

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA15190

Date ISDS Prepared/Updated: 24-Feb-2016

Date ISDS Approved/Disclosed: 24-Feb-2016

I. BASIC INFORMATION

1. Basic Project Data

Country:	Indonesia	Project ID:	P154782
Project Name:	Indonesia National Slum Upgrading Program (P154782)		
Task Team Leader(s):	George Soraya,Evi Hermirasari		
Estimated Appraisal Date:	10-Feb-2016	Estimated Board Date:	13-May-2016
Managing Unit:	GSU08	Lending Instrument:	Investment Project Financing
Sector(s):	Other social services (20%), Urban Transport (20%), Solid waste management (60%)		
Theme(s):	Other social development (25%), Urban services and housing for the poor (25%), Urban planning and housing policy (25%), Other urban development (25%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	1743.00	Total Bank Financing:	433.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			1310.00
International Bank for Reconstruction and Development			433.00
Total			1743.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

2. Project Development Objective(s)

The overall project development objective is to improve access to urban infrastructure and services in targeted slums in Indonesia.

3. Project Description

A. Project Design

About 22% of Indonesia's urban population (approximately 29 million) is estimated to be living in slums with low levels of access to basic services. More than 50% of the poor live in the slum areas. In 2014, the Government of Indonesia (GOI) identified approximately 38,000 hectares of slum areas based on the Ministry of Public Works and Housing's (MPWH) area-based definition of slums as dense neighborhoods lacking in access to infrastructure and with irregular buildings. These slums are spread across more than 3,500 urban wards and are generally characterized by substandard housing, inadequate access to basic urban infrastructure and services (water, sanitation, roads etc.), poor health, vulnerability to disaster risks and, in larger cities, overcrowding. It is estimated that in 2014, 30% of slum dwellers (approximately 9 million) resided in units that lacked safe water and 37% of slum dwellers (approximately 11 million) with inadequate sanitation. In addition, about 30% of the roads and 50% of the drainage are considered to be in poor quality. Due to inadequate infrastructure and utility services, slum dwellers pay disproportionately more than other urban residents. While a large proportion of households in Indonesian slums have secure tenure, some slums are informal settlements situated on illegally occupied land; however, current urban policy and planning does not address this issue.

Slum characteristics in the project. In the 154 targeted cities, a total area of about 13,000 ha has been identified as slums, of which 5% falls into the category of heavy, 72% medium, and 23% light slums. These slums are home to about 12.7 million people, accounting for about 22% of the total urban population (57.9 million). Among these slum dwellers, 2.1 million people are poor, which is about 55% of the total urban poor (3.7 million) in the targeted cities. Overall there is a lack of access of improved water supply and proper sanitation facilities. For example, 60% population has less than 60l/per capita/day water supply; 75% are without adequate solid waste removal (i.e., twice a week at a minimum); 75% live in housing that does not meet building codes, and 25% live in housing space less than standard of 7 m²/person.

Beneficiaries. The project is expected to directly and indirectly benefit 9.7 million slum dwellers living in 154 cities, of which 4.85 million are expected to be women. Slum dwellers are likely to experience significant betterment of living conditions due to improvements in access to and quality of basic services. The project will cover access to the following infrastructure and basic services: (1) building regularity; (2) water; (3) sanitation; (4) roads; (5) drainage; (6) solid waste; and (7) fire safety.

Geographical distribution. Within the context of NSUP roll out, infrastructure investments under the proposed project will focus on 154 cities in the central and eastern parts of Indonesia; the Islamic Development Bank (IDB) is expected to support about 110 cities in the western part of Indonesia, and the Asian Development Bank (ADB) is expected to support 20 cities nationally. Tertiary infrastructure investments and institutional capacity building support will be provided in all 154 project cities. However, construction of small or limited scale connecting infrastructure as well as the improvement of small or limited scale primary and secondary infrastructure in the vicinity of slums will only take place in a subset of 50 cities.

The subset of 50 cities (out of a long list 65 cities; refer to PAD Annex 2) will be finalized at appraisal, based on: (a) population characteristics, including population density and percentage urban population; (b) area of the city in slum status; (c) gaps in access to infrastructures and services; and (d) commitment of local government to implement NSUP.

Phasing of project implementation. The project implementation will follow a phased approach that will ensure local government and community buy-in as well as institutional capacity development. The initial phase of planning and capacity building, to be financed by Component 2, will start simultaneously in all cities.

