Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 05/28/2019 | Report No: ESRSA00179
## BASIC INFORMATION

### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Region</th>
<th>Project ID</th>
<th>Parent Project ID (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>EAST ASIA AND PACIFIC</td>
<td>P168076</td>
<td></td>
</tr>
</tbody>
</table>

| Project Name                                                                                                                                          |
| Realizing Education's Promise: Support to Indonesia's Ministry of Religious Affairs for Improved Quality of Education |

<table>
<thead>
<tr>
<th>Practice Area (Lead)</th>
<th>Financing Instrument</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>Investment Project</td>
<td>3/19/2019</td>
<td>6/26/2019</td>
</tr>
<tr>
<td></td>
<td>Financing</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Borrower(s)</th>
<th>Implementing Agency(ies)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Republic of Indonesia</td>
<td>Ministry of Religious Affairs</td>
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</tbody>
</table>

### Proposed Development Objective(s)

To improve the management of primary and secondary education services under the Ministry of Religious Affairs (MoRA).

### Financing (in USD Million)

<table>
<thead>
<tr>
<th>Total Project Cost</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>252.50</td>
</tr>
</tbody>
</table>

### B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

### C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

This project aims to improve management of primary and secondary education services under the Ministry of Religious Affairs (MoRA). First, the project will support all formal education institutions in all regions under Kemenag to implement a performance-based planning and budgeting system electronically (e-RKAM). This will enable MoRA schools to allocate budget transfers such as BOS and local resources to achieve minimum service standards and national education standards. Secondly, this project will support the improvement of learning practices and student learning outcomes through improved quality and improved access to in-service teacher training. Thirdly, this project will support the development of a student assessment system for the primary education level, following key...
recommendations in the World Development Report 2018, Learning to Realize Education's Promise. Finally, new budgeting systems and new data on student learning outcomes will be integrated with existing data to create a more integrated education data management system. The four interventions at the central, local, teacher and student levels will enhance the ability of the MoRA to improve the management of educational services through the availability of information on inputs (use of funds) and outputs (learning outcomes) while increasing support for improved student learning.

D. Environmental and Social Overview
D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]
The Project activities will take place nationwide in 34 provinces. Madrasahs are located mostly in urban areas and villages, no natural habitats affected as it mostly already in converted land. Most capacity building activities will be expected at MORA representative office at districts. Small works related to rehabilitation or repair works to support leaning needs for madrasah is envisaged.

D. 2. Borrower’s Institutional Capacity
MoRA currently executes an annual education budget of US$ 35 billion (2018), and has successfully implemented multiple projects financed by other international financial institutions (IFIs) such as Asian Development Bank and Islamic Development Bank. This will be the first operation MORA has undertaken with the World Bank. Safeguards management capacity of MoRA is relatively low and close collaboration with the Bank team will be needed to prepare necessary safeguards instruments. Even though MoRA has experience in handling safeguards requirements of other IFIs, the PIU within MoRA will have to ensure it has social and environmental specialist(s).

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS
A. Environmental and Social Risk Classification (ESRC)

Environmental Risk Rating

Environment risks are moderate. The project component are (i) Nation-wide implementation of electronic performance based planning and budgeting system (e-RKAM-SK), (ii) Implementation of a national, census-based AKSI (Indonesian Assessment of Student Competencies) at primary school for all grade 4 students; (iii) Policy Capacity Improvement for Teachers, school Directors and Supervisors and (iv) Improve Education Management System. In general, the project activities are focusing on capacity building type of activities both institutional and human resources, with addition of small works/infrastructure ie. rehabilitation for non-structural component of school building and repair works which funded under provision of small grant (for eligible madrasah). The estimated grant for each eligible school is around USD 3,300 per annum. No significant environment impacts are expected. Under component iv: Improve Education Management System, there will be some activities related to procurement of some ICT software and hardware to increase existing performance of education management system. Most of the ICT procurement is planned to be virtual (e.g. Amazon or MS Cloud as in the could servers) or software. Therefore the project is not expected to generate significantly more e-waste than would be in the case in absence of the project. Even if the servers were physical, which is not the plan, they would augment existing capacity not replace it. The potential adverse environment and social impacts to human environment are minimal and there are no significant adverse risks and issues which are complex, diverse, sensitive and unprecedented. However take into consideration
the low capacity of safeguard management in MORA and in the absence of information on capacity in MORA local offices, the risks is moderate.

**Social Risk Rating**

Social risks directly inherent in project activities are generally moderate. This proposed project is designed to deliver results at the service-delivery level, the level of the district, the province and at the central ministry. The project will aim to support religious schools, the majority of which are madrassahs, which follow national curriculum, in improving their performance-based budgeting, new information management system, as well as increasing the proportion of students participating in AKSI program (Asesmen Kompetensi Siswa Indonesia) developed by MoEC. The Project will not finance activities related to education curriculum.

