

THE REPUBLIC OF INDONESIA

Indonesia Mangroves for Coastal Resilience Project

**ENVIRONMENTAL AND SOCIAL
MANAGEMENT FRAMEWORK (ESMF)**

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Prepared by

The Indonesia Environmental Fund, the Ministry of Environment and
Forestry, and the National Peatland and Mangrove Restoration

Abbreviations and Acronyms

AFs	Associated Facilities
AMDAL	Environmental Impact Analysis (<i>Analisis Mengenai Dampak Lingkungan</i>)
ATR/BPN	Ministry of Agrarian Affairs and Spatial Planning/National Land Agency
AWP	Annual Working Plan (<i>Rencana Kerja Tahunan</i>)
<i>Babinsa</i>	Community-based/village-level security personnel (<i>Bintara Desa</i>)
BAPPENAS	Ministry of National Development Planning/ National Development Planning Agency (<i>Badan Perencanaan Pembangunan Nasional</i>)
BMF	Biodiversity Management Framework
BOQs	Bill of Quantities
BPJS	National Security
BPKP	Finance and Development Supervisory Agency
BPD LH	Environmental Fund Agency
BRGM	Mangrove and Peatland Restoration Agency (<i>Badan Restorasi Gambut dan Mangrove</i>)
B3	Hazardous and toxic materials
CATAHU	Annual Violence against women' Record
CEDAW	Committee on the Elimination of Discrimination against Women
C-ESMP	Contractor Environmental and Social Management Plan
CMMAI	Coordinating Ministry of Maritime Affairs and Investment
CoC	Codes of Conduct
CSO	Civil Society Organizations
DG	Director General
EA	Executing Agency
EOI	Expression of Interest
ERP	Emergency Response Plan
ESIA	Environmental and Social Impact Assessment
E&S	Environmental and Social
ESCOP	Environmental and Social Code of Practice
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESHS	Environmental, Health, Safety and Social
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESS	Environmental and Social Standard
FGD	Focus Group Discussion
FGRM	Feedback and Grievance Redress Mechanism
FAO	Food and Agriculture Organization
FPIC	Free, Prior, Informed and Consent
GIIP	Good International Industry Practices
GIS	Geographic Information System
Gol	Government of Indonesia
GRM	Grievance Redress Mechanism
HR	Human Resource

ICAP	Incident Corrective Action Plan
IEC	Information, Education, Communication
IEF	Indonesian Environment Fund
IPC	COVID-19 Infection Prevention and Control
IPF	Investment Project Financing
IPP	Indigenous People Plan
IPPF	Indigenous Peoples Planning Framework
ISR	Implementation Status Report
JSA	Job Safety Analysis
KKP	Ministry of Marine Affairs and Fisheries
KLHK	Ministry of Environment and Forestry
KPI	Key Performance Indicator
LARF	Land Acquisition and Resettlement Framework
LMP	Labor Management Procedure
LOTO	Lockout/ Tag Out
<i>Masyarakat Adat</i>	Indigenous Peoples
<i>Masyarakat Hukum Adat</i>	Customary Communities or Customary Law Communities
MDTF	Multi-Donor Trust Fund
M&E	Monitoring and Evaluation
MMAF	Ministry of Marine Affairs and Fisheries
MPWH	Ministry of Public Works and Housing
MOEF	Ministry of Environment and Forestry
MoF	Ministry of Finance
MoHA	Ministry of Home Affairs
MoV	Ministry of Villages
MRV	Monitoring Reporting and Verification
MSIP	Management Strategies and Implementation Plans
M4CR	Mangrove for Coastal Resilience Project
NCB	National Competitive Bidding
NGO	Non-Government Organization
NH, CH	Natural Habitat, Critical Habitat
NNL/NG	No Net Loss/ Net Gain
NSC	National Steering Committee
OHS	Occupational Health and Safety
PADIATA	Free, Prior and Informed Consent
PAP	Project Affected Persons
PBC	Performance-Based Conditions
PCR	Physical Cultural Resource
PDASRH	Directorate General of Watershed Management and Forest Rehabilitation
PDO	Project Development Objective
PF	Process Framework
PIU	Project Implementation Unit
PKTW	<i>Fixed Time Work Agreement (Perjanjian Kerja Waktu Tertentu)</i>
<i>Pokja</i>	Working groups
PPAT	Land Deed Officer (<i>Pejabat Pembuat Akta Tanah</i>)

PPE	Personal Protective Equipment
PPID	Information Management and Documentation Officer (<i>Pejabat Pengelola Informasi dan Dokumentasi</i>)
PPIU	Provincial Project Implementing Unit
PMO	Project Management Office
PMU	Project Management Unit
PNM	National Mangrove Map (<i>Peta Mangrove Nasional</i>)
POM	Project Operations Manual
Pusdatin	Data and Information Center (<i>Pusat Data and Informasi</i>)
RAN-GRK	National Action Plan to Reduce Green House Gas Emission
RCA	Root Cause Analysis
RFP	Request for Proposal
RKUN	The National state-budget/ pocket
SEA	Sexual Exploitation Abuse
SH	Sexual Harassment
SEP	Stakeholder Engagement Plan
SLMP	Sustainable Landscape Management Program
SNR	National Carbon Registry
SOP	Standard Operating Procedure
SPPL	Screening checklist (<i>Surat Pernyataan Pengelolaan Lingkungan</i>)
ToR	Term of Reference
TTL	Task Team Leader
UKL/UPL	Environmental Management and Monitoring Efforts (<i>Upaya Pengelolaan Lingkungan dan Upaya Pemantauan Lingkungan</i>)
UUKIP	Public Information Law
VAC	Violence Against Children
WHO	World Health Organization
WBG	World Bank Group

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EXECUTIVE SUMMARY

The Indonesia Environmental Fund, the Ministry of Environment and Forestry, and the National Peatland and Mangrove Restoration are currently developing the Mangrove for Coastal Resilience, hereinafter, M4CR. The M4CR project aims to support the Government of Indonesia's ambitious target to rehabilitate 600,000 hectares of degraded mangrove by 2024 while contributing to Indonesia's Nationally Determined Contribution (NDC), particularly to its Forest and Other Land Use (FOLU) Net Sink 2030 commitment. The M4CR project will be implemented in nine selected provinces, including North Sumatra, Riau, Bangka Belitung Islands, Riau Islands, North Kalimantan, East Kalimantan, West Kalimantan, Papua, and West Papua. These target provinces are included in the GoI's priorities, as stipulated in the Presidential Regulation no. 120/2020 on the Peatland and Mangrove Rehabilitation Agency (BRGM), which mandates the BRGM to accelerate the implementation of mangrove rehabilitation. These nine provinces exhibit 48 percent of Indonesia's severely and moderately degraded mangroves²⁹, 41 percent of Indonesia's potential mangrove ecosystem¹, and have significant conservation potential in contiguous intact mangrove landscapes. Four will be prioritized out of the nine provinces, including North Sumatra, Riau, East Kalimantan, and North Kalimantan.

The M4CR project adapts the 'landscape approach' to accomplish social, economic, and environmental objectives in a targeted area while promoting livelihoods outcomes. It also seeks to enhance native ecosystem functions and bring ecological and economic productivity back without causing any loss or conversion of natural forests or other ecosystems. This landscape approach is translated into four main components, which are (i) Strengthening Policy and Institutions for Mangrove Management; (ii) Rehabilitating and Conserving Mangrove Ecosystems; (iii) Improving Livelihoods Opportunities for Mangroves Communities; and (iv) Project Management.

To ensure that the preparation and implementation of M4CR activities do not cause, and/or can minimize and mitigate adverse potential environmental and social risks and impacts, a management framework called Environment and Social Management Framework (ESMF) is prepared to outline the principles, relevant policies, procedures, and institutional arrangements to screen, assess, plan and implement the required measures. Appropriate measures and operational guidelines presented in the document seek to ensure adequate planning through participatory consultations and stakeholder engagement to identify risks during project implementation and build consensus with potentially affected stakeholders. The ESMF refers to the World Bank's Environmental and Social Framework (ESF) and its applicable Environmental and Social Standards (ESSs), and the relevant environmental and social frameworks in Indonesia.

The M4CR project triggers all the World Bank's ESSs except ESS 9 or Financial Intermediaries. Based on the ESMF Assessment, there are several potential environmental and social risks from the M4CR project. These include:

- Under ESS 1 (Assessment and Management of Environmental and Social Risks and Impacts): lack of implementing capacity, weak enforcement of applicable environmental laws, and downstream impacts of policy and regulatory development;
- Under ESS 2 (Labor and Working Conditions): poor working conditions in site preparation and planting activities, child labor, discriminatory practices at the workplace, Occupational Health and

¹ 307,668 ha out of 756,183 ha (41%) of potential mangrove ecosystem

Safety (OHS) accident (including COVID-19 exposure), and workplace-related Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH);

- Under ESS 3 (Resource Efficiency and Pollution Prevention): waste generation associated with site repairs, hydrological infrastructure, planting activities and maintenance as well as Excessive use of pesticide and herbicides;
- Under ESS 4 (Community Health and Safety): water and soil pollution from hydrological infrastructure development, Traffic safety due to transportation of heavy equipment, and poor quality of structural elements with risks on community safety;
- Under ESS 5 (Land Acquisition, Restriction on Land Use and Involuntary Resettlement): access restrictions to land use and natural resources with livelihoods impacts and Overlapping land claims;
- Under ESS 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources): biodiversity disturbance and introduction of invasive species;
- Under ESS 7 (Indigenous Peoples): access restrictions to land use and natural resources, social exclusion risks, elite capture, and lack of social and cultural acceptance associated with the commercialization of cultural heritage for eco-tourism activities;
- Under ESS 8 (Cultural Heritage): discovery of tangible cultural heritage during project activities and use of cultural heritage for commercial purposes under community-based livelihoods activities; and
- Under ESS 10 (Stakeholder Engagement and Information Disclosure): social exclusion, particularly amongst vulnerable groups, lack of meaningful consideration on social and economic conditions and socio-culturally acceptable engagement approaches, and poor multi-stakeholder coordination

As part of preliminary risk assessment, Project Implementing Unit or PIUs' annual work plan should identify preliminary potential social and environmental risks in target locations using available information and consultations with relevant information. It will follow the risk classification aligned with the World Bank and the Environmental Fund Agency's (BPD LH) risk classification. The classification ranges from Substantial ("*Tinggi*"), Moderate ("*Sedang*"), and Low ("*Rendah*"). Verification of the above self-assessment by the PIUs will be performed by the Project Management Office (PMO). The PMO and BPD LH will assess whether the environmental and social risks are manageable or whether a '*no go*' decision shall be made. Sub-project activities categorized as substantial risk is not envisaged to be financed under this project. Moreover, the PIUs shall perform further assessments as part of the site-selection process and sub-national consultations, including village and community stakeholders. A village-level survey and land due diligence and social mapping may be performed if contextual risks warrant such an assessment.

When the proposed activity has passed all screening stages, and thus location for specific investments has been confirmed, the PIUs shall determine if relevant risk and impact mitigation measures shall be integrated into the technical planning documents and plans; or whether a standalone environmental and social management plan shall be prepared. Several environmental and social instruments that are relevant to the M4CR activities such as Labour Management Procedure (LMP), Stakeholder Engagement Plan (SEP), Environmental and Social Code of Practice (ES COP), Environmental and Social Management Plan (ESMP or UKL-UPL) for Contractor and in ecologically sensitive areas, Process Framework, and Biodiversity Management Framework (BMF). All relevant environmental and social management instruments, including TORs and bidding documents for civil works, goods, and services, shall be subject to internal review by environmental and social specialists at the PIUs, namely KLHK and BRGM, and be cleared before the commencement of activities.

In terms of monitoring, each PIU shall be responsible for the day-to-day environmental and social oversight of their respective activities, including those implemented by third-party providers. The PMO and/or BPLDH will oversee the project activities, particularly across sub-project activities categorized as substantial risks. The national PIUs will work closely with provincial PIUs to prepare the environmental and social report, capturing implementation of requisite environmental and social mitigation measures and assessing overall compliance.

Moreover, the M4CR will also be equipped with Feedback and Grievance Redress Mechanism (FGRM), documentation and disclosure provision, institutional arrangement, and capacity building to ensure integrated environmental and social risks management throughout the implementation cycle.

A project-level Feedback and Grievance Redress Mechanism (FRGM) for the M4CR will be established, building upon the existing systems operating within the PMO, BPDH, and PIU. The PMO and/or BPDH will compile the FGRM records from the PIUs and assess the effectiveness of the systems during project implementation, including any proposed enhancement measures based on lessons learned. The project will also accommodate alternative grievance mechanism processes, particularly those concerning the target communities. The alternative mechanism shall be consulted and agreed upon with these communities.

Meanwhile, as part of project preparation, the project has conducted public consultations for the overall project design and proposed activities and its relevant environmental and social instruments, such as the ESMF, SEP, and ESCP, and specific topics related to the project design preparation. All documents have been disclosed since February 11th, 2022. These documents were disclosed before the consultations, in both Bahasa Indonesia and English, to ensure the accessibility of the information presented to the target participants. A national-level public consultation was organized on February 16th, 2022, involving government and non-government stakeholders, including non-government organizations (NGOs) and think-tank groups, followed by an open call for public feedback. The stakeholders' feedback centers around the following aspects: i) inclusive involvement of key stakeholders, including sub-national governments, land owners and/or occupants, business owners, and the community, to promote social license to operate and sustainability; ii) land tenure issues and conflict resolution mechanisms, including consensus building with land owners and/or occupants; iii) long-term maintenance of re-planted mangroves and exit strategy; iv) clarifications on the roles of sub-national governments, particularly the provincial governments, Forest Management Units (FMUs) and village governments; v) options for mangrove rehabilitation across different types of land use, administrative jurisdictions (forest and non-forest estates), and political economy contexts; vii) livelihoods for coastal communities. Further consultations with the broader stakeholders, both at the national and sub-national level will be performed as part of the project implementation, including site-selection processes, activity implementation, policy development on mangrove management, and their long-term maintenance.

In addition, the environmental and social management under M4CR will follow the overall project's institutional arrangements, where overall environmental and social coordination will be hosted by the PMO housed under the Ministry of Environment and Forestry's Directorate General of Watershed Management and Forest Rehabilitation (BPDASRH). Day-to-day implementation of project activities and their corresponding risk management will be the responsibility of the Project Implementation Units (PIUs) for each component. At the national level, the project will be implemented by MOEF as a PIU for Components 1, 2, 3, and 4 and led by the Secretary of DG PDASRH. BRGM will serve as a PIU for Components 2 and 3, led by the secretary of BRGM. Provincial PIUs will be established in each target province to implement field-level activities, including implementing specific risk mitigation measures in line with the applicable ESMF provisions.

Lastly, allocation of adequate resources and capacity building are required to ensure that the project design activities and additional mitigation can be implemented, with the scope, efforts, and needs commensurate with the project risk categorization. Capacity building is developed based on an assessment and plan, are integrated into the Project design and POM, with key ESMF-related subjects being included as part of broader training packages. The PIUs shall be responsible for ensuring that all entities' institutional and individual capacity, especially amongst project implementors in the field, have met the minimum technical requirements, including the management of environmental and social aspects.

CHAPTER 1: INTRODUCTION

1.1 The Environmental and Social Management Framework (ESMF)

The Environmental and Social Management Framework (ESMF) outlines the principles, relevant policies, procedures, and institutional arrangements to screen, assess, plan and implement the required measures to ensure that the preparation and implementation of Mangrove for Coastal Resilience Project (or hereafter M4CR) activities do not cause, and/or can minimize and mitigate adverse potential environmental and social risks and impacts. The ESMF refers to the World Bank's Environmental and Social Framework (ESF) and its applicable Environmental and Social Standards (ESSs) and serves as an operational tool to avoid, minimize, reduce, or mitigate the environmental and social impacts and risks and enhance potential development outcomes under the project. The ESMF builds on the relevant environmental and social framework in Indonesia (refer to Chapter 2), with supplemental measures being incorporated to fully meet relevant provisions under each applicable ESS.

The ESMF acknowledges that it is necessary to identify potential environmental and social risks and impacts early to enable the proper design of project activities along with risk and impact mitigation measures. Hence, relevant measures and operational guidelines presented in the document seek to ensure adequate planning through participatory consultations and stakeholder engagement to identify risks during project implementation and build consensus with potentially affected stakeholders.

Specific details and locations of project investments will be confirmed during the project implementation. As such, a framework approach is established for the project design to guide the overall management of the environment and social aspects of the project activities. The ESMF was developed as part of the requirements under the ESF for the project appraisal. The ESMF and/or relevant sections in the Project Operations Manual (POM) shall be updated as needed during project implementation in the event that the project's scope changes and/or if there are emerging risks not fully and/or partially assessed during the project implementation.

1.1.1 Objectives

This ESMF applies to all components and activities financed by M4CR. The purpose of the ESMF is to outline relevant requirements, procedures, and regulations related to environmental and social management under the project to ensure full compliance with the ESSs by the project implementing agencies. Specifically, the objectives of the ESMF include:

- Identify and define the typology of activities eligible to be supported under M4CR through a screening process.
- Identify and assess the potential environmental and social impacts of the proposed project and sub-project activities.
- Establish clear standards, procedures, and methodologies to guide environmental and social management proportional to risk classification according to the mitigation hierarchy. This includes amongst others: risk and/or impact avoidance, community participation and consensus building with potentially affected stakeholders, application of Good International Industry Practices (GIIP), information disclosure requirements, Feedback and Grievance Redress Mechanism (FGRM), risk oversight, capacity building to relevant institutions and implementing agencies and stakeholders.
- Specify appropriate roles and responsibilities for risk management across implementing agencies and/or stakeholders and outline the necessary oversight and reporting procedures for environmental and social management, including incident reporting.

- Guide a needs assessment for training, capacity-building measures, and technical assistance needed to implement the project and relevant provisions of the ESMF and associated instruments in a manner commensurate to the risk levels and enhance potential development outcomes.
- Guide budget and resource planning for the implementation of the ESMF and associated instruments and other requisite measures to strengthen the project's development outcomes.

1.1.2 Scope and Outline

The ESMF is prepared by the Ministry of Environment and Forestry and Mangrove and Peatland Restoration Agency Republic of Indonesia and consists of six chapters and annexes:

- **Chapter 1: Introduction** outlines the overview of the ESMF, including the objectives, scope, rationale for the ESMF as well as its limitations, and provide information on the project background, components, and sub-components.
- **Chapter 2: Legal, Policy, and Regulatory Framework** outlines the policies, legislation, and regulatory framework relevant to this project and assess gaps between the legal framework and ESSs.
- **Chapter 3: Environmental and Social Assessment** details possible risks and impacts relevant to M4CR activities and suggested mitigation measures.
- **Chapter 4: Environmental and Social Management** outlines the required steps in the environmental and social management process.
- **Chapter 5: ESMF Institutional Arrangement for Environmental and Social Management** establishes the institutional arrangements for overall environmental and social management, provides the guideline for information disclosure which will be tailored based on the stakeholders' characteristics and needs.
- **Chapter 6: Capacity Development** establishes the guideline of capacity building measures, and budgetary and resource planning; and
- **Annexes** provide relevant operational toolkits such as screening forms, guidelines, and procedures to address the identified key potential environmental and social risks and impacts during project implementation in accordance with the applicable ESSs.

In addition, a Stakeholder Engagement Plan (SEP) is being prepared to guide the overall stakeholder engagement strategy, particularly with those potentially affected by the project. These include local businesses and their workers, coastal/local communities and Indigenous Peoples located in and around the project area dependent on mangrove resources, sub-national government agencies, Civil Society Organizations, and Non-government Organizations (CSOs/NGOs). The SEP outlines key measures to promote access to meaningful consultations throughout the project preparation and implementation. Stakeholders' feedback and concerns obtained through the ongoing consultations informed the development of the ESMF.

1.1.3 Limitation

Since sub-project activities and their specific locations will be determined during project implementation, the ESMF is not designed to provide specific ex-ante action plans for the management of environmental and social aspects at the sub-project level. The ESMF defines the roles and responsibilities of key implementing agencies and stakeholders and provides guidance and operational toolkits for the management of potential risks and impacts. Further action plans to address specific risks and/or impacts will be integrated as part of sub-project planning. Where relevant, sub-project level Environmental and Social Management Plans (ESMPs) may be prepared in addition to sub-project planning documents to

mitigate specific environmental and social risks as identified during the risk screening and assessment during project implementation.

