

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

**Appraisal Stage**

Report No.: PIDISDSA26010

**Date Prepared/Updated:** 20-Mar-2020

**I. BASIC INFORMATION**

**A. Basic Project Data**

<b>Country:</b>	Indonesia	<b>Project ID:</b>	P166244
		<b>Parent Project ID (if any):</b>	
<b>Project Name:</b>	ID: East Kalimantan Project for ER Results (P166244)		
<b>Region:</b>	EAST ASIA AND PACIFIC		
<b>Estimated Appraisal Date:</b>	10-Feb-2020	<b>Estimated Board Date:</b>	23-Jun-2020
<b>Practice Area (Lead):</b>	Environment, Natural Resources & the Blue Economy	<b>Financing Instrument:</b>	
<b>Borrower(s)</b>	Ministry of Finance		
<b>Implementing Agency</b>	Ministry of Environment and Forestry		
<b>Financing (in USD Million)</b>			
<b>Financing Source</b>			<b>Amount</b>
Borrower/Recipient			0.00
Carbon Fund			110.00
Financing Gap			0.00
Total Project Cost			110.00
<b>Environmental Category:</b>	B-Partial Assessment		
<b>Appraisal Review Decision (from Decision Note):</b>			
<b>Other Decision:</b>			
<b>Is this a Repeater project?</b>	No		

**B. Introduction and Context**

**Country Context**

1. Seventy years after independence and more than a decade of political and institutional reforms, Indonesia has emerged as a stable democracy. With a population of 250 million living across over

6,000 inhabited islands, Indonesia is the world's fourth most populous nation, the tenth largest economy in terms of purchasing power parity, endowed with remarkable natural resources from its land and seas, and the only Southeast Asian member of the G-20. It has made significant gains in poverty reduction with its poverty rate more than halved from 24 percent at the time of the Asian financial crisis down to 11 percent by 2014. For a decade up until 2015, it had a growth rate of about 6 percent annually, an active private sector and a burgeoning middle class. Its adult literacy is almost 95 percent and life expectancy at birth increased from 68 years in 2002 to 71 years in 2012.

2. Indonesia's achievements are now showing signs of stress, with a slowdown in its commodity driven economy, stagnant rates of poverty reduction and rapidly rising inequality. Growth has slowed down to 5 percent in 2016 and projected at 5.2 percent in 2017. This has translated into a slowing down of the rate of poverty reduction, with a near zero decline in 2015 and a 0.4 percentage point decline between September 2015 and September 2016 to 10.7 percent. Indonesia is also home to the world's highest rate of deforestation, which has a disproportionate impact on the poor with those inside and around forest areas having twice as high poverty rates (26 percent inside Forest Estate) compared to the national average. Deforestation also contributes significantly to greenhouse gas (GHG) emissions.

3. While many factors impact growth, the commodities sector, which has weakened globally, is significant. Prices of key commodity exports have fallen by 40 percent since their 2011 peak, contributing to a current account deficit since 2013. The economic tailwinds of the past decades' rapid growth among Indonesia's key trading partners, particularly China, high commodity prices, and significant growth in consumption of an emerging middle class have now become headwinds. Indonesia therefore is focusing on shifting its economy away from its dependence on commodities towards one that depends much more heavily on productive sectors and services. The National Government's Mid-term Development Plan (RPJMN 2015-2019) reflects its strategy to meet these development challenges by focusing on human and community development, narrowing the income gap through increased productivity and poverty reduction measures, and increasing development without environmental degradation.

4. Nonetheless, despite a general downturn in agricultural commodity prices (including palm oil), Indonesia's pulp and paper and palm oil industries have grown substantially. Supported by Government policy and fiscal incentives, expansion of plantation area as well as smallholder production has been significant, while a growth strategy based on intensification has not received strong support. Since 2000, the national production of oil palm has increased fourfold and is expected to continue to grow. This expansion is one of the main causes of forest conversion, including in lowland peat forests.

### **Sectoral and Institutional Context**

5. Unsustainable management of Indonesia's landscapes has negative implications for the sustained economic outlook for the country and is a major threat to global climate. Roughly two-thirds of Indonesia's annual GHG emissions come from land use change, setting it apart from other countries in the East Asia region. Much of this land use change has been driven by the industrial production of agricultural commodities, notably oil palm, and forest plantations. Reoccurring seasonal fires on peatland are particularly egregious and significantly contribute to Indonesia's ranking among the world's top ten emitters overall, and the largest emitter when considering the land sector alone.

During the height of the 2015 fires, Indonesia's fire-related daily emissions were greater than the daily emissions from the entire E.U. economy, costing the country's economy over US\$16 billion. Such patterns will make it difficult for Indonesia to meet its emissions reduction targets as well as protect the poor who stand to suffer most from the impacts of climate change.

6. Indonesia's natural ecosystems are under threat from inadequate management and weak governance. Achieving sustainable management will require scalable solutions at the landscape level that balance the needs of multiple, and often competing, users. Inadequate management and weak governance of land, forest and water resources jeopardizes the role that these resources can continue to play in supporting the nation's economic growth. Rapid natural resource-based growth coupled with weak governance have resulted in environmental degradation and economic losses that impact quality of life and increase inequality, particularly for the 50 million people living in and around forests. Renewable natural resources are being depleted faster than they can be replenished, a pattern that will jeopardize Indonesia's future economic growth particularly for rural economies, and in turn impede continued reductions in poverty and inequality. Solutions to Indonesia's natural resource management challenges lie in better management of resources at the landscape level.

7. Indonesia's forests are globally significant due to their extent, biodiversity and carbon storage capacity. The country is home to the world's third-largest tropical forest, an estimated 94 million hectares of natural and planted forests representing 52 percent of Indonesia's total land area. These forests contain 17 percent of the world's bird species, 16 percent of reptiles and amphibians, 12 percent of mammals, and 10 percent of plants. Indonesia's forest also serves as one of the world's most important carbon sinks, sequestering and storing significant quantities of carbon in both above-ground forest biomass and below-ground peat soils. Much of Indonesia's forest resources are found within the Forest Estate, the 66 percent of the national land mass managed by the Ministry of Environment and Forestry (MoEF) for conservation and forestry-related purposes.