At the city level, the city governments will prepare or finalize their Slum Improvement Action Plans (SIAPs). It is expected that towards the end of 2016, 20 cities of the subset 50 cities will have final SIAPs, identified priority slum areas for intervention, and will have final detailed engineering designs (DEDs) for first priority infrastructure sub-projects. Construction related activities for these first priority sub-projects, to be financed by Component 3.1 will be undertaken in 2017. DEDs for the second priority sub-projects as identified by the SIAPs will be completed in 2018 and their construction will take place in 2018. This cycle will continue for the remaining priority sub-projects until 2021. Simultaneously during 2016, the remaining 30 cities from the subset of 50 cities will start preparing their SIAPs which will be final in 2017 and have DEDs for selected priority infrastructure sub-projects completed in end of 2017. Construction of these sub-projects will start in 2018. The cycle will continue for the next priority sub-projects in the following years. Gradually all of the subset of 50 cities will complete their DEDs for all identified priority infrastructure sub-projects in 2018 onwards, and their construction to be financed by the project is expected to be completed in 2021. In summary, during the project period, there will be simultaneous activities across the 154 participating cities with different levels of progress, i.e. SIAP preparation, DED preparation, construction, and operations and maintenance for the completed sub-projects.

At the kelurahan level, where priority slum areas as defined in the completed SIAPs are located, the kelurahan community (LKM or BKM) will prepare or finalize their Community Settlement Plans (CSPs). In 2016, the project is planning to support construction of small scale tertiary infrastructure in 200 priority slum area sites for kelurahans that have completed their CSPs and proposals for priority sub-projects prepared by community groups (KSMS) have been approved. As the approved proposals will include DEDs for priority sub-projects and estimated costs, construction of these sub-projects will start in the same year. Simultaneously, other kelurahans as identified by the city governments that have completed SIAPs, will prepare or review and finalize their CSPs, followed by the completion of KSMS' proposals and construction in 2017 onwards. In summary, during the project period, there will be simultaneous activities in kelurahans in the 154 participating cities with different level of progress, i.e. CSP preparation, KSMS' proposals preparation, construction of tertiary infrastructure subprojects, and operations and maintenance of the completed tertiary infrastructure. During the project period, about 6,400 kelurahans would receive financing for tertiary infrastructure including 700 kelurahans that have ongoing and new ND program.

Status of planning documents. Since 2015 Slum Improvement Actions Plans (SIAPs) are being prepared in over 100 cities with support from the MPWH under the ongoing PNPM-Urban/ND support, including those of the subset of 50 cities and now they are progressing in different stages. As explained above, among these cities, 20 cities are expected to have their SIAPs ready for finalization during the first year of project implementation (2016). With the support of the ongoing PNPM-Urban/ND, 500 kelurahans already have CSPs which will be updated, while more kelurahans are planning to prepare new CSPs. Under the ND, CSPs have been regularly updated and this practice will continue in the project.

Nature of sub-projects. Sub-projects that will be financed by Component 3.1 include improvement of existing small or limited scale secondary and primary infrastructure and small or limited scale connecting infrastructure that connect slum areas with the secondary and primary infrastructure. It

would include possible improvements to roads, drainage, water supply, and sanitation. This will create an integrated service for the slums with their neighboring areas. The exact nature of sub-projects will be known once the SIAPs are finalized, which for the subset of 20 cities will be completed in the first year of project implementation (2016). Learning from the LGDP (DAK) project, improvement, rehabilitation and maintenance of existing secondary and primary infrastructure (e.g. city roads) have increased the service capacity of the infrastructure. Road improvement includes widening, straightening and/or surfacing/upgrade surface quality of existing roads, as well as wall lining to protect erosion. Road rehabilitation involves holes patching, sidewalk fixing, and maintenance includes resurfacing, cleaning up road shoulders, fixing broken and cleaning up drainage. In LGDP, contract size of these works is relatively small. For instance, in East Java, in 2014 average contract size for road improvement was USD 87,000 and for road maintenance was USD 88,085. In West Sulawesi, the figures were USD 111,054 and USD 80,645 for road improvement and maintenance, respectively. In Central Kalimantan, contract amounts were USD 293,452 and USD 183,497 for road improvement and maintenance, respectively. Connecting infrastructure, for example, can be installation of collector pipes that connect the underutilized existing waste water treatment plant to the slum area (Margasari) as has been the case of Balikpapan.

Similar to the ongoing PNPM-Urban/ND, Component 3.2 will finance small-scale, community infrastructure including new or improvement or rehabilitation of existing facilities such as community roads, footpaths, small bridges, drainage, water supply, communal and individual toilets, solid waste management, sub-standard housing, and community parks and greening. The project will continue support the CDD approach slum improvement through ND that has been piloted in 780 kelurahans in 167 cities under the PNPM- Urban/ND. Sub-projects are small. For instance, during 2012-2014, median costs of roads, drainage, public toilets, sanitation channels, and greening were USD 26,775; USD 12,554; USD 4,854; USD 6,092; and USD 3,820 respectively. Under this project, GOI will fund when needed on in-situ slum upgrading which will avoid or minimize involuntary resettlement unless absolutely needed for local infrastructure improvement and connect the upgraded slums with the city infrastructure services.

