Targeting: Local community members, clinics and hospital workers, and Health Department.		
Components	Main activities (2015-2019)	Selected Milestones (Targets)
Public Health Service Delivery	Improve capacity of Selected Community Health Clinics Developing Referral System, from selected Community Health Clinics to Bintuni General Hospital	<ul style="list-style-type: none"> Improve capacity in Obstetric Emergency of Puskesmas in Babo (2016), Arandai (2017) and one in Kokas district (2018)
Disease Prevention	Malaria Control Program Developing TB and HIV Screening and Treatment System.	<ul style="list-style-type: none"> Referral System from Puskesmas to Bintuni Public Hospital (2019) Improve capacity in Emergency Obstetrics at Bintuni General Hospital (2019)
Behaviour Change	Developing a Behaviour Change Approach to support Public Health Programs.	<ul style="list-style-type: none"> Screening and Treatment system for TB and HIV (2018).
Water and Sanitation	Developing clean water and sanitation systems in selected areas (defined by assessment in 2015)	<ul style="list-style-type: none"> Behaviour Change Assessment (2016) Improving access to Clean Water in selected areas (2019)
Key success indicators:		
<ul style="list-style-type: none"> Access to health services of adequate standard in Babo, Aranday and Kokas Bintuni Hospital operating as a regional, referral hospital (status), providing quality health care services Increased community awareness of treatment for key contagious diseases 		



Table 12: Cross-cutting issues in the Community Health Program

Cross-cutting issue	Community Health Program's main link/response
DGS	Worker MCU distributed around Bird's Head cities and Bintuni (and beyond); developing capacity of health services to serve increased population, especially in transit areas (Babo, Bintuni)
Indigenous People	Capacity building activities target IP health workers; health service improvements to all aim to address behaviour change approaches and needs of vulnerable groups/IP
Gender	Maternal and child health focus in the program activities; women targeted specifically as beneficiaries and health promoters
Youth	HIV education/promotion through schools targets youth
Environment	Water and Sanitation program aims to improve environmental health, including protecting water supplies etc.
Human Rights	Program addresses right to health and right to an adequate standard of living.

4.1.3. Local Economic Development Program

Context and background: The economies of Bintuni and Berau Bays are highly reliant on natural resources, both at the household and community level, and at the government level. With a wealth of resources available, it is critical that the economic activities are developed in such a way that adds value and ensures sustainable resource use. There are many opportunities for economic diversification that can support households, local enterprises and local government, however infrastructure, know-how and capital are challenges to be addressed.

The Local Economic Development Program combines the previous Tangguh Livelihood program and the Bird's Head Business Empowerment activities with a new initiative supporting indigenous enterprise development. Livelihoods activities have targeted local people impacted at the household and community level by Tangguh LNG's activities, to ensure their incomes are not adversely affected. The ISP period saw the introduction of new employment such as agriculture in fishing villages, opening of new market opportunities through stocking points, and numerous training events to diversify villagers' fishing and agriculture products, help them to repair their equipment themselves, and support producers' organisations. Income generating activities of local communities can cover the primary sector such as agriculture and fisheries related activities, the secondary sector such as small-scale industries and production, and the tertiary sector such as trading and other professional services.

Strengthening organisations such as cooperatives to supply Tangguh LNG and other markets has had strong outcomes, and now wider opportunities have been identified to prioritise indigenous participation. Enhancing the role of women household income generating and management activities has been a focus that will continue through TSDP. Economic empowerment for women gives them a greater voice in the decision making process, both in the family and in society; for indigenous people more generally, it will enable greater participation in the benefits of the regions development.

Program objective, structure and milestones: The Local Economic Development program's overall objective is "Improved regional economic development and sustainability of Tangguh LNG by increasing business capacity and opportunities for indigenous people as well as diversifying source of income in Bintuni, Fakfak and wider Papua region".

To plan and manage activities for the period 2015-2019, the Local Economic Development Program is structured around 2 main components, as detailed in Table 11: Local Economic Development Program overview below. Selected activities and milestones and key success indicators are also shown. The Monitoring and Evaluation section of this document sets out all program indicators and their use in program planning and implementation. Areas where the main program activities will be implemented are shown in Figure 13.

Table 13: Local Economic Development Program overview

Local Economic Development Program		
Objective: Improving capacities to support a diverse and sustainable regional economy based on activities providing reliable, long-term, independent livelihoods for the local indigenous people, their organisations and enterprises;		
Targeting: Local indigenous households, entrepreneurs, businesses.		
Components	Main activities (2015-2019)	Selected Milestones (Targets)
Livelihoods (Primary Sector)	<ul style="list-style-type: none"> Strengthening and increase capacities for quality local produce and wider market access (outlets/stocking points in Babo, Arguni, Fakfak, and others) Adding value for local products (facilitating Tangguh purchases from local producers; extension support for agriculture and fisheries) Access to finance for IP (training and capacity building for coops/savings groups; saving and loan units for coops/savings groups/institutions) Promote, facilitate and support the development of Indigenous SMEs (small and medium-sized enterprises) in Bintuni and Fakfak areas Supports the integrated efforts to achieve the delivery of AMDAL commitments during Tangguh LNG Project period and, in the long run, the Operation stages. 	<ul style="list-style-type: none"> Improved rice, sago and vegetable development and production in Bintuni (2016) Capacity for reliable supply for all 6 stocking points to Tangguh catering service (2015) 3 Indigenous enterprises set up and running in Bintuni (clothing-making (2016), laundry (2019) and Air Conditioning maintenance) (2016) BDS company in Bintuni set up and functioning (2016) At least 10 indigenous Bintuni youth begin entrepreneurship college (2016)
Indigenous Enterprise Development (Secondary Sector)	<ul style="list-style-type: none"> Feasibility and Business Plans for indigenous enterprises in Bintuni and Fakfak area Facilitate setting up and development of local businesses in support of the development of Indigenous people in Bintuni and Fakfak Supports the integrated efforts to develop manufacturing, services and supporting business sectors that are integrated and synergizing with Tangguh LNG operation in the long term Special Indigenous Partnerships developed to support new indigenous enterprises Business Development Service (BDS) 	
Key success indicators:		
<ul style="list-style-type: none"> Number of indigenous peoples involved in entrepreneurial activities Number of indigenous enterprises participating in industry supply chains Increased access to finance and markets by indigenous enterprises Increased access to business advisory services in Bintuni Bay Increased level of product development and innovation 		

Table 14: Cross-cutting issues in the Local Economic Development Program

Cross-cutting issue	Local Economic Development Program's main link/response
DGS	Builds on the DGS' additional focus in the TEP, where Bintuni and to a lesser extent Babo and Kokas towns will be developed, for example through developing the BDS, and creating enterprise partnerships in these areas.
Indigenous People	Specifically targets IP as a measure to increase their participation in the opportunities created by Tangguh's presence, with targets of 50% IP workforce in all partner companies. Creating Special Indigenous Partnerships is one of the main initiatives showing affirmative action to ensure meaningful IP participation in this program.
Gender	Targeting indigenous women through the livelihoods program, as producers and cooperative members, and targeting at least 30% participation by indigenous women in enterprises to be established or supported, where possible
Youth	Encouraging youth employment in the enterprises supported, and in the medium term, will plan to develop a youth enterprise focus within the BDS. This will entail outreach on entrepreneurship to young people through schools, as well as targeted seminars and services to identify entrepreneurial-oriented young IP for screening and support.
Environment	Supporting local enterprises to understand their environmental impacts and responsible management, including addressing permitting issues, and capacity and commitment of the enterprises themselves.
Human Rights	Addresses rights to employment, livelihood (decent work entails both type of work, working conditions and remuneration; reflects the United Nations Declaration on the Rights of Indigenous People, specifically related to) Socio-economic well-being: Article 21 states that Indigenous peoples have the right to the improvement of their social and economic conditions and provides that states take effective measures "and, where appropriate, special measures" to ensure continuing improvement.

4.1.4. Community and External Relations

Context and background: Relationships are the cornerstone of all Tangguh LNG activities, including the diverse programs under the TSDP. Our relationship with stakeholders is influenced by many factors, such as political climate, demographic factors and economic development, however the most fundamental factor is communication. Tangguh is dedicated to ongoing communication, especially with local communities and indigenous people, through various mechanisms and media. Face-to-face communication is most valued locally, and requires consistent effort. Past activities include Community Liaison officer presence in villages, distribution of Kabar Dari Teluk (KaDaTe) tabloid, supporting community events on national holidays and community-specific events, as well as facilitating participatory meetings and community committees to develop and implement CAPs.

A key challenge is to develop the existing relationships into more constructive ones in which local communities work together with Tangguh LNG to support the stable operation of Tangguh LNG and maximise the benefit of its presence. Managing expectations and taking responsibility for development is critical, for the TSDP program objectives to be achieved.

Tangguh recognises that local culture values play an important role in the development of mutual respect and constructive relationships. Despite the fact that few institutions have an interest in local cultural values, Tangguh LNG believes local culture values are influential, beneficial, and need to be revitalised. Tangguh LNG is committed to increasing engagement with traditional leaders, women, religious figures, and other companies currently or becoming active in the Bay area to increase mutual understanding, support and positive development outcomes.

Program objective, structure and milestones: The Community and External Relations program's overall objective is "promotion of mutual respect and constructive relationship between Tangguh and local stakeholders in Papua".

To plan and manage activities for the period 2015-2019, the Community and External Relations Program is structured around 3 main components, as detailed in Table 15: Community and External Relations Program overview below. Selected activities and milestones and key success indicators are also shown. The Monitoring and Evaluation section of this document sets out all program indicators and their use in program planning and implementation. Areas where the main program activities will be implemented are shown in Figure 13.

Table 15: **Community and External Relations Program overview**

Community and External Relations Program		
Objective: Promotion of mutual respect and constructive relationship between Tangguh and local stakeholders;		
Targeting: Community and wider stakeholders surrounding Tangguh LNG area of operations.		
Components	Main activities (2015-2019)	Selected Milestones (Targets)
Community Relations	<ul style="list-style-type: none"> Communication with village and district stakeholders about Tangguh activities (regular visit to villages affected by Tangguh ops/ project activities, and regular review meetings for stakeholders at district level) Supporting community events such as independence Day, festival days, and religious celebrations Ensuring adat ceremonies and access to sacred sites including graveyards inside Tangguh LNG site area Socialisation and management of grievance mechanism 	<ul style="list-style-type: none"> Socialisation of grievance procedures to villages beyond existing villages (2016-2017) Construction of jetty and overnight shelters in Kamundan and Arguni, for improving access (2017) PCDF for Tangguh LNG prepared (2016)
Social Program Development	<ul style="list-style-type: none"> Facilitating Social Program Development – Coordinating information about TSDP programs for communities and ensuring community participation within TSDP programs with activities at village-level activities 	<ul style="list-style-type: none"> Socialisation of AMDAL for TEP (2015) External visits by Lenders Panel and TIAP (2015, 2017)
External Relations	<ul style="list-style-type: none"> Communication with wider stakeholders such as government, companies and NGOs about Tangguh activities Engaging with local government for support to Tangguh operations and for TSDP (special update meetings for Local Government) 	<ul style="list-style-type: none"> Tangguh-Papua Stakeholder visits and/or meeting (2016)
Key success indicators:		
<ul style="list-style-type: none"> Level of community participation (and enthusiasm), by gender, indigenous people and youth in the program activities and village development activities Handling of complaints 		

Table 16: Cross-cutting issues in the Community and External Relations Program

Cross-cutting issue	Community and External Relations Program's main link/response
DGS	Company information distributed throughout Birds Head area whilst local stakeholder engagement focused in Bintuni, Fakfak, Babo, Kokas and villages where TSDP programs occur.
Indigenous People	Dedicated resources to facilitate communication with indigenous people and organisations, and specific program activities to ensure company and contractors respect local traditions and provide routine access to sacred sites.
Gender	Gender balance in Community Relations Team to provide gender perspective and ensure community women access and involvement in program activities, including in FGD and community-driven elements of all programs.
Youth	The program targets youth involvement in village level activities, particularly related to national celebrations (for example involvement in organising committees develops youth leadership skills).
Environment	Community and External relations engages Tangguh LNG in dialogue with various stakeholders and other actors in the Bintuni/Berau Bay area on sustainable development topics, many relate to environmental impact and management.
Human Rights	Program relates most to Right to privacy; Right to freedom of movement; Right to freedom of thought, conscience and religion; Right to freedom of opinion, information and expression; Right to freedom of assembly

4.1.5. Integrated Community-Based Security Program

Context and background: Introduced in 2004, ICBS was developed in the model of community-oriented policing, which involves the local communities, police and other government bodies, and Tangguh LNG working together with a shared sense of ownership, to secure both the LNG site, related assets and access areas, as well as to increase the security for local communities in their villages and district centres. The program involves a community-oriented security program, supporting and drawing on the diverse community engagement activities and benefits from other programs under TSDP, but with additional routine activities wherein the police and communities are trained to understand formal law and local security issues, and strengthen or establish a community policing forum appropriate to local conditions. It also involves a private guard-force for Tangguh LNG, which trains and employs local people as the majority of the force. The program hinges on a partnership with government, based on formal field security guidelines (called DOMKER) to regulate the degree and manner of engagement with the police and military. It involves routine coordination, VPSHR training for police, military and Tangguh LNG security; and a Joint Security Exercise between the police and Tangguh LNG security. ICBS is also the program through which Tangguh LNG ensures it is compliant and transparent in handling of payments made to the police.

