

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED
SAFEGUARDS DATA SHEET (PID/ISDS)
APPRAISAL STAGE**

Report No.: PIDISDSA15866

Date Prepared/Updated: 10-Mar-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	Indonesia	Project ID:	P157490
		Parent Project ID (if any):	
Project Name:	Indonesia's Infrastructure Finance Development (IIFD) - RE (P157490)		
Region:	EAST ASIA AND PACIFIC		
Estimated Appraisal Date:	12-Mar-2016	Estimated Board Date:	25-Apr-2016
Practice Area (Lead):	Finance & Markets	Lending Instrument:	Investment Project Financing
Sector(s):	General energy sector (20%), General transportation sector (20%), Rural and Inter-Urban Roads and Highways (20%), General water, sanitation and flood protection sector (20%), General finance sector (20%)		
Theme(s):	Infrastructure services for private sector development (50%), Other Financial Sector Development (50%)		
Borrower(s):	Ministry of Finance		
Implementing Agency:	Directorate General of Financing and Risk Management		
Financing (in USD Million)			
	Financing Source	Amount	
	Borrower	0.00	
	INDONESIA INFRASTRUCTURE FINANCE DEVT	8.28	
	Total Project Cost	8.28	
Environmental Category:	A - Full Assessment		
Appraisal Review Decision (from Decision Note):			
Other Decision:			
Is this a Repeater	No		

project?	
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B. Introduction and Context

Country Context

Indonesia enjoyed a period of sustained growth averaging 5.8 percent a year between 2004 and 2013 fueled, to a great extent, through the export of primary commodities. This period of economic prosperity returned a social dividend as the national poverty rate declined by more than half to 11.3 percent, while human capital indicators also showed impressive gains. However, the growth rate and rate of social improvements are slowing with inequality rising stubbornly. The economic deceleration will have the added effect of constraining fiscal expenditures despite the ambitious development agenda of the Government of Indonesia (GOI).

One of the strategies prioritized by the GOI to buttress the economic growth is to close the country's large infrastructure gap. Despite rising government spending in recent years, Indonesia's core infrastructure stock, such as road networks, ports, electricity, irrigation and water and sanitation services has not only not kept pace with economic growth, but the infrastructure stock as a share of GDP has been declining over the past decade. Total infrastructure investment—that is, investment by the central government, sub-national governments, state-owned enterprises and the private sector—has remained at only 3 to 4 percent of GDP over the past decade. This is far below the rates of above 7 percent of GDP before the 1997 Asian financial crisis, and the 10 percent and 7.5 percent spent by China and India, respectively. Total resources needed to close Indonesia's infrastructure gap by the end of 2019 is estimated at about US\$ 500 billion by the new administration (US\$ 100 billion a year). Of this, the State Budget is expected to finance about one-third, permitted by a significant reduction of fuel subsidies. The remaining two-thirds is expected to come primarily from the private sector and, to a lesser extent, SOEs. Leveraging private funds to bridge the infrastructure funding gap, and hence strengthening the partnership between the public sector and private domestic and foreign investors is crucial for the government to achieve its objectives in the infrastructure sectors. In addition, PPPs are a cost-effective way for governments to fund national and sub-national infrastructure projects, and are more likely to be done on time and within budget, relative to government-funded projects.

Sectoral and institutional Context

PPPs in Indonesia and private sector spending on infrastructure are not growing fast, despite numerous efforts by GOI with support from the World Bank, which have led to the establishment of institutions and programs to leverage private capital into public infrastructure alongside streamlining government reforms to be able to deliver infrastructure connectivity, a key national development priority. To illustrate, GOI had identified 58 projects for funding through PPP schemes, for a total value of US\$51.2 billion in the period 2010-15. By 2012, however, only three projects were considered “ready for offer,” 26 projects were categorized as “priority,” and 29 as “potential PPP projects.” This is particularly poignant given that the significant part of this priority investment is in sectors with well-established willingness to pay (such as power or ports).

The potential of the private sector remains subdued due to two sets of constraints. The first concerns the PPP framework; legal and regulatory complexity; multiple GOI agencies involved; lack of clarity of roles and responsibilities and resulting overlaps compounded by lack of coordination; difficulties in securing land and environment/safeguards clearances; and very limited capacity of GCAs to prepare, structure and implement projects. The second concerns the

lack of appropriate financial tools to channel long-term funds to infrastructure lack of financial instruments; poor capacity of the financial market to manage exchange, interest, and maturity mismatch risks; and lack of risk sharing support by government to attract private investors into public infrastructure projects.

With a centralized PPP agency now in place, getting some successful PPPs off the ground is crucial for its demonstration effects. These initial projects need to be relatively simple, commercially viable (with VGF as required) and well prepared. Finally, better implementation for both public and PPP operations would benefit greatly from effective implementation of the new land law, which will require good implementing regulations. Without faster and less conflict-ridden acquisition of land, implementation of infrastructure projects will remain uncertain and costly. Indonesia has invested a significant effort in developing PPPs, starting in the 2004 when the President of SBY launched the PPP and infrastructure investment Infrastructure Summit 1, established the umbrella of PPP regulation through the Presidential Decree No. 67 in 2005 that sets out the principles and process for Indonesia PPPs, established the Inter-department coordination body KKPPPI in 2005, and established the MOF's Risk Management Unit (RMU) in 2006 to manage the contingent liabilities and government support of infrastructure. To lower the investor's perception that Indonesia is a risky country to invest in, the Indonesia Guarantee Fund (IIGF) was established in 2009. IIGF provides guarantees to mitigate the private sector exposure to government – related contractual risk vis – a -vis PPP projects. In 2010, the Indonesia Infrastructure Finance Facility (IIFF) was established to provide a long term debt financing. Since most of Indonesia's PPP pipeline consists of greenfield investments, the Viability Gap Financing (VGF) was established in 2012. More recently the government has transformed the KKPPPI to be the National Committee for accelerating the Indonesia infrastructure priority projects (KPPPIP) with a larger mandate for infrastructure acceleration in July 2014 including the establishment of MOF PPP Unit in January 2015.

The government recognizes the issues hampering a PPP program and currently invests in revising several regulations including the PPP laws (Perpres 67/ 2005), broadening the mandate of the KPPPIP, and developing a more user friendly procedure to develop high priority projects. The Presidential Decree No. 75/ 2014 concerning the acceleration of the provision of Priority Infrastructure has been established to address the coordination on project pipeline development, land acquisition acceleration, tender mechanism and financing scheme (through PPP, SOE or Public) that have been hampering the PPP provision since the Perpres 67 was introduced. The Perpres 75 provides clear roles and responsibilities among the government agencies (CMEA, BAPPENAS, MOF, GCA) in the decision making process during the PPP stages of planning, project identification, prioritization and tender. In the new framework (under the Perpres 75/ 2014) the steps are: (i) GCA prepares project proposal and submits is to BAPPENAS; (ii) BAPPENAS reviews in accordance with the National Mid Term Plan (RPJMN) and government's priorities; (iii) BAPPENAS produces a draft list of priority project candidates which is reviewed by KPPPIP; (iv) KPPPIP establishes a national priority project list, determines the GCA, develops OBC (KPPPIP funding facilitation), determines the funding scheme, and signs the action Plan with GCA; (v) if the project is classified as a PPP the package is sent to the MOF PPP Unit for Final Business Case (FBC), tender preparation and transaction; (vi) if it is financed by an SOE it is mandated to SOE for preparation and tender; (vii) for public it is sent back to GCA and BAPPENAS for project preparation.

On the financial markets side, Indonesia features a relatively vibrant capital market, but little

financing from capital markets is channeled toward developing new infrastructure. Financing for infrastructure has so far been limited to only large utilities companies like telecoms, PLN (electricity), and few construction companies. The market lacks appropriate tools that allow new infrastructure companies or projects to obtain financing. Among others: securities issuance processes are too cumbersome and costly that only large companies can afford; pooled funding mechanisms are ineffective due to outdated regulatory model and inefficient taxation framework; and standardized guarantee instruments are non-existent. Institutional investors such as social security funds, pension funds, and insurance companies, have a large potential to provide long-term funding for infrastructure through the capital markets due to their matching long-term liabilities. However, a proper incentive structure – through a modernized regulatory and supervisory framework for asset-liability management – that would drive them to better allocate their investments into long-term assets such as infrastructure is lacking. To date, their investments are concentrated in seemingly low-risk, low-return instruments (e.g., government bonds, bank deposits), at the expense of the purchasing power of their beneficiaries in the long run. The lack of standardized risk management instruments in the local markets also deter investors –domestic and foreign alike – from being more active in long-term local currency securities market. For example, investors flock in the short-to-medium term instruments because the lack of interest rate hedging tools mean that they are exposed to risks associated with interest rate movement. The long-term swap market is small and illiquid, thus constraining funding for infrastructure projects that are long-term in nature.