**B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered**

**B.1. General Assessment**

**ESS1 Assessment and Management of Environmental and Social Risks and Impacts**

**Overview of the relevance of the Standard for the Project:**

Activities related to improvement of i) planning and budgeting system; ii) student assessment system; iii) teacher competency improvement; and iv) education data system are not expected to result in negative social impacts. The project activities aim to address the existing gaps between private madrassahs and other education institutions in order to improve increased student learning and management of formal education services for those communities who choose to receive education in MoRA institutions. In view of environment impacts, the current proposed project activities will involve provision of small grants to support rehabilitation and repair works to support learning needs. This type of rehabilitation will be a repair of a portion of non-structural component and/or repair of a portion of roof, ceiling and/or floor of class room, libraries and laboratories. No significant environmental impacts or risks is anticipated as the potential impact are limited to construction-related activities such as noise, dust, waste/debris disposal, safety of workers, which can be managed through standard mitigation measures, and OHS measures. Simplify ECOP for small work is being developed to guide the contractor in managing such impact. Related to the Improve Education Management System activities, likely there will be some activities related to procurement of ICT software and hardware for central, regional, district and provider levels, however the project is not expected to generate significantly more e-waste than would be the case in absence of the project. In addition, most of the ICT procurement is planned to be virtual, such as the purchase of a small number of servers which may be virtual (e.g. Amazon or MS Cloud as in the cloud servers). The project management manual will include some simple technical guidelines (ECOP -Environmental Code of Practice or SOP) on how to handle the unused equipment (if any) by recycling, trade in to the vendors or to dispose them properly as per Indonesia regulations on e-waste. In addition, efficiency in using energy could also be introduced when they procure and use the equipment (energy saving PCs etc). Lastly, training program for the ECOPs implementation (both for small works and e-waste disposal) and procurement for energy saving equipment and sustainability shall be part of the Project Operations Manual and training and development plan at provincial/district level.

**ESS10 Stakeholder Engagement and Information Disclosure**
In order to ensure a consistent, comprehensive, coordinated and culturally appropriate approach is taken to stakeholder engagement and project disclosure, MoRA will have to prepare Stakeholder Engagement Plan (SEP). The SEP will be developed and implemented to ensure that stakeholder engagement is conducted on the basis of timely, relevant, understandable and accessible information, in a culturally appropriate format. The SEP will lay out a strategy to identify and map key stakeholder (such as Cluster Working Groups for Teachers and Principals, Subject Matter Teacher Consultative Group, group for Madrasah principals, representatives of schools under other denominations, etc). MoRA will also have to ensure that consultations are inclusive and accessible (both format and location). The draft SEP will have to be disclosed by appraisal and can be updated, as necessary, throughout the project cycle (preparation and/or implementation). A stakeholder grievance redress mechanism (GRM), as part of SEP, will be designated for the project to allow for feedback.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

The project will involve direct workers, contracted workers (teachers, other madrassah staff, etc.), as well as government civil servants. Community workers are not planned to be involved in the project. It is also unclear at this stage to what extent the provisions of pertinent national legislation are relevant to project activities and satisfy the requirements of ESS2. Possible gaps will be assessed during preparation, and in case such gaps are identified, MoRA may be required to develop and follow Labor Management Procedures (LMP) after appraisal but before Board approval. The LMP would identify the main labor requirements and risks associated with the project, and will help MoRA to determine the resources necessary to address project labor issues. The LMP would describe (i) procedures relevant to each category of workers involved; (ii) overview of key potential labor risks (if any); (iii) overview of Indonesia’s labor legislation; (iv) description of grievance redress mechanism or mechanisms available for all direct workers and contracted workers (and if relevant, to their organizations). The exact timeline for possible preparation of the LMP would be described in the Environmental and Social Commitment Plan.

ESS3 Resource Efficiency and Pollution Prevention and Management

The project activities will involve small works relevant to rehabilitation and repair works to support learning needs. This type of rehabilitation will be a repair of a portion of non-structural component and/or repair of a portion of roof, ceiling and/or floor of classroom, libraries and laboratories. Potential environmental impacts are limited to some work during construction/repair works such as air pollution from dust, noise pollution, interruption of utility service and solid waste/debris as well as potential used roofing materials which contains asbestos. Simplify Environmental Code of Practice for small works is being prepared to guide the contractor to manage the environmental impact. In addition, there will be activities related to procurement of electronic equipment to support improvement of education management system. The new equipment will not replace existing equipment as per the project plan. No additional e-waste is expected to be generated as a result of procurements of ICT goods and services under the project, as the majority of these procurements are either virtual (for example, data storage space in the cloud) or software products which do not imply the obsolescence of physical electronics. In the planned small minority of cases in which physical equipment is planned to be purchased, this will expand rather than replace existing capacity and so no e-waste is expected to be generated. Sustainable procurement practices will be supported for the procurement of
ICT goods and services. ECOP (Environmental Code of Practice or SOP) will be provided in the Project Operations Manual on how to handle the unused ICT equipment (if any) by recycling or trade in to the vendor or to dispose them properly as per Indonesia regulations on e-waste.

ESS4 Community Health and Safety
The project activities will involve small works such as rehabilitation and repair works within madrasah and will not adversely affect community health and safety. The contractor will be trained on how to manage the construction waste as per ECOP to avoid potential impact to community. The project will involve procurement of electronic equipment to support improvement of education management system. The new equipment will not replace existing equipment as per the project plan.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
There are no ESS5 impacts or risks. The project will not finance activities that would require land acquisition, access rights such as for easement (short-term or long-term), or physical or economic displacement. There are no specific target locations of the project activities as schools and institutions benefitting from the project activities (provision of good and consultant services) will be nationwide.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources
Class room rehabilitation works and capacity building activities are planned to take place within established MoRA offices, and there are no civil works planned under the project that will affect natural habitats, forests and other sensitive areas. Almost all madrassah are located in urban areas and villages, exclusively on land that has already been converted. Therefore, ESS 6 is not applicable.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
The project will support schools (including madrassahs) following the national curriculum, but various communities will still have access to non-religious schools or public schools. Even though there are no negative impacts expected as per ESS7, the standard is still relevant to the project since IPs will benefit from the project activities. The team will work with MoRA to conduct a Social Assessment of existing data and information on the levels of enrollment and performance of Indigenous populations enrolled in MoRA schools. The Social Assessment will be based on initial desk assessment will be done by the Bank team, desk review, and consultations with stakeholders. The Social Assessment – the findings of which will be reflected in the project design, SEP, and possibly ESCP - will help to assess risks and constraints and aim to enhance project benefits for IP communities. MoRA will conduct consultations with stakeholders (including IP representatives) after the appraisal but prior to the Board approval (approximately mid-April 2019).

ESS8 Cultural Heritage
No negative impacts or risks on tangible or intangible cultural heritage expected. The project will support madrassah schools that follow established national curriculum. The project will finance small works related to rehabilitate/repair of a portion of the non-structural component and/or repair a portion of the roof, ceiling and/or flooring. All activities will be within madrassah school areas and no physical investments for education infrastructure that will adversely affect cultural resources assets.

ESS9 Financial Intermediaries
No FI involvement is envisaged in the project.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways
No
The project is not located in any international waterways, and does not finance any activities that may impact such waterways

OP 7.60 Projects in Disputed Areas
No
This project is not located in disputed areas (as per definition of OP 7.60)

III. BORROWER'S ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

<table>
<thead>
<tr>
<th>DELIVERABLES against MEASURES AND ACTIONS IDENTIFIED</th>
<th>TIMELINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESS 1 Assessment and Management of Environmental and Social Risks and Impacts</td>
<td></td>
</tr>
<tr>
<td>Establish an organizational structure with qualified staff to support E&amp;S risks management, including recruitment of safeguard specialist within MORA's PIU</td>
<td>12/2019</td>
</tr>
<tr>
<td>Social Assessment</td>
<td>05/2019</td>
</tr>
<tr>
<td>ECOPs for small works and e-waste disposal management</td>
<td>05/2019</td>
</tr>
<tr>
<td>Clearance from MOF related to removal of used State assets, follows Minister of Finance Regulation no PMK RI No 83/PMK.06/2016</td>
<td>12/2020</td>
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<tr>
<td>ESS 10 Stakeholder Engagement and Information Disclosure</td>
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<tr>
<td>Stakeholder Engagement Plan (SEP)</td>
<td>05/2019</td>
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<tr>
<td>Grievance Mechanism</td>
<td>03/2019</td>
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<tr>
<td>ESS 2 Labor and Working Conditions</td>
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<td>Labor Management Procedures</td>
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</table>
ESS 3 Resource Efficiency and Pollution Prevention and Management
ECOPs for small works and e-waste disposal management 03/2019

ESS 4 Community Health and Safety
NA

ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
N/A

ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources
NA

ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
Social Assessment 05/2019

ESS 8 Cultural Heritage
N/A

ESS 9 Financial Intermediaries
N/A

B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework? No

Areas where “Use of Borrower Framework” is being considered:
NA

IV. CONTACT POINTS

World Bank
Contact: Aimonchok Tashieva Title: Social Development Specialist, Safeguard Policies
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V. FOR MORE INFORMATION CONTACT

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Telephone: (202) 473-1000
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VI. APPROVAL

Task Team Leader(s): Noah Bunce Yarrow, Ratna Kesuma

Safeguards Advisor ESSA Nina Bhatt (SAESSA) Cleared on 19-Mar-2019 at 22:45:41

Practice Manager Michael F. Crawford (PMGR) Approved on 20-Mar-2019 at 19:37:46