Subproject eligibility. The project funds cannot be used to finance (a) purchase of land; (b) economic activities involving revolving funds; (c) Category A sub-project activities with significant, sensitive, complex, irreversible and unprecedented potential adverse environmental and social impacts that may affect an area broader than the sites or facilities subject to physical work requiring a full environmental assessment to manage and mitigate such impacts in accordance with World Bank OP 4.01, Ministry of Environment Regulation No. 5, 2012 and activities with the scale beyond those specified in the Ministry of Public Works and Housing Regulation No. 10, 2008; and (d) a subproject with cost above USD 2,000,000. Sub-projects with significant ancillary and related activities will not be eligible if they are considered as Category A sub-projects. This includes sub-projects that would require expansion of water treatment facilities, wastewater facilities, solid waste disposal facilities and road expansion beyond connecting a slum area. Eligible sub-projects to be financed by this project are Category B sub-projects with impacts that are site specific, few if any are irreversible, and in most cases mitigation measures can be readily designed.

Project Components. The project has five components that together will enable the achievement of the PDO, as summarized below:

- a. Component 1: Institutional and Policy Development (Cost US\$7 million, of which IBRD Loan US\$2 million). This component will support institutional strengthening and capacity building of central government agencies (e.g., BAPPENAS, MPWH) responsible for the management of the national slum upgrading program (see Figure A3.1 in Annex 3 of the PAD) and will include:

institutional analysis at the national level as well as for a sample of municipal governments to identify the nature of support needed to facilitate inter-agency coordination during preparation, implementation and supervision stages; strategic national upstream policy level studies to facilitate the development of government policy to support the sustainability of slum upgrading and prevention efforts, including land administration policy reform, policies towards informal settlements and security of land tenure, and synchronization of slum definitions used by MPWH and BPS.

b. Component 2: Integrated Planning Support and Capacity Building for Local Government and Communities (Cost US\$95 million, of which IBRD Loan US\$89 million). This component will finance the costs of (approx. 200) urban planners and (approx.. 3,000) community facilitators throughout the project cycle to support capacity building (including training, workshops, and knowledge exchange events between cities as well as urban sub-districts) of local governments and communities in 154 cities to design and implement slum improvements, including the development of Slum Improvement Action Plans (SIAPs) at the city level and Community Settlement Plans (CSPs) at the community level.

c. Component 3: Urban Infrastructure and Services in Selected Cities (Cost US\$1578 million, of which IBRD Loan US\$310 million). This component includes two sub-components as summarized below.

Sub-component 3.1: Improvement of Primary and Secondary Infrastructure and Site Development as well as Construction of Connecting Infrastructure in 50 selected cities will mainly consist of improvements identified in SIAPs for area level-small scale sanitation, water and drainage systems (together with strengthening connectivity to tertiary and household-level systems) as well as construction of connecting infrastructure. Based on a survey of SIAPs that are in the advanced stages of completion, the maximum cost for a single subproject under Sub-component 3.1 will be US \$2,000,000 (and the average cost will be considerably less). On average, each city would receive USD 20 million during the project period.

Sub-component 3.2: Support for Tertiary Infrastructure Upgrading in the project cohort of 154 cities based on a community-driven approach and will include, inter alia, small scale water supply, drainage, sanitation, footpaths, fire safety, site improvements, etc. Support will also be provided for strengthening community-based livelihoods through the construction of livelihood-enabling facilities and services at the tertiary level that are identified in CSPs as important for slum prevention. It is estimated that on average, each ND kelurahan would receive USD 150-250 K during the project period.

d. Component 4: Implementation Support and Technical Assistance (Cost US\$63 million, of which IBRD Loan US\$32 million). This component will finance the costs of: National Management Consultants (NMCs), Technical Management Consultants (TMCs) and Oversight Service Providers (OSPs) to strengthen the capacity of the Project Management Unit (PMU) to oversee implementation of the program at national, provincial and city levels; and monitoring and evaluation, making substantial use of participatory techniques, especially at the tertiary level.

e. Component 5: Contingency for Disaster Response (US\$0). This component would finance preparedness and rapid response measures to address disaster, emergency and/or catastrophic events, as needed, through sub-projects and/or using the project implementation arrangements. Due to the high risk of catastrophic natural disasters in Indonesia, a provisional zero dollar component is included in the project to allow for rapid reallocation of loan funds in the event of a natural disaster.

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

154 participating cities scattered throughout eastern and central Indonesia (list is available in the project file) will benefit from activities of Component 1, 2, 3.2 and 4, and 50 of those cities will also receive financing from Sub-Component 3.1. The 50 cities will be selected from a long list of 65 cities (refer to PAD) that have been selected based on population size, total size of slum areas, infrastructure gaps, and commitment of the city government. The cities in the long list are geographically located in 20 provinces (out of 34 provinces in the country), of which about 38% and 22% are located in four provinces in Java and in six provinces in Sulawesi respectively.

As explained in the project description, the project implementation will follow a phased approach. At appraisal stage, the 50 participating cities that will receive financing under Component 3.1 will be confirmed, however, the sites of the secondary and primary infrastructure to be improved and connecting infrastructure to be constructed will only be defined after the SIAPs and associated CSPs and detailed engineering designs are completed. The initial phase of planning and capacity building will start simultaneously in all cities, ensuring that by the end of Year 1 (2016), SIAPs will be available for the 20 cities of the sub-set 50 cities. Simple interventions will be carried out first, with the more complicated being tackled later in the project cycle. In 2016, the project will support: (i) tertiary infrastructure development in 200 ND sites in cities where CSPs and SIAPs have already been completed; and (ii) the preparation or review of the draft SIAPs. It is expected that the entire support system, including consultants for this activity will be in place by June 2016. The existing PNPM Urban support system will provide a bridge until the new consultants are in place.

