

INTEGRATED ENVIRONMENT AND SOCIAL MANAGEMENT FRAMEWORK

for

Project on Promoting Sustainable Community
Based Natural Resource Management and
Institutional Development

Financed by the: FOREST INVESTMENT
PROGRAM

This draft is a revision of the Integrated ESMF that was shared with stakeholders at two regional and one national consultation. The revised Integrated ESMF has taken on board as many inputs from the consultations as possible

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Abbreviations and Acronyms

BLUD	Badan Layanan Umum Daerah (Regional Public Service Agency)
CPF	Community Participatory Framework
DG	Directorate General
EA	Environmental Assessment
EIA	Environmental Impact Assessment
EMMP	Environmental Management and Monitoring Plan
EMMPF	Environmental Management and Monitoring Policy Framework
ESA	Environmental and Social Assessment (at KPH)
ESIA	Environmental and Social Impact Assessment (for policy and legislation changes)
ESMF	Environmental and Social Management Framework
ESMP	Environment and Social Management Plan
FIP	Forest Investment Program
GOI	Government of Indonesia
HCVA	High Conservation Value Area (Management Policy Framework, including Protected Areas)
HD	Village Forest
HKM	Community Forests
IPM	Integrated Pest Management
IPs	Indigenous Peoples
IPP	Indigenous Peoples Plan
IPPF	Indigenous Peoples Planning Framework
Kemitraan	The Partnership for Governance Reform
KPH	Kesatuan Pengelolaan Hutan (Forest Management Unit)
LARAP	Land Acquisition and Resettlement Action Plan
LARPF	Land Acquisition and Resettlement Policy Framework
MOEF	Ministry of Environment and Forestry
NOL	No-Objection Letter
NTFP	Non-Timber Forest Products
OP	Operational Policy
PAPs	Project Affected Persons
POM	Project Operations Manual
PF	Process Framework
PIU	Project Implementing Unit
PIA	Project Implementing Agency
RAP	Resettlement Action Plan
REDD+	Reducing Emissions from Deforestation and Forest Degradation and Enhancing Carbon Stocks
SA	Social Assessment
SKPD	Satuan Kerja Pemerintah Daerah (Local Government Unit of Work)
SOP	Standard Operating Procedure
TA	Technical Assistance
TSP	Technical Service Provider

UKL and UPL	Environmental Management and Monitoring Efforts
WB	World Bank

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Executive Summary

1. The Forest Investment Program (FIP) financed project *Promoting Sustainable Community Based Natural Resource Management and Institutional Development* (hereafter referred to as Project) is designed to support and strengthen the national effort achieve REDD+ objectives by decentralizing forest management through the operationalization of Kesatuan Pengelolaan Hutan (KPH) or Forest Management Units to manage forest areas. The Project aims to create the enabling conditions and capacity for management practices that are aligned to local conditions and effectively reverses the trend of deforestation and forest degradation.
2. The project development objective is to build institutions and local capacity to enhance partnerships and improve the decentralized management of forests.
3. During the life of the Project, the beneficiaries will include communities living in and adjacent to decentralized forest management units accessing project funds and technical assistance. For these communities, the project will support improved livelihoods (clearer access to the resources, technical assistance on forest management and community forestry, and in some cases increased income from management of natural resources). The Government at the national, provincial and district level will benefit from clearer regulations for decentralized forest management and linkages between spatial planning and forest land use planning.
4. Through its support for decentralization of sustainable management of forests and improvement of the livelihood of forest dependent communities, the proposed Project will have overall positive environmental and social impacts. The Project could, however, have potential, negative social and environmental impacts that will need to be safeguarded against pursuant to Indonesia's laws and regulations and in accordance the World Bank (WB) Operations Policies (OP).
5. The Project has been classified as Category B 1 by WB with seven WB's safeguards policies triggered: OP 4.01 on Environmental Assessment, OP 4.04 on Natural Habitats, OP 4.36 on Forests, OP 4.11 on Physical Cultural Resources, OP 4.10 on Indigenous Peoples, OP 4.12 on Involuntary Resettlement, and OP 4.09 on Integrated Pest.
6. By nature of the project design, identification of the locations of Project interventions and their technical evaluation will be only undertaken during the project implementation. Site-specific assessment of environmental and social impacts will not be ready prior to project

^{1 1} Category B: A proposed project is classified as Category B if its potential adverse environmental impacts on human populations or environmentally important areas—including wetlands, forests, grasslands, and other natural habitats—are less adverse than those of Category A projects. These impacts are site-specific; few if any of them are irreversible; and in most cases mitigatory measures can be designed more readily than for Category A projects. The scope of EA for a Category B project may vary from project to project, but it is narrower than that of Category A EA. Like Category A EA, it examines the project's potential negative and positive environmental impacts and recommends any measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance. The findings and results of Category B EA are described in the project documentation (Project Appraisal Document and Project Information Document). For more information on environmental screening access <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/ENVIRONMENT/EXTENVASS/0,,contentMDK:20484429~menuPK:1182591~pagePK:148956~piPK:216618~theSitePK:407988~isCURL:Y,00.html>:

appraisal. In order to fulfil the aforesaid safeguard requirements, the MOEF has prepared an Integrated ESMF.

7. The purpose of this Integrated ESMF is to manage the potential adverse impacts by establishing a guide consisting of a set of procedures and measures to facilitate adequate environmental and social management, including risk management of environmental and social impacts, directed to the group of activities to be financed by the project and whose specific location is unknown and may change over project implementation.
8. Public consultation were conducted with stakeholders to finalize the integrated ESMF document². This consultation was attended by various stakeholders dealing with KPH Sustainable Community-Based Forest Management. The responses and feedbacks from the participants are accessible at www.kph.dephut.go.id.
9. For the PMU, other project implementation units and the KPHs, the ESMF is a key reference to fulfil environmental and social safeguard requirements of the Project. For this reason, the ESMF has been made simple, clear, brief and compact in order to be able to be understood by users with different levels of knowledge and understanding about environmental and social safeguards, particularly those at the KPH level and the supervisors of safeguards implementation.
10. The ESMF includes 7 sections and several annexes. The seven sections include:
 - Background – which provides information on the Project design and the associated implementation arrangements
 - Objective and Scope of the ESMF – which provides information on the ESMF objective, principles and scope
 - Policy, Legal and Institutional Setting – this section provides a brief review of relevant policies, legislation and institutional arrangements. This includes a gap analysis which is a brief assessment of the similarities and differences between national policies and legislation and requirements of WB Safeguard Ops (detailed in Annex 2).
 - Preliminary Assessment of Potential Negative Environmental and Social Impacts – this section provides information on key potential environmental and social impacts associated with two components of the project
 - Environmental and Social Framework – this section provides details regarding the ESMF, its principles and process for actions
 - Specific Instruments and Plans associated with ESMF – this section provides an overview of the three main instruments and plans associated with the ESMF
 - Grievance Redress Mechanism – this section provides information on how complaints associated with the impacts resulting from the Project must be handled
11. The Annexes provide additional information on elements in the sections mentioned above including the safeguard policies triggered, the gap analysis, the potential negative impacts.

² Regional I of Sumatra, held in Pekanbaru on June 3-4, 2014, Regional II of Java, Bali and Nusa Tenggara, held on June 4-5, 2014, Regional III of Kalimantan, held in Banjarmasin on May 21-22, 2014, Regional IV of Sulawesi, Maluku, and Papua, held in Makassar on May 20-21, 2014. A National Public Consultation, was held in Jakarta on July 3, 2014

In addition three annexes, provide details and guidance on specific instruments associated with the ESMF. These include:

[Annex 4: Guidance on the Environmental Management and Monitoring Plan \(EMMP\)](#). This Annex includes forms and reference documents of relevance to the EMMP, such as on integrated pest management plans, protection for historical objects and other physical resources)

[Annex 5: Guidance on the Community Participation Framework](#). This Annex includes information on community engagement and indigenous peoples plan.

[Annex 6: Guidance on the Land Acquisition and Resettlement Policy Framework](#). This Annex includes information on preparing land acquisition and resettlement instruments.

[Annex 7: Process Framework](#). This annex provides guidelines for preparation, during project implementation, of a KPH management plan, and ensures that the affected communities participate in the design, implementation, monitoring, and evaluation of the management plan, and share equitably in the benefits of KPH.

[Annex 8: Summary of public consultations](#).

[Annex 9: Safeguards capacity Building, Training and Technical Assistance \(including budget\)](#)

[Annex 10: Map of Indonesia's FMUs](#).

1 Background

1.1 Project Rationale

12. Indonesia has embraced the concept of financial compensation for reducing emissions from deforestation and forest degradation (REDD+) as a means to mitigate emissions while creating incentives for the needed structural and sectoral reforms. In Indonesia the annual GHG emissions caused by deforestation, forest degradation and peat decomposition is estimated to be between 320 and 430 million tons of carbon dioxide equivalent between the years 2001 and 2012.³ The Government has prioritized reducing GHG emissions by 41% (with international assistance) by 2020 and codified this into a Presidential Instruction and National Action Plan for Reducing Greenhouse Gases (RAN-GRK). In order to achieve the set targets, the National Planning Ministry (Bappenas) has coordinated sectors to develop the RAN-GRK, and forests and peatland as one of six key sectors. Effective implementation of REDD+ is seen as critical for Indonesia to meet its international

³ This value is from the submission by Indonesia National Forest Reference Emission Level for deforestation and forest degradation in the context of the upcoming UNFCCC in December 2014. There are varying figures on emission reduction. Other studies show that in 2005, Indonesia, emission from forestry sector accounts for 850 MtCO₂e or 38 percent of Indonesia's total emission, estimated at 2.3 Gt CO₂e. The emissions were a result of deforestation (562 MtCO₂e), forest degradation (211 MtCO₂e) and forest fire (77 MtCO₂e). It is anticipated that the current rate of deforestation (0.8 million ha) and degradation (1 million ha) will account for emissions of 850 MtCO₂e until 2030.

commitment to emission reduction. The Government targets emission reduction of 0.672 GtCO₂e (26%) and 1.039 GtCO₂e from forestry and peatlands.

13. The Forest Investment Program (FIP) financed project *Promoting Sustainable Community Based Natural Resource Management and Institutional Development* (hereafter referred to as Project) is designed to support and strengthen the national effort achieve REDD+ objectives by decentralizing forest management through the operationalization of Kesatuan Pengelolaan Hutan (KPH) or Forest Management Units to manage forest areas. The Project aims to create the enabling conditions and capacity for management practices that are aligned to local conditions and effectively reverses the trend of deforestation and forest degradation. The support is transformational in that it operationalizes a national forest sector decentralization program that has established 120 KPHs to date. Operationalization of the KPHs involves putting in place institutional arrangements that support forest land uses and forest land use plans that meet the needs of local stakeholders, recognizes customary claims, and considers land suitability. This could result in improved forest management and protection of ecosystem functions, including carbon sequestration. The project focuses on three elements – improving the national and subnational legal, policy and institutional context, building capacity of all relevant stakeholders, and learning from operationalization of 10 KPHs and investments in their associated areas.
14. This Project is part of Indonesia's FIP Investment Plan which supports priority investments in addressing drivers of deforestation. The higher objective of the program and associated projects is to reduce greenhouse gas emissions (GHG) or enhance carbon stocks while generating livelihood co-benefits. The Investment Plan sets out the overall strategic options to achieve REDD+ objectives in Indonesia. The development objective of the Investment Plan is to reduce barriers to sub-national REDD+ implementation and to increase provincial and local capacity for REDD+ and sustainable forest management (SFM). Key entry points for the Investment Plan to address sub-national barriers is the national KPH system and ongoing tenure reform processes. Activities associated with the projects under the program will focus on the following three inter-related themes:
 - Institutional development for sustainable forest and natural resource management
 - Investments in forest enterprises and community based forest management
 - Community capacity building and livelihoods development

1.2 Project Development Objective and Beneficiaries

15. **The project development objective to improve decentralized forest management in targeted landscapes with KPHs.** During the life of the Project, the beneficiaries will include communities living in and adjacent to decentralized forest management units accessing project funds and technical assistance. For these communities, the project will support improved livelihoods (clearer access to the resources, technical assistance on forest management and community forestry, and in some cases increased income from management of natural resources). The Government at the national, provincial and district level will benefit from clearer regulations for decentralized forest management and linkages between spatial planning and forest land use planning.
16. Additional beneficiaries include staff of the Ministry of Environment and Forestry (MOEF) at the national, provincial and district level and the head of the KPH and his/her staff. These persons will receive training in matters such as participatory land use planning, conflict mediation, understanding existing and new legislation, and business development. Similar training and improved access to information will be accessible to other ministries, technical

service providers (including NGOs, academics and private entities) and community representatives. Targeted villages will also benefit from capacity building, access to information and systems for knowledge management and exchange, and opportunities for improving their livelihoods. Explicit effort will be made to involve vulnerable communities, ethnic groups, and women in project design and activities through the project's enhanced consultation and participatory processes. The total number of persons benefiting from the Project is estimated to be 10,000.

1.3 Project Components

This section briefly describes the project components. More details are available in the Project Operational Manual

Component 1: Strengthen legislation, policy, and institutional capacity in decentralized forest management

17. Component 1 is designed to (i) build ownership and commitment to the KPH program, (ii) assist with drafting revisions and amendments of forest sector policy and legislation, clarifying KPH implementation requirements, and (iii) facilitate the institutional partnerships and capacity building of government entities.
18. This component will support a multiple ministry working group to: carry out and present findings from any relevant studies on KPH implementation and inconsistencies in laws and regulations, conduct workshops and meetings, and carry out stakeholder dialogues and consultations. It will also support targeted outreach and communication to subnational government and other stakeholders involved with operationalizing KPHs. This component will work with the relevant Directorate Generals (DGs) in MOEF and the relevant subnational technical units.
19. The activities will include awareness raising, coordination meetings, and technical assistance to draft amendments to relevant regulations (following the due consultation processes) and develop methodologies and standard operating procedures (SOPs) on how to engage with local communities, Adat community, sub-district and village governments. All the relevant technical units in MOEF (currently regularly convened under the KPH Secretariat - SEKNAS) will be engaged in this process. The activities will also support, development and testing of methodologies, trainings, training materials (including modules), standard operating procedures, analytical studies, and drafting of regulations. The Component comprises the following two subcomponents: Subcomponent 1.1: Forest policy and legislation development, revision and amendment; and Subcomponent 1.2: Institutional development and capacity building.

Component 2: Knowledge Platform Development

20. Component 2 builds capacity and put in place an effective modern knowledge platform that facilitates information use, knowledge exchange and learning from practice. This component will help establish and implement the decentralized forest management system. The knowledge platform will provide data for purposes of sustainable planning and management of forest resources and will be a repository of best practice, data on carbon and other parameters of relevance for monitoring and evaluation, in addition to offering various services through sub-portals. The knowledge platform will assist and facilitate, through the provision of information and benchmarking, changes in practice among national and sub-national government and other relevant stakeholders (non-governmental, community-based and technical service providers).

21. Activities include establishing a multi-level knowledge management and information system (KMIS) that can be used by national and subnational government and non-government stakeholders, and local communities. The KMIS will bring together data compilation, analysis, visualization, storage, and dissemination and creating useful knowledge products. It will include the collation of information and data at national, subnational and KPH level, including information such as forest cover, forest inventory data, laws, socioeconomic parameters, and carbon emissions, to develop a publically accessible knowledge repository. The activities will include making available electronically existing information on socioeconomic, institutional, biophysical and environmental parameters including data from the past and information that is only available in hardcopies of relevant reports, and, as necessary, digitizing maps. The KMIS will support mechanisms to involve developing a range of knowledge products that will facilitate the use of data and information as well as accessing knowledge. The activity will include developing portals and sub-portals for knowledge and information exchange on forestry, marketing, and investment.
22. This component will make available several effective and affordable online capacity building and knowledge exchange services through helpdesk services, clinics, forums, training activities including e-learning/ distance learning, and competitions. This component will involve designing two competitive processes, one for selecting individuals and groups for training using the modules, training courses, and internships available via this component. The component consists of: Subcomponent 2.1: Knowledge Management and Information System (KMIS); and Subcomponent 2.2: Capacity-building and Knowledge Exchange.

Component 3: Improve forest management practices in 10 KPH areas

23. Component 3 supports 10 KPHs facing operational challenges related to utilization of forest products – timber and non-timber; community access; and weak institutional capacity. The activities will focus on providing necessary technical assistance to the 10 KPHs in order to address the aforementioned challenges and become effective in managing the forest resources. In addition, this component supports community empowerment activities for communities living within or adjacent to KPHs that are aligned with the activities identified in a participatory manner during the land use and forest management plan development process. The aim is to enhance the quality of KPH implementation. The activities in this component will equip the selected KPHs with the capacity to provide support to other KPHs in their region, establishing a sustainable network system that can assist the national roll out of the KPH program.
24. The selection of the 10 KPHs will be done during the first year of the project through a systematic screening process that captures key criteria. The selected KPHs and communities surrounding them will also be classified according to their level of readiness to implement specific activities. The latter will determine the type of support specific KPHs and communities will be eligible for and the fund flow mechanism adopted. The component comprises of three subcomponents.

Subcomponent 3.1: Advance KPH Operationalization

25. This subcomponent supports 10 selected KPHs to address the key challenges they face in fulfilling their mandate, such as:
- Understanding the legal context and requirements associated with KPHs and providing legal support.

- Formulating forest management plans that include strategies for increasing stakeholder engagement in and understanding of KPH roles and authorities; reducing emissions through forests, reducing forest conversion and enhancing restoration, and development of business and community livelihood activities.
- Resolving issues associated with stakeholder access and sustainable resource utilization
- Communicating and conducting outreach on the different roles of the KPH and clarifying these roles to the different stakeholders – communities to companies including those with licenses in the KPH and potential partners
- Obtaining SKPD (a unit of local government administration) and BLUD (local public service board) status
- Understanding the partnership concept and the associated rights and obligations associated with the different partnership models (these models can include community forestry schemes, concession models, or public and private partnership models in the forest area without prior utilization designation)
- Developing business plans incorporating investment proposals, operations and staffing, product processing and marketing and the identification of markets
- Improving access to financing, either from BLU, reforestation fund or rural credit services

Subcomponent 3.2: Community empowerment in 10 KPH areas.

26. This subcomponent will provide support to communities in the 10 KPH areas identified above to implement activities selected by communities to enable them to generate monetary and non-monetary benefits from activities identified in the forest management planning process (either done prior to the project or done as part of component 3.1). It is anticipated that the identified support will vary depending on several aspects of the local context. The support will help convert community empowerment aspirations to reality recognizing the initial conditions in the 10 selected KPHs. The community empowerment support will largely be delivered through certified technical service providers (TSP).
27. The menu of activities associated with this subcomponent will range from activities that support processes to those that support utilization of forest resources. The eligible activities will include: assistance with participatory boundary demarcation (external and internal areas); mediation of land conflicts and stakeholder engagement; clarification over use rights; establishment of benefit sharing; facilitation of institutional capacity strengthening; mentoring, assistance with establishment of partnership schemes including obtaining license for community forestry (HKM) and village forests(HD), technical support for business planning and implementation of community based forest management (e.g., HKM and HD) in the KPH area; technical assistance for plantation and reforestation activities, agroforestry and seedling farms and semi-permanent nurseries, establishment of REDD+ demonstration plots and carbon monitoring, utilization of forest based ecosystem services, improvement of on-farm productivity, value addition with NTFPs, establishment of various forestry business (e.g., industrial wood processing facility (e.g. for wood pellets)); support with marketing and improving market and credit access; establishment of and support for community knowledge resource centres at sub-district or village level; and communication and outreach. The activities in each KPH are likely to be multiple items from the menu of potential support. The menu will be periodically revisited to ensure that all the necessary support services are available.

Subcomponent 3.3: KPH-Based Knowledge Exchange Centers

28. A subset of the 10 KPHs will be selected to become living knowledge resource centers for other KPHs in the region. Currently few well performing KPHs, as part of their business model, provide training to other KPHs. This model will be adapted and replicated through the activities in this subcomponent. In addition, KPHs wishing to receive training from these resource centers will be eligible to do so by applying for financial support through component
29. The subcomponent activities will include: assisting the subnational government to formulate the necessary decrees to enable the selected KPH to provide regional training and support functions for other KPHs and coordinate this function with PUSDIKLAT; providing the staff with the necessary capacity building to carry out additional training and mentoring functions; development of training material that is not already available through the Knowledge portal (component 2); providing the financial support for the KPH to establish a knowledge resource center and house the needed technology to host the KPH level KMIS and offer trainings.

1.4 Project Implementation Arrangements

Implementing Agency

30. **The Directorate General on Planning and Environmental Management will be the Executing Agency associated with this project.** The Executing Agency will house the Project Management Unit (PMU) and will be accountable for the performance of the overall projects. The Executing Agency will also have to ensure that the components are implemented in a manner that is in compliance with the legal agreement. The Executing Agency will also ensure that the project components and subcomponents are well coordinated and that the appropriate sequencing is occurring. The PMU will be the implementing arm of the Executing Agency for purposes of the project.
31. **Associated with the Executing Agency will be four national implementing agencies.** The proposed implementing agencies are identified based on their mandate and its linkage with the project. Each implementing agency will be responsible for implementing activities associated with their mandate. The proposed implementing agencies include:
 - i. Dit. Rencana Penggunaan dan Pembentukan Wilayah Pengelolaan Hutan (WP3H a subdirectorate in the Directorate General of Planning and Environmental Management)
 - ii. Direktorat Kesatuan Pengelolaan Hutan Produksi (the Directorate of Production Forest Management Unit, Directorate General of Sustainable Production Forest Management)
 - iii. Pusdiklat SDM Lingkundan Hidup dan Kehutanan (Directorate of Center for Human Resources Education and Training, Directorate General of Extension Services and Human Resources Development Agency)
 - iv. Direktorat Usaha Perhutanan Sosial dan Hutan Adat (Directorate of Social Forestry and Customary Forest Management, Directorate General of Social Forestry and Environmental Partnership)

Project Management Unit

32. **The Project Management Unit (PMU) will be responsible for the day-to-day management of the project,** including implementing the procurement, financial

management, and project administration associated with each component under the guidance of the implementing agencies. The PMU will be at the national level and report to the Executing Agency. In the PMU there will be senior staff responsible for overseeing and building capacity for effective implementation of measures to mitigate any potential negative environmental and social risks/impacts.

33. **At the field level there will be technical subnational units that are extensions of the PMU.** They will operate in close proximity to the ten (10) KPHs to which the project will be providing direct support. It is anticipated that these subnational units will be tasked with overseeing and supporting the implementation of the project, safeguards, monitoring and evaluation, and so on. The subnational units will be provided necessary support from the national level PMU.

Technical Steering Committee

34. **The Project will have a Technical Steering Committee (TSC)** that is composed of representative of the different key stakeholders associated with the project. The TSC will be composed of representatives from the main directorates involved with the project and representatives from relevant departments in key ministries – Bappenas, MoHA, Spatial Planning and Agrarian Reform, Land Agency – and community and academia stakeholders. The TSC will play an important role in project coordination and providing technical guidance on project implementation when new issues emerge. The activities and decisions of the TSC will guide the decisions of the Executing Agency and the Implementing Agencies. These decisions, however, are not legally binding.
35. **At the subnational level, there will be a Consultative Committee that will play a similar role** linking all the subnational units of the relevant directorates and ministries and stakeholders together and working with the KPH in project implementation. The Consultative Committee will also create a platform for sharing information with local stakeholder representatives to discuss the progress of the project and provide inputs regarding aspects of project performance that are going well and those with shortcomings.

Participation and Consultative Processes and Stakeholder Engagement in Project Design

36. **The preparation of this project involved both regional and national consultations,** conducted in a manner that was in compliance with the national requirements and in coordination with the DKN. The consultations were conducted during 2014 and were augmented with findings from thematic studies on specific issues such as the policy and institutional context, the opportunities for livelihood activities, and models for engaging communities in revenue generation. In addition, consultations were conducted during the process of preparing the Project's ESMF document that applies to the project intervention area (see www.kph.dephut.go.id for public consultation).

2 Objective and Scope of ESMF

37. Through its support for decentralization of sustainable management of forests and improvement of the livelihood of forest dependent communities, the proposed Project will have overall positive environmental and social impacts. The Project could, however, have potential, negative social and environmental impacts that will need to be safeguarded against pursuant to Indonesia's laws and regulations and in accordance the World Bank (WB) Operations Policies (OP).

38. According to its nature, scope and scale, the Project has been classified as Category B by WB with seven WB's safeguards policies triggered: OP 4.01 on Environmental Assessment, OP 4.04 on Natural Habitats, OP 4.36 on Forests, OP 4.11 on Physical Cultural Resources, OP 4.10 on Indigenous Peoples, OP 4.12 on Involuntary Resettlement, and OP 4.09 on Integrated Pest Control (some KPHs that are planning to establish industrial timber plantations and develop agroforests). [Annex 1](#) describes the objectives of the above-mentioned policies, and indicates the instruments used for their application.

2.1 Objective of ESMF

39. By nature of the project design, identification of the locations of Project interventions and their technical evaluation will be only undertaken during the project implementation. Site-specific assessment of environmental and social impacts will not be ready prior to project appraisal. In order to fulfil the aforesaid safeguard requirements, the MOEF has prepared an Integrated ESMF.
40. **The purpose of this ESMF is to manage the potential adverse impacts** by establishing a guide consisting of a set of procedures and measures to facilitate adequate environmental and social management, including risk management of environmental and social impacts, directed to the group of activities to be financed by the project and whose specific location is unknown and may change over project implementation.
41. **Public consultation were conducted with stakeholders to finalize the integrated ESMF document.** This consultation was attended by various stakeholders dealing with KPH Sustainable Community-Based Forest Management. The responses and feedbacks from the participants are accessible at www.kph.dephut.go.id.
42. **For the PMU, other project implementation units and the KPHs, the ESMF is a key reference to fulfil environmental and social safeguard requirements of the Project.** For this reason, the ESMF has been made simple, clear, brief and compact in order to be able to be understood by users with different levels of knowledge and understanding about environmental and social safeguards, particularly those at the KPH level and the supervisors of safeguards implementation.

2.2 Guiding Principles of the ESMF

43. **This ESMF incorporates the following principles:**
- Every effort will be made to identify environmental and social risks and mitigation measures;
 - All project stakeholders, including staff of MOEF, Dinas Kehutanan and KPH, will be trained to become fully aware of potential environmental and social risks and mitigation measures under the project and carry out their responsibilities under this ESMF; and
 - Communities in the KPHs will be facilitated in all stages of the sub-project/activity planning, implementation, management, and monitoring.

