SAFEGUARD FRAMEWORK

FOR URBAN SECTOR DEVELOPMENT REFORM PROGRAM (USDRP)

Isolated and Vulnerable People

ENGLISH VERSION

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Prepared by:

Departemen Perumahan dan Prasarana Wilayah
Direktorat Jenderal Tata Perkotaan dan Tata Perdesaan

Departemen Keuangan Republik Indonesia

Badan Perencanaan Pembangunan Nasional (BAPPENAS)

Departemen Dalam Negeri Republik Indonesia (Depdagri)

World Bank
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ABBREVIATIONS AND ACRONYMS

AC  Appraisal Committee – it is established at Central Level to decide on eligibility of proposed ULG subprojects based on the stipulations of KMK 35/2003

AMDAL  (Analisis Mengenai Dampak Lingkungan) General Framework for Environmental Assessment (typically comprises ANDAL & RKL / RPL)

AMDAL Committee  An authorized agency responsible to review and appraise ANDAL and RKL/RPL – also called Komisi Penilai (Appraising Committee)

ANDAL  (Analisis Dampak Lingkungan) Comprehensive EA

APBD  Annual Local Government Budget

Bapedalda  Environmental Impact Management Agency – Local Level

Bupati  Head of (Kabupaten) District

DAU  Block Grant from Central Government to Local Governments

Dinas  Line Department within a Local Government

DP  Displaced People

DPRD  Local Council of a Kabupaten or a Kota

EA  Environmental Assessment

EMP  Environmental Management Plan

(GOI  Government of Indonesia

IUIDP  Integrated Urban Infrastructure Development Project

Kabupaten  District

Kecamatan  An administrative unit below district

Kelurahan  An administrative unit kecamatan

Kota  Municipality

KIMPRASWIL  Ministry of Settlements and Regional Infrastructure

KMK 35/2003  Ministerial Degree No 35 of 2003 to regulate On-lending and On-granting Conditions of Donor Loans

LARAP  Land Acquisition and Resettlement Plan

Musbangkel  (Kelurahan) Sub-district Level Development Dialog -- a forum where interests and aspirations of citizens who live within a kelurahan are discussed and noted;

Musbangkot  City Level Development Dialog -- interests and aspirations from each kelurahan are discussed further to formulate a city-level development agenda

NGO  Non-Governmental Organization

NMC  National Management Consultant
NOL  No Objection Letter
PAP  Potentially Affected People
PJM  (Program Jangka Menengah) 5-year Development Plan at Local Government Level
Rakorbang  (Rapat Koordinasi Pembangunan) Development Coordination Meeting – a forum where city-level development agenda is discussed / synchronized with the available funds and medium-term development strategy (PJM)
RKL / RPL  (Rencana Pengelolaan Lingkungan / Rencana Pemantauan Lingkungan) Environmental Management Plan / Environmental Monitoring Plan as an integrated part of ANDAL
SK  (Surat Keputusan) ULG Degree, issued by Walikota or Bupati
SF  Stakeholders Forum
SMT  Safeguard Monitoring Team
UIDF  Urban Institutional Development Facility
UKL / UPL  (Upaya Pengelolaan Lingkungan / Upaya Pemantauan Lingkungan) Environmental Management Proposal / Environmental Monitoring Proposal, or simplified EMP, for subprojects that do not require ANDAL
ULG  Urban Local Government
USDRP  Urban Sector Development Reform Program
Walikota  Mayor of a (Kota) Municipality
WB  World Bank
EXECUTIVE SUMMARY

The Urban Sector Development Reform Project (USDRP) supports the establishment of accountable governments through the implementation of municipal governance reforms, institutional development and finances priority urban investments at the local level. This integrated approach emphasizing the synergy among these three elements is one of the most important strategic design features of USDRP. It is expected that financing for priority investments will provide the participating ULGs with strong incentive for delivering governance reforms according to the reform action plans agreed by the Government of Indonesia and the Bank. Besides their direct socio-economic, financial and environmental positive impacts, urban investments will provide concrete occasions where the governance reforms are applied in terms of stakeholders’ participation in investment prioritization, competitive procurement and transparent financial reporting.

Participating ULGs prepared medium term investment programs (PJM) together with the representatives of the local stakeholder forum, which form the basis for investment proposals under this project. These investment proposals are an integral part of the ULG budgeting process. While small- and medium-sized sub-projects are likely to be proposed on a yearly basis, big sub-projects are expected to be proposed as multi-year implementation programs. Such multi-year sub-projects should have an MOU between the executive, the DPRD and the non-governmental component within the stakeholder forum, to ensure that there is enough budget support in subsequent years for this proposal. Under this arrangement only the first-year program will be identified in detail in terms of nature and possible impacts on environment, land acquisition and resettlement. The project will not allow first year investment proposals that have significant environment or social impacts whose impact analyses and measurement cannot be finished within the first year sub-project and local budget cycle. Therefore, this safeguard framework is intended mainly for the second year onwards.

The objective of this USDRP safeguard framework is to provide for all parties involved a common platform in analyzing, planning, implementing, operating and monitoring potential subprojects in line with Bank requirements and the prevailing Indonesian laws on environmental impacts, land acquisition and resettlement, and isolated and vulnerable people (IVP). The safeguard framework should help participating ULGs ensuring a systematic evaluation of subprojects against environmental and social risks; to reduce and manage adverse risks; to promote environmental and social benefits; and to ensure full disclosure and meaningful consultation with affected people.

The Urban Sector Development and Reform Project (USDRP) is considered as a category “A” project. The principles issues which are addressed hereinafter comprise the following safeguard components:
Safeguard Policies Triggered by the Project

<table>
<thead>
<tr>
<th>Policy</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment (OP/BP/GP 4.01)</td>
<td>[x]</td>
<td>[]</td>
</tr>
<tr>
<td>Natural Habitats (OP/BP 4.04)</td>
<td>[]</td>
<td>[x]</td>
</tr>
<tr>
<td>Pest Management (OP 4.09)</td>
<td>[]</td>
<td>[x]</td>
</tr>
<tr>
<td>Cultural Property (OPN 11.03, being revised as OP 4.11)</td>
<td>[]</td>
<td>[x]</td>
</tr>
<tr>
<td>Involuntary Resettlement (OP/BP 4.12)</td>
<td>[x]</td>
<td>[]</td>
</tr>
<tr>
<td>Indigenous Peoples (OD 4.20, being revised as OP 4.10)</td>
<td>[]</td>
<td>[x]</td>
</tr>
<tr>
<td>Forests (OP/BP 4.36)</td>
<td>[]</td>
<td>[x]</td>
</tr>
<tr>
<td>Safety of Dams (OP/BP 4.37)</td>
<td>[]</td>
<td>[x]</td>
</tr>
<tr>
<td>Projects in Disputed Areas (OP/BP/GP 7.60)</td>
<td>[]</td>
<td>[x]</td>
</tr>
<tr>
<td>Projects on International Waterways (OP/BP/GP 7.50)</td>
<td>[]</td>
<td>[x]</td>
</tr>
</tbody>
</table>

A. Environmental assessment and mitigation plans may be produced in the form of: (i) AMDAL (or ANDAL in combination with RKL/RPL), or (ii) UKL/UPL, depending on impact category of the concerned subproject. The selection of the environmental category for each subproject is determined through the application of criteria set-forth in this framework.

B. In the event that resettlement is unavoidable the proponent has to implement an approval and consultation process that involves various stakeholders, including the DP, the Stakeholder Forum, the Safeguard Monitoring Team (SMT), the Head of ULG and the Bank. Resettlement proposals that cause impacts to 40 households (200 persons) or more must have a land acquisition and resettlement action plan (LARAP). LARAP consists of (i) identification of social and economic conditions of those DP; (ii) a comprehensive plan on land acquisition and resettlement, its schedule, including schedule of consultations, negotiations, and consultations, definition of agencies responsible for implementation, budget, and monitoring of the proceeds; (iii) Complaint and grievance mechanisms.

C. Proposals that cause impacts to less than 40 households and less than 10% of productive assets must have an abbreviated LARAP that shows: a census survey of displaced persons and valuation of assets, a description of compensation and other resettlement assistance to be provided, consultations with displaced people about acceptable alternatives, institutional responsibility for implementation and procedures for grievance redress, arrangements for monitoring and implementation, and a timetable and budget.

D. Approval for an abbreviated LARAP may be given by Central PMU, given that: (i) that agency has demonstrated adequate institutional capacity to review the LARAP and ensure their consistency with the Bank’s policy; (ii) appropriate remedies (fall-back measures) should be provided for in the loan agreement; and (iii) implementation of the LARAP is subject to ex-post review by the Bank.

E. Indonesia has hundreds ethnic groups that are culturally distinct. One ethnic group could nationally be majority or proportionally high but in particular urban setting that group might be minority and vulnerable. IVP in the Indonesian
context is the minority ethnic group that is vulnerable and relatively isolated in a particular area due to: (i) their dependence to certain natural habitat and sensitivity to its changes; and (ii) their distinct socio-cultural behavior and value system. The economic vulnerable and disadvantage group will get special attention in the urban forum decision making process, but they are not categorized as IVP.

This safeguard also describes implementing and monitoring agencies of AMDAL, UKL/UPL, comprehensive and abbreviated LARAP, and IVP-AP (if applicable). This institutional arrangement applies to these three aspects of the safeguard mechanism, and should not be interpreted as if each aspect requires a different arrangement or agencies.
1. NATURE OF THE USDRP PROGRAM AND SUBPROJECTS

The objective of the Urban Sector Development Reform Program (USDRP, or “the project”) is to support local governments in their efforts to alleviate poverty, to stimulate the development of local/regional economy, and to improve the delivery of sustainable and demand-driven urban services. The ultimate goal of these efforts is to improve the living quality of the urban population. To be able to achieve these objectives the project will ensure that participating urban local governments (ULGs):

A. Select prioritized investments for infrastructure development that are based on an agreed long-term development strategy and medium term development plan (PJM);
B. Engage in governance reforms that foster participation, transparency, and accountability as well as internal management reforms focusing on procurement of goods and services and financial management;
C. Develop institutional and regulatory capacity for better delivery of urban services;
D. Determine and implement priority investments in both a participatory and accountable way.

USDRP is responding to the needs under a decentralized and democratic environment of the civil society. USDRP is building on the approach taken by other urban development projects, such as the prominent IUIDP (Integrated Urban Infrastructure Development Program), where investment in infrastructure was a primary objective. In contrast, USDRP views urban development in a more comprehensive way, therefore investment in infrastructure is only one part of a broad-based development approach. Other strategic elements include the establishment and implementation of comprehensive governance reforms and improvement of the delivery capacity for public service of participating ULGs.

The USDRP is encouraging the participating ULG to identify subprojects through an “open menu”1 approach. To satisfy the entire needs for urban development participating ULGs have the opportunity to invest without sector specific limitations. The main investment sectors concerned comprise: public works, transportation, education and health. The process of identification and selection of subprojects needs to be conducted in a participatory way, involving local government, council, and the stakeholders forum (SF).