Based on the readiness (progress) of SIAPs and preparation of local regulations as well as MPWH's top priority of cities to receive immediate intervention, 20 cities of the sub-set 50 cities have been recommended as priority cities for project implementation in 2016. These cities, which will be further confirmed during appraisal, include: Surabaya, Malang, Yogyakarta, Samarinda, Gorontalo, Kabupaten Sidoarjo, Mataram, Kendari, Palu, Kupang, Jayapura, Surakarta, Semarang, Banjarmasin, Ternate, Manado, Makassar, Ambon, Sorong and Balikpapan. SIAPs of this first batch of 20 cities will be reviewed during the early stage of project implementation in 2016. This will be followed by identification of priority slum areas requiring investments in each of these 20 cities, preparation of detail assessment and design for the improvement of the secondary and primary infrastructure and connecting infrastructure (scale 1:100 or 1:50), and estimated costs of the package, which are all to be completed in the end of 2016. Construction is therefore expected to begin in 2017.

The project expects that the remaining second batch of 30 cities (out of the 50 cities receiving financing from Component 3.1) will finalize their SIAPs and technical documents in the end of 2017, followed by construction started in 2018.

At kelurahan level, the project will continue support the CDD approach slum improvement that has been piloted in 780 kelurahans in 167 cities under the PNPM-Urban/ND. CSPs of these kelurahans are being or will be reviewed and revised as needed. Kelurahan that have not had CSPs prepared under PNPM-Urban/ND will prepare CSPs to receive support under Component 2. The project has allocated budget in 2016 to support tertiary infrastructure construction in existing 200 ND sites where CSPs and SIAPs or their revisions have been completed. Ultimately the project will support 6,400 kelurahans including the targeted 700 ND in the 154 cities that have been participated in the ongoing PNPM-Urban/ND.

5. Environmental and Social Safeguards Specialists

Indira Dharmapatni (GSUID)

Thomas E. Walton (GENDR)

Virza S. Sasmitawidjaja (GENDR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>Direct and indirect beneficiaries of the project are expected to be 9.7 million slum dwellers living in 154 cities, of which 4.85 million are expected to be women. Slum dwellers will experience significant betterment of living conditions due to improvements in access to and quality of basic services.</p> <p>Under project component 3, the project will focus on (a) construction of small and limited scale tertiary infrastructure including roads, clean water, sanitation, electricity, solid waste, drainage, and fire safety, (b) construction of small and limited scale connecting infrastructure from the slum areas to the existing city network, and limited improvement of the existing secondary and primary infrastructure to which the slum areas will be connected. The subprojects will have a contract size up to US\$ 2,000,000. Eligible sub-projects are Category B sub-projects with impacts that are site specific, few if any are irreversible, and in most cases mitigation measures can be readily designed. As explained in the project description, subprojects eligible for financing should not include Category A sub-project activities with significant, sensitive, complex, irreversible and unprecedented potential adverse environmental and social impacts that may affect an area broader than the sites or facilities subject to physical work requiring a full environmental assessment to manage and mitigate such impacts in accordance with World Bank OP 4.01, Ministry of Environment Regulation No. 5, 2012 and activities with scales beyond those as specified in the Ministry of Public Works and Housing Regulation No. 10, 2008.</p> <p>Potential adverse environmental and social impacts from the project are likely from physical construction of tertiary infrastructure in slums areas and improvement of existing secondary and primary infrastructure as well as construction of connecting infrastructure from the slum areas to the existing secondary and primary infrastructure. Because of the small and limited scale of the subprojects,</p>

