

## ENVIRONMENTAL AND SOCIAL SAFEGUARD FRAMEWORK (ESSF)

REKOMPAK REPLICATION AND MAINSTREAMING PROJECT (COMMUNITY-BASED SETTLEMENT REHABILITATION AND RECONSTRUCTION PROJECT—REKOMPAK/CSRRP) / P154978

### Background and Project Activities

1. Since its initiation in Aceh after the Dec.2005 tsunami and 2006 earthquake & tsunami in Java, the REKOMPAK's model has been adopted repeatedly and developed in later occurrences of national disasters, including the 2009 earthquake in West Sumatra and the 2010 eruption of Mount Merapi, by the Ministry of Public Works and Housing (MPWH) in collaboration with the National Agency for Disaster Management (BNPB) and the National Planning Agency (BAPPENAS).

2. The REKOMPAK approach has been shown to be successful in not only providing funding and technical support to communities, but also in managing complex financing arrangements, and channeling them all the way down to local governments and targeted community groups. Key aspects of REKOMPAK have been its intensive facilitation and technical supports to engage communities in decision-making and managing construction as well as in ensuring rapidly-disbursed, community-managed grants. Since its inception, the REKOMPAK scheme has been used in rehabilitation and reconstruction on-site and in new sites in the wake of a range of natural disasters, including earthquakes, tsunamis, floods, droughts, volcanic eruptions, landslides. It involved voluntary resettlement for affected communities and for disaster preventive purposes. REKOMPAK has developed management and institutional arrangements, guidelines, standard operating procedures, training modules and manuals, and a comprehensive management information system accessible to public. The project will strengthen and institutionalize its approaches into a more permanent, non-project basis for post-disaster rehabilitation and reconstruction and community-based settlements development within a Disaster Recovery Framework and to share the REKOMPAK experiences with government agencies and civil society organizations.

### Project Development Objectives and Components

3. The Development Objective of this proposed project is to support the GoI in meeting the needs for disaster-resilient settlement for disaster-affected communities and to mainstream community-based processes into a national framework for disaster relief and mitigation.

4. The Project will be designed as a grant with an amount of US\$ 1.619 million, to be executed by the Ministry of Public Works and Housing, in collaboration with BNPB. The core purpose of this grant will be the provision of technical assistance to implementation, represented by components B and C.

Project components include:

**Component A: Community Neighborhood Reconstruction Support Sub-Grants.** While BNPB should provide the housing grants, this component is still necessary to support design, prototypes or start-up of construction (for temporary shelter, housing, etc.) and to act as a placeholder to receive allocations in the case of funding shortfalls. Beneficiaries of this component will be assisted by community development facilitators who are financed through Component C. These DMF funds will contribute an estimated 12% of the total costs for rehabilitation of small-scale tertiary village infrastructure, facilities required for DRR at the community level and other priority investments for recovery (the rest will be covered by BNPB). The selection of infrastructure projects eligible for sub-grants will be based on

Community Settlement Plans (CSPs) and detailed plans for housing clusters relocating from some high-risk areas.

**Component B: Community Education and Quality Assurance (US\$ 695,000).** Housing task force teams will be recruited to oversee project implementation; verify compliance with construction standards; provide capacity building for project management at the community level; and educate communities in emergency preparedness and mitigation of future disasters. Facilitation will consist of organizing training and providing assistance to communities in doing self-surveys and detailed mapping, analysis and planning, screening of potential environmental and social impacts; making commitments on plans and programs including environmental and social management and mitigation measures; assuring the quality of construction and utilities; managing procurement; ensuring that user contributions are sufficient to cover operations and maintenance, and facilitating interaction between communities and government agencies as well as other parties.

**Component C: Project Implementation Support (US\$ 475,000).** This component will be used to support National Management Consultant and District Management Consultant Teams to carry out the following activities:

(a) Manage field activities; recruit and train facilitators; collaborate with local agencies and other stakeholders; support capacity building of stakeholders; ensure increased local agency participation in assistance and approval of CSPs; organize disaster risk reduction activities; and transfer knowledge gained through the activities under the project.

(b) Carry out monitoring and evaluation.

(c) Assist with the preparation of studies, information packages, technical guideline packages and proposals for application of the community-based approach by relevant agencies at local as well as national level, using knowledge and practices developed in Aceh as well as through presently ongoing activities in Yogyakarta and Central Java, international experience, as well as direct experience from the assistance underway, particularly in North Sumatra and North Sulawesi. This will include village planning for disaster-resilience, building regulation and land-use control, retrofitting, and management information systems (MISs).

(d) Facilitate collaboration among agencies and stakeholders involved with disaster relief and mitigation to settle on arrangements mentioned above and implement joint programs, and to develop a Disaster Recovery Framework, which lays out an organizing structure supported by official agreements and regulation for disaster recovery, action planning, guidance for funding and portfolio management, monitoring and impact evaluations, and creates a multi-stakeholder platform.

### **Sinabung Eruption in Karo District and Flooding in Manado City**

5. Recently, other disasters have occurred in other places in the country, among others, the eruption of mount Sinabung in North Sumatra that affected Karo District and the flooding in North Sulawesi that particularly damaged part of Manado city. In addition to institutionalize the REKOMPAK approaches and institutional arrangements, the project also aims to provide facilitation to the government's reconstruction program in these two locations. The experiences in the reconstruction activities in Sinabung and Manado City will further contribute to the development of a generic model of REKOMPAK for nation-wide application.

6. As was the case in the 2010 Merapi eruption, villages in Karo District affected by the 2014 Sinabung eruption have suffered from the damages of housing as well as basic and economic

infrastructure including access roads, water, sanitation, irrigation and drainage, and community social-economic facilities. In addition, water resources and agricultural land are affected by the eruption materials resulting in poor water quality and quantity and losses of agricultural harvests, respectively. Most houses and agricultural land are heavily destroyed, covered by ashes, sand, and gravel. Economic loss is high and households have suffered from loss of sources of income due to the damage of their agricultural land, livestock, shops, home industries, and workshops. Until now, it is not known whether there are physical cultural resources in the project area that are affected by the eruption. Some settlement areas are no longer habitable, difficult to recover, or would take a very long time to recover from the eruption materials. Some agricultural land may not be recovered in the near future due to acidic soil conditions and sandy. Clean up, rehabilitation and reconstruction of these infrastructures will improve the social, economic and environmental living conditions of the villagers, but will involve significant efforts and costs. Potential relocation is anticipated due to the difficulties in the recovery of the affected settlements and agricultural land. Voluntarily relocated families might be provided agricultural plots in the new settlement sites. In the case of Manado City, the 2014 flooding of three rivers from Tondano through Manado city have damaged housing along the riverbanks, which may need reconstruction in-situ, or in some cases, require relocation of the affected people from the riverbanks.

7. This Environmental and Social Safeguards Framework (ESSF) is developed for this project through the REKOMPAK replication and mainstreaming in Karo District and Manado city. This ESSF is an up-dated version of the previous framework applied in the first four years of REKOMPAK Yogyakarta/Merapi, which included lessons learned and approaches in addressing potential environmental and social impacts. As was the case in the REKOMPAK Yogyakarta/Merapi, this ESSF is developed to assist the project in managing potential environmental and social safeguards impacts that may rise from the development of housing and small-scale priority infrastructure and related facilities, as identified by the beneficiaries in Karo District and Manado City affected by mount Sinabung eruption and flooding, respectively.

8. The funds for the REKOMPAK replication and mainstreaming project would be allocated to targeted villages mainly to:

- facilitate community planning, reconstruction and livelihood support processes in selected villages affected by the disasters, in particular with the preparation or review of village Community Settlements Plans (CSPs), and/or CSPs in the villages where new settlement sites are developed to accommodate the voluntarily relocated eruption/flooding affected families;
- provide additional block grants for housing and small-scale priority infrastructure and related facilities identified in the Community Settlement Plans,
- provide technical assistance to strengthen the Disaster Risk Reduction component of the project with an emphasis on improving the involvement of local governments in mitigating the adverse impacts of natural disasters, and facilitate collaboration among agencies and stakeholders involved with disaster relief and mitigation to settle on arrangements mentioned above and implement joint programs, and
- to develop a Disaster Recovery Framework, which lays out an organizing structure supported by official agreements and regulation for disaster recovery, action planning, guidance for funding and portfolio management, monitoring and impact evaluations, and creates a multi-stakeholder platform.