2.3 Scope of ESMF

44. There are two sets of interventions associated with the Project which have environmental and social impacts that need to be identified and analyzed during the implementation to inform actions in compliance with the safeguard policies:

- Project support for the formulation of policies and legislations (Component 1, primarily subcomponent 1.1);
 - Project support for the planning, implementation and management of activities in 10 selected KPHs (Component 3).
45. **The first set of interventions will be provided as technical assistance (TA)**, the World Bank guideline on the application of safeguard policies on TA⁴ was consulted, and a decision was made to include those activities within the scope of this ESMF (See Section 3 on Preliminary Assessment of Environmental and Social Impacts). However, safeguard procedures and instruments for this set of TA activities will be different from those applied to those activities at KPH level, therefore presented separately. Other project activities are also TA, and while relating to capacity building and knowledge management, no major adverse environmental and social impacts are envisaged. As per the aforementioned World Bank guideline, capacity building and awareness raising on social and environmental safeguard issues targeting the relevant stakeholders will constitute safeguard actions under the project.
46. **For the second set of interventions, the integrated ESMF was designed to address safeguard requirements under:** OP 4.01 on Environmental Assessment, OP 4.04 on Natural Habitats, OP 4.36 on Forests, OP 4.11 on Physical Cultural Resources, and OP 4.09 on Integrated Pest Control. The integrated ESMF provides guidance on the relevant plans and actions that need to be prepared for Component 3 activities in the form of Environment Management and Monitoring Plan (EMMP). The EMMP will be prepared according to the technical evaluation of the anticipated impacts.
47. **The integrated ESMF includes a Community Participation Framework (CPF) and a Land Acquisition and Resettlement Policy Framework (LARPF), which need to be prepared separately and are also applicable to Component 3.** The former guides the participation process and engagement of the project supported communities, including those from indigenous peoples (IPs), and addresses the requirements of OP4.10 (Indigenous Peoples), whereas the latter will elaborate how the project will comply with OP 4.12 (Involuntary Resettlement). The table below indicates safeguard instruments which will be guided by this ESMF.

Table 1: Applicable Safeguard Instruments

Instrument		Relevant OP
Framework	Outputs (Actions/Plans)	
Environmental and Social Management Framework (ESMF)	Environmental and Social Impact Assessment and Environmental Management and Monitoring Plan	OPs 4.01, 4.04, 4.36, 4.11, 4.09
Community Participation Framework (CPF), which serves as an Indigenous Peoples Planning Framework	Community Participation Plan (CPP)	OP 4.10
Land Acquisition and Resettlement Framework (LARF)	Land Acquisition and Resettlement Plan (LARP)	OP 4.12

⁴ 'Interim Guidelines on the Application of Safeguard Policies to Technical Assistance (TA) Activities in Bank-Financed Projects and Trust Funds Administered by the Bank', January 2014.

48. Accordingly the ESMF provides:

- 1) A list of filters;
- 2) A checklist for environmental and social assessment;
- 3) An environmental management and monitoring plan template;
- 4) An exhaustive list of actions to mitigate potential negative impacts of all sub-project types, identified during the preparation phase;
- 5) Principles and procedures to guide the preparation, review and approval, implementation and monitoring of environmental and social assessment, and a plan for the management of the impacts of all activities that will be implemented by a KPH.

3 Policy, Legal and Institutional Setting

49. This chapter elaborates policies, laws and institutions related to KPHs and the importance of the ESMF in the operations of KPHs as governments units responsible for sustainable forest management in their respective work areas. National policies and laws incorporate many ESMF elements with a clear implementing agency, making them reference for public apparatuses to take actions and implement ESMF under the project.

50. In the event of policies, laws and institutions that do not function due to any reason at all, ESMF may serve as a tool for the enforcement of the existing laws or a substitute tool to avoid social and environmental impacts that law enforcement has missed.

3.1 Relevant Laws

Environmental Assessment

51. Indonesia has its own environmental impact management system for projects, called *Analisa Mengenai Dampak Lingkungan (AMDAL)*, which provides details on application, requirements, activities and procedures under the Government's environmental impact assessment system.

52. Main relevant environmental assessment law and regulations are as follows:

- Environmental Protection and Management (Law No. 32, 2009);
- Minister of Environment Regulation No.5/2012 on types of activities/projects requiring environmental impact assessment;
- Minister of Public Works Regulation No. 10/PRT/M/2008 on types of public infrastructure/facilities activities/projects requiring environmental management efforts (*Upaya Pengelolaan Lingkungan Hidup, UKL*) and environmental monitoring efforts (*Upaya Pemantauan Lingkungan Hidup, UPL*);
- Minister of Environment Regulation No.16/2012 on the guidance for the preparation of environment documents;
- Government Regulation No. 27/2012 on Environmental Permits.

53. The Environmental Protection and Management Law categorizes activities/projects into three types: (i) projects requiring an EIA report (AMDAL); (ii) projects requiring Environmental Management Effort (*Upaya Pengelolaan Lingkungan Hidup, UKL*) and Environmental Monitoring Effort (*Upaya Pemantauan Lingkungan Hidup, UPL*); and (iii) projects that do not require AMDAL or UKL/UPL.

54. Regulation No. 5/2012 provides lists on types of investment activities and thresholds which require a preparation of AMDAL. Investment activities below the thresholds will be assessed by responsible local governments in charge of environment to determine an appropriate environmental category. The regulation No.5/2012 provides an extensive list of screening and sector-specific criteria for investment projects requiring EIA. The Environmental Permit Regulation No.27/2012 provides that application for environmental permit shall be accompanied by environmental assessment documents (AMDAL and UKL/UPL), business legal documents, and business profile document. Under this regulation, project owners need to apply an environmental permit to the appropriate government authority before project implementation.

High Conservation Value Areas

55. Main regulations related to conservation of high value areas as follows:

- Law 5/1990 on Conservation of Biological Natural Resources and its Ecosystems,
- Law 5/1994 on the Ratification of the CBD (CBD Article 7 on the Identification and Monitoring → Identify the important biodiversity components for conservation and sustainable use),
- Law 41/1999 on Forestry
- Government Regulation No. 7/1999 on the Preservation of Plants & Animals
- Government Regulation No. 82 / 2000 on Animal Quarantine
- Government Regulation No. 8/1999 on the Use of Plants and Animals.
- Regulation of the Minister of Environment No. 29/2009 on Guidelines for Biodiversity Conservation in Regions

Pest Control

56. Main regulations on pest control are as follows:

- Law No. 12/1992 on Food Crops;
- Law 23/1992 on Health;
- Law 8/1999 on Consumer Protection;
- Law 32/2009 on Environmental Protection and Management
- Government Regulation No. 7/1973 on the Control of Distribution, Storage and Use of Pesticides;
- Government Regulation No. 6/1995 on Protection of Plants and Cultivation;
- Regulation of the Minister of Agriculture 45/Permentan/SR.140/10/2009 on Terms and Procedures of Pesticide Registration;
- Guidelines of the Minister of Agriculture on Integrated Pest Management

Land Acquisition and Resettlement

57. Laws, regulations and the requirements under triggered World Bank Policy relevant to land/asset acquisition and population resettlement include the following:

- Land Acquisition Law No.2/2012,
- Presidential Regulation No.71/2012,
- MAPPI Guidelines and Basic Agrarian Law No.5/1960.
- World Bank OP 4.12 on Involuntary Resettlement

58. These GOI regulations relate to compensation for loss of land and assets also other losses that can be accounted caused by taking of land for a project. Once fair compensation is given, further consideration and impact mitigation are not elaborated. The gap analysis among GOI regulations and World Bank OP. 4.12 is presented in Annex 6.

Indigenous Peoples

59. In national legislation, we can find the definitions of a village, a customary village, a customary community (indigenous people), a traditional community, an isolated community, and indigenous peoples' rights over land, in Law 6/2014 on Villages, Law 32/2009 on Environmental Protection and Management, Law 7/2007 on the Management of Coastal Areas and Small Islands, Law 27/2003 on Geothermal, Law 41/1999 on Forests, Law 5/1960 on Basic Agrarian Law, Presidential Decree 111/1999 on Guidance for Remote Indigenous Peoples' Social Welfare.
60. In Law 6/2014 on Villages, there is a clause mentioning that an existing indigenous community, with its traditional rights, should have a territory and should at least have one of a combination of the following elements: (a) community members who share the same feelings in a group; (b) a traditional government institution; (c) customary assets and/or objects; and/or (d) customary law. Specifically about remote or isolated indigenous peoples, Presidential Decree 111/1999 explains that a remote or isolated customary community is a local and widespread, socio-cultural group which is not sufficiently or yet involved in social, economic, or political networks and services. Its characteristics are: (a) the community is a small, closed, and homogenous community; (b) the social institution is built upon kinship; (c) the community is mostly located in a geographically-remote area which is relatively inaccessible; (d) the community mostly lives in a sub-system economic system; (e) it has simple equipment and technology; (f) the members' dependence on the environment and local natural resources is relatively high; and (g) limited access to social, economic, and political services.

3.2 Gap Analysis

61. There are certain gaps between the aforementioned Indonesian laws and regulations and the requirements under the triggered World Bank safeguard policies. [Annex 2](#) identifies and analyses these gaps to justify the instruments presented in this ESMF.

4 Preliminary Assessment of Potential Negative Environmental and Social Impacts

62. The Project activities which potentially have negative, environmental and social impacts include those to support selected KPHs' operations, as listed under Component 3. Planned activities under Component 1, if conducted without due engagement of stakeholders, could also have indirect negative environmental and social impacts that require further analysis.

4.1 Potential Impacts of Policy and Legislation Changes under Component 1

63. **Potential, negative, social impacts that can arise from changes in forestry policy and legislation** can be categorized into: (1) direct impacts; and (2) indirect impacts. Criteria that can be used in assessing social impacts are (1) the local or customary community's improved or poorer access to forests (in area unit or number of households); (2) an increase or a decrease in the unemployment rate; (3) an increase or a decrease in community members' incomes; (4) more-severe or reduced poverty among the community; (5)

increased or reduced food insecurity and health; (6) the community's strengthened or weakened cultural ties to the forest; (7) an increase or a decrease in the number of forest tenure conflicts; and (8) impacts on biodiversity, ecosystem services resulting from forest resource exploitation.

64. **Forest demarcation and changes in forest governance may directly modify communities' access.** If communities' access to forests is being restricted in a demarcation or governance activity, the implementation of the activity will create direct impacts in the form of communities' poorer access, a decrease in the number of livelihoods, poorer food and income, an increase in the unemployment rate, that have co-impacts on increased poverty and food insecurity. Restriction on communities' access to forests also have implications for the severance of communities' cultural ties to forests, the loss of traditions and local knowledge. Those potential negative impacts will be more significant in forest management involving a large company. Large companies may have positive impacts, including the creation of jobs for community members, but limited. Forest management by communities will have positive impacts on communities' economic, social and cultural situations. However, there are also the negative impacts.

4.2 Potential Impacts of KPH strengthening and Community Empowerment Activities under Component 3

65. **Community empowerment activities supported by the project will be identified during the process of KPH Business Plan formulation, and include those involving the members of the communities within/adjacent to the KPH as well as external investors.** Potential negative social and environmental impacts in relation to the implementation of community empowerment activities in the selected 10 KPHs include but are not restricted to the following:

Environmental degradation and unsustainable use of forest resources

- Loss of high conservation value area (HCVA) with impacts on biodiversity and ecosystem services due to high-grading, poor land use planning/zoning.
- Increased and uncontrolled use of pesticide in association with agriculture-related activities

Social exclusion and elite capture

- exclusion of vulnerable members of the community within the KPHs in the process of identification of project supported activities, resulting in their lack of access to project opportunities.
- unfair sharing of benefits of forestry resources use
- delivery of capacity building does not take into consideration constraints by some community members to participating and benefiting

Communal tenure rights

- boundary demarcation in conflict with the currently practiced communal arrangements;
- approach to and measures for land conflict resolution do not take into consideration the communal arrangements;

Land and asset acquisition

- Land-based forest management activities (plantation and reforestation, agroforestry, establishment of nurseries, farms, demo plots, etc.) take place on the land currently being used
- Construction of structures such as processing units (by the community or investors) and knowledge resource centers require acquisition of land

[Annex 3](#) summarizes main potential negative impacts of Subcomponents 1.2, 3.1 and 3.2 activities, as well as proposed mitigation and monitoring measures. The list is not exhaustive and any additional types of interventions identified during the project implementation are subjective to the application of this ESMF.

5 Environmental and Social Management Framework

66. **The ESMF is an instrument that examines the issues and impacts associated when a project consists of a program and/or series of sub-projects, and the impacts cannot be determined until the program or sub-project details have been identified.** The ESMF sets out the principles, rules, guidelines, instruments and procedures to assess the environmental and social impacts. It contains measures and plans to reduce, mitigate and/or offset adverse impacts and enhance positive impacts, provisions for estimating and budgeting the costs of such measures, and information on the agency or agencies responsible for addressing project impacts.
67. **Overall responsibility for implementing the ESMF belongs to the PMU.** It will screen the compliance of all proposals with the Safeguards Framework and record/administer all proposals and screening decisions. It will in coordination with the SPU highlight potential safeguard-related issues and, if necessary, provide the mitigation recommendations, upon discussions with the applicant and the communities affected by the project. If necessary, to conduct site visits during the screening review process to sub-projects that fail to comply with the Safeguards to ensure that the physical characteristics of the sub-projects are in accordance with the environmental impact analysis and/or to facilitate discussions with people who are affected by the project. The applicant of sub-projects shall identify potential impacts, prepare the proper mitigation measures, as well as the necessary documents and plans, such as: sound maintenance technology and recording techniques engineering, Environmental and Social Mitigation Plans (EMMP, LARAP, Access Restriction Action Plan, IPP, etc.). Proposed plans and/or actions (positive or negative) that will be implemented should be disclosed at local and regional levels and discussed, from time to time, with the affected communities. Finally, the World Bank will review and approve all proposals for project funding.

5.1 Key Principles

68. **The underlying principles for the achievement of the objectives of environmental and social safeguards are as follows:**
- a. Every local community member or every indigenous person, including every minority group member, woman, and poor person, must be given an opportunity to participate;
 - b. Free, prior and informed consultation must be adequately conducted and broad community support sought;
 - c. Every local community member or every indigenous person, including every minority group member, woman and poor person, must have knowledge of his/her rights, role and responsibility in the FIP-KPH project, as understood by the project implementing and management units;
 - d. Every local community member, including every minority group member, woman, and poor person, must have equal rights and access to participation in capacity building (training and facilitation) needed for sustainable forest management, economic activity improvements and increased incomes;

- e. The forest farming group, the forest farming group association (or whatever it is called) and the inter-village communication forum should have explicit roles, rights and responsibilities in the project;
- f. The forest farming group, the forest farming group association (or whatever it is called), and the inter-village communication forum should have clear rules which are well-understood by their members about the sharing of direct and indirect benefits from this project;
- g. Mechanisms for the management of conflicts or disputes over state and customary forests and for grievances must be effectively adopted;
- h. The participatory monitoring and evaluation of every activity or sub-project must be effectively conducted, and the results should be used for project improvement.
- i. All social and environmental impact management instruments prepared under the Project shall be disclosed in the official channels and made available to the public at the regional and local levels.

5.2 ESMF Implementation Arrangements and Institutional Responsibilities

69. Table 2, below, summarizes project stakeholders' responsibilities in relation to the implementation of safeguard actions according to the ESMF.

Table 2: Summary of Key Actors' Responsibilities

Role	Responsibility
Applicant (Sub-project implementer)	Preparatory stage: <ul style="list-style-type: none"> • To read ESMF and its appendices; • To make sure there are activities or budget entry which are prohibited into the sub-project proposals, see the list of negatives; • To identify potential impacts, prepare the proper mitigation measures, as well as the necessary documents and plans, such as: sound maintenance technology and recording techniques engineering, Environmental and Social Mitigation Plans (EMMP, LARAP, Access Restriction Action Plan, IPP, etc.). Consultation with PIA is highly recommended. Proposed plans and/or actions (positive or negative) that will be implemented should be discussed with the affected communities; • All information regarding screening/ESMF must be disclosed in an easy-to-understand manner.
	Implementation stage: <ul style="list-style-type: none"> • Implement the agreed measures as stated in the sub-project documents and submit the sub-project progress reports to PIA on a regular basis. Documents must be stored in the program file so it can be reviewed by the World Bank.

Role	Responsibility
SPU and PMU (As coordinator and proposal reviewer)	<ul style="list-style-type: none"> • To screen the compliance of all proposals with the Safeguards Framework; • To record/administer all proposals and screening decisions; • To highlight potential safeguard-related issues and, if necessary, provide the mitigation recommendations, upon discussions with the applicant and the communities affected by the project; • If necessary, to conduct site visits during the screening review process to sub-projects that fail to comply with the Safeguards to ensure that the physical characteristics of the sub-projects are in accordance with the environmental impact analysis and/or to facilitate discussions with people who are affected by the project; • To assess the Safeguards Framework documents prior to submission to the World Bank; • To facilitate agreements between people/stakeholders and implementers to mitigate the safeguard measures; • To confirm the agreed mitigation measures in more personal discussions with the affected people/stakeholders; • To assist people to identify potential impacts and mitigation measures; • To oversee the implementation of the EMP, LARAP, IPP or other actions; specific technical assistance may be required; • To monitor and supervise regularly the performance and results of the implementation of the Safeguards Framework, including the progress report
the World Bank	<ul style="list-style-type: none"> • To review and assess compliance with the ESMF and safeguard instruments and provide its final approval to the proposals. • To oversee on a regular basis the implementation of all social and environmental mitigation plans.

5.3 Process and Actions for Activities under Component 1

70. All policies, laws, regulations and standard operating procedures, which are to be reviewed and the drafting of which technical assistance may be provided under project support, will be assessed in light of potential social and environmental risks. If technical assistance and inputs are for policy changes, a Strategic Environmental Assessment (SEA) ⁵ may be

⁵ The rapid ESIA will consist minimally of the upstream analysis of the likely social and environmental impact of the proposed policy reforms. Other aspects of policy reform such as ex ante assessments of equity, efficiency, transaction and administrative costs, etc. may be included, if considered relevant. The Terms of Reference for the

required. The findings and how they are addressed will be vetted in the chambers of the National Forest Council (DKN) ⁶. If technical assistance and inputs are provided to regulations and laws, the drafted amendments will be vetted in the chambers of the DKN, which serves as a platform for discussion and consultation with the key stakeholders from the forest sector. The PMU should ensure that the discussions on draft amendments to laws, regulations and on proposed standard operating procedures are based on evidence and information. Where necessary the PMU should obtain the support of experts to prepare a supplemental document (e.g., an Environmental and Social Impact Assessment (ESIA)) that examines potential social issues and to ensure that the proposed instruments take these issues into account. In addition, proposed amendments will be posted in the MOEF website to solicit public comments. The terms of reference, scope and depth and other relevant aspects of the above-mentioned SEA and ESIA will be accord with the magnitude of the proposed changes in policies, laws, regulations and standard operating procedures, and will be approved by the Bank.

71. Where TA and inputs are provided for regulations, the PMU will determine if a rapid ESIA is necessary and will confirm the decision with the Bank safeguards team. When a rapid ESIA is deemed necessary, it will be carried out by a qualified independent expert or institution, will include recommendations for measures to minimize negative impacts, and the findings will be presented to stakeholders via the DKN chambers. As with the SEA, all documents (e.g. terms of reference, draft reports) for stakeholder feedback shall be sent in advance of the consultation in order to allow proper review and consultation – in no case documents shall reach recipients within less than 10 working days of any decisions on the aforementioned documents. the PMU will use the DKN platform to organize public consultations and hearings, and will ensure participation of Adat communities. The record of public consultations will be posted in the MOEF website.

72. Draft amendments of forest policies and legislations will be submitted to the World Bank for review and comment.

5.4 Process of Safeguard Assessment in KPH Strengthening and Community Empowerment Activities Planning and Implementation under Component 3

- 73. All proposed KPH Business Plans must go through a screening process against the environmental and social safeguards.** A KPH Business Plan⁷ contains all proposed activities within the KPH to be financed by the project (these activities are referred to as ‘subprojects’ hereinafter), including those implemented in partnership with the private

SEA shall be reviewed and approved by the Bank and validated by relevant stakeholder in properly documented consultations. Workshops to review intermediate documents are recommended as best practices to ensure stakeholder awareness of preliminary results. A final validation workshop shall be held to ensure that concerns from different stakeholders are taken on board when feasible. The reasons for rejecting concerns or comments on final discussions shall be fully documented and disclosed. Documents (e.g. terms of reference, draft reports) for stakeholders analysis shall be sent in advance in order to allow proper review and consultation – in no case documents shall reach recipients within less than 10 working days of any decisions on the aforementioned documents.

⁶ Established in 2009, the National Forestry Council of Indonesia (Dewan Kehutanan Nasional, or DKN) is a multi-stakeholder advisory body of the Ministry of Forestry. It played a lead role in the process of developing national FPIC guidelines for REDD+ in Indonesia, and includes a unit focused on tackling land rights conflicts. - See more at: <http://forestcompass.org/who/national-forestry-council-indonesia#sthash.A6vOFdnj.dpuf>

⁷ The preparation of Business Plan Proposal and Detailed Business Plan will be the responsibility of the KPH although the KPH may contract out the assignments to qualified service providers (possibly using the project resources under Subcomponent 3.1).

sector investors, as well as with registered HD and HKM in the KPH. KPH Business Plan processing involves two steps: preparation of Business Plan Proposal (annotated list of subprojects supported by the project); and preparation of Detailed Business Plan, which includes detailed descriptions of each proposed subproject.

74. Screening of Business Plan Proposal against environmental and social safeguards is done with a view to identifying subproject/activities with potential negative impacts. Screening is conducted by KPH with technical inputs from the SPU, housed in the Dinas Kehutanan at district and province level, and the district or provinces, in consultation with the community.

75. Screening against environmental and social safeguards will be conducted for all KPH Business Plans in two stages:

1. Screening of Business Plan Proposal against the negative list of the FIP-KPH project;
2. Screening of Business Plan Proposal against a checklist of environmental and social risks/impacts;

76. This is followed by conducting an Environmental and Social Assessment (ESA) where the above identified potential negative environmental and social impacts are discussed in terms of their magnitude, relevance and alternatives for their avoidance, mitigation or compensation. Following the identification of the potential impacts it is necessary to prepare a plan for the implementation and monitoring of the mitigation and/or compensation measures - **the Environmental Management and Monitoring Plan (EMMP)**, which includes site-specific environmental and social risk/impact analysis/assessment (as identified under ESA) and the description of the proposed mitigation measures, including time-bound action plans for their implementation, and monitoring and detailed budgets.

77. Detailed process of screening measures for a proposed sub-project are as follows:

Measure 1: Screening of activities

78. The negative list of the Project is the first screening tool for every activity or sub-project planned or proposed in the Project. Activities or sub-projects deemed to be included on the negative list will not be funded by the Project. Activities or sub-projects included on the negative list are (see Minutes of Public Consultation on ESMF⁸ for the entire list of negative activities: www.kph.dephut.go.id):

- 1) Every activity that will carry out conversion of natural forest, be it a state forest functioning as a conservation, protection, or production forest, in an KPH area into a non-forest area (e.g. a cropland, plantation, or housing settlement), except for necessary infrastructure development of minimum scale (e.g. a road, irrigation system, or a secretariat office);
- 2) Every activity that will significantly reduce the quality of biodiversity or a forest ecosystem or damage a forest habitat in an KPH area;
- 3) Every activity that will carry out population relocation of the households residing in the KPH and/or a surrounding community

⁸ Public consultations on the ESMF were held at the national level and two regional sites with stakeholders representing the four regions (cf. annex 8).

- 4) Every activity that will destroy or damage a local cultural site or a site that has historical value to a wider community (the sub-national, national, or even international community);
 - 5) Every activity that will affect human health.
 - 6) Activities that leads to human right violations.
79. The safeguard focal point in the KPH and SPU will review the Business Plan Proposal against the above checklist and submit it to PMU for clearance. All KPH Business Plan Proposal that contain any subprojects which include activities listed in the negative list will need to be reformulated. Upon completion of this initial screening against the negative list, the KPH completes Form A1 (Annex 4) and submit it to the PMU.

Measure 2: Identification of environmental and social issues

80. If none of the activities on the negative list are included in the KPH Business Plan Proposal, the second stage of screening will be done by identifying environmental and social issues of proposed subprojects within the proposal. These environmental and social issues will inform the KPH to identify potential risks of the proposed sub-project to the biophysical environment and the local community's and indigenous people's lives.
81. Key issues that need attention are:
- Land and asset acquisition.
 - Restriction of the community's current access to the forest resources
 - Indigenous people presence
 - High value conservation area
 - Protected plant and wildlife species preservation and utilization.
 - The use of pesticides.
 - Historical objects and other physical resources.
 - Commercial harvesting (see Box below on Forest Management Certification for Commercial Harvesting)

Forest Management Certification for Commercial Harvesting

The FMU project may finance commercial harvesting operations only when, on the basis of the applicable social and environmental assessment, it is determined that the areas affected by the harvesting are not critical forests or related critical natural habitats and that there are no land use conflicts with local communities or indigenous peoples.

Harvesting operation by local communities under forest community management or under joint forest management arrangements are eligible to project support if: (a) have achieved a standard of forest management developed with meaningful participation of locally affected communities in a manner consistent with the principles outlined below; or (b) adhere to a time-bound action plan to achieve such standard:

- a) compliance with relevant Indonesian laws;
- b) recognition of and respect for any legally documented or customary land tenure and use rights as well as the rights of indigenous peoples and workers;
- c) measures to maintain or enhance sound and effective community relations;
- d) conservation of biological diversity and ecological functions;
- e) measures to maintain or enhance environmentally sound multiple benefits accruing from the forest;
- f) prevention or minimization of the adverse environmental impacts from forest use;
- g) effective forest management planning;
- h) active monitoring and assessment of relevant forest management areas; and
- i) the maintenance of critical forest areas and other critical natural habitats affected by the operation.

Industrial scale-harvesting, i.e. carried out by firms (in opposition to local communities and forests operating under joint forest or community management), requires certification. To be eligible for project financing, industrial-scale commercial harvesting operations must also

- a) be certified under an independent forest certification system acceptable to the Bank as meeting standards of responsible forest management and use; or
- b) where a pre-assessment under such an independent forest certification system determines that the operation does not yet meet such requirements, adhere to a time-bound phased action plan acceptable to the Bank for achieving certification to such standards.

In addition to the requirements above, a forest certification system must be independent, cost-effective, and based on objective and measurable performance standards that are defined at the national level and are compatible with internationally accepted principles and criteria of sustainable forest management. The system must require independent, third-party assessment of forest management performance.

In addition, the system's standards must be developed with the meaningful and documented participation of local people and communities; indigenous peoples; non-governmental organizations representing consumer, producer, and conservation interests; and other members of civil society, including the private sector. The decision-making procedures of the certification system must be fair, transparent, independent, and designed to avoid conflicts of interest.

