



Project Information Document/ Identification/Concept Stage (PID)

Concept Stage | Date Prepared/Updated: 10-Sep-2020 | Report No: PIDC113973

BASIC INFORMATION

A. Basic Project Data

Project ID	Parent Project ID (if any)	Environmental and Social Risk Classification	Project Name
P163797		Moderate	Citizen Monitoring for Transparency and Accountability of Licensing and Revenue Management in Mining Sector
Region	Country	Date PID Prepared	Estimated Date of Approval
EAST ASIA AND PACIFIC	Indonesia	10-Sep-2020	
Financing Instrument	Borrower(s)	Implementing Agency	
Investment Project Financing	Publish What You Pay (PWYP) Indonesia	Publish What You Pay (PWYP)	

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PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	0.50
Total Financing	0.50
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing

Trust Funds	0.50
Extractives Global Programmatic Support	0.48
Global Partnership for Social Accountability	0.03

B. Introduction and Context

Country Context

Over the past decade, Indonesia has emerged as a stable democracy and the largest economy in Southeast Asia. Strong and sustained economic growth, with an annual gross domestic product (GDP) growth rate averaging around 5.3 percent over the period of 2001-2019, has contributed to the emergence of a growing



middle class. This has also led to significant improvements in human development indicators and poverty reduction gains over this period. The poverty rate has fallen from 24% in 1999 to 9.8% in 2018.

However, despite significant progress, the economy remains vulnerable to external shocks due to its heavy reliance on natural resources. The commodity super cycle that lasted from 2000 to 2014 expanded the role of the extractive sector in Indonesia and created incentives favoring investments in this sector over manufacturing, service, and technology industries. Nevertheless, revenues from the extractive sector, mainly mining, oil, and gas, which accounted for 16 percent of GDP over the 2011-2012 period decreased to slightly below 10 percent in 2018, among others also due to the drop in global extractives commodity prices and a downturn in production in Indonesia's oil and gas sector.

A recent downturn in global commodity markets has revealed significant structural weaknesses in the Indonesian economy. Plummeting commodity prices, a 40% fall from its peak in 2011, has created downward pressures and undermined macroeconomic stability. The current account deficit has widened to more than 3 percent in 2013 and the Indonesian Rupiah has dropped its value to its weakest level against other major currencies since 2008. Furthermore, Indonesia faces an adverse global macroeconomic environment. A potential interest rate lift-off in the United States, a rebalancing and slowdown of the Chinese economy, and a slump in emerging markets have led to tighter financing conditions across the world. The combination of these factors weighs on the Indonesian economy and threatens to undo the poverty reduction gains achieved over the last decade. In response to this situation, the government has developed and enacted an economic reform agenda with the objective of returning Indonesia to a 7% growth rate and establishing a more stable and diversified economy.

Sectoral and Institutional Context

The extractive sector plays an important role as an engine of growth in Indonesia. Government revenues from the extractive sector have grown to encompass 28% of total government receipts. It represents more than 50% of total exports, out of which 22% constitutes mining. With vast reserves of coal, gold, tin, and nickel, Indonesia is one of the major players in the global mining industry.

Given the importance and predominance of mining in the extractive sector, the government has introduced a series of reforms to encourage investments in this sector and to improve the management and accountability of mineral resources. In 2002 the government decentralized the process of awarding and monitoring mineral licenses to subnational level authorities. This was intended to ensure that mineral resources generate greater benefits for local populations, empower citizens to participate in decision-making over mineral resources, and increase accountability mechanisms between local authorities and citizens. The Law No. 4/2009 on Mineral and Coal Mining ("Mining Law") builds on the decentralization process and introduces new guidelines in an attempt to clarify the roles and responsibilities of different government actors involved at various stages of the mineral licensing process, both at the national and local level. The objective of the Mining Law is to ensure consistency across the sector and to maximize the benefits generated by mineral resources. In May 2020, amid the ongoing COVID-19 pandemic and much debate

among the general public, the Houses of Representatives passed a Bill on the Amendment to Mining Law. Having been initiated way back in 2015 and repeatedly listed in the National Priority Legislation Program ever since, the Bill establishes an updated and improved regulatory framework for the effective and efficient organization of mineral and coal-mining activities. In essence, the Bill revised 83 articles originally set out under the Mining Law, while also adding 52 new articles and eliminating a further 18 articles[1]. The amendment to the Mining Law has recently passed as Law No. 3/2020.

On a parallel track, Indonesia has made great strides to enhance transparency and good governance in the sector and improve the disclosure of natural resources revenues. In 2014, the new law on local government made decentralization heavier at the provincial level; and Indonesia became the first country in ASEAN to achieve compliance with the Extractives Industry Transparency Initiative (EITI).

Despite these efforts, the mining sector, particularly the process of awarding and enforcing mineral licenses, is characterized by weak transparency, accountability and public participation. Some of the main factors behind this situation include: a plethora of regulatory regimes, competing institutional arrangements, and limited capacity at the subnational level. Provinces have different, and often contradictory, mining rules and regulations, creating unnecessarily lengthy and complicated procedures that undermine the monitoring and enforcement of mineral licenses. The 2019 Fraser Institute Survey of Mining Companies ranked Indonesia on the 64th place (out of 76) in the Policy Perception Index. During that year, miners expressed increased concern over the quality of Indonesia's geological database and lack of transparency in the mining sector which is a deterrent to investment.

Lack of clarity of roles and responsibilities are exacerbated by weak coordination mechanisms between the different government agencies involved. The resulting institutional overlaps tend to create confusion and undermine efforts to uniformly implement mining regulations and common standards for collecting and sharing information related to mineral licenses. Furthermore, the weak of a national cadastral and central registry for mineral licenses limits the ability of government authorities and citizens to quantify the number and types of mineral licenses awarded, information that is necessary for effectively enforcing and monitoring mineral licenses. Much of this data remains scattered across provincial and regency/city governments, and initiatives to consolidate this data have met with limited success due to inadequate resources and competing priorities among provincial governments. Without a complete overview of the scope and scale of mineral licenses across the country, it is difficult to ascertain the socio-economic and environmental impact of the mining industry in Indonesia.

The process of decentralization transferred administrative and fiscal responsibility of mineral licensing to subnational levels, but this was not accompanied by measures to create the required capacity to plan and manage mineral resources revenue and the licensing governance for economic management of mining. Awarding and monitoring mineral licenses requires advanced technical skills and expert knowledge of governance, regulation, sosio-environmental, and mining issues, which is often lacking in many provinces. At the same time, citizens' ability to mobilize collectively and contribute to problem-solving for effective implementation of policies is often limited by incomplete knowledge of the regulatory framework, further compounded by limited access to information and data. As a result, not all provinces are prepared to

effectively carry out their revenue management and mining licensing system and ensure that mining operations are governance compliant.

The recent discourse on the Omnibus Law springs from the Government’s attempt to ease business in various sectors in Indonesia and therefore promoting a more attractive investment climate, including the extractives and mining sector. The Draft Law contains proposals for resolving the above mentioned overlaps and weak control over issuance of licenses at subnational level by streamlining business permit applications, providing incentives to create a more attractive environment for conversion from mining contracts to licenses and for the proliferation of downstream industry development. The upcoming Law also stipulates the revocation of the authority of district/ municipal governments back to the provincial/central government, with the intent for better governance and monitoring of mining activities at subnational level. It remains to be seen whether the overarching Law will succeed to tackle the challenges in the mining sector without bringing about even more confusion by contradicting the Mining Law and therefore doing little to improve business uncertainty in the sector. The policy and regulatory dynamics taking place in this regard will also be reflected in the study.

[1] Hukumonline (2020). Indonesian Legal Brief, Issue 3872 | 15 MAY 2020

Relationship to CPF

The proposed project is aligned with the momentum of Indonesia’s National Medium Term Development Plan (RPJMN) 2020-2024, which includes a strategy to improve governance in natural resources and generating multi-flier effect for the national and sub-national economic as part of Jokowi’s President priorities. The project will generate information that will be accessible to local stakeholders at the provincial level and will contribute to inform the mining revenue transfer and management for social spending as well as mining licensing/permits.

The project also contributes to the implementation of EITI in Indonesia. It supports the disclosure of revenue management and expenditure as the original standard of EITI, contracts and licenses award, beneficial ownership, as well as social and environmental impact information as new areas that were integrated in the 2019 EITI Standard introduced in Paris in June 2019. Moreover, EITI implementation to date has primarily focused on multi-stakeholder engagement at the national level, so that project activities in targeted provinces will generate valuable knowledge and lessons learned that could be leveraged to inform the design and operationalization of EITI at the subnational level. In parallel, a new EGPS grant (EITI Transition and Mainstreaming project) will support the transition of leadership responsibilities for EITI implementation and the advancement of the mainstreaming agenda with the Ministry of Energy and Mineral Resources (MEMR) and the Ministry of Finance (MOF), which have been assigned the mandate for EITI implementation through Presidential Regulation No. 82/2020 issued in July 2020. The EITI Transition and Mainstreaming project aims to support extending the EITI approach to subnational levels, and well positioned to work with and draw lessons from the GPSA project. Both projects will ultimately complement

each other in their implementation thus delivering enhanced outcomes for the government as well as benefits for the community.

The project also contributes to the implementation of the National Strategy on Corruption Prevention (Strategi Nasional Pencegahan Korupsi_ Stranas PK) and the National Action Plan of Open Government Partnership (OGP). The project will enhance the implementation of Stranas PK particularly on licensing aspect. The project may contribute to improving taxation and state revenue management system. The project will support the co-creating work in OGP National Action Plans on beneficial ownership transparency and open contracting.

In terms of alignment with the World Bank’s Country Partnership Framework (CPF) FY16-FY20, the project contributes to the implementation of Engagement Area 6, which focuses on “collecting more and spending better”, by generating information on mining revenues and expenditures and promoting increased public oversight in the mining sector. More specifically, the project will support the strengthening and mainstreaming of non-tax revenue administration in the mining sector.

During the course of 2019, a review of the Directorate General of Mineral and Coal’s (DGMC) online data platform and monitoring system (Minerba Online Monitoring System, MOMS) was conducted by the World Bank. The findings of the study recommended actions to strengthen the database and contributed to the issuance of Director General Decree No.205/2019 on the improvement of MOMS and socialization of its implementation.

A second activity in regards to transparency and accountability for better mining governance is the development of the Mining Policy Paper series (planned to be finalized end of 2020), in particular the theme: “social and environmental transparency and accountability”. The policy paper is a synthesis of multiple focus group discussions on finding the best answer for how to improve companies’ performance in social and environmental aspects as well as how the government can implement better monitoring systems.

Both studies which are funded by the Natural Resources for Development Program (NR4D) trust fund supports the higher-level objective of improving mining data transparency and accountability for the purpose of strengthening governance in the mining sector and therefore provoking better benefit-sharing schemes to take place at subnational level. This workstream expects to improve the prosperity of the local people through their engagement in decision-making processes with regards to mining activities in their area while observing that gender-mainstreaming processes are in place.

C. Project Development Objective(s)

Proposed Development Objective(s)

The Project Development Objective (PDO) is to contribute to improving the management and governance in the mining sector at the subnational level in Select Provinces in the Member Country’s territory through collaborative social

accountability mechanisms.

Key Results

Progress in achieving the PDO will be measured by the following key result indicators:

- a. Percentage of problems in the licensing systems identified and followed up through the project's Multi Stakeholders Forums (MSFs).
- b. Percentage of problems in revenue management identified and followed up through the project's MSFs.

D. Preliminary Description

Activities/Components

The initial project design draws from the proposal submitted by PWYP to the GPSA third global competitive call for proposals, which was evaluated by an independent roster of experts and endorsed by the GPSA Steering Committee on February 25, 2016. The initial risk rating of the project was considered high, but this was revised down after PWYP developed in details the content of the activities that will be implemented to support the local districts. GPSA projects are being prepared and processed by the Social GP. Once a grant becomes effective, the GPSA Task Team transfers the project to the Task Team designated by the CMU and relevant Sector to manage project supervision, in this case the Extractive GP.

The proposed operation will take a problem-driven approach to address key governance challenges in the mining sector at the subnational level. As noted above, the decentralization of the mineral licensing process was intended to empower citizens to hold their local government accountable for how mineral resources are managed and how revenues are used. Bringing decision-making on mineral resource exploitation closer to communities was a measure adopted to ensure that mining policies reflect local needs and priorities. However, in reality, citizens and government authorities at the subnational level to some extent face numerous constraints that limit their ability to effectively promote and manage mineral resources. Mechanisms for ensuring public oversight and accountability in the mining sector remain underdeveloped relative to other sectors. A weak governance system in the mining sector is prone to create productive and allocative inefficiencies, negative externalities on surrounding communities, and opportunities for rent-seeking and tax avoidance.

In order to address these interrelated and mutually reinforcing challenges, the proposed project has been designed to make selective interventions along the Extractive Industries value chain to simultaneously provide recommendations to key actors to improve transparency and access to information on mineral licensing, compliance with license obligations and mining revenue collection and expenditures. An emphasis will be placed on ensuring that information about mineral licensing and revenues are published in accessible platform (website) so that anyone interested can access and use the information. On the mineral licensing and compliance side, the project seeks to support and inform the process of facilitating policy dialogue among stakeholders on improving the governance for awarding mineral licenses at the provincial level,



keeping records, and making information about them publicly available. By making clear and publicly available information, the government and citizens will be in a better position to improve the function and governance of the mineral licensing system at the provincial level.

As an inseparable part of the project, capacity building activities will be designed to develop citizen and CSO capacity to implement social accountability processes at the provincial level in order to collect, analyze, and disseminate data on mining revenue collection and expenditures. These activities will be complemented with support to community centers at the local level to promote the use of ICT tools to collect citizen feedback and grievances, and make information available in communities surrounding mining operations.

The project draws from the GPSA's global experience and lessons to emphasize the need to take an "adaptive" approach to project management and learning, that is, to continuously adjust and course-correct implementation based on timely operational inputs and analysis. Adaptive development emphasizes the importance of clearly identifying and understanding the nature of the problem being addressed as well as its political economy factors, and taking small, incremental steps and adjustments towards a long-term goal. The project's design makes the presumption that not every facet of the project can be planned, and no implementing partners can accurately forecast at the beginning what will happen.

The GPSA promotes this approach across its project portfolio as it seeks to operationalize adaptive principles, with the measure of success often being the extent to which projects have helped implementers solve problems that they have discerned themselves using collaborative social accountability mechanisms. By carrying out interventions through a collective identification of clear locally relevant problems, collaborative social accountability mechanisms developed under GPSA grants seek relevance, legitimacy and practicality. An adaptive approach will be especially critical in this project given the absence of social accountability initiatives in the extractives sector at the sub-regional level.

In addition, the project's design adapts the theory of change of the GPSA to the Indonesian extractives context. By engaging multiple stakeholders, including the Government of Indonesia (GoI) and subnational governments, – under the coordination of Publish What You Pay- to cooperate in order to better leverage the existing reforms to improve the governance and management of the extractive industries at the sub-national level. The project attempts to contribute to addressing problems of lack of collaborative governance and the capacities needed for it. The GPSA combines (i) flexible funding for civil society-led coalitions to work with government to solve problems that local actors have prioritized with (ii) sustained non-financial support to meaningful engagements, including implementation support, capacity building, facilitation, and brokering. The aim of PWYP Project is to contribute to improved governance and management of the extractive sector through the use of collaborative social accountability mechanisms to address obstacles to the effective implementation of national policies.

The project's components and activities will be closely coordinated with PWYP-funded components and activities. Following the GPSA's adaptive management approach, some activities and their sequencing may be adjusted during the project's inception phase to better respond to beneficiaries' needs and other

contextual factors.

Component 1: Setting-up the collaborative social accountability framework and mechanism and building the capacity in this regard. The objectives of this component are: (i) to develop a citizen feedback mechanism for the systematic collection of feedback on services and local actors, (ii) to discuss and validate this mechanism with relevant institutions, and to agree on a collaborative framework for its implementation; and (iii) to build project partners' capacities to carry out the monitoring.

The main component activities will consist of, inter alia:

- a. Conducting a stakeholder analysis to map stakeholders' roles, positions and identify reform champions. Based on this analysis, collaboration with partners will be established and local coalitions created.
- b. Facilitating series of community discussion for raising awareness and strengthening capacity on involving citizens in the mining policy process.
- c. Preparing a capacity development plan to identify social accountability tools and other needs at inception, such as the independent budget analysis both at the central and local levels, good governance in the revenue transparency and mining licensing mechanism, as well as Stakeholder Score Cards.
- d. Providing mentorship and training related to social accountability tools such as on revenue transparency and mining licensing good governance, budget analysis and revenue management, ICT tools and citizen participation, as well as Stakeholder Score Cards for local coalitions/LPAs, local government, local communities, interest groups/journalists/activists and other stakeholders directly or indirectly affected by the project.

Component 2: Implementing collaborative social accountability mechanisms to contribute to revenue transparency, including strengthening the mineral licensing system, environmental oversight and mining revenue management at the provincial level.

The main component activities will consist of, inter alia:

- a. This component will conduct a participatory diagnostic and scoping study to consolidate and publicize the existing rules, regulations and processes for awarding and enforcing mineral licenses in targeted provinces, with a focus on identifying procedures, vulnerable to capacity gaps, duplications, openness and regulatory inconsistencies. Based on the findings, the project will conduct public discussion and dissemination to make specific recommendations for provincial authorities to improve licensing procedures with the aim of improving transparency and good governance.
- b. A pilot will be implemented in targeted provinces to benchmark mineral licensing awarding system practices against common disclosure standards (i.e. EITI and other international best practices). Stakeholder Score Cards, budget analysis, multi-stakeholder FGD/policy dialogue, and ICT tools for citizen engagement will be the main approaches that will be used in the collaborative social accountability mechanism. Targeted communications and knowledge sharing will be promoted to



facilitate sharing of lessons learnt and good practices developed in the scoping study results and recommendations for improvement of revenue transparency and mining licensing system. Multi-stakeholder Forums (MSFs) including local government representatives will be organized in the sub-national piloting for developing and exchanging on gaps and practices identified in the scoping study.

- c. The multi-stakeholder forums (MSFs) will bring together provincial government authorities, citizens, CSOs, and private sector representatives around mineral licensing issues. Their main objectives are to develop recommendations that contribute to improving mineral licensing system and good governance, and promote their adoption by government authorities in targeted provinces. To accomplish these objectives, MSFs will formulate and advocate reforms to improve the transparency of revenue and mineral licensing disclosure at the provincial level; support more robust public information and oversight of mineral licensing processes; and promote public participation and good governance in the extractive policy forums.
- d. Additionally, this component focuses on designing and implementing collaborative social accountability processes to gather information on extractives-related revenues/transfers and its allocation/utilizations to support multi-stakeholder problem-solving on social spending. The objective is to generate information for mining-affected communities to better understand how mining-derived revenues (including local revenue sharing/DBH, and local taxes or retributions) are managed from the provincial level down to the local level-both district and village level, and subsequently used to deliver social and environmental services. Provincial-level MSFs – along with technical assistance support – will seek to strengthen the capacity of citizens, CBOs, and CSOs to implement budget analysis tools; formulate policies to improve transparency in the provincial government’s to managing of these revenues.
- e. Social accountability tools such as Stakeholder Score Cards will be developed to triangulate information generated through pilots and to provide additional information on the revenue management and its allocations/utilization at the local level. Findings will be shared with government authorities at the provincial level to raise awareness and deepen their understanding of the scale of mining operations and governance challenges in this area so that they can engage in problem-solving.
- f. This component will also support community centers in piloting provinces for adapting ICT tools to collect citizen feedback and participation on revenue transparency and mining license disclosure , as well as revenue transfer and allocations. Partnerships with local media will complement this approach and help to raise awareness among the general public about these issues. Production of a targeted communication and advocacy strategy can help accomplish the component and project’s results.

Component 3: Improving knowledge and learning on social accountability in the mining sector at the provincial level. The objective of this component is to establish an internal adaptive knowledge and learning process to regularly adjust project implementation based on experience and contextual circumstances, and to generate knowledge and learning for targeted external dissemination and sharing amongst key stakeholders that may take up lessons from the project to apply, sustain or scale collaborative social accountability and/or inform substantive decisions.

The main component activities will consist of, inter alia:

- a. Developing and implementing a plan for disseminating the project’s Knowledge and Learning products to key target audiences, with a focus on the uptake of relevant aspects and elements of the collaborative social accountability process and mechanism (implemented by the project) that may be sustained or scaled up and/or inform substantive decisions.
- b. Developing knowledge and communication products for raising awareness, knowledge-sharing and lessons learnt process, data visualization and public access, and documenting process-experiences- and learnings from the project implementation and piloting on collaborative social accountability in the mining governance sector.
- c. Contributing to the GPSA’s mandate to broker and promote knowledge and learning about collaborative social accountability, the local adaptation of the GPSA’s theory of change and feeding back lessons that may inform practitioners and the GPSA Global Partners, for example by developing case studies and lessons learned from the project implementation to be shared during the annual GPSA Global Partners Forum.

Component 4: Project Management & Implementation Unit

The main component activities will consist of, inter alia:

- a. Setting up the project’s monitoring, evaluation and learning (MEL) system, including, but not limited to, contracting an independent evaluator (individual or firm) at the onset of the project. The independent evaluator will conduct the project’s evaluation (including baseline, midterm and final evaluation), inform quality bi-annual technical reports as well as provide support to the project team to develop capacities to adaptively manage the project. Conducting regular internal project MEL sessions focused on adjusting the project’s social accountability strategy and operations.

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Environmental and Social Standards Relevance

E. Relevant Standards

ESS Standards		Relevance
ESS 1	Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS 10	Stakeholder Engagement and Information Disclosure	Relevant
ESS 2	Labor and Working Conditions	Relevant
ESS 3	Resource Efficiency and Pollution Prevention and Management	Not Currently Relevant
ESS 4	Community Health and Safety	Not Currently Relevant
ESS 5	Land Acquisition, Restrictions on Land Use and Involuntary	Not Currently Relevant

	Resettlement	
ESS 6	Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
ESS 7	Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
ESS 8	Cultural Heritage	Not Currently Relevant
ESS 9	Financial Intermediaries	Not Currently Relevant

Legal Operational Policies

Safeguard Policies	Triggered	Explanation (Optional)
Projects on International Waterways OP 7.50	No	
Projects in Disputed Areas OP 7.60	No	

Summary of Screening of Environmental and Social Risks and Impacts

The overall environmental and social rating is Moderate. The project seeks to promote good governance in the mining sector through enhanced social accountability and citizen participation in key decision making and management of revenues in this sector. The overall project outcome is expected to be positive. ESS1 on Assessment and Management of Environmental and Social Risks and Impacts, ESS2 Labor and Working Conditions, ESS7 on Indigenous Peoples, and ESS10 on Stakeholder Engagement and Information Disclosure were assessed applicable for the proposed operation. The environmental risk rating is moderate and is mainly based on the consideration of the institutional complexities attributed to the mining sector in Indonesia as well as potential environmental concerns specific to certain location(s) characterized by previous and ongoing environmental issues while undertaking the project activities of data collection and multi-stakeholder forums (MSFs). The social risk rating is moderate due to the number and diversity of stakeholders involved, including Adat communities and Indigenous Peoples. Lack of buy-in and limited involvement from government stakeholders in the design and implementation may undermine the ability of the PWYP and its local CSO partners to build constructive engagements between citizens and government authorities. The project may also operate in communities where there are conflicts driven by extractives and hence careful stakeholder analysis and engagement is warranted to avoid exacerbating existing conflicts and social tension and manage expectations. The proposed social risk rating will be revisited prior to appraisal and during implementation following identification of specific sites for the project implementation and further information about project activities. PWYP and MSFs do not have the authority and/or direct leverage to amend and/or issue regulations on mining licensing and revenue management. Decision making processes related to regulatory development, amendment, and/or enforcement remain in the realm of the government and hence, are outside the scope of the project's leverage and span of control. For this purpose, the World Bank's responsibility for supervision will not extend to ensuring actions by sub-national governments whether subsequent or parallel to the project implementation. A stakeholder engagement plan (SEP) has been developed and will continue to be updated by PWYP to guide the project's engagement strategy, scope of activities and boundaries of commitments and responsibilities on issues raised, including relevant capacity strengthening measures for local counterpart CSOs to promote social inclusion and participation of

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vulnerable groups. As part of the SEP implementation, PWYP shall bear the duty of care to escalate certain issues to relevant government agencies and inform the World Bank such as human rights violations or gross environmental impacts if they are discussed. Environmental and social focal points will be appointed to support MSF discussions that touch upon environmental and social issues of concern. The focal points will be trained by the World Bank on ESF to enable them improve their contribution to the discussions, and to pre-assess the issues of concern and record those. Relevant training to implementing partner CSOs, particularly to strengthen the implementation of the SEP, and advice on environmental and social issues as relevant under the project scope will be provided by the focal points. A Terms of Reference (TOR) for the environmental and social focal points will be prepared by PWYP to define the above roles and responsibilities. The TOR will include general provisions for environmental and social oversight and technical support, which will be further defined once specific issues of concerns and exact project locations have been identified. A Labor Management Procedure (LMP) will be prepared by PWYP to guide the management of labor, including personal health and safety measures, provision and use of PPE, and other provisions in compliance to the Government of Indonesia's Labor Law, such as fair and equal opportunity for hiring process and pay, grievance redress mechanisms at the workplace, codes of conduct pertaining to Gender Based Violence (GBV)/Sexual Exploitation and Abuse/Violence Against Children (GBV/SEA/VAC). An Environmental and Social Commitment Plan (ESCP) will be prepared by PWYP to set out the material measures as required for project implementation, to meet the relevant ESSs over a specified time-frame. The ESCP, SEP, TOR and LMP will be prepared, consulted and disclosed by PWYP by end of appraisal.

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