### **Objectives of the Framework**

9. The Environmental and Social Safeguards Framework (ESSF) provides general principles, procedures and institutional arrangements for managing potential environmental and social safeguards impacts to serve the following objectives:

- Protect human health;
- Prevent or compensate any loss of livelihood;
- Prevent environmental degradation as a result of either individual investments or their cumulative effects;
- Enhance positive environmental outcomes;
- Avoid or minimize involuntary resettlement, and address the impacts of the unavoidable involuntary resettlement, if any;
- Avoid conflict among community members and strengthen the community's social cohesiveness;
- Prevent or compensate any loss of livelihood from the loss of land or access to natural resources including land because of the project; and
- Restore the living conditions of the affected communities.

## **Principles**

10. The principle of “Building Back Better”, as opposed to only restoring the damaged housing and infrastructure to the pre-disaster conditions will have important implications on the selection of sub-projects and eventually on project financing. Further, the project also supports the principle of “Building a Better Settlement” particularly in the case that new settlements are developed for the voluntarily relocated families. The disaster affected families should not becoming physically, socially, economically and culturally worst off, but better off instead, with the support from the project. The new settlement will be a well-planned, and sufficiently served by basic infrastructure and services, along with environment that could support a socially vibrant and cohesive communities and livelihoods of the relocated families. Under this project, there will be activities supported by various financing sources that are implemented in parallel or in synergy with activities financed by the grants. Therefore, this ESSF also assist these activities regardless of source of financing to achieve the ultimate project's objectives as specified in para #9 above.

## **Lessons Learned from REKOMPAK Yogyakarta/Merapi**

11. The REKOMPAK Yogyakarta/West Java (due to earthquake disaster) has key features in environmental and social safeguards that would be useful as lessons learned in the implementation its replication and mainstreaming (particularly for the on-site reconstruction), among others:

- There were no land issues encountered during and after the implementation of the project, where most settlements were built on the same land, or on the same plot. All land needed were voluntary contribution from the beneficiaries. At community level, the contributions of beneficiaries' land or common land for infrastructure were recorded and supported by signed agreements and documentation. It was recorded that in 2009, about a total of 7.2 hectares of land has been contributed by 1,061 families or on average 67.9 m<sup>2</sup> per family.
- No involuntary resettlement has occurred under the project that supports housing reconstruction in Yogyakarta, Central Java, and West Java provinces thus far.
- For infrastructure projects (which constitute less than 10% of total disbursements under Phase 1), there has been a high level of voluntary contributions from communities in the forms of cash (towards investment costs), labor, and land. In these cases, contributions have been recorded in the project proposals, which have been reviewed by the District Management Consultant (DMC) and verified by the Community Board of Trustee (BKM) or Implementation Team (TPK). Since the average cost of sub-projects is low involving small-scale infrastructure, voluntary land contributions have also been minor, mainly for alignment of roads. To date, there have been no land related complaints or grievances.

- Some families in the targeted villages have been living nearby or on disaster-prone sites (erosion) and would have to be relocated. Decisions to relocate to safer sites were discussed and agreed among community members and with the local government during the preparation of the Community Settlement Plans (CSPs). The Plans avoided as much as possible relocation with possible measures to avoid or minimize the impacts of erosion. Some families decided to relocate voluntarily and the local government facilitated the selection of safer sites and identification of available government/village land.
- The potential environmental and social issues were identified, anticipated and addressed in the CSP where the communities' involvements were high in the decision making process to achieve the "build-back-better" principles. Identification of disaster causes and mitigation measures were developed and implemented through, for instance, the provision of retaining walls, better drainage, and water polder.
- Government Regulation (PP) no 24/2010 about the Use of Forest Area article 4 has allows the use of forest area for temporary location for natural disasters victims. If the area is to be used as a permanent settlement; the Ministry of Forestry regulation about the Use Permit of the Forest land shall apply (PermenHut 16/MenHut-II/2014). It shows that safeguarding the forest land for disaster related relocation site has been covered in Indonesia regulation system. The project proponent (Local Government) in North Sumatera has successfully obtained this permit for Sinabung.

12. The ongoing REKOMPAK Merapi (due to eruption disaster) has key features in environmental and social safeguards that would be useful as lessons learned in the implementation its replication and mainstreaming, among others:

- Affected families voluntarily relocate to the new sites, land were either provided by the local government or by the community groups and site selection for the relocation sites were highly participatory and transparent. Voluntary relocation was recorded and the plan to relocate or not to relocate was part of the CSP preparation process;
- Each family was given a 100 m<sup>2</sup> land plots and a 36 m<sup>2</sup> core houses; the community groups built their own houses with close assistance and supervision by facilitators;
- The new sites were usually unproductive village land, or agricultural land bought by the community groups;
- The relocated families were given titles to their new land parcels, and they keep their entitlements of their original land but they were not allowed to live there although cultivations are allowed;
- The new settlement is a compact, well-structured and planned neighborhood with sufficient basic infrastructure and earthquake-resistant house structures, as well as better environmental condition;
- Potential environmental impacts were addressed by the community itself such as waste management, drainage system and all of the mitigation measures were included in the CSP;
- The project also facilitated continuous and new livelihoods activities in the new settlement;
- Most of the relocated communities maintain their previous organizational structure and relationships in the new sites;
- The CSP is an instrumental tools to accommodate the participatory, well informed, and transparent planning process and to guide the preparation of site plan for a well-planned new settlement development.
- The thematic safeguards review process for Indonesia portfolio in February to March 2015 also visited Rekompak site in Merapi on 28 February 2015 and the team was impressed with the comprehensive approach to resettlement and its waste management handling and drainage management of the project.

The CSP has been proven as an effective key instrument to implement the ESSF in REKOMPAK Yogyakarta/Merapi.

## Environmental Issues

13. Learning from the past experiences of REKOMPAK Yogyakarta/Merapi, the expected environmental impacts of activities funded by the REKOMPAK replication and mainstreaming project (i.e. this project) in the affected villages consist mainly of debris and dust during the cleanup of the flood affected areas in Manado City, temporary deterioration of water quality, sanitation and drainage facilities due to eruption materials in Karo District and landslide in Manado. Specifically in Sinabung, there will be health effects to displaced people due to elongated stay in temporary shelters and activities to remove and dispose volcanic material, and possible temporary land conversion from agricultural or forest area for temporary shelter. Typical environmental impacts during construction of on-site rehabilitation or of new settlement site may arise such as the issues of occupational health and safety, construction waste handling and depletion of natural resources from increased demand for construction materials. These impacts would be site-specific and can be locally managed or mitigated through community-based self-help and continuous environmental awareness training with assistance of local governments, as necessary. For resettlement in forest areas, please refer to the regulation above (no. 9).

14. Management of debris. The clean-up of debris might not be a significant issue at the household level but could be an issue at the large scale, particularly in terms of final disposal. The experience of post-tsunami response in Aceh shows how the initial urgency to clear debris in order to recover bodies led to fairly indiscriminate dumping causing blockages to water courses and localized flooding. Much of this debris was later cleaned up via the Multi Donor Fund (MDF) supported waste management program. As with the Aceh experience therefore, the management (including reuse and disposal) of debris is an important contextual issue for this project (especially for the on-site reconstruction in Manado City) and will need to be addressed through parallel and complementary approaches. The construction will use as much as possible usable debris and volcanic eruption materials (in Karo District), while the disposal site will be carefully selected to prevent further environmental degradation to productive land. Disposal sites for putting the construction debris and clean-up materials at the household level will be defined by community groups at the location where the environmental condition is not vulnerable.

15. Building design and materials. The REKOMPAK Yogyakarta/Merapi has introduced earthquake-resistant construction, mainly through well-reinforced concrete. The damage by hot air/dust and lava as well as load of sand on roofs will encourage further search for alternative materials, while local needs and customs around Sinabung in the Karo district may lead to different building designs and neighborhood lay-outs (site plans). However, considering costs of non-combustible materials, the probabilities of recurrence of eruptions, and availability of technologies, it will need some consideration on the resources to be put into the research. It is believed that the coverage of volcanic over the region will provide an excessive resource of sand that is very suitable for mortar and concrete. However, the threats to existing vegetation and the risks of uncontrolled quarrying and transporting of the material will still become a general environmental issue. Again, these aspects will be discussed and screened by community groups using the existing guidelines of REKOMPAK project.

