

**DEDICATED GRANT MECHANISM INDONESIA  
(DGMI)**

**Environmental and Social Management Framework  
(ESMF)**

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## Abbreviations and Acronyms

BRWA	<i>Badan Registrasi Wilayah Adat</i> /Customary Territory Registration Agency
CSO/CBO	Civil Society Organisation/Community-Based Organisation
CPF	Community Participatory Framework
CSO/CBO	Civil Society Organisation/Community-Based Organisation
DGM	Dedicated Grant Mechanism
DGMI	Dedicated Grant Mechanism Indonesia
EA	Environmental Assessment
EIA/AMDAL	Environmental Impact Assessment/ <i>Analisis Mengenai Dampak Lingkungan</i>
ESMF	Environmental and Social Management Framework
FIP	Forest Investment Program
FPIC	Free, Prior, Informed Consultations
GOI	Government of Indonesia
GSC	Global Steering Committee
HCVA	High Conservation Values Area
IPM	Integrated Pest Management
IPLC	Indigenous People and Local Community
JKPP	<i>Jaringan Kerja Pemetaan Partisipatif</i> /Participatory Mapping Network
NEA	National Executing Agency
NSC	National Steering Committee
NOL	No-Objection Letter
POM	Project Operations Manual
PAPs	Project Affected Persons
REDD+	Reducing Emissions from Deforestation and Degradation
RAP	Resettlement Action Plan
RMA	<i>Rencana Masyarakat Adat</i> /Indigenous Peoples Plan
RPLS/ESMP	<i>Rencana Pengelolaan Lingkungan dan Sosial</i> (Environmental and Social Management Plan)
SA	Social Assessment
SPPL	<i>Surat Pernyataan Kesanggupan melakukan Pengelolaan dan Pemantauan Lingkungan</i> / Letter of Commitment to Implement Environmental Management and Monitoring
UKL - UPL	<i>Upaya Pengelolaan Lingkungan</i> /Environmental Management Plan - <i>Upaya Pemantauan Lingkungan</i> /Environmental Monitoring Plan
WB	World Bank

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## Executive Summary

DGMI (Dedicated Grant Mechanism Indonesia) supports technical, institutional and communication capacities of IPLC (Indigenous People and Local Communities) to enhance tenure security, improve livelihoods, effectively participate in REDD + policy dialogue and enhance their land and forest management. Success in achieving DGMI objective is measured with 3 indicators:

- a. Number of Participating IPLCs submit evidence for recognition of tenure to the government
- b. Percentage of sub-projects successfully completed and achieved their objectives which are consistent with FIP objectives (percentage)

Number of DGMI participants who benefit (monetary or non-monetary) from grant activities, (with minimum 30% are women)

### DGMI Project Components

Component 1:	Subprojectss to strengthen IPLC capacity to enhance tenure security and improve livelihoods
Subcomponent 1.1:	Community outreach and mobilization. Accessible to non-governmental organizations (NGOs), CSOs, and CBOs that have been shortlisted following an open call for proposals to sensitize their targeted beneficiaries and other relevant stakeholders (e.g., local government) about the project scope and implementation arrangements, and to refine the project proposal.
Subcomponent 1.2:	Strengthen IPLC's capacity to enhance land tenure security. Support IPLCs ongoing efforts to claim tenurial rights, primarily through bolstering their claims for (a) customary forests ( <i>Hutan Adat</i> ); (b) communal land rights (applicable to both IP and LC); and (c) permits for forestlands (e.g., social forestry or community forestry).
Subcomponent 1.3:	Build IPLC's capacity to improve livelihoods. Assist IPLC with two dimensions of improving livelihoods: (i) determining and agreeing on the priority livelihood activities for which they want to receive support from this project and (ii) financing for their priority livelihood activities to contribute to sustainable management of forests and lands.
Component 2:	Inform policy processes and dialogues
	Focus on strengthening IPLC representatives to engage in national and subnational policy and decision-making processes that will inform issues regarding REDD+, addressing drivers of deforestation, landscape management and IPLC livelihoods.

The institutional arrangement for the project includes the NSC (National Steering Committee) which provides oversight, approves NEA (National Executing Agency) workplan, reviews and makes decision on eligible project proposals. The NEA is responsible for the execution of the DGMI, including fund disbursement, oversight and reporting,

fiduciary and environmental and social safeguards. Civil Society Organisation/ Community-Based Organisation (CSO/CBO) and IPLC develop plans and implement DGMI projects. The direct beneficiaries are IPLCs.

The objective of Environmental and Social Management Framework is to ensure that unintended adverse environmental and social impacts are avoided or properly mitigated. DGMI is rated as a category B project in terms of World Bank safeguards. This means it is not expected to have significant environmental and social impacts, but still requires a safeguard framework to ensure the activities will not harm the environment or IPLC, especially the most vulnerable groups.

Indonesian laws and regulations provide guidance for management of environmental impact from project/activity, these are:

- Law No. 32/2009 on Environmental Protection and Management
- Government Regulation (PP) No. 27/2012 on Environmental Permit
- Ministry of Environment Regulation No. 5/2012 on Types of Activity that Requires AMDAL

Considering the nature, scope and scale of the project and potential risks, DGMI triggers six World Bank safeguard policies. These are:

- OP 4:01 Environmental assessment,
- OP 4:04 Natural habitats,
- OP 4:36 Forests,
- OP 4:11 Physical cultural resources,
- OP 4:10 Indigenous peoples, and
- OP 4:09 Pest management.

The ESMF provides necessary principles and key measures to ensure compliance with the safeguard policies outlined and the Project Operational Manual (POM) will further translate the provisions in the ESMF into practical steps and actions that project implementing agencies can refer to.

Environmental and social safeguard instruments for subprojects supported by DGMI include:

- Negative list of ineligible activities for funding support and screening against environmental and social impacts,
- Free, Prior, Informed Consultations,
- Community Participation Framework,
- Environmental and Social Management Plan (ESMP),
- Environmental Code of Practices (ECOPs),
- Handling of Voluntary Agreement on Use of Land, and
- Guidance for Environmental Permits and Management and Monitoring Framework, and
- Grievance redress mechanisms

## 1. Introduction

Forest Investment Program (FIP) was formulated in 2009 as one of the programs under the CIF (Carbon Investment Funds) for providing funding for Reduced Emissions from Deforestation and Forest Degradation (REDD+) from developed countries to forest countries where deforestation and forest degradation were sources of GHG emissions. FIP design gives importance to the active participation of Indigenous Peoples and local communities (IPLC) and the need for resources dedicated specifically to strengthen their capacity to participate in the FIP implementation. The development of a special initiative, the Dedicated Grant Mechanism for IPLC (DGM), is "to provide grants to IPLC in pilot countries or territories to support their participation in the strategies, programs and projects of FIP investment".

Facilitated by DKN (Dewan Kehutanan Nasional), regional assemblies were organised between January and June 2014 to select NSC (National Steering Committee) members. The NSC consists of 11 persons, representing 7 regions: Java, Sumatera, Kalimantan, Bali, Nusa Tenggara, Sulawesi, Maluku and Papua, plus 2 persons representing IPLC women groups appointed by the constituents through participatory process, and 2 persons each representing government and DKN.

NSC roles are:

- a. Provide oversight to the DGM in the country and approve the annual work plan of the NEA
- b. Agree, during the preparation of the DGM projects, on eligibility criteria for funding in accordance with the criteria of Framework Guidelines for Operations, with a 'no-objection' from participating Multilateral Development Banks (MDBs)
- c. Review funding decisions on eligible project proposals
- d. Participate in meetings of national REDD+ and FIP institutions
- e. Raise funds through other programs/mechanisms
- f. Report to the Global DGM Steering Committee on national activities on a semi-annual basis
- g. Mediate conflicts related to DGM funding proposals

DGMI is managed by an NEA (National Executing Agency) which was designated by NSC.

The primary roles of the NEA are:

- a. Responsible for the execution of the DGM in the pilot country, including disbursements to grantees per agreement with the corresponding MDB
- b. Responsible for reporting on and compliance with fiduciary and environmental and social safeguards as per the World Bank's policies
- c. Report to the World Bank on the allocation and use of funds
- d. Serve as secretariat to the NSC
- e. Maintain communication with stakeholders in the country
- f. Provide information and assistance as needed to grantees
- g. Prepare information for and coordinates with the Global DGM Executing Agency

The operational principles and priorities, funding modalities and governance of special grant mechanism are developed through extensive and transparent consultations with IPLC (and their designated organizations) throughout the project area, and build on lessons learned from existing mechanisms.

DGM Indonesia (DGMI) project is rated as a category B project based on the World Bank safeguards triggered and reasons for triggering these policies. As a category B project, it is not expected to have significant environmental and social impacts, but still requires a safeguard framework to ensure the activities will not harm the IPLC, especially the most vulnerable groups among the communities in accordance with World Bank Operational Policy (WB OP) and the laws of the Republic of Indonesia. Based on the nature, scope and scale of the project, DGMI is expected to apply six WB Safeguard Policy Frameworks, namely for: OP 4:01 Environmental Assessment, OP 4:04 Natural Habitats, OP 4:36 Forests, OP 4:11 Physical Cultural Resources, OP 4:10 Indigenous Peoples and OP 4/09 Pest Management.

To meet the requirements of the safeguard framework above, the DGMI National Executing Agency (NEA) with participation of the National Steering Committee (NSC) prepared the environmental and social management framework (ESMF), to guide them in the implementation of the DGMI in identifying, selecting, and assessing environmental and social issues posed by sub-projects in specific locations. The ESMF also explains the management and mitigation measures that must be applied, as well as management plans to be prepared by the project implementers before the implementation of sub-projects. In the event of future DGMI counterpart funding, the similar or more stringent ESMF applies especially for the project areas. The NSC and the NEA agrees to this.

The ESMF document is one of the primary reference documents required by DGMI to manage environmental and social risks associated/triggered by the project and subproject activities. Proposals will not be funded without satisfactory compliance. The ESMF is also applicable to joint-financing/co-financing in DGMI project areas and activities. To this end, ESMF information is made accessible and structured in a simple, clear, and concise manner, in order to be understood and applied by users with various levels of knowledge and understanding of the framework, especially at the site level. NEA will be transparent and enables all applicants to comply through coaching and consultations. The sub grant agreement with CSO/CBO will make compliance explicit, legally binding, and have measures if there are violations i.e. warning, suspension, termination. The selection of activities will consider the negative list so that environmentally and socially unfriendly activities are not included.

The scope of the ESMF consists of principles, procedures and measures to manage potential environmental and social risks and leverage positive opportunities and participation of IPLC in sustainable land use and forest management. The document outlines a number of instruments to be used by NEA, NSC and implementing CSOs/CBOs which include:

- Annex 1 – DGMI Negative List
- Annex 2 – Screening against Environmental and Social Risks
- Annex 3 – Environmental Code of Practices (ECOPs)
- Annex 4 – Guidance Note for Integrated Pest Management
- Annex 5 – Protection of Physical Cultural Resources and Chance-Finds Procedures
- Annex 6 – Community Participation Framework
- Annex 7 – Guidance Note for Free, Prior, Informed Consultations
- Annex 8 – Handling of Voluntary Agreement on use of Land
- Annex 9 – Environmental Permits and Management and Monitoring Framework

Detailed procedures and related templates and forms will be further elaborated in the Project Operational Manual (POM) in the Safeguard Section.

Each of the instruments listed above will be used in conjunction with each other to ensure sound management of environmental and social aspects. Not every sub-project will require the application of every instrument and such judgement will be determined during the proposal screening process.



## 2. Project Description

### 2.1 Project Scope

The project beneficiaries include both indigenous peoples and local communities. Consistent with the framework of the Global DGM, Indigenous Peoples (IP) and Local Communities (LC) are considered as separate groups. Such separation came naturally – principally through self-declaration – from the communities. There are those who declared themselves as indigenous peoples and those who said they are not.

For purposes of this project, consistent with OP 4.10, Indigenous Peoples are defined as those social groups in Indonesia's territory that have a distinct, vulnerable, social and cultural identity, and that possess the following characteristics in varying degrees: (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.

Local communities, as distinct from indigenous peoples, are those who, while often long-term occupants of the lands they manage, choose not to self-identify as Adat. This requires a variance in natural resources management approaches and tenure instruments, where non-adat communities' management systems may be premised on individual access. This difference is most significant in context to rights recognized in Indonesia's National Forest Estate, where time bound and conditional rights are awarded to individuals and cooperatives through the community forestry program. These tenure and management options are most applicable for non-adat communities, while indigenous forest management areas (Hutan Adat) are based upon government recognition of collective local rights that are neither time bound nor conditional.

The objective of the DGMI is to improve the capacity of participating indigenous peoples and Local Communities' to engage in tenure security processes and livelihood opportunities from sustainable management of forest and land. DGMI is a demand driven delivery mechanism, designed by and for IPLC to channel funds effectively and efficiently to strengthen their visibility, and recognize and enhance their roles in the FIP, other REDD+ and related programs, and broader sustainable natural resource management at the local, national, and global levels. DGMI follows the framework of the global DGM program.

Responding to the DGMI National Steering Committee's priorities, the project will make a strategic contribution to the lives of IPLC households and their tenure security. The DGMI aims to strengthen the capacity of IPLC households to obtain secure and equitable access – and control over – forest and agricultural land. It will particularly emphasize secure access for those communities who have already mapped their land areas as part of participatory land use mapping process initiated by CSOs/CBOs and IPLC. Guided by principle of equality in the approach DGMI will pay particular attention to the inclusion of LC and IPs at all levels of the process and project investments. To achieve this goal, the project will invest in select IPLC groups' livelihoods priorities and at the same time enable them to become more effective in promoting and protecting IPLC tenure rights.

All activities are focused on four main areas namely:

- 1) Strengthen IPLC's Capacity to Enhance Land Tenure Security
- 2) Build IPLC's Capacity to Improve Livelihoods;
- 3) Build IPLC capacity to Inform Policy Processes and Dialogues
- 4) Project management and monitoring and evaluation.

Descriptions of each sub-component will be further elaborated in sub-section 2.3 on Project Components and **Annex 10** of this document;

Success in achieving DGMI objective is measured with 3 indicators:

- 1) Participating IPLCs submit evidence for recognition of tenure to the government (number of communities)
- 2) Sub-projects successfully completed and achieved their objectives which are consistent with FIP objectives (percentage)
- 3) DGM Program participants who benefit (monetary or non-monetary) from grant activities, disaggregated by gender (number).

The direct beneficiaries are expected to (a) receive support to strengthen the security of tenure and develop / strengthen their community development plans and (b) receive support for livelihood and income generating activities from a menu of options (the latter will be availed by those who can show secure tenure over the land). A minimum of 30% of the total beneficiaries will be women. In addition CSOs/ CBOs will benefit from training provided to them to effectively manage IPLC activities. District level government officials also will benefit from information sharing associated with this project.

NSC has decided that DGMI will give priority to people who:

- 1) Have started or completed mapping their territories;
- 2) Have started or are preparing or proposing permit processes to customary forests and social forestry; and
- 3) Living in vulnerable areas such as peat, lowland areas prone to fires in forest areas and small islands (who face the pressure from industries such as mining and plantation).

Recognizing the importance of forests to IPLC in small islands, the project will also ensure that the selection criteria do not inadvertently bias against competitive and eligible proposals from small islands.

## 2.2 Project Areas

Indonesia is the world's largest archipelago with the fourth biggest population and a very diverse range of ethnicity and cultures. A middle-income developing country, Indonesia is home to 231 million people spread across 17,000 islands, covering 190 million hectares of land and inland waters. It holds the third-largest area of tropical forest after Brazil and the Democratic Republic of the Congo, and is home to a rich store of biodiversity. Indonesia's forests are critical not only for national economic development and the livelihood of local people, but also for the functioning of the global environmental system.

About a quarter of Indonesia's population (approximately 49 million people) lives in the mostly rural, state claimed "forest zone," and these people are poorer than the national average. This area is also home to most of Indonesia's customary (Adat) communities, many of who are forestdependent and poor or vulnerable to poverty. Poverty alleviation remains a challenge in the forest-zone. Communities that live there generally do not have formal rights to their land and this leads to open conflict over land use with logging and plantation companies, and a poor investment climate. While forests provide important resources to local communities, unclear use rights, bureaucracy, poor access to markets, and lack of institutional capacity often prevent the full economic use of these resources. Forest dependent people are directly affected by forest policy developments but lack of empowerment has meant that local communities have been excluded from policy processes. Forest dependent people have been largely excluded from the forest policy processes that have direct impacts on their lives and have not had the opportunities to become protagonists in their own strategic development due to lack of capacity and empowerment.

DGMI will be implemented in 7 regions: Bali and Nusa Tenggara, Java, Kalimantan, Maluku, Papua, Sulawesi, and Sumatra. To date the exact location and specific activities DGMI are still very open, depending on the proposals submitted by the IPLC constituents. NSC is targeting to select 14 priority projects in the 7 regions (2 projects per region) during the first year.

## 2.3 Project Components

Full description of project components and subcomponents of DGMI is in **Annex 10**. Most likely each CSO/CBO proposal will consists of multiple sub-components, which may add a new layer of risks/impacts that need to be further mitigated. Sub-components may overlap within the same territories, therefore relevant safeguard instruments must be developed as applicable. While the project is expected to have overall beneficial outcomes, unintended outcomes are taken into consideration. ESMF requirements related to sub-project component are as follows:

### **Subcomponent 1.1. Community Outreach and Mobilization**

1. This sub component will assist in explaining how resources associated with this project will be allocated, the procedures and criteria for identifying activities that the project will support, the duration of the project activities, and the compliance requirements. The outreach and mobilization will also provide IPLC with information on the challenges and opportunities raised from existing regulations in relation to their land tenure and efforts to clarify rights. It will also cover the responsibilities that communities would face should they pursue these opportunities. The outreach and mobilization will also cover relevant information on public and private resources for local development and processes and requirements for accessing these funds, including benefit sharing mechanism.
2. Raising awareness and socialization of relevant safeguard requirements will be carried out through coaching clinic, field validation, and field verification by NEA and NSC. Initial efforts will focus to socialize safeguards and why such measures are necessary, namely to ensure that DGMI investments are socially and environmentally responsible and sustainable. The Community Participation Framework (CPF) will be introduced to

mainstream free, prior and informed consultations with IPLC. IPLC will be informed that activities included in the negative list can not be funded by DGMI and measures are required to prevent and minimize vertical and horizontal conflict between beneficiaries and stakeholders.