8. The Government of Indonesia (GOI) has made significant international commitments to reduce Indonesia's GHG emissions, and recognizes that the primary source of these emissions is the land use and forestry sector. At the Conference of Parties meeting in Paris in 2015, the GOI pledged to reduce its GHG emissions by 41 percent by 2030 with international assistance (29 percent with its own resources). According to Indonesia's Nationally Determined Contribution (NDC), submitted in 2016 under the Paris Climate Agreement, emissions from the forestry sector, including peat fires, made up 49 percent of national emissions in 2010. For Indonesia to reach its commitment of a 41 percent reduction below business as usual emissions (BAU) in 2030, it will need to decrease emissions by 1,082 Mt CO<sub>2</sub>e, with 60 percent of this target expected to come from the forestry sector.

9. To achieve these emission reduction targets in the forestry and land use sector will require significant decreases in deforestation and acceleration in land rehabilitation. The assumptions in the calculation for the 41 percent national target in the NDC include a reduction in average annual deforestation from 920,000 hectares to 450,000 hectares from 2013 to 2020, and a further reduction to 325,000 hectares annually from 2021 to 2030. This means 87 percent of GOI emissions targets are expected to be achieved through REDD with 95 percent reductions from forest and peatland policies up to 2020. The calculation further assumes that by 2030 a total of 2 million hectares of peat can be restored, with a survival rate of 90 percent, and that 12 million hectares of land can be rehabilitated through a planting rate of 800,000 hectares per year. These underlying assumptions reveal the scale of the challenge and the need for significant and effective policy changes as well as investments and financial incentives to maintain and boost land productivity while reducing forest loss and

degradation.

## REDD+ and Indonesia's progress toward REDD+ Readiness

11. Most of the international climate finance to incentivize emissions reductions in the land sector is expected to come through results-based payments linked to REDD+. The REDD+ mechanism forms an integral part of the 2015 Paris Climate Agreement and was initially introduced in the negotiations of the United Nations Framework Convention on Climate Change (UNFCCC) in 2005. First major decisions of the Conference of Parties (COP) under the UNFCCC on REDD+ were adopted in Bali (COP-13, 2007) and Cancun (COP-16, 2010), and the 'Warsaw Framework' (COP-19, 2013) defines the basic international architecture for REDD+. The principal idea of this mechanism is to channel international climate finance to forested developing countries in the form of payments for measured, reported and verified emissions reductions as an incentive to reduce emissions. The Paris Agreement also included scope for a market-based mechanism linked to REDD+, the detailed modalities for which are currently being developed under the UNFCCC.

12. International results-based payments for reduced emissions from land require an enabling framework (often referred to as REDD+ Readiness). This framework principally includes a carbon accounting system that allows emissions to be monitored in a transparent and rigorous manner. To have a reference for payments, countries need to have the capacity to develop a historical emissions baseline (reference emissions level) based on agreed methodologies and a forest monitoring system that allows the periodic measurement, reporting and verification (MRV) of emissions going forward. In addition, countries need to develop a mechanism to distribute the proceeds from carbon payments ("benefits sharing mechanism"), put in place a system that keeps track of emissions reduction (REDD+ registry) and report on safeguards, and create a platform to meaningfully engage stakeholders.

13. Several multi-lateral initiatives have informed the development of the international REDD+ architecture in important ways through piloting an operational framework. Specifically, the Forest Carbon Partnership Facility (FCPF) was created in 2008 as a multi-lateral initiative managed by the World Bank to promote REDD+ readiness in partner countries and to pilot an incentive mechanism that would leverage results-based payments for REDD+ at scale (having pioneered such carbon finance at the project level for more than 10 years). In 2013, the Bank together with several development partners also created the Initiative for Sustainable Forest Landscapes (ISFL) under the existing BioCarbon Fund trust funds to widen the scope for emissions reductions from forests to the wider landscape (i.e. to include agriculture and pastures). A key objective of the ISFL is to support countries in decoupling commodity production from emissions. Indonesia is participating in both programs and seeks to access results-based finance from them. In addition, many have been supporting Indonesia in this space for some time, most notably Norway through funding of up to US\$1 billion to support Indonesia's REDD+ efforts. This is part of a bilateral agreement on "Cooperation on Reducing GHG Emissions from Deforestation and Forest Degradation," which was signed in 2010.

14. Indonesia has made significant progress toward national REDD+ Readiness. Following COP13, Indonesia has been an active participant in REDD+ negotiations and in important international REDD+ programs, including the FCPF Readiness Fund and the UN-REDD Program. In 2010 the country signed the above-mentioned bilateral agreement with Norway. Significant progress has been made in developing the necessary enabling environment for REDD+, which has included the core components of REDD+ readiness noted above. The Bank – through resources provided by the FCPF Readiness Fund since 2013 – has allowed Indonesia to make important progress and effectively

engage with the international community on REDD+. In September 2017, Indonesia presented its Readiness Package to the Participants Committee of the FCPF, which is an important and internationally recognized milestone towards REDD+ implementation centered around a comprehensive assessment of progress. The FCPF Participants Committee (representing 47 REDD+ countries and 29 donor countries) commended Indonesia for the progress made to date and encouraged Indonesia to take important steps towards REDD+ implementation at the sub-national level. This includes strengthening the framework to mitigate potential environmental and social risks associated with REDD+ implementation and the effective implementation of the ongoing policy reform process in relation to forests.

15. Indonesia has begun developing and implementing policies and programs to address key drivers of forest loss and degradation. In 2011, the GOI developed a National Action Plan to Reduce GHG Emissions (Rencana Aksi Nasional Penurunan Emisi Gas Rumah Kaca, or RAN GRK), the umbrella plan to reduce emissions in accordance with Indonesia's Nationally Determined Contribution (NDC) under the Paris Agreement, of which REDD+ is an important component. In 2012, the GOI launched the National REDD+ Strategy which aims to ensure that forests are a net carbon sink by 2030. The overall objectives of this strategy are to: (i) improve overall forest and land governance as a precondition for sustainable forest management; (ii) implement sustainable forest and land use management; and (iii) achieve the carbon and co-benefits of the sustainable forests and land use system. So far, the main actions taken by the GOI to address the drivers include a moratorium on the issuance of new land use licenses on primary forest and peat land, a temporary moratorium on the issuance of new oil palm licenses, efforts to improve land administration (the One Map Initiative), reviews of concession licenses, creation of an agency tasked with restoration of over 2 million ha of degraded peat, and the implementation of small scale REDD+ pilot activities. MOEF, under DG-CC, who is leading the drafting of a regulation for Environmental Economic Instruments including a climate change funding mechanism will house, channel and disburse funds for climate change (and other environmental) projects. This fund is in the form of the BLU, a public service agency that will have a window for REDD+ and a mechanism to channel results-based payments.