	<p>these impacts are expected to be low to moderate in magnitude and numbers, local in extent, and not significant/sensitive, irreversible, or unprecedented. Subprojects will require either environmental and social management plans (ESMP) or can be managed mostly by good engineering design and construction management practices. In some cases an EA, SA or ESA commensurate to potential impacts may also be required. Each sub-project will be screened to determine the type of safeguards instrument required.</p> <p>As explained in Section 4, finalization of SIAPs and CSPs will be completed during project implementation, and therefore the sites of improvement of secondary and primary infrastructure, construction of connecting infrastructure, as well as tertiary infrastructure in the slum areas cannot be defined at appraisal stage. Consequently, an Environmental and Social Management Framework (ESMF) has been prepared and will be disclosed prior to appraisal. The current Technical Safeguards Guidelines of PNPM-Urban/ND will be upgraded into the ESMF to manage the increased risk of types of activities not included in PNPM-Urban as compared to a generic PNPM Urban/ND project. The ESMF will include among other things:</p> <ul style="list-style-type: none"> (a) Screening process to cover the different categories and types of activities/sub-projects to be supported under the project including SIAP (using eligibility criteria, national thresholds, and most importantly impact determination in accordance to OP 4.01). (b) Screening and assessment of ancillary facilities and potentially related activities. Sub-projects with significant ancillary and related activities will not be eligible as are considered as Category A sub-projects; This includes sub-projects that would require expansion of water treatment facilities, wastewater facilities, solid waste disposal facilities and road expansion beyond connecting a slum area. (c) Gap analysis and gap filling measures between Indonesia's Safeguards System and Bank's safeguards policies; (d) Safeguards Instruments (e) Anticipated subproject impacts and mitigation measures (f) Process and procedures for preparing safeguards instruments (f) Good Engineering Practices
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	<p>(g) WBG Environmental Health and Safety Guidelines (Environmental Health and Safety being a pervasive issue in the Indonesia portfolio);</p> <p>(h) Social impact assessment and social management plans;</p> <p>(i) LARPF which includes protocols for VLD and land consolidation;</p> <p>(j) IPPF</p> <p>(k) Physical Cultural Resources (PCRs) Management Plan;</p> <p>(l) Safeguards capacity strengthening plan.</p> <p>The ESMF will also contains detailed guidelines for policy advice and Technical Asssistance to be provided under Compoment 1,2 and 4. Assessment of potential environmental and social impacts will be determined at different stages. During the planning stage of the preparation of SIAPs, the environmental and social issues likely to arise in the different sites will be identified. This planning stage will consider potential impacts that could result from implementation of multiple CSPs. Detailed site-specific assessments and development of impact management instruments will be undertaken during or after the completion of the Detailed Engineering Designs (DEDs). An ESMF is proposed to be the main safeguards instrument during project preparation for this project as specific environmental and social impacts in the possible construction sites at specific targeted slum areas and their surroundings cannot be determined prior to appraisal as subprojects are only identified during implementation. Environmental and social impacts screening, impact assessments for subprojects as well as measures to manage impacts will be undertakenduring project implementation based upon the E</p> <p>The potential social impacts of the project covered by OP 4.01 other than land acquisition and resettlement are important given the projects urban setting. Social assessments will be conducted during the community self-mapping to better understand of community needs, especially to prevent adverse impact for the poor and vulnerable people (including gender aspect) and to also prevent elite capture and community tension duringsub projects selection. Means to improve livelihood and better community participation shall also be covered in the assessment.</p> <p>As previously mentioned, components 1, 2 and 4 include</p>
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		upstream policy development advice and institutional strengthening as well as TA for project management affecting capacity to implement both environmental and social impacts of investments.,The ESMF will include screening, identification and measures to manage any potential impacts that may result from the activities supported by these three components in line with the Bank's Interim Guidelines on the Application of Bank Safeguard Policies for TA and TFs apply to Component 1 and 2 activities. TOR for Technical Assistance will be developed at the beginning of the project implementation and submitted to the RSA for review and clearance.
Natural Habitats OP/BP 4.04	No	The project activities will take place on already-developed land. . The ESMF will adopt the same principles as in the Environmental Guidelines of PNPM-Urban/ND; i.e., the project will not finance activities that involve significant conversion or degradation of critical natural habitats or natural habitats.
Forests OP/BP 4.36	No	The project will not finance activities that involve conversion or degradation of critical forest areas or natural forests as defined under the policy. The project is not intended for commercial plantation and there is no project component to improve the forest function.
Pest Management OP 4.09	No	The project will not procure or use any pesticide or support activities that may lead to the use and/or a significant increase in the use of pesticide.
Physical Cultural Resources OP/BP 4.11	Yes	Some possible urban slum improvement areas might be in the location of PCR sites, or the slum improvement might involve activities to better manage the PCR sites/ structures. The ESMF will adapt the existing Environmental Guidelines of PNPM-Urban/ND that has covered the requirements for the preparation of PCR Management Plans (PMP) that will be prepared for this project and contained in the ESMF and ESMP as needed. PMP along with CSP will be prepared by the community group for subproject which is designed towards supporting the management or conservation of cultural heritage assets.
Indigenous Peoples OP/ BP 4.10	Yes	Based on the World Bank IP Screening Study (2010), IPs are present in five areas where the project may be active: the Districts of Sumba Barat (East Nusa Tenggara), Toli-Toli (Central Sulawesi), Gorontalo (Gorontalo province), and Manokwari (West Papua), and the City of Palopo (South Sulawesi). The confirmation of the IPs presence and potential impacts both positive and adverse on them as well as measures to manage such impacts will be