**Subcomponent 1.2: Strengthen IPLC's Capacity to Enhance Land Tenure Security**

3. The aim of this subcomponent is to assist IPLC advance in processes they are already engaged in to strengthen their tenure security. The support provided will be distinct for IP versus LC communities. This subcomponent will also help local communities that has been formally recognized through subnational regulation and interested in obtaining permits for social forestry to carry necessary steps.
4. This subcomponent would finance the generation of evidence for applications and support the communities to follow up on specific processes. It would provide technical assistance and capacity building for IPLC to assist them with collecting necessary information and documentation on their claims and to show that there are not contestations on the claims. Associated with the latter, the component would also assist with resolving conflicts that directly or indirectly negatively impact IPLC's efforts for greater tenure security. The component would also support building IPLC's capacity to engage in an efficient and informed manner with the decision-makers in government.
5. The selection of communities eligible for support from this component will be based on the following criteria: (i) evidence of districts willing to engage in recognition of IPLC and their claims for collective land rights, (ii) prior support in participatory mapping of land claims (including customary claims) and maps have already been completed or are pending finalization, (iii) areas are considered a priority for achieving the objectives of REDD+ (e.g., peatlands, lowlands, fire prone areas) or are part of the PIAPS and (iv) feasibility. The assessment of the criteria by which sites and communities will be selected are elaborated in the project operational manual.
6. The determination of rights and resources can be a conflict-laden process particularly in areas with history of conflicts, and overlapping land claims (e.g. with concessions, or other neighboring communities). Although potential impact and risk are not fully known at this stage, previous experiences in land tenure support in Indonesia could inform potential risks and offer a number of useful lessons learnt that could be used to design and implement safeguard measures for DGMI. A Review of the Land Sector (Forest and Non-forest) in Indonesia and previous WB supported initiatives<sup>1</sup> found that:
  - Any land tenure support, including community mapping and land demarcation needs to begin with careful review of a range of different rights and interests in the land being mapped, to serve as an early analysis of claims and conflicts;
  - Land tenure or mapping does not readily respond to immediate needs of communities or promote sustainable land use and resource management. There needs to be a combination of strategies in place ranging from monitoring, environmental management contracts with concession holders,

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<sup>1</sup> References cited include: (1) World Bank 2014, Towards Indonesian Land Reforms: Challenges and Opportunities A Review of the Land Sector (Forest and Non-forest) in Indonesia, (2) PROFOR 2014: Mapping Indigenous Land and Resources: Stock taking of Experiences, Looking Back, Lessons Learned and Moving Forward and (3) 2015 AMAN, Implementation Completion Report – Improving Governance for Sustainable Indigenous Community Livelihoods in Forest Areas (SICoLiFe).

- sustainable livelihood development and continued support both technical, legal and financial for communities;
- Secure tenure for communities also protects rights of their future generations by enabling communities to protect access to land and limit the intrusion of others who benefit from exploitation of natural resources.
  - To improve legitimacy and avoid conflict over land tenure processes, the process must include broad consultations with key stakeholders with interest in the lands/territories in question and consensus mechanisms;
  - Information on options for tenure must be conveyed to the community level with accessible advice on follow-on steps that communities could opt for in regularizing their land claims;
  - The role of civil society is important to strengthen the voices of marginalized populations through their networks and has historically played a strong role in advocating reforms to land laws and regulations;
  - Community mapping often takes place outside the government's system<sup>2</sup> and therefore not optimally useful in processes related to formal tenure such as concessions, titling and conflict resolution;
  - Previous work (such as the project financed with World Bank and JSDF<sup>3</sup> support) has also shown that youth and women generally are active and integral in the land tenure processes including mapping exercises provided that they are equipped with knowledge, access, capacity building and guidance.
7. Applicable safeguard measures and instruments, including community participation and gender mainstreaming strategies, processes for Free, Prior and Informed Consultations, Grievance Redress Mechanism and Environmental and Social Management Plan (ESMP) particularly for activities involving livelihoods will be prepared during preparation of community proposals and plans for outreach and socialization will be integrated into the design. Oversight and monitoring plans will also need to be embedded in the proposal design for each participating CSOs/CBOs to further ensure adequate resourcing and implementation of sound environmental and social management, particularly with regards to mitigating potential disputes and conflicts as well as sustainable use of land and resources.

### **Subcomponent 1.3: Build IPLC's Capacity to Improve Livelihoods**

8. This subcomponent will assist IPLC with two dimensions of livelihoods: (i) capacity building of local facilitators, development of community investment plans, and prioritization of elements in the plan, and (ii) financing for priority livelihood activities that are widely accepted to contribute to sustainable management of forests and land. This may include minor infrastructure related investments.
9. This subcomponent would finance eligible livelihood activities identified in community plans that were developed based on the following criteria:

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<sup>2</sup> Since 1999, Participatory Mapping Network (JKPP), Indigenous Peoples Alliance of the Archipelago (AMAN) has taken the initiative to map out indigenous territories and customary use of land and forest by local communities to support their claims for recognition of indigenous territories. In 2011, AMAN, JKPP, Forest-Watch Indonesia (FWI), Consortium for Supporting Community-Based Forest System Management (KpSHK) established the Ancestral Domain Registration Agency / BRWA as a one-stop gate for registration of ancestral domains and verification. The agency also acts as an administrator of community maps before being handed over to the government as a trustee.

<sup>3</sup> Implementation Completion Report – Improving Governance for Sustainable Indigenous Community Livelihoods in Forest Areas (SICoLiFe) September 2015

- a. the proponents have recently obtained secure tenure over forest land or are in the process of obtaining secure tenure over forest lands,
  - b. the activities are well aligned with activities proposed, where relevant, in the forest management plans or are activities that are widely accepted to result in sustainable management of forests and land,
  - c. feasibility and potential for self-financing following the use of the grant,
  - d. potential to leverage other sources of financing, and
  - e. the proposals are accompanied with evidence of community endorsement.
10. Indicative types of activities under this sub-component may range from land and natural resource management, environmental conservation, generation of renewable energy (reducing reliance on wood energy) to capacity building and training such as training on biogas, waste management, composting, and so on. Direct environmental impacts are likely not significant and localized as these activities are implemented by communities and small in scale. However, potential induced impacts such as increased use of pesticide and water resources, intensification of forest-based activities (e.g. timber and non-timber harvesting) and expansion of agricultural areas could increase pressure on the environment.
11. The ESMF establishes provisions that are used to screen every activity proposed – specifically the negative list and potential risks during proposal selection. Field validation will be conducted by NEA and NSC to ensure that the proposals are developed with community participation and broad support has been obtained through Free, Prior and Informed Consultations. The NEA will also provide subproject proponents support to refine their proposals where needed safeguard measures, including, but not limited, to Environmental and Social Management Plan and budget requirements, will be incorporated in the community proposals. An Environmental Code of Practices (**ECOPs – Annex 3**) will be used and disseminated to every grantee as a guide for sound environmental management during project implementation. In cases where land is needed for sub-project activities, land will be obtained through Voluntary Agreement on use of land which needs to be completed and documented prior to project implementation (see **Annex 8** for a more detailed guideline). DGMI cannot finance purchase of lands or any land-related compensations.

## **Component 2: Inform Policy Processes and Dialogue**

12. The two subcomponents of this component will focus on strengthening the NSC to engage in policy processes related to REDD+, forest resource management, secure land tenure and improving IPLC's livelihoods. This component will also build the capacity of the NSC and emerging IPLC leaders to bring evidence from the activities supported by the DGMI to various dialogue processes. It will also help the NSC promote greater coordination among various IPLC initiatives that have similar objectives.
13. From safeguard point of view the component will not raise significant negative impacts. However looking at many variables in the policy process and dialogue, potential conflict may arise between NSC and government official and/or private company, especially caused by the different approach between positive laws and traditional wisdom in solving concerned issues. Safeguard instruments will focus on improving the soft skill capacity of NSC members on safeguards for REDD+ related activities and forest resource management as well as strategic communication ability, negotiation and lobbying to influence policy reform processes.

### 3. National Policies and the World Bank's Safeguard Policies

Indonesian laws and regulations provide guidance for management of environmental impact from project/activity, for example, Law No. 32/2009 on Environmental Protection and Management. Derivative of the Law No 32/2009 is Government Regulation (PP) No. 27/2012 on Environmental Permit that further emphasizes the need to prepare environmental assessment documents – AMDAL (*analisis mengenai dampak lingkungan*: environmental impact assessment) or UKL/UPL (environmental management and monitoring plans) – for activities that potentially result in adverse environmental and social impact. The PP describes the requirements of AMDAL, UKL/UPL or SPPL, the permitting process, outlines of environmental documents preparation, community involvement and public consultations, grievance redress mechanism, implementation and monitoring of management and mitigation measures to address significant negative impacts. UKL-UPL pertains to the management and monitoring efforts of business/activities that have no significant impacts on the environment, which are necessary for the process of the decision making regarding the implementation of the business/activities. SPPL (*Surat Pernyataan Kesanggupan melakukan Pengelolaan dan Pemantauan Lingkungan*; letter of commitment to implement environmental management and monitoring) is a statement regarding the undertaking to monitor and manage the environmental impact of business/activities which are exempted from the AMDAL or UKL-UPL requirement.

Ministry of Environment Regulation No. 5/2012 on Types of Activities that Require AMDAL lists activities which are exempted from the AMDAL or UKL-UPL requirement. Article 3(4) stipulates that AMDAL is not required for activities (c) that support the conservation of protected area, (e) cultivation with no significant (adverse) impact to environment, and (f) cultivation by indigenous peoples on fixed area that does not reduce protected area function with close monitoring/supervision.

The World Bank Environmental and Social Safeguard Policy set out the requirements for the identification and assessment of environmental and social risks and impacts associated with projects supported by the Bank. The standards will: (a) support in achieving good international practice relating to environmental and social sustainability; (b) assist in fulfilling national and international environmental and social obligations; (c) enhance non-discrimination, transparency, participation, accountability and governance; and (d) enhance the sustainable development outcomes of projects through ongoing stakeholder engagement.

The following are World Bank environmental and social safeguard OP/BP (Operational Policies/Bank Procedures) triggered by DGMI activities:

OP/BP 4.01	Environmental Assessment
OP/BP 4.04	Natural Habitats
OP/ BP 4.09	Pest Management
OP/BP 4.11	Physical Cultural Resources
OP/BP 4.10	Indigenous Peoples
OP/BP 4.36	Forests

The DGM-I provides subgrants that focus on enhancing the capacity and support specific initiatives of Indigenous Peoples and Local Communities (IPLC). The project seeks to address land tenure security and livelihood issues, strongly connected with national legal and institutional frameworks of IPLC rights. Table 1 summarizes policy frameworks for IPLC rights related to DGM-I investment.

**Table 1. DGM-I legal and institutional frameworks**

Issues	Legal and institutional frameworks	Gaps/ opportunity related to WB Operational Safeguards Policies
Recognition of IPs Rights and forest allocation for LCs.	<p>Recognition of IP rights over land and forest resources are explicit in the judiciary, legislative and executive levels:</p> <p>Constitution and laws reaffirm IP rights, in so far as they exist: UUD1945, TAP MPR/IX/2001, Forestry Law no 41/99, Agrarian Law 5/60, Village Law 16/2014, Maritime Law, Papua and Aceh Special Autonomy laws, etc</p> <p>Constitution Court decision No. 35 2012 on the status customary forest (as non state forest). President Regulation 45 2016 on Agrarian Reform (as national priority program).</p> <p>Establishment of Task Forces on Agrarian Reform, Social Forestry, and <i>Masyarakat Adat</i> (IP), and IP4T (<i>inventarisasi penguasaan, pemilikan, penggunaan dan pemanfaatan tanah/ inventory of control, ownership, use and utilisation of land</i>).</p> <p>Minister of Home Affairs Regulation No. 52/ 2014 and No. 10 2016 outlining procedures for:</p> <ol style="list-style-type: none"> <li>Identifying IP</li> <li>Validating IP and</li> <li>Declaring IP</li> </ol> <p>Minister of Agrarian and Spatial Planning No. 10/2016 on Communal Land Title (to be granted to IP groups, cooperatives, farmers organizations in</p>	<p>Mechanisms for recognition of IP rights requires promulgation of local governments regulations. It caught in 'legal dualism': forests are managed and controlled by the state where <i>hutan adat</i>/customary forest exists. It also results in lack of tenure clarity for allocation of forest management permits.</p> <p>This situation poses challenge for the application of WB OPs/BPs requiring clarity of land use and tenure status for investment on IPLC land and forest.</p> <p>Existing legal and institutional frameworks can be adopted in developing steps to obtain land tenure clarity through formal recognition of IPs land rights and/ or granting forest management license to LCs.</p>



Issues	Legal and institutional frameworks	Gaps/ opportunity related to WB Operational Safeguards Policies
	<p>forest and plantations areas).</p> <p>Minister of Environment and Forestry (MoEF) Regulation No. 32 /2015 on <i>Hutan Adat</i> (as non-state forests, i.e. owned by IP).</p> <p>MoEF Regulation No. 84/2015 for handling forest tenure conflicts using participatory tools (RATA [rapid tenure assessment] and AGATA [<i>analisa gaya bersengketa</i>; analysis of dispute style]) to be resolved through 6 (six) social forestry schemes: <i>Hutan Desa</i>/village forest, <i>Hutan Kemasyarakatan</i>/community forest, <i>Hutan Tanaman Rakyat</i>/people plantation forest, <i>Kemitraan</i>/partnership (<i>conservation and forestry business</i>). <i>Hutan Adat</i>/customary forest, <i>Hutan Rakyat</i>//people forest</p> <p>Special Purpose Forest Areas (KDTK: <i>Kawasan Dengan Tujuan Khusus</i>) for e.g. traditional hunter-gatherer community.</p> <p>Village Law allows <i>adat</i>/customary village designation, with regulatory powers to manage community assets including land and forests within the village administrative territory.</p>	
Free and Prior Informed Consultations	<p>The absence of Free, Prior, Informed Consultations guidelines. Government agency responsible for Free, Prior, Informed Consultations is not clear.</p> <p>Law on Health has Free, Prior, Informed Consultations element, but oriented towards individuals.</p> <p>Law on Plantations 2014 requires Free, Prior, Informed Consultations.</p>	<p>WB OP/BP 4.10 replaces 'consent' with 'consultation'. Public consultation often fail to fulfil Free, Prior, Informed Consultations requirements.</p> <p>RSPO (Roundtable on Sustainable Palm Oil), FSC (Forest Stewardship Council), CCBS</p>

Issues	Legal and institutional frameworks	Gaps/ opportunity related to WB Operational Safeguards Policies
	<p>There are various regulations on public consultation, but for Free, Prior, Informed Consultations it is often minimal.</p> <p>Some regions (e.g. Palu) have provincial regulation on Free, Prior, Informed Consultations.</p>	<p>(Community, Carbon and Biodiversity Standards) set criteria for voluntary Free, Prior, Informed Consultations.</p> <p>DKN Public Consultation Protocol (2013) is available, based on Cancun Agreement.</p>
Participation and Access to Information	<p>Law No. 14 2008 on Public Information mandates participation in development, implementation and monitoring.</p> <p>Most policies and regulations on NRM that involve local communities mandate public consultation.</p> <p>KPH/Forest Management Unit also requires public information and participation as it pertains to forest management at site level with IPLCs</p> <p>Taxpayers/civil law suit on access to public information won court trial in 2015. But there is no derivative government regulations on public access and transparency of information in NRM license holders.</p>	<p>WB Ops/BPs emphasize community participation in natural resources management and information disclosure.</p> <p>Strengthening community participation is a key safeguard instrument in project planning, implementation, and monitoring</p>
Livelihood and Social Inclusion	<p>Village Law No. 6/2014 and its implementing regulation PP No. 43/2014 and PP No. 60 on Village Funds from APBN (state budget) are the foundation for local governance, village development and community empowerment.</p> <p>Perpres 45/2016 sets Agrarian Reform as national priority program and local empowerment for the lowest 40% of poor village communities.</p> <p>IPLCs have the opportunity for self-</p>	<p>Community participation is a key safeguard instrument for empowerment.</p> <p>OP 4.10 also requires that every activity implemented in areas where IPs reside shall be determined in a participatory manner and duly consulted under the principles of free, prior, informed consultations,</p>

Issues	Legal and institutional frameworks	Gaps/ opportunity related to WB Operational Safeguards Policies
	development, with sufficient village financing. Villages could act as self governing communities, not just an administrative unit under local government. A village could get greater autonomy.	including consultations with vulnerable and marginalized individuals in the target communities
Environmental Impact	<p>Environmental Law 32/2009 and Nature and Ecosystem Conservation Law No. 5/1990 strengthened by Law UU No. 26/2007 on Land Use Planning oblige mitigation of environmental and social impacts in NRM licensing procedures.</p> <p>PP 71/2014 on Peatland Restoration and Protection obliges strategic environmental assessment.</p>	<p>GoI law and regulations are consistent with WB safeguard policies, except for separation of social and environmental impacts.</p> <p>Environmental and social impact mitigation required at project site level.</p>

## 4. Implementation of the ESMF

### 4.1. Environmental and Social Management Framework

Environmental and social impacts resulting from DGMI's specific activities are expected to be minor and localized as activities will essentially aim at providing a space and structure for better coordination, knowledge sharing and overall collaboration between IPLCs in and outside the program. Moreover, the leadership role of IPLCs in the governing body of the program (NSC) ensures that the stakeholders steer the program which will lead to positive outcomes on the social side. This sub-section lays out the framework across relevant WB's safeguard policies for DGMI through which the ESMF is intended to operationalize and provide principles and procedures as well as relevant instruments to manage environmental and social risks.

**A. Environmental Assessment (OP/BP 4.01).** DGMI triggers OP/BP 4.01 on Environmental Assessment and is classified as Category B. The objective of this policy is to ensure that DGM-I evaluates the project's environmental and social risks and impacts in its area of influence, examine project alternatives, identifies ways of improving project selection, siting, planning, design, and implementation by preventing, minimizing, mitigating, or compensating for adverse environmental and social impacts and enhancing positive impacts throughout project implementation. **DGMI favors preventive measures over mitigation or compensatory measures whenever feasible.**

The project is expected to generate positive environmental and social outcomes because it seeks to promote forest and natural resource management, climate change adaptation for IPLCs, tenurial security and sustainable development. Any unintended adverse impacts triggered and/or associated with project interventions are anticipated to be minor and site-specific.