16. While continuing to advance the national framework, Indonesia is now shifting focus towards implementation of REDD+ programs at the provincial level, which has the potential to leverage significant payments for emissions reductions (ER) if successfully implemented. Working at the jurisdictional (province) level is aligned with Indonesia's REDD+ readiness process and decentralization efforts, and provides an opportunity to demonstrate how policies, programs and systems can be strengthened to reduce emissions and improve natural resource-based livelihoods. In terms of scope, implementation through provinces facilitates coordination of district-level activities, while providing a sufficiently large accounting area with sizeable potential emissions reductions. Furthermore, following recent changes in Indonesia's decentralization process, the provinces play a renewed and important role in forest management, and consequently in REDD+ implementation. For example, provincial governments are responsible for the management of most of the Forest Estate (law no. 23 of 2014 on local government), in particular through their responsibility for most forest management units (FMUs or KPHs). These approaches are scalable to other provinces across Indonesia and can provide valuable experience to advance REDD+ implementation nationally. At the same time, capacities at the provincial level lag those at the national level and there is a need to continue to support the implementation framework and strengthen capacities at the provincial and sub-provincial levels.

### **C. Proposed Development Objective(s)**

#### **Development Objective(s)**

The Project's proposed development objective is to incentivize reduced deforestation and forest degradation in East Kalimantan in Indonesia, through payment of verified emission reductions (ERs), and to ensure that paid amounts are distributed according to an agreed Benefit Sharing Plan (BSP)

### **Key Results**

The achievements of the PDO will be measured through the following indicators:

- a) Volume of CO<sub>2</sub> Emission Reductions measured and reported by the Program Entity, verified by a Third Party, and transferred to the FCPF Carbon Fund (tCO<sub>2</sub>e);
- b) Payment by the FCPF Carbon Fund for CO<sub>2</sub> Emission Reductions generated by the EK-JERP (US\$); and
- c) Emission Reductions payments distributed in accordance with agreed Benefit Sharing Plan (Yes/No).

### **D. Project Description**

#### **Component Name:**

#### **Comments ( optional)**

### **E. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)**

East Kalimantan is Indonesia's third-largest province, with a total area of 12.7 million ha. Natural forest covers 6.5 million ha (54 percent) of the province, mostly found within areas allocated to discrete Forest Management Units (FMUs) and in conservation areas. East Kalimantan has a population of about 3.6 million (2018). The province has a population of about 3.5 million (2016), which includes indigenous Dayak and Kutai peoples, as well as Javanese, Chinese, Banjarese, Bugis, and Malay people. There are broadly four main Dayak ethnic groups in East Kalimantan ? the Apo Kayan, Punan, Ot Danum and Basap. Each of these can be divided into a number of sub-groups, which live across the province. Most Dayak groups still maintain their distinct collective identities, preserve their own language (besides Bahasa Indonesia), and depend on agricultural subsistence for livelihoods. In addition to Dayak groups, East Kalimantan is also home to several Malay communities (Kutai, Berau, Paser, Bajo) that would likely qualify as indigenous people. The distribution of poverty is skewed towards rural areas (the focus of the EK-JERP) where 10.1 percent of the population was classified as poor, compared to 4 percent of the urban population. Most of customary communities (Masyarakat Adat) live within the Forest Area (Kawasan Hutan). The coastal area of East Kalimantan serves as centers for trade and government, and has attracted migrants, both from other islands in Indonesia, as well as from outside Indonesia. Some settlers live and settle in the coastal areas of East Kalimantan and along its major rivers. Large migrant groups include Javanese, Buginese and Banjarese. The upland is home to rich forest natural resources, which have long been the main source of livelihoods and wellbeing of the local ethnic minorities. These population groups have inhabited these areas for generations and consist of various Dayak, and Kutai communities. Since the 1950s many Dayak groups have also migrated downstream in search of economic opportunities, or as a result of government resettlement programs. Dayak groups now also commonly reside in downstream areas, where some engage in more sedentary farming such as irrigated rice cultivation.

East Kalimantan saw a decline of 1.1 million ha of forested area (permanent conversion of both primary and secondary forest to non-forest) between 2006 and 2016 and degradation (reduction in

carbon stock within remaining forests) of primary forest to secondary forest occurred on 83,192 ha over the same period. Of the 1.1 million ha of forest lost between 2006 and 2016, 35 percent had been converted to shrubs, 34 percent had been planted with oil palm, seven percent had been planted with plantation timber, six percent was used for agriculture, two percent was mining area, and one percent had been turned into ponds. Other key drivers of deforestation and forest degradation are encroachment, fires, and aquaculture. Underlying drivers include poor spatial planning, lack of enforcement, low productivity of local farming and limited alternative livelihood opportunities for local communities.

A significant area of East Kalimantan is allocated to private companies through land use licenses, making the licensing regime an important component of land governance. Lack of transparency in license allocation, poor coordination across sectors, shifts in institutional responsibility for issuing licenses, and the lack of a single map have all contributed to overlapping licenses, to a high cost of business, to conflict with local land users, and ultimately to poor accountability over land and forest management. The GoI has developed an indicative map of tenurial conflict with an inventory of around 201 conflicts, 33 of which are located in the Kalimantan provinces. This number however does not capture the scale of overlapping land claims and potentially village level disputes.