		<p>carried out during the preparation of the SIAPs and CSPs. Confirmation on IPs presence will be done in accordance with the requirements specified in the IIPF.</p> <p>The project will adapt the PNPM Urban IPP Framework (including the guideline to prepare an SA for areas where IPs communities are present and could be affected positively or adversely by the project) which will be part of the ESMF, making necessary adjustments to manage risks due to the anticipated interventions in slum areas. As indicated in the IPPF, in the case that a subproject financed under Component 3.1 include the presence of IP communities, city government will have to prepare a specific SA and IPP as part of the SIAP. Similarly, in the case that a subproject financed under Component 3.2 affect IPs community, the LKM/kelurahan will have to prepare an IPP as part of the CSP.</p>
Involuntary Resettlement OP/BP 4.12	Yes	<p>- Component 1 will support upstream institutional and policy development. One of the activities would be undertaking strategic studies to facilitate the development of policy frameworks to support the sustainability of slum upgrading and prevention efforts, including land administration policy reform, approaches to address informal settlements, and security of land tenure.</p> <p>While Component 2 will support the cities in preparing SIAPs and the communities at kelurahans level in preparing the CSPs. Potential environmental and social impacts may entail from the products or downstream activities supported by these two components. However, the type, scope and locations of downstream activities or investments resulting from these activities cannot be identified at this stage. The approved ESMF and LARAP provide guidance to screen, assess potential environmental and social impacts that may emerge from the downstream activities and provide guidance to define and prepare safeguards instruments..</p> <p>Subprojects financed by Component 3.1 involve improvement of existing secondary and primary infrastructure and connecting infrastructure to the slum areas. As explained in the project description, subprojects will be small and of limited scale. Some land acquisition or involuntary resettlement might take place for the connecting infrastructure, and is less likely the case for the improvement of existing secondary and primary infrastructure. Furthermore, since GOI will focus on in-</p>

	<p>situ slum upgrading, any land acquisition or involuntary resettlement is expected to be small scale and limited. However, social issues will occur during construction, such as temporary disturbance of access to land plots due to the installation of pipes or road improvement, disruption of businesses that lead to temporary loss of income, and the need to set back the structures in some cases where there is road widening.</p> <p>The location and dimension of potential land acquisition and potential involuntary resettlement and potential social issues can only be identified during the project implementation, particularly during the SIAP preparation, and will have to be confirmed during the preparation or after the completion of DED.</p> <p>The approved ESMF provides the cities with the processes, procedures, requirements and institutional arrangements to prepare a Social Assessment (SA) and Resettlement Action Plan (RAP) or an Abbreviated Resettlement Action Plan (ARAP) which are all specified in the Land Acquisition and Resettlement Policy Framework (LARPF). The LARPF also includes: resettlement principles, policies, procedures and requirements, assessment for linked projects, eligibility for compensation and assistance, entitlements, applicable laws and regulations, organizational arrangements and funding, GRM, and monitoring and evaluation.</p> <p>The ESMF including the LARPF is adapted from PNPM Urban/ND's ESMF. Resettlement Action Plans (RAPs) or Abbreviated Resettlement Action Plans (ARAPs) will be developed by cities in the case that infrastructure improvements and/or connecting infrastructure involves involuntary resettlement. The Draft RAPs will be prepared along with and part of the SIAPs.</p> <p>- Activities financed under Component 3.2 involve investment in slum areas, to be implemented with CDD Neighborhood Development (ND) approach, comprising of construction of new and/or improvement of tertiary basic infrastructure such as water supply, drainage, sanitation, footpaths, fire safety, site improvements, sub-standard house, greenings, measures to disaster risks management, etc. Targeted priority slum areas in 154 cities to receive support from the project will be defined during the SIAP preparation and types, size and the</p>
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	<p>location of tertiary infrastructure subprojects will be determined in the CSPs. Confirmation of the sitting of the subprojects will be defined by the DEDs. As has been the case of PNPM-Urban/ND, each kelurahan will receive about USD 150-250K during the project period and this amount will finance various priority subprojects as identified in the CSPs.</p> <p>-Although the ESMF and LARPF also apply to Component 3.2, it is anticipated that land donation may be predominant. A VLD Protocol has thus been prepared as part of the ESMF and LARPF. Subprojects are small or limited scale. Social impacts of these subprojects are not considered for the part significant and site-specific and manageable by the community beneficiaries. In the case of the ongoing PNPM Urban/ND, new tertiary infrastructure was usually built on land voluntarily donated by the beneficiaries (60 %) and by the kelurahans (36.4%). This common practice will likely continue to take place in this project as the land needed for the tertiary subprojects, which are community-based, is small in size and provides direct benefit for the land owners. Documentation of the voluntary land donation (VLD) will be part of the community's proposals.</p> <p>- The current VLD Protocol covering principles, procedures and documentation for voluntary land donations under PNPM Urban/ND has been updated and adapted for the upcoming project for community infrastructure. Documentation of the voluntary land donation (VLD) will be part of the community's proposals in line with requirements sets in the VLD Protocol. The update of the protocol also includes the follow-up on the legal status of the donated and remaining land that should be processed by the local government.</p> <p>- In-situ slum improvement may involve small scale community land consolidation, VLD, and small scale limited land acquisition or involuntary resettlement with relocation within the same area. Land involved in in-situ slum upgrading will be indicated in the CSPs. In the case that slum upgrading involves small-scale voluntary community land consolidation, the city government together with the LKM in the kelurahan will prepare a Land Consolidation Implementation Plan (LCIP) as described in the Voluntary Land Consolidation Protocol and LARPF. In cases that involuntary</p>
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		<p>resettlement is unavoidable and of limited scale, the city government together with the LKM will prepare a RAP or ARAP.</p> <p>- The project has revised and adapted the current PNPM-Urban/ND's ESMF including the Land Acquisition and Resettlement Policy Framework (LARPF) and the IPP Framework for PNPM Urban/ND. The ESMF and LARPF includes a Voluntary Land Consolidation Protocol for implementing small and limited scale land consolidation in compliance with OP 4.12 and the GOI's regulations on land consolidation. The updated ESMF including LARPF has been based on the experiences and lessons learned from the ongoing PNPM Urban/ND (particularly for the voluntary land donation) and from other World Bank's supported project on land acquisition and resettlement. The substance and structure of the LARPF follow OP 4.12, and entitlement matrix and GRM are part of it. The LARPF will also adopt GOI's laws and regulations pertaining Land Acquisition for the Development for Public Purpose.</p> <p>Component 1 will support institutional and policy development. One of the activities would be undertaking upstream strategic studies to facilitate the development of policy to support the sustainability of slum upgrading and prevention policies, including land administration policy reform, approaches to address informal settlements, and security of land tenure. TORs for activities (studies, training and project management) financed by Component 1 will be shared with the RSA for review and clearance to ensure that safeguards issues are addressed in accordance with the approved ESMF.</p>
Safety of Dams OP/BP 4.37	No	The project will not finance construction and/or rehabilitation of dam.
Projects on International Waterways OP/BP 7.50	No	The project will not be located in the watersheds of any international waterways.
Projects in Disputed Areas OP/BP 7.60	No	The project is not located in any known disputed areas as defined under the policy.