Proposed activities under this component will have to go through preliminary screening to identify potential impacts and safeguard requirements, which include the following processes:

- a. Screening against the DGMI Negative List (**see Annex 1**). The NEA in consultation with the NSC has established a Negative List for the project to ensure that any proposal not aligned with GOI regulations or initiatives with potential adverse impacts will not be financed and;
- b. Screening against the Environmental and Social Safeguards Risks (**See Annex 2**) to assess potential risks of eligible activities and local capacity to manage such risks. The exercise will be led by the NEA and NSC, in collaboration with project proponents. This exercise will result in recommendations for strengthening safeguard management, including alternative and preventive measures, capacity building, technical assistance, and oversight.
- c. An Environmental and Social Management Plan (**ESMP - section 4.5**) will be prepared by project proponents to lay out key measures needed to manage environmental and social aspects of the program. This tool will also be used as a key instrument for budgeting and resource allocation exercise to ensure that adequate financing and needed resources are in place to manage risks and leverage positive benefits for participating communities.
- d. Integral to this ESMF, An Environmental Code of Practices (ECOPs) has been prepared to guide implementing units on how to prevent and/or minimize

impacts/risks to environment and human health. The ECOPs will be used as basic standards for the development of risk mitigation action plans e.g. ESMP, environmental permit (UKL/UPL), SPPL, etc. as needed and contains provisions for a range of sectors relevant for DGM-I, including agroforestry, home-based industry, farm, fishery, seedling and community timber activities (**See Annex 3**);

- e. Prior to the effectiveness of this project, the NEA in consultation with NSC will finalize the Project Operational Manual (POM) and relevant Standard Operating Procedures (SOPs) to operationalize the ESMF, including procedures for oversight, complaint handling and community participation.

Since DGM-I is targeted at both Indigenous Peoples and Local Communities (IPLC), they should both share the development benefits and opportunities associated with the DGM-I. The ESMF will also address the capacity of affected IPLCs to address these issues as well as procedures for monitoring and reporting.

**B. Natural Habitats (OP/BP 4.04).** The Natural Habitat Policy is triggered because some of sub-project activities may have impacts on natural habitats such as agroforestry, land use management, Non-Timber Forest Product (NTFP) harvesting, timber sub-projects, etc. The projects will not support initiatives that would potentially lead to conversion and/or degradation of critical or non-critical natural habitats. The ESMF includes measures to promote sound management of natural resources and natural habitats. Project activities will strive to promote good practices in forest management, including innovative ideas to protect environmentally sensitive habitats and enhance the project's positive impacts on the environment.

**C. Forests (OP/BP 4.36).** Community proposals may bring about changes in the management, protection and/or utilization of natural forests (e.g. support for NTFP and timber sub-projects). DGM-I is expected to bring positive impacts on forest ecosystems through promotion of forest conservation, sustainable livelihoods, restoration of degraded lands, and protection and enhancement of ecosystem services and biodiversity. NSC of DGM-I has agreed that conversion of primary forests will strictly be prohibited. The ESMP will outline key strategies to promote sustainable use of forest and mitigation of impacts and risks if the project activities are implemented and/or affect forest areas such as, but not limited to, forest restoration, plantations, non-timber forest products collection/processing and agro-forestry activities.

The ESMF includes a guidance note for the environmental management plan for timber sub-projects (**see ECOPs in Annex 3**). DGM-I may finance harvesting operations conducted by small-scale landholders and/or by local communities under community forest management if such operations have achieved an acceptable standard of forest management developed with meaningful participation of locally affected communities consistent with the principles and criteria of responsible forest management as outlined in the ESMF.

**D. Pest Management (OP 4.09).** The Pest Management policy is triggered as proposed sub-project activities may lead to acquisition, use and disposal of small quantities of pesticides (for short term use). The project will not procure or use pesticides and chemical fertilizers that are classified as IA or IB by WHO and GOI's regulations. DGM-I will encourage use of organic fertilizers for activities related to agriculture and agroforestry. However, since small quantities of eligible pesticides may be procured and used, the project will screen at the project level and when justified, assess the potential environmental and social impacts

associated with use, storage and disposal. The project will not finance any pesticide without clear guidance and monitoring of safeguard specialists nor without targeted training on use, storage and disposal nor without the right equipment and installations necessary for the products to be used safely and appropriately. The ESMF has incorporated an IPM guidance note (**Annex 4**) and ECOPs that every sub-project involving use of pesticides or pest management is required to adopt. The POM will further elaborate procedures for handling, storage and disposal of pesticides as well as a list of substances that cannot be purchased. Training and awareness raising on IPM will be built into capacity building activities for implementing CSOs/CBOs and participating communities prior and during project implementation.

**E. Physical Cultural Resources (OP/BP 4.11).** The Physical Cultural Resources policy is triggered as proposed sub-project activities may have impacts on the use of and access to sites with potential cultural significance. No project activities are expected to affect Physical Cultural Resources. A provision that removal or alteration of any physical cultural property (includes sites having archeological, paleontological, historical, religious, or unique natural values) are strictly prohibited in activities financed by DGM-I. However, in the event that such impacts occur unintentionally due to the implementation of sub-project activities (e.g. construction work, land demarcation, etc.), the ESMF incorporates procedures to address chance finds of physical and cultural resources in consultation with affected communities. The ESMF provides a guideline for the chance-finds handling procedures (**see Annex 5**).

**F. Indigenous Peoples (OP/BP 4.10).** DGM-I will be implemented in areas where there is significant presence of IPs (Adat communities defined above) and/or co-existence between Adat and local communities (i.e. in-migrants, other forest dwellers, etc.). Benefits and opportunities for IPs need to be identified in a culturally appropriate manner. Accordingly, proposals that receive funding from the DGMI are required to provide evidence of broad community support through Free, Prior and Informed Consultations to avoid adverse impacts and ensure that communities have a full and accurate understanding of the initiatives proposed (**see Annex 7** on the guidance note for free, prior and informed consultations). For those cases where sub-project proposals come directly from indigenous communities who may not be officially recognized as such in the country, it is the NEA's responsibility to determine if these groups meet the criteria of OP 4.10 for defining Indigenous Peoples. Since DGMI is intended to focus on both IPs and LCs, they will be fully involved and have equal access to information and opportunities to DGM-I benefits.

Since the vast majority of the beneficiaries will be IPs, a standalone Indigenous Peoples Planning Framework (IPPF) will not be required and elements of the IPPF will be integrated into the ESMF, including procedures of free, prior and informed consultations, institutional arrangement and capacity building for screening, impact assessment and preparation of relevant instruments, complaint handling, monitoring and evaluation (M&E) and disclosure arrangements. Relevant instruments for OP 4.10 include guidance note on community participation framework (**Annex 6**) and free, prior and informed consultations (**Annex 7**).

**G. Access to Information.** The NEA and NSC ensures that all project related documentation is available to a wide range of stakeholders and is easy to access. This information is provided via the project and NEA's websites, direct socialization and local media or other media that are accessible to communities

**H. Gender and Vulnerable Group Considerations.** The Bank has established guidance to ensure that the potential development project risks to women and other vulnerable groups are identified and addressed as part of the social assessment process. The consultation process should include the views, concerns and priorities of men and women as well as the needs of disadvantaged and vulnerable groups. The NSC for the DGMI agreed that beneficiaries will cover minimally 30 % of woman, plus all vulnerable group in the community.

As per the findings of the gender mainstreaming report, the implementation of this component will incorporate the following five core elements:

- a. Provide information on opportunities for grant financing to diverse women's organizations prior to selecting the proponents, and for those that are selected in this process, ensure that women representatives from the CSO and CBOs participate;
- b. Ensure women and men's equal involvement in the delivery of information and training;
- c. Provide gender-sensitive information in terms of substance and delivery;
- d. Adopt informal communication channels; and
- e. Focus, through this process, on informing changes in attitudes, behavior, and community and institutional rules to enhance community's acceptance of women's involvement in information delivery and mobilization.

9. Special Stipulations Regarding the DGM and Safeguard Considerations. DGMI activities will comply with all relevant World Bank safeguard policies and domestic laws of the country of operation. The activities ineligible for funding by the DGM are listed in **Annex 1**.

#### **4.2. Preliminary Assessment of Environmental and Social Risks**

An indicative list of the type of investments and technical assistance with potential safeguard implications that are expected to be supported by DGM-I is noted in the table below. These areas are responsive to the priority areas of support identified during public consultations with IPLCs. They are further elaborated in the POM.

Based on social assessment of DGMI, estimated environment and social impacts as well as indicative mitigation and monitoring measures are presented in **Table 2 below**.





**Table 2. Possible activities, potential environmental and social impacts, and mitigation measures**

Category	Sub-Category	Illustrative Sub-Project Activities	Impact	Mitigation measure
<b>Land Management</b>	Preventing land degradation (of individually-held or collectively-held farmland area)	Improving soil fertility, application of organic farming methods.	<p>Environmental impacts tend to be positive if land restoration, crop cultivation, harvesting and processing practices are applied correctly. Some positive impacts may include:</p> <ul style="list-style-type: none"> <li>- Maintenance of plant cover, crop stratification and conservation practices could prevent erosion and soil nutrient loss;</li> <li>- Maximization of food production with sound environmental management practices;</li> <li>- Reducing social vulnerability due to increased food security;</li> </ul> <p>Some indirect impacts may derive from the process and practices of land management for instance, improper disposal of solid and liquid waste, invasion of non-endemic species, increased use of pesticide, lack of community strengthening and capacity building which could undermine sustainability.</p>	<ul style="list-style-type: none"> <li>- Application of ECOPs and regular monitoring, oversight and technical and resource support;</li> <li>- Participatory land restoration planning, integrated agroforestry systems, and related ESMP;</li> <li>- Development of Standard Operating Procedures (SOPs) for: <ul style="list-style-type: none"> <li>• Selection of forest species, preferably native species, with proven value for reforestation and biodiversity;</li> <li>• Compliance with forestry and environmental legislations;</li> <li>• Criteria for identification of areas to assess suitability of particular interventions (i.e., degraded areas and fragile ecosystems);</li> </ul> </li> </ul>
	Tenure support	Land mapping, demarcation and legal processing	Activities around tenure security are expected to generate positive impacts by providing communities with clearer rights over land and incentives for conservation. However, there are also risks associated with the processes of demarcation of	<ul style="list-style-type: none"> <li>- Broad consultations with key stakeholders and establish protocols for legal land processing and claim settlements</li> </ul>
	Promote low-cost land certification methods (for	Collective use rights, streamlined tenorial user rights linking		<ul style="list-style-type: none"> <li>- Use of tested standard participatory mapping processes</li> <li>- Ensuring broad access and use of information on local</li> </ul>

	farmers)	land to water access.	<p>boundaries and clarification of legal rights due to overlapping claims, unclear boundaries and ownership status, increasing economic pressure over resources etc. which could potentially lead to:</p> <ul style="list-style-type: none"> <li>- conflict with government, concession holders, neighboring communities and internal conflicts within IPLCs due to lack of transparency, unsettled claims, distorted information, and provocation;</li> <li>- Elevated land claims due to misunderstanding of the processes;</li> <li>- Unsustainable land and resource use in anticipation of recognition;</li> </ul>	<p>government regulation procedures and options to advance registration of land rights for IPLCs;</p> <ul style="list-style-type: none"> <li>- Ensuring oversight and capacity building to local implementers to handle disputes and tensions;</li> <li>- Establishing a Grievance Redress Mechanism (GRM) as well as technical assistance for its operationalization and involve key stakeholders for dispute resolution and conflict management including the government and non-government entities.</li> <li>- Socialization and outreach on sustainable land use;</li> <li>- Ensuring oversight and monitoring mechanisms are in place within implementing CSOs/CBOS.</li> </ul>
	Access to micro-credit for better land use	Land certificate as collateral for higher credit levels.	<p>This intervention is expected to provide communities with better access to financing and support livelihoods. However, micro-credit is known to be a high-risk initiative, with potential risks associated with:</p> <ul style="list-style-type: none"> <li>- Non-performing credits;</li> <li>- Poor targeting and social exclusion issues;</li> <li>- Unintended use of credits for short-term consumable goods;</li> <li>- Social conflict due to perceived lack of transparency in fund management, distribution, etc.</li> </ul>	<ul style="list-style-type: none"> <li>- Fostering community participation, transparency and accountability in terms of financial management, selection of beneficiaries, selection criteria, etc.;</li> <li>- Strengthening community monitoring and oversight and organizational capacity to manage micro credits;</li> <li>- Skills training and technical support for livelihoods, income generation, land and natural resource use management.</li> </ul>
<b>Natural resource management</b>	Management and utilization of village/community forest resources	Timber tree <sup>4</sup> planting, Agro-forestry, fruit tree plantation,	<p>Positive impacts would be:</p> <ul style="list-style-type: none"> <li>- Income diversification and generation;</li> <li>- Reducing social vulnerability and heavy reliance on forest based products;</li> </ul>	<ul style="list-style-type: none"> <li>- Strengthening technical assistance, guidance, and resource support as well as oversight;</li> <li>- Application of ECOPs, participatory development of ESMP that integrates measures to mitigate</li> </ul>

<sup>4</sup> Timber tree plantation for commercial purpose

		reforestation, social forestry	<p>However there could be unintended, induced impacts that can potentially emerge, including:</p> <ul style="list-style-type: none"> <li>- Conflict within and between communities due to differing perceptions of access, rights and expectations;</li> <li>- Land use and access restrictions;</li> <li>- Generation and disposal of waste and spillage (e.g. timber processing waste, pesticide, contamination of water sources etc.);</li> <li>- Potential forest conversion for agricultural lands;</li> <li>- There could also be impacts stemming from construction of small-scale infrastructure and installation of equipment, access path ways, etc.;</li> <li>- Increased forest utilization that could cause environmental disruptions, such as reduced biodiversity, harvesting in high conservation value areas, increase pressure on ecosystem services due to high-grading, poor land use planning/zoning;</li> </ul>	<p>environmental impacts such as waste disposal, harvesting methods, pest management, etc.</p> <ul style="list-style-type: none"> <li>- Develop SOPs and facilitate training for communities in areas such as:               <ul style="list-style-type: none"> <li>• Participatory planning for community economic development, such as product selection, cultivation methods, processing and market development strategy;</li> <li>• Skills training and TA for cultivation, processing, organic certification, and marketing processes;</li> </ul> </li> <li>- Identification of market niches for new products, including market and supply chain assessments</li> <li>- Fostering community participation, transparency and accountability particularly in terms of financial management, resource allocation and distribution of benefits;</li> <li>- Technical assistance and training on good agricultural practices, appropriate technology and value added processing</li> </ul>
	Productive use of farming land to reduce reliance on forests	Home gardens, household fish ponds, honey production		
	Management of environmental services	Small-scale eco-tourism (particularly in case of trekking routes and cave temples)	<p>Small-scale tourism is expected to promote livelihoods development alternatives that are socially and culturally acceptable and ones that could divert people from resource exploitation to conservation and therefore can relieve pressure on the environment. However, eco-tourism requires strong community organization, participation and management, which in their absence could</p>	<ul style="list-style-type: none"> <li>- Development of an ESMP in a participatory manner;</li> <li>- Screening and ensuring that no conflicting claims on lands/areas to be developed for eco-tourism;</li> <li>- Participatory decision making and transparent benefit sharing mechanisms (see Community Participation Framework);</li> <li>- Capacity building for participating communities in ESMP, including waste management, tourist influx management, and application of chance finds</li> </ul>