In the most recent evaluation, ICBS was considered mature in all aspects of the VPSHR, with room for improvement in relation to internal systems and management, for example related to monitoring. Military and police officials reshuffling means that continuous engagement is required. The impact of other companies' activities nearby Tangguh LNG also requires further effort to maintain the security and human rights achievements of ICBS, and to continue meeting program objectives. Increased cooperation and synergy with community relations functions from Tangguh LNG will be critical through 2015-2019.

Program objective, structure and milestones: The ICBS program's overall objective is "Securing the protection of our people, asset and business activities by proactively engaging the communities, civil society and local authorities in law-abiding manner with respect for human rights principles and local wisdom". To plan and manage activities for the period 2015-2019, the ICBS Program is moving toward a Human Security approach, with its work structured around 3 main components, detailed in Table 17: Integrated Community-Based Security Program overview below. Selected activities and milestones and key success indicators are also shown. The Monitoring and Evaluation section of this document sets out all program indicators and their use in program planning and implementation. Areas where the main program activities will be implemented are shown in Figure 13.

Table 17: Integrated Community-Based Security Program overview

Integrated Community-Based Security (ICBS) Program		
Objective: Securing the protection of people, assets and business activities by proactively engaging the communities, civil society, and local authorities, in a law abiding manner with respect for human rights principles and local wisdom;		
Targeting: Local community, police and TNI		
Components	Main activities (2015-2019)	Selected Milestones (Targets)
Community Engagement	<ul style="list-style-type: none"> Conduct law awareness and campaign with community living in villages surrounding Tangguh Operation area Facilitate community forum meetings involving community leaders, local government, and security apparatus/Police, in Bintuni and Fakfak 	<ul style="list-style-type: none"> Police and Community communication and collaboration functioning in 11 villages(2019) Regency Security Forum established (2018) Training of Trainers for VPSHR with Polda Papua at Jayapura(2016) Papua Strategic Assessment (2017)
Tangguh Security	<ul style="list-style-type: none"> Conduct security risk assessments for area surrounding Tangguh LNG operation VPSHR training for Tangguh security guards Hire and develop Tangguh security guards to support Papuan workforce targets - 85% of security as IP 	
Police and Military Engagement	<ul style="list-style-type: none"> VPSHR Training for police and TNI, in Babo, Bintuni, Manokwari and Fakfak Joint exercises for Tangguh security – in Babo and/or at LNG site 	
Key success indicators:		
<ul style="list-style-type: none"> Better perception of security and social order by community, government, and security apparatus Decreasing crime in the villages surrounding Tangguh LNG No Human Rights abuses related to Tangguh LNG operation activities in the Tangguh Working Area 		



Table 18: Cross-cutting Issues in the ICBS program

Cross-cutting issue	ICBS's main link/response
DGS	Establishment of a Regency level Forum for Security Stakeholder will support the DGS strategy, wherein stakeholders need to synergize development and security approaches in Bintuni Bay. Tangguh believes that stable regional security leads to a stable, long-term LNG operation.
Indigenous People	The ICBS focuses on the entire local community rather than indigenous people, the key beneficiary may be Indigenous People, who are living in the region for the long term. Increased order and reduced tensions between migrants and indigenous people, contributes to reduced marginalisation of indigenous people.
Gender	ICBS to promote gender awareness amongst Tangguh security and in dialogue with public security force, including by hiring women for security to handle security issues related to women as victims, for example; ICBS to support focus on gender-specific issues such as domestic violence.
Youth	Community level activities related to law socialisation, dialogue on security issues to target youth as a specific stakeholder group and ensure engaging and practical activities to strengthen youth contribution to program objectives, including but not limited to employment of indigenous youth in Tangguh security roles.
Environment	One of the components of Human Security is threat to the environment, so protecting environmental and other social components is part of the ICBS strategy For example, there are opportunities for community-level security teams to be informed or engaged as advocates for a range of issues including environmental protection. Laws related to waste management, pollution, and natural resource use can also be included in general socialisation plans over time.
Human Rights	ICBS relates most to Right to liberty and security; Right not to be subjected to torture, cruel, inhuman and/or degrading treatment or punishment; Right to recognition as a person before the law; Right to equality before the law, equal protection of the law, non-discrimination; Right to freedom from war propaganda, and freedom from incitement to racial, religious or national hatred; and Right of detained persons to humane treatment.

4.1.6. Workforce Relations and Papuan Development Program

Context and background: Tangguh LNG has a long-standing commitment to local content and workforce development. These commitments are legally binding through the AMDAL approval process since 2002. The Papuan Worker Relations and Papuan Development Program has been designed to guide the fulfilment of Tangguh LNG's commitments related to Papuan workforce, including the employment, training and development targets for both the Operations and the TEP

As of September 2014, the total personnel supporting Tangguh LNG operations is around 2618 people, consisting of 459 Tangguh LNG personnel and 2159 contractors' personnel. The progress on Papuan workers is very solid, with 51.5% coming from Papua. Based on skill categories: 100% of unskilled positions are filled by Papuans (57% indigenous people and 43% from the rest of Papua); 100% of low-skilled jobs are filled by Papuans (38% indigenous people and 62% from the rest of Papua); and 91% of semi-skilled, 27% of skilled and 20% of managerial positions are filled by Papuans.

For the TSDP period (2015-2019) the Workforce Relations and Papuan Development Program includes:

- Quality intake and building a feeder pool for the workforce (BP roles). The focus is on recruitment of Papuans for Fresh Graduate roles and on a Structured Operations and Maintenance Apprentice Technician Development program.
- Development and Progress (BP roles). Identifying high potential Papuans and providing a targeted, structured development program for them. Career progression is nevertheless based on merit.
- Contractor Management – Ensuring clear requirements and standards on competency and Papuan commitment in each contract; ensuring performance management and monitoring of Papuans by skill category and origins.
- Support Local Training institutions in providing quality vocational and hands-on training to build skills needed for Tangguh Operations and Expansion projects.
- Smooth employment and industrial relations processes for the whole workforce, and in particular for the Papuan workforce, providing focused attention during specific projects as well as ongoing operations.

Program objective, structure and milestones: The Papuan Worker Relations and Papuan Development Program's overall objective is "To ensure that Tangguh LNG achieves the required target to fill Tangguh workforce for safe and reliable operations and projects of Tangguh LNG". The Program targets Tangguh LNG and Contractors' Papuan and IP workers and future worker candidates. To plan and manage activities for the period 2015-2019, the Worker relations and Papuan Development Program is structured around 5 main components, as detailed in Table 19: Worker Relations and Papuan Development Program overview. below. Selected activities and milestones and key success indicators are also shown. The Monitoring and Evaluation section of this document sets out all program indicators and their use in program planning and implementation.

Table 19: Worker Relations and Papuan Development Program overview

Workforce Relations and Papuan Development Program		
Objective: To ensure that Tangguh LNG achieves the required target to fill Tangguh workforce for safe and reliable operations and projects of Tangguh LNG.		
Targeting: BP and Contractors' existing and future IP (Indigenous People) and OP (Other Papuan) workers		
Components	Main activities (2015-2019)	Selected Milestones (Targets)
Worker Relations	<ul style="list-style-type: none"> · Support workers during their employment; pre-mobilisation; on site briefings and counselling sessions case by case; · Regular coordination meeting with local labour offices regarding Operations and Project activities and case resolution. 	<ul style="list-style-type: none"> · Recruit, mobilise and demobilise IPs and other Papuans during Train 3 construction project (2015-2019). · Provide basic training for selected IPs in 2015 and 2016. · Progress setting up of an apprentice program. Duration and timing of the program are dictated by Train 1 and 2 and Train 3 personnel needs. · Progress setting up a Marine cadet program. Timing to be determined in 2015. · On-board approved slots with Papuan Engineering Challengers by Q1 2015. · Identify high potential candidates and execute development program. · Complete leadership basics for all Tangguh site team leaders.
Worker Intake and Feeder Pool	<ul style="list-style-type: none"> · Recruitment and development IP and Other Papuans for Operations and Maintenance technician apprentice program; · Challenger and internship recruits for IP and Other Papuan graduates. Link scholarship program with targeted disciplines. · Increase students awareness of BP and Oil and Gas industry via "BP Goes to Campus program" 	
Workers Development and Progression	<ul style="list-style-type: none"> · Senior Leadership to identify Potential Papuans and set structured development for individuals whereby Progress is based on merit. · Enhance team leaders' competency in developing team's capability – including developing Papuans. 	
Contractor Management	<ul style="list-style-type: none"> · Set clear competency requirements and standards and Papuan commitment for each contract · Performance manage and track progress by time (Skill category and Origins) 	<ul style="list-style-type: none"> · Improve competency standard and clause on Papuan development in Major contracts, e.g. MEI, Lifting. · Improve contract Terms and Conditions re Papuan Development commitment in all new contracts.
Support of Technical Discipline Skills – Local Institutions	<ul style="list-style-type: none"> · Support development of Polytechnic Fakfak, SMK Bintuni, BLK Sorong in curriculum, teaching capacity, laboratories. · Link contractors to local training institutions to develop competencies. 	<ul style="list-style-type: none"> · Develop MOU on development of vocational training and technical school (2016).
Key success indicators:		
<ul style="list-style-type: none"> · Number of indigenous people and Other Papuan workers with qualifications and increased skill levels while employed by Tangguh LNG and its contractors · Number of indigenous people or Other Papuans involved in the development programs, apprenticeships, fresh graduates/ Challengers. 		

Summary of Workforce Relations and Development Targets

For the TEP, there will be several activities of various durations, over a total construction period of approximately 5 years. The following short-term employment will be generated, based on the anticipated recruitment needs (see Table 20 Employment generated during TEP construction phase (2015-2019)). By contrast, for the ongoing LNG operation, the long-term employment opportunities have been mapped, along with the training required to fulfil the Papuan workforce commitments made in Tangguh's AMDAL and RKL, which is 85% Papuan employment at Tangguh LNG by 2029. Table 21 summarises the targets for the Workforce Development component of this Program, designed to fulfill the medium and long-term employment targets.

Table 20 Employment generated during TEP construction phase (2015-2019)

Skill Level	IP (%)	Papua – BB/FF (%)	Papua -Other (%)	National and Expat (%)
Unskilled	20	25	55	0
Semi skilled	10	20	63	7
Skilled	0	2	10	88
Manager/Supervisor	0	1	5	94

Table 21: Employment targets for Tangguh operations

Skill Level	2015		2019		2024		2029	
	IP (%)	P (%)	IP (%)	P (%)	IP (%)	P (%)	IP (%)	P (%)
Unskilled	50	50	75	25	85	15	100	0
Low-skilled	30	70	60	40	75	25	90	10
Semi-skilled	10	60	13	67	25	65	40	60
Skilled	1	24	2	43	5	55	15	63
Manager/Supervisor	0	15	0	20	0	25	3	32

Note: IP = Indigenous People, per AMDAL definition; P = Papua



Table 22: Cross-cutting issues in the Workforce Relations and Papuan Development Program

Cross-cutting issue	Workforce Relations and Papuan Development Program's main link/response
DGS	The Program strategy of developing and improving the quality of training centres in Papua Barat contributes to spreading the opportunities and impacts across a wider area, for example in Bintuni, Fakfak where there are Polytechnic and Technical high schools (SMK) and Sorong (BLK).
Indigenous People	This program specifically targets IP as a measure to increase their participation (skills and employment potential) in Tangguh LNG activities and potentially similar industries that will later develop in the area.
Gender	The program offers opportunities to female candidates in the feeder pool activities such as scholarships and training, and they will be considered for employment while also recognising the nature of the work opportunities.
Youth	Youth is an important focus for the long-term sustainable operations of Tangguh LNG, that is to be run by a majority of IP and other Papuans. Improving the basic education systems and facilities will allow more capable candidates to train to meet industry standards. During the Expansion Project, the inexperienced youth would be targeted for project requirements, especially for un/low skilled work.
Environment	The programs for apprentices and trainees will include modules on environmental awareness and Tangguh's environmental impact management regimes.
Human Rights	The Program address rights to employment, especially for IP, where there is a greater gap in access to opportunity, this program provides preferential opportunities.

4.1.7. Tangguh Sustainability Projects

Context and background: Papua Barat province, and the Bintuni Bay Regency, in particular benefit from revenue flows from Tangguh, as part of the overall contribution of extractive industries to the local government coffers, under Special Autonomy and other prevailing regulations. At the same time, development challenges abound, and the government and communities seek additional cooperation with Tangguh LNG to support their needs and aspirations, particularly related to energy and some infrastructure.

Tangguh LNG has developed agreements with the government Ministry for Energy and Natural Resources, SKK Migas, Provincial Government and PLN to assist with converting from diesel to natural gas as a source of power for Bintuni Bay area, and in the longer term, for the Province. In the early stages, since 2014 Tangguh LNG has been providing electricity to PLN as the result of efficiency exercise undertaken by Tangguh LNG on its electricity in LNG Site, initially 4 Megawatts, to be increased to a maximum of 8 Megawatts. Distribution to the villages will be coordinated between PLN and Bintuni Local Government. Furthermore Tangguh LNG supports the Local Government (Papua Barat Province, Teluk Bintuni and Fakfak Regencies) in an effort to fulfil the needs for electricity in these areas by allocating a certain volume of gas (LNG) produced in connection with the Tangguh LNG Project Development. The gas will be used as fuel for a gas power plant to be built in Papua Barat. For this purpose, Tangguh LNG will support a study to consider the feasibility of power plant projects, including studying the economics of reserves and fields, as well as infrastructure readiness.

Regency Government and Tangguh LNG are also collaborating to address severe housing and land conditions in the Weriagar area. Based on local consultations and monitoring of ISP program results, there is an agreed need to assist the Government and community in upgrading the physical conditions in the north shore area, in Weriagar and Tomu Districts which are located with Tangguh LNG working area. Following the execution of the MoU between Teluk Bintuni Regency Government and Tangguh LNG, and assuming the TEP proceeds, the Parties agree to negotiate in good faith the detailed terms and conditions of the House Restoration Funding Assistance Program.

Program objective, structure and milestones: The TSP overall objective is “Support and improve quality of life of communities in the Bintuni Bay and beyond by providing a reliable energy source and selected improved infrastructure.” To plan and manage activities for the period 2015-2019, the TSP comprises 2 main components, with 3 separate projects, as detailed in Table 23 below. Selected activities and milestones and key success indicators are also shown. The Monitoring and Evaluation section of this document sets out all program indicators and their use in program planning and implementation.

Table 23: TSP overview

TSP Objective: Support and improve quality of life of communities in the Teluk Bintuni and beyond by providing a reliable energy source and selected infrastructure improvements; Targeting: selected community and government agencies.		
Components	Main activities (2015-2019)	Selected Milestones (Targets)
Supporting electricity supplies	<ul style="list-style-type: none"> · “4+4 MW Electricity for Bintuni” – excess power from Tangguh to PLN for sale to communities in Teluk Bintuni Regency · “Gas to Power”- LNG sales from Tangguh to Papua Barat Province (including Teluk Bintuni and Fakfak Regencies) for electricity generation 	<ul style="list-style-type: none"> • 4 + 4 MW supply to PLN from Tangguh LNG (2016) • Gas to Power MOU and Sales Agreement executed (2018) • Joint Agreement on House Restoration Funding Assistance for Weriagar and Tomu District IP (2016)
North Shore Housing Restoration	<ul style="list-style-type: none"> · House Restoration Funding Assistance Program for North Shore Indigenous People from Weriagar and Tomu Districts (a Joint Program with Teluk Bintuni Regency Government) 	<ul style="list-style-type: none"> • Mobilisation for construction activities on housing restoration (2017)
Key success indicators: <ul style="list-style-type: none"> · Delivery of “4 + 4”MW of electricity to PLN for Bintuni Regency · Issuance of LNG Allocation Letter by Ministry of Energy dan Mineral Resources for electricity generation in Teluk Bintuni and beyond · LNG Sales Purchase Agreement with BUMD · Housing restoration activities for IP in Weriagar and Tomu Districts are carried out according to Agreement 		

Table 24: Cross-cutting issues in the TSP

Cross-cutting issue	TSP main link/response
DGS	Electricity/gas sales contribute to the spread of Tangguh / resource benefits across the wider area and populations (Birds Head, Papua Barat / Papua provinces – areas beyond Bintuni Bay to benefit)
Indigenous People	Housing Restoration targets one group of IP (Sebyar community in Weriagar and Tomu districts) as beneficiaries (addresses the inherited vulnerability of their location); Improved infrastructure and electricity will benefit the least fortunate.
Gender	Increased safety and health, education, economic development options for women and children due to electricity supply; Women involvement in project design activities (eg consulted and input to housing design); women involved in energy conservation campaigns.
Youth	Electrification provides greater opportunity for study (at night), sport, etc.
Environment	TSP projects improve environmental integrity by addressing abrasion at Weriagar, reduced pollution from diesel fuel generators; improved village layout as a result of house restoration funding assistance. The environmentally friendly Gas/LNG sales to Teluk Bintuni and beyond will replace diesel as fuel for electricity generation.
Human Rights	TSP relates most to the Right to an adequate standard of living.

4.1.8. Environmental Protection and Awareness (EPA) Program

Context and background: Tangguh LNG's environmental management and monitoring program, in line with AMDAL, permit and applicable regulations, has been implemented since 2002, mainly focusing on Tangguh activities within the operational boundaries. Some activities have been implemented in the wider Bintuni Bay region, for example, a Fishery, Marine Mammals and Mangrove survey and Environmental Baseline Update Survey. .

In Indonesia, biodiversity issues such as forestry, coastal and marine resources management receive regular and increasing coverage in the media. The use of these resources often results in conflicts over ownership and benefits. These make it a greater challenge to sustainably and equitably manage resources. The challenge is especially felt in relation to the local government bodies, which often have limited management experience, baseline information, and resources. Tangguh LNG recognises that biodiversity stewardship concepts need to be implemented within the area where we operate, and practical actions need to be considered to support local government and communities in sustainable resource management. The focus areas selected for the initial Environmental Protection and Awareness (EPA) program within TSDP which do not feature in the AMDAL, are biodiversity conservation and community waste-management awareness.

Biodiversity conservation is inherent in Tangguh's existing environmental management system and can be extended to support local stakeholders to understand biodiversity in the Bintuni Bay as an important as a basis of the life-support system on which the communities depend on (i.e. for food, shelter, medicines, etc.). Some of Papua's iconic endemic flora and fauna are also found in the Bintuni Bay, and many are currently under protected or vulnerable status. At the same time, as with most places around Indonesia, a lot of the communities in the villages within the Bintuni Bay are not aware of the impacts, consequences and benefits of waste management. As such, and considering Tangguh's expertise, there is an opportunity to share good waste management practices with local communities, as part of this program and in conjunction with the other relevant programs under TSDP.

Program objective, structure and milestones: The EPA Program's overall objective is "to increase local awareness, capacities and participation related to environmental issues and applicable environmental management practices". There are internal as well as external stakeholders requiring support through this program, particularly as the environment is a cross-cutting issue affecting all TSDP programs. TSDP program teams and implementing partners, for example in Local Economic Development, will require environmental information and guidance on intermittent basis throughout the TSDP period.

To plan and manage activities for the period 2015-2019, the EPA Program is structured around 3 main components, as detailed in Table 25 below. Selected activities and milestones and key success indicators are also shown. The Monitoring and Evaluation section of this document sets out all program indicators and their use in program planning and implementation.

Table 25: EPA Program overview

EPA Program:		
Objective: To increase local awareness and capacities related to local environmental issues;		
Targeting: Local community members, organisations, government and universities.		
Components	Main activities (2015-2019)	Selected Milestones (Targets)
Biodiversity Conservation Awareness	<ul style="list-style-type: none"> · Joint data collection, analysis and sharing on biodiversity conservation · Initiate and coordinate Tangguh workers volunteer activities for environmental protection 	<ul style="list-style-type: none"> • Environment partners/stakeholders meeting (2016, 2019) • Environment campaigns targeting school students in Bintuni town, Babo, Kokas and selected villages (2016, 2018) • Biodiversity conservation analysis document prepared (2017) • Waste management workshop for Bintuni Bay area (2016, 2018)
Supporting Tangguh Community	<ul style="list-style-type: none"> · Technical advice and support on environmental aspects of other TSDP programs 	
Waste Management Awareness	<ul style="list-style-type: none"> · Developing waste management capacity through joint activities in Bintuni town and local villages 	
Key success indicators:		
<ul style="list-style-type: none"> · A partnership forum on biodiversity conservation · Community participation in waste management awareness activities 		

Table 26: Cross-cutting issues in the Environmental Awareness and Protection Program

Cross-cutting issue	EPA Program – main link/response
DGS	Supports improvements in development planning/policy related to natural resource use including in spatial plans;
Indigenous People	Supports indigenous natural resource knowledge and role as environmental custodians by involving them in program activities directly; to value and protect local species, and to adopt good waste management habits.
Gender	Women to be engaged in community-based activities around waste management and/or in monitoring
Youth	Principle target of program activities is young people, especially for changes agents related to environment
Environment	Complements the Tangguh AMDAL environmental management and monitoring program and achievements
Human Rights	Right to take part in cultural life, benefit from scientific progress, material and moral rights of authors and inventors; Right to an adequate standard of living; Right to health

4.1.9. Governance Program

Context and background: Governance refers to the continuous monitoring of the processes and activities of an institution - such as government – to ensure proper implementation of policies, regulations, programs and activities. Bintuni Bay as a new regency (since 2003), has many challenges in implementing standard government systems and services effectively. There are also relatively few functioning CSOs in the area. By contrast, Fakfak is an established regency with relatively stronger local government experience and more active CSOs. Elected representatives in both regions tend to be tribal leaders, often lacking experience in formal organisational roles and having limited understanding of industry issues. The DPRD commissions in Bintuni in particular still require strengthening, for example in their role for overseeing local regulation development and budgets. Overall the media in Papua Barat's exposure to the oil and gas industry, financial accountability analysis or sustainable development is not yet optimal although Tangguh has supported some local journalists to participate in national and regional events to increase their knowledge.

Past Governance program activities have developed village level government capacities in basic functions, and provided some capacity building to technical agencies at the Regency level. In the ISP2, the Governance Program also incorporated Tangguh's Integrated Community-Based Security Program. The Governance Program under TSDP shows increased attention to agency/regency level and strategic issues such as development planning, transparency and accountability, migration impacts, and quality of services. Cooperation to strengthen accountability of the Participatory Planning Process (Musrempang) from village level planning to Regency level decision-making will be an important focus in TSDP. Similarly, supporting Bapeda and relevant local government agencies capacity to plan and monitor local development responsibly is key in this program, particularly as increased industrialisation of the Bintuni Bay area by Tangguh-associated facilities or operations in diverse sectors have the potential to destabilise the area, environmentally and socially, if not carefully managed. Further related to this, strengthening of local civil society to perform its governance function is also key. By the end of TSDP, it is hoped that a single, integrated planning mechanism based on Musrempang can be in place, with stronger civil society participation.

Program objective, structure and milestones: The Governance Program’s overall objective is “Contributing to improved governance for transparent, equitable and sustainable local development.” The program strategy is building capacities of both government and civil society, including elected representatives. To plan and manage activities for the period 2015-2019, the Governance Program is structured around 2 main components, as detailed in Table 27 below. Selected activities and milestones and key success indicators are also shown. The Monitoring and Evaluation section of this document sets out all program indicators and their use in program planning and implementation. Areas where the main program activities will be implemented are shown in Figure 13.

Table 27: **Governance Program overview**

Governance Program		
Objective: Contributing to improve good governance, equitable and sustainable local development;		
Targeting: Local civil servants, elected officials, CSOs and media		
Components	Main activities (2015-2019)	Selected Milestones (Targets)
Local Government	<ul style="list-style-type: none"> · Technical assistance and mentoring to Bapeda and Regional Secretariat offices of Teluk Bintuni Regency for development planning, budgeting, and supervision · Developing Bapeda, District and selected village government capacities for Musrempang implementation · Developing capacities for public service improvements (technical advisor inputs for Bapeda, civil Registry office, Environmental Agency and other relevant agencies in Bintuni; supporting coordination of technical support to other Agencies through TSDP programs, i.e. Health, Agriculture, Plantations and Livestock) Collaborating regularly with district and village government to monitor and manage migration (Tanah Merah Baru, Saengga, Onar Baru/Lama, Babo) 	<ul style="list-style-type: none"> • Training in participatory planning for communities in 3 districts: Kamundan, Kokas, Aroba - (2016-2017) • Integrated Musrempang trial with Tangguh shared role, for 2 Regencies (Teluk Bintuni and Fakfak) and 2 districts (Babo and Kokas) (2019) • Facilitating Multi-stakeholder forum on sustainable development issues (2016-2018)
Civil Society	<ul style="list-style-type: none"> · Capacity building for selected CSOs/NGOs in organisational management and advocacy or technical skills · Training for local media · Capacity development support for public Representatives (DPRD members) on key policy issues and tasks · Advocacy and community capacity building on Revenue Management regulations and implementation 	<ul style="list-style-type: none"> • SKKMIGAS regulations and revenue sharing Workshop (2016) • MOU/action plan with 2 CSOs in Bintuni area (2016) • Governance index in place for Teluk Bintuni and Fakfak regencies (2019)
Key success indicators:		
<ul style="list-style-type: none"> · Type and frequency of collaboration in implementing and overseeing program activities · Effort to influence government in policies related to indigenous people · Type and frequency of activity promoting and sharing experience related to applying good governance principles · Mechanism for discussing the management of migration impacts 		

Table 28: Cross-cutting issues in the Governance Program

Cross-cutting issue	Governance Program's main link/response
DGS	Working with regency and district level government to strengthen capacities related to planning, budgeting, decision-making according to regulations and spatial plans, to raise awareness and increase local commitment to address impacts of migration and use resources for sustainable development purposes.
Indigenous People	Influencing local government to assess impacts of migration and local development on indigenous people, to increase appropriate services for them, and if needed, develop policy or regulations to protect indigenous people interests.
Gender	Influencing local government data collection, program planning, budgeting and service provision to be gender sensitive.
Youth	Influencing local government policy and decision to address needs of youth, to increase access and quality of education, appropriate health services and encouraging government support for youth entrepreneurship.
Environment	Working with key agencies such as Badan Lingkungan Hidup (BLH in regencies to ensure coordination and planning in line with spatial plans, (for example respecting spatial plans where conservation zones are stipulated), and advocating resources to strengthen local environment agency.
Human Rights	Addresses the Right to participate in public life; and relates to the Right to social security.



5. TSDP Implementation Guide

The implementation of TSDP programs and projects uses several strategic approaches based on good development theory and on the practical lessons and progress achieved during the previous ISP and CIP. Program designs are based on research, analysis and consultation to understand context, needs and constraints. The programs are then structured according to a logical framework, to ensure that the activities that Tangguh LNG and partners support are likely to lead to the necessary outputs, and help achieve the desired outcomes or results. The programs develop annual plans, based on the Logical Framework developed for the TSDP Period.

Detailed, annual implementation plans for TSDP and its programs are developed as internal documents or as shared documents with implementing partners and local government.

