

Additional Information to Program Safeguard Systems Assessment

August 2017

**INO: Sustainable Energy Access in Eastern
Indonesia—Electricity Grid Development Program**

1. This document supplements the Program Safeguard Systems Assessment for the INO: Sustainable Energy Access in Eastern Indonesia—Electricity Grid Development Program, and includes; (i) Table 1: Safeguards Diagnostic Assessment; (ii) Table 2: Safeguards Program Actions; and (iii) Figure 1: Map of Protected Areas and Key Biodiversity Areas in Nusa Tenggara and Sulawesi.

Table 1: Safeguards Diagnostic Assessment

Principles	Triggered Yes / No	Current system (policy and legal frameworks) / practices and gap between them and the ADB SPS
Environment		
<p>Principle 1. Use a screening process for each proposed project, as early as possible, to determine the extent and type of environmental assessment so that appropriate studies are undertaken commensurate with the significance or potential impacts and risks.</p>	Yes	<p><System> <i>MOER No. 05/2012 Regarding Type of Activities Requiring AMDAL</i> is a prescriptive screening process used to determine whether projects are required to conduct an AMDAL and secure an environmental clearance from the environmental agency. Under <i>MOER No. 05/2012</i>, AMDAL is required for business/activities listed in its <i>Appendix I</i> which does not include distribution line. In addition, <i>MOER No. 05/2012, Article 4</i> requires AMDAL for business/activities which; (a) have the scale/magnitude smaller than those listed in <i>Appendix I</i>; and/or (b) not listed in <i>Appendix I</i> but have a significant impact on the environment. These business/activities shall be determined based on: (a) scientific considerations regarding environmental capacity and its acceptability; and (b) the significance of environmental impact regarding the type of local ecosystem. <i>MOER No. 05/2012, Article 3</i> also requires AMDAL for business/activities in or directly adjacent to protected areas which are listed in <i>MOER No. 05/2012, Appendix III</i>. <i>Law No. 32/2009 Regarding Environmental Protection and Management</i> requires UKL/UPL for business/activities that do not have significant environmental impact. BLHD specifies the type of business/activities which requires UKL/UPL. Under <i>Law No. 32/2009</i>, business/activities which do not require AMDAL or UKL/UPL shall prepare SPPL. The determination of the type of business/activities which require SPPL shall be based on the following criteria; (i) not included in the category of significant environmental impact; and (ii) activities of micro and small enterprises. The templates of UKL/UPL and SPPL are at <i>Appendix IV</i> and <i>V</i> of <i>MONRE No.16/2012 Regarding Guidelines for Preparation of Environmental Documents</i> respectively.</p>
<p>Principle 2. Conduct an environmental assessment for each proposed project to identify potential direct, indirect, cumulative and induced impacts and risks to physical, biological, socioeconomic (including impacts on livelihood through environmental media, health and safety, vulnerable groups, and gender issues), and physical cultural resources in the context of the project's area of influence. Assess potential transboundary and global impacts, including climate change. Use strategic environmental assessment where appropriate.</p>	Yes	<p><Practices> <i>Law No. 32/2009</i> may require SPPL for distribution lines and <i>MOER No. 05/2012</i> requires AMDAL in case they are located in or directly adjacent to protected areas, however, Some regional offices in Nusa Tenggara and Sulawesi (at least all offices interviewed during the assessment) do not prepare environmental document for distribution lines so</p>

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		<p>PLN is not complying with legislative requirements. BLHDs in these areas do not regulate distribution lines and prioritize power plants, transmission lines and major industries. <i>Wilayahs</i> in these areas do not have information on the location of the protected areas and KBAs which could be used for screening.</p> <p><Gap> Screening and environmental assessment is not conducted for distribution lines. While the activities in or directly adjacent to protected areas will be excluded from the scope of the program (see para. 4 of PSSA), PLN does not have information for the screening.</p>
<p>Principle 3. Examine alternatives to the project's location, design, technology, and components and their potential environmental and social impacts and document the rationale for selecting the particular alternative proposed. Also consider the no project alternative.</p>	Yes	<p><System> There is no system (policy and legal frameworks) which requires alternatives' examination for distribution lines.</p> <p><Practice> Regardless of the absence of legal requirement, alternatives on location, route, equipment, capacity, technical specifications and other design considerations are examined during selection and planning of subprojects by PLN. Pole locations are adjusted based on results of site surveys and request of affected household, which, as a result, mitigates negative environmental and social impacts.</p> <p>The screening process of PLN <i>wilayah</i> for proposed distribution system gives priority to: (i) areas located in a central district; (ii) communities in proximity to an area where an existing distribution line is operating; (iii) areas with sufficient generation capacity available; and (iv) areas with communities' request for electrification (see para. 40 of PSSA).</p> <p><Gap> N/A</p>
<p>Principle 4. Avoid, and where avoidance is not possible, minimize, mitigate, and/or offset adverse impacts and enhance positive impacts by means of environmental planning and management. Prepare an EMP that includes the proposed mitigation measures, environmental monitoring and reporting requirements, related institutional or organizational arrangements, capacity development and training measures, implementation</p>	Yes	<p><System> The system may require SPPL for distribution lines and <i>MOER No. 05/2012</i> requires AMDAL in case they are located in or directly adjacent to protected areas (see the <Practice> of Principles 1 and 2 above). AMDAL and SPPL are supposed to present measures to avoid, minimize, and/or offset adverse environmental impacts.</p> <p><i>MOER No. 33/2009 Regarding Recovery Procedure of Land Contaminated by Hazardous and Toxic Waste</i> outlines the procedure for the restoration of contaminated land while <i>Government Regulation No. 101/2014 Regarding Management of Toxic and Hazardous Waste Substances</i> regulates the management and disposal procedures for toxic and hazardous waste substances (See the <System> of Principle 9 below). Other related environmental laws applicable to the program are <i>Government Regulation No. 83/2001 Regarding Management of Water Quality and Water Pollution Control</i>, <i>Government Regulation No. 41/1999 Regarding Air Pollution Control</i>, and <i>MOER No. 48/1996 on</i></p>

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<p>schedule, cost estimates, and performance indicators. Key considerations for EMP preparation include mitigation of potential adverse impacts to the level of no significant harm to third parties, and the polluter pays principle.</p>		<p><i>Noise Standards.</i> <i>Decree of the Board of Directors of PLN (PLN Decree) No. 473/2010 Regarding Construction Standard for Low Voltage Power Network and PLN Decree No.606/2010 Regarding Construction Standard for Medium Voltage Power Network</i> include the mitigation measures to be taken against environmental impacts caused by distribution line during construction and operation stages. The mitigation measures include proper handling of excavated soil, appropriate selection of vehicle for transportation of poles, recovery of excavation site, adequate distance from other objects (1-6 m depending on the kind of the objects), etc. PLN also restricts the use of herbicides during tree trimming and clearing.</p> <p><Practices> The contract of the civil works specifies the compliance of <i>PLN Decrees No. 473/2010 and No. 606/2010</i>, however, neither AMDAL nor SPPL is prepared for distribution lines in Nusa Tenggara and Sulawesi (see the <Practice> of Principles 1 and 2 above).</p> <p><Gap> There is no EMP prepared for distribution lines and environmental management is not fully implemented. Some contractors do not dispose the trimmed tree branches properly, leaving them on a private land without land owners' permission.</p>
<p>Principle 5. Carry out meaningful consultation with affected people and facilitate their informed participation. Ensure women's participation in consultation. Involve stakeholders, including affected people and concerned non-government organizations, early in the project preparation process and ensure that their views and concerns are made known to and understood by decision makers and taken into account. Continue consultations with stakeholders throughout project implementation as necessary to address issues related to environmental assessment. Establish a grievance redress mechanism to receive and</p>	Yes	<p><System> There is no system (policy and legal frameworks) which requires meaningful consultation and grievance redress mechanism for distribution lines.</p> <p><Practice> Regardless of legal requirement, prior to civil works, consultation (socialization) and coordination are conducted by PLN and contractors with the village heads but not with all affected households. The agenda of the consultation includes project plan and safety.</p> <p>GRM has been developed by PLN through; (a) <i>Call Centre 123</i>; (b) online by using APKT; and (c) front line i.e. customer services which will also be used for the program. The complaints to the <i>Call Center 123</i> would be recorded and divided in three subjects: 1) Technical, 2) Customer services (commercial), and 3) Other (including environmental and social safeguards matters). The Call Center 123 and online using the APKT are the fastest means to raise a grievance to PLN. Upon receipt of complaints, they are immediately referred within a few minutes to the concerned technical unit/department which immediately dispatches Rayon to act on the complaints about distribution networks including those against construction impacts, environment, community health and safety, and resettlement issues. Normal response and resolution of a complaint is within one day.</p>

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facilitate resolution of the affected people's concerns and grievances regarding the project's environmental performance.		<p><Gap> Not all the affected households are involved in the consultation.</p>
<p>Principle 6. Disclose a draft environmental assessment (including the EMP) in a timely manner, before project appraisal, in an accessible place and in a form and language(s) understandable to affected people and other stakeholders. Disclose the final environmental assessment, and its updates if any, to affected people and other stakeholders.</p>	Yes	<p><System> Under <i>Law No. 14/2008 Regarding Public Information, Chapter 1, Article 4</i>, everyone has the right to obtain public information, attend public meetings to obtain public information, obtain copies of public information through an application, and/or disseminate public information.</p> <p><Practice> Environmental assessment is not disclosed because the environmental documents are not prepared (see the <Practices> of Principles 1 and 2 above).</p> <p><Gap> See the <Practice> above.</p>
<p>Principle 7. Implement the EMP and monitor its effectiveness. Document monitoring results, including the development and implementation of corrective actions, and disclose monitoring reports.</p>	Yes	<p><System> There is no system (policy and legal frameworks) which requires environmental monitoring of distribution lines.</p> <p><Practices> PLN <i>wilayahs</i>, being in charge of the construction and operation of distribution line, have one to two staff handling matters related to health and safety whose scope of work includes the monitoring of the compliance of the <i>PLN Decrees</i> (see the <System> of Principle 4 above). The result of the monitoring is summarized in occupational health and safety performance report and environmental performance report submitted to PLN headquarters quarterly. The environmental documents including monitoring reports are disclosed when requested by stakeholders including communities.</p> <p><Gap> There is partial equivalence with Principle 7 because PLN conducts monitoring focusing on the implementation of occupational and community health and safety procedures but limited monitoring on the environmental management. Although PLN regional offices submit to PLN headquarters occupational health and safety performance report and environmental performance report quarterly, the environmental performance report focuses on environmental impacts of power plants, substations and transmission lines, and does not cover distribution lines which have relatively small impact.</p>
<p>Principle 8. Do not implement project</p>	Yes	<p><System> GOI has ratified international regulation on biodiversity</p>

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<p>activities in areas of critical habitats, unless (i) there are no measureable adverse impacts on the critical habitat that could impair its ability to function, (ii) there is no reduction in the population of any recognized endangered or critically endangered species, and (iii) any lesser impacts are mitigated. If a project is located within a legally protected area, implement additional programs to promote and enhance the conservation aims of the protected area. In an area of natural habitats, there must be no significant conversion or degradation, unless (i) alternatives are not available, (ii) the overall benefits from the project substantially outweigh the environmental costs, and (iii) any conversion or degradation is appropriately mitigated. Use a precautionary approach to the use, development and management of renewable natural resources.</p>		<p>through <i>Law No. 05/1994 Regarding United Nation Convention Regarding Biodiversity</i> which requires the environmental assessment of proposed projects likely to have significant impacts on biological diversity with a view of avoiding or minimizing such effects.</p> <p><i>MOER No. 05/2012, Article 3</i> requires AMDAL for activities in or directly adjacent to protected areas which are listed in <i>MOER No. 05/2012, Appendix III</i> which includes areas of wildlife sanctuaries/reserves and refuge for animals.</p> <p><i>Presidential Decree No. 32/1990 Regarding Management of Protected Area, Article 37</i> stipulates that; (i) in protected areas, cultivation, which interferes with the environmental function of the protected area, is prohibited; and (ii) in nature reserves and areas of cultural heritage, cultivation, which alters the landscape, land use conditions, natural ecosystem, or environmental function of the nature reserves or cultural heritage, is prohibited. If AMDAL indicates that cultivation activities interfere with the function of protection, it should not be developed, and function as a protected area should be gradually restored.</p> <p>In case there are subprojects that would be located in or directly adjacent to protected area, the said subproject will be required under <i>MOER No. 05/2012</i> to conduct extensive AMDAL and to develop conservation programs to avoid the degradation of the environment. In case AMDAL indicates that the project interferes with the function of protection, it should not be developed.</p> <p><Practices> Majority of the areas for electrification are located in settlement areas and the distribution lines are installed along roads. Some medium voltage distribution lines pass through protected areas such as declared savannahs and production forest to provide electricity to a community.</p> <p>Some regional offices in Nusa Tenggara and Sulawesi (at least all offices interviewed during the assessment) do not prepare environmental document for distribution lines even though they are located in or directly adjacent to protected area which is a noncompliance with legislative requirements. <i>Wilayahs</i> in these areas do not have information on the location of the protected areas and KBAs which could be used for screening (see the <Practices> of Principles 1 and 2 above).</p> <p><Gap> See the <Practice> above.</p>
<p>Principle 9. Apply pollution prevention and control technologies and practices consistent with international good practices as reflected in internationally recognized standards such as the</p>	Yes	<p><System> <i>Government Regulation No. 101/2014</i> regulates the proper management of hazardous waste covering; (i) method of identifying, reducing, storing, collecting, transporting, utilizing, processing, and hoarding hazardous wastes; (ii) risk mitigation and emergency responses to address environmental pollution caused by hazardous waste. The regulation considers the wastes discharged from distribution</p>

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<p>World Bank Group's Environmental, Health and Safety Guidelines. Adopt cleaner production processes and good energy efficiency practices. Avoid pollution, or, when avoidance is not possible, minimize or control the intensity or load of pollutant emissions and discharges, including direct and indirect greenhouse gases emissions, waste generation, and release of hazardous materials from their production, transportation, handling, and storage. Avoid the use of hazardous materials subject to international bans or phase-outs. Purchase, use, and manage pesticides based on integrated pest management approaches and reduce reliance on synthetic chemical pesticides.</p>		<p>line projects including transformers and their oil as hazardous wastes which require BLHD's permit for the storage.</p> <p>Under <i>MOER No. 33/2009</i>, restoration of contaminated land consists of four activities; (i) planning, (ii) implementation (land survey following <i>Appendix I</i>, determination of sampling points following <i>Appendix II</i>, and land restoration following <i>Appendix III</i>); (iii) evaluation; and (iv) monitoring. The entity who is responsible for the land restoration prepares a plan and submit it to MOEF for approval. The implementation is monitored by MOEF, Governor or mayor depending on the location. The result of the implementation needs to be reported to MOEF which evaluates the implementation, confirms the compliance with <i>MOER No. 33/2009</i>, and issues a letter of "Contaminated Land Settlement Status". Once the letter is issued, monitoring of the contaminated land needs to be conducted at least semi-annually for one year, and the result needs to be submitted to the MOEF.</p> <p><Practices> Some <i>wilayahs</i> store hazardous waste at warehouse sites without BLHD's permission. PLN's logistic warehouse sites have accumulated large quantities of broken transformers, meters, cables, wood, steel, and other waste materials awaiting proper disposal for a long time (more than some decades in some cases). Oil spills from transformers were found in the warehouse compounds which are contaminating the soil.</p> <p>PLN specifies during procurement that transformers should be non-PCB. Based on inspection of transformers at warehouses, there are no indications on PCB-containing transformers manufactured before the 1970s. Nameplates of old transformers at the warehouses indicate mineral oil as the insulating fluid.</p> <p>PLN requires the power circuit breakers containing SF6 to meet the American National Standards Institute (ANSI) standards or International Electrotechnical Commission (IEC) standards.</p> <p><Gap> There are flaws on the implementation of environmental mitigation measures to manage industrial wastes including hazardous wastes.</p>
<p>Principle 10. Provide workers with safe and healthy working conditions and prevent accidents, injuries, and disease. Establish preventive and emergency preparedness and response measures to avoid, and where avoidance is not possible, to minimize adverse</p>	Yes	<p><System> <i>Law No. 13/2003 Regarding Manpower</i> states that every company has the obligation to practice health and safety management and to integrate them into the company management system. Implementation of health and safety system had been issued by <i>Government Regulation No. 50/2012 Regarding Practice of Health and Safety Management System</i>.</p> <p><Practices> To address the potential risks on workers' and communities'</p>

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impacts and risks to the H&S of local communities.		<p>health and safety, health and safety guideline exclusively for distribution line is in place. However, some of the interviewed households mentioned the deficiencies during construction by contractors such as lack of cover on excavated soil (2-meter deep) while waiting for the pole to be installed, thus, causing potential hazards to community. Some of the distribution poles are also located very close to houses and trees, not complying with the safety clearance requirement.</p> <p><Gap> There is gap in terms of contractor's obligation and PLN's observance of safety clearance to ensure community safety.</p>
<p>Principle 11. Conserve physical cultural resources and avoid destroying or damaging them by using field-based surveys that employ qualified and experienced experts during environmental assessment. Provide for the use of "chance find" procedures that include a pre-approved management and conservation approach for materials that may be discovered during project implementation.</p>	Yes	<p><System> <i>MOER No. 05/2012, Article 3</i> requires AMDAL for activities in or directly adjacent to protected areas which are listed in <i>MOER No. 05/2012, Appendix III</i> which includes areas of cultural heritage. The definition, criteria, procedures and mechanism for cultural heritage preservation is regulated in <i>Law No. 11/2010 Regarding Physical Cultural Resources</i>.</p> <p><Practices> Distribution lines are primarily along roads and community areas which have been disturbed by previous and existing developments. In addition, the depth of the excavation will only be 1-1.5 meters. Therefore chance finds are remote. However, in case they find physical cultural resources (mosques, temples, burial sites, historical sites, etc.), they are avoided as much as possible during identification of site locations. The village heads, religious leaders, and temple/mosque committee are consulted about locating poles near temples, mosques, sacred trees, and other important physical cultural resources.</p> <p><Gap> N/A</p>
Involuntary Resettlement^a		
<p>Principle 1. Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.</p>	Yes	<p><Practices> The potential IR impact of the program activities is limited to (i) use of no more than 0.2 m² of land for installation of utility poles; (ii) possible removal of non-land assets (primarily trees) located within 2.5 m of the conductors (within the 7 m wide ROW in the case of trees) during their stringing; and (iii) use of about 4.5 m² of land for installation of pole-mounted transformers (see para.8 of PSSA).</p> <p><Gap> N/A</p>
<p>Principle 2. Carry out meaningful consultations with affected persons, host communities, and</p>	Yes	<p><Practices> Consultation (socialization) and coordination with the village heads are conducted by PLN and contractors prior to civil works in close coordination with relevant local government</p>

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<p>concerned nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.</p>		<p>agencies because the distribution line are generally constructed along the public roads.</p> <p>The APs complaint are brought to PLN through (a) <i>Call Center 123</i>; (b) online by using APKT; and (c) front line (see the <Practices> of Environmental Principle 5 above).</p> <p><Gap></p> <p>Affected households are sometimes not informed about the pole location and would become aware of the distribution line project only when the contractor arrives to install the pole.</p>
<p>Principle 3. Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt</p>	No	<p><Not Triggered></p> <p>The impact is minimal (see the <Practices> of Principle 1 above). Deterioration of APs' livelihoods is not foreseen.</p>

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compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.		
Principle 4. Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.	No	<Not Triggered> There is no relocation (see the <Practices> of Principle 1 above).
Principle 5. Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.	No	<Not Triggered> (see the <Practices> of Principle 3 above)
Principle 6. Develop procedures in a transparent, consistent,	Yes	<Practices> The impact of the program activities is not likely to affect the income and livelihood status of the APs (see the <Practices>

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and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.		of Principle 1 above). <Gap> N/A
Principle 7. Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of nonland assets.	Yes	<Practices> APs who can demonstrate that the non-land assets belong to them are deemed as the owners of the assets regardless of the titles to land or any recognizable legal rights to land. <Gap> N/A
Principle 8. Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.	No	<Not Triggered> No resettlement plan is prepared. (Voluntary donation is applied.)
Principle 9. Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.	No	
Principle 10. Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider	Yes	<Practices> IR procedures are part of development projects. The impact is minimal (see the <Practices> of Principle 1 above) and significant involuntary resettlement impacts are not foreseen. <Gap> N/A

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implementing the involuntary resettlement component of the project as a stand-alone operation.		
Principle 11. Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.	Yes	<p><Practices> Voluntary donation is applied, and no compensation or resettlement entitlements are provided. However, agreement on land use and cutting trees, if required, is obtained before the commencement of civil works.</p> <p><Gap> N/A</p>
Principle 12. Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.	Yes	<p><Practices> Coordination and consultation for use of land and affected trees/crops are handled by contractors during the construction stage. Contractors will collaborate with PLN on this matter only when they cannot settle cases with affected persons. The process is neither documented nor monitored by any party including PLN and contractors. Although the contractors submit official documents to PLN when they finish the contracted work, the documents are not required to cover the process.</p> <p><Gap> Monitoring is not conducted.</p>
Indigenous Peoples		
Principle 1. Screen early on to determine (i) whether Indigenous Peoples are present in, or have collective attachment to, the project area; and (ii) whether project impacts on Indigenous Peoples are likely.	Yes	<p><System> There is no system which requires the screening of distribution line projects in terms of the existence of or impact on Indigenous Peoples.</p> <p><Practices> PLN does not screen distribution line projects in terms of the existence of or impact on Indigenous Peoples.</p> <p><Gap> See the <Practice> above.</p>
Principle 2. Undertake a culturally appropriate and gender-sensitive social impact assessment or use similar methods to assess potential project impacts, both positive and adverse, on Indigenous Peoples. Give full consideration to options the affected Indigenous Peoples prefer in relation to the provision of project benefits and the	Yes	<p><System> <i>MOER No. 05/2012</i> requires AMDAL in case distribution lines are located in or directly adjacent to protected areas (see the <System> of Environmental Principles 1 and 2 above). Under a <i>Government Regulation No. 27/2012 Regarding Environmental Permit</i>, AMDAL requires the assessment of environmental and social impact which may include the impact on indigenous peoples or customary communities.</p> <p><Practices> The main purpose of distribution line projects' assessment is to identify the potential customers based on the community's</p>

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<p>design of mitigation measures. Identify social and economic benefits for affected Indigenous Peoples that are culturally appropriate and gender and intergenerationally inclusive and develop measures to avoid, minimize, and/or mitigate adverse impacts on Indigenous Peoples.</p>		<p>access to electricity, demand for electricity, and economic condition. The poor customers are connected to electricity free of charge. However, in general, Indigenous Peoples have limited access to electricity because most of them live in remote areas and not invited to the consultation on the development plan including electricity access projects.</p> <p>During identification of site locations, sacred physical cultural resources (mosques, temples, burial sites, historical sites, etc.) are avoided. The religious leaders, village heads, and temple/mosque committee are consulted about locating poles near temples, mosques, sacred trees, and other important sacred physical cultural resources (see the <Practice> of Environmental Principle 11 above).</p> <p><Gap> Assessment of potential project impacts on Indigenous Peoples is not conducted, though PLN respects and takes into consideration the options the affected Indigenous Peoples prefer in relation to the provision of project benefits and the design of mitigation measures.</p>
<p>Principle 3. Undertake meaningful consultations with affected Indigenous Peoples communities and concerned Indigenous Peoples organizations to solicit their participation (i) in designing, implementing, and monitoring measures to avoid adverse impacts or, when avoidance is not possible, to minimize, mitigate, or compensate for such effects; and (ii) in tailoring project benefits for affected Indigenous Peoples communities in a culturally appropriate manner. To enhance Indigenous Peoples' active participation, projects affecting them will provide for culturally appropriate and gender inclusive capacity development. Establish a culturally appropriate and gender inclusive grievance mechanism to receive and facilitate resolution of the Indigenous Peoples' concerns.</p>	Yes	<p><System> <i>Law No. 41/1999 Regarding Forestry</i> requires: (i) communities to participate in the development in the field of forestry; and (ii) the Government to encourage the participation of the community through various activities in forestry.</p> <p><Practices> Consultation (socialization) and coordination with the village heads are conducted by PLN and contractors prior to civil works. The APs complaint are brought to PLN through (a) <i>Call Center 123</i>; (b) online by using APKT; and (c) front line (see the <Practices> of Environmental Principle 5 above).</p> <p><Gap> Consultation is conducted primarily through the village heads, and the affected Indigenous Peoples may not be fully involved in the decision-making, especially if they live in remote areas.</p>

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<p>Principle 4. Ascertain the consent of affected Indigenous Peoples communities to the following project activities: (i) commercial development of the cultural resources and knowledge of Indigenous Peoples; (ii) physical displacement from traditional or customary lands; and (iii) commercial development of natural resources within customary lands under use that would impact the livelihoods or the cultural, ceremonial, or spiritual uses that define the identity and community of Indigenous Peoples. For the purposes of policy application, the consent of affected Indigenous Peoples communities refers to a collective expression by the affected Indigenous Peoples communities, through individuals and/or their recognized representatives, of broad community support for such project activities. Broad community support may exist even if some individuals or groups object to the project activities.</p>	No	<p><Not Triggered> Distribution line projects do not involve: (i) commercial development of the cultural resources and knowledge of Indigenous Peoples; (ii) physical displacement from traditional or customary lands; and (iii) commercial development of natural resources within customary lands under use that would impact the livelihoods or the cultural, ceremonial, or spiritual uses that define the identity and community of Indigenous Peoples.</p>
<p>Principle 5. Avoid, to the maximum extent possible, any restricted access to and physical displacement from protected areas and natural resources. Where avoidance is not possible, ensure that the affected Indigenous Peoples communities participate in the design, implementation, and monitoring and evaluation</p>	No	<p><Not Triggered> Distribution line projects do not involve restricted access to and physical displacement from protected areas and natural resources.</p>

Principles	Triggered Yes / No	Current system (policy and legal frameworks) / practices and gap between them and the ADB SPS
of management arrangements for such areas and natural resources and that their benefits are equitably shared.		
<p>Principle 6. Prepare an Indigenous Peoples plan (IPP) that is based on the social impact assessment with the assistance of qualified and experienced experts and that draw on indigenous knowledge and participation by the affected Indigenous Peoples communities. The IPP includes a framework for continued consultation with the affected Indigenous Peoples communities during project implementation; specifies measures to ensure that Indigenous Peoples receive culturally appropriate benefits; identifies measures to avoid, minimize, mitigate, or compensate for any adverse project impacts; and includes culturally appropriate grievance procedures, monitoring and evaluation arrangements, and a budget and time-bound actions for implementing the planned measures.</p>	Yes	<p><System> There is no system which requires the preparation of IPP for distribution projects.</p> <p><Practices> Although PLN has been ensuring that Indigenous Peoples receive culturally appropriate benefits and implementing culturally appropriate grievance procedures, no IPP is prepared for distribution projects.</p> <p><Gap> See the <Practice> above.</p>
<p>Principle 7. Disclose a draft IPP, including documentation of the consultation process and the results of the social impact assessment in a timely manner, before project appraisal, in an accessible place and in a form and language(s) understandable to affected Indigenous Peoples communities and other stakeholders. The final IPP</p>	Yes	

Principles	Triggered Yes / No	Current system (policy and legal frameworks) / practices and gap between them and the ADB SPS
and its updates will also be disclosed to the affected Indigenous Peoples communities and other stakeholders.		
Principle 8. Prepare an action plan for legal recognition of customary rights to lands and territories or ancestral domains when the project involves (i) activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples have traditionally owned or customarily used or occupied, or (ii) involuntary acquisition of such lands.	No	<Not Triggered> Distribution line projects do not involve (i) activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples have traditionally owned or customarily used or occupied, or (ii) involuntary acquisition of such lands.
Principle 9. Monitor implementation of the IPP using qualified and experienced experts; adopt a participatory monitoring approach, wherever possible; and assess whether the IPP's objective and desired outcome have been achieved, taking into account the baseline conditions and the results of IPP monitoring. Disclose monitoring reports.	Yes	<System> There is no system which requires IPP for distribution projects (see the <System> of Principles 6 and 7 above.). <Practices> PLN monitors the project progress and number of customers, but not the project impacts on affected Indigenous Peoples. <Gap> See the <Practice> above.

AMDAL = Analisis Mengenai Dampak Lingkungan (environmental impact assessment), AP = affected person, APKT = Aplikasi Penyelesaian Keluhan Terpadu (integrated complaint solving application), BLHD = Badan Lingkungan Hidup Daerah (provincial/district Environment Agency), EMP = environmental management plan, GOI = Government of Indonesia, MOEF = Ministry of Environment and Forestry, MOER = Ministry of Environment Regulation, PLN = Perusahaan Listrik Negara (State Electricity Corporation), wilayah = regional office.

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

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

Table 2: Safeguards Program Actions

Proposed Action	Indicator / Target	Responsible Agencies	Timeframe	Budget Resource
General				
1. <u>Issue a technical guidance</u> (including the guidance on safeguards screening ^a) on the implementation of safeguard program actions	Technical guidance (including the guidance on safeguards screening to exclude all activities that would be classified environment category A under SPS) issued to General Managers of PLN Wilayah	Div K3L	Prior to the first annual disbursement	PLN Head Office (as required)
2. <u>Strengthen meaningful consultation</u> ^b with affected peoples and IPs	(i) A guidance on meaningful consultation issued in collaboration with Div PR SNT and Div Cooperate Communication (The guidance will ensure the participation of IPs in tailoring project benefits for affected IPs communities in a culturally appropriate manner.) with reference to MOER No.17/2012	Div K3L	Prior to the first annual disbursement	Div K3L
	(ii) Process and result of the consultations documented	PLN Wilayahs	2017 onwards	PLN Wilayahs
Environmental Safeguards				
3. <u>Ensure the application of environmental assessment and management</u> to the construction of distribution lines	(i) Environmental document (UKL/UPL or SPPL) prepared for the construction of distribution lines and submitted to (and in case of UKL/UPL, approved by) BLHD before commencement of any construction work	PLN Wilayah	2017 onwards	PLN Wilayah
	(ii) Environmental mitigation measures specified in the environmental document included in the contract document before the award of contract	PLN Wilayah	2017 onwards	PLN Wilayah
	(iii) Implementation of the mitigation measures monitored	PLN Wilayah	2017 onwards	PLN Wilayah
	(iv) In case non-compliance of the proposed mitigation measures are identified, corrective actions shall be proposed and implemented	PLN Wilayah		
4. <u>Improve the management of waste and asset</u> at warehouse site	(i) Inventory of used equipment for disposal as of end-2016 prepared	PLN Wilayah Div AKT	by Dec 2017	PLN Wilayah Div AKT
	(ii) Inventory of used equipment for disposal as of end-year (2017 onwards) prepared	PLN Wilayah Div AKT	Every 1st quarter starting from 2018 onwards	PLN Wilayah Div AKT
	(iii) Disposal inventory (end-2016) approved by Board of Commerce (for equipment which are less than 5 years) and MSOE (for equipment which are more than 5 years)	Div AKT	by Dec 2018	Div AKT

Proposed Action	Indicator / Target	Responsible Agencies	Timeframe	Budget Resource
	(iv) PLN Guidance for Asset Management (1998) revised to accelerate disposal of hazardous waste including requirement to prepare and submit annual disposal inventory from end-2017 onwards	Div AKT Div K3L	By Dec 2017	Div AKT Div K3L
	(v) Waste/asset Management Improvement Plan (including timeframe, budget, human resource) prepared in consultation with Div AKT and Div 3KL and approved by Div PR SNT	PLN Wilayah PLN Area Div PR SNT	by Dec 2017	PLN Wilayah PLN Area
	(vi) Existing oil spills cleaned up in accordance with relevant regulations (including MOER No.33/2009 and Government Regulation No. 101/2014) with excavated hazardous waste material disposal at appropriately licensed hazardous waste disposal facilities with records of all transfer notes retained	PLN Wilayah PLN Area	by Dec 2018	PLN Wilayah PLN Area
	(vii) Warehouse sites (with hazardous wastes) equipped with oil containment/protection measures	PLN Wilayah PLN Area	by Dec 2020	PLN Wilayah PLN Area
	(viii) Waste/asset Management Improvement Plan implemented	PLN Wilayah PLN Area	by Dec 2021	PLN Wilayah PLN Area
5. <u>Enhance management of community health and safety risks along distribution lines (including transformers) under operation</u>	(i) Awareness building (for prevention of tall vegetation along the distribution lines and prevention of public contact with potentially dangerous electrical equipment) conducted for communities	PLN Wilayah (Public Relation Division)	2017 onwards	PLN Wilayah
	(ii) Performance of tree trimming by the distribution line maintenance contractors monitored	PLN Wilayah	2017 onwards	PLN Wilayah
	(iii) Outbreak due to tree disturbance reduced (baseline data collected in 2016)	PLN Wilayah	2017 onwards	PLN Wilayah
	(iv) Safety notice posted on newly installed distribution transformers	PLN Wilayah (through contractors)	2017 onwards	PLN Wilayah
Social Safeguards (Involuntary Resettlement and Indigenous Peoples)				
6. <u>Obtain written agreement from the land owners for the use of land for distribution transformers</u>	Written agreement obtained following Buku 4, and documented	PLN Wilayah	2017 onwards	PLN Wilayah
7. <u>Monitor the resettlement outcomes and their impacts on the living standards of</u>	(i) The monitoring result documented	PLN Wilayah	2017 onwards	PLN Wilayah
	(ii) In case income and livelihood status are affected, corresponding measures shall be formulated and	PLN Wilayah	2017 onwards	PLN Wilayah

Proposed Action	Indicator / Target	Responsible Agencies	Timeframe	Budget Resource
displaced persons through reviewing complaints received, and take necessary actions if the impacts are found to affect the income and livelihood status of the affected persons.	implemented			
Capacity Building				
8. <u>Appoint focal persons</u> to implement environmental and social safeguard activities	Safeguards focal persons (who have attended PLN's internal safeguards training) appointed at each Wilayah (for environment and social safeguards respectively) and each Area	PLN Wilayah PLN Area	Prior to the first annual disbursement	PLN Wilayah PLN Area PLN Rayon
9. <u>Build capacity</u> on environmental and social safeguards focusing on the safeguard program actions.	Regular Meeting (including refresher trainings) held convening relevant staff in PLN (headquarters, Wilayah, Area) including all focal persons, contractors and key local government counterparts, for smooth and timely implementation of the safeguard program actions	Div K3L	2017 onwards (at least once a year)	Div K3L Div Talenta
Monitoring				
10. <u>Monitor and ensure the implementation of the safeguard program actions</u>	(i) Implementation of the program action 4 monitored, documented and reported to PLN Wilayah regularly (at least semi-annually), with records (transfer notes) of hazardous waste's disposal at appropriately licensed facilities	PLN Area (focal persons)	from 2017 onwards	PLN Area
	(ii) Implementation of the program actions; 2, 3, 4, 5, 6 and 7 monitored, documented and reported to Div PR SNT, Div PPT, and Div K3L regularly (at least semi-annually), with records (transfer notes) of hazardous waste's disposal at appropriately licensed facilities	PLN Wilayah (focal persons)	from 2017 onwards	PLN Wilayah
	(iii) The list of distribution line projects (with the village names and the length of distribution lines) with the result of safeguards screening documented and submitted to Div PR SNT and Div K3L annually	PLN Wilayah	from 2017 onwards	PLN Wilayah

AMDAL = Analisis Mengenai Dampak Lingkungan (environmental impact assessment), BLHD = Badan Lingkungan Hidup Daerah (provincial/district Environment Agency), Div AKT = Accounting Division, Div K3L = Health, Safety and Environment Division, Div PPT = Permit and Land Division, Div PR SNT = Sulawesi Nusatenggara Regional Development Division, Div Talenta = Budget and Human Resources Division, IP = Indigenous Peoples, MOER = the Ministry of Environment Regulations, MSOE = Ministry of State-Owned Enterprise, PLN = Perusahaan Listrik Negara (State Electricity Corporation), SPPL = Surat