			<p>potentially:</p> <ul style="list-style-type: none"> <li>- Mismanagement of environmental aspects due to high demand and tourist influxes, which may increase pressure on the biodiversity and ecosystem services e.g. increase waste production, construction in primary forests, increased human mobility, etc.;</li> <li>- Perceived unfair distribution of benefit which may trigger social tension or disputes;</li> <li>- Elite capture, lack of community participation and transparency in eco-tourism management;</li> <li>- Land claim and asset ownership related issues</li> </ul>	<p>procedures, conservation of critical habitats, etc.</p>
	Waste management	Waste management, composting	<p>This activity is expected to promote sustainable waste management practices by encouraging communities to separate organic versus non-organic waste and promote composting to reduce reliance on non-organic fertilizers and is therefore expected to improve:</p> <ul style="list-style-type: none"> <li>- Health and safety of people and the environment;</li> <li>- Sustainable natural resource management and protection of crops and animals from diseases and contamination;</li> </ul> <p>However, mismanagement of waste may present a risk of pollution, spillage and</p>	<ul style="list-style-type: none"> <li>- Establishing key safeguard measures in the ESMP;</li> <li>- Capacity building on waste management directly to participating communities (which may need to be continuous and iterative);</li> <li>- Establishing SOPs for waste management and facilitating related training;</li> <li>- Participatory feasibility assessment and planning for the location for waste processing/composting facility</li> </ul>

			contamination. Improper composting particularly animal waste could also present some health related issues.	
	Management and utilization of water resources	Planting trees in catchment areas, mangrove planting, riverbank planting, land rehabilitation	<p>Potential positive impacts include:</p> <ul style="list-style-type: none"> <li>- Recovery of soil cover;</li> <li>- Prevention of erosion and soil nutrient loss;</li> <li>- Reduction of potential contamination of water resources;</li> <li>- Maintenance of ecosystem services;</li> <li>- Protection of biodiversity;</li> <li>- Recognition of traditional knowledge and cultural values associated with biodiversity management and conservation;</li> <li>- Reduction of potential social conflicts in relation to scarcity of water and natural resources.</li> </ul> <p>However, if the process is not participatory and transparent, management and utilization of water resources can potentially lead to communal tension especially when ownership, access and rights to use and own water were not mutually agreed by participating communities.</p> <p>Poor technical design and maintenance may also become counter-productive in terms of conservation and protection (e.g. building concrete walls around springs, over-exploitation of water).</p> <p>To be sustainable, this initiative also hinges upon the level of management capacity of</p>	<ul style="list-style-type: none"> <li>- Participatory design of water resource utilization and management, including agreeing on maintenance arrangements, tariffs/contributions, water distribution;</li> <li>- Strengthening technical assistance, capacity building and oversight for community groups to manage and operate facilities;</li> <li>- Community mobilization for improved conservation, including issuance of local regulations (Adat or village levels), awareness raising, community monitoring, etc.</li> <li>- Encouraging planning of native species;</li> <li>- Clarification of ownerships of water resources and lands and mutual agreement for deforestation (no deforestation zones)</li> </ul>
<b>Environmental conservation</b>	Erosion control	Planting of trees for restoration of degraded sloping lands		

			community organizations to maintain the facility, collect O&M fees, technical skills in-house for reparation and replacement, and so on. -	
<b>Generation of renewable energy (reducing reliance on wood energy)</b>	Electrical energy	Micro-community (or inter-community) hydropower, photovoltaic power (solar cell installation)	<ul style="list-style-type: none"> <li>- Conflict due to access to energy</li> <li>- Land related issues due to lack of consultations and agreements;</li> <li>- Poor technical and feasibility design which undermines sustainability and may have safety implications;</li> <li>- Diversion of river flows, increased water turbidity and pollution;</li> <li>- Poor technical design with associated hazards to human and the environment.</li> <li>- Poor maintenance which reduces life-cycles of the investments</li> </ul>	<ul style="list-style-type: none"> <li>- Application of screening against the negative list and risk assessment;</li> <li>- Use of experts to provide technical assistance in the design;</li> <li>- Involvement of third party (service providers) for technical maintenance support in the case there is absence of expertise locally,</li> <li>- Strengthening community capacity for technical maintenance, management of assets and benefit distribution, including fee collection/contribution from beneficiaries;</li> <li>- Strengthening the processes for free, prior and informed consultations and improving oversight;</li> </ul>
	Other energy	Bio-gas, fuel from agricultural waste		
<b>Capacity building and training</b>	Community training	Training on training on biogas, waste management, composting	<p>Capacity building training is expected to leverage existing skills and knowledge that communities have to be able to create innovations that address local needs and/or provide local solutions to the challenges they face. Training activities supported by DGM-I will also allow knowledge exchange across IPLCs to enhance cross learning and network building.</p> <p>However, risks stemming from poor training design with approaches not suitable for addressing local needs or the lack of competent facilitators may delay the overall</p>	<ul style="list-style-type: none"> <li>- Participatory assessments of training needs and development of training program with specific skill needs to be addressed, target participants, and budget allocation in the community proposals.</li> <li>- Conducting more training in-house to allow a wider range of audiences and contextualize training approaches.</li> </ul>

			achievement of capacity building initiatives financed by DGM-I. In addition, timing of training not aligned to local demand and poor selection of training participants (and inadequate space available) may also create further set-backs and also potentially create tension and suspicion of elite capture.	
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DGMI negative impacts may emerge from differences in perceptions, poor management of sub-project and lack of oversight, legal interpretation and expectations, and data sets as well as pressure from need for cash that result in conflict. All subproject proposals will have to be screened against the negative list (**see Annex 1**) and environmental and social impacts (**see Annex 2**). This may be between IPLC and government, between them and private sector, communities within a region, and internal conflict between community members. Other potential negative impacts on the environment, which are likely not significant due to relative small amounts of financing for each subproject, may include increased use of pesticide and disruption of natural habitats due to increased activities in surrounding areas. Negative list exclude proposals with significant impacts. Relevant safeguards and mitigation actions are developed and implemented for activities with minimum impacts.

### 4.3. Institutional Arrangements

Key elements and responsibilities of project implementation, stages and action pertaining to application of safeguards framework are outlined in Figure 1. Institutional arrangement and coordination are as follow:

**CSO/CBO** - From the planning stage CBO/CSO must consider negative list – activity not funded by DGMI. The planning process should be fully participatory, with consultation and consent from targeted IPLC beneficiaries. Proposals must include environmental social management and monitoring plan (Table 4). Information on tenure status land need to be described in the proposal. In case the proposal does not yet include environmental and social management and monitoring plan, NEA will provide the time and cost for proposal revision. CSO/CBO needs to prepare environmental and social management and monitoring plan prior to project implementation. Mitigation measures and monitoring must be recorded in writing.

**NEA** - At the call for proposal stage the negative list and screening against social and environmental impacts should have been used for screening the proposal. DGMI will not fund activity included in negative list. Activity with minor environmental and social impacts will require management and monitoring plan. NEA will organise environmental and social management training, so that CSO/ CBO could include it in the revised the proposal. Additional cost to develop environmental management plan and monitoring may be made available to CSO/ CBO proposal. NEA will monitor and report aggregate environmental and social performance of DGMI funded projects. NEA is responsible for supervision to ensure that environmental/ social management and monitoring plan is implemented by the CSO/CBO together with IPLC beneficiaries.

**NSC** - Actively disseminate information on the negative list that are not financed DGMI to their constituents. Together with NEA, NSC also stressed the importance of stronger social and environmental and social safeguards. NSC monitors NEA and CSO/CBOs in the implementation of social and environmental safeguards framework. Based on the assessment of the potential negative impact, the framework of environmental and social safeguards DGMI focused on a few key instruments, namely:



- 1) Negative list of program/activities that are not funded, to be stated at call for proposals stage, planning stage by CSO/CBO, and selection stage by the NEA/NSC.
- 2) Participation framework at the planning stage (proposal drafting) and the implementation stage, for use by CSO/CBO
- 3) Framework for environmental management and monitoring plan, used by CSO/CBOs in proposal development and project implementation stages.
- 4) Public access to information about the project safeguard issues, for use by the NEA.
- 5) Support Instrument: Free, Prior, Informed Consultations guideline and Voluntary Land Lending Mechanism as well as Environmental Code of Practices (ECOPs).

Stages of work, activities, assessment as well as the implementation and management of safeguards are outlined in Table 4 below.

**Table 3. Key responsibility of environmental and social safeguards**

No	Stages	NEA/NSC	CSO/CBO
1	Call for Proposal	- Facilitation socialization and outreach on the Negative List and safeguard measures (esp. requirements for free, prior and informed consultations with target communities)	Understand and reflect commitment to safeguard requirements in the Expression of Interest (EOIs) and consult with NEA/NSC for further clarification
2	Screening	- Screen and assess compliance and adequacy of safeguard measures proposed for activities in the proposals; - Provide feedback for further improvements and rank proposal quality by incorporating safeguard criteria	Identify social and environmental issues and develop alternative and/or mitigation plan;
3	Proposal development	- Provide coaching clinic/capacity building/workshops on safeguards, e.g. training on free, prior, and informed consultations, Community Participation Framework, ESMF, ECOPs, etc.); - Provide technical support particularly for development of ESMP (incl. budgeting) including requirements for	- Refine safeguard measures in the proposals, including budget, requirement for environmental permits, ESMP, Grievance Redress, and community participation and outreach; - Commit to applying ESMF on impact mitigation measures; - Consult with NSC/NEA on the refinement of safeguard measures for specific sub-project activities;

		environmental permits, and other safeguard tools where relevant	
4.	Proposal Validation (priority lists)	<ul style="list-style-type: none"> <li>- Verifying that community broad support has been obtained in a good faith by cross-checking with community representatives (to be documented);</li> <li>- Assessment of social and environmental risks as part of criteria for proposal selection;</li> </ul>	<ul style="list-style-type: none"> <li>- Facilitate NEA/NSC visits and provide relevant information as part of the validation assessments;</li> </ul>
5.	Community Outreach and Mobilization (sub-component 1.1.)	<ul style="list-style-type: none"> <li>- Provide oversight and technical advice to ensure that use of community outreach and mobilization grants are used optimally to reach the most vulnerable communities.</li> </ul>	<ul style="list-style-type: none"> <li>- Further consultations with target communities (on the basis of free, prior, informed, consultations) and obtaining evidence of community broad support;</li> <li>- Socialization and outreach of the need for safeguard measures and participatory development of ESMP and strategies to promote gender mainstreaming and social inclusion;</li> <li>- Report to the NEA/NSC on the use of grants;</li> </ul>
6.	Proposal Selection	<ul style="list-style-type: none"> <li>- Assessing the adequacy of safeguard instruments (i.e. ESMP), including budgeting and resources allocated, the need for environmental permits and other necessary measures where relevant (this need to involve safeguard specialists in NEA);</li> <li>- Informing project proponents on the results as well as rationale for selection (this may also include feedback for further improvement).</li> <li>- Manage Grievance Redress Mechanism (GRM) in cases of complaints regarding</li> </ul>	<ul style="list-style-type: none"> <li>- Inform NEA/NSC if there are changes in the proposals or design of the sub-activities;</li> <li>- Furnish NEA/NSC in cases when supplemental information is required</li> </ul>

		proposal selection;	
7	Implementation	<ul style="list-style-type: none"> <li>- Regular monitoring on project implementation;</li> <li>- Regular reporting on progress of safeguard implementation to the WB (as part of progress reports);</li> <li>- Managing GRM and resolving complaints filed, conducting due diligence/investigation if considered necessary;</li> <li>- Providing capacity building (training, coaching, mentoring) for project proponents and participating communities on safeguard implementation;</li> <li>- Disclose relevant information to public</li> </ul>	<ul style="list-style-type: none"> <li>- Implement, monitor and report Environmental and Social Management Plans and other safeguard commitments on a regular basis;</li> <li>- Manage GRM at the site level;</li> <li>- Provide technical assistance to participating communities, or liaise with relevant government agencies and other stakeholders to seek support;</li> <li>- Managing asset inventory (if DGM-I invests in physical goods) and asset handover, including clarification of ownership</li> </ul>
8	Post implementation	<ul style="list-style-type: none"> <li>- Monitor and report aggregate impacts of overall project;</li> <li>- Collecting lessons-learned and identify pending issues;</li> </ul>	<ul style="list-style-type: none"> <li>- Monitor completed projects , collect lessons-learned and identify pending issues;</li> <li>- Furnish relevant information to NEA/NSC on project related activities.</li> </ul>

NEA / NSC is responsible for implementing and ensuring compliance with the ESMF. All sub-projects must be screened in accordance with the negative list and the implementation of ESMF the results of which must be documented. Progress reports must include assessments on safeguard performance and compliance of each project proponent.

#### 4.4. Capacity Building

DGM-I recognizes that capacity for implementing safeguard measures required in the ESMF may greatly vary across project proponents. Acknowledging such constraints, NEA/NSC will be responsible to ensure that capacity building components are integral to the project design, and gradually build on previous efforts to leverage understanding and awareness of safeguards amongst key actors. There are several steps envisioned under the DGM-I implementation where safeguard capacity building will be focused:

##### Proposal Validation

Once the list of priorities of submitted proposals is finalized, by taking into account the recommendations of the NSC, the NEA and respective NSC member in the regions will conduct field visits to validate the proposals and work with CSOs/CBOs how they can engage the communities to refine the proposals, design safeguard measures based on activities proposed and ESMPs, as well as estimate resources required, including obtaining

environmental permits if needed. Project proponents will continue to consult with safeguard specialists in the NEA and NSC member for any safeguard related matters prior to the finalization of the proposals.

### **Coaching Clinic**

In the subproject preparation and implementation, a series of coaching clinic will be delivered to DGMI grantees to foster awareness, buy-in and adherence with the ESMF and related safeguard measures needed to manage social and environmental risks as well as improve community participation in the project. Through this coaching clinic, project proponent can further refine safeguard measures tailored for each proposal, particularly the ESMP as this needs to be budgeted in the proposals and also identify gaps that need to be addressed prior to implementation, particularly on oversight and capacity building issues.

1. Community participation approaches, particularly in the areas of free, prior and informed consultations and gender mainstreaming;
2. Potential environmental and social issues in DGMI projects and risk mitigation/management,
3. Overview of policy and regulatory frameworks related to DGMI and social and environmental management in Indonesia, procedures for obtaining environmental permits;
4. Design and development of ESMPs, integrating provisions of land and resource management, pest management, PCRs, community participation, and free, prior and informed consultations.

### **Implementation Support**

Implementation support will mostly be provided by safeguard and technical specialists in NEA and NSC members. The NEA will provide technical assistance to project proponents and participating communities to develop and implement necessary safeguards plans and/or to obtain environmental permits if needed. To the extent possible, capacity building activities will be tailored to the needs of each CSO/CBO. The NEA will conduct regular oversight of the ESMF implementation and provide refresher training/workshops. CSOs/CBOs will report their progress on the implementation on a periodic basis and issues will be flagged as early as possible to allow timely remedial actions.

## **4.5. Environment and Social Management Plan (ESMP)**

As part of risks management, ESMPs are to be utilized by project implementing entities and will form the basis of site-specific management plans that will prepared and implemented by these entities. An ESMP will be prepared for every sub-project financed by DGMI with potential impacts. The development of an ESMF (see Table 3) will be commensurate with the level of risks of each subproject component and activity and accordingly, mitigation measures, source allocation and monitoring and oversight requirements will be fully aligned with the level of anticipated risks. This will be done by factoring in the capacity of the implementing entities, project coverage, socio-political factors, and other aspects that may further increase risks.

To ensure legitimacy and promote broader stakeholder participation, an ESMP is developed in a participatory manner with participating communities and other stakeholders that are

key to the implementation of mitigation measures and action plans set out in the ESMP. The development of ESMP should start with participatory screening and assessments of environmental and social safeguard risks (see Annex 1 and 2). Project activities are assessed based on potential impacts and proposed mitigation action plans including budgeting will be included as part of community proposals. The development of the ESMPs will be integral part of proposal development and guided by this ESMF and reference guidance notes to fully align with the provisions set out by the WB's safeguard policies and GOI's regulations on social and environmental management. Consultation processes and participatory assessments of social and environmental risks will tap into community mobilization and outreach grants (sub-component 1.1.) where project proponents will proactively seek communities' inputs on strategic measures and mitigation plans for risks associated with sub-project activities. ESMPs will also contain measures to promote community participation in the implementation of agreed safeguard action plans.

ESMPs will be live documents for the subproject proponents, and should be reviewed on a regular basis and revised/updated if deemed necessary during project implementation. Any amendments of the ESMP will have to be approved by NEA with absence of objection from NSC. Capacity building provisions on the development and implementation of ESMPs for implementing entities and participating communities will be built into community proposals prior and during project implementation. Day-to-day oversight of ESMP implementation will be the responsibility of implementing entities and regular monitoring will be carried out by NEA and NSC. Progress of ESMP implementation will inform the status of DGM-I safeguard implementation overall.

#### 4.6 Environmental Code of Practices (ECOPs)

A simple guideline of Environmental Code of Practices (ECOPs – **see Annex 3**) has been provided in the ESMF as a reference to implementing CSOs/CBOs as well as participating communities on good practices in environmental management. The ECOPs will be further elaborated in the POM and related training and capacity building activities on ECOPs, such as mentoring, will be conducted during coaching clinic and across project implementation.

**Table 4. Environmental and social management plan (ESMP) template**

No	Impact & Risk			Mitigation Plan			Monitoring Plan			Who	Budget
	Project activity	Impact & risk	Significance*	Mitigation action	Where	When	What to monitor	Where	When		

\* : minimum, medium, high

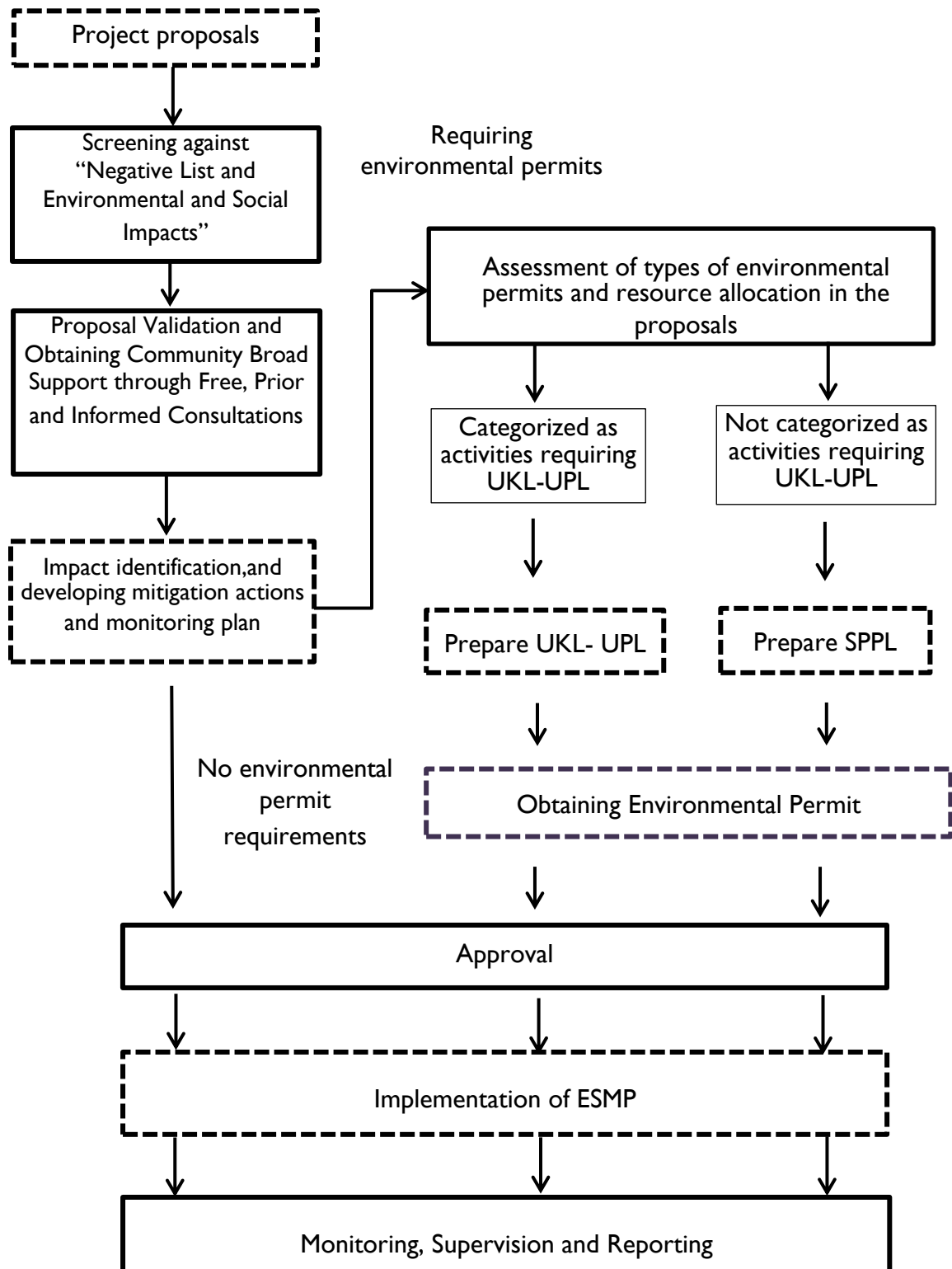


Figure 1. ESMF approval procedures

## 4.7 Safeguard Staffing

### NEA

Recognizing the geographic scope and potential number of participating communities, a team of specialists with expertise in the areas of Environmental and Social safeguards, gender, CBNRM and GRM will be assigned in the NEA to ensure effective oversight of DGMI safeguards. The team will work under the coordination of the safeguard specialist who will be responsible for coordinating the following tasks:

1. Help NEA/NSC in evaluating proposals/action plans in accordance with ESMF.
2. Help NEA/NSC in supervising and monitoring the ESMF document preparation by CSO/CBO.
3. Help the NEA/NSC in training programs on preparation of ESMF documents and efforts to mitigate the negative environmental and social impacts at the proposal stage and during implementation of projects.
4. Help CSO/CBO in facilitating the planning that includes ESMF for IPLCs.
5. Help CSO/CBO in implementing ESMF at the site level.
6. Assist partner CSO/CBO in preparing ESMF report.

### CSOs/CBOs

Safeguards personnel is embedded within the organizational structure of the project. Key responsibilities are:

1. Develop proposals/action plans in accordance with ESMF
2. Facilitating the planning that includes ESMF for IPLCs.
3. Conduct and/or supervise and assist IPLCs in implementing ESMF on site level.
4. Prepare ESMF documents and efforts to mitigate the negative environmental and social impacts at the proposal stage and during implementation of projects.

## 4.8. Information Disclosure

NSC/NEA will maintain good and reliable documentation, as well as provide access to information for the public relating to the implementation of the ESMF, including the participation processes and implementation of UKL/UPL or SPPL. Proposals that do not meet the requirements of public disclosure will not be financed by the DGMI. NEA will update proposals status and inform proponents whose proposals are to selected /will not be financed. ESMF document (both in Indonesian and English) should be uploaded on the website of the World Bank and DGMI sites. In addition to the website based disclosure of information (e.g. POM, shortlisted poposals, UKL-UPL, SPPL, ESMF), the ESMP document will be displayed in places accessible to all levels of society who may be affected.

## 4.9. Stock-Taking and Evaluation

Supervision, monitoring, evaluation and performance review of ESMF will be conducted at the site level and overall DGMI. At the site level it will be conducted by the NEA who should provide personnel responsible for evaluations and review at the site level. At DGMI level this should be done by involving the National Forestry Council (DKN).

The evaluation and review will be focused on the process of planning and implementation of DGMI activities requiring ESMF, including:



1. Record of Free, Prior, Informed Consultations process during proposal/ planning of activities and its implementation with IPLCs. Assessment is based on quality of decision whether it is genuinely made by IPLCs through culturally appropriate decision making mechanism, also implementation of plans to mitigate negative impacts
2. Records of implementation of community participatory framework at the planning stage, to assess if the proposal/plan of activities are genuinely proposed IPLCs.
3. Records of implementation of community participatory framework at the planning stage, to assess if IPLCs proposed/plan of activities are accepted relevant stakeholders.
4. Evidence of environmental permit for relevant activities
5. Report of environmental management and monitoring plan (ESMP) as well as the implementation of UKL-UPL or SPPL as relevant.
6. Feedback from IPLCs and stakeholders and results of negative impact mitigations.

## 5. Grievance Redress Mechanisms

NSC/NEA will establish a grievance mechanism that will allow the public, communities or individuals affected to file complaints and to get a satisfactory response in a timely manner. The system will also record and document all complaints and follow-up. The system will be designed to receive ESMF related complaints associated with the DGM.

At the project level, CSO/CBO involved should design a complaint mechanism for complaints related to the project. CSO/CBO should assign staff responsible for managing the system for handling complaints. The system will receive and appropriately follow up on complaints from the public, communities and individuals, both beneficiaries and other parties, in a timely manner. CSO/CBO can use the complaint handling system that already exists, if it is in place and is functioning properly with procedures and mechanisms in accordance with the requirements of GRM as specified.

Complaints that arise as a result of project activities will be addressed through a complaint handling mechanism, based on the following principles:

- 1) The rights and interests of the parties related to the project are protected;
- 2) The problems faced by the stakeholders that emerged from the process of implementation of the project are resolved appropriately in the right and timely manner;
- 3) Livelihood support for IP and LC beneficiaries are given on time and in accordance with the approved plan;
- 4) The public is aware of their rights, and are able to access the grievance procedure free of charge; and
- 5) The grievance mechanism is in accordance with the policies, laws and regulations applicable in Indonesia.

Information on procedures and complaints and response mechanism and handling process should be accessible by or made available to all levels and groups of people, for example, pasted on bulletin boards the village hall or through leaflets and booklets, as well as available online at DGMI site.

General steps in Grievance Redress Mechanism, outlined in Figure 2, are to be designed and undertaken at two levels. These are:

### 5.1. GRM at the Field level

Handling of complaints at the site level conducted by CSO/CBO involving public figures (traditional leaders, religious leaders) and/or community members who have been selected, respected, and accepted by all community members. The selected community figures should have shown to have the capacity to handle a dispute or conflict in the community and inter-community level. CSO/CBO must provide personnel responsible for handling complaints at the site level and open a hotline access to all forms of complaints. Each complaint must be documented online, to be accessed by the NEA.

The complaint handling process should start within not more than 14 days after the complaint is received. Based on the data and information collected, decisions must be made not later than 30 days after the complaint is received. If necessary, investigations may be conducted to complement and deepen data and information.

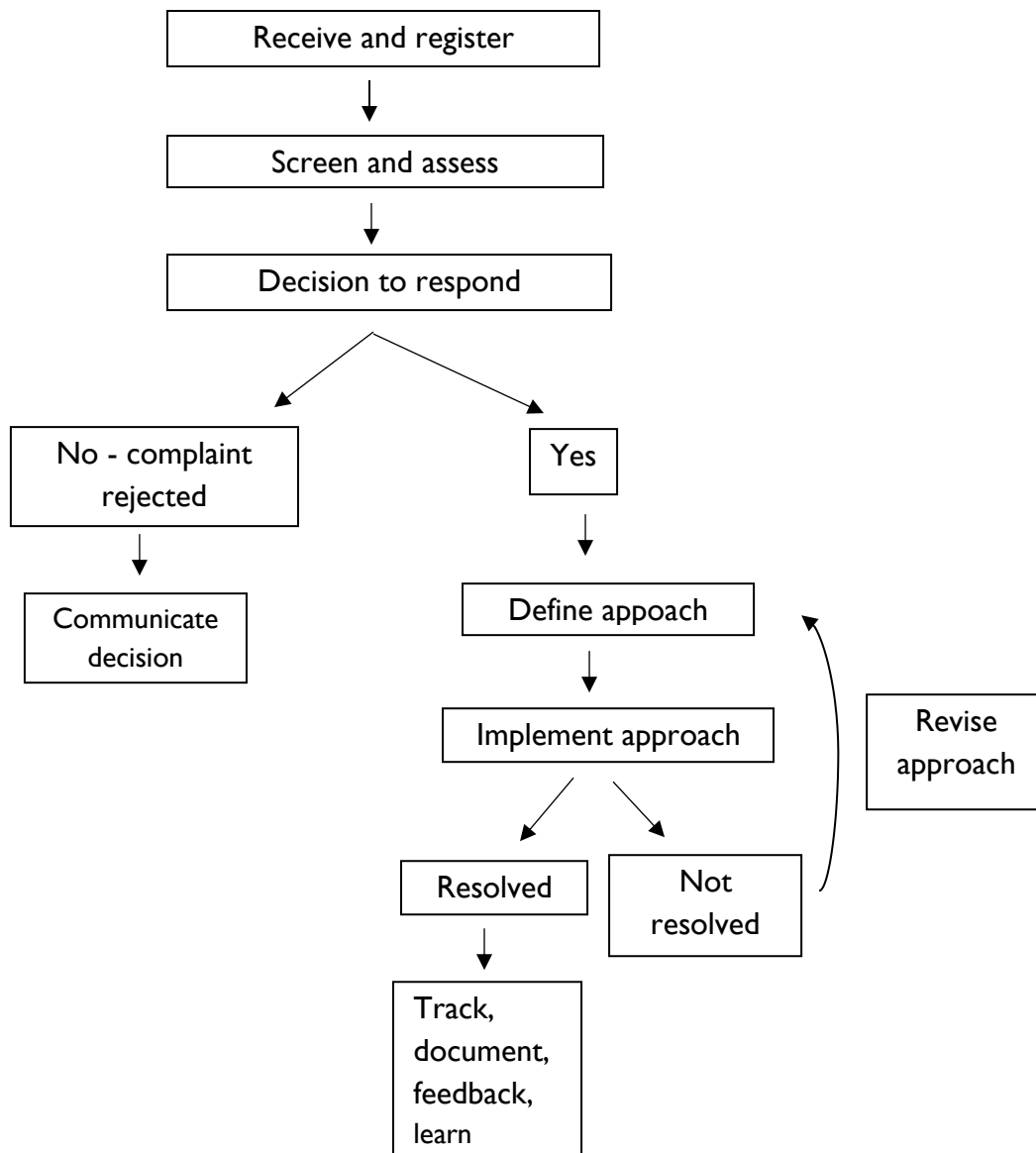
CSO/CBO must document the events for handling complaints at the site level. These events include the name of the person or group of people making the complaints, their address, the grievances, the complaint handling processes, and the decisions taken. CSO/CBO report the complaint handling status to NEA and NSC

## **5.2. GRM at the National Level**

Complaints outside the authority and/or the capacity of CSOs/CBOs are handled by the Complaints Handling Unit at the national level under the responsibility of NEA/ NSC. The complaints include among others the vertical or horizontal conflict that cannot be handled at the site level. In these cases the NEA/NSC should provide personnel responsible for handling complaints, as well as open hotline access for all beneficiaries and stakeholders. All complaints can be submitted through social media or anonymous reporting media managed by the NEA. In terms of complaints involving government policy, NEA/NSC may request assistance from the National Forestry Council (DKN) for handling complaints.

The complaint handling process by NEA/NSC should start within 30 days after the complaint is received. Based on the data and information collected, a decision must be taken no later than 60 days after the complaint is received. If necessary, the NEA/NSC may conduct studies or independent investigation to complement and provide insight into the problem and find solution.

NEA must document the actions for handling complaints at the site level. These include registering the name of the person or group of people making complaints, their address, the complaints, the complaint handling processes, and decisions taken.



**Figure 2. General steps in grievance redress mechanism**

## List of Annexes

### Annex 1 - DGMI Negative List

DGMI activities or subprojects will comply with all relevant World Bank environmental and social safeguard policies and Indonesian laws. Activities ineligible to be funded by DGMI listed below are included, but not limited to:.

No	Negative List	Yes	No	Remarks
1	New settlements or expansion of settlements within conservation forests, protected areas and parks;			
2	Any activity that can potentially lead to and/or result in destruction and/or relocation of physical cultural resources;			
3	Any activity that can potentially lead to and/or result in conversion of primary forest and/or natural habitats;			
4	Purchase and/or use of hazardous chemicals including but not limited to pesticide and insecticides that are that are classified as IA or IB by WHO and GOL's regulations.			
5	Land acquisition/purchase of land;			
6	Activities where community endorsement and broad support through free, prior, and informed consultations is not obtained, or evidence for such support is not available;			
7	Any activity with potential negative environmental and social impacts (i.e. large infrastructure, new infrastructure in environmentally sensitive areas, infrastructure requiring AMDAL).			
8	Any activity associated with political campaigns and election; and/or associated with elite capture			
9	Poaching and/or trade of protected species and animals;			
10	Purchase of substances and/or activities which may pose health risks;			
11	Purchase of weapon and/or ammunition;			
12	Activities carried out in relation to adjudication of lands under dispute;			
13	Removal or alteration of any physical cultural property (includes sites having archeological, paleontological, historical, religious, or unique natural values);			
14	Conversion, deforestation or degradation or any other alteration of natural forests or natural habitats including, inter alia, conversion to agriculture or tree plantations			
15	Activity which cause negative impact to Woman and Children			
16	Construction of canal in deep peatland			

## Annex 2 - Screening against Environmental and Social Impacts

Following Preliminary Screening against the Negative List, the NEA and NSC in collaboration with subproject proponents will screen and assess proposed subproject activities with regards to potential risks and their management. This exercise will produce recommendations whether or not particular activities should be financed although they have passed the negative list in light of the risks foreseen. The recommendations will also include preventive measures, capacity building, technical assistance and oversight to strengthen risk management.

Proposed Activities/Sub-Activities	Implementing Entities/Partners	Potential Risks		Are the risks manageable (context, geographic, capacity, commitment, etc.)		Do implementing entities/partners have capacity to monitor and manage risks?		Does the proposal include adequate resources for risk management?		Recommendation for inclusion and/or exclusion in the proposals, including capacity building and additional resources if needed.
		Environmental	Social	Yes	No	Yes	No	Yes	No	

## **Annex 3 – Environmental Code of Practices (ECOPs)**

### **A. Agro-Forestry**

1. To participate in providing policy provisions to provide incentive to farmers adopting agro forestry (such as, land control or credit) and mitigate financial risks related to interventions, if possible. Threat of decreased firewood availability may not be an adequate incentive for the farmers to grow trees. Farmers are often as interested in other wood products as they are in non-wood products (such as construction poles, fruits or medicines);
2. To train farmers and field staff utilize field intervention, Training shall also include field visits by farmers and field staff to promising livelihood activities;
3. To build a partnership between the project and farmers. Farmers should have an opportunity during project identification and implementation process to convey their needs and choice in relation to biological and social economic interventions;
4. To develop a mechanism that enables farmers to cover operational costs, maintain control over trees, and receive technical advice. A revolving fund, association coordination or annual gathering can ensure support to project beneficiaries.

### **B. Home Industry / Small Industry**

1. To ensure that the management plan can answer the anticipated use of natural resources and potential environmental impacts. Issues that must be addressed in the management plan should include:
  - Information on the area, scope and location of activity;
  - Raw materials (namely, wood, drinking water, and fuel) and required storage facility;
  - Types and distance of contaminating disposal;
  - Evaluation of impacts of industrial activities;
  - Availability of disposal channel;
  - Placement and disposal of solid waste.
2. Monitor and diminish losses from environmental impact in each process of production.
3. Ensure that the financed activities do not use, produce, store or relate to hazardous substances (toxic, rust or explosive) or substances resulting in “B3” waste (Toxic and Hazardous Substances) (as recorded in the list of Negative Protection regulations).

### **C. Farm**

Animal droppings can maintain the fertility of soil and replace soil nutrition when collected and treated accordingly. On a contrary, uncontrolled droppings can pollute water and endanger human’s or animal’s health. For instance, dropping bacterial organisms can pollute drinking water supplies with nitrate.

Animals’ droppings can be managed by:

- a. Preventing the rainfall from entering, irrigation and surface water nozzle into animals pen and storage facilities;
- b. Preventing keeping too many animals in a pen;
- c. Shoveling/removing droppings from the breeding pens;
- d. Covering droppings with absorbent materials;
- e. Removing lumps of droppings / animals droppings;

Complaints of odor from a farm can be minimized by:

- a. For a sensitive environment, choosing a location and design of a farm prudently with adequate distance between supports;
- b. Taking into consideration the existing direction of the wind, especially during dry season;
- c. Optimizing frequency of cleaning of pens;
- d. Maintaining dust at low level since the odor is absorbed and carried by granules of dust;
- e. Number of animals should not exceed the recommended density;
- f. Ventilation that can maximally shed the odor during cleaning of pens;
- g. Utilizing solid vegetation as support partition to circulate air flow (to disintegrate odor), filter dust and relocate odor from sensitive areas;
- h. Placing halls of pens thoroughly, in relation to the direction of disposal of odor; and
- i. Collecting droppings and manure under a weather-resistant cover, before relocating the droppings and manure from the location.
- j. Utilizing healthily formulated livestock feed.

#### D. Fishery

##### 1. Conditions of fish cultivation

Characteristics of good fish:

- a) Shape: good shape
- b) Color : bright and glossy
- c) Scale : no sign of loss of scale
- d) Movement : active and showing normal movement
- e) Reflex : trying to escape when touched
- f) Feeling : slick texture

Transportation of fish:

- a) Fish can be transported in a plastic or polyethylene container and open container such as drum, aluminum filled with oxygen.
- b) Support power of container / beg depends on
  - Size and health condition of fry
  - Distance and time used
  - Water temperature
  - Availability of dissolved oxygen
- c) Normally 8.000 – 10.000 fry (10 and 5 cm) can be transported in a drum (200 liter) for 12 – 14 hours
- d) The following table can help plan the transportation of fry for 5 – 6 hours

Size	Type of material of container			
	30 liter capacity		Drum (200 liter)	
	Total	Per liter	Total	Per liter
Spawn	50000	1700	—	—
1 - 2 cm	3000	100	20000	100
2 - 3 cm	200	30	10000	50



10 - 15 cm	100	3	1400	7
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Ways to keep fish alive:

- a) Check the quality of soil and water of the embankment before releasing the fry
- b) Ensure the embankment is free from:
  - Grass and predator fish
  - Mollusk / barnacle
  - Predators such as snakes, frogs, birds, insects, and so on
- c) Ensure that fry is placed in different ponds according to age and size groups
- d) Ensure the availability of fish natural fodder
- e) Use healthily formulated additional fodder

## 2. Conditions for equipment to catch fish:

- a) Type and size of the equipment must follow the regulations of Government of Indonesia (Letter of Decision of Minister of Marines and Fishery Affairs No. 6/2010)
  - *Jaring lingkar* (surrounding nets);
  - *Pukat Tarik* (seine nets);
  - *Pukat hela* (trawls);
  - *Penggaruk* (dredges);
  - *Jaring angkat* (lift nets);
  - *Alat yang dijatuhkan* (falling gears);
  - *Jaring insang* (gillnets and entangling nets);
  - *Perangkap* (traps);
  - *Pancing* (hooks and lines);
  - *Alat penjepit dan melukai* (grappling and wounding)
- b) The equipment shall not cause damages to the environment
- c) The equipment shall be made from environmental friendly materials

## E. Tree saplings / vegetation seeds

Tree saplings / vegetation seeds should be:

1. In good condition.
2. Healthy (free from diseases, fungus, bacteria, and virus).
3. Buds and roots are well grown.
4. Local original species.
5. Legalized from its known origin or local source (if possible)

Storing of seeds should meet the following:

1. It should use bales / poly-bags for packaging
2. Moss bales/poly-bags need to be kept wet until usage
3. It should be stored in a cool storage with adequate ventilation
4. Cultivation may be immersed in cultivation solution prior to transportation
5. It should protect the seeds from overly hot or cold weather
6. To know the number of trees to be planted, one must know the following:
  - a. Areas that need to be planted
  - b. Placement of distance of seeds

## **F. Community Timber Activities**

DGM-I may finance commercial harvesting operations only when, on the basis of the applicable social and environmental screening and 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.

DGM-I will not finance industrial scale-harvesting, i.e. carried out by firms (in opposition to local communities and forests operating under joint forest or community management). NEA, NSC and project proponents (CSOs/CBOs) will monitor all such operations with meaningful and documented participation of participating communities. All of the above requirements should be assessed, documented and reflected in the progress implementation reports of participating CSOs/CBOs.

## Annex 4: Guidance Note for Integrated Pest Management (IPM)

Integrated Pest Management (IPM) 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”. DGM-I recognizes IPLC’s local wisdoms in managing pests and will support communities to mainstream such local knowledge into the ESMP. IPM is not a single pest control method, but rather a series of pest management assessments, decisions, and controls. The following elements of the IPM will need to be established in the development ESMP

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.

The project will not procure or use pesticides and chemical fertilizers that are classified as IA or IB by WHO and GOI’s regulations. DGM-I will encourage use of organic fertilizers for activities related to agriculture and agroforestry. However, since small quantities of eligible pesticides may be procured and used, the project will screen at the project level and when justified, assess the potential environmental and social impacts associated with use, storage and disposal. The project will not finance any pesticide without clear guidance and monitoring of safeguard specialists nor without targeted training on use, storage and disposal nor without the right equipment and installations necessary for the products to be used safely and appropriately. In the event pesticides must be used for project activities, the following criteria apply:

1. They must have negligible adverse human health effects;
2. They must be shown to be effective against the target species;
3. 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 demonstrate to be safe for inhabitants and domestic animals in the treated areas, as well as for personnel applying them;
4. Their use must take into account the need to prevent the development of resistance in pests.

Relevant specialists in the NEA and/or local agricultural extension officers will provide technical assistance for implementing CSOs/CBOs and target communities in the event of pesticide use:

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.

## Annex 5 – Protection of Physical Cultural Resources and Chance-Finds Procedures

Since physical cultural resources, both tangible and intangible, are irreplaceable and has an intrinsic value to the identity and existence of certain communities, dynamic efforts to maintain and develop the existence and functions of cultural heritage. DGM-I will not finance any activities that have intended adverse impacts on physical cultural resources, including removal or alteration of any physical cultural property (includes sites having archeological, paleontological, historical, religious, or unique natural values) and/or restriction of access of certain communities to such sites. However, in circumstances where project activities unintentionally discover any cultural object or property during their implementation 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 implementing CSOs/CBOs and communities should:

1. Stop any activities in the discovery area;
2. Describe the discovered site or area to the NEA and NSC for follow-up actions;
3. Secure the location to avoid damage to or the loss of the relics. If there is any ancient relic or historical remnant discovered, local communities need to be mobilized to guard the areas;
4. prohibit the collection of the relics by individuals and/or workers;
5. with endorsement from community representatives, immediately notify the local authority;
6. The local authority should protect and preserve the location before setting the next program procedure. Any decision should be consulted with communities through free, prior and informed consultations with regards to the management of discovered cultural property/sites.
7. An evaluation of the discovery by an archeologist may be needed to assess the significance of the discovery against criteria related to cultural heritage, including the aesthetics, the history, science or research importance, social science and economic values;
8. Mutually acceptable decision should be made with communities and local authority regarding the handling of 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);
9. The implementation of decisions regarding discovery management conveyed in writing to community representatives and the relevant local government offices; and;
10. Construction may be resumed after permission has been given by the communities **and** the local authority responsible for the protection of cultural physical objects.

## **Annex 6 – Community Participation Framework**

### ***Description***

The Community Participation Framework (CPF) is developed to mitigate the impacts of DGMI-funded projects, particularly in regard to potential conflict, both vertical conflict with the government, conflict with the private sector, as well as horizontal conflict between members of IPLCs. Through the participatory approach, relevant parties, IPLCs, government agencies, private sector and non-beneficiary communities around the project site are encouraged to play an active role in the decision-making process at the planning and implementation of the environmental and social safeguards framework, either directly or indirectly.

Guidelines on the involvement of stakeholders and the public in the planning and implementation of DGMI are highly necessary, among others, to ensure that the rights and obligations of stakeholders are duly upheld in line with the Environmental and Social Safeguards Framework, and to guarantee that this Framework is implemented in a transparent, effective, accountable manner.

### ***Purpose***

The purpose of community participation in DGMI activities are as follows:

- 1) IPLCs as the main decision-makers of DGMI activities gain full understanding of the potential negative environmental and social impacts;
- 2) IPLCs as beneficiaries can obtain information on planned DGMI activities from the outset by meeting the Free, Prior, Informed Consultations requirement as provided in **Annex 7**;
- 3) To prevent vertical and horizontal conflicts.

### ***Participation When Developing Proposals***

Participation is required when CSOs/CBOs develop proposals or activity plans. This is necessary to ensure that IPLCs have a strong sense of ownership toward the planned activities, having met the Free, Prior, Informed Consultations requirement as presented in **Annex 7**. The participatory process is also designed in a way that can help anticipate potential conflict among IPLCs and the necessary mitigation measures. Project design should make sure that at least 30% of beneficiaries are women. Furthermore, it should also target vulnerable groups, such as youths. The participatory process must engage as many women and vulnerable group representatives as possible. During activity planning/proposal development, the participation process should include the following stages:

1. NEA/NSC provides preliminary information which clearly describes DGMI's scope, opportunities offered and the benefits that IPLCs will enjoy. Such information should include a negative list of activities which cannot be funded by DGMI, through calls of proposal as well as communication and public information, both in print and online media.
2. Based on consultation with regional NSC members, CBOs/CSOs identify priority IPLCs who will receive facilitation for developing their proposal/activity plan.
3. CBOs/CSOs provides preliminary information which clearly describes DGMI's scope, opportunities offered and the benefits that IPLCs will enjoy. The information conveyed should emphasize on the negative list of activities that cannot be financed by DGMI.
4. Allow for enough time to ensure that the information reaches all layers of society, including women, youths/teenagers and other vulnerable groups.

5. Develop decision-making mechanisms tailored to local norms, customs and traditions which will create interests among IPLCs to submit DGMI proposals/activity plans. In certain aspects, such mechanisms need to be broadened to engage more women and representatives from other vulnerable groups.
6. Facilitate a participatory planning process to ensure that the opportunities offered under DGMI are in line with IPLC aspirations. Reach an agreement on baseline information (potentialities and problems) and the expectation gaps before determining the goals, targets, outputs, activities and indicators of success for the proposed plan.
7. Proposals are fully developed by CSOs/CBOs according to the outcomes of the participatory planning process. Openly communicate to the public on the content of the proposal through a consultation mechanism.
8. Proposals ready for submission to NEA/NSC must be supported by a written approval from IPLC through an institution appointed jointly from a participatory process. The approval should explicitly state (1) the IPLC's acceptance of the CSO/CBO as facilitator at its own free will; and (2) the IPLC's acceptance of the proposal/activity plan submitted by the CBP/CSO to NEA/NSC, without coercion of any kind.
9. If the proposal is approved but does not fully meet ESMF requirements, NEA shall hold a coaching clinic to improve the proposal for gaining NSC's approval.

### ***Participation During Implementation***

Given DGMI's characteristics, the project/activity must be implemented in a participatory manner for the main purpose of preventing or managing potential conflicts, both vertically with the government and horizontally among community members, either with non-beneficiaries or among beneficiary IPLC members, including vulnerable groups, of which at least 30 percent are women.

The participatory process, particularly relating to the mapping and recognition of customary land, is a sensitive issue that warrants special attention. The initiative to map out customary land and seek due recognition – a process which IPLCs have started – should be given priority. This can help prevent long, drawn-out conflicts from further escalating. Participation is oriented to the acceptance of all key stakeholders, including but not limited to:

1. Key representatives of IPLC in the project location
2. Key representatives of IPLC around project location
3. Relevant village authorities
4. Decision-makers in the relevant government agencies, especially Forest Management Unit (FMU) administrators, national government bodies dealing with forest areas, social forestry and environmental partnership, provincial forestry offices, as well as district social affairs and environmental offices.
5. Private entities whose concession areas are related to beneficiary IPLC.

Several basic principles that underpin the participatory process for community land mapping and recognition:

1. The mapping process must fully adopt a participatory mechanism that all parties recognize, for example the Guidelines for Customary Land Mapping from BRWA and JKPP.

2. The mapping process must be integrated into the customary land recognition mechanism that is in accordance with existing laws and regulations in order to gain the full support of parties concerned.
3. All policy processes related to customary land recognition are to engage competent people from CBOs/CSOs and the NSC.
4. All agreements reached during the participatory process must be documented, enclosed with the attendance list of participants, and presented in an activity report.
5. The participatory process should be guided by a team of facilitators or a facilitator who understands the needs and aspirations of beneficiary IPLC, yet can objectively accommodate the views and opinions of all parties to prevent and or manage potential vertical and horizontal conflict.

Apart from customary land mapping and recognition, a participatory approach is also applied to livelihood development, including in making the necessary preparations related to social forestry permits for local communities. This process is primarily intended to manage horizontal conflict among IPLC members, increase activity effectiveness/efficiency, and ensure the fair and equitable distribution of benefits for all IPLC members, including vulnerable groups. At least 30 percent of the beneficiaries should at least be women.

In this participatory process, the key stages are as follows:

1. Delivery of initial information on the scope, goals and opportunities for livelihood development programs to be implemented.
2. Conduct more in-depth participatory assessments on whether the agreed upon planned livelihood development activities will/will not adversely affect the community's environment and social and cultural dimensions, or will/will not be inconsistent with IPLC's social capital.
3. Develop a mitigation action plan, if negative impacts are anticipated. If required by local laws, mitigation measures must be set out in the UKL/UPL (Environmental Management and Monitoring) document or SPPL in order to obtain environmental permits. Such permits are a requirement for field implementation of activities.
4. Through a participatory approach, decide on activities to be conducted within a specified period of time with clear timetables.
5. Determine locations in a participatory manner. When project locations involve land donation/land use permit/easement permit, the procedure set forth in **Annex 8** should be followed.
6. Delegate roles for implementing activities.
7. Periodically monitor and evaluate activity implementation in a participatory manner.



## **Annex 7 – Guidance Note for Free, Prior, Informed Consultations**

The extent, frequency and degree of engagement required by the consultation process should commensurate with the identified project risks and adverse impacts and with the concerns raised by IPLCs. Free, Prior, Informed Consultations are built on mutually accepted process between the full range of representative community member and CSO/CBO/IPO. Free, Prior, Informed Consultations serve at least two purposes:

1. Provide a platform to undertake a process of consultations in good faith and in a manner that provides IPLCs with opportunities to express their concerns, views on DGMI benefits, risks, impacts, and mitigation measures and explore ways to leverage willingness to involve in DGMI are culturally and socially acceptable benefits.
2. Provide an entry point for CBO/CSO/IPO to engage with IPLC's institution and decision making process based on local/customary mechanism.

Free, Prior, Informed Consultations should be orientated towards obtaining broad community support and by which, broad community support consists of a collection of expressions by community members and/or their recognized representatives in support of the proposed project/sub-project activities. In the unique DGMI approach, Free, Prior, Informed Consultations should use IPLCs' institution and local/customary decision making processes mechanism during planning stage. Gender perspective should be added to make sure that at least 30 percent of women in the community will benefit from the project. As many as possible female have to be involved in the decision making process at planning stages.

The Community Participation Framework needs to be based on gender-sensitive and inter-generationally inclusive approaches. Effective Free, Prior, Informed Consultations are built upon two-way processes that should:

1. Involve members of affected communities and their recognized representative bodies and organizations in good faith.
2. Capture the views and concerns of men, women and vulnerable community segments including the elderly, youth, displaced persons, children, people with special needs, etc. about impacts, mitigation mechanisms, and benefits where appropriate as reflected in SIAPs and CSPs. If necessary separate forums or engagements need to be conducted based on their preferences.
3. Begin early in the process of identification of environmental and social risks and impacts and continue on an ongoing basis as risks and impacts arise.
4. Be based on the prior disclosure and dissemination/socialization of relevant, transparent, objective, meaningful, and easily accessible information that is in a culturally appropriate language(s) and format and is understandable to affected IPs. In designing consultation methods and use of media, a special attention needs to be paid to include the concerns of Indigenous women, youth, and children and their access to development opportunities and benefits.
5. Focus on inclusive engagement on those directly affected than those not directly affected;
6. Ensure that the consultation processes are free of external manipulation, interference, coercion and/or intimidation. The ways the consultations are designed should create enabling environments for meaningful participation, where

applicable. In addition to the language(s) and media used, the timing, venues, participation composition need to be carefully thought through to ensure everyone could express their views without repercussions.

7. Be documented.

Where there is broad support from IPLCs' to the project, CSO/CBO/IPO should prepare:

1. Documented evidence of Free, Prior, Informed Consultations as well as measures taken to avoid and minimize risks and adverse impacts to environment and socio-cultural aspects. This includes list of participants, meeting minutes and other documentation (e.g. photos, video, etc.);
2. Action plan and recommendations for Free, Prior, Informed Consultations during project implementation, monitoring, and evaluation, and
3. Any formal agreements reached with IPLCs and/or their representative institutions.

### Requirements

To ensure that Free, Prior, Informed Consultations can be ascertained, the following requirements are needed to determine whether:

- The level of engagement in a way that enables informed participation of IPLCs is acceptable;
- The level of support and dissent among IPLCs for the project is taken into account into decision making and development of mitigation measures.

Consideration	Requirements
Project's strategy and principles on engagement	Community Participation Framework to mainstream Free, Prior, Informed Consultations; Project Operational Manuals on Free, Prior, Informed Consultations; Budget and personnel provisions; Consultation schedules and other supporting documentation.
Stakeholder identification and analysis	Stakeholder analysis as part of the Social Assessment; needs to be built on gender-sensitive and inter-generationally inclusive approaches
Community Engagement	Consultation plan, public consultation and disclosure plan, and stakeholder engagement plan; Schedule and record of community engagement including discussions and consultations with community members and their representatives.
Information disclosure	Disclosure plan, including schedules Materials prepared for disclosure and consultations; Record/minutes of discussions/consultations with community members and their representatives
Free, Prior, and Informed Consultations	Record/minutes of discussions/consultations with community members and their representatives; Documentation of measures taken to avoid/minimize risks to and adverse impacts on environment and socio-cultural aspects of IPLCs based on community feedback; Draft of Action Plan, reflect that proposed project/sub project is owned by IPLCs';
Consultations with vulnerable groups	Engagement and public consultation plan Record/minutes of discussions/consultations with members and

Consideration	Requirements
	representatives of vulnerable groups Documentation of measures taken to avoid/minimize risks to and adverse impacts on vulnerable groups based on community feedback Draft of Action Plan
Grievance redress mechanism	Organizational structure and responsibilities and procedures to manage grievances; Record of grievances received, including expressions of support or dissent; Record/minutes of discussions with community members or representatives with regards to grievance redress.
Feedback to IPLCs (to demonstrate that concerns and recommendations have been accommodated in the project and rationale why recommendations have not been accommodated)	Documentation of risk mitigation measures Record/minutes of discussions with community members and their representatives; On-going reporting on implementation of Action plan; Revisions in project/sub-project activities and Action Plan; Surveys/interview records.
Formal expressions of support or dissent	Record/minutes of meetings/public consultations with community members and their representatives; Formal letters/written petitions of support/objection submitted by the community and/or their representatives;
Informal expressions of support or objection	Photographs, media reports, personal letters or third party accounts (NGOs, CBOs, etc.)
Evidence of good faith consultations	Face-to-face interviews with community members/representatives in the consultations; Agreements reached with IPLCs (e.g. Letters of Intent, Joint Statements, etc.) Action plan, e.g. development plan, etc.

## Annex 8 - Handling of Voluntary Agreement on Use of Land

Livelihood development in many cases requires the availability of land, either collectively-owned or borrowed land from individuals. Borrowed land, as well as buildings and/or facilities constructed in the interest of IPLCs are common assets, and as such should be implemented according to the prevailing customary law or Home Affairs Ministerial Regulation No. 1/2016 regarding Rural Asset Management.

DGMI-funded development activities must have an alternative location, ensuring that any borrowed land, land use permit or easement permit is granted by the landowner voluntarily, without coercion or pressure from anyone. A development activity/site needs to be relocated when the landowner's consent was not fully obtained or was given under duress.

If the plot of land required for the development activity cannot be obtained through borrowing/land use permit/easement, the community needs to seek an alternative location or other forms of infrastructure. Under DGMI terms and conditions, funds may not be utilized for acquiring land to expand rural customary territories. Any decision involving the use of land borrowed must not affect the livelihoods of the owning households and should not exceed more than 10% of the original total land size.