C. Proposed Development Objective(s)

Development Objective(s)

The Program Development Objectives (PDO) for IIFD is to assist Indonesia in closing its large public infrastructure gap by supporting the flow of private capital into infrastructure development and improving the institutional, legal and regulatory framework to enhance the ability of private capital and public institutions to work together for infrastructure development.

Key Results

The Project is designed to develop operational, ready-to-implement next-steps toward a robust infrastructure and PPP financing market in Indonesia. Among other things, the Project will clarify specific legal and regulatory provisions and corresponding operational policies and procedures; enhance inter-agency coordination and develop skills and capacity of national level agencies (MOF; KPPIP; Bappenas; Coordinating Ministry of Economic Affairs (CMEA)) and Government Contracting Agencies (GCAs) vis-à-vis public sector and PPP financing of infrastructure; and help prepare a small number of well-structured PPP projects for market bidding.

D. Project Description

Component 1: Strengthening Individual Agencies. Component 1 of the Project concerns establishing the PPP Unit and other key entities in the PPP framework including KPPIP as fully functional, capable of assuming the technical, coordinative and knowledge responsibilities expected. This also includes support for the GCAs to produce high quality Outline Business Case (OBC) for submission to Bappenas, and better selection criteria resulting in more efficient investment projects as selected by Bappenas. The IIFD will further help GCAs make better use of the PDF, and other PPP supporting instruments run by MOF. The Component will also contribute to better capacity in government agencies involved in the selection and prioritization of PPP projects. This Component will also support the establishment of operational and business

processes (incl. SOPs) on relevant subjects, e.g. economic-financial analyses, social and environmental impact management. This will include trainings, twinning arrangement and secondments of staff across concerned agencies both at central and local level.

Component 2: Legal and Regulatory Considerations. Component 2 will contribute to improving the legal and regulatory frameworks underpinning PPPs in Indonesia, among other things, by: (i) providing advice for revisions, amendments and/or replacement legislation(s) required to improve the regulatory environment supporting PPPs in relevant Indonesian infrastructure sector (e.g. Presidential Regulation No. 38/2015, related to sector regulations in Public Works, Transportation, Energy); and (ii) implementing the recommendations from the regulatory review on the broader infrastructure policy, linked to the national investment priority, focusing on access to long term finance resources from the national and international markets.

Component 3: Project Selection, Preparation and Transaction. Activities under this Component will be critical to the overall success of the Project as they directly support the speed, quality and efficiency of the PPP deal pipeline and flow, and build upon the intra-agency capacity building activities under Component 1. This Component captures the range of technical support needed to move a PPP project from concept stage through implementation, and will ensure a select set of promising pilot projects to use for a successful demonstration effect. The scope of IIFD support to MOF will specifically involve facilitating FS preparation for a small number of pilot transactions, including screening and preliminary assessments by the PPP Unit, as well as supporting GCAs through transaction advisory on bringing well-structured, financially, technically, environmentally and socially viable transactions to market bidding. Transaction advisory will include funding professional financial and legal advisors on transaction structuring, as well as technical advisors to review the preliminary technical designs developed by government. The IIFD project activities will end upon issuance of the RFP.

Component 4: Inter-Agency Coordination. This Component will support, inter alia, workshops, meetings and recurrent costs, to facilitate coordination among government stakeholders directly involved in PPP development in Indonesia. Based on the detailed review of existing inter-agency/institutional arrangements and best practice for PPPs, a key activity under this Component will be to support GOI in clarifying and strengthening the roles and responsibilities of relevant agencies working on infrastructure development, and enabling better coordination.

Component Name

Pillar 1: Strengthening Agencies

Comments (optional)

Component Name

Pillar 2: Legal and Regulatory Considerations

Comments (optional)

Component Name

Pillar 3: Project Selection, Preparation and Transaction

Comments (optional)

Component Name

Pillar 4: Inter-Agency Coordination

Comments (optional)**E. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

The Project will finance the preparation of feasibility studies/RFP/bidding documents for up to five pilot PPP projects, to demonstrate the effectiveness of PPPs in closing Indonesia's large public infrastructure gap. The Project will not finance specific infrastructure investments. The feasibility studies/RFP/bidding documents will be national in scope and will focus mainly in the following sectors: energy (including power generation, transmission and distribution), water and sanitation and solid waste, transportation (including roads, rail, ports and airports), telecommunication, and other social infrastructures. PPP Unit will only select GCA after the Grant is available. Therefore type, location and scope of project by which FS/RFP supported by IIFD can only be defined after GCA is selected. Potential environmental and social impact can only be identified after FS is completed. PPP Unit will support preparation of FS/RFP for project proposed by GCA coming from central line ministries and any local government in the country. The exact location of investment projects and the scope of their potential environmental and social impacts will only be determined upon completion of detailed designs.

Potential type of project covered in Presidential Decree No. 38 of 2015 mainly covering energy (including power generation, transmission and distribution), water and sanitation and solid waste, transportation (including roads, rail, ports and airports), telecommunication, and other social infrastructures.

F. Environmental and Social Safeguards Specialists

Flavio Chaves (GWADR)

Sulistiowati Ms. (GSURR)

II. Implementation**Institutional and Implementation Arrangements**

The Project will be implemented by the PPP Unit at the Ministry of Finance, which will be responsible for the daily operation of all Project activities, including supervising grant reporting, developing activity and annual summary reports. Along with its management and fiduciary responsibilities for the Project the PPP Unit will be in charge of ensuring safeguards compliance and monitoring. The PPP Unit will prepare regular reports that will also cover safeguards implementation. That will be done no less than twice a year.

The PPP Unit has prepared an Environmental and Social Management Framework (ESMF) to ensure that relevant environmental and social issues are taken into account in all Project phases in a manner consistent with the World Bank's safeguard policies and national regulations. The ESMF provides practical guidance on how to include World Bank safeguards policies requirements in the final outputs of Project-funded transaction advisory, including RFPs leading to the PPPs implementation

phase. Such guidance will promoted the adoption of international best practices in the preparation of environmental and social impact management instruments (i.e. AMDAL/UKL-UPL/LARAP).

The PPP Unit will hire full time environment and social safeguard specialists to ensure day-to-day oversight and compliance with World Bank safeguards policies as described in the ESMF. The World Bank's team will provide technical advice to the client for the preparation of TORs for these specialists and, for the project supported studies. Specific trainings on social and environmental impact management for GCA staffs both at central and local level are planned and budget under the ESMF.

Finally, the World Bank will review and approve the term of reference and final deliverables for the FSs and transaction advisory documents to ensure that they comply with World Bank safeguard policies principles, objectives and requirements as covered in the ESMF.

III. Safeguard Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The Project will finance preparation of up to five feasibility studies /RFP/bidding documents for pilot demonstration projects to demonstrate effectiveness of the PPP process being established with the TA. It will not finance specific infrastructure project investments. As a result, the Project activities themselves will not have direct adverse environmental or social impacts. However actual downstream impacts can result from eventual infrastructure projects implementation. Therefore, the TA project triggers OP/BP 4.01 Environmental Assessment and the safeguards policies below.</p> <p>An Environmental and Social Management Framework (ESMF) has been prepared to manage the project's potential social and environmental risks. The ESMF sets out the principles, rules, guidelines and procedures to identify, avoid or mitigate the potential environmental and social impacts of the proposed up to five FS pilot projects and respective RFP/bidding documents.</p>
Natural Habitats OP/BP 4.04	Yes	<p>Exact location of the pilot demonstration projects location will only be known after PPP bid award. It is unlikely that the pilots will impact natural habitats as the Borrower will favor project proposals with limited impacts in order to expedite project preparation so as to increase the project's demonstration effect. However, as pilot PPP projects may eventually affect natural habitats, the ESMF has set forth appropriate measures to meet OP 4.04 objectives.</p>

Forests OP/BP 4.36	Yes	Exact location of the pilot demonstration projects location will only be know after PPP bid award.. It is unlikely that the pilots will impact natural forests as the Borrower will favor project proposals with limited impacts in order to expedite project preparation so as to increase the project's demonstration effect. However, as pilot PPP projects may eventually affect forests, the ESMF has set forth appropriate measures to meet OP 4.36 objectives.
Pest Management OP 4.09	No	The Project will not purchase pesticides or cause potential increase in pesticide use from the technical studies funded under the Project.
Physical Cultural Resources OP/BP 4.11	Yes	Details of the pilot demonstration projects will only be known after PPP bid award. Some of pilot projects may affect physical cultural resources. The environmental screening procedures included in the project's ESMF ensure the pilot projects will not adversely affects sites having archeological, paleontological, historical, religious or unique natural values. The TOR for FS and for ESIA/ LARAP will include a requirement to asses and manage PCR aspects under the Project.
Indigenous Peoples OP/BP 4.10	Yes	It is expected that the infrastructure pilot demonstration projects will be geographically distributed across the country. Therefore, Indigenous Peoples are likely to be present in project areas and The TOR for FSs will include provision to address the objectives of OP 4.10. An Indigenous Peoples Planning Framework (IPPF) has been developed to mitigate potential adverse impacts and to help ensure that Indigenous Peoples or Masyarakat Adat (Customary Communities) or "Masyarakat Hukum Adat" (Customary Law Communities) actually benefit from PPP projects implementation. The IPPF is part of the ESMF which has been consulted with key stakeholders and been disclosed in the MOF website and may serve as guidance for the GCAs after the award of PPP bids.
Involuntary Resettlement OP/ BP 4.12	Yes	Most of the infrastructure projects to be proposed for PPP demonstration are likely to require land acquisition, reduced access to assets/resources, loss of assets, etc and thus OP/BP 4.12 is triggered. FSs will include provision to address the objectives of OP 4.12. A Land Acquisition and Resettlement Policy Framework (LARPF) which also covers the Process

		Framework to mitigate any impacts due to land acquisition activities as well as the access restriction to natural resources has been prepared by MOF. This LARPF is part of the ESMF which has been consulted with key stakeholders and been disclosed in the MOF website and may serve as guidance for the GCAs after the award of PPP bids...
Safety of Dams OP/BP 4.37	Yes	The pilot projects may involve construction or rehabilitation of a dam or rely on the performance of an existing dam or dam under construction. This will only be known during project implementation when the pilots are selected. However, the Project as a whole is setting the stage for infrastructure investments that may include the energy generation, transmission and distribution. As such, this OP is triggered and provisions for meeting its objectives included in the ESMF.
Projects on International Waterways OP/BP 7.50	Yes	The pilot projects may involve construction or rehabilitation of infrastructure construction on international waterways. This will only be determined during project implementation when the pilots are selected. As such, this OP is triggered. The ESMF includes provisions to address the objectives of OP 7.50.
Projects in Disputed Areas OP/ BP 7.60	No	No PPP pilots on Disputed Areas will be supported by the Project.

IV. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The Project will provide TA to support GOI to make improvements in: (i) legal and regulatory frameworks and delivery; (ii) leveraging funding and managing risk; and (iii) enhancing capacity, coordination, and monitoring of infrastructure, including on the subnational government level.

It will not finance specific infrastructure project investments, however, it will finance preparation of up to five feasibility studies for pilot demonstration projects in the following sectors: energy (including power generation, transmission and distribution), water and sanitation, transportation (including roads, rail, ports and airports) and telecom, among others. This may generate adverse environmental and social impacts downstream when these projects are implemented after the life of the Project.

Since the pilot demonstration projects will be selected to demonstrate the success of the GOI PPP processing, GoI choice of project will strategically avoid complex or controversial projects, on their technical, social and environmental aspects. As such, it is unlikely that any of the projects

<p>chosen under this Project will generate large scale, significant and/or irreversible impacts. However common impacts of usual infrastructure projects, e.g. involuntary resettlements, physical cultural resources, etc. are probable.</p> <p>Although the scope, scale and nature of each pilot is unknown at this stage, they may include both Category A and Category B investments that would generate respectively: 1) large scale, significant and irreversible adverse impacts; and 2) would generate less adverse impacts, site-specific and in most cases can be mitigated with well-known and easily implemented measures.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p>
<p>As mentioned above, the Project will not finance actual investments on infrastructure projects. However, some of the project proposals to have their feasibility studies/RFPs prepared under the Project may have indirect, long term and/or cumulative impacts. Those impacts will be analyzed during actual infrastructure project preparation (after bid award) with detailed studies and impact assessments. The Bank will review and approve the terms of reference for the preparation of the required social and environmental studies that will be included in the requirements within the bidding documents for awarding the PPPs.</p>
<p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p>
<p>As mentioned above, the Project will not finance actual investments on infrastructure projects. However the project supported environmental studies will include provision to ensure that project alternatives (if relevant) are considered to avoid or minimize impacts. Such provisions will be included in the Terms of Reference for social and environmental impact studies, which will reviewed and approved by the Bank.</p>
<p>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.</p>
<p>The PPP Unit's (the Borrower) capacity to address safeguard policies is limited in terms of staffing and knowledge to plan and implemented safeguard measures. The PPP Unit has prepared an Environmental and Social Management Framework (ESMF) to ensure that relevant environmental and social issues are taken into account in all Project phases in a manner consistent with the World Bank's safeguard policies and national regulations. The ESMF provides practical guidance on how to include World Bank safeguards policies requirements in the final outputs of Project-funded transaction advisory, including RFPs leading to the PPPs implementation phase. Such guidance will promoted the adoption of international best practices in the preparation of environmental and social impact management instruments (i.e. AMDAL/UKL-UPL/LARAP).</p> <p>The PPP Unit will hire full time environment and social safeguard specialists to ensure day-to-day oversight and compliance with World Bank safeguards policies as described in the ESMF. The World Bank's team will provide technical advice to the client for the preparation of TORs for these specialists and, for the project supported studies. Specific trainings on social and environmental impact management for GCA staffs both at central and local level are planned and budget under the ESMF.</p>
<p>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</p>
<p>Consultation on the ESMF were carried out on January 21, 2016 and the document was disclosed on the GoI/MoF entities attended the consultations: Ministry of Finance, IIGF, Ministry of Public Works, Ministry of Transportation/ Indonesia Railway Corporation, PLN, Toll Road Authority</p>

Body, Embassy of Canada, Academia, NGO (LPPSD – Social Research and Development Institution), Indonesia Legal Resources Center, PP Muslimat NU, Pusaka Foundation, Pertamina – Geothermal Energy. A summary of consultations is part of the ESMF (appendix 9)

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	12-Mar-2016
Date of submission to InfoShop	12-Mar-2016
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Indonesia	14-Mar-2016
<i>Comments:</i>	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	12-Mar-2016
Date of submission to InfoShop	12-Mar-2016
"In country" Disclosure	
Indonesia	14-Mar-2016
<i>Comments:</i>	
Indigenous Peoples Development Plan/Framework	
Date of receipt by the Bank	12-Mar-2016
Date of submission to InfoShop	12-Mar-2016
"In country" Disclosure	
Indonesia	14-Mar-2016
<i>Comments:</i>	
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:	
N/A	

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 4.04 - Natural Habitats			
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes []	No [×]	NA []
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	Yes []	No []	NA [×]
OP/BP 4.11 - Physical Cultural Resources			
Does the EA include adequate measures related to cultural property?	Yes [×]	No []	NA []
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [×]	No []	NA []
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 [×]	No []	NA []
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [×]	No []	NA []
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 []	No []	NA [×]
OP/BP 4.12 - Involuntary Resettlement			
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [×]	No []	NA []
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [×]	No []	NA []
Is physical displacement/relocation expected? Provided estimated number of people to be affected	Yes []	No []	TBD [×]
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 []	No []	TBD [×]
OP/BP 4.36 - Forests			
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	Yes []	No []	NA [×]
Does the project design include satisfactory measures to overcome these constraints?	Yes []	No []	NA [×]
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?	Yes []	No []	NA [×]
OP/BP 4.37 - Safety of Dams			
Have dam safety plans been prepared?	Yes []	No []	NA [×]
Have the TORs as well as composition for the independent	Yes []	No []	NA [×]

Panel of Experts (POE) been reviewed and approved by the Bank?	
Has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training?	Yes [] No [] NA [×]
OP 7.50 - Projects on International Waterways	
Have the other riparians been notified of the project?	Yes [×] No [] NA []
If the project falls under one of the exceptions to the notification requirement, has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?	Yes [] No [×] NA []
Has the RVP approved such an exception?	Yes [] No [] NA [×]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [×] No [] NA []
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 [×] No [] NA []
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [×] No [] NA []
Have costs related to safeguard policy measures been included in the project cost?	Yes [×] No [] NA []
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [×] No [] NA []
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [×] No [] NA []

V. Contact point

World Bank

Contact: Andri Wibisono

Title: Infrastructure Specialist

Borrower/Client/Recipient

Name: Ministry of Finance

Contact: Robert Pakpahan

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Implementing Agencies

Name: Directorate General of Financing and Risk Management

Contact: Robert Pakpahan

Title: Director General of Financing and Risk Management

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VI. For more information contact:

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VII. Approval

Task Team Leader(s):	Name: Andri Wibisono	
<i>Approved By</i>		
Safeguards Advisor:	Name: Peter Leonard (SA)	Date: 10-Mar-2016
Practice Manager/ Manager:	Name: James Seward (PMGR)	Date: 10-Mar-2016
Country Director:	Name: Rodrigo A. Chaves (CD)	Date: 11-Mar-2016