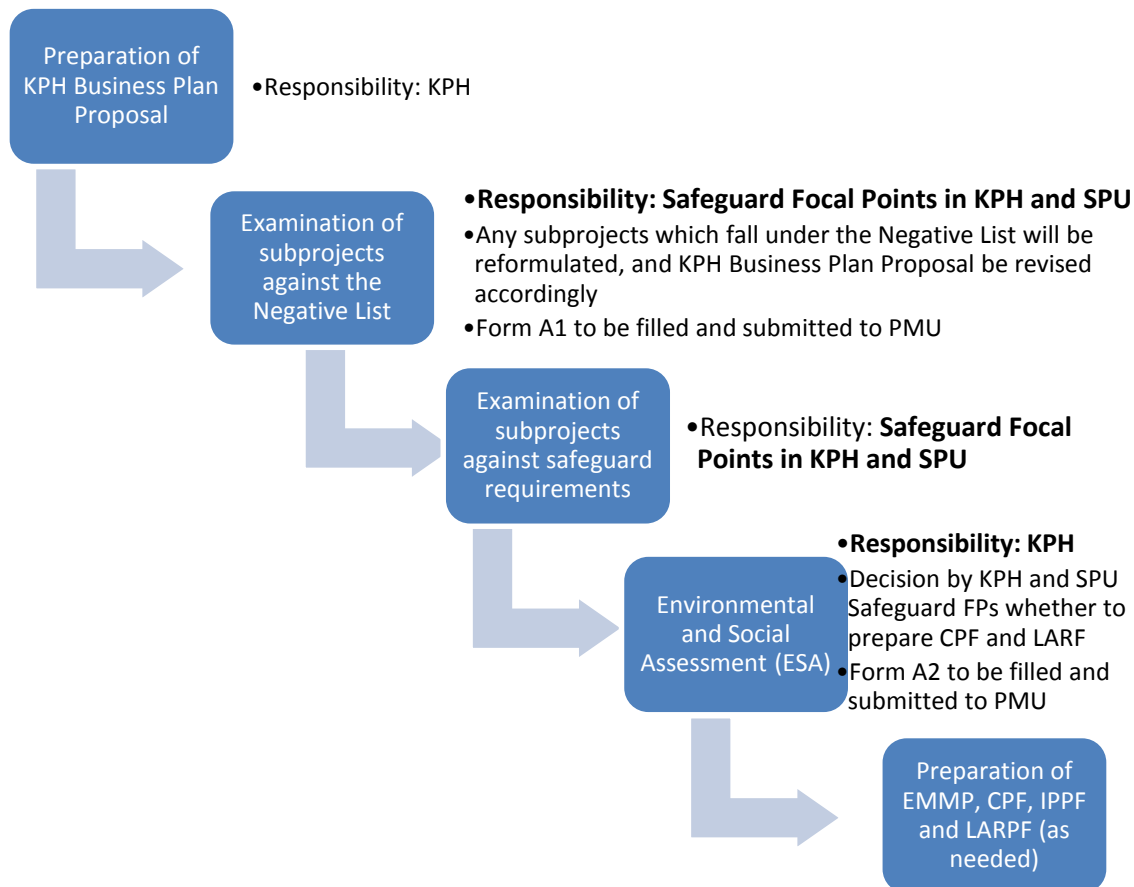
The MOEF will monitor all such operations with the meaningful and documented participation of locally-affected communities. All of the above items should be assessed, documented and reflected in the relevant FMU sub-project ESA.

82. In order to assess the above potential negative environmental and social risks, an **Environmental and Social Assessment (ESA)** will be conducted for each KPH in parallel to the preparation of detailed Business Plan. The results of the ESA will inform the need and scope of **Environmental Management and Monitoring Plan (EMMP)**, Community Participation Plan (CPP) and Land Acquisition and Resettlement Plan (LARP).

Measure 3: Environmental and Social Assessment at KPH

83. KPH will conduct a participatory Environmental and Social Assessment (ESA) in the KPH, which will:
- a) determine the scope and location of each proposed subproject under the Business Plan Proposal;
 - b) provide preliminary technical evaluation of potential, negative environmental and social impacts;
 - c) establish whether indigenous peoples (Adat communities) are present in the KPH and, if yes, conduct free, prior and informed consultations (FPIC) with their representatives to provide all necessary information about the project and obtain their broad consensus;
 - d) provide preliminary assessment on proposed mechanisms of community participation and benefit sharing; and,
 - e) in case partnership arrangements (private investors, etc.) are envisaged, assess the partners' capacity to comply with safeguard requirements.
84. **ESA may be contracted out to a qualified consultant/institution, whose qualification shall include familiarity with environmental and social safeguard requirements.** During the assessment, the PMU may solicit comments from relevant agencies concerning these safeguards.
85. **The results of the ESA will inform which specific safeguard instruments will be applicable, and initiate the process of EMMP preparation.** In case likelihood of land and asset acquisition, including loss of access to forest resources, and existence of indigenous peoples are ascertained, preparation of Land Acquisition and Resettlement Framework (LARF) and Community Participation Framework (CPF) will start. Accordingly Form A2 (Annex 1) will be completed for submission to PMU.
86. During the ESA, EMMP, CPF and other relevant instruments preparation and implementation, the FMU consults project-affected groups and local nongovernmental organizations (NGOs) about the project's social and environmental aspects and takes their views and concerns into account. The FMU initiates such consultations as early as possible and consults with such groups throughout project implementation as necessary to address EA-related issues that affect them.
87. **All ESAs will be submitted to the World Bank for review and approval.** Approved documents shall be disclosed in the official channels and made available to the public at the regional and local levels.

Figure 1: A Flowchart of a Brief Procedure for ESA Approval



5.5 Disclosure

88. **The PMU must keep good and reliable documentation of the integrated ESMF, and provide access to the public to the relevant information**, especially information related to Environmental Management Monitoring Plan (EMMP) such as social or environmental impact mitigation. Integrated ESMF document (both in Indonesian and English) and if relevant the CPF, LARPF, RPL and IPP, should be uploaded on the official websites of the Project. In addition to web-based information disclosure, written documents should be displayed in public places that are accessible to all who may be affected.

5.6 Evaluation and Audits

89. **Supervision, monitoring, evaluation and audit of the ESMF implementation will be performed at different levels of the Project**, namely:

- PMU
- Subnational PMU (Supporting Units) in the designated technical directorates and KPH
- Any independent institutions established by the Implementing Agency in accordance with the agreed conditions between the Executing Agency in MOEF, and WB

90. **PMU is responsible for the supervision, monitoring and evaluation of the sub-project ESMF undertaken by the implementer or sub-projects proponents**. PMU must perform

supervision and monitoring of safeguards implementation performance periodically and make regular reporting on the progress/results of all the ESMF implementation. These reports will be included in the FIP-KPH progress report submitted to the Executing Agency. PMU will also conduct post-implementation evaluation of the sub-project approximately one year after the completion of sub-projects to make sure whether the purposes of the safeguards implementation have been achieved.

91. **An independent agency may be engaged to carry out an external audit of the implementation of ESMF on the annual basis** based on conditions agreed by the Ministry of Environment and Forestry and the World Bank if considered necessary.

6 Specific Instruments and Plans associated with ESMF

92. **The Integrated ESMF provides a set of policies and guidelines to guide the KPH and PMU in screening, assessing, and monitoring social and environmental aspects of all sub-projects** supported by the Project that: (1) directly and significantly related to guaranteed projects; (2) necessary to achieve the objectives of guaranteed projects; and (3) are conducted or plan to be conducted concurrently with guaranteed projects.

6.1 Environmental Management and Monitoring Plan Including Social Aspects

93. **The Environmental Management and Monitoring Plan including the Social Aspects (EMMPs) or the Environmental Management Plan (RPL or UKL/UPL PERMEN LH 16/2012) - contain mitigation and standard monitoring plan** to cover the typical impact of any construction activities, including workers or communities, health and safety, the cultivation and management of solid and hazardous wastes. RPL also contains details for monitoring, reporting and reviewing the standard processes to minimize additional procedures being created by the PMU for the sub-projects.
94. **The results of the ESA will inform which specific safeguard instruments will be applicable, and initiate the process of EMMP preparation. The EMMP is an instrument that details:** (a) the feasible and cost-effective measures to be taken during the implementation and operation of a subproject to eliminate or offset adverse environmental impacts, or to reduce them to acceptable levels; (b) the actions needed to implement these measures. The EMMP is an integral part of the ESA. The EMMP for the sub-projects under Component 3 will include the environmental and social impacts of the sub-project activities (concluded from the ESA), mitigation measures, environmental and social supervision plan, institutional arrangement and responsibilities, capacity building activities, and implementation schedule and cost estimate.
95. **Preparation of Environmental Management and Monitoring Plan (EMMP) will build on the existing government system on environmental screening and licensing.** Community/investors' involvement in environmental licensing is done through: (1) the announcement about applying for an environmental license; and (2) the announcement about environmental licenses that have been issued.
96. **[Annex 4](#) provides guidance on preparing the EMMP and includes relevant forms to be used and reference documents and guidance on identifying high conservation value areas.**

6.2 Community Participation Framework (including Requirements for Indigenous Peoples Plan)

97. **The CPF should be developed based on the recognitions that:** the vulnerable groups require special attention and differentiated support in order to participate in the project and receive equitable benefits on a sustainable basis; and project interventions need to be responsive to their interests, capacities and priorities which will be identified through prior consultations.
98. **The CPF must ensure that vulnerable groups including but not limited to ethnic groups will be informed of the project opportunities and consulted on its activities** prior to their commencement, and receive project benefits that are culturally appropriate and gender- and inter-generationally inclusive. It will also ensure that the vulnerable groups will be informed of potential negative consequences of the transfer of land use rights and any other potentially negative impacts of the project.
99. **This CPF therefore addresses the requirements under the World Bank Operational Policy 4.10 ‘Indigenous Peoples’.** This is in view of historical and socio-political contexts surrounding ethnic minorities in the country, and particularly in the forestry sector, ethnic minorities are considered a vulnerable group and treated as such in the CPF.
100. **In compliance with OP 4.10, the CPF, therefore, also has the following specific objectives:**
- To ensure that community or indigenous peoples (IPs) receive a meaningful opportunity to participate in planning activities affecting them;
 - To ensure that community or special community groups receive an opportunity to get cultural benefits according to their needs;
 - To ensure that impacts of the project that will affect them are avoided.

These are in line with the national goal of empowering remote customary communities by entrusting and giving authority to them to decide their own fate through various development programs available around them such as protection, strengthening, development, and consultation and advocacy programs to improve their wellbeing.

101. **[Annex 5](#) provides guidance on the Community Participation Framework including the provisions of the Indigenous Peoples Planning Framework (IPPF)**

6.3 Land Acquisition and Resettlement Policy Framework

102. **A Land Acquisition and Resettlement Policy Framework (LARPF) is used as a guideline for planning, implementing, monitoring and evaluating KPH establishment activities involving land acquisition and the resettlement of project-affected persons (PAPs).** In the context of this project, lands refers to land in the forest area within the boundary of KPH. In some cases, forest area are controlled by community for garden or other agricultural uses, even partly for residential buildings (houses or worker’s hut). Even though the land controlled by the communities is forest area, but acquisition land for the project purposes should protect the rights and access of the communities to the forests. The World Bank’s environmental and social safeguards include OP 4.12 on Involuntary Resettlement which must be used as reference in designing and implementing this framework.
103. **The LARPF will identify sub-projects during implementation phase, because it is not possible to incorporate all requirements for resettlement planning in the**

assessment. This framework lists principles and procedures to be adopted if an activity in KPH establishment causes land acquisition and resettlement. In this case, the framework requires a Land Acquisition and Resettlement Action Plan (LARAP) to have been prepared for activities that cause land acquisition. The objective is to ensure that every potential impact can be minimized and that every affected person is provided with a large opportunity through compensation or other types of assistance to improve or at least maintain his/her living standard (i.e. his/her job, income, and rights to goods and services).

104. **The Project is committed to minimize land acquisition or resettlement.** Forest tenurial disputes or conflicts will be resolved through collaboration. The Project respects local communities' rights and access to forest management. Through this Project local communities' rights and access will be strengthened. If there is any restriction of communities' access as a result of this Project, an action plan for access restriction will be made to indicate approval by affected persons, assessment to mitigate impacts, management schemes, and monitoring and evaluation arrangements.
105. **[Annex 6](#) provides guidance on the Land Acquisition and Resettlement Policy Framework**

6. 4 Process Framework

Background

106. A Process Framework (PF) is a guideline for planning, managing, monitoring and evaluating the livelihood impacts that may result from access restrictions of community households to their sources of livelihood due to KPH implementation. The Bank's Involuntary Resettlement policy requires that in projects involving involuntary restriction of access to legally designated parks and protected areas (i.e. KPH for protection and conservation), that livelihoods are restored to, at least, their "before-the-project" levels. The nature of restrictions, as well as the type of measures necessary to mitigate adverse impacts, is determined with the participation of the affected persons during the design and implementation of the project. Hence the PF sets forth the criteria, procedures and monitoring mechanism to ensure livelihood restoration ensuing access restriction to KPH because of the project.
107. In such cases, the policy requires that a Plan of Action or an equivalent instrument be developed in cooperation with affected communities describing the specific measures to be undertaken to restore or ensure alternatives livelihoods and to assist the affected persons and the arrangements for their implementation. For this project the plan of action will be developed based on the participation of affected people and set out actions to restore their livelihoods. The process framework implementation will pay, particular attention to the needs of vulnerable groups among those affected, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples, ethnic minorities, or other affected persons who may not be protected through national land compensation legislation.
108. **Annex 7, ([Process Framework](#))**, provides details on the process framework and preparation of Action Plans in accordance with the requirements of OP 4.12.

7 Grievance Redress Mechanisms

7.1 Institutional Responsibilities

109. **The PMU will establish a grievance redress mechanism (GRM)** which will allow people, communities or members of the affected Vulnerable Indigenous Communities, and Project-Affected Persons (PAPs) to file complaints and receive satisfactory response in a timely manner. The GRM will have systems at the local and national level. When a particular grievance cannot be resolved at either of these levels, the grievance will then be transferred to the Unit in MOEF that handles grievances. **The Units will adopt objectivity, transparency, and fairness principles by having an Independent Advisory (in PMU) who will be available to assist the person(s) raising the grievance(s) and work with all the Units;**
110. The PMU will be responsible for repeatedly raising awareness, disseminating and disclosing information on the GRM and the associated procedure at the KPH level and, as needed, at the national level.
111. The GRM will record and document all complaints and the responding follow-ups. The system will include procedure (who, when, how where), handling process (person in charge, stages), documentation of all grievance and follow up action, procedure of submitting complaints. Not only will it record and document all complaints relating to the preparation and implementation of LARAP, and IPP, it will also deal with complaints of problems (including issues of environmental and social protection problems) associated with projects which are supervised by the MOEF and the World Bank and funded by this project. The PMU will hire a professional to manage the GRM, and these experts will work closely with the relevant Unit/Division in MOEF.
112. **At the local level, KPHs should establish a grievance redress mechanism (GRM) for complaints related to the funded Project.** KPHs should assign a staff member responsible for managing the GRM system. KPHs can use their existing GRM when it is available and compatible with the procedures and mechanisms which are in accordance with the GRM requirements as set by the EA. If not, Sub-project implementers must improve the system and its GRM capacity to be able to perform GRM as required.
113. **Complaints regarding the effects of Project activities will be addressed with reference to standard operating procedures that will be drafted.** The principles of this mechanism are as follow:
- 1) Person(s) with grievance(s) can file complaint(s) at no costs, through different forms of media, addressed to the relevant complaint handling unit or to a contact addresses or website dedicated specially for handling for the project;
 - 2) Protection of the rights and interests of people participating in the project;
 - 3) Person(s) with grievance(s) will be given non-threatening, equal, and fair treatment during the process of follow-up and dispute resolution, regardless of their origins, religion, citizenship status, social and economic background;
 - 4) Resolution of problems encountered by people as the effects project implementation is carried out seriously and in an appropriate and timely manner, and ideally at the local level; when the grievance remains unresolved at the local level, the case will be brought to the attention of the unit at the national PMU level;

- 5) The sources of livelihood for people are given on times and manners in accordance with the protection policies set forth by GoI and the World Bank as mentioned above;
- 6) People are aware of their rights and able to access the grievance procedures at no cost;
- 7) The grievance redress mechanism is in accordance with GoI rules and regulations.
- 8) Follow-up on complaints and resolution of any disputes will be made based on agreements reached among all involved parties through a well-informed consultation processes with facilitation by a competent, trustworthy and credible team

114. **Information about grievance redress mechanism and procedure, as well as their responses must be accessible by all people in different social levels.** They are displayed, for instance, on notice boards in the village hall or printed in leaflets and booklets.

7.2 Mechanisms

115. There are two levels to the Grievance Redress Mechanisms.

Site Level

116. Grievances filed at the site level, which covers areas of villages, sub-districts and a single KPH unit, under the head of KPH's authority, will be redressed by the Grievance Redress Committee at site/local level - Local Grievance Redress Committee (LGRC) - under the responsibility of the head of KPH.

117. The LGRC members include community leaders (traditional and religious) and/or members of the community who are chosen, well-respected, and favorable by all. The community leaders selected must have the capacity to handle disputes or conflicts in and between villages.

118. The redress mechanism should be initiated by the LGRC no later than 14 days after a grievance is filed. The LGRC analyzes the problems based on collected data and information, and makes a decision no more than 30 days after the grievance is filed. If necessary, The LGRC may also launch an investigation to complement and add more into the information and data base. The LGRC can also consult with the Regional Consultative Forum in addressing the cases. This Forum can play a role in receiving the complaints from community groups or individual affected by the project, and extend it to the LGRC.

119. The GRC documents the grievance-related events that take place at the site level. These events include the name of complainants, complainants' address, filed grievances, redress mechanisms, and the decisions made.

National Level

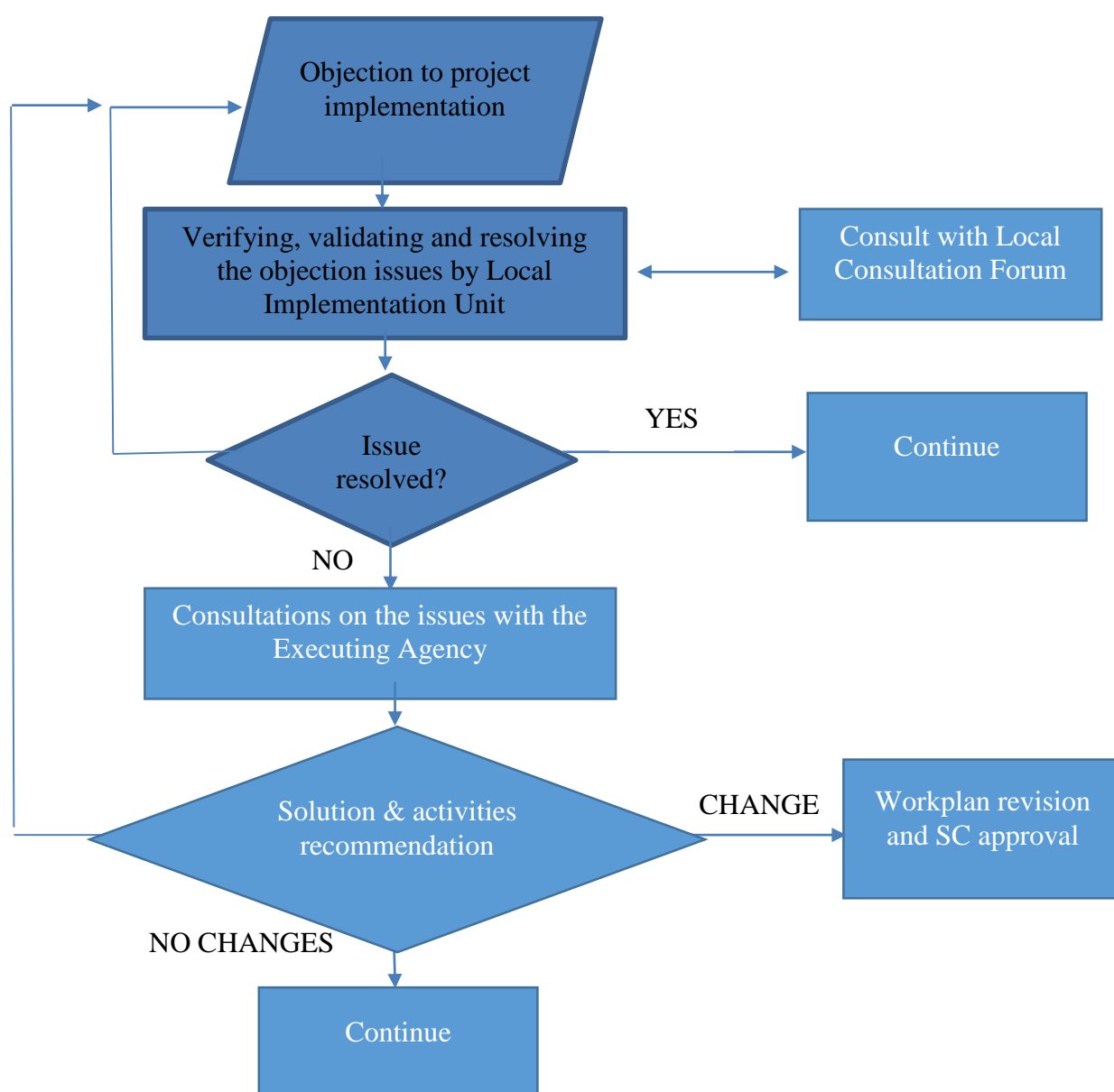
120. Grievances which are filed beyond the head of KPH's authority or the authority at the subnational level are redressed at the national level by the National Level Grievance Redress Committee (NGRC) under the MOEF. Grievances typically include decisions regarding gazzement of state forest area, changes in forest land ownership status, forest area conversion.

121. Members of NGRC includes Governors/Regents, Head of Provincial/District Department of Forestry, Head of the grievance-relevant departments, the Director General of Forestry Planning, and other officials of the MOEF or relevant institutions. Representatives of local stakeholders (e.g., community, IP and private sector) will also be

on the NGRC as an additional non-permanent member depending on the type of the type of complain.

122. Grievance redress mechanism must be initiated by NGRC no longer than 30 days after a grievance is filed. NGRC analyzes the problems based on collected data and information, and makes a decision no more than 90 days after the grievance is filed. If necessary, NGRC may also launch an investigation to complement and add more into the information and data base to resolve the problem.
123. NGRC documents the grievance-related events that take place at the site level. These events include the name of complainants, complainants' address, filed grievances, redress mechanisms, and the decisions made. Scheme of grievance redress mechanism in FIP-KPH Project is describe in Figure below.

Figure 3: Grievance Redress Mechanism



Annex 1: World Bank Group's Safeguard Policies⁹ Triggered under the Project

Operations Policy (OP)	Description
Environmental Assessment- OP 4.01	<p>The World Bank requires environmental assessment (EA) of projects proposed for Bank financing to help ensure that they are environmentally sound and sustainable and that potentially affected people have been properly consulted. The policy describes the objectives and recommended procedures and instruments for its implementation. This policy is considered to be the umbrella policy for the Bank's environmental 'safeguard policies' which among others include: Natural Habitats (OP 4.04), Forests (OP 4.36), Pest Management (OP 4.09), Physical Cultural Resources (OP 4.11), presented below.</p> <p>Depending on the project, a range of instruments can be used to satisfy the Bank's EA requirement: environmental impact assessment (EIA), regional or sectoral EA, strategic environmental and social assessment (SESA), environmental audit, hazard or risk assessment, environmental management plan (EMP) and ESMF. EA applies one or more of these instruments, or elements of them, as appropriate.</p> <p><u>Note:</u> This ESMF is in itself the main instruments for addressing this policy. Depending on the project component and investments, additional instruments will be required for the assessment and management of eventual social and environmental impacts. Those instruments and associated procedures for their use are described in section 6 and the annexes</p>
Natural Habitats- OP 4.04	<p>The Bank promotes and supports natural habitat conservation and improved land use by financing projects designed to integrate into national and regional development the conservation of natural habitats and the maintenance of ecological functions. Furthermore, the Bank promotes the rehabilitation of degraded natural habitats. The Bank does not support projects that, in the Bank's opinion, involve the significant conversion or degradation of critical natural habitats. Wherever feasible, Bank-financed projects are sited on lands already converted (<u>excluding any lands that in the Bank's opinion were converted in anticipation of the project</u>).</p> <p>The Bank does not support projects involving the significant conversion of natural habitats unless there are no feasible alternatives for the project and its siting, and comprehensive analysis demonstrates that overall benefits from the project substantially outweigh the environmental costs.</p> <p>If the environmental assessment indicates that a project would significantly convert or degrade natural habitats, the project includes mitigation measures</p>

⁹ The full policies can be found in the following World Bank website:
<http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/EXTPOLICIES/EXTSAFEPOL/0,,menuPK:584441~pagePK:64168427~piPK:64168435~theSitePK:584435.00.html>

	<p>acceptable to the Bank. Such mitigation measures include, as appropriate, minimizing habitat loss (e.g., strategic habitat retention and post-development restoration) and establishing and maintaining an ecologically similar protected area. The Bank accepts other forms of mitigation measures only when they are technically justified.</p> <p><u>Note:</u> The applicable instruments for addressing this policy are described in sections: Annex 5- Community Participation Framework (CPF); Annex 4 - Environmental Management and Monitoring Plan including the Social Aspects; and High Conservation Value Area Policy Frameworks (HCVA).</p>
<p>Integrated Pest Management-</p> <p>OP 4.09</p>	<p>Bank financed-projects have to avoid using harmful pesticides. A preferred solution is to use Integrated Pest Management (IPM) techniques and encourage their use in the whole of the sectors concerned. If pesticides have to be used the Bank-funded project should include a Pest Management Plan (PMP), either as a stand-alone document or as part of an Environmental Assessment. (EMMPs), With respect to the classification of pesticides and their specific formulations, the Bank refers to the World Health Organization's Recommended Classification of Pesticides by Hazard and Guidelines to Classification¹⁰. The following criteria apply to the selection and use of pesticides in Bank-financed projects:</p> <p>They must have negligible adverse human health effects.</p> <p>They must be shown to be effective against the target species.</p> <p>They must have minimal effect on nontarget species and the natural environment. The methods, timing, and frequency of pesticide application are aimed to minimize damage to natural enemies. Pesticides used in public health programs must be demonstrated to be safe for inhabitants and domestic animals in the treated areas, as well as for personnel applying them.</p> <p>Their use must take into account the need to prevent the development of resistance in pests.</p> <p>The Bank requires that any pesticides it finances be manufactured, packaged, labelled, handled, stored, disposed of, and applied according to acceptable standards. The Bank does not finance formulated products that fall in WHO classes IA and IB, or formulations of products in Class II, if (a) the country lacks restrictions on their distribution and use; or (b) they are likely to be used by, or be accessible to, lay personnel, farmers, or others without training, equipment, and facilities to handle, store, and apply these products properly.</p> <p><u>Note:</u> The applicable instrument for addressing this policy is described in Annex 4 Environmental Management and Monitoring Plan including the Social Aspects (EMMPs) which includes a reference document on Integrated Pest Management Plans</p>

¹⁰ http://www.who.int/ipcs/publications/pesticides_hazard/en/.