The implementation guidance set out here relates to the strategic approaches that support TSDP goals and objectives. These approaches have been identified considering the local context, circumstances and assumptions, as set out in this TSDP document. The guidance provided here explains the basis of activity planning, for each of the programs described previously.

5.1. Strategic Approaches in TSDP Implementation

5.1.1. Strategic Approach1: Moving into Development By Community and Government

Tangguh LNG is guided by a conceptual framework about the nature of program interventions, as shown in Figure 16. “Moving into Development by Community and Government” refers to the process of engagement in which community and government have increased capacity and initiative over time, and thus reduce their reliance on Tangguh for development intervention and support.

In the first ten years of Tangguh LNG’s existence, the development interventions conducted through the ISP could be considered as mostly “development for community”. This type of intervention emphasises the role of external agents as the motor of development. Following the growth of local capacity and involvement of local actors, the implementation approach has progressed to “development with community/government”, in which Tangguh and partners work intensively in cooperation with local stakeholders to conduct various development activities. In the next 10 to 15 years, the “Development by Community and Government” phase should be underway.

The “Development by Community/Government” concept guiding TSDP will have three distinctive characteristics:

- Development activities including planning, executing, monitoring, and evaluation are conducted by local communities and local government using participatory, transparent, and accountable mechanisms. The role of Tangguh LNG and other external parties are to support and facilitate these processes if requested.
- Resources for development are mobilised based on an agreement between stakeholders including government, communities, Tangguh and others, from the private sector or civil society. Tangguh’s focus will be on supporting targeted interventions through strategic approaches, in line with the principles and priorities outlined in TSDP.
- Development processes are institutionalised in policies, procedures, and accountability mechanisms that are regularly reviewed and revised by local community.

Through TSDP, Tangguh LNG intends to continue and strengthen its approach in the direction of “*development by community/government*”, in which local actors become key drivers and agents in development locally. To strengthen the efforts to develop capacity – including skills and attitudes - that enable “*development by community/government*”, Tangguh and its implementing partners aim for best practices and practical ways to engage effectively on the ground. Strategic approach No 2, capacity development, is thus directly in support of this.

Figure 14: **Development Interventions reducing Tangguh LNG’s role over time**



Main Actors	Tangguh LNG	Tangguh LNG government and local community	Local government and local community
Level of Engagement	Socialization, Consultation	Collaboration, Mutual benefit	
Implementing Agency	Tangguh LNG and external contractor	Tangguh LNG, external and local contractor, dan government	Strategic partnership empowerment
Level of initiative and involving the program	Communities have not been involved in planning the program	Program plan together, still driven at least partly by Tangguh LNG	Able to take initiative; Participants seek to achieve goals and feel the results
Type of activities	Infrastructure development, direct provision of public, and social service	Joint program, resourcess haring, capicity bulding	Supporting and facilitation service



5.1.2. Strategic Approach 2: Capacity Strengthening

Capacity strengthening is a strategic approach in the TSDP, which refers to development or strengthening of both skills and knowledge, on one hand, and of appropriate attitudes and values, on the other. Addressing these areas through program interventions is a fundamental requirement for reaching the “development by community” stage. In this concept of capacity building, there are processes of Empowerment and Growth, both applied to skills and knowledge and in relation to attitudes and values.

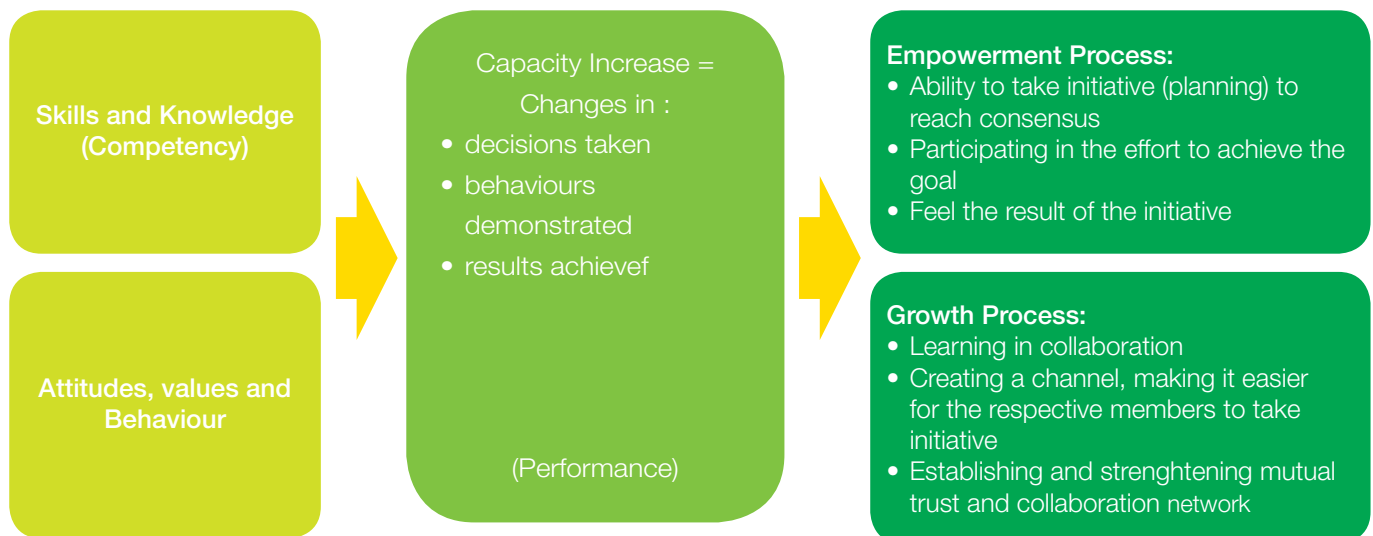
Strengthening of capacities as a strategic approach in all programs under TSDP is in line with the TSDP principles, particularly the principles of empowerment, participation and sustainability.

In the current TSDP, where most of the program activities are around the “Development With Community” stage, it is important to ensure that activities focus on empowerment and growth, to translate in the medium and longer term as changes in the decision-making and behaviours of target government agencies, organisations and communities. Strengthening of capacities is fundamental to the sustainability of program achievements (see Figure 15).

In practice, the strengthening of capacity is a strategy to be carried out as part of program activities, in particular targeting local governments and elements of local society. Depending on the program, these may be cooperative (Co-op) members, school teachers, local government personnel, DPRD members, entrepreneurs or others. The specific capacities targeted will also depend on the programs, based on needs and focus areas agreed with the relevant stakeholders. For example, local government capacity building is key in most programs, but specific to sectoral agencies (such as the Health Department or the Education Department), the capacities targeted by the Health Program or the Education Program in TSDP may be generic functions or may be special technical areas, such as maternal and child health outreach policy, or how to monitor school-based management systems. However in the Governance Program, where the objectives relate to good governance and higher level issues of coordination and development planning, the capacities targeted will relate to planning and budgeting, transparency and accountability, for example.

As capacity building is central to TSDP, it must be part of the approach and design in each program; similarly, the efforts and results related to capacity strengthening will be assessed as part of the TSDP monitoring and evaluation framework. A selection of desired changes in decisions, behaviour and performance (see Figure 15) are outlined specifically related to indigenous peoples' development in Annex 6. These and the key areas related to Empowerment and Growth are listed in Figure 15 below will inform the M dan E activities at the individual and whole TSDP program level.

Figure 15: **Capacity Strengthening Concepts guiding TSDP**
(moving to “Development By Community and Government”)





5.1.3. Strategic Approach 3: Targeted Intervention Levels

Tanggung's activities under TSDP will be targeted: not all program activities are implemented in all locations or for all people. Targeting beneficiaries means that in implementing program activities, the interventions will focus on one or more of the following levels: Individual and/or family, village (as a collective, geographic area), group (for example a youth, women's or fishing group), and institution (such as government agency, NGO, local colleges, cooperative, and so forth).

Mapping the program intervention level as shown in Table 29: Intervention targets in each program aims to:

- Help communities and other stakeholders have realistic expectations of Tangguh LNG; and
- Guide the program personnel and partners in implementing the program by defining the activity sets, resources and necessary inputs.

Table 29 shows, for example, that in the Worker Relations and Development Program, the activities will be focused on individuals and institutions, rather than on villages or groups. This does not mean that there will not be related activities at the village level (for example, regarding information and recruitment processes), but rather that the targeted beneficiaries are individuals, i.e. people who are employed, being trained or targeted for employment; and the institutions with which Tangguh and its contractors work to provide training and development for workers and potential personnel.

By contrast, the TSP project on housing renovation targets the village as the intervention level, as well as institutions. This is because although individuals and families would benefit, for example, from housing improvements, the approach to this project is geographic, i.e. the village is targeted, along with certain government institutions.

Another understanding to be taken from Table 29, relates to Community Health, where all four levels of intervention are marked. This is because some program activities target individuals, for example training of health post personnel; people/families are also targeted as users or beneficiaries, such as in campaigns and activities to limit the spread of malaria, for example. At the same time, villages are targeted, as in the case where Health Clinics are developed or water and sanitation programs are planned; groups such as women with children under 5 years of age, are targeted in some health awareness activities, as are teenagers/students, for example in relation to HIV education. Finally, the health centres, Bintuni hospital and the Department of Health at district and regency level are targeted as institutions, where organisational capacity and resourcing issues are addressed.

From the above examples, it can be seen that each program is carefully considered; understanding intervention levels helps plan the resources, and can also help stakeholders understand the need to look at program activities on a case-by-case basis, to be realistic in their expectations of each program.

Table 29: **Intervention targets in each program**

Program / Intervention target	Individual/ Household	Village	Group	Institution
Education and Training	√ (aid, scholarship)	√ (school)	√ (teachers)	√
Community Health	√	√	√	√
Local Economic Development	√ (farmer/fisherfolk; business persons)	-	√ (co-ops, traders)	√
Community and External Relations	√	√	√	√
Workforce Relations and Papuan Workforce Development	√	-	-	√
ICBS	-	√	√	√
TSP (power, gas/LNG, NS housing renovation for IP in Weriagar and Tomu Districts)	-	√	-	√
Environment Stewardship	-	√	√	√
Governance	-	-	√	√

5.1.4. Strategic Approach 4: Promoting Development Based on Community Assets

Promoting development based on community assets means building on the existing assets that local people have at their disposal, whether physical or intangible in nature. In the TSDP, like the ISP-1 and ISP-2/CIP before it, it is valid and strategic to the longer-term goals of TSDP to continue to promote development based on both local communities and local government assets – first by helping stakeholder recognise their assets, and then by encouraging and strengthening capacities to utilise local assets well, for sustainable improvements to quality of life. The particular assets upon-which TSDP activities expect local development to progress are: natural resources, human resources, indigenous culture and networks; community-based organisations (CBOs); and infrastructure. Annex 3 describes the historical and current focus on these assets in TSDP programs.

5.2. Guidance on TSDP Implementation Area

In the previous program periods of ISP and CIP, Tangguh defined a geographic focus for its impact mitigation programs, based on DAV and indirectly-affected villages (INDAV), as the areas considered more potentially impacted from Tangguh activities. In reality, the physical impacts anywhere outside the LNG site are minimal and the social-cultural impacts are more broad-reaching than the DAV-approach reflected. For future Tangguh investment, or TSDP, the Indigenous Peoples focus replaces the DAV/INDAV focus, so as to increase clarity on the intended beneficiaries, recognise and include kinship relations that extend beyond village boundaries, and to reduce jealousy between areas, which may lead to conflict and be detrimental to all. This emphasis reflects Tangguh being a good neighbour in an area where there are risks of marginalisation and impoverishment.

Relevant activities from programs under TSDP will continue to be implemented in the villages where it has relationships and experience, and with the relevant district and regency government and CSOs, namely in Babo, Kokas and Aranday district towns, and Bintuni and Fakfak towns.

Some actual, physical activities under TSDP are implemented in a location, for example supporting a health clinic or a stocking point for local purchases. Other activities such as education aid and employment opportunities are not specific to a village location, because the Sebyar, Simuri, Irarutu, Petuanan Arguni, Wertuwar and SekarPikipik people from around the coastal areas may apply to participate. An indicative map of the physical locations where selected TSDP activities will be implemented is shown in Figure 13. Tangguh LNG recognises that there will always be boundary issues – hopes and demands for benefits which are beyond the rationale and possibility of TSDP to deliver.

5.3. Guidance on Community Participation in Programs

Community participation is the key to program success, where local communities are the intended beneficiaries of the programs and also aspire to taking on greater responsibility for shaping the future development of their community, village and region. In the past 10 years of Tangguh LNG social programs, community capacity to participate in programs and other activities was built through participatory planning and action, known as PBM and CAPs, facilitated and funded by Tangguh LNG. Program evaluations, as well as other opportunities such as the community participation in the AMDAL process, have demonstrated how community capacities have increased as a result of this support.

The commitment to CAPs was for 10 years, such that for TSDP, the approach to community involvement in programs is being renewed based on lessons learned and current strategies. There are now diverse sources of money channelled to the community from outside: national government (Musrenbang and *Program Nasional Pemberdayaan Masyarakat* [National Program for Community Empowerment]), local government (*Rencana Strategis Pengembangan Kampung* [Village Development Strategic Plan] and *Alokasi Dana Kampung* [Village Funding Allocation]), private companies, including Tangguh LNG and others.

Community participation in TSDP's village-level program activities (health, education, local economic development) and environmental protection will be prioritised for indigenous people through FGD between 2015-2017 in: Babo, Weriagar, Taroy, Tanah Merah Baru, Saengga, Tomu, Ekam, Kokas, Arguni, Kalitami and Onar. FGDs lead to Agreements on community-led activities within the programs,

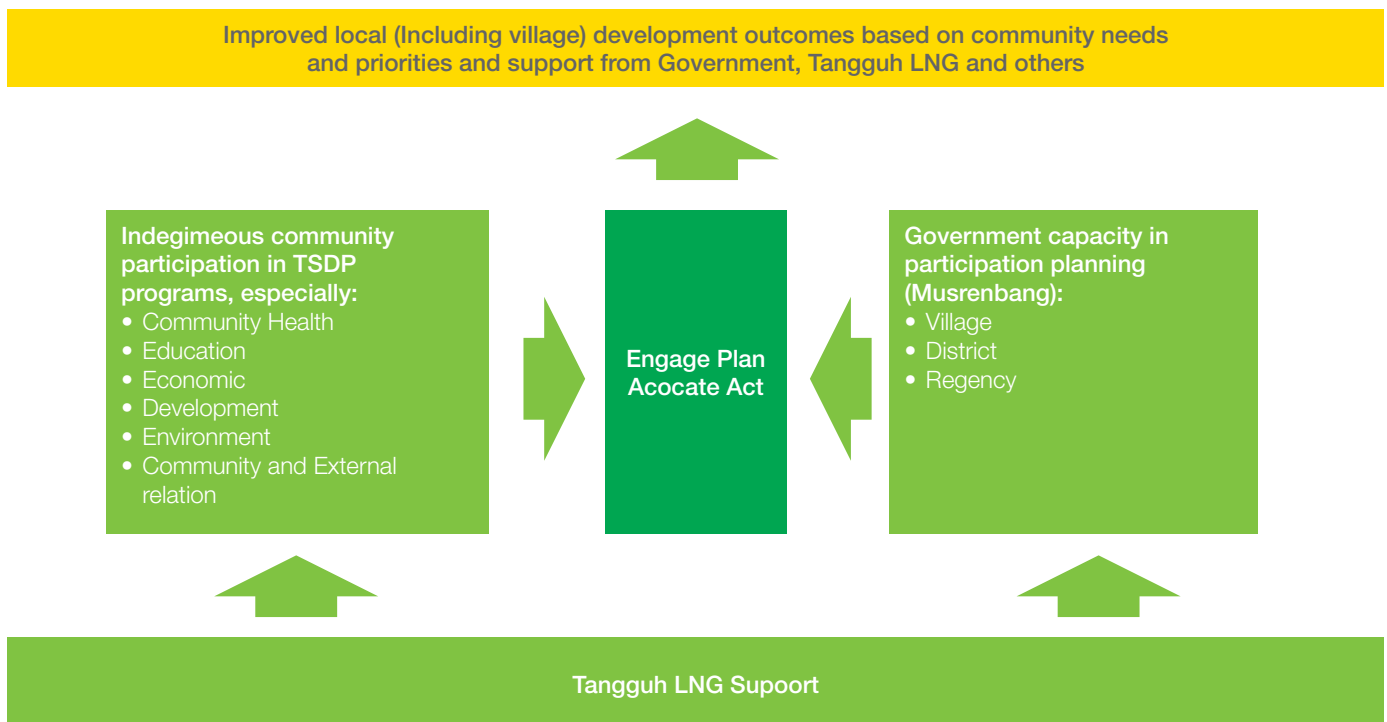
to be facilitated and supported by Tangguh Community Relations and the program teams. In line with the local developments and government direction, there will be less focus on infrastructure development in villages and no direct cash grants for village level activities.

In parallel with this process, increased cooperation with local government to carry out the community-based planning and consultation process called Musrempang, will draw on lessons learned from Tangguh's experience with CAPs in the past 10 years. Through the Governance program and Community Relations, new effort in guiding or advocating the village level Musrempang results through to the Regency level will become part of TSDP and Tangguh's contribution to increased capacities for community participation in local development. In the spirit of transparency and good practice, Tangguh encourages a single, coordinated plan so that resources can be optimally used, for common interests rather than being dominated by certain groups' interests.

With this new approach, not all social-cultural values can be accommodated fully, for example "one gets, everyone gets" concepts will not be 'answered' by this approach. This may also serve to guide communities toward increased independence. Figure 16: Tangguh support for Community Participation in local development below demonstrates the mechanism that will be followed to increase community participation in local development through TSDP and government processes. It is intended that the participatory planning process will drive a local development process with the following features:

- More efficient allocation of resources based on local needs and priorities;
- Stronger beneficiary ownership;
- More transparent and cost-effective management of resources; and
- Strong social capital and networks.

Figure 16: Tangguh support for Community Participation in local development



5.4. Guidance on Implementing the DGS focus in TSDP

The DGS is a key concept related to Tangguh's strategic vision and its role as a catalyst for sustainable local development. The DGS has been explained as a cross-cutting issue in all TSDP programs, in Chapter 2. It is an "umbrella term" encompassing: change management and development planning, spatial planning, revenue management. Based on the analysis and commitments made through the AMDAL process, the purpose of the DGS is to facilitate:

- **Minimising negative social and environmental impacts in fragile areas.** Part of this entails reducing migration to LNG site area and retaining the closed, remote and secure site nature of Tangguh LNG area to help local communities adjust to the pace of change occurring;
- **Spreading positive impacts across a wider area (greater distribution of economic benefits).** This entails facilitate growth centres and/or creating magnets away from fragile areas; and
- **Wisely using revenues for sustainable development.** This entails building capacities for spatial planning, development – skills and leadership, transparency and accountability for revenues and expenditure.

Tangguh LNG believes that the positive impacts of development can be reinforced through diversified, planned growth, increased capacities and access to resources. Furthermore, each area can pursue its own development based on its existing resources and strengths. In a broader perspective, the development of areas with distinctive characteristics and differences can reduce potential rivalry and promote inter-area cooperation that will strengthen the region and accelerate its sustainable development.

Because the DGS is a comprehensive concept, it can take effort to understand and to implement effectively. The guidance provided here explains the other ways that Tangguh will approach DGS, namely by supporting activities that relate to area planning and use of revenues. While these are the responsibility of government and civil society to regulate, Tangguh LNG has a direct interest in ensuring the skills, policies and regulations are developed, to lead to local development decisions that are accountable and appropriate for the long-term, sustainable development of the Bintuni and Berau Bay areas. Figure 17 outlines the main strategic areas of support that Tangguh and others must focus on providing to help DGS objectives be realised. The second part of this guidance is to address practical aspects that affect how Tangguh LNG operates, so that community and government stakeholders can know where to expect Tangguh activities that may affect them. From Key Operational Aspects of Tangguh to support the DGS (Point 2 in Figure 17), Table 30 breaks down the locations where particular operational activities will and will not be conducted. The Key Program intervention areas where Tangguh will support DGS are primarily under the Governance Program, set out in Section 4.1 and elaborated in relation to the DGS in Annex 5.

Figure 17: Strategic areas of Tangguh support for DGS objectives

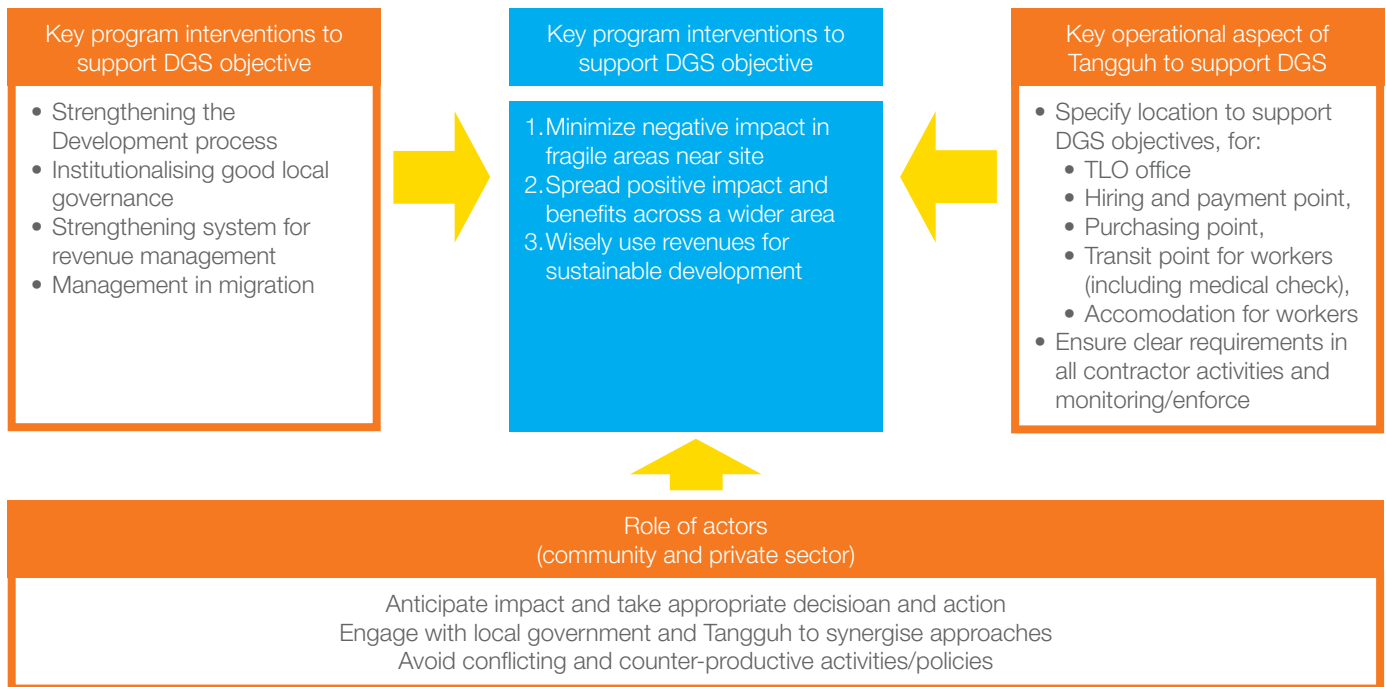


Table 30: Practical aspects of DGS implementation

	Sorong	Manokwari	Fakfak	LNG site	Bintuni	Babo	Kokas
TLO office	-	√	√	-	√	√	-
Hiring point for Tangguh	-	-	√ (IP and others)	-	√ (IP and others)	√ (IP and others)	√ (IP and others)
Payment point for Tangguh	√	√	√	√ (ATM for local IP workers only)	√ (IP and others)	√ IP only	√ IP only
Purchasing point (goods and services)	√	√	√	(foods at stocking points)	√	√ (via programs only)	√ (via programs only)
Transit point for workers (including MCU)	√	√	√	-	√	√ (IP and others / no MCU)	√ (IP and others / no MCU)
Accommodation site for workers	-	-	-	√	√	-	-
Indigenous enterprise partnership location	-	-	√	-	√	√ (micro)	√ (micro)
Governance support	-	√ (rev mgt)	√ (rev mgt, devt planning)	n/a	√ (rev mgt, devt planning)	√ (migration monitoring)	√ (migration monitoring)
Health and education facilities (through Programs)	-	√ (edn)	√ (edn)	-	√	√	√



5.5. Guidance on Implementing the Indigenous Peoples focus in TSDP

The internal and external context in which TSDP has been developed and will be implemented is described in Chapter 2, including an overview of local social and development challenges. Overall Tangguh impacts, along with particular issues affected indigenous people are summarised in Table 2, Figure 3 and Figure 7. The analyses from Tangguh's inception, monitoring of ongoing activities and diverse studies and evaluations have indicated a clear need for priority focus on Indigenous People as beneficiaries of Tangguh programs and selected policies, for example in relation to employment.

Tangguh LNG is focused on key beneficiaries of its TSDP being the indigenous people of the Sebyar, Simuri, Irarutu tribes, and of the Petuanan Arguni, Wertuar and SekarPikpik who live in 62 potentially impacted villages. Preferential policies and affirmative actions to engage with and facilitate improvements in quality of life for the members of these groups who have been living in the coastal areas around Tangguh LNG area of operation since before the existence of Tangguh in 2002 is clearly stated in the AMDAL/ESIA and impact management plans.

At the same time, while there is a priority focus on these people as the original inhabitants and most vulnerable to marginalisation as a result of Tangguh and other developments in the area, the TSDP will also bring benefits to the wider community, comprising other indigenous tribes of Bintuni Bay, other Papuans and migrants that live in the wider area. As an example, within the education program, the education aid and scholarships are targeted for Indigenous People, but any and all students may benefit from capacity building provided to teachers and the Department of Education at the Regency level.

Tangguh's definition of Indigenous People is in keeping with international approaches, for example from IFC, ADB, World Bank and academia, which consider the local traditional societies' ties to resources and places in the area, distinct language and cultural identity, high reliance on natural resources for subsistence, maintenance of indigenous systems, customs and laws, and self-identification and acknowledgement of membership by a defined group. Section 3.3 provides the definition of IP for Tangguh purposes, as approved in the TEP AMDAL. To enhance Tangguh and other stakeholders focus on Indigenous People as priority beneficiaries, TSDP introduces several new guidance areas across the TSDP Framework, as follows:

- Principles: in addition to the 5 principles that have guided Tangguh LNG through the ISP and CIP periods to date, a new principle, definition and indicators related to Indigenous People and Cultural Wisdom;

- Cross-cutting themes: “Indigenous People” has been included as a cross-cutting theme, with guidance and indicators to ensure greater attention throughout all programs;
- Beneficiaries: Indigenous People are identified as the primary beneficiary intended from many program activities, for example targeted for education assistance, employment, enterprise development and livelihood support activities (primary sector);
- Enhanced community participation in TSDP: under the new generation model for community-driven activities to be supported by Tangguh LNG, Indigenous People are identified as the primary beneficiaries of support that will be provided through the programs such as Community Health, Education and Training, Local Economic Development, Community and External Relations.
- TSDP Implementation Area: an Indigenous Peoples focus replaces the former DAV approach, to enable greater participation and inclusion of indigenous kinsfolk beyond the village boundaries, in accordance with Tangguh’s definition which has been consulted through the AMDAL process;
- Supporting specific Adat or custom-related activities, both within the Tangguh LNG operational area (for example, protecting and facilitating access to sacred sites, providing cultural awareness training to workforce and orientations to visitors), and in the wider area (for example, communication forums with Adat leaders, supporting indigenous arts and cultural events); and
- Grievance Resolution: Tangguh aims to promote mutual respect and constructive relationships between Tangguh and local stakeholders in Papua, so the resolution of community-level grievances in a culturally-appropriate manner is essential. Understanding Indigenous Peoples’ social structure, language, development context and aspirations is an important part of the Community Relations function, with specific resources dedicated to resolving grievances with local community members, and Indigenous People in particular.

In prioritising the 3 tribes and 3 Petuanan, Tangguh targets these groups as beneficiaries of all programs, as demonstrated in Figure 10. Table 31 below sets out tangible ways that Indigenous People and others in the community can understand how this priority focus will be implemented in TSDP program activities.

Table 31: Practical benefits targeting Indigenous People and other beneficiaries

	Jobs (refer to program section for details)	Vocational Training	Education Aid for students - SD SMP SMA	Competitive Scholarships and Education support (tertiary)	Health service improvements	Livelihoods support	Enterprise partnership	Capacity building in village planning (Musrembang)	Community Participation focus activities within TSDP programs	Information and Communication
Priority 1: Indigenous People (3 tribes and 3 petuanan and acknowledged members)	√	√	√	√	√	√	√	√	√ (selected areas)	√
Priority 2: Other Fakfak and Bintuni tribes	√	√	√	√	√	√ (limited / long term)	√			√
Priority 3: Other Papuans in Fakfak and Bintuni	√	√	√	√	√	√ (limited / long term)	√	x		√
Priority 4: Other Papuans	√	√	√	√	√	x	√	x	x	√
Priority 5: Others (migrants)	√	x	x	x	√	x	x	x	x	√

5.6. Guidance on Communication and Grievance Resolution

Communication and Grievance Resolution is anchored in Tangguh LNG's Community and External Relations Program, outlined in Section 4.1.4. Tangguh LNG frequently updates its stakeholder analysis and engagement plans, and will develop a revised Public Consultation and Disclosure Plan, with updated, culturally-relevant grievance mechanism, for the TEP and Operations. Key points are highlighted here as ready reference for TSDP stakeholders.

Tangguh LNG values its relationships with all stakeholders, and particularly with local communities and government. Providing clear, frequent, audience-appropriate information is essential for Tangguh stakeholder relations, as is ensuring there is access and forums through which stakeholders can provide input and suggestions to Tangguh. Tangguh LNG is committed to providing information via diverse media including:

- Print media (national and provincial newspapers);
- Electronic media (BP website: http://www.bp.com/en_id/indonesia; social media via Facebook and Twitter, to be developed from 2015 onwards);
- Radio (participating in local radio programs, use of radio for information/announcements from Tangguh LNG);
- Publications, such as the Tangguh LNG magazine, Kabar Dari Teluk (KaDaTe) and media releases;
- Notice Boards and Information Booths: in many villages and in public locations such as airports there are notice boards for posting Tangguh information; Tangguh participates in various public events providing information (for example, Indonesian Petroleum Association exhibition);
- Stakeholder forums (annual Tangguh update meetings are held in Manokwari and Jakarta; 18 monthly consultation forums by TIAP are held in Bintuni, Manokwari, Jayapura, Jakarta, Washington DC and London).
- Media visit, involving local and national media.

An overview of the various mechanisms for providing information and gaining feedback, with internal systems for workforce, and external systems for external stakeholders, is outlined in Table 32.

Starting at the community level, the main points of contact for community members (citizens, leaders from adat, religious or government organisations for example) are:

- Community Relations team, such as the Community Liaison Officers and Community Relations Team Leader;
- There are also program officers and program personnel in various locations, through whom communications can be directed to the Community Organisers and Community Relations officers.

For the wider public, the Tangguh Liaison Officers, in Bintuni, Fakfak and Manokwari can be consulted during work hours at the Liaison Offices; or through electronic/social media). National and international enquiries (for information requests and comments) the Communications Manager in Jakarta is the main contact. Government stakeholders' main contact will depend on their area of interest, however the main contact can be Tangguh Liaison Officers in Bintuni, Fakfak and Manokwari, and the Government Relations team in Jakarta.

Grievances are also directed through the contact points outlined above. Tangguh LNG is committed to responding to grievances within 20 days, however for community-level issues, a quicker response is usual. The community-level grievance resolution process is reviewed periodically in consultation with the local communities. Communicating the grievance process to the community is the responsibility of the Community Relations team.

Tangguh LNG maintains a record of all grievances and logs them according to issue, stakeholder and area. This provides an on-going picture of the types of activities that are, or may not, be related to Tangguh operations and TSDP programs, so that reviews of policy, approaches or decisions can be taken if needed.

Internal grievances are handled through an official process with procedures through the Human Resources team, which has a workforce management team on site. This process is explained to workers during their inductions processes, and for local workforce in particular, additional support is provided by way of the Worker Relations and Development Program and team, to facilitate local and indigenous workers to effectively use the established systems.

Table 32: **Overview of access to Tangguh LNG personnel and information by stakeholder category**

Stakeholder type	Contact point/ avenue to Tangguh	Main media or forums for information
Community	<ul style="list-style-type: none"> · Community Relations officers at village level · Community Relations team leaders · Program personnel at village and district locations · Lenders/External Panel · TIAP members 	<ul style="list-style-type: none"> · Face-to-face meetings, conversations · Kabar Dari Teluk tabloid · District meetings (3-6 months) · External Panel and TIAP visits (annual/18 months) · Social media · Grievance report
Wider public (media, NGOs, business persons etc.)	<ul style="list-style-type: none"> · Tangguh Liaison officers in Bintuni, Fakfak and Manokwari · Jakarta Government and Public Affairs team · Program officers · Lenders/External Panel · TIAP members 	<ul style="list-style-type: none"> · Email/Internet contact · Kabar Dari Teluk tabloid · BP Magazine · Social media
Government	<ul style="list-style-type: none"> · Tangguh Liaison officers in Bintuni, Fakfak and Manokwari · Jakarta Government and Public Affairs team · SKK Migas 	<ul style="list-style-type: none"> · Monthly report to Pemda · VIP visits to government (monthly meeting with Governor) · Site visits for District government (annual/as needed) · SKK Migas meetings at provincial level
National and international	<ul style="list-style-type: none"> · Communications Manager in Jakarta · BP corporate communications in the United Kingdom · Lenders/External Panel · TIAP members 	<ul style="list-style-type: none"> · Face-to-face meetings · Emails/Internet contact · Social media · TIAP meetings every 18 months

TASLAMPAN

1. Persiapan Para 2
2. Pembentukan
3. Penanaman
4. Pemeliharaan - Pengairan
- Pemupukan
- Perawatan
5. Panen
6. Pasca PANEN



6. Implementation Support

6.1. Tools and processes

To support the implementation of TSDP, a range of tools and processes may be used by Tangguh and its implementing partners, for program and activity planning and management, including:

- PEME - the term describing the Project Cycle through which programs and their annual plans are developed: Planning, Executing, Monitoring and Evaluating (see Figure 20: Role of M dan E in Program and Project Cycle. in Chapter 7 on Monitoring and Evaluation)
- Logical Framework Analysis – a program management tool to plan and monitor the logic of program activities, based on an hierarchy of inputs, outputs, and outcomes contributing to a common purpose, with clear assumptions and means of verification. Section 4 provides an overview of the logical framework-based activity plans for TSDP programs (2015-2019) and Figure 9.
- Checklist for applying the Principles that guide TSDP and for addressing cross-cutting issues in the programs (in a separate publication, TSDP Operational Guide).
- Modified Balanced Score Card approaches – designed to provide a balanced snapshot of programs and teams performances, not only considering financial measures.
- Commitment registers and AMDAL reporting systems – a combined database of all commitments made through the AMDAL and other processes, such as related to lenders' requirements and reviewers' recommendations that Tangguh agrees to, for example. The AMDAL reporting entails 6-monthly reports to government on the results of impact management and monitoring.
- Grievance log – a cumulative record of complaints received and responses/resolution.
- Contracts and Memorandums of Understanding – the means through which various partners activities are engaged to carry out TSDP activities with or on behalf of Tangguh LNG.

TSDP is not intended to be detailed but rather serves as a guideline and a policy document that will provide the framework and guidance for the development of annual operational plans and their implementation. This approach gives space for adaptation, innovation, and participation of front-liners and local stakeholders in the formulation and implementation of various program activities.

6.2. Organisational Structure and Key Interfaces

The organisation implementing TSDP spans several internal units of Tangguh LNG, and as such, a Working Group of the key persons responsible for programs, monitoring, and overall management and performance has been established. Each program comprises an individual appointed as the Single Point of Accountability, as well as a Coordinator and facilitating teams and partners. These are supported by a management group providing communication, administration and financial assistance to the organisation. The TSDP Working Group is coordinated by a senior Communication and External Affairs (CandEA) manager, who is part of a Steering Group with equivalent senior managers from the functions represented. Through these groups, the TSDP reports to Country Head for BP Indonesia and to the Regional Leadership Team.

Understanding of the intersection between the programs is important for both program managers and stakeholders in the field, to be able to coordinate and communicate more effectively with program partners working on common issues, in the same areas or with similar groups.

For example, in health, education and security activities, there are opportunities for synergy and coordination to plan, deliver and assess the effectiveness of activities related to alcohol consumption. From the security perspective there are laws and processes that

communities and police need to be aligned on; from the health perspective, there are cadres in the village health posts and/or clinics that can deliver information on risks of alcohol abuse, through various media and to a range of audiences/target groups; and from the education perspective, there are personnel (teachers, student committees etc.) through which information can also be tailored, or to who information can be directed, or who can help deliver messages about alcohol, the law and health, throughout the community.

This type of integration of program delivery gives the optimum results, but can be difficult to achieve. For TSDP 2015-2019, the focus on interfaces is highlighted as way to enhance the overall outcomes from program activities, particularly in terms of impact.

6.3. Competencies

Based on ISP-1 and CIP experiences and evaluation results, adapting teams, approaches and activities to local context is a critical factor for achieving the intended result. This relates to organisational structure as well as to the skills and competencies needed to carry out TSDP programs. The organisation structure to implement TSDP during 2006-2010 experienced several adjustments, and it is expected that for TSDP the organisation structure will continue to evolve. Despite organisational changes, personnel working on TSDP need to possess the necessary competencies for their roles, as this is an aspect of implementation that contributes significantly to the success of TSDP. Competencies needed for TSDP can be categorised into three main groups, namely:

- **Program-related competencies.** These competencies are required to ensure the appropriateness of programs implemented, and may be specific to a program's technical topic. Program-related competencies also include knowledge and skills related to the TSDP overarching principles and cross-cutting themes, as related to TSDP as a whole and to particular program focus areas.
- **Core competencies.** These competencies are required in all programs and ensure synergy among programs, as well as provide a collective output related to the cross-cutting theme.
- **Management competencies.** These competencies are required to ensure programs are scheduled and administered effectively, both in terms of business-processes and in terms of program planning, management and monitoring.

The core competencies are as follows:

- Local language and cultural knowledge
- Stakeholder analysis
- Presentations skills
- Inter-personal skills
- Facilitation skills
- Leadership
- Mobilising and enabling (cooperation) and joint decision-making
- Communicating concepts
- Creative thinking
- Critical thinking and analysis
- Networking and information gathering
- Project management skills

- Contractor management skills
- Conflict prevention and management
- Basic report writing

In general, there are three main processes to ensure that TSDP will be supported by necessary management competencies:

- Developing competency of existing human resources. This can be done by conducting competency assessments, followed by competency development.
- Recruiting new personnel and partners with competencies for unforeseen competency needs; and
- Outsourcing the competencies for limited periods of time while developing internal competencies.
- The decision for choosing the alternatives should be based on the competency assessments and availability of internal and local resources.

6.4. Program Implementing Partners

Tanggung LNG is operated by BP Berau Ltd, an oil and gas company with expertise in this industry. The company has a team of professionals dedicated to non-technical risk aspects, including social and environmental impact management and stakeholder engagement. Nevertheless, Tangguh LNG does not have the breadth, the depth of expertise, or the number of personnel required to fully implement the programs under TSDP on its own. Local government and communities' are also limited in terms of expertise, so working with local and international organisations that specialise in health, education, livelihoods and so forth is the chosen strategy for TSDP implementation.

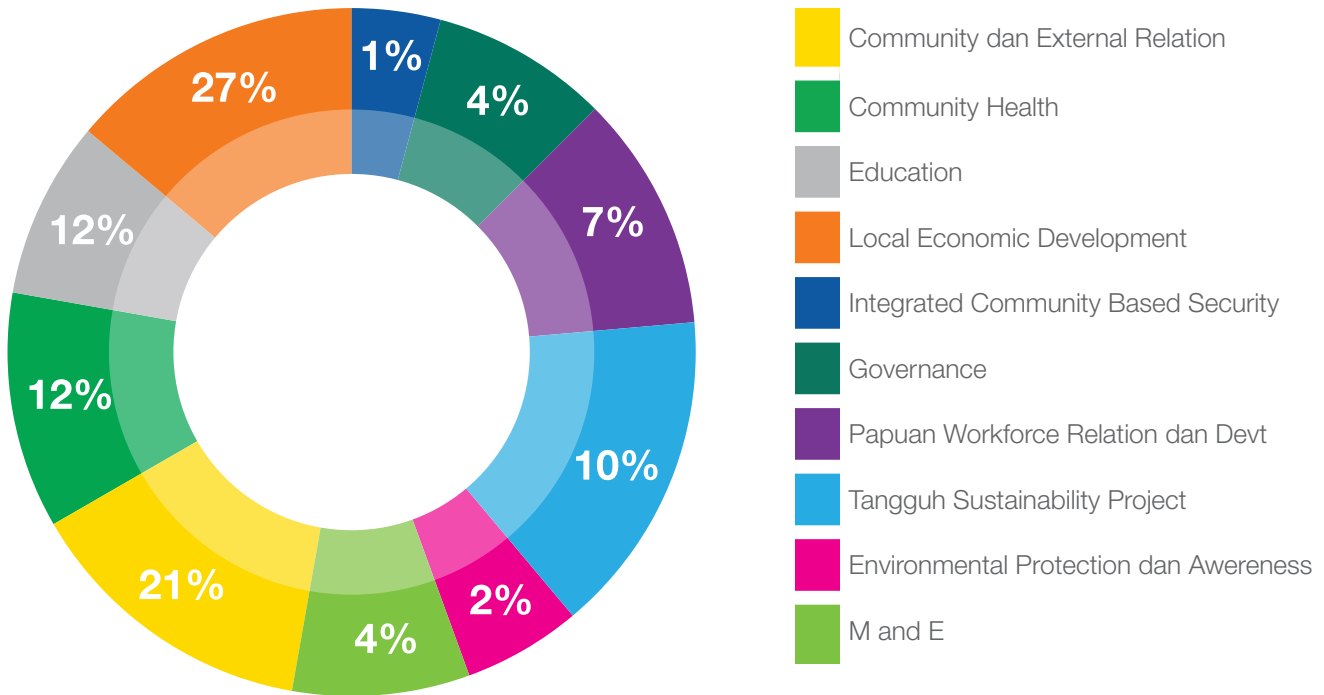
Different forms of collaboration will be developed depending on need. One format is for parties to be contracted by Tangguh or local government for a specific scope of work. Another format is one of shared resources and a division of roles to meet a common plan, both or either with Tangguh, government or community organisations. The advantages and draw-backs of these approaches are weighed up in the context of specific programs. As far as possible, Tangguh aims to work with local, Papuan organisations (universities, NGOs, cooperatives), but recognises their limitations in terms of administrative capacity and access to expert resources. Tangguh LNG thus supports the strengthening of such organisations and may do this by pairing or supporting them working in partnership with larger or more professionally experienced groups who can transfer their skills or systems. In all cases, external parties must have demonstrated ability to adapt to local context, bring good practices and innovation for the benefit of TSDP participants and beneficiaries.

6.5. Budget

In order to deliver the expected milestones during TSDP implementation, both human and financial resources are required. Providing resources for the TSDP, which operationalizes the Tangguh LNG AMDAL, requires commitment from central government, local government and Tangguh. As part of the production process, resources for Tangguh social activities are part of the operational and production costs, whose management is regulated by SKK Migas. To this end, Tangguh LNG expects that SKK Migas will ensure the necessary financing for TSDP activities according to program needs. Furthermore, in line with the principle of participation, and to improve regional development in Bintuni and Fakfak, the contribution of Bintuni and Fakfak local governments, communities and other partners with similar goals and programs is anticipated.

The funding needs based for the various programs in the first year of TSDP implementation (2015) is shown below. The actual budget varies from year to year depending on diverse factors including: performance and lessons learned during implementation of each program; changing program and project context; a program having a revised scope and annual plan; as well as approvals required for budgeted activities. The proportions of the annual budget shown for 2015 may generally reflect the proportions per program over the TSDP period, although some variations are also likely to occur.

Figure 18: Indicative Budget Allocations for TSDP Implementation (2015).





7. Monitoring and Evaluation

Tanggung LNG's TSDP sets the framework for mutual responsibility to contribute to sustainable development. As set out in this document, the TSDP entails Tangguh LNG's programs and projects developed to support the TSDP goal "to support local efforts to enhance the quality of life of local communities through participative and accountable local development practices and to contribute to Tangguh LNG operational sustainability" (see also Chapter 3). TSDP as a Framework provides a basis for effective monitoring and evaluation of the programs' activities and their contribution to program objectives and the TSDP goal. The AMDAL also serves as a key reference for the longer-term achievement of commitments, and TSDP programs indicators are aligned with the indicators set out in the AMDAL and RKL/RPL.

To support the TSDP implementation process, an operational Monitoring and Evaluation system exists, comprising:

- The planning and review processes, including preparation of 5 year plans, annual plans and detailed activity plans;
- the TSDP general framework, with TSDP level indicators;
- program-specific plans and indicators;
- internal mechanisms to provide information and data needed by the management and external stakeholders, to support monitoring processes such as audits, and accountability more generally; and
- external mechanisms to ensure appropriate participation and guidance from stakeholders regarding TSDP goals, program activities and achievements.

The M and E system is critical for providing management level with information needed for day-to-day decisions, provide key stakeholders with information to guide the program strategy, provide early warning of problems, build understanding and capacity amongst those involved, assess progress and build accountability. It can also help empower primary stakeholders, especially beneficiaries, by involving them in certain M and E activities. Overall, the M and E system exists increase accountability, and help program implementation align with the goals and objectives, as well as to support program improvements.

7.1. Monitoring and Evaluation Framework for TSDP

Monitoring is an ongoing process focused on assessing processes and outputs to ensure programs are implemented according to plan. Monitoring involves data collection to assist in program managers take appropriate decisions.

Evaluation is the assessment of program achievements, based on systematic data collection and analysis to evaluate effectiveness, efficiency, impacts and sustainability. An important product of evaluations is the recommendations for overall program improvement.

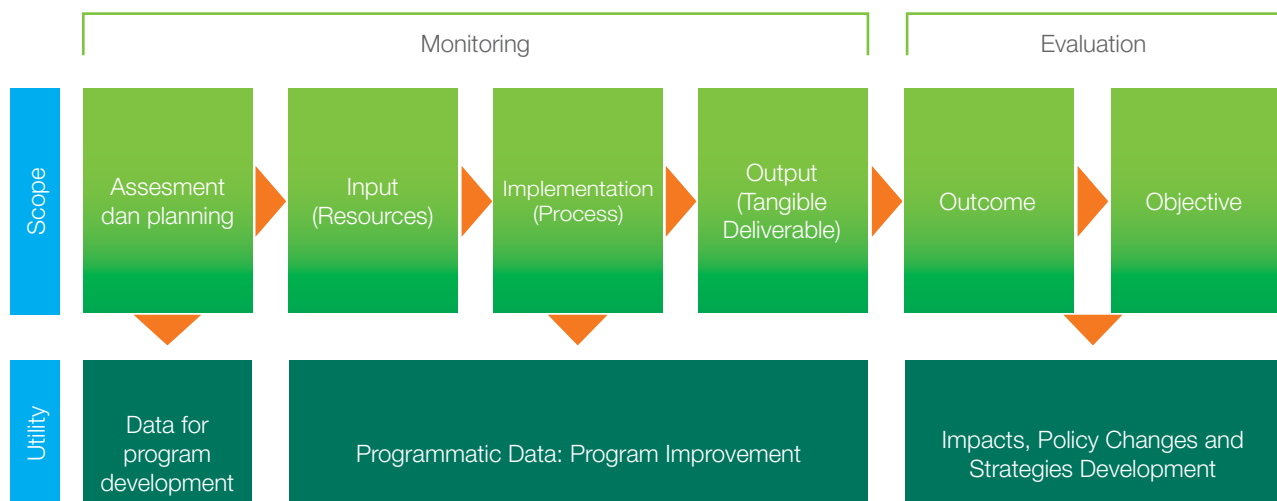
Figure 19: Role of M and E in Program and Project Cycle.



In the M and E system there are on-going processes as follows: gathering and managing information, reflecting critically to improve action, and communicating and reporting results. This generic process is shown in Figure 19.

The Logical Framework ('logframe') which defines each program's objective, outcomes and outputs for the TSDP period 2015-2019 is the basis of the TSDP's M and E system (see Figure 9). Figure 20: Monitoring and evaluation activities' scope and purpose. below shows the scope of monitoring and evaluation of parts of programs as well as the intended use of information produced.

Figure 20: Monitoring and evaluation activities' scope and purpose.



Adapted from: Rugg et al. (20014),. New Direction for Evaluation. Hoboken, NJ, Wiley Periodicals Inc.

The overall design, effort and contributions of TSDP programs are monitored and evaluated periodically to assess the TSDP components and holistically. Detailed implementation plans showing activities planned on an annual basis will provide the next level of information for monitoring and evaluating implementation of TSDP. Table 33: Overview of Monitoring and Evaluation processes for TSDP shows the periodic monitoring and evaluating schedule and responsibilities. Program officers and implementing partners are required to regularly collect data and self-assess progress towards outcomes and program objective using the key success indicators set out in Chapter 4.

Table 33: Overview of Monitoring and Evaluation processes for TSDP

	Internal (Tanggung LNG)	External (Independent)	Aspects
Monitoring			
· Month	Program tracking Monthly report		Collecting data and information as preliminary findings on the progress of activities.
· Quarter	Quarterly Performance Review		Review the activity targets to identify problems and challenges.
· Semester	AMDAL report Lenders report SKK Migas report		Monitor the progress toward planned outcomes and commitments, and formulate recommendations.
· Annual	Annual performance review Annual report for external stakeholders e.g. SKK Migas, Sustainability report	TIAP visit (18 months) Lenders review	Review the progress and achievement of activities. Refine and adapt design or activities to actual context.
Evaluation			
· Annual	Annual evaluation meeting		Evaluate the consistency in achieving the overarching TSDP Goal, with third party input.
· Mid-Term	Mid-term evaluation (peer review)	Lenders/ Independent parties	Measure the performance of individual programs and TSDP as a whole; identify major challenges, and strategic adjustments and changes required.
· Final	Final evaluation (peer review)	Lenders/ Independent parties	Identify the program achievement in terms of contributions to outcomes, evaluate overall performance, formulate the way forward based on achievements and lessons learned.

7.2. valuation indicators

The ‘big picture’ outcomes of TSDP will be assessed during mid-term and end of TSDP period evaluations, around 2016 and 2019. Based on the TSDP Framework, some high-level and long-term indicators are identified to assess the overall contribution of the various programs toward the goal of “supporting local efforts to enhance the quality of life of local communities through participative and accountable local development practices and to contribute to Tangguh LNG operational sustainability”.

The overall objective is to assess the degree to which TSDP programs have contributed to TSDP goal, by considering: Outreach, Efficiency, Effectiveness and Sustainability (see Table 34: Defining the focus for TSDP and program evaluations4).

TSDP evaluations will consider monitoring results focused on outputs, but at a whole-program level will consider outcomes, which includes areas that are beyond Tangguh LNG’s area of responsibility or control. By considering outputs in monitoring, Tangguh’s contribution will be assessed; by considering outcomes in evaluations, Tangguh’s contribution and a range of other contributing and/or limiting factors, for example from government and community, will also be highlighted.

Table 34: **Defining the focus for TSDP and program evaluations**

Outreach:	The quantitative scale of a program’s influence - number of people, enterprises, organisations, groups etc. reached by program activities.
Efficiency:	Concerned chiefly with the delivery of an intervention and the rate and cost at which inputs are turned into outputs. In itself, efficiency does not assess the impact of an intervention but will be considered in TSDP evaluation processes.
Effectiveness:	Measures the extent to which an intervention’s objectives have been met, including a comparison of impacts with cost. Assuming that these objectives are related to Government’s development goals, effectiveness of TSDP programs is also a measure of development relevance or contribution toward Government development goals.
Sustainability:	The extent to which the service offered or activities supported through TSDP can be continued, including financed, with reduced or withdrawn support from Tangguh LNG; and the extent to which changes are durable.

The TSDP Framework shown in Chapter 3 (Figure 9) also sets out general indicators, intended as shared indicators, where parties other than Tangguh will be required in order for TSDP overall goal to be achieved. These indicators may be used in overall evaluation, to assess the overall TSDP contribution to:

- Improved quality of life;
- Strengthened local institutions;
- Increased access to resources;
- Increased skills and abilities;
- Growth in indigenous economic activity;
- Papuan and IP workforce development;
- Stable environmental quality;
- Strengthened government accountability; and
- Sustained, reliable Tangguh LNG Operational Activities.

These indicators reflect each of the objectives of the programs under TSDP and will be considered qualitatively and collectively by independent assessors, with reference to AMDAL, program information and other sources, considering baseline conditions and achievements from the programs' activities.

To assess the collective contributions of the programs to the TSDP goal, mid-term and final evaluations will also consider the degree to which approaches outlined in this TSDP book have been pursued, by referring to the discussion and guidance provided for TSDP related to:

- Program principles;
- Cross-cutting issues; and
- Overarching approaches: capacity building and moving to "Development for and by community and government".

In addition to the mid-term and final evaluation of TSDP at the Framework or 'whole program' level, monitoring of these approaches is carried out internally on a quarterly and annual basis (see Table 33). Guidance for program teams and partners on these aspects will be provided through internal training and development plans.

7.2.1. Monitoring and Program-specific Indicators

As explained in Chapter 6 on TSDP implementation, each program in TSDP is designed based on research, analysis and consultation to understand context, needs and constraints. The programs are then structured according to a logical framework, to ensure that the activities that Tangguh LNG and partners support are likely to lead to the necessary outputs, and help achieve the desired outcomes or results. The program teams develop annual plans, based on the Logical Framework - 5 year implementation plan - developed for the TSDP Period. Monitoring in TSDP will focus on the program inputs and outputs, or areas which are largely within the control of Tangguh LNG and its partners, to manage, arrange and influence.

The program-specific outcome indicators for the TSDP (2015-2019) are shown in Table 35.

Table 35: **Program-specific Indicators**

Program	Results Indicators for each Program: 2015-2019
Education and Training	<ul style="list-style-type: none"> • Indigenous people and women/girls' participation levels in education activities per school level • Type of skills attained by indigenous people/women • Education levels achieved by indigenous people/women • Acceptance rates for indigenous/ female SLTA graduates by higher institutions/ universities • Ratio/number of schools meeting education minimum service standards • Flagship school developed according to concept agreed with local government • Level of job understanding and capacity in government education officials • Level of job understanding and capacity in local education institutions, related to meeting minimum service standards
Community Health	<ul style="list-style-type: none"> • Community health services quality and access (clinics/Puskesmas and hospital) • Incident rate for main diseases (malaria, HIV and TB) in communities around Tangguh LNG • Ratio of community members with health habits, especially related to environmental sanitation, safe birthing practices, improved nutrition and reproduction (HIV/AIDS and STI) in the areas around Tangguh LNG operations • Ratio of community with access to clean water and sanitation facilities (toilets/bathrooms and household waste disposal)

Local Economic Development	<ul style="list-style-type: none"> • Diversity of enterprises run and managed by indigenous people in Bintuni and Fakfak • Number of indigenous enterprises compared with non-indigenous enterprises • Number of indigenous enterprises and transactions generating a profit in Bintuni and Fakfak • Number of business persons, particularly indigenous and new entrepreneurs, in Bintuni and Fakfak that win tenders to supply goods and services to Tangguh LNG • Trends in volume of sales, income and turnover • Information on employment opportunities shared with indigenous people and numbers employed • Number of new entrepreneurs that increase the scale of their business • Indigenous community perceptions of the company as positively affecting their self-reliance • Number of new youth entrepreneurs
Community and External Relations	<ul style="list-style-type: none"> • Cultural induction for contractors and visitors to Tangguh • Community perceptions on protection of local cultural values • Increased community capacity in planning, implementing, monitoring, reporting and evaluating activities • Level of community understanding about Tangguh social programs, by gender, indigenous people and youth • Community initiatives for village development • Routine communication mechanism and products • Effectiveness of messages to communication recipients • Stakeholder perceptions of Tangguh

7.2.2. Internal Mechanisms

Monitoring of TSDP is managed through a Monitoring and Evaluation unit Manager within Tangguh LNG, to coordinate M and E processes, including to:

- Ensure that information and data needed by the management and external stakeholders is gathered,
- Support monitoring processes such as audits; and
- Ensure that results of monitoring and evaluation activities are shared and used appropriately, for program improvement.

The principle, routine internal mechanisms are: ongoing monitoring of program activities, outputs and contribution to outcomes by program teams; the Quarterly Performance Review of individual program implementation; and the AMDAL Implementation Steering Committee meetings to track overall progress on fulfilment of AMDAL commitments. In addition, the annual compliance audits by External Panel and Lenders, and 18 monthly reviews by TIAP, will all provide feedback on various aspects of TSDP implementation.

7.2.3. External Mechanisms

To ensure appropriate participation and guidance from stakeholders regarding TSDP goals, program activities and achievements, the M and E framework includes external mechanisms as follows:

- Program participants and target beneficiaries are engaged by internal program personnel and implementing partners, as well as M and E personnel for feedback on a regular and as-needed basis (through field visits and informal data collection); and
- Program participants and target beneficiaries are engaged by external M and E partners such as the Lenders, External Panel, and TIAP members on an annual or 18 monthly basis (also through field visits, focus-group discussions and interviews). Tools to help external stakeholders provide monitoring and evaluation input include the Balanced Score Card approach, which Tangguh aims to use systematically by the end of the TSDP period (see Section on Tools).



Annex 1

Marginalisation – definition and description

Marginalisation refers to the process whereby something or someone is pushed to the edge of a group (society) and accorded lesser importance, influence or power. This is predominantly a social phenomenon by which a minority or sub-group is excluded, and their needs or desires ignored.

Marginalisation emerges at the individual or group level on four correlated dimensions: insufficient access to social rights, material deprivation, limited social participation and a lack of normative integration. It is then regarded as the combined result of personal risk factors (age, gender, race); macro-societal changes (demographic, economic and labour market developments, technological innovation, the evolution of social norms); government legislation and social policy; and the actual behaviour of businesses, administrative organisations and fellow citizens. In practical terms, marginalisation of indigenous people manifests in various human development indicators, for example having poorer health standards, lower education levels, higher unemployment rates, greater incidences of substance abuse, and so on.



Annex 2

Summary of Potential Cumulative Impacts affecting Bintuni Bay area

Intervention / type of activity	Main Environmental Impacts	Main Social, Economic, Cultural Impacts	Main Cumulative Impacts
Tangguh + Expansion Project (TEP)	Refer to AMDAL (summary)	Refer to AMDAL (summary)	1. Significant demographic changes 2. Increased economic diversity 3. Decreased natural resource base 4. Marginalisation of Indigenous Peoples 5. Changed disease patterns including increased HIV/AIDS 6. More diverse and frequent conflict 7. Increased potential for Human Rights abuses 8. More complex bureaucratic and government administrative environment
Forestry	- Increased pressure on natural resources: ground water, fish, timber	- Increased inward migration - Increased local economic development - Improved incomes - Increased jealousy/tension - Increased pressure on natural resources (esp. water)	
Plantation (Palm Oil)			
Fisheries			
Other PSCs	- Slum settlements / unhealthy housing (erosion, decreased vegetation etc) - Increased rubbish / solid waste management issues - Reduced marine quality (pollution) - Decreased air quality	- Changed social norms and values - Loss of cultural diversity - Conflict (land claims, alcohol, women) - Increased administrative units (<i>pemekaran</i>)	
Petrochemical Industry			
Improved infrastructure, including electricity and roads	-Decreased vegetation, increased pressure on natural resources -Erosion	-Increased access to public services -Increased mobility -Increased prostitution and HIV/AIDS	

Annex 3

Overview of Changed Scope between ISP, CIP and TSDPn

ISP 1 (2006-2010)	ISP2 (CIP) (2011-2015)	TSDP (2015-2019)
14 Program: <ul style="list-style-type: none"> · Governance and Revenue Management · Civil Society Strengthening · Birds Head Business Empowerment · Workforce recruitment, management and Industrial Affairs · In-migration and secondary negative impact management · Government and civil society in Bintuni Bay · ICBS · Health · Basic Education · Women's Empowerment · Micro-economic and micro-enterprise development · Community Development – CAP · Land Acquisition and Resettlement 	5 Program: <ul style="list-style-type: none"> · Governance · Communication and External Relations · Public Health · Education and Training · Livelihoods 	<ul style="list-style-type: none"> · Community and External Relations · Governance · Public Health · Education and Training · ICBS · Local Economic Development · Workforce Relations and Papuan Development · TSP (projects) · Environmental Awareness and Protection
Environmental impact management for AMDAL and other activities: <ul style="list-style-type: none"> · Coastal conservation · Biodiversity 	Environmental impact management for AMDAL, focus on compliance.	Environmental impact management for AMDAL, focus on compliance, and other (new) activities addressing environment as part of contributing to sustainable development.
Workforce relations handled by Workforce Management team	Workforce relations handled by Workforce Management team under Operations	Workforce relations handled by Workforce Management team under Operations, and increased supervision through program (Workforce Relations and Papuan Workforce Development)

Annex 4

Asset-based approach to development historically and in TSDP

Asset	Historical context and achievements since ISP-1	Focus in TSDP
Natural resources	<p>The economy in Bintuni Bay area was dominated by subsistence and heavily dependent on nature. The presence of Tangguh LNG and ISP implementation has accelerating and changed the type of economic development in the area, such that fewer people have subsistence livelihoods, but more people (especially new-comers) are exploiting natural resources.</p> <p>Natural resources are an asset to be exploited in a sustainable manner if they are to continue to available for present and future generations. Tangguh's workforce management, livelihoods program and environmental impact management all relate to sound use and/or preservation of local natural resources.</p>	<p>Minimising migration to the area though workforce management policies will continue; livelihoods activities promoting sustainable natural resource management for economic purposes will also continue; TSDP includes an additional program to focus on raising environmental awareness and protection, and Tangguh LNG has make new commitments to engage with Bay-wide stakeholders to discuss sustainable natural resource use and development, with the intention to establish common policies or activities to protect the integrity of natural environment in Bintuni Bay area.</p> <p style="background-color: #008000; color: white;">“We hope local government and community can use natural resources wisely for long-term benefit of all</p>
Human resources	<p>ISP-1 and 2's heavy investment in human resources (in the form of capacity and competency building for many stakeholders) increased the human capital as a local asset. The activities targeting people from diverse roles and professions have impacted on an improved school quality, more skilled farmers and fishermen, developed small business and kiosk owners, made women more involved and active, created people driven public policies, and better public services.</p>	<p>TSDP's strategic approach focused on strengthening capacities, - skills, knowledge, attitudes and values – is the continued focus on human resources as an asset for local development. Capacity development is a key objective in each program, to ensure that the local human resources are empowered and grow to be able to serve local community and environmental needs and interests. “</p> <p style="background-color: #008000; color: white;">“We hope others will join in investing in developing people, through education, training, and good leadership examples”.</p>

Asset	Historical context and achievements since ISP-1	Focus in TSDP
Indigenous culture and networks:	Indigenous culture and networks are an important asset that may not yet be fully appreciated or valued locally: language, traditional ecological knowledge, folklore and customs are all part of the indigenous identity that defines the unique society where Tangguh LNG is located. With increased migration to the area, the indigenous people with generally lower education levels and health status are at risk of marginalisation, but also have an important opportunity to benefit, with appropriate focus and support.	Building improved and more focused relations with adat communities is fundamental in TSDP, where TSDP will also facilitate increased understanding of risks of marginalisation and promote IP engagement in all programs. Strengthening networks amongst indigenous peoples also has a renewed focus in TSDP, to strengthen indigenous peoples positive involvement in the rapid changes occurring locally and regionally. "We hope indigenous people can join hands for a common vision of equitable and positive future".
CBOs	There were very few CBOs prior to Tangguh's social programs beginning. Implementation of ISP-1 also contributed to the development of many CBOs and participatory mechanisms in villages. Several cooperatives, self-help groups, producer's associations, and women's groups are present and serve the villagers. Participatory planning as practiced in Community Action Planning was also widely acknowledged and accomplished by villagers and village government. Development of community managed organisations and participatory skills are the main contributor for stronger social assets in the area.	Capacity building targeting CBOs will continue, as outlined in various TSDP programs. The Participatory Planning process will continue to be facilitated as needed by Tangguh personnel and/or implementing partners, however an agreed mechanism is needed to increase integration with government and other actors responsible for or affecting local development outcomes. "We hope all parties will cooperate to share resources for an agreed, shared plan for local development".
Infrastructure	Local development is hindered by lack of appropriate infrastructure, in particular reliable electricity and marine transportation services. In the past through the facilitated community-based planning (PBM), Tangguh and communities have supported many smaller infrastructure projects to support livelihoods, health and education. Improving physical assets is a priority for communities and government, and will require clear ownership and responsibility for ongoing maintenance.	Tangguh LNG is supporting provision of electricity by state electricity company PLN, with resources from Tangguh; limited housing renovation and other assistance through TSDP programs will continue to be possible, however through TSDP the focus is more on technical assistance and capacity strengthening, with the expectation for government's increased role in infrastructure development. "We hope that appropriate local infrastructure will be developed and maintained as part of a community-government agreement".

Annex 5

Supporting information on Tangguh’s approach to achieving DGS objectives through the Governance Program

Strengthening the development planning process	Institutionalisation of good local governance.	Revenue management
<p>Medium and Long-term Regional Plans (RPJM, RPJP), along with Regional and Local Spatial Plans (RTRW/D), are critical tools for developing both an understanding of local resources, needs and priorities, and for determining a way forward that is in the common interest.</p> <p>The Government of Indonesia national process of development planning known as “musrenbang” starts at village level and is implemented by a national planning meeting.</p> <p>The systems are established, however the knowledge and skills related to these plans and their use, are must continually be enhanced. Tangguh will work with the national and regional government to support improved competency related to planning and aligned implementation.</p>	<p>As described in the development context for TSDP (Chapter 1), Papua has high allocations but low human development achievements. Part of this problem relates to governance.</p> <p>Support to enhance the capacity of local government officials, along with institutionalisation of good local governance will increase the effectiveness of the development process in the area and will impact upon other surrounding areas.</p> <p>Tangguh support will focus on increased transparency and accountability of local government decisions, including though the oversight role of local parliament and civil society.</p>	<p>Papua is known for its rich minerals and oil and gas deposits. Through special autonomy and the central government’s financial arrangement of, Papua Barat Provincial Government and the regencies are receiving significant and increasing revenue. The revenue needs to be managed in a prudent and careful manner to be able to effectively develop the wellbeing of local people.</p> <p>Tangguh will support activities to strengthen the transparency and capacity of parties involved in revenue management, including working with SKK Migas and local stakeholders to increase local understanding about the handling and use of these revenue.</p>





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