



Indonesia Program to Accelerate Agrarian Reform

EXECUTIVE SUMMARY of the ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK (ESMF)



M 0092

0387

0076
M.C.171

0009
M.C.112

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
A. CITIZEN ENGAGEMENT	6
B. SAFEGUARDS SCREENING AND RISK MAPPING PROCEDURES	6
C. ENHANCED STAKEHOLDER ENGAGEMENT DURING PROJECT PREPARATION AND IMPLEMENTATION	7
D. ADDRESSING DOWNSTREAM IMPACTS ASSOCIATED WITH EVICTIONS AND/OR ACCESS RESTRICTIONS	7
E. COMPLAINTS HANDLING GRM	7
F. ADDRESSING ENVIRONMENTAL RISKS.	8
G. MAINSTREAMING GENDER.	8
H. ENSURING PRO-ACTIVE ENGAGEMENT WITH INDIGENOUS PEOPLES AND ADAT COMMUNITIES.	9
I. COMMUNITY MONITORING	9
J. CAPACITY BUILDING.	9
K. RESOURCES FOR ENVIRONMENTAL AND SOCIAL SAFEGUARDS.	10

EXECUTIVE SUMMARY



This Environmental and Social Management Framework (ESMF) report has been prepared for the Indonesia Program to Accelerate Agrarian Reform Project. The ESMF provides an overview of the Project, the processes, institutional arrangements, and frameworks for addressing and mitigating environmental and social risks. A framework approach is chosen because the project supports a regional process for land mapping where site-specific interventions will not be identified until during project implementation.

The preparation of this ESMF is based on information review, field visits and consultations undertaken at the central and subnational level. Engagement has taken place with both internal stakeholders within ATR/BPN at the national and subnational levels as well as external stakeholders, including relevant ministries (i.e. Ministry of the Environment and Forestry, Ministry of Home Affairs) and Civil Society Organizations (CSOs) in the land sector. Such engagement has informed the project design, identify environmental and social risks and to discuss development of measures to address those risk. Minutes of these consultations are appended in **Annex 10**.

The Government of Indonesia (GoI) is implementing the Reforma Agraria (*Agrarian Reform*) Program through the Ministry of Agrarian and Spatial Planning/National Land Agency (*Ministry for Agraria and Tata Ruang/Badan Pertanahan Nasional, ATR/BPN*) and the National Geospatial Agency (*Badan Informasi Geospasial, BIG*). This project-specific credit with support from the World Bank (WB) would finance activities under the Agrarian Reform and One Map Policy (OMP). The proposed project would establish clarity on actual land rights and land use at the village level in the target areas. The increased clarity over land rights and land use would enhance agrarian reform, sustainable landscape management, land governance, social stability, access to land for investments, inclusive growth, conflict resolution, and environmental protection and conservation including positive co-benefits to climate change adaptation and mitigation, and women's awareness and access to legal land rights individually or through joint ownership.

The objective would be achieved by: (i) participatory mapping including fit-for-purpose mapping of parcels in non-Forest Areas, land use, indicative village administrative boundaries, and other land use occupation (Forest Area¹ boundaries and mining concessions etc.); (ii) enhancing the availability and access to up-to-date geospatial information; (iii) promoting access to and availability of electronic land administration services; (iv) improving capacity, procedures and legal framework for accelerating implementation of Agrarian Reform, OMP and modern e-Land Administration; (v) assessing, addressing and monitoring social and environmental vulnerabilities and monitoring project impact to vulnerabilities; (vi) promoting gender disaggregated monitoring and reporting, awareness raising and regularization of indigenous peoples and women's land rights. The project would target Agrarian Reform and the GoI's priority fire-prone provinces in Sumatra (Riau, Jambi and South Sumatra) and Kalimantan (East, Central, West and South).

¹ The Forest Law 41 of 1999 stipulates the Forest Area (*Kawasan Hutan*) including State Forests (*Kawasan Hutam Negara*) and individually held Titled Forests (*Hutan Hak*) that is to be retained as forest. This project would focus on non-Forest Areas including the outer boundary of the Forest Area and excluding areas inside the Forest Area.

