

Safeguards Policy

INDONESIA: Third National Program for Community Empowerment in Rural Areas (PNPM Rural III)

Isolated and Vulnerable Peoples Planning Framework

Introduction

PNPM Rural III is the most recent in a series of projects that began with the Kecamatan Development Project (KDP) and have been cited as a model for the development of projects of this nature. The objective of the Project is that villagers in PNPM rural locations benefit from improved socio-economic and local governance conditions. This **Isolated and Vulnerable Peoples Planning Framework** benefits from continual refinement to incorporate lessons of experience and best practice and reflects a pool of direct experience extending back over more than a decade in the Indonesian context with PNM Rural projects I and II, and grant-funded activities that use the PNPM Rural planning and implementation processes, in particular PNPM Generasi Sehat dan Cerdas (PNPM – A Bright and Healthy Generation) and PNPM Green.

This Framework serves as an umbrella guideline for the project to identify, consult and provide mechanisms to address potential positive and negative impacts that subprojects may have on Indigenous Peoples (IPs) or Isolated and Vulnerable Peoples (IVPs). It outlines the procedures put in place to ensure that all project activities are assessed and potential IVP issues are identified and addressed before an activity with the potential to affect IVPs commences.

A. PNPM Rural and OP 4.10

This objective of this Framework reflects the stated objective of OP/BP 4.10, i.e.:

- Ensure that Indigenous Peoples participate in and benefit from the project through a free, prior, and informed consultation; and
- Avoid or minimize potentially adverse effects of the project on Indigenous Peoples' communities. When avoidance is not feasible, minimize, mitigate, or compensate for such effects.

Operational Policy/BP 4.10 on Indigenous Peoples (IPs) requires that planning measures be established to protect the interests of ethnic groups with a social and cultural identity distinct from the dominant society that may make them vulnerable to being disadvantaged in the development process.

"Isolated and Vulnerable Peoples" is the term used officially by the Indonesian Government to describe groups that have the characteristics of "indigenous peoples" as used in OP/BP 4.10. This document will hereafter use the term "Isolated and Vulnerable Peoples" or IVPs.

As characterized in OP/BP 4.10, IPs communities can be identified in particular geographic areas by the presence in varying degrees of the following characteristics:

- A close attachment to ancestral territories and to the natural resources in these areas;
- Self-identification and identification by others as members of a distinct cultural groups;
- An indigenous language, often different from the national language;
- The presence of customary social and political institutions; and

- Primarily subsistence-oriented production.

Based on the above characteristics, there are many groups in Indonesia that may be classified as IVPs¹, for example:

1. Small pockets of highly isolated and vulnerable groups such as the Mentawai or other small island populations. Such groups can easily be adversely affected by development projects because of unfamiliarity with modern market mechanisms, cultural and administrative prejudices against them, or inability to retain control over productive and natural resources.
2. Much larger ethnic populations which meet most of the World Bank's typological requirements (own language, sense of identity, traditional attachments) but exhibit varying degrees of vulnerability, such as the so-called Dayak of Kalimantan or the tribal groups of East Nusa Tenggara.
3. Finally there are heterogeneous communities, where a segment of the population is culturally or economically marginalized. Several of the fishing populations of the eastern islands, for example, have unique identities and also occupy subordinate positions within local social structures.

The project design of the PNPM Rural series and their predecessor, the Kecamatan Development Project (KDP), is structured to ensure the participation and inclusion of various groups (including women, the poor, and isolated and vulnerable peoples) in local level decision making over resource allocation. Specific measures in the project design (to be discussed in further detail below) include social mapping to identify target beneficiaries; village-level project facilitators and implementing teams elected by their communities; development of sub-village planning units; and verification by teams from outside the village on sub-project appropriateness and compliance with project rules.

B. Experiences from the KDP and PNPM Rural series

The project design of the PNPM Rural series and their predecessor, the Kecamatan Development Project (KDP), is structured to ensure the participation and inclusion of various groups (including women, the poor, and isolated and vulnerable peoples) in local level decision making over resource allocation. Specific measures in the project design (to be discussed in further detail below) include social mapping to identify target beneficiaries; village-level project facilitators and implementing teams elected by their communities; development of sub-village planning units; and verification by teams from outside the village on sub-project appropriateness and compliance with project rules.

During the twelve-year history of the KDP and PNPM Rural series, no systematic adverse impacts on IVPs have been found. A number of test cases have been specifically supervised to assess impact on IVPs. In each case, the KDP and PNPM Rural project process proved highly adaptive to local cultures and able to work with local structures. Specific examples are below.

- On Java, the Baduy, who as a rule reject outside development projects. The project did not enter the Baduy area until it was approached by traditional leaders and the terms of encounter negotiated and recorded by both sides.

¹ A list of geographical distribution of IVPs (based on "Komunitas Adat Terpencil" or "KAT") in Indonesia, as presented in the "EGIMap - Strengthening IPs Screening in Indonesia", 2010, World Bank, will be used as a reference for the PNPM-Rural projects. IPs per Bank's policy that do not fall under the KAT category will be identified through community consultations, NGOs, and social experts during the preparation of sub-project proposal.

- Indigenous communities on the island of Nias, near West Sumatra. In Nias, KDP initially experienced several implementation problems because of Nias' isolation and the deeply hierarchical village structures, but again no adverse impacts could be identified. Ongoing post-tsunami reconstruction is closely supervised by the Bank through the closely linked KRRP (KDP Recovery and Rehabilitation Project) funded by the Multi Donor Trust Funds (MDTF) for Aceh and Nias. Through KRRP, the Nias program has undertaken special activities to protect cultural heritage and involve Nias school children in cultural heritage awareness through the Nias museum and the school out-reach component.
- General supervision in the eastern islands also failed to turn up any systemic adverse impacts on ethnic minorities.

In addition, the project design has proven to be more flexible than anticipated; in provinces such as Aceh or West Sumatra, where kin-based descent units also carry out important administrative functions, the project produced special guidelines that used these traditional units rather than the standard kecamatan and village structures.

The project is aware that the increased use of culturally apposite forms of social organization have come an entirely new generation of problems associated with the people excluded by traditional social structures, such as, for example, women, immigrants or low status groups. In addition to the clear program requirements (discussed below) that help mitigate deleterious effects of sub-projects on those excluded from traditional social structures, the project has improved training of facilitators who work directly with local communities, and worked with traditional leaders on making their group's workings more inclusive.

The project puts a significant emphasis on oral command of a local language. Sub-district facilitators are selected and hired in each province with preference being given to those that can speak the local language used in their assignment area. When printed materials are needed, they are put into the local language.

C. PNPM Rural Framework for Community Consultation and Development of Sub-Projects

The project design recognizes that meaningful participation by poor and disadvantaged sections of society requires clear measures within the project procedures that facilitate their participation and inclusion. The project is implemented by project staff (facilitators), working with operational teams (PJOProv at the provincial level; PJOKab at the kabupaten level; PJOK at the kecamatan level) that consist of officials from the provincial, kabupaten, kecamatan level governments. The project is committed to and has existing project mechanisms to ensure that IVPs groups are:

- Consulted on sub-projects that may affect (either benefit from or negatively impacted by the project) them;
- Provided opportunities for participation in decision making related to the sub-project
- Provided opportunities for participation in project activities, should they so desire.

Specific project mechanisms undertaken at the sub-village and village levels to facilitate the participation, consultation, and inclusion of IVP groups in the planning and development of sub-projects are:

1. **Project Socialization:** Multiple consultations are held at the village and sub-village levels to clarify PNPM Rural principles, process, and requirements, and to elect local

representatives to work on the projects and assist in the development of sub-projects. The consultations are open to all community members but guidelines require special invitations be extended to representatives of marginalized groups (including the very poor, women, and indigenous groups), traditional/religious/ethnic leaders, NGOs, as well as village and sub-district government officials. Forty percent of participants must be women.

Since local community members will be planning and executing the sub-projects, they are expected to be either representatives of the IVPs communities or familiar with the group. Where IVPs are identified, efforts will be made to ensure that at least one local project representative is from the group and able to communicate easily with the group.

Sub-district Facilitators will identify the presence and numbers of IVPs in the community and document this. Every sub-district is provided a community training grant that allows local facilitators to conduct training specifically tailored for IVPs. Training is done that addresses the specific challenges in working with such groups, for example, how to deal with groups that may be in conflict with the larger community, etc.

2. **Social Mapping Process:** Undertaken at the sub-village and village levels, in this series of consultations the community creates baseline data for the sub-village that identifies local poverty characteristics using local terms/language and classifies all households as per the this criteria to better identify program target beneficiaries. The facilitator documents this baseline data of community-identified criteria and the poor households. The sub-village and village social map becomes a project document later used by the Verification Team (from outside the village) and the Project Facilitator.
3. **Sub-project Development:** Consultations are held among groups (formal and informal) at the sub-village level, including IVPs, women, and the very poor, to identify causes of local poverty, medium term vision for the sub-village and village, and suggest sub-project solutions. Further consultations are held at the village level to select sub-projects for competition at the sub-district level. Consultations are undertaken in the local language. This data is included in the next phase of the process, the sub-project drafting phase.
4. **Sub-Project Drafting and Verification:** Executed by community-elected representatives with support from the Sub-district Facilitator, three sub-project proposals are drafted and documentation prepared. Verification that all community members that will be impacted by the sub-project have been consulted.
5. **External Verification of Sub-Project:** After an initial assessment by the Sub-District Facilitator, a team verifies the proposed sub-project, assessing quality of documentation, the level and quality of overall participation, including the participation of IVPs, in the identification of the priority and preparation of the sub-project plans.

Special Program for Papua

The full Papua program is summarized in the “social” analysis part of the PNPM III Rural Project Appraisal Document. This section will deal only with those issues relevant to safeguards.

KDP has been active in Papua since its inception. As in other areas, the program in Papua has the goal of empowering villagers to undertake their own development through a process of village and kecamatan-wide meetings with the facilitation of consultants. Villages have undertaken the construction of infrastructure as well as group economic activities. Local governments have been eager to expand PNPM- Rural activities, funding annually since 2007 all sub-districts with block

grants with over US\$11,000 in every village in both Papua and West Papua (over 4,000). As noted previously, to ensure a longer-term flow of benefits to rural communities even after PNPM finishes, PNPM-Rural in Papua also includes a large training program for promising graduates from the indigenous communities, who will be trained for six months in civil engineering before joining PNPM. This training has been carried out two times and a third training is planned before the end of 2010. A similar training is also to be carried out soon for “Barefoot Agronomists”. Eight full-time coaches have already been assigned to Papua to provide the engineering students with operational oversight and practical supervision. Another program developed in partnership with the British Council that provides for extended training in social facilitation for Papuan facilitators has graduated its first 50 facilitators.

Monitoring and Grievance Procedures

Monitoring

Monitoring at the Village/Kecamatan Level

During the consultation phase, communities must assess and document who exactly will be impacted by any proposed sub-project and must then determine whether or not to proceed and if the decision is to proceed identify and agree compensation. In preparation for proposing projects to the Inter-Village Meeting (MAD, or musyawarah antar desa) these documents are reviewed by project facilitators, village implementing bodies, representatives of village governments, and kecamatan level operations units (PJOK) that consist of government representatives from the kecamatan level. Any complaints or objections to the sub-project plan are documented. If complaints or objections to the sub-project arise or appear in the sub-project documents, the first level of arbitration is at the village/kecamatan level. **Sub-projects may not proceed until all objections have been resolved.** The project mechanism provides for further arbitration at the district levels (further described below). Where IVPs are identified, the facilitators are required to document their participation in the project. Villages are required to evaluate PNPM Rural processes and activities at the end of each phase of the project cycle.

Monitoring at the Kabupaten and Provincial Levels

Kecamatan facilitators hold routine coordination meetings with their kecamatan government counterparts (PJOK) to discuss any problems arising during project implementation. In addition to these meetings, monthly coordination/review meetings are held at the kabupaten level and organized by the Kabupaten Coordination Team (PJOKab) for all kecamatan and kabupaten level program staff and facilitators, and district government staff involved in the project. Kecamatan-level staff reports their project monitoring data (including participation rates among the community, specifically women, the poor, and IVPs) and any project implementation problems to the district. Furthermore, there are monthly coordination meetings at the provincial level, organized by the Provincial Coordination Team (PJOProv) for all kabupaten and provincial project staff and facilitators. At the national level meetings are organized by the Ministry of Home Affairs Directorate General of Community and Village Empowerment (PMD), facilitated by the NMC. The Kabupaten level PJOKab and the provincial working units (PJOProv), along with project staff, are responsible for operational activities, including possible impact on IVPs, with the executive at each level of government (camat at the kecamatan level; bupati at the kabupaten level; governor at the provincial level) also holding responsibility for project implementation.

Monitoring by GOI, the NMC, and World Bank

Regular supervision missions are undertaken by the Ministry of Home Affairs Directorate General of Community and Village Empowerment (PMD), NMC, and World Bank. Project management from the World Bank, PMD, and NMC undertake regular supervision of PNPM Rural, on average, 10 days per month at the provincial level. For the kabupaten and kecamatan levels of project implementation, the World Bank, PMD, and NMC undertake an average of 15 days of supervision per month.

Back to Office Reports (BTOR) by World Bank staff are drafted upon return from the field and compile the total input and recommendations from the World Bank, PMD and NMC teams. An Aide Memoire is drafted twice annually after joint supervision mission and presented to the project management unit at PMD and copied to all members of Tim Pengendali (Coordinating Ministry for People's Welfare, National Planning Board, Ministry of Finance) and NMC. The Aide Memoire contains a section on Agreed Next Steps which documents recommendations and observations presented at the wrap-up meeting, identifies the agency responsible for follow-up, and a timeline for that follow-up to be undertaken and completed. Based on this, PMD delivers recommendations to all Governors and District Heads (Bupati) regarding implementation. Further disclosure of IVPs will come from documents available in line with the World Bank's Access to Information Policy.

Grievance Procedures

PNPM Rural's scope demands a dynamic complaints handling mechanism that allows all stakeholders—community members, facilitators, government and all other stakeholders—every opportunity possible for filing complaints. The project actively requires socialization of complaints handling mechanisms at all consultations. All stakeholders have the opportunity to file anonymous complaints about the program as well as making their complaints in person.

Anonymous Complaints Filing

Available to stakeholders at all levels, anonymous grievances filing may be done via SMS, fax, direct mail, and email. The addresses for complaints handling must be posted publicly at kecamatan financial management units (UPK) and on information boards. These complaints are gathered at the provincial and national levels. Processing for the SMS complaints go straight into a database housed at the National Management Consultants (NMC).

The majority of complaints filed come via the SMS complaints handling mechanism and project consultants/facilitators. All grievances are documented and fed into a centralized complaints handling mechanism. Consultant reports are filed locally, and documented at the provincial and national levels. The project maintains a database of complaints received from all sources and a summary of these are posted each month on the PNPM Rural website (<http://www.ppk.or.id/>). The project strives to resolve grievances at the local level, as much as possible. The service standard for dealing with standard complaints is two-three weeks. For more serious complaints, the service standard for dealing with complaints is maximum three months. If complaints have not been resolved during that time period they are automatically referred to the next level of project management for resolution. When necessary, problems are sent to the formal legal system.

Complaints Handling at the Village, Kecamatan, and Kabupaten Levels

In addition to the anonymous complaints handling described above, complaints may also be made to every level of project staff and local government representatives. These complaints are recorded as part of standard project documentation and reported up to the kabupaten and

provincial levels, and are fed into the national complaints handling database. If complaints cannot be resolved at the village and kecamatan levels, they will be addressed at the kabupaten coordination meeting with project staff and kabupaten working unit (PJOKab). Cases not resolved at this level are raised to the national level, via the province (PJOProv).

National and Provincial Role in Complaints Handling

There are staff members at the NMC dedicated to addressing complaints handling. There are also **provincial complaints handling** specialists at the Regional Management Consultants (RMC) that are responsible for following up on complaints and ensuring that they are handled adequately. Meetings are held monthly in every district to review project progress and problems, including issues of the participation of IVPs. The agenda for these monthly meetings includes a review of actions taken to address any complaints lodged and a review of whether the time taken to respond falls within the service standard. Local NGOs are contracted to monitor independently project implementation, in particular levels of transparency and participation. With regard to IVPs, PMD with assistance from the NMC has the responsibility for monitoring the treatment of IVPs in the project. Supervision missions by the PNPM Seretariat and its consultants in the Directorate General of Community and Village Empowerment (PMD) Ministry of Home Affairs, GOI, World Bank and NMC further monitor the involvement of IVPs.

Project evaluation studies will include monitoring and evaluation of the impact of the project on IVPs. A qualitative study on marginalized groups will be finalized in mid-2010 and strongly inform future project policies.

Reporting and Disclosures

Village level

At the village level, the project processes include a mandatory series of village and inter-village meetings. One of the key agenda items is a review of project process and a discussion of problems and complaints as well as actions needed to resolve these issues. Village level facilitators, assisted by the kecamatan and kabupaten facilitators and local government disclose all project principles and procedures. As part of the PNPM Rural process the following information is disclosed:

- Participation levels among specific groups including the very poor, women, and IVPs;
- Results of village planning meetings;
- Objections to proposals and problems in implementation;
- Results of the Inter-Village Meeting to select sub-projects for funding;
- Sub-project progress including use of funds;
- Community maintenance commitments; and
- Mid-term village development ideas for PNPM Rural funds.

Project information boards are available at the village and sub-district levels. The project requires that all information, including complaints, are disclosed. As mentioned above, all complaints are posted on the website and updated monthly by PMD with assistance by the NMC. More innovative methods are being used in a growing number of locations to discuss complaints, for example community radio stations.

Kecamatan level

At the kecamatan, sub-projects are verified and individual village sub-project proposals are disclosed to the larger community, including impacts on IVPs and the environment. Funding on

sub-projects is announced. The kecamatan also verifies that the principles and procedures of the project were followed at the village level. Responsibility for kecamatan reporting is held by the project staff, village and kecamatan government representatives, and the kecamatan government working unit (PJOK). At the kecamatan level, it is confirmed that sub-project proposals meet project criteria:

- Of greater benefit to the poor (including women and IVPs) than to the majority of the community;
- Has a direct, positive impact on community welfare;
- Can be executed by the community;
- Supported by existing community resources; and
- Sustainable.

Kabupaten and Provincial Level

The kabupaten level project staff and kabupaten government working units (PJOKab) coordinate reporting from the local level where sub-projects take place to the provincial (PROProv) and national levels.

National Level

All problems documented at the village/kecamatan level are reported up to the district, province and up to Jakarta. Problems are also sent to the formal legal system, as necessary.

Much national level disclosure takes places the project's website, www.ppk.or.id. In addition to information about the project and other documents, the following information, documents, and disclosures can be found under the Handling Complaints Menu:

- Complaints handling
 - Complaints and project problems and ongoing investigations into project issues
 - Complaint handling procedures/policies
 - Compiled Data and Documents on Complaints
 - ③ List of cases
 - ③ Total cases/source/perpetrator
 - ③ Fraud cases
 - ③ Legal Actions
 - ③ Audit results
 - ③ List of problem kecamatan

Also available at www.ppk.or.id are statistics on project progress and weekly monitoring information.

Implementation of the IVPs Planning Framework

Strong attention is paid to the participation and inclusion of all groups within the community, in particular to Isolated and Vulnerable Peoples, as part of the project process and procedures. The IVPs Framework is built into the PNPM Rural operational process and is described in the Project Manual, which includes detailed procedures and protocols in dealing with IVPs. The PNPM operational procedures and protocols are updated to reflect lessons learned. The IVP planning framework, as mentioned above, is implemented by project staff and local government working units (PJOK, PJOKab, PJOProv).

A study on marginalized groups within the project is being completed in mid 2010. The results of this study will be used to inform revisions to project operations, including project approaches, procedures, and training of facilitators.

Institutional Arrangements and Capacity Building

The PNPM Secretariat within the Directorate General of Community and Village Empowerment (PMD) Ministry of Home Affairs at the national level, the provincial level coordination teams, and the kabupaten coordination teams, with assistance of consultant management teams at the respective levels will be responsible to ensure that IVPs are handled properly in accordance with this framework as specified in detail in the PTO. At the lower level, the project staff at the kecamatan and village levels has the same responsibility with these three teams for their respective project area. Facilitators receive both pre-service and annual refresher training that focuses on increasing the capacity of facilitators to lead more effectively the participatory planning process, including the participation of IVPs. While the capacity level of facilitators to deal with IVPs is adequate (as demonstrated by case studies mentioned above), in the future, the project will continuously and regularly train facilitators and increase training for project management staff at all government levels in social safeguards issues, and to deal specifically with IVPs in the participatory planning process. Additional capacity building takes place at monthly coordination meetings that have been expanded to allow for in-service training. As mentioned above, a study on marginalized groups within PNPM Rural is being completed in mid 2010. Lessons learned from this study will be folded into training for facilitators.