Consistent to this approach USDRP does not determine a ceiling amount for a proposed subproject. However, the proposed subprojects should be socially, environmentally, and economically viable and in line with an approved medium term development plan (PJM). The total amount of money borrowed by the participating ULGs depends upon their financial capacities.

USDRP related investment will only be carried out in urbanized area and will not enter into protected areas, or critical natural habitats, so safeguard for isolated and vulnerable people (IVP) may not be applicable. However, the main parts of USDRP framework consist of three components, comprising in Chapter 3: Guidance for required environmental assessment; Chapter 4: Guidance for land acquisition and resettlement action plan (LARAP) and Chapter 5: Guidance on the basic principles of the IVP safeguard.

All future USDRP related subproject proposals shall meet those requirements set forth hereinafter. In addition, it should be acknowledged that this safeguard framework is part of the

1 Annex 1 is an indicative list of possible subprojects that are eligible for USDRP finance
loan negotiation documents and should, therefore, have been agreed by all participating ULGs prior to loan negotiations. In the event that selected investment projects were identified before the negotiation, the negotiation documents should include the summary of AM-DAL, or UKL/UPL and land acquisition action plan. Serious violation of requirements will intercept the program for those investment projects that do not conform to this framework.

2. USDRP PROJECT CYCLE OVERVIEW

The following overview is a generic, and in a way idealistic, illustration of required subproject development steps and their interaction within three mainstream activities, namely: (i) routing budget planning approach of Indonesian ULGs, (ii) technical stages required in subproject development, and (iii) safeguard measures and activities. Participating USDRP ULGs are requested to consider the staging and elements of this overview as a minimum requirement for subproject preparation.

The approach applies for single, as well as multiyear investment projects. The significance is that the concerned ULG needs to allocate adequate counterpart budgets for each fiscal year individually, even though prior endorsement was given by the local government assembly for the construction of a multi-year subproject. To secure the allocation of local counterpart funds it is required for the ULG to enter into a MOU with the local council (DPRD).

With regard to budget allocation for safeguard requirements, the following should be noted that budgets for the preparation of ANDAL and RKL/RPL and/or LARAP should be allocated simultaneously with the budget for project planning and design, either through the local budget (APBD) or the USDRP specific UIDF, which is providing grants for project preparation. These budgets are typically allocated one year prior to investment. Budgets for monitoring and implementation of the management plan should be allocated in the local budget during the implementation stage.
### Table 1: USDRP Project Planning Cycle

<table>
<thead>
<tr>
<th>Months</th>
<th>ULG Budget Planning Process</th>
<th>Subproject Development Stages</th>
<th>Safeguard Issues²</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>Dinas prepares their budget proposals</td>
<td>ULG establishes USDRP project implementation units (PIU)</td>
<td>Bapedalda and AMDAL Committee³ is established at each government level (ULG, Province, Central) prior to commencement of USDRP activities. Safeguards Monitoring Team (SMT) is established at each ULG level. SMT establishes screening criteria and requirements for USDRP subprojects, especially for environmental aspects, based on this Safeguard Framework.</td>
</tr>
<tr>
<td>March</td>
<td>Musbangkel</td>
<td>Proponent (Dinas) synchronizes PJM and their subproject proposals – the output is a list of priority subprojects.</td>
<td>SMT discusses with the proponent screening criteria and requirements³ Dinases and relevant local agencies (AMDAL Committee, or Bapedalda for environmental aspects; local land agency (BPN) for land requirements; or Demographic Bureau within the mayor' office for IVP) screen the subproject proposals for the following aspects: a. Environment: - confirm that the subprojects are not in the negative list; - decide whether the subprojects need AMDAL, UKL/UPL, SOP, or nothing. b. Land acquisition: - decide whether the subprojects should be categorized as requiring: no land acquisition; limited land acquisition and resettlement; land acquisition and resettlement (LAR); or voluntary contribution. c. Isolated and Vulnerable People (IVP): is there an IVP in the area? Yes → built in IVP consultation mechanism for reviewing and creating PJM and subproject design; No → IVP framework is irrelevant.</td>
</tr>
</tbody>
</table>

² The following cycle is typical for UKL/UPL and Abbreviated LARAP. The time frame for AMDAL and Comprehensive LARAP needs to be addressed and established from case to case depending on the nature of the proposed subprojects

³ Within the context of this cycle the term AMDAL Committee refers to the institutional arrangement which is engaged in the review and approval of AMDAL. This Committee might be also be consulted in general environmental issues. According to prevailing regulation, AMDAL Committees, which are responsible to review AMDAL documents, are either: Central AMDAL Committee, or Provincial AMDAL Committee, or ULG AMDAL Committee. Those Committees are not hierarchical; each has a separate jurisdiction depending upon several factors. Article 11 (1) of Government Regulation (PP) No. 27/1999 concerning AMDAL states: Central AMDAL Committee is responsible to review AMDAL which has elements of national strategic and/or is related to state defense, with impacts that covers more than 1 Province, located in conflict areas with (an)other state/s, located in the sea, and/or its location also covers jurisdiction of (an)other state/s. Article 11 (2) states that local (Provincial or Municipality/District) AMDAL Committee is responsible to review AMDAL which has elements not included in the above criteria.

⁴ See screening criteria and requirements for environmental aspects at Annex 3, and for land acquisition and resettlement at Annex 5.
### Safeguard Framework for USDRP

<table>
<thead>
<tr>
<th>Month</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>May</strong></td>
<td>ULG conducts Rakbang to discuss, formulate, and synchronize proposed subprojects with PJM and to estimate budget availability</td>
</tr>
<tr>
<td></td>
<td>List of subprojects priority has been developed</td>
</tr>
<tr>
<td></td>
<td>Subprojects that will be financed through USDRP, or other sources, have been determined.</td>
</tr>
<tr>
<td></td>
<td>Proponent prepares budget for large and complex subprojects that require AMDAL and Comprehensive LARAP and proposed to be implemented in the next fiscal year</td>
</tr>
<tr>
<td></td>
<td>Proponent conducts feasibility study (FS)</td>
</tr>
<tr>
<td></td>
<td>Proponent prepares: (1) draft UKL/UPL and submits it to Bapedalda for a review; and</td>
</tr>
<tr>
<td></td>
<td>(2) Socio-economic survey (if land acquisition is required)</td>
</tr>
<tr>
<td></td>
<td>Proponent prepares abbreviated LARAP (if land acquisition brings impacts to less than 40 HH and 10% of productive assets) and asks for a NOL from the Central PMU</td>
</tr>
<tr>
<td></td>
<td>Submit FS, request subproject approval and subproject finance to Appraisal Committee (AC)</td>
</tr>
<tr>
<td><strong>October</strong></td>
<td>Information on DAU (central government grant to local government)</td>
</tr>
<tr>
<td></td>
<td>ULG mobilizes consultants to prepare DED &amp; tender documents</td>
</tr>
<tr>
<td></td>
<td>Bapedalda approves UKL/UPL</td>
</tr>
<tr>
<td></td>
<td>Proponent finalizes consultation with the DP</td>
</tr>
<tr>
<td><strong>Nov./Dec.</strong></td>
<td>Budget approval</td>
</tr>
<tr>
<td></td>
<td>The Bank finishes reviewing a sample (which is taken randomly) of UKL/UPL</td>
</tr>
<tr>
<td></td>
<td>Head of ULG issues draft decree (SK) and asks for approval from the Bank</td>
</tr>
<tr>
<td></td>
<td>Prepare USDRP project budgets</td>
</tr>
<tr>
<td></td>
<td>The SK is approved and Proponent starts to implement LARAP and compensate DP</td>
</tr>
<tr>
<td></td>
<td>Tender out and implement works</td>
</tr>
<tr>
<td></td>
<td>Proponent implements UKL/UPL and abbreviated LARAP and compensate the DP. SMT oversees the implementation of UKL/UPL and abbreviated LARAP and conducts necessary monitoring.</td>
</tr>
<tr>
<td></td>
<td>Proponent starts preparing AMDAL and Comprehensive LARAP for large-scale and complex subprojects that need to be accompanied by AMDAL and LARAP. AMDAL and Comprehensive LARAP are expected to finish at the time the USDRP budget for that subproject is ready (January)</td>
</tr>
</tbody>
</table>
3. ENVIRONMENT

3.1. Basic Principles

Principles of the AMDAL are outlined below. Consequently, any proposed ULG subproject conforms to, and ensures, the recognition of these principles.

A. Environmental assessment and mitigation plans may be produced in the form of: (i) AMDAL (or ANDAL in combination with RKL/RPL), or (ii) UKL/UPL, depending on impact category of the concerned subproject (see below list of Categories). The selection of the environmental category for each subproject is determined through the application of criteria set-forth in this framework.

B. AMDAL or UKL/UPL should be viewed as a quality enhancement tool. As such, it is recommended that AMDAL or UKL/UPL form an integrated part together with technical, economic, social, institutional, and financial analysis of any proposed subproject.

C. USDRP will not support any investment that will create significant adverse and irreversible environmental impacts beyond the capacity of the concerned ULGs to manage.

D. As far as possible, subprojects must avoid, or minimize, negative impacts on the environment. Design alternatives, including non-project alternative, must be studied thoroughly before any subproject is submitted. Accordingly, subprojects must be designed to maximize positive impacts.

E. Subprojects that are predicted to cause large and important (negative) impacts to the environment, and those impacts could not be mitigated through design and construction practices, must be accompanied by an AMDAL.

F. There will be no subprojects under USDRP that affect any critical natural habitat, indigenous people, protected areas, international waterways, or disputed areas. Additionally, the project will not finance the following items:

   i) Ozone-depleting substances, tobacco or tobacco products: No subprojects using or producing these materials will be financed.

   ii) Asbestos. No asbestos-containing materials will be financed. Special mitigation measures to address any issues with existing asbestos in any proposed sub-project (e.g. renovation of buildings that may have used asbestos) will be applied.

   iii) Hazardous materials and wastes. No subproject will be financed that uses, produces, stores or transports hazardous materials (toxic, corrosive or explosive) or material that classified as "B3" (hazardous wastes) in Indonesian law.

   iv) Pesticides, herbicides, and insecticides. No subprojects that purchase pesticides, herbicides, or insecticides will be financed.

   v) Construction of dams. No construction or rehabilitation of dams, or any investment that rely on the performance of an existing dam, or a dam under construction, will be financed through USDRP.

   vi) Cultural property. No subproject will be financed that would degrade or damage cultural property, including not only physical artifacts and structures but also sites considered sacred or otherwise having spiritual importance.

   vii) Logging operation. No subprojects that are linked to logging or procurement of logging equipments will be financed.
G. For practical reasons it is suggested that first-year investment subprojects that are proposed by any participating ULGs should not trigger the elaboration of an AMDAL. Such subprojects may be included in the second year of USDRP implementation, or thereafter.

3.2. Subproject Category

This environmental safeguard applies during all stages of development, i.e.: subproject proposal, planning, implementation, and operation. Each subproject will be scrutinized against screening criteria set forth in the National regulation and operational policies of the Bank. According to Operational Policies 4.01 of the Bank, any USDRP subproject could be categorized into one of the following three categories. Equivalent categorization based on National regulation is also shown in the table.