Accelerating the implementation of the Agrarian Reform/OMP through the Systematic and Complete Land Registration program (*Pendaftaran Tanah Sistematis Lengkap*, PTSL, **Annex 1**). The project would produce village level parcel boundary maps in the project target areas (covering non-Forest Areas and Forest Area outer boundaries), and facilitate land rights regularization and registration in the electronic land administration system (eLand), including joint titling and individual titling for women as appropriate. The project would (i) implement ATR/BPN's systematic and complete land registration process (PTSL) through an inclusive fit-for-purpose approach resulting in a comprehensive map of tenure rights (ownership, possession, occupancy, concessions, licenses, leases, etc.), land use, indicative Forest Area delineation and affirmation (through a joint survey with MoEF), and other agreed boundaries, and significant features of the project target provinces. Areas of overlapping rights and interests, and areas or boundaries under dispute would be identified. The project would also strengthen the local land office infrastructure and services including by adopting an electronic land administration system and digital archives. The project would also improve access to and the availability of geospatial information for agrarian reform, land and tenure rights administration, and environmental and natural resource management in the target provinces by investing in the geospatial reference network and National Spatial Data Infrastructure (NSDI) technology and services.

Environmental and Social Benefits and Risks: The project triggers four WB's safeguards policies: Environmental Assessment (OP/BP 4.01), Forests (OP/BP 4.36), Physical Cultural Resources (OP/BP 4.11), Indigenous Peoples (OP/BP 4.10) and Involuntary Resettlement (OP/BP 4.12). The rationale for these policy triggers is detailed in Chapter 3.

Review of the relevant Gol's policies, regulations and guidelines that would relate to project objectives, particularly those related to land administration and management (and PTSL) were assessed for their relevance and adequacy vis-à-vis the environmental and social provisions under the World Bank's Safeguards Policies (further described in **Annex 2**).

The project has been classified as a Category A (High Risk) project for Environmental Assessment. The high risks are primarily third party and downstream risks associated with the project scope not covering the Forest Areas. The potential environmental and social risks of the project are mostly associated with Component A.1 (Participatory Mapping and Agrarian Reform), A.2 (Land Registration), and A.3 (Forest Area Boundary Demarcation).



Field assessments and consultations carried out as part of this ESMF indicated that the overall project is expected to yield positive environmental and social benefits by: (a) documenting changing patterns of land use and deforestation; (b) providing demarcation of external boundaries of Forest Areas including State Forests (production, protection and/or conservation forests), thereby enhancing the government's capacity to provide the necessary protection; (c) reducing the probability of issuance of conflicting or inappropriate land use licenses; (d) providing incentives for improved land management; (e) improved community livelihoods based on sustainable natural resource management; (f) provision of up to date geospatial base data (i.e. orthorectified high resolution satellite images) for line ministries and agencies to enhance natural resources management and g) social impacts of registration and then titling (security of tenure, inclusiveness, health and education, residential mobility).

The only direct potential environmental impacts from the project would be associated with renovation/improvement of existing buildings/infrastructure under Component A.4 on Strengthening Local Land Offices. Such renovation activities are expected to have low impacts and could be addressed with the application of an Environmental Code of Practices (ECOPs), which forms an integral element of the ESMF.

The project activities would directly involve and affect Indigenous Peoples, including *Adat* communities and their territories, since the mapping activities would likely take place in areas claimed by these communities. This includes areas around and/or near Forest Area boundaries, and possible communal tenure holdings in non-Forest Areas. Environmental and social effects which may be anticipated during the project implementation would apply to Indigenous Peoples, as well as other communities. These effects are likely associated with: a) lack of community participation during mapping activities due to lack of prior information, exclusion of certain groups, as well as lack of willingness to participate; b) improper legal and physical data collection for parcels to be mapped, resulting in inaccurate boundaries and erroneous titling which may be subject to future disputes; and c) potential tension and conflicts stemming from lack of socialization and understanding of the project, as well as expectations for tenure security in areas where ATR/BPN has no mandates (e.g. Forest Areas, concessions). In general, there is also a level of reputational risk due to public expectations that the project would address on-going tenure conflicts across the priority provinces, which the current design and institutional capacity are not equipped to do, particularly regarding tenure settlements in Forest Areas. A Community Participation Framework (CPF) and Indigenous Peoples Planning Framework (IPPF) have been prepared (**Annex 4**) to ensure that general principles and procedures will be applied for ensuring consultation, and in the case of Indigenous Peoples and *Adat* communities ensuring their broad community support, an opportunity to benefit from the program, and measures to avoid adverse impacts.

The project includes a mechanism to screen for issues and areas requiring special treatments prior to location selections, as well as incorporating screening and social mapping processes (**Annex 5**) community engagement and facilitation as Grievance Redress Mechanism (GRM) as well as community-level dispute mediation as part of the overall PTSL process.

The project activities do not involve land acquisition, nor does the project displace people and/or their resources. The project does not support mapping or certification in areas under territorial disputes. Furthermore, the project does not target Forest Areas beyond forest boundary demarcation. The project does not support participatory mapping or certification in areas under territorial land disputes or conflict, and the project does not cover areas inside the Forest Area. The scope of land registration/certification financed by the government budget (Component 1.3) is limited to asset legalization which is legitimate by law (e.g. with valid proof of long-standing claims and occupation such as tax receipts, recognition of land rights by village governments or *Adat* institutions, etc.).

There is potential high social risk due to possible third party and downstream impact of the project in particular to Forest Area dwellers. To address these other risks, institutional collaboration with the Ministry of Environment and Forestry (MoEF) will be key. The collaboration will help address the complex nature of land governance in Indonesia and issues arising from Forest Area outer boundary demarcation activities. In response to this risk, the World Bank Policy (OP 4.12) on Involuntary Resettlement has been triggered as a pre-cautionary measure and a Resettlement Policy Framework (RPF) and Process Framework (PF) (**Annex 6**) has been prepared to manage such potential risks if they happen during project implementation. The World Bank Policy (OP 4.12) sets out key measures to address impacts in the case of access restrictions and eviction by third parties downstream.

MoEF will be needed to implement the RPF and PF if forced displacement and access restrictions occur in Forest Areas demarcated under the proposed project. As such the RPF and PF has been produced to

outline necessary measures, including institutional arrangements and roles and responsibilities to manage any potential displacement impacts arising from increased scrutiny and regularization of land tenure by the MoEF as the custodian of the state forests. Supervision of this framework will be retained within the project PMU at the ATR/BPN, with oversight provided by the provincial PIM units and technical implementation by the district land offices (*Kantah*). A Project Coordination Committee (PCC) would be established at the national level, co-chaired by ATR/BPN and BIG with members from the various stakeholder agencies including CMEA, BAPPENAS, MoHA, MoEF, and MoEMR, to facilitate inter-agency coordination and cooperation of project activities. Section I of the RPF and PF further elaborates on implementation arrangements.

Section J of the RPF and PF deals with the preparation, implementation and monitoring and evaluation of RAPs and PoA and provides details of consideration in the case of this possible forced evictions and restrictions of access resulting from:

- a. Community living deep inside the Forest Areas that are currently under Status Quo may face increased Government scrutiny to deny their tenure claim as a result of the affirmed boundary of the conservation and protection Forest Areas;
- b. Communities living around unclear forest boundaries may find their land partially or fully lies within state Forest Areas, hence requiring the change in their settlement and livelihood locations;
- c. Informal settlers in the state land and/or private concessions in non-Forest Areas may face increased pressures with regards to the legal status of their occupation, with possibilities of evictions if government agencies and/or concession holders seeks to reclaim land ownership.

The costs for the implementation of the RPF and PF are integrated into project design and the ESMF specific budget described in Chapter 6, Section 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 would be prepared with the Component C support. In most cases, the resettlement would concern State Forests, and most likely Conservation or Protection Forests, and while GoI is broadly responsible of implementing this ESMF, MoEF would be the responsible executive agency that would have to prepare the RAP or PoA and specify the dedicated source(s) of Government funding to be used to carry out the budgeted resettlement-related commitments.

Consideration of Alternatives. One Map Policy implementation acceleration through participatory parcel mapping without direct linkage to Agrarian Reform was the initial approach considered for the project. However, the adoption of Agrarian Reform and land certification targets to the project became necessary for linking the project to the ATR/BPN's mandate and programs, and also for providing incentives for participation for the land holders in the project target areas. The project would mostly work in non-Forest Areas, with an added component of Forest Area boundary demarcation. The overall benefits of doing the project in comparison to not doing the project far outweigh its risks, which are mainly social. Project design and a series of measures have been thoroughly developed to manage project risks.