16. Compared to the total of activities in both Sinabung Karo and Manado city, construction activities financed by REKOMPAK replication and mainstreaming project will be relatively very small in volume. The number of core-housing units or components to be built with the project's financing support will be relatively small (less than 100 units), resulting in a need for less than 100m<sup>3</sup> of timber and less than 800m<sup>3</sup> of sand, gravel and split stone. Whenever possible, alternative material to timber for housing, such as metal truss for roof, will be considered. This is a small quantity compared to the total need of 1,670 or more housing units to be rebuilt around Sinabung, and over 3,000 units to be repaired, and probably a number of houses that would be built in Manado. The infrastructure component of REKOMPAK

executed by the local governments and other organizations would demand more resources: with over IDR 250 million infrastructure grants to about 12 villages, the project may need over a total of 17,000m<sup>3</sup> of sand, gravel and split stone / aggregate. BNPB and MPWH will adopt this ESSF which has been elaborated in various guidelines, including the Standards Operation Procedures (SOP) for “Relocation Site Arrangement” (Tata Cara Penataan Kawasan Relokasi) that had been developed in July 2011 by MPWH which covered management of potential environmental and social impacts. This SOP is developed based on the “Environmental Guidelines” of the ESSF (see Appendix 1). The Environmental Guidelines can also be used to screen the proposed sub-project to define possible environmental issues above and to prepare its mitigation efforts.

### **Land Acquisition and Involuntary Resettlement Issues**

17. REKOMPAK Yogyakarta/Merapi adheres to the principle of avoiding or minimizing involuntary resettlement by which implementation is ensured through a participatory and transparent community-based approach introduced under the series of the national urban and rural poverty alleviation projects (PNPM Urban and PNPM Rural). This project will continue adopting this principle and approach. They have been proven successful and effective in rebuilding the houses and settlements in both REKOMPAK Yogyakarta/Merapi. REKOMPAK Yogyakarta avoided (or minimized) land needed for housing and tertiary investments by adjusting designs, and all housing units were built on existing plots. Communities that would be supported by the project would, in all likelihood, prefer to rebuild their houses and basic investments in their current locations. This on-site reconstruction might be relevant in Manado City. The Sinabung case would be similar with the case of REKOMPAK Merapi, whereby voluntary relocation was promoted for Project Affected Persons whose original land had been no longer habitable and selection of new sites were discussed and agreed with them. Identification of boundaries of house plots and agricultural land plots in the affected areas is important as some have been covered by the eruption materials. It is crucial that the national and local governments are ready with consistent policies on hazard mitigation, livelihood recovery, spatial plans and land use policies as basis for site selection.

18. In the case of Sinabung in the Karo District, options of the reconstruction sites are still open and will be decided during project implementation once the policies of the local (and central) government on the regional/district spatial development plan defining areas that can be developed and cannot be developed are confirmed. There is a possibility that land for the relocation sites would be located in the productive forest plantation, owned and managed by a State-owned Forest Company. There would be also a possibility that relocation sites are obtained by the beneficiaries themselves or by local governments or private entities. Local governments or private entities may obtain land through direct negotiations with land owners on a willing-buyer-willing-seller basis, under which land owners have the liberty to refuse to sell their land.

19. Looking at the situation in the field in the affected areas in Manado City, the sites and ownership of land plots on which houses will be reconstructed can easily be identified on the ground and reconfirmed by the families and/or neighbors. Housing rehabilitation and reconstruction is unlikely to involve resettlement except in cases where houses are located in the flood-prone areas along the riverbank. In such cases, people may need to be assisted to find new land plots on their own or receive assistance from the local governments or other parties to get new land plots. In the current situation, the project expects that such families may choose either to accept the assistance of the local governments or other parties and voluntarily resettle to the new place or to move to other sites that they find on their own.

20. Although it is unlikely, the project anticipates the possibility of the government (local governments and/or central government) to acquire land for the relocation sites and main infrastructure (such as access road) through the eminent domain principle. Schemes for land acquisition for the relocation sites and main infrastructure as part of reconstruction activities can only be decided during

project implementation. This ESSF provides guidance and requirements for voluntary land donation and land acquisition by the government using the eminent domain principle. Various Guidelines relevant for voluntary relocation, voluntary land donation and involuntary land acquisition that have been adopted by REKOMPAK projects will be continuously adopted by this project.

### **Physical Cultural Resources**

21. Physical cultural resources (PCR) are defined as movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance. PCR may be located in urban or rural settings, and may be above or within the international community. PCR are important as sources of valuable scientific and historical information, as assets for economic and social development, and as integral parts of a people's cultural identity and practices.

22. The Bank's PCR policy applies to: i) project involving significant excavations, demolition, movement of earth, flooding, or other environmental changes; ii) projects located in, or in the vicinity of recognized cultural heritage sites, and iii) projects designed to support the management or conservation of physical cultural resources.

23. When the project is likely to have adverse impacts on physical cultural resources, the communities or BKM/LKM as the subproject proponent identifies appropriate measures for avoiding or mitigating these impacts as part of the preparation or review of the CSP process. These measures may range from full site protection to selective mitigation, including salvage and documentation, in cases where a portion or all the physical cultural resources may be lost.

24. The highly participatory nature of the project will ensure that communities would be able to identify if any proposed sub-project will have an impact on PCR and to ensure that these activities do not adversely affect PCR. Sub-project proposals will require the identification of any such activities and require the group proposing the sub-project to specify adequate mitigation measures. This will be done during the CSP preparation.

### **Environmental and Social Safeguards Approaches, Instruments and Community Settlement Plans**

25. Provided the similar nature of the REKOMPAK replication and mainstreaming project and potential insignificant environmental and social safeguards impacts with those of the REKOMPAK Yogyakarta / Merapi, the project is classified as a Category B for Environmental Assessment. The project triggers the Bank OP/BP 4.01 on Environmental Assessment and OP/BP 4.12 on Involuntary Resettlement.

26. The activities to be funded by the this project, i.e., the REKOMPAK replication and mainstreaming project, are similar to those of financed by the earlier projects (REKOMPAK Yogyakarta/Merapi) in terms of types and scale of activities. It will finance small-scale priority infrastructure and related facilities and small number of houses (that will provide as model houses) identified in the CSPs. The potential environmental impacts would likely be similar to those of the ongoing REKOMPAK projects, which will be insignificant, localized, not irreversible, and could be managed by the community themselves through community-based approaches. For the case of Manado, land acquisition would be insignificant because most houses will be rebuilt on the same land plots (in Manado City) and most likely infrastructure will be reconstructed using the same sites or alignments as those prior to the flooding. Resettlement (voluntary or involuntary) would take place as the last alternative should the land is no longer habitable. The project will support voluntary relocation which would likely take place in Karo District, as most of the Sinabung eruption affected areas are no longer habitable or



need long-term recovery. The REKOMPAK replication and mainstreaming project will provide immediate support for the reconstruction and rehabilitation of small number of housing units and priority investments mainly in infrastructure in villages affected by the eruptions and the flooding and/or in new sites, which will ultimately lead to the improvement of environmental quality and socio-economic living conditions of the beneficiaries.

27. Given the nature of the activities financed by the REKOMPAK replication and mainstreaming project which are similar to those of the REKOMPAK Yogyakarta/Merapi, and to maximize and expedite its implementation, all proposed activities would follow the implementation arrangements that are already in place (by, for example, adopting training materials and guidelines for facilitators and communities that have been used for villages covered by REKOMPAK Yogyakarta/Merapi). The existing institutional arrangements, approaches, and instruments for financial management, disbursement, and environmental and social safeguards of the REKOMPAK Yogyakarta/Merapi will be adopted for the REKOMPAK replication and mainstreaming project, including updates that reflect the Government's most recent regulations and decrees and tailored to the needs of addressing the handling of the impacts of the Sinabung eruption in Karo District and the flooding in Manado City.

28. As part of the community-based approach, the project will involve communities in each of the target villages and those in the relocation site (if any) in the assessment of environmental and social safeguards issues before decisions on investments are taken. Consensus on land use, priority infrastructure and resettlement (voluntary or involuntary), if any, will be incorporated in the CSPs. Agreement on the mitigation measures to address potential environmental issues, disaster impacts and involuntary land acquisition, as well as voluntary relocation will be part of the CSPs. The CSPs is a key effective instrument to implement this ESSF.

29. As has been the case with REKOMPAK Yogyakarta/Merapi, all of the project-assisted villages (including villages where relocation sites are located) will be facilitated to prepare CSP of their villages. This involves self-surveys by community volunteers working with locally elected planning teams, including geographical mapping down to the sub-village (*dusun*) level. Thematic maps are produced for analysis of land-uses and trends, problems in infrastructure and services, and mapping of potential environmental and social safeguards risks as well as disaster risks; decisions are taken on development priorities, necessary changes in land use, infrastructure investments and other investments to improve the village resilience towards anticipated disasters. The resulting investment plans are used for determining sub-projects as well as for inputs to the village annual planning meetings (*Musrenbangdes*) and for allocating resources or village grants. The majority of affected as well as target villages will have to prepare CSPs, and should regularly review them after each batch of investments. The Sinabung eruption has unprecedented coverage of damage, especially its impact on agriculture and residential clusters in the path of the lava flow. Villages within the impacted area of the Sinabung eruption will have to revise or in case there is none, prepare their CSPs. There is a probability of need for resettlement, on a voluntary basis, which further will be provided assistance by this project. For people still living in danger zones, heavy mitigation measures should be taken. To guide this process, intensive involvement of local governments, and the national agency as well as regional agencies for disaster management (*BNPB* and *BPBDs*) is essential.

30. As has been the case of the ongoing REKOMPAK Yogyakarta/Merapi, most families prefer to rebuild their houses and make basic infrastructure investments in their original sites or land plots. In principle, the CSP is the instrument to identify negative potential environmental and social safeguards impacts, including the need to relocate and to acquire land, screen the impacts, identify potential impacts on physical cultural resources (if any), and develop and agree on measures to mitigate or handle such impacts. If it is necessary to prepare specific safeguards instruments such as SOP or a Voluntary Relocation Plan they will be part of the CSP. The CSPs, prepared by the community beneficiaries

themselves, will identify the inhabitable land plots/sites and the boundaries of land plots. The CSPs will avoid, and to the extent that this is unavoidable, minimize relocation. In the case that sites are no longer habitable and/or have potential high risks, community beneficiaries would be encouraged to voluntarily relocate to other sites. It is possible that the new settlement consists of housing complexes and land for cultivation as most of the eruption affected families are farmers. Land at the new sites would be obtained by the beneficiaries themselves or other parties including local government and private entities who wish to assist the beneficiaries. In the case of Sinabung, there is a possibility that relocation site would use a productive forest, owned and managed by a State Forest Company. In the case that local government acquires land for the relocation sites and other infrastructure using eminent domain principle, the project will follow procedures as specified in the Land Acquisition and Resettlement Framework (Annex 2) that has been updated from the ongoing REKOMPAK Yogyakarta/Merapi's ESSF.

31. Furthermore, the detailed design of the investments will be adjusted so that the need for land acquisition is avoided or minimized. Most community beneficiaries prefer to rebuild the existing investments on site. In the case that land acquisition for the community infrastructure is unavoidable, the community will decide on the approach for getting the needed land. As has been the case of the REKOMPAK Yogyakarta/Merapi, it is a common practice that community beneficiaries voluntarily contribute land for investments.

32. The CSP will also include measures to mitigate the potential environmental impacts as stated in the Environmental Issues section above. Annex 1 of this ESSF outlines the Environmental Guidelines that can be used during CSP discussion. The REKOMPAK Yogyakarta/Merapi experiences in using the CSP as an instrument to screen, identify and manage potential negative environmental and social impacts has been very effective. Measures to address the potential environmental and social impacts including land acquisition and the need for relocation are streamlined into the spatial arrangements and activities in the CSP. The REKOMPAK replication and mainstreaming project will remain a highly participatory and community-based rehabilitation and reconstruction activity. Plans to avoid or minimize the need for land and negative environmental impacts, including measures to address social and environmental impacts will be decided by the community itself at all levels of activities, such as planning, siting of the infrastructures and facilities, procurement, and construction as reflected in the CSP, with the facilitation of field facilitators and local governments. The potential need for relocation, relocation sites, and land for reconstruction and options to avoid or minimize and mitigate the impacts will be part of the decision of all stakeholders during the preparation of and be included in the CSP. Further, the assessment of potential affected physical cultural resources along with mitigation measures will be carried out during the preparation or review of the existing CSP. All of these aspects will be reflected in the CSP.

33. In the case that relocation is needed, the project will only support voluntary relocation. The decisions to relocate will be made on an informed, participatory and voluntary consent basis. A protocol of voluntary relocation has been developed since 2011 (and updated since then) and adopted for the REKOMPAK Yogyakarta/Merapi, i.e. Standard Operating Procedures for Arrangements of Relocation. The SOP includes, among others: key principles and procedures for voluntary relocation and preparation of the relocation sites. Relevant protocols for voluntary relocation are also included in various REKOMPAK guidelines and manuals including community self-surveys, village planning, land acquisition, neighborhood and detail design, implementation/construction, relocation and environmental management. Summary of Guidelines for Voluntary Relocation is presented in Annex 3 in this ESSF.

34. Plan to relocate the eruption and flood affected families very much depending on the facilitation process during project implementation. Whereas the Karo District is planning to use the production forest as potential relocation sites, including access roads. In the case that during project implementation there is a need for the local government of Karo District and/or Manado City to acquire land for relocation sites using eminent domain, the local government needs to prepare a Land Acquisition and Resettlement

Action Plan (LARAP) approved by the Bank prior to relocation. The LARAP will be prepared in reference to the Land Acquisition and Resettlement Policy Framework (LARPF) as outlined in this ESSF (refer to Annex 2). In addition to this ESSF, the project will adopt various manuals and guidelines relevant for voluntary land donation and relocation of the REKOMPAK Yogyakarta/Merapi, which have been updated for this project.

35. Community beneficiaries will prepare and decide on the CSP and implementation of the plan, with facilitation by the field facilitators guided by the DMC and NMC. Local Governments will also assist them as necessary. Consultations will take place among the community beneficiaries at the planning and implementation stages of the project. Community beneficiaries will also monitor construction process.

### **Capacity building and dissemination**

36. The Executing Agency, i.e., the MPWH, has experienced and good capacity in managing the REKOMPAK Yogyakarta/Merapi for almost ten years including in environmental and social safeguards. Training for Project staff, consultants and facilitators as part of the overall training program will be continued to strengthen their capacity in managing environmental and social safeguards.

37. As is the case with the REKOMPAK Yogyakarta/Merapi, the project guidelines, which also include the environmental and social safeguards aspects will be disseminated and socialized to the community beneficiaries through project socialization and training. In the villages to be covered by REKOMPAK replication and mainstreaming project for Sinabung and Manado, community beneficiaries especially the BKM/TPK need to be aware and understand the guidelines. Coaching for the updated guidelines will be carried for BKMs (Board of Trustees) or TPKs (Implementation Teams) as part of the review of the existing or during the preparation of new CSPs. The CSP is available for public as well as community beneficiaries in the BKM/TPK and kelurahan (village) office.

38. This ESSF will be disclosed in the MPWH's (Executing Agency) website and in Infoshop. It will be translated into Bahasa Indonesia and is part of the project's "Petunjuk Operasional Umum" (General Operational Guidelines). The REKOMPAK Yogyakarta/Merapi's Guidelines has been uploaded in [www.rekompakjrf.org](http://www.rekompakjrf.org) and [www.rekompakciptakarya.org](http://www.rekompakciptakarya.org). The updated Guidelines will also be uploaded in the website. The updated Guidelines will be distributed to facilitators and each beneficiary BKM/TPK.

## ANNEX – 1 Environmental Guidelines

### I. Introduction

Environmental impacts would occur mostly from poor site management during the project construction activity.

*The project has been classified as a Bank environmental category B. This annex outlines the environmental screening procedures and guidelines to ensure to identify, review, and “red-flag” procedures to ensure that problems are prevented and corrected. Indonesia’s environmental review procedures are generally consistent with the Bank’s and will form the framework from the REKOMPAK approach to environmental management.*

### II. Basic Principles

The basic environmental principles are:

1. Proposals should avoid or minimize negative environmental impacts, and they should have explored viable alternative designs and materials to minimize any negative environmental impact. This could be discussed during BKM/TPK led project selection.
2. Proposals should fit into the General Spatial Plan (RTRW) and avoid protected areas so designated by the Ministry of the Environment (see below).
3. Any proposal entailing a negative environmental impact shall be complemented by an environmental plan to mitigate the impact<sup>1</sup>.

### III. Environmental Screening Criteria

Subprojects will be checked against Government of Indonesia (GOI) screening criteria to ensure that whether the project would necessitate a full environmental assessment or would require any environmental permit. In an initial screening, the project type, scale, location, sensitivity, and the nature and magnitude of potential impacts, will be identified to classify the proposal in one of 4 categories:

1. Those that require ANDAL (full Environmental Assessments), Environmental Permit or other permit for which the Ministry of Environment has set criteria (see below). *It is expected that none of the proposals submitted under kelurahan grants would fall under this criteria. If that is the case, the BKM/TPK should consult directly to local environmental agency or PIU to obtain appropriate supports. From previous REKOMPAK projects no ANDAL is required for activities proposed by communities.*
2. Those that require environmental management and monitoring plans (UKL and UPL) based on limited but site specific studies. The Ministry of Public Works has set criteria to determine the need for UKL/UPL (see below). *These will be very rare for the case of community driven development project but there is now a clear guidelines on how to develop UKL UPL ( KepMenLH 16/2012). From previous REKOMPAK projects no UKL UPL is required for activities proposed by communities.*

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<sup>1</sup> Lesson learnt from previous REKOMPAK project, CSP document could also serves as the environmental mitigation plan of the sub-projects or if the project require UKL-UPL development, the environmental mitigation information from the CSP could be used for the UKL UPL preparation.

3. Those for which standard operating procedures (SOP) suffice, where generic good practice would protect the environment adequately. The DG Human Settlements and Urban and Rural Development have SOP guidelines for some types of projects (including measures to control dust, noise and traffic at construction sites; specifications for backfilling and re-vegetating disturbed areas to prevent erosion; and procedures to control negative impacts at solid waste transfer stations; etc.) or CSP covers this aspect as one of their section/chapter. *It is expected that some sub-projects may fall under this category. From previous REKOMPAK projects CSP document is also used to mitigate potential environmental impacts from activities proposed by communities.*
4. Those that require no environmental study, where no construction, disturbance of land or water or discharge of pollutants are involved, this criteria will require an environmental management statement (SPPL: Surat Pernyataan Kesanggupan Pengelolaan dan Pemantauan Lingkungan Hidup) as stipulated in PERMENLH 16/2012. *It is expected some sub-projects may fall under this category.*

## Government Environmental Screening Criteria

(by Decree of the Minister of State for the Environment of the Republic of Indonesia)

| <b>Sectors and Projects</b>            | <b>Units</b> | <b>ANDAL</b> | <b>UKL/UPL</b>                    |
|--|--------------|--------------|-----------------------------------|
| <b>Water Supply</b>                    |              |              |                                   |
| Raw water intake                       | L/s          | 250          | – 250 – 50                        |
| Transmission (large towns)             | km           | 10           | 10- 5                             |
| Distribution (large towns)             | ha           | 500          | – 500 – 100                       |
| <b>Urban roads</b>                     |              |              |                                   |
| New construction:                      |              |              |                                   |
| a. Large towns                         | km; or ha    | 5            | 5 - 1; or 5 – 2                   |
| b. Medium towns                        | Km; or ha    | 10           | 10 – 3; or 10 – 5                 |
| c. Small towns (villages)              | km           | 30           | 30 – 10                           |
| Bridges                                | m            | 500          | 500 - 100                         |
| <b>Wastewater &amp; sanitation</b>     |              |              |                                   |
| IPLT                                   | ha           | 2            | less than 2 ha                    |
| Sewerage system                        | ha           | 500          | less than 500                     |
| IPAL                                   | ha           | 3            | less than 3                       |
| <b>Solid Waste Management</b>          |              |              |                                   |
| Sanitary landfill (TPA)                | ha; or ton   | 10, 10000    | less than 10; or less than 10.000 |
| TPA (in tidal area)                    | ha; or ton   | 5000         | less than 5; or less than 5000    |
| Transfer station                       | ton          | 1000         | less than 1000                    |
| <b>Drainage &amp; flood control</b>    |              |              |                                   |
| a. In large towns                      | km           | 5            | less than 5                       |
| b. In medium towns                     | km           | 10           | less than 10                      |
| <b>New Resettlement or Improvement</b> |              |              |                                   |
| New settlement, transmigration         | ha           | 2000         |                                   |
| Slum Upgrading                         | ha           | 10           | 10 -5                             |
|  |              |              |                                   |
|  |              |              |                                   |

Sources: PERMENLH-05/2012 for ANDAL (Concerning Types of Businesses Activities Required to Complete an Environmental Impact Assessment); KEPMEN PU- 10/KPTS/M/2008 for UKL/UPL (Concerning Decisions on Types of Activities in the Field of Public Works that are Required to Prepare UPL and UKL); and PERMENLH-16/2012 concerning the preparation of environmental document.

Special screening will be applied on the following cases: (Negative list):

- *Fisheries*: Standards from the Fishery Service Agency (Dinas Perikanan) will be applied to all fishery subproject proposals.
- *Pesticide, ozone-depleting substances, tobacco or tobacco products*: No sub-projects using or producing these materials will be financed.
- *Asbestos*. No asbestos-containing materials will be financed. Special mitigation measures to address any issues with existing asbestos in any proposed sub-project (e.g. renovation of school buildings that may have used asbestos) will be applied.
- *Sub-projects that produce liquid or gaseous effluents or emissions*. No manufacturing or processing operations will be financed that would produce pollutant-bearing effluents or emissions unless: (a) the operations are small-scale; and (b) the cognizant Bapedalda reviews the design and certifies that it meets applicable water and air pollution control standards.
- *Hazardous materials and wastes*. No sub-project will be financed that uses, produces, stores or transports hazardous materials (toxic, corrosive or explosive) or generates "B3" (hazardous) wastes.
- *Logging*. Sub-projects involving logging operations or procurement of logging equipment will not be financed.
- *Development on protected areas*. The Decree or the Minister of the State for the Environment of the Republic of Indonesia Number PERMENLH-05/2012, entitled *Concerning the Types of Businesses Activities Required to Complete an Environmental Impact Assessment*, prescribes that any business or activity that is located in a protected area or that may change the purpose and/or designation of a protected area shall be required to prepare an ANDAL (see above). This includes: forest protection area; river edges; marine/freshwater conservation areas; nature tourism park; peat areas; areas surrounding lakes and reservoirs; coastal mangrove areas; water catchment areas; national parks; coastal edges; forest parks; cultural reserves; areas surrounding springs; scientific research areas; nature conservation areas; and areas susceptible to natural hazards. *No new settlement or expansion of settlements will be supported in protected areas under the project*. Where settlements already exist, and if it is the policy of the local government to allow the settlement to remain, proposals for funding under Rekompak may be used by the existing residents using standard Rekompak procedures and in compliance with any local regulations on land management which are defined by the protected area management plan.

Design specifications including environment management consideration for water supply, public toilets, urban roads, TPS, markets and bridges have been applied to Rekompak in the form of Standard Operating Procedures in the POT (Petunjuk Operasional Teknis) or Technical Guidelines.

### **Environmental Screening Process**

**Kelurahan Grants.** Community groups will prepare a sub-project proposal on a standard format provided by the “kelurahan” facilitator, signed by the group members. The standard format will include all items identified above that are not eligible for financing as part of the negative list. The proposals will include a description of the activities proposed and compliance with any applicable guidelines on environmental impacts, as well as land/asset acquisition. All proposals will be reviewed by project staff for their feasibility, technical soundness, and compliance with guidelines, before they are considered by the BKM/TPK. Project staffs will specifically screen proposals for any environmental impacts based on the guidelines above which will be included in the project manuals. These will include special screening for all sub-projects involving land and water use changes (i.e. reclamation, irrigation); economic projects with environmental impacts to be sure those alignments, effluent, etc. meet best practice standards. BKMs/TPKs with the assistance of facilitators will ensure that adequate mitigation measures are taken.

The selection of proposals by the BKM/TPK for the kelurahan grant shall be made in a meeting publicized in advance and open to the public.

#### **IV. Environmental Mitigation**

The project is small in scale, uses community-based approaches and is highly participatory. Likely environmental impacts are well known, based on the Aceh and Yogyakarta, Central Java, and West Java experiences, and are mainly localized. Local environmental management capacity within the GoI is also relatively high compared to the Aceh experience. Yogyakarta, North Sumatera (Sinabung), North Sulawesi (Manado) benefiting from relatively well resourced provincial environmental authorities. Likely environmental impacts are therefore considered manageable and the existing REKOMPAK Environmental Guidelines considered broadly adequate, with the following notes to be taken into account during CSP development, community discussion or project supervision:

- Environmental screening of community proposals for housing construction and small scale infrastructure will follow the procedures laid out in the existing safeguards framework, taking into account environmental screening criteria set out in PERMENLH-05/2012 for AMDAL and PERMENLH-16/2012 for the preparation of environmental document such as KA Andal, ANDAL, UKL-UPL and SPKPPL and other necessary permit to be obtained relating to the reconstruction and renovation of housing and settlement.
- For the case of Manado city, the project will (i) undertake to make an initial assessment of damage to household septic tanks and (ii) question local communities on any noticeable changes in well water quality. The environmental specialist located in the National Management Consultant (NMC), as see below, will compile studies being done on this issue by other agencies and will determine whether more systematic water quality sampling is necessary. Sampling will need to be carried out via a competent technical agency, such as a local university, with support from province environmental authorities. In the case ground water quality is found to be unacceptable, and in the event that no other agency funding has been allocated to address water quality, the project will advise BKMs/TPKs to use community grants to undertake follow up measures including rehabilitation/reconstruction of household septic tanks, repairs to well linings, and construction of new household and community wells. The environmental specialist of the NMC will coordinate the activities to ensure that communities will have access to clean water, with assistance from the DMCs and facilitator teams.
- The project shall determine mitigation effort of environmental impacts during construction (for the on-site rehabilitation or new settlement site) such as occupational health and safety, construction waste handling, debris and dust management etc. If the project is small in scale and shall not require UKL UPL, SOP from MPWH can be used during construction and can be part of the CSP document. The project will advise BKMs/TPKs to use community grants to undertake follow up measures.
- The project shall ensure to minimize the health effects due to elongated stay in temporary shelters and activities to remove and dispose volcanic material by consulting local health agency during CSP development or sub project proposal selection and use some of the funds for mitigation efforts.
- The project will minimize the use of timber in housing reconstruction. Where procurement of timber is absolutely necessary the project will: (a) carry out an awareness raising program for the communities on the requirement to use good quality and legal timber, including the requirement of FAKO (equivalent to formerly SKSHH); (b) assist the communities to get information on the places where to get good quality, legal timber; (c) monitor the purchase of timber with FAKO; (d) enforce



- the use of legal timber and tie it to the community group disbursement mechanism; (e) establish MIS based tracking of timber procurement and report back on performance on a quarterly basis.
- Training and awareness in applying safeguards procedures will be provided to all project staff within 3 months of commencement of works including: facilitators, housing/infrastructure task teams and Project Implementation Unit (PIU) and/or DMCs, Project Management Unit (PMU) and/or National Management Consultant (3 x 1 day training events). The training and awareness raising will feature the timber legality issue so that housing facilitators are competent in assisting communities with procuring good quality, legal timber.
  
  - Community awareness, in particular to the issue of ensuring that legal timber is sourced for all housing reconstruction needs, will be a feature of early discussions between project facilitators and BKMs/TPKs and community groups, together with provision of printed media in all key centers.

The project will assign an Environmental Specialist in the NMC, positioned to assist the PMU staff in Sinabung and Manado as well as one person each in the DMC. These specialists will ensure that the existing REKOMPAK Environmental Guidelines is followed as well as the 7 key additional task areas listed in the preceding bullets. These experts will cover safeguards requirements for this REKOMPAK replication and mainstreaming.

## **V. Reporting**

Facilitators and DMC staff will aggregate and review environmental reports and flag them in their quarterly reports. The project manual will include a matrix of likely environmental impacts and steps with which to address them. Environmental Specialists in NMC and DMCs should summarize progress, monitor and measure the impact of the project on the environment as part of the performance evaluation of the project.

**ANNEX - 2**  
**Land Acquisition and Resettlement Policy Framework**

**I. Project Characteristics**

1. REKOMPAK is a community-based demand-driven project. Reconstruction and relocation sites and types and the siting of sub-projects will not be identified in advance. The identification of the number of people affected by or benefitted from a sub-project can thus only be defined once sub-project proposals are evaluated and approved by the BKM/TPK and the DMC.
2. Since participatory planning and decision making form the basis for the project, the entire project approach should guarantee that people affected by and benefitted by the project will be involved in the decision making process in the planning and implementation stage.
3. This Policy Framework provides principles, procedures and organizational arrangements for land acquisition and resettlement. The project anticipates that there would be three types of land acquisition either for new housing sites (particularly in case there is relocation) and infrastructure: (a) voluntary contribution/donation from the beneficiaries; (b) direct purchase by the community beneficiaries; (c) involuntary land acquisition and resettlement, whereby land owners have to involuntarily release their land to the government using the eminent domain principle for the project. Should any sub-project involve any involuntary land acquisition or resettlement carried out by the government using the eminent domain principle, this Policy Framework provides procedures and guidelines for agreeing on compensation for those persons who are affected by the sub-project in order to ensure that they are not unfairly treated by being given low compensation, or benefit unfairly by being given compensation that is significantly higher per square meter than other owners who sell similar nearby land on the free market.
4. Process and results of land acquisition and resettlement regardless of the scheme for acquiring the needed land, will have to be properly recorded and documented.

**II. Schemes for Land Acquisition**

**A. Voluntary Contribution/Land Donation**

5. Voluntary contribution of land and/or other assets is quite common in Indonesian villages, assuming that an individual loses insignificant amounts of land and there will be no relocation. Voluntary donation of a land for a subproject means there is a transfer of ownership rights from the land donor(s) to subproject beneficiaries or to community or to the local government (village, sub-district and district/city), depending on the agreement between the land donor and the project. In accordance with traditional practice, community members may elect to voluntarily contribute land or assets and/or relocate temporarily or permanently from their land without compensation. Voluntary in this context will mean the donation or granting of land and other assets with the full knowledge of the purposes for which the asset is being made available and the economic, social and legal consequences that such an act would have on the person providing the asset and which act is exercised freely and voluntarily, without any type of coercion. Land acquired by voluntary donation should be supported by “*akta hibah*” endorsed by a notary or a PPAT.

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

### **Procedures and requirements**

7. The process of obtaining land through land contribution is as follows:
- The community group submit a proposal to the BKM for review and approval, one item included in the proposal is identification of land needed and how the land will be obtained. In the case that the proposed subproject requires land, the proposal should provide information that land will be made available through voluntary contribution from the member(s) of the community group;
  - The BKM and the project staff (DMC and facilitators) verify in the field and ensure that land donors have voluntarily agreed to donate his/her/their land for the proposed subproject. They also need to ensure that decision on land contribution was made through participatory mechanisms. In many cases, the BKM and facilitators participate in the community meetings discussing the land contribution for a particular subproject;
  - The BKM and project staff (DMC and facilitators) ensure that the proposal includes a statement letter signed by the community member(s) who donate the land and witnessed by the chairperson of the community ("kepala dusun") or head of village, and signed by heirs and other witnesses. The letter contains, among others, name and address of land contributor(s); current use, location and size of the donated land; the purpose of land donation; map of the location of the land; specification whether part of the land rights is donated, or permit for use or permit for passage;
  - (c) once a subproject proposal is approved by the BKM, the land owner who contributes the land identifies on the ground the donated land and site where to build the facility;
  - There is a clear information to whom the land is donated, and the project should follow-up on the legal process of the status of the donated land as necessary; if part of the land rights is donated to the village or government, the project should facilitate the follow-up of the legal processing of the status of the donated land; if the land is donated to the community, the BKM should consult with the village administration on how to record this to ensure that the donated land has a legal status;
  - Processes and results of consultation meetings, grievances and actions taken to address such grievances should be properly documented;
  - Donated land should be well recorded and documented in the project document (in the sub-project proposal and/or in the site development plan);

- The originals of the donation letter should be kept both by the project (in the sub-project proposal and/or in the site development plan) and by the land donator.

Key information that should be included in the Donation Letter is presented in Attachment 1.

## **B. Direct Purchase**

7. Land needed for a subproject could be acquired through direct purchase by the community group based on ‘willing-buyer willing-seller’ principle. Negotiations for direct purchase between the community group who needs the land and land owners should be carried-out in a public place and in transparent manner. All proceedings will be documented and final agreement will be signed by the negotiating parties in the presence of BKM, consultant/facilitator, and countersigned by the village head. Documents for land transaction and changes of ownership shall be supported by “*akta jual beli*” endorsed by a notary or a “*Pejabat Pembuat Akta Tanah*” (PPAT). Land legal status will have to be confirmed by certification and the project should facilitate the process. Timing for the payment of the agreed amount should be agreed by the negotiating parties during the negotiation.

Attachment 2 provides a sample format for documenting the direct purchase by the community group.

## **C. Involuntary Land Acquisition and Resettlement**

8. The project anticipates that the government (central and local) may need to acquire private or community land for infrastructure development (such as access road, public facilities) and for relocation sites. If land acquisition is carried out by the central/and or local government under the eminent domain principle and for activities that are considered as development for public purpose as specified in the Law No.2/2012 on Land Acquisition for Development for Public Purpose, the process, requirements, procedures and institutional arrangements for land acquisition will follow the key national laws and regulations pertaining to land acquisition for development for public purposes as follows:

- Law No. 2/2012 on Land Acquisition for Development for Public Purposes.
- Presidential Regulation 71/2012 on Implementation of Land Acquisition for Development for Public Purposes.
- Presidential Regulation 40/2014 on the first amendment of the Presidential Regulation 71/2012.
- Presidential Regulation 99/2014 on the second amendment of the Presidential Regulation 71/2012.
- Presidential Regulation 30/2015 on the third amendment of the Presidential Regulation 71/2012.
- Regulation of the Head of the National Land Agency no. 5/2012 Technical Implementation Guidelines for Land Acquisition for Development for Public Purposes.

9. In addition to the land acquisition process, requirements, procedures and institutional arrangements specified in the above Law and Regulations, the project should pay special attention to and ensures that land acquisition takes into account the following:

- Includes options of compensation (not only cash compensation) including land to land with clear procedures and timeline. Based on agreements reached during negotiations, Project Affected Persons can choose to receive cash compensation, resettlement, or other options. Other options include serviced sites, land [swap] of equal size or equal productive capacity, low cost housing, apartments, real-estate housing with credit facilities, or other schemes. Among those options, Project Affected Persons will be provided the opportunity of having a resettlement site where they do not have to pay more than their present routine expenditure. In all cases, the amount of

compensation, resettlement, or other options must be sufficient to achieve the objectives of improving or at least maintaining the pre-project level of standard of living, income generation, and production capacity of the Project Affected Persons.

- Eligibility for those without formal legal rights to land or claims to such land that could be recognized under the laws of the country (landless and laborers), provide resettlement assistance in lieu of compensation for land to help improve or at least restore their livelihoods. The government who acquires the land needs to compensate squatters and encroaches, if any, as the result of the land taking;
- The acquired land needs to be in line with the Regional or Detail Spatial Development Plan;
- Ensure that Project Affected Persons due to land taking get (a) prompt compensation at full replacement cost for loss of assets attributable to the project; (ii) if there is relocation, assistance during relocation, and residential housing or housing sites, or agricultural sites of equivalent productive potential, as required, (iii) transitional support and development assistance, such as land preparation, credit facilities, training or job opportunities as required, in addition to compensation measures; and (iv) provision of public infrastructure and community services as required.
- Once fair compensation is given, further consideration and impact mitigation should be elaborated particularly on livelihoods, measures are developed to ensure that Project Affected Persons are (i) offered support after the land taking, for a transition period, based on reasonable estimate of the time likely to be needed to restore their livelihood and standards of living, such support could take the form of short term jobs, subsistence support, salary maintenance or similar arrangements; and (ii) provided with development assistance in addition to compensation measures described such as land preparation, credit facilities, training and job opportunities.
- Consultations and Complaint procedures. Project Affected Persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs; grievance mechanism should take into account availability of judicial recourses and community and traditional dispute settlement mechanism

10. In the case that the government acquire land and/or acquire land that causes involuntary relocation, it has to prepare Land Acquisition and Resettlement Action Plan (LARAP) that needs to be approved by the Executing Agency and the Bank prior to the implementation of land acquisition. Similar case when the government requires the disaster Project Affected Persons to involuntarily relocate to new settlement sites, the government needs to prepare LARAP. The project, however, will support only voluntary relocation (refer to Annex 3).

11. The contents of a LARAP for land acquired by the government using eminent domain principle for a subproject affected 200 persons or more and less than 200 persons is presented in Attachment 3 and 4 in this Annex.

12. The project will hire a Resettlement Specialist in the NMC and in the DMC (as required) helping the Executing Agency in ensuring that the project follows this Land Acquisition and Resettlement Policy Framework.

### **Consultation and Complaint Resolution**

13. This general framework will be included in the Project manuals and guidelines, and DMC staff and facilitators trained in its implementation. The overall project approach in enabling transparency and consultation should allow solutions to local problems locally, quickly, and effectively. If any affected persons or other community members have a complaint regarding the framework or its application in practice, the project has an established system of complaint handling at the kelurahan and kota/kabupaten

as well as provincial and national levels, with dedicated staff in charge of handling and following up on complaints. Complaints which cannot be solved locally through the BKM/TPK complaint system will be referred to the DMC, and, if necessary to the NMC and the PMU.

### **Reporting and Monitoring**

14. The progress of implementation of any required land acquisition, resettlement, and assistance will be reported to the World Bank regularly by the DMC/NMC. The DMC/NMC will have to monitor the preparation and implementation of the LARAP. Progress of land acquisition will be reported in the project report.

### **Disclosures**

15. The LARAP will be disclosed locally in the subproject sites requiring land and in the central or local government website, as applicable. Documentation of the land donation and direct purchase will be available for public in the BKM and/or Kelurahan office, as part of the CSPs. The land owners who donate and sell their land for the subprojects will have a copy of the documentation of land transfers or transactions.

## **Attachment 1**

### **Sample of Format for Documentation for Land Donation**

1. Name of subproject proponent: (Local Government, community group, or other, please specify)
2. Brief description of subproject acquiring land:
3. Size, existing use, and location (with map or sketch) of donated land:
4. Name and identity of land donor(s):
5. Date of the donation:
6. Map of the donated land
7. Type of use (for the subproject) of the donated land:
8. Date and signing of the Form: by the subproject proponent (or authorized representatives in the case of community group) who receive the donated land; land donor; head of village, representative(s) of BKM, inherits of the land donor, and witnesses (at least three people). The land donor should put his/her signature on a legal stamp (meterai).
9. Attachment of (a) minutes of consultations, signed by subproject proponent or authorized representatives in the case of community group, witnesses (NGOs, civil society and/or community leaders), land owners, and consultant/facilitator; (b) attendance list; (c) a copy of akta hibah issued by a notary or PPAT (format of akta hibah follows the regulation).
10. Certification of the donated land and the remaining land.

## Attachment 2

### Sample Format for Obtaining Land through Direct Purchase

1. Name of subproject proponent: (Local Government, or community group, or other, please specify)
2. Brief description of subproject acquiring land:
3. Size, existing use, and location (with map or sketch) of land acquired:
4. Name and identity of land owner(s)/seller(s):
5. Name and identity of land buyer(s):
6. Type of use (subproject) of the acquired land:
7. Date of land purchase:
8. Land price:
9. Date of payment:
10. Scheme of payment: (cash, and/or cash transfers, installment, etc. as applicable)
11. Recipient of payment:
12. Date and signing of the Form: by the subproject proponent (or representatives in the case of community groups); head of village, representative(s) of BKM, and region-based PMU/DMC representative.
13. Attachment of (a) minutes of negotiation, signed by subproject proponent or authorized representatives in the case of community groups, and witnesses (NGOs, civil society and/or community leaders), land owner(s), and consultant/facilitator; (b) attendance list; (c) receipts of payment; and, (d) a copy of *akta jual beli* issued by a notary or PPAT. Format of *akta jual beli* follows the regulation.
14. Certification of the purchased land and the remaining land.



### Attachment 3

#### Contents for Land Acquisition and Resettlement Action Plan (LARAP) for Affecting more than 200 persons

1. If the central and/or local government plans to obtain land for a sub-project proposal indicates that more than 200 persons will be affected by the sub-project, it has to conduct a census and socio-economic survey to: (i) determine the number of persons involved; (ii) to collect data about the social and economic condition of the people, and the physical condition of the project area; and (iii) to determine the potential impact of the sub-project.
2. The date of this survey/census will be the latest cut-off point to record the persons in the sub-project area that will receive compensation, resettlement and/or removal and rehabilitation assistance.
3. The detailed census and socio-economic survey (hereafter referred to as the socio-economic survey) will cover among others:
  - i. The size, condition, legal status of land and buildings;
  - ii. The number of Project Affected Persons and households;
  - iii. Relevant social characteristics of the Project Affected Persons (age, gender, education, etc);
  - iv. Relevant economic characteristics of the Project Affected Persons such as livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities); standards of living (including health status);
  - v. The magnitude of the expected loss – total or partial – of assets, and the extent of displacement, physical or economic; and
  - vi. Information on vulnerable groups or persons for whom special provisions may have to be made.
4. Based on the results of this socio-economic survey, the central or local government acquiring the land prepare a comprehensive plan on the taking of assets for purposes of the sub-project, and the provision of compensation, resettlement, and rehabilitation assistance for the Project Affected Persons in accordance with the principles of this Policy Framework. This will be described in a Land Acquisition and Resettlement Action Plan (LARAP) to be furnished to the Bank for approval.
5. The scope and level of detail of the LARAP will vary with the magnitude and complexity of the land acquisition and resettlement. The plan will be based on up-to-date and reliable information about: (a) the proposed land acquisition and resettlement and its impacts on the Project Affected Persons and other adversely affected groups; and (b) the legal issues involved in resettlement. The following list defines the matters that should normally be included LARAP and it should be regarded as general guidance in the preparation of a LARAP. When any matter listed is not relevant to Project circumstances, it should be noted in the resettlement plan:
  - i. Description of Sub-Project Impact and Analyses
    - § Description of the sub-project and identification of the sub-project area.
    - § Identification of: (i) the sub-project component or activities that give rise to land acquisition and resettlement; (ii) the zone of impact of such component or activities; (iii) the alternatives considered to avoid, or minimize land acquisition and resettlement; and (iv) the mechanisms established to minimize land acquisition and resettlement, to the extent possible, during implementation.
    - § The main objectives of the land acquisition and resettlement program.
    - § The findings of the socioeconomic studies.

- § The findings of an analysis of the legal framework.
  - § The findings of an analysis of the institutional framework.
  - § The definition of affected persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.
- ii. Methodologies and Procedures
- § The methodology to be used in valuing losses to determine their replacement cost; a description of the proposed types and levels of compensation under laws and regulations and such supplementary measures as are necessary to achieve the real replacement cost for lost assets.
  - § A description of the strategy for consultation and participation of the Project Affected Persons and/or resettlers (in the case there is relocation of the Project Affected Persons) and hosts in the design and implementation of the resettlement activities including;
    - a summary of the views expressed and how these views were taken into account in preparing the land acquisition and resettlement plan;
    - a review of the resettlement alternatives presented and the choices made by affected persons regarding options available to them, including choices related to forms of compensation and resettlement assistance, to relocating as individuals families or as parts of preexisting communities or kinship groups, to sustaining existing patterns of group organization, and to retaining access to cultural property;
    - institutionalized arrangements by which Project Affected Persons can communicate their concerns to project authorities throughout planning and implementation; and
    - measures to ensure that groups such as isolated vulnerable people, the landless, and women are adequately represented.
- iii. Compensation Package
- § Description of the packages of compensation and other resettlement measures that will assist each category of eligible affected persons to achieve the objectives of the Policy Framework. Compensation will be calculated based on laws and regulations on Land Acquisition for Development for Public Purposes mentioned above, and taking into account other aspects including compensation for squatters and encroachers due to the impact of the land taking (see above C2).
- iv. Alternative Relocation
- § Institutional and technical arrangements for identifying and preparing relocation sites, whether rural or urban, for which a combination of productive potential, locational advantages, and other factors is at least comparable to the advantages of the old sites;
  - § Estimated time needed to acquire and transfer land and ancillary resources;
  - § Any measures necessary to prevent land speculation or influx of ineligible persons at the selected sites;
  - § Procedures for physical relocation under the sub-project, including timetables for site preparation and transfer;
  - § Legal arrangements for regularizing tenure and transferring titles to resettlers;
  - § Plans to provide, or to finance resettlers' provision of housing, infrastructure and social services (which ensure comparable services to host populations); and any necessary site development, engineering, and architectural designs for these facilities
  - § A description of the boundaries of the relocation area; and assessment of the environmental impacts of the proposed resettlement and measures to mitigate and manage these impacts (coordinated as appropriate with the environmental assessment of the main investment requiring the resettlement).
  - § Measures to mitigate the impact of resettlement on any host communities.

v. Implementation of Land Acquisition and Resettlement

§ The organizational framework for implementing land acquisition and resettlement, including identification of agencies responsible for delivery of land acquisition and resettlement measures and provision of services.

§ An implementation schedule covering all land acquisition and resettlement activities from preparation through implementation, including target dates for the achievement of expected benefits to resettlers and hosts and terminating the various forms of assistance.

vi. Costs

§ Detailed costs of the full compensation package, resettlement costs and all associated implementation costs.

§ Identification of sources of financing (Bank funds cannot be used to finance cash compensation or land acquisition.)

vii. Monitoring and Grievance Procedures

§ Arrangements for monitoring of land acquisition and resettlement activities by the implementing agency, supplemented by independent monitors as considered appropriate by the Project.

§ Description of grievance procedures.

6. There will be meaningful consultations with all Project Affected Persons, and all other stakeholders including non-governmental organizations throughout the design and implementation of the LARAP.

7. The LARAP described above will be prepared by the local government agency proposing the sub-project resulting in the need for land acquisition and resettlement. The DMC could provide assistance to the agency requiring the land in preparing the LARAP and it will thereafter be submitted to the Executing Agency (and NMC) and the Bank for approval. Draft LARAP should be disclosed for feedbacks (see # 9 below). Once Bank approval is obtained, it will be issued as a Decree of the head of the district level of local government (the Bupati or Walikota) or the Head of Agency of the central government, as applicable. Once the Decree has been issued, it will be disseminated by the DMC and relevant government offices to the Project Affect Persons.

8. Issuance of approval for contract signing for a sub-project that requires a LARAP will be considered by the Bank after receipt of a progress report from the DMC/NMC that indicates substantial implementation of the LARAP, including acquisition of all land in critical locations. Land acquisition and resettlement need to be completed prior to the start of the construction of the sub-project.

9. The draft LARAP, including all its maps and annexes, will be publicly displayed at the local government, and relevant DMC office, the office of the relevant village/kelurahan(s), and the office of the relevant BKM(s)/TPK(s). In addition, the draft LARAP will be disclosed in the Project's website or Executing Agency's website. The approved LARAP will be disclosed in the same places as those of where the draft LARAP was disclosed.

## **Attachment 4**

### **Contents of a Simple Land Acquisition and Resettlement (Simple LARAP) Affecting less than 200 Persons**

1. Name of subproject proponent:
2. Description of proposed subproject:
3. Location of proposed subproject (include a map indicating the site of the proposed subproject):
4. Size of land (including assets and plants attached to land) needed by the proposed subproject and size of original land plot:
5. Ownership status of the needed land:
6. Name of land owner(s) and identity:
7. Scheme for acquiring land (including assets and plants attached to land) with proven agreement from the land owners.
8. Plan for land acquisition (such as consultations, negotiation, payment, preparation of legal document for land transfers, etc.) with clear schedule;
9. Agencies involved in the process of land acquisition;
10. Amount and sources of funding (if from APBN or APBD, indicate the funding availability in the budget document).
11. Dates and signing of the LARAP (sign by agency acquiring the land and Bupati in the case land is acquired by local government);
12. Attachment to the Simple LARAP: (a) documentation of consultations/negotiations, including minutes of meetings, and attendance list; (b) copy of identity cards of land owners; (c) agreement of land owners on the scheme; and, (d) copy of budget document stating that the budget is available (as applicable).

## ANNEX – 3 Voluntary Relocation

### Basic Principles

The project will only support voluntary relocation of the disaster affected persons who are the beneficiaries of the project. Voluntary relocation is acceptable when:

- beneficiaries are well-informed about their original place are no longer habitable or no longer safe from future disaster based on the government policies, and consequently the risks associated with it;
- beneficiaries are provided options for relocating to safer places or for not relocating to safer places with full knowledge and awareness on the conditions in the new place or risks if they do not relocate;
- beneficiaries have clear information on their rights and responsibility if they have to relocate to the new areas or not to relocate and remain in the original site; and
- beneficiaries are not under any kind of pressures that enforce them to relocate.

### Process and Procedures

- Beneficiaries should participate in the self-assessment community mapping, preparation of the CSP, and preparation of the relocation plan.
- Facilitators should support the beneficiaries with information during decision making process that would support their decision to relocate.
- Government policies, regulations and plans which will influence the decision to relocate or not to relocate should be socialized to the beneficiaries.
- Procedures include:
  - Community organizing
  - Socialization by facilitators
  - Community self-mapping survey, needs assessment
  - Action plan commitment
  - Alternatives to identify land for relocation
  - Neighborhood planning, detail design/site plan
  - Active engagement of the community and village task forces in the process of construction.
  - Occupation with written commitments
  - O&M, with training for livelihoods, DRR and management of infrastructure
  - Processing of legal status of the land and building permit.

### Institutional arrangement

- Affected/beneficiaries families organized into groups, coordinated by board village community trustees.
- Government agency responsible for rehabilitation and reconstruction (BNPB) as main responsible agency and provider of grants for housing, land (as applicable) and infrastructure.
- Ministry of Public Works as the Executing Agency who manage project implementation together with the District/City Public Works Agency who supervise the relocation process related to infrastructure development in the new site.
- Consultants and facilitators recruited by government to assist, guide and supervise the process and implementation of voluntary relocation.