Table 2: Category of Subprojects

<table>
<thead>
<tr>
<th>Category</th>
<th>Impacts</th>
<th>Bank Requirement</th>
<th>GOI Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Subprojects are characterized creating significant adverse environment impacts, with regard to sensitivity, diversity, irreversibility, and/or unprecedented impacts.</td>
<td>Comprehensive EA and EMP</td>
<td>ANDAL and RKL/RPL *)</td>
</tr>
<tr>
<td>B</td>
<td>Subprojects are characterized being small in volume and size, implying reversible environmental impacts.</td>
<td>Simplified EA and EMP</td>
<td>UKL/UPL</td>
</tr>
<tr>
<td>C</td>
<td>Subprojects do not comprise construction works, and do not cause air, soil and water contamination.</td>
<td>No EA required</td>
<td>No AMDAL or UKL/UPL required</td>
</tr>
</tbody>
</table>

*) see Annex 3, attached: Decree of the State Minister of the Environment No. 17/2001 concerning Types of Activities which should be accompanied by AMDAL; and decree of the Minister of Settlement and Regional Infrastructure no. 17/KPTS/M/2003 concerning activities in the field of Settlement and Regional Infrastructure which should be accompanied by an UKL/UPL

Law no. 23/1997 concerning Environmental Management, Article 15(1) states that any plan of activity or work that possibly creates large and significant environmental impacts must be accompanied by an AMDAL. Government Regulation (Peraturan Pemerintah, or PP) no. 27/1999 concerning AMDAL, Article 5(1) furthermore elaborates criteria of large and significant impacts that include: (i) influence a large number of people, area, and environmental components; (ii) impacts are intense, occur during a long period of time, they are cumulative, and irreversible.
3.3. Content of AMDAL Report

The following is a listing of items that should be included in any subproject analysis and report. More detailed outline on ANDAL and RKL/RPL preparation is described in the Project Implementation Plan (PIP) document.

A. Contents of an ANDAL report should include, as a minimum requirement, the following sections:
   i) Executive summary
   ii) Introduction, including policy, legal, institutional, and administrative framework of the study
   iii) Scope of the study in terms of substances to be analyzed and spatial boundaries of the observation
   iv) Methods of the study, including methods of data collection and analysis, impacts estimation, and evaluation
   v) Detailed technical subproject description
   vi) Baseline data with regard to the municipality, project environment and subproject
   vii) Environmental and social impact prediction, including indirect and cumulative impacts
   viii) Analysis of alternatives, including non-project alternatives
   ix) Evaluation of large and important impacts
   x) Appendices of supporting subproject documents, including the process of public consultations and summary of achieved results

The extent, depth, and type of analysis depend on the nature, scale, and potential environmental impact of the proposed subproject. The proponent evaluates and the AMDAL committee approves a subproject’s potential environmental risks and impacts, examines subproject alternatives, identifies ways of improving subproject selection, location, planning, design, and implementation by preventing, minimizing, mitigating, or compensating for adverse environmental impacts and enhancing positive impacts.

B. Contents of an RKL/RPL report should include, as a minimum requirement, the following sections:
   i) Executive summary
   ii) Introduction
   iii) Approaches of Environmental Management (technology, socio-economic, institutional)
   iv) Environmental Management Plan (RKL)
      • Large and important environmental impacts and their sources: environmental components that may be affected and sources of impacts
      • Indicators of impacts
      • Purposes of environmental management
      • Management plan and mitigating measures during pre-construction, construction and operation periods
      • Locations and periods of mitigation.
• Budget and schedule
• Institutional arrangement: responsible agencies, and reporting relationship

v) Environmental Monitoring Plan (RPL)
• Large and important impacts to be monitored
• Sources of impacts
• Monitoring indicators
• Purpose of environmental monitoring;
• Methods and locations of monitoring
• Budget and schedule
• Institutional arrangement: responsible agencies, and reporting relationship

RKL/RPL should describe a set of mitigation, monitoring, and institutional measures that need to be exercised during implementation and operation of the subproject to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels. Most important is to allocate clear and adequate interfaces of responsibilities to the institutions and stakeholders involved.

3.4. **AMDAL Procedures and Public Consultation**

Proponents need to work closely together with the potentially affected people (PAP) and need to coordinate with the **AMDAL** committee for following essential steps:

A. Decision to determine appropriate subproject category and selection of adequate safeguard requirements (as illustrated in Table 3 above),

B. preparation and approval of TOR for the preparation of adequate safeguards documents, and

C. preparation and approval of safeguard documents

The following figure is illustrating the procedures involved to implement environmental assessments and management documents. Figure 1 should be read as an integrated part of the subproject cycle, as illustrated in Table 1 above.
During the preparation of ANDAL and RKL/RPL the proponent has to ensure to conduct minimum procedural requirements, comprising the following elements:

A. Approval: Relevant AMDAL Committee is the authorized agency responsible to review and appraise TOR and draft of ANDAL and RKL/RPL. Proceeding approval of the TOR and draft ANDAL and RKL/RPL, proponent will conduct consultations with the Stakeholders Forum and the PAP. These consultations are mandatory, and results of the consultations must be recorded as an integrated part of the ANDAL report.
B. Reporting: Administratively, the AMDAL Committee reports their activities to their respective superior authorities, i.e. Mayor or Bupati (for Kota/Kabupaten AMDAL Committee), or Governor (for Provincial AMDAL Committee). The proponent must report the implementation of RKL/RPL to relevant agencies as noted in Figure 1 above, and Table 4 below.

C. Monitoring: The subproject proponent is the principal agency responsible to conduct subproject-related environmental monitoring. However, Bapedalda is the government agency responsible to monitor environmental quality within their jurisdiction. In that respect Bapedalda may be asked to supervise monitoring activities of the proponent to ensure their conformity with prevailing standards and regulations.

Public Consultations during ANDAL and RKL/RPL preparation and RKL/RPL implementation will take the following aspects into consideration:

A. To avoid bias during the decision making process because of a possible conflict of interests among the stakeholders within local governments – (they are involved as proponent as well as permanent members and secretariat of the AMDAL Committee) - consultations with the Stakeholder Forum and PAP are mandatory. Consequently, comments made during public consultation with regard to social and/or environmental impacts of the proposed subproject must be adequately addressed and answered and accommodated in the ANDAL and RKL/RPL.

B. Government Regulation (PP) No. 27/1999 concerning AMDAL article 33 (3) states that within 30 days after the announcement of the proposed subproject, concerned parties, including PAP, local NGOs, and other concerned stakeholders may give their comments, suggestions, and complaints to the proponent in charge of subproject development.

C. During the AMDAL process the proponent informs the Stakeholders Forum, and other local NGOs that are not represented in the Stakeholders Forum, and the PAP, discusses the subproject's environmental and social aspects and impacts and takes their views into account. The proponent consults these groups at least twice: (i) shortly after environmental screening and before the terms of reference (TOR) is finalized; and (ii) after the draft ANDAL and RKL/RPL reports are prepared and ready for evaluation (by the AMDAL Committee). In addition, the proponent consults with these groups throughout subproject implementation, as necessary, to readdress AMDAL-related issues and subproject impacts.

D. For meaningful consultations among the proponent, the Stakeholders Forum, local NGOs, and PAP, the proponent provides all relevant material in a timely manner prior to the consultation process and in a form and language that are understandable and accessible to the groups and people that will be consulted. The material includes a summary of the proposed subproject’s objectives, detailed technical description, and comprehensive illustration of potential impacts. For consultations after the draft ANDAL and RKL/RPL reports are prepared, the proponent provides a summary of the ANDAL and RKL/RPL, including conclusions and recommendations. In addition, the proponent must also disclose the draft of ANDAL and RKL/RPL or UKL/UPL reports available to the public for an unlimited period of time, accessible to the Stakeholder Forum, and local NGOs.
E. With regard to environmental and social issues there must be transparent public complaint procedures in place. Public complaints must be resolved prior to the tender phase of the concerned subproject. Complaints filed at any time prior to construction, during construction and/or operation of the subproject need to be solved amicably between the proponent and the complaining party. Complaints that cannot be solved by the proponent within a period of 30 calendar days should be forwarded to the Safeguard Monitoring Team for mediation. In the event that complaints that are filed prior to construction cannot be solved amicably within one year, the construction of the subproject should be altered, or adjusted, or postponed.

3.5. Regulation and Environmental Check List for UKL/UPL and SOP

Subproject that is not fall under Category A or need an AMDAL, may require a UKL/UPL or SOP. Preparation of a UKL/UPL must be in accordance with the Decision of the State Minister of the Environment No. 86/2003 concerning Guidance for the Preparation of UKL/UPL. In addition, UKL/UPL or SOP for each subproject must also adopt the environmental checklist provided in Annex 4 as a binding requirement. Procedures in preparing the UKL/UPL is shown in Figure 1. The SMT will monitor and oversee the compliance of the proponent agency on the regulation and the checklist during the preparation of the UKL/UPL and SOP. The Bappedalda or Dinas Lingkungan will use the regulation and the environmental checklist as their basis to review the UKL/UPL. The requirement to adopt the Decision of the State Minister of the Environment No. 86/2003 and the environmental checklist for preparing the UKL/UPL and SOP by the subproject proponent and for overseeing and reviewing them by the SMT and the Bappedalda/Dinas Lingkungan will be put in the USDRP Project Operation Manual.

4. LAND ACQUISITION AND RESETTLEMENT

4.1. Basic Principles

This framework for land acquisition and resettlement is triggered in cases where a subproject to be financed will be located on land that does not belong to the government or has been occupied under private use for more than a year. The fundamental principle on which this land acquisition framework is based is that all necessary measures will be undertaken to improve, or at least restore, incomes and living standards of all persons adversely affected as a result of land acquisition under the project. Principles of land acquisition and resettlement for USDRP related subprojects comprise the following principles:

A. Transparency: Subprojects and its related-activities must be informed transparently to those most likely affected. Information must include, among other aspects, the following: Detailed listing of persons and assets (land, building, plantations, etc) that will affected.

B. Participation. Possible “displaced people” (DP) must be involved in all stages of subproject planning, such as in determining subproject location, amount and forms of compensation, location of resettlement, etc.

C. Fairness: Land acquisition must not worsen the living conditions of the DP. The DP has the rights to get real replacement cost compensation such as alternative land and/or cash compensation equal to the real market price of
land and assets (such as building, plantations, and other productive assets). Other related costs such as the cost of moving, land transfer, rearrangement of land certificate and taxes must be borne by the proponent. The DP must have an opportunity to have a separate discussion and agree with the terms of compensation and/or resettlement with the proponent.

D. There are various methods of calculating the compensation: (i) land, based on the market value of a location with similar economic characteristics at the time of paying compensation; (ii). built up structures, based on the market value of built up structures in a similar condition in that location; (iii). plantations, at market values plus an allocation for immaterial damages; and (iv) other assets are to be replaced with assets which are at least the same or with a monetary compensation which may acquire the same assets.

