



# Concept Environmental and Social Review Summary

## Concept Stage

### **(ESRS Concept Stage)**

Date Prepared/Updated: 06/19/2020 | Report No: ESRSC01418

**BASIC INFORMATION**

**A. Basic Project Data**

|   |   |                          |                            |
|---|---|--------------------------|----------------------------|
| Country   | Region  | Project ID               | Parent Project ID (if any) |
| Indonesia   | EAST ASIA AND PACIFIC   | P163797                  |                            |
| Project Name  | Citizen Monitoring for Transparency and Accountability of Licensing and Revenue Management in Mining Sector |                          |                            |
| Practice Area (Lead)  | Financing Instrument  | Estimated Appraisal Date | Estimated Board Date       |
| Social Sustainability and Inclusion   | Investment Project Financing  |                          | 2/25/2016                  |
| Borrower(s)   | Implementing Agency(ies)  |                          |                            |
| Yayasan Transparasi Sumber Daya Ekstraktif (Publish What You Pay Indonesia) | PWYP Foundation, Yayasan Transparasi Sumber Daya Ekstraktif (Publish What You Pay Indonesia)                |                          |                            |

**Proposed Development Objective**

The Project Development Objective (PDO) is to contribute to improving the management and governance in the mining sector at the subnational level in select provinces in Indonesia through collaborative social accountability mechanisms.

| Financing (in USD Million) | Amount      |
|----------------------------|-------------|
| <b>Total Project Cost</b>  | <b>0.48</b> |

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

No

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

The Project Development Objective (PDO) is to contribute to improving the management and governance in the mining sector at the subnational level in select provinces in Indonesia through collaborative social accountability mechanisms.



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

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

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

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

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

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

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

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

#### **D. Environmental and Social Overview**

##### **D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]**

The project will be implemented in three targeted provinces in several regions such as Kalimantan, Sulawesi and Sumatra. Provinces will be selected based on objective targeting criteria such as prevalence of mineral and coal mining activities, and presence of a local CSO partner with relevant focus and capacity to implement project activities summarized in Section C. These criteria will be identified with PWYP and the Government during the inception phase of the project. At this stage, context-specific information pertaining to the salient geographic, environmental and social risks are unknown since specific provinces and districts will be selected during project inception. However, the project anticipates working across diverse geographies in rural settings where mining operations are usually located in Indonesia. Mining concessions range from medium to large scales. Depending on the types of commodities, their operations could be in both lowland and highland areas, with precious minerals, such as gold, often being found in the highland areas. The environmental features around these mining locations may include forest and watershed areas (critical and natural habitats), agricultural areas (modified habitats), and/or degraded lands, which may be home to a wide range of flora and fauna, including endangered, vulnerable, and other less concern species.

Rural areas where mining concessions operate are home to a mix of population groups, consisting of local people, mining workers (both formal and informal), economic in-migrants, and in some circumstances, Indigenous Peoples



(Adat Communities). Large companies will usually operate their own basic services to minimize service constraints and have an established Human Resource system. However, smaller companies may not have such services and hence, expect more frequent interaction between local communities and mining workers and presence of informal workers.

#### D. 2. Borrower’s Institutional Capacity

The Project will be led and coordinated by Publish What You Pay (PWYP) Indonesia/Yayasan Transparasi Sumber Daya Ekstraktif. The organization will be responsible for leading the project implementation, ensuring quality control of all programmatic and financial aspects, reviewing the methodology and design of social accountability tools, selecting CSO implementing partners and coordinating their activities, undertaking regular monitoring and evaluation of project activities, and hiring independent firms and consultants to conduct annual external audits and mid-term and final evaluations.

PWYP is a global coalition of CSOs with extensive experience in building constructive engagements with a wide variety of stakeholders to address governance challenges in the extractives industry around the world. Through its work in Indonesia, PWYP has collaborated with citizens and different government agencies to support the collection and use of the Extractives Industries Transparency Initiative (EITI) data at the subnational level in Indonesia. PWYP demonstrates a strong track record of collaboration with national and sub-national governments and building the capacity of local CSOs to implement diverse activities ranging from community engagement, participatory data collection, analysis and reporting related to the mining sector. PWYP has previous experiences collaborating with prominent CSOs, including environmental and social organizations, in facilitating MSFs at the subnational and national levels such as promoting transparency of information in the mining sector and citizen participation.

During project implementation, PWYP will collaborate with CSO partners at the sub-national level, implementing budget analysis tools and community scorecards at the community level, supporting mineral licensing bench-marking pilots, facilitating and support MSFs, helping community centers to collect citizen feedback, engaging with local media, and promoting participatory mechanisms in targeted mining-affected communities.

PWYP has over ten years experience and in-depth knowledge on advocacy and discussing the governance aspects in the extractives sector, leading multi-stakeholder collaborations within the civil society contribution to the implementation of EITI, and building the capacity of community groups. In order to support MSF discussions that touch upon environmental and/or social related issues, environmental and social focal points will be assigned to the project. The focal points will be trained by the World Bank on ESF to enable them improve their contribution to the discussions, better understand issues of concern, and properly record those. Relevant training to implementing partner CSOs and advice on relevant issues under the project scope will be provided by the focal points. The project SEP will clearly specify the role of E&S focal points and the project will only record issues of concern and not be held responsible to resolve any environmental and social issues raised in the forums, but making information accessible promoting transparency and accountability.

A training plan for PWYP and partner CSOs will be established in the Environmental and Social commitment Plan (ESCP) and cover topics on the World Bank’s ESF, meaningful stakeholder and community engagement and consultations, including culturally-appropriate consultations with Indigenous Peoples and vulnerable groups, management of grievances, prevention of Sexual, Exploitation and Abuse/Sexual Harassment (SEA/SH) and Violence



Against Children (VAC) and Code of Conduct for project’s workers and the basics of Occupational Health and Safety (OHS).

**II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS**

**A. Environmental and Social Risk Classification (ESRC)**

Moderate

**Environmental Risk Rating**

Moderate

The environmental risk rating is moderate and is mainly based on the consideration of the institutional complexities attributed to the mining sector in Indonesia as well as potential environmental concerns specific to certain location(s) characterized by previous and ongoing environmental issues while undertaking the project activities of data collection and multi-stakeholder forums (MSFs). Although data collection, analysis and MSF activities are bound by the project objective which focuses on improving access to information in revenue management and mining licensing, such information disclosure and consultations may touch upon environmental issues during the course of activities. The project scope and design cannot control or influence wider risks associated with the mining sector. The project is not being prepared and does not intend to address these issues nor provide technical advice on their resolution but making information accessible promoting transparency and accountability. Resolution of such issues falls outside the scope of the project activities. The project outputs also do not feed into the mining regulation system. PWYP, a non-governmental organization, who is facilitating the MSFs do not have the authority and/or direct leverage to amend and/or issue regulations on mining licensing and revenue management. Project activities will be limited to policy advocacy, contributing to discussing issues of concern through a bottom-up process. Processes related to regulatory mechanisms remain in the realm of the government and hence, are outside the scope of the project’s leverage and span of control. Clearly defining the scope of consultations is central to facilitating discussions on environmental issues raised in the MSFs. To support this, a Stakeholder Engagement Plan (SEP) has been prepared for the project, which will be the core instrument to convey to all stakeholders on what is beyond the scope of the project, noting that all issues and information compiled under the project will be shared with the government, including any information that falls outside of the project scope. The typology and nature of the project activities include performing desktop preparations on collaborative framework and feedback mechanisms; diagnostic, scoping and stakeholder analysis studies; facilitating community group discussions; mentor-ship and training of partner CSOs and citizens; facilitating collaborative multi-stakeholder forums (MSFs) including citizens and government agencies; disclosing of information; and desktop learning and evaluation activities. Given the typology and nature of these project activities, and that the project does not support direct physical investments onsite, feasibility/design studies, nor procurement of harmful substances, the direct environmental risks and impacts are minimal. In the context of undertaking these typology of activities (desktop exercises and stakeholder discussions), PWYP has capable in-house capacity built through its extensive experience and in-depth knowledge on advocacy, leading multi-stakeholder collaborations, and building the capacity of community groups. PWYP has previous experiences collaborating with prominent CSOs, including environmental organizations, in facilitating MSFs at the subnational and national levels. In order to support MSF discussions that touch upon environment-related issues, environmental and social focal points will be assigned to the project. The focal points will be trained by the World Bank on ESF to enable them improve their contribution to the discussions, and understand the issues raised and properly record concerns. Relevant

Public Disclosure

training to implementing partner CSOs and advice on relevant issues under the project scope will be provided by the focal points. The focal points will not be held responsible to resolve any environmental issues raised in the forums.

### **Social Risk Rating**

Moderate

The overall social risk rating is Moderate and the overall project outcome is expected to be positive and beneficial since it seeks to promote good governance in the mining sector through enhanced social accountability and citizen participation in key decision making and management of revenues in this sector. The project supports collaborative citizen accountability mechanisms through systematic collection of feedback on mineral licensing system, environmental and social oversight and mining revenue management at the provincial level. The project will seek to engage with multiple government actors at different levels through a combination of consultations and multi-stakeholder forums (MSFs) or both to ensure that issues are discussed and consensus is built around proposed actions. No physical investments and/or any technical assistance and/or studies leading to and/or facilitating mining licensing will be financed under the project. Stakeholder risks are rated as moderate due to the number and diversity of stakeholders involved in the implementation of activities proposed in targeted regions, including Adat communities and Indigenous Peoples. While the project seeks to ensure inclusion of vulnerable groups and remote communities, the extent of geographic scope and accessibility of target communities may limit the project's capacity to undertake consultations and engagement effectively. Lack of buy-in and limited involvement from government stakeholders in the design and implementation of the social accountability activities may undermine the ability and legitimacy of the PWYP and its local CSO partners to build constructive engagements between citizens and government authorities to improve transparency and access to information in the mining sector. In addition, the project may operate in communities where there are tension and/or conflicts driven by extractives and hence careful stakeholder analysis and engagement is warranted to avoid exacerbating existing conflicts and social tension and manage expectations. The proposed social risk rating will be revisited considering the above prior to appraisal and during implementation following identification of specific sites for the project implementation and further information about project activities. Potential social risks, including those arising from community engagement will be assessed as part of the overall project design.

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

### **B.1. General Assessment**

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

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

ESS1 is applicable. The project seeks to support capacity building and facilitate multi-stakeholder dialogue and coordination, development of social accountability mechanisms through citizen feedback and participatory monitoring processes and knowledge exchange of good practices in the mining sector. The scope of the project is limited to supporting availability and public disclosure of information related to mining licensing and revenue management to promote accountability and transparency. The project is not concerned with resolution of issues related to mining. To do so, the project will facilitate multi-stakeholder dialogues, community consultations, and disclosure of information. The resolution of issues related to mining activities goes beyond the boundaries of this project. Capacity building is limited to citizens and CSOs to pilot and implement social accountability processes. No direct physical investments onsite nor feasibility and/or design studies with downstream environmental and social impacts are envisaged under the project.



Since the project will be implemented by PWYP, which is a non-governmental organization, recommendations generated through the MSFs represent advocacy efforts that the project will support. PWYP and MSFs do not have the authority and/or direct leverage to amend and/or issue regulations on mining licensing and revenue management. Decision making processes related to regulatory development, amendment, and/or enforcement remain in the realm of the government and hence, are outside the scope of the project's leverage and span of control. For this purpose, the World Bank's responsibility for supervision will not extend to ensuring actions by sub-national governments – whether subsequent or parallel to the project implementation.

While the project is expected to be beneficial, potential social risks are related to exclusion of vulnerable groups and remote communities due to the vast geographic scope where the project will operate and capacity constraints of partner CSOs in their outreach and engagement.

MSFs will be facilitated and organized by PWYP to involve provincial authorities, citizens, CSOs, and private sectors to strengthen capacity of stakeholders and develop recommendations that contribute to improving mineral licensing system and good governance. As part of the MSFs and stakeholder engagement, dialogue with environmental CSOs and CSOs advocating Indigenous Peoples and rural communities, particularly concerning the utilization of mineral revenues will be required. A stakeholder engagement plan (SEP) has been developed and will continue to be updated by PWYP to guide the project's engagement strategy, scope of activities and boundaries of commitments and responsibilities on issues raised, including relevant capacity strengthening measures for local counterpart CSOs to promote social inclusion and participation of vulnerable groups. As part of the SEP implementation, PWYP shall bear the duty of care to escalate certain issues to relevant government agencies and inform the World Bank such as human rights violations or gross environmental impacts if they are discussed. Relevant communication protocols will be prepared once specific sites and sub-national stakeholders are fully understood.

The SEP is the core instrument for the project which will clearly define the scope of consultations and stakeholder engagement and will remain a living document. Assessments of issues of concerns will be included as part of stakeholder consultations organized through MSFs, which is in line with ESS1. For this purpose, environmental and social focal points will be appointed to support MSF discussions that touch upon environmental and social issues of concern. The focal points will be trained by the World Bank on ESF to enable them improve their contribution to the discussions, and to pre-assess the issues of concern and record those. Relevant training to implementing partner CSOs, particularly to strengthen the implementation of the SEP, and advice on environmental and social issues as relevant under the project scope will be provided by the focal points.

A Terms of Reference (TOR) for the environmental and social focal points will be prepared by PWYP to define the above roles and responsibilities. The TOR will include general provisions for environmental and social oversight and technical support, which will be further defined once specific issues of concerns and exact project locations have been identified.

Institutional capacity strengthening for PWYP will be done through: (a) GPSA leveraging its team of capacity building advisors to provide targeted technical assistance and accompany PWYP, implementing CSO partners, and local organizations throughout design and implementation of specific social accountability activities; (b) PWYP developing a capacity development approach that will integrate both WB's and government GoI's social and environmental





standards into its materials and activities. While project’s capacity-building activities will not be geared towards building capacities for undertaking social and environmental analyses or assessments, PWYP will harmonize capacity-building materials and activities to clearly link any social and environmental standards that might be raised during project’s capacity building and “learning-by-doing” activities with appropriate response channels. WB-GPSA team and E&S specialists will provide guidance in this regard by providing prior review to PWYP’s capacity development plan and reports.

Lack of buy-in, and limited involvement from government stakeholders in design and implementation of social accountability activities may undermine ability of PWYP to build constructive engagement between citizens and government authorities to improve transparency and access to information in mining sector. To mitigate these risks, (a) project uses a collaborative approach to strengthening social accountability by engaging with specific government counterparts from inception phase. This means presenting and discussing project’s objectives with specific government counterparts and jointly establishing a “collaborative framework”, including, at minimum, concrete terms of collaboration around (i) specific challenges related to existing relevant citizen engagement and government response mechanisms and how project will help Gol to strengthen them; (ii) information sharing, decision-making and coordination arrangements between PWYP and government counterparts, including possibility of setting up a project Steering Committee, and (iii) mutual commitments and joint actions to be pursued. (b) selection of a sector specialist to manage Bank supervision will help to build high-level support for project and also ensure synergies with ongoing governance reforms in mining sector. Project will seek to engage with multiple government actors at different levels through a combination of consultations and multi-stakeholder forums or both to ensure that issues are discussed, and consensus is built around proposed actions. Consultations and multi-stakeholder forum meetings will be held on a regular basis to maintain ongoing dialogue with all stakeholders, keep them informed, and build support for project activities. Furthermore, close coordination with government officials, acting as GPSA focal point in Indonesia, and selection of a sector specialist to manage Bank supervision will help to build high-level support for project and also ensure synergies with ongoing governance reforms in mining sector. GPSA Secretariat will also provide capacity and implementation support on collaborative social accountability, while Environmental and Social specialists will provide guidance on compliance with ESSs and their due consideration into project’s capacity-building and implementation activities.

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

Not applicable.

**ESS10 Stakeholder Engagement and Information Disclosure**

Stakeholder engagement represents the foundation of the whole project design. Hence, relevant measures will be made to promote effective and inclusive stakeholder participation, particularly with target communities as part of social accountability processes and monitoring and oversight of the mineral industry. The project will also build key stakeholders capacity to enhance transparency and accountability in the mineral licensing process and strengthen EITI implementation at the subnational level in Indonesia. Furthermore, the alignment and close collaboration of project activities with government initiatives in the extractives sector is expected to generate buy-in and synergies that will help to integrate the proposed social accountability approaches into government decision-making processes, regulatory development and programs beyond the project life-cycle.

Key stakeholders for this project include target communities affected by mining operations, mining companies, the Ministry of Energy and Mineral Resources (MEMR), the Extractives Industries Transparency Initiative (EITI), the National Secretariat-Coordinating Ministry of Economic Affairs (CMEA), the Anti-Corruption Commission (KPK), Ministry of National Development Plans, sub-national governments (Executive and Local Parliament) at the Provincial and District Levels, the Ombudsman and Information Commission, public officials, development partners, and environmental and social CSOs. A Stakeholder Engagement Plan (SEP) has been developed by PWYP to guide identification and engagement with these stakeholders over the project life cycle. The SEP will also include a project's Feedback Grievance Redress Mechanism (FGRM) for both target stakeholders, including communities and project workers. The SEP will be the core instrument to convey to all stakeholders what is beyond the scope of the project, promote accountability and transparency on mining licensing and revenue management, noting that all information compiled by the project will be shared with the government, including any information that falls outside of the project scope

Concerning engagement with Indigenous Peoples and Adat Communities, the project's SEP will integrate relevant provisions of meaningful and inclusive engagement as well as accessible grievance redress mechanisms for Indigenous Peoples and Adat Communities who may be present in locations where pilot activities will be initiated.

Due to COVID-19 circumstances, the implementation of project activities might substantially be delayed and stakeholder meetings will need to be adapted to virtual formats due to lack of mobility and social distancing order. Hence, adjustment in the modality for stakeholder engagement will be considered, including virtual consultations during the early stage of project implementation. Relevant precautionary public health measures when undertaking face-to-face consultations with sub-national stakeholders and communities following the pandemic will be included under the project's SEP, consistent with the government and good practice guidelines.

Furthermore, PWYP will work to tailor the project's strategy and operational road-map, particularly for the inception phase activities, to the barriers posed by the pandemic. For this, PWYP will follow best practices for stakeholder engagement and consultation. This includes those that the organization is already implementing with its partner CSOs and other stakeholders, especially those located at the sub-national level and in hard-to-reach areas. PWYP will also ensure that health safety standards are followed, and to employ inclusive participatory approaches that take into consideration potential technology barriers. The WB-GPSA team will share existing guidance that has been prepared by the Bank on stakeholder engagement and consultation during COVID-19, and best practices that are being continuously shared through the GPSA's network of global partner CSOs. Moreover, the project's adaptive management and learning principles will provide flexibility to adjust the project's budget and activities in order to provide context-appropriate responses to the pandemic-related barriers and challenges.

## **B.2. Specific Risks and Impacts**

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

### **ESS2 Labor and Working Conditions**

ESS2 is relevant given the project will involve staffing and hiring of consultants, field trainers, CSO facilitators and community volunteers. All of whom are considered as project workers and hence ESS2 would apply. Potential risks

related to project workers may include discrimination on the basis of gender, status, disability and/or other during the hiring process; health and safety risks during travels to the project locations (air and land travel); and other risks related to working conditions such as no mechanism for raising concerns at the workplace.

Due to COVID-19 circumstances, the potential health risks to project workers, of exposure to infection and transmission of the virus, will be mitigated through employing virtual meeting formats to the extent possible. Relevant precautionary personal health measures when traveling and working in an office arrangement will include the provisions and use of Personal Protective Equipment (PPE) consistent with the government and good practice guidelines.

A Labor Management Procedure (LMP) will be prepared by PWYP to guide the management of labor, including personal health and safety measures, provision and use of PPE, and other provisions in compliance to the Government of Indonesia's Labor Law, such as fair and equal opportunity for hiring process and pay, grievance redress mechanisms at the workplace, codes of conduct pertaining to Gender Based Violence (GBV)/Sexual Exploitation and Abuse/Violence Against Children (GBV/SEA/VAC).

#### **ESS3 Resource Efficiency and Pollution Prevention and Management**

ESS3 is considered not applicable. The project objective is focused on improving the access to information in revenue management and mining licensing to which project activities are limited to the collection of information and advocacy of issues through MSFs. Processes related to the policy and regulatory framework, and decision making specific to ESS3 requirements remain outside the scope of the project as these fall under the remit of the government and local parliaments, and not under PWYP, the lead project implementing agency. The project does not support direct physical investments onsite, feasibility/design studies, nor procurement of harmful substances that would otherwise require efforts to addressing resource efficiency and pollution prevention and management under ESS3 requirements.

#### **ESS4 Community Health and Safety**

ESS4 is considered not applicable. The project objective is focused on improving the access to information in revenue management and mining licensing to which project activities are limited to the collection of information and advocacy of issues through MSFs. MSF discussions that may touch upon ESS4 aspects will be noted and shared with the government, since they go beyond the scope of this project. Processes related to the policy and regulatory framework, and decision making specific to ESS4 requirements remain outside the scope of the project as these fall under the remit of the government and local parliaments, and not under PWYP, the lead project implementing agency. The project does not finance physical investments, including purchase of equipment which potentially increase community exposure to health and safety risks and impacts.

#### **ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

ESS5 is considered not applicable. The project will not finance infrastructure and TA on exploration, feasibility and design which may facilitate mining licensing. Hence, downstream risks related to land taking, involuntary



resettlement and/or restrictions on land use is not envisaged under the scope of the project. The project does not provide TA with downstream implications considered under ESS5. The scope of the project is limited to facilitating stakeholder dialogue and community participation through the MSFs.

**ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

ESS6 is considered not applicable. The project objective is focused on improving the access to information in revenue management and mining licensing to which project activities are limited to the collection of information and advocacy of issues through MSFs. Processes related to the policy and regulatory framework, and decision making specific to ESS6 requirements remain outside the scope of the project as these fall under the remit of the government and local parliaments, and not under PWYP, the lead project implementing agency. The project does not support direct physical investments onsite, feasibility/design studies, nor procurement of harmful substances that would otherwise require efforts to addressing potential risks and impacts on natural and critical habitats, and areas of biodiversity importance required under ESS6.

**ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

The project addresses issues that directly affect Indigenous Peoples and would therefore require their proactive inclusion and involvement and active participation with due consideration to their identities, aspirations and priorities as part of the overall project implementation. No activities requiring Free, Prior and Informed Consent will be funded under the project. The project will accord inclusive and meaningful consultations with these communities. For this purpose, the project's SEP will integrate relevant provisions of meaningful and inclusive engagement as well as accessible grievance redress mechanisms for Indigenous Peoples who may be present in locations where pilot activities will be initiated.

**ESS8 Cultural Heritage**

ESS8 is not considered applicable. The project will not finance infrastructure and TA on exploration, feasibility and design which may facilitate mining licensing. Hence, downstream risks related to cultural heritage both tangible and intangible are not envisaged under the project. The project does not provide TA with downstream implications considered under ESS8. The scope of the project is limited to facilitating stakeholder dialogue and community participation through the MSFs.

**ESS9 Financial Intermediaries**

ESS9 is currently considered not relevant for this project.

**C. Legal Operational Policies that Apply**

**OP 7.50 Projects on International Waterways**

No

Public Disclosure

**OP 7.60 Projects in Disputed Areas**

No

**III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE**

**A. Is a common approach being considered?**

No

**Financing Partners**

N/A

**B. Proposed Measures, Actions and Timing (Borrower’s commitments)**

**Actions to be completed prior to Bank Board Approval:**

- Preparation of an Environmental and Social Commitment Plan (ESCP) for the proposed operation;
- Stakeholder Engagement Plan (SEP), which include provisions for meaningful and inclusive engagement as well as accessible grievance redress mechanisms for Indigenous Peoples who may be present in locations where pilot activities will be initiated;
- Labor Management Procedure (LMP);
- Terms of Reference (ToR) for Environmental and Social Focal Points, defining responsibilities for the overall environmental and social management.

All the above documents will need to be prepared, consulted and disclosed by PWYP prior to end of appraisal.

**Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):**

- Appointment of environmental and social focal points (one for each) for the project as per approved TOR;
- Environmental and social monitoring and oversight;
- Training and capacity building on ESF requirements for focal points, PWYP staff, partner implementing CSOs and MSF stakeholders.

**IV. CONTACT POINTS**

**World Bank**

|               |                             |        |                                      |
|---------------|-----------------------------|--------|--------------------------------------|
| Contact:      | Balada Amor                 | Title: | Sr Mining Spec.                      |
| Telephone No: | 5781+3127 / 62-21-5299-3127 | Email: | bamor@worldbank.org                  |
| Contact:      | Ann-Sofie Jespersen         | Title: | Senior Social Development Specialist |
| Telephone No: | +1-202-473-0143             | Email: | ajespersen1@worldbank.org            |
| Contact:      | Noriko Toyoda               | Title: | Senior Governance Specialist         |

Public Disclosure



## The World Bank

Citizen Monitoring for Transparency and Accountability of Licensing and Revenue Management in Mining Sector (P163797)

Telephone No: 5781+3293 / 62-21-5299-3293 Email: ntoyoda@worldbank.org

### Borrower/Client/Recipient

Borrower: Yayasan Transparasi Sumber Daya Ekstraktif (Publish What You Pay Indonesia)

### Implementing Agency(ies)

Implementing Agency: PWYP Foundation

Implementing Agency: Yayasan Transparasi Sumber Daya Ekstraktif (Publish What You Pay Indonesia)

## V. FOR MORE INFORMATION CONTACT

The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 473-1000  
Web: <http://www.worldbank.org/projects>

## VI. APPROVAL

Task Team Leader(s): Balada Amor, Ann-Sofie Jespersen, Noriko Toyoda  
Practice Manager (ENR/Social) Ann Jeannette Glauber Recommended on 19-Jun-2020 at 00:05:15 GMT-04:00