Land may be made available through: (a) borrowing, (b) land use permit, and (c) land easement:

Borrowed Land refers to the relinquishing the use of land to another party upon the voluntary consent of the Owner, for no compensation, and for a certain period of time. The requirements of borrowed land is that it should be voluntary, real and accompanied with proof of transfer of ownership rights to the property, in part or in whole, to be used for the community's collective interests. Based on the agreement, the owner must be made explicitly aware that if he or she agrees; all individual rights to the property, during the period of the agreement, shall be fully transferred to the village/customary institution. The decision will be declared final, and documented in the Voluntary Agreement on Use of Land (**Annex 8.1**).

Use permit refers to the conferring of the right to borrow and use land to another party, not permanently or for a specified duration agreed by all parties, during which time the owner may not utilize the property for his or her own interests. The use permit must be made known and verified through a written agreement signed by the owner and village representative, i.e., village head or customary elder (**Annex 8.2**).

Easement permit refers to consent for allowing infrastructure financed by the project to pass through the land in the community's shared interests (e.g., installation of pipes, street lighting, electric cables, etc.). The landowner may still use the land on which the infrastructure passes through. An easement permit must be in writing through an Agreement Letter for an Easement of Right of Way to be signed by all parties concerned (**Annex 8.3**).

Several requirements must be met in regard to land donation/use permit/easement permit:

1. The landowner must have prior information and full understanding of the consequences of his or her decision to handover the right to land/use/easement. For land donation, it would mean permanently waiving the right to land according to the size of property bequeathed.

2. The land owner is provided with the necessary information in a clear manner on the rural development activity from which he or she will wish to donate land or allow the use or easement of property, voluntarily, without coercion.
3. The landowner must have clear and complete information on the content of the agreement for access to his or her land in the interest of rural development.
4. The village authority/customary institution must verify the land's status (whether it comes with a certificate or not, the type of certificate) and that the land is not in dispute. A copy of the land deed is enclosed with the Agreement Letter of Land Donation/Land Use Permit/Land Easement.
5. Voluntary agreement for use of land is allowed if the donor (landowner) benefits from the development, and his or her life will not become worse after the land is donated.
6. All agreements must be documented according to customary rules or existing legislation.

## Annex 8.1. Sample of Agreement Letter for Voluntary Land Donation

I, the undersigned:

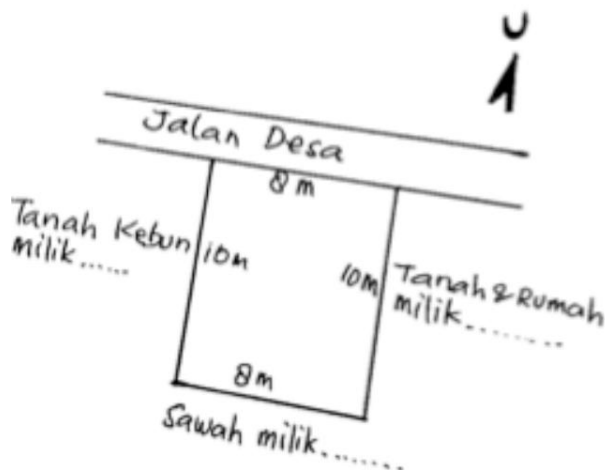
Name :  
ID Card No. :  
Occupation :  
Address :

As the owner of the land by virtue of a valid Title Deed Number..... Date..... or other valid written proof.....(specify), hereby declare my willingness to let the land and other assets thereon, if any, to the Village Government/Customary Institution.....(specify) to be utilized for the development of ..... for the benefit the community at large, for the period of ....., subject to extension as necessary.

Name of activity :  
Location of land :  
Size of land :  
Size of remaining land :  
Value of other assets :  
Current use of land :  
Ownership status :

(Please provide the demarcation of boundaries and ownership status of the land, and a clear map with the location and orientation, if necessary complete with the GPS coordinates)

Example:



This statement is hereby duly made without coercion of any kind and to be used accordingly.

Place, date

Owner,

Recipient,

On behalf of the Village Authority/Customary Institution

Signature of landowner on a IDR 6000 stamp duty

(.....Name.....)

(.....Name.....)

Signature of Sub-District Head as PPAT (Official Certifier of Title Deeds)

(.....Name.....)

Signature of inheritors:

Name 1                      signature

Name 2                      signature

Name 3                      signature

etc.

Signature of witnesses:

Name 1 (village official/customary institution)                      signature

Name 2 (community figure/customary elder)                      signature

Name 3 (closest neighbor)                      signature

etc.

## Annex 8.2. Sample of Agreement Letter for Use of Communal Land

We, the undersigned:

Name of representative(s):

ID Card No. :

Occupation :

Address :

As the owner of the land by virtue of a valid Title Deed Number..... Date..... or other valid written proof.....(specify), hereby declare our willingness to let the land and other assets to the Village Government/Customary Institution.....(specify) to be utilized for the development of .....for a period of.....years for the benefit of the community at large, or for as long as the facility remains functioning. This land use permit can be renewed upon agreement.

Name of activity :

Location of land :

Size of land :

Size of remaining land :

Current use of land :

Ownership status :

(Please provide the demarcation of boundaries and ownership status of the land, and a clear map with the location and orientation, if necessary complete with the GPS coordinates)

Example:



This statement is hereby duly made without coercion of any kind and to be used accordingly.

Place, date when the agreement is entered into



Grantor,

Grantee,

On behalf of the Village Authority/Customary Institution

Signature of landowner

On IDR 6000 stamp duty

(.....Name.....)

(.....Name.....)

Signature of community members:

Name 1            signature

Name 2            signature

Name 3            signature

etc.

Signature of witnesses:

Name 1            (village authority/customary institution)            signature

Name 2            (community figure/customary elder)            signature

Name 3            (closest neighbor)            signature

### Annex 8.3: Sample of Agreement Letter for Land Easement

I, the undersigned represent the landowner:

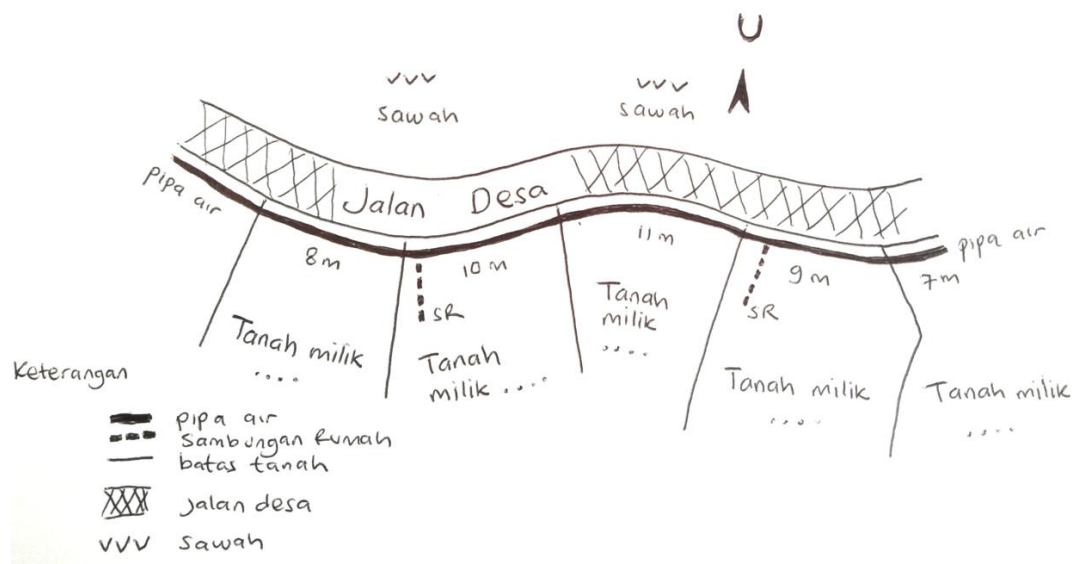
Name :  
ID Card No. :  
Occupation :  
Address:

Hereby declare the willingness to allow easement through the property for the facility/construction of ..... to be developed by the Village Government/Customary Institution to be utilized for the benefit of the community at large for a period of ..... years or for as long as the facility remains functioning. This easement permit can be renewed upon agreement from the landowner.

Number of owners of land on which easement is sought :  
Dimension of the land required (length and width) :  
Location of land :

(Please provide a drawing of the property showing the location on which the infrastructure will be built, including information on the demarcation of boundaries, planned infrastructure, orientation and direction, and if necessary provide the GPS coordinates)

Example:



This statement is hereby duly made without coercion of any kind and to be used accordingly.

Place, date when the agreement is entered into

Representative of Grantor

Grantee on behalf of the Village  
Authority/Customary Institution

Signature of landowner

On IDR 6000 stamp duty

(Name)

(Name)

Attachment:

We, the undersigned, have agreed to allow easement for the development of .....

(Signature of the owners of land on which the infrastructure will be built on)

No.	Name	Land Status	Signature
1.	Example: Syukri Mahadi	Ownership rights (letter C)	

## Annex 9 – Environmental Permits and Management and Monitoring Measures

The purpose of Environmental Management and Monitoring is to establish a set of policies and guidelines that will help NSC/NEA in screening, assessing, and monitoring the environmental and social aspects of all projects financed by DGMI. The screening process will identify the degree of impact of each proposed sub-projects and types of mitigation measures required. DGMI projects, especially those related to livelihood improvement may lead to possible environmental impacts that need to be managed; thus requiring environmental permits by developing the UKL-UPL (Environmental Management and Environmental Monitoring Scheme) document or issuing SPPL.

It should be noted that project locations must not directly share borders with conservation areas. Otherwise, the submission of an Environmental Impact Analysis Report (AMDAL) is required, in addition to the RKL/RPL (Environmental Management/Monitoring Plan), which must be ratified by the government in order to secure the necessary environmental permit. Projects which require AMDAL will not be financed by DGMI.

It is expected that most sub-projects will not require specific mitigation measures for environmental impact. However, several sub-projects may need additional mitigation measures by preparing the UKL-UPL in order to obtain environmental permits.

UKL and UPL contain mitigation plans and monitoring of standards to address the typical impacts of construction activities, including workers/community, health and safety, land-related work, and waste management, including hazardous and toxic waste. UKL-UPL must be prepared by competent institutions, and must meet the requirements laid out in Environment Ministerial Regulation No. 16/2012. The UKL-UPL document structure and matrix are provided in Table 5 below.

**Table 5. Structure and substance of UKL-UPL document**

Document Structure		Explanation of Substance
A	Identity of Initiator	
	1. Name of Initiator	
	2. Office address, post code, phone and fax no., email	
	3.	
B	Activity Plan	
	1. Name of Activity	
	2. Location of planned activity and enclose the cartographic map and/or an illustration of the location with the appropriate scale	

Document Structure	Explanation of Substance
3. Scale/Magnitude of planned activity	<p>Specify the size and or length and/or volume and/or capacity or other measurements that can illustrate the scale of the activity.</p> <p>Example:  <u>Tourism industry:</u> size of land used and tourism facilities to be developed; number of rooms, laundry machines, and holes; and seating capacity of entertainment centers and restaurants</p>
4. Overview of activity plan components	<p>In this section, the initiator explains on the following:</p> <p>a. compatibility of project location with the spatial plan  This section describes the compatibility of the project location with the spatial plan as set out in prevailing laws and regulations. This information may be presented by overlaying the map of project location boundaries with the existing spatial plan (RTRW) that has been ratified (a draft RTRW may not be used).</p> <p>Based on the spatial analysis, the initiator briefly explains and concludes on the compatibility of the project location with the spatial plan; on whether all project locations are consistent with the spatial plan, or that some or all are not in alignment. If there are still obstacles or doubts over the information on compatibility with RTRW, the initiator may request for formal evidence/judgment from authorized agencies responsible for spatial planning, such as BKPTRN or BKPRD. Evidence that support the compatibility with the spatial plan must be enclosed.</p> <p>If the project location is not in alignment with the spatial plan, the UKL-UPL document cannot be processed further according to Article 14 clause (3) Government Regulation No. 27/2012.</p> <p>Furthermore, for certain activity plans, the initiator must conduct a spatial analysis on the compatibility of the project location with the Indicative Map of Moratorium on New Forest Licenses (PIPIB) attached to Presidential Instruction No. 10/2011, or revised regulations, or the issuance of new regulations on this subject matter.</p> <p>Based on the spatial analysis, the initiator can conclude on whether the project location is inside or outside of the primary forest or peatland covered in PIPIB. If it lies within the PIPIB area, except for certain activities exempted in Presidential Instruction No. 10/2011, the UKL-UPL document may not be</p>

	Document Structure	Explanation of Substance
		<p>processed any further. The compatibility of the project location with PIPB as provided in Presidential Instruction No. 10/2011 is applicable for 2 (two) years effective from the date in which the Presidential Instruction was issued.</p> <p>b. Explanation on in-principle approval of the activity plan This section focuses on the need for approval in principle from the authorized party stating that the type of planned activity in principle can be conducted. Formal proof of the in-principle approval must be enclosed.</p> <p>c. Description on activity plan components that may cause environmental impacts In this section, the initiator presents the components of the planned activity that may impact on the environment. The description may be structured according to the project implementation stages, namely pre-construction, construction, operation and closing/post-operation. These stages may differ according to the type of planned activity.</p>
C	Environmental Impacts and Efforts to Manage and Monitor the Environment	<p>This section essentially contains a table/matrix that cover the following:</p> <p>1. Environmental impacts caused by the proposed project The column on Environmental Impacts consists of three sub-columns that provide the following information:</p> <ul style="list-style-type: none"> <li>a. source of impact: information on the type of impact generating sub-activities for every activity stage (pre-construction, construction, operation and post-operation);</li> <li>b. type of impact: information on all environmental impacts that may arise from activities at every stage involved; and</li> <li>c. degree of impact: information on quantitative parameters, the degree of impact must be measured quantitatively.</li> </ul> <p>2. Environmental management The column on Environmental Management consists of three sub-columns on the following information:</p> <ul style="list-style-type: none"> <li>a. type of environmental management effort: information on the proposed type/form of environment management effort for each anticipated environmental impact;</li> <li>b. location of environmental management effort:</li> </ul>

Document Structure	Explanation of Substance
	<p>information on the location where the environmental management effort will be carried out (a narrative may be provided stating that a clearer description of the location is presented in the environmental management map enclosed in the UKL-UPL document); and</p> <p>c. period of environment management effort: information on when such planned effort will be implemented.</p> <p>3. Type of environmental monitoring The column on Environmental Monitoring consists of three sub-columns containing the following information:</p> <p>a. type of environmental monitoring: information on the methods and/or techniques for monitoring the quality of the environment as an indicator of success for environmental management (may include the data collection method and analysis on environmental quality, etc.);</p> <p>b. location of environmental monitoring; information on the location where monitoring activities will be conducted (a narrative may be provided stating that a clearer explanation on the location is presented in the environmental monitoring map as part of UKL-UPL annexes); and</p> <p>c. period of environmental monitoring: information on when the planned monitoring activities will be conducted.</p> <p>4. Environmental management and monitoring institutions The column on Environmental Management and Monitoring Institutions contains information on the relevant entities involved in environmental management and monitoring that will:</p> <p>a. manage and monitor the environment;</p> <p>b. oversee the implementation of environmental management and monitoring activities; and</p> <p>c. receive periodic reporting on the outcomes of fulfilling the commitment to manage and monitor the environment according to the respective institution's scope of duty, and pursuant to existing laws and regulations.</p> <p>In this section, the initiator may provide a map, sketch or drawing with the appropriate scale in relation to the environmental management and monitoring program. The enclosed map must follow cartographic standards.</p>

Document Structure		Explanation of Substance
D	Number and type of environmental management and monitoring (EMM) permit required	In this section, if the proposed activity plan requires an EMM permit, the initiator presents a list of the necessary permits (number and type) for environmental management and protection.
E	Letter of Statement	This section provides the initiator's statement/commitment to undertake UKL-UPL, in writing, bearing the initiator's signature on a stamp duty.
F	References	This section presents the list of sources of data and information for preparing the UKL-UPL document, including books, journals, articles, papers and research reports. The list must follow the rules for presenting references.
G	Annexes	Other pertinent data and information considered necessary may also be included in the UKL-UPL document, such as the following: <ol style="list-style-type: none"> <li>1. formal proof stating that the type of activity in principle can be conducted;</li> <li>2. formal proof that the activity plan is compatible with the existing spatial plan (as confirmed in a letter issued by the National Spatial Planning Coordination Agency (BKPTRN), or other agencies responsible for spatial management);</li> <li>3. other details on the activity plan (if necessary);</li> <li>4. a cartographic map and/or illustration of the location with the appropriate scale to describe the location for the environmental management and monitoring activities; and</li> <li>5. other data and information deemed necessary.</li> </ol>

Activities that do not require a UKL/UPL document, but must develop the necessary environmental and monitoring measures should issue an SPPL in order to obtain environmental permits. The SPPL format is provided in **Annex 9.2**.



## Annex 9.1 – Template for Recapitulation of Impacts, UKL – UPL

Environmental Impact			Environment Management Effort (UKL)			Environment Monitoring Effort (UPL)			Executing Institutions	Remarks
Magnitude of Impact	Forms of UKL	Location of UKL	Duration of UKL	Forms of UPL	Magnitude of Impact	Forms of UKL	Location of UKL	Duration of UKL	Forms of UPL	Magnitude of Impact
(List the measurements that can state the magnitude of impacts)	(List the forms/type of environment management plans to manage each impact) g	(List the information about the locations where the environment management will be conducted)	(Provide information on time period for the planned environment management efforts)	(Provide information on ways, methods, and/or techniques to monitor environmental qualities, which are the indicators for success. Of environment management efforts).	(List the measurements that can state the magnitude of impacts)	(List the forms/type of environment management plans to manage each impact) g	(List the information about the locations where the environment management will be conducted)	(Provide information on time period for the planned environment management efforts)	(Provide information on ways, methods, and/or techniques to monitor environmental qualities, which are the indicators for success. Of environment management efforts).	(List the measurements that can state the magnitude of impacts)

## Annex 9.2 - Format for SPPL Application

### LETTER OF COMMITMENT FOR ENVIRONMENTAL MANAGEMENT AND MONITORING (SPPL)

We, the undersigned:

- Name : .....
- Position : .....
- Address : .....
- Phone : .....

As the party taking responsibility for the environmental management of:

- Name of company/business : .....
- Address of company/business : .....
- Phone no. of company/business : .....
- Type/nature of business : .....
- Production capacity : .....
- Permit already held : .....
- Purpose : .....
- Amount of capital : .....

Hereby declare our commitment to:

1. Maintain public order and work toward fostering good relations with nearby communities.
2. Maintain the health, hygiene and beauty of the project location.
3. Be accountable for any environmental damage and/or pollution caused by the activity.
4. Be willing to be monitored for environmental impacts arising from the activity by the authorized officer.
5. Conserve the natural resources and environment at the location as well as around the project location.
6. Take responsibility if we fail to keep to Commitment 1 to 5 above, according to existing laws and regulations.

Explanation:

- a. Environmental impacts that have occurred:
  - 1.
  - 2.
  - 3.
  - 4.
  5. etc.
- b. Measures taken to deal with the environmental impacts:
  - 1.
  - 2.

- 3.
- 4.
5. etc.

The SPPL shall be effective from the date it was issued until the completion of the activity, or there is a change in location, design, process, raw material and/or supporting material.

Date, Month, Year

Approved by,

Declared by,

Head of Provincial/District/City  
Environmental Agency

IDR 6,000 stamp duty  
Signature  
Company seal

N A M E

(.....)

Employee ID No.

N A M E

(.....)

Note:

The format above is the minimum requirement and can be developed further.

## **Annex 10 - DGMI Project Components and Sub-components**

### **Component 1: Grants to Strengthen IPLC Capacity to Enhance Tenure Security and Improve Livelihoods**

This component will, through the provision of grants, build the capacity of IPLC to pursue: (i) clarity and security over their rights to land (including forestland) in rural areas, and (ii) improved livelihoods. This component will result in mechanisms, skills, and outputs that will assist the participating IPLCs to advance efforts to strengthen tenure and improve their well-being. It will help the participating IPLC to fulfill (to the extent possible) government requirements for greater land tenure security and access to services that improve livelihoods.

The selection of communities eligible for support from this component will be based on criteria such as: (i) community has started or has completed participatory mapping of territories or process for applying for social permits, (ii) areas are part of vulnerable landscapes (e.g., peatlands, lowlands, fire prone areas, small islands that are subject to pressure from industries such as mining and plantations), and (iii) feasibility (both financial and political). The latter will be determined based on evidence of districts' willingness to engage in recognition of IPLC and their claims for collective land rights. There will be additional criteria, such as percentage of women beneficiaries, community support and organizations' capacity, used to screen proposals (these are presented in the ESMF and will be elaborated in the Project Operational Manual).

Grant proposals associated with this component will include a combination of activities for all three subcomponents or activities for subcomponent 1.1 and 1.2, or activities for subcomponent 1.1 and 1.3 (when there is tenure security). The project aims to issue 60 block grants over the course of the project life. Several of these grants will span multiple years. The minimum grant size is estimated to be \$30,000. The first tranche of each grant will be for implementing subcomponent 1.1, and is expected to not exceed \$7,500. Details regarding the activities, selection process, and the financing mechanism are further detailed in the Project Operational Manual.

#### **Subcomponent 1.1. Community Outreach and Mobilization**

The funds associated with this subcomponent will be accessible to non-governmental organizations (NGOs), CSOs, and CBOs that have been shortlisted following an open call for proposals. The support is to enable the short-listed proponents to sensitize their targeted beneficiaries and other relevant stakeholders (e.g., local government) about the project scope and implementation arrangements, and to refine the project proposal to optimize the opportunities created by the DGM-I. The aim is to ensure that proposal beneficiaries have access to information about opportunities and requirements for tenure security and improving their livelihoods. The information is to help them determine how to most effectively use potential support from the DGM-I. Similar efforts will be made to provide the targeted beneficiaries with information on public and private financial resources for supporting local development and processes and requirements for accessing these funds.

The subcomponent will finance the costs of outreach materials, meetings, workshops, and, in some cases, community exchange visits.

### **Subcomponent 1.2: Strengthen IPLC's Capacity to Enhance Land Tenure Security**

This sub-component will support IPLCs ongoing efforts to claim tenurial rights, primarily through bolstering their claims for (a) customary forests (*Hutan Adat*); (b) communal land rights (applicable to both IP and LC); and (c) permits for forestlands (e.g., social forestry or community forestry). These three types of tenure security are the primary focus because they capture the three main forms of tenure IPLC have been striving to obtain in Indonesia. The proposed support provided through this subcomponent will position the IPLC to strengthen security over the bundle of rights associated with access and land use. The IPLC will receive information on the documentation requirements for processing tenurial claims under the three target rights categories and guidance on how to secure these rights. Further, the selected IPLCs will receive assistance needed for compiling evidence regarding land areas, finalized land maps, liaising with local government officials for submission and processing of the applications for obtaining land use rights.

This subcomponent will finance technical assistance and mentoring for IPLCs to assist them to collect/compile necessary evidence, information and documentation required for submission of their claims, as well as support costs for follow-up with competent authorities on the status of their application, targeted legal support for preparation of required documentation, technical support for further development of materials, travel and workshops. In addition, the subcomponent will also support dispute mediation, in case of conflicting claims, where necessary to ensure consensus among IPLCs and build up their capacity to engage in an efficient and informed manner with the decision-makers in government and other external entities. This will include training based on the guidelines and procedures of existing and alternative dispute resolution mechanisms, with an aim to improve the IPLC's ability to engage in mediation and better resolution skills and techniques.

### **Subcomponent 1.3: Build IPLC's Capacity to Improve Livelihoods**

This subcomponent will assist IPLC with two dimensions of improving livelihoods: (i) determining and agreeing on the priority livelihood activities for which they want to receive support from this project and (ii) financing for their priority livelihood activities that are widely accepted to contribute to sustainable management of forests and lands. There will be a set of criteria to describe the types of activities that would be eligible for support, such as alignment with existing forest management plans or part of a menu of activities that contribute to sustainable land management. Another consideration will be the feasibility and potential for self-financing following the use of the grant (i.e., leveraging other sources of financing).

This grant financing will support training and technical support to local community facilitators, and support for these trained facilitators to assist with developing and refining community development plans. The training will also enable facilitators to transfer their skills to youth and others who are interested in becoming facilitators. The grant financing will also finance meetings and activities for developing or refining community investment plans. The funds will also cover costs of agreed investments. These investments can range from investments in agroforestry technology to investments in value addition to investments in micro-hydro (to reduce reliance on wood energy).

## **Component 2: Inform Policy Processes and Dialogues**

This component will focus on strengthening how IPLC representatives engage in national and subnational policy and decision-making processes that will inform issues regarding REDD+, addressing drivers of deforestation, landscape management and IPLC livelihoods. The support will be for either members of the NSC, or other key persons identified as representing groups of IPLC (e.g., persons from the CBOs/CSOs/NGOs receiving grants as part of component 1 or persons leading dialogues on IPLC issues in national or subnational platforms (e.g., the task force on agrarian reform, or the proposed taskforce on IP issues)). The process of identifying the priority platforms will be based on a mapping the legitimacy of the platform, how it engages key stakeholders (actively or as passive participants) and the opportunities it offers for presenting key IPLC issues. More specifics will be elaborated in the project operational manual and due consideration will be given to subnational dialogues.

This subcomponent will finance capacity building and technical assistance for IPLC to garner support and effectively share their perspectives on key issues, and to raise funds. It will also build capacity of CSOs/CBOs/NGOs that are receiving grants for implementing component 1. The funding provided by this subcomponent will cover the cost of compiling and packaging the evidence, and mobilizing support among different stakeholders. The allocation of resources will be spread out across the life of the project, prioritizing activities which IPLC groups can influence. The NEA will administer the funds for this component and handle all the associated procurement, and will detail a process for deciding which activities are eligible, and how the IPLC will self-select representatives for participating in these events, and how much financing will be allocated for this activity on an annual basis in the project operational manual.

## **Component 3: Project Management and Monitoring and Evaluation**

This component will include management and supervision of the project. Associated with management, it will finance the coordination meetings involving the NSC and NEA, and any regional meetings with DGM constituents to provide updates of the program and sharing insights from activities. It will support the implementation arrangement associated with this project. It will also cover the costs of providing short-listed project proponents with support for improving the project design and implementation.

The component will also cover the costs of establishing and operating a monitoring and evaluation (M&E) mechanism that engages local communities and informs the implementation of the project in addition to tracking performance. The M&E system will also contribute to identifying lessons learned and will inform communications and outreach in components 1 and 2. This component will finance the implementation of a project grievance redress mechanism and communications and feedback processes to ensure that the cause of the grievances inform any necessary modifications in project implementation. A focal person will be identified within the NEA to monitor and respond to concerns raised.

## Annex 11: ESMF Public Consultation Matrix and Responses

<b>Date and Venue</b>	29 November 2016 / the Terrace, Sahid Hotel, Jakarta
<b>Participants</b>	87 participants representing regional representatives of DGM-I, NSC members, local CSOs/CBOs and national NGOs' representatives, academics, members of DKN
<b>Note</b>	The ESMF public consultations piggybacked on the 6 <sup>th</sup> DKN ( <i>Dewan Kehutanan Nasional</i> /the National Forestry Council of Indonesia). Due to the number of participants, the public consultations were divided into three parallel groups to allow more interactive discussions.

Category	Institution	Comments	Responses
Safeguard requirements	DKN, Academic	AMDAL is to control impact, what needed is to avoid impact. Baseline is needed as the basis to avoid impact. Regulations referred to include impact (assessment); IP4T and PIAPS (not legal binding, revised every 6 month).	Due to the potential environmental and social impacts, activities requiring AMDAL are considered ineligible and therefore will not be financed by DGM-I. Such a provision has been included in the negative list. However, there could be activities proposed by communities which still require environmental permits (UKL-UPL, SPPL) as per-GOI's regulations, and as a good practice, DGM-I requires project proponents to follow required processes to be in full compliance with GOI's regulations in terms of impact assessment and management.
	AMAN	The original intent of DGM is to safeguard FIP and other investments - due to lack of clarity of IP rights. Why we do safeguard for safeguard? This creates greater difficulty for Ips. FIP focus is KPH, the safeguard is 'no rights, no KPH'.	The safeguard instruments referred to in the ESMF consist of measures to avoid, and if inevitable, minimize and mitigate environmental and social impacts caused and/or triggered by project activities financed by DGM-I. Safeguard measures outlined in the ESMF also aim to ensure community participation in the project design and implementation, and by doing so, DGM-I seeks to do-no harms and promote "no-regrets" approaches since it seeks to empower IPLCs in enhancing tenure security and

AKATIGA	IPLC will be further marginalized. Safeguards are designed for WB, not the other way around.	livelihoods. WB is administering DGM in Indonesia and therefore, is fully accountable for environmental and social impacts the project could potentially cause and safeguard policies are mandatory. Safeguard measures in the ESMF aim to seek and ensure community participation to be able to effectively engage and participate in the project and other initiatives.
Samdhana	IP/LC burden should not be added and made heavier. For example, if map has already been prepared, then FPIC is not needed.	One thing to be clarified is that DGM-I as per OP 4.10 is to facilitate free, prior and informed consultations to obtain broad community support. The intent of such consultations is to ensure that participating communities provide broad support for DGMI and this will continue to be revisited. Maps do not necessarily serve as a proxy for broad support since DGMI is supporting activities beyond mapping and there are other processes that participating communities have to come to agreement. This provision has been established in the ESMF.
NSC, AMAN	There is no need for UKL-UPL and SPPL. The process should be simple, not to follow usual WB process. There is no need for unrealistic safeguards. Budget for IP/LC is very small.	The ESMF has been developed in a manner where measures are applicable commensurate to potential impacts. Safeguard measures will need to be tailored to the needs of each specific project activity and focus is placed on community participation in managing potential risks and impacts. DGM-I adopted references from similar initiatives to ensure good practices are incorporated in the ESMF.
NSC	The current design is the result of long debates. FPIC ensures broad community involvement. For learning purpose, there will be 14 pilots. DGM sites supposed to overlap with KPH sites that FIP supports, but FIP process has been slow. Why need UKL-UPL to save forests? Need to adjust substance and procedure.	DGMI seeks to be in full compliance with GOI's regulations including the requirement for environmental permits if activities proposed by communities (i.e. micro-
Moderator	There is a need is to simplify (safeguards), not to	



		add more burden. Redesigning is just for safeguards, as the result of this consultation. Things that we think are un-doable, should be removed.	hydro, timber processing, etc.) are deemed necessary to have such permits and this needs to be reflected in the community proposals. The coaching clinic will provide further clarification on whether or not such permits will be required, based on assessments by technical specialists in NEA. The point made explicit in the ESMF is that safeguards consist of measures and instruments to enhance project implementation, by ensuring sound management of environmental and social aspects and community participation, instead of policy compliance and procedures.
	DKN, academic	Any chance to revise DGMI design? The safeguards are unrealistic, too heavy, need to be minimized.	
	AMAN	DGMI is supposed to be a breakthrough in WB financing to IPLCs, it should be simple. AMAN's experience with JSDF (also administered by WB) could be used as a reference. DGMI should be guarded, need to speak with right persons at the WB.	
	NSC	What needed is just negative list. Finance management is required - to avoid elite capture.	
	Moderator	Need to re-design ESMF based on its original intent. What need to be reviewed is the negative list.	
	AKATIGA	Safeguards are for WB, the WB impacts that need safeguards. Protection of IP/LC rights should be the priority.	Safeguards are applicable for all financing administered by WB and the ESMF has placed a strong emphasis on community participation.
	Dewan Adat Papua	The content (of safeguards) should be simplified, to suit local conditions. FPIC = <i>Musyawarah Adat</i> . Results of consultations in 7 regions should be implemented, review can be undertaken after the commencement of implementation.	Noted above – safeguard measures will be applicable commensurate to the risks and tailored to local conditions. In cases where capacity is lacking, safeguards will focus more on technical assistance, capacity building and oversight
	Partnership	The process need to be simplified, but need to avoid 'elite capture'. Negative list and participatory decision making process are	Noted and accommodated in the Community Participation Framework

	NGO/Mataram University	required. A concern, NGO/CSO and IP/LC will face great difficulty to undertake UKL-SPPL and SPPL. How to do the training? This usually done by consultant.	Technical support as needed to obtain environmental permits will need to be established in community proposal. Project proponents will have the opportunity to refine the proposals through coaching clinic facilitated by NEA to assess the need for such requirements and expertise as well as budget needed, including capacity building for implementing entities.
	AMAN	We know that the 3 components will have no negative impacts. Negative list will suffice. JSDF project (administered by WB, implemented by AMAN) used simple process, it should be adopted by DGM.	Any proposal will need to go through preliminary screening and assessment of impacts by the technical team in NEA and applicable safeguard measures will be better determined once such assessments have been conducted.
<b>Consultation requirements</b>	Partnership	How do we know that FPIC has been completed?	FPIC is a process of obtaining consent through a series of free, prior and informed consultations with communities, rather than a one-off event. In the context of DGM-I, project proponents must provide written evidence of broad community support. Through, the sub-component 1.1. (Community Outreach and Mobilization), short-listed project proponents are required to engage and consult with target communities to ensure that they provide support to move forward with the activities proposed in the proposals. The ESMF has established key principles and procedures for such consultations and such consultations will be revisited during project implementation.
<b>Support to governments and policy</b>	NGO/Mataram University	How support to IP/LC links to village administration that has authority over its territory?	DGM-I seeks to work closely with village governments, especially to leverage its relatively small financing with village funds to have greater impacts.

**processes**

	NGO energy	Related to MK 35, <i>Hutan Adat</i> (Customary Forest) recognition needs local government regulation. DGM-I should help IPs and local government to prepare this local government regulation, such as in South Sumatera case. One or more cases can be selected, as example for other local governments to learn.	DGM-I acknowledges the importance of supporting local governments' capacity to engage in land tenure issues for IPLCs. Since supporting local governments is beyond the scope of the project, DGM-I has included as a selection criteria leveraging other projects where such an aspect is supported/directly linked and information to community members about the steps involved to move forward in the tenure process.
	DKN, academic	Can DGM focus to support forestry law revision process? KPH can recognize <i>Hutan Adat</i> (customary forests).	Support for regulatory amendment falls outside the scope of DGM-I. However, DGM-I aims to empower IPLCs to engage in policy dialogues and REDD+ processes (C.2). Furthermore, DGM-I seeks alignment with other initiatives, including FIP, One Map, REDD+ to leverage influence DGM-I has in a broader, landscape-oriented programming, which has a greater resonance in policy dialogues and processes in the forestry sector.
<b>Project design</b>	NSC, AMAN	If we want to change DGMI focus, then we need to re-do consultations in 7 regions. The process has incorporated the aspiration of all parties involved, it needs to focus on 3 themes.	Noted and acknowledged.
	LSM	Confused, should it be distributed evenly (and bear no results) or focus (what are the criteria)? Need a portion to focus (district, villages) and other portion to be distributed equally?	There will be selection criteria for DGM-I support for both tenure and livelihood sub-components. The selection of communities eligible for support from tenure sub-component (1.2) will be: (i) community has started or has completed participatory mapping of territories or process for applying for social permits, (ii) areas are part of vulnerable landscapes (e.g., peatlands, lowlands, fire prone areas, small islands that are subject to pressure from industries such as mining and plantations), and (iii)

feasibility (both financial and political). The latter will be determined based on evidence of districts' willingness to engage in recognition of IPLC and their claims for collective land rights. Additional criteria, such as percentage of women beneficiaries, community support and organizations' capacity, will be used to screen proposals. For livelihoods sub-component (1.3), proposals will be assessed on the basis of alignment with existing forest management plans or part of a menu of activities that contribute to sustainable land management. Another consideration will be the feasibility and potential for self-financing following the use of the grant (i.e., leveraging other sources of financing).

The seven regions in aggregate are large. The project will involve activities in each of these region, but the geographic scope of each activity will be better understood upon receiving the proposals.

Noted and reflected in the ESMF.

<b>Others</b>	Forestry extension Tapak	To empower the community and remove 'money or project orientation', need pre-conditions: 1) internalization of original intent, 2) institutionalization of wisdom values and principles, 3) broad community participation - not just elite, and 4) accountability.	
	NSC	The 3 themes/focuses are the result of consultations in 7 regions. The process has been 2.5 years, but still it's not yet started now. NGO/CSO is needed to help with administration.	The delayed process was acknowledged and further improvements of the project design have been made. CSOs/CBOs will receive technical support prior and during project implementation