<p>Indigenous Peoples-</p> <p>OP 4.10</p>	<p>The policy on indigenous peoples underscores the need for Project and Bank staff to identify indigenous peoples, consult with them, ensure that they participate in, and benefit from Bank-funded projects in a culturally appropriate way - and that adverse impacts on them are avoided, or where not feasible, minimized or mitigated. For purposes of this policy, the term “Indigenous Peoples” is used in a generic sense to refer to a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees:</p> <ul style="list-style-type: none"> • self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; • collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; • customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and • an indigenous language, often different from the official language of the country or region. <p>A project proposed for Bank financing that affects Indigenous Peoples requires:</p> <ul style="list-style-type: none"> • screening by the Bank to identify whether Indigenous Peoples are present in, or have collective attachment to, the project area; • a social assessment by the borrower; • a process of free, prior, and informed consultation with the affected Indigenous Peoples’ communities at each stage of the project, and particularly during project preparation, to fully identify their views and ascertain their broad community support for the project; • the preparation of an Indigenous Peoples Plan (or an Indigenous Peoples Planning Framework; and disclosure of the draft Indigenous Peoples Plan or draft Indigenous Peoples Planning Framework. <p>The level of detail necessary to meet the requirements is proportional to the complexity of the proposed sub-project and commensurate with the nature and scale of the proposed sub-project’s potential effects on the Indigenous Peoples, whether adverse or positive.</p> <p><u>Note:</u> The applicable instrument (Indigenous Peoples Plan (IPP)) for addressing this policy is described in Annex 5: Community Participation Framework (CPF).</p>
<p>Physical Cultural Resources-</p> <p>OP 4.11</p>	<p>Physical cultural resources include movable and immovable objects, sites, buildings, a group of buildings, natural facilities and landscapes that have archeological, paleontological, historical, architectural, religious, aesthetic significance or other cultural properties. The objective this policy is to avoid, or mitigate, adverse impacts on cultural resources from development projects that the World Bank finances.</p>

	<p><u>Note:</u> The applicable instruments for addressing this policy is described in Annex 4. There is a reference document on Protection Procedure for Historical Objects and Other Physical Resources</p>
<p>Involuntary Resettlement-</p> <p>OP 4.12</p>	<p>The Operational Policy on Involuntary Resettlement is triggered in situations involving involuntary taking of land and involuntary restrictions of access to legally designated parks and protected areas. The policy aims to avoid involuntary resettlement to the extent feasible, or to minimize and mitigate its adverse social and economic impacts.</p> <p>It promotes participation of displaced people in resettlement planning and implementation, and its key economic objective is to assist displaced persons in their efforts to improve or at least restore their incomes and standards of living after displacement. The policy prescribes compensation and other resettlement measures to achieve its objectives and requires that borrowers prepare adequate resettlement planning instruments prior to Bank appraisal of proposed projects.</p> <p><u>Note:</u> The applicable instruments for addressing this policy is described in Annex 6: Land Acquisition and Resettlement Policy Frameworks (LARPFs) (which generates Resettlement Action Plans (RAPs)).</p>
<p>Forests-</p> <p>OP 4.36</p>	<p>The Bank's current forests policy aims to reduce deforestation, enhance the environmental contribution of forested areas, promote afforestation, reduce poverty, and encourage economic development. This policy applies to the following types of Bank-financed investment projects:</p> <ul style="list-style-type: none"> • projects that have or may have impacts on the health and quality of forests; • projects that affect the rights and welfare of people and their level of dependence upon or interaction with forests; and • projects that aim to bring about changes in the management, protection, or utilization of natural forests or plantations, whether they are publicly, privately, or communally owned.. <p>The Bank does not finance projects that, in its opinion, would involve significant conversion or degradation of critical forest areas or related critical natural habitats. If a project involves the significant conversion or degradation of natural forests or related natural habitats that the Bank determines are not critical, and the Bank determines that there are no feasible alternatives to the project and its siting, and comprehensive analysis demonstrates that overall benefits from the project substantially outweigh the environmental costs, the Bank may finance the project provided that it incorporates appropriate mitigation measures.</p> <p>The Bank does not finance plantations that involve any conversion or degradation of critical natural habitats, including adjacent or downstream critical natural habitats. When the Bank finances plantations, it gives preference to siting such projects on non-forested sites or lands already converted (<u>excluding any lands that have been converted in anticipation of the project</u>). In view of the potential for plantation projects to introduce</p>

	<p>invasive species and threaten biodiversity, such projects must be designed to prevent and mitigate these potential threats to natural habitats. The Bank does not finance projects that contravene applicable international environmental agreements.</p> <p>The Bank may finance commercial harvesting operations only when the Bank has determined, on the basis of the applicable environmental assessment or other relevant information, that the areas affected by the harvesting are not critical forests or related critical natural habitats.</p> <p>The Bank may finance harvesting operations conducted by small-scale landholders, by local communities under community forest management, or by such entities under joint forest management arrangements, if these operations:</p> <ul style="list-style-type: none"> • have achieved a standard of forest management developed with the meaningful participation of locally affected communities, consistent with the principles and criteria of responsible forest management¹¹; or • adhere to a time-bound phased action plan to achieve such a standard. The action plan must be developed with the meaningful participation of locally-affected communities and be acceptable to the Bank. <p>The borrower monitors all such operations with the meaningful participation of locally-affected communities.</p> <p><u>Note:</u> The applicable instruments for addressing this policy are described in Annex 5: Community Participatory Framework (CPF); Annex 4: Environmental Management and Monitoring Plan including the Social Aspects; and High Conservation Value Area. The forestry policy should be read in conjunction with the Natural Habitats OP/BP 4.04.</p>
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1. However, the Bank may finance community-based harvesting activities that take place within Category VI Protected Areas, Managed Resource Protected Areas, that are established and managed mainly for the sustainable use of natural ecosystems. In these areas, Bank financial support is restricted to situations where such activities are permitted under the legislation governing the establishment of the area and where the activities form an integral part of the management plan for the area. Any such financial support must comply with paragraph 12 of this OP.

Annex 2: Gap Analysis for Environmental and Social Safeguards

This section presents the analysis of difference between the requirements of national and subnational legislation and World Bank Safeguard Operational Policies. The gaps identified justify the application of instruments mentioned in the ESMF.

Scope/Topic	Bank Policy	Government of Indonesia Regulation	Gaps Identified
Reference to legal and administrative framework such as international environmental treaties, agreement, international standard policies etc.	OP 4.01 paragraph 3 OP 4.01 (Annex B) EA takes into account obligations of the country, pertaining to project activities under relevant international treaties or agreement.	Ministry of Environment Regulation No. 16/2010 section G.5 and B.4.a, stipulated that other data and information required in reporting UKL-UPL shall be incorporated including reference to other requirements.	Lack of reference to legal and administrative framework such as international environmental treaties, agreement, international standard policies etc. The current regulation only refers to “other data and information”.
Project Area of Influence.	OP 4.01 paragraph 2 OP 4.01 (Annex B) EA evaluates a project’s potential environmental risks and impacts in its area of influence, identifies ways of improving project selection and sitting etc.	Ministry of Environment Regulation No. 16/2010 section B.4.c, requested project proponent to provide information in detail on this aspect with “ <i>map, scale of operation and activities component</i> ” that could be used to determine the project area of influence, availability of ancillary facilities and associated facilities during UKL UPL preparation as good practice. However it does not state about the project’s area of influence outside the project’s footprints.	Lack of analysis about project area of influence, ancillary facilities, induced impacts and site selection analysis for activities require UKL UPL.

Scope/Topic	Bank Policy	Government of Indonesia Regulation	Gaps Identified
Environmental Impact Screening	OP 4.01 paragraph 8 OP 4.01 (Annex C) Environmental screening of each proposed project to determine the appropriate extent and type of EA.	Ministry of Environment Regulation No. 16/2010 section 4.C regulates the requirement to evaluate all possible impacts from the project and prepare mitigation measures to tackle those issues. Ministry of Public Works Regulation No. 18/PRT/M/2007 about Water Supply System Development- Appendix 2 about Guidelines for Feasibility Study Preparation. However, further screening based on significant environmental impact evaluation is not clearly stated.	Environmental screening based on technical thresholds only will result in inappropriate extent and type of EA.
Environmental Monitoring Data	OP 4.01 (Annex C) Environmental monitoring data to evaluate the success of mitigation and to foster corrective actions.	Ministry of Environment Regulation No. 16/2010 section C.3 clearly regulates the requirement for data monitoring of UKL UPL.	Insufficient follow up, analysis, use of environmental monitoring data for evaluation and continual improvement. The environmental monitoring program is not sufficient or is not corresponding to the scale of the impact of the project.
Capacity Development and Training.	OP 4.01 Paragraph 13 (When the borrower has inadequate technical capacity to carry out	Not covered.	Insufficient capacity development and training for EMP implementation

Scope/Topic	Bank Policy	Government of Indonesia Regulation	Gaps Identified
	<p>environmental safeguards management functions, the project includes components to strengthen that capacity).</p> <p>OP 4.01 (Annex C). Paragraph 4 (Technical Assistance program for EMP implementation)</p>		
<p>Institutional Arrangements.</p> <p>Institutions responsible for environmental management and EMP implementation</p>	<p>OP 4.01 (Annex C) Para 4 and 5. (EMP must provide specific description of institutional arrangement and implementation schedule for mitigatory and monitoring measures)</p>	<p>Ministry of Environment Regulation No. 16/2010 section C.4 clearly regulates the institutional arrangement for UKL UPL implementation, monitoring and reporting. Also the frequency and detail location of monitoring and implementation effort (section C.3).</p>	No gaps identified.
<p>Cost estimate of EMP to ensure “the adequacy of financing arrangements for EMP”.</p>	<p>OP 4.01 (Annex C) Paragraph 5. (EMP provides the capital and recurrent cost estimates and source of fund for EMP implementation).</p>	<p>MPW Guidelines No. 08/BM/2009 page 50 clearly specifies budget allocation for UKL UPL studies that shall include the cost for personnel, equipment, materials, field survey, laboratory analysis and report preparation etc.</p>	No gaps identified.

Scope/Topic	Bank Policy	Government of Indonesia Regulation	Gaps Identified
Public Consultation.	<p>OP 4.01- paragraph14 Consulted with project affected groups and CSO during preparation and implementation</p> <p>OP 4.01 (Annex B) (For AMDAL but the gap analysis for UKL UPL is also useful as good practice)</p> <p>Consultation requirements are less clearly specified in the UKL UPL preparation especially during project implementation</p>	<p>Ministry of Environment Regulation no 17/2012 about The Guidelines for Public Involvement in Environmental Assessment and Environmental Permitting Process, including UKL UPL document.</p> <p>Ministry of Environment Regulation No. 16/2010 section C.4 clearly regulates regular reporting requirement for UKL UPL implementation (every 6 month)</p> <p>MPW Guidelines no 09/BM/2009 <u>section 4.1.3</u> about Public Consultation.</p> <p>Ministry of Public Works Regulation No. 18/PRT/M/2007 about Water Supply System Development- in article 4 (6), article 10, and Appendix 1 section 6.5 regulates for a 3 times public consultations within 12 months for master plan development involving NGO, academicians and local communities. Also in Appendix 2 during the preparation of Feasibility Study.</p>	No gaps identified.
Public Disclosure.	OP 4.01--Paragraph 15. (Timely disclosure and understandable document in local language.)	Not covered in the Ministry of Environmental Regulations but stipulated in the Ministry of Communication and Information.	Public Disclosure is not covered in the Ministry of Environmental Regulations.
Direct Impacts.	Covers provision of benefits to address direct social and economic impacts caused by the involuntary	Land Acquisition Law No.2/2012, Presidential Regulation No.71/2012, MAPPI Guidelines and Basic Agrarian Law No.5/1960. These GOI	Impact mitigations not elaborated in the government regulations.

Scope/Topic	Bank Policy	Government of Indonesia Regulation	Gaps Identified
	restrictions of access to legally designated parks and protected areas resulting in adverse impacts on livelihoods.	regulations relate to compensation for loss of land and assets also other losses that can be accounted caused by taking of land for a project. Once fair compensation given, further consideration and impact mitigation are not elaborated.	
Indirect impacts.	States that indirect social and economic impacts caused by project should be addressed under OP 4.01.	Not covered, however indirect impact regulated in Law No. 32 of 2009 and PP 27/2012 on Environmental Management (AMDAL/EIA).	Indirect impacts are not covered in the land acquisition law.
Related activities.	Covers impacts that result from other activities is 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	Not covered in any of GOI regulations: Land Acquisition Law No.2/2012, Presidential Regulation No.71/2012, MAPPI Guidelines and Basic Agrarian Law No.5/1960.	Related activities are not covered.
Host Communities.	Impacts on host communities need to be considered, and host communities need to be consulted.	Not covered in the GOI regulations, since option of resettlement is not sufficiently elaborated.	Host communities are not covered in the GOI regulations.
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.	Resettlement is an option of compensation but not sufficiently elaborated; focus more on cash compensation.	Resettlement is not sufficiently elaborated in the GOI regulations.

Scope/Topic	Bank Policy	Government of Indonesia Regulation	Gaps Identified
Vulnerable Groups.	Resettlement activities should be conceived as sustainable development programs, providing sufficient resources to enable persons displaced to share in project benefits.	PAP is not differentiated by vulnerability or gender.	No specific separation by vulnerability or by gender.
Resettlement Planning Instruments.	Different planning instruments must be prepared to achieve the objectives of the policy (resettlement plan, resettlement policy framework or process framework) and must cover all aspects of the proposed resettlement.	Land acquisition plan based on a feasibility study, the project suitability to the spatial plan.	Incomplete planning instruments.
Eligibility.	For those without formal legal rights to lands or claims to such land that could be recognized under the laws of the country, provide resettlement assistance in lieu of compensation for land to help improve or at least restore their livelihoods. This will cover squatters and encroachers.	Does not cover squatters (unless in good faith on public land), encroachers and renters on private land. Landless and laborers are not expected to be compensated and provided rehabilitation measured; it is the responsibility of the landowner to compensate them.	No formal legal rights
Eligibility.		IP is covered once they have been legally recognized. In BPN and Forestry Regulations IP institution should be recognized by local government, while institutions that in favor of IP prefer that the recognition coming from independent IP Committee.	Indigenous People only covered when they are legally recognized.

Scope/Topic	Bank Policy	Government of Indonesia Regulation	Gaps Identified
Land for Land Resettlement.	Preference given to land based resettlement strategies for displaced people whose livelihoods are land based.	No time allocation and detail procedure to implement this resettlement.	No detail procedure mentioned in the GOI regulations.
Benefits Package.	Provide technically and economically feasible resettlement alternatives and needed assistance, including (a) 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 sites, 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>Mainly cash; In MAPPI guidelines compensation is market price plus transaction and other cost plus premium (to cover beyond valuation cost such as emotional lost). See Annex 2.</p> <ul style="list-style-type: none"> • Real 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. • Cost & Loss (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 	Incomplete explanation on benefit packages.

Scope/Topic	Bank Policy	Government of Indonesia Regulation	Gaps Identified
Full Replacement Cost.	Requirement for compensation for land and asset to be at full replacement cost.	“Fair and reasonable” – basis for appraisal but final compensation is result of negotiation	Final compensation not specifically elaborated.
Livelihood Restoration.	The resettlement plan or resettlement policy framework also include measures to ensure that displaced persons are: (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 and standards of living such support could take the form of short-term jobs, subsistence support, salary maintenance or similar arrangements; and (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.	Once fair compensation given further consideration and impact mitigation are not elaborated.	Impact mitigation not elaborated.
Indigenous Peoples.	Land of indigenous people is addressed in both OP 4.12 and OP 4.10. If land of IPs is to be taken, requires broad community support and free, prior and informed consultation.	Land of indigenous people is treated in the same way as other, if land rights are recognized by relevant local government.	

Scope/Topic	Bank Policy	Government of Indonesia Regulation	Gaps Identified
Resettlement Cost.	The full costs of resettlement activities necessary to achieve the objectives of the project are included in the total costs of the project.	Budget plan is part of land acquisition plan but tend not considering the resettlement cost.	Resettlement cost not well described in the GOI regulations.
Consultation and Complaint Procedure.	Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs (2.b) Grievance mechanism should take into account availability of judicial recourses and community and traditional dispute settlement mechanism (17).	Consultation to the PAPs needed to get permit for the proposed location of the project. There is no prior consultation before negotiation on option of compensation. The grievance redress mechanism is clearly described and within the court it will follow the court procedure. Understanding the limitation and over burden of the court system, the effectiveness of the implementation still in question.	No prior consultation before negotiation on option of compensation.
Monitoring of outcomes.	Requirement to carry out adequate monitoring and evaluation of all activities set out in the resettlement plan [24]. Assess whether the objectives of the resettlement instrument have been achieved, upon completion of the project, taking account of the baseline conditions and the results of resettlement monitoring [24].	Monitoring and evaluation covers the occupation, ownership, utilization and benefit of the result of land acquisition without clear on when, how and what correction measure could be enforced.	Not clear when, how and what correction measure could be enforced.
Project consistency with national and	OP 4.04 - Paragraph 5.	Ministry of Environment Regulation no 16/2010 Appendix IV about UKL UPL preparation <u>section B.4.a</u> stipulated that any project proposal	No Gaps is found

Scope/Topic	Bank Policy	Government of Indonesia Regulation	Gaps Identified
Regional spatial planning for conservation purpose	(Wherever possible, Bank-financed projects are sited on lands already converted). BP 4.04--Paragraph 5. (Project consistency with national and Regional spatial planning for conservation purpose).	shall be rejected if the project is not in line with the regional/district spatial planning and with the Presidential Instruction on 10/2011 about Forestry Permit/Environmental Permit moratorium at specific area (in primary forest, wetlands and other sensitive area etc.).	
Classification, criteria for Significant conversion (loss) and degradation of Critical and Natural Habitat whether directly (through construction) or indirectly (through human act) induced by the project ecosystem.	OP 4.04- Paragraph 4. (The Bank does not support projects that, in the Bank's opinion, involve the significant conversion or degradation of critical natural habitats).	Ministry of Environment Regulation no 16/2010 Appendix IV about UKL UPL preparation <u>section B.4.a</u> stipulated that any project proposal shall be rejected if the project is not in line with the regional/district spatial planning and with the Presidential Instruction on 10/2011 about Forestry Permit/Environmental Permit moratorium at specific area (in primary forest, wetlands and other sensitive area etc.). Ministry of Public Works Regulation no 15/PRT/M/2010 about "Technical Guidelines for DAK infrastructure" dated 1 November 2010 Appendix 1 - section III.3.2. 1 stipulated that for new road construction up to 5km of DAK project "shall not require or involve land acquisition and not in the protection forest (sensitive area)".	However, both regulations did not mentioned specifically about natural habitat and critical natural habitat as per 4.04.
Capacity Building for both local and national	OP 4.04-- Paragraph 6. (Borrower's ability to implement the appropriate conservation and	Ministry of Environment Regulation No. 16/2010 section C.4 clearly regulates the institutional arrangement for UKL UPL	Not specifically regulated.

Scope/Topic	Bank Policy	Government of Indonesia Regulation	Gaps Identified
level institutions in Biodiversity Management or Nature Conservation.	mitigation measures strengthened by project component or other measures).	implementation, monitoring and reporting. Also the frequency and detail location of monitoring and implementation effort (section C.3).	
Public consultation efforts, stakeholder involvement including NGO	OP 4.04--Paragraph 9 – 10. (The Bank expects the borrower to take into account the views, role, rights or groups including local NGO and local communities during planning, design, implementation, monitoring and evaluation).	<p>Ministry of Environment Regulation No. 17/2012 about The Guidelines for Public Involvement Environmental Assessment and Environmental Permitting Process, including UKL UPL document.</p> <p>Ministry of Environment Regulation No. 16/2010 section C.4 clearly regulates regular reporting requirement for UKL UPL implementation (every 6 months).Public Consultation aspect has been described in detail at the MPW Guidelines no 09/BM/2009 <u>section 4.1.3</u> about Public Consultation.</p> <p>Ministry of Public Works Regulation 18/PRT/M/2007 about Water Supply System Development- in article 4(6), article 10, and Appendix 1 section 6.5 regulates for 3 times public consultations within 12 months for a master plan development involving NGO, academician and local communities. Appendix 2 during the preparation of FS.</p>	No gaps identified

Scope/Topic	Bank Policy	Government of Indonesia Regulation	Gaps Identified
Address pest management issues in project's environmental assessment (UKL-UPL).	OP 4.09--Paragraph 1. (Address pest management issues in the context of the project environmental assessment).	Ministry of Environment Regulation No. 16/2010 section 4.C.1 regulates the requirement to evaluate all possible impacts from the project and prepare mitigation measures to tackle those issues (for example the impact to human health from improper use of pesticides) . However for DAK infrastructure project this aspect is not clearly regulated and specified.	Insufficient identification, description and evaluation of potential environmental impact and its mitigation measures related to indirect impact from project that would increase pesticide use.
Capacity Building for both local and national level institutions in pest management.	OP 4.09--Paragraph 2. (Assessment of the capacity of the country regulatory framework and institutions to promote environmentally sound pest management. Put into project component if necessary). Annex C to BP 4.01—Paragraph 9 (The capacity of responsible institutions to carry out the activities related to IPM or other pest management activities/practices).	Act no 12 / 1992 about Crop Cultivation System – article 20. Government Regulation No. 6/1995 about Crop Protection. Ministry of Agriculture Regulation No 887/Kpts/OT.210/9/1997 about Pest Management. Ministry of Agriculture Regulation No. 01/Permentan/OT.140/1/2007 about the List of Prohibited Active Ingredients of Pesticide.	DAK infrastructure regulation does not clearly regulate and specify this aspect.
Support to IPM approach. The inclusion of IPM in the UKL UPL and	OP 4.09--Paragraph 3 and 4 (The Bank supports IPM approach).	Act no 12 / 1992 about Crop Cultivation System – article 20. Government Regulation No. 6/1995 about Crop Protection. Ministry of Agriculture Regulation No 887/Kpts/OT.210/9/1997 about Pest Management.	No gaps identified in national level regulatory framework, but DAK infrastructure regulation does not clearly regulate and specify this aspect.

Scope/Topic	Bank Policy	Government of Indonesia Regulation	Gaps Identified
implementation at field.		Ministry of Agriculture Regulation No. 01/Permentan/OT.140/1/2007 about the List of Prohibited Active Ingredients of Pesticide.	
The inclusion of pesticide management and handling in the UKL UPL especially about hazardous materials handling, storage and disposal etc.	<p>OP 4.09—Paragraph 6 (Direct procurement of any pesticides in a Bank's finance project which is not the case for LGDP AF).</p> <p>OP 4.09--Footnote 3. (An agriculture development project may lead to substantially increased pesticide use).</p>	<p>Ministry of Environment Regulation No. 16/2010 section 4.C.1 about UKL UPL reporting.</p> <p>Ministry of Agriculture Regulation no 01/Permentan/OT.140/1/2007 about the List of Prohibited Active Ingredients of Pesticide.</p> <p>The Government Regulation No 74 of year 2001 about Hazardous Materials Management .</p>	No gaps identified in national level regulatory framework, but DAK infrastructure regulation does not clearly regulate and specify this aspect.

Annex 3: Summary of Main Potential Environmental and Social Impacts, Mitigation Measures and Monitoring

Summary of potential environmental and social impacts, mitigation measures and monitoring associated with subcomponent 1.1. and 3.2. The summary is not exhaustive and any additional types of interventions identified during the project implementation are subjective to the application of this ESMF.

No	Project activity	Potential social impact	Potential environmental impact	Mitigation measure	Monitoring
	Sub-component 1.1: Forest policy and legislation development, revision and amendment				
1.	Amendment of regulation of spatial planning (including gazetting and land use planning both around and within KPHs)	The new regulation may ignore Adat & local community participation in spatial planning, does not provide guidelines or regulations for how to implement community participation		<p>Amendments to regulation on spatial planning are consulted on in a manner that is in compliance with the procedures of National Forest Council (DKN) at both national and subnational level.</p> <p>Where it is deemed necessary, the PMU should obtain the support of experts to prepare a supplemental document that examines potential social issues and to ensure</p>	<p>The procedures and process of amendment has to be announced in website, KPH office, and other social media;</p> <p><u>Indicator:</u> <u>Supporting documentation for consultation – the draft amendment and (when required) the supplemental document are prepared and disclosed prior to public consultation.</u></p>

				<p>that the proposed amendments on spatial planning take these issues into account.</p> <p>Appropriate measure for public consultation and engagement is included in the amendment</p>	<p>Public consultation, clause of community participation in the regulations.</p> <p>Monitoring of public consultation and clause of community participation in the regulations periodically by independent institution</p>
2.	Harmonization of government (MOEF, MOHA, local government (LG)) regulations on forest utilization with the role of KPH	The new regulation may ignore Adat and local community (as individual or collective) to be participant in managing forest; or ignore women and marginalized people; or the procedures for getting forest utilization license may not be accessible to them Revoke of forest licensing could lead to loss of	The new regulation may emphasize forest utilization activities that cause significantly environmental damages, for example conversion of forest areas for mining, geothermal energy development or oil palm plantation, or clearing of high conservation value areas	<p>Amendments to harmonize regulations on forest utilization is consulted on in a manner that is in compliance with the procedures of National Forest Council (DKN) at both national and subnational level.</p> <p>Where it is deemed necessary, the PMU should obtain the support of experts to prepare a supplemental document that examines potential social issues and to ensure that the proposed amendments for</p>	<p>The procedures and process of harmonization of among government (MOEF, MOHA, LG) has to be announced in website, Local Government (province, district) offices, KPH office, and “village office” (<i>Balai Desa</i>);</p> <p><u>Indicator:</u> <u>Supporting documentation for consultation – the draft amendment and (when required) the supplemental document are prepared and disclosed prior to public consultation</u></p>

		income opportunities of employees of the investor		<p>harmonization take these issues into account.</p> <p>The procedures and process of harmonization of among government (MOEF, MOHA, LG) has to be done through public consultation process at national and provincial level with enough time and multi stakeholders</p> <p>Text included in the regulations to ensure adequate participation and consultation of local communities</p>	Clause of community participation (in forest utilization, including women and marginalized people) in the regulations.
	Develop standard operating procedures and associated regulations on how to engage with local communities, Adat communities, sub-district and village governments	The SOP and the regulations may not take into consideration of priorities, constraints and absorptive capacities of local communities		<p>Empowerment and awareness building among local community members (through other project activities, especially those under Component 2)</p> <p>Public consultations facilitated by independent expert/institution with local communities, including</p>	Disclosure of the minutes of the public consultation

	taking into account gender perspectives.			members of Adat communities.	
3.	Development of relevant regulations for establishing KPH as a government enterprise (PPK-BLUD ¹²)	The regulation may give KPH an authority to ignore Adat and local community (as individual or collective) as well as women or marginalized people to be participant in forest management.	The renewed regulation may result in KPH promoting forest utilization activities that cause significantly environmental damages, such as harvesting in high conservation value areas	<p>Proposed text for regulations on establishing KPHs as PPK-BLUD is consulted on in a manner that is in compliance with the procedures of National Forest Council (DKN) at both national and subnational level.</p> <p>Where it is deemed necessary, the PMU should obtain the support of experts to prepare a supplemental document that examines potential social issues and to ensure that the proposed regulations on establishing PPK as BLUD take these issues into account.</p> <p>Development of relevant regulations has to be done</p>	<p>The procedures and process of development of relevant regulations has to be announced in website, Local Government (province, district) offices, KPH office.</p> <p><u>Indicator:</u> <u>Supporting documentation for consultation – the draft regulation and (when required) the supplemental document are prepared and disclosed prior to public consultation</u></p> <p>Clause of community participation included</p>

¹² Regional Public Service Agency with financial management authority

				<p>through public consultation process at least at provincial level with enough time and multi stakeholders (local government including KPH; academician, CSO, local/Adat community)</p> <p>Relevant clause on public participation included</p>	
Sub.Component 3.1: Advance KPH Operationalization					
Activities may include: conducting participatory rural appraisals, facilitation and community mobilization and consultation, legal support, spatial planning, biophysical studies (e.g., on NTFPs), annual forest management plan preparation, technical	<p><u>Social exclusion and elite capture</u></p> <ul style="list-style-type: none"> Exclusion of vulnerable members of the community within the KPHs in the process of identification of project supported activities, resulting in their lack of access to project opportunities. 	<ul style="list-style-type: none"> Loss of high conservation value area (HCVA) with impacts on biodiversity and ecosystem services due to high-grading, poor land use planning/zoning. Increased and uncontrolled use of pesticide in association with agriculture-related activities vices due 	<p>Amendments to regulation on spatial planning and forest management are consulted on in a manner that is in compliance with the procedures of National Forest Council (DKN) at both national and subnational level. Furthermore, environmental impacts on biodiversity and ecosystem services and respective mitigation measures will be captured in the ESA and EMMP.</p>	<p>Business plan, forest management plans and spatial plans documents (including EMMP, CPP, and IPP) should be put in Local Government (province, district) office, KPH office and is accessible for public particularly Adat and local community members</p> <p>Monitoring of public consultation and clause of community participation in the regulations periodically by independent institution</p>	