E. The DP may include persons, legal entity, or institutions which, due to the implementation of the subprojects, may get impacts in such forms as: a). physical factors, such as: land, buildings, plantations, or other assets; and b). Non-physical factors, such as benefits (of current location), access to place of work, infrastructure, etc. With regard to the extent of rights, specific categories of the DP are as follows: (i) those who have formal legal rights to land at the time the census begins, including customary and traditional rights on land (tanah ulayat) recognized under law; (ii), those who do not have formal legal rights to land but have a claim to such land or assets, provided such claims are recognized under law; (iii) renters – those who occupy land based on certain agreement with owners of the land; (iv) squatters – those who occupy land without formal title or agreement with the owners; and (iv) nadzir - those who manage the land for a designated purpose (based on Islamic law).

F. The DP should agree with the compensation or, if acceptable, voluntarily contribute parts of their land to the subproject. In the event land is donated voluntarily, meetings will be held with the DP, facilitated by the Stakeholders Forum, to ensure that such donation was done fully voluntarily and without duress.

G. A voluntary contribution can only be considered if the DP has direct benefits far exceeding the cost of that land (proof by mutual calculation signed by both sides), only taking 10% or less of their productive land, building, or other fixed assets worth no more than 1 million rupiah, and a letter of approval signed by the DP after the DP have a separate discussion as described in point B above and a clear explanation of their rights. The Safeguard Monitoring Team has to make sure that there is no pressure to the DP to contribute their land. The agreement must be documented in a legal document6.

H. Subprojects must already have determined the alignment of land needed, the number of DP, general information of the DP’s income and employment, and the existing land market price, proposed by the proponent and supported by NJOP (land tax form), before land acquisition (with, or without resettlement) is commenced.

I. Subprojects that affect more than 200 persons, or resettle more than 100 persons, must be accompanied by a Comprehensive LARAP, while those that affect less than 200 persons, or less than 10 % of productive assets, or tempo-

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6 Assessment and reporting requirements for voluntary as well as involuntary land acquisition and/or resettlement are shown in Annex 6.
rarily resettled during construction must be accompanied by an Abbreviated RAP. The preparation of land acquisition action plan (Comprehensive or Abbreviated LARAP), and its implementation are the responsibility of the proponent (Dinas) who proposes the subproject, monitored and overseen by the Safeguard Monitoring Team.

4.2. Thresholds

Proposals that cause impacts to 40 households (200 persons) or more must have a land acquisition and resettlement action plan (Comprehensive LARAP). Comprehensive LARAP consists of:

- **Description of the sub-project acquiring land;**

- **Potential impacts**, includes the identification of: the project component or activities that give rise to resettlement; the zone of impact of such component or activities; alternatives considered to avoid or minimize resettlement; and the mechanisms established to minimize resettlement, to the extent possible, during sub-project implementation;

- **Main objectives of land acquisition and resettlement program**

- **Socioeconomic studies**, including:
  - a census of DPs covering (a) the information of current occupants of DPs as a baseline for the design of the resettlement program; (b) standard characteristics (social, economic, culture, living conditions, etc.) of the DPs; (c) the magnitude of expected loss -total or partial- of assets, and the extent of displacement, physical or economic; (d) information on vulnerable groups or persons as for in the Bank’s OP 4.12; and, (e) provisions to update information on the DPs livelihoods and standards at regular intervals so that the latest information is available at the time of their displacement;
  - other studies describing: (a) land tenure and transfer systems; (b) the patterns of social interaction in the DPs communities; (c) public infrastructure and social services that will be affected; (d) social and cultural characteristics of the DPs communities.

- **Analysis of the legal framework**, including findings on (a) the scope of the power of eminent domain and the nature of compensation associated with it, in terms of both the valuation methodology and the timing of payment; (b) the applicable legal and administrative procedures; (c) the relevant law (including customary and traditional law) governing land tenure, valuation of assets and losses, compensation, and natural resource usage rights; customary personal law related to displacement, and environmental laws and social welfare legislation; (d) laws and regulations relating to the agencies responsible for implementing resettlement activities; (e) gaps, if any, between local laws covering eminent domain and resettlement and the Bank’s resettlement policy, and the mechanisms to bridge such
gaps; and, any legal steps necessary to ensure the effective implementation of resettlement activities under the project

- **Analysis on the institutional framework**, including findings on (a) the identification of agencies responsible for resettlement activities and NGOs that may have role in project implementation; (b) an assessment of the institutional capacity of such agencies and NGOs; and, (c) any steps that are proposed to enhance institutional capacity of agencies and NGOs responsible for the resettlement implementation

- **Eligibility**: definition of DPs and criteria for determining their eligibility for compensation and other resettlement assistance, including cut-off dates

- **Valuation of and compensation for losses**, including the method used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation under local law and such supplementary measures as are necessary to achieve replacement cost for lost assets

- **Resettlement measures**: a description of packages of compensation and other resettlement measures that will assist each category of eligible DPs to achieve the objective of the policy. The resettlement packages should be technically and economically feasible, and compatible with the cultural preferences of the DPs and prepared in consultation with them

- **Site selection, site preparation, and relocation**. The resettlement packages should considered alternative relocation sites and explanation of those selected includes: (a) institutional and technical arrangements for identifying and preparing relocation sites; (b) any measures necessary to prevent land speculation or influx of ineligible persons at the selected sites; (c) procedures for physical relocation under the project, including timetables for the site preparation and transfer; and, (d) legal arrangements for regularizing tenure and transferring titles to resettlers.

- **Housing, infrastructure, and social services**. This includes (a) plans to provide (or to finance resettlers’ provision of) housing, infrastructure (e.g. water supply, feeder roads), and social services (e.g. schools, health services); (b) plans to ensure comparable services to host populations; (c) any necessary site development, engineering, and architectural designs for these facilities.

- **Environmental protection and management**. A description of the boundaries of the relocation area; and an assessment of the environmental impacts of the proposed resettlement and measures to mitigate and manage these impacts

- **Community participation**. Involvement of resettlers and host communities, including (a) description of the strategy for consultation with and participation of resettlers and hosts in the design and implementation of the resettlement activities; (b) a summary of the views expressed and how these views were taken into account in preparing the resettlement plan; (c) review of the resettlement alternatives presented and the choices made by the DPs regarding options available to them; (d) institutionalized arrangements by which the DPs can communicate their concerns to project authorities throughout planning and implementation and measures to ensure that such vulnerable groups as indigenous people, ethnic minorities, the landless, and women are adequately represented

- **Integration with host populations**. Measures to mitigate the impact of resettlement on any host communities, including (a) consultations with host communities and ULGs; (b) arrangements for prompt tendering of any payment due to the hosts for land or other assets provided to resettlers; (c) arrangements for addressing any
conflict that may arise between resettlers and host communities; and, (d) any measures necessary to augment services (e.g., education, health etc.) in host communities to make them at least comparable to services available to resettlers

- **Grievance procedures.** Affordable and accessible procedures for third-party settlement of disputes arising from resettlement; such grievance mechanisms should take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms

- **Organizational responsibilities.** This should explain the organizational framework for implementing resettlement (agencies responsible, arrangements to ensure coordination among agencies involved, measures to strengthen the capacity of the agencies involved, provisions for the transfer of facilities and services to the ULGs or resettlers)

- **Implementation schedule.** An implementation schedule covering all resettlement activities from preparation through implementation. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project

- **Cost and budget.** Tables showing itemized cost estimates for all resettlement activities, including allowances for inflation, population growth and other contingencies; timetables for expenditures; sources of funds; and arrangements for timely flow of funds, and funding for resettlement, if any, in areas outside the jurisdiction of the implementing agencies

- **Monitoring and evaluation.** Arrangements for monitoring of resettlement activities by the implementing agency, supplemented by independent monitors as considered appropriate by the Bank to ensure complete and objective information; performance monitoring indicators; involvement of the DPs in the monitoring process; evaluation of the impact of resettlement for a reasonable period after all resettlement and related development activities have been completed; using the results of resettlement monitoring to guide subsequent implementation.

Comprehensive LARAP will be reviewed and approved by the Bank.

The identification of social and economic conditions needs to be formalized in a comprehensive study that consists of:

i) List of persons or households potentially affected;

ii) Types, amount, or value (in money terms) of assets affected or scale of physical displacement;

iii) Socio-economic conditions: employment, income, etc;

iv) Perception of, and expectation about the project.

v) Provisions of update information on the DPs livelihoods and standards of living regularly so the latest information is available at the time of their displacement.

B. Proposals that cause impacts to less than 40 households must have the following assessment made:

i) Abbreviated LARAP that shows: a census survey of displaced persons and valuation of assets, a description of compensation and other resettlement assistance to be provided, consultations with displaced people about acceptable alternatives, institutional responsibility for implementation and procedures for grievance redress, arrangements for monitoring and implementation, and a
timetable and budget. Transparent and participative negotiation process and agreement;

ii) The DP must be aware that they have the right to be compensated and/or having other kinds of assistance; and

iii) Agreed subprojects and compensation packages.

Approval for an Abbreviated LARAP may be given by Central PMU, given that: (i) the agency has demonstrated adequate institutional capacity to review the Abbreviated LARAP and ensure their consistency with the Bank’s policy; (ii) appropriate remedies (fall-back measures) should be provided for in the loan agreement; and (iii) implementation of the Abbreviated LARAP is subject to ex-post review by the Bank.

4.3. Procedures of Land Acquisition, Public Consultation and Grievance Mechanism

In the event that resettlement is unavoidable the proponent has to implement an approval and consultation process that involves various stakeholders, including the DP, the Stakeholder Forum, the Safeguard Monitoring Team, the Head of ULG and the Bank. The following chart is outlining the flow of process as minimum requirements that need to be followed by the proponent.
**Figure 2: Procedures in the Preparation of Land Acquisition and Resettlement Action Plan**

1. **Proponent (i.e. Dinas, or line department within the local government) to propose subprojects**

2. **Land Acquisition Required?**
   - Yes
     - **SMT discussed with Proponent Screening Criteria and Requirements**
   - No
     - **Proponent to report this survey to NMC cc ExA and the WB**

3. **Consultation with the DP, may be facilitated by the Stakeholders Forum**

4. **Proponent prepares TOR for Comprehensive LARAP**
   - **TOR is approved by the Bank?**
     - Yes
       - **Proponent prepares Comprehensive LARAP**
     - No
       - **Proponent prepares Abbreviated LARAP**
   - **Central PMU approves the Abbreviated LARAP?**
     - Yes
       - **Central PMU approves the Abbreviated LARAP**
     - No
       - **Revise simple LARAP**

5. **SMT reviews drafts Comprehensive and Abbreviated LARAPs**

6. **Proponent prepares draft decree (SK) of the Head of ULG to legalize the LARAP**

7. **The Bank approves the draft?**
   - Yes
     - **Safeguard Monitoring Team to monitor and oversee the LARAP and its implementation**
   - No
     - **Proponent to implement LARAP**

8. **Proponent reports the implementation of LARAP to Mayor / Bupati, cc The Bank and NMC**

9. **Finish. Land Acquisition Safeguard does not apply**
Public consultation and disclosure procedures for land acquisition and resettlement are as follows:

- Subprojects will be socialized to, and consulted with, concerned parties, particularly the DP. Socialization and consultation will be conducted at the time of: preliminary study, social-economic study, the drafting of the decree and the issuance of the decree. Socialization and consultation are the responsibility of the proponent (Dinas) who proposes the subprojects (could be assisted by consultants). It is also necessary that the DP must have an opportunity to discuss such proposal separately, and to agree to the compensation and resettlement plan;

- Socialization and consultation must include: detailed information concerning the subproject’s size, volume, implementation plan, benefits and risks, and possible negative impacts. The DP must be able to: give suggestions, ask questions, or express concern regarding the investment plan. Furthermore, the DP must also be able to give inputs to Comprehensive or Abbreviated LARAP, e.g. concerning compensation packages, resettlement location, and other benefits. Socialization and consultation may be conducted in the form of focus group discussion, which involve, among other members of the community, representative of women. To ensure that perception and aspiration of the DP are accommodated, minutes of the discussion, signed by representatives of each parties, must be attached to the LARAP;

- This framework will be discussed openly and agreed by the Stakeholder Forum. This framework will also be disseminated openly to the participating ULGs in easy to understand format, such as leaflet and poster. Leaflets and posters will be distributed to the potentially affected communities and available media;

- The DP must have full understanding about their right according to this framework and have sufficient time and opportunities to discuss among themselves to be able to come out with their own independent decision;

- Each decision and safeguard plan must be disseminated widely, especially among the DP. The Safeguard Monitoring Team will monitor/oversee the dissemination of this information.

A. If the DP and relevant NGOs or interest group are not satisfied with the proposed entitlements, implementation arrangement, or the actual implementation, they can seek satisfaction through the SMT, or its designated officials. If this does not resolve the problems, the DP can also make grievance in verbal or in writing to the CPMU. At each level, the respective authorities must record receipt of grievances and respond to the DP and/or persons involved within 10 days after receiving the grievances. The DP will be exempted from any administrative or legal charges associated with pursuing grievances. The DP must also be able to complain to the SMT, the contractor, and/or related Dinas. In the event that complaints that are filed prior to construction cannot be solved amicably within one year, the construction of the subproject must be altered, or adjusted, or postponed.

B. Comprehensive or Abbreviated LARAP will be endorsed through a Mayor’s or Bupati’s decree (SK).

C. Land acquisition (and resettlement) that has been finished before the proposal is submitted must be rechecked in a tracer study. The purpose of tracer study is to ensure that the process of land acquisition has been in accordance with the standard set forth above, the living condition of the DP has no been worsen, the availability of a grievances mechanisms and the appropriateness of responses taken.
5. ISOLATED AND VULNERABLE PEOPLE

5.1. Basic Principles

Indonesia has hundreds of ethnic groups that are culturally distinct, since Indonesia is still predominantly agricultural, these groups have a close attachment to natural resources in their area. One ethnic group could nationally be majority or proportionally high but in a particular urban setting that group might be minority and vulnerable. In the Indonesian context the Isolated and Vulnerable People (IVP) are those minority ethnic groups that are vulnerable and relatively isolated in a particular area due to: (i) their dependence to a certain natural habitat and sensitivity to the change of its natural habitat; and (ii) their distinct socio-cultural behavior and system. The economically vulnerable and disadvantaged group will get special attention in the urban forum decision-making process, but are not categorized as IVP.

This IVP safeguard may not be relevant to USDRP since this project is located in urban areas. However, to anticipate the possibility that the project would cause effects to IVP in one way or another, the following principles need to be taken into account as a guiding principle.

A. This IVP safeguard is one of the requirements of the Operational Directive 4.20 of the World Bank. The primary objectives of the Directive are as follows: i). To ensure that such groups are afforded meaningful opportunities to participate in planning that affects them; ii). To ensure that opportunities to provide such groups with culturally appropriate benefits are considered; and iii). To ensure that any subproject impacts that adversely affect them are avoided or otherwise minimized and mitigated;

B. It is essential that all sub-projects are screened for any potential impact on IVP at an early stage in the planning process. It is envisaged that the consultant’s team, in cooperation with Bapedalda, will carry out the initial screening process;

C. The IVP framework is triggered if there is an IVP in the related cities or kabupatens. If a subproject is targeted with IVP as the main beneficiaries, ULG Bappeda reviews the PJM with a participatory approach whereby focus group discussions (FGD) with IVP, facilitated by NGOs that usually assist them, is carried out. IVP could decide the form of the subproject or reject it. For a subproject that is accepted by the IVP, the particular subproject should be fully tailored to the specific needs of the IVP. Minutes of the FGDs must be signed by representatives of the IVP and the Bappeda, while the PJM is signed by the Mayor/Bupati;

D. If IVP are potential beneficiaries of a subproject, IVP representatives will be part of the Stakeholders Forum (SF) and participate in the decision-making process of the preparation or review of the PJM. IVP must get equal benefits when compared to other beneficiaries but they can not exclusively reject that particular subproject. However, the subproject has to accommodate the specific needs of IVP;

E. If IVP are potentially adversely affected by a subproject, the Proponent must prepare a subproject IVP action plan (IVP-AP) which ensures that negative impacts are addressed properly and follows the outline presented in the Bank OD 4.20. This action plan will be part of the subproject design and the contract given to the contractor or supervisor. The design must address the mitigation measures of the negative impacts on the IVP;

F. The Safeguard Monitoring Team (SMT), where there are IVP affected, should have an NGO that is concerned to the IVP group in its member. Among the tasks of the SMT are

7 See additional information on triggering factors and requirements of IVP at Annex 7
to review: i). the minutes of the discussion during the preparation, (or review), stage of the PJM; ii). the design of the subproject that is targeting the IVP as its beneficiaries; and iii). the IVP-AP.

5.2. Approach

i. The overall strategy for addressing IVPs is to implement a process for addressing the issues pertaining to IVPs based on the informed participation of the IVPs. Key elements of the IVP safeguard framework are:

- to ensure through project design and monitoring arrangements that the IVP are given adequate opportunities to participate in prioritizing their needs;
- to ensure that their expressed needs are subsequently represented at the city or kabupaten level budget planning and the Dinas subproject formulation; and
- to ensure that selection of activities for funding is reasonably responsive to IVP priorities, and also sensitive to their vulnerability.

ii. City or kabupaten-level participation arrangements. To ensure that the IVP are able to participate adequately at the city or kabupaten level in identifying and prioritizing needs, the following general arrangements apply:

- There will be a non governmental organization in the stakeholder forum that has serious concerns and works with the IVP.
- Where there is a subproject in an ULG that has a potential impact or would affect the IVP, its SMT should include an NGO who is concerned with, or would assist, the IVP.
- The IVP will have an opportunity to discuss independently (or together with concerned NGOs) and to have an independent view of the proposed sub-project. The involved dinas representing the ULG and the facilitator have to facilitate this process.

iii. City or kabupaten-level decision-making arrangements

- A sub-project will be considered to have a potential impact if (i) it covers most of the kecamatan in the city or kabupaten where IVP exist, and if such a sub-project has a potential benefit or adverse impact on the IVP or (ii) it will be located in the kecamatan that has IVP.
- The IVP will obtain relatively equal benefits from the sub-project when compared to other beneficiaries. The sub-project should take into account their distinct characteristics, laws and values in the investment design.
- The project will not finance sub-projects that would lead to adverse effects on IVP.
- If the investment proposal is targeted with IVP as its main beneficiaries, the IVP have the right to refuse the investment.
### 5.3. Procedures of Public Consultation and Grievance Mechanism

1. Consultation and information disclosure related to IVP are mainly carried out during:
   i. the preparation and review of the PJM using the participatory process, where all sub-project financed by USDRP should be based on; and
   ii. the participatory budgeting of the dinas when dinases are preparing their sub-project proposals

2. In the PJM the IVP community will have an exclusive, independent FGD, with the assistance of the NGOs to capture the IVP’s specific interest on the strategy. The result of this discussion will be part of the PJM. The minutes of this discussion and the PJM will be discussed with the public in the stakeholder forum and reported to CPMU and the World Bank.

3. If during the participatory budgeting process of a Dinas an IVP issue is triggered, again FGDs should be conducted. If the main purpose of the subproject proposal is to benefit the IVP, they have the right to refuse the proposal. Also if the proposal is not specifically related to the IVP but would create adverse impact on them, they have the right to refuse the proposal. In all other cases the SMT will monitor whether IVP interest have been accommodated in the PJM or in the sub-project proposal according to the principles of this framework. The PJM, sub-project proposal and SMT recommendation is open to the public, particularly to the IVP related NGOs and will be reviewed by the CPMU and the Bank.

4. Budgets for consultation and disclosure as well as for implementing the grievances mechanism should be made available from the APBD. The Bappeda and the SMT will have to coordinate the consultation and disclosure activities. However, budgets for these activities should be allocated through relevant Dinas, the Sekda (who coordinates the SMT), and the Bappeda.

5. If IVP, relevant NGOs, or interest groups are not satisfied with the proposed implementation arrangements, the PJM, sub-project design, or with actual implementation, they can seek satisfaction through the SMT or its designated officials. If this does not resolve the problems, the IVPs can also express their grievance in verbal or in writing to the CPMU. At each level, the respective authorities should record receipt of grievances and respond to the IVP within ten days after receiving the grievances. SMT should have completed record of all complaints (from the filing the complaint up to the resolution). The IVP will be exempted from any administrative or legal charges associated with pursuing grievances.
6. FUNCTION AND RESPONSIBILITIES OF INSTITUTIONS INVOLVED

6.1. Involved Agencies at Local Level

Agencies at local level are involved in various aspects and stages of the implementation of safeguard framework. Basically, they can be divided into two categories, i.e.: implementing and monitoring agencies.

A. Implementing Agencies:

i) Subproject Proponent. The proponent of a subproject is participating ULG, through their relevant line department (Dinas). The proponent is responsible to prepare TOR, ANDAL and RKL/RPL, or UKL/UPL (for Environmental Assessment); and to conduct socio-economic survey, and to prepare TOR and land acquisition and resettlement action plan (for Land Acquisition and Resettlement), as well as to supervise their implementations;

ii) Relevant AMDAL Committee. AMDAL Committee is the authorized agency responsible to review and approve TOR, ANDAL and RKL/RPL. According to Government Regulation (PP) No. 27/1999 concerning AMDAL, Article 8, relevant AMDAL Committee for USDRP subprojects will most likely be the municipal/district AMDAL Committee (if existing), or Provincial AMDAL Committee.

iii) Displaced People (DP). The DP means the individuals, families, and/or community who own, rent, or occupy land, buildings and or other assets attached to the land subject of acquisition; and, on the account of the execution of said land acquisition plan, would have their standard of living, land related assets, access to productive assets, business and employment opportunity adversely affected.

iv. Bappeda – Badan Perencanaan Pembangunan Daerah (Local Development Planning Board) is typically responsible to coordinate the preparation of the Mid-term Local Development Program (PJM). In that regard, Bappeda will be able to conduct initial screenings of proposed subprojects in accordance with the safeguard requirements.

iv) Bapedalda - Badan Pengendalian Dampak Lingkungan Daerah – (Environmental Impact Management Agency, at ULG level) or Bapedal Kota/Kabupaten, is the authorized agency responsible to conduct government tasks in the field of environmental impact management, which includes, among other duties, to prevent and to mitigate environmental impacts. According to Decree of State Minister for the Environment No. 86 year 2003, Bapedalda, or Dinas for Environmental Issue within the ULG, is also responsible to review and approve UKL/UPL. With regard to USDRP, Bapedalda may be asked to supervise the proponent in implementing RKL/RPL, and to monitor the quality of the environment in general. Bapedalda is a permanent member of local AMDAL Committee. Typically, their office is also acting as the secretariat of the AMDAL Committee.

B. Monitoring Agencies:

i) Safeguard Monitoring Team (SMT). SMT is a team established at ULG level prior to the preparatory stage of the subprojects. Assignments of the team includes (but not limited to) the following: to set up screening criteria for selec-
tion of subprojects (in accordance with safeguards requirements), to monitor and oversee the subproject's compliance with the framework, to mediate and solve problems between or among parties in the implementation of the safeguard framework. SMT constitutes representatives of Bappeda, Bapedal, kabupaten, and relevant ULG Dinas or units at the local government, and NGOs whose activities focusing on environmental, and/or land, and/or human rights issues. The non-governmental members of the SMT must be selected by the SF. The SMT is coordinated by the Assistant I under the Sekda Office. The establishment of the SMT shall be endorsed through a Mayor’s/Bupati’s decree.

ii) Between these two categories of agencies there is a forum which role is to advise the implementing agencies during the preparation stage of the subprojects, and to involve, through its members, to monitor their implementation against safeguard requirements.

iii) Stakeholder Forum (SF). SF is an informal representation of elements of the civil society, such as local NGOs, local university lecturers, opinion leaders, traditional leaders, religious leaders, as well as members of local council and local government officials – all in their personal capacities, committed to discuss constructively and contribute to local urban development issues and to suggest ways to improve them. USDRP promotes such an approach as means to increase public participation. SF involves in the review of TOR, ANDAL and RKL/RPL (Environmental Assessment) as a consulting body, and in facilitating consultation between the DP and the proponent (Land Acquisition and Resettlement). If necessary, proponent of the subproject should also consult the Forum during implementation of RKL/RPL. Members of this Forum will also be selected as members of the SMT.

6.2. Involved Agencies at National Level

Various agencies are involved at the National level, especially those who will be directly involved in USDRP implementation and of various aspects and stages of the application of the safeguard framework. They are:

A. Executing Agency (ExA). For USDRP the Ministry of Settlements and Regional Infrastructure is the ExA on behalf of the Government of Indonesia (GOI).

B. National Management Consultant (NMC). On behalf of ExA, NMC is responsible to manage overall day to day operation of the project. As such NMC is to report to the ExA, at least on a monthly basis.

C. The World Bank (WB). WB is the creditor who finances a part or entire parts of the subprojects, and consequently it has the right to review and to approve TOR, draft ANDAL, and RKL/RPL; and TOR and SK for Comprehensive LARAP (or only SK for Abbreviated LARAP). The Bank will only review draft UKL/UPL randomly.

6.3. Institutional Arrangement

With regard above definition of roles, the following two tables illustrate the institutional framework to prepare and approve AMDAL and Comprehensive or Abbreviated LARAP, and reporting relationship among the involved agencies.
### Table 3: Institutional Arrangements for AMDAL Preparation

<table>
<thead>
<tr>
<th>No.</th>
<th>EA Stage</th>
<th>Conducted by</th>
<th>Consult with</th>
<th>Approve (preparation stage) or Overseen (implementation stage)</th>
<th>Report to</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Preparation</td>
<td>Proponent of sub-project, i.e. a Dinas within the local government</td>
<td>Stakeholders Forum (SF) and PAP</td>
<td>Relevant AMDAL Committee, and the Bank</td>
<td>NMC, cc ExA and the Bank</td>
</tr>
<tr>
<td></td>
<td>TOR, draft ANDAL and RKL/RPL</td>
<td>Proponent of sub-project, i.e. a Dinas within the local government</td>
<td></td>
<td>Bapedalda, or Dinas for Environmental Issue. The Bank reviews UKL/UPL randomly</td>
<td>NMC, cc ExA and the Bank</td>
</tr>
<tr>
<td>2.</td>
<td>Implementation: Supervision of RKL/RPL</td>
<td>Proponent of sub-project (may be supervised by Bapedalda)</td>
<td>SF and PAP (if necessary)</td>
<td>Safeguard Monitoring Team (SMT)</td>
<td>ExA cq NMC Bapedalda ¹) Governor The Bank</td>
</tr>
</tbody>
</table>

¹) Bapedalda subsequently reports its monitoring and evaluation to State Minister of the Environment at least twice a year, CC to licensing agency and the Governor.

### Table 4: Institutional Arrangements for Land Acquisition Plan Preparation

<table>
<thead>
<tr>
<th>No</th>
<th>LARAP Stage</th>
<th>Conducted by</th>
<th>Consult with</th>
<th>Approve (preparation stage), or Overseen (implementation stage)</th>
<th>Report to</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Plan preparation: TOR for Comprehensive and Abbreviated LARAP</td>
<td>Proponent of sub-projects (i.e. Dinas) - may be assisted by consultant</td>
<td>The DP, facilitated by the Stakeholders Forum (SF)</td>
<td>The DP and the Bank for TOR of Comprehensive LARAP and the SK; the DP and Central PMU approve Abbreviated LARAP. Both Categories of LARAP are to be endorsed by the mayor/Bupati’ decree</td>
<td>NMC, cc the WB and ExA</td>
</tr>
<tr>
<td>2.</td>
<td>Implementation</td>
<td>Ditto</td>
<td>DP</td>
<td>Safeguard Monitoring Team (SMT)</td>
<td>Mayor/Bupati, cc the WB and NMC</td>
</tr>
<tr>
<td>3.</td>
<td>Monitoring</td>
<td>SMT</td>
<td>DP</td>
<td>SMT</td>
<td>Ditto</td>
</tr>
</tbody>
</table>

A. To ensure that responsible agencies do have sufficient capacity to carry out their duties efficiently it is suggested to analyze present management capacities and to conduct trainings to improve delivery and management capacity of the key agencies involved, namely Safeguard Monitoring Team, Bapedalda and the related subproject proponent (Dinas).
B. The World Bank may be asked to provide assistance to the local government (or Din- nas) during the preparation of Comprehensive or Abbreviated LARAP, but the Bank’s fund could not be used to finance any part of those LARAPs implementation. This is true whether the investment plan will be funded entirely, or partly, by the Bank. The Bank’s fund may be used to finance the development of resettlement site, such as the provision of basic infrastructure.

C. Both categories of LARAP should be reviewed by the SMT and endorsed through a Mayor’s or Bupati’s decree (Surat Keputusan - SK). Such a decree should be pre-approved by the Bank to ensure its conformity with the loan agreement.

7. LEGAL CONSIDERATION

A. The ultimate legal basis of AMDAL preparation and implementation, as well as land acquisition and resettlement, is the effective USDRP loan agreement between GOI and the Bank. For the Bank content of this agreement is dictated by its operational procedures set forth in its various operational policies. The Bank accepts procedures and standards of AMDAL preparation and implementation provided in the national regulations. For GOI policies for AMDAL is stated in law no. 23/1997, government regulation 27/1999, and various decrees of the State Minister of the Environmental and other Technical Ministries, as illustrated at the Annex 3. Land acquisition process and standards should also be in accordance with the Presidential Decree (Keputusan President, or Keppres) No. 55 / 1993 concerning land acquisition for developments that are of public interests. However since the Bank’ standards considered higher that the national regulation and practice the Bank reserves the rights, where necessary, to overrule this national standard of land acquisition.

B. Preparation of TOR, ANDAL and RKL/RPL should be reviewed and endorsed by an authorized body (relevant AMDAL Committee for AMDAL, and the Bank). For land acquisition, its TOR, and supporting decree (SK) also need approval (NOL) from the Bank. Together with reporting mechanisms of this safeguard as mentioned in the institutional arrangements, this approval mechanism aimed at ensuring that the preparation and implementation of AMDAL and both categories of LARAPs follow certain procedures and standards.
### Annex 1: Project Type Map

<table>
<thead>
<tr>
<th>Types of Cost Recovery Projects</th>
<th>Types of Non-cost Recovery Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Definition:</strong> a project that generates direct financial revenues in the form of user charges (tariffs or levies)</td>
<td><strong>Definition:</strong> a project that is not a cost recovery project</td>
</tr>
</tbody>
</table>

#### Examples of eligible projects

<table>
<thead>
<tr>
<th>Types of Cost Recovery Projects</th>
<th>Types of Non-cost Recovery Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitals (other than <em>Puskesmas</em>)</td>
<td><em>Puskesmas</em></td>
</tr>
<tr>
<td>Pregnancy clinics (<em>Rumah Bersalin</em>)</td>
<td><em>Kampung improvement</em></td>
</tr>
<tr>
<td>Market development</td>
<td><em>Elementary and secondary schools</em></td>
</tr>
<tr>
<td>Solid waste collection (excl. TPAs)</td>
<td><em>Final Solid Waste Disposal</em></td>
</tr>
<tr>
<td>Composting facilities</td>
<td><em>Drainage and flood control</em></td>
</tr>
<tr>
<td>Transport terminals</td>
<td><em>Traffic management infrastructure</em></td>
</tr>
<tr>
<td>Public transport services</td>
<td><em>Land consolidation</em></td>
</tr>
<tr>
<td>Parking lots</td>
<td><em>Environmental protection</em></td>
</tr>
<tr>
<td>Slaughter houses</td>
<td><em>Elderly houses (panti asuhan)</em></td>
</tr>
<tr>
<td>Human waste collection (excl. <em>jamban umum</em>)</td>
<td><em>Community sanitation (jamban umum)</em></td>
</tr>
<tr>
<td>Water supply systems</td>
<td><em>Erosion protection</em></td>
</tr>
<tr>
<td>Toll roads and toll bridges</td>
<td><em>Roads and bridges (not tolled)</em></td>
</tr>
<tr>
<td>Housing</td>
<td><em>Micro-irrigation</em></td>
</tr>
<tr>
<td>Public cemeteries</td>
<td><em>Youth centers</em></td>
</tr>
<tr>
<td>Cold storage facilities</td>
<td><em>Libraries</em></td>
</tr>
<tr>
<td>Storage facilities for agricultural products</td>
<td><em>Musea</em></td>
</tr>
<tr>
<td>Radio and TV infrastructure</td>
<td><em>Social rehabilitation centers</em></td>
</tr>
<tr>
<td>Touristic objects</td>
<td><em>Parks</em></td>
</tr>
<tr>
<td>Recreation facilities</td>
<td><em>Incineration facilities</em></td>
</tr>
<tr>
<td>Sports facilities</td>
<td></td>
</tr>
<tr>
<td>Convention centers</td>
<td></td>
</tr>
<tr>
<td>Ferries</td>
<td></td>
</tr>
<tr>
<td>Port facilities</td>
<td></td>
</tr>
<tr>
<td>E-government facilities</td>
<td></td>
</tr>
<tr>
<td><em>Kawasan Siap Bangan (Kasiba)</em></td>
<td></td>
</tr>
</tbody>
</table>

#### Notes:
- If a project is in any of the above lists, it will not be automatically approved.
- Cost recovery projects which are not financially feasible do not qualify for grant funding.
- Cost recovery projects with an element of subsidy are to be classified as 'cost recovery'.
- Pilot projects in the list of cost recovery projects are to be classified as 'cost recovery'.
- If a local government deliberately attempts to restructure a project in such a way that it avoids being classified as 'cost recovery', it will be excluded from the appraisal process for a period of maximally three years.
- If a proposed project is not in the above lists, the *Tim Penilai* will classify the project based on the definition of a cost recovery project.