Cumulative Impacts. The project consists mainly of participatory mapping and demarcation and technical assistance to establish clarity on actual land rights and land use at the village level in the target areas. No significant cumulative impacts are anticipated. Potential social impacts to specific communities or individuals are mostly related to downstream indirect impacts resulting from the project, potential disputes or other social impacts that are identified, and would be managed through the project design and implementation of the safeguard instruments. Environmental impacts resulting from the project are considered minor. The project would mostly work in non-Forest Areas, with an

added component of Forest Area boundary demarcation. The project would not result in the designation of large areas of forest resources that would lead to pressures and a reduction in value of forest resource areas. Furthermore, there would no other initiatives (plans or proposals – either in planning or implementation stage) that could lead to significant cumulative impacts; for example, proposals for designating watersheds or agricultural land or other similar land zoning that might exacerbate pressures or lead to otherwise unforeseen consequences for the forest areas or for areas outside of the designated forest areas.

In response to the identified risks, the government has put in place several measures, through the PTSL process, and has developed this ESMF, to mitigate impacts. The summary of risk prevention and mitigation measures for project implementation is presented in **Chapter 3** and further details are appended in **Annex 3**. Key approaches to the ESMF are summarized as follows:

a. **CITIZEN ENGAGEMENT** is the key underpinning element for the implementation of the ESMF. The proposed citizen engagement approach is based on a two-way interaction and dialogue between the government, landholders, private sector stakeholders and citizens. Citizen engagement for this project includes stakeholder consultations, a multilevel GRM along with operationalization of a responsive ‘hotline’ grievance handling (administered by the ATR/BPN) and local community participation in project planning and implementation as well as tracking progress. Periodic consultations with landholders, project beneficiaries, Indigenous Peoples and relevant organizations, and other stakeholders will start at the pre-feasibility stage (site-screening and risk mapping) and continue throughout project cycle. The ESMF includes measures to enable continued mechanisms for citizen consultations and feedback during project implementation. Citizen engagement including consultations with stakeholders would be undertaken in a manner that is inclusive and culturally appropriate, by taking into account concerns and preferences of Indigenous Peoples, *Adat* and socio-economically disadvantaged groups. At the site level, separate consultations for women or youth only sessions will be convened taking into account their availability, facilitator preferences as well as modes of delivery. Both the CPF and IPPF in Annex 4 cover engagement with the IPPF focusing specifically on Indigenous Peoples and *Adat* communities.

b. **SAFEGUARDS SCREENING AND RISK MAPPING PROCEDURES.** A pre-implementation “environmental and social screening and risk mapping” of all proposed project sites will be carried out at the planning and pre-feasibility stage to collect ground level information and assess key concerns and risks. This should help to identify issues and risks to be considered prior to the confirmation (or start of work) of PTSL locations for project work. This screening will also help to identify



presence of Indigenous Peoples and *Adat* communities as land users, owners or claimants in the areas targeted for PTSL activity, possible physical cultural resources site and areas with high-conservation value in non-Forest Area. Such a preliminary screening is expected to provide opportunities to establish a mutual dialogue with various stakeholders, understand their concerns and foster their participation during project planning and implementation as well as facilitate early agreements on contentious issues (see **Annex 5** on the TOR for Site Screening and Risk Mapping). Results from the site screening will inform further elaboration of necessary risk management measures, including decisions on alternative locations, possible

conservation efforts and special consultation measure for Indigenous Peoples, *Adat* and poorer communities to obtain their support for site-specific project activities. The findings will also be used to complement information from other technical studies conducted as part of the project activities. Safeguards staff and technical advisor at PMU and PIM level would support this process through continual support to PTSL task force during implementation.

c. *ENHANCED STAKEHOLDER ENGAGEMENT DURING PROJECT PREPARATION AND IMPLEMENTATION.*

Based on the results of site-screening, ATR/BPN through their respective District Land Offices (*Kantah*) will develop and implement a Stakeholder Engagement Plan (SEP) for specific sub-districts or villages, with technical assistance from the Public Relations teams from the Project Management Unit (PMU) and Project Implementation and Monitoring (PIM) units. A draft of the SEP will be made public and applicable for both ATR/BPN surveyors as well as private sector contractors when the work is outsourced (most or all the project supported PTSL work will be outsourced). Necessary site-specific amendments will be made during implementation. The SEP will take into account socio-economic, environment, and land-specific local characteristics and claims/interests of various stakeholders as well as propose different levels of engagement and methods of consultations accessible to marginalized groups, Indigenous Peoples, and *Adat* communities. Further engagement will build upon communication and information dissemination channels identified during preliminary stakeholder engagement and risk screening, for instance through community facilitators or champions. In the event that additional and/or unanticipated risks emerge, the field teams, in coordination with their respective *Kantah*, the PMU and PIM units will take necessary measures to address such risks, including mobilization of additional measures or postponing activities until cases/concerns are addressed.

Detailed information about the project, including feedback and grievance redressal processes will be made available and accessible to the public prior to and during project implementation. Based on site-screening results, site-specific information will also be delivered at periodic intervals during the course of implementation.

d. *ADDRESSING DOWNSTREAM IMPACTS ASSOCIATED WITH EVICTIONS AND/OR ACCESS RESTRICTIONS.*

While the project would not acquire land, there could be indirect, downstream impacts and as a result of third party actions, that could result in involuntary resettlement in Forest Areas and/or State and Public Lands in non-Forest Areas. Such impacts would materialize if MoEF and/or concession holders used the new affirmed Forest Area or State Land boundaries to regularize informal tenure settlements in both Forest and non-Forest Areas, or chose to evict people from these settlements based on the project affirmed boundaries, for example conservation or protection forests. To address such potential impacts, an RPF and PF have been prepared as a pre-cautionary measure. If informal occupants or landholders on forest areas, including State Forests or on other State Land, would be physically displaced and/or restricted from access to natural parks or protected areas, the GoI would need to apply the World Bank Policy (OP 4.12). Resettlement Action Plans (RAPs) and Plans of Actions (PoA) would be prepared under Project Component C. The GoI's responsibilities and institutional arrangements in implementing the RPF and PF, as well as subsequent RAPs and PoAs, would be confirmed at the loan negotiations.

e. *COMPLAINTS HANDLING GRM.*

The ESMF sets out steps and processes for complaints and grievance handling based on the existing systems used and managed by ATR/BPN and GoI in general. It includes the responsibilities of key stakeholders to address public concerns. The PMU and PIM units will be responsible for ensuring that an effective GRM is established for each field team and made accessible to the public. The whole GRM cycle will include: (i) raising

public awareness among local communities on how to use the GRM services; (ii) establishing of multiple channels and locations for submitting of grievances; (iii) proper registration of all grievances related to project activities to enable tracking and review of resolution status; (iv) facilitating community-based dispute mediation and (v) identification of systematic issues affecting the project. Under Component 1 and 3, the project will build capacities of implementing teams to be able to promptly respond to concerns of local communities, civil society or any other project-affected parties in a timely manner. The GRM will utilize existing formal or informal or community-based grievance or dispute resolution methods/mechanisms supplemented with project-specific arrangements. Such a mechanism will be part of ATR/BPN's existing departments and supplementary measures will be mainstreamed as part of the project activities.

f. ADDRESSING ENVIRONMENTAL RISKS.

The direct potential environmental impacts from the project will be associated with minor renovation works of land office facilities. Such renovation activities are expected to have low impacts which can be addressed with the application of an Environmental Code of Practices (ECOPs), which forms an integral part of the ESMF. The project supported PTSL community based participatory



mapping process would also demarcate State Lands with high-conservation value in non-Forest Areas as a standard practice (Annex 1 and 5).

- g. MAINSTREAMING GENDER.** The ESMF strives to ensure that women have an adequate opportunity and space to participate in all discussions and engage in decision-making affecting their access to and control over land and natural resources. These are reinforced by incorporating specific steps in the PTSL processes and procedures tailored to women such as convening “women-only” meetings and gender-responsive timeframes and guidelines during planning, data collection, and engagement to clarify questions about the maps produced and publicly displayed. The proposed measures include support and advisory services on inheritance rights and dispute resolution as well as community mobilization to ensure that women’s rights to land are protected. Steps will be taken to ensure that sufficient number of women facilitators are trained and assigned to work as part of the field teams along with translation support (local dialects) as and when needed and feasible.