	<p>assistance and knowledge on forest, agroforestry and crop management, finance and administration, market analysis and marketing, assistance with the approval for SKPD and BLUD, and assistance with specific activities associated with the community empowerment activities in component 3.2</p>	<ul style="list-style-type: none"> • unfair sharing of benefits of forestry resources use • delivery of capacity building does not take into consideration constraints by some community members to participating and benefiting <p><u>Communal tenure rights</u></p> <ul style="list-style-type: none"> • boundary demarcation in conflict with the currently practiced communal arrangements; • approach to and measures for land conflict resolution do not 	<p>to high-grading, poor land use planning/zoning.</p>	<p>Where it is deemed necessary, the PMU should obtain the support of experts to prepare a supplemental document that examines potential social issues and to ensure that the proposed amendments on spatial planning take these issues into account.</p> <p>Appropriate measure for public consultation and engagement is included in the amendment</p>	<p>Monitoring of environmental impacts will be done through the EMMP implementation reports.</p>
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		<p>take into consideration the communal arrangements; <u>Land and asset acquisition</u></p> <ul style="list-style-type: none"> Land-based forest management activities (plantation and reforestation, agroforestry, establishment of nurseries, farms, demo plots, etc.) take place on the land currently being used 			
	Sub Component 3.2: Support to facilitate community based engagement in 10 KPHs				
11.	Development of Business Plan	Business plan may exclude Adat and local community (as individual or collective; women and marginalized people) from	Business plan may not consider environmental issues such as HCVF, pesticide use, reducing GHG emissions, forest conservation and forest restoration	According to CPF, a community participation plan (CPP) and Indigenous Peoples Plan (IPP) will be prepared for KPH forest management plan. Business plan should be formulated through	Business plan document (including EMMP, CPP, and IPP) should be put in Local Government (province, district) office, KPH office and is accessible for public particularly Adat and local community members

		participating in forest business		participatory process; inclusive and effective community engagement; Business plan should identify social and environmental impacts and mitigation measures through preparation of the EMMP and CPP and IPP.	
13.	Establishment of industrial wood processing facility	<p>Adat/ local communities may have limited capacity in terms of establishment of industrial wood processing facility; they will meet some obstacles (procedures, legal, and administrative);</p> <p>The establishment of the facility may result in the groups with access to the facility benefiting while others</p>	<p>Establishment of industrial wood processing facility could cause environmental issues such as decreasing water (rivers) quality caused by waste from wood based industry, poisonous and dangerous/hazardous chemistry use, HCVA, forest conservation, forest restoration areas damages.</p> <p>According to the No.5/2012 and Minister of Public Works Regulation No. 10/PRT/M/2008, different documents are prepared depending on the severity of the impact:(i) if the activities/project has</p>	<p>EMMP, CPP and IPP should be prepared, Adat/ local community should be facilitated to deal with some requirement documents such as legal, technical and administrative aspects of social and environmental issues (refer to Ministry of Environment decree No. 12/2007; No. 17/2012 related to DPPL, AMDAL, UKL-UPL, and community engagement); Establishment of industrial wood processing facility should be done through participatory process;</p>	<p>Monitoring implementation of the EMMP, CPP and IPP by the PMU;</p> <p>Monitoring Adat/ local communities engagement & environmental issues in industrial wood processing and capacity building periodically by independent institution</p>

		becoming marginalized.	substantial impact, the document required is an AMDAL; if the impact is moderate the document required is an UKL/UPL; and if the impact is minor or low, the document required is a SPPL. It is likely that most cases will require a UKL/UPL.	inclusive and effective community engagement; Protection and control of poisonous and dangerous/hazardous chemistry use by KPH	
14.	Establishment of industrial NTFPs processing facility	Adat/ local communities capacity may be limited in terms of establishment of industrial NTFPs processing facility; which could mean they will face obstacles associated with the procedures (legal, and administrative); The establishment of the facility may result in the groups with access to the	Establishment of industrial NTFPs processing facility may cause environmental issues such as decreasing water (rivers) quality caused by waste from NTFPs based industry; HC VF, forest conservation, forest restoration areas damages. Same as above with respect to handling No.5/2012 and Minister of Public Works Regulation No. 10/PRT/M/2008	EMMP and CPP should be prepared; Adat/ local community should be facilitated to deal with some requirement documents such as legal, technical and administrative aspects of social and environmental issues (refer to Ministry of Environment decree No. 12/2007; No. 17/2012 related to DPPL, AMDAL, UKL-UPL, and community engagement); Establishment of industrial NTFPs processing facility should be done through participatory process;	Monitoring implementation of the EMMP and CPP by the PMU; Monitoring Adat/ local communities engagement & environmental issues in industrial NTFPs processing and capacity building periodically by independent institution

		facility benefiting while others becoming marginalized		inclusive and effective community engagement; Waste management by business actor/ unit	
15.	Utilization of ecosystem services from the forests	<p>Adat/ local communities could meet some obstacles (procedures, legal, and administrative) to participating in utilization of ecosystem services from the forests;</p> <p>The groups with access to the ecosystem services will be benefiting while others may become marginalized.</p>	Utilization of ecosystem services (such as biodiversity or reduced soil erosion) from the forests could cause environmental issues such as decreased biodiversity, change in water availability or unintended forest conservation, forest restoration areas damages	<p>EMMP, CPP, and IPP should be prepared; Adat/ local community should be facilitated to deal with some requirement documents such as legal, technical and administrative aspects of social and environmental issues (refer to Ministry of Environment decree No. 12/2007; No. 17/2012 related to DPPL, AMDAL, UKL-UPL, and community engagement); Establishment of schemes for use of ecosystem services should be done through participatory process; inclusive and effective community engagement; Waste management by business actor/ unit</p>	<p>Monitoring implementation of the EMMP, CPP, and IPP by the PMU;</p> <p>Monitoring Adat/ local communities engagement & environmental issues in ecosystem services business and capacity building periodically by independent institution</p>

16.	Participatory boundary demarcation	The boundary demarcation may ignore Adat and local community (individual and collective) rights or access to forest (including cultural site). This may also include women and marginalized people's rights; There may be increased conflict over forest land tenure		EMMP, CPP and IPP should be prepared; Implementation of SOP of Community Participatory mapping of forest area boundary. The SOP refers to joint decree (Minister of Home Affair, Minister of Forestry, Minister of Public Work and National Agrarian Agency 2014);	Monitoring implementation of the EMMP, CPP, and IPP by the PMU; Monitoring Adat/ local communities participation in boundary demarcation by independent institution or KPH; Monitoring of latent and manifest conflict periodically by independent institution.
17.	Establishment of benefit sharing (part of partnership)	The benefit sharing may be unfair, and not transparent among participants.	The benefit sharing may encourage participant to do environmentally negative activities	CPP to be prepared; Establishment of benefit sharing should be done through negotiation and agreement process with fairness, transparent and participatory relationship. In addition, this kind of mechanism should be mandated to go through a Technical Steering committee review in order	Monitoring implementation of the CPP and IPP Monitoring benefit sharing among participated people (community members) by independent institution

				to ensure that possible perverse incentives (including elite capture) are caught early in the sub- project/activity design process and addressed before becoming problems	

Annex 4: Guidance on EMMP including List of Forms and Reference Documents

Objectives and Principles

Procedure for Involving a Community/Investor in an Application Process and Environmental Licensing related to a sub-project

124. Preparation of Environmental Management and Monitoring Plan (EMMP) will build on the existing government system on environmental screening and licensing. Community/investors' involvement in environmental licensing is done through: (1) the announcement about applying for an environmental license; and (2) the announcement about environmental licenses that have been issued.
125. As per the government system, the announcement of application for environmental licenses and of actual environmental licenses that have been issued for business plans and/or activities that must have AMDAL or UKL-UPL is done by the Minister, governors, or district heads/mayors in their respective capacity.
126. The Minister, governors, or district heads/mayors delegate the authority of announcing environmental licenses applied for and issued to an official appointed by the Minister, heads of provincial environmental departments, or heads of district environmental departments in their respective capacity.
127. Communities can provide input, opinion and feedback to the announcement of environmental licensing request.

Information required for Activities requiring AMDAL

128. Application for environmental licenses for business plans and/or activities that require an EIA, the Minister through an official appointed by the Minister, governors through the heads of the provincial environmental departments, or district heads through the heads of the district environmental departments usually publish information about:
 - 1) The names and addresses of the environmental license applicants;
 - 2) The business plan and/or activity types;
 - 3) The business plan and/or activity scales;
 - 4) The business plan and/or activity locations;
 - 5) Information about how to get an EIA (the Approved ToR, the draft EIA, and the environmental management and monitoring plans) including:
 - a. Information about where community members can get the EIA (the approved ToR, the draft EIA, and the environmental management and monitoring plans) that will be submitted to assess the license application; and/or
 - b. A link to the EIA (the approved ToR, the draft EIA, and the environmental management and monitoring plans) that can be downloaded by community members;
 - 6) The date when the announcement starts to be displayed and the deadline for community members to give suggestions, opinions, and responses;

- 7) The names and addresses of the environmental agencies or departments that will receive the suggestions, opinions, and responses given by community members.

Information for Activities requiring UKL/UPL

129. Application for environmental licenses for business plans and/or activities that require UKL-UPL, the Minister through an official appointed by the Minister, governors through the heads of the provincial environmental departments, or district heads through the heads of the district environmental departments usually publish information about:
 - 1) The names and addresses of the license applicants;
 - 2) The business plan and/or activity types;
 - 3) The business plan and/or activity scales;
 - 4) The business plan and/or activity locations;
 - 5) Information about how to get UKL-UPL forms filled out by the proponents, including:
 - c. Information about where community members can get UKL-UPL forms that have been filled out and submitted by the proponents/applicants for application assessment; and/or
 - d. A link to UKL-UPL forms that have been filled out by the applicants that can be downloaded by community members;
 - 6) The date when the announcement starts to be displayed and the deadline for community members to give suggestions, opinions, and responses;
 - 7) The names and addresses of the environmental agencies or departments that will receive the suggestions, opinions, and responses given by community members.
 - 8) The announcement is made in: 1) multimedia that can effectively and efficiently reach communities, including websites and printed media; and 2) announcement boards in business plan and/or activity locations accessible to affected communities. For purposes of this project, it could also be made accessible using the knowledge platform created in component 2
 - 9) All types of announcement should be made in proper Bahasa Indonesia, in a clear manner that will be easily understood by all walks of life. A translation of the announcement in a local language should be made available as well.
130. Reference Document A4.1 provides the forms to be used for UKL-UPL.

Timeframe of Environmental Licensing Application Announcement

131. The announcement of the application for environment licenses for business plans and/or activities that require an EIA should be made no later than five working days after the submitted EIA and environmental management and monitoring plans have been declared to have fulfilled the administrative requirements. Community members are given ten working days since the first day the announcement was made, to give suggestions, opinions and responses. For this project, the PMU will adopt/revise the mechanism in Ministry of Public Works on attachment Circular Letter of Ministry 12/SE/M/2014, page 37 V. Mechanism of Complain Handling which includes a timeline including for responding to community members.
132. The announcement of the application for environment licenses for business plans and/or activities that require UKL-UPL should be made no later than two working days after the

submitted UKL-UPL forms have been declared to have fulfilled the administrative requirements. Community members are given three working days since the first day the announcement was made, to give suggestions, opinions and responses. For this project, the PMU will adopt/revise the mechanism in Ministry of Public Works on attachment Circular Letter of Ministry 12/SE/M/2014, page 37 V. Mechanism of Complain Handling which includes a timeline including for responding to community members

Contents of the EMMP

133. The EMMP is an instrument that details (a) the feasible and cost-effective measures to be taken during the implementation and operation of a subproject to eliminate or offset adverse environmental impacts, or to reduce them to acceptable levels; (b) the actions needed to implement these measures. The EMMP is an integral part of the ESA. The EMMP for the sub-projects under Component 3 will include the environmental and social impacts of the sub-project activities (concluded from the ESA), mitigation measures, environmental and social supervision plan, institutional arrangement and responsibilities, capacity building activities, and implementation schedule and cost estimate.

Table A4.1: 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 (for agriculture, plantations, etc.) by local people (individually or collectively)?		
3	Requirement for large scale land acquisition of currently-occupied state or indigenous (for agriculture, plantations, etc.) by parties other than local people (individually or collectively)?		
6	Causing the loss or damage to cultural properties, including sites of archaeological (prehistoric), paleontological, historical, religious, cultural and unique environmental/natural values		
7	New road construction, road rehabilitation, road paving, or any form of pathway improvement within the existing primary natural forest and proposed protected forest		
10	Large-scale constructions that potentially have significant negative impacts on the surrounding environment		
11	Commercial logging operations in natural forests		
12	Conversion of High Conservation Value Forests		

No	Activity	Yes	No
13	Purchase of logging equipment for use in natural forests		
14	Identification of genetically modified organisms		
15	Production, distribution, and trade of illegal pesticides		
16	Production or trade of ozone depleting substances (ODS) with reference to gradual phasing at the international level		
17	Production or trade of pesticides/herbicides that are banned at the international level		
18	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		
19	Production, trade, storage or transportation of hazardous chemicals in bulk, or use of hazardous chemicals for commercial purposes		
21	Trade of protected species or protected wildlife products		
22	Trade of endangered plants or protected plant products		
23	Any activity that may cause human health problems		
24	Any activity that significantly lowers the biodiversity of forest ecosystem or damage the forest habitat within the KPH area, including conversion of natural forests		

Form A4.1: Declaration of Adherence to Negative List

MOEF/GoI Logo

Number.....

Applicant KPH Name:	Name of Business Plan Proposal :	Proposal no :
I certify that this project does not involve any of the negatives list given of the ESMF. Screened by :		Date:
Note : 1. Describe briefly the objectives, scope, and/or the proposed location		

PROPOSER'S SIGNATURE:

Name :

Position/Job Title :

Date :

Form A4.2: Declaration of Adherence to Negative List

MOEF/GoI Logo

Number.....

Applicant KPH Name:	Name Business Plan Proposal :	Proposal no :
I certify that that following subprojects will potentially involve limited land and/or asset acquisition, or change the pattern of access to forestry resources, therefore request the preparation of a Land Acquisition and Resettlement Plan according to Annex XX of the ESMF. Screened by :		Date:
Note : <ol style="list-style-type: none">1. Describe briefly the objectives, scope, and/or the proposed location of the relevant subprojects2. Describe briefly the potential effects (positive and negative)3. Describe briefly the key mitigation measures		

Reference Documents A4.1: for the Preparation of UKL-UPL

Structure of UKL-UPL

Document Structure		Substantial Explanation
A	Initiator Identity	
	1. Name of Initiator	
	2. Office address, zip code, Phone no. and fax, e-mail. 134.	
B	Business and/or Activity Plan	
	1. Name of Business and/or Activity Plan	
	2. Location of the proposed businesses and/or activities and the attached map according to the rules of cartography and/or location illustrations with adequate scale.	

Document Structure		Substantial Explanation
	3. Scale or Quantities of proposed business and/or Activity	<p>Write down the extent or length and/or volume and/or capacity or other quantities that can be used to give an idea of the scale of activities. example: <u>Tourism Sector</u>: land use, extensive tourism facility to be built, number of rooms, number of laundry machines, number of holes, seating capacity entertainment venue and the number of restaurant seats</p>
	4. Outline of the components of the proposed businesses and/or activities	<p>In this section the initiator describes:</p> <p>a. Conformity of the proposed activities with spatial planning. This section describes the confirmed location of proposed business and/or activity with a layout plan in accordance with laws and regulations. The conformity information can be presented in the form of an overlay map between the delineation of the project over the legal spatial planning maps (draft Spatial map cannot be used).</p> <p>Based on spatial analysis results, initiator give brief conclusion on the conformity of the project site with spatial planning or whether there are segments which are not conformed or all segments are not conformed.</p> <p>In case there are still obstacles or uncertainty associated with the Spatial conformity information, then the initiator may request a formal proof from the responsible agency in the field of spatial planning such as BKPTRN or BKPRD. The evidence that supports the conformity of the spatial should be attached.</p> <p>If the location of the proposed business/or activity is not in accordance with the layout plan, the UKL-UPL form cannot be processed further in accordance with the provisions of Article 14 paragraph (3) PP 27/2012.</p>

Document Structure	Substantial Explanation
	<p>In addition, for this type of proposed business and/or specific activities, the initiator must conduct spatial analysis of the conformity of the proposed business and/or activities location with the indicative map of the moratorium on new licenses contained in Presidential Decree No. 10/2011, or the revision and the publication of new regulation on the provisions of this case.</p> <p>Based on the spatial analysis results, the initiator may conclude whether the location of the proposed business and/or these activities is within or outside the area of primary forest and peat land listed in PIPB. If the location of the proposed business/or activity are in the indicative map, except for certain activities are excluded as stated in Presidential Decree No. 10/2011, the UKL-UPL form cannot be processed further. Conformity of the proposed business or activity location based on the indicative map of the moratorium on new licenses (PIPB) contained in Presidential Decree No. 10 of 2011, valid for 2 (two) years from the issued Presidential Decree.</p> <p>b. A description of the approval in principle on proposed activities This section describes the subject of the consent principle which states that the types of business activities can be done by the authorities (in principle). Formal proof on the consent principle should be attached.</p> <p>c. A description of the action plan components that have environmental impacts In this section, the initiator writes the components of proposed businesses and/or activities which are believed to have an impact on the environment. The description may utilize project implementation phase, namely the pre-construction, construction, operation and closedown/post-operation. Stages of the project plan are tailored to the types of businesses and/or activities.</p>

Document Structure		Substantial Explanation
C	Environmental Impact and Environmental Management and Monitoring Efforts	<p>This section basically contains a table or matrix, which summarizes:</p> <ol style="list-style-type: none"> 1. The environmental impact of the proposed businesses and/or activities Environmental Impact column consists of three sub-columns that contain information: <ol style="list-style-type: none"> a. sources of impact, which is filled with information about the type of sub-producing activities which cause impact in each phase of activities (pre-construction, construction, operation and post-operation); a. type of impact, which is filled with information about all of the environmental impacts that may arise from activities at each phase of activity; and b. the magnitude of the impact, which is filled with information about: quantitative parameters, the amount of impact has to be expressed quantitatively. 2. Form of environmental management efforts Column of Environmental Management efforts which consists of three sub-columns that contain information: <ol style="list-style-type: none"> a. form of Environmental Management, which is filled with information about the type of proposed environmental management to manage any environmental impact; b. location of the Environmental Management, which is filled with information about the location where environmental management is conducted (can be equipped with a narrative that explains that the site is presented more clearly in the environmental management map in appendix UKL-UPL); and c. period of environmental management, which is filled with information about time/period when environmental management actions will be conducted. 3. Forms of environmental monitoring efforts Column of Environmental Monitoring Efforts which consists of three sub-columns that contain information:

Document Structure		Substantial Explanation
		<ul style="list-style-type: none"> a. Form of Environmental Monitoring Activities, which is filled with information on how, methods, and/or techniques to monitor the quality of the environment which serve as success indicators for environmental management (can include: methods of data collection and analysis of environmental quality, and other etc.); a. Environmental Monitoring location, which is filled with information about the location where environmental monitoring is conducted (can be equipped with a narrative that explains that the site is presented more clearly in environmental monitoring map in appendix UKL-UPL); and d. environmental monitoring period, which is filled with information about time/period when environmental monitoring will be conducted. <p>4. Environmental managing and monitoring Institutions</p> <p>Column Environmental managing and monitoring Institutions, which is filled with information about various institutions related to environmental management and monitoring that will:</p> <ul style="list-style-type: none"> a. implement environmental management and monitoring; b. supervise the implementation of environmental management and monitoring; and c. receive regular reports on the results of the implementation of environmental management and monitoring in accordance with the duties scope of the agency concerned, and the legislation. <p>In this section, the initiator attach maps, sketches, or drawings with sufficient scale related to environmental management and monitoring programs. Included map must conform to the cartography codes.</p>
D	The number and type of PPLH PERMIT Required	In terms of the PPLH permits requirements for proposed business and/or activity, in this section, initiator write down a list of amount and the type of protection license and environmental management required under environmental management efforts.

Document Structure		Substantial Explanation
E	Statement Letter	This section contains statement / commitment of the initiator to implement UKL-UPL and signed on stamped paper.
F	Bibliography	In this section explain the source of data and information used in the preparation of UKL-UPL either in the form of books, magazines, papers, writings, and research reports. Bibliography is written by referencing standard.
G	Appendix	<p>UKL-UPL form can also be attached to the data and other information necessary or relevant to, among other things:</p> <ol style="list-style-type: none"> 1. formal proof that states the type of business activities can be carried out in principle; 1. formal proof that states the location of proposed businesses and/or activities is in accordance with the spatial planning (spatial conformity is indicated by the letter of the National Coordinating Board for Spatial Planning (BKPTRN), or other agencies responsible for spatial planning); 2. other detailed information about the proposed activities (if necessary); 3. map in accordance with cartographic codes and/or location illustrations with sufficient scale that describes the location of environmental management and monitoring ; and 4. other necessary data and information.

Table A4.2: Impacts Recapitulation, UKL - UPL

Environmental Impact			Environmental Management Efforts			Environmental Monitoring Efforts			Environmental Management & Monitoring Institution	Remarks
Source of Impact	Impact types	Magnitude of Impact	Forms of Environmental Management Efforts	Location of Environmental Management	Period of Environmental Management	Forms of Environmental Monitoring Efforts	Location of Environmental Monitoring	Period of Environmental Monitoring		
(Write down the activities that produce an impact to the environment)	(Write the likely impacts)	(Write down the of impact)	(Write the shape/type of proposed environmental management to manage any environmental impact)	(Write down the location where the information regarding environmental management is conducted)	(Write down the information on the time/period when the proposed environmental management)	(Write down information about the means, methods, and/or techniques to monitor the quality of the environment as a success indicator of environmental management)	(Write down the location where environmental monitoring is carried out)	(Write down the information on the time/period of the proposed environmental monitoring)	(Write down the related institutions on environmental management and monitoring)	(Write down other information that needs to be conveyed to explain necessary thing)

Reference Information A4.1: For identification of high conservation value areas and valued areas for biodiversity conservation

135. Identification and determination of High Conservation Value Areas (HCVAs) aims at understanding the existence, condition, status, and policy management in each administrative district governments. Hence the policy on area utilization in the landscape management in each district is based on the values of the determining elements of environmental preservation. Elements include structure and function of the biodiversity conservation value in a landscape.
136. Related with above, the landscape management policy in each district should be oriented on the attempt to prevent or reduce declining rate of biodiversity conservation, by not causing interference to the sustainability which support the success of local community efforts and also to potential supporting values of successful value-added development, shapes, and usage patterns of sustainable biodiversity.

HCVA Identification Phase

137. HCVA identification processes include six (6) stages: (1) desk study, (2) preparation of field verification, (3) field verification, (4) analysis, evaluation, and delineation, (5) public consultation, and (6) socialization and the determination of management typology. In summary, the work flow process of defining and managing the valued areas is presented in the figure below

Stage 1: Desk study (data and information study)

138. This stage is the early identification, aims at determining the status of the region and the potential biodiversity, the data or information obtained from BAPPEDA, the related planning offices including BAPEDALDA, NGOs, universities, LIPI and other related parties. Outcomes of desk study stage are the draft of delineation areas of valued biodiversity conservation area. Activities at this stage include the following activities:
- 1) Interpreting satellite imagery map;
 - 2) Overlaying the maps; interpretation of satellite imagery, zoning, land-use agreement, agro ecological zones, biodiversity hotspots, topography, climate, and other related maps;
 - 3) Analysis of historical land cover and space usage;
 - 4) Analysis of the stability of the region;
 - 5) Data collecting from public in relation to biodiversity at ecosystems, species and genetic level.
139. If there is no indication of valued areas for biodiversity conservation in the jurisdiction of a district government, the identification will be stopped at this stage. Meanwhile if there is any indication of the valued region for biodiversity conservation in the work area, then the identification continues to the later stage. The results of this study become the first step. Furthermore, the results of this initial study are used as a reference by departments/agencies to prepare field verification.

Stage 2 Preparation of verification/field studies.

140. This is the stage where in-depth studies were conducted based on the data or information from various sources, including data or reports from departments/agencies. Outcome of this stage is knowledge of the conditions of ecosystems, species and genetic resources in areas suspected to have valued biodiversity conservation. Then field verification methods are compiled as described in Table 4 and the preparation of tally sheet/data collection form.

Table A4.3 Initial identification of the valued areas for biodiversity conservation

No.	Activity	Purpose	Output	Source
A	Identification of valued areas Status and Potential Biological diversity			
A.1	Area status			
1.1	Study of landscape and seascape	Analysis of land cover	Information on land cover conditions	<ul style="list-style-type: none"> ▪ The land cover map (Bappeda, the DFS); ▪ Agro-ecological zone map MOA); ▪ Biodiversity hotspots map (Birdlife, CI, TNC, WWF).
		Spatial Analysis	Land use information	Land use maps (Bappeda, the DFS, Ministry of Environment and Forestry)
1.2	Study of the history of the area and biodiversity	Analysis of the condition and status of the area (past and present)	Data or information on changing conditions and management of the area	<ul style="list-style-type: none"> ▪ Land use data according to time series ▪ public information ▪ Research report

No.	Activity	Purpose	Output	Source
1.3	Study of the stability status of the area	Analysis of the legality of the area (de jure and de facto)	Data and information about the legal status of the area	Legislation (laws, government regulations, policies, etc.)
A.2	Biodiversity Potential			
2.1	Study of potential species	Analysis of the condition and status of the species (past and present)	Data or information on changing conditions management of the species	<ul style="list-style-type: none"> Agro-ecological zones (MOA) public information Research report
2.2	Study of potential Genetic resources	Analysis of conditions and status of Genetic resource (past and present)	Data or information on changing conditions management of Genetic resource	<ul style="list-style-type: none"> Agro-ecological zones (MOA) public information Research report
B	Identification of Biodiversity condition in Areas Identified As Valued Areas For Biodiversity Conservation			
B.1	Ecosystem	Knowing the type of ecosystem in the study area which has: <ul style="list-style-type: none"> uniqueness or distinctiveness; and/or High species diversity; and/or 	Data and information on ecosystem : <ul style="list-style-type: none"> uniqueness or distinctiveness; and/or High species diversity; and/or 	<ul style="list-style-type: none"> Field verification Check-list (Under Important Ecosystem Criteria).

No.	Activity	Purpose	Output	Source
		<ul style="list-style-type: none"> Primary ecosystem which is the representation of the ecosystem that has been degraded. 	<ul style="list-style-type: none"> Primary ecosystem which is the representation of the ecosystem that has been degraded. 	
B.2.	Species (Wild)	<p>Knowing plant and wildlife species in the study area which have:</p> <ul style="list-style-type: none"> uniqueness or distinctiveness; and/or extinction threat; and/or specific habitat needs either partly or fully 	<p>Data and information on the species:</p> <ul style="list-style-type: none"> uniqueness or distinctiveness; and/or extinction threat; and/or specific habitat needs either partly or fully 	<ul style="list-style-type: none"> Field verification Check-list (Under Important Species Criteria).
	Genetic Resources	<p>Knowing the varieties of plants, clumps of animals/livestock, and fish strains in the study area that have:</p> <ul style="list-style-type: none"> uniqueness or distinctiveness of genetic resources; and/or advantages in terms of resistance to pests and diseases, and/or advantages in terms of resistance to abiotic stresses (extreme weather, soil acidity, etc.), and/or 	<p>Data and information on the varieties of plants, clumps of animals/livestock, and fish strains</p> <ul style="list-style-type: none"> uniqueness or distinctiveness of genetic resources; and/or advantages in terms of resistance to pests and diseases, and/or 	<ul style="list-style-type: none"> Field verification Check-list (Under Important SDG Criteria).

No.	Activity	Purpose	Output	Source
		<ul style="list-style-type: none"> ▪ advantages in terms of productivity; and/or ▪ advantages in terms of beauty and nature relative to other species analyzed; and/or ▪ high utilization potential in the future; and/or ▪ socio-cultural and/or economy values for local communities and on wider levels; and/or ▪ high threat of extinction rate 	<ul style="list-style-type: none"> ▪ advantages in terms of resistance to abiotic stresses (extreme weather, soil acidity, etc.), and/or ▪ advantages in terms of productivity; and/or ▪ advantages in terms of beauty and nature relative to other species analyzed; and/or ▪ high utilization potential in the future; and/or ▪ socio-cultural and/or economy values for local communities and on wider levels; and/or ▪ high threat of extinction rate 	

141. Simple tool to identify whether an area has the significance value for biodiversity conservation or not, use the following questions:

Table A4.4 Identification tool for HCVAs

No	Question	Answer	Remarks
1	Is the area a conservation area?	Yes	All conservation areas are critically important for the preservation of Biodiversity, if not, proceed to question number 2.
		No	
2	Does the area have a unique ecosystem?	Yes	If yes, then the area has important value for Biodiversity Conservation, if not, proceed to question number 3.
		No	
3	Does the region have a particular typical species?	Yes	If yes, then the area has important value for Biodiversity Conservation, if not, proceed to question number 4.
		No	
4	Does the region have the typical SDG?	Yes No	If yes, then the area has an important value for the Conservation of Biodiversity, If not, then the region has no significant value for Biodiversity Conservation

Step 3: Field Verification.

142. Field verification activity is performed by agencies in accordance with the scope of their work and the methods and tally sheet/form that has been designed on stage 2 activities.

Stage 4: Analysis, evaluation, and delineation.

143. This stage aims at delineating valued areas for biodiversity in the basis of data or information from field verification results collected from the departments/agencies.

Stage 5: Public Consultation.

144. Aiming to get input from the public in order to clarify and enrich the areas that have significant value for biodiversity conservation. The public consultation also aims at socializing the findings and delineation of the valued areas for biodiversity conservation hence the stakeholders in the associated areas will be actively involved so that the protection and conservation of biodiversity can be maintained in the long term. In addition, to optimize decision-making which based on data and information and to ensure the interests of the parties involved are accommodated. Public consultation is carried out by inviting interested parties where valued areas for biodiversity conservation located. These stakeholders include local governments, private sector, academia and the public and non-governmental organizations.

Stage 6: Determination of Delineation.

145. At this stage the results of the delineation process for valued areas for biodiversity conservation are being socialized to public, especially to stakeholders whose areas are included in the delineation, so that the delineation can be determined and agreed upon by all related parties.

Stage 7: Determination of Valuable Areas.

146. High conservation value areas (HCVAs) that have been identified and disseminated to all stakeholders may need to be appointed by the district government based on law. The agreement on determining valued areas is used as input for the preparation and/or evaluation of provincial or district spatial planning. It is necessary to provide a legal basis for HCVAs and provide direction for stakeholder management where HCVAs are located. Thus, HCVAs as protected areas and/or cultivated area has strong position in the context of biodiversity conservation and the preservation of supporting values on the success of sustainable development in the region. Determination of HCVAs is an enabling policy for the realization of regional biodiversity objectives in long-term.

Reference Document A4.2: Integrated Pest Management Plans (IPMPs)

Integrated Pest Management refers to “the careful consideration of all available pest control techniques and subsequent integration of appropriate measures that discourage the development of pest populations and keep pesticides and other interventions to levels that are economically justified and reduce or minimize risks to human health and the environment. IPM emphasizes the growth of a healthy crop with the least possible disruption to agro-ecosystems and encourages natural pest control mechanisms”. The main objectives of the Pest Management Plan in the KPH Establishment Project are:

- 1) To increase and sustain the productivity of forest and agricultural crops at all stages of plant development through Integrated Pest Management including the rational use of pesticides;
- 2) To raise awareness among farmers and other stakeholders about the importance of IPM approach to crop management, and to train extension workers and farmers and other stakeholders so that they become effective IPM practitioners;
- 3) To determine the level of pesticide residues in forestry plants in areas without HDI and HDI areas and to disseminate information to all stakeholders on the importance of the implementation of IPM practices.

A Logical Framework for IPM Implementation

IPM is not a single pest control method but, rather, a series of pest management evaluations, decisions and controls. In practicing IPM, growers who are aware of the potential for pest infestation follow a four-tiered approach:

1. **Identify and Monitor Pests** - Not all insects, weeds, and other living organisms require control. Many organisms are innocuous, and some are even beneficial. IPM programs work to monitor for pests and identify them accurately, so that appropriate control decisions can be made in conjunction with action thresholds. This monitoring and identification removes the possibility that pesticides will be used when they are not really needed or that the wrong kind of pesticide will be used.
2. **Set Action Thresholds** - Before taking any pest control action, IPM first sets an action threshold, a point at which pest populations or environmental conditions indicate that pest control action must be taken. Sighting a single pest does not always mean control is needed. The level at which pests will either become an economic threat is critical to guide future pest control decisions.
3. **Prevention** - As a first line of pest control, IPM programs work to manage the crop, lawn, or indoor space to prevent pests from becoming a threat. In an agricultural crop, this may mean using cultural methods, such as rotating between different crops, selecting pest-resistant varieties, and planting pest-free rootstock. These control methods can be very effective and cost-efficient and present little to no risk to people or the environment.

4. **Control** - Once monitoring, identification, and action thresholds indicate that pest control is required, and preventive methods are no longer effective or available, IPM programs then evaluate the proper control method both for effectiveness and risk. Effective, less risky pest controls are chosen first, including highly targeted chemicals, such as pheromones to disrupt pest mating, or mechanical control, such as trapping or weeding. If further monitoring, identifications and action thresholds indicate that less risky controls are not working, then additional pest control methods would be employed, such as targeted spraying of pesticides. Broadcast spraying of non-specific pesticides is a last resort.

Should pesticides be used in the KPH project the following criteria apply to the selection and use:

- a) They must have negligible adverse human health effects.
- b) They must be shown to be effective against the target species.
- c) They must have minimal effect on non target species and the natural environment. The methods, timing, and frequency of pesticide application are aimed to minimize damage to natural enemies. Pesticides used in public health programs must be demonstrated to be safe for inhabitants and domestic animals in the treated areas, as well as for personnel applying them.
- d) Their use must take into account the need to prevent the development of resistance in pests.

For each KPH project whenever relevant the ESA and EMMP should include a and the Integrated Pest Management Plan (IPMP) that:

1. Provides an assessment of current relevant pest management practices;
2. Identifies specific practices and conditions that could and should be improved (e.g. calendar-based spraying, use of overly toxic or otherwise inappropriate pesticides, failure to apply available non-chemical methods, insufficient access of farmers to information about IPM, policy biases towards chemical control, deficiencies in institutional capacity to implement IPM and control of pesticide use, etc.);
3. Provides measures and activities to be taken under the project to improve the situation;
4. Provides a monitoring scheme to determine the effectiveness of these measures and enable correction where necessary.

Minimal outline for IPMP:

A well-written, easy-to-follow IPM plan provides staff and management with a written document on IPM procedures and policies for the facility. The plan should be a living document that is continually updated as new pest situations and new procedures or activities within the facility arise. This allows the facility to maintain a historical record of pest management procedures so the IPM coordinator can act on pest issues,

with noted positive and negative experiences of their predecessors. With the social, economical, cultural, and environmental differences in this state, an IPM plan should be unique to each KPH, and minimally have the following sections:

1. **Project description:** describe the project and its salient features that will likely require pest management measures.
2. **Existing and anticipated pest problems:** Prepare an overview of the crops cultivated/managed in the project and the key pest and diseases problems experienced, especially by small holder farmers. Provide estimates (preferably based on local studies) of the crop/economic losses that can be attributed to the key pests, diseases and weeds.
3. **Existing and proposed measures for pest control:** Describe the current and proposed methods for pest or vector management practiced in the country/region. Describe the non-chemical pest control methods, IPM approaches that are available in the country. Describe monitoring/sampling protocols, action thresholds and monitoring procedures.

Assess if envisaged pesticide use under the project is justified by (a) explaining the IPM approach and the reason why pesticide use is considered, (b) providing an economic assessment demonstrating that the proposed pesticide use would increase farmers'/KPH revenues, provide evidence that the proposed pesticide use is justified from the best available (preferably WHO-supported) public health evidence.

4. **Roles and Responsibilities:** define who in the KPH will be in charge of the data collection and storage, reporting on IPM implementation. In the case of the use of chemical pesticides, assign responsibilities for the procurement, application and disposal of pesticides and the proper record keeping.
5. **Monitoring and evaluation:** define a reporting mechanism on the IPMP implementation, emphasizing its efficiency and efficacy.
6. **Capacity building:** define any capacity building measures necessary for KPH management, staff and beneficiaries to implement the IPMP.

NOTE: If any pesticides are required by the IPMP they will be procured by the project must be manufactured, packaged, labeled, handled, stored, disposed of, and applied according to acceptable standards¹³. The project does not finance formulated products that fall in WHO classes IA and IB, or formulations of products in Class II¹⁴.

¹³ For pesticides application, storage and disposal guidelines please refer to http://www.fao.org/fileadmin/templates/agphome/documents/Pests_Pesticides/Code/Old_guidelines/Ground_application.pdf, http://www.fao.org/fileadmin/user_upload/obsolete_pesticides/docs/small_qties.pdf

¹⁴ For reference on the substances please consult the World Health Organization Recommended Classification of Pesticides by Hazards and Guidelines do Classification : http://www.who.int/ipcs/publications/pesticides_hazard_rev_3.pdf

Forest pest control measures must consider four aspects, namely:

1. Biological aspects of pest (insect, nematodes, fungi, etc.) to decide the right time to control
2. Technical aspects by using simple but effective means.
3. Economical aspect is the inexpensive cost of control or equal to the maximum value of the loss that will be saved and
4. Ecological aspects are the controlling measures which avoid environmental pollution.

Pest control techniques can be applied naturally or artificially. Natural control is the ability to rely on natural pest control components that live in environments without involving the human role. In the contrary, artificial control techniques require humans role and can be physical-mechanical, in silviculture, biological basis, per-laws and regulations, chemical and integrated pest management (IPM).

Pest control in stand forest are conducted chemically and are ecologically very dangerous for the environment and economically very costly, however, how this method can be done in the nursery. Biological pest control, by using predators and parasites as well as planting superior pest-resistant species has become priority alternative in the future because it has competitive advantages and promising prospects.

The Basic Framework

Table A4.5: Framework for Integrated Pest Management

Narrative Summary	Expected Results	Performance Indicators	Assumptions/Risks
Objective: Increasing the awareness of all stakeholders on IPM approaches to crop management, and train the facilitators, farmers and plant foresters.	Members and stakeholders understand the importance of IPM approach	<ul style="list-style-type: none"> The increased application of IPM in the Field Reducing the use of harmful pesticides in the field 	Regulations, the provisions concerning the application of IPM is consistently implemented by the Government.
Activity: Activity1	<ul style="list-style-type: none"> Stakeholders become more aware of the dangers of pesticides. 	<ul style="list-style-type: none"> Reduced accidents in the handling, use, storage, and disposal pesticide. 	KPH institution regularly active in information dissemination program

Narrative Summary	Expected Results	Performance Indicators	Assumptions/Risks
Launch awareness programs	<p>Benchmarks:</p> <ul style="list-style-type: none"> Electronic media, printed materials, distributed brochures to the stakeholders in the field 	<ul style="list-style-type: none"> The increasing use of bio pesticides IPM practices adopted 	
<p>Activity 2</p> <p>The introduction of IPM</p>	<ul style="list-style-type: none"> Increased use of organic fertilizers <p>Benchmarks:</p> <ul style="list-style-type: none"> At pilot level/DA, introduction to IPM is launched 	<ul style="list-style-type: none"> In the Demonstration Area in different pilot KPHs the usefulness of IPM is demonstrated Financial incentives are provided for farmers who participate Monitoring results of the pilot project 	Provincial governments is convinced of the need to introduce environmentally friendly practices in the forestry sector.
<p>Activity 3</p> <p>Strengthening Institutional Capacity in IPM</p>	<ul style="list-style-type: none"> All KPH officials are following the development of IPM <p>Benchmarks:</p> <ul style="list-style-type: none"> Course on IPM for Forestry and district government facilitator so 	Evidence of improved official's knowledge about IPM Agriculture	The provincial government is committed to encourage and enable the officials to follow IPM training courses

Narrative Summary	Expected Results	Performance Indicators	Assumptions/Risks
	they stay updated of the latest developments		

Examples of Forest Pest Management

Research and Development Centre on Forest Productivity Enhancement has been successfully controlling pests and diseases in *seigon*, *Jabon* and *gmelina* as follows:

Table A4.6: Type of forest pest and disease control

No.	TYPE	CONTROL
	PEST	
1	<i>Eurema</i> sp. (yellow butterfly)	<ul style="list-style-type: none"> • Insecticide with active ingredient <i>Bacillus thuringiensis</i> at a dose of 0.5 to 2 grams per liter of water and spray directly to the larval body. • Parasitoids <i>Apanteles</i> sp. (Hymenoptera). • Phyto-pesticides from suren leaves soaked for 24 hours then squeezed, later the juice is sprayed.
2	Boktor/ <i>Xystrocera festiva</i> (borer pest on <i>seigon</i> stem)	<ul style="list-style-type: none"> • The <i>Beauveria bassiana</i> fungus is obtained by blending 200 grams of <i>fungal inoculum</i> then added to 8 liters of water (25gram per liter of water). • Insecticide with active ingredient <i>Bacillus thuringiensis</i> at a dose of 0.5 to 2 grams per liter of water and spray directly on the larval body.
3	Pocket worm	<ul style="list-style-type: none"> • The <i>Beauveria bassiana</i> fungus is obtained by blending 200 grams of <i>fungal inoculum</i> was added 8 liters of water (25gram per liter of water).

No.	TYPE	CONTROL
		<ul style="list-style-type: none"> Phyto-Insecticides from <i>gadung yam</i> juice 125 g per liter of water, mahogany seeds juice 150 g per liter of water by spraying, <i>bacok oles</i> and infusion Insecticide with active ingredient <i>Bacillus thuringiensis</i>. Systemic insecticide with active ingredient <i>imidacloprid</i> (<i>Confidor</i>), <i>methamidophos</i> + boron or borax (1: 10)
4	Uret	<ul style="list-style-type: none"> Using <i>entomopathogenic fungi Metarrhizium</i> - Insecticide with active ingredient fipronil (Reagent)
5	grayak worm	<ul style="list-style-type: none"> Insecticide with active ingredient <i>Bacillus thuringiensis</i>, BPMC (Baycarp) and <i>imidacloprid</i>
6	Leaf-eater worm	<ul style="list-style-type: none"> Insecticides with active ingredient BPMC and <i>imidacloprid</i>
7	Locust	<ul style="list-style-type: none"> Insecticides with active ingredient BPMC and <i>imidacloprid</i>
8	White lice	<ul style="list-style-type: none"> Using wood vinegar + <i>Bacillus thuringiensis</i>,
9	kepik renda pest	<ul style="list-style-type: none"> Insecticide with active ingredient <i>imidacloprid</i>
	DISEASE	1.
1	Karat tumor disease	<ul style="list-style-type: none"> Materials used; lime, sulfur and salt (sulfur: limestone + 1: 1; brimstone: salt = 10: 1; lime: salt = 10: 1; sulfur: limestone: salt 10: 10: 1). Treatment; sprayed and coated (materials to spray is more liquid and filtered first, while it is more viscous material for coating). Before the spraying and coating, first, eliminates gall on attacked <i>sengon</i> plants, galls were collected and buried in the ground so as to not contagious. After the galls removed, stem will be coated and sprayed.

No.	TYPE	CONTROL
2	Spotting leaves disease	<ul style="list-style-type: none"> • Using wood vinegar 40cc per liter of water • Fungicide with active ingredients <i>benomil</i> and active ingredients sulfur
3	Rotten root, tumbled sprout and wilt disease	<ul style="list-style-type: none"> • Using antagonist fungicides <i>Trichoderma</i> and <i>Gliocladium</i> • Fungicides with active ingredient <i>triadimefon</i> (Bayleton)
4	embun tepung disease	<ul style="list-style-type: none"> • Using fungicide with active ingredient <i>benomil</i>

PEST AND DISEASES CONTROL RECIPES IN GENERAL

(Kardinan, 1999; Pracaya, 2008)

Pest Control

- A. INSECTICIDE WITH ACTIVE INGREDIENT *Bacillus thuringiensis* (*actospeine*) 1 g of insecticide + 1 liter of water, stir until evenly distributed, put it in spray equipment. Fluids should hit the larva or caterpillar.
- B. ENTOMOPATHOGENIC FUNGI *bassiana* 25 g mass culture fungi (corn media) pounded/blended then add 1 liter of water, stir until evenly distributed. Filter then put in the spray equipment. Fluids should hit the larva or caterpillar, when the caterpillars are in the hole used a syringe instead.
- C. PHYTO-INSECTICIDE
 - 1) 4 ounces of neem leaves, 3 ounces of galangal, 3 ounces of lemongrass and a spoon-tip of detergent or soap (1 g). Neem leaves + ginger + lemongrass are finely ground then add 1 liter of water then leave overnight (24 hours). After soaked overnight add 3 liters of water and soap (stirred), filtered and ready to be sprayed.
 - 2) 500 grams of chinaberry leaves finely ground then add 5 liters of water, soaked overnight (24 hours). After soaking add soap 1 g, filter and ready to be sprayed.
 - 3) 2 garlic finely mashed and add 2 tablespoons of pepper finely then add 4 liters of water and 1 gram of soap, filter and ready to be sprayed (for beetles)
 - 4) 24 pieces of bird's eye chilly finely ground, add 120gr of lime and 120gr of salt then add 16 liters of water and stir until evenly distributed. Allow mixture for 2 hours, then filter and ready to be sprayed (ants, fleas, slugs, worms, viruses).
 - 5) 1 kg of papaya leaves finely ground and add 10 liters of water and allow for 2 hours. After two hours add 1 g of soap until evenly mixed, filter and ready to be sprayed.

- 6) ½ cup of cinder + ½ cup of lime + 4 liters of water, stir until evenly mixed and leave for 2 hours. When it is used directly on the roots, no need to be filtered, filtering is needed for spraying (*uret* and beetles).
- 7) 1 kg of bintaro leaves finely ground and add 5 liters of water, soaked overnight then add soap, filter and ready to use.
- 8) 1 kg of suren leaves finely ground and add 5 liters of water, soaked overnight then add soap, filter and ready to use

Disease control

- 1) Rust tumors: 1 kg of sulfur + 1 kg of lime + 1 ounce of salt, and add 5-10 liters of water, stir until evenly blended. Coating solution is denser, while spraying solution is more dilute and should be filtered first .
- 2) *Antagonistic fungi Trichoderma sp* and *Gliocladium sp.* mass cultured in a mixture = chaff: bran: manure: compost: sand = 2: 2: 1: 1: 1 (the good has been prepared; just demonstrate it because in the laboratory there are sterilization, insulation etc.). Mass culture is blended at seedling media to prevent root diseases.
- 3) Wood Vinegar: 20-40 cc mixed with 1 liter of water, sprayed on the leaves that suffer leaf spotted disease.
- 4) 1 ounce of Ginger + 1 ounce of galangal + 1 ounce of squash, finely ground/grated and squeezed for water, each 20 cc of juice is mixed with 1 liter of water, stirred and filtered then sprayed on plants attacked by the fungus.

2. Potential Types of Plants for Phyto-Pesticide

1. Babadotan (*A. conyzoides*)
2. Lemongrass (*A. nardus*)
3. Soursop (*Annona muricata*)
4. Suren (*Toona sureni*)
5. Gadung (*Dioscorea hispida*)
6. Tuba (*Derris eliptica*)
7. Mimba (*Azadirachta indica*)
8. Mindi (*Melia azedarach*)
9. Tobbaco (*Nicotiana tabacum*)
10. Jarak (*Ricinus communis* L.)
11. Kecubung (*Datura patula*)

Reference Document A4.3: A Protection Procedure for Historical Objects and Other Physical Resources

Description

According to Law 11/2010, Preservation is dynamic efforts to maintain the existence of cultural heritage and its value in a way to protect, develop, and exploit it. In preserving the cultural heritage, Management efforts are conducted with the understanding that they are concerted to protect, develop, and utilize heritage through regulatory policy planning, implementation, and monitoring for the welfare of the people.

Because cultural heritage cannot be replaced with a new one (irreplaceable, non-renewable resources), fragile, and few in number, its presence is needed to enable the study of human behavior and past events from inherited objects. Not all data can be obtained in the form of writing history. The rest 'speak' through object, building, structure, or location. A lot of symbolic meaning, function, usage, shape, and even the name of the cultural heritage can be identified after the study has been conducted. Without this explanation, history cannot be written because objects cannot 'speak' for themselves.

In addition to the history, cultural heritage is needed to support science, education, religion, and/or culture. This means the rescue of cultural heritage from extinction will give a very large contribution to the study of technology, ideas, tradition, or how the cultural heritage was used in the past. This knowledge package is beneficial for the development of science and education for future generations of our own nation. Knowledge about the living wisdom of the ancestors will give us the idea that the archipelago people were capable of developing high culture and have achieved their successes in a certain period.

According to Martokusumo (2005), Preservation activities include:

- Conservation, including active and dynamic restoration activities.
- Preservation, including passive and static Preservation.
- Reconstruction, an attempt to restore the state of an object building, fabric, region, which has been lost or destroyed to the initial conditions.
- Restoration, an attempt to restore a building or area to the original condition, as far as it is known by eliminating the addition of new or existing elements and without making use of new materials.
- Renovation, an attempt to alter a part or several parts of the old building, especially the interior, so that the building can be adapted to accommodate new functions or activities, without causing any significant changes to the structure and integrity of the building facade.
- Rehabilitation, an attempt to restore the object, building or area until it is properly functioning.

- Gentrification, A change in the structure of urban communities that could mean the displacement of people as a result of improvement activities in physical environment, social and economic quality.
- Revitalization, efforts to revive a district of a city region that has been degraded, through economic, social and physical intervention.

The objective of building and historical area preservation, According to Law 11/2010 on cultural heritage, is to preserve the nation's cultural heritage and the heritage of mankind.

- Improve the dignity of the nation through cultural heritage.
- Strengthen national identity.
- Improve the welfare of the people.
- Promote the cultural heritage of the nation to international community.

Basic Regulation

Law of the Republic of Indonesia Number 11/2010 on Cultural Heritage.

Definition

According to the Law of the Republic of Indonesia Number 11/2010 on Cultural Heritage, the known terms are; Cultural Heritage, Cultural Heritage Object, Cultural Heritage Building, Cultural Heritage Structure, Cultural Heritage Site and Cultural Heritage Area.

- **Cultural Heritage** is cultural inheritance in the form of Cultural Heritage Objects, Cultural Heritage Buildings, Cultural Heritage Structure, Cultural Heritage Sites, and Cultural Heritage Area on land and/or water that needs to be preserved because it has important value for history, science, education , religion, and/or culture
- **Cultural Heritage Objects** are objects of natural and/or man-made, whether movable or immovable, in the form of unity or group, or parts, or remnants which have close relationship with the culture and the history of human development.
- **Cultural Heritage Buildings** are dwellings made of natural or man-made to meet the needs of walled spaces and/or are not walled, nor roofed.
- **Cultural Heritage Structure** is the arrangement of objects made of natural and/or man-made to meet the needs of space that blends with nature activities, facilities, and infrastructure to accommodate human needs.
- **Cultural Heritage Sites** is a location on the ground and/or in water containing Cultural Heritage Objects, Cultural Heritage Buildings, Cultural Heritage Structure as a result of human activity or evidence of past events.
- **Cultural Heritage Area** is a unit of geographical space that has two or more Cultural Heritage sites in adjacent location and/or shows unique spatial characteristics.

UNESCO defines the historical area as follows:

“Group of buildings: Group of separate or connected buildings, which because of their architecture, their homogeneity or their place in landscape, are of outstanding universal value from the point of view of history, art or science” (UNESCO in “Convention Concerning the Protection of the World Cultural and Natural Heritage” 1987).

Management is an integrated effort to protect, develop, and utilize a Cultural Heritage through planning, implementation, and supervision policies for the greatest wellbeing of the people.

Preservation is a dynamic effort to maintain the Cultural Heritage and its value by protecting, developing, and utilizing it.

Protection is an effort to avoid and manage damage, destruction, or loss by rescuing, safekeeping, zoning, maintaining, and renovating the Cultural Heritage.

Rescue is an effort to prevent the Cultural Heritage from being damaged, destructed, or lost.

Safekeeping is an effort to guard the Cultural Heritage from threats and disturbances.

Historical Object Related Safeguards

If anyone finds a cultural object, such as (but not limited to) an archeological or historical location, a cultural remnant or relic, a cemetery or a tomb during an excavation or construction, the Project Implementing Unit should:

- 1) stop any activities in the discovery area;
- 2) describe the discovered site or area;
- 3) secure the location to avoid damage to or the loss of the relics. If there is any ancient relic or historical remnant discovered, a security guard should be hired until the local authority can take over;
- 4) prohibit the collection of the relics by the workers or other people;
- 5) immediately notify the supervision consultant who should notify the local authority (within 24 hours or less);
- 6) the local authority should protect and preserve the location before setting the next program procedure. This will require the evaluation of the discovery by an archeologist. The significance of the discovery should be assessed against criteria related to cultural heritage, including the aesthetics, the history, science or research, social science and economics;
- 7) a decision should be made regarding how the local authority should handle the discovery. This will include changes in the project layout, conservation, maintenance, restoration and rescue (such as when finding an immovable historical ruin that has cultural or archeological value);
- 8) the implementation of decisions regarding discovery management conveyed in written by the relevant local government; and

- 9) construction may be resumed after permission has been given by the local authority responsible for the protection of cultural physical objects.

8 Annex 5: Guidance on Community Participation Framework

Objectives and Principles

1. This CPF was developed based on the recognitions that: the vulnerable groups require special attention and differentiated support in order to participate in the project and receive equitable benefits on a sustainable basis; and project interventions need to be responsive to their interests, capacities and priorities which will be identified through prior consultations.
2. The CPF will ensure that vulnerable groups including but not limited to indigenous communities will be informed of the project opportunities and consulted on its activities prior to their commencement, and receive project benefits that are culturally appropriate and gender- and inter-generationally inclusive. It will also ensure that the vulnerable groups will be informed of potential negative consequences of the transfer of land use rights and any other potentially negative impacts of the project.
3. In view of historical and socio-political contexts surrounding Indigenous Peoples (Masyarakat Adat) in the country, and particularly in the forestry sector, Indigenous Peoples are considered a vulnerable group and treated as such in the CPF. This CPF therefore addresses the requirements under the World Bank Operational Policy 4.10 'Indigenous Peoples'.
4. The World Bank uses the term "indigenous people" in a broader sense to refer to communities which are socially and culturally different from vulnerable and other communities. These communities have the following characteristics in different levels:
 - a) Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;
 - b) Collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories
 - c) Customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and
 - d) An indigenous language, often different from the official language of the country or region.
5. In compliance with OP 4.10, this process will follow the principles of the Indigenous Peoples Planning Framework (see below the IPPF principles and guidance) therefore also has the following specific objectives:
 - To ensure that community or indigenous peoples (IPs) receive a meaningful opportunity to participate in planning activities affecting them;
 - To ensure that community or special community groups receive an opportunity to get cultural benefits according to their needs;

- To ensure that impacts of the project that will affect them are avoided.
6. These are in line with the national goal of empowering customary communities by entrusting and giving authority to them to decide their own fate through various development programs available around them such as protection, strengthening, development, consultation and advocacy programs to improve their wellbeing.
 7. The principles that need to be upheld in the process of engaging communities in the project are:
 - 1) Communities must be able to participate in every stage of the project (planning, implementing, and monitoring);
 - 2) Community representatives and members of the village representatives, and other relevant stakeholders at the village level must be able to participate in the field project's decision-making processes;
 - 3) Every member of the society has the equal opportunity to access all livelihood activities, land tenure mapping, capacity building, etc.;
 - 4) Respect and acknowledgement for rights and access of respective owners;
 - 5) Fair distribution of benefits.

Social Situations of KPHs

8. A KPH (a production, protection or conservation KPH) is a forest management unit covering a forest area. From the ecological point of view, a forest in a KPH area may cover several catchment areas. From the socio-economic point of view, in a forest area there are several communities and villages whose jurisdictions overlaps the forest area of KPH. A community or village (or whatever it is called, pursuant to the 2014 Village Law) is a basic unit of local community engagement in this project. In a KPH's forest there can also be indigenous peoples territories. The administrative borders of a community or village and of an IP's territory are vital to be clearly set through participatory processes. Local community participation in the preparation of the forest management plans of KPHs is critical in achieving sustainable forest management and ensuring the wellbeing of the local communities. The Project will involve every community and village individually in activities or sub-projects in the planning, implementation and monitoring process.
9. Local community involvement in forest management as planned by the government (i.e. the MOEF) is ensured through community forestry (Hutan Kemasyarakatan/HKm), community forest plantation (Hutan Tanaman Rakyat/HTR), village forests (Hutan Desa), forestry partnership (kemitraan kehutanan). Communities may also establish partnerships with large private and state-owned companies.

Stages of Community Engagement Process

10. Local communities participate in project planning, implementation, monitoring and evaluation to enable the projects to achieve their goal of sustainable and fair

forest management that will ensure local communities' wellbeing. Stages in which communities may participate are as follows:

Stage 1: Selecting communities and villages to participate

- a) Selection criteria: the main criteria in selecting communities and villages in the selected KPH that will participate are: (1) whether the location of the village, sub-village, or community inside or adjacent to an KPH area; (2) communities' ongoing interaction with forests whether as their livelihoods to fulfil their economic, social and cultural needs. Selection is done by the KPH staff with local community participation. In this early stage, KPHs should hold meetings and build consensus with communities regarding villages, sub-villages or communities that will participate.
- b) A socio-economic analysis: the KPH team will (1) collect and analyze demographic, socio-economic, and cultural data of the selected villages to get a comprehensive and accurate overview of communities' and villagers' socioeconomic conditions including social organization in the selected communities and villages; (2) identify goods and services produced by local communities and commodities imported from outside the villages to fulfill their needs; and (3) social relations and networks in various economic activities, such as a partnership in forest management and non-timber forest products production.

Stage 2: Community awareness and the assessment of the resources

11. The KPH team must hold meetings with communities dwelling in villages around the KPH area. The first meeting should be used to communicate the objectives and targets of the projects, the benefits and the potential risks. This stage is vital to attract community members' attention, provide them with information about the project, and be accepted and supported by the community members. The KPH team should have a dialog with (formal, informal, and customary representatives) community leaders and (young, woman, farmer, etc.) groups, without disregarding the poor, women, and indigenous peoples for where the IPPF will apply..
12. In the next stage, the Project team should collect and analyze data on demography, living standard, poverty, local resource utilization disaggregated by age group and gender. The results of the data analysis should be used for the right project design: the right subject, the right time, the right activity, and the right location.
13. The Project team at KPH level must allocate enough time for the meetings to allow for all community members, without exception to the poor, women, and indigenous groups, to receive information; to know about the objectives, targets, benefits and risks of the sub-project; and to be able to make decisions whether to accept or reject the sub-project. In this case, the Project team should obtain FPIC.

Stage 3: Participatory Project Design Planning

- a) Issue and alternative solution mapping

Local communities participate in identifying issues facing communities (at the household level or collectively at the villager level), choosing alternative solutions, understanding the benefits and risks of each alternative, and designing the project.

b) Project integration with rural development plans

The Project team must help communities and village governments integrate this Project with rural development plans that have been and will be formulated.

c) Participation assurance

The Project team should be able to ensure that all community members, without disregarding the poor, women, and minority ethnic groups, have the same and equal opportunities to participate in this Project.

d) Commitment building, timeframe and costing

The Project team together with communities and village governments should build a commitment and set a timeframe for the Project including the costing for financing all relevant activities.

Stage 4: Project implementation

a) Participatory mapping of rights and access to forests

3. The Project team should facilitate the identification of rights and access to forests, rights and access holders, and the physical borders of rights and access. The results of the identification are forest tenurial systems, right and access holders, identified physical borders, including the borders of state forest areas claimed as customary territories. This mapping will be followed up by the following activities, to enable the assurance of communities' rights and access to forests.

b) Community capacity building

4. Local communities' capacity should be built through training, facilitation, comparative studies and other necessary methods to provide communities with access to and opportunities to participate in forest management projects, productive economic endeavors, organizations, forest conservation etc.

c) Community and network institutional empowerment

5. The Project team facilitates community institutional empowerment to promote people's participation in the project. Civil society organizations will be also strengthened and some of them could participate as implementing partners or service providers. The regulations within those organizations are strengthened, so that their members' roles and responsibilities could be implemented and support the project.

Indigenous Peoples Planning Framework Principles and Guidance

An indigenous peoples planning framework (IPPF) is prepared and will complement the CPF, specifically to provide guidance on principles and procedures to be used during the preparation and implementation of a sub-project affecting indigenous peoples. As mentioned above, the Project will be implemented in

several provinces and districts, including in locations where indigenous peoples live. In the context of FMU establishment in Indonesia, these indigenous peoples.”.

Objectives

The main objectives of IPPF are:

- To ensure that indigenous peoples (IPs) receive a meaningful opportunity to participate in planning activities affecting them;
- To ensure that special community groups receive an opportunity to get cultural benefits according to their needs;
- To ensure that impacts of the project that will affect them are avoided.

These are in line with the national goal of empowering customary communities by entrusting and giving authority to them to decide their own fate through various development programs available around them such as protection, strengthening, development, and consultation and advocacy programs to improve their wellbeing.

Definition

Indonesian communities covered by the World Bank's policy on indigenous people can generally be classified in two categories:

- a) Masyarakat Adat (MA)/ Adat communities/ customary law communities. These are based on lineage or locality and are bound by customary law. Characteristics of these communities include: (i) self-identification as a distinct indigenous cultural group, (ii) collective attachment to ancestral territories and to the natural resources in the territories; and (iii) customary cultural, economic, social, or political institutions.
- b) Komunitas Adat Terpencil (KAT)/ Isolated and Vulnerable communities (IVPs). This is a government-designated category of customary law communities that live in isolated areas. The characteristics attributed to these communities include: (i) collective attachment to ancestral territories and to the natural resources in the territories; (ii) customary cultural, economic, social, or political institutions; (iii) an indigenous language. They are also identified by government as: (i) having a subsistence economy, (ii) using simple tools and technology, (iii) having a high dependence on the environment and local natural resources, and (iv) having restricted access to social, economic, and political services.

The KPH team should screen locations using the list of geographical distribution in Indonesia, as presented in the "EGIMap - Strengthening IPs Screening in Indonesia", 2010, World Bank. Also other relevant resources and updated databases managed by AMAN and the Ancestral Domain Registration Agency (BRMA) Relevant Indonesian law that recognizes Indigenous Peoples includes the following.

- **The Constitution**

Article 18 of Indonesia's 1945 Constitution recognized the existence of indigenous peoples by stating that there were 250 regions in Indonesia governed by customary

and/or tribal administration systems (zelfbesturende, volksgemeenschappen – self-administering communities). This article was amended in 1992 to include a new Article 18B, which, in sub-paragraph 2, provides that the State recognizes and respects “traditional communities” and their traditional, customary rights provided that they have not been assimilated (“they still exist;” a decision made by the State) and provided that the exercise of these rights is consistent with the development priorities of the unitary state of Indonesia (a decision also made by the State).⁵² The criteria on which a community is judged to 'still exist' include recognition as such by local government, further undermining the principle of self-identification, and the final determination is made by the State. The State, by law, thus determines which peoples benefit from the protection of Article 18B and which do not.

- **The Basic Agrarian Law**

The Basic Agrarian Law (BAL) of 1960 accords with the preceding Constitutional provisions. It seeks to reconcile rights to natural resources under customary law, commonly referred to as ulayat rights, with inherited colonial legal concepts related to land. Article 3 of the BAL thus states that: “... ulayat rights and other similar rights of customary law communities should be recognised, as long as these communities really exist, and (the exercise of these rights) is consistent with national and State interests, based on the principle of national unity, and is not in contradiction with this law and higher regulations.” Likewise, Article 5 of the BAL states that: “Customary law applies to the earth, water and air as long as it does not contradict national and State interests, based on national unity and Indonesian socialism, and also other related provisions of this law, in accordance with religious principles.” These provisions limit the right of indigenous peoples to the point that they become essentially meaningless.

Although the Basic Agrarian Law provides the State with an unusual degree of control over all land tenures, much greater security of tenure is afforded to (nonindigenous) citizens granted individual property and use rights (hak milik and hak pakai respectively) or to corporations granted long-term, renewable leaseholds for establishing plantations or constructing plants (hak guna usaha and hak guna bangunan respectively). Whereas regulations, procedures and institutions exist to issue and regulate such tenures, none such exist for the recognition, registration or protection of indigenous peoples’ collective tenures based on customary law (hak ulayat).

- **The 1999 Forestry Act**

Law No. 41 of 1999 on Forestry grants almost absolute authority to the State to govern and regulate all matters related to forests and their products irrespective of whether the forest lands in question are the traditional territories of indigenous peoples. The Law does contain some recognition of limited rights vested in indigenous peoples to manage forests, but only if such forests are designated as ‘state forest’. Such a designation in turn authorizes the State to convert the forests to other uses, for example, to issue them to concessionaires on grounds that they are part of “the state forest” and that such conversion is for “the sake of the nation”.

The Article 4(3) states that “... the State still cares for the rights of indigenous peoples, as long as such rights do exist and are recognized and are in line with the national interests.” The term ‘recognized’ requires that the State has explicitly and positively granted legal recognition to the rights in question, normally through the issuance of some form of title deed. In most cases, indigenous peoples’ rights are not recognized precisely because the State has not issued title deeds.

However, a few clauses of certain pieces of legislation give some recognition to indigenous sovereignty over their lands and rights.

Also, in Law 6/2014 on Villages, there is a clause mentioning that an existing indigenous community, with its traditional rights, should have a territory and should at least have one of or a combination of the following elements: (a) community members who share the same feelings in a group; (b) a traditional government institution; (c) customary assets and/or objects; and/or (d) customary law. Specifically about remote or isolated indigenous peoples, Presidential Decree 111/1999 explains that a remote or isolated customary community is a local and widespread, socio-cultural group which is not sufficiently or yet involved in social, economic, or political networks and services. Its characteristics are: (a) the community is a small, closed, and homogenous community; (b) the social institution is built upon kinship; (c) the community is mostly located in a geographically-remote area which is relatively inaccessible; (d) the community mostly lives in a sub-system economic system; (e) it has simple equipment and technology; (f) the members’ dependence on the environment and local natural resources is relatively high; and (g) limited access to social, economic, and political services.

Regulations

- Law 6/2014 on Villages;
- Presidential Decree 111/1999 on Isolated or Remote Indigenous Peoples;
- Decree of the Minister of Social Affairs No. 06/PEGHUK/2002 on an Implementation Guideline for the Empowerment of Remote Traditional Communities;
- Decree of the Director-General of Social Empowerment No. 020 A/PS/KPTS/2020 on an Implementation Guideline on Remote Traditional Communities;

Screening for Special Community Groups amongst an Affected Population

The preliminary screening of potential IP presence in a selected KPH or sub-project location will be conducted using a combination of the World Bank’s criteria and identification against the national legislation. All activities in areas where IPs live which are also candidates for Partnerships. The KPHs will be visited (for first consultation with communities) by the local level PMU and the relevant local governments, including by personnel with social science background or appropriate experience. Before a visit, the leader of the local level PMU will send a notification to the community through the community leader that they will be visited for consultation. The notification serves as an invitation for representatives from farmers, woman associations and village heads to participate in a discussion

regarding the sub-project. During the visit, community leaders and other participants will be consulted and asked to express their opinions regarding the concerned sub-project.

During the visit, personnel with a background in social science or experience in social issues will conduct further screening for an indigenous population with help from local leaders, the local government, and relevant NGOs. The screening will look further into: (a) IPs' names in affected villages; (b) the number of IPs in affected villages; (c) the share of IPs in affected villages; (d) the number and share of households in special communities in zones affected by the proposed project.

If the screening result shows that there is a customary community in a zone affected by the proposed project, a social assessment will be planned for that zone. It should be noted that in a KPH there may be more than one sub-project resulting from component 3 of the Project. Accordingly, following consultation with the Social Safeguards Specialist of the Bank team for the Project, it will be decided if a single social assessment is done for the whole KPH area, the community receiving more than one sub-project or specific sub-project. The decision will be based on the situation in the field, size of KPH, diversity of ethnic groups involved, and so on. For purposes of simplicity, however, in this document the description of the social assessment will refer to a social assessment for a sub-project, while acknowledging the options for scope described earlier in this paragraph.

Social Assessment and Consultation

During the drafting of a sub-project proposal or during a sub-project approval process, a social assessment will be carried out to identify the nature and scope of impacts on an IP living amongst the affected population. By collecting qualitative and quantitative data from the sub-project location, the basic social and economic profiles of the project-affected population or persons will be developed.

Social assessment (SA) will be carried out by eligible social scientists (or consultants). SA will collect the following relevant information: data on demographic, social cultural, and economic situations, and data on positive and negative social, cultural and economic impacts.

Social assessment will be a basis for formulating special measures for consulting, and giving an opportunity to an indigenous population to participate in decision-making processes related to the sub-project, if they wish for it. The process itself often serves as a consultation forum, however it can be held as a separate activity.

Principles in the Event of a Sub-Project Affecting an Indigenous People

There are a number of key measures that must be adopted if an IP is present in a sub-project location and part of the beneficiaries, in relation to an indigenous peoples, vulnerable, or special community development plan.

- The PMU will make sure that a consultation for obtain free, prior and informed consultation with broad community support (FPIC) will be held, in a local language and a convenient location for IP members who will potentially be affected. Their opinions must be taken into account in the planning and implementation of any projects, by respecting their current practices, beliefs and

cultural preference. The outcomes of the consultation will be documented in the project documents.

- If an IP concludes that the project will be beneficial for them, and that every small negative impact, if any, will be able to be minimized, a plan to help them will be developed based on consultation with representatives from the IP and the local community. The community also needs to be consulted to ensure that their rights and cultures are respected. The help may include institutional strengthening and capacity building for customary villages and community members working with the sub-project.
- Members of the indigenous people will be identified and for those who represent considerable interest, efforts will be made to ensure that these members will be represented in a local indigenous people commission for each group, and that regular and formal communication will be established with such groups.
- In the event of an indigenous people using a language other than *Bahasa Indonesia*, relevant brochures and documents will be translated into the relevant language. It should be allocated in the project budget the cost for the additional translation of relevant project documents.

These steps will be made to ensure that the members of the indigenous people fully participating in this project are aware of their rights and responsibilities, and able to voice their needs during the social or economic survey and training, and that their needs are integrated into the FMU establishment and development sub-project planning and into the operations policy. Additionally, they will be encouraged to submit a project proposal that will be able to fulfil their respective groups' needs, if necessary.

Reporting, Monitoring and Documenting

In addition to special attention to IP related issues, supervision and monitoring, the PMU will include various points in their progress reports. The World Bank's periodical supervision mission will pay special attention to the assurance that the sub-project will be able to benefit and will not have any impacts on them.

Arrangements

The PMU will be responsible for training relevant project implementing units or the local authority in consultation, screening, social assessment, analysis, IPP reporting, and grievance handling.

The PMU, the sub-project and the local governments are responsible for implementing IPPs (organizing adequate staffs and budgeting).

Indigenous Peoples Plans (IPPs)

Consultation to obtain free, prior and informed consultation with broad community support (FPIC) will be held first through a series of meetings, including meetings with separate or specific groups: customary village heads, native men and women, especially those who live in areas that will be affected by the activities proposed under the sub-project. Discussions will be focused on the positive and negative impacts of the project and recommendations for the sub-project design.

If SA shows that the proposed sub-project will create adverse impacts or that the IP has rejected the proposal, the sub-project will not be approved (and no followed-up action will be needed). If the IP supports the project, an IPP (an Indigenous Peoples Plan) will be developed to ensure that the IP will receive the proper cultural opportunity to benefit from the sub-project activities.

IPPs are prepared in a flexible and pragmatic manner, with various detail levels depending on the characteristics of the project and the impacts it has. The plan should include the following elements, as needed:

- a) Summarized social assessment;
- b) The summarized results of the consultation held during project planning;
- c) A framework guaranteeing the results of consultation held with the affected IP during project implementation;
- d) An action plan to ensure that the IP receives social and economic benefits according to their cultures;
- e) Estimated cost and a funding plan for the IPP;
- f) Access to grievance mechanisms, taking into account the availability of traditional mechanisms;
- g) Monitoring, evaluation and reporting mechanisms.

The IPP for every project must be reviewed and approved by the World Bank before project implementation.

The IPP must be made available for the affected IP.

Annex 6: Land Acquisition and Resettlement Policy Framework

Background

A Land Acquisition and Resettlement Policy Framework (LARPF) is used as a guideline for planning, implementing, monitoring and evaluating KPH establishment activities involving land acquisition and the resettlement of project-affected persons (PAPs). In the context of this project, lands refers to land in the forest area within the boundary of KPH. In some cases, forest area are controlled by community for garden or other agricultural uses, even partly for residential buildings (houses or worker's hut). Even though the land controlled by the communities is forest area, but acquisition land for the project purposes should protect the rights and access of the communities to the forests. The World Bank's environmental and social safeguards include OP 4.12 on Involuntary Resettlement used as reference in designing and implementing this program.

This program will identify sub-projects during implementation phase, because it is not possible to incorporate all requirements for resettlement planning in the assessment. This framework lists principles and procedures to be adopted if an activity in KPH establishment causes land acquisition and resettlement. In this case, the framework requires a Land Acquisition and Resettlement Action Plan (LARAP) to have been prepared for activities that cause land acquisition. The objective is to ensure that every potential impact can be minimized and that every affected person is provided with a large opportunity through compensation or other types of assistance to improve or at least maintain his/her living standard (i.e. his/her job, income, and rights to goods and services).

This community-based KPH development project is committed to ensuring that no activity or sub-project that will involve land acquisition or resettlement will be funded by FIP. Forest tenurial disputes or conflicts will be resolved through collaboration. This project respects local communities' rights and access to forest management. Through this project local communities' rights and access will be formally strengthened. The restriction of communities' access as a result of this project should refer to the process framework. An action plan for access restriction will be made to indicate approval by affected persons, assessment to mitigate impacts, management schemes, and monitoring and evaluation arrangements.

Basic Regulations

- Law 5/1960 on Basic Agrarian Law;
- Law 2/2012 on Land Acquisition for the Development for Public Interest.
- Law 6/2014 on Villages
- Presidential Decree No. 36/2005 in conjunction with the Presidential Decree No. 65/2006 on Land Acquisition for Public Interest;
- Regulation of the Head of National Land Agency (BPN) No. 3/2007 on Guidelines for Land Acquisition for Public Interest.

- Joint Regulation Minister of Home Affairs, Minister of Forestry, Minister of Public Works and Head of National Land Agency 79/2014 regarding Procedures for Settlement of Land Ownership in the Forest Area.

OP 4.12 provides important guidance about the purpose of LARAP in accordance with national and local regulations. The purpose of LARAP and definitions used are as follows;

- Every reasonable effort will be made to avoid or minimize the need for land acquisition and release, and minimize adverse impacts related to displacement. If the procurement and land acquisition also collateral adverse impacts cannot be avoided, the principle purpose of LARAP is to ensure people who experience adverse effects ("Project Affected Persons" (PAPs) as defined below) receive compensation for the replacement cost (as defined below) for the expropriated or released land and other assets (such as buildings or plants that grow on the released land) and provide rehabilitation or other forms of assistance required to give PAPs ample opportunities to improve, or at least maintain the conditions of life (employment, income, rights to goods and services).
- "Project Affected Persons" (PAPS) refer to each individual who: (i) mentally or psychologically, or (ii) rights to goods (land, buildings, crops, grazing areas, fixed or other movable asset owned or managed temporarily or permanently), or (iii) access to productive assets, temporarily or permanently, or (iv) work, were affected by the Project;
- "Replacement Cost" is a decent and fair compensation to PAPS in the process of land acquisition by the project. The cost of replacement is assessed by an independent assessment team. Assessment Team assess the level of losses and compensation by using appropriate methods to meet the feasibility and fairness in accordance with the laws and regulations in Indonesia. Results of the assessment team are used as the basis in the discussion to decide the replacement cost;
- "Land Acquisition" is land acquisition activity performed by the project by giving a decent and fair compensation to the parties who give their rights or access to the land. Land acquisition can lead to various negative impacts to the parties who give their land, such as loss of home, crops, fences, wells, graves);
- "Rehabilitation" is living recovery process of the people affected by the project, by providing ample opportunities to restore productivity, incomes and living standards.
- "Cut-Off Date" is a time limit to identify and define who included in PAPS and their rights to acquire replacement costs or compensation. People who enter the project area after the cut-off date are not the object for compensation or other relief.

Key Principles

World Bank guidelines OP 4.12 has established some key principles that should be followed in resettlement planning and implementation. The main principles for LARPF are as follows:

- a. If possible, the project design and LARAPs should be perceived as a development opportunity, hence PAPs can benefit from the services and facilities provided by the sub-project activities.
- b. All PAPs are entitled to compensation for lost assets, or alternative forms of other assistance equivalent to compensation; PAPs lack of legal rights over the assets lost will not be blocked from the right for compensation or alternative forms of assistance;
- c. The amount of compensation as decided in LARAP, which must be paid fully to the owner of individual or collective based on the lost assets, no depreciation or taxes reduction, fees or other purposes;
- d. Value of the assets to be compensated will be assessed by an independent assessment team or institution required in national regulations (Presidential Decree 36/2005 in conjunction with Presidential Decree 65/2006). Their appointment as independent assessor has to be agreed in principle by PAPs and they should apply appropriate assessment methods;
- e. On land used for agricultural cultivation, obligatory effort should be providing replacement lands; but in the context of land rights inside the forest area, the acquisition does not obligate to provide land replacement.
- f. Replacement of tenement, site relocation for business, or replacement of farm land should be equal of value to the loss land usage;
- g. Residential transition period should be minimized. Compensation for assets should be paid before the time of impact, so that new houses can be built, fixed assets can be removed or replaced, and necessary mitigation measures can be done before the actual displacement;
- h. Project Affected Persons receive support (direct aid or allowances) to meet the cost of moving or temporary subsistence until they can continue their productive activities;
- i. Project Affected Persons should be consulted during the drafting process of LARAP, so their objections about rules of resettlement can be collected and considered: public LARAP is delivered in a easily accessible manner to PAPs;
- j. Social welfare level and access to resources will be maintained or improved after resettlement;

- k. Responsibilities should be clearly defined to comply with all costs associated with land acquisition and resettlement, and to ensure that sufficient funds are available and timely.
- l. Clear institutional management should be established to ensure effective and timely implementation of all resettlement and rehabilitation steps;
- m. Arrangements for effective monitoring will be carried out during the implementation of all resettlement measures;
- n. Methods for dealing with complaints PAPs are set up, and information about the complaints procedure is delivered to PAPS.

Distinction among GOI Regulation and World Bank OP. 4.12

While there will be issues on land acquisition this is not foreseen to be major inasmuch as the policy of the project upholds that subprojects will not trigger relocation. This equivalence-gap analysis therefore limits its comparisons by not including relocation as an option.

The GOI enhanced its country system in order to address land acquisition issues for public interest development project purposes. The Land Acquisition Law No. 2/2009 and its implementing rules and regulations approximate harmonization with the World Bank OP 4.12. The Act No. 2/2012 grants that persons with no legal title over the land they occupy or utilize are entitled to compensation for improvements found thereon, including compensation for job and business losses, moving cost, etc. A land acquisition plan also needs to be prepared by the agency requiring land. People affected by land acquisition are consulted and their complaints heard and resolved in the most expeditious way during the planning and implementation of land acquisition.

Below some gaps between the GOI Regulation on Land Acquisition comparison of World Bank Operational Procedure 4.12.

SUBJECT	GOI Framework and World Bank OP 4.12	GAP
PREPARATION	<p>GOI: Design/planning document and FS are separate documents. These documents as mentioned earlier tend to be weak. Focus on overall cost-benefit and technical consideration.</p> <p>WB OP: Become part of overall project planning and design. LARAP focuses on: solution of social economic problems based on consultation with PAPs (including livelihood restoration), alternatives scenario and action plan.</p>	<ul style="list-style-type: none"> • No consultation in this stage, though later PAP project location agreement is a requirement • No action plan and no livelihood restoration plan
ELIGIBILITY & ENTITLEMENT	<p>GOI: Only landowners (with full, development and sufficient proof of traditional rights or proof of land transaction from traditional right; including people without proof but occupying the land in 'good faith' and accompanied by two (2) witnesses of ownership) and people who own assets on that land are eligible for compensation.</p> <ul style="list-style-type: none"> • No compensation for renters except, in practice, renters from government asset. Squatters on private land are not eligible for compensation (as private land owner responsibility). • Almost no non-cash compensation 	<ul style="list-style-type: none"> • Only land and asset owner is eligible for compensation • No resettlement or rehabilitation assistance • No compensation for renter or squatter on private land

SUBJECT	GOI Framework and World Bank OP 4.12	GAP
	WB OP: All PAPs identified before the cut-off date of PAP inventory are eligible for compensation; non-cash compensation is preferable on resettlement case.	<ul style="list-style-type: none"> • Almost no non cash compensation • IP community need recognition first
LIVELIHOOD RESTORATION	<p>GOI: In the guidelines of the Indonesian Society of Appraisers, livelihood restoration is part of the valuation of land parcel but this is not specifically mentioned in the framework. In locations where PAPs have special economic or social opportunities, there is a possibility that livelihood restoration cost are under valued.</p> <p>WB OP: PAP livelihoods restored to at least the original condition</p>	Livelihood restoration is not mentioned, in the case where PAP special economic opportunity of the location is not represent on land price, the cost tend to be under valued
AGREEMENT & GRIEVANCE	<p>GOI: There are 3 agreements and consultations, and each of them has grievance procedures: (a) PAPs agree on the project location → grievance to (i) preparation team → (ii) Administration Court (PTUN) → (iii) Supreme court; (b) PAPs agree on inventory of land & asset → grievance to implementation team (P2T): (c) Agree on compensation (no detail mechanism and time allocation for non cash compensation): (i) negotiate again to implementation team → (ii) file a case on compensation value to District Court → (iii) Supreme Court</p> <p>WB OP: No discussion on PAP agreement on the project location except for affected IPs. Agreement on inventory, negotiation procedure and grievance procedure are detailed in LARAP or project framework. Non cash compensation that secures livelihood restoration is preferable</p>	Clear agreement and grievance mechanism though no time and procedure for non-cash agreement. In practice there is question on courts capacity to follow the schedule in the framework.
FINANCIAL & INSTITUTIONAL SETTING	<p>GAP: (i) No detailed scenario and detailed financial estimation and arrangement, (ii) No institutional, procedure and time allocation for non-cash compensation (iii) No action plan and institutional capacity self-evaluation required (iv) Access to information is not specifically layout but combination of this framework and the Law of Access of Information No. 14 of 2008 is sufficient to close the gap.</p>	

Source : gab analysis Studied by WB 2013

Below is also indicated of gaps related to entitlement between GOI Regulation on Land Acquisition comparison of World Bank Operational Procedure 4.12

Project affected Person	Entitlement	
	Indonesia Regulation	World Bank OP
Full land owner & management right (eq. right to build)	Full replacement cost (Law No 2 of 2012, PerPres No. 71 of 2012, MAPPI Guideline & Basic Agrarian Law no.5/1960). Preferable cash compensation	Full replacement cost in parallel with livelihood restoration. Preferable non cash compensation
Own asset on land	Full replacement cost	Same
Renter	Not regulated, but in practice they probably get moving allowance. Formal renter in government land will get replacement compensation. In law No 20/1961 on revocation they also eligible for replacement compensation	Livelihood restoration
Owner: without legal proof but witness, with good faith & with traditional proof	Full replacement cost	Livelihood restoration
Squatter in private land	Not regulated, but in practice they probably get moving allowance. In law No 20/1961 on Revocation they also eligible for replacement compensation	Livelihood restoration
Person who lost income but not land	If PAP got serious impact it is regulated in AMDAL (Environment Impact Assessments) law as part as mitigation measurement plan. It is a requirement to get environmental permit.	In OP 4.12 as involuntary restriction of access and if it creates serious impact to PAP, it is also regulate in EIA action plan.

Indigenous people (IP) land owner of communal land	Full replacement cost but has to be recognized first as distinct IP community by local government (same, but on recognition procedure is in Land Agency regulation)	In OP 4.12 not specifically as IP, just seen as the landowner; the communal land owner; but it is also regulated in IP OP 4.10.
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Preparation of Land Acquisition and Resettlement Instruments

Land acquisition is mainly related to infrastructure planning and negotiations on compensation, whereas in World Bank-financed projects, it is part of planning for the whole project. Therefore, during the planning stage, the Indonesian law focuses on obtaining permission from citizens and analyzing the project's overall social cost-benefit (in the project feasibility study), whereas the Bank's OP focuses on planning and developing an actionable plan related to land acquisition and resettlement. In projects where land-to-land compensation is considered preferable, Bank- financed projects should make sure that the Feasibility Study document contains a serious analysis on the least-cost options and identifies possible consequences of the process to the social cost.

Law No. 2/2012 will not be relevant for FIP-II Land Acquisition because the FIP II activities is NOT considered as public interest as per the Law no 2/2012 (in principle, by the Law definition, public interest is related to public infrastructure, e.g. road, dam, landfill, port, power generation). Land acquisition (if any) for FIP-II program will be through willing sell and willing buy basis (negotiation process). Nevertheless, the principles of the process will be in accordance to Law No. 2/2012, i.e. humanity, justice, expediency, certainly, transparency, agreement, participation, welfare, sustainability, and harmonizes. Compensation can be given in: (i) cash, (ii) Land swap, (iii) resettlement, (iv) Shareholding; (v) Other kind agreed by both parties.

Sub-project proposer will perform a pre-selection and identification of land acquisition impact scale based on estimated number of people affected and the size of land to be taken. There are two main planning instruments for the resettlement impacts of the project, namely the Land Acquisition and Resettlement Action Plan (LARAP) and the brief or simple LARAP.

- Action Plan for Land Requisition and Resettlement is required when land acquisition affects more than 200 people, or the requisition requires more than 10% of owned-land or household productive assets and/or involving physical relocation;
- Simple LARAP is acceptable if it affects less than 200 people or the requisition requires less than 10% owned-land or household productive assets from all households affected.

There is no fundamental difference between completed LARAP and simple LARAP in achieving equality and social costs compensation. However, there are some procedural differences between simple and completed LARAP. Completed LARAP is more detailed and requires a longer time to complete, it is necessary to include a review of legal and institutional framework, while it is not required in simple LARAP. A simple LARAP based on census assets at each PAPs. While completed LARAP requires both complete census of PAPs assets and social-economic survey as a monitoring benchmark in understanding the changes in PAPs socioeconomic conditions.

Description of a brief/simple LARAP is as follows:

- Assets and livelihoods, and its value based on 100% census of PAPs ;
- Description of compensation and resettlement assistance;
- Consultation with PAPs about acceptable alternatives;
- Institutions for compensation implementation and complaints;
- Arrangements for monitoring and implementation; and
- A schedule and budget.

All LARAP must be reviewed and approved by the PIA before final approval of the project. All LARAP must be delivered and easily accessed by PAPs at the local level, and documented by the PIA. Every LARAP Implementation should be monitored its effectiveness and repaired if necessary.

Public Consultation and Disclosure

Project proponents must disclose information about the project and the process of land acquisition to PAP and village chief explained the proposals and the potential impact that may occur and the legal rights of PAP based on this framework. This information will be disclosed in the local language and in non-technical terms, taking into account their level of knowledge.

Project Affected Persons should be given the opportunity to participate in planning and implementing resettlement. At a minimum, the Project Affected Persons should be consulted on the preferences and concerns during the process of resettlement planning. All Project Affected Persons should be informed about the potential impacts and proposed mitigation measures, including the level of compensation.

LARAPs or simple LARAPs in Bahasa Indonesia will be disclosed in places that are accessible to PAPs, in particular to ensure that PAPs understand their rights. This document will also be disclosed on the project website of the MOEF and the World Bank Info Shop.

Feasibility and Rights Policy

PAPs eligible for compensation are landowners and owners of asset attached to the land. However, in the Bank OP, all PAPs including renters and squatters on private land are deemed eligible. In the case where landowners are also IPs, a more sophisticated understanding of related regulations governing IP land ownership will be required. Bank-financed project should make sure that renters and squatters in private lands are considered eligible PAPs. For questions related to land rights for IPs, they are better handled under the World Bank's operational policies on Indigenous Persons.

All PAPs will be assessed for eligibility for compensation and/or other forms of assistance, which is relevant to the nature of the impacts that affect them. Although screening project is intended to eliminate significant impacts such as loss of house or commercial structure, or a large loss of productive land, the provisions of this framework will be applicable in the case of unavoidable significant impacts occur.

In general, people who are fit for compensation will include those who affected in the following ways:

- Land permanently acquired for this project include:
 - a. Owners with formal legal basis; Although this project since its inception designed only in forested areas of the country, but is likely to come into contact with the farm-land is encumbered property rights (land rights) can occur, particularly if the process is not yet completed forest area boundaries;
 - b. Land users are qualified for formal legal basis under Indonesian law;
 - c. Land that was occupied by the IP;
 - d. state forest area that are controlled before the specified cut-off date Project Affected Persons in the categories a), b) and c) are entitled to compensation for the cost of replacement. In lieu of a formal compensation, Project Affected Persons in category d) will be provided with alternative forms of assistance, with a value equivalent to the cost of replacement.
- Loss of houses, other structures and fixed assets, including trees and plants: Homeowners and other assets (regardless of whether they have certificates of the land or buildings for built structures before the cut-off date).
- Losses associated with temporary effects: These include temporary loss of land, and transition costs associated with moving, or businesses disruption during construction.

In particular, PAPs will be entitled to type of compensation and rehabilitation measures of the following:

- Project Affected Persons lose their agricultural land:
 - a. Preferred mechanism for lost agricultural land compensation will be done through the provision of replacement land equal to productive capacity and satisfy the Project Affected Persons. If a satisfactory replacement land cannot be identified, compensation at replacement cost may be provided.
 - b. Project Affected Persons will be compensated for the loss of crops at market prices, for economical trees at the net present value, and other fixed assets (supporting structures, wells, fences, irrigation repair) at the cost of replacement.
 - c. Compensation will be paid for the temporary use of land, with rates appropriate to the duration of use, and land or other assets will be returned to the condition prior to the usage at no charge to the owner or user.
- Project Affected Persons losing their residential land and structures:
 - a. Loss of residential land and structures will be compensated in the form (via replacement) of house sites and land with equal

size, and satisfy the Project Affected Persons, or cash compensation at replacement cost.

- b. If after the purchase of the land, the remaining portion of residential land is not enough to be rebuilt or restored with a house or other structure at equivalent size or value, then at the request of the Project Affected Persons, there would be replacement cost for the entire residential land and structure.
 - c. Compensation will be paid at replacement cost for fixed assets.
 - d. Tenants, who have a rental house for residential purposes will be provided with a cash grant of three months rental fee at the prevailing market rate in the area and will help to identify alternative accommodation.
- Project Affected Persons who lose their business will be compensated in relation with the loss of relevant business: (i) the provision of alternative business site with similar size and accessibility to customers, satisfactory to the Project Affected business operators; (ii) cash compensation for lost business structure; and (iii) transition support for loss of income (including employee wages) during the transition period.
 - Infrastructure and access to infrastructure services will be restored or replaced at no cost to the affected communities. If the location of new settlements has been established, infrastructure and services by local standards will be provided at no cost to the relocated person.

Voluntary Land Acquisition

It is very likely that the sub-project will involve voluntary land acquisition, in which the affected persons voluntarily contribute a small portion of their land for the project. Soil Contributions are accepted only if there is "informed consent" and "power of choice". "Informed consent" means that the people involved fully understand the project and its implications, consequences and agreed to participate in the project. "The power of choice" means that the person involved has the option to agree or disagree with the land acquisition.

Because determining informed consent/power of choice can be difficult, the following criteria are suggested as a guide:

- Infrastructure should not be a specific site;
- The impact should be insignificant, i.e., involving no more than 10 percent of the area and does not require a physical relocation;
- The land required to meet technical project criteria must be identified by the affected communities, not by line agencies or project authorities (permanent, technical authorities can ensure that the land is suitable for the purpose of the project and that the project would not cause health issues or environmental safety;

- The land must be free from squatters, encroachers, or other claims or encumbrances;
- Verification (e.g., notarized or witnessed statements) of the voluntary nature of the land donation should be acquired from each person who donated the land. (See sample of Soil Contributions letter);
- If the public service must be provided in this project, guarantee of public access to services is provided by private rights holders;
- Complaints mechanism should be established

Rehabilitative Measures

Compensation might be sufficient to enable Project Affected Persons to restore their income if it's paid at replacement cost, assuming that the asset replacement is available. Often, however, the resettlement may require the Project Affected Persons to acquire new skills necessary to continue the production in the new environment, or to pursue new sources of revenue. LARAP must assess the significance of the impact on the Project Affected Persons, and provide measures to help those affected in adapting to the challenges of the new life. The requirement to participate in these actions, including training, education, or employment, along with the responsibility to provide them, must be described in LARAP.

Regulation Implementation

LARAP reviews the organizational arrangements, to ensure that the implementation procedures are clear, definite responsibilities aimed at providing all forms of assistance, and that adequate coordination among all agencies involved in the implementation of LARAP is guaranteed. LARAP must include a detailed implementation schedule, connect the construction project schedule for related land acquisition activities. Implementation schedule should specify that the compensation (in the form of cash or other form) must be completed at least one month before the commencement of construction works, and at least three months before the demolition of the housing structure.

Cost and Budget

Each action plan will include detailed cost of compensation and other rehabilitation rights and relocation of project affected person, if it becomes a problem, with details of the agricultural land, residential land, business land, houses, businesses and other assets. The cost estimate will make adequate provision for contingency. The action plan will explicitly establish the source for all the necessary funds, and will ensure that the flow of funds is in accordance with the schedule of compensation payment and provision of all other services.

Procedures for Grievances

LARAPs will construct the facility for Project Affected Persons to bring complaints to the attention of the relevant authority of the project. Complaints procedure should include reasonable performance standards, for example, the time required to respond to complaints, and it must be free of charge for Project Affected Persons.

LARAP also must deliver alternative solution to the aggrieved person if the procedures associated with the project fail to resolve the complaint.

The main procedure for complaints related to the KPH establishment program must go through PIA and PM-TA consultant who is responsible for monitoring and evaluation. Name and contact details of appointed PM-TA consultant will be displayed on each disclosure site.

Resettlement Monitoring

In addition to the internal setting of monitoring program, the PIA will ensure that LARAP implementation will be overseen by a qualified independent agency of the program implementation agencies at least once every three months (quarterly reports) for each year of the KPH establishment program. LARAP must define the scope and frequency of the monitoring activities. External monitoring reports will be prepared for simultaneous submission to the projects office (PIA and PMU).

On regular basis, for example monthly, the report should track items such as: i) the disclosure of information and consultation with PAPs; ii) the status of land acquisition and payment of compensation; iii) payments for loss of income; iv) income restoration activities; v) the number and type of complaints received, how they were handled and when they have completed.

Attachment 1: Resettlement Action Plan

The scope and level of detail of the action plan vary with the magnitude and complexity of land acquisition and resettlement. The plan covers the elements below as relevant and irrelevant, they are recorded in RAP:

- A description of the project, identification on how the project has led to resettlement;
- Identification of potential project impacts;
- The purpose of the resettlement program;
- A description of the socio-economic studies (both the baseline and census of assets survey);
- The legal framework;
- Institutional framework and organizational responsibilities;
- Requirements matrix and the right that shows the resettlement steps;
- The methodology for damages and loss compensation assessment; refer to Forestry Minister Decree No. P.18/Menhut-II/2012 on Assessment Procedures of Rehabilitation Crops Compensation Due to Use of Forest Area and Changes on Forest Area Allocation.
- Site selection, site preparation and relocation to suitable site including housing, infrastructure and social services, and integrated support to be provided;
- Management and Protection of the environment;
- participation, consultation and disclosure of PAP;
- The grievance mechanism;
- Schedule and budget implementation; and,
- Monitoring and evaluation activities.

Annex 7: Process Framework

Background

A Process Framework (PF) is a guideline for planning, managing, monitoring and evaluating the livelihood impacts that may result from access restrictions of community households to their sources of livelihood due to KPH implementation. The Bank's Involuntary Resettlement policy requires that in projects involving involuntary restriction of access to legally designated parks and protected areas (i.e. KPH for protection and conservation), that livelihoods are restored to, at least, their "before-the-project" levels. The nature of restrictions, as well as the type of measures necessary to mitigate adverse impacts, is determined with the participation of the affected persons during the design and implementation of the project. Hence, the PF sets forth the criteria, procedures and monitoring mechanisms to promote livelihood restoration after access restriction to legally designated protected areas (KPH for protection and conservation) because of the project.

In the case of access restriction, the PF requires that a **Plan of Action** or an equivalent instrument be developed in cooperation with affected communities describing the specific measures to be undertaken to restore or ensure alternatives livelihoods and to assist the affected persons and the arrangements for their implementation. For the FIP project, Plans of Action will be developed based on the participation of affected people and set out actions to restore their livelihood. Plans of Action will be designed and implemented to improve, or at least to fully restore, the income streams of those affected by changes in resource use or access.

Plan of Action

During implementation, a Plan of Action will be developed by the KPH, with PMU guidance if needed, together with affected communities to describe the agreed restrictions, management schemes, measures to assist the displaced persons and the arrangements for their implementation. The Plan of Action 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 arrangements. It may also take the form of a broader natural resources or protected areas management plan. Minimally, the following elements and principles should be included in the plan:

- ✓ Project background and how the plan was prepared, including consultations with local communities and other stakeholders;
- ✓ The socio-economic circumstances of local communities;
- ✓ The nature and scope of restrictions, their timing as well as administrative and legal procedures to protect affected communities' interests if agreements are superseded or rendered ineffective;

- ✓ The anticipated social and economic impacts of the restrictions;
- ✓ The communities or persons eligible for assistance;
- ✓ Specific measures to assist these people, along with clear timetables of action, and financing sources;
- ✓ Protected area boundaries and use zones;
- ✓ Implementation arrangements, roles and responsibilities of various stakeholders, including government and non-government entities providing services or assistance to affected communities;
- ✓ Arrangements for monitoring and enforcement of restrictions and natural resource management agreements;
- ✓ Clear output and outcome indicators developed in participation with affected communities;
- ✓ Special measures concerning women and vulnerable groups;
- ✓ Capacity building of the grantee or other implementing agencies;
- ✓ Capacity building activities for the affected communities to enhance their participation in project activities;
- ✓ Grievance mechanism and conflict resolution taking into account local dispute resolution practices and norms; and
- ✓ Participatory monitoring and evaluation exercises adapted to the local context, indicators and capacity. Monitoring will include the extent and significance of adverse impacts as well as the outcome of mitigation measures.

Mitigation measures

Possible measures to offset losses may include:

- ✓ Special measures for the recognition and support of customary rights to land and natural resources. · Transparent, equitable, and fair ways of more sustainable sharing of the resources;
- ✓ Access to alternative resources or functional substitutes;
- ✓ Alternative livelihood activities;
- ✓ Health and education benefits;
- ✓ Obtaining employment, for example as park rangers or eco-tourist guides; and,
- ✓ Technical assistance to improve land and natural resource use.

If Indigenous Peoples are affected, the KPH will also prepare an Indigenous Peoples Plan as described in [Annex 5](#). These measures should be in place before restrictions are enforced, although they may be implemented as restrictions are being enforced.

Consultation/participation principles

In line with the guidelines and principles set forth in [Annex 5, CPF](#) the Action Plan preparation shall ensure that:

Key Principles for Effective Participation
All communities will be approached openly in an effort to collaborate and be made aware of the option to refuse to participate in the project.
All project beneficiaries shall be engaged in a method that is culturally appropriate and based on free, prior, and informed consultation where Indigenous Peoples are present.
Engagement preparation shall take into consideration issues of gender equity, illiteracy, disability, ethnicity and socially excluded groups to ensure that dialogue is inclusive, tailored to meet the needs of vulnerable persons and carried out in the appropriate language(s) and methods to ensure an adequate understanding of the activity is achieved.
Communication will begin early in the project preparation stage, occur regularly throughout the project cycle in a consistent and transparent manner and allow for the timely disclosure of relevant information and comprehensive discussion of social and environmental impacts.
Consultation shall be well-documented, adequately resourced, capture stakeholder views to inform decision about the project (i.e. two-way communication) and allow adequate time for community decision-making.

Disclosure

The Plan of Action is prepared with the participation of affected communities. A draft should be disclosed, as soon as feasible but never less than 2 weeks before any meeting or consultation, together with the findings of any social analysis that may inform the plan in a culturally appropriate manner to the persons affected by the project. Language is critical and the Framework should be disseminated in the local language or in other forms easily understandable to affected communities – oral communication methods may be needed to communicate the proposed plans to affected communities.

KPHs with projects that restrict access to natural resources are responsible for complying with this Framework. Such applicant will prepare the ESA during proposal preparation with the participation of affected communities. The ESA will identify socio economic impacts and inform the eventual preparation of the Plan of Action. If the project is approved for funding, the KPH will prepare a Plan of Action with the informed and meaningful participation of affected communities.

KPH will ensure that local communities are consulted and participate in culturally appropriate ways during preparation and implementation, with adequate lead times for the distribution of information and relevant documents and consultations. They will avoid adverse impacts on affected communities or, where this is not possible, develop with the informed participation of affected communities' measures to mitigate such impacts. Finally, the KPH is responsible for reporting to both affected

communities and PMU on Plan of Action preparation, project progress and any unexpected and unintended events affecting local communities.

Grievance Mechanism

Local communities and other stakeholders may raise a grievance at all times to KPH, and PMU about any issues covered in this Framework and the application of the Framework and Plans of Action. Affected communities should be informed about this possibility and contact information of the respective organizations at relevant levels should be made available. These arrangements are described in **Section 7 (Grievance Redress Mechanism)**.

Annex 8: Summary of the public consultations

In order to prepare this ESMF four regional and one national public consultations were carried out (cf. table 1). The consultations objectives were:

- i. To disseminate the Forest Investment Program and ESMF documents publicly, to forestry stakeholders at the sub-national and national levels, especially to *adat* and local communities.
- ii. To document responses, opinions, suggestions/criticisms and ideas from forestry stakeholders at the sub-national and national levels, in particular *adat* and local communities.
- iii. To provide a forum for interactions, relations and sharing ideas, opinions, and lessons between forestry stakeholders at the sub-national and national levels, including local and *adat* communities.
- iv. To provide recommendations and lessons learned for the improvement of the Forest Investment Program document and on the ESMF.

Tabel 1: Venues and Times of the Regional and National Public Consultations.

Venues and Times:
<ul style="list-style-type: none">Regional I of Sumatra, held in Pekanbaru on June 3-4, 2014
<ul style="list-style-type: none">Regional II of Java, Bali and Nusa Tenggara, held on June 4-5, 2014
<ul style="list-style-type: none">Regional III of Kalimantan, held in Banjarmasin on May 21-22, 2014
<ul style="list-style-type: none">Regional IV of Sulawesi, Maluku, and Papua, held in Makassar on May 20-21, 2014
<ul style="list-style-type: none">The National Public Consultation, held in Jakarta on July 3, 2014

Results.

316 people, mostly, from Civil Society, Academia, Private Sector and Government participated in the consultations (cf. table 2). There was an overall support to the proposed project. Concerns and suggestions were expressed during the consultation and when possible and relevant included in the ESMF and project design. Concerns and comments included:

- i. Exclusion of local communities from planning activities and from benefits resulting from forest resource exploitation.
- ii. Expropriation and/or access restriction to local communities resulting from project activities (both from conservation and forest resource exploitation).
- iii. Negative impacts on forests functions (e.g. religious, ecosystemic) resulting from project activities.
- iv. Asymmetry in the relations between government/FMU staff and local communities.

All of these concerns were accounted for in the preparation of the ESMF. Mechanisms and specific instruments to identify avoid and mitigate the eventual project's negative impacts are included in the ESMF. The minutes of the public consultations and the documentation of responses, opinions, suggestions/criticisms and ideas expressed by the participants of the public consultations at the sub-national/regional level are accessible at www.kph.dephut.go.id.

Finally the consultations resulted in improved knowledge and understanding of the participants as indicated by their active role in responding to the presentation about the FIP Programme concept and proposing alternatives in project/activity design and to the ESMF. There was a broad support from forestry stakeholders at the sub-national and national levels, including from *adat* and local communities for the Forest investment programme (FIP) Project II.

Tabel 2: Consultation participants.

Public Consultation	Participant	# of Participant
Regional III (Banjarmasin)	The central government (the technical implementation unit of the Ministry of Forestry, Pusdal Reg), local provincial governments (the provincial forestry departments, Bappedas and the provincial cooperatives and SMEs departments), local district governments (the district forestry departments, FMUs), printed media, NGOs, academia/RAKI, local and <i>adat</i> communities (SC DGM).	48
Regional IV (Makassar)		51
Regional I (Sumatra)		55
Regional II (Java, Bali and Nusa Tenggara)		52
National	Bappenas, the Ministry of Forestry (Pusluh, Puspijak, Pusdiklat, the Planning Bureau, BUK, BPDAS PS, Planologi, Pusda Regional, Puslitbanghut, Itjen, BP2SDMK, Pusrenbanghut), SAMEPI, AMAN, Telapak, Warsi, RMI, Recoft TC, Kemitraan, ADB, World Bank, IFC, MFP3, (national and regional) SC DGM, Community Foundation (Papua, Sumatra, Java, Sulawesi, Nusa Tenggara), the Indonesian FMU Association, the	110

	Indonesian Association of Forestry Entrepreneurship.	
Total*		316

ANNEX 9: Safeguards Budget

Safeguards capacity Building, Training and Technical Assistance

Staffing

6. It is proposed that a full-time safeguard specialist will be included in the Project Management Unit. S/he will coordinate with the Environmental and Climate Change Units in the Planning Directorate of the MOEF, provincial Dinas and KPHs to ensure that all the environmental and social safeguard requirements under the project will be fully met. S/he should also train safeguard focal points at project Dinas and KPHs on relevant environmental laws and regulations, and any additional requirements under the project.
7. At subnational level, following capacity building actions are priorities:
 - a. Building overall awareness on environmental safeguards requirements among subnational level stakeholders: this would involve clarity in terms of actions and responsibilities by within BLHD on environmental permits for KPH-supported activities, and KPH staff's good understanding on the requirements.
 - b. In addition, the roles of provincial Dinas, especially how they liaise with BLHD and KPHs for the preparation and approval of KLHS need to be clearly understood. It is advisable that provincial Dinas with KPHs supported under the project will assign somebody who will act as safeguard focal point under the project.
 - c. Strengthening capacities within KPH on environmental safeguard action planning and implementation: this would include in the short run KPHs developing a network of resource persons/agencies who can prepare necessary inputs to apply for and obtain a permit from BLHD; at the same time building its own human resources basis to handle environmental safeguard actions; and strengthening their coordination with BLHD and other stakeholders involved. It is suggested that in all project supported KPHs, one staff will be appointed as a safeguard focal point under the project.
 - d. Investing in community engagement to address social safeguard issues at all stages of implementation: communities' full participation in the KPH activities which involve them are crucial to obtain their support, build their ownership of the activities, mitigate any negative social impacts, monitor social safeguard actions, and manage grievances. This would require prior consultations with the communities to obtain their consensus, jointly identify potential social risks, and work out plans to mitigate negative impacts. Such community engagement and mobilization efforts shall be undertaken by qualified facilitators, such as those from civil society organizations with experienced in community development. In order to ensure its transparency and impartiality, the process has to be accompanied by

the efforts to keep good records (ie minutes of consultation meetings) and disclose them.

Training

8. The PMU is responsible to ensure that the level of expertise related to the project is adequate to perform the assigned responsibilities. This also applies to the application of safeguards on the technical assistance associated with component 1 and 2. Under the coordination of the MOEF, project supported KPHs will be responsible to ensure that this ESMF is adhered to. Capacity building and budget requirements relating to the implementation of the ESMF will be provided through training programs on environmental and social awareness for all the project staff.
9. An outline of the ESMF training program includes:
 - Environmental and social issues in FIP projects and the development of KPH;
 - An overview of policy and regulatory frameworks on social and environmental issues in Indonesia;
 - Basic principles in the ESMF, including the screening process of sub-projects with regard to land acquisition and its relation with Special Community groups and environmental issues, and preparation of documents based on the level of impact caused;.
10. Case studies on projects that have followed the provisions of the Environmental and Social Safeguards Framework (ESSF) for KPH Development associated with World Bank support.

Budget estimate for safeguards and safeguards capacity building.

Cost item	Unit	Unit/cost USD	Cost/year USD/year	YEAR					TOTAL
				1	2	3	4	5	USD
Safeguards senior specialist Local Hire (Jarkata)	man/month	5,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	300,000.00
Safeguards Junior specialist (for 10 KPH)	man/month	2,500.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	750,000.00
Social Safeguards senior specialist	man/month	3,000.00	36,000.00	36,000.00	36,000.00	36,000.00	36,000.00	36,000.00	180,000.00
Training seminars for local staff	Lumpsum	35,000.00	70,000.00	70,000.00	70,000.00	70,000.00	70,000.00	70,000.00	350,000.00
Goods and Services	Lumpsum	15,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	50,000.00
									1,630,000.00

ANNEX 10: Map of Indonesia's Forest Management Units



Modified based on EFH Map