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p>
<p>Overall, the project will improve the environmental conditions of the city and the slum areas and the living quality of the slum dwellers. Given the nature of the subprojects, their small or limited</p>

scale and the implementation arrangements of the project as described in Section I, the project will not generate large scale, significant and/or irreversible adverse environmental and social impacts. Environmental and social impacts will take place during construction, especially during the construction of the connecting infrastructure and improvement of the existing secondary and primary infrastructure. Disturbance during construction may affect the households and businesses in and surrounding the subproject areas, such as dust, noise, and disturbance of access to houses/businesses that would lead to temporary decline of income from businesses.

The connecting infrastructure and improvement of existing secondary and primary subprojects may need to acquire a small or limited amount of land, but locations and potential adverse impacts cannot be determined at this stage, as subprojects will be determined after the SIAPs and CSPs are completed. Further, confirmation of the land needed and affected landowners will be determined as the Detailed Engineering Designs (DEDs) are completed. As has been the case in PNPM-Urban/ND, improvement and/or construction of new tertiary infrastructure in the slum areas may need small land size and it is anticipated that beneficiaries may voluntarily contribute the needed land as is a common practice. Issues on voluntary land donation (VLD) are mainly documentation and legal processing of the donated land.

As mentioned, IP communities are indicated to be present in five urban areas in five provinces. As has been the case in PNPM-Urban/ND, it is unlikely that the project would affect or benefit IP communities as most slum areas are located in urbanized and developed urban areas. However, once the slum and subproject locations are identified based on SIAPs and CSPs, the project will verify the IPs presence and if any, will assess the potential positive and adverse impacts and develop measures in accordance with the approved ESMF and IPPF.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

In the long-term, the project will have positive impacts due to the improvement of basic services (tertiary infrastructure) and of secondary and primary infrastructure for sanitation, roads, drainage and water supply. The city and the slum dwellers will have improved environmental and living quality. People's health quality will be improved.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

The project will support in-situ rehabilitation and redevelopment. Connecting infrastructure and improvement of existing secondary and primary infrastructure may acquire a small and limited amount of land but the project will support DEDs that avoid and minimize land loss or acquisition. Environmental and social adverse impacts during construction will be mitigated through close monitoring and supervision and through construction management reflected in the contractors' contracts. Temporary adverse environmental and social impacts will be addressed in accordance to the principles specified in the ESMF. In the case of CDD slum upgrading in targeted slum areas, environmental and social impacts will be managed with the community as part of the community proposals.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The project has prepared an Environmental and Social Management Framework (ESMF), which is an adaptation and update to the PNPM-Urban/ND's ESMF to manage potential environmental and social safeguards issues and impacts. It is part of the project structure and will be adopted by the project regardless of source of financing. The ESMF includes Environmental Management and

Social Management Measures including ECOPs and a PCR Management Plan), LARPF which includes a Protocol for VLD and a Protocol for Voluntary Land Consolidation, and an IPPF. As has been the case with PNPM-Urban/ND, safeguards will be continuously mainstreamed in the project cycle, including during the preparation of SIAP, CSPs and DEDs and during construction.

The ESMF includes screening, impact assessment and mitigation measures as part of the SIAPs, CSPs and Community proposals. Site specific mitigation measures and associated costs during construction will be part of the civil works contracts, and/or in the approved community's cost proposals. The ESMF will be elaborated into an Operational Manual (Safeguards Technical Guidelines -STG), to be adopted by city governments, LKMs/Kelurahans, project management staff, consultants and facilitators. The Operational Manual (STG) will be reviewed and approved by the Bank and distributed and socialized to project management staff, PMUs at city level, consultants, facilitators and LKMs.

The ESMF includes a Safeguards Capacity Strengthening Plan which spells out the proposed actions to ensure adequate technical and institutional capacity to support the project. The Executing Agency of this project, the DGHS under the MPWH, has an extensive experience in managing safeguards under the PNPM-Urban/ND project, REKOMPAK, in addition to PAMSIMAS, Integrated Urban Infrastructure Development Projects (UIDPs), DAK project, etc. The current PMU of PNPM-Urban/ND will be strengthened and safeguards experts under the PMU's Advisory Consultant Team will be maintained and its capacity will continuously be strengthened. The provincial PMU will be assisted by an environmental specialist and social development specialist to support, oversee and guide the city governments, consultants and facilitators. Safeguards will be part of the regular training program for consultants and facilitators of the PNPM-Urban/ND who mostly would continue to work on the National Slum Upgrading Project. In this project, there will be safeguards training specifically dedicated to city governments as part of the overall training program.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Key stakeholders for this project are project management staff, consists of PMU, National and Provincial Project Managers, City Governments Project Managers, Community Board of Trustees (BKMs/LKMs) and community self-help group (KSMs) at the kelurahan level. In addition, there are Consultant Management Team at the national level, Regional Management Consultant at the provincial level, City Coordinator Team and facilitators at the kelurahan level. A stakeholders consultation for the draft ESMF was carried out on January 18, 2016. Participants were representatives of participating City Governments, NGOs, Board of Trustees of Community Groups, universities, as well as practitioners, PNPM-Urban consultants, facilitators, and PMU staff. Participants supported the project for adopting the ESMF, however, were concerned and requested the project to ensure that ESMF will be implemented consistently through adoption of Safeguards Technical Manuals that outlines clear roles of each parties involved in the project, adequate training for community and related stakeholders, and include livelihoods should the project deals with land issues. The draft ESMF was disclosed in the project's website www.p2kp.org on February 9, 2016 and in the Infoshop on February 3, 2016.

The ESMF will be elaborated into an Operational Manual (Safeguards Technical Guidelines – STG), which will be reviewed and approved by the Bank then socialized and distributed to project management staff, city governments, consultants, facilitators, and BKMs/LKMs. The ESMF (in English and Bahasa versions) will be uploaded in the project website www.p2kp.org and the

ESMF (English version) will be disclosed in the Infoshop. Implementation of the ESMF and its Operational Guidelines Safegua will be mainstreamed during the preparation of SIAPs and CSPs, including during the consultations with the involved stakeholders and potentially affected peoples. Safeguards instruments (drafts RAP, LCIP, IPP, as applicable) are part of the SIAPs and Voluntary Land Donation (VLD) statements are part of the community proposals. UKL/UPL will be prepared after the DED is completed. Both SIAPs and CSPs will be disclosed at the city government level and kelurahan level, respectively. The summary of SIAPs will be made available in the project's website.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	19-Jan-2016
Date of submission to InfoShop	03-Feb-2016
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Indonesia	09-Feb-2016
<i>Comments:</i> Draft ESMF has been uploaded in the project website (www.p2kp.org). The Draft ESMF will be replaced with the final one after obtain clearance from RSS.	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	19-Jan-2016
Date of submission to InfoShop	03-Feb-2016
"In country" Disclosure	
Indonesia	09-Feb-2016
<i>Comments:</i> Draft ESMF has been uploaded in the project website (www.p2kp.org). The Draft ESMF will be replaced with the final one after obtain clearance from RSS.	
Indigenous Peoples Development Plan/Framework	
Date of receipt by the Bank	19-Jan-2016
Date of submission to InfoShop	09-Feb-2016
"In country" Disclosure	
Indonesia	09-Feb-2016
<i>Comments:</i> Draft ESMF has been uploaded in the project website (www.p2kp.org). The Draft ESMF will be replaced with the final one after obtain clearance from RSS.	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.11 - Physical Cultural Resources	
Does the EA include adequate measures related to cultural property?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.10 - Indigenous Peoples	
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Is physical displacement/relocation expected? Provided estimated number of people to be affected	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] TBD [<input checked="" type="checkbox"/>]
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods) Provided estimated number of people to be affected	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] TBD [<input checked="" type="checkbox"/>]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

III. APPROVALS

Task Team Leader(s):	Name: George Soraya,Evi Hermirasari	
<i>Approved By</i>		
Safeguards Advisor:	Name: Peter Leonard (SA)	Date: 24-Feb-2016
Practice Manager/ Manager:	Name: Abhas Kumar Jha (PMGR)	Date: 24-Feb-2016