- h. **ENSURING PRO-ACTIVE ENGAGEMENT WITH INDIGENOUS PEOPLES AND ADAT COMMUNITIES.** The project will promote inclusion of Indigenous Peoples and *Adat* communities through an affirmative process of socialization and consultation to ensure that they receive complete information on the proposed mapping and registration processes and have adequate opportunities to meaningfully engage in the process, and have access to appropriate recourse in the event of grievances to address them. The PTSL process will take into account preferences of Indigenous Peoples and *Adat* communities with regards to their tenure arrangements, to assist them in understanding tenure options if their claims are located outside Forest Areas and are not contested, and supporting land regularization based on their preferences. In case Indigenous Peoples and *Adat* households (or communities) submit their claims for land parcels within Forest Areas (outside of ATR/BPNs mandate) or with overlapping boundaries, the project will make the best efforts to document such claims in the ATR/BPN's database and address them through a participatory process as per GOL guidelines and procedures.



- i. **COMMUNITY MONITORING.** Community monitoring will be conducted in two stages. First, at the time of boundary demarcation and mapping of land parcels. Second, after completion of the PTSL work to understand impacts as well as beneficiaries' satisfaction levels. For the latter, the activities will be financed by the Component 1.3 and will be spearheaded by a joint team that will be led by ATR/BPN's Training Department (*Diklat*) for preparation, development and delivery of required training modules and ATR/BPN Research and Development Department (*Litbang*) for analytical work. The field teams will be trained and mentored by *Diklat* and *Kantah* on eliciting and supporting the role and responsibilities of community members in project monitoring. It will also include orientation on ATR/BPN's Standard Operating Procedures and guidelines for community monitoring, followed in Indonesia, to enable proactive engagement of local civil society and community leaders in public consultations and mapping processes.
- j. **CAPACITY BUILDING.** The PMU will provide the overall leadership and management support for project's compliance with safeguards requirements as set out in the ESMF. It will work in cooperation with the BIG/PIU, PIM Units, *Kantah*, and other relevant agencies both at the national and sub-national levels. Based on the analysis on risks and existing capacities, the ESMF has identified a set of areas where investments are needed to improve and strengthen the awareness, understanding, knowledge, and skills for stakeholders at national and subnational levels, communities, civil society and field teams. The capacity building plan includes: (i) basic training on environmental and social risks and impacts in land administration and management; (ii) engagement with Indigenous Peoples and *Adat* communities, including development of a social baseline; (iii) understanding of relevant regulations and guidelines; (iv) specific training on the ESMF; (v) a series of national and subnational workshops and dissemination sessions on the project, PTSL process, and benefits of mapping and feedback from the local governments as well as beneficiaries; and (vi) techniques for community monitoring and reporting. This training will be conducted regularly and involve ATR/BPN, BIG, the World Bank, and experts in relevant fields. Capacity building programs will also cover

training and workshops and other capacity strengthening activities financed under all of the components.

- k. **RESOURCES FOR ENVIRONMENTAL AND SOCIAL SAFEGUARDS.** A Safeguards' Team will be established at the PMU and will lead day-to-day management, oversight and facilitate capacity building to program implementing entities (i.e., field teams and staff at district land offices). At the provincial level, the PIM units will be staffed with additional technical advisors who will be responsible for the program's community awareness raising and public relations (i.e., managing inquiries from the public and civil society organisations/non-governmental organisations (CSOs/NGOs)), assisting *Kantah* to develop stakeholder engagement plans and oversee the grievance processes, as well as assisting to address other environmental and social risks as they emerge from time to time. This team will also liaise with BIG/PIU and other government entities on project safeguards. The TOR for safeguards team at PMU, technical advisors at PIM, and technical specifications for the environmental and social vulnerability mapping and monitoring would be approved by the Bank. The Bank's safeguards team would also conduct regular implementation support mission every 6 months.

Disclosure and public consultations on the draft ESMF: The ESMF was developed based on review of information, field visits and consultations undertaken at the central and subnational level. ATR/BPN carried out stakeholder consultations during field visits in Grobagan District of Central Java and Dumai District of the Riau Province between mid-2017 and early 2018 and series of Focus Group Discussions/workshops were held between January and February 2018. Engagement has taken place with both internal stakeholders within ATR/BPN at the national and subnational levels as well as external stakeholders, including relevant ministries (i.e. MoEC, MoHA) and CSOs in the land sector. As well as informing project design, the engagement has informed identification of social risks and the development of measures to address those risks.

The draft ESMF has been disclosed at the BPN's website www.bpn.go.id since 10 April 2018, and two public consultations have taken place involving national and regional stakeholders including CSOs/NGOs:

The first formal public consultation on the ESMF was conducted on 19 April 2018 at the ATR/BPN office. The public consultation was chaired by Minister of Agrarian Reform and Spatial Planning Mr. Sofjan Djalil and attended by representatives from national and local civil society and advocacy groups on Agrarian Reform, indigenous peoples and local community rights, governance reform, and women affairs, as well as representatives from the Indonesian Surveyors Association. Among the leading sector activists that attended were the Executive Director of Consortium for Agrarian Reform/KPA (that represents 85 CSOs including local chapters of AMAN (representing *Adat* / indigenous communities), and 68 local and national NGOs), and representatives from DGMI National Steering Committee, the Samdhana Institute, and Kemitraan. Discussion was vivid, and representatives provided multiple suggestions to the ESMF including on the risk and risk mitigation measures related to communal and indigenous peoples' rights. Subsequently, these inputs have been incorporated by ATR/BPN in the ESMF. The consultation ended to a consensual agreement to continue discussion on the project implementation arrangements and risk mitigation with the civil society organizations periodically throughout project implementation.

The second public consultation was held on 28 May 2018. The consultation was undertaken following the revision of the ESMF taking into consideration feedback from the first consultation. The revised ESMF, in Bahasa Indonesia, was disclosed on the ATR/BPN website prior to the consultation. Consortium for Agrarian Reform KPA, two representatives of AMAN representing the regions, Serikat Petani Pasundan, Sayoga Institute, and the Indonesian Surveyor Association. Representative of the MoEF including from the Forest Investment Program-2, as well division heads from provincial land

offices were also present. The consultation session discussed the revisions made to the ESMF as a result of the 1st consultation which then were confirmed by the stakeholders. The addition of Annexes 4 on CPF and IPPF and 6 on RPF and PF were presented. Inputs to these instruments, including representing regional perspectives were requested at the start of the meeting. Participants from AMAN, KPA, and Sayoga Institute provided many useful inputs aimed at ensuring that communal and *Adat* claims are provided with clear administrative procedures for tenure regularization. The meeting also discussed the resettlement option currently included in the PPTKH. Participants both from Government and civil-society generally viewed that resettlement should be avoided, and therefore the policy (PPTKH) would need to be revised and options for avoiding resettlement to be prioritized to be clearly defined and would be considered under Component 3 of the Project. If indeed involuntary resettlement is unavoidable, the standards and processes will need to be defined as part of implementation procedures of PPTKH. The meeting reached important consensus that the results of participatory mapping of *Adat* claims covering 9 million hectares facilitated by AMAN proposed sites for Agrarian Reform in 406 locations facilitated by the KPA will be available for the Project to support the risk mapping and screening².

Finally, it is noted that a Project Operations Manual (POM) would be prepared and approved by ATR/BPN and BIG – prior to the start of project implementation – consolidating the guidance on public consultations, information disclosure and grievance redress, which are essential for the ESMF implementation and management. The POM would elaborate, assign resources and timelines for the adoption of the recommended actions including: (a) guidelines and procedures required to support field level implementation of risk mitigation and inclusion of communities, women, Indigenous Peoples and *Adat* communities in the PTSL process; (b) steps needed to develop capacity and facilitate changes at the local level; and (c) areas for follow-up and further field research to develop better understanding of the challenges and opportunities.

² Indonesian Laws and regulations refer to *Adat* rights based on Government recognition to an indigenous community group as Legally Recognized *Adat* Community (*Masyarakat Hukum Adat*). Such a legal recognition falls within the realm of broader National Unity and Politics (*Kesatuan Bangsa dan Politik*) along with recognition of other civic rights. The jurisdiction for *Adat* recognition rests within the Local and Provincial governments (not under land administration or forest management). Therefore the 9 million hectares mapped through the participatory process may not necessarily covering all legally recognized *Adat* community. But the information serves as an important baseline for the project in managing *Adat* and communal claims.