Source: Consultant
Annex 3: Type of Sector and Project Scale that require AMDAL or UKL/UPL

The need to prepare AMDAL or UKL/UPL for USDRP subprojects is triggered mainly by the following prevailing Indonesian regulations:

1. Decree of the State Minister of the Environment No. 17/2001, dated 22 May 2001; and
2. Decree of the Minister of Settlements and Regional Infrastructure No. 17/KPTS/2003, dated 3 February 2003

<table>
<thead>
<tr>
<th>SECTOR and ACTIVITY</th>
<th>SCALE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ANDAL</td>
</tr>
<tr>
<td><strong>Water Supply</strong></td>
<td></td>
</tr>
<tr>
<td>a. Development of distribution network (serving area)</td>
<td>≥ 500 Ha</td>
</tr>
<tr>
<td>b. Development of piped transmission network (length)</td>
<td>≥ 10 km</td>
</tr>
<tr>
<td>c. Water intake from surface spring water, river, lake, or other sources (intake debit)</td>
<td>≥ 250 l/sec</td>
</tr>
<tr>
<td>d. Development of water treatment plant (debit)</td>
<td>-</td>
</tr>
<tr>
<td>e. Ground water intake</td>
<td>≥ 50 l/sec</td>
</tr>
<tr>
<td><strong>Solid Waste</strong></td>
<td></td>
</tr>
<tr>
<td>a. Final disposal with control landfill system/sanitary landfill (non-hazardous waste)</td>
<td></td>
</tr>
<tr>
<td>- Area coverage, or</td>
<td>≥ 10 Ha</td>
</tr>
<tr>
<td>- Total capacity</td>
<td>≥ 10,000 ton</td>
</tr>
<tr>
<td>b. Final disposal in tides area</td>
<td>≥ 5 Ha</td>
</tr>
<tr>
<td>- Landfill coverage, or</td>
<td>≥ 5,000 ton</td>
</tr>
<tr>
<td>- Total capacity</td>
<td>≥ 1,000 ton/day</td>
</tr>
<tr>
<td>c. Development of transfer station</td>
<td>Operational capacity</td>
</tr>
<tr>
<td>- Operational capacity</td>
<td>≥ 1,000 ton/day</td>
</tr>
<tr>
<td>d. Final disposal with open dumping system</td>
<td>All size</td>
</tr>
<tr>
<td>e. Development of Incinerator</td>
<td>All size</td>
</tr>
<tr>
<td>f. Building for composting and recycling</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Construction of WWTP &amp; Sewerage</strong></td>
<td></td>
</tr>
<tr>
<td>a. Waster water treatment plant (feces)</td>
<td>≥ 2 Ha</td>
</tr>
<tr>
<td>b. Waste water treatment plant</td>
<td>≥ 3 Ha</td>
</tr>
<tr>
<td>c. Sewerage piping</td>
<td>≥ 500 Ha</td>
</tr>
</tbody>
</table>

8 See Decree of the State Minister of the Environment No. 17/2001 dated 22 May 2001 on Types of Activities that Need to be Accompanied by AMDAL

9 See Decree of the Minister of Settlements and Regional Infrastructure No. 17/KPTS/2003, dated 3 February 2003 on Types of Activities that Need to be Accompanied by UKL/UPL.

10 This applies for controlled landfill in tides area as well
### Drainage

**a. Development of drainage in large city / metropolitan area**
- Primary drainage (length) \( \geq 5 \text{ km} \)
- Secondary and tertiary drainage (length) \( \geq 5 \text{ km} \)
- \(< 5 \text{ km} \)

**b. Development of drainage in medium-sized city**
- Primary drainage (length) \( \geq 10 \text{ km} \)
- Secondary and tertiary drainage (length) \( \geq 10 \text{ km} \)
- \(< 10 \text{ km} \)

**c. Development of drainage in small-sized city**
- \(< 5 \text{ km} \)

### River Normalization/Flood Canal

**a. Metropolitan or big city**
- Length, or \( \geq 5 \text{ km} \)
- Volume of dredging, or \( \geq 500,000 \text{ m}^3 \)
- Area coverage \(< 5 \text{ km} \) \( \geq 1 \text{ km} \)

**b. Medium-sized city**
- Length, or \( \geq 10 \text{ km} \)
- Volume of dredging \( \geq 500,000 \text{ m}^3 \)
- \(< 10 \text{ km} \)

**c. Small city\(^*\)**
- Length; or \( \geq 13 \text{ km} \)
- Volume of dredging \( \geq 500,000 \text{ m}^3 \)

**d. Rural area**
- Length, or \( \geq 15 \text{ km} \)
- Volume of dredging \( \geq 500,000 \text{ m}^3 \)

**e. Waterway diversion**
- All size

### Road

Development and/or road betterment with broadening of road outside Right of Way

**a.1 Metropolitan/big city**
- Length, or \( \geq 5 \text{ km} \)
- Area coverage \( \geq 5 \text{ Ha} \)
- \(< 5 \text{ km} \) \( \geq 5 \text{ Ha} \)

**a.2 Medium-sized city**
- Length, or \( \geq 10 \text{ km} \)
- Area coverage \( \geq 10 \text{ Ha} \)
- \(< 10 \text{ km} \) \( \geq 10 \text{ Ha} \)

**a.3 Small city\(^*\)**
- Length; or \( \geq 20 \text{ km} \)
- Area coverage \( \geq 15 \text{ Ha} \)
- \(< 20 \text{ km} \) \( \geq 15 \text{ Ha} \)

**a.4 Rural area – inter urban, length**
- \( \geq 30 \text{ km} \)
- \(< 30 \text{ km} \)

Road betterment with broadening inside Right of Way

**Large city / metropolitan for arterial road/collector road (length)**
- \( \geq 10 \text{ km} \)

**Bridge (New Construction)**

**a. Large city (length)**
- \( \geq 20 \text{ m} \)

**b. Medium-sized city (length)**
- \( \geq 60 \text{ m} \)
## Construction of Harbor

- **a. Pier with massive construction**
  - Length, or Coverage
    - Length ≥ 200 m
    - Coverage ≥ 6,000 m²
  - No specific decree produces by the Department of Transportation (re. harbor) nor the Department of Agriculture (re. fish harbor) concerning UKL/UPL. So any reasonable sizes of facilities below the standard set up by the above-mentioned decree of the State Minister of the Environment concerning AMDAL may be considered to need UKL/UPL.

- **b. Break water**
  - Coverage ≥ 200 m

- **c. Supporting infrastructure**
  - Coverage ≥ 5 Ha

- **d. Single Point Mooring Buoy**
  - Coverage ≥ 10,000 DWT

## Fish Harbor

- **a. Length of pier**
  - Coverage ≥ 300 m

- **b. Industrial estate (fishing)**
  - Coverage ≥ 10 Ha

- **c. Depth of water ways in the pier**
  - Coverage ≥ -4 m LWS

## Housing/Residential

- **a. Metropolitan city (coverage)**
  - Coverage ≥ 25 Ha

- **b. Large city (coverage)**
  - Coverage ≥ 50 Ha

- **c. Small to medium-sized city (coverage)**
  - Coverage ≥ 100 Ha

## Building Construction

(Education, trading, offices, religion place etc)

- **a. Area coverage, or**
  - Coverage ≥ 5 Ha

- **b. Building coverage**
  - Coverage ≥ 10,000 m²

## New Construction for Resettlement

- **a. Number of persons removed, or**
  - Coverage ≥ 200 households

- **b. Area coverage**
  - Coverage ≥ 100 Ha

## Kampung Improvement Program (KIP)\(^{11}\)

- **UKL/UPL, according to the World Bank’ practices**

*) These are not included in the above decrees. These numbers are the results of interpolation, based on the criteria applied to other categories of city at the associated sector and activity.

### Classification of cities:

<table>
<thead>
<tr>
<th>Types of Cities</th>
<th>Number of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Metropolitan city</td>
<td>≥ 1,000,000 (in its main city)</td>
</tr>
<tr>
<td>2. Large city</td>
<td>500,000 – &lt;1,000,000</td>
</tr>
<tr>
<td>3. Medium-sized city</td>
<td>100,000 - &lt; 500,000</td>
</tr>
<tr>
<td>4. Small city</td>
<td>&lt; 100,000</td>
</tr>
</tbody>
</table>

Rural areas: < 20,000 inhabitants

\(^{11}\) This is not included in the above-mentioned decrees
Annex 4: Environment Checklist for each Subproject Activity

For All sub-projects
1. Detailed description of engineering aspects of the project with proper maps
2. Identification of environmentally sensitive spots in proper maps
   (1) Schools, hospitals, residential houses
   (2) Water intakes
   (3) River, ponds, lakes, irrigation channels
   (4) Environmentally protected areas
   (5) Cultural relics
3. Development of particular mitigation measures for the sensitive sites
4. Identification of major environmental issues to be addressed with priority

Water Supply
1. Identification of impacts to the downstream areas of the water source
2. How to treat the sludge from the purification process
3. Where to dump the sludge

Solid Waste / Construction of WWTP & sewage
1. Compliance with regulations on the structure of the facility
2. Detailed analysis of the impacts to surface water bodies, underground water and soil
3. Identification of access roads for garbage collection trucks
4. Identification of environmentally sensitive spots along access roads
5. Identification of dumping sites for sludge from the operation of WWTPs
6. Identification of dumping sites for construction wastes from sewage
7. Identification of dumping site for septic tank sludge (if not dumped in WWTP)

Drainage / River normalization / Flood Cannel / Harbor
1. Identification of sources of pollutants, such as heavy metals and persistent organic compounds (PCB, DDT, etc.)
2. Identification of the quantity of materials to be dredged
3. Experiment of the quality of materials to be dredged
4. Identification of dumping sites

Road
1. Identification of relationships between environmentally protected areas and project sites on maps
2. Identification of material sources (quarries and borrow-pits) and dumping sites.
3. Identification of environmentally sensitive spots along access line between the construction sites and material sources or dumping sites
Bridge
1. Identification of environmental impacts to the areas where the traffic volumes would increase because of the construction of a new bridge.

Housing / Residential area development
1. Identification of relationships between environmentally protected areas and project sites on maps
2. Detailed description on solid and liquid waste treatment methods
3. Identification of environmental impacts, including traffic jams, by the increased traffic in the future and mitigation measures
4. Identification of impacts on hydrology within the development area

Building
1. Confirmation of no-purchase of asbestos and pesticides
2. Detailed description of garbage collection systems and wastewater treatment
3. Identification of environmental impacts, including traffic jams, by the increased traffic in the future and mitigation measures

KIP (Kampung Improvement Program)
1. Identification of relationship between environmentally protected areas and project sites on maps;
2. Detailed description on solid and liquid waste treatment methods;
3. Identification of environmental impacts, including traffic jams, by the increased traffic in the future and mitigation measures; and
4. Identification of impacts on hydrology within the development area
Annex 5: Screening Criteria and Requirements for Land Acquisition and Resettlements

Any land acquisition?  