#### **F. Environmental and Social Safeguards Specialists**

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## **II. IMPLEMENTATION**

### **III. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/BP 4.01	Yes	EK-JERP is expected to result in positive effects on the environment as it aims to reduce deforestation by addressing underlying governance issues through policy reforms, engaging with oil palm and forestry companies, and engaging with local communities. However, there are some potential adverse impacts considered through the process of Strategic Environmental and Social Assessment (SESA) that has been prepared to support analysis and decision-making around project design and management of potential risks and impacts through an Environmental and Social Management Plan (ESMF) that has been prepared specific to the EK-JERP. In summary, they are potential loss of natural habitats and key biodiversity species at areas designated as non-forest and/or through indirect introduction of invasive species,

	<p>contamination of soil and water, and community health and safety risks associated with the use of pesticides and improper forest fire handling technique and equipment, as well as the result of poor waste management and good industrial practices in plantation companies or oil palm concessions. Finally, successes in reducing impacts on forests could lead to displacements of these impacts to other areas such as North Kalimantan.</p> <p>The Program is expected to generate overall positive social impacts through reduced conflicts, increased transparency in resource allocation, tenure protection of forest dependent communities as well as community empowerment through Community-based Natural Resource Management (CBNRM) activities. There may be residual impacts as a result of improved forest management and tenure settlements such as access restrictions and restrictions on land use. Participatory approach for tenure settlements, particularly through the social forestry implementation, will be adopted. Hence, such potential risks can be minimized through community consensus and decision making processes whereby alternative livelihoods options will be sought prior to imposing any restrictions. Potentially high-risk activities such as tenure conflict settlements will not be carried until certain conditions ?readiness criteria? i.e. the legal framework, meditation and institutional capacities, etc. are in place. Such risks have been assessed as part of the ESMF and on the basis of which a Resettlement Policy Framework (RPF), Process Framework (PF) and Indigenous Peoples Planning Framework (IPPF) have been developed. The Program is also expected to strengthen its FGRM system to ensure early identification of adverse risks to enable timely response and mitigation measures as appropriate.</p> <p>The Program is classified as a Category B. However, the overall risks have been assessed as high particularly due to social aspects of the operation, including: land tenure conflicts and legacy issues, inter-boundary disputes, potential land evictions, Indigenous Peoples</p>
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		<p>land rights, social exclusion, land governance and limited technical and institutional capacities especially at local level of governments. In addition, it is recognized that the management of certain risks are relatively complex and require strong coordination among many stakeholders.</p> <p>Furthermore, the TA assistance to private sector on OP 4.36 and OP 4.04 may not be applied downstream given their importance of private sector to the program.</p>
Performance Standards for Private Sector Activities OP/BP 4.03	No	The project will not directly support any activities linked to private sector entity as defined by the policy.
Natural Habitats OP/BP 4.04	Yes	<p>The project triggers Natural Habitat (OP 4.04) with more positive than potential negative impacts on natural habitat. The overall ER Program aims at maintaining and restoring natural habitat since degradation and deforestation in areas with HCV are major contributors to emissions. These measures will facilitate positive impacts that include, among others: restored and better maintained biodiversity, environmental services and ecosystems; reduced deforestation and increased carbon uptake; reduced degraded land; better protected forest areas and wildlife habitats; decreased fire hotspots; enhanced ecosystems; reduced GHG emissions; reduced possible risks of changes in physical and chemical properties of the soil; more appropriate measures for post-mining reclamation and revegetation; better assurance for well qualified reclamation; and enhanced ecosystem sustainability. These are in line with the current Government regulatory frameworks on biodiversity, such as Law No 11/2013 on the ratification of the Nagoya Protocol of the Convention on Biological Diversity. Spatial analysis shows that the proposed ER areas (forest and palm oil concessions) are overlapping with key biodiversity areas, and habitat of the endangered Orangutan (<i>Pongo Pygmaeus</i>).</p> <p>The Bank does not support projects involving the significant conversion or loss of natural habitats unless there are no feasible</p>

	<p>alternatives for the project and its siting, and comprehensive analyses demonstrate that overall benefits from the project substantially outweigh the environmental costs. If this is the case, then measures to minimize habitat loss will be required, such as strategic habitat retention and post-development restoration or establishing and maintaining an ecologically similar protected area (if necessary). The ESMF will provide guidelines for the development of a management framework for biodiversity through HCV studies developed to identify and manage natural habitats and key biodiversity areas.</p> <p>The possible risks of lack of acceptance is anticipated from community members and companies on sustainable management practices and District Governments and/or businesses which could have a negative impact on natural habitats. The lack of buy-in may be due to lack of awareness and limited capacity of the local community on the pertinent issues of sustainable management practices, spatial planning, and low emission development planning. These issues will be addressed through IEC and capacity building. Intensive training, coaching and mentoring in the planning processes will be ensured throughout implementation of the EK-JERP. Incentive schemes for companies and smallholders/farmers to adopt sustainable management practices will be envisaged for mitigating this issue.</p> <p>Successes in reducing impacts on forests may lead to indirect environmental and social risks such as leakage and reversals of these impacts to other areas. The indirect risks around leakage and reversal prevention is addressed in conjunction with support to community welfare and livelihoods, access rights to use of land and natural resources, protection of local wisdom, and gender equality and social inclusion (e.g. participation of Indigenous Peoples and Adat communities as well as marginalized and vulnerable groups). Addressing these issues is expected to feed into, and subsequently enhance the program's benefit sharing mechanisms, forest</p>
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		governance, including prevention of leakage and reversals, transparency and accountability. Interlinkages amongst these initiatives have been observed in the ERP design. Synergy and coordination between national, provincial and district levels for safeguards management will continue to be defined and strengthened as the ER Program is being prepared and implemented.
Forests OP/BP 4.36	Yes	<p>This policy is triggered given the focus of the program on reductions in deforestation and forest degradation, leading to positive impacts on the health and quality of forests in the program area. The program may enforce protected forest boundaries that impact access of forest dependent communities. Potential impacts and proposed mitigation measures will be included in the ESMF.</p> <p>Also, the policy on Forests (OP 4.36) requires that the REDD+ program interventions that are supported by the EK-JERP follow third-party certification standards for commercial forestry operations that may be involved while small-holder forestry is subject to development of time-bound plans seeking to achieve the standards of the policy. The program has a substantial focus on provision of technical assistance that will support the protection of High-Conservation Value (HCV) forests. All technical assistance will be provided consistent with OP 4.36, 4.04 and other relevant safeguards requirements however given most of the activities of focus are private sector (including palm and industrial forest plantations) not directly funded by the ER program, the downstream application of this advice, compliant with the policy, cannot be ensured and could present a risk to achieving project and policy objectives. To tackle this, due diligence undertaken as stipulated in the ESMF for development donors and also regular stakeholder outreach as part of the communication strategy shall be implemented during project preparation.</p>
Pest Management OP 4.09	Yes	The Policy is triggered since some activities potentially could involve pest management and application of pesticides. These activities could include support to tree nurseries and forest restoration and plantation activity,

		alternative agricultural livelihoods projects, non-timber forest product production, among others. The ESMF will include a code of practice and IPM guidance note consistent with policy requirements to address any pest management issues under implementation. It also considers national regulations and other OP 4.09 policy requirements including support for training and equipment that may be needed.
Physical Cultural Resources OP/BP 4.11	Yes	<p>This Policy is triggered given that forests and other ecosystems targeted by the ERP may include sacred groves or could be related to cultural identity of Indigenous Peoples and communities.</p> <p>In addition potential investments of the ER Program in alternative livelihoods or productive activities should consider potential for chance-finds or presence of physical cultural resources (PCR) as part of the screening process of these activities. Any chance finds or PCR present would need to be managed according to the code of practice included in the ESMF.</p>
Indigenous Peoples OP/BP 4.10	Yes	<p>This policy is triggered given that the program will be implemented in rural districts of East Kalimantan province where Indigenous Peoples and Masyarakat Adat (customary communities) are widely present.</p> <p>The ER Program is in general expected to yield, directly and indirectly, positive benefits through tenure recognition and sustainable Natural Resource Management (NRM).</p> <p>Risks related to Indigenous Peoples potentially stem from slow recognition of Adat tenure rights due to overlapping claims, existing conflicts, lack of legal evidence, and political processes for communities to gain such recognition, which may potentially exclude some communities from the Program benefits. In response to such risks, the BSP seeks to manage access barriers through a contractual mechanism which allows village-level recognition as a pre-requisite for accessing benefits (instead of through district regulations and/or land titles being issued, which the current regulatory regime requires).</p>

	<p>The Project's IPPF also provides guidance for Free, Prior and Informed consultations and management of adverse risks potentially affecting Indigenous Peoples. While it is acknowledged that such a contractual mechanism may reduce access barriers at the Project level, requirements for legal recognition for Adat communities may still present barriers for these communities from accessing equal benefits compared to other communities who have been formally recognized.</p> <p>HCV conservation and forest protection may result in access restrictions (further addressed under OP 4.12) amongst forest dependent communities, including Adat communities. Participatory approaches and consultations with the objective of building community consensus will be adopted as part of the overall HCV and forest protection activities. In parallel, alternative livelihoods activities (i.e. alternative crops, or non-timber forest product harvesting) will also be introduced. Such approaches have been considered to be sustainable as these foster community buy-in and enhance skills development in sustainable natural resource management.</p> <p>As part of sub-component 1.2 of the program, a participatory assessment, involving indigenous communities, will be conducted by the Provincial Forestry Service, in coordination with other stakeholders, such as FMUs, Provincial and District Environmental Service, Plantation Agency, etc. This process will map existing and potential conflicts, identify existing mechanisms for settling land disputes between the government and indigenous communities, and assess indigenous traditions and knowledge for conflict handling and dispute resolution. The assessment will feed into the development of community-based conflict handling and resolution mechanism guidelines, produced by the Provincial Government of East Kalimantan in close consultation and with the consent from indigenous communities, and endorsement from the Provincial and District Government Agencies.</p>
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		<p>The Program's FGRM will mainstream such community-based conflict handling, particularly in the context of tenurial conflict settlements. Such an approach is expected to promote collective consensus and dialogue and hence, avoid unintended risks, such as conflict escalation or community tension, or worse, risks of evictions by the winning groups.</p> <p>Sub-component 1.3 of the program will support the implementation of recent regulations concerning the recognition of Adat Law Communities and their territories. Specifically, the East Kalimantan Provincial Government will accelerate the settlement of customary rights and control of land inside forest areas, in accordance with the mechanism stipulated in East Kalimantan Regional Regulation No. 1/2015. Implementation of this regulation will serve as an enabling environment for broader protection of Adat communities.</p> <p>An Indigenous Peoples Planning Framework (IPPF) has been prepared to guide the identification, engagement, consultations and management of risks affecting Indigenous Peoples. Implementation of this IPPF will be in lieu with the RPF and PF in anticipation of unintended risks associated with access restrictions and resettlement. Resources will also be made available to strengthen the Program's FGRM to foster its accessibility, responsiveness, credibility and transparency.</p>
Involuntary Resettlement OP/BP 4.12	Yes	<p>The ER Program's underlying activities largely focus on technical assistance, policy reform, increased law enforcement, and forest tenure settlements. Resettlement risks are considered downstream and warrant further assessment and monitoring during Program implementation.</p> <p>Resettlement risks directly associated with program activities are considered remote. No land acquisition is required for the Program. By the Program's design and regulations, the Government will adopt amicable conflict resolution and seeks to support tenure conflict</p>

	<p>resolution through institutional capacity building, regulatory development and social forest schemes to enable forest dependent communities to access forest lands. Residual risks following tenure dispute settlements such as renouncement of one's claims over state lands are not currently envisaged under the operation, however such risks will warrant close monitoring by the PMU and World Bank as detailed in the ESMF.</p> <p>Under the governing forest tenure settlements (Presidential Regulation no.88/2017 or hereafter PPTKH) chapter 11, resettlement may be considered as an option for the forest tenure settlement in the event that the forest area in question is classified within the conservation zone regardless of the use (e.g. settlements, agricultural land, and other land uses). In provinces where the total size of the forest estates equals to or is less than 30 percent of the total size of watersheds and/or land masses within provincial administrative jurisdictions, resettlement can also be applicable to address occupation (either for settlements and/or establishment of public and social facilities) within production forests based on recommendations from PPTKH inventory and verification teams. In the East Kalimantan context, the total size of Forest Area (Kawasan Hutan) is 8,411,680 ha, which represents more or less 66 percent of the total provincial area (12,743,859 ha). Such a ratio should theoretically rule out the above resettlement risks within the EK-JERP accounting areas.</p> <p>Access restriction risks resulting from forest zoning, determination of forest utilization blocks and/or forest tenure settlements, HCV conservation are envisaged under the ERP. Participatory mapping will be adopted to enable community consensus and collective decision making processes. Support to alternative livelihoods to local communities will also be provided as part of the project activities (under Component 4 on Sustainable Alternative Livelihoods for Communities).</p> <p>There may also be potential legacy issues,</p>
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		<p>particularly related to land use and natural resource conflicts due to past licensing practices where the Program will be operating. Any actions in areas with complex legacy issues with potential high social risks will not be carried out until certain conditions or ?readiness criteria? i.e. the legal framework, meditation and institutional capacities, institutional consensus, etc. are in place.</p> <p>The ER Program has prepared a Resettlement Planning Framework, which includes a Process Framework which sets out a consultation process to address access restriction risks. In addition, the IPPF will guide the management of access restriction risks affecting Indigenous Peoples. The Program's FGRM, and safeguards monitoring will also be enhanced to enable frequent identification of potential resettlement and access restriction risks. A dedicated environmental and social team at the provincial level has been established during Program preparation and will be retained over the span of Program implementation. This team will be responsible to facilitate stakeholder engagement and collaboration to ensure sustained risk monitoring and institutional capacity building for the implementation of the RPF, PF and IPPF in relation to resettlement and access restriction risks.</p>
Safety of Dams OP/BP 4.37	No	This policy is not triggered as there are no works or other investments in the project that depend on a dam and its operation.
Projects on International Waterways OP/BP 7.50	No	The project will not support any activities linked to international waterways as defined by the policy.
Projects in Disputed Areas OP/BP 7.60	No	The project will not cover any area considered a disputed area per policy definition.

#### 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 program will support a combination of enabling conditions and promotion of sustainable management practices that will directly address the drivers of emissions. The program design

considers the distribution of remaining forests, the threats to those forests, and the key stakeholders involved in the respective areas. The activities are grouped into six components. Implementation in East Kalimantan is expected to affect local communities and Indigenous Peoples. Both are identified as potential participants and beneficiaries of the program, given their foreseen role in sustainable community-based forest management. Component 1 of the program aims to improve land governance by strengthening tenure security of local communities and indigenous peoples. Simultaneously, conservation efforts supported by the program may restrict access of communities to land and natural resources.

The program therefore poses risks with regard to possible land tenure conflicts resulting from access restrictions or loss of livelihoods, particularly in relation to communities located in or near the Forest Estate or plantation concessions. Key safeguards risks that have been assessed as part of the Strategic Environmental and Social Assessment (SESA) process for the ER Program are summarized as follows:

- a. Potential escalation and/or exacerbation of existing tenure disputes and conflicts due to failures of dispute and conflict settlements that the Program seeks to support (underlying ER Program activities 1.2, 1.3, 2.1, and 4.3);
- b. Inter-village boundary disputes (underlying ER Program activities 1.4 and 4.3);
- c. Access restrictions resulting from forest zoning, determination of forest utilization blocks and/or forest tenure settlements (underlying ER Program activities 1.2, 1.3 and 2.1);
- d. Livelihood impacts resulting from revocation of mining and forestry licenses which are deemed to be in the status of "non-clear and clean" (underlying ER Program activities 1.1);
- e. Potential exclusion of Indigenous communities from the ER Program's benefits who may not fulfil the GOI's framework on Masyarakat Adat or lack of clearly codified rights but equally have land and resource claims. Such circumstances often place customary communities at a disadvantage to large concession holders (underlying ER Program activities 1.3 and 4.3);
- f. Community and health safety risks for fire prevention and suppression and Reduced Impact Logging-Carbon (RIL-C) activities (underlying ER Program activities 3.2 and 3.3); and
- g. Social jealousy or perceptions of social exclusion due to unequitable carbon benefit distribution and/or lack of transparency (BSP).
- h. Resettlement risks are considered remote since the government will adopt participatory mapping and amicable conflict resolution (non-litigation approach) through mediation as part of the Program design. However, there could be residual risks such as access restrictions which will need to be negotiated with affected communities. This is further detailed under the analysis under OP 4.12.

Other relevant aspects that have also been considered under the risk assessment also include:

- a. Gender inequality in land use rights and access to natural resources which may prevent women from fully accessing the Program's benefits;
- b. Lack of participation amongst vulnerable groups, including women and youth due to limited understanding, information or incentives to participate in planning and decision-making processes;
- c. Lack of access to agricultural technology, sustainable markets and post harvesting technology for forest commodities; and;
- d. Potential lack of trust for forest partnerships particularly in areas with history of conflicts.

The program's social forestry and/or concession areas pose environmental risks such as contamination of soil and water, health risks associated with the use of pesticides and as result of poor waste management practices.

Through the Strategic Environmental and Social Assessment (SESA) process, relevant environmental and social safeguards instruments have been prepared to respond to potential risks above. These include a program Environmental and Social Management Framework (ESMF) and its associated instruments, including an Indigenous Peoples Planning Framework (IPPF), a Resettlement Planning Framework (RPF) which includes a Process Framework (PF), and a Feedback and Grievance Redress Mechanism (FGRM).

As guided by the ESMF, each sub-project activity will be screened to identify: (i) the safeguards policies triggered; (ii) the related environmental and social risks; and (iii) safeguards instruments and associated analyses needed to incorporate risk and impact minimization, mitigation measures, and monitoring approaches. Based on the results of this screening, specific safeguards mitigation plans for each sub-project will be developed.

Under Component 4, the Program seeks to facilitate alternative livelihoods activities to mitigate impacts resulting from livelihoods changes, i.e. timber harvesting, artisanal mining, swidden farming and slash and burn agriculture, etc. The government also commits to expediting the implementation of social forestry schemes in the province to enable forest dependent peoples to obtain tenure security and receive facilitation to engage in sustainable livelihoods activities. Furthermore, participatory mapping, community-based conflict handling, facilitation support to communities, FMUs, and the private sector on good agricultural and forest management practices, which will be necessary to prevent and mitigate environmental and social risks will be fully embedded as part of the Program.

A FGRM applicable to the government's EK-JERP's Program activities and to the BSP has been developed. The FGRM is based on the existing national systems of grievance redress that exist at village, provincial, and national levels. The grievance redress mechanisms are located in MoEF, land, and other enforcement agencies, as well as in village and provincial institutions. Depending on the type of grievance, a different mechanism would apply and escalate to other levels should resolution not be achieved and these particularly apply to management of grievances related to access restrictions, benefit sharing and potential impacts on Indigenous Peoples. The FGRM describes these mechanisms and a review of capacities and effectiveness is currently ongoing. This is necessary given the FGRM has flagged that existing mechanisms need more support for awareness of the ER Program and to strengthen the capacity to respond and report grievances. The reporting of grievances will be linked to the national Safeguards Information System (SIS) which will also be strengthened as part of implementation

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

Under Component 1, the program aims to strengthen the license regime by revoking illegal plantation permits. License revocation may indirectly have an impact on the conditions of

forests, as the license holders (companies) would no longer be involved in forest management. This may reduce access restrictions for Indigenous Peoples or local communities, as the limitations by companies would no longer be in effect. If not managed properly, access to forest areas may increase the risk of deforestation. Revocation or revision of both mining and plantation permits may also impact income of workers and others that depend on the income from those activities as direct workers or private operators.

Other relevant indirect or downstream risks have also been considered, and these are associated with risks of displacement/ leakages and reversals. Such risks may stem from:

- a. Displacement/leakages: Displacement/leakage may emerge as risks resulting mainly from governance failures (i.e., regulatory aspects) that may not be able to restrict the expansion of timber/palm oil/mining concessions to compensate for HCV allocation and through increased efficiency in production. The displacement of emissions may occur from reducing certain economic activities in EK resulting in pressure to do them in other villages, district or provinces or transboundary, in other countries in the region; and
- b. Reversals: may be produced as the results of governance risks such as lack of enforcement capacity by implementing government agencies to ensure sustainable forestry or plantation management, and lack of regulations on benefit sharing mechanism. Other issues that may constitute reversals include low capacities to control fires and manage tenurial conflicts (e.g., overlapping land use and competing claims to land)

Risks which are considered to remain residual and/or will be difficult to manage and contain include resolving conflicts and redressing grievances related to tenurial disputes, and also risks of displacements/leakages. The management of these risks are relatively complex and require coordination among many stakeholders.

The ESMF has included measures to mitigate risks related to displacement/leakages and reversals, which emphasize institutional strengthening, down to the village level, and inter-sectoral coordination on aspects related to sustainable NRM. Strategies for mitigating risks of displacement/leakages include preparation of HCV management and guidance regulations, enforcement of forest and peat moratorium policies, such as a more stringent procedure for licensing of activities in forest areas, design of incentive policies for the implementation of green development, community empowerment for forest and land fire response, and the establishment of a Working Group on FMU regarding sustainable forest management.

Risk of reversals may stem from unclear tenure and overlapping claims, ineffective inter-sectoral coordination, and benefit sharing issues. Therefore, the proposed mitigation measures for these risks focuses on community inclusion and empowerment through the development of an effective working group that comprises of inter-sectoral and cross level (national and sub-national) components, participatory approaches in the benefit sharing system, and community capacity building to increase awareness of forest fire and its prevention efforts, manage fire risks and use of alternative methods for land clearing without fire.

Furthermore, the ESMF has incorporated tracking and monitoring of resolving grievances to

be essential for the ERP, as well as the monitoring and reporting of leakages and reversals over the span of ERP implementation.

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

The bulk of underlying activities for the ERP will be largely financed by the Government through its national, provincial, district, and village budgets, as well as through the private sector and development partners. By virtue of the design, the Program's scope will cover the entire provincial jurisdiction of EK. Hence selection of project alternatives including exclusion of high risk activities to avoid or minimize impacts will include phasing/sequencing of activity implementation based on their feasibility their feasibility and scale of complexity during program implementation. Potentially high risk activities, such as tenure conflict settlements will not be carried out until certain conditions for enabling environments, such as legal framework, mediation, institutional capacities are in place. The safeguards system through the PMU will continue to monitor such readiness criteria for potentially high risk activities as well as emerging risks. These provisions on readiness criteria are incorporated into the ESMF.

**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.**

Previous readiness activities have enabled sub-national engagement as well as capacity building on safeguards within MoEF and across sub-national government agencies in East Kalimantan. To date, substantial efforts have been mobilized by MoEF and East Kalimantan Government to meet the World Bank and UNFCCC safeguards requirements. These include (a) various consultations with a broad range of stakeholders, including government agencies, private sector entities, universities, research institutes, civil society organizations, as well as potentially affected community groups, (b) relevant analytical work and policy development processes pertaining to REDD+ development, taking into account possible social and environmental risks and adverse impacts, (c) development of required ESMF and its associated instruments (including Resettlement Planning Framework (RPF) and Process Framework (PF), Indigenous Peoples Planning Framework (IPPF), and Feedback and Grievance Redress Mechanism (FGRM) to manage risks associated with the ERP implementation and (d) development of the REDD+ Safeguards Information System (known as SIS-REDD+), which has been established as a web-based platform to monitor safeguards performance across ERP activities.

Daily implementation of the EK-JERP will be managed by Program Management Units (PMUs) at both the national and provincial level. The make-up and membership of the PMUs will be decided based on implementation needs, but they will be supported by government staff and consultants from implementing agencies. The PMUs will have the expertise required to manage the day-to-day needs of the EK-JERP, including in safeguards, financial management, procurement, and technical issues.

The program recognizes that sub-national capacities for implementing safeguard measures required in the ESMF may greatly vary across project proponents. Acknowledging such constraints, the DGCC together with the national project and sub-national project management units will be responsible to ensure that capacity building components are integral

to the project design, and gradually build on previous efforts to leverage understanding and awareness of safeguards amongst key actors. A capacity building plan has been proposed as part of the ESMF (sub-section 5.6). This capacity building plan includes allocation of resources for supervision and technical support for safeguards implementation, recruitment of dedicated safeguards personnel, capacity building for safeguards at relevant levels of implementation, FGRM strengthening as well as multi-stakeholder coordination/consultative body as oversighted by the Program's Steering Committee.

Due to the scope of the ERP and multiple agencies involved in ERP and complex implementation structure, challenges likely stem from the program's ability to effectively supervise, foster inter-agency coordination, and provide technical assistance with regards to overall safeguards aspects. Such constraints have been acknowledged and budget allocation for safeguards, including personnel, training, and operational costs for supervision has been proposed, which will be subject to further evaluation with regards to its adequacy during the first year of ERP implementation.

Indonesia ER Program Safeguards Note in PAD's annexes analyze the system gaps and capacity assessment to come up with a robust capacity development plan for our client in the ESMF.

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

The EK-JERP was developed through extensive consultations with sub-national stakeholders, which have been on-going since 2016 under the leadership of the Regional Council on Climate Change (DDPI). Identification of key drivers of deforestation and degradation was conducted through a series of consultative workshops between May 2017 and March 2018, involving the provincial government (Bappeda, the Office of the Environment, and Government offices), district governments (Bappeda, Environmental agencies, and estate crop agencies), local and international CSOs in East Kalimantan, an Indigenous Peoples Organization (AMAN Kaltim), Academics (Unmul, Widya Gama University, UNTAG, STMIK SPB), and Employers' Associations (including some forestry and plantation companies). All inputs were compiled by DDPI East Kalimantan, and discussed with the East Kalimantan Secretary, FOERDIA and DGCC. Inputs pertaining to safeguards have been documented in the SESA, including risks related to existing tenurial conflicts and disputes, institutional capacity constraints in managing environmental and social issues, community engagement and participation, governance risks, lack of an effective and accessible FGRM, gender inequalities, and social exclusion and access restriction risks for forest dependent communities. In response to these consultation outcomes, relevant considerations have been addressed in the safeguards instruments for the program.

Identification of stakeholders has been mainly through self-selection by respective implementing agencies with support from the planning agencies as well as NGOs/CSOs. Indigenous peoples have been engaged through CSOs as well as through their representing organizations at the village level. Key stakeholders include a) national, provincial and district government agencies (MoEF, East Kalimantan provincial government agencies, Forest Management Units); b) private sector actors (most notably plantation and mining companies); c) Indigenous People and local community representatives, d) NGOs/CSOs both directly

contributing to the Program or have interest in the Program.

The Regional Council on Climate Change (DDPI) in East Kalimantan has been is a primary partner in the overall consultation and engagement process, as well as in convening key stakeholders for the program development.

Key concerns that emerged the previous consultation process are related to a) tenure conflict settlements and the need for institutional capacity strengthening and regulatory support to do so; b) operationalization of the ERP's FGRM; c) the need for stakeholder engagement at the sub-national levels and accountability; d) law enforcement to address drivers of deforestation and forest degradation; e) tenure recognition for Adat communities along with foreseen challenges, and f) the need to ensure equitable and transparent benefit sharing through consultative processes. These concerns have been taken into account as part of the Program design and its environmental and social management as detailed in the ESMF and its associated frameworks (RPF, PF, IPPF, and FGRM)

A complete record of these public consultations has been documented in the SESA (Appendix A3).

#### ***B. Disclosure Requirements***

<b>Environmental Assessment/Audit/Management Plan/Other</b>	
Date of receipt by the Bank	09-Oct-2019
Date of submission to InfoShop	12-Dec-2019
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Indonesia	14-Dec-2019
<i>Comments:</i> <a href="http://www.p3sekpi.menklhk.org">http://www.p3sekpi.menklhk.org</a>	
<b>Resettlement Action Plan/Framework/Policy Process</b>	
Date of receipt by the Bank	09-Oct-2019
Date of submission to InfoShop	12-Dec-2019
"In country" Disclosure	
Indonesia	14-Dec-2019
<i>Comments:</i> <a href="http://www.p3sekpi.menklhk.org">http://www.p3sekpi.menklhk.org</a>	
<b>Indigenous Peoples Development Plan/Framework</b>	
Date of receipt by the Bank	09-Oct-2019
Date of submission to InfoShop	12-Dec-2019
"In country" Disclosure	
Indonesia	14-Dec-2019

<i>Comments:</i> <a href="http://www.p3sekpi.menklhk.org">http://www.p3sekpi.menklhk.org</a>	
<b>Pest Management Plan</b>	
Was the document disclosed prior to appraisal?	No
Date of receipt by the Bank	09-Oct-2019
Date of submission to InfoShop	12-Dec-2019
"In country" Disclosure	
Indonesia	14-Dec-2019
<i>Comments:</i> documents can be found in the following: <a href="http://ditjenppi.menlhk.go.id/peraturan-perundangan.html">http://ditjenppi.menlhk.go.id/peraturan-perundangan.html</a>	
<b>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.</b>	
<b>If in-country disclosure of any of the above documents is not expected, please explain why::</b>	

### C. Compliance Monitoring Indicators at the Corporate Level

<b>OP/BP/GP 4.01 - Environment Assessment</b>						
Does the project require a stand-alone EA (including EMP) report?	Yes	<input type="checkbox"/>	No	<input checked="" 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 type="checkbox"/>	No	<input type="checkbox"/>	NA	<input checked="" type="checkbox"/>
<b>OP/BP 4.04 - Natural Habitats</b>						
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	NA	<input type="checkbox"/>
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	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	NA	<input type="checkbox"/>
<b>OP 4.09 - Pest Management</b>						
Does the EA adequately address the pest management issues?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Is a separate PMP required?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	NA	<input type="checkbox"/>
If yes, has the PMP been reviewed and approved by a safeguards specialist or PM?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input checked="" type="checkbox"/>

Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?						
<b>OP/BP 4.11 - Physical Cultural Resources</b>						
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 type="checkbox"/>	No	<input type="checkbox"/>	NA	<input checked="" type="checkbox"/>
<b>OP/BP 4.10 - Indigenous Peoples</b>						
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"/>
<b>OP/BP 4.12 - Involuntary Resettlement</b>						
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 type="checkbox"/>	No	<input type="checkbox"/>	NA	<input checked="" type="checkbox"/>
Is physical displacement/relocation expected?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	TBD	<input 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)	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>
<b>OP/BP 4.36 - Forests</b>						
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the project design include satisfactory measures to overcome these constraints?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the project finance commercial harvesting, and if so, does it include provisions	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input checked="" type="checkbox"/>

for certification system?						
<b>The World Bank Policy on Disclosure of Information</b>						
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"/>
<b>All Safeguard Policies</b>						
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"/>

## V. Contact point

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**VII. Approval**

Task Team Leader(s):	Name: Dinesh Aryal, Alexander Lotsch	
<i>Approved By:</i>		
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Practice Manager/Manager:	Name:	Date:
Country Director:	Name:	Date: