

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

**Report No.:** PIDISDSA21400

**Date Prepared/Updated:** 15-Feb-2017

**I. BASIC INFORMATION**

**A. Basic Project Data**

<b>Country:</b>	Indonesia	<b>Project ID:</b>	P156473
		<b>Parent Project ID (if any):</b>	
<b>Project Name:</b>	Strengthening Rights and Economies of Adat and Local Communities (P156473)		
<b>Region:</b>	EAST ASIA AND PACIFIC		
<b>Estimated Appraisal Date:</b>	12-Dec-2016	<b>Estimated Board Date:</b>	10-Mar-2017
<b>Practice Area (Lead):</b>	Environment & Natural Resources	<b>Lending Instrument:</b>	Investment Project Financing
<b>Borrower(s):</b>	Samdhana Institute Indonesia		
<b>Implementing Agency:</b>	Samdhana Institute Indonesia		
<b>Financing (in USD Million)</b>			
<b>Financing Source</b>			<b>Amount</b>
Borrower			0.00
Climate Investment Funds			6.33
Total Project Cost			6.33
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Appraisal Review Decision (from Decision Note):</b>	The review did authorize the team to appraise and negotiate		
<b>Other Decision:</b>			
<b>Is this a Repeater project?</b>	No		

**B. Introduction and Context**

**Country Context**

Indonesia is endowed with the third largest tropical forest area in the world. Indonesia's rural

population accounts for 47 percent of the total population (or about 118 million people), nearly half of which (48.8 million people) live in or around forestland. The poverty rate in forest areas is 20 percent, double the national average. Many of Indonesia's communities have longstanding, direct and multi-faceted relations with natural ecosystems, relying on them for subsistence, livelihoods and economic development. In 2013, nearly 55 percent of the population remained dependent on land for their subsistence. On average, 20 percent of household income for these communities is derived from natural resources. In some regions, like Papua, this value is as high as 50 percent.

Unclear land use policies and land tenure is an underlying cause of deforestation and forest degradation. Land governance in Indonesia is complex. De jure access and use of the Forest Estate is controlled by the Ministry of Environment and Forests (MOEF), even though the National Land Agency (BPN), has the mandate for land titling, records and other administrative functions. The dual system land administration in Indonesia has resulted in overlapping land-related regulations and guidelines, and ambiguous provisions regarding the management and administration of land and land-based natural resources. The resulting deforestation is of concern for Indonesia and the world, as the 94 million hectares of natural and planted forests are important biodiversity habitat and an important global carbon sink. Tackling land tenure reform is a central part of the policies and regulations to be reviewed as part of Indonesia's strategy to Reduce Emissions from Deforestation and Forest Degradation (REDD+).

The livelihoods of forest dependent communities are also challenged by lack of tenure security. In Indonesia, the allocation of large tracts of land in the form of long-term concessions for industrial agriculture, mining, hydropower, road building and other industrial infrastructure has often disregarded customary land rights and tenure. Lack of tenure security among indigenous peoples and local communities (IPLC) is a driver of poverty and social strife, in addition to an underlying cause of deforestation and environmental change. The situation is exacerbated by the fact that IPLC families who lose use rights or customary holdings seldom receive fair compensation from either the state or investors. Despite progress made in recent years, the complex forest land use policies and land governance system have resulted in government rarely receiving sufficient concession or lease fees or other revenues that could be used for poverty reduction.

Compounding the problem of tenure insecurity is the limited access communities in forested areas have to services. Communities living within forested areas of the Forest Estate (this does not include communities living at the border of the Forest Estate or in areas around the Forest Estate) are often not assigned a village status and code. As a result, these communities do not receive public transfers such as the village fund - Dana Desa or Alokasi Dana Desa. They also do not receive services from the line ministries such as Health and Education. They only receive support from the MOEF. When these communities are recognized as a village (whether Adat or regular) they are then entitled to receive the services provided in the Village Law and from other line ministries. Also, any community that is registered as an Adat Villages receive can adopt a governance system that reflects their local customs.

Efforts to reduce deforestation and poverty among forest dependent households must sustain the forest system and augment tenure security. Given the context of recent government initiatives with regard to climate change, forestland management and land governance in Indonesia, there are opportunities for this proposed project to have broad impact, with its focus on building capacity of IPLCs to secure tenure and access to services. Clarifying tenure rights will enable

IPLC households to access technical assistance and investments to sustainably manage their natural assets, improve their livelihoods, and promote their needs and interests in policy discussions. Clear tenure and improved access to services will also address drivers of deforestation and, over time, help mitigate GHG emissions from forest land conversion.

### **Sectoral and institutional Context**

The Indonesian Government is currently reviewing its policies that shape land governance and access to services and financing in villages. Tenure security for IPLC remains an issue because of the dual system of land administration in Indonesia, involving MOEF and the BPN. National and sub-national governments are beginning to take more conscious decisions on forestland allocation and considering its impacts to land and society. These are partly triggered by the judicial decisions of the Constitutional Court on authority of MOEF over the Forest Estate, as large tracts have not been gazetted as forests, and on the legitimacy of Adat (customary) communities claims to land. In line with this is reviewing the process for different forest tenure regimes for increased community benefits. Overall, the better governance of forestland resources has become a priority, and multi-stakeholder dialogue has become possible representing a major opportunity for engagement.

There have been several national efforts to address land conflicts and unsustainable land use. A key effort is focused on harmonizing base map data on land use through the development of One Map. The aim is to eliminate the use of different land use reference maps by different ministries and reduce the occurrence of incongruous regulations being applied to an area. In addition there have been several regulations issued to clarify the procedures for addressing issues related to land status and natural resource conflicts within the forest estate and specifying procedures for determining communal rights on customary land and for determining village authority.

In 2014, Joko Widodo, as the new Indonesian President, made a commitment to strengthen the rights of local communities over land and forest resources. Following this, MOEF has announced that 12.7 million hectares of forestland will be transferred to local communities by 2019. MOEF aim to achieve this target, which is part of the Government's five year plan (2015-2019), through social forestry schemes, which includes Hutan Kemasyarakatan (community forestry), Hutan Desa (village forests), Hutan Tanaman Rakyat (community plantation forests) and Hutan Adat (customary forests), as well as forming partnerships for collaborative forest management. While MOEF has expressed its commitment to enable social forestry, it is still in the process of revising regulations for processing permits for social forestry. There also is the need to ensure there are adequate incentives to process permits at the district and provincial level.

At the local level, in response to the Government's commitment to transfer management of 12.7 million hectares of forest lands to Adat and local communities, the Indonesian Indigenous Peoples Alliance (AMAN) and partners have been supporting communities to carry out participatory mapping of Adat land. They are also consolidating all the participatory land maps produced and are working to secure legal acceptance of these maps. Civil society groups report that by early 2016, nearly seven million hectares of indigenous land (of which 6.2 million hectares fall within the Forest Estate) have been mapped in approximately 760 locations in 19 provinces. These indicative indigenous land maps have been submitted on a regular basis, since 2012, to MOEF and the National Geospatial Agency (BIG) for necessary review, verification and steps for inclusion in the Government's One Map registry. As part of the One Map process, and in support of mapping community land (including land held by Adat communities), civil society groups have persuaded government to work with them on Standard Operating Procedures (SOP) for

participatory mapping of community lands.

Many good local initiatives to strengthen tenure are however not getting enough support to be effective. Several of these practices generally rely on voluntary intra- or inter-community and local government agreements and implementation. In the absence of sufficient support at the sub-national levels, such initiatives have generated limited impacts for IPLC groups.

While tenure security and clarity over rights is a necessary condition for improved livelihood, it must be accompanied with livelihood support to help reduce poverty. There is evidence from research on social forestry that permits for community based management need to be positioned within a broader effort towards community empowerment in forest management. In addition, for communities to derive benefits from their natural resources, they need to have access to information, market, decision-making process and support networks.

There are government programs that aim to provide livelihood support to local communities. MOEF has, as part of its Social Forestry and Environmental Partnership Directorate General, grant schemes that assist with livelihoods and enterprise establishment. These funds, however, come with restrictions on how they are used and scope, limiting the impact they have over the long-term. The Village Governance Law 6/2014 (Village Law) commits the central government to transfer up to 10 percent of total intergovernmental grants in the state budget to villages in the form of village funds (Dana Desa). It also commits districts to contribute 10 percent of their own-source revenues, revenue sharing grants, and general purpose transfers to the village budget. These funds are accessible to local communities that are registered as villages and have a village code.

IPLC require legal personality to avail of benefits from improved land management or financial compensation from REDD+ initiatives. Communities must be registered as a village to access public funds like Dana Desa. The formal procedures for becoming a registered village, thereby, accessing public funds and influencing public services, requires recognition of existence for indigenous peoples before they can be a rights holder or be granted public administration through Desa Adat. The Village Law also allows for autonomous governance structures based on customary claims (Desa Adat), with substantial opportunities to self-govern based on traditional laws and customs. According to the One Map requirements as stated in Perpres 6/2009, a Peta PERDA Tanah Ulayat (a Regional Government By-Law on Land Rights Accorded to Ethnic Groups) needs to be developed. The PERDA, which is issued following compliance with several requirements, allows an ethnic group to move from a Masyarakat Adat (Ethnic Community) status to one of Masyarakat Hukum Adat (Legal Ethnic Community) status.

Maps of ancestral lands are important in the process of obtaining recognition of ancestral or communal lands. A regulation is currently being drafted that will require a participatory mechanism for mapping the ancestral lands and will require the province, after verification of the land, to enact the result as a PERDA. IPLCs, however, have been engaging in participatory mapping processes, using extensively tested participatory mapping approaches to map their ancestral lands. These participatory maps, while not formal maps till they are verified, form a basis for dialogue with local government and negotiation. They also can help accelerate the verification process of customary claims. Article 76 of the Village Law makes specific reference to communal land (Tanah Ulayat) as a village asset if a village has been legally recognized as an adat village by district or provincial legislation.

## C. Proposed Development Objective(s)

### Development Objective(s)

To improve the capacity of participating indigenous peoples and local communities (IPLCs) to engage in tenure security processes and livelihood opportunities from sustainable management of forests and land

### Key Results

The three PDO level results indicators include:

- a. Participating IPLCs submit evidence for recognition of tenure to the government (number of communities)
- b. Sub-projects successfully completed and achieved their objectives which are consistent with FIP objectives (percentage)
- c. DGM Program participants who benefit (monetary or non-monetary) from grant activities, disaggregated by gender (number).

## D. Project Description

The proposed project (hereafter referred to as the Dedicated Grant Mechanism (DGM-I) is a demand driven delivery mechanism, designed by and for IPLC to channel funds effectively and efficiently to strengthen their visibility, and recognize and enhance their roles in the FIP, other REDD+ and related programs, and broader sustainable natural resource management at the local, national, and global levels. DGM-I follows the framework of the global DGM program.

Responding to the DGM-I National Steering Committee's priorities, the project will make a strategic contribution to the lives of IPLC households and their tenure security. The DGM-I aims to strengthen the capacity of IPLC households to obtain secure and equitable access and control over forest and agricultural land. This is an important key step to allow IPLC households to begin their engagement with FIP and other REDD+ related programs since access to land is critical requirement for IPLCs to obtain recognition from the state in Indonesia. It will particularly emphasize secure access for those communities who have already mapped their land areas as part of participatory land use mapping process initiated by CSOs. Guided by principle of equality in the approach, DGM-I will pay particular attention to the inclusion of LC and IPs at all levels of the process and project investments. To achieve this goal, the project will invest in select IPLC groups livelihoods priorities and at the same time enable them to become more effective in promoting and protecting IPLC tenure rights.

The DGM-I aims to help bolster both government and IPLC's interest to clarify tenure of forests and land and improve livelihoods. The DGM-I is designed to address both the immediate and systemic challenges of tenure security among IPLC, and to leverage the opportunities afforded by changes already underway in Indonesia. By focusing on existing opportunities to enhance their livelihoods opportunities and leveraging these to optimally position IPLC for securing formal recognition of their tenorial claims, the DGM-I will support these groups in scaling up their own learning and successes, and contribute significantly to address the drivers of deforestation and climate change. Through this support, the DGM-I will contribute to efforts on tenure reform, which is a key part of the REDD+ agenda in Indonesia.

The project will have three components (which are described briefly below)

**Component Name**

Component 1: Grants to strengthen IPLC capacity to enhance tenure security and improve livelihoods

**Comments (optional)**

This component will, through the provision of grants, build the capacity of IPLC to pursue: (i) clarity and security over their rights to land (including forest land) in rural areas, and (ii) improved livelihoods. This component will result in mechanisms, skills, and outputs that will assist the participating IPLCs to advance efforts to strengthen tenure and improve their well-being. It will help the participating IPLC to fulfill (to the extent possible) government requirements for greater land tenure security and access to services that improve livelihoods.

**Component Name**

Component 2: Inform policy processes and dialogues

**Comments (optional)**

This component will focus on strengthening how IPLC representatives engage in national and subnational policy and decision-making processes that will inform issues regarding REDD+, addressing drivers of deforestation, landscape management and IPLC livelihoods. In addition to building IPLC representatives' capacity to participate in such processes the component will also assist in prioritizing the strategic processes IPLC will engage in at the subnational and national level. It will also equip IPLC with information to garner more support for their key issues.

**Component Name**

Component 3: Project Management, Monitoring and Evaluation

**Comments (optional)**

This component will include management and supervision of the project. It will also support the design and implementation of a strategy for the continued communication (exchange) between the NSC and the people it represents. The funds will also cover the costs of establishing and operating a monitoring and evaluation (M&E) mechanism that engages local communities and informs the implementation of the project in addition to tracking performance.

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

**F. Environmental and Social Safeguards Specialists**

Fajar Argo Djati (GSUID)

Ina Pranoto (GEN2A)

Rambat Sakwan (GSUID)

**II. Implementation**

**Institutional and Implementation Arrangements**

A National Steering Committee (NSC) is established in each FIP pilot country to oversee the DGM

implementation in the respective country. In Indonesia, the NSC was established in June 2014 following a consultative process that was facilitated by the Community Chamber of the National Forestry Council (DKN = Dewan Kehutanan Nasional). It resulted in the selection of nine IPLC representatives, including seven men and women representing IPs and two representatives for indigenous women and local communities. Subsequent to the formation of the NSC, a representative of the Ministry of Environment and Forestry (the FIP Focal Point) was invited to participate in the NSC as an observer to facilitate coordination with other efforts being implemented by the ministry. The World Bank, as the lead Multilateral Development Bank (MDB) supporting the DGM in Indonesia, is also an observer on the NSC. Both the government and World Bank representatives will provide inputs during the NSC meetings on technical soundness, operational feasibility and alignment of proposals with national policies and MDB policies. They will also help the NSC link the DGM activities with relevant rural development/forestry programs in the country to strengthen synergies and explore co-financing for activities and participate in the decision-making process for strategic decisions. Neither the MDB nor Government representative will take part in the selection of grant proposals for funding by the DGM, which will be decided solely by IPLC members.

The NSC will have various responsibilities. It will agree on the criteria for project selection. During implementation the NSC will engage in selecting project proposals and will approve the NEA's annual project workplan. The NSC will also actively seek feedback from their IPLC constituents, identifying emerging needs and opportunities. A representative of the NSC is also expected to participate in the Technical Steering Committee for a FIP financed project, the Program Steering Committee of the Forest Investment Program, and the Global Steering Committee of the DGM (support for the latter will be from the Global DGM).

The NSC is assisted by a National Executing Agency (NEA). The NEA was selected following a competitive bidding process. It is responsible for the day-to-day implementation of the project for ensuring the project is implemented in accordance with the POM and for all the monitoring and reporting obligations. It will also be responsible for providing semi-annual progress reports on the implementation of the program to the DGM Global Steering Committee. The NEA will work in partnership with CSOs/CBOs and NGOs that will work directly with community groups. The NEA will help them conceptualize, carry out and evaluate, in partnership with local communities, their grant financed projects. The NEA will administer the grant mechanism at a scale and scope that is aligned with their capacity and will bring in consultant support to respond to the capacity needs identified in the project assessment.

The specific roles and responsibilities of the NSC, NEA, recipients of subgrants and the World Bank are outlined in Annex 2 and the Project operational manual (POM).

### III. Safeguard Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	DGMI triggers OP/BP 4.01 on Environmental Assessment and is classified as Category B. The project is expected to generate positive environmental and social outcomes because it seeks to promote forest and natural resource management, climate change adaptation for IPLCs, tenurial security and sustainable ethno-development. Any unintended adverse impacts triggered and/or associated with project interventions are anticipated to

		<p>be minor and site-specific. Component 1 (sub-component 1.2 and 1.3) aims to strengthen IPLCs' capacity to obtain tenure security and improve livelihoods through sustainable management of land and resources. Priority will be given to existing ongoing efforts and locations that are part of vulnerable landscapes (e.g., peatlands, lowlands, fire prone areas, small islands that are subject to pressure from industries such as mining and plantations). Proposed activities under this component will have to go through preliminary screening to identify potential impacts and safeguard requirements, which include the following processes:</p> <p>a. Screening against the DGMI Negative List. The NEA in consultation with the NSC has established a Negative List for the project to ensure that any proposal not aligned with GOI regulations or initiatives with potential adverse impacts will not be financed and;</p> <p>b. Screening against the Environmental and Social Safeguards Checklist. An Environmental Code of Practices will be developed to guide implementing units in minimizing impacts/risks to environment and human health; and developing mitigation action plans e.g. Environmental Management Plan, environmental permits (UKL/UPL, SPPL), etc. as relevant.</p> <p>c. Prior to the effectiveness of this project, the NEA in consultation with NSC will finalize the Project Operational Manual (POM) and relevant Standard Operating Procedures (SOPs) to operationalize the ESMF, including procedures for oversight, complaint handling and community participation.</p>
Natural Habitats OP/ BP 4.04	Yes	<p>The Natural Habitat Policy is triggered because some of sub-project activities may have impacts on natural habitats such as agroforestry, land use management, Non-Timber Forest Product (NTFP) harvesting, etc. The projects will not support initiatives that would potentially lead to conversion and/or degradation of critical or non-critical natural habitats. The ESMF includes measures to promote sound management of natural resources and natural habitats. Project activities will strive to promote good practices in forest management, including innovative ideas to protect environmentally sensitive habitats and enhance the project's positive impacts on the environment.</p>
Forests OP/BP 4.36	Yes	<p>The Forest Policy is triggered as the proposed activities may take place in natural forest areas. Community proposals may bring about changes in the management, protection and/or utilization of natural forests (e.g. support for NTFP and timber sub-projects). The ESMF includes a framework and best-practice guidelines for the environmental management plan for timber sub-projects. DGMI may finance harvesting operations conducted by small-scale landholders and/or by local</p>



		communities under community forest management if such operations have achieved an acceptable standard of forest management developed with meaningful participation of locally affected communities, consistent with the principles and criteria of responsible forest management as outlined in the ESMF.
Pest Management OP 4.09	Yes	The Pest Management policy is triggered as proposed sub-project activities may lead to acquisition, use and disposal of small quantities of pesticides (for short term use). The project will not procure or use pesticides and chemical fertilizers that are classified as IA or IB by WHO and GOI's regulations. DGM-I will encourage use of organic fertilizers for activities related to agriculture and agroforestry. However, since small quantities of eligible pesticides may be procured and used, the project will screen at the project level and when justified, assess the potential environmental and social impacts associated with use, storage and disposal. The project will not finance any pesticide without clear guidance and monitoring of safeguard specialists nor without targeted training on use, storage and disposal nor without the right equipment and installations necessary for the products to be used safely and appropriately. The ESMF has established IPM approaches (Annex 5) that every sub-project involving use of pesticides or pest management is required to adopt. The POM will further elaborate procedures for handling, storage and disposal of pesticides as well as a list of substances that cannot be purchased. Training and awareness raising on IPM will be built into capacity building activities for implementing CSOs/CBOs and participating communities prior and during project implementation.
Physical Cultural Resources OP/BP 4.11	Yes	The Physical Cultural Resources policy is triggered as proposed sub-project activities may have impacts on the use of and access to sites with potential cultural significance. No project activities are expected to affect Physical Cultural Resources. However, in the event that such impacts occur due to the implementation of sub-project activities (e.g. construction work, land demarcation, etc.), the ESMF incorporates procedures to address chance finds of physical and cultural resources in consultation with affected communities.
Indigenous Peoples OP/BP 4.10	Yes	DGM-I will be implemented in areas where there is significant presence of IPs (Adat communities defined above) and/or co-existence between Adat and local communities (i.e. in-migrants, other forest dwellers, etc.). Accordingly, proposals that receive funding from the DGMI are required to provide evidence of broad community support through free, prior and informed consultations to avoid adverse impacts and ensure

		that communities have a full and accurate understanding of the initiatives proposed. Since the vast majority of the beneficiaries will be IPs, a standalone Indigenous Peoples Planning Framework (IPPF) will not be required and elements of the IPPF will be integrated into the ESMF, including procedures of free, prior and informed consultations, institutional arrangement and capacity building for screening, impact assessment and preparation of relevant instruments, complaint handling, monitoring and evaluation (M&E) and disclosure arrangements.
Involuntary Resettlement OP/BP 4.12	No	The policy on involuntary resettlement is not triggered because the project will not finance activities that will result in involuntary resettlement i.e. involuntary taking of land and/or the exercise of eminent domain. Such activities will be explicitly incorporated into the negative list for the project. There will also be no access restrictions in relation to parks and protected areas as per OP 4.12. If Voluntary Land Donation (VLD) is required for project activities, the ESMF provides a guideline for the handling of such donations, including the processes for conducting consultations and obtaining consent from landowners and heirs, legal documentation and processing.
Safety of Dams OP/ BP 4.37	No	Not Applicable
Projects on International Waterways OP/BP 7.50	No	Not Applicable
Projects in Disputed Areas OP/BP 7.60	No	Not Applicable

#### IV. Key Safeguard Policy Issues and Their Management

##### A. Summary of Key Safeguard Issues

<p><b>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</b></p> <p>The project overall is expected to generate positive outcomes as it aims to strengthen IPLCs' capacity to obtain tenure security and improve livelihoods through sustainable management of land and resources. The project does not envision that potential impacts are large scale and irreversible for the following reasons: (1) the amount and scope of the project is small (maximum 30,000 USD in dollar value), (2) the project is run by the community and there are requirements for free, prior, and informed consultations to obtain broad community support, (3) the ESMF has incorporated a list of ineligible activities with potential adverse social and environmental impacts that every project proponent must abide by. However, there are still some potential risks that were envisioned. Mitigation measures were developed along these potential risks, including:</p> <ul style="list-style-type: none"> <li>- Lack of community participation and access to information. The geographic coverage of the project may presents constraints to the NEA and NSC to effectively ensure fair representation</li> </ul>
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<p>and participation of IPLCs to be able to equally access project benefits;</p> <ul style="list-style-type: none"> <li>- The determination of rights and resources can be a conflict-laden process particularly in areas with history of conflicts, and overlapping land claims (e.g. with concessions, or other neighboring communities). The aim of the DGM-I through sub-component 1.2 is to assist IPLCs to reduce such conflicts through strengthening their capacity to engage in processes to claim their tenurial rights in a participatory and legally acceptable manner. Sub-component 1.3 will not be financed in areas without tenure security in order not to further exacerbate existing tension and disputes over use of land and resources.</li> <li>- Mainstreaming women's participation can entail compromising traditional decision making structures particularly in the allocation and use of resources, which in some way present risks with regards to the project's acceptability to the stakeholders;</li> <li>- There may be some environmental implications resulting from the implementation of livelihoods activities if the ECOP is not diligently followed and oversight is weak.</li> </ul>
<p><b>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</b></p>
<p>The project does not envision long-term impacts for reasons described in point 1. However, there may be induced impacts with regards to the link between titling and land clearing, especially in anticipation of obtaining titles or demonstrating claims. Such impacts may take place if oversight is weak and information is distorted in such a way that elevate community expectations over claims.</p>
<p><b>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</b></p>
<p>N/A</p>
<p><b>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</b></p>
<p>The NSC and NEA do not have adequate capacity and experience in managing WB-funded projects and implementing the WB's safeguards. The current capacity will potentially be further strained by the scope of the project in seven priority regions across Indonesia. This raises concern over the internal capacity within the NEA and NSC to manage potential risks in each region, which requires significant resources to oversee.</p> <p>Some measures including establishment of a technical team (PMU) staffed with competent staff with expertise in safeguards and community participation have been established in the project design. The NEA (Implementing Agency) has developed an integrated ESMF containing safeguard provisions and measures to address social and environmental risks. In the design of the project, there will be a series of capacity building and community mobilization activities to further operationalize the ESMF and ensure that needed safeguard measures and capacity building are adequately resourced in community proposals prior to granting agreements and implementation. The NEA and NSC have also received technical support from the WB's safeguard team to ensure compliance with the WB's safeguard requirements.</p>
<p><b>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</b></p>
<p>The key stakeholders include representatives from IPs and LCs, both at the national and sub-national levels, government representatives (particularly the Ministry of Environment and Forestry, Ministry of Agrarian and Spatial Planning/Land Agency, Ministry of Home Affairs, and Ministry of Villages), as well as other CSOs/NGOs with interest in IPLCs issues . Face-to-face public consultations on the ESMF were held, involving the key stakeholders, in coordination with</p>

the national forest council (DKN). in addition, on-line consultations were also conducted, with the online link being proactively shared with members of the CSO/NGO community.

### **B. Disclosure Requirements**

<b>Environmental Assessment/Audit/Management Plan/Other</b>	
Date of receipt by the Bank	14-Dec-2016
Date of submission to InfoShop	06-Jan-2017
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	21-Nov-2015
"In country" Disclosure	
Indonesia	21-Nov-2015
<i>Comments:</i> Indonesia version: <a href="http://www.samdhana.org/Download%20file/DGM-ESMF_Indonesia.pdf">http://www.samdhana.org/Download%20file/DGM-ESMF_Indonesia.pdf</a>	
<b>Indigenous Peoples Development Plan/Framework</b>	
Date of receipt by the Bank	14-Dec-2016
Date of submission to InfoShop	06-Jan-2017
"In country" Disclosure	
<i>Comments:</i>	
<b>Pest Management Plan</b>	
Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	14-Dec-2016
Date of submission to InfoShop	06-Jan-2017
"In country" Disclosure	
<i>Comments:</i>	
<b>If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.</b>	
<b>If in-country disclosure of any of the above documents is not expected, please explain why:</b>	

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

<b>OP/BP/GP 4.01 - Environment Assessment</b>	
Does the project require a stand-alone EA (including EMP) report?	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>OP/BP 4.04 - Natural Habitats</b>	

Would the project result in any significant conversion or degradation of critical natural habitats?	Yes [ ] No [ × ] NA [ ]
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	Yes [ ] No [ ] NA [ × ]
<b>OP 4.09 - Pest Management</b>	
Does the EA adequately address the pest management issues?	Yes [ × ] No [ ] NA [ ]
Is a separate PMP required?	Yes [ ] No [ × ] NA [ ]
If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	Yes [ ] No [ ] NA [ × ]
<b>OP/BP 4.11 - Physical Cultural Resources</b>	
Does the EA include adequate measures related to cultural property?	Yes [ × ] No [ ] NA [ ]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [ × ] No [ ] NA [ ]
<b>OP/BP 4.10 - Indigenous Peoples</b>	
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes [ ] No [ ] NA [ × ]
<b>OP/BP 4.36 - Forests</b>	
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	Yes [ ] No [ ] NA [ × ]
Does the project design include satisfactory measures to overcome these constraints?	Yes [ ] No [ ] NA [ × ]
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?	Yes [ ] No [ × ] NA [ ]
<b>The World Bank Policy on Disclosure of Information</b>	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [ × ] No [ ] NA [ ]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [ × ] No [ ] NA [ ]
<b>All Safeguard Policies</b>	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [ × ] No [ ] NA [ ]
Have costs related to safeguard policy measures been included in the project cost?	Yes [ × ] No [ ] NA [ ]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [ ] No [ × ] NA [ ]

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
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## V. Contact point

### World Bank

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### Borrower/Client/Recipient

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## VI. For more information contact:

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## VII. Approval

Task Team Leader(s):	Name: Diji Chandrasekharan Behr, Gayatri Acharya	
<b>Approved By</b>		
Practice Manager/ Manager:	Name: Iain G. Shuker (PMGR)	Date: 16-Feb-2017
Country Director:	Name: Rolande Simone Pryce (CD)	Date: 17-Feb-2017