<table>
<thead>
<tr>
<th>Triggering factors</th>
<th>Requirements</th>
<th>Approval needs</th>
<th>Legal aspect</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Involuntary</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>affect more than 200 peoples or resettled more than 100 peoples</td>
<td>Comprehensive LARAP</td>
<td>TOR and draft of Comprehensive LARAP will be approved by the Bank</td>
<td>Both categories of LARAP are legalized by an SK Walikota/Bupati</td>
</tr>
<tr>
<td>affect less than 200 peoples or less than 10% of productive assets or temporarily resettled during construction</td>
<td>Abbreviated LARAP</td>
<td>Draft of Abbreviated LARAP will be approved by the Central PMU, and Central PMU reports to the Bank on the status (progress report)</td>
<td>Abbreviated LARAP is legalized by an SK Walikota/Bupati.</td>
</tr>
<tr>
<td><strong>Voluntary</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Can only be done if: No more than 10% of any holding of productive land and is cut less than 1.5 m from the land boundary or less than the building line, and buildings or other fixed assets worth no more than Rp. 1 million</td>
<td>Agreement Letter between the persons who voluntarily contribute their land with the proponent agency</td>
<td>Agreement Letter should be approved by the Bank</td>
<td>Persons who volunteers their land and the proponent Dinas will have to sign an agreement letter</td>
</tr>
<tr>
<td><strong>No Land Acquisition</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-project will be located entirely on public land which is not under private use</td>
<td>A statement Letter of the proponent Dinas or</td>
<td>The Statement Letter will be reviewed by the Bank</td>
<td>The Statement Letter should be signed by the head of the proponent Dinas and counter-signed by the SMT and the head of PMU</td>
</tr>
<tr>
<td>Sub-project will be located entirely or in part on land which has been voluntarily contributed</td>
<td>A Report prepared by the proponent Dinas</td>
<td>The Report will be reviewed by the Bank</td>
<td>The Report should be signed by the head of the proponent Dinas and verified by the SMT and the head of the PMU</td>
</tr>
</tbody>
</table>
Annex 6: Assessment and Reporting Requirements

1. Cases where no involuntary land acquisition or resettlement is required:

For all investments for which no involuntary land acquisition is necessary, the relevant dinas will provide to the following information:

- EITHER a statement, signed by the head of the involved Dinas and countersigned by the SMT and city or Kabupaten facilitator/consultant, that the subproject will be located entirely on public land which is not under private use;

- OR a report prepared by the involved Dinas and verified by the SMT and the City or Kabupaten Facilitator/consultant indicating the subproject will be located entirely or in part on land which has been voluntarily contributed and contains the following information:
  a. an estimate of the amount of land and other assets to be utilized, and field measurement results indicating that no more than 10% of total land holdings and/or other assets of value greater than Rp 1 million are needed from any household;
  b. a description of methods used to inform potentially affected individuals regarding the proposed investment, and their rights and options regarding land or other assets required, and confirmation that individuals have been informed that they have the option of refusing land contribution including their rational/benefit for contributing their land;
  c. signed Statements of voluntary contribution from each individual voluntarily contributing land (and any attached assets), indicating their informed consent see sample forms for voluntary contribution in section 8; and
  d. a report of the public meeting at which the voluntary land acquisition arrangements (including sitting maps) have been disclosed to, and validated by residents in the sub-project area.
The example of the form is as in the table below:

<table>
<thead>
<tr>
<th>A. Voluntary contribution form</th>
</tr>
</thead>
<tbody>
<tr>
<td>I understand that in this project I have the right for full replacement compensation but I decided without any pressure from anybody to donate my land for the purpose of ………………………development for public interest.</td>
</tr>
<tr>
<td>I agree to donate because I will get a benefit in terms of:</td>
</tr>
<tr>
<td>- the land I donated is less than 10% of the total area of my plot,</td>
</tr>
<tr>
<td>- the land the land is cut less than 1.5 m deep,</td>
</tr>
<tr>
<td>- there is no valuable structure or other asset in the area that I donated,</td>
</tr>
<tr>
<td>- There is nobody renting my land or the renter still able to use my land with relatively equal productivity</td>
</tr>
<tr>
<td>o Signature of the renter:…………………………………………</td>
</tr>
<tr>
<td>My statement is true and expressed without any pressure and with total understanding of the project and project safeguard framework</td>
</tr>
<tr>
<td>Signature:…………………………………………</td>
</tr>
</tbody>
</table>

I confirm that this agreement is true and have been signed without any pressure from anybody and with total understanding of the project and the safeguard project framework from the affected people:

Signature of the safeguard monitoring team  Signature of the facilitator

2. Cases where involuntary land acquisition or resettlement is required:

In cases where land or other assets will be acquired involuntarily, a Land Acquisition and Resettlement Action Plan (LARAP) must be prepared. In the case of a comprehensive LARAP is needed (refer to table screening above), it should cover at least the following:

- description of the sub-project acquiring land;
- potential impacts, includes the identification of: the project component or activities that give rise to resettlement; the zone of impact of such component or activities; alternatives considered to avoid or minimize resettlement; and the mechanisms established to minimize resettlement, to the extent possible, during sub-project implementation;
- main objectives of land acquisition and resettlement
- socioeconomic studies, including a census of DPs providing basic data, identifying impacts and persons to be affected by them, and valuation of affected assets;
- compensation measures and procedures, include among others:
arrangements for in-kind replacement of land, or for compensation at replacement cost, including signed statements by all affected landowners confirming that these arrangements are satisfactory;

- arrangements to ensure adequate performance by contractors relating to compensation for temporary impacts;

- a schedule of assets (other than land), which will require to be replaced as part of the construction contract, and signed statements by the affected owners confirming that these arrangements are satisfactory;

- an implementation schedule clarifying institutional responsibilities and indicating that replacement land will have to be provided before implementation of the subproject begins;

- cost and budget

- a sitting map and field measurements validated by villagers, showing land to be acquired and replacement land to be provided, sufficiently detailed to allow verification;

- arrangements for disclosure of information, consultations, monitoring of implementation and procedures for pursuing grievances;

- monitoring and evaluation of the land acquisition and resettlement activities

In the case where an abbreviated LARAP is needed, it should cover at least the following:

- A census survey of displaced persons and valuation of assets;

- description of compensation and other resettlement assistance to be provided;

- consultations with displaced people about acceptable alternatives;

- institutional responsibility for implementation and procedures for grievance redress;

- arrangements for monitoring and implementation, and

- timetable and budget.

- (In cases where some of the DPs lose more than 10% of their productive assets or require physical relocation, the plan also covers a socioeconomic survey and income restoration measures.)

The LARAP is to be prepared as part of feasibility studies, and should include the alignment of land needed, the number of DP, general information of the DPs income and employment and the existing land valuation from the following three sources:

- sample in the market: the latest land transaction in the area from the kecamatan/kelurahan record

- proposal by ULG and

- NJOP (land tax form).

The sample of the abbreviated census report table is below. In case, though is modest land acquisition that in kind compensation could be provided the table below should have additional section for that option.
The LARAP will be reviewed as part of the technical assessment process prior to approval of dinas plans. Following approval, provision of in-kind asset replacement, other than that to be included in the subproject implementation contract (the construction will be done in one contract with the proposed investment), will be completed before the contract for subproject implementation is signed.

The compensation agreement at least should have issues as in the example in the table below:
Compensation agreement form

The project affected people named below agreed that the compensation of land is:

- Another land in ..... (see map...) that they have seen and agreed with the condition as stated in the attached map and detail explanation (including facilities: a. electricity, b. clean water, c. asphalt road....)
- Cash compensation:
  - For land .......
  - For building ........
  - For other asset:
    - Trees a.............; b...........
    - 

The displaced people:

<table>
<thead>
<tr>
<th>Name</th>
<th>Detail plot in the map</th>
<th>Total compensation (transfer through bank account)</th>
<th>Signature:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abdul</td>
<td>See plot x2 map...</td>
<td>Rp.............</td>
<td>Acc No. BCA.............</td>
</tr>
<tr>
<td>Soni</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This agreement is true and sign without any pressure from anybody and with total understanding of the DP:

Signature of the safeguard monitoring team:  Signature of the facilitator:

The right of DP to get/ have

- Full replacement value for compensation
- Independent opinion differ from the government and other people in the community
- Compensation before the construction started
- Clear and thorough explanation of the safeguard/land acquisition framework of this program
- This is not a receipt of payment. The receipt should be signed after the payment or compensation finished and the fund transferred to the bank.
### Annex 7: Triggering Factors and Requirements of IVP

<table>
<thead>
<tr>
<th>Triggering factors</th>
<th>Requirement</th>
<th>IVP in sub-project design</th>
<th>Approval needs</th>
<th>Legal aspect</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. IVP as targeted beneficiaries:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If there is an indication that IVP exists in a particular ULG</td>
<td>ULG Bappeda prepares/reviews the Mid-term Development Program (PJM) with participatory approach, whereby focus group discussion with IVP facilitated by SMT and assisted by IVP NGO is carried out. IVP could decide the form of the sub-project or reject the sub-project</td>
<td>For a sub-project targeted to IVP, that particular sub-project should be fully tailored to the specific needs of IVP</td>
<td>Minutes of the discussion, the PJM, and the design of the sub-project should be reviewed by the SMT and approved by the Bank</td>
<td>Minutes is signed by the representatives of the IVP and Bappeda, while the PJM is signed by the Mayor/Bupati</td>
</tr>
<tr>
<td><strong>2. IVP as potential beneficiaries:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If there is an indication that IVP could benefit from the proposed sub-projects</td>
<td>IVP representatives will be part of the stakeholders forum and participate in the decision making of the preparation or review PJM. IVP should get an equal benefit with other beneficiaries but they can not exclusively reject particular sub-project</td>
<td>The sub-project that has IVP as potential beneficiaries has to accommodate a particular specific needs of IVP</td>
<td>Minutes of discussion and the PJM, should be reviewed by the SMT and approved by the Bank</td>
<td>Minutes is signed by the representatives of the IVP and Bappeda, and PJM signed by the Mayor/Bupati</td>
</tr>
<tr>
<td><strong>3. IVP is potentially adversely affected:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If there is an indication that the IVP’s natural habitat or distinct characteristic would be adversely affected, whereby the sub-project will create significant changes to the IVP’s living conditions</td>
<td>The Proponent prepares a sub-project IVP Action Plan (IVPAP) which ensures that negative impacts are addressed properly. This action plan should be part of the sub-project design and the contract to the contractor or supervisor</td>
<td>The design of the sub-project has to address the mitigation measures of the negative impacts on the IVP</td>
<td>The IVPAP will be reviewed by the SMT and approved by the Bank</td>
<td>The Proponent signs the design and the contract related to IVPAP, and countersigned by the SMT and the CPMU</td>
</tr>
</tbody>
</table>
4. IVP framework will not be triggered: