

**INTEGRATED SAFEGUARDS DATA SHEET
IDENTIFICATION / CONCEPT STAGE**

Report No.: ISDSC12310

Date ISDS Prepared/Updated: 08-Apr-2015

I. BASIC INFORMATION

A. Basic Project Data

Country:	Indonesia	Project ID:	P154846
Project Name:	Improving Energy Project Delivery		
Team Leader(s):	Dhruva Sahai		
Estimated Date of Approval:	24-Apr-2015		
Managing Unit:	GEEDR	Lending Instrument:	Lending Instrument
Sector(s):	Public administration- Energy and mining (50%), General energy sector (50%)		
Theme(s):	Public expenditure, financial management and procurement (30%), Other public sector governance (10%), Managing for development results (60%)		
Financing (in USD Million)			
Total Project Cost:	1.5	Total Bank Financing:	0
Financing Gap:	0		
Financing Source			Amount
Indonesia - AUSAID TF for Infrastructure Support			1.5
Environment Category:	B - Partial Assessment		

B. Project Development Objective(s)

The objective of the Project is to support the Recipient's efforts to promote transparency and good governance in energy project delivery.

C. Project Description

The Project shall fund the operations of the Performance Management Unit, and the future Project Management Office during their initial operating year. The funds shall cover the remuneration of key individuals engaged by the PMU and future PMO to improve energy project delivery. As the PMU and PMO are new units, the precise components to be financed under this TA will develop as the PMU brings on staff and deals with the most pressing issues necessary to deliver on the Government's energy agenda. However, indicative components as defined under the MEMR Transformation Program towards which the individuals hired by the PMU could contribute would be as follows:

Component 1: Promoting transparency and good governance in the permitting and licensing processes

Component 2: Promoting improvements to the procurement processes of goods & services funded by the state budget

Component 3: Promoting the use of innovative infrastructure financing mechanisms

Component 4: Improving MEMR's data management system

Component 5: Developing an IT based performance monitoring system for MEMR's strategic action plan for 2015-2019

Component 6: Staff capacity building and innovation scouting activities

Component 7: Promoting transparency and good governance in in MEMR's priority programs, regulations, and public services

Component 8: Managing initiatives for improving and optimizing MEMR's non-tax revenues

Component 9: Promoting transparency and good governance within MEMR to achieve a new leadership commitment to "improve MEMR's public trust".

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project is national in scope, given that energy resources are located throughout the country. The project will provide technical assistance and will not finance any physical investments; however the PMU will facilitate investments in generation, transmission and distribution. Environmental and social concerns around energy development in Indonesia have been primarily related to the conversion of forest lands and key ecological habitats, and the displacement and/or loss of livelihood of local communities, including but not limited to indigenous peoples.

Several of the proposed project components will have implications for land use planning, land allocation, and land acquisition. These are: Components (1): Promoting transparency and good governance in the permitting and licensing processes; (3) Promoting the use of innovative infrastructure financing mechanisms including Public Private Partnerships; (7) Promoting transparency and good governance in MEMR's priority programs, regulations, and public services; and (9) Promoting transparency and good governance in MEMR's operations to improve MEMR's public trust, may also incorporate tools to ensure compliance with environmental and social management good practice.

Resources under this proposed project will be used to cover the salaries of financial, legal, and technical staff in the Project Management Unit (PMU) to be based in the Ministry of Energy and Mineral Resources (MEMR). This PMU would serve as a facilitator and liaison between private sector investors in energy development and other Government agencies, including the proposed Project Management Office to be based in the Vice President's Office, and the Land Bureau, as well as PLN and Pertamina and stakeholders in local communities.

The Project will not finance the preparation of feasibility studies, technical engineering studies, and the preparation of bid documents. Given that concessions for energy development (including land allocation and environmental permits) will already have been granted prior to the PMU becoming involved, the PMU's role is limited to that of facilitation, liaison, and conflict resolution – working with project developers, government agencies and ministries, and local stakeholders and communities to remove bottlenecks to project development, and identify and resolve related grievances and concerns. Such concerns are anticipated to be largely related to land use/allocation and compensation issues.

It is recommended that the staffing of the PMU include an environmental specialist with familiarity in the application of international standards for environmental design, management, and monitoring

of energy projects, and experience in land use planning exercises related to the development of infrastructure in Indonesia. It is also recommended that an expert in community relations be included, with experience in the resolution of land use and land acquisition disputes associated with civil works and the awarding of concessions for energy/infrastructure development. Experience with working with indigenous communities would be an asset.

It is recommended that environmental and social objectives be incorporated into any proposed studies or policy or program formulation under the Project (for example, the proposed pilot permitting and licensing process). It is also recommended that the PMU prepare a stakeholder consultation and strategic communications plan.

All TA activities, recommendations, and advice, will be consistent with the objectives of World Bank environmental and social safeguard policies. Given that this proposed project includes Technical Assistance but does not provide resources for the implementation of its recommendations (There is no funding for actual investments in energy generation, transmission, and distribution; and the decision-making mechanism for awarding energy concessions is not funded under this project) the Project Paper and the corresponding legal documentation will make such circumstances clear.

E. Borrower's Institutional Capacity for Safeguard Policies

MEMR has prior experience in working with Bank projects including safeguards management. State owned enterprises such as PLN and Pertamina Geothermal Energy (PGE) are also familiar with the Bank's safeguards policies and their implementation. The placement of one or two safeguards specialists at the PMU with adequate exposure and experience to the Bank's safeguards policies (to be stipulated in their TORs) can bring about benefits to ensure that the innovations and improvement efficiency efforts can be done in appropriate ways in line with Bank's safeguards policies. The PMU's safeguards specialist shall proactively work with the Bank's safeguards specialists and arrange specific training programs or workshops related to the application of safeguards in this TA by the PMU.

In addition, to ensure proper safeguards works to be conducted in this TA, assistance from an experienced safeguards consultant would be used to prepare a summary of the potential environmental and social safeguards issues that could be encountered. This information would be used to define the responsibilities of the proposed safeguards position at the PMU, and to prepare a rule to ensure that any adaptation to the permitting and licensing framework or to the development of new regulations is assessed to ensure compliance with Bank policies, and to prepare a stakeholder engagement strategy and consultation process.

F. Environmental and Social Safeguards Specialists on the Team

Flavio Chaves (GWADR)

Krisnan Pitradjaja Isomartana (GENDR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	This is an upstream TA that will promote transparency and good governance in the delivery of the policy and regulatory framework governing energy projects in Indonesia. The policy is triggered as the PMU's activities under

		the TA may include support with removing bottlenecks in the licensing and approvals processes including those related to environmental and social safeguards clearances. The environmental and social staff members to be hired using resources provided by this project will ensure that any advice and guidance provided to the PMU and to the recipients of its support are in accordance with OP 4.01 and the Bank Group General and Industry Specific EHS Guidelines. Any permits or processes developed under this activity will also be compliant with the objectives and requirements of this policy.
Natural Habitats OP/BP 4.04	No	This is an upstream TA that will promote transparency and good governance in the delivery of the policy and regulatory framework governing energy projects in Indonesia. The TA will not identify any energy projects and will not finance any feasibility studies, technical engineering studies, and bidding documents. The TA is meant to promote transparency and good governance in the implementation of regulations, and licensing and permitting processes in the energy sector and in streamlining processes. Thus, it has no impact on natural habitats.
Forests OP/BP 4.36	No	This is an upstream TA that will promote transparency and good governance in the delivery of the policy and regulatory framework governing energy projects in Indonesia. The TA will not identify any energy projects and will not finance any feasibility studies, technical engineering studies, and bidding documents. The TA is meant to promote transparency and good governance in the implementation of regulations, and licensing and permitting processes in the energy sector and in streamlining processes. Impact on forests is not envisaged.
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	This is an upstream TA that will promote transparency and good governance in the delivery of the policy and regulatory framework governing energy projects in Indonesia. The TA will not identify any energy projects and will not finance any feasibility studies, technical

		engineering studies, and bidding documents. The TA is meant to promote transparency and good governance in the implementation of regulations, and licensing and permitting processes in the energy sector and in streamlining processes. The activity is therefore is not expected to have an impact on PCRs.
Indigenous Peoples OP/BP 4.10	No	This is an upstream TA that will promote transparency and good governance in the delivery of the policy and regulatory framework governing energy projects in Indonesia. The TA will not identify any energy projects and will not finance any feasibility studies, technical engineering studies, and bidding documents. The TA is meant to promote transparency and good governance in the implementation of regulations, and licensing and permitting processes in the energy sector and in streamlining processes. The project is not expected to affect IPs.
Involuntary Resettlement OP/BP 4.12	No	This is an upstream TA that will promote transparency and good governance in the delivery of the policy and regulatory framework governing energy projects in Indonesia. The TA will not identify any energy projects and will not finance any feasibility studies, technical engineering studies, and bidding documents. The TA is meant to promote transparency and good governance in the implementation of regulations, and licensing and permitting processes in the energy sector and in streamlining processes. The project is not expected to involve any land acquisition and/or involuntary resettlement.
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

III. SAFEGUARD PREPARATION PLAN

Appraisal stage ISDS required?: No

IV. APPROVALS

Team Leader(s):	Name: Dhruva Sahai
<i>Approved By:</i>	

Safeguards Advisor:	Name: Peter Leonard (SA)	Date: 19-Mar-2015
Practice Manager/ Manager:	Name: Julia M. Fraser (PMGR)	Date: 22-Mar-2015

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.