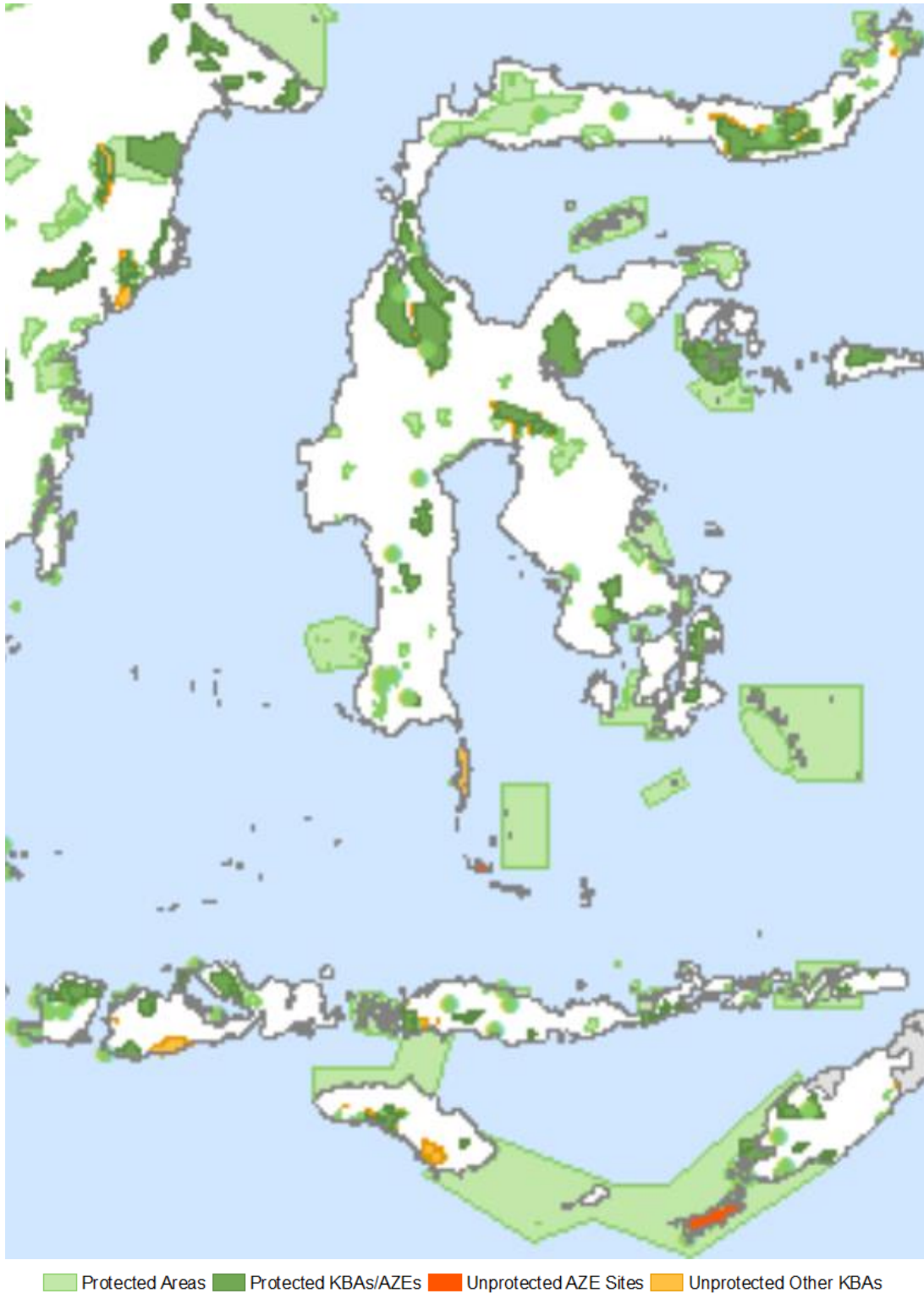
Pernyataan Kesanggupan Pengelolaan dan Pemantauan Lingkungan Hidup (letter of commitment for the environmental management plan and environmental monitoring plan), UKL/UPL = *Upaya Pengelolaan Lingkungan Hidup / Upaya Pemantauan Lingkungan Hidup* (environmental management efforts and environment monitoring efforts), *Wilayah* = regional office.

^a Results-based lending for programs will exclude activities that would be classified category A in the Safeguard Policy Statement (para. **Error! Reference source not found.** of PSSA). Considering the anticipated scope and magnitude of impacts associated with activity of constructing distribution line, any such activities located in or directly adjacent to protected areas which are listed in MOER No. 05/2012, Appendix 3 or unprotected key biodiversity areas would be classified as category A. PLN Wilayah will identify (i) the projects in protected areas (designated by the Government of Indonesia) and key biodiversity areas in consultation with spatial planning office of BAPPEDA and forestry agencies and with reference to protected areas or key biodiversity areas' village list provided by ADB, and (ii) the projects in Indigenous Peoples communities making use of the indigenous peoples communities' village list provided by ADB. Prior to commencing any construction or rehabilitation works under the program, PLN Wilayah will conduct the screening. ADB will check the result of the screening to confirm that the RBL funding is not used for activities that would be classified category A in the Safeguard Policy Statement.

^b Meaningful Consultation is a process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues.

Sources: ADB; PLN.

Figure 1: Map of Protected Areas and Key Biodiversity Areas in Sulawesi and Nusa Tenggara



KBA: Key Biodiversity Area, AZE: Alliance for Zero Extinction

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