



**RESETTLEMENT PLANNING FRAMEWORK
(RPF) AND PROCESS FRAMEWORK (PF)**

**MINISTRY OF ENVIRONMENT AND
FORESTRY**

EAST KALIMANTAN PROVINCE

REPUBLIC OF INDONESIA

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LIST OF ACRONYMS

APBN	<i>Anggaran Pendapatan dan Belanja Negara</i> or National Budget
BAPPEDA	<i>Badan Perencanaan Pembangunan Daerah</i> or Regional Planning Agency
BLU	<i>Badan Layanan Umum</i> or Public Service Agency
BPD LH	<i>Badan Pengelolaan Dana Lingkungan Hidup</i> or Environmental Fund Management Agency
COP	Convention on the Parties
DDPI	<i>Dewan Daerah Perubahan Iklim</i> or Regional Council on Climate Change
DGCC	Director General for Climate Change
DLH	<i>Dinas Lingkungan Hidup</i> or Environmental Agency
ERPA	Emission Reduction Plan Agreement
ERPD	Emission Reduction Plan Development
ESMF	Environmental and Social Management Framework
FCPF-CF	Forest Carbon Partnership Facility – Carbon Fund
FGRM	Feedback and Grievance Redress Mechanism
FREL	Forest reference emission levels
GHG	Green House Gases
IPs	Indigenous Peoples
IPPF	Indigenous Peoples Planning Framework
MoEF	Ministry of Environmental and Forestry
NGOs	Non-Government Organizations
OP	Operational Policies
OPD	Organisasi Perangkat Daerah / Provincial Government Services
P3SEKPI	<i>Pusat Penelitian dan Pengembangan Sosial Ekonomi Kebijakan dan Perubahan Iklim</i> or Development and Innovation Agency, Centre for Socio-Economics, Policy and Climate Change
PIU	Project Implementing Unit
PoA	Plans of Action
RAP	Resettlement Action Plan
REDD	Reducing Emissions from Deforestation and Forest Degradation

1.0 INTRODUCTION

1.1 BACKGROUND

The Forest Carbon Partnership Facility (FCPF)¹ has provided the Government of Indonesia (GOI) with a grant to support the preparation of REDD+ (Reducing Emissions from Deforestation and Forest Degradation) implementation. The grant, together with other funding sources, is used to improve Indonesia's readiness in implementing REDD+ activities. In January 2017, Indonesia's Readiness Package was submitted and endorsed by the FCPF Participants Committee².

The Emission Reduction Program (hereafter ERP) will advance the implementation of REDD+ at the national level, and thus contribute to the achievement of nationally and internationally significant emissions reductions. This Program is also expected to assist Indonesia in achieving its climate resilience targets and international commitments.

The ERP aims to reduce deforestation and forest degradation in an area that covers the entire 12.7 million hectares (ha) that comprise the Province of East Kalimantan. Around half of that area is covered by tropical forests, which are home to a wealth of globally significant biodiversity and support numerous Indigenous and other local communities. More than 10% of East Kalimantan's remaining forest was lost over the past decade, and this was mainly caused by the expansion of palm oil plantations, timber plantations, and mining, as well as by other drivers. Besides loss of habitat and other key ecosystem services, deforestation and degradation have led to emissions of CO₂ averaging 29 million MT per year.

The ERP will address deforestation by addressing underlying governance issues through policy reforms, by engaging with palm oil and forestry companies, and by engaging with local communities. The ERP is expected to lead to emission reductions of (gross) 34.9 million MT CO₂e over the five-year ERPA period (2020–2024). Around half of this is expected to come from reduced deforestation within areas allocated to estate crops.

Reducing Emissions from Deforestation and Forest Degradation (REDD+) is a low carbon development incentive mechanism which is expected to address social issues and environmental sustainability. REDD+ implementation requires a robust safeguard mechanism to avoid, and if not feasible, minimize and compensate negative impacts arising from its implementation. Implementing a Safeguards Framework in REDD+ represents a global agreement produced through the Conference of the Parties (COP) during the Climate Change Convention in 2010.

Safeguards encompasses various relevant aspects of the management of environmental and social risks under the Program. The concept of safeguarding REDD + covers a variety of issues, including the transparency of national and sub-national forest management, inclusive participation of various parties, including vulnerable groups, respect for the knowledge and rights of Indigenous Peoples and local communities, conservation of biodiversity and natural forests, emission displacement and reversals, and equitable benefit sharing.

¹ The FCPF was created in 2008 as a multi-lateral initiative managed by the World Bank to promote REDD+ readiness in partner countries and to pilot an incentive mechanism that would leverage results-based payments for REDD+ at scale (having pioneered such carbon finance at the project level for more than 10 years).

² The following document shows Indonesia's overall progress toward readiness for REDD+ <https://www.forestcarbonpartnership.org/sites/fcp/files/2017/Sep/FCPF%20Indonesia%20R%20Package%20-%20Final%20revised%20July%2028%20version.pdf>.

Although ERP does not have risks and impacts related to livelihoods displacement and access restrictions to land and forest for the community, mainly indigenous peoples, RPF and PF document are prepared in terms of prudence during implementing the program.

To strengthen the management of risks and impacts related to livelihoods displacement and access restrictions, which might be caused by inaccuracies of identification in natural resources management improvement process, a Resettlement Planning Framework (RPF) has been prepared as a precautionary measure in the event that resettlement risks are envisaged. The RPF also includes a Process Framework (PF) to address access restriction risks for forest dependent communities, including Indigenous Peoples, as a result of ERP implementation.

The RPF and PF were developed through a participatory process involving various stakeholders in East Kalimantan including national and local government, university, and NGOs. The main concerns of the consultation are: (1) all the safeguards documents have to show consistency with Emission Reduction Program Development (ERPD) document; (2) the potential environment and social impacts that may be caused by the project must be clearly identified through a reliable assessment and mitigated. Such impact management must comply with Indonesian Regulation and World Bank Safeguards; (3) the Feedback and Grievance Redress Mechanism (FGRM) and Indigenous Peoples Planning Framework (IPPF) documents need to accommodate local traditional mechanisms in addition to Indonesian Regulations and World Bank Safeguards. Further consultations regarding RPF and PF will remain an iterative process to ensure broader and inclusive participation of sub-national stakeholders, including community representatives, and their views can be accommodated in the development of safeguards measures under the Program.

1.2 DESCRIPTION OF ERP

The ER program will support a combination of enabling conditions and promotion of sustainable management practices that will directly address the underlying drivers of emissions resulting from sectoral activities including, timber plantations, estate crops, subsistence agriculture, aquaculture, unsustainable logging practices and infrastructure development. The program design considers the distribution of remaining forests, the threats to those forests, and the key stakeholders involved in the respective areas.

The activities under ER Program are grouped into five components. Components 1 and 2 address the two cross-cutting governance issues that were identified in the drivers of deforestation analysis: weak land governance and weak forest supervision and administration. These issues underlie much of the deforestation associated with each of the eight proximate drivers. The component builds on the significant ongoing reforms taking place at the national level and within East Kalimantan. The proposed governance improvements are essential for achieving long-lasting impacts and form an important part of the strategy for managing risks of reversal and for producing equitable outcomes and non-carbon benefits. This component will also contribute to improving the incentives framework for sustainable investment by creating a more level playing field.

Component 1 directly addresses issues related to overlapping licenses and to conflict. Component 2 strengthens the capacity of the government to protect remaining forests. Within the State Forest Area, this will be achieved by strengthening the capacity of forest management institutions to oversee the State Forest Area. On land outside of the State Forest, the Program will strengthen the role of villages in implementing sustainable development and the role of government agencies in the administration of estate crops

Component 3 is concerned with the management practices of oil palm and forestry companies. The ER Program will work with key actors to support them in adopting and implementing sustainability approaches, centered around the recently developed HCV and SFM policies. In addition, the component includes activities for addressing the underlying drivers of fire through technical assistance to companies for fire prevention and support for Community Based Fire Management and Monitoring Systems (CBFMMS).

Component 4 addresses deforestation linked to encroachment and agriculture mainly by providing alternative livelihood opportunities. The component will support the government's social forestry programs, as well as partnerships around conservation areas. The component will seek to provide sustainable livelihood opportunities to local communities, including through village development programs, thereby addressing a key driver of encroachment.

Component 5 includes all activities related to program management, including monitoring and evaluation. Annex 4.1. describe result chains of project development objectives and Annex 4.2. provides an overall summary of the key activities and indicators for the implementation of Components 1 to 4.

1.3 PURPOSE OF THE FRAMEWORKS

This document contains two key frameworks, the Resettlement Planning Framework (RPF) and the Process Framework (PF), which have been developed to strengthen the current safeguards measures for the ERP. The RPF and PF serve as a precautionary measure to address risks associated with resettlement and/or access restrictions following the implementation of the ER Program. These frameworks have been developed to address the key requirements under the World Bank's Operational Policies (OPs) 4.12 on Involuntary Resettlement and OP 4.10 on Indigenous Peoples, for specific impacts that affect Indigenous peoples. Each of these frameworks is further elaborated in the following sections.

The RPF and PF document is part of the Safeguards and will be cross-referenced with other following safeguards documents:

- Strategic Environmental and Social Assessment (SESA);
- Environmental and Social Management Framework (ESMF);
- Indigenous People Planning Framework (IPPF); and
- Framework of Grievance Redress Mechanism (FGRM).

1.3.1 Resettlement Planning Framework (RPF):

The RPF requires that if involuntary resettlement risks are envisaged or expected to occur during the ERP implementation, each Program-affected person (hereafter called PAPs) will be consulted, compensated for replacement costs and assisted with restoration measures to help them improve or at least maintain the living conditions and capacity to earn income that they had before the Program. The Provincial Secretary (SEKDA) and/or Provincial Forestry Service under oversight from MoEF (DGCC) will need to make sure that Resettlement Action Plans (RAPs) for sub-projects and/or interventions will be prepared by agencies/governments responsible for implementing sub-projects and/or interventions in question based on the guidance provided in this document to ensure full compliance with OP 4.12. Specific provisions to address policy requirements under OP 4.10 on Indigenous Peoples will need to be incorporated into resettlement planning in the event Indigenous Peoples will be affected.

These RAPs shall refer to the Presidential Regulation (Perpres) no. 88/2017 regarding Resolution of Land claim in forest area. This will require clearance from Head of Forestry Agency representing inventory and verification team for resolving forest land claim. In Non-State Forest Area (Area Penggunaan Lain/APL), the RAP will require clearance from the head of SEKDA (representing committee for land acquisition whenever applicable) to ensure that proper compensation is issued.

1.3.2 Process Framework (PF)

The purpose of the PF is to establish a process by which communities potentially affected by restrictions on land and natural resources for conservation and protection purposes can engage in informed and meaningful consultations and negotiations to identify and implement means to mitigate impacts of access restrictions. This PF will be strongly tied to the ongoing Gol's program on Social Forestry and the broader Agrarian Reform Program, which are expected to benefit landless poor communities within and/or surrounded by forest areas.

The PF is linked to the Indigenous Peoples Planning Framework (IPPF - Annex 8 of ESMF document), that has been prepared as part of the ESMF to address access risks that may affect Indigenous Peoples and enable their participation in the development of mitigation measures through free, prior, and informed consent processes. In addition, relevant provisions of benefit sharing arrangements should be made through the ERP's Benefit Sharing Mechanism to compensate for such potential access restriction impacts.

Just as specific RAPs are required before the implementation of any project entailing resettlement, so are Bank-approved Plans of Action (PoA) or targeted Community Development Plan required at the implementation stage of each Program activity, before enforcing the envisaged restriction of access. These PoA/Community Development Plans must set out the specific measures to assist people deprived of access to the natural resources within parks and protected areas and restrictions on land uses, as well as implementation arrangements.

The basic premise of both the RPF and PF is to ensure that any risks which may lead to resettlement and/or access restrictions with potential impacts on livelihoods displacement against forest-dependent communities, including Indigenous Peoples in the ERP accounting areas can be identified as early as possible to enable risk and impact avoidance and, if not feasible, minimization and compensation measures as set out in this document.

The RPF and PF are prepared based on the results of:

- Emission Reduction Program Document (ERPD);
- Strategic Environmental and Social Assessment (SESA);
- Government of Indonesia (Gol) and World Bank safeguard policy on Involuntary Resettlement OP 4.12;
- Consultations with relevant stakeholders, involving DDPI, Forestry Agency and Provincial Secretary (SEKDA), UNMUL, and NGO's.³

³ Under discussion, and no specific agencies have been designated in this process.

A social assessment has been carried out during the ERP preparation through the Strategic Environmental and Social Assessment (SESA). Key risks relevant to these frameworks are presented in Chapter 2 on Risk Assessment pertaining to OP 4.12.

The ERP will be implemented on a programmatic basis, and therefore the exact locations, nature of risks and impacts, and scale will not be known until specific activities under each ERP components and sub-components have been decided during the ERP implementation. Therefore, a framework approach has been adopted and specific action plans (i.e., Resettlement Action Plans, or Process Action Plans) cannot be developed during the ERP preparation. The RPF and PF outline the principles and objectives, eligibility criteria of displaced persons, mode of compensation and livelihoods restoration and potential risk mitigation measures. These frameworks outline the planning and documentation requirements for sub-projects and/or interventions under the Program.

Free, Prior and Informed Consent (FPIC – refer to the Indigenous Peoples Planning Framework in Appendix 8) will be sought amongst participating communities prior to implementation of activities which lead to involuntary resettlement and restrictions of access and land uses. Consultations at village level include topics such as village land-use planning, and legal basis for local communities and Indigenous Peoples with regards to the Program's implications to their access to forests and land uses.

One of the key approaches in managing risks considered under OP 4.12 is social forestry mechanisms (e.g. Village Forest), which enable communities to have continued and legally sanctioned access to forest lands.

The Process Framework identifies the following typology of risks related to access restrictions and restrictions of land uses:

- Access and land use restrictions in the plantation sector. Several villages are located within state production forest area (*Kawasan Budidaya Kehutanan* – KBK). While resettlement is not required, restrictions on types of utilization on forestry and non-forestry commodities (such as rubber, fish), accompanied with law enforcement may have implications on existing livelihoods sources. Estate crops such as oil palm are prohibited in these areas and such restrictions may disadvantage small-holder farmers who utilize forest lands for such purposes;
- Access restrictions in plantation and mining concession areas. Management of concessioned lands may have implication on existing informal land uses and occupation. These concession areas are commonly guarded by law enforcement personnel (hired by the company/concession holders). Management of concession areas and further law enforcement measures may lead to a varying degree limit access for local communities to areas they occupy and/or utilize for livelihoods; and
- Access restrictions in forest conservation areas. Establishment of conservation areas may limit communities' access to these areas and hence may have implications on their livelihoods, religious, and/or cultural activities.

Each of the above risks will need to be assessed in light of their probability, nature, and severity. The PF in Section 5.1 will further outline key processes and required management measures to address such risks.

1.4 SCOPE

OP 4.12 acknowledges two key possible scenarios under the ERP, including:

- Resettlement of forest-dependent communities due to occupation and/or encroachments in key conservation areas. This probability of such case is considerably little since amicable settlements of forest tenure are being sought by Gol under the social forestry scheme and
- Access restrictions to natural reserves and/or other protected areas, and access restriction caused by land tenure dispute/ conflict and dispute/ conflict with Plantation Company (palm oil, rubber, etc.), mining, and fish farmers.

ER projects may utilize communal and customary land, the arrangement for this will be determined by the village government and/or through customary meeting attended by all customary members. In a case that voluntary land donation is sought for, procedure is provided in **Appendix A.5**.

Key policy requirements under OP 4.10 also prevail in the event that the above risks are envisaged to potentially affect Indigenous Peoples. An IPPF has been prepared for this purpose and can be found in Annex 9 of the ESMF.

It is also possible that the ERP may exacerbate existing disputes and conflicts over natural resources and land rights. In this case inclusive community participation and dispute mediation should be established during the ERP implementation. Such risks have been considered under OP 4.01 through the SESA process and shall be addressed as part of the project design, especially under **Component 1.2 on Dispute Settlement**.

The scope of each framework is described as follows:

Resettlement Planning Framework: the RPF covers direct economic and social impacts that are caused by sub-projects and/or investments under the ERP, particularly associated with involuntary resettlement of forest dependent communities or communities without recognizable legal claims to the forest lands being occupied. Such risks are considerably little. The Gol commits to ensuring amicable conflict resolution and seeks tenure conflict resolution through social forest schemes to enable forest dependent communities to access forest lands. There may be some residual risks following tenure dispute settlements, which may renounce one's claims over state lands.

The RPF applies to all sub-projects and/or interventions under the ERP that result in involuntary resettlement, regardless of the source of financing. The framework also applies to other activities resulting in involuntary resettlement that are assessed to be:

- Directly and significantly related to the ERP;
- Necessary to achieve ERP's objectives as stated in the ERPD; and
- Carried out, or planned to be carried out, contemporaneously with the ERP.

Process Framework: the PF requires that if the ERP involves involuntary restriction of access to natural reserves, protection areas and land uses. The nature of restrictions as well as the type of measures necessary to mitigate adverse impacts, must be determined with participation of the displaced persons during the design and implementation of the Program. The RPF describes the participatory process by which:

- Specific components and/or activities will be prepared and implemented;
- The criteria for eligibility of displaced and/or affected persons will be determined;
- Measures to assist the displaced persons in their efforts to improve their livelihoods, or at least to restore them, in real terms, while maintaining the sustainability of the interventions, will be identified; and
- Potential conflicts involving displaced/affected persons will be resolved.
- Potential displacement of similar impact to the displaced/affected persons in new destined area is avoided

Both the RPF and PF outline the arrangements for implementing and monitoring the implementation of necessary action plans considered under these frameworks.

To achieve the objectives of OP 4.12, particular attention should be paid to the needs of vulnerable groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, Indigenous Peoples, ethnic minorities or other displaced persons who may not be protected through national land compensation legislations.

There is a potential need for small-scale physical activities, such as nursery, or post-harvest processing facility for NTFPs, implementation of such activities will be prioritized in communal lands owned by owned villages and customary group. Such land use arrangements will be implemented through the following mechanisms:

1.5 CATEGORIZATION OF PROGRAM-AFFECTED PEOPLE (PAPS)

PAPs include all categories of people who may be affected by involuntary relocation and access restrictions as a result of implementation of activities under the ERP. The categories of PAPs include individuals, households, groups and communities that hold land ownership certificates and other recognized legal titles to the land affected by the Program, as well as other individuals, households, groups and communities who currently use the land or the products of the land without holding legal titles. People who reside in protection and/or conservation forests are considered as PAPs under the Program although they may be considered illegal occupants and/or encroachers. These are in-line with the categorization of displaced persons specified under OP 4.12, particularly under specific categories point b and c (i.e. those who do not have formal land rights or recognizable claims to the land they are occupying – refer to Section 3.2.2).

Further detailed of PAPs are those who may be:

- Households or individuals who are local residents in communities within ERP accounting area and who are currently farm, reside on or otherwise use land that is considered critical for conservation and protection purposes. That includes households that practice settled cultivation as well as swidden farming or rotational agriculture, even if the land in question is currently under fallow;

- Households or individuals who are local residents in communities within ERP accounting area who currently manage plantation forests where such forests will be declared as conservation and/or protected areas or where there will be restrictions on the use of such areas (e.g., no logging activities);
- Individuals and/or communities who live in, or close to, conservation and/or protection forests that had been selected to be placed under improved management; and
- Individuals and/or communities that own or otherwise use rural and urban land (outside the state forest/*Kawasan Hutan*) who as a result of the ERP activities face restrictions on the use and utilization of land and natural resources that are classified as High Conservation Value (HCV) areas.
- Those who are not owners of the affected land or properties but they either reside on or their livelihoods are directly dependent on, the affected land or properties (e.g., squatters, tenants, those earning wages from working on the affected agricultural land or working on the affected businesses, or are using the land informally with or without the permission of the owner)

The following categories of individuals and entities are not defined as PAPs under the RPF and PF:

- State forest enterprises whose jurisdictions are selected for improved management under the Program;
- Mining companies whose status is not “clean and clear” and that are subject to license revocation.

Impacts on livelihoods associated with mining permit revocation (component 1.1. improving the process for licensing forest land to private companies (licensing), sub-component 1.1.1. revoking overlapping and non-clean and clear permits and enforcing the licensing moratorium) will be addressed through community economic development program to replace the loss of livelihood caused by restriction to forest resources due to boundary strengthening for private sectors. This may include government programs the scope of which lay outside the RPF and PF:

1.6 PRINCIPLES AND OBJECTIVES

The principles outlined in the World Bank’s Operational Policy 4.12 have been incorporated in the development of this RPF and PF. The following principles will prevail:

- Any forms of relocation of individuals, households, communities and groups will be avoided to the extent possible. Proposed key approaches include:
 - In order to avoid resettlement and minimize access restriction risks, the ERP will seek to facilitate social forestry initiatives (under sub-component 5.1.1) through a participatory process with forest dependent communities. Social forestry is expected to provide tenure security and sustainable access to land and natural resources;
 - Land swap will be carried out if the area designated as a forest area has been controlled and managed as a settlement, public facilities/ social facilities.
 - Any relocation of agricultural lands and/or settlements for conservation and protection purposes will be done through an amicable process based on mutual consensus. The RPF and PF will outline key steps required under OP 4.12; and

- The ERP seeks to adopt a participatory approach to engage forest dependent communities as important partners for improved forest management.
- All alternatives to avoid where feasible or at least minimize resettlement will be explored. In the event that resettlements are unavoidable, all PAPs will be compensated using replacement cost that values the land using market price plus transaction cost and no depreciation of assets.
- PAPs will be assisted in their efforts to restore their livelihoods and provided with rehabilitation measures to help them improve their standards of living, or at least restore, in real terms, their standards of living to pre-displacement levels or to levels preceding the beginning of program implementation, whichever is higher.
- RAPs will be developed through a consultative process with PAPs and will be disclosed publicly. A fully functioning FGRM will be established under the ERP to ensure that key concerns and feedback can be identified as early as possible to enable responsive mitigation measures.
- Vulnerable groups will be identified, and special attention will be paid to these groups during the ERP implementation. Any risks considered under the RPF and PF, which may impact Indigenous Peoples, and *Adat* communities must be consistent with the IPPF (see IPPF – Annex 9 of the ESMF).
- Any actions resulting resettlement or access restriction impacts will not be carried out until certain readiness criteria are fully met. These include sufficient consultations and information to the target communities/individuals, adequate budget to finance transitional compensation and support for long-term livelihoods restoration measures, sufficient time for transition amongst the target communities/individuals, clear roles and responsibilities amongst relevant agencies, and approved RAPs and PoA, subject to No Objection from the World Bank.

If people must move to another location due to the implementation of the Program activities, responsible agencies are required to:

- Offer displaced persons choices among feasible resettlement options, including adequate replacement housing or cash compensation where appropriate; and
- Provide relocation assistance suited to the needs of each group of displaced persons, with particular attention paid to the needs of the poor and the vulnerable. Alternative housing and/or cash compensation will be made available prior to relocation. New resettlement sites built for displaced persons will offer improved living conditions. In the case of physically displaced persons with recognized or recognizable rights, the project will offer the choice of replacement property of equal or higher value, equivalent or better characteristics and advantages of location, or cash compensation at full replacement value, in line with OP 4.12. The compensation is for value of land at market rates plus transaction costs and assets at cost without depreciation.

In the event that ERP activities lead to livelihood displacement impacts due to the need to restrict access to land and natural resources and/or relocation, the following principles prevail:

- Provide targeted assistance (e.g., credit facilities, training, or job opportunities) and opportunities to improve or at least restore the income-earning capacity, production levels, and

standards of living to economically displaced persons whose livelihoods or income levels are adversely affected;

- Provide transitional support to economically displaced persons, as necessary, based on a reasonable estimate of the time required to restore their income earning capacity, production levels, and standards of living;
- Any access restrictions and management of impacts shall be made through consultation processes and consensus.

All the action plans, including the RAP, PoA, and Community Development Plan must be reviewed and cleared by the Provincial SEKDA, MOEF, and World Bank. Implementation of such plans will be oversighted by the relevant implementing agencies under technical coordination by Provincial SEKDA. In the event of RAPs being required, the SEKDA may engage an independent monitoring agency to oversee the implementation of the plan.

1.7 DISCLOSURE AND CONSULTATIONS

ERP's consultation plan was formulated to include the following:

- Initial engagement with Provincial Government in East Kalimantan. This is primarily to discuss the potential for sustainable estate crop (palm oil), and provincial commitment to reducing greenhouse gas emission (provincial action plan for emission reduction);
- Preparation for ERP that includes consultation in readiness phase to develop the Program Idea Note (PIN);
- Introduction of Carbon Fund, and the development of the ER Program Document (upon acceptance of the PIN);
- Self-assessment at the end of the readiness phase;
- Consultation on preparation of SESA, ESMF (IPPF, RPF, and PF) and FGRM;
- Consultation on the results of SESA, ESMF (IPPF, RPF, and PF) and FGRM (key issues at provincial level);
- Consultation on the result of SESA, ESMF (IPPF, RPF, and PF) and FGRM (verification of key issues at district level); and
- FPIC tryout (consultations with target communities (topics on ERPD and Safeguards) on a sampling basis.

Consultation on the results of the SESA, ESMF (IPPF, RPF, and PF) and FGRM was conducted at the provincial level between October 2018 and May 2019 in Samarinda and Balikpapan. This consultation was attended by various parties including: Government, NGOs, academics and other relevant stakeholders. Key take away from these consultations is summarized as follows and full consultation documentation can be found in Annex A.2 of the SESA report:

- ER Program represents a collective effort of the Indonesian Government to safeguard Indonesia's forests and safeguard climate change by contributing to the NDC;

- ER Program adopted various international agreements such as Cancun and Warsaw agreement;
- ER Program aims to reduce emissions by 18.4% and its expected benefits are not only limited carbon benefits but also other sustainability aspects of natural resource management;
- ER Program will need to prepare various applicable regulatory and operational guidelines for safeguards to address the World Bank's safeguards policies;
- Other inputs from the stakeholders includes:
 - ERP project is expected to be able to identify the presence as well as the sizes of the areas claimed and/or owned by Indigenous Peoples;
 - The criteria for identification of Indigenous Peoples as set out in OP 4.10 are slightly different from the Indonesian's regulations on *Masyarakat Hukum Adat* where legal recognition from the government is recognized prior to further rights can be granted. Hence, some consensus will be needed, particularly with regards to the application of the IPPF;
 - Problem solving, including settlements of disputes may include traditional/local mechanisms, depending on the typology and complexity of such disputes and issues; and
 - In light of the above, the FGRM should accommodate local/traditional mechanisms of resolving conflicts/disputes.

To ensure accessibility and more inclusive participation, further consultations of the RPF and PF will remain an iterative process during ERP implementation.

During the ERP implementation, relevant information in required instruments and action plans, including the RAP or PoA, will be provided in accessible forms to potentially affected parties. The methods and approach for consultations will be kept simple, accessible and user-friendly, with possible use of local media. At the site level, separate consultations shall endeavor to facilitate women or youth participation and take into account their availability, facilitation preferences as well as modes of delivery.

The final and consulted RPF and PF will be disclosed in the World Bank and MoEF's websites prior to the program's appraisal. Action plans and other instruments relevant within these frameworks will similarly be disclosed and make available to potentially affected community and individuals prior to public consultations, and a final version will be disclosed prior to commencement of any activities.

2.0 ASSESSMENT OF RISKS

The risk assessment of the Project is linked to Section 14.1.2.2 of ERPD document that will describe potential environmental and social risks and impacts, as follows:

2.1 OVERVIEW

The RPF and PF have been prepared to manage potential risks if they happen during ERP implementation and to ensure the Program’s consistency with the World Bank’s OP 4.12 on Involuntary Resettlement as well as with applicable Gol’s laws and regulations.

The total area of East Kalimantan Province is 12,747,924 hectares, of which 6,408,998 hectares (54%) is still covered by natural forests. Forest functions in East Kalimantan can be categorized as protection forests, conservation forests, limited production forests, production forests, and convertible production forests (areas that can be converted for non-forestry uses). Land outside the forest area (Kawasan Hutan) are classified as land for other purposes (APL) – see Table 1. Ministry of the Environment and Forestry (MoEF) is responsible for the management of forest area, whereas the Ministry of Agrarian Affairs/Land Agency is responsible for the management of APL.

Most of the natural forests in the province are found within forest area managed by Forest Management Units (FMUs or KPHs), that operate both within the production forests (KPHP) and protection forests (KPHL). Approximately 952,000 hectares fall outside FMUs’ boundaries and most of these are allocated to non-state forest (APL). Conservations areas have well-established management units that are supported by the central government to strictly protect the remaining natural forests.

Figure 1 Land type based on its function in East Kalimantan (MoEF Decree No.278/2017).

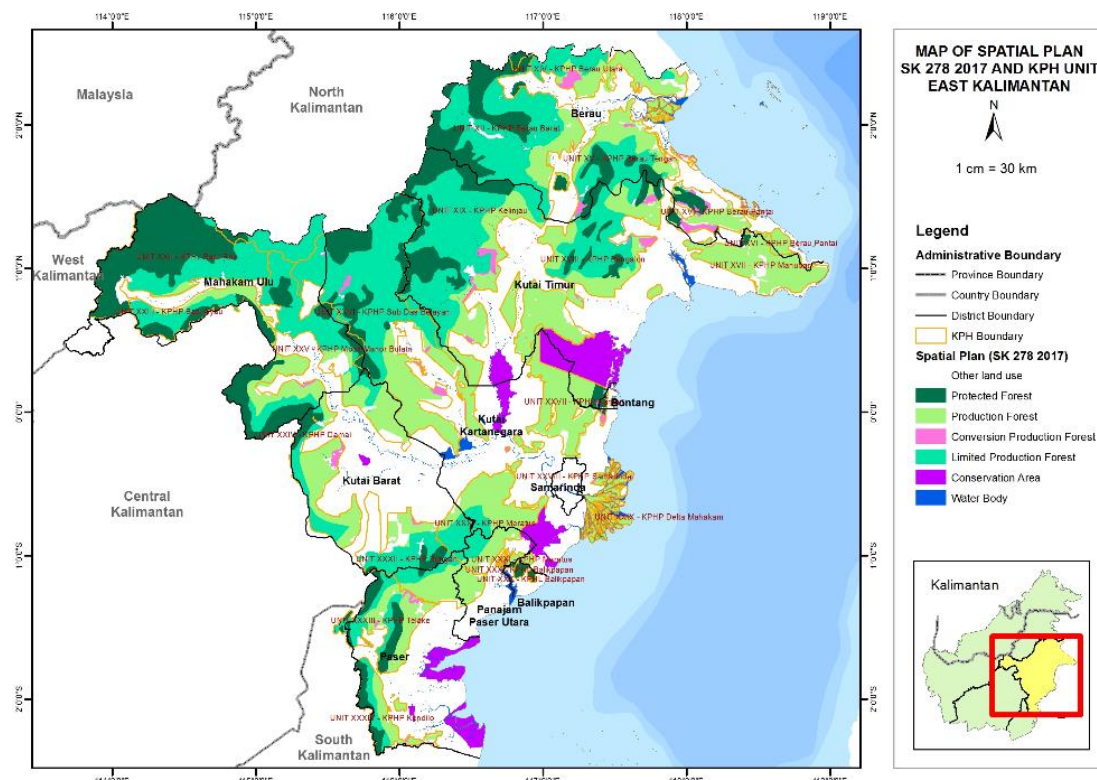


Table 1 Forested and Non-Forested Area in East Kalimantan Province (2017)

Spatial plan	Forested Area	Non-Forested Area	Sub total
Forest Area	5,765,861.55	2,645,818.68	8,411,680.23
Protected forest	1,752,238.32	105,415.40	1,857,653.72
Limited production forest	2,505,731.86	427,996.97	2,933,728.83
Production forest	1,304,720.72	1,752,485.49	3,057,206.22
Conservation forest	155,762.41	285,987.99	441,750.39
Convertible production forest	47,408.25	73,932.83	121,341.07
Non-Forest Area	818,017.30	3,514,161.82	4,332,179.13
Non-Forest Area - Estate crops	669,304.67	2,624,868.65	3,294,173.32
Non-Forest Area - Others	148,712.63	889,293.18	1,038,005.81
EAST KALIMANTAN	6,583,878.86	6,159,980.50	12,743,859.36

Within the above forest and APL land use zones, permits and concessions have been allocated for selective logging, social forestry, ecosystem restoration, mining, palm oil plantations and industrial timber plantations. Permit holders are responsible for managing their concession areas, including protecting the remaining natural forests and High Conservation Value (HCV) areas that still exist within their concessions. The total remaining natural forest areas within concessions are estimated four million hectares.

Table 2 Concessions in East Kalimantan.

No	Type of Concessions	Units	Remaining forests by 2016 (ha)
1	Logging (IUPHHK-HA)	64	2,834,807
2	Timber plantation (IUPHHK-HTI)	42	325,416
3	Estate Crops	373	467,721
4	Mining	1434	299,340*
5	Ecosystem Restoration	2	170,381
6	Social forestry	38	58,127

Note: * size of remaining forests for mining Clean and Clear (CnC)

An analysis of East Kalimantan's land cover shows a decline in forested area of 700,280 ha between 2006 and 2016, which is equivalent to an average annual forest loss of 70,028 ha. Degradation of primary forest to secondary forest occurred on 71,672 ha over the same period.

ERPD assessments of the drivers and underlying causes of deforestation and forest degradation indicate that there are seven identified main drivers. These, ranked in order of relative scales, include: (1) timber plantations; (2) estate crops; (3) mining; (4) subsistence agriculture; (5) forest and land fires; and (6) aquaculture. The analysis presented in this RPF and PF is therefore anchored with the potential implications for proposed actions to address these drivers. The scope of the analysis is presented in Chapter 1 and excludes potential impacts on the private sector as well as state-owned enterprises as a result of improved forest management.

2.2 LAND TENURE ASSESSMENT

Lack of clearly and formally recognized rights to customary forest areas has led to the overlap of commercial land use licenses with customary lands, often resulting in conflicts or dispossession, or both. MoEF's Law Enforcement Agency (Gakkum) lists three ongoing disputes between local people and companies in East Kalimantan. This number however does not capture the scale of overlapping land claims.

Land use of East Kalimantan Province has been formalised in Provincial Regulation (*Peraturan Daerah* [PERDA]) No.1/2016 on East Kalimantan Spatial Plan 2016-2036. Based on the regulation total area of East Kalimantan is 16,732,065 that consist of land with total 12,875,992 ha and sea with total 3,856,073 ha. The spatial plan shows that total forest areas (production-conservation forest, limited production forest, production forest, protected forest, and nature reserve/ nature conservation) covered around 50% of all areas, while estate area covered around 19.5% and settlement area covered 2.4% where tenure dispute/conflict happened within Adat community, government and Plantation or Estate Company.

Table 3 East Kalimantan Area based on PERDA No.1/2016.

Land Use	Total (ha)
Conservation Forest	120,438
Limited Production Forest	2,908,255
Production Forest	3,027,100
Protected Forest	1,844,970
Industrial Area	32,887
Tourism Area	238,723
Fishing Area	91,549
Nature Reserve Area/ Nature Conservation	438,390
Sea (12 Miles)	3,811,142
Marine Conservation	44,931
Estate	3,269,561
Settlement	396,266
Food Crop and Horticulture	412,096
Water Body	95,756
Grand Total	16,732,065

Source: Provincial Regulation No. 1/2016

Based on designation of forest areas that formalised by the Decree (SK) of ministry of Forestry No. 718/2014 regarding forest areas in East Kalimantan, the forest areas are assigned a license to manage (*Ijin Usaha Pemanfaatan Hasil Hutan Kayu* [IUPHHK]) logging (*Hutan Alam* [HA]) or forestry plantations (*Hutan Tanaman* [HT]).

Based on the Provincial Spatial Plan, the allocation of Palm Oil area in East Kalimantan is 3,269,561 ha, and, based on the Palm Oil Statistic 2015 that published by Directorate General of Estate Crop Ministry of Agriculture the areas that has been licensed is only 849,609 ha or around 25.98% of total

estate allocation⁴. So, there will be more Palm Oil concession area in East Kalimantan until year in term of fulfillment of estate allocation in spatial plan.

Formal recognition of customary land in East Kalimantan is stipulated the Adat Committee team and regulated under the Governor's Regulation No 1/2015. At the moment, there are 4 Adat communities who have already obtained their legal recognition of their existence and received Adat land rights. These are Hemaq Beniung, Kekau, and Hemaq Pasoq in the district of Kutai Barat (Kutai Barat District Rregulation No 9/2014, and Mului in Paser District though the issuance of a Decision Letter No SK.413.3/2018).

The government has initiated several measures to address disputes related to land ownership. National milestones include the development of special agrarian courts to resolve disputes related to land tenure, and the issuance of Presidential Decree No. 88/2017 on the settlement of forest tenure disputes. In East Kalimantan there is extensive experience in resolving conflicts through conciliation, mediation, and arbitration. Also, the provincial Forestry Office has established a Forest Conflict Resolution Desk, and the provincial Plantation Office has developed an Integrated Team to resolve plantation conflicts.

Local communities in East Kalimantan manage land areas for settlement, cultivation, and for social facilities and worship. Local land-uses include the collection of non-timber forest products such as damar resin and rattan and various forms of agroforestry systems. Such land use systems can preserve important forest functions, including biodiversity and sequestration of greenhouse gases (van Noordwijk et al. 2012, Tata et al. 2008). Culturally important areas also include burial areas, springs, and ancestral territories.

The type of land ownership claim depends on the history of each community group. The community generally gains verbal land ownership, with physical or written evidence. Verbal recognition is the recognition of community groups ownership and/or control of land. Generally, knowledge is owned by the Traditional Institutions (Adat), and partly owned by the Village Officials. Recognized physical evidence can be an orchard (having various local names, such as Lembo, Rondong/Kutai, Munaant/Tunjung, Simpukng/Benuaq) or previous evidence of use in other forms. Documents that have been used as evidence of ownership include: Land Certificates from Village Heads, Letters of Declaration of Release of Land Rights from Heads of Sub-districts or Notaries, and individual or communal land certificates for land ownership.

2.3 RISK ANALYSIS

The ER Program's underlying activities largely focus on technical assistance, policy reform, increased law enforcement, and forest tenure settlements. Resettlement risks are considered downstream and warrant further assessment and monitoring during Program implementation.

Resettlement risks directly associated with program activities are considered remote. No land acquisition is required for the Program. By the Program's design and regulations, the Government will adopt amicable conflict resolution and seeks to support tenure conflict resolution through institutional capacity building, regulatory development and social forest schemes to enable forest dependent communities to access forest lands. Residual risks following tenure dispute settlements such as renouncement of one's claims over state lands are not currently envisaged under the operation, however such risks will warrant close monitoring by the PMU as detailed in the ESMF.

⁴ Directorate General of Estate Crops Ministry of Agriculture. Statistic of Palm Oil 2015 – 2017.

Access restriction risks resulting from forest zoning, determination of forest utilization blocks and/or forest tenure settlements, HCV conservation are envisaged under the ERP. Participatory mapping will be adopted to enable community consensus and collective decision-making processes. Support to alternative livelihoods to local communities will also be provided as part of the project activities (under Component 4 on Sustainable Alternative Livelihoods for Communities).

There may also be potential legacy issues, particularly related to land use and natural resource conflicts due to past licensing practices where the Program will be operating. Any actions in areas with complex legacy issues with potential high social risks will not be carried out until certain conditions or readiness criteria? i.e. the legal framework, meditation and institutional capacities, institutional consensus, etc. are in place.

About half of East Kalimantan's population lives in rural areas and many people practice their traditional form of swidden agriculture. Increasing population growth and cultural shifts to adopt unsustainable agricultural practices resulted in the situations when this form of agriculture, in some cases, became non-sustainable and also lead to deforestation and forest degradation. Encroachments had also been exacerbated with establishing more distinct boundaries of forest zones. Furthermore, lack of alternative livelihood options and inadequate land rights often became incentives for encroachments.

There is a lack of quantitative data on the impact of encroachment on forests, however, encroachments by smallholder farmers are generally believed to have a small impact on deforestation in Indonesia, at least in comparison to the large-scale forest clearing associated with the expansion of industrial-scale plantations. But at the local levels there is evidence that small-scale clearing could have significant impacts on deforestation, because of the regional importance of certain crops. The land cover analysis shows that agricultural development is presented on 44,393 ha of the deforested area (6% of the total).

Community use of mangrove forests was also identified as one of the key drivers. Mangrove forests can be found along East Kalimantan's coastline and extensive deltas. These areas carry essential ecological and economic functions and serve as important carbon sinks. Based on spatial analysis, the total area of mangrove forests covered approximately 170,000 ha in 2017, which is a decrease of nearly 7% from its extent in 2006. Conversion to fish and shrimp ponds considered the greatest cause of mangrove degradation and decline. Other causes include conversion to agriculture, development of industrial and urban areas, and logging for wood and charcoal. The recorded change in mangrove forest area over that period is 12,000 ha, which is small compared to overall forest losses. However, consultations with local stakeholders have indicated that a significant portion of remaining mangrove area is under threat from the expansion of aquaculture. There are few conservation efforts for mangrove forests in East Kalimantan, and only a few mangrove areas are incorporated within legally protected areas. Consequently, large areas of mangroves are left vulnerable to human impact.

Increased encroachments, combined with unsustainable natural management practices, as described above, have been caused by multiple factors. Some of the most relevant ones are summarized as follows:

- a. **Ineffective forest supervision and management.** A critical shortcoming in Indonesia's forest governance framework is the weak local government capacity to manage land areas. A direct result of this is the high level of illegal logging and the deforestation associated with poor concession management and over-logging. Government capacity to plan, monitor, and manage activities in forestry areas is critical for translating national level policy developments to the local level and for achieving positive outcomes for forests and local communities. Implementation of

acceptable forest management practices has been ineffective due to misaligned institutional capacity at the local level, including underfunding and understaffing. Regional governments, who are in charge of managing Protection Forests, have not performed well in this role. Meanwhile, responsibility for the management of Production Forest areas lies largely on concession holders who have acted with little government oversight in the past.

- b. **Poor spatial planning leads to overlapping land claims, conflicts, and lack of accountability.** Lack of coordination between institutions providing land use licenses has contributed to overlapping land claims, and this has led to underinvestment in the forestry sector and to lack of accountability for large areas of forests. Overlapping land claims can partially be attributed to lack of clarity in the underlying legal framework, particularly to conflicting implications of law No. 41/1999 regarding forestry and law No. 26/2007 regarding spatial arrangements. The land cover analysis revealed that about 11% of the deforestation since 2006 occurred through land use outside of designated areas. Regional Spatial Plan (RTRW) development has been hampered by a lack of accurate data and information and by a lack of coordinated sectorial development plans. Spatial planning is further impeded by the unclear status of land ownership, lack of demarcation of state forestland boundaries, lack of recognition of customary and local rights to land, and lack of ownership at the local level. This has led to a conflict between different land claimants, and underinvestment in long-term sustainable land use.
- c. **Limited alternative livelihood opportunities facilitate encroachment.** Encroachments are often attributed to a combination of poor forest protection, population growth pressure and limited alternative livelihood opportunities. Productivity of farming in East Kalimantan tends to be low, especially as smallholders have only limited access to technology and finance. This promotes intensification of agriculture, requiring more land area and often encroaching into natural forests.

In the context of the ERP, while the Program will not require land acquisition, which would result in direct involuntary resettlement, there may be indirect impacts as a result of the broader implementation of the Gol's program within the ER accounting area, notably the Tenure Settlement within the Forest area (*Penyelesaian Penguasaan Tanah Dalam Kawasan Hutan/PPTKH*) as governed by the Presidential Regulation No. 88/2017 (see Chapter 3.0).

Under the PPTKH regulation, dispute resolution is further explained in clauses no. 10 and 11. In conjunction with clause 10, the State Forest that has been occupied and used following designation of the State Forest as **protected forests** in provinces with at least 30% of the total State Forest or below, **resettlement** may be considered as an option for tenure settlements provided that the land occupied for settlements, agricultural activities and social facilities still demonstrate protection and/or conservation functions. In the event that these criteria could not be met, land swaps could be considered.

Clause 11 regulates that the State Forest that has been occupied and used following designation of the State Forest as **production forests** in provinces with more than 30% of the total State Forest, land swaps are a preferred approach.

Under the current policy, resettlement for permanent settlements appears unlikely since the State Forest in question may no longer fulfil the designated function (i.e., conservation). Furthermore, the total size of the State Forest in East Kalimantan Province exceeds 30% of the overall administrative

jurisdiction. For these reasons, the likelihood of such resettlement is therefore very remote and can be considered as residual. Social forestry and land swaps can be considered as an alternative to resettlement under PPTKH.

Under the Agrarian Reform Program, the Gol is mandated and fully committed to accelerating the social forestry program to enable continued access to forest dependent communities to utilize the land they have used for agricultural activities or claimed under customary rights. Social forestry will form the core risk mitigation measure under the PF.

Improvements in forest management (i.e., boundary demarcation, law enforcement, supervision, etc.) may still however result in access restrictions. The scales and extent of such restrictions will likely vary greatly and can only be ascertained during ERP implementation. Two main activities that are considered relevant under the RPF and PF are presented in the following table (Table 4).

Table 4 Resettlement and Access Restriction Risk Assessment.

Component/ Sub-component	Activity	Risks
Component 1.2. Dispute Settlement	The activity will accelerate and enforce land tenure settlements for communities in forest areas as follows: (1) Joint – Collaboration of the government, civil society, and private sector on issuance of joint decrees for conflict settlements	Access restrictions particularly for those who do not have recognized claims to the land and natural resources in question.
Sub-component 1.2.1 Settlement of existing land tenure disputes	local conflict handling protocol refinement; (2) training of impartial mediators; 3) conducting appropriate capacity building.	Other risks assessed also include: <ul style="list-style-type: none"> ▪ Escalation of existing land dispute in areas with pre-existing conflicts due to lack of perceived fair dispute mechanisms; ▪ Risks associated with community and wider stakeholders' perceptions and expectations of what the Program is expected to deliver (e.g., tenure security in Forest area and/or areas under concessions and prior occupation) which may manifest in: (a) Individual and/or communal efforts to strengthen land holding/ownership claims regardless of the locations (forest or non-Forest Areas), (b) Land speculation due to the unlocking of potential commercial values of land parcels.
1.2.2 Development of a policy on cross-sectoral dispute settlement	To address any overlapping areas between forestry and mining or estate crops, The Economic Bureau of the Governor's Office will lead the policy development and facilitate the process until the Governor signs the regulation by the end of 2018. And by the end of 2018, Governors has stipulated new regulation namely Governors Regulation No 50/2018 regarding amendment of Governors Regulation no. 1/2018 regarding Governance of License and Non-license process in Mining, Forestry, and Palm Oil Estate in East Kalimantan Province. .	
Component 2. Strengthening Government Capacity for Forest Administration	Determination of FMU boundaries and Forest Utilization Blocks will be conducted by the FMUs. The Provincial Forestry Service of East Kalimantan will supervise this activity. Determination of boundaries will ensure that the concession area inside FMUs does not overlap with other permits or community lands. The boundary marking will be conducted through mapping and ground	Reaffirmation of forest boundaries, or forest function designation may result in access restrictions and/or denial of certain groups and/or individuals' claims due to lack of legal evidence.
Sub-component 2.1. Strengthening Government Capacity		Furthermore, there may be risks associated with potential escalation of community claims due to mapping

Component/ Sub-component	Activity	Risks
for Forest Administration	checking in the field. Consultations with MoEF, the Provincial Government, and District Governments will be conducted in order to ensure overlaps are minimized and settled.	activities, which may boost existing tension. Demarcation of forest boundaries, potentially with installation of visible markers/posts may increase or create community tension with mapping teams and/or agencies involved. The project may also raise community expectations for recognition of claims especially in Forest Areas or concessions.

The above assessment highlights that risks considered under the ERP implementation tend to be associated with access restrictions of forest dependent communities to natural reserves and/or other protected areas due to regularization of forest functions and law enforcement – not resettlement. There may also be risks that the ERP may exacerbate and affect existing disputes and conflicts over natural resources and land rights if no sufficient and inclusive community participation and dispute mediation are established during the program implementation. The ERP has identified the potential beneficiaries during the program implementation. Around 150 villages will be involved in the program. Based on the current assessment and regulatory regime, potential resettlement risks are very remote. However, as a precautionary measure, an RPF has been prepared to guide the executing and implementing agencies to identify, respond, and monitor in the event that such resettlement risks materialize.

In other circumstances, risks anticipated in this framework would likely be part of broader government development programs, which may and/or may not be associated with the ERP. The framework serves as a precautionary measure to such downstream risks and relevant agencies participating in the ERP will be obliged to follow the provisions of the RPF and PF.

Other risks that have been considered as part of the SESA include:

- a. Gender/social exclusion: ERP activities implementation could result negatively on women and vulnerable households in terms of access to NTFP, access to land, participation in ERP implementation, lack of consultations. Women may be disadvantaged with regards to access to and use of forest land and their land rights are less secure than those of men's. In particular ethnic minority women have greater need for common property resources, especially related to forests. Their access to information is less than men's and are less likely to be actively involved in consultations. Poor persons irrespective of gender or ethnicity are less likely to receive adequate information.
- b. Cultural heritage: ER-P activities proposed in the ER Program could indirectly affect areas containing sites with physical cultural resources, including Indigenous Peoples and/or *Masyarakat Adat*. These communities often have close connection with forest areas, including spiritual connections, it is possible that in isolated cases ERP activities could interfere with villager defined sacred forest sites. OP4.11 is triggered and mitigation measure are in place to address impacts.
- c. Effective consultation and outreach: lack of meaningful consultation and outreach could lead to low public buy in and ownership. Implementation of FPIC may also be hampered as a result. In terms of BSP, there could be concerns of inequitable benefit distribution or doubts that participation in the ERP is worthwhile due to speculative or modest benefits.

3.0 LEGAL AND INSTITUTIONAL FRAMEWORK

An assessment of the legal and institutional framework pertaining to OP 4.12 will be based on GOI's regulations and World Bank Safeguards is described as follows:

3.1 GOI'S LEGAL AND INSTITUTIONAL FRAMEWORK

The GOI legal and institutional framework to address potential resettlement (RPF) and access restriction (PF) within the ERP implementation are:

- Indonesia's Constitution 1945;
- Decree of the People's Consultative Assembly/ DoPCA (TAP MPR No IX/2001);
- Law No. 5/1960 regarding Basic Agrarian Law;
- Law No. 41/1999 regarding Forestry;
- Law No. 39/2014 regarding Plantation;
- Presidential Regulation (*Peraturan Presiden*) No. 71/2012 regarding procedures for land acquisition for public interests (Revised in Presidential Regulation No. 148/2015). This regulation covers the definition of government agencies, procedures, objects related with land acquisition. This regulation also defines the public interests and land values;
- Presidential Regulation No. 62/2018 on responding to social impacts related with land acquisition for national development. This regulation also states the requirement to establish an integrated team for mitigating social impacts;
- Presidential Decree No. 88/2017 regarding Tenure Settlement within the Forest area (*Penyelesaian Penguasaan Tanah Dalam Kawasan Hutan/PPTKH*);
- Coordinating Ministry for Economic Affairs Decree No. 3/2018 regarding Technical Implementation Guideline for The Inventory and Verification Team of Occupied Forest Area (*Pedoman Pelaksanaan Tugas Tim Inventarisasi dan Verifikasi Penguasaan Tanah dalam Kawasan Hutan*).

In general, land status in Indonesia can be categorized into two administrations, which cover forest and non-forest lands. Activities related to land tenure in the State Forest are governed under Law No 41/1999 on Forestry and its related regulations, which include Presidential Decree No. 88/2017 and Coordinating Ministry for Economic Affairs Decree No. 3/2018. Non-forest lands are governed under Law No. 5/1960 on the Basic Agrarian Law as well as sector-specific regulations such as Law No. 39/2014 regarding Plantation. The State Forest is managed under the jurisdiction of the Ministry of Environment and Forestry (MoEF), while the Ministry of Agrarian Affairs/Land Agency (ATR/BPN) at either the Province or District levels are responsible for land administration in non-State Forests. Since there are two main governing institutions responsible to address land tenure, program level coordination at the ministerial level becomes very critical.

The following laws and regulations set out the principles and procedures relevant to potential land acquisition and resettlement issues related to ERP.

- **Presidential Decree No. 88/2017 regarding Tenure Settlement within the Forest area Jo Coordinating Ministry for Economic Affairs Decree No. 3/2018 regarding Technical Implementation Guideline for The Inventory and Verification Team of Occupied Forest Area:** These regulations seek to address tenurial disputes or conflicts pattern within the State Forests. The regulations outline technical processes to address such disputes or conflicts and offer several scenarios for dispute settlement including resettlement, land swaps, enclave, and social forestry. The regulations also address customary land rights through *Hutan Adat* (customary forest) scheme.
- **Law No. 5/1960 on Basic Agrarian Principles:** This law defines the fundamental rights of private individuals and entities. The law describes the roles of the state regarding the direct use of land as well as personal rights and the private use of land. Furthermore, the law recognises land rights over customary territories (*hak ulayat*) and customary law (adat law), if it is not in conflict with the national interests.

3.2 WORLD BANK SAFEGUARD

Involuntary Resettlement (OP/BP 4.12). This policy is triggered as a precautionary measure to address potential risks related to access restrictions. Relevant components and sub-components where such risks are considered relevant are presented in Table 4. Resettlement risks are considered remote and such risks represent downstream risks and may occur as a result of tenure regularization for informal settlements in both forest and non-forest area.

The World Bank's Policy (OP 4.12) on Involuntary Resettlement applies to specific components and activities under the ERP where risks associated with access restrictions and resettlement are envisaged. The policy applies to all economically and /or physically affected persons, regardless of the number of people affected, the severity of impact and the legality of land holding. Furthermore, the Policy requires particular attention to be given to the needs of vulnerable groups especially those below the poverty line, the landless, the elderly, women and children, indigenous groups, ethnic minorities, orphans, and other disadvantaged persons.

3.2.1 Policy Requirements

The Policy differentiates between situations which involve the "involuntary taking of land" (section 3[a]) and the "involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons" (section 3[b]). In situations where section 3(a) occurs, i.e., involuntary physical relocation, and possibly restriction of access linked to such relocation, is involved, a Resettlement Policy Framework is required. Where 3(b) occurs, i.e., involuntary restriction of access without physical relocation, a Process Framework is required.

Where an RPF is in place and resettlement is required, a RAP is developed during project implementation. The RAP sets out a detailed action plan for treating a specific situation. A RAP is done for each project component or activity where involuntary resettlement will occur when it is clear exactly where the zone of impact will be. The RAP must be consistent with the RPF.

Different provisions are required for restrictions of access to natural resources within protected areas, then for situations involving the taking of land. Instead of an RPF, a Process Framework is required. Just as specific RAPs are required before the implementation of any project entailing resettlement, so are Bank-approved Plans of Action (PoA) or targeted Community Development Plan required at the

implementation stage of each Program activities, before enforcing the envisaged restriction of access. These PoA/Community Development Plan must set out the specific measures taken to assist people deprived of access to the natural resources within parks and protected areas, and implementation arrangements.

The Policy requires that the nature of the restrictions of access to natural resources within protected areas, as well as the type of measures necessary to mitigate adverse impacts, is determined, with the participation of the displaced persons during the design and implementation of the project.

3.2.2 Eligibility and Entitlements of PAPs

At this stage, it is not possible to identify the categories of people that could be affected. It is thus not feasible to undertake a census or to provide a precise estimate of the total population that might be affected.

Under the World Bank Policy displaced persons may be classified in one of the following three groups:

- a. those who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country);
- b. those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets – provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement; and
- c. those who have no recognizable legal right or claim to the land they are occupying.

Persons covered in groups (a) and (b) are provided with compensation for the land they lose, and other assistance. Persons covered in groups (c) are provided with resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives set out in this policy, if they occupy the project area prior to a cut-off date established by the borrower and acceptable to the Bank. Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance. All persons included in three groups (a), (b), or (c) are provided with compensation for loss of assets other than land.

3.2.3 GAP Analysis of GOI's Regulation and WB Safeguards

Gol's framework for handling tenure settlements in Forest Areas (PPTKH) is set out in the Presidential Regulation No. 88/2017. Several measures to address forest occupation and/or encroachments depending on the functions of the State Forests concerned (i.e. conservation, protection and production). Agrarian Reform Program, the Gol is committed to protecting the rights of the poor, including informal occupants within the State Forests (*Kawasan Hutan*). Social forestry is considered as the Gol's Process Framework to provide forest dependent communities access to land and natural resources for livelihoods. However, there is lack of clearly and formally codified provisions in the prevailing laws that correspond to the key requirements of the World Bank's OP 4.12. Prevailing regulations on land acquisition and resettlement are generally enshrined in Law No. 2 / 2012 on Land Acquisition for Public Interest, which may not necessarily be relevant under the ERP contexts. Hence, in the absence of regulatory provisions, the following assessment outlines general practices in tenure settlements, particularly in the State Forest. Further detailed analysis on key regulatory gaps is provided in Appendix A2.

Generally, unlawful resettlement for informal settlements on State Lands is prohibited under the current laws. Under the governing forest tenure settlements (PPTKH), land in question must be free from any

encumbrances and/or disputes with other parties. The schemes offered for tenure settlements can only be enforceable when land disputes have been settled through a separate process (e.g. mediation and/or court resolution). Government agencies involved are prohibited from enforcing evictions, criminalizing land claimants, closing access to land, and/or imposing any forms of access restrictions during the implementation of forest tenure settlements. These requirements would enable investments in community facilitation and engagement, to which the GoI is committed to providing further support and facilitation under the ERP.

Furthermore, as indicated earlier, resettlement risks are very remote in the contexts of East Kalimantan. Under PPTKH regulation (clause no. 10), resettlement may be considered as an option for the forest tenure settlement in the event that the forest area in question is classified within the conservation zone regardless of the use (e.g. settlements, agricultural land, and other land uses). In provinces where the total size of the State Forests equals to or is less than 30 percent of the total size of watersheds and/or land masses within provincial administrative jurisdictions, resettlement can also be applicable to address occupation (either for settlements and/or establishment of public and social facilities) within production forests based on recommendations from PPTKH inventory and verification teams. In the East Kalimantan context, the total size of State Forests (*Kawasan Hutan*) is 8,411,680.23 ha, which represents more or less 66 percent of the total provincial area (12,743,859 ha). Such a ratio should theoretically rule out the above resettlement risks within the EK-JERP accounting areas.

The ESMF will ensure that resettlement will only be enforced when other options have been exhausted, and the ERP will ensure that action plans satisfying key requirements of OP 4.12 as well as OP 4.10 for Indigenous Peoples are in place and consulted broadly with affected parties before any action with resettlement and/or access restriction impacts can be carried out.

On concerns related to access restrictions, under the Agrarian Reform Program, the GoI is committed to protecting the rights of the poor, including informal occupants within the State Forests (*Kawasan Hutan*). Under the current PPTKH regulation, social forestry schemes are considered as preferable options to address tenure issues within the State Forests. Social Forestry can therefore be considered as the GoI's Process Framework to provide forest dependent communities access to land and natural resources for livelihoods.

3.3 GOI'S ONGOING EFFORTS TO ADDRESS TENURE SETTLEMENTS

In recent years, the GOI has made strong political commitments to address land tenure issues and poverty amongst rural communities, including those occupying and using land inside the forest area. Such commitments have been translated into real actions, which are expected to provide access to land and natural resources amongst poor rural communities and hence, minimize risks considered under these frameworks. Recent policy developments are summarized as follows:

3.3.1 Settlement of State Forest Boundaries

An important step toward is the ongoing delineation of the boundaries of the State Forest. Clear boundaries between the State Forest and lands that lie outside, as well as clear demarcation of land use designations within the State Forest, are expected to improve legal certainty in forest management, and to increase public recognition of community rights.

Another positive development is what is generally referred to as the “One Map Policy” (*Kebijakan Satu Peta*). This effort, first launched in 2012, involves the synchronization of maps used by different agencies and levels of government. The objective of this policy is to create a single 1: 50,000 scale map that can serve as a standard geospatial reference, based on a single standard, a single database, and a single geoportal. In addition, the Government of Indonesia is developing a national cadastre and continues the delineation and demarcation of land to be designated as state forest areas.

3.3.2 HCV Forests Management within Concessions and Oil Palm Plantation Areas

MoEF has issued a number of regulations to support the management of High Conservation Value Forests (HCVF) within forestry concessions (logging concessions, timber plantation concessions, and ecosystem restoration concessions). The Ministry of Agriculture and the National Land Agency have issued a letter in support of HCVF implementation within areas licensed for estate crops. A number of licenses have been issued, requiring recipients to protect HCVF within the licensed area.

A number of policies related to the development and management of Estate Crops in East Kalimantan are expected to be included in the provincial and district development plans. These policies provide justification for:

- Prioritizing increased productivity rather than establishing new estate crop plantations;
- Directing new development of estate crop plantation to smallholders on land with low carbon stock values (shrubs and open land on mineral soils) through partnerships with large estate crop companies (low-emission supply chain);
- Encouraging the acceleration of estate crop plantations on areas where the permits have been issued and evaluating the existing permits;
- Protecting natural forests and peatlands with high carbon stock values. To the extent possible, collectively maintain 640,000 ha of natural forests and 50,000 ha of peatlands by 2030 in the allocated plantation areas; and
- Ensuring compliance with the principles of sustainable estate crop development.

3.3.3 Agrarian Reform

The government is pursuing two programs related to land reform and land distribution which aim to create more equitable access to forest land and to reduce conflict. First is the Agrarian Reform Program which covers 9 million hectares of land. The second is a program that seeks to allocate forestry land through various social forestry schemes. These are agreements between the state and communities for accessing and using areas within the State Forest for specified purposes. The main social forestry schemes are Community Forests (Hutan Kemasyarakatan or HKM), Village Forests (Hutan Desa or HD), Community Timber Plantation Forests (Hutan Tanaman Rakyat, HTR) and partnerships (kemitraan).

3.3.4 Customary Forests (Hutan Adat)

Customary Forests are defined as forests located within territories over which Adat communities hold traditional rights (Adat). In order to bring the nation’s forest regulation in line with a high-profile decision by Indonesia’s Constitutional Court in 2013 concerning Adat forests, the Ministry of Environment and Forestry issued a regulation on Adat Forest and Title Forest in 2019. Four adat areas have been

recognized in East Kalimantan based on Governors Regulation No 1/2015. This includes a 49 ha customary forest in Hemaq Beniung village, a Hutan adat forest in Kekau covering 4,026 ha, and a wilayah adat area in Mului in which covers 7,803 ha. Besides, there are also several potential Adat land claims in the concession. Traditional Zones and Conservation Partnership in National Parks

Starting in 2015, conservation programs have been conducted to enable communities to access and utilize non-timber forest products in designated Traditional Zones, in National Parks. These zones may be utilized for the benefit of communities that have traditionally been dependent on certain non-timber forest products found in these zones.. Additionally Regulation of DG of KSDAE No. 6/2018 provides possibility for conservation partnership (i.e., community development and ecosystem restoration) to be established between national park authorities and local communities living adjacent to conservation areas.

4.0 INSTITUTIONAL ARRANGEMENTS

This framework recognizes the complex nature of land governance in Indonesia and the fact that the management of resettlement and access restrictions risks require multi-sectoral coordination and consensus. As such the RPF and PF has been produced to outline necessary measures at the Program level, including institutional arrangements and roles and responsibilities to manage any potential displacement impacts arising from the ERP implementation.

Implementation of this framework will be retained within the Provincial Secretary (SEKDA) as the executing agency at the Provincial Level under coordination with relevant implementing agencies at both provincial and district levels. Oversight of resettlement and access restriction risks including implementation of processes as guided by this RPF and PF will be facilitated by the environmental and social safeguards specialists at SEKDA. However, the implementation of the RPF and PF will follow the regulation. Executing agency role will give significant influence to boost the implementation of RPF and PF.

4.1.1 Implementation Arrangements at National Level

At the central level, the implementation arrangement related RPF and PF will be managed under Director General for Climate Change (DGCC). The directorate will coordinate the preparation of the planning documents the relevant stakeholder including P3SEKPI. DGCC will coordinate with Coordinating Ministry for Economic Affairs as a Leading Sector of the Inventory and Verification Team and other members to conduct the inventory and verification of occupied forest area and implementation of RPF and PF.

Meanwhile, DGCC will also closely coordinate with Ministry of Agrarian and Spatial/ National Land Agency to inventory and implementation of RPF and PF if risks are envisaged to take place outside of the State Forest as a result of the ERP.

The Coordinating Ministry for Economic Affairs Finance (CMEA), as head of the team, will set up acceleration team for inventory and verification team of occupied Forest area which are consist of (1) Ministry of Environment and Forestry; (2) Ministry o Agrarian and Spatial; (3) Ministry of Internal Affairs; (4) Secretary of Cabinet; and (5) Head of Presidential Staff.

The acceleration team will assist the implementation team, that will be led by Coordinating Ministry for Economic Affairs Finance (CMEA) and 12 members comes from related ministerial, and 2 secretaries, to implement the dispute settlement within occupied Forest area. The following is national stakeholder involve in the RPF and PF Implementation formally designate by the regulation (Table 5)

Table 5 National agencies involved in the ERP Implementation.

National Agency	Status	Roles
Acceleration Team for Inventory and Verification of Occupied Forest area		
Coordinating Ministry for Economic Affairs	Head of team	<ul style="list-style-type: none"> ▪ Leading the acceleration team on inventory and verification of occupied Forest area; ▪ Socialization and coordination of implementation of dispute settlement;

National Agency	Status	Roles
		<ul style="list-style-type: none"> ▪ Designate of steps and policy to resolve the problem appeal; ▪ Designate the numbers of area; ▪ Designate the resettlement mechanism; ▪ Conduct monitoring, controlling and facilitate the budget of dispute settlement.
Ministry of Environment and Forestry	Member	<ul style="list-style-type: none"> ▪ Member of acceleration team;
Ministry of Agrarian and Spatial/ National Land Agency	Member	<ul style="list-style-type: none"> ▪ Member of acceleration team;
Secretary of Cabinet	Member	<ul style="list-style-type: none"> ▪ Member of acceleration team;
Head of Presidential Staff	Member	<ul style="list-style-type: none"> ▪ Member of acceleration team;
Head of FORDIA (MoEF)/P3SEKPI	Technical Advisory	<ul style="list-style-type: none"> ▪ Program Design ▪ Consultation for Methodologies (technical assistance) ▪ Preparation for agencies for field implementation ▪ Consultation and Communication with Facility Management Team ▪ A member of Steering Committee
Director General Climate Change (MoEF)	National Focal Point of REDD+ And Executing Agency	<ul style="list-style-type: none"> ▪ Management of the National Registry ▪ Development and management of the FREL ▪ Management of the MMR ▪ Finalization and implementation of safeguards plans ▪ Finalization and implementation of the FGRM ▪ Technical Assistance ▪ Recommendation for Payment (BSM) ▪ A member of Steering Committee
Deputy for Coordination for Management of Energy, Natural Resources, and the Environment, Coordinating Ministry for Economic Affairs;	Head of Team	<ul style="list-style-type: none"> ▪ Conduct technical coordination implementation of dispute settlement of Occupied Forest area; ▪ Develop strategy to resolve the problem; ▪ To monitor and control implementation of dispute settlement of Occupied Forest area; ▪ Develop and submit the recommendation to the acceleration team.
Deputy for Coordinating the Acceleration of Infrastructure and Regional Development, Coordinating Ministry for Economic Affairs	Vice Head of team	<ul style="list-style-type: none"> ▪ Member of implementation team
Director General of Forestry Planning and Environmental Management, Ministry of Environment and Forestry	Member	<ul style="list-style-type: none"> ▪ Member of implementation team
Director General of Natural Resource Conservation and Ecosystems, Ministry of Environment and Forestry	Member	<ul style="list-style-type: none"> ▪ Member of implementation team

National Agency	Status	Roles
Director General of Control of Watersheds and Protection Forests, Ministry of Environment and Forestry;	Member	<ul style="list-style-type: none"> Member of implementation team
Director General of Sustainable Production Forest Management, Ministry of Environment and Forestry;	Member	<ul style="list-style-type: none"> Member of implementation team
Director General of Law Enforcement, Ministry of Environment and Forestry;	Member	<ul style="list-style-type: none"> Member of implementation team
Director General of Spatial Planning, Ministry of Agrarian and Spatial Planning / National Land Agency;	Member	<ul style="list-style-type: none"> Member of implementation team
Director General of Regional Administration Development, Ministry of Home Affairs	Member	<ul style="list-style-type: none"> Member of implementation team
Director General of Village Government Development, Ministry of Home Affairs	Member	<ul style="list-style-type: none"> Member of implementation team
Deputy for Economic Affairs, Cabinet Secretariat	Member	<ul style="list-style-type: none"> Member of implementation team
Deputy for Study and Management of Social Issues, Ecology and Strategic Culture, Presidential Staff Office	Member	<ul style="list-style-type: none"> Member of implementation team
Deputy for Thematic Geospatial Information, Geospatial Information Agency	Member	<ul style="list-style-type: none"> Member of implementation team
Expert Staff for Economic and Maritime Relations, Coordinating Ministry for Economic Affairs;	Secretary	<ul style="list-style-type: none"> Assist the Head of team implement the role;
Expert Staff in the Field of Economic and Political Relations, Law and Security, Coordinating Ministry for Economic Affairs.	Vice of Secretary	<ul style="list-style-type: none"> Assist the Head of team implement the role;
Director General Climate Change (MoEF)	National Focal Point of REDD+ And Executing Agency	<ul style="list-style-type: none"> Management of the National Registry Development and management of the FREL Management of the MMR Finalization and implementation of safeguards plans Finalization and implementation of the FGRM Technical Assistance Recommendation for Payment (BSM) A member of Steering Committee
Ministry of Agrarian and Spatial/ National Land Agency	Authorized Institution	<ul style="list-style-type: none"> Register, verify, and formally designate the plot of land.

National Agency	Status	Roles
Ministry of Agriculture	Authorized Institution	<ul style="list-style-type: none"> Give license to the Plantation.
Head of FORDIA (MoEF)/P3SEKPI	Technical Advisory	<ul style="list-style-type: none"> Program Design Consultation for Methodologies (technical assistance) Preparation for agencies for field implementation Consultation and Communication with Facility Management Team A member of Steering Committee

4.1.2 Implementation Arrangements at Provincial Level

At the provincial level, the responsible party for ER Program implementation is the Provincial Secretary (Sekda Provinsi Kaltim), with the Provincial Environmental Agency (*Dinas Lingkungan Hidup*) acting as coordinator or undertaking the day-to-day management of the ER Program. The Provincial Climate Change Council (*Dewan Daerah Perubahan Iklim-DDPI*) will advise the SEKDA during the implementation of the ER Program.

The Regional Council on Climate Change (DDPI) in East Kalimantan Province is a key partner in the implementation of the ER Program. DDPI is a multi-stakeholder organization that has coordinated the planning and implementation of low emission development in East Kalimantan Province. It has significant experience (as well as operational infrastructure) in the management of donor development funding.

Dispute settlement RPF and PF implementation in the provincial level need to set up as mandate of regulation. The following is the stakeholder involve in the RPF dan PF implementation in Provincial Level.

Table 6 The Sub-National Agencies and Organizations involved in the Implementation of the East Kalimantan ER Program.

Agency	Status	Role	Specific Role
ERP Team			
Provincial Secretary (SEKDA)	Executing Agency at Province Level	<ul style="list-style-type: none"> Responsible for Implementation and achievement of ER Program in the Province A member of Steering Committee 	<ul style="list-style-type: none"> Coordinating the implementation of RPF & PF by refers to the approved ERP and by consider concerned regulations and the World Banks's operation procedures Lays out the directions and operational procedure and distributes tasks regarding RPF-PF implementation to its concerned implementing government agencies

Agency	Status	Role	Specific Role
			<ul style="list-style-type: none"> Coordinating formulation of management and control of budgeting to support ERP for the orderly administration Monitoring and evaluation ERP implementation and takes necessary decisions based on the results of internal and external monitoring and evaluation
The Regional Council on Climate Change (DDPI)	Advisory	<ul style="list-style-type: none"> Providing advice and inputs to local government in relation to ER Program A Member of Steering Committee 	<ul style="list-style-type: none"> To catalyze ERP implementation at concerned implementing agencies To bridge communication between National and Sub-National and the World Bank <p>Capacity Requirement</p> <ul style="list-style-type: none"> Well trained on facilitation process Well communicators Good knowledge of the roles and responsibility and authority of distinctive stakeholders
East Kalimantan Environment Service (<i>Dinas Lingkungan Hidup</i>)	Implementing agency	<ul style="list-style-type: none"> Local responsibility for FREL and MMR ER Program implementation 	<ul style="list-style-type: none"> Lead implementing agencies to perform ERP program based on direction of Provincial Secretary; Responsible to manage the program; Documented each part of program implementation process. Reporting the implementation of ERP activities <p>Capacity Requirement</p> <ul style="list-style-type: none"> Good knowledge of MRV methods Well trained on MRV application Good knowledge of ER program

Agency	Status	Role	Specific Role
Other Provincial Government Services (OPD)	Implementing Agencies	<ul style="list-style-type: none"> ER Program implementation Leading consultation processes within their respective jurisdictions 	<ul style="list-style-type: none"> To perform ER Program under respective responsibilities
Provincial Planning Board (BAPPEDA) East Kalimantan Province	Coordinative implementation at provincial level	<ul style="list-style-type: none"> Coordinate all activities done by OPD in relation to ER program 	<ul style="list-style-type: none">
Institutional Arrangement when RPF and PF within Forest area is Needed			
Forestry Agency	Head of Team	<ul style="list-style-type: none"> To ensure ERP under forestry sector performed in a proper way 	<ul style="list-style-type: none"> Conduct socialization in district level; Accept the registration of inventory and verify; Collect field data; Conduct analysis: Physical and Juridical plot of land within forest area, and environment; Develop recommendation and submit to the governors Lead in preparing and development of RAPs and PoAs within state fores area <p>Capacity Requirement</p> <ul style="list-style-type: none"> Good knowledge of forest management Well trained in dispute resolution / conflict management over forest resources-uses issues
Provincial Land Agency	Secretary	<ul style="list-style-type: none"> Assist head of team to conduct the role. 	<ul style="list-style-type: none"> Prepare all necessary data and information Record and documenting process
Spatial Planning at Provincial Level	Vice of Secretary	<ul style="list-style-type: none"> Assist head of team to conduct the role. 	<ul style="list-style-type: none"> Prepare all necessary data and information particularly spatial data and information Record and documenting process
Spatial Planning at District Level	Member	Member of team	<ul style="list-style-type: none"> Prepare and provides all necessary data and information particularly spatial data and information at district level

Agency	Status	Role	Specific Role
Provincial Environmental Agency	Member	Member of team	<ul style="list-style-type: none"> Prepare and provides all necessary data and information particularly environmental and social assessment information
<i>BPKH</i>	Member	Member of team	<ul style="list-style-type: none"> Prepare and provides all necessary data and information particularly data and information related to state forest areas
Social Forestry and Environmental Partnership Office	Member	Member of team	<ul style="list-style-type: none"> Prepare and provides all necessary data and information particularly social forestry data and information
FMU	Member	Member of team	<ul style="list-style-type: none"> Prepare and provides all necessary data and information related to forest resources utilizations
District Land Agency	Member	Member of team	<ul style="list-style-type: none"> Prepare and provides all necessary data and information particularly spatial data and information at district level
Sub-district Head	Member	Member of team	<ul style="list-style-type: none"> Facilitate team operation in sub-district level Provide compiled social and economic data and information
Village Head	Member	Member of team	<ul style="list-style-type: none"> Facilitate team operation in sub-district level
Institutional Arrangement when RPF and PF Outside Forest area is Needed			
Provincial Land Agency	Authorized Institution	<ul style="list-style-type: none"> Register and license the plot of land; 	<ul style="list-style-type: none"> Prepare and provides all necessary data and information related to land utilizations
Provincial Plantation Agency	Authorized Institution regarding plantation	<ul style="list-style-type: none"> Monitor and controlling implementation of Palm Oil Plantation; 	<ul style="list-style-type: none"> Collect field data related to plantation Conduct analysis: Physical and Juridical plot of plantation concessions and environment; Develop plantation related

Agency	Status	Role	Specific Role
			<ul style="list-style-type: none"> ▪ recommendation and submit to the governors ▪ Lead in preparing and development of RAPs and PoAs within plantation area <p>Capacity Requirement</p> <ul style="list-style-type: none"> ▪ Good knowledge of forest management ▪ Well trained in dispute resolution / conflict management over forest resources-uses issues
Sub-district Head	Member	Member of team	<ul style="list-style-type: none"> • Facilitate team operation in sub-district level • Provide compiled social and economic data and information
Village Head	Member	Member of team	<ul style="list-style-type: none"> • Facilitate team operation in sub-district level

4.1.3 Implementation Arrangements at District/City Level

At the district/city level, the District Environmental Agency will carry out the ER Program. Each respective district/city government will be responsible for the implementation of the ER Program in its region. To ensure effective coordination among the various implementing agencies, a Steering Committee will be established to represent the interests of the relevant Ministries of the National Government and the Governor of East Kalimantan. Other members of the Steering Committee will represent development partners and civil society. Personnel with adequate knowledge of safeguard requirements and experience in managing E&S risks, including safeguards representative would be involved, will be assigned to be part of the steering committee. District Environmental Agency will report to Provincial Environmental Agency regarding ER Program implementation. The MoEF will chair this high-level committee (Directorates-General). The World Bank and selected partner agencies will be given observer status. Steering Committee meetings will be held every 6 months to evaluate activities and progress. Technical coordination meetings will be held as required. District Environmental Agency will lead and managed the steering committee member in district and report periodically to Provincial Environmental Agency regarding ER Program implementation progress.

The detailed institutional arrangements for the ER Program at the district level will be set up when the Program involving involuntary resettlement and access restriction.

Table 7 shows all stakeholder involved in to resettlement and/or access restriction in the district level.

In any case that involuntary resettlement and access restriction by the ERP within Forest area, FMU will be involved as an authorized institution to manage the issue. However, if any involuntary resettlement and access restriction outside the State Forest, District Land Agency will lead the process for dispute the settlement together with District Plantation Agency (if the land is in the plantation concession).

Table 7 Stakeholder in District Level in the RPF and PF Implementation

Agency	Status	Main Role	Specific Roles and Capacity Requirement
Steering Committee ERP			
District Secretary	Executing Agency at District/City Level and Field Site	<ul style="list-style-type: none"> ▪ Responsible for implementation and achievement of ER Program in the District and Field Site 	<ul style="list-style-type: none"> - Coordinating the implementation of RPF & PF at district/city levels by refers to the approved ERP and by consider concerned regulations and the World Banks's operation procedures - Lays out the directions and operational procedure and distributes tasks regarding RPF-PF implementation to its concerned implementing government agencies at district/city levels - Coordinating formulation of management and control of district/city budgeting to support ERP for the orderly administration - Monitoring and evaluation ERP implementation and takes necessary decisions based on the results of internal monitoring and evaluation at district level and direction of provincial SEKDA
District Environmental Agency	Implementing Agency/Partner	<ul style="list-style-type: none"> ▪ Responsible for the operational of activities concerned to ERP implementation at district level 	<ul style="list-style-type: none"> ▪ Hosting ERP implementation in district level; ▪ Lead implementing agencies to perform ERP program at district level based on direction of District Secretary; ▪ Responsible to manage the program; ▪ Facilitate implementing agencies to perform RPF-PF implementation at district level ▪ Documented each part of program implementation process. ▪ Reporting the implementation of ERP activities in district level

Agency	Status	Main Role	Specific Roles and Capacity Requirement
			<p>to District Secretary and to Provincial Environmental Agency for the district's ER achievement.</p> <p>Capacity Requirement</p> <ul style="list-style-type: none"> ▪ Good knowledge of MRV methods ▪ Well trained on MRV application ▪ Good knowledge of ER program
Developmental Agencies (Spatial Planning Agency, NGO, Etc.)	Partner	<ul style="list-style-type: none"> ▪ Support and contribute to the program implementation; ▪ Together with ERP Team socialize the ER Program; 	<ul style="list-style-type: none"> ▪ To coordinate development actors operated within the district area toward ERP achievement in accordance to district development plan ▪ Facilitate villager to get information regarding the program and mechanism; <p>Capacity requirement</p> <ul style="list-style-type: none"> ▪ Possess the ability to project the direction of development in accordance with the achievement of emission reductions ▪ Possess the ability to anticipate project lost opportunities as result of emission reduction program
Focal Point	Program Assistance and community engagement	<ul style="list-style-type: none"> ▪ Assist the implementing agency to run the program in a proper way; 	<ul style="list-style-type: none"> ▪ Connecting the community and government agency; ▪ Record and Report the implementation of ERP <p>Capacity requirement</p> <ul style="list-style-type: none"> ▪ Well trained on facilitation process ▪ Well communicators ▪ Good knowledge of local tradition ▪ Good knowledge of the roles and responsibility and authority of distinctive stakeholders

Agency	Status	Main Role	Specific Roles and Capacity Requirement
FMU	Authorized institution in forest management	<ul style="list-style-type: none"> Responsible for ERP implementation within respective FMU's area 	<ul style="list-style-type: none"> Take a lead to any issues regarding forest area (complaint, dispute, etc.) Manage the forest area; Monitor and control the forest from encroachment; Boundary improvement <p>Capacity Requirement</p> <ul style="list-style-type: none"> Good knowledge of forest business Well trained in dispute resolution / conflict management over forest resources-uses issues
District Land Agency	Authorized institution to land management outside forest area	<ul style="list-style-type: none"> Take a lead to any land issue outside the State Forest; Register, manage the land, certify and publish license of land; 	<ul style="list-style-type: none"> Provides data and information regarding to land-use/land title/land status <p>Capacity Requirement</p> <ul style="list-style-type: none"> Master on Geographical Information System Good knowledge of customary/traditional land-use
District Plantation Agency	Authorized institution to monitor and	<ul style="list-style-type: none"> Take a lead to any issue involving plantation/ crop estates; 	<ul style="list-style-type: none"> Identify and monitor plantation activity; Make recommendation to the Regent/ Bupati for estate crops activity. <p>Capacity Requirement</p> <ul style="list-style-type: none"> Good knowledge of plantation business Well trained in dispute resolution / conflict management over plantation issues
Sub-District Head	Administrator	<ul style="list-style-type: none"> Facilitate village member to get information regarding ERP; Assist the focal point to socialize the ERP to villager. 	
Village Head	Administrator	<ul style="list-style-type: none"> Facilitate/ help village member to register the land; 	

Agency	Status	Main Role	Specific Roles and Capacity Requirement
		<ul style="list-style-type: none"> Assist the Focal Point to socialize the ERP to the villager 	

Potential risks related to resettlement and access restrictions are largely unknown at this stage since it will depend on specific circumstances, particularly with regards to forest tenure settlements, HCV conservations, and mining closure. This suggests that responsibilities for the implementation of RPF and PF fall within respective agencies (OPDs) with mandates of the said activities under the ER Program.

In a case that resettlement and access restrictions are envisaged, the relevant OPDs are required to develop the RAP and PoA with technical support provided by safeguards team at the PMU. These documents will be subject to review and approval by the District and/or Provincial environment service, depending on the scope of geography. Once reviewed and approved, these will be endorsed by SEKDA and DGCC; no objection from the World Bank will be required prior to implanting any activities resulting in any resettlement and/ or access restriction.

In order to ensure the quality of the processes and relevant documents, adequate capacity of these respective institutions is critical. Based on the institutional capacity assessment (Annex A.2 of the SESA), it is noted that some of the participating agencies may not be familiar with the World Bank requirements under OP 4.12 hence capacity strengthening, and intense technical support will be required. The Program's capacity building plan for the relevant agencies including topics related to RPF and PF is outlined in the ESMF document (Section 5.6).

5.0 MANAGEMENT OF RISKS AND IMPACTS

The following section outlines two main frameworks, including the PF and RPF that are considered under the overall safeguards instruments to address the World Bank's provisions of OP 4.12.

5.1 PROCESS FRAMEWORK

The purpose of the Process Framework is to establish a process by which communities potentially affected by restricted natural resource access to the protection forest which are under the management authority of MOEF and Provincial Forestry Service through their Forest Management Units (FMUs) engage in a process of informed and meaningful consultations and negotiations to identify and implement means of reducing or mitigating the impact of restricted resource access.

The PF is prepared to comply with the World Bank policy on involuntary resettlement (OP/BP 4.12) and Gol's laws and regulations. The PF provides guidelines for the development of Action Plans during project implementation that:

- a. Define the restrictions of access to natural resources in protected areas;
- b. Identify and quantify the impacts that those restrictions may have on different segments of the local communities;
- c. Propose, implement and monitor remedial measures to compensate for the loss of those assets and the income associated with them;
- d. Provide grievance redress mechanisms in order to resolve any issues that may arise due to restrictions of access to resources over the course of the program.

5.1.1 Eligibility

Individuals and communities who will be able to benefit from the Process Framework are those who are dependent on natural resources within and/or from protected and conservation forests, HCV areas (both within and outside State Forests), as well as any persons affected by access restrictions due to improved conservation measures supported by the ERP.

These communities and individuals may experience economic/livelihoods displacement despite that they do not suffer from physical relocation.

Individuals and communities considered as illegal or informal occupants are eligible under this Process Framework.

The provisions of OP 4.10 (Indigenous People) have also been taken into consideration while preparing the Process Framework. More detail on Indigenous Peoples and/or *Masyarakat Adat* likely to be impacted by the ER-P are included in the IPPF.

5.1.2 Management of Access Restriction Risks Within Forest Area

East Kalimantan's State Forest covers 8.4 million hectares and is composed of the following land use zones: production forests, conservation forests, protection forests, and conversion forests. Production forests are designated for the allocation of logging concessions, timber plantation concessions, ecosystem restoration concessions, and social forestry areas. Based on Decentralization Act No.

23/2014, the State Forest (with the exception of forest conservation areas) is managed by the provincial government and controlled by the national government. Day-to-day management of these areas is the mandate of the Forest Management Units (KPH). All forest conservation areas (such as Nature Reserves, Wildlife Reserves, and National Parks) are controlled and managed by the central Ministry of Environment and Forestry.

The governing framework for the handling of tenure settlements in the forest area (PPTKH) is set out in the Presidential Regulation No. 88/2017 and MoEF Regulation No. P.84/2015. As a consequence of this regulation, an acceleration team for PPTKH has been established by the GoI and is chaired by the Coordinating Ministry of Economic Affairs (CMEA)⁵ with members from MOEF, MOHA, Cabinet Secretary and the Head of the President Staff Office (KSP). The PPTKH acceleration team, supported by its implementation taskforce staffed by relevant heads of directorate generals of these ministries, is responsible to facilitate tenure settlement processes in the forest area, which include:

- a. Coordinating and synchronizing the implementation of settlements of land tenure within the forest area;
- b. Stipulating steps and policies in the resolution of problems and obstacles in the implementation of PPTKH;
- c. Determining the maximum land areas that can be allocated to settle land tenure within the forest area;
- d. Establishing resettlement mechanisms;
- e. Conducting supervision and control over the implementation of land tenure settlements within forest areas; and
- f. Facilitating the provisions of budget in the execution of land tenure settlements within forest areas.

An inventory team for PPTKH is to be established at the provincial level by the governor and is responsible for assisting the PPTKH acceleration team and its implementation taskforce at the national level on specific tasks, which include:

- a. Receiving proposals for inventory and verification of land use and occupation within the forest area collectively submitted by district heads or mayors;
- b. Conducting field surveys/data collection;
- c. Conducting analysis of (1) physical and juridical data of land parcels within forest area; and (2) ecosystems of the land parcels concerned; and
- d. Outlining recommendations for tenure settlements in the forest area to be forwarded to the Governor for concurrence.

Final decisions in regard to tenure settlement mechanisms rest with the PPTKH acceleration team hosted at the CMEA. The execution/implementation will remain the responsibility of the MOEF. The Presidential Regulation No. 88/2017 Jo. Coordinating Ministry of Economic Affairs Decree No. 3/2018 sets out several measures to address forest occupation and/or encroachments depending on the functions of the forest area concerned (i.e., conservation, protection and production), as outlined in the following table (**Error! Reference source not found.**):

⁵ Based on the Coordinating Ministry of Economic Affairs Decree No. 3/2018 regarding Technical Implementation Guideline for The Inventory and Verification Team of Occupied Forest Area

Table 8 Options for Land Tenure Settlements within the Forest area.

Options	Conditions/requirements
Occupation and/or encroachment before the designation of forest area (<i>penunjukan</i>)	
Land parcels/part of parcels to be enclaved and excised from the forest area	Land in question has been occupied and/or titles have been granted prior to the designation of forest area
Occupation and/or encroachment following the designation of forest area (<i>penunjukan</i>)	
Land parcels/part of parcels to be enclaved and excised from the forest area	Occupation for settlement purposes and/or establishment of public and social facilities in areas no longer classified as protection or conservation zones. Land in question has been utilized for agricultural purposes for more than 20 consecutive years. Note: Enclaved land parcels could be subject to the Land Distribution Schemes (TORA) and registration, including titling is to be processed through PTSL.
Land swap	Occupation for settlement purposes and/or establishment of public and social facilities in areas no longer classified as protection or conservation zones (applies to provinces whose forest cover equals to or is less than 30% of the total size of watersheds and/or land masses within provincial administrative jurisdictions).
Social forestry schemes	Land in question has been utilized for agricultural purposes for less than 20 years. These schemes apply to provinces whose size of the forest area equals to or is less than 30% of the total size of watersheds and/or land masses within provincial administrative jurisdictions regardless of the length of occupation.
Resettlement	Land in question is classified within the conservation zone regardless of the use (e.g., settlements, agricultural purposes and other land uses). Occupation for settlement purposes and/or establishment of public facilities in protection forests. Note: In provinces whose size of forest area equals to or is less than 30% of the total size of watersheds and/or land masses within provincial administrative jurisdictions, resettlement options can also be applied to forest occupation for settlement purposes and/or establishment of public and social facilities in production forests under the discretion of MOEF.

For the mechanisms above to be enforced, land in question must be free from any encumbrances and/or disputes with other parties. Furthermore, **the government agencies (PPTKH) involved are prohibited from enforcing forced evictions, criminalization against land claimants, closure of access to land and/or any forms of access restrictions during the implementation of forest tenure settlements.** These requirements would enable investments in community facilitation and engagement during the ERP implementation as guided by this framework.

5.1.3 Management of Access Restriction Risks Outside State Forest Area

Under sub-component 1.2.2 - development of a policy on cross-sectoral dispute settlement, the ERP seeks to address any overlapping areas between forestry and mining or estate crops, which may also be located outside the forest area. The ERP will seek regulations by the Governor to strengthen the implementation of both provincial and national initiatives to settle cross-sectoral disputes, including those involving communities and private companies. A governor regulation is being drafted and now

being discussed by all sectors and stakeholders. The Economic Bureau of the Governor's Office will lead the policy development and facilitate the process until the regulation is signed by the Governor soon.

The area outside of East Kalimantan's State Forest covers 4.3 million hectares. Management of state lands outside the State Forest falls under the mandate of the district and provincial governments. The overall administration of land outside the State Forest (APL) falls under the purview of ATR/BPN.

Currently, ATR/BPN has been implementing a Systematic and Complete Land Registration (*Pendaftaran Tanah Sistematis Lengkap* or hereafter PTSL). PTSL is a complete village-based land registration system for certification to cover village by village all registered and unregistered land parcels in non-Forest area. Under the PTSL approach, all land parcels in a village will be mapped and registered with the land office and relevant data entered into the electronic database (KKP). Land parcels previously not certified and free of encumbrances (i.e. no competing claims, no overlaps with Forest Areas, concessions and other land parcels) will be declared eligible for issuance of titles. The overarching goal of this program is to provide clarity of land use and legal ownership and therefore, is expected to facilitate dispute and conflict settlements in non-forest area.

On concerns with regards to access restrictions and evictions in non-Forest Areas, such risks may occur only in cases where there are third party actions (government, non-forestry license holders and/or other land owners) to regularize informal settlements as an outcome of dispute settlement processes within APL lands. Table 6 provides an analysis of land classifications where such informal settlements may be found along their respective legal frameworks.

Such legal frameworks therefore serve as a guideline to ensure that the ERP implementation classifies land types where there are informal settlements and/or encroachments and when there is likelihood of risks for conflicts and evictions so that necessary actions can be mobilized in a timely fashion to address and mitigate such risks. Furthermore, the project seeks to pursue an amicable resolution of disputes and promote alternative mechanisms (i.e., social forestry) rather than resettlement to address tenure dispute settlements, through joint collaboration with relevant agencies, as well as technical support provided through the ERP implementation. .

Table 9 Classification of Land Types with Possibilities of Informal Settlements.

Land Classification	Assessment
State Land	<p>The Gol's regulation PP 16/2014 concerning Land Management requires land holders to ensure that land use and occupation are:</p> <ul style="list-style-type: none"> ▪ in conjunction with the district/provincial spatial plans; ▪ in compliance with protection and conservation functions of the land concerned to prevent ecosystem degradation. <p>Land use on small islands, river banks, watershed areas, coastlines, lake flood plains, etc., is subject to public interests, conservation and environmental carrying capacity. Due to the conservation and ecosystem functions, district and/or provincial spatial plans would retain the management of the areas into relevant government agencies and restrict occupation and utilization of land in these areas. Occupants are not eligible to private land ownership, and concession areas must enclave these areas. In the events of land use regularization, there could be potential risks that these occupants may face increased scrutiny with regards to the status of their occupations, with potential restrictions of further land use, and evictions.</p> <p>The governing regulation pertaining to land acquisition for public interest is set out in Law No.2/2012. The laws require the government and/or other entities acting on behalf</p>

Land Classification	Assessment
Land under HGU (Rights to Cultivate) licenses	<p>of the government to compensate any loss that may be incurred based on independent asset valuation. However, there remains issues with regards to compensation for informal settlers with regards to land compensation, which is currently not covered in the absence of legitimate claims of the land in question.</p> <p>The Gol's regulation PP 40/1996 allows communities, private and government-owned enterprises the rights to cultivate on state lands for agriculture and farming purposes. HGU licenses last for 25 years and are extendable for another 35 years subject to certain eligibility requirements (e.g., compliant with tax obligations, cultivate land in conjunction to its purposes, including efforts to conserve, etc.).</p> <p>Ministerial Regulation of ATR/BPN No.7/2017 further regulates the provisions and mechanism for determinations of HGU. If within the HGU land sourced from the state land and Forest Areas, there is prior occupation, license holders are responsible to pay compensations to the occupants of the land in question based on mutual consensus between both parties. If the land is categorized as customary territories, a written consent from community representatives is required and parts of the proposed areas that are considered sacred and/or culturally significant will be enclaved based on community consent. On private lands, compensations will be determined based on willing seller-willing buyer agreements.</p> <p>Unlawful evictions are therefore prohibited under the Gol's law. However, in cases where encroachment takes place following licensing, often in areas not cultivated and/or abandoned, settlements of land occupation can take place either through mediation and/or court cases. If there is evidence that such occupation results from HGU owners' lack of ability to manage the land, their license will be subject to further legal review, with possibilities of license revocation or excision of the land occupied by communities for the land redistribution (TORA) scheme.</p>
Ex-HGU land	<p>Expired HGU land that has been occupied by communities is subject to the TORA scheme to provide tenure security to the occupants provided they meet eligibility requirements (e.g., length and nature of settlements, no legal encumbrances/clean and clear status, etc.). In order for such land to be transferrable to the occupants, it has to be formally designated a status as an abandoned land (<i>tanah terlantar</i>) as per-the Gol's regulation No. 11/2010. However, ATR/BPN is often constrained by the lack of legal clarity with respect to asset handover from the previous HGU owner since the regulation (Presidential Decree) is still yet to be issued. As a result, there is legal uncertainty for both previous HGU owners, land occupants and the government, often resulting in a legal deadlock which prevents any actions by all parties.</p>

With the legal framework pertaining to State Land as well as HGU land, evictions of informal settlers are considered unlikely and such risks would be isolated cases. The Gol is responsible to ensure that there is a due process to verify claims and compensate those who may be evicted. Settlements of tenure in private property, including HGUs are settled through direct negotiation between land holders and occupants based on consensus.

Under the broader Agrarian Reform Program⁶, which is further regulated under Presidential Regulation no. 86/2018, the Gol is committed to protecting the rights of poor people, including informal settlers, occupying the land classified under state land and HGU, including ex-HGU land through the TORA scheme. However, settlements of tenure under TORA are outside the scope of the ERP and are

⁶ The Gol has established a new program for Agrarian Reform (Tanah Obyek Reforma Agraria/TORA). Agrarian reform in accordance with Basic Agrarian Law (BAL) of 1960 is a rearrangement for the restructuring of ownership, control and use of agrarian resources. The goal is to create social equity, increase productivity and improve people's welfare. The main prerequisite for the implementation of agrarian reform is the political support of the government and the accurate information on agrarian resources (i.e., lands and people).

addressed under the broader Gol's development program. The institutional capacity assessment of government institution (and other relevant stakeholders) is provided in Annex 6 of SESA.

5.1.4 Guiding Framework

This section describes the procedures that will be adopted for managing the environmental and social impacts associated with access restrictions under the ERP. The approach includes a participatory planning process that seeks FPIC from affected individuals and communities, and procedures for the screening, assessment, monitoring, and reporting of environmental and social (E&S) impacts.

The following four main stages are at the core of the safeguard management approach under the PF. Each stage is subdivided into the following steps:

5.1.4.1 Stage 1: Consultation and Participatory Planning Process

Step 1: Identification of affected communities and eligible social forestry groups

The approach consists of the participatory identification of eligible communities and their needs, as well as potential ERP implications with regards to access to land and natural resources under the PF. Various options of social forestry schemes will be discussed based on eligibility criteria as well as processes in supporting these communities in the development of Forest Management Plans. The PF outlines procedures on how to inform, consult, engage, support, and monitor participating communities in a way that their livelihoods can be improved and their role in sustainable forest management is enhanced.

The identification of eligible Social Forestry groups will include a review of the available documentation of the Integrated Team (*Tim Terpadu*) on Assessment of State Forest Area and State Forest Function Change and the Team for Inventory and Verification of Land Tenure (Tim Inver PTKH). If there are known grievances with respect to the designation of state forest area, they are recorded by *Tim Terpadu*. If there are known land tenure issues or disputes in the state forest area, they are recorded by the Tim Inver PTKH.

If based on available documentation by the two teams, there are any major known land use or tenure issues, further consultations and dispute settlements will be first carried out before processing further steps. Such tenure conflicts and/or disputes will be handled separately by relevant agencies, depending on the typology and/or nature of such conflicts and disputes.

Step 2: Rapid Land Tenure Assessment

A Rapid Land Tenure Assessment will be carried out in the location of the groups identified in the previous step. The objective of rapid assessment is to explore potentially existing competing claims and unresolved tenure issues with respect to the state forest area for which the group has received the license. The assessment concerns tenure issues that may exist between the Social Forestry group and neighboring communities as well as within the assessed community.

If unresolved tenure conflicts/issues are found during this process, the respective KPH/FMU will assess the possibility of resolving the issue with simple mitigation measures or through consensus. The process of finding a solution will be based on existing prevalent traditional or locally acceptable to the extent appropriate and feasible. If no competing claims or land tenure issues are found during the assessment or if a solution an identified issue could be found, the group is eligible for further support through social forestry schemes. This assessment will also inform the Program about potential implications of dispute

and/or conflict settlements through existing processes. On the basis of which, the ERP implementing agencies shall not execute decisions without any acceptable risk mitigation measures if potential impacts on livelihoods due to economic displacement are assessed to be severe.

Step 3: Update/development of the Forest Management Plan (FMP)

ERP will support selected Social Forestry groups in updating or developing Forest Management Plans (RKU) and associated annual work plans (RKT) for the state forest area for which they have received a license. The main components of the RKU process are:

- The demarcation of the concession boundary which is done in cooperation and consultation with neighbouring communities;
- The organisation of the forest area into blocks or zones, i.e. into conservation and/or protection and utilisation zones;
- The actual plan for the management and uses of the forest, i.e. an activity and a work plan; and
- Monitoring, evaluation, and reporting by BPSKL or KPH to Director of the Directorate General of Business Development in Social Forestry and Customary Forest (*Direktorat Bina Usaha Perhutanan Sosial dan Hutan adat* [BUPSHA]) (with possible assistance from Social Forestry Working Groups (Pokja PPS)).

The FMP describes the bio-physical and socio-economic features of the respective state forest area, including the identification of potentially vulnerable groups. Furthermore, the plan contains the groups' status and by laws and regulations possible restrictions in the use of the licensed state forest area. As part of the update/development of the FMP, the ERP will support community groups in ensuring that Plans of Action (PoA) are developed to mitigate potential socio-economic impacts resulting from access restrictions imposed via the groups by law. Such a PoA will be integrated into the FMPs.

The participatory process of developing FMPs and the management of socio-economic impacts will consult with target communities on acceptable mitigation measures to avoid and/or mitigate the negative impacts of forest management activities. This suggests that potential impacts resulting from forest management activities (planting, pest management, harvesting, etc.) and their respective mitigation measures will be defined as part of FMP development.

The FMPs will also contain descriptions of the types of forest-based businesses/sub-projects the group intends to develop through government own funding or BSP as well as a preliminary assessment of potential impact resulting from these activities as well as corresponding mitigation measures. These sub-projects will be screened according to the screening process described in Stage 2. Activities that are part of the negative list of sub-project activities or those that would require a full ESIA/AMDAL (Table 2) will not be financed by the ERP.

Step 4: Development Forest Management Plan and Development of Business Plans

After the finalisation and approval of the FMP, the Social Forestry Groups will be supported through (i) capacity building and trainings on organizational management, business development and management and/or sustainable forest management; (ii) support to the establishment of business plans for agro-forestry sites; and (iii) provision of funding for selected activities that contribute to forest preservation and forest rehabilitation.

The development of the business plans will be supported by ERP in cooperation and consultation with (among others) research institutions such as the MoEF's R&D Agency (Litbang, aka FORDA) as well

as with the Ministries of Industry, Cooperatives and SME, Trade and relevant provincial and district government institutions. The sub-projects/activities presented as part of the business plans will be screened with respect to their environmental and social impacts, and the required mitigation plans will be developed. The capacity building measures will include trainings on the ESMF and on good agricultural practices and environmental awareness.

5.1.4.2 Stage 2: Screening of E&S Impacts

The FMPs, as well as business plans from community groups contain proposals for sub-project activities, which may be funded under the Gol's regular budget and BSP. The screening is done to identify potential E&S risks and impacts and to help decide what type of management plans and capacity building are required.

The following criteria will be considered during screening and categorisation process:

- a. Type of the project;
- b. Location and size of the project; and
- c. Anticipated negative impacts.

While the Indonesian law does not specifically foresee any impact assessments for activities of Social Forestry groups in state forest areas for which the groups are granted a license, some level of environmental and social assessments will be required through the following process, which consist of two basic steps:

Step 1: Screening against negative list:

The proposed sub-project is checked against a negative list of environmental and social impacts (see Table 10 Negative List of Sub-project Activities Table 10). Proposed sub-projects including any of the activities mentioned in this list will not be funded by ERP. Furthermore, the ERP will not fund sub-projects that will require a full AMDAL as further elaborated in the ESMF (i.e. sub-projects that would classify as Category A or High Risk)

Table 10 Negative List of Sub-project Activities

No.	Activity	Yes	No
1.	New settlements or expansion within protected forests and proposed protected forests.		
2.	Requirement for large scale land acquisition of currently-occupied state or indigenous land/ <i>Adat territories</i> (for agriculture, plantations, etc.) by local people (individually or collectively)?		
3.	Requirement for large scale land acquisition of currently occupied state or indigenous land (for agriculture, plantations, etc.) by parties other than local people (individually or collectively)?		
4.	Causing the loss or damage to cultural properties, including sites of archaeological (prehistoric), paleontological, historical, religious, cultural and unique environmental/natural values		
5.	New road construction, road rehabilitation, road paving, or any form of pathway improvement within the existing primary natural forest and proposed protected forest		
6.	Large-scale constructions that potentially have significant negative impacts on the surrounding environment		
7.	Commercial logging operations in natural forests		
8.	Conversion of High Conservation Value (HCV) forests		
9.	Purchase of logging equipment for use in natural forests		
10.	Production, distribution, and trade of illegal pesticides		
11.	Production or trade of ozone depleting substances (ODS) with reference to gradual phasing at the international level		

No.	Activity	Yes	No
12.	Production or trade of any product or activities deemed illegal under the laws of the host country (country of origin) or under international conventions and agreements		
13.	Production, trade, storage or transportation of hazardous chemicals in bulk, or use of hazardous chemicals for commercial purposes		
14.	Trade of protected species or protected wildlife products		
15.	Trade of endangered plants or protected plant products		
16.	Any activity that may cause human health problems		
17.	Any activity that significantly lowers the biodiversity of forest ecosystem or damage the forest habitat within the KPH area, including conversion of natural forests		

Step 2: Risk Categorization

On the basis of the initial screening and further environmental and social assessments (i.e. on the ground verification and consultations), risk classifications will be made, on the basis of which risk mitigation measures will be mobilized. An example of a guideline of risk classifications which has been adopted in a similar social forestry project financed by the German Development Bank (KfW) is provided in Table 11.

Table 11 Sub-project Risk Classification

Project-Type	Category C (SPPL/no EIA) Low Risk	Category B (UKL-UPL) Medium Risk	Category A/B+ (AMDAL) High Risk
Forest management and agroforestry measures	<ul style="list-style-type: none"> • Sawmilling & timber processing (<2,000 m³) • Small-scale NTFP production and processing (no threshold defined) • Processing of rattan (preservation and heating) • Rice milling • Processing of plantation crops • Processing and packaging of crops, forest products, and NTFPs 	<ul style="list-style-type: none"> • Sawmilling & timber processing (2,000-6,000 m³) • Timber utilization business operation in community plantation forests (≤10,000 ha) • Development of plantation areas on non-state forest land or state forest land planned for forest conversion (seasonal: <3,000 ha, perennial: <3,000 ha) • Medium-scale NTFP production and processing (no threshold defined) • Breeding of natural plants and/or wildlife in captivity for trading (any size) 	<ul style="list-style-type: none"> • Sawmilling & timber processing (>6,000 m³) • Timber utilization business operation in plantation forests (>5,000 ha) • Timber utilization business operation in natural forests (any size) • Development of plantation areas on non-state forest land or state forest land planned for forest conversion (seasonal: >2,000 ha, perennial: >3,000 ha). • Large-scale NTFP production and processing (no threshold defined) • Projects involving earth-moving activities (>500,000 m³ of earth moved)
Construction, operation and maintenance of small-scale facilities and buildings (ecotourism, processing,	<ul style="list-style-type: none"> • Construction of ecotourism facilities (building size: <5,000 m²) • Construction of processing facilities (building size:<5,000 m²) • Construction of commercial/administrative 	<ul style="list-style-type: none"> • Construction of ecotourism facilities (building size: 5,000–10,000 m²) • Construction of processing facilities (building size: 5,000–10,000 m²) • Ecotourism in protection/production forest (all sizes) 	<ul style="list-style-type: none"> • Construction of ecotourism facilities (building size: >10,000 m² or land area: >5 ha) • Construction of processing facilities (building size:

Project-Type	Category C (SPPL/no EIA) Low Risk	Category B (UKL-UPL) Medium Risk	Category A/B+ (AMDAL) High Risk
commercial and/or administrative)	buildings (building size:<5,000 m ²)	<ul style="list-style-type: none"> • Development of (non-theme) recreational parks (<100 ha) • Tourist/visitor accommodation (all sizes) 	<ul style="list-style-type: none"> • >10,000 m² or land area: >5 ha) and • Development of (non-theme) recreational parks (>100 ha).
Other	<ul style="list-style-type: none"> • Furniture production • Small handicraft production 	<ul style="list-style-type: none"> • Water bottling (any size) • Water consumption (e.g. for bottling) in production/protection forest (<30% of water discharge) • Water consumption/drinking water (50-250 l/sec from river/lake 2.5-250 l/sec from water spring 150 l/sec from groundwater) • Water processing installation (50-100 l/sec) • Fish ponds with (semi) advanced technology (<50 ha) • Handicraft industry (>30 employees) 	<ul style="list-style-type: none"> • Water bottling (freshwater extraction rate: >250 l/sec, groundwater extraction rate: >50 l/sec in area < 10 ha). • Fish ponds with (semi) advanced technology (>50 ha)

Technical thresholds:

AMDAL: Based on Minister of Environment Regulation No. 5/2012

UKL-UPL: Based on Circular Letter B-5362/Dep I-1//LH/07/2010 from the Ministry of Environment to all Governors, Bupati's, and Heads of Environmental Agencies in Provinces and Districts (based on Minister of Environment Regulation No.13/2010 on UKL UPL SPPL) and Ministry of Public Works Regulation No. 10/PRT/M/2008

5.1.4.3 Stage 3: E&S Risk Management

Following the screening and categorization of sub-projects and identification of E&S impacts and capacity building needs, tailored technical support and capacity building to community groups will be mobilized to enhance positive benefits and minimize risks to the environment and people as a result of sub-project implementation. This process will be paired with E&S monitoring of activities at the site level, which may be built on the following approaches:

- Self-monitoring by the groups;
- Monitoring by the Office for Social Forestry and Environmental Partnership (*Balai Perhutanan Sosial dan Kemitraan Lingkungan*) (through Pokja PPS (Working Group for Social Forestry) and its members, i.e. KPHs, NGOs and others if applicable); and
- Monitoring by third parties, incl. selected contractors and suppliers.

The evaluation and review will focus on the process of planning and implementation of project activities required in the ESMF, including:

- Record of consultations and Free, Prior, Informed Consent process during planning of activities and its implementation with Indigenous Peoples and/*Masyarakat Adat* and local communities. Assessment is based on quality of decision whether it is genuinely made by indigenous people and local communities through culturally appropriate decision-making mechanism, also implementation of plans to mitigate negative impacts;

- Records of implementation of community participation at the planning stage, to assess if the activity involves indigenous people and local communities;
- Records of consensus made and any agreements, including objections during planning stage;
- Evidence of FMPs, including relevant environmental and social mitigation measures embedded in the overall planning;
- Records of overall technical support and capacity building and stakeholders' perceptions on support provided.
- Feedback from indigenous people and local communities and stakeholders and results of negative impact mitigations.

5.2 PREPARATION OF PLAN OF ACTION (POA)

As required earlier, a plan of action (PoA) is prepared when ERP may cause restrictions in access to natural resources in legally conserved and protected areas and these will be integrated into the social forestry's Forest Management Plans (FMPs). The purpose of the PoA is to develop several strategy/ actions to assure the potentially affected communities participate in design of project components, determinate the resettlement policy objectives, and implement and monitor of relevant project activities.

The PoA will be developed together with the affected communities to describe the agreed restrictions, management schemes, measures to assist affected persons and the arrangements for their implementation. The action plan can take many forms. It can simply describe the restrictions agreed to, persons affected, measures to mitigate impacts from these restrictions, and monitoring and evaluation arrangement. This PoA will be established in accordance with the ongoing Social Forestry and Land Redistribution under the Gol's Agrarian Reform (as per Presidential Regulation No. 86/2018). The consultation will be conducted based on the FPIC principle and Gol regulation.

An indicative step of consultation during PoA will be linked with other document, particularly on the consultations and FPIC processes in the IPPF:

- a. Preparation: during preparation process, ERP must conduct site screening, identification of the PAP's, prepare the consultation material in local context, send invitation to the PAP's, indicative concern of the PAP's, etc.;
- b. Consultation: the ERP should conduct consultation with the PAP's in the spirit of Free, Prior, Informed Consent to get agreement of solution will take regarding the access restrictions. The consultation occurs freely and voluntary without any external manipulation, interference, or coercion, for which the parties consulted have prior access to information on the intent and scope of the proposed project in a culturally appropriate manner, form, and language. The consultation also recognizes the availability of Indigenous People Organization (IPO) such as councils of elders, headmen, and tribal leaders, and pay special attention to women, youth, and the elderly. The consultation needs to be start earlier in order to give more space and time during decision making processes.
- c. PoA Set up: a specific PoA will refer the consultation result that become a guidance for the ERP implementation team to make decision and solution within the access restrictions issues. The PoA decision and recommendation will be based on Gol regulation. The PoA is possible to adopt local mechanism, wisdom, and policy as long as in line with Gol regulation. The PoA document must reflect a description of the program components, identification of PAP's,

baseline conditions of affected communities, methods of livelihood restoration, and mechanisms of dispute/ conflicts settlement that might occur within the Program;

- d. Formal agreement: the agreement will be signed by all participant/ representative of the participants to formalize the PoA. The consultation process will be recorded and documented in order to meet administration standards.

5.3 RESETTLEMENT PLANNING FRAMEWORK

In a second scenario, if resettlement of forest dependent communities is envisaged under the ERP albeit remotely, the following sections outline key processes as a guideline for the preparation of Resettlement Action Plans (RAPs).

5.3.1 Process for Screening, Preparing and Approving RAPs

This section sets out the step by step process that ER project will take to determine whether the subproject will result in physical or economic displacements, and therefore whether a RAP is required and, if so, how to prepare and implement one. Section 4.3 describes the screening process, while sections thereafter describe the detailed actions required to prepare RAPs. The screening process presented below will ensure that subprojects presented to the ER project for funding comply with the requirements of OP 4.12 and the Indonesia Law No. 2/2012 regarding to land acquisition for public development.

5.3.2 Risk Screening

An early screening will be conducted by relevant environmental and social safeguards specialists as guided under this framework. Such screening is intended to identify and understand potential risks associated with access restrictions and resettlements under relevant components described in Table 4. This screening also seeks to identify conflict areas, *Adat* claims and their associated risks if the ERP aim to target these areas. If these areas are assessed to be “high risk” using agreed social parameters (i.e., conflicts, tension, overlapping claims, non-functioning local systems for conflict resolution, etc.), the safeguards team at SEKDA will facilitate coordination with relevant agencies to define the appropriate approach as well as resources and engagement strategy. These high-risk areas would require differentiated treatments before the ERP activities are being implemented. These include strengthening local dispute mediation systems, village-level facilitation, coordination with conflicting parties, etc. Such differentiated treatments are also expected to facilitate mutual consensus amongst conflicting parties.

Where there is a lack of political and institutional commitments and capacity amongst key agencies to engage and address relevant risks associated with forest boundary demarcation and dispute settlements, SEKDA, with recommendations from relevant agencies and safeguards specialists, will postpone or exclude the target areas in question until such commitments can be evidenced.

Risk screening at an activity level is used to identify the types and nature of potential impacts related to the activities proposed under the Project and to provide adequate measures to address the impacts. Screening for resettlement and access restriction issues shall be part of the environmental and social screening, as is detailed in the ESMF. This screening is expected to identify and consider relevant risks associated with access restrictions and resettlement as early as possible.

The screening checklist form is provided in Appendix A1 and will be incorporated into the Program's Implementation Manual. The screening checklist will be completed by a District Development Officer and submitted to the Resettlement Committee for a decision. In case that vulnerable and marginalized groups might be affected, the IPPF provides an additional recommendation whether the justification for a physical and/or economic resettlement and/or whether the proposed option is shared by the affected vulnerable and marginalized groups.

5.3.3 Consideration of Alternatives

On the basis of the screening, the Provincial Government will propose which of the following options should be put in place:

- a. Alternative project designs and/or sites in view to avoid and/or reduce displacement risks;
- b. Options for impact avoidance and mitigation measures, including budget requirements;
- c. If alternative options are exhausted and such risks cannot be avoided, necessary processes and consultations in conjunction with the RPF and PF.

The safeguards specialists at province will develop a district-level environmental and social profile that will be updated on a regular basis based on information provided by implementing agencies to ensure that emerging risks are duly identified, and necessary resources and mitigation measures can be mobilized.

The safeguards team at SEKDA will be responsible for assessing if necessary mitigation measures, including RAP, PoA and/or Community Development Plan developed by relevant agencies as required under the framework, is acceptable as per the World Bank OP 4.12 and whether the responsible implementers have an adequate risk management capacity to implement the agreed plan. The project may provide technical assistance support to relevant implementing agencies to strengthen their environmental and social risk management, particularly in avoiding resettlement risks and minimizing risks associated with access restrictions.

Under Component 5, at the provincial and district levels, the ERP will support coordination across implementing agencies to ensure that data and information pertaining to land use and occupation in the State Forest Areas generated through the forest boundary demarcation activities and dispute settlement processes are mutually agreed by respective agencies and there are follow-up actions to mitigate potential risks and impacts.

The Program also seeks to facilitate cross-sectoral coordination, particularly to address overlapping areas between forestry and mining or estate crops. Such coordination will be led by the Economic Bureau of the Governor's Office.

5.3.4 Baseline and Socio-Economic Data

Only in the event that a RAP is required due to anticipated resettlement risks resulted from the implementation of specific activities under the ERP, a baseline assessment of socio-economic profile of PAPs will be required.

An important aspect of preparing a RAP is to establish appropriate socio-economic baseline data to identify the persons who will be displaced by the individual subproject, in order to determine who will

be eligible for compensation and assistance, and to discourage inflow of people who are ineligible for these benefits.

The PAPs may be classified into three groups:

- Those who have formal legal rights to the land they occupy;
- Those who do not have formal legal rights to land, but have a claim to land that is recognized or recognizable under the national laws including those measures put in place by the draft land policy; or
- Those who have no recognizable legal right or claim to the land they occupy.

In summary, the census consolidates information that (1) provides initial information on the scale of resettlement to be undertaken; (2) gives an indication of further socioeconomic research needed to quantify losses to be compensated and, if required, to design appropriate development interventions; and (3) establishes indicators that can/be measured at a later date during monitoring and evaluation.

Baseline data for subproject RAPs will include: number of persons; number, type, and area of the houses to be affected; number, category and area of residential plots and agricultural land to be affected; and productive assets to be affected as a percentage of total productive assets. A District Commissioner assigned to the Ministry of Lands and Settlement, from the Resettlement Committee, will decide based on a review of this data the scope of the RAP.

5.3.5 Preparation of Resettlement Action Plans (RAPs)

The specific content of a RAP would depend upon unconfirmed such as locations, numbers of people who might be affected (in different ways) and eligible for resettlement-related assistance. In the event that such risks are envisaged, responsible implementing agencies will need to prepare a RAP.

The generic contents of a RAP involve:

- a. Description of the project: Description of the project, activities and summary of potential resettlement impacts.
- b. Potential impacts of the project: Description of the project component or activities that give rise to resettlement; the zone of impact of such component or activities; the alternatives considered to avoid or minimize resettlement; and the mechanisms established to minimize resettlement, to the extent possible, during project implementation.
- c. Objectives and studies undertaken: Objectives of the resettlement program and a summary of studies undertaken in support of resettlement planning and implementation.
- d. Regulatory framework: Relevant laws and regulations and international standards including World Bank policies and procedures.
- e. Institutional framework: Relevant institutions and responsibilities for resettlement programming.
- f. Stakeholder engagement: Schedule of consultations and participation and interaction with PAPs during RAP preparation. RAP disclosure arrangements.
- g. Socioeconomic characteristics: Findings of socioeconomic studies to be conducted with the involvement of potentially displaced people, including results of household and census survey,

information on vulnerable groups, information on livelihoods and standards of living, land tenure and transfer systems, use of natural resources, patterns of social interaction, social services and public infrastructure.

- h. Eligibility: Definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.
- i. Valuation of and compensation for losses: Methodology used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation under local law; and supplementary measures that are necessary to achieve replacement cost for lost assets.
- j. Magnitude of displacement: Summary of the numbers of persons, households, structures, public buildings, businesses, croplands, and churches to be affected.
- k. Entitlement framework: Categories of affected persons and what options they were or are being offered, preferably summarized in tabular form. A generic guideline to develop the entitlement matrix has been prepared as part of the RPF, which can be found in Appendix A4.
- l. Livelihood restoration measures: Various measures to be used to improve or restore livelihoods of displaced people.
- m. Resettlement sites: Site selection, site preparation, and relocation, alternative relocation sites considered; explanation of the selected sites, and the impacts on host communities.
- n. Housing, infrastructure, and social services: Plans to provide (or to finance resettlers' provision of) housing, infrastructure (e.g., water supply, feeder roads), and social services (e.g., schools, health services); plans to ensure comparable services to host populations; any necessary site development, engineering, and architectural designs for these facilities.
- o. Grievance procedures: Affordable and accessible procedures for third-party settlement of disputes arising from resettlement; such grievances should take into account the availability of judicial recourses and community and traditional dispute settlements.
- p. Organizational responsibilities: Organizational framework for implementing resettlement, including identification of agencies responsible for delivering resettlement measures and provision of services; arrangements to ensure that there is an appropriate coordination between agencies and jurisdictions that are involved in its implementation; and any measures (including technical assistance) needed to strengthen the implementing agencies' capacity to design and carry out resettlement activities; provisions for the transfer to local authorities or those resettled, the responsibility for managing facilities and services provided under the project and for transferring other such responsibilities from the resettlement implementing agencies, when appropriate.
- q. Implementation schedule: Schedule covering all resettlement activities from preparation through implementation, including target dates for the achievement of expected benefits to those resettled and their hosts, and implementing the various forms of assistance. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project.

- r. Costs and budget: Tables showing itemized cost estimates for all resettlement activities, including allowances for inflation, population growth, and other contingencies; timetables for expenditures; sources of funds; and arrangements for timely flow of funds, and funding for resettlement, if any, in areas outside the jurisdiction of the implementing agencies.
- s. Monitoring, evaluating and reporting: Arrangements for monitoring of implementing agency's resettlement activities, supplemented by independent monitors to ensure complete and objective information; performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities; involvement of the displaced persons in the monitoring process; evaluation of the impact of resettlement for a reasonable period after all resettlement and related development activities have been completed; use of results of resettlement monitoring to guide subsequent implementation.

5.4 REVIEW AND CLEARANCE

Subprojects to be proposed by the District Council will be approved by the Resettlement Committee (RC). The RC will review eligibility for subprojects based on field appraisals, which includes results of the environmental and social screening used.

The RAP will be submitted once complete to the decentralized decision committees for screening and approval in compliance with the project institutional administrative arrangements. It is anticipated that District Councils will not have the institutional capacity to prepare RAPs or studies during the start of the program and thus will be assisted and supported by local service providers/NGOs. The Ministry of Lands should have representatives at the district level to provide the necessary technical support required at this level.

After clearance from the Resettlement Committee, the compensation, resettlement and rehabilitation activities of the RAP will be satisfactorily completed and verified by the communities before funds can be disbursed for civil works under the subproject.

The Implementation Agencies and the World Bank will also review the EMPs and RAPs developed for subprojects. For quality assurance, it is required that RAPs prepared for subprojects be submitted to the World Bank for review to ensure that they are produced in line with the OP 4.12. Gaps in quality shall be addressed through training at the district level for relevant service providers and reviewers, funded by the project as part of the budget for capacity building. The Land Commissioners can then review subsequent RAPs prepared throughout the rest of the project, with an annual independent review process led by the DGCC.

5.5 GRIEVANCE MECHANISM

The handling of grievances is guided by the Annex 7 of the ESMF and seeks to mainstream existing dispute mediation and processes as part of the ERP's component 1.2 on Dispute Settlement. The ER program gives mandate to Provincial Secretary as executing agency and also handling dispute settlement. However, land dispute settlement within State Forest area will be settled under Presidential Decree No. 88/2017 Jo. CMEA Decree No 3/2018 which are Coordinating Ministry for Economic Affairs will be a Chief in National Level and Governor in the local level.

At the time that RAPs are approved and individual compensation, and livelihoods restoration assistance have been provided, affected individuals and households will have been informed of the process for

expressing dissatisfaction and to seek redress. The grievance procedure will be simple and will be administered as far as possible at local levels to facilitate access by PAPs.

All grievances concerning non-fulfillment of compensation agreements, levels of compensation and livelihoods restoration assistance, or seizure of assets without compensation shall be addressed to the responsible head of the implementing agencies through supervision from the Provincial SEKDA.

All attempts shall be made to settle grievances amicably. Those seeking redress and wishing to state grievances will do so by notifying their village chiefs or selected leaders as community focal points. These focal points will inform and consult with the implementing agencies to determine validity of claims. If valid, the focal points will notify the complainant and s/he will be assisted. If the complainant's claim is rejected, the matter shall be brought before the implementing agencies for settlement. Mediation may be required to address these complaints.

It has to be noted that in the local communities, people take time to decide to complain when aggrieved. Therefore, the grievance procedures will ensure that the PAPs are adequately informed of the procedure, before their assets are taken. The grievance redress mechanism is designed with the objective of solving disputes at the earliest possible time, which will be in the interest of all parties concerned and therefore, it implicitly discourages referring such matters to a Tribunal for resolution.

Compensation and resettlement plans (contracts) will be binding under statute and will recognize that customary law is the law that governs land administration and tenure in the rural/village areas. This is the law that inhabitants living in these areas, are used to and understand.

All objections to land acquisition shall be made in writing, in the language that the PAPs understand and are familiar with, to the Local Leader. Copies of the complaint shall be sent to Project Planning Team and Resettlement Specialist and the relevant Minister for administration of land matters, within 20 days after the public notice. Channeling complaints through the Local Leader is aimed at addressing the problem of distance and cost the PAP may have to face.

The Local Leaders shall maintain records of grievances and complaints, including minutes of discussions, recommendations and resolutions made. The grievance mechanism will follow the flowchart that has been developed in the Framework Grievance Redress Mechanism (FGRM).

The procedure for handling grievances should be as follows:

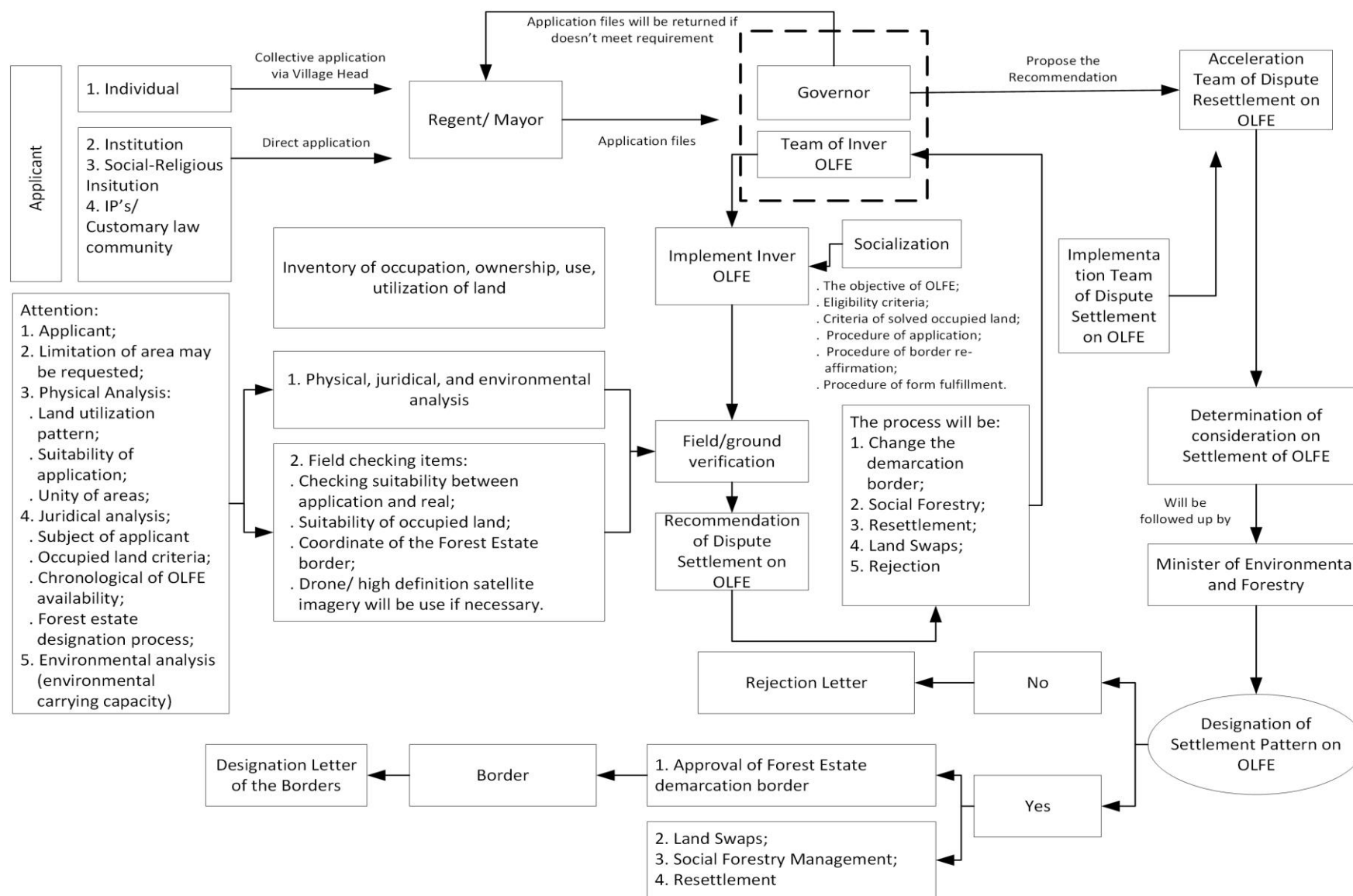
1. The affected person should file his/her grievance in writing, to the Local Leader/ authorized institution. The grievance note should be signed and dated by the aggrieved person. Where the affected person is unable to write, s/he should obtain assistance to write the note and emboss the letter with his/her thumbprint. A sample grievance form is provided in GRM Document;
2. The Local Leader/ authorized institution should respond in a specific day (based on the institutional mechanism) which any meetings and discussions to be held with the aggrieved person should be conducted. If the grievance relates to valuation of assets, experts may need to be requested to revalue the assets, and this may necessitate a longer period of time. In this case, the Local Leader must notify the aggrieved person that his/her complaint is being considered;
3. If the aggrieved person does not receive a response or is not satisfied with the outcome within the agreed time s/he lodges his grievance to the higher level; and

4. The Local Administration or Municipal Council will then attempt to resolve the problem (through dialogue and negotiation) within 14 days of the complaint being lodged. If no agreement is reached at this stage, then the complaint is taken to the Courts of Law for each respective country.

The GRM for the ER Program will refer to FGRM document.

The specific GRM regarding land dispute in the forest area will be based on Presidential Decree No. 88/2017 and the operational mechanism will be based on Coordinating Ministry for Economic Affairs Decree No. 3/2018 and MoEF Regulation No. P.84/2015 (Figure 2). Moreover, the GRM of land dispute outside the forest will refer to Law No 5/1960 regarding Basic Agrarian Law and Law No. 39/2014 regarding Estate Crops.

Figure 2 Dispute Settlement of Occupied Forest area Flowchart Based on CMEA Decree No. 3/2018.



5.6 CONSENSUS, NEGOTIATIONS AND CONFLICT RESOLUTION

Consensus and negotiations are central to addressing grievances. In general, people are aware of their rights, their commitments to the country as citizens and their allegiance to village and family issues. For this reason, many Government funded community projects have been implemented without obstacles from project affected persons.

However, some projects have been known to stall due to delays in disbursement of compensation. Prior negotiations, between Government representatives and project beneficiaries, are therefore crucial to the success or failure of the project. As a guiding principle emphasis shall be placed on simplicity and proximity of the conflict resolution mechanisms to the affected persons and the following shall be noted:

- a. Negotiation and agreement by consensus will provide the best avenue to resolving any grievances expressed by the individual landowners or households affected by community projects. These grievances shall be channeled through the Local Chiefs or leaders.
- b. The Project planning teams shall ensure that the main parties involved achieve any consensus freely. The relevant government representative shall clearly advise the general public, as to who is responsible for the activity and the procedure for handling grievances or compensation claims.
- c. Grievances shall be addressed during the verification and appraisal process. If a suitable solution is not found, the Project Planning teams shall defer consent of the project and the concerned project activities shall not be allowed to proceed.
- d. Grievances for which solutions have not been found shall be referred back to the community for discussion where the Local Leader and District Administration will redress the matter of concern to assist the claimants. The mediation process will be implemented according to traditional methods of mediation/conflict resolution. The resolution will then be documented on the relevant consent forms and verified.
- e. If an agreement cannot be reached at community level the aggrieved party or parties shall raise their concerns to the Project Planning teams who shall refer them to the respective District Administration, within 20 days of the verification meeting. Grievances that cannot be resolved at the Local and District level shall be submitted to the Local Government, the District Administration and to executing agencies. Should grievances remain unresolved at this level, they can be referred to the court of law for each respective country.

5.7 FUNDING ARRANGEMENTS

The World Bank Policy requires that the RPF and PF provide a description for funding of alternative livelihood support measures and/or resettlement, including the preparation and review of cost estimates, flow of funds and contingency arrangements.

At this preparation stage, where resettlement and access restriction risks along with their locations cannot be determined, and the number of PAPs cannot be identified, it is not possible to provide an estimated budget for the total costs of resettlement that may be associated with the implementation of the RPF and PF. Overall costs of alternative livelihoods support and/or resettlement cannot be

determined at this stage, since the number of people who might be affected (it could be zero), as well as the when or where remains unknown as does the nature, extent and scale.

If any resettlement were to occur, then the RAP or PoA would first need to specify the dedicated source(s) of Government funding to be used to carry out the budgeted resettlement-related commitments.

Funds for implementing inventory assessments and resettlement action plans will be provided by the implementing agency. In general, the cost burden of compensation will be borne by the respective implementing agency for RAPs.

The SEKDA will be responsible that the needed finance is available and/or ensuring that finance is directed towards the RAP or PoA activities.

5.8 DISCLOSURE AND CONSULTATION REQUIREMENTS

All relevant information to resettlement including the RAPs and PoAs will be disclosed through the Program's website. Relevant information of these plans will be disseminated to affected communities in a language and manner accessible and appropriate to them. The project will consult and facilitate the informed participation of affected persons and communities, including host communities, in decision making processes related to resettlement. SEKDA and DDPI will ensure that consultation will continue during the implementation, monitoring, and evaluation of compensation payment and resettlement to achieve that the living conditions of the PAPs are enhanced or at least restored.

6.0 MONITORING AND EVALUATION

Monitoring is a continuous evaluation process of the ERP implementation and responds to emerging risks considered under the RPF and PF. A functioning monitoring process provides concerned agencies with a feedback loop to address systematic issues as well as emerging risks during the ERP implementation, and therefore the main principles of risk avoidance and minimization through this RPF and PF can be achieved.

6.1 INTERNAL MONITORING

The district-level risk monitoring will be developed and maintained by the safeguards team at SEKDA, regular monitoring will be carried out based on the ESMF monitoring, in addition to regular safeguards monitoring reports generated by the Safeguards Information System (SIS) REDD+. Districts with high-risk profiles will receive further support and facilitation to address potential risks relevant to this framework.

The SEKDA's safeguards team will liaise on a periodic basis (weekly) with the respective heads/coordinators at the national, provincial and district levels to provide the update if there are emerging risks.

In the events that RAP and PoA are required, internal monitoring of the RAP and PoA implementation of the sub-projects remains the responsibility of the implementing agency with oversight from the safeguards team at SEKDA and technical assistance from program consultants if needed. The implementation agency will monitor the progress of RAP preparation and implementation throughout the regular progress reports.

The criteria of internal monitoring include but not limit to:

- a. Compensation payment for affected households for the different types of damage pursuant to the compensation policies described in the resettlement plans;
- b. Implementation of technical assistance, relocation, allowance payment and relocation assistance;
- c. Implementation of income recovery and entitlement to recovery assistance;
- d. Dissemination of information and consultation procedures;
- e. Monitoring of complaint procedures, existing problems that require the manageable attention; and
- f. Prioritizing affected persons on the proposed selections.

Respective implementing agencies will collect information every month from the different resettlement committees. A database tracking the resettlement implementation of the Program will be maintained and updated monthly.

The executive agencies will submit internal monitoring reports on the RAP and PoA implementation as a part of the quarterly report they are supposed to submit the SEKDA and WB. The reports should contain the following information:

- a. Number of affected persons according to types of effect and program component and the status of compensation, relocation and income recovery for each item;
- b. The distributed costs for the activities or for compensation payment and disbursed cost for each activity;
- c. List of outstanding complaints;
- d. Final results on solving complaints and any outstanding issues that demand management agencies at all levels to solve; and
- e. Emerging issues in the implementation process.

6.2 INDEPENDENT MONITORING

The general objectives of independent monitoring are to periodically supply independent monitoring and assessing results on the implementation of the resettlement objectives, on the changes of living standard and jobs, PAPs' income and livelihoods restoration, effectiveness, impacts and sustainability of APs' entitlements, and on the necessity of mitigation measures (if any) in an attempt to bring about strategic lessons for future policy development and program planning.

In the event that RAPs are required, SEKDA and/or MOEF will hire an organization for an independent monitoring and evaluation of RAPs implementation. This organization will need to be equipped with expertise in social impact assessments, including resettlement, and has experience in independent monitoring of RAPS. This organization should start their work as soon as the program implementation commences.

The following indicators will be monitored and evaluated through independent monitoring, including but not limited to:

- a. Payment of compensation will be as follows: (a) full payment to be made to all affected persons sufficiently before land acquisition; (b) adequacy of payment to replace affected assets;
- b. Provision of assistance for PAPs who have to rebuild their houses on their remaining land, or building their houses in new places as arranged by the project, or on newly assigned plots;
- c. Assistance for recovering livelihood/income sources;
- d. Community consultation and public dissemination of compensation policy: (a) PAPs should be fully informed and consulted about land acquisition, leasing and relocation activities; (b) the independent monitoring agency should attend at least one community consultation meeting to monitor community consultation procedures, problems and issues that arise during the meetings, and propose solutions; (c) public awareness of the compensation policy and entitlements will be assessed among the PAPs; and (d) assessment of awareness of various options available to PAPs as provided for in the RAP;
- e. Affected persons should be monitored regarding restoration of productive activities;
- f. PAPs' satisfaction on various aspects of the RAP will be monitoring and recorded. Operation of the complaint mechanism and speed of complaint settlement will be monitored; and

- g. Through the implementation, trends on living standards will be observed and surveyed. Any potential issues in the recovering living standards are reported and suitable measures will be proposed to ensure the program objectives are met.

6.3 METHODOLOGY FOR INDEPENDENT MONITORING

6.3.1 Database Storage

The independent monitoring organization will maintain a database of resettlement monitoring information. It will contain files on results of independent monitoring, HH monitored and will be updated based on information collected in successive rounds of data collection. All databases compiled by the SEKDA will be fully accessible by the independent monitoring organization.

6.3.2 Reports

The independent monitoring organization must submit periodical reports every six months about the findings in the monitoring process. This monitoring report will be submitted to the SEKDA, and then the SEKDA will submit to the WB in the form of appendixes of the progress report.

The report should contain: (i) a report on the progress of RAP implementation; (ii) deviations, if any, from the provisions and principles of the RAP; (iii) identification of outstanding issues and recommended solutions so that the executive agencies are informed about the ongoing situation and can resolve problems in a timely manner; and (iv) a report on progress of the follow-up of problems and issues identified in the previous report.

6.3.3 Follow-Up Monitoring Report

The monitoring reports will be discussed in a meeting between the independent monitoring organization and SEKDA. SEKDA will hold meetings immediately after receiving the report. Necessary follow-up activities will be carried out based on the problems and issues identified in the reports and follow-up discussions.

6.3.4 Ex-post Evaluation Report

This is the evaluation at a given point of time of the impact of resettlement completion to assess whether the RAPs achieved their stated objectives. The independent monitoring organization will conduct an evaluation of the resettlement process and impacts for 6 to 12 months after the completion of all resettlement activities. The survey questionnaires for evaluation are used based on the database in the program database system and the questions used in the monitoring activities.

Ultimately, a summary of ex-post resettlement evaluation included in a Program Completion Report (PCR) will be prepared before closure of the Program. The evaluation covers program impacts (number of affected households, scope of land acquired by subproject, compensation paid to PAPs, any pending issues resulting from land acquisition and provides information if the PAP's livelihood is restored, or at least maintain to pre-project implementation.

Resettlement Action Plan cannot be considered complete until an ex-post evaluation and a program completion audit confirm that all the affected HHs have received fully all compensation, assistance and life restoration processes as planned.

APPENDICES

Appendix A1

**Screening Checklist for Sub-
project Involuntary Resettlement
and Access Restriction**

Screening Checklist for Sub-project Involuntary Resettlement and Access Restriction

Sub-project name:				
District:		Village:		
Brief description of Site and Proposed Activities of the Sub-project:				
Potential Risks and Impacts of Involuntary Resettlement and Access Restriction (Please tick mark \surd)				
Issues	Yes	No	Unknown	Remarks
I. Involuntary Land Acquisition				
(If YES is ticked in answer to any question below, the subproject is required to prepare Resettlement Action Plan)				
1. Does the subproject require land acquisition?				
2. Is the ownership status of the proposed land to be acquired known?				
3. Will there be loss of building and/or structures due to the land acquisition?				
4. Will there be loss of agricultural such as crops, trees, and/or other productive assets due to the land acquisition?				
5. Will there be loss of businesses or enterprise due to the land acquisition?				
6. Will there be loss of income sources and means of livelihoods due to the land acquisition?				
II. Access Restriction				
(If YES is ticked in answer to any question below, the subproject is required to prepare Plan of Action)				
1. Will the affected people lose access to the usual forest area due to implementation of the sub-project?				
2. Will the access to the proposed location of the sub-project be restricted?				
3. Is there any land use change in the proposed subproject location that negatively affecting the surrounding communities?				
Information on Vulnerable Peoples:				
1. Are there any of the affected people categorized as vulnerable i.e. poor, female-headed households and/or vulnerable to poverty risks?				
2. Are there any of the affected persons categorized as indigenous peoples?				
Document/Plan Requirements				
Based on the potential risks and impacts identification process, the subproject will prepare the following documents (please tick the applicable option):				
<input type="checkbox"/> Resettlement Action Plan		<input type="checkbox"/> Plan of Action		<input type="checkbox"/> No document is required
The Screening document is prepared by:			Approved by:	
Name: Position: Institution:			Name: Position: Institution:	

Appendix A2

Regulatory Gap Assessment on Gol's Framework on Involuntary Resettlement

Scope / Topic	Provision of the World Bank's Policy (OP 4.12)	Gol's Framework for Land Acquisition for Public Interests	Gol's Resettlement Framework for Forest Tenure Regularization	Analysis and Gap-filling Measures
Policy Objectives	PAPs (Project Affected Persons) should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher (Para 2.c)	Law 2/2012 specifies basic principle for land acquisition including: humanity, fairness, usefulness, certainty, transparency, agreement, participation, welfare, sustainability and harmony (Article 2). Whereas, <i>"Principle of justice" means to guarantee any reasonable reward in exchange for the acquired land to the entitled parties in the process of Acquisition of Land such that they have opportunity to live their better life</i> (Chapter II, Principles and Objectives, Elucidation of Article 2(a). Elucidation of Article 2 (h) defines <i>"Principle of welfare" means that the Acquisition of Land for development can bring added value to the viability of the Entitled Parties and the public in general.</i>	Guiding regulations for resettlement in Forest Areas under PPTKH are yet to be formulated.	In general, basic principles in Law 2/2012 are aligned with the WB's policy objectives. The framework requires that an acceptable Resettlement Policy Framework and Process Framework for Access Restrictions and Resettlement Framework that meets the World Bank's Policy (OP 4.12) is in place prior to project support to delineate conservation area boundaries (where by the PPTKH regulation, resettlement is considered). No forced evictions will be allowed under the ERP.
Resettlement as Sustainable Development Program.	Resettlement activities should be conceived as sustainable development programs, providing sufficient resources to enable persons displaced to share in project benefits (Para 2.b).	Law 2 of 2012 and its implementing regulations provide compensation options for land acquisition due to the development for public interests. Compensation level is defined based on the assessment carried out by the licensed, independent appraisers.	N/A	Different modes of compensation other than cash, particularly relocation and land-for-land, are not sufficiently elaborated. OP 4.12 provisions described in the RPF and PF apply.
Direct Impacts due to Land Acquisition	Covers provision of benefits to address direct social and economic impacts caused by the acquisition of land including restrictions of access to legally designated parks and protected areas resulting in adverse impacts on livelihoods (Para 3)	Law 2/2012 relates to compensation for loss of land and assets also other losses that can be caused by taking of land for a project. Once fair compensation given, further consideration and impact mitigation are not elaborated.	N/A	Adverse social and economic impacts due to restriction of access to legally designated parks and protected are not explicitly covered under the Law 2/2012. The provisions of the PF apply.

Scope / Topic	Provision of the World Bank's Policy (OP 4.12)	Gol's Framework for Land Acquisition for Public Interests	Gol's Resettlement Framework for Forest Tenure Regularization	Analysis and Gap-filling Measures
Linked Activities	Covers impacts that result from other activities if they are (i) directly and significantly related to the proposed project; (ii) necessary to achieve its objectives; and (iii) carried out or planned to be carried out contemporaneously with the project (Para 4)	Not covered	N/A	Indirect impacts in the form of displacement and access restrictions imposed by government agencies using the mapping data supported by the project are covered by the provisions of the RPF and PF.
Compensation for indirect impact caused by acquisition of land or structures	<p>It is good practice for the borrower to undertake a social assessment and implement measures to minimize and mitigate adverse economic and social impacts, particularly upon poor and vulnerable groups (Footnote 5)</p> <p>States that other environmental, social and economic impacts that do not result from land taking should be addressed under OP 4.01</p>	Indirect impacts are not covered in the Law 2/2012 on Land Acquisition for Public Infrastructure. However indirect impact regulated in Law No. 23 of 1997 on Environmental Management (AMDAL/ESIA)	N/A	Indirect impacts are not covered in the Law 2/2012 on Land Acquisition for Public Infrastructure. Indirect impacts in the form of displacement and access restrictions imposed by government agencies using the mapping data supported by the project are covered by the provisions of the RPF and PF.
Compensation at full Replacement cost	Compensation for lost land and other assets should be paid at full replacement costs (Para 6.a (iii) and Footnote 11)	<p>Law 2/2012 (General Elucidation, para 5) provides for reasonable and fair compensation for acquisition of land in the public interest.</p> <p>Para 1, Paragraph 3, Appraisal of Compensation, Article 31 of Part IV, Land Acquisition Implementation provides for designation of an Appraiser by the BPN.</p> <p>Article 33 provides for Appraisal of the amount of Compensation by the Appraiser on a parcel-by-parcel basis, including land; over-ground and underground space; buildings; plants; objects related to land; and/or other appraisable loss.</p> <p>The MAPPI (Association of Appraisers)'s guideline determine compensation based</p>	N/A	<p>In principle, the valuation guidelines by MAPPI provides for compensation at replacement cost for affected land and other non-physical impacts.</p> <p>However, detailed review of the methodology adopted by the appraiser revealed that for structures the valuation includes 'depreciation depending upon physical condition of affected structures'. This is not in compliance with the Bank's Policy (OP 4.12). Full replacement cost is achieved by applying the provisions of the RPF.</p>

Scope / Topic	Provision of the World Bank's Policy (OP 4.12)	Gol's Framework for Land Acquisition for Public Interests	Gol's Resettlement Framework for Forest Tenure Regularization	Analysis and Gap-filling Measures
		<p>on market price plus transaction and other costs, plus premium (to cover over and above valuation cost such as emotional cost). Key elements include:</p> <ul style="list-style-type: none"> -Property (Physical Assets) <ul style="list-style-type: none"> ✓ Land ✓ Buildings & Facilities ✓ Plants ✓ Other things related to the land required to restore to the owner a property of at least the same quality as that owned prior to the land acquisition. - Non-Physical Losses. <ul style="list-style-type: none"> ✓ Transaction costs ✓ Moving costs ✓ Loss of on-going business (business interruption) ✓ Other losses of special nature, subjective and difficult to calculate -Premium 		
Support for affected persons who have no recognizable legal right or claim to the land	Financial assistance to all project affected persons to achieve the policy objective (to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels	Law 2/2012 does not cover squatters (unless in good faith on public land), encroachers and renters on private land. This issue is addressed to some extent by the Presidential Regulation (Perpres 56/2017) ⁷ on 'Handling for Social Impacts	N/A	Perpres 56/2017 provides for compensation (financial assistance/ allowance) for affected structures and other assistance to affected households without recognizable legal rights or

⁷ Presidential Regulation No. 56/2017 on the Handling Social Impact in Land Acquisition for the National Strategic Projects (as specified in the Perpres 3/2016 and its update Perpres 59/2007). This regulation stipulates that the Government will handle the social impacts on the occupants of land owned by the Government (national, provincial and district/city), state-owned enterprise, and local-government enterprise that will be used for the national strategic projects. The regulation specifies the criteria of such occupants (have ID cards endorsed by sub-district and do not have rights on the land; have physically controlled and used the land continuously for 10 years, and have controlled and used land with good intention openly, not contested and recognized and proven true by the land owners and/or head of village); coverage of compensation- in the form of financial assistance and allowances -(costs for dismantling houses, mobilization, house rents and support for income loss). The regulation requires the land owners to prepare a Social Impact Handling Plan (SIHP) to be submitted to the Governor, who will then establish an Integrated Team to make an inventory and verify the occupants and the occupied land; assign independent party to calculate the compensation; facilitate issues; recommend the list of occupants eligible for compensation, amount of compensation/allowances and/or financial assistance, based on the calculation of the independent party, mechanism and procedures to give the compensation to the occupants; and control the implementation of the delivery of the compensation. The Integrated Team consists of various government officials from province and district/city and land owners. Based on the recommendation from

Scope / Topic	Provision of the World Bank's Policy (OP 4.12)	Gol's Framework for Land Acquisition for Public Interests	Gol's Resettlement Framework for Forest Tenure Regularization	Analysis and Gap-filling Measures
they are occupying	prevailing prior to the beginning of project implementation, whichever is higher (Para 15.c, 16 and Footnote 20)	<p>in Land Acquisition for the National Strategic Projects'. This regulation, issued on May 31, 2017, provides a legal basis to compensate⁸ squatters (those who occupy land that belonged to other parties). However, in practice legal opinion is sought to determine whether or not any compensation and/or assistance to these squatters can be provided.</p> <p>Paragraph 5, Article 40 provides for Payment of compensation for buildings, plants or other objects on land even if they do not hold or owned without a land title and if they occupy land in good faith.</p> <p><u>Landless and laborers are not expected to be compensated and provided rehabilitation measured. It is the responsibility of the landowner to compensate them.</u></p>		claims to land they occupy if legal opinion recommends. However, Perpres 56/2017 does not provide for any assistance to affected landless, laborers and those losing employment due to the project. Financial assistance to all project affected persons to achieve the policy objective will be applied.
Compensation for illegal structures	Compensation at full replacement cost for all structures regardless of legal status of the PAP's land and structure.	Paragraph 5, Article 40 provides for payment of compensation for buildings, plants or other objects on land even if they do not hold or owned without a Land Title and if they occupy land in good faith.		Provisions of the Law 2/2012 and Perpres 56.2017 to some extent meet the WB policy requirements. However, some categories of illegal occupiers (not considered occupation in good faith) are not adequately covered by these provisions. All structures will be compensated at replacement cost under the RPF.
Assistance to Vulnerable Groups	To achieve the objectives of this policy, particular attention is paid to the needs of vulnerable groups among those	Law 2 of 2012 requires detailed analysis of the risks and impacts to affected communities; it does not explicitly discuss	N/A	Taken together these regulations provide sufficient legal basis to achieve policy objectives.

the Integrated Team, the Governor will establish the list of eligible occupants for compensation; amount of compensation and mechanism and procedures to give the compensation. The regulation also specifies that the land owners should provide the financing for the compensation and the compensated occupants should move out from the land maximum in seven days after the compensation is received.

⁸ Compensation paid in the form of financial assistance and allowances (*uang santunan*)

Scope / Topic	Provision of the World Bank's Policy (OP 4.12)	Gol's Framework for Land Acquisition for Public Interests	Gol's Resettlement Framework for Forest Tenure Regularization	Analysis and Gap-filling Measures
	<p>displaced, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples ethnic minorities, or other displaced persons who may not be protected through national land compensation legislation (Para 8).</p>	<p>the need for analysis of affects to particular community groups (such as vulnerable groups).</p> <p>Law 39 of 1999 regarding Human Rights provides that "All members of vulnerable groups in society, such as children, the poor, and the disabled are entitled to greater protection of human rights" (Article 5).</p> <p>Gender issues have also been prioritized by the Government of Indonesia as a cross-cutting priority by way of Presidential Regulation 2 of 2015 regarding the National Mid-term Development Plan Year 2015-2019 (<i>Rencana Pembangunan Jangka Menengah Nasional</i>). The National Mid-term Development Plan mandates government action on gender issues through gender mainstreaming in every policy, program, and development activity.</p>		
<p>Compensation for loss of income sources or means of livelihood</p>	<p>Loss of income sources should be compensated (whether or not the affected persons must move to another location) (Para 3a & 6)</p>	<p>The Indonesian legal framework does not provide for comparable access to employment and production opportunities. The appraisal guidelines by MAPPI provides for consideration of non-physical impacts.</p>	<p>N/A</p>	<p>Legal provisions are deficient to recognize entitlements for loss of incomes and means of livelihood due to land acquisition. The provisions of the RPF and PF apply to meet OP 4.12 requirement.</p>
<p>Income restoration plan and assistance</p>	<p>The resettlement plan or resettlement policy framework also include measures to ensure that displaced persons are:</p> <p>(i) Offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood</p>	<p>Once fair compensation given, further consideration and impact mitigation are not elaborated.</p> <p>Indonesian legal framework does not provide for comparable access to employment and production opportunities</p>	<p>N/A</p>	<p>The Law 2/2012 and its implementing regulations do not elaborate the option and implementation of assistance and livelihood restoration. The provisions of the RPF and PF apply to meet OP 4.12 requirement.</p>

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	<p>and standards of living such support could take the form of short-term jobs, subsistence support, salary maintenance or similar arrangements; and</p> <p>(ii) Provided with development assistance in addition to compensation measures described in paragraph 6 (a) (iii), such as land preparation, credit facilities, training, or job opportunities (Para 6c).</p>			
Assistance to Physically Displaced	<p>Includes measures to ensure that the displaced persons are provided assistance during relocation; residential housing, or housing sites, or, as required, agricultural sites; and offered support after displacement, for a transition period, and provided with development assistance in addition to compensation measures (Para 6b&c and Footnote 13 & 14)</p>	<p>Law 2/2012 does not provide for any specific assistance to displaced persons other than offering options of replacement land and resettlement.</p> <p>Further Article 36 does not provide for transitional support & development assistance and provision of civic infrastructure and community services.</p> <p>MAPPI valuation procedures provide for moving cost (transport allowance)</p>	N/A	<p>Assistance to displaced households due to land acquisition are not covered by Law 2/2012 and its implementation regulations (Perpres 71/2012). The provisions of the RPF apply to meet OP 4.12 requirement.</p>
Land for Land	<p>Preference given to land-based resettlement strategies for displaced persons whose livelihoods are land-based. Whenever replacement land is offered, resettlers are provided with land for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the land taken (Para 11).</p>	<p>Law 2/2012 provides options for land-to-land, but detailed procedures to implement this option are not described.</p> <p>The provision in Para 5 of Article 77 and Para 4 of Article 78 (Perpres 71/2012) require affected households to relinquish their right without waiting for the availability of substitute land.</p>	N/A	<p>Law 2/2012 and Implementation Regulations (Perpres 71/2012) do not provide details on the procedures for replacement land. Further, the provision in Para 5, Article 77 and Para 4 of Article 78 (Perpres 71/2012) are in contradiction of Bank's Policy 4.12 that requires completion of relocation arrangements before affected households are displaced. The provisions of the RPF and PF apply to meet OP 4.12 requirement.</p>
Compensation Options	<p>Provide technically and economically feasible resettlement alternatives and needed assistance, including (a)</p>	<p>Article 36 of Law 2/2012 provide for options for compensation in the form of:</p> <p>a. Cash amount;</p>	N/A	<p>Provision of replacement land is not sufficiently elaborated.</p>

Scope / Topic	Provision of the World Bank's Policy (OP 4.12)	Gol's Framework for Land Acquisition for Public Interests	Gol's Resettlement Framework for Forest Tenure Regularization	Analysis and Gap-filling Measures
	<p>prompt compensation at full replacement cost for loss of assets attributable to the project; (b) if there is relocation assistance during relocation and residential housing, or housing sits, or agricultural sites of equivalent productive potential, as required; (c) transitional support and development assistance, such as land preparation, credit facilities, training or job opportunities as required, in addition to compensation measures; (d) cash compensation for land when the impact of land acquisition on livelihoods is minor; and (e) provision of civic infrastructure and community services as required.</p>	<p>b. Substitute land; c. resettlements; d. shareholding; and e. other forms as agreed upon by both parties. However, Para 1 of Article 75 of Implementation Regulations (Perpres 71/2012) places priority on payment of compensation in cash.</p>		<p>In practice, only compensation in cash is given priority in deciding the form of compensation.</p> <p>Further Article 36 of Law 2/2012 does not provide for relocation assistance (except for moving cost which is covered under MAPPI's valuation procedures), transitional support & development assistance and provision of civic infrastructure and community services.</p> <p>The provisions of the RPF apply to meet OP 4.12 requirement.</p>
Eligibility for Indigenous Peoples.	<p>Land of Indigenous Peoples is addressed in both World Bank Policies (OP 4.12 and OP 4.10). If land of IPs is to be taken, requires broad community support and FPIC.</p> <p>Preference is given to land-based resettlement strategies for these groups (see para. 11) that are compatible with their cultural preferences and are prepared in consultation with them (Para 9)</p>	<p>IPs is covered once they have been legally recognized⁹. Law 39/1999 Article 6 on Human Rights requires that the differences and needs of (<i>Masyarakat Hukum Adat</i>) MHA should be noticed and protected by law, community and government. Their identity including customary land rights should be protected in harmony with the current development.</p> <p>Paragraph 5, Article 40 of Law 2/2012 provides for Compensation for indigenous land in the form of substitute land, resettlements, or other forms as agreed upon by the relevant indigenous people. Affected land that privately/ individually belongs to Indigenous Peoples is treated</p>	N/A	<p>Law 2/2012 does not specify any groups including IPs. This law applies to any affected persons due to the land taking for infrastructure development for the public interests.</p> <p>The Implementation Regulations (Perpres 71/2012) do not specify any requirement of conducting social assessment and consultation with IP communities and FPIC</p>

⁹ In BPN and Forestry Regulations IP institution should be recognized by local government, while institutions that in favor of IPs prefer that the recognition comes from independent IPs Committee.

Scope / Topic	Provision of the World Bank's Policy (OP 4.12)	Gol's Framework for Land Acquisition for Public Interests	Gol's Resettlement Framework for Forest Tenure Regularization	Analysis and Gap-filling Measures
Host Community	Displaced persons and their communities, and any host communities receiving them, are provided timely and relevant information offered opportunities to participate in planning, implementing, and monitoring resettlement; infrastructure and public services are provided as necessary to improve, restore, or maintain accessibility and levels of service for the displaced persons and host communities (Para 13 a&b)	the same way as other affected households. Not covered in the Law 2/2012 and its Implementation Regulations since option of resettlement/relocation is not elaborated sufficiently. The legal framework also does not require integration of resettled persons into their host communities and does not extend project benefits to host communities.	N/A	Host communities are not explicitly covered in the Law 2/2012 and its Implementation Regulations (<i>Perpres</i> 71/2012). However, Article 1 of the Law 1 of 2011 on Housing and Settlement Area provides for basic facilities of surrounding settlement to fulfil certain standard for decent living, healthy, secure and comfortable. Further together with Regulation 88 of 2014 regarding Implementing Housing and Guidance of Settlement Area stipulate that every instance of resettlement must involve and empower the local community.
Resettlement Planning Instruments	To achieve the objectives of this policy, different planning instruments are used, depending on the type of project (Para 6). A resettlement plan or abbreviated resettlement plan is required for all operations that entail involuntary resettlement unless otherwise specified (Para 17a and 25)	At the planning stage of project preparation, a Land Acquisition Plan (LAP) is prepared by the Land Acquisition Team based on a feasibility study. This is further updated with additional data as Land Acquisition Development Plan, by the Preparation Team established under Para 2, Article 8, Implementation Regulations 71/2012. However, the scope, format and contents of the Development Plan are not the same as Bank's LARAP for a project. LARAP focuses more on implementation procedures.	N/A	The scope of Land Acquisition Development Plan does not clearly include the need for social-economic survey, identification of vulnerable groups, public consultation and participation, and monitoring and evaluation requirements. Further, the Development Plan does not include relocation assistance and livelihood restoration, where necessary. The Land Acquisition Development Plan does not fully cover elements and details of those in the LARAP. Timing of the

Scope / Topic	Provision of the World Bank's Policy (OP 4.12)	Gol's Framework for Land Acquisition for Public Interests	Gol's Resettlement Framework for Forest Tenure Regularization	Analysis and Gap-filling Measures
				<p>preparation of the Land Acquisition Plan with results of inventory of affected land plots should be advanced to the planning stage.</p> <p>The provisions of the RPF and PF apply to meet OP 4.12 requirement.</p>
Resettlement Cost to be included in project cost	The full costs of land acquisition and/or resettlement activities necessary to achieve the objectives of the project are included in the total costs of the project.	Although Law 2/2012 requires the land acquisition plan to include estimated costs for land acquisition and/or resettlement, but usually it does not include the costs for providing assistance and livelihood restorations. Cost estimation and proposal for budget allocation are carried out at the planning stage, whereby detail surveys for each land plots and measurement are carried out during the implementation stage of land acquisition.	N/A	Local laws do not specify resettlement cost to be part of the total project cost. However, the Feasibility Study at the planning stage is required to include overall project cost as well as estimated cost of land acquisition; and a cost benefit analysis. By inference it is assumed that resettlement cost is therefore included in overall project cost.
Public Participation and Consultation	Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs (Para 6a, 13, 14 & 19)	<p>Chapter II provides for land acquisition following principle of transparency. <i>"Principle of transparency" means that the Acquisition of Land for development shall be implemented by provision of public access to information concerning Acquisition of Land</i> (Elucidation of Article 2 €</p> <p>Elucidation of Article 2 (g) defines participation as any support through public participation in the performance of Acquisition of Land, either directly or</p>	N/A	Provisions of the Law No. 2/2012 and implementation regulations (Perpres 71/2012) have elaborate procedures for public consultation at every stage of planning and preparation for land acquisition. However, the procedures explained in the Law 2/2012 & Implementation Regulations do not ensure that all modes of information dissemination are applied and affected households are fully informed of all options of mode of compensation in detail.

Scope / Topic	Provision of the World Bank's Policy (OP 4.12)	Gol's Framework for Land Acquisition for Public Interests	Gol's Resettlement Framework for Forest Tenure Regularization	Analysis and Gap-filling Measures
		<p>indirectly, from planning to construction activity.</p> <p>Article 7, para 3 provides for Acquisition of Land in the Public Interest performed through planning with involving all the local leaders and stakeholders.</p> <p>The Law 2 of 2012 and its implementing regulations do not stipulate on participation of entitled parties in monitoring and evaluation of resettlement program</p> <p>Consultations to the PAPs are needed to get permit for the proposed location of the project, for defining forms of compensation. The law and regulations stipulate that process of consultations are carried out with dialogue approach. Negotiations are carried out with each affected household individually to reach agreement on compensation level.</p>		<p>The provisions of the RPF and PF, and general provisions of the ESMF, apply to meet OP 4.12 requirement.</p>
Disclosure of Planning instrument	<p>The relevant draft resettlement document is made available at a place accessible to displaced persons and local NGOs, in a form, manner, and language that are understandable to them. Once acceptable, the Bank makes it available to the public through its InfoShop (Para 22 & Footnote 23).</p>	<p>Article 55 of Law 2/2012 recognizes the right of entitled parties (affected households) to have information on status and performance of the Acquisition of Land.</p> <p>Article 16 provides for direct or indirect notification of land acquisition development plan to general public and hold public consultation to achieve agreement on the location of the development plan (Article 19). Preliminary data on affected persons and objects of acquired land (affected assets) for preparation of land acquisition development plan will be the basis for</p>	N/A	<p>Although the Law 2/2012 and implementation regulations provide for dissemination of information on affected land and other assets, and applicable compensation amounts to affected households, there is no clarity on public disclosure of documents: FS, LAP, etc.</p> <p>Draft RAPs and PoAs will be publicly disclosed as per Bank policy.</p>

Scope / Topic	Provision of the World Bank's Policy (OP 4.12)	Gol's Framework for Land Acquisition for Public Interests	Gol's Resettlement Framework for Forest Tenure Regularization	Analysis and Gap-filling Measures
		<p>public consultation and for reaching agreement on locations (Article 18).</p> <p>Article 29 provides for public announcement of results of the inventory and identification of possession, ownership, use, and utilization of land, collected during implementation stage, at the urban/rural village administration office, the sub-district office, and at the place where Acquisition of Land is conducted.</p>		
Grievance Redress Mechanism	Appropriate and accessible grievance mechanisms are established (Para 13a & 14)	The mechanisms to complain due to the disagreement on the compensation is elaborated in the Law 2/2012 and its implementing regulations, including how and where to file complaints, timing for responses, and judicial procedures.	N/A	Provisions of the Law No. 2/2012 and implementation regulations (Perpres 71/2012) have elaborate and time-bound procedures for filing complaints by affected households and process to address complaints and grievances. It is however, not clear whether documentation of grievances is provided for. Grievances will be documented as per the GRM of the ESMF.
Monitoring and Evaluation	Adequate monitoring, both internal and external, by an independent agency, required. Upon completion of the project, an assessment is required to determine whether the objectives of the resettlement instrument have been achieved (Para 24)	<p>Part Six, Article 51 of Law 2/2012 provides for Monitoring and evaluation of the performance of Acquisition of Land by the Land Administrator (BPN). For the strategic projects, the Instruction of Ministry of</p> <p>However, the legal framework does not require external monitoring of land Acquisition / resettlement impacts on the livelihoods and living standards of displaced persons and does not require assessment whether the objectives of the resettlement plan have been achieved.</p>	N/A	<p>The Law 2/2012 does not provide for external monitoring of resettlement implementation and post-implementation evaluation to assess whether the objectives of the resettlement plan have been achieved.</p> <p>Further it is deficient in providing details on objectives of evaluation.</p>

Appendix A3

**Draft TORs for Elaboration of
Resettlement Action Plan (RAP)**

DRAFT TORS FOR ELABORATION OF RESETTLEMENT ACTION PLAN (RAP)

This template is extracted from OP 4.12 Annex A which can also be found on the Bank's website at www.worldbank.org.

The scope and level of detail of the resettlement plan vary with magnitude and complexity of resettlement. The plan is based on up-to—date and reliable information about (a) the proposed resettlement and its impacts on displaced persons and other adversely affected groups, and (b) the legal issues involved in resettlement. The resettlement plan covers elements, as relevant. When any element is not relevant to project circumstances, it should be noted in the resettlement plan.

Description of the sub project: General description of the sub project and identification of sub project area.

Potential Impacts: Identification of (a) the sub project component or activities that give rise to resettlement, (b) the zone of impact of such component or activities, (c) the alternatives considered to avoid or minimize resettlement; and (d) the mechanisms established to minimize resettlement, to the extent possible, during project implementation.

Objectives: The main objectives of the resettlement program.

Socio-economic studies: The findings of socio-economic studies to be conducted in the early stages of project preparation and with the involvement of potentially displaced people, including;

(a) the results of a census survey covering;

- current occupants of the affected area to establish a basis for design of the resettlement program and to exclude subsequent inflows of people from eligibility for compensation and resettlement assistance;
- standard characteristics of displaced households, including a description of production systems, labor, and household organization; and baseline information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population;
- the magnitude of the expected loss, total or partial, of assets, and the extent of displacement, physical or economic;
- information on vulnerable groups or persons, for whom special provisions may have to be made; and
- provisions to update information on the displaced people's livelihoods and standards of living at regular intervals so that the latest information is available at the time of their displacement.

(b) Other studies describing the following;

- land tenure and transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, non-title-based usufruct systems (including fishing, grazing, or use of forest areas) governed by local

recognized land allocation mechanisms, and any issues raised by different tenure systems in the sub project area.

- The patterns of social interaction in the affected communities, including social support systems, and how they will be affected by the sub project
- Public infrastructure and social services that will be affected; and
- Social and cultural characteristics of displaced communities, including a description of formal and informal institutions (e.g. community organizations, ritual groups, non-governmental organizations (NGO's) that may be relevant to the consultation strategy and to designing and implementing the resettlement activities.

Legal Framework: The findings of an analysis of the legal framework, covering,

- (a) the scope of the power of eminent domain and the nature of compensation associated with it, in terms of both the valuation methodology and the timing of payment,
- (b) the applicable legal and administrative procedures, including a description of the remedies available to displaced persons in the judicial process and the normal timeframe for such procedures, and any available alternative dispute resolution mechanisms that may be relevant to resettlement under the sub project,
- (c) relevant law (including customary and traditional law) governing land tenure, valuation of assets and losses, compensation, and natural resource usage rights, customary personal law related to displacement, and environmental laws and social welfare legislation,
- (d) laws and regulations relating to the agencies responsible for implementing resettlement activities,
- (e) gaps, if any, between local laws covering eminent domain and resettlement and the Bank's resettlement policy, and the mechanisms to bridge such gaps, and,
- (f) any legal steps necessary to ensure the effective implementation of resettlement activities under the project, including, as appropriate, a process for recognizing claims to legal rights to land, including claims that derive from customary and traditional usage.

Institutional Framework: The findings of any analysis of the institutional framework covering;

- (a) the identification of agencies responsible for resettlement activities and NGOs that may have a role in project implementation;
- (b) an assessment of the institutional capacity of such agencies and NGOs; and
- (c) any steps that are proposed to enhance the institutional capacity of agencies and NGOs responsible for resettlement implementation.

Eligibility: Definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.

Valuation of and compensation for losses: The methodology to be used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation under local law and such supplementary measures as are necessary to achieve replacement cost for lost assets.

Resettlement Measures: A description of the packages of compensation and other resettlement measures that will assist each category of eligible displaced persons to achieve the objectives of OP 4.12. In addition to being technically and economically feasible, the

resettlement packages should be compatible with the cultural preferences of the displaced persons and prepared in consultation with them.

Site selection, site preparation, and relocation: Alternative relocation sites considered and explanation of those selected, covering,

- (d) institutional and technical arrangements for identifying and preparing relocation sites, whether rural or urban, for which a combination of productive potential, local advantages, and other factors is at least comparable to the advantages of the old sites, with an estimate of the time needed to acquire and transfer land and ancillary resources,
- (e) any measures necessary to prevent land speculation or influx of eligible persons at the selected sites,
- (f) procedure for physical relocation under the project, including timetables for site preparation and transfer; and
- (g) (d) legal arrangements for regularizing tenure and transferring titles to resettlers.

Housing, infrastructure, and social services: Plans to provide (or to finance resettler's provision of) housing, infrastructure (e.g. water supply, feeder roads), and social services to host populations; any necessary site development, engineering, and architectural designs for these facilities.

Environmental protection and management. A description of the boundaries of the relocation area; and an assessment of the environmental impacts of the proposed resettlement and measures to mitigate and manage these impacts (coordinated as appropriate with the environmental assessment of the main investment requiring the resettlement).

Community Participation: a description of the strategy for consultation with and participation of resettlers and host communities, including

- (a) a description of the strategy for consultation with and participation of resettlers and hosts in the design and implementation of resettlement activities,
- (b) a summary of the views expressed how these views were taken into account in preparing the resettlement plan,
- (c) a review of the resettlement alternatives presented, and the choices made by displaced persons regarding options available to them, including choices related to forms of compensation and resettlement assistance, to relocating as individual families or as parts of preexisting communities or kinship groups, to sustaining existing patterns of group organization, and to retaining access to cultural property (e.g. places of worship, pilgrimage centers, cemeteries); and
- (d) institutionalized arrangements by which displaced people can communicate their concerns to project authorities throughout planning and implementation, and measures to ensure that such vulnerable groups as vulnerable and marginalized groups, ethnic minorities, landless, and women are adequately represented.

Integration with host populations: Measures to mitigate the impact of resettlement on any host communities, including,

- (a) consultations with host communities and local governments,

- (b) arrangements for prompt tendering of any payment due the hosts for land or other assets provided to resettlers,
- (c) arrangements for addressing any conflict that may arise between resettlers and host communities, and
- (d) any measures necessary to augment services (e.g. education, water, health, and production services) in host communities to make them at least comparable to services available to resettlers.

Grievance procedures: Affordable and accessible procedures for third-party settlement of disputes arising from resettlement, such grievance mechanisms should take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms.

Organizational responsibilities: The organizational framework for implementing resettlement, including identification of agencies responsible for delivery or resettlement measures and provision of services; arrangements to ensure appropriate coordination between agencies and jurisdictions involved in implementation; and any measures (including technical assistance) needed to strengthen the implementing agencies capacity to design and carry out resettlement activities; provisions for the transfer to local authorities or resettlers themselves of responsibility for managing facilities and services provided under the project and for transferring other such responsibilities from the resettlement implementing agencies, when appropriate.

Implementation Schedule: An implementation schedule covering all resettlement activities from preparation through implementation, including target dates for the achievement of expected benefits to resettlers and hosts and terminating the various forms of assistance. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project.

Costs and budget: Tables showing itemized cost estimates for all resettlement activities, including allowances for inflation, population growth, and other contingencies; timetable for expenditures; sources of funds; and arrangements for timely flow of funds, and funding for resettlement, if any, in areas outside the jurisdiction of the implementing agencies.

Monitoring and evaluation: Arrangements for monitoring of resettlement activities by the implementing agency, supplemented by independent monitors as considered appropriate by the Bank, to ensure complete and objective information; performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities; involvement of the displaced persons in the monitoring process; evaluation of the impact of resettlement for a reasonable period after all resettlement and related development activities have been completed; using the results of resettlement monitoring to guide subsequent implementation.

Appendix A4

Eligibility Criteria for Various Forms of Losses

ELIGIBILITY CRITERIA FOR VARIOUS CATEGORIES OF AFFECTED PEOPLE

This chapter sets out eligibility criteria, which are necessary to determine who will be eligible for resettlement and benefits, and to discourage inflow of ineligible people.

A PRINCIPLES

The involuntary taking of land results in: relocation or loss of shelter; and loss of assets or access to assets or loss of income sources or means of livelihood, whether or not the PAPs must move to another location or not. Therefore, meaningful consultations with the affected persons (directly and through representatives), local authorities and communal leadership allow for establishing the criteria by which displaced persons will be deemed eligible for compensation and other resettlement assistance to restore livelihoods. OP4.12 suggests the following three criteria for eligibility:

- (a) Those who have formal rights to land (including customary/communal land, traditional and religious rights, recognized under Indonesian Law);
- (b) Those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets provided that such claims are recognized under the national and local laws or become recognized through a process identified in the resettlement plan;
- (c) Those who have no recognizable legal right or claim to the land they are occupying, using or getting their livelihood from, but are recognized under the World Bank's OP 4.12.

Those covered under (a) and (b) above are to be provided compensation for the land they lose, and other assistance in accordance with this RPF. Persons covered under (c) above are to be provided with resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives set out in this RPF and PF. The Program will also seek to support livelihoods restoration of these PAPs through the social forestry initiatives and other schemes (i.e., provision of technical support for skills development, access to markets, etc.). Such categorization will be established through a baseline census in the event that relocation is envisaged. This census represents the cut-off date under the RPF.

Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance. All persons included in (a), (b) or (c) above are to be provided with compensation for loss of assets other than land. Therefore, it is clear that all project affected persons irrespective of their status or whether they have formal titles, legal rights or not, squatters or otherwise encroaching illegally on land, are eligible for some kind of assistance if they occupied the land before the entitlement cut-off date. Persons who encroach the area after the socio-economic study (census and valuation) are not eligible for compensation or any form of resettlement assistance.

B ELIGIBILITY CRITERIA

PAPs may be classified in one of the three groups listed in **Error! Reference source not found.** The process will involve review of tenure documents owned by occupants, interviews with households and groups in the affected area. PAPs covered in (a) and (b) are provided compensation for the land they lose, and other assistance ensuring that they are:

- Informed about their options and rights pertaining to resettlement;
- Consulted on, or offered choices among, and provided with technically and economically feasible resettlement; and

- Provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the project.

Land for land compensation will be applied to PAPs who might lose their land. All PAPs irrespective of their status or whether they have formal titles, legal rights or not, squatters or otherwise encroaching illegally on land, are eligible for some assistance if they occupied the land before the entitlement cut-off date. Persons who encroach on the area after the socio-economic study (census and valuation) are not eligible for compensation or any form of resettlement assistance. There will therefore be a package of compensation and other resettlement measures to assist each category of eligible PAPs to achieve the objectives of the policy.

Eligibility for Community Compensation

It is also important to note that the eligibility may be claimed collectively, e.g., as a community or religious group and does not necessarily have to be individuals or families.

Communities (on communal lands) that permanently lose land and/or access to assets and/or resources under statutory or customary rights will be eligible for compensation. The rationale for this is to ensure that the pre-project socio-economic status of communities that were adversely impacted, is also restored.

Eligibility criteria will also be determined by the status of development up to when the study starts and will further be determined by other development approval as issued by both central and local government offices. The key local authorities to be interviewed by the consultants will include District, Divisional and location government officials such as the District/ divisional agricultural officer, the District officers, chiefs and sub-chiefs. Other PAPs include: identified large and small-scale farmers, businessmen and businesswomen, women leaders and other leaders of social groups.

Table 12 Entitlement and Compensation Matrix.

Type of Loss	Application	Definition of Affected Households	Entitlement
Agricultural land by title owners	Land on the selected site for the project	Titleholders Affected People (AP) with traditional land rights	Compensation at replacement cost that will ensure the restoration to pre-project level of social and economic status of AP.
Commercial land	Land on the selected site for the project	Titleholders APs with traditional land rights	Compensation at replacement value
Tenant/loss of access by share croppers/ leaseholders	Affected by the project/agriculture plots on the project site	Tenant/sharecropper/ leaseholder	Lump sum
Income from land through wages and loss of livelihood/ occupation	Households affected by the project	Individual affected (traditional users)	Lump sum

Type of Loss	Application	Definition of Affected Households	Entitlement
Loss of crops and trees	Standing crops, trees, on the project site	Owner/sharecropper/ Tenants affected	Compensation at replacement value as estimated by the concerned dept.
Additional Assistance to Vulnerable groups	Households affected by the project	Households categorized as vulnerable (BPL households, female-headed households, SC/STs, disabled/elderly)	Lump sum assistance
Loss of Common Property Resources (CPR)	CPR affected by the Project	Affected Community	Replacement/Reconstruction

C METHODS OF VALUING AFFECTED ASSETS

VALUATION OF LAND USED BY THE PUBLIC

For cases where the land is being used by the public (for instance, for grazing, settling or otherwise), the Proponent will, in consultation with the land administration of the government or customary group whose traditionally control it, identify suitable replacement land for use by the public.

Although the subproject locations have not been identified, it can be concluded that the ERP may cover several types of land, including rural segments. For all the segments land and assets will be valued and compensated for according to the following guidelines and as appropriate for each segment:

- The ER project will compensate for assets and investments (including labour, crops, buildings, and other improvements) according to the provisions of the resettlement plan.
- Eligibility for compensation will not be valid for new persons occupying/using the project sites after the cut-off date, in accordance with this policy.
- Compensation cost values will be based on replacement costs, as of the date that the replacement is to be provided or at the date of project identification, whichever is higher.
- The market prices for cash crops will have to be determined based on the values as determined by each country's respective agency.
- PAPs who lose farmland allotted by the village under customary tenure will be provided an equivalent plot. However, since the bank policy OP4.12 on resettlement makes no distinction between statute and customary rights, a customary land owner or a user of state-owned land will be compensated for land, assets and investments including loss of access, at replacement costs.

The ER program implementation avoids the loss of land rights where this program will be implemented. However, if there is a need for small-scale physical activities, such as nursery, or post-harvest processing facility for NTFPs, implementation of such activities will be prioritized in communal lands owned by owned villages and customary group. Such land use arrangements will be implemented through the following mechanisms:

- Village owned land; Land utilization will be determined by village government with certain condition (size of land, form and period of utilization)
- Customary land; land utilization will be determined by customary leader through customary meeting participated by all custom members

However, if no such land is available, voluntary individual land donation may be sought after. Procedure for such land donation is provided in **Appendix A.5**.

CALCULATIONS FOR COMPENSATION PAYMENTS AND RELATED CONSIDERATIONS

Individual and household compensation will be made in-kind and/or in cash (refer to Table below). Although the type of compensation may be an individual's choice, compensation in-kind will be preferred, if the loss amounts to more than 20% of the total loss of assets.

Table 13 Forms of Compensation

Form Compensation	Description
Cash Payments	Compensation will be calculated and paid in local currency. Rates will be adjusted for inflation.
In – Kind Compensation	Compensation may include items such as land, houses other buildings, building materials, seedlings, agricultural inputs and financial credits for equipment.
Assistance	Assistance may include moving allowance, transportation and labour, title fees, or other related costs.

For cash payments, compensation will be calculated in the relevant currency for each country adjusted for inflation. For compensation in-kind, items such as land, houses, other buildings, building materials, seedlings, agricultural inputs and financial credits for equipment may be included. Assistance may include moving allowance, transportation and labour.

Making cash payments raises issues regarding inflation and security that have to be considered. Cash payments must allow for inflationary adjustments of compensation values. Security for people who will be receiving cash compensation payments will need to be addressed by the local administration. These are some of the reasons why compensation in-kind will be preferred. For payment of compensation in-kind, the time and new location will have to be decided and agreed upon by each recipient, in consultation with the Local Government Authorities.

LAND MEASUREMENT

The unit of measurement for land will be that is used and understood by the affected persons. Therefore if a traditional unit of measurement exists in the rural areas, that unit shall be used. If a traditional unit of measurement does not exist, it is recommended that land should be measured in meters or any other internationally accepted unit of measurement. In such cases, the unit that is being used must be explained to the affected farmers/users. The unit of measurement must be easily related to recognizable land features that the communities are familiar with, such as relative location of trees, stumps and other fixed features on the sites. Understanding the unit of measurement ensures that the affected person is able to verify his/her own size of land that is being lost. This maintains transparency in the process and avoids subsequent accusations for wrong measurements or miscalculation of land areas.

DETERMINATION OF CROP COMPENSATION RATES

Both cash and consumption crops are valued at the market price mid-way between harvest peaks. Prevailing prices for cash crops will have to be determined with the assistance from each country's respective agency. Rate schedules must be verified for accuracy. Each type of crop is to be compensated for, using the same rate. Calculating compensation using one rate guarantees uniformity and allows anyone to measure the area of land for which compensation is due and to multiply the area by the one rate known to all.

COMPENSATION RATES FOR LABOR

The value of labor invested in preparing agricultural land will be compensated for at the average wage in the community for the same period of time. The labor cost for preparing replacement land is based on costs for clearing the land and ploughing. Labor costs will be paid in the relevant currency per the prevailing labor law. The rate used for land compensation is to be updated to reflect values at the time compensation is paid.

In certain cases, assistance may have to be provided to land users, in addition to compensation payments. For example, if a farmer is notified that his/her land is needed after the agriculturally critical date (critical date may be different in parts of each country and across climate zones) when she/he will no longer have enough time to prepare another piece of land, assistance will be provided in form of labor intensive village hire, or mechanized clearing so that replacement land will be ready by the sowing dates. The farmer will still continue to receive his/her cash compensation so that she/he can pay for sowing, weeding and harvesting.

COMPENSATION FOR BUILDINGS AND STRUCTURES

Replacing huts, houses, farm outbuildings, latrines, fences and other impacted structures will pay compensation for buildings and structures. Any homes lost will be rebuilt on the acquired replacement land. However, cash compensation will be available as a preferred option for structures such as extra buildings lost, that are not the main house or house in which someone is living. The applicable replacement costs for construction materials, as well as associated labor costs needed to build replacement structure, will be used to calculate the values. Alternatively, compensation will be paid in-kind for the replacement cost without depreciation of the structure. The project will survey and update construction material prices on an ongoing basis and will consult with the Ministry of public works and Housing (or relevant authority in each country) in updating these prices.

Compensation will be made for structures that are abandoned because of relocation, or resettlement of an individual or household, or structures that are damaged directly by construction activities.

Replacement values will be based on:

- Drawings of individual's house and all its related structures and support services;
- Average replacement costs of different types of household buildings and structures based on information on the quantity and type of materials used for construction (e.g., bricks, rafters, bundles of straw, doors, etc.);
- Prices of these items collected in different local markets and as provided by the Ministry of Public Works and Housing (or relevant authority in each country);

- Costs for transportation and delivery of these items to acquired/replacement land or building site;
- Estimates of construction of new buildings including labour required.

COMPENSATION FOR SACRED SITES

Compensation for sacred sites (e.g., proprietary rites and reconstruction) is determined through negotiation with the appropriate parties. Sacred sites include but are not restricted to: altars, initiation centers, ritual sites, tombs and cemeteries. Sacred sites include such sites or places/features that are accepted by local laws including customary practice, tradition and culture as sacred. To avoid any possible conflicts between individuals and/or communities, homesteads and village government, the use of sacred sites for any project activities is not permitted under the ERP.

COMPENSATION FOR HORTICULTURAL, FLORICULTURAL AND FRUIT TREES

Trees are primarily important as a source of:

- Subsistence food for families;
- Cash that contributes to the local and export economy;
- Petty market income in some areas and;
- Shade (in the case of cashew, mango and some coconut trees);
- Traditional medicinal value.

Given their significance to the local subsistence economy in these countries, fruit trees will be compensated on a combined replacement value. Fruit crop compensation will be the value of lost production until the replacement seedling comes into production. These values are determined and verified by the Ministry of Agriculture, or other respective government agency, rate schedule. Preference will be given to the replacement of affected trees with new seedlings unless otherwise decided by the PAPs. The compensation will be adjusted for inflation.

The cost of new fruit trees seedlings, the labor for planting and tending the new trees to maturity and compensation rates for loss of income will be based on information obtained from the Ministry of Agriculture, or appropriate agency for each respective government, and from the socio-economic surveys.

Based on this information, a compensation schedule for fruits and trees can be developed, incorporating the following criteria:

- Replace loss of income for subsistence fruit (e.g., coconut, cashew, guava or mango) based on production yields as quickly as possible. Cash payments to farmers will be aimed at replacing income derived from the sale of excess fruit production until replacement trees produce the equivalent (or more) in projected cash income.
- Provide subsistence farmers with new tree seedlings to replace the affected trees to sustain future source of income and food from the fruits.
- Provide farmers with the opportunity to derive alternative income from trees bearing more valuable fruits at off-season periods.

Appendix A5
**Procedure for Voluntary Land
Donation**

APPENDIX A5: PROCEDURE FOR VOLUNTARY LAND DONATION

Voluntary donation of a land for a subproject means there is a transfer of ownership rights from the land donor(s) to subproject proponent (beneficiaries, community group, local government, or others, depending on the agreement between the land donor and the project). Voluntary in this context will mean the donation or granting of land and other assets with the full knowledge of the purposes for which the asset is being made available and the economic, social and legal consequences that such an act would have on the person providing the asset and which act is exercised freely and voluntarily, without any type of coercion. Land acquired by voluntary donation should be supported by a written agreement by the land owner, witnessed by neighbors or community representatives.

Voluntary land donation for a subproject will be an acceptable option if:

- the land donor receives direct benefit from the subproject and will not be worse-off after the land taking;
- land donor has been informed clearly of their right on compensation at a public meeting prior to the decision on contributing the land voluntarily, but nevertheless he or she is still willing to donate his/her land without any pressure;
- there is option to adjust the subproject design or location in the case that land owners refuse to donate their land;
- the land is identified by beneficiary communities and confirmed by technical staff to be suitable for the subproject and free from any environmental or health risks;
- the impacts on the land owners are insignificant and do not result in displacement of households, or cause loss of households' incomes and livelihoods;
- the donated land is free from any dispute on ownership or any other encumbrances;
- consultations with the land donors or beneficiaries are conducted in a well-informed, free and transparent manner in the presence of community leader and facilitators, and they are willing to donate land without pressure; and
- land donors have the right to refuse to donate their land and therefore there should be alternative sites for a subproject.

Procedures and requirements of VLD

The process of obtaining land through voluntary land contribution requires the implementing agency to conduct field verification and ensure that:

- land donors have voluntarily agreed to donate his/her/their land for the proposed subproject. They also need to ensure that decision on land contribution was made through participatory mechanisms;
- the proposal includes a statement letter signed by the community member(s) who donate the land and witnessed by the chairperson of the community ("kepala dusun/RT/RW") or head of wards/village and signed by heirs and other witnesses. The letter contains, among others, name and address of land contributor(s); current use, location and size of the donated land; the purpose of land donation; map of the location of the land; specification

whether part of the land rights is donated, or permit for use or permit for passage; once a subproject proposal is approved by the facilitator, the land owner who contributes the land identifies on the ground the donated land and site where to build the facility;

- There is a clear information to whom the land is donated, and the project should follow-up on the legal process of the status of the donated land as necessary; if part of the land rights is donated to the village or government, the project should facilitate the follow-up of the legal processing of the status of the donated land; if the land is donated to the community, the facilitator should consult with the village administration on how to record this to ensure that the donated land has a legal status;
- Processes and results of consultation meetings, grievances and actions taken to address such grievances should be properly documented;
- Donated land should be well recorded and documented in the project document (in the subproject proposal and/or in the site development plan);
- The originals of the donation letter should be kept both by the project (in the sub-project proposal and/or in the site development plan) and by the land donor.

Key information that should be included in the Donation Letter is listed below:

- a. Name of subproject proponent/implementing agencies
- b. Brief description of subproject acquiring land
- c. Size, existing use, and location (with map or sketch) of donated land:
- d. Name and identity of land donor(s)
- e. Date of the donation
- f. Map/sketch of the donated land
- g. Type of use (for the subproject) of the donated land
- h. Statement to voluntarily donate the land by the land owner
- i. Date and signing of the letter: (by the subproject proponent (or authorized representatives in the case of community group) who receive the donated land; land donor; head of village, inherits of the land donor, and witnesses (at least three people). The land donor should put his/her signature on a legal stamp (materai).
- j. Attachment of:
 - minutes of consultations;
 - attendance list;
 - any legal proof of land ownership (if applicable)