Further, COVID-19 pandemic has also constrained individual mobility, which presents limitations to the required face-to-face engagement and field visits. Hence, site-specific assessments and stakeholder consultations could only be partially undertaken during project preparation and will be continued as part of project implementation. Due to these constraints, the ESMF was developed based on a broad-based E&S scoping during project preparation, supported by field assessments and stakeholder consultations in select locations.

1.2 Project Description

The Mangroves for Coastal Resilience project is a World Bank-financed project implemented by the Indonesia Ministry of Environment and Forestry (or hereafter MOEF) and Mangrove and Peatland Restoration Agency Republic of Indonesia (*Badan Restorasi Gambut dan Mangrove* or hereafter BRGM). **M4CR takes a comprehensive “landscape approach” to support the long-term, sustainable management of mangrove ecosystems in Indonesia and improve ecosystem services and livelihoods in target coastal communities.** The landscape approach aims to accomplish social, economic, and environmental objectives in a targeted area while promoting livelihood outcomes. It also seeks to enhance native ecosystem functions and bring ecological and economic productivity back without causing any loss or conversion of natural forests or other ecosystems. This is aligned with the BRGM’s “3M” framework: Rehabilitate, Enhance, and Protect (*Memulihkan, Meningkatkan, Mempertahankan*), which defines management measures for mangrove areas in various states of integrity (for example, intact, degraded or deforested) to ensure the mangrove landscape is managed holistically. The project will integrate mangrove management with the Mangrove Stewardship Villages (*Desa Mandiri Peduli Mangrove*), which is the government’s village-based approach to the development of rural areas and through which it promotes the dual outcomes of community empowerment and local economic development, and community-driven sustainable mangrove management.

The project takes a comprehensive “landscape approach” to support the long-term, sustainable management of mangrove ecosystems in Indonesia and improve ecosystem services and livelihoods in target coastal communities. The landscape approach aims to accomplish social, economic, and environmental objectives in a targeted area while promoting livelihood outcomes. It also seeks to enhance native ecosystem functions and bring ecological and economic productivity back without causing any loss or conversion of natural forests or other ecosystems. This is aligned with the BRGM’s “3M” framework: Rehabilitate, Enhance, and Protect (*Memulihkan, Meningkatkan, Mempertahankan*), which defines management measures for mangrove areas in various states of integrity (for example, intact, degraded or deforested) to ensure the mangrove landscape is managed holistically. The project will integrate mangrove management with the Mangrove Stewardship Villages (*Desa Mandiri Peduli Mangrove*), which is the government’s village-based approach to the development of rural areas and through which it promotes the dual outcomes of community empowerment and local economic development, and community-driven sustainable mangrove management.

Employing a resilience framework, the project aims to strengthen the absorptive, adaptive and transformative capacities of the Government, institutions, communities and individuals. Reducing the risk of exposure of communities to negative impacts through ecosystem protection and enhancing their preparedness would increase their absorptive capacity in resilience. Building the skills and knowledge of actors would increase their capacity to anticipate, learn and respond to and recover from shocks and stresses. The creation of new and improved livelihood opportunities and providing individuals with assets

and resources can help moderate future risks and allow them to take advantage of new opportunities and adjust to new situations. The integration of sustainable resource management in village-level planning, increasing women's role in mangrove management, and the agency of village leadership to prepare for the future can develop transformative capacity over time. The development of multi-stakeholder forums in three sub-national mangrove landscapes to facilitate mangrove management builds both resilience and adaptive capacity by operationalizing institutions and networks that learn and store knowledge and experience, create flexibility in problem-solving, and balance power among interest groups.

The proposed operation will be financed through Investment Project Financing (IPF) in loan and grant resources. US\$100 million of IBRD financing is expected to be disbursed against Performance-Based Conditions (PBCs), US\$300 million as IBRD financing, and US\$15 million and US\$4 million as grants from the Sustainable Landscape Management (SLMP) Multi-Donor Trust Fund (MDTF) and the Indonesia Oceans MDTF respectively. The Sustainable Landscape Management Program Multi-Donor Trust Fund (SLMP MDTF) will finance Sub-components 1.1, 1.2, and 1.3, in line with its goal of supporting improved landscape management, while the Indonesia Oceans MDTF will finance Sub-component 1.4, in line with its goal of promoting innovation blue finance.

1.2.1 Project Background and Objectives

Indonesia coastal communities are among the most vulnerable in Indonesia, facing higher-than-national-average poverty rates and multiple threats to their livelihoods. The poverty rate in coastal villages is 1.27 percent higher than in non-coastal villages, with an average fisher income below the minimum wage. Compounding this, coastal communities in Indonesia are increasingly vulnerable to climate change and the resulting natural disasters.

The coastal ecosystem includes mangrove forest which is highly productive and efficient carbon sinks. Indonesia's mangroves offer protection against coastal flooding, making them effective nature-based solutions. Indonesia's mangroves furthermore protect thousands of kilometers of coastline against coastal flooding and erosion and have the potential to continue delivering these protection benefits under sea-level rise. Mangroves also play a crucial role in the lives and livelihoods of Indonesia's coastal communities. Several coastal communities depend on mangrove goods and services for their livelihoods, with a high proportion of these values benefiting the poorest and vulnerable members of society.

Despite their significant value, mangroves are threatened by deforestation and unsustainable use and are at risk of being lost in 30 years. In the last 20 years, Indonesia's total mangrove stock has been undergoing deforestation and degradation at a rate of approximately 13,000 hectares per year. Conversion to aquaculture ponds accounts for almost 50 percent of the loss, followed more recently by the development of oil palm plantations which account for 16 percent of mangrove loss in Indonesia. The degradation and loss of mangroves put coastal communities that are heavily dependent on these coastal resources at risk. The deforestation and degradation of mangrove landscapes directly impact community livelihoods, with increased negative impacts on the poorest, more marginalized communities.

In accordance with this, in 2020, the Government of Indonesia (GoI) through the Coordinating Ministry of Maritime Affairs developed a strategy to accelerate action on mangrove restoration, supported by the Presidential Regulation Number 120 of 2020 that extends the mandate of the Peatland Restoration Agency to include mangroves, setting a target of 600,000 ha of mangrove restoration between 2021-2024. In 2021, the GoI launched the updated National Mangrove Map, signaling the intent to improve the quality of mangrove forest monitoring and the ability to measure progress in mangrove management efforts. The Government has also allocated over US\$50 million in 2020 for mangrove restoration as part of the National Recovery Program.

To reach its ambitious mangrove restoration goals, MC4R will finance active rehabilitation of deforested and degraded mangrove areas and promote sustainable mangrove landscape management. Aligned with the goals, M4CR will contribute to key government priorities and its climate change agenda. The proposed project development is to enhance the management of target mangroves and the resilience of local communities.

As such, Project development object is: To enhance the management of target mangroves and the resilience of local communities. And it is translated into PDO Level Indicators, as follows:

- Mangrove area rehabilitated and managed (Hectares) [Climate resilience indicator]
- People with improved capacity in resilience (Number) [Resilience indicator]
- People using improved sustainable livelihood activities supported by the project (percentage of which are women) (Number)
- Policy framework and institutional capacity for mangrove management improved (score) (Number)

1.2.2 Project Components

The M4CR project is adopting a comprehensive 'landscape approach' to support the long-term, sustainable management of mangrove ecosystems in Indonesia and improve ecosystem services and livelihoods in target coastal communities. The landscape approach aims to accomplish social, economic, and environmental objectives in a targeted area while promoting livelihoods outcomes. It also seeks to enhance native ecosystem functions and bring ecological and economic productivity back without causing any loss or conversion of natural forests or other ecosystems. This is aligned with the Peatland and Mangrove Rehabilitation Agency (BRGM)'s "3M" framework: Rehabilitate, Enhance, Conserve (*Memulihkan, Meningkatkan, Mempertahankan*), which defines management measures for mangrove areas in various states of integrity (e.g., intact or degraded) to ensure the mangrove forest landscape is managed holistically. The project will integrate mangrove management with the Mangrove Stewardship Villages (*Desa Mandiri Peduli Mangrove*), which is the government's village-based approach to the development of rural areas and through which it promotes the dual outcomes of community empowerment, local economic development, and community-driven sustainable mangrove management.

The project will be implemented in nine selected provinces, including North Sumatera, Riau, Kepulauan Bangka Belitung, Kepulauan Riau, North Kalimantan, East Kalimantan, West Kalimantan, Papua and West Papua. These target provinces are included in the GoI's priorities, as stipulated in the Presidential Regulation no. 120/2020 on the Peatland and Mangrove Rehabilitation Agency (BRGM), which mandates the BRGM to accelerate the implementation of mangrove rehabilitation. These nine provinces cover a significant and representative portion of Indonesia's mangrove ecosystems, which exhibit 48 percent of Indonesia's severely and moderately degraded mangroves²⁹, 41 percent of Indonesia's potential mangrove ecosystem² (e.g., brackish water aquaculture, erosional mangroves and accretional areas) and have significant conservation potential in contiguous intact mangrove landscapes. Out of the nine provinces, four will be prioritized. These include North Sumatera, Riau, East Kalimantan, and North Kalimantan.

² 307,668 ha out of 756,183 ha (41%) of potential mangrove ecosystem

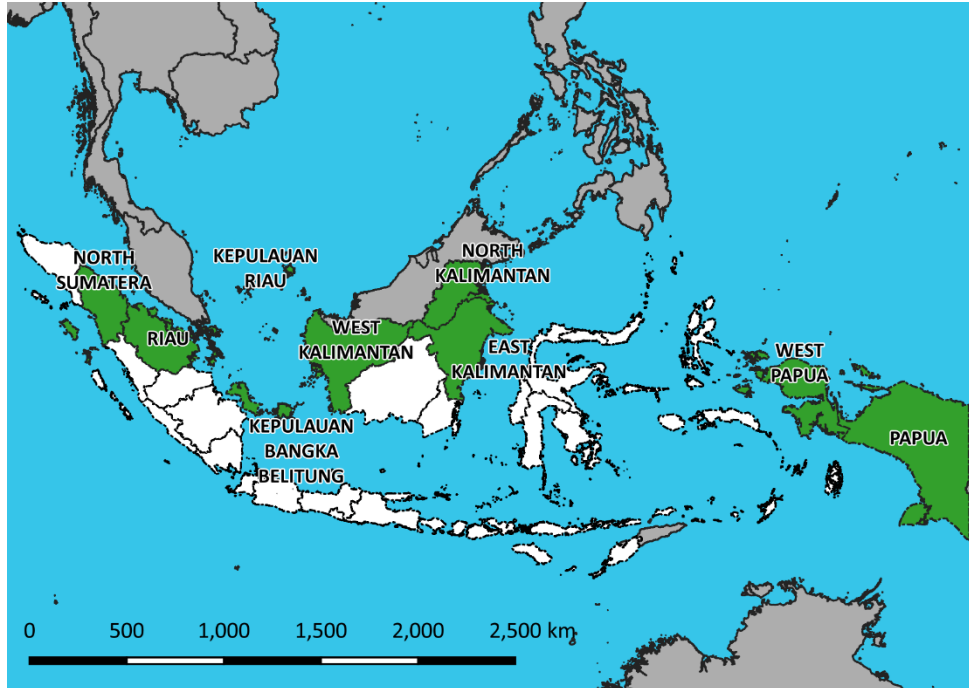


Figure 1: Nine target provinces of the MCRP

Specific sites within these provinces will be identified during project preparation and implementation, adopting a robust-site selection process, which involves stakeholder consultations and community engagement.

In addressing the project’s development objective, the M4CR project is structured into the following components and sub-components, each

Component 1. Strengthening Policy and Institutions for Mangrove Management.

This component aims to strengthen enabling policies and institutions to improve the conservation, sustainable use, rehabilitation, adaptive management, and financing for mangrove ecosystems. This component will be financed by a grant financing.

Sub-component 1.13 – Strengthening Policy, Governance, and Coordination. The component will strengthen policy, governance, and coordination among mangrove stakeholders and improve knowledge management and sharing. Activities to be supported include strengthening regulations and policies on sustainable management and protection of mangroves, analytics, capacity building, and forums for coordination and knowledge sharing.

Sub-component 1.2 – Record and Reshape the National Mangrove Map. The project will support the improvement and updating of the National Mangrove Map (*Peta Mangrove Nasional/PMN*) produced in 2021. Activities include an inventory of national-level data, including implementation of a spatial data portal for mangrove information, institutional capacity and infrastructure for mapping, and dissemination of data on mangrove ecosystems in Indonesia.

Sub-component 1.3 – Registration and Monitoring of Mangrove Restoration Implementation. Building on the update of the National Mangrove Map, the project will support the development of a monitoring system to track the implementation progress of mangrove rehabilitation and conservation activities and progress against targets. Activities include design and implementation of a monitoring system, update of

the national carbon registry (SNR) to include mangroves ecosystems, clarification of the governance mechanism of the mangrove monitoring system and integration of the monitoring system into the national mangrove program.

Sub-component 1.4 – Facilitating Payments for Blue Carbon. The project will support Indonesia to create the enabling conditions to receive payments for blue carbon. Blue carbon payments could mobilize funds for the rehabilitation and conservation of mangroves and to create economic incentives to reduce rates of mangrove deforestation. Activities include establishing a knowledge base on carbon, developing robust baselines for assessing mangrove carbon stocks and fluxes, establishing a Monitoring Reporting and Verification (MRV) and registry, policy, regulatory and legal framework for carbon, benefit sharing plan and relevant analytics and capacity building.

Component 2. Rehabilitating and Conserving Mangrove Ecosystems

The objective of this component is to rehabilitate and conserve mangrove forests through a holistic approach, building on global good practices. Rehabilitation will be carried out in priority mangrove sites. The objective of this component is to rehabilitate and promote sustainable mangrove management through a landscape approach, to enhance mangrove ecosystem functions and avoid the deforestation and degradation of existing and rehabilitated mangroves. Component 2 will finance labour, inputs (rehabilitation and planting materials), equipment, human resources, service providers, infrastructure and the operational costs of organizing community and field school activities. Community engagement at the village level will through the Mangrove Stewardship Village Approach (*Desa Mandiri Peduli Mangrove – DMPM*) is expected to be the core approach for mangrove rehabilitation and management activities as well as livelihoods under Component 3. The project will establish field schools and support the creation of mangrove management field school groups, organized under the Mangrove Stewardship Villages. This component will be partially implemented through the Investment Project Financing-Performance-Based Conditions (IPF-PBC) modality.

Sub-component 2.1 - Mangrove Landscape Rehabilitation. This sub-component will finance the rehabilitation of 75,000 ha of mangrove forests, including labor, equipment, and infrastructure. The site selection process will involve national and sub-national screening, multi-criteria assessment and identification at the village level by facilitated field school groups. Implementation will primarily be undertaken with human labor and hand-tools using the Gol's cash-for-work payment scheme, followed by monitoring of vegetation (cover, growth, diversity) and additional indicators such as faunal diversity and hydrological development. The project seeks to apply six global good practice techniques for mangrove rehabilitation, including: 1) mangrove stress identification and removal; 2) natural revegetation; 3) direct planting without hydrological repair; 4) minor hydrological repair with planting or human-assisted natural revegetation; 5) major hydrological repair with planting or human-assisted natural revegetation; and 6) experimental erosion control. While most rehabilitation is expected to involve direct planting, additional techniques will be piloted later in the project pending adoption of policy guidelines by the Gol.

Sub-component 2.2 – Sustainable Mangrove Landscape Management. This sub-component will support sustainable management and protection of three selected large-scale contiguous mangrove landscapes to avoid on-going and future mangrove deforestation and degradation. Activities include the preparation and implementation of mangrove landscape management plans, starting from the village level to conserve existing and rehabilitated mangroves, active patrolling, forest monitoring, conflict resolution, awareness raising, the facilitation of multi-stakeholder forums to support landscape level mangrove management plans, and the establishment of conservation agreements among stakeholder groups,

including development of incentive mechanisms (i.e., payment for ecosystem services) and sub-national policy/legal framework development to support mangrove landscape protection.

Component 3 - Improving Livelihoods Opportunities for Mangroves Communities

This component will support the development and enhancement of sustainable enterprises (i.e., capture fisheries, non-timber forest products, coastal agriculture, eco-tourism, etc.) and mangrove-based livelihoods to reduce the degradation pressure on mangrove forests and improve sustainable livelihoods opportunities. This component will finance consultancy services, goods, block grants (access to finance to small businesses) and operational costs (i.e., training, workshops). The component will be fully implemented through expenditure based IPF IBRD disbursements.

Sub-component 3.1 – Community-based Livelihoods. The objective of this sub-component is to enhance the skills and knowledge of beneficiaries on sustainable practices in key mangrove-based livelihoods activities, including capture fisheries, aquaculture, non-timber forest products, coastal agriculture and tourism. This sub-component will finance rapid local market assessments at the village level to identify site-specific livelihoods opportunities and support establishment of Coastal Field Schools with the aim to build capacity of community groups on sustainable livelihoods. These schools will consist of seasonal, group-based training where producers are trained on sustainable production practices, business management, value chain improvements and accessing financial services.

Sub-component 3.2 – Coastal Enterprise Development. This subcomponent will support the development of sustainable enterprises in select coastal commodity value chains by encouraging business development in these value chains. Potential activities include: (i) value chain viability assessments to guide the design of the business grant program; (ii) technical and operational assistance for the establishment and administration of the coastal business grants facility; (iii) technical assistance to businesses during proposal preparation and throughout business implementation and (iv) two types of business grants³ (based on the size and maturity of the business). Such a business grant facility is a market-driven, selective approach through which the project will allocate resources to sustainable business ideas with the most potential.

Component 4. Project Management

This component will support project coordination, operating costs, procurement of essential goods and office equipment and management activities to ensure the project is well effectively managed in accordance with the project's objectives and fiduciary procedures. It will also cover monitoring and evaluation, environmental and social management and fiduciary activities, stakeholder engagement, and communications. In addition, the component will also finance development of a monitoring and evaluation system, including for carbon monitoring and the verification of achievement of PBCs.

1.2.3 Project Implementation Arrangement

The project Executing Agency (EA) will be the Ministry of Environment and Forestry (MoEF), through a Project Management Office (PMO) hosted by the Directorate General of Watershed Management and Forest Rehabilitation (PDASRH). The EA will be responsible for the overall management, coordination, and

³ Two windows will be created under the business grant facility. Window 1 will provide standard grants for micro and small coastal enterprises, selected through a business plan competition. These grants are targeted to new businesses with limited capital and capacity with no matching cash contributions being required. Window 2 will provide matching grants for medium to large business in select value chains and will be available to downstream businesses to subsidize investments in developing upstream capacity of producers in target villages.

monitoring of project implementation, including ensuring adequate annual budget allocation, reviewing, and consolidating the annual work plan and technical and financial reporting.

At the national level, the project will be implemented by MoEF and BRGM, each will be supported by a Project Implementation Unit (PIU). BRGM will be the Implementing Agency for Components 2 and 3, led by the Secretary of BRGM. MoEF, under the Secretary of DG PDASRH will lead the implementation of Component 1 and support the implementation of Component 2 and 3 including the identification of sites for rehabilitation and conservation, regulatory development, monitoring, and evaluation (refer to **Table 1**). At the sub-national level, Provincial PIUs (PPIUs) will be established in each of the nine target provinces under the oversight of the BRGM. Sub-national level implementation will be led by BRGM, in collaboration with MoEF. Project implementation will be supported by MoEF's technical implementing units at the provincial level through the Centre for Watershed Management and Forest Protection (BPDASHL). Project activities within the forest estates will be coordinated with MoEF's BPDASHL, while activities within non-forest areas would be implemented by BRGM, in collaboration with sub-national governments and/or Non-Government Organizations (NGOs – refer to **Figure 1**).

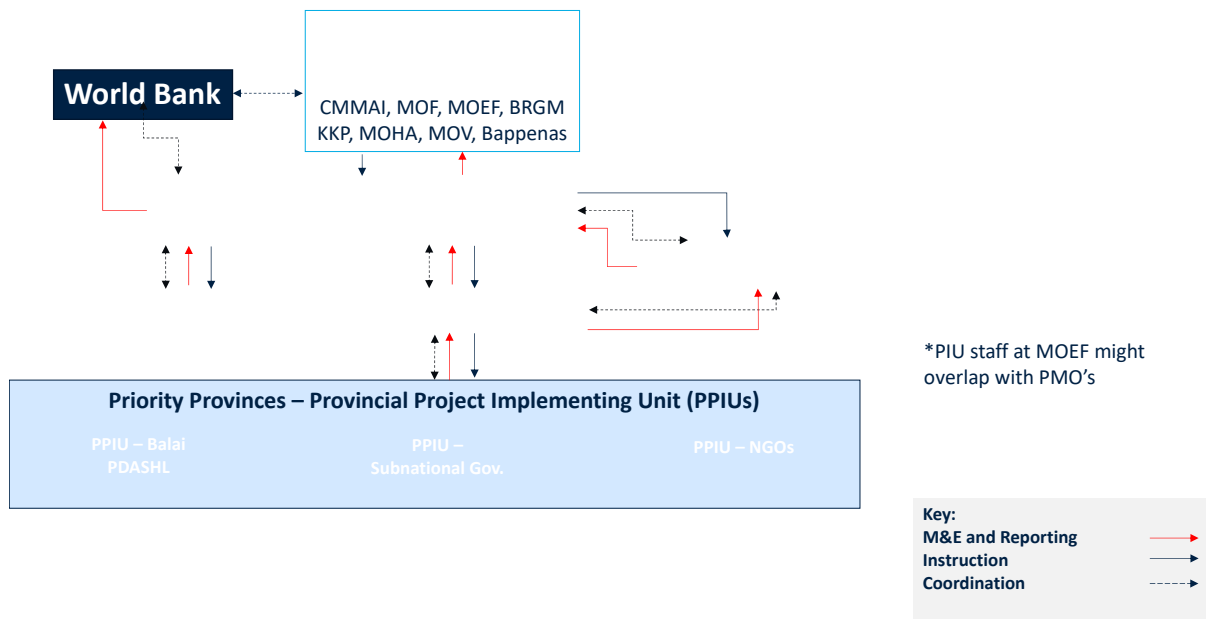
Table 1: Roles and Responsibilities

Component		Lead Institution
C.1	Strengthening Policy and Institutions for Mangrove Management	
1.1	Strengthening Policy, Governance and Coordination	MoEF
1.2	Recording and Reshaping the National Mangrove Map	MoEF
1.3	Monitoring of Mangrove Rehabilitation Implementation	MoEF
1.4	Facilitating Payments of Blue Carbon	MoEF
C.2	Rehabilitating and Promoting Sustainable Mangrove Landscape Management	
2.1	Mangrove Rehabilitation	BRGM/MoEF
2.2	Sustainable Mangrove Landscape Management	BRGM/MoEF
C.3	Improving Livelihood Opportunities for Mangrove Communities	
3.1	Community-based livelihoods	BRGM/MoEF
3.2	Coastal Enterprise Development	BRGM/MoEF
C.4	Project Management	TBD

The Indonesian Environment Fund (*Badan Layanan Umum Badan Pengelola Dana Lingkungan Hidup* or hereafter BPD LH) under the Ministry of Finance (MoF) will administer the project funds under a mangrove window. The IEF will be responsible for liaising and coordinating with MoF, especially on fund withdrawal from the state treasury (RKUN). BPD LH will be responsible for disbursing funds to the PMO, PIUs and PPIUs. The IEF is expected to reduce administrative burdens on the implementing agencies and support the PMO in consolidating financial reporting by all PIUs and PPIUs.

Verification Protocol for the Performance-Based Conditions (PBCs) will be performed by the Finance and Development Supervisory Agency (BPKP) and third-party agencies. BPKP is an official government verifying agency and has experience in carrying out similar roles for other World Bank-financed operations. MoEF will hire independent third-party entities to carry out the verification activities for certain PBCs.

Figure 2: MC4R Implementation Arrangement



A National Steering Committee (NSC) will be established under the project and is responsible for overall strategic guidance. The NSC will be composed of counterparts from relevant agencies, chaired by the Deputy Minister for Environment and Forestry at the Coordinating Ministry of Maritime Affairs and Investment (CMMAI), and members will include but not be limited to the Director General (DG) of the PDASRH of the MoEF, Secretary of BRGM, DG of Marine Spatial Management of the Ministry of Marine Affairs and Fisheries (MMAF), DG of Treasury of MOF, and representatives of Echelon 1 from the Ministry of Home Affairs, Ministry of Villages and the Ministry of Ministry of National Development Planning/ National Development Planning Agency (Bappenas). The Steering Committee will be established by a Decision Letter from CMMAI. The NSC will meet at least twice a year.

1.2.4 Consultations and Information Disclosure Arrangement

As part of the project design and development of environment and social instruments during project preparation, the project implementing agencies (BRGM and KLHK) conducted a series of public consultations at the national and sub-national levels to obtain public feedback on the project grand design, institutional arrangements, environmental and social risks identification and their mitigation measures.

Environmental and social documents (i.e., ESMF, SEP and ESCP) have been disclosed since February 11th, 2022 in both Bahasa Indonesia and English, to ensure the accessibility of the information presented to the target participants. A national-level public consultation was organized on February 16th, 2022, involving government and non-government stakeholders, including non-government organizations (NGOs) and think-tank groups, followed by an open call for public feedback. The stakeholders’ feedback centers around the following aspects: i) inclusive involvement of key stakeholders, including sub-national governments, land owners and/or occupants, business owners and the community, to promote social license to operate and sustainability; ii) land tenure issues and conflict resolution mechanisms, including consensus building with land owners and/or occupants; iii) long-term maintenance of re-planted mangroves and exit strategy; iv) clarifications on the roles of sub-national governments, particularly the provincial governments, Forest Management Units (FMUs) and village governments; v) options for mangrove rehabilitation across different types of land use, administrative jurisdictions (forest and non-

forest estates), and political economy contexts; vii) livelihoods for coastal communities. Further consultations with the broader stakeholders, both at the national and sub-national level will be performed as part of the project implementation, including site-selection processes, activity implementation, policy development on mangrove management and their long-term maintenance.

An earlier feasibility assessment to identify the potential areas to be rehabilitated in the four priority provinces, including Riau, North Sumatera, East Kalimantan, and North Kalimantan, was used as a platform to disseminate project information and obtain stakeholders, including communities' feedback on the proposed activities. This assessment has been performed in a total of 50 villages across the four provinces. Minutes of these consultations are appended in **Annex 15. Public Consultation and Documentation**.

Prior to the project public consultations, the draft ESMF, SEP, and ESCP along with the summary of project design were disclosed on BPDH (<https://bpdh.id/>), KLHK (<https://www.menlhk.go.id/>) and BRGM (<https://brgm.go.id/>)'s websites. These documents are available in Bahasa Indonesia and English. Several FGRM channels, such as email addresses, social media accounts, and contact persons have been included on the landing page and the public consultation invitations.

CHAPTER 2: LEGAL, POLICY, AND REGULATORY FRAMEWORK

The M4CR project activities must be implemented in accordance with the principles of sustainable development, including environmental, socio-cultural, and economic considerations, and health and safety per the Gol's laws and regulations, applicable World Bank's ESSs, and other GIIPs in this sector. Further assessment of the country framework's compatibility with the ESS provisions is presented in this chapter along with agreed measures to address potential legal and regulatory gaps.

2.1 National Policies

This section describes policies and regulations applicable in Indonesia at the time of ESMF preparation, highlighting those that serve as guidelines for managing environmental and social impacts from activities from mangrove restoration and coastal livelihoods activities supported by the Project. Relevant national policies are listed in **Table 2**. According to the classification of project activities, the project-related activities will require the preparation of UKL-UPL or SPPL as environmental and social instruments for risk management. The project activities rated as high risks (requiring AMDAL instrument as per national classification) will not be eligible for financing under the Project.

Table 2: National Regulations on Environmental and Social Management in the Areas of Mangrove Restoration and Coastal Livelihoods

Issue	Regulation	Concerning
Assessment and Management of Environmental and Social Risks and Impacts	Law No. 32/2009	Environmental Protection and Management
	Government Regulation No.22/2021	Implementation of Environmental Protection and Management
	Minister of Environment Regulation No. 16/2012	Guidelines for the Preparation of Environmental Documents
	Minister of Environment and Forestry Regulation No. 4/2021	Types of Business Plans and/or Activities that Require AMDAL, UKL/UPL, SPPL
	Minister of Environment Regulation No. 17/2012	Community Involvement in the AMDAL and Environmental Permit Process
	The Environmental Fund Director Regulation, Perdirut BPD LH No. 8/ 2020 on Management of Risks	Risk management framework, which includes assessment of environmental and social safeguards risks and requirements to develop technical manuals
Labor and Working Conditions	Law No. 13/2003	Manpower
	Law No. 11/ 2021	Job Creation
	Law No. 1/1970	Occupational Safety and Health
	Law No. 24 of 2011	the National Social Security (BPJS), includes stipulating the obligation of employers to cover their workers with work accident insurance (<i>BPJS Ketenagakerjaan</i>)
	Ministry of Manpower Regulation No. 5/2018	Occupational Health and Safety in Working Environments

Issue	Regulation	Concerning
	Minister of Manpower and Transmigration Regulation No. 1/1980	OHS Management in Construction
	Minister of Public Works and Housing Instructions No. 02/IN/M/2020	Protocol for Preventing the Spread of Corona Virus Disease 2019 (COVID-19) In Construction Services
Resource Efficiency and Pollution Prevention and Management	Law No. 7/2004	Water Resources
	Law No. 18/2008	Solid Waste Management, includes the guideline to undertake solid, domestic, non-B3 waste handling and management.
	Government Regulation No. 101/2014	Hazardous Waste Management
	Government Regulation No. 82/2001	Water Quality Management and Water Pollution Control
	Presidential Regulation No. 61/2011	National Action Plan to Reduce Green House Gas Emission (RAN-GRK)
Community Health and Safety	Law No. 7/2016	Protection and Empowerment of Fishermen, Aquaculture Farmers, and Salt Farmers
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Law No. 2/2012	Land Acquisition for Development in the Public Interest
	Law No. 5/1960 on Agrarian Law	Basic Agrarian Law
	Presidential Regulation No. 71/2012	Implementation of Land Acquisition for Development for the Public Interest
	Presidential Regulation No. 62/2018	Social Impact Handling in Land Acquisition Process
	Regulation of the Head of National Land Agency No. 3/2007	Guidelines for The Implementation of Land Acquisition for Development for the Public Interest
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Law No. 5/1990	Conservation of Living Natural Resources and their Ecosystems
	Government Regulation No. 20 of 2020	Forest Rehabilitation and Reclamation
	Minister of Marine Affairs and Fisheries Regulation No. 24/PERMEN-KP/2016	Procedures for Rehabilitation of Coastal Areas and Small Islands
	Minister of Environment Regulation No. 29/2009	Guidelines for Biodiversity Conservation at the Regional Level According to national regulation, mangroves are one of the primary natural ecosystems which have significant role in human and natural well-being. The role includes natural protection services such as water management and

Issue	Regulation	Concerning
		hydrology, climate, erosion control sedimentation, abrasion, floods & landslides, deterrent potential pests and diseases.
	Minister of Forestry Regulation No. P.48/Menhut-II/2008	Guidelines for Managing Conflicts between Humans and Wild Animals
	Minister of Forestry Regulation No. P.94/MENLHK/SETJEN/KUM.1/12/2016	Invasive Types
	Minister of Environment and Forestry Regulation No. P.106/Menlhk/Setjen/Kum.1/12/2018 concerning the Second Amendment to the Minister of Environment and Forestry Regulation No. P.20/Menlhk/Setjen/Kum.1/6/2018	Type of Protected Animals and Plants
Indigenous Peoples	UUD 1945	Supreme Law of the Republic of Indonesia
	Law No 1/2014 jo UU No 27/2007	Coastal and Small Islands Management
	Law No 32/2014	Oceans
	Minister of Home Affairs Regulation No. 52/2014	Guidelines for the Recognition and Protection of Customary Law Communities
	Minister of Environment and Forestry Regulation No. 17/2020 on <i>Adat</i> Forestry	Guidelines for Recognition and Protection of <i>adat</i> /communal use of forest areas and resources within <i>adat</i> land and/or within the designated social forestry areas.
	Minister of Environment and Forestry Regulation No. 9 of 2021 on management of the Social Forestry <i>(Peraturan Menteri Lingkungan Hidup dan Kehutanan RI Nomor 9 Tahun 2021 Tentang Pengelolaan Perhutanan Sosial Pasal 63)</i>	Articles 62-75 stipulate state acknowledgment of indigenous forest (<i>hutan adat</i>) within or beyond the protected areas. This includes scope and guidelines to request for formal/legal acknowledgment of indigenous forests areas.
	Minister of Agrarian and Spatial Planning Regulation No. 18/2019 on <i>Tanah Ulayat</i> of the Customary Communities (<i>Tata cara penatausahaan Tanah Ulayat Kesatuan Masyarakat Hukum Adat</i>).	Guidelines and step-by-step for obtaining legal recognition of customary communities' land (<i>tanah ulayat</i>) and its inclusion in the office-registered land map of the ATR/BPN Government of Indonesia.
Cultural Heritage	Law No. 5/1992	Cultural Property
	Law No. 11/2010	Cultural Conservation
	Law No. 5/2017	Advancement of Culture

Issue	Regulation	Concerning
	Presidential Decree No. 78/2007	Ratification of Convention for The Safeguarding of The Intangible Cultural Heritage
Stakeholder Engagement and Information Disclosure in the preparation of ESMF for this project.	Law No. 14/2018	Public Information Transparency, which guarantees the rights of citizens on public policy decisions and fosters public participation in such decision-making.
	Law No. 7/1984	Enactment of the Convention on the Elimination of All Forms of Discrimination Against Women.
	Law No 1/2014 jo UU No 27/2007	Coastal and Small Islands Management
	Law No. 8 of 2016	Inclusion of people with disabilities
	Minister of Environment Regulation No. 17/2012	Guidelines for Public Participation in Environmental Impact Assessment and the Environmental Permit Process
	Minister of Environment Regulation No. 9/2010	Guidelines for Handling Community Grievances Caused by Environmental Pollution and Degradation
	Presidential Instruction No. 9/2000	Gender Mainstreaming in National Development emphasizes women's participation in development processes

2.2 The World Bank's Environmental and Social Framework (ESF)

The ESF⁴ sets out the project's commitment to sustainable development through implementation of a set of Environmental and Social Standards (ESSs). The ESSs set out the requirements under the project relating to the identification and assessment of environmental and social risks and impacts associated with project activities. Application of these standards is expected to: i) support the project in achieving good international practices relating to environmental and social sustainability; ii) assist project implementing agencies in fulfilling the national and international environmental and social obligations; iii) enhance non-discrimination, transparency, participation, accountability and governance; and d) enhance sustainable development outcomes of project activities through on-going stakeholder engagement.

Each standard includes performance objectives that define the environmental and social outcomes to be achieved by respective project implementing agencies. They also include requirements that help the project implementing agencies achieve objectives of the ESS through means appropriate to the nature, scale, and risks of a project. **Table 3** presents the scope of application of ESSs for M4CR. Specific provisions have been included in this ESMF to address relevant provisions in the following ESSs that are not and/or partially addressed under the Government's laws and regulations.

⁴ <https://www.worldbank.org/en/projects-operations/environmental-and-social-framework>

Table 3: Scope of Application of the World Bank Environmental and Social Standards

ESS	Application under the Project
<p>ESS1 Assessment and Management of Environmental and Social Risks and Impacts</p>	<p>ESS 1 sets out the Government’s responsibilities for assessing, managing and monitoring environmental and social risks and impacts associated with each stage of a project supported by the World Bank in order to achieve environmental and social outcomes consistent with the Environmental and Social Standards. Application of the ESS provisions under the project, including relevant Environmental Health and Safety Guidelines (ESHGs) is intended to manage the risks and impacts of the project activities and improve their environmental and social performance through risk and outcome-based approach commensurate to the nature and scale of the project’s risks and impacts.</p> <p>An environmental and social assessment, in the form of screening and scoping of potential risks and impacts, will be performed as part of site selection during project implementation. Such an assessment will inform decisions on the risk and impact management measures, including the types of additional environmental and social instruments such as site-specific management plans and requisite oversight as well as due diligence and remedial measures if the project includes existing facilities. An assessment of downstream implications of policy and regulatory development and enforcement will be performed as part of Component 1 implementation as guided in the ESMF.</p> <p>Potential environmental and social risks resulting from any land use planning and regulation of natural resources to promote their sustainability on a regional, or landscape level (i.e., mangrove management, etc.) will be assessed in consultations with relevant stakeholders and appropriate measures will be integrated as part of regulatory development and their enforcement. Village-level engagement will be performed as part of the site selection and will be maintained during project implementation to ensure that broad community consensus and social acceptance are obtained prior to the implementation of project activities with potential risks and impacts on the communities. Affirmative measures, including outreach, will be mainstreamed into the project design to ensure inclusion of vulnerable groups, and by doing so, promote accessibility of project benefits to these groups. ESS1 is applicable to investments supported by the project, including those performed by contracted workers and community workers and any Associated Facilities (AFs) that may be linked with the project activities (see Chapter 3).</p>
<p>ESS2 Labor and Working Conditions</p>	<p>ESS 2 recognizes the importance of employment creation and income generation in the pursuit of poverty reduction and inclusive economic growth. The Government can promote sound worker-management relationships and enhance the development benefits of a project by treating workers in the project fairly and providing safe and healthy working conditions as encapsulated in the project’s labor management procedures.</p> <p>The project’s ESMF includes a Labor Management Procedures (LMP, please refer to Annex 7: Labor Management Procedure) which serves as a main reference for the project implementation to: i) promote safety and health at work; ii) promote the fair treatment, non-discrimination and equal opportunity of project workers; iii) protect project workers, including vulnerable workers such as women, persons with disabilities, children of working age (in line with ESS2 as relevant) and migrant workers; contracted workers; community workers and primary supply workers as relevant; iv) prevent the use of all forms of forced</p>

ESS	Application under the Project
	<p>and child labor; and v) support the principles of freedom of association. The scope of the application of the ESS2 will depend on the type of employment relationship between the project implementing agencies and the project workers.</p> <p>The M4CR is expected to involve all types of workers as defined in the ESS2, including direct workers, contracted workers, primary supply workers and community workers. Health and safety risks will greatly depend on the nature of the work performed, with those being stationed in the field and those implementing rehabilitation and restoration activities potentially facing higher risks than those performing office-based work. Such risks and relevant mitigation measures will be identified as part of the LMP implementation and will be regularly monitored by the respective PIUs. The project seeks to promote zero tolerance to discrimination at work and forced labor. Since the project will likely engage community workers, risks related to child labor are considered relevant and hence, age verification and regular monitoring will be performed by PIUs.</p>
<p>ESS3 Resource Efficiency and Pollution Prevention and Management</p>	<p>ESS3 recognizes the generation of pollution to air, water, and land, and consumes finite resources that may threaten people, ecosystem services and the environment at the local, regional, and global levels. The project’s ESMF guides the project to promote sustainable use of resources, avoid adverse impact on human health and environment by minimizing pollution, minimize emission long-lived climate pollutants, minimize waste and minimize risk and impacts associated with pesticide use. The project seeks to apply six global good practice techniques for mangrove rehabilitation which may generate environmental impact such as waste. Hence the project’s ESMF includes the provision to avoid and minimize generation of hazardous and non-hazardous waste. The project is required to minimize the generation of waste in a manner that is safe for human health and the environment.</p> <p>The ESMF will guide the project to dispose of the waste in an environmentally sound and safe manner that includes the appropriate control residues resulting from the handling and disposing of waste material if any. Such risks and relevant mitigation measures will be identified as part of the Environmental and Social Code of Practice (ESCAP) implementation. The ESMF’s project includes the prohibition of utilization of hazardous and toxic substances as regulated by GoI. In addressing potential adverse project impacts on human health and the environment, the ESMF’s project guides the project to consider relevant factors including existing ambient conditions, existing and future land use, the project’s proximity to areas of importance to biodiversity and the potential for cumulative impacts.</p>
<p>ESS4 Community Health and Safety</p>	<p>ESS 4 addresses the health, safety, and security risks and impacts on project-affected communities and the corresponding responsibility of the Government to avoid or minimize such risks and impacts, with particular attention to people who, because of their particular circumstances, may be vulnerable. Requirements related to project investments should take into account quality and safety of the proposed activities (i.e., use of chemicals associated with mangrove restoration and conservation activities, infrastructure safety, traffic safety, exposure of COVID-19, etc.), preparedness of emergency events, climate change adaptation and universal access considerations were technically and financially feasible.</p> <p>Potential risks and impacts on the health and safety of the target communities will be assessed as part of the risk screening and scoping at the sub-project level. Relevant mitigation measures shall be incorporated as part of: i) project design and</p>

ESS	Application under the Project
	<p>activities (i.e., infrastructure design, equipment safety, site selection, etc.); ii) contractor’s ESMP where such risks concern activities performed by third-party contractors. Restoration and conservation activities in high-risk locations, including those in high-seismic zones, and/or with extreme weathers will be carefully assessed and monitored. Where relevant, emergency preparedness, such as awareness-raising, notification procedures, public evacuation, etc. to address emergency events shall be included as part of the project planning as relevant.</p> <p>Complex activities requiring specific expertise and skills shall be performed and/or supervised by trained and qualified professionals. Where the project includes new structures and/or buildings that will be used by the public, key considerations of safety, natural hazards, and universal access concepts shall be integrated, including choice of building materials to be used.</p>
<p>ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement</p>	<p>Involuntary land acquisition and resettlement and any project activities that require such land taking and resettlement impacts will not be financed under the project. Under ESS5, resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement. The project will seek to avoid involuntary resettlement and forced eviction for the purpose of project activities.</p> <p>Consensus with affected persons or communities shall be established prior to commencement of activities with potential impacts on land and their control over land. In the event that the project requires land for specific investments, such land acquisition shall be performed through voluntary transactions (willing-buyer and willing-seller scheme) and voluntary land donation as appropriate. A protocol for such land acquisition modalities has been prepared as part of the ESMF (Annex 6: Land Acquisition Framework and Process Framework (PF) for Managing Restriction of Access to Natural Resources). In the event of potential restrictions on land use and access restrictions, ESS5 also addresses risks and impacts associated with such restrictions that cause a community or groups within a community to lose access to resource usage (i.e., marine and aquatic resources, timber and non-timber forest products, fresh water, medicinal plants, hunting and gathering grounds, etc.) where they have traditional or customary tenure or recognizable usage rights. This may occur in situations where conservation zones, biodiversity areas or buffer zones are established in connection with the project.</p> <p>A Process Framework serves as a tool to guide mitigation measures in the circumstances where the project activities cause access restrictions on land use and natural resources as a result of improved mangrove management. The purpose of the Process Framework is to establish a process by which members of potentially affected communities participate in design of project components, determination of measures and implementation and monitoring of relevant project activities. Such risks are envisaged as a result of implementation of Component 2 activities, where potential mitigation measures (i.e., alternative livelihoods) can potentially be financed under Component 3. Potential land acquisition and access restriction risks under Component 3 activities are expected to be minor. In the event land is required, such land acquisition will be performed through willing-buyer and willing seller and/or voluntary land donation as further described in the ESMF.</p> <p>Provisions under the ESS5 also applies to land acquisition and land use restrictions occurring prior to the project but which were undertaken or initiated in anticipation of or in preparation for the project.</p>

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<p>ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources</p>	<p>ESS 6 aims to protect and conserve biodiversity and habitats. ESS 6 supports enhancement of biodiversity and livelihoods of local communities. M4CR will strengthen the positive environmental impacts in project target areas, reduce deforestation, improve biodiversity, reduce erosion and physical land degradation processes and contribute to other beneficial impacts of the mangrove ecosystems. The biodiversity management framework (BMF) will be developed and incorporated into village mangrove management plans, and/or other technical planning documents as applicable including but not limited to site-level ESMPs, site-feasibility and detailed designs, community business plans as a guideline to assess the area of high conservation value – if these documents do not already exist. This will be done prior to commencement of sub-project activities located in specifically designated protected and/or ecologically sensitive areas according to national regulation. This also aims to the project to minimize impacts and restore biodiversity and ecosystem.</p> <p>The project will not implement any activities in the area classified as critical habitat as per WB ESS requirements. The ESMF outlines screening procedures for site selection to reflect all requirements in ESS6. This shall also be reflected in environmental and social assessments (ESMPs) during project implementation along with the identification of direct, indirect, and cumulative impacts on biodiversity and natural habitats.</p>
<p>ESS7 Indigenous Peoples</p>	<p>ESS7 applies when distinct social and cultural groups identified in accordance with the provisions of the standard are present in project locations. ESS7 applies regardless of whether these groups are affected positively or negatively and regardless of the significance of any project impacts. An Indigenous Peoples Planning Framework (IPPF) establishes a process for risk and impact management commensurate to their significance and inclusive engagement and participation to enable access to project benefits. Under the project, the term “Indigenous Peoples” applies to <i>Adat</i>/customary communities as far as they meet the identification criteria established through screening. Application of the standard contributes to poverty reduction and sustainable development by ensuring that activities being financed enhance opportunities for Indigenous Peoples to participate in and benefit from the development process in a manner that does not threaten their cultural identities and wellbeing.</p> <p>The main premise of the ESS7 is recognition that Indigenous Peoples have identities and aspirations that are often distinct from mainstream groups in national societies and are often disadvantaged by traditional models of development. Project activities which may involve restrictions of access to land use and natural resources may result in impoverishment and conflicts if not managed adequately and if community consensus fails to be obtained. Further, their economic, social and legal status may limit their capacity to defend their interest and rights and access project benefits. At the same time, the project seeks to create important opportunities for Indigenous Peoples to improve their quality of life and well-being through improved management of mangroves and sustainable livelihoods opportunities. Under the project, when Indigenous Peoples are present and/or have a collective attachment to the land, territories and natural and cultural resources, the project activities shall be fully consulted about and have opportunities to actively participate in, project design and how the project activities are being implemented in their territories.</p> <p>The scope and scale of such consultations and engagement will be proportionate to the scope and scale of potential risks and impacts affecting Indigenous Peoples. Potential adverse impacts shall be avoided and if not feasible, mitigated in a</p>

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	consultative and participatory manner. While circumstances requiring Free, Prior and Informed Consent (FPIC) shall be avoided, the IPPF outlines key requirements for FPIC as a pre-cautionary measure in the event that such risks are unavoidable during the project implementation. Elements of the IPPF and its Scope of Application shall be integrated to the project design (refer to Sub Annex 9.1: Integration of IPPF provisions into Project Design).
ESS8 Cultural Heritage	ESS 8 recognizes that cultural heritage provides continuity in tangible and intangible forms between the past, present and future. ESS 8 sets out measures designed to protect cultural heritage both tangible and intangible cultural heritage throughout the project life cycle. Tangible cultural heritage may be located in urban or rural settings, be above or below land or under water, and includes natural features and landscapes; Intangible cultural heritage includes practices, representations, expressions, knowledge, and skills. FPIC will be required if the project supports co
ESS9 Financial Intermediaries	Not relevant to M4CR.
ESS10 Stakeholder Engagement and Information Disclosure in the preparation of ESMF for this project.	<p>ESS 10 recognizes the importance of open and transparent engagement between the Government and project stakeholders as an essential element of good international practice. Effective stakeholder engagement can improve the environmental and social sustainability of projects, enhance project acceptance and development outcomes, and make a significant contribution to successful project design and implementation.</p> <p>ESS 10 requires stakeholder engagement throughout the project life cycle and preparation and implementation of a Stakeholder Engagement Plan (SEP). The project will disclose documentation related to environmental and social risks and impacts prior to project appraisal. Such documentation will address in an adequate manner, the key risks and impacts of the project and provide sufficient detail to inform stakeholder engagement and Bank decision making. The project will disclose final or updated documentation as specified in the ESCP.</p>

2.3 Gap Analysis of National Policies and the World Bank's Environmental and Social Framework

Indonesia has made sustained progress in enhancing its country system to address international good practices in environmental and social management. Despite a robust progress on the development of the regulatory framework for environmental and social management, law enforcement and local capacities on impact assessments and management vary. Sustained capacity strengthening is warranted particularly on aspects related to OHS, community health and safety, resource management, prevention of pollution, land acquisition, biodiversity management, management of access restriction, and stakeholder engagement. Specific provisions where gaps were identified against the applicable ESSs are presented in **Table 4** [Error! Reference source not found.](#). The gap assessment also outlines relevant gap-filing and capacity-strengthening measures building on the country system in the context of the project activities.

In line with the Public Information Law (UU KIP), M4CR seeks to enhance the implementing agencies' existing Feedback and Grievance Redress mechanisms (FGRM). Key measures include ensuring dedicated and capable staff in charge of FGRM is on board, establishment of a clear and accessible grievance handling and documentation mechanism and strengthening community engagement at the project level. On the broader risk management aspects, key measures introduced focus on social inclusion dimensions of mangrove rehabilitation and conservation and enhancement of development opportunities and equitable access to project benefits, particularly amongst vulnerable groups. The project seeks to avoid potential adverse risks and impacts and if not feasible, relevant mitigation measures will be developed in a participatory manner with affected communities. The project also seeks to introduce good international practices in mangrove management, which is expected to promote biodiversity conservation and enhancements, sustainable livelihoods, climate and disaster resilience.

Table 4 presents the identified gaps between the Gol's relevant laws and regulations and the requirements of the WB ESSs. The table also presents further analysis on how the environmental and social management of M4CR activities will adopt additional measures to address these gaps.

The project is expected to benefit from the current Environmental and Social Management System (ESMS) under the BPDH, which acts as a fund administrator for the project. BPDH will extend its oversight and technical functions to support environmental and social management under the project. BPDH's ESMS covers relevant topics under the project, including environmental assessment (i.e., screening, risk classification), labor working condition (including FGRM, child labor, wage), land acquisition. Further assessment of the compatibility of the BPDH's ESMS and the World Bank's ESS is also presented in this chapter.

Several key findings are:

- a. A framework for environmental and social management and requirements relevant to mangrove rehabilitation been integrated into the existing systems administered by the BPDH, KLHK and BRGM. Within the BPDH's ESMS, a Negative List that are commonly used in World Bank-funded project is in place for any funding to be administered. BRGM also excludes sites where community consensus cannot be ascertained from their list of target locations for peatland restoration. A similar approach is expected to be adopted for mangrove rehabilitation.
- b. There have been multi-tiers screening processes, first screening is whether the proposed activity is aligned with BPDH roles and mandate according to the law. Second tier is on Negative List, and third tier is to categorize "low risk", "moderate risk", and "high risk" project. There has been clear indicators for indicating risk level of the proposed activity/ project.

- c. Overall, the majority of the standards of BPD LH were aligned with World Bank Environmental and Social Standards, with several gaps identified on:
- Labor and working conditions (no requirement to cover workers with the work accident insurance)
 - Land acquisition and access restriction (no clear eligibility and scope of “livelihoods improvement plan”)
 - Indigenous People (no clear definition of Indigenous People and acknowledgment of land use and land ownership claims limited to ones that have been acknowledged by the state)
 - Environmental assessment (no information regarding cumulative impact and associated facilities)

Detailed information is described in **Table 5**.

Table 4: Summary of Gaps between Indonesian Regulations and World Bank Environmental and Social Standards (ESSs)

ESS Topics	Identified Gaps	Measures to Mitigate
<p>ESS 1 – Assessment and Management of Environmental and Social Risks and Impacts.</p> <p>Generally, the relevant laws and regulations on the environmental and social risks and impacts assessment in Indonesia are aligned with the ESS. Identified minor gaps can be addressed directly in the project level planning and implementation</p>		
<p>Scope of assessment</p>	<p>Direct, indirect, and cumulative impacts are assessed in the national regulatory framework. The assessment includes inter-related and interaction of hypothetically significant impacts. However, assessments on potential impacts from associated facilities are not stipulated. There is no explicit requirement to include a mitigation hierarchy in the environmental and social management plan. Indonesia has ratified the Committee on the Elimination of Discrimination against Women (CEDAW), and there is the Presidential Regulation on Gender Mainstreaming, which provides a general guideline on no-violence and no-discrimination against women, and inclusion of women in development. However, it lacks reference to forms of violence and exclusions and no clear guideline on enforcement.</p>	<p>Environmental and social impact assessment shall follow the ESS1 requirements. An outline of site-specific Environmental and Social Assessment documents acceptable to the Bank is provided in the ESMF.</p> <p>Covered under the outline, site-specific Environmental and Social Assessment and the Cumulative Impacts Assessment documents acceptable to the Bank shall be required and have been reflected in this ESMF.</p> <p>Relevant measures addressing social risks are: i) streamlined to the project design, particularly on site screening criteria and on livelihoods, prioritizing vulnerable and/or affected communities to participate in the project activities; ii) consensus building with key local stakeholders, including affected communities, as part of Stakeholder Engagement Plan agenda and site selection processes; and iii) supplemental measures included as part of the ESMF cover Indigenous People Planning Framework (IPPF), Stakeholder Engagement Plan, Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) mitigation and response action plan, and capacity building activities. Further, awareness rising on gender and SEA/SH along with relevant Codes of Conduct to personnel of the implementing agencies and their service providers and/or contractors shall be required prior to deployment.</p>
<p>Project area of influence</p>	<p>Environmental approval regulations, covering AMDAL, UKL-UPL and/or SPPL requirements are not required to assess Associated Facilities.</p>	<p>The ESS1 requires the project to cover the Associated Facilities that may present to the project. The environmental and social assessment will identify and assess, to the extent appropriate, the potential environmental and social risks and impacts of Associated Facilities. These include the requirement to address the risk and impact of</p>

ESS Topics	Identified Gaps	Measures to Mitigate
		<p>Associated Facilities in a manner proportionate to its control or influence over the Associated Facilities.</p> <p>Management of Associated Facilities is covered under the ESMF.</p>
Environmental and social monitoring	<p>The country framework, as stipulated in the management plans (RKL-RPL) requires follow-up, analysis, use of environmental monitoring data for evaluation and continual improvement. However, implementation capacities vary, particularly in the handling and documentation of site-level grievances, OHS and community health and safety practices.</p>	<p>Covered by the outline of site-specific Environmental and Social Assessment documents acceptable to the Bank and reflected in generic ESMPs in this ESMF. Component 4 on Project Management will provide additional oversight and technical capacity support for environmental and social management to implementing entities.</p>
Capacity development and training	<p>In case environmental approvals are required, the country framework usually has limited provisions for capacity development and training for ESMP implementation. On civil work packages, the National Competitive Bidding (NCB) for Construction-ESMP (C-ESMP) include capacity building requirements, however, in practice, budget allocation for capacity development and training for ESMP implementation is often insufficient.</p>	<p>Training and capacity building for environmental and social aspects will be included in respective project components with additional support under Component 4 on Project Management.</p>
<p>ESS 2 – Labor and Working Conditions.</p> <p>Indonesia has ratified all core conventions of ILO labor and working conditions. Owing to the enactment of Job Creation Law 11/2021, which amended several provisions on labor and working arrangements, such as on contracting arrangement and overtime working hours.</p>		
Grievance mechanism	<p>The national regulations provide an avenue to resolve work-related issues. However, in practice implementation of workplace grievances tend to vary and are not clearly established which limit their effectiveness. Sub-contract workers often do not have access to such grievance mechanisms as they are often informally employed by the main contractors.</p>	<p>The project is establishing a Feedback and Grievance Redress Mechanism (FGRM), which is accessible to project workers. When activities are being delivered by service providers and/or contractors, the project will require employers to facilitate safe and accessible FGRM to their workers, including sub-contractors. Relevant channels and procedures will be informed to the workers as part of their induction program and regular toolbox meetings. All submitted grievances will be investigated and resolved fairly and transparently. SEA/SH cases will be handled separately for which a specific mechanism has been prepared under the ESMF.</p>

ESS Topics	Identified Gaps	Measures to Mitigate
Terms and conditions of employment	Indonesia’s Omnibus Law (Law No. 11 of 2020 on Job Creation), on November 2, 2020 brought about some changes in the Labor Law, particularly on aspects related to reduction of termination entitlements, notice of termination procedures which waives Labor Court verdict, additional working hours, elimination of sectoral minimum wages into regional minimum wages.	The project’s Labor Management Procedures includes relevant terms and conditions for project workers, including those contracted workers, primary supply workers and community workers to ensure consistency with the ESS5 where gaps are identified in the country system.
Community workers	Not covered in Indonesia legislation system	The labor-management procedure will cover the community workers' arrangements in accordance with the requirements of the ESS.
Child labor	In general, an employer is prohibited from employing children under 18 years of age. However, a child between the ages of 13 and 15 years may perform light work, provided that such work does not interfere with his or her physical, mental, or social welfare and development.	<p>Since the project may potentially operate in hard-to-reach areas with limited supervision capacity, it is encouraged for the application of the minimum age as 18 years old and above. Age verification will also be challenging for individuals who are not yet eligible for a national ID. In the event that the decision is made to allow employment amongst individuals over the minimum age of 14 and under the age of 18, specific conditions under ESS2 para. 17-18 shall prevail. These include:</p> <ul style="list-style-type: none"> a) A child over the minimum age and under the age of 18 will not be employed or engaged in connection with the project in a manner that is likely to be hazardous or interfere with the child’s education or be harmful to the child’s health or physical, mental, spiritual, moral or social development. b) an appropriate risk assessment is conducted prior to the work commencing; and c) the project implementing agencies conduct regular monitoring of health, working conditions, hours of work and the other requirement of this ESS. <p>Additional resources will be made available, including for supervision, communication and outreach, FGRM, etc. to ensure duly adherence the ESS2 provisions and the national labor law.</p>

ESS Topics	Identified Gaps	Measures to Mitigate
ESS 3 – Resource Efficiency and Pollution Prevention and Management. No major gaps are identified. GoI environmental laws and regulations on pollution prevention and management cover airshed management and emissions standards, reduction of greenhouse gas emissions, management of hazardous and non-hazardous wastes, and water quality effluent discharge standards. These regulations consider ambient conditions, and through the engineering designs and ESIA, pollution prevention measures will be sought and built into the project. Enhancements in the sourcing and usage of raw materials can be done for the project.		
Efficient and sustainable use of raw materials	Not specifically covered in the Indonesian legislation system.	The project will incorporate into the design requirements for reuse and recycling of materials, and efficient use of water and energy wherever possible. This will be projected in the generic ESMP templates within the ESMF.
ESS 4 – Community Health and Safety. Potential risks and impacts as well as the mitigation measures to the community health and safety are assessed in the ESIA process and covered in the ESIA documents (AMDAL/UKL-UPL/SPPL). No major gaps are identified in the relevant laws and regulations.		
Universal design	No gaps identified. The concept of universal design has been embodied in various ministerial regulations and technical guidelines of the Ministry of Public Works and Housing (MPWH).	The project will refer to relevant existing regulations and guidelines and relevant universal design requirements will be integrated into facilities intended for public and/or community use, including those that may be constructed with potential impacts on communities' access. Community views will also be sought on matters pertaining to universal access and inclusive design.
Community exposure to health issues	There is no specific regulation mandating to avoid or minimize the potential for community exposure to water-related, communicable and non-communicable diseases. The recent policies and regulations enforced by the GoI have extensively covered risks relating to the spread of COVID-19 and have adopted measures of social distancing and general hygiene.	The Project will review site-specific ESMPs (RKL-RPL or UKL-UPL) where applicable. Any gaps, when identified, will be addressed through additional mitigation measures to meet the requirements of the ESS. The implementation of the measures will be regularly monitored and reported. COVID-19 Infection Prevention Control (IPC) measures have been prepared under the ESMF to prevent the spread of the disease during project implementation.
Risk of social exploitation and abuse/ sexual harassment	The OHS regulations in Indonesia does not incorporate prevention of SEA/SH risks and hence represents a gap.	SEA/SH risks will be mitigated through incorporation of SEA/SH prevention measures, including adoption of Code of Conduct for project workers, which also covers respectful behavior, SEA/SH

ESS Topics	Identified Gaps	Measures to Mitigate
		sensitization, recruitment of a gender specialist who will oversee SEA/SH risk management
<p>ESS 5 – Land Acquisition, Restrictions on Land Use, and Involuntary Resettlement.</p> <p>Applicable laws and regulations in Indonesia have covered the main topics of the ESS5 however, some gaps are identified in terms of detailed explanations and arrangements of the issues, particularly with regards to compensation and livelihood restoration of affected individuals who do not have recognizable/legal land rights.</p>		
Willing-buying and willing-selling mechanism	No specific details covering due processes of willing-buyer and willing-seller mechanism as voluntary transactions fall under civil law which based on bilateral agreements.	Specific protocols, including required documentation of negotiations between buyer and seller, are covered under the ESMF. For example, is the application of the land acquisition framework, where its provisions shall apply to the acquisition of land for the purpose of project investments (i.e., nursery, infrastructure, etc.) and where voluntary transaction (willing buyer and willing seller) and voluntary land donation are the agreed modalities for such acquisition.
Voluntary land donation	No specific regulation governing voluntary land donation	A voluntary land donation protocol has been integrated as part of the ESMF.
Use of eminent domain	Land acquisition in the development of public interest, which allows the state to exercise its rights on the eminent domain is regulated under Law no.2/2012 which was amended under the Omnibus Law.	Involuntary land acquisition is not applicable under the project. In the event land is required, land procurement will adopt a willing-buyer and willing-seller scheme and voluntary land donation as established under the ESMF.
Direct and indirect impacts, including access restrictions	Adverse social and economic impacts due to restrictions of access and land use resulting from land acquisition for development in the public interest have been incorporated in the amendment of Law 2/2012 through the Omnibus Law. However, the regulation lacks details on the implementation of required measures. Access restrictions associated with improved management of natural resources and land administration are not covered under the country framework.	<p>Direct and indirect impacts related to access restrictions of land use and natural resources are covered under the ESMF and specifically defined in the Land Acquisition Framework and Process Framework. Management of livelihoods impacts will be integrated as part of the project design whereby affected persons and communities will be prioritized to participate on Component 3 on livelihoods.</p> <p>Indirect impacts on livelihoods not associated with land acquisition and access restrictions (if any) will be covered by site-specific Environment and Social Management Plan (ESMP)</p>

ESS Topics	Identified Gaps	Measures to Mitigate
Compensation for loss of income sources or means of livelihood	Law no.2/2012 as amended in the Omnibus Law includes reference to replacement costs as well as other entitlements including allowances for land acquisition for the development in the public interest. No specific regulation governing management of livelihoods impacts associated with improvements in natural resources.	The Land Acquisition Framework and Process Framework as part of the ESMF includes eligibility and entitlement criteria for potential impact scenario in line with ESS5. Management of potential impacts associated with access restrictions will be performed through community engagement and consensus building. Affected persons and/or communities will be prioritized to participate on livelihoods component, particularly those who are considered vulnerable (i.e., women, poor households, the elderly, people with disability, landless households, etc.)
Measures to protect vulnerable groups, including Indigenous Peoples	Law 2/2012 as amended in the Omnibus Law does not include specific provisions on the protection of vulnerable groups in the context of land acquisition for the development in the public interest. No specific regulation governing protection of vulnerable groups associated with improvements in natural resources, including Free, Prior and Informed Consent (FPIC) by Indigenous Peoples.	ESMF and Process Framework includes provisions for protection of vulnerable groups who may be affected as a result of project activities, particularly those who may experience economic displacement as a result of improved mangrove management. Relevant measures will be developed with participation of affected persons and/or communities and integrated into village mangrove
Disclosure and engagement	The Public Information Disclosure Law No. 14/2008 (<i>UU Keterbukaan Informasi Publik</i>) also requires government agencies to provide the information required by the public, including planned activities, budget and spending, and other data relevant for public understanding. Previous practices in the sector have incorporated information disclosure and engagement processes, including management of access restriction impacts.	The ESMF includes provisions of disclosure of information to project's affected persons and/or communities. Management of potential risks and impacts shall be performed with participation of affected persons and/or communities and relevant procedures will be integrated into the project's design.
Grievance mechanism	While there are specific regulation governing protection of vulnerable groups associated with improvements in natural resources, previous practices in the sector have installed FGRM to affected communities.	ESMF has established a Feedback and Grievance Redress Mechanism (FGRM), including documentation requirements. The project will make resources available to strengthen its FGRM mechanism.
ESS 6 – Biodiversity Conservation and Sustainable Management of Living Natural Resources.		

ESS Topics	Identified Gaps	Measures to Mitigate
<p>GoI regulation on forestry and biodiversity conservation, in general, supports ESS6 for protecting biodiversity. The main gap is that GoI regulations do not recognize the requirements for assessing project impacts on natural and critical habitats.</p>		
<p>Classification, criteria for Significant conversion (loss) and degradation of Critical and Natural Habitat</p>	<p>This ESS requires a differentiated risk management approach to habitats based on their sensitivity and values. This ESS addresses all habitats, categorized as ‘modified habitat’, ‘natural habitat’, and ‘critical habitat’, along with ‘legally protected and internationally and regionally recognized areas of biodiversity value’ which may encompass habitat in any or all of these categories. The Bank does not support projects that, in the Bank’s opinion, involve the significant conversion or degradation of critical habitat.</p> <p>The requirements for biodiversity management plans are existing in GoI laws. However, the regulations do not mention specifically about the protection of natural and critical habitats as per ESS6.</p>	<p>The project will support the development of site selection that recognizes government-protected areas and high biodiversity/environmentally sensitive areas, including critical habitats of key species. The ESMF will outline screening procedures for site selection to reflect all requirements in ESS6. This shall also be reflected in environmental and social assessments (ESMPs) along with the identification of direct, indirect, and cumulative impacts on biodiversity and natural habitats.</p> <p>The ESMF developed under the program will therefore build on the existing country systems and ensure that any gaps against the World Bank’s safeguards policies are addressed.</p>
<p>Differentiated mitigation measures</p>	<p>GoI regulations do not mention specifically differentiated risk management approaches to habitats based on their sensitivity and value.</p>	<p>The ESMF will require that site-specific ESMPs assess risks and potential development or update of Biodiversity Management Framework to cover differentiated risk management approaches to habitats. This includes. impacts on habitats and biodiversity and prepare mitigation plans based on the classification of biodiversity and their ecological values.</p>
<p>ESS7 – Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.</p> <p>One major gap between ESS7 and relevant Indonesian laws and regulations related to the Indigenous Peoples is the requirement for the formal recognition of the IP communities (<i>Masyarakat Hukum Adat</i>) as an eligibility criterion to be treated as Indigenous Peoples. No specific requirements for social assessments and preparation of Indigenous Peoples Plans (IPPs) across sectoral laws.</p>		

ESS Topics	Identified Gaps	Measures to Mitigate
<p>Assessment and consultation; protection of Adat land tenure, avoidance of adverse impacts; mitigation and development benefits; meaningful consultation tailored to Indigenous Peoples</p>	<p>Customary communities (<i>Masyarakat Adat</i>) may potentially face difficulties in obtaining legal recognition of their presence and land claims through government processes. The scope of criteria for the identification of Indigenous Peoples are land-based and hence may exclude those groups without attachment to terrestrial territories. Such risks of exclusion are not relevant under the project since site selection and entitlement criteria under Component 3 are not based on legal recognition. Under the on-going mangrove rehabilitation activities, provisions of meaningful consultations have been incorporated. However, no separate planning arrangements are warranted for communities categorized as Indigenous Peoples.</p>	<p>The project will treat communities possessing characteristics as per ESS 7 as Indigenous Peoples regardless of their legal recognition. Identification of these groups based on the identification criteria under ESS 7 will continue as part of the screening processes during the project implementation. The Indigenous Peoples Planning Framework (IPPF) will be developed as part of this ESMF to focus on ensuring meaningful consultations and engagement, and application of FPIC in the event of adverse impacts as further elaborated in the Indigenous Peoples Planning Framework (IPPF). The project is not designed to support land tenure recognition for the Indigenous Peoples and hence, matters pertaining to definitional criteria are considered less relevant unless there is a specific activity which pursues such an objective. The IPPF outlines specific measures and scenarios for management of potential impacts and the main intent of these measures is to ensure protection of these groups from potential adverse impacts associated with changes in land use and access to land use and natural resources. The IPPF also incorporates provisions of Free, Prior and Informed Consent (FPIC) in the event that circumstances warranting FPIC are unavoidable. The provisions of the IPPF will be incorporated in the technical planning documents for mangrove rehabilitation and village mangrove rehabilitation plans.</p>
<p>ESS 8 – Cultural Heritage. No specific regulations on intangible cultural heritage. The Project will develop a chance find procedure and provide relevant training for the construction workers.</p>		
<p>Protection of both tangible and intangible cultural heritage as part of sustainable development, meaningful consultations, and equitable sharing of benefits</p>	<p>Regulations did not provide requirements to protect intangible cultural heritage and do not elaborate on benefit sharing and meaningful consultations, including with Indigenous Peoples.</p>	<p>M4CR is not expected to cause adverse impacts on both tangible and intangible cultural heritage. Prior to any project activities, as part of site selection criteria, a field assessment will be performed and consultations with local communities will be conducted to identify if there is any tangible and/or intangible cultural heritage in the area. A chance finds procedure has been prepared under the ESMF to guide the management of potential impacts on tangible cultural heritage during construction activities/excavation.</p>

ESS Topics	Identified Gaps	Measures to Mitigate
<p>ESS9 – Financial Intermediaries. <i>Not relevant for M4CR</i></p>		
<p>ESS 10 – Stakeholder Engagement and Information Disclosure. Relevant laws and regulations of Indonesia have covered the requirements of the ESS 10. BPDH/PMU Safeguard Framework in fact requires all subproject with involvement of local communities or located on site should conduct Free, Prior and Informed Consent (FPIC, or in Bahasa Indonesia PADIATAPA) of the local communities.</p>		
<p>Engagement with stakeholders; Information disclosure; Grievance Mechanism</p>	<p>Information disclosure is required by the Public Information Disclosure Law, and hence, previous activities under mangrove management implemented by BRGM and MOEF have incorporated requirements for consultations with local communities. However, the changes brought by the Omnibus Law pertaining to environmental approvals have left provisions of such consultation in limbo. Under the new law, the environmental assessment (AMDAL) did not require consultation with local communities prior to its submission to Ministry of Environment and Forestry. Further, there is further uncertainty of their implications as result of the recent Constitutional Court ruling which deems the law as being unconstitutional for violating the procedural process in law making and hence, are subject to revisions within two years since the issuance of such a verdict.</p>	<p>The Project will conduct project consultation at the national and sub-national levels, including with local communities. The Project has prepared a Stakeholder Engagement Plan (SEP) which will be implemented throughout the project cycle. A project-level FGRM has been developed as part of this ESMF and will be implemented accordingly.</p>

Table 5: Gaps between BPDH Environmental and Social Safeguards and World Bank Environmental and Social Standards (ESSs)

ESS	BPDH regulations	Identified Gaps
<p>ESS 1: Assessment and Management of Environmental and Social Risks and Impacts</p>	<ul style="list-style-type: none"> • All proposed projects shall pass the environmental and social screening list • All proposed projects shall be assessed to identify the risk classification • Identification and implementation of effective action to prevent negative impact. • Monitoring and evaluation of environmental and social compliance according to BPLDH safeguard standards, which are aligned with the World Bank’s ESS. 	<p>No information on:</p> <ul style="list-style-type: none"> • Cumulative impact • Associated facilities
<p>ESS 2: Labor and Working Conditions</p>	<ul style="list-style-type: none"> • All proposed activities will have to follow labor management standard set established by BPDH in line with the Government of Indonesia’s regulations • The regulation includes protection of the health and safety of workers • Wage is set according to the national labor regulation • Development and implementation of internal mechanism to ensure payment is made in time and no discrimination. • Grievance Redress Mechanism for workers must be established and implemented • Workers, male and female, must be given opportunity to participate in decision-making (through labor union and/or forum established by employers) • Prohibition of child labor • Provision of occupational health and safety according to applicable national regulation • The regulation covers provisions on working leave as per labor regulations, procedure to mitigate sexual harassment and discrimination in workplace and provision of compensation for work accidents 	<p>No information on requirement for covering work accident insurance (such as <i>BPJS Ketenagakerjaan</i>) and exclusion of community workers on the scope of Project Workers.</p>

ESS	BPD LH regulations	Identified Gaps
ESS 3: Resource Efficiency and Pollution Prevention	<ul style="list-style-type: none"> • Prohibition of financing activities that might cause the negative impacts related to the production, trade, storage, or transportation of hazardous and toxic materials (B3) that are not managed in accordance with statutory regulation • Prohibition of financing activities that involve the trade and use of prohibited types of pesticides and/or their excessive use which can damage the planting media and/or land; and is indicated and/or has the potential to violate the laws and regulations • Provisions on emission control, energy, water, and resource efficiency • Implementation of greenhouse gasses reduction and the mitigation measure action • Prevention and reduction the natural disaster potential risk • Encourage measure to adapt to the impact of global climate change, reduce vulnerability, and increase community resilience. 	No detail information on soil conservation and crop residue management.
ESS 4: Community Health and Safety	<ul style="list-style-type: none"> • Provisions on assessment and management of potential risks and impacts of activities on the health and safety of communities • Project design which ensures health and safety for communities • Provisions of dissemination of potential risks and impacts to affected communities • Provisions of development and documentation of community emergency response plan and mechanism 	No information related COVID-19 health protocols to prevent the spread of the disease during project implementation. No SEA/SH risk prevention identified within the scope of OHS management.
ESS 5: Land Acquisition, Restriction on Land Use and Involuntary Resettlement	<ul style="list-style-type: none"> • All proposed activities that require land acquisition should confirm Clean and Clear status of the land to be procured and/or acquired • When communities are living around the proposed activity, a written approval from community is required prior to activity commencement • Clean and Clear status is obtained through land due diligence including participatory mapping and due diligence on land use and land ownership claims • In terms of access restriction, there is no clear indicator stating “compensation” or restoration of livelihoods, but the framework 	On access restrictions, no clear guideline on what is covered in the “livelihoods improvement plan” or “contribution to local/ adat communities’ welfare”, the scope (eligibility), and how to operationalize relevant provisions at the technical level.

ESS	BPDH regulations	Identified Gaps
	<p>stipulates “livelihoods improvement plan for local communities and/or indigenous communities”</p>	
<p>ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources</p>	<ul style="list-style-type: none"> • Prohibition of financing activities the project that cause damage to biodiversity and habitats, especially vulnerable and endangered species listed in the red list criteria and categories of Appendix 1 and Appendix 2 of the International Union Conservation of Nature at the Convention on International Trade Endangered Species • Consideration of the impact on habitat and their ecological values, conservation area • Identification and mapping of biodiversity and ecosystem • Periodic monitoring of conversion prevention and forest degradation 	<p>The regulatory provisions have not considered the intentional introduction of non-native species in its activities.</p>
<p>ESS 7: Indigenous Peoples</p>	<ul style="list-style-type: none"> • Acknowledgment of Indigenous Peoples as an important and “special” group that needs to be engaged and heard meaningfully. However, there is no clear definition of Indigenous People on this framework. • Acknowledgment of <i>Adat</i> claims over land use and land ownership that have been acknowledged by the state (legal framework) or any formal regulatory arrangements • Social-participatory mapping with the <i>Adat</i> communities to map livelihoods activities, natural resources use, land/ spatial use, and spatial divide (for instance, a spatial or ecological signifier: a bayan tree as border between two communities, or a big rock, etc.) • Meaningful consultations and consent or Free, Prior and Informed Consent (PADIATA) is mandatory, and agreement with <i>Adat</i> communities shall be disclosed 	<p>No clear definition of Indigenous People Limitations on acknowledgment over land claims beyond areas which have been acknowledged by formal law.</p>
<p>ESS 8: Cultural Heritage</p>	<ul style="list-style-type: none"> • Participatory mapping for identifying tangible and intangible cultural heritage prior to on-site activity commences • Development of cultural heritage plan and implementation of the plan is required, including provisions of monitoring and evaluation 	<p>No gap identified</p>

ESS	BPDH regulations	Identified Gaps
ESS 9: Financial Intermediaries	Within the current BPLDH will channel funds for implementation of specific activities by recipients that do not constitute financial intermediaries. Further operational guidelines are still being developed, including in the near future if financial intermediation functions are anticipated by fund recipients.	
ESS 10: Stakeholder Engagement and Information Disclosure	<ul style="list-style-type: none"> • All proposed activities under Moderate to Substantial Risk must be consulted by relevant stakeholders in socially and culturally appropriate manners, including obtaining FPIC from affected communities • Social mapping is required (inventory and documentation of livelihoods activities and natural resource use and also local knowledge and how to integrate relevant local knowledge to the project activities) • To increase opportunities for all parties to participate, while promoting women’s participation in decision making forums • The results of community agreements have to be disclosed in a socially and culturally appropriate manner 	No gaps identified. FPIC in the context of BPDH Environmental and Social Safeguards refers to community consensus and broad support for specific activities to be proposed and entails a broader scope for activities considered as high to moderate. There are no specific provisions of engagement with independent specialists.

CHAPTER 3: ENVIRONMENTAL AND SOCIAL ASSESSMENT

3.1 Environmental and Social Baseline

Indonesia's mangrove forest landscapes are the largest and most productive in the world and are of high biodiversity importance. Spanning around 3.4 million hectares, Indonesia's mangroves accounts for around 20 percent of the total global mangrove area. Indonesia's mangroves serve as crucial fisheries habitat (nursery, habitat, and source of food) and protect coastal communities and infrastructure from floods, storms, and coastal erosion, a protective service valued at over US\$387 million annually. Indonesia maintains the world's highest floristic diversity of mangroves, exhibiting 40 out of 54 global species of true mangroves. These serve as habitat for numerous endangered threatened, and unique animal species. Further, Indonesia's mangroves are highly productive and effective at storing carbon, making them nature-based solutions. Indonesia's mangroves have an average stock of 1,087 tons of carbon per hectare, equivalent to 3,978 tons of potential CO₂ emissions and considerably higher than tropical rainforests. Indonesia's 1.82 million hectares of pristine and in-tact mangroves have an avoided emissions potential of 7.24 billion tCO₂ equivalent (similar to 1.5 billion cars on the road for a year) while successful restoration of Indonesia's degraded mangroves sequesters an average of 66 tCO₂ equivalent per year averaged over a 30-year period.

The results of data analysis show that there is a significant change in the existing mangrove area from National Mangrove Map (PMN) 2013-2019 of 3,311,245 Ha, and the results of updating PMN in 2021 to an area of 3,364,080 Ha. In other words, there is an increase in the existing mangrove area of 52,835 hectares. This increase shows a positive indication in the conservation of mangrove ecosystems in Indonesia. This effort is carried out by many parties, both Ministries/Institutions and community groups, especially coastal communities independently. This self-supporting activity in mangrove rehabilitation shows that awareness has started about the importance of the existence of mangroves for the environment and economic benefits.

The new information available from the results of the 2021 PMN Update is that the potential area of mangrove habitat is 756,183 Ha. It can be seen that the potential for mangrove habitat is part of the mangrove ecosystem, which is characteristically suitable for mangrove habitats, but the current condition is that there is no mangrove vegetation. Various kinds of land cover conditions for mangrove ecosystems currently identified in the 2021 PMN update are abraded mangroves, abraded areas, open land, ponds and raised land.

Changes in mangrove cover which are quite dynamic in recent years have resulted in an important 2021 PMN updating activity to be carried out in order to obtain the latest data regarding the presence and distribution of mangroves.

3.1.1 General Contexts of Coastal Communities in Potential Target Locations

Based on literature review, review of reports from similar projects (i.e., USAID LESTARI Project and COREMAP CTI), and Hatfield field-survey in 2021 in approximately 12 villages in districts⁵ with similar

⁵ Districts where households survey was conducted: Aceh Jaya (Aceh), Lampung Timur (Lampung), Panimbang (Banten), Cirebon (West Java), Brebes (Central Java), Konawe Selatan (Southeast Sulawesi), Alor (East Nusa Tenggara), Sutera (West Sumatera), Majene (West Sulawesi), Kepulauan Aru (Maluku), and Morotai (North Maluku).

context to M4CR target locations, several key points can provide a grasp of profile of coastal communities, their socio-economic conditions, and vulnerabilities.

The dependency of coastal communities to fishing are positively correlated with the distance to the regency capital (i.e., the further away from regency capital, the more dependent they are with fishing as main source of income), and across villages in Eastern and Central Indonesia tend to show higher dependency towards fishing as main source of livelihoods compared to ones in Western Indonesia. M4CR plans to involve coastal villages in both Western, Central and Eastern Indonesia (the exact village locations have yet to be determined).

Over 80 percent of respondents claim to have side jobs other than fishing, such as engaged in construction work, factory work, and micro businesses i.e., post-production/fishes processing into snacks or salty fishes or crackers, street sellers, or running micro *warung*/neighborhood shops. However, the study found that for respondents that have limited alternative livelihoods' options, mostly found in villages in Eastern part of Indonesia, have indicated several obstacles to such opportunities, including remoteness, physical infrastructure limitations, and access to financial services.

While COVID-19 pandemic brought additional hardship to coastal communities, small-scale fishers (SSF) are already sensitive to changes in fish stocks, climatic change, and viability of fishing. Small-scale and traditional fishers also tend to have limited access to formal financial services, such as saving options, credit services, insurance, and transaction services. However, many of coastal communities already have access to banking account, of which loans are the main services that they utilized to cover fishing expenses.

Local economy is crucial for coastal communities, where over 93 percent of respondents (N=1,423 household respondents of whom are located in coastal areas) claim that their earnings are dependent on village-level economy, including transactions occur in wet market and fish-auction/collectors. While connectivity to national supply chain available, it remains tenuous. Income-generating opportunities from outside of the village are deemed to be extremely limited.

In terms of gender analysis, women engaged in economic activities in coastal areas (fisherwomen) are mostly involved in post-production such as cleaning, processing, and selling fishes. Women from low-income households (below IDR 500,000 per month) tend to bear more burden to generate income for the family, compared to ones from middle-income households. These women generate income from various activities, such as running neighborhood shops, preparing, and selling salted fishes, and running chores for other households on the top of child-bearing and domestic chores. While women contribution to household income's is lower, but their incomes are more stable than males (whose income are mostly from fishing).

Previous focus group discussions with community members in several mangroves-reliance villages revealed that while both men and women are aware of the importance of mangroves for livelihoods. Women tend to not get involved in planning, monitoring, or implementation of mangroves protection activities. Women are more vulnerable to exposure to economic shock due to gender disparities in assets ownership, access to formal financial institutions, and inclusion in livelihoods development programs. In terms of access to financial services, distance also matters in moderating the possibility of women's access to financial services, where the further away banks are located, the less likely coastal communities, and women, to be able to visit. A more detailed assessment will be conducted during early stage of project implementation, embedded into the proposal of annual work plan (detail planning for each sub-project).

Out of the nine provinces targeted under the project, four will be prioritized. These include North Sumatera, Riau, East Kalimantan, and North Kalimantan. General characteristics, including key environmental and social issues of these provinces are summarized below.

North Sumatera



Aerial view of converted mangroves into palm oil plantations (Hatfield 2022)



Logging in mangrove forests (Hatfield 2022)



Palm oil plantation in drained mangrove areas (Hatfield 2022)

In terms of Human Development Index (HDI)⁶, which measures combination of living standards (proxy of consumption per capita), longevity, and average years of enrollment in education, North Sumatera shows a slightly lower average at 71.77 than the national average (71.94) in 2020. Such classification is considered high based on the Indonesian standard. Poverty rate is slightly lower than the national average at 9.25 percent (the national average of 9.78 percent) in 2020. There has been a reported increase due to COVID-19.⁷ Access to basic services and infrastructure such as drinking water, sanitation, financial services, electricity and communication in rural areas are below the national average at 56.67 compared to the national average at 59.68 based on the Village Development Index in 2018. Out of the 5,437 villages in the province, 3,768 were categorized developing, 1,469 as lagging and only 200 as self-reliant.

90 percent of the mangrove forests in this province were severely damaged based on research commissioned by the Environment Agency (BLH) of North Sumatera. Key factors include, among others, the conversion of mangrove forests into oil palm plantations, ponds for both fish and shrimp and others. The conversion of mangroves into oil palm plantations is estimated to cover more than 12 thousand hectares, and 10 thousand hectares for fishponds, which have occurred since 1977⁸. In addition, other extractive activities such as logging for charcoal production, sand dredging and agriculture also contribute to further mangrove degradation. Such degradation has resulted in adverse environmental and social impacts such as increased abrasion, decreased yields for coastal

⁶ Data source: All social data (Human Development Index, the Village Development Index, and Poverty rate proportionate to the province population) was collected from the Indonesia Bureau of Statistics' open-access data on pps.go.id

⁷ Central Bureau of Statistics 2020 [link](#)

⁸ <https://www.mongabay.co.id/2013/12/14/penelitian-hutan-mangrove-sumatera-utara-rusak-parah/>

fisheries, sea water intrusion, and the increasing incidence of malaria.⁹

Riau Province



Aerial view of abandoned ponds with natural re-growth (Hatfield 2022)



Eroded coastlines (source: [link](#))

North Sumatera shows a slightly higher HDI average at 72.71 than the national average (71.94) in 2020. Poverty rate is lower than the national average at 6.4 percent. The Village Development Index indicates that out of the 1,607 villages in the province, 87 percent were categorized as developing and 7 percent as self-reliant, whereas 5.5 percent as lagging. 226 of these villages are coastal and hence, are adjacent to mangrove forests.

Common environmental issues reported include industrial pollution, forest fires, and industrial development which is often associated with conversion of mangrove forests into other land uses (i.e., industrial estates, ports, roads, plantations, agriculture, aquaculture, and settlements). Similar to North Sumatra, mangrove logging for charcoal production and building materials were also reported.

East Kalimantan



East Kalimantan shows a significantly higher HDI average at 76.24 percent than the national average (71.94) in 2020. Poverty rate is significantly lower than the national average at 5.1 percent. There are approximately 112 coastal villages with mangroves of varying quality. Out of which, 76 villages indicate presence of aquaculture activities.

As a province endowed with rich natural resources, East Kalimantan has prospered through decades of extractive industries, particularly coals and timber. Forestry, agricultural plantations, and mining sectors

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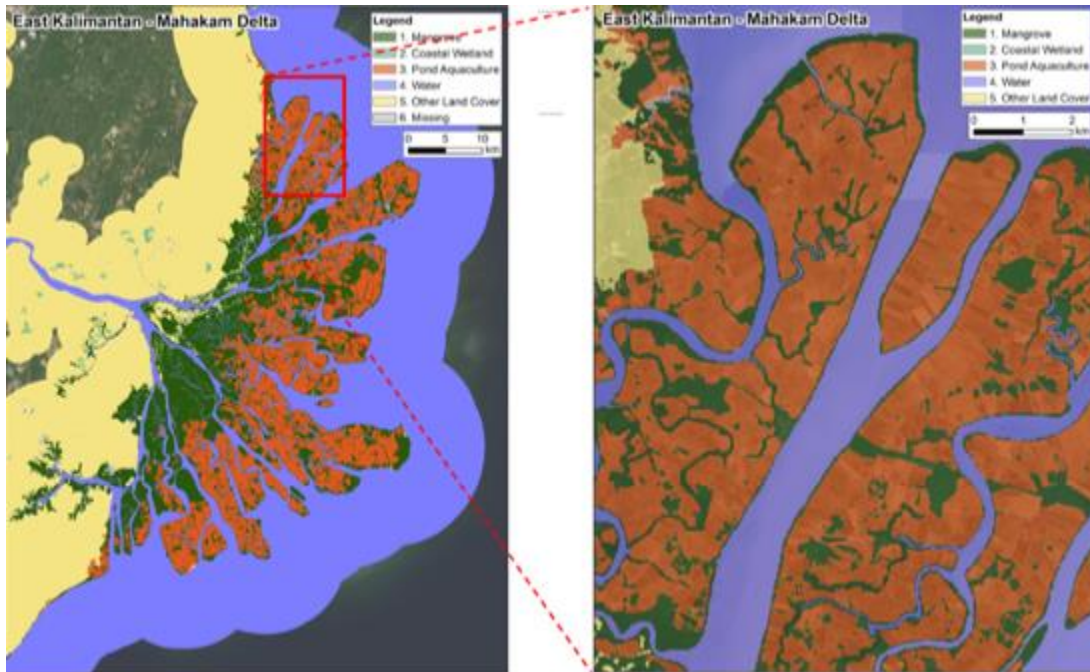
https://www.researchgate.net/publication/251567077_Studi_Ekologi_Hutan_Mangrove_di_Pantai_Timur_Sumatera_Utara_Ecological_study_on_mangrove_forest_in_East_Coast_of_North_Sumatra

Partially degraded mangroves (Hatfield 2022)



have served the main engine for the local economy. Unsustainable exploitation and extraction of natural resources have contributed to deforestation and environmental degradation and resulting pollutions and tenurial conflicts due to overlapping claims. Large scale industrial development, particularly in coastal areas have contributed to degradation and deforestation in mangrove areas. This has led to reduction of ecological functions of mangroves, including gradual loss of biodiversity, abrasion and sea water intrusion. The most heavily degraded mangrove forests in East Kalimantan are located at the Mahakam Delta, attributable due to aquaculture activities (i.e., fish and shrimp ponds).

Natural re-growth (Hatfield (2022))



Aquaculture activities in Mahakam Delta (Hatfield 2022)

North Kalimantan



North Kalimantan shows a slightly lower HDI average at 70.63 percent than the national average (71.94) in 2020. Poverty rate is significantly lower than the national average at 5.74 percent. Out of 447 villages, 273 (61%) were categorized as lagging, and 164 are developing, and 10 villages as self-reliant.

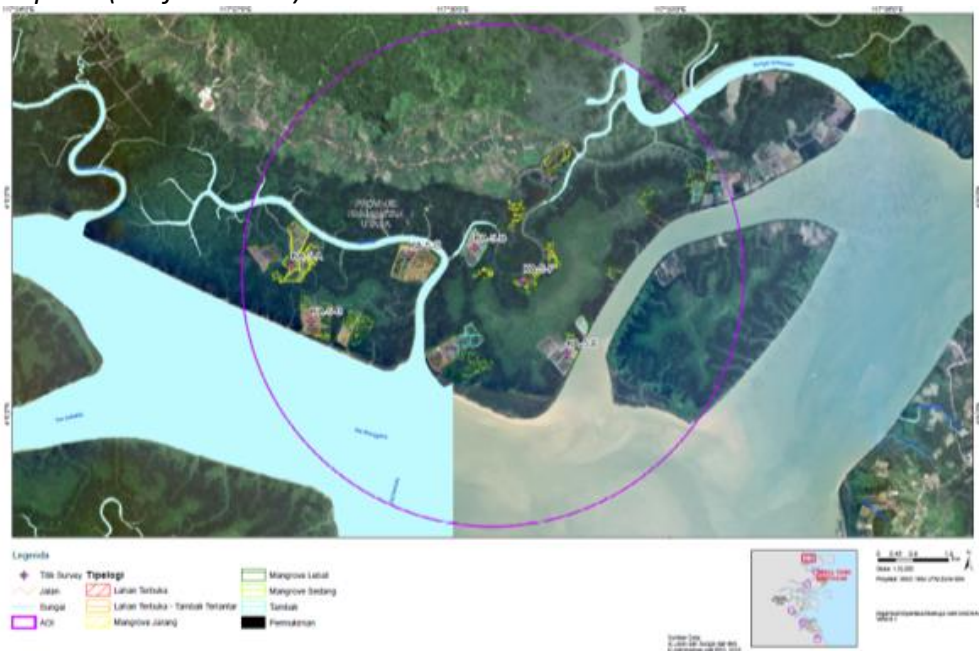
Large mangrove landscapes in the province are located in the Kayan River especially in the Kayan Delta. Significant portions of mangrove forest have been also converted into fish and shrimp ponds. Massive land

Coastal abrasion (Hatfield 2022)



conversion was reported to have occurred in 1998 with an influx of investments into the region. Located in the northmost region bordering with Malaysia, with lack of accessibility, has contributed to lack of management and mismanagement of mangroves for decades. The provincial government indicates that by 2020, 41% of mangroves in their jurisdiction have been heavily damaged due to the aquaculture activities. These mangrove forests are reportedly home to the endangered Bekantan (proboscis) monkey as well as provide ecological services, such as fish spawning areas, natural seawalls, and home to rich biodiversity.

Abandoned pond (Hatfield 2022)



Aerial view of ponds in mangrove forests (Hatfield 2022)

3.2 Environmental and Social Risks, Impacts, and Mitigation Plan

This section discussed overall environmental and social risks assessment, including potential environmental and social direct and indirect impacts for each project sub-component, mitigation measures, and specific references to appropriate instruments and tools in the ESMF (refer to **Table 6**).

Table 6: E&S Risks and Mitigation Measures

Typology of risk	Mitigation Measures	Instruments	Component
ESS1: Assessment and Management of Environmental and Social Risks and Impacts			
Lack of implementing capacities for adherence to good environmental and social practices in mangrove rehabilitation and conservation activities <i>Rehabilitating and conserving mangrove are following the guideline of 6 techniques of mangrove rehabilitation/conservation (Please refer to Error! Not a valid result for table.)</i>	Provision of capacity building support, including mobilization of experts, training, oversight	Integrated into project component activities with overall support under Component 4	Components 2, 3, 4
Weak enforcement of environmental laws applicable to the sector	Stakeholder capacity building and coordination under Component 1	Integration of enforcement capacity building under Component 1	Component 1
Downstream impacts of policy and regulatory development and enforcement	Assessments of potential downstream environmental and social impacts associated with policy and regulatory development and enforcement as applicable. Stakeholder engagement including with potentially affected and interested stakeholders	Integrated into policy and regulatory processes under Component 1 Stakeholder Engagement Plan (SEP)	Component 1
ESS2: Labor and Working Conditions			
Poor working conditions, particularly for workers deployed to the site for site preparation and planting activities	Requirements for adequate and safe working conditions, including application of IPC measures in the context of COVID-19. Relevant ESHS requirements to be incorporated into the TORs and bidding document if relevant works are to be outsourced. Oversight and application of sanctions and/or remedial measures in the context of poor performance.	Site-specific ESMP and Environmental and Social Codes of Practices (ESCOPs), inclusion of ESHS requirements in the TORs and bidding document for third-party providers.	Component 2

Typology of risk	Mitigation Measures	Instruments	Component
<p>Child labor, particularly for activities involving community labor requirements</p>	<p>Establishment of an age verification mechanism where the minimum age for employment under the project is 18 years old.</p> <p>In the event that the decision is made to allow employment between above the minimum age of 14 and 18, relevant provisions under the ESS2 (para. 17 – 19) shall prevail and additional resources will be made available, including for supervision, communication and outreach, FGRM, etc. to ensure duly adherence to the ESS2 and the national labor law.</p>	<p>Labor Management Procedures (LMP)</p>	<p>Components 2 and 3</p>
<p>Discriminatory practices at workplace, including hiring, employment terms and conditions, termination, etc.</p>	<p>Adoption of relevant employment terms and conditions as applicable to project workers in line with ESS2. Relevant provisions include equal pay, no discrimination policies, and zero tolerance to child labor (including for third parties if activities in the field would be organized through a third party), workers’ grievance mechanisms, etc.</p>	<p>Labor Management Procedures (LMP)</p>	
<p>Occupational Health and Safety (OHS) accident, including exposure to natural disasters, COVID-19 risks, use of heavy equipment (i.e., hydrological repairs, re-grading, tidal channel creation, dredging, etc.).</p>	<p>Integrate OHS management into site-specific ESMP and ESCOPs, including provisions of capacity building, PPE, and relevant equipment for project workers.</p> <p>Provisions of monitoring, including use of supervision consultants for field activities</p> <p>Implementation of Environmental and Social Incident Reporting protocol outlining reporting, investigation mechanism and remedial measures</p> <p>Enforcement of COVID-19 Infection Prevention Control (IPC) measures</p> <p>Implementation of emergency response plan (ERP) including awareness raising, notification procedures, public evacuation.</p>	<p>OHS requirements including ERP in the ESCOPs and in the TORs and bidding documents if relevant activities are outsourced to third party providers.</p> <p>Site-specific ESMPs, ESCOPs, COVID-19 IPC protocol</p> <p>Environmental and Social Incident Reporting Protocol</p> <p>Regular monitoring of OHS</p>	<p>Component 2 and 3, with support from Component 4</p>

Typology of risk	Mitigation Measures	Instruments	Component
Workplace-related Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) or involving act of violent i.e., physical, verbal, and emotional/ bullying	Adoption of Codes of Conduct for the prevention of SEA/SH and Code of Conduct for the promoting Respectful Behavior and preventing violent act for all project workers (including to local/village-based/community-based security personnel which may involve in the project during implementation), and relevant awareness training and sensitization	SEA/SH prevention protocol, including Codes of Conduct (please refer to Annex 12: Sexual Exploitation and Abuse (SEA) Prevention Strategy) Code of Conduct for Respectful Behavior, as an integral part of SEA/SH Prevention (please refer to Annex 13. Code of Conduct for Project Workers).	All project components
ESS 3: Resource Efficiency and Pollution Prevention			
Waste generation associated with site repairs, hydrological infrastructure, planting activities and maintenance, with potential risks on biodiversity due to noise, water turbidity, etc.	Integrate waste handling procedure in the ESCOPs, including ensure that the waste collector and transporter responsible to handle waste are engaged in designated area (or as part of the contract) Collaborate with relevant local government agencies responsible for waste handling	ESCOPs which will be integrated into technical planning in the work plan (<i>Rencana Kegiatan</i>)	Component 2
Excessive use of pesticide and herbicides	If there is any herbicide and pesticide in the sub-project/activities, the chemical list will be screened against FAO list to identify the hazardous substances and ensure that the chemical used is safe for the environment, workers and community.	The suggestion and/or revision in work plan (<i>Rencana Kegiatan</i>) shall be made to exclude any prohibited chemicals according to FAO list.	
ESS 4: Community Health and Safety			
Water and soil pollution from hydrological infrastructure development, with potential risks of contaminating water sources used by surrounding communities	Use natural material to build hydrological infrastructure and installation protective measures to prevent risks of leakages and contamination	Site-specific ESMPs, ESCOPs	Component 2
Public health risks associated with COVID-19	Implementation of COVID-19 IPC protocol and relevant training and sensitization	COVID-19 IPC protocol	Components 2 and 3

Typology of risk	Mitigation Measures	Instruments	Component
Traffic safety due to transportation of heavy equipment especially in rural access	Implementation of traffic management safety as defined in ESCOP and consultation with the affected community	ESCOP	Component 2
Poor quality of structural elements with risks on community safety	Involvement of technical experts to advise and monitor delivery of sub-project activities which are considered complex and high-risk	Site-specific ESMP and Environmental and Social Codes of Practices (ESCOPs), inclusion of ESHS requirements in the TORs and bidding document for third-party providers	Component 2 and 3
Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) or involving act of violent i.e., physical, verbal, and emotional/ bullying to local communities	Adoption of Codes of Conduct for the prevention of SEA/SH and Code of Conduct for the promoting Respectful Behavior and preventing violent act for all project workers (including to local/village-based/community-based security personnel which may involve in the project during implementation), and relevant awareness training and sensitization	SEA/SH prevention protocol, including Codes of Conduct Code of Conduct for Respectful Behavior, as an integral part of SEA/SH Prevention	All project components
ESS 5: Land Acquisition, Restriction on Land Use and Involuntary Resettlement			
Access restrictions to land use and natural resources with livelihoods impacts	Implementation of the Process Framework, to guide participation of affected communities in the design of project activities, mitigation measures, and monitoring of their implementation. Positive livelihoods impacts are expected from Component 3 activities	Process Framework, with relevant mitigation measures to be integrated into village mangrove management plans. Potential financing resources for livelihoods restoration may be mobilized under Component 3	Component 2 and 3
Land acquisition is expected to be minor and will be handled through a willing-buyer and willing-seller scheme and voluntary land donation	Implementation of land acquisition protocols, adopting a willing-buyer and willing-seller scheme and voluntary land donation. For example is the application of the land acquisition framework, where its provisions shall apply to the acquisition of land for the purpose of project investments (i.e., nursery, infrastructure, etc.) and where voluntary transaction (willing buyer and willing seller) and voluntary land donation are the agreed modalities for such acquisition	Land Acquisition Framework	Composition 2 and 3

Typology of risk	Mitigation Measures	Instruments	Component
Overlapping land claims, where activities may potentially exacerbate conflicts	Implementation of an impact mitigation hierarchy, starting from avoidance of areas with ongoing large-scale disputes, technical support for conflict resolution prior to physical activities	Integrated into planning of Component 2, including site-selection processes	Component 2
ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources			
Biodiversity disturbance, introduction of invasive species	Ensure the selection of mangrove species in accordance with environmental conditions/initial ecosystems so as not to disturb the habitat of animals in the ecosystem. Engagement with local experts and use of local wisdoms. Identification and monitoring of invasive species during project life cycle.	Integrated into technical planning and workplan (<i>Rencana Kegiatan</i>). Potential development of Biodiversity Management Framework to manage these activities, or update of already existing one.	Component 2
ESS 7: Indigenous Peoples			
Access restrictions to land use and natural resources	As above under ESS5 through implementation of a Process Framework. Free, Informed and Prior Consent (FPIC) protocol will be required under circumstances warranting FPIC under ESS7.	As above under ESS5	Component 2
Social exclusion risks, elite capture	Inclusive participation and community engagement including with vulnerable groups	Stakeholder Engagement Plan (SEP), elements to be integrated into project design	Components 2 and 3
Lack of social and cultural acceptance associated with commercialization of cultural heritage for eco-tourism activities	FPIC and fair and equitable benefit sharing in agreement with the communities concerned	IPPF, SEP	Component 3
ESS 8: Cultural Heritage			
Discovery of tangible cultural heritage during project activities	Implementation chance-find procedures for tangible heritage and relevant management procedure. Develop Chance Find Procedures	Chance Find Procedures	Component 2

Typology of risk	Mitigation Measures	Instruments	Component
Use of cultural heritage for commercial purposes under community-based livelihoods activities (i.e., ecotourism)	Integration of due consultations and community engagement to inform the affected communities: i) their rights under national law; ii) the scope and nature of the commercial development and the potential impacts; and iii) the potential options for community-managed ecotourism and the like (to generate income for the local communities) while still upholding conservation principle and activities	Stakeholder Engagement Plan	Component 3
Temporary access restrictions to cultural heritage (sacred groves, coastal areas) during site preparation and planting activities	Integration of mitigation measures such as provisions of alternative access considering personal safety into site-level ESMPs	Site-level ESMPs	Component 2
ESS9: Financial Intermediaries – not relevant			
ESS10: ESS 10: Stakeholder Engagement and Information Disclosure			
Social exclusion, particularly amongst vulnerable groups	The project’s SEP includes provisions for outreach and facilitation to vulnerable groups, including provisions of women-safe space, affirmative measures for people with mobility restrictions and disability, the elderly, poor households, etc. Implementation of community FGMR and feedback management	Stakeholder Engagement Plan, with elements being incorporated into project design	Components 1, 2 and 3
Lack of meaningful consideration on social and economic conditions and socio-culturally acceptable engagement approaches	Recruitment of local facilitators from the target communities and capacity to project personnel on community engagement, pre-community engagement and consultations to understand engagement needs, opportunities and challenges as part of planning processes	Stakeholder Engagement Plan, key design elements under Components 1, 2 and 3	Components 1, 2, and 3
Lack of community buy-in into the project activities	Development of incentive systems to foster community participation, including sensitization and awareness-raising, cash-for-work mechanism, community grants, etc.	Integrated into project design under Components 2 and 3	Components 2 and 3, with technical

Typology of risk	Mitigation Measures	Instruments	Component
			support under Component 4
Poor multi-stakeholder coordination	Establishment of multi-stakeholder forums at the sub-national level to foster inter-agency coordination and collaboration	Integrated as part of Components 1, 2 and 3	Components 1, 2 and 3

CHAPTER 4: ENVIRONMENTAL AND SOCIAL MANAGEMENT

This section describes the procedures to guide: i) environmental and social screening and scoping of potential risks and impacts of the proposed sub-project activities under each component; ii) preparation of applicable environmental and social instruments and/or adoption of environmental and social management tools such as ESCOPs; iii) review and approval processes; iv) monitoring of environmental and social aspects; and v) grievance resolution.

4.1 Sub-project Risk Classification

Sub-project refers to activities funded under this Project. This project will the following risk classification which is aligned with the World Bank and BPDFLH's risk classification, with the exception that the latter combines both substantial and high as high risk. The project is not envisaged to finance sub-project activities categorized as high risk and this has been established as part of the initial risk screening process. As part of the workplan review and approval processes, relevant PIUs shall self-assess their proposed activities along the classifications below (**Table 7**) and the PMO or BPDFLH shall verify the risk classification assessment provided by the PIUs as part of the funding proposals and/or workplans.

Table 7: Sub-project Risk Classification

Risk Classification	Description	Instrument
High	Wide range of significant adverse risks and impacts on human populations or the environment including: i) long term, permanent and/or irreversible and impossible to avoid entirely due to the nature of the project; ii) high in magnitude and/or in spatial extent; iii) significant adverse cumulative impacts or transboundary impacts; and iv) a high probability of serious adverse effects to human health and/or the environment (e.g., due to accidents, toxic waste disposal, etc.). <i>Examples: large-scale infrastructure with major environmental and social impacts, rehabilitation activities requiring resettlement of land occupants and/or claimants, eviction.</i>	Not applicable Note: High risk* subprojects will not be permitted under M4CR
Substantial Note: under the BPDFLH subproject risk categorization, substantial is included in the High-Risk category	The Project may not be located in such a highly sensitive area, but potential risks and impacts may be significant. This would take into account whether the potential risks and impacts have the majority or all of the following characteristics: i) mostly temporary, predictable and/or reversible and the nature of the project does not preclude the possibility of avoiding or reversing them; ii) adverse social impacts may give rise to a limited degree of social conflict, harm, or risk to human security; iii) medium in magnitude and/or spatial extent; iv) there is medium to low probability of serious adverse effects to human health and/or the environment (e.g., due to accidents, toxic waste disposal, etc.); v) activities with high likelihood of restricting access of local communities and/or Indigenous Peoples to natural resources/ land/coastal areas, who are heavily rely on lands/ coastal areas for livelihoods/ subsistence and vi) there are known and reliable mechanisms available to prevent or minimize such incidents. Mitigatory and/or	Screening checklist, UKL/UPL, and ESMF instruments as necessary

Risk Classification	Description	Instrument
	<p>compensatory measures may be designed more readily and be more reliable than those of High-Risk Projects.</p> <p><i>Examples: Mangrove rehabilitation activity involving heavy equipment, major hydrological repairs, rehabilitation activities in areas with tenurial conflicts, ecologically sensitive areas (i.e., protected areas) and areas with substantial OHS risks.</i></p>	
Moderate	<p>Potential adverse risks and impacts on human populations and/or the environment are not likely to be significant. This is because the Project is not complex and/or large, does not involve activities that have a high potential for harming people or the environment, and is located away from environmentally or socially sensitive areas. As such, the potential risks and impacts and issues are likely to have the following characteristics: i) predictable and expected to be temporary and/or reversible; ii) low in magnitude; iii) site-specific, without likelihood of impacts beyond the actual footprint of the Project; and iv) low probability of serious adverse effects to human health and/or the environment (e.g., do not involve use or disposal of toxic materials, routine safety precautions are expected to be sufficient to prevent accidents, etc.). The Project's risks and impacts can be easily mitigated in a predictable manner.</p> <p><i>Examples: moderate-scale rehabilitation activities, including site preparation, moderate-scale hydrological repairs without involving heavy equipment, direct planting during high tides.</i></p>	<p>Environmental and Social Assessment (ESA) as part of environmental permitting processes (UKL/UPL), and other management plans guided by the ESMF as relevant. A TOR for UKL/UPL that meets the ESSs is presented as part of the ESMF to guide assessment and mitigation of potential impacts</p>
Low	<p>Potential adverse risks to and impacts on human populations and/or the environment are likely to be minimal or negligible. These Projects, with few or no adverse risks and impacts and issues, do not require further ES assessment following the initial screening.</p> <p><i>Examples: small-scale human assisted natural revegetation and propagule collection, small-scale hydrological repairs (performed through manual labor), small-scale livelihoods activities, direct planting in areas with minimal OHS risks.</i></p>	<p>Screening checklist, SPPL (<i>Surat Pernyataan Pengelolaan Lingkungan</i>)</p>

*High risk projects are expected to be screened out during eligibility screening process, so we do not expect high risk subproject under M4CR.

4.2 Management Process

Following risk classification assessment under 4.1, activities being proposed under Components 2 and 3 will be screened to: a) determine eligibility for financing; and b) identify key environmental and social risks and potential impacts and determine the appropriate environmental and social instruments for assessing and managing these risks. Such screening also includes screening of a negative list as guided by **Annex 1** of this ESMF.

Based on these screening processes, decisions of sub-project risk category will be made by the PIUs (KLHK and BRGM) with technical support from their respective environmental and social specialists with final approval of the annual work plan from PMO and/or BPD LH as a fund manager as relevant.

Under Component 1, an assessment of potential downstream environmental and social impacts associated with policy and regulatory development and enforcement shall be assessed as part of the multi-stakeholder consultative processes, involving those who may be potentially affected by specific policies and regulations to be supported under the project.

An annual workplan (*Rancangan Teknis*) will be submitted by PIUs to PMO for approval. As part of preliminary risk assessment, PIUs' annual workplan should be able to identify preliminary potential social and environmental risks in target locations using available information and consultations with relevant information. Potential key information sources to enable such screening may include remote sensing spatial data, lessons learned from other projects in target sites, or desk research. Such a preliminary risk information shall be accompanied by indicative proposals for mitigation measures based on the ESMF.

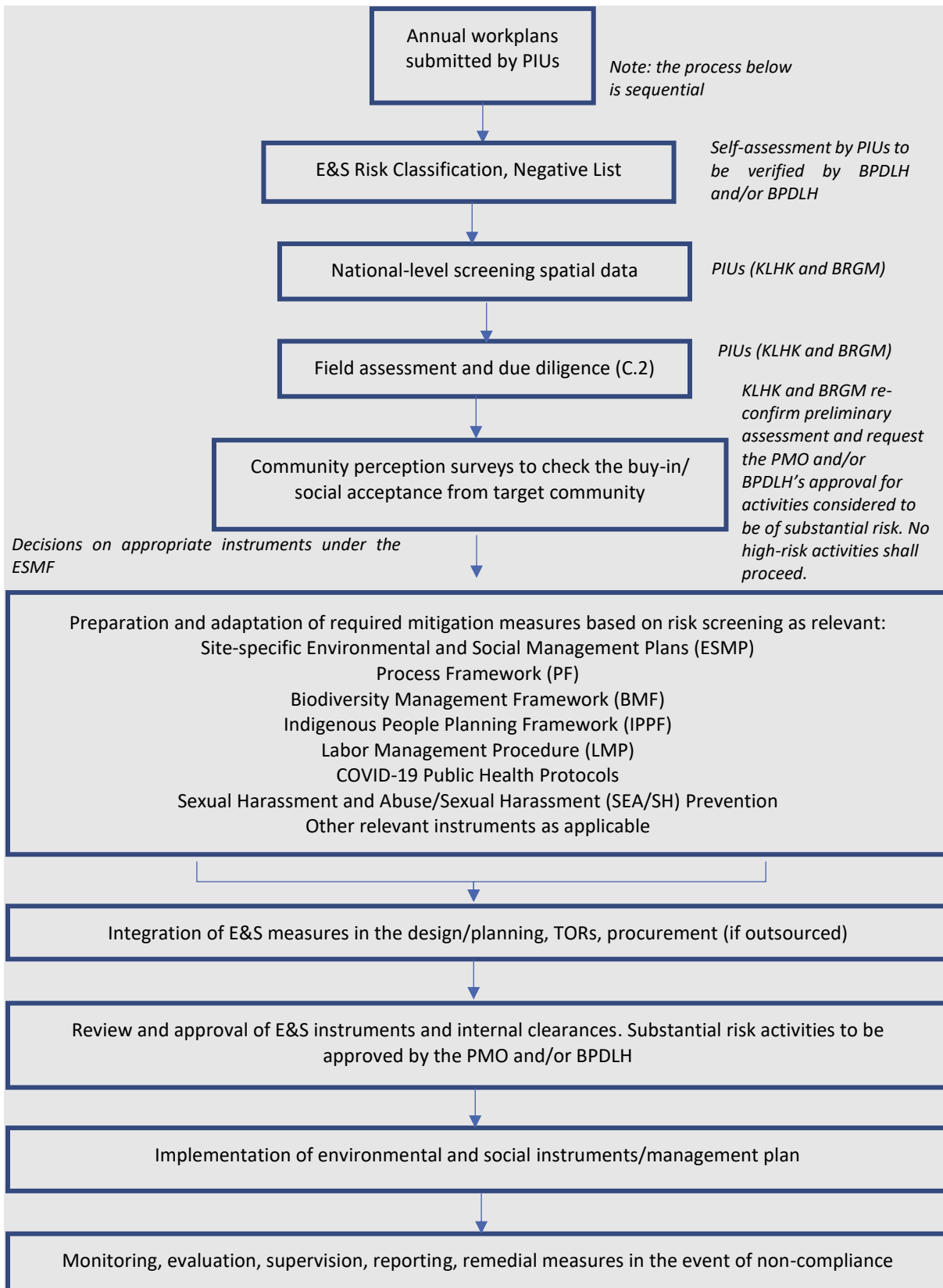
Verification of the above self-assessment by the PIUs will be performed by the PMO. Additional information may be requested if the assessment is not adequate to duly inform the PMO and/or BPLDH to approve the annual workplans submitted by the PIUs. The PMO and/or BPLDH will assess whether the environmental and social risks are manageable or whether a '*no go*' decision shall be made.

The PIUs shall perform further assessments as part of site-selection process and sub-national consultations, including with village and community stakeholders. A village level survey and/or land due diligence and social mapping may be performed if there are contextual risks warranting such an assessment, such as social conflicts, access restriction risks, presence of sensitive biodiversity, etc.

Figure 2 below lays out the key steps for the overall management of environmental and social risks, including screening and subsequent steps to follow, for all activities/subprojects being proposed under the M4CR. These environmental and social management processes will be streamlined to the site-selection criteria and planning processes under Components 2 and 3. The project adopts a multi-tiered screening process, starting from environmental and social risk classification and the negative list, followed by a national-level geospatial data screening; field assessments at the provincial and district levels; and village assessment/communities' perception survey, which may include land due diligence and social mapping exercise as applicable. These processes are aligned with the project site-selection processes and will be further integrated in the Project Operation Manual (POM), which will be finalized prior to loan effectiveness.

The target village under Component 3 will be the same as those selected for Component 2 activities and hence, the former will benefit from the screening processes performed as part of site selection. Further assessments on local market assessments and commodity value chains for livelihoods activities shall also incorporate environmental and social indicators, which will be embedded into Component 3 project design. **Figure 2** illustrates key processes to be followed by the PMO, BPLDH and PIUs with further details provided under key processes under each project component.

Figure 2: Environmental and Social Management Process



4.2.1 Environmental and Social Management under Component 1

Component 1 aims to strengthen enabling policies and institutions to improve the conservations, sustainable use, rehabilitation, adaptive management, and financing of mangrove ecosystems. This component will finance training, human resources, consultancy and operational costs and equipment. This component is not expected to support the preparation of future investment projects (whether or not funded by the project). In line with the ESS1 provisions, the following requirements shall be adopted to technical assistance activities as relevant and appropriate to the nature of the risks and impacts:

Supporting the formulation of policies and regulations or legal frameworks

Policies and regulations supported by the project may have potential downstream environmental and social implications when enforced during project implementation and in the future beyond the project life cycle. As part of policy formulation and regulation, the PIU (MOEF) shall:

- Integrate environmental and social objectives into policy and regulatory development process. Relevant TOR shall include assessments of downstream environmental and social implications performed by qualified experts and in consultations with potentially affected stakeholders. This also includes systematic and comprehensive analysis of alternatives where there are potential significant environmental and social trade-offs.
- Promote transparency through stakeholder participation and information disclosure as part of policy and regulatory development and enforcement processes. Incorporate provisions of stakeholder engagement and transparency as part of the regulatory products.
- Promote environmental and social capacity building as further elaborated below.

Capacity strengthening

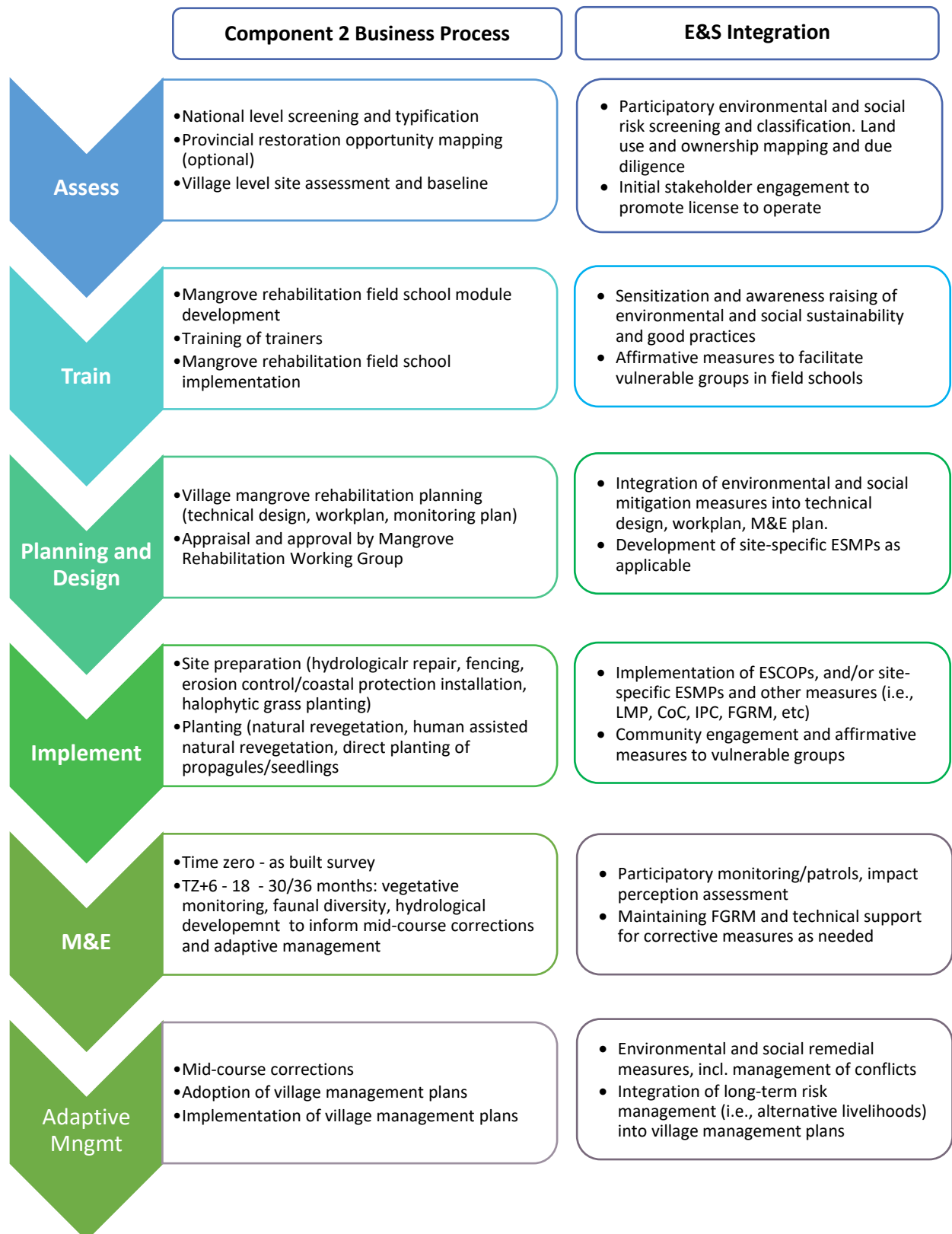
While capacity building activities themselves have minimal or no direct anticipated social or environmental impacts, such activities may involve providing support to agencies and institutions in carrying out or overseeing activities that may potentially have significant social and environmental implications. Capacity building support may provide an opportunity to build institutional capacity by integrating environmental and social concerns into relevant roles and responsibilities. This could be achieved through training, support for operations, technical standards setting and legal framework, monitoring, and reporting, etc. to target counterparts.

4.2.2 Environmental and Social Management under Component 2

Environmental and social processes under Component 2 shall follow the decision tree as outlined in **Figure 3**. Specific enhancement measures shall be incorporated into the Component 2 business process as further described below.

All activities under Component 2 will be screened and relevant risks will be assessed at the initial consultations and site-selection process. Such activities will be further assessed through field assessments and sub-national consultations. Relevant mitigation measures shall be integrated into village mangrove management planning. Site-specific ESMPs may be warranted if the screening identifies particular risks warranting standalone management (i.e., biodiversity sensitive areas, hazardous sites due to the topography, natural disaster risks, etc., or the nature of project activities). The project also seeks to integrate environmental and social awareness and capacity building as part of field schools, ensuring participation of the broader communities including vulnerable groups who may be affected. On-going monitoring and mid-course corrections shall also incorporate environmental and social aspects and shall be performed in a participatory manner.

Figure 3: Integration of Environmental and Social Management under Component 2



The project will apply six globally accepted rehabilitation techniques (refer Annex 3) and potential piloting of new techniques. New piloting techniques will undergo an environmental and social assessment prior to their adoption.

4.2.3 Environmental and Social Management under Component 3

Component 3 will support the development of livelihoods and sustainable enterprises in target villages to reduce the degradation pressure on mangrove forests and improve sustainable livelihoods opportunities. The implementation of activities under Component 3 is closely linked to the mangrove landscape management activities under Component 2 and target the same villages. Such convergence is intended to promote sustainable natural resource management planning which centers at the village level. Activities under Component 3 will directly address drivers of mangrove loss by introducing and strengthening sustainable practices in target villages. Implementation of such activities shall closely work with coastal field school groups to introduce and strengthen production practices in key mangrove-based livelihoods activities and identify and support viable, competitive opportunities for businesses in sustainable community value chains through community business grants.

The project seeks to integrate key planning environmental and social elements under Component 3 through the following processes:

Rapid local market assessments (sub-component 3.1)

Under the project, approximately 15-20 rapid local market assessments within the target provinces will be financed and such assessments are expected to inform tailored field training manuals for Coastal Field Schools. The assessment shall incorporate relevant environmental and social indicators, including but not limited to:

- Site-specific sustainability practices related to production and processing of selected commodities.
- Economic, social, and environmental viability of priority activities and/or commodities, opportunities for growth, and potential risks with regards to environmental carrying capacities, boom and bust cycles, perverse incentives (i.e., overharvesting), social conflicts, etc.
- Social exclusion risks, particularly amongst vulnerable groups including those who do not have recognized rights over land and resources who may be excluded from participation.
- Gendered aspects of livelihoods activities and options to enhance development opportunities for women.
- Inherent risks associated with development of selected commodities, including historical use of land use, resource control, and extraction, elite capture, overlapping claims, past and ongoing practices, etc.
- Traditional and/or customary practices pertaining to natural resources and communities' views of commercialization of certain commodities

Coastal Field Schools (sub-component 3.2)

To facilitate implementation of Component 2 and 3, the project will finance: i) training of trainers for Coastal Field Schools; ii) training on sustainable production practices for three to four community groups in each of the target villages; and iii) technical advisers to support and oversee training activities. NGOs may be hired by the BRGM as a PIU to implement such activities. The content of relevant training will integrate environmental and social sustainability practices. Further, relevant measures to promote

inclusion of vulnerable groups to benefit from capacity building and technical assistance shall be established under the Component. These include:

- Provisions of gender sensitive facilitation and training techniques, including those catered to people of diverse backgrounds (i.e., people with low literacy, people with disability, the elderly, women, Indigenous Peoples, etc.).
- Inclusive, open, and transparent enrollment of participants from producer groups for field schools. Outreach to promote wide dissemination of information and affirmative measures to facilitate participation of vulnerable groups.
- Incorporation of measures to reducing barriers for women to improved coastal livelihoods opportunities such as: (i) 50 percent of all trainers and Coastal Field School facilitators will be women; (ii) Coastal Field School training content and methods will be tailored to the needs of women, such as provision of childcare during training sessions; and (iii) working with male and female community leaders and role models in male-dominated livelihoods activities to overcome barriers to entry for women.

Coastal Enterprise Development (sub-component 3.3)

The project seeks to support development of sustainable enterprises in select coastal commodity value chains by encouraging business development in these value chains. The following activities where environmental and social considerations will be integrated include:

- Value chain assessment: relevant indicators under the rapid local market assessment shall be included as applicable. Value chains are likely to include non-timber mangrove products, nearshore capture fisheries, sustainable aquaculture, coastal agriculture, and eco-tourism. Relevant community engagement processes as guided in the SEP, and IPPF will be implemented as part of the assessment. These include seeking community's agreement on commodification and commercialization of certain commodities with socio-cultural values, particularly for eco-tourism activities. Findings of the value chain assessments will inform the scope of business grants facility to support demand-driven business opportunities in target value chains.
- Business grant facility: two windows will be established to eligible business tailored to different capacities. The first window will finance standard grants for micro and small coastal enterprises in target villages and will be available to select groups and/or individuals. The second window will provide matching grants for medium to large businesses in select value chains. Key considerations in the administration of business grants include:
 - a. Selection of commodities that meet environmental and ecological viability criteria, including ecosystem carrying capacities, which will be based on context-specific analysis once sites have been selected.
 - b. Provisions of technical assistance and affirmative measures to eligible businesses including small enterprises owned by women, and other vulnerable groups to improve their competitiveness and sustainability. This may involve provisions of fit-for-purpose business mentoring and coaching, integration of sustainability practices, equitable distribution of benefits, etc.
 - c. Strict monitoring to prevent use of funds that does not meet the project's objective to support inclusive livelihoods or does not meet economic and ecological viability criteria.
 - d. Management of social dimensions associated with perceived inequitable access and benefits which may result in social tension and jealousy.
 - e. Transparent and inclusive communication about selection criteria, including eligibility, roles and responsibilities to the target communities.

- f. Similar to the field schools, affirmative measures for women, including through creation of a separate grant competition window and identification of knowledge and skill gaps that prevent women from participation will also be established as part of the design of Component 3.

4.2.4 Approach to Performance-based Conditions

The project includes Performance-based Conditions (PBCs) which are linked to Component 2. Use of the PBCs is expected to incentivize results across various aspects of mangrove rehabilitation and landscape management and at the same time, enhance the GoI's capacity to deliver results-based financing. In the past, mangrove efforts have been assessed based on as inputs, such as labor, or seedlings planted instead of results. Under the project, all activities contributing to the development objectives of each PBC is subject to ESS provisions as guided in the ESMF. As applicable, relevant mitigation measures may be integrated in site-specific ESMPs to implement relevant activities to deliver results and/or technical planning documents and village mangrove management plans. As part of the PBC verification processes, PIUs shall submit in their progress reports relevant documentation on the implementation of relevant environmental and social measures as included in the management plans, including records of FGRMs of relevant activities under the PBCs. The PMO and/or BPD LH may assess environmental and social compliance based on the documentation provided by the PIUs and/or perform additional verification as applicable. These arrangements will be further elaborated in the Project Operation Manual (POM).

Table 8: Performance-based Conditions

PBC		Justification	E&S Management
1	Mangrove area with appraised and approved rehabilitation plans (hectares)	Ensures that the key steps of assessment, design and planning for rehabilitation and monitoring are carried out. This includes screening, analysis of social and environmental conditions for mangrove rehabilitation. The plans would ensure that activities are conducted in high suitability areas and follow appropriate techniques and processes (output).	Environmental and social measures are integrated as part of the rehabilitation plans (i.e., site-specific ESMPs) and/or village mangrove management plans, defining specific risk and impact mitigation measures through consultative processes with potentially affected stakeholders.
2	Mangrove area under rehabilitation and management (hectares)	Ensures that rehabilitation is implemented in the total identified area according to agreed-upon Technical Guidelines, with adequate time for monitoring of results (output).	Compliance of environmental and social management through M&E and/or third-party monitor as applicable. Grievance records and any outstanding complaints will be assessed.
3	Mangrove area rehabilitated and managed (hectares)	Ensures that areas that have been rehabilitated experience a minimum survival and growth rate, measured by stem density and species richness after eighteen months of implementation on the ground (outcome).	Environmental and social management is incorporated into mangrove maintenance plans, which may form part of the village mangrove management plans. Such measures also include mid-course correction measures, grievance handling, OHS

			measures for personnel deployed for patrols, etc.
4	Mangrove landscape management plans submitted for approval and adopted (number)	Ensures that targeted mangrove landscapes are managed according to a defined plan that has the buy-in of the relevant authorities.	Environmental and social considerations, including relevant measures to ensure sustainability and prevent reversals shall be integrated as part of the mangrove landscape management plans, with broad agreement amongst key stakeholders, including owners and claimants of the rehabilitated land.

4.2.5 Associated Facilities

This ESMF applies to all components and activities financed by M4CR including any Associated Facilities as per the World Bank’s Environmental and Social Framework. Such facilities include facilities and/or activities that are not funded as part of the project and are:

- Directly and significantly related to the project
- Carried out or planned to be carried out contemporaneously with the project and
- Necessary for the project to be viable and would not have been constructed, expanded, or conducted if the project did not exist

Presence of associated facilities and their respective risks shall be assessed as part of site screening and site selection processes. Relevant coordination and collaboration with relevant agencies and/or implementing entities of the identified associated facilities will be conducted to ensure consistent application of ESS provisions across such facilities.

The implementing agency should identify the risk and impacts if the Associated Facilities are present to the project. These include any investments mobilized by sub-national and village governments to support the project activities. As part of the risk identification, the analysis should cover the nature of such facilities and their respective risks and whether the PIUs have leverage to enforce ESS provisions across those facilities. The PIUs shall address the risk of impacts in a manner proportionate to its control or influence over the Associated Facilities.

4.2.6 Environmental and Social Management Instruments

When the proposed activity has passed all screening stages and thus location for specific investments have been confirmed, the PIUs shall determine if relevant risk and impact mitigation measures shall be integrated into the technical planning documents and plans or whether a standalone environmental and social management plan shall be prepared. Key considerations shall take into account: i) the type, location, sensitivity, and scale of the activity; ii) the nature and magnitude of the potential environmental and social risks and impacts; iii) provisions of the national laws applicable to the project, including environmental approvals; iv) the capacity of the responsible agency to manage such risks and impacts in a manner consistent with the ESSs; and v) other areas of risk that may be relevant to the delivery of environmental and social mitigation measures and outcomes, depending on the specific sub-project activities and the

context in which they are being developed. Standalone site-specific ESMPs and management plans may be warranted under the following **Table 9**.

Table 9: Environmental and Social Management Instruments

Activity	Instruments	Responsibility
Civil works (i.e., site preparation and repairs, sediment and erosion control infrastructure, etc.)	Contractor-ESMP, integrating applicable LMP, SEP, chance finds procedure and ESCOP requirements	Contractor, under supervision of the PIUs/supervision engineer as applicable
	ESCOPs, LMP for minor-scale civil works (i.e., under community-based activities)	PIUs with support from community facilitators
Mangrove planting	Site-specific ESMPs for ecologically sensitive areas, integrating GIIPs in mangrove planting, ESCOPs, LMP, BMF, chance finds procedure and SEP.	Contractor, under supervision of the PIUs/supervision engineer as applicable
	ESCOPs, LMP for community-based planting activities	PIUs with support from community facilitators
Mangrove maintenance (i.e., monitoring, patrol, etc.), mid-course corrections	ESCOPs, LMP (with the assumption these activities are performed by local communities)	PIUs with support from community facilitators
Community-based livelihoods activities under community grants window	ESCOPs, LMP with key elements to be integrated as part of value chain assessments and subsequently business plans	PIUs with support from a service provider (firm) and/or community facilitators
Strengthening of mangrove management at the village and landscape levels, with potential access restrictions to land use and natural resources	Process Framework, with relevant planning elements to be integrated into the development of mangrove management plans	PIUs with support from community facilitators
Land acquisition for small-scale infrastructure	Land due diligence, willing-buyer and willing-seller and voluntary land donation schemes	PIUs with support from community facilitators, and/or sub-national governments as applicable

Under specific circumstances where sub-project activities are being implemented in areas where there is presence of Indigenous Peoples under ESS7 and/or affect territories under customary use or occupation, relevant provisions under the Indigenous Peoples Planning Framework (IPPF) shall be implemented, and where applicable relevant mitigation measures shall be integrated into village mangrove management plans in consultations with affected persons and/or communities.

4.2.7 Review and Approval

All relevant environmental and social management instruments, including TORs and bidding documents for civil works, goods and services shall be subject to internal review by environmental and social specialists at the PIUs KLHK and BRGM. Site-specific ESMPs prepared by third-party contractors shall be

reviewed and/or cleared by the supervision engineer/consultant hired by the PIUs and/or equivalent positions.

The PMO and/or BPDH may retain oversight functions for sub-project activities particularly those screened and assessed to fall under the substantial risk category. Specific instruments to be prepared by the PIUs and/or contractors shall be reviewed and approved by the PMO and/or BPDH prior to commencement of specific activities with potential risks and impacts. Review and clearance by the World Bank will be made on a case-by-case basis subject to the World Bank's discretion during project implementation as informed by the PIUs' risk screening results and PIUs' institutional capacity (i.e., initial project implementation and/or substantial-risk and complex activities). Oversight may be retained by the PMO and/or BPDH during sub-project implementation for the substantial risk category. For the rest of sub-project activities assessed as moderate to low risks, the PMO and/or BPDH may request progress and ex-post implementation reports of these activities from the PIUs as applicable.

In the event where environmental approvals are warranted under specific activities under the project, relevant review and clearances shall follow the applicable GoI's regulations on Environmental Management. The PMO and/or BPDH is expected to ensure that environmental approvals are secured before the project's commencement as regulated. Clearance from Environmental Agency at the District and/or Provincial level also need to be recorded as part of internal monitoring and review.

Necessary improvements to ensure consistency with the provisions in the ESMF, including proposals and plans for capacity strengthening at the project implementation level may be required as part of sub-project proposal verification.

4.2.8 Integration of Environment and Social Management in Procurement

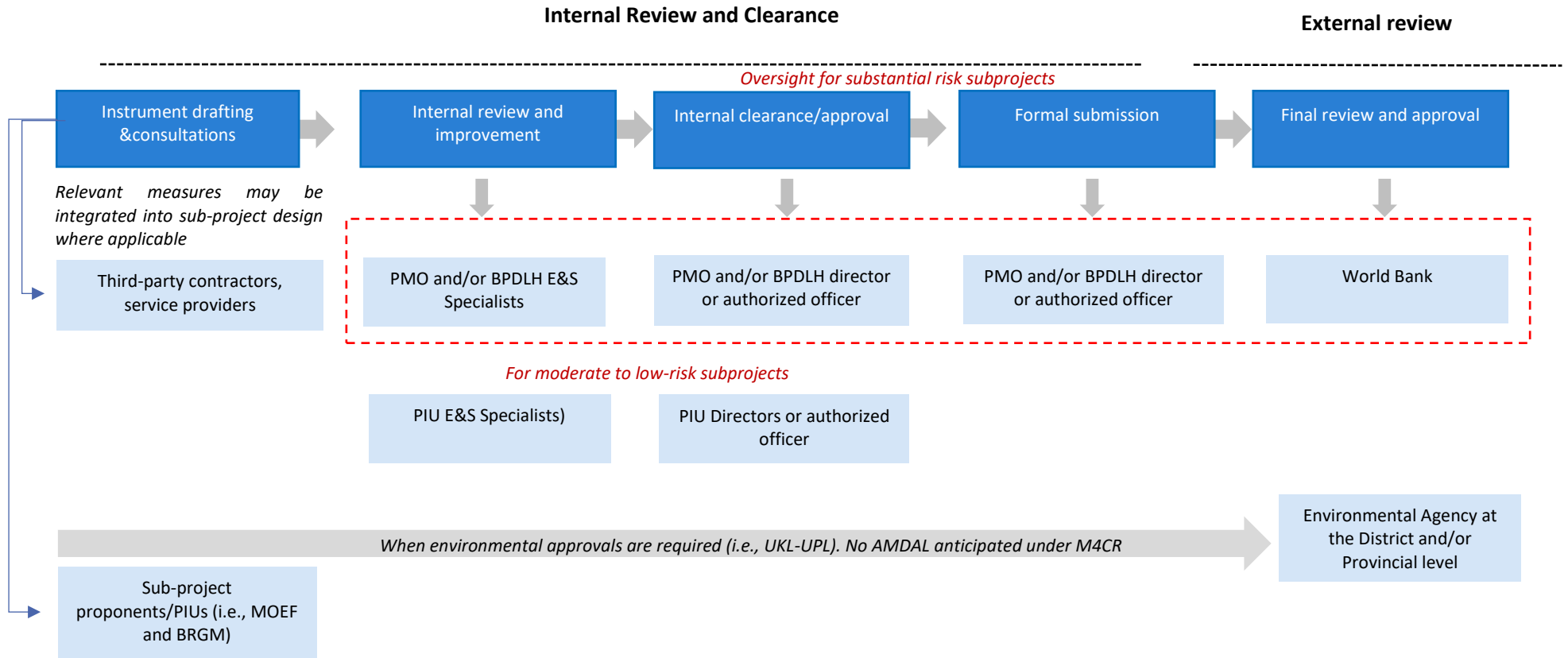
Environmental and Social requirements apply to all procurements that are deemed to occur under M4CR, including civil work, consultants/technical assistance work, and other goods (mangrove seeds, etc.) and services-related provision. Relevant Environment, Social, Health, and Safety (ESHS) requirements shall be integrated into Terms of References, bidding documents and contracts with third-party providers for activity in accordance with the World Bank's Procurement Regulations and harmonized bidding documents for National Competitive Bidding. Key elements of ESHS integration in the procurement include:

- Inclusion of relevant ESHS requirements into the bidding document for civil works, goods and services as relevant.
- Submission of Contractor's Environmental and Social Management Plan (C-ESMP)-based on mitigation measures set out in the ESHS requirements as part of the bid/proposal.
- A negative list included in the Bidding Documents.
- Site specific ESMP templates and ESCOP included in the bidding documents.
- Where relevant, provisional sums for ESHS management included in the Bill of Quantities (BoQs).
- Key ESHS personnel required to implement ESHS requirements; and
- ESHS reporting and monitoring requirements.

Draft bidding documents, including TOR for expected works (ESHS requirements and provisions; Code of Conduct) shall be reviewed by relevant E&S specialists at the PIUs and submitted to the World Bank for review and no objection prior to announcement of Request for Expression of Interest (EOI) and/or Request for Proposal (RFP).

Figure 3: Review and Clearance

The following flowchart describes the business process for environmental and social instrument drafting, review and clearance.



4.2.9 Monitoring and Reporting

Each PIU shall be responsible for the day-to-day environmental and social oversight of their respective activities, including those being implemented by third-party providers, such as contractors, partner NGOs/CSOs and other implementing entities.

The PMO and/or BPLDH will retain oversight of the project activities, particularly across sub-project activities categorized as substantial risks. Field verification and periodic monitoring may be jointly organized by the PMO, BPLDH and the respective PIUs. The national PIUs will work closely with provincial PIUs to prepare the environmental and social report, capturing implementation of requisite environmental and social mitigation measures and assessing overall compliance. Such reports shall be consolidated and submitted to the PMO and BPLDH for review and clearance prior to final submission to the World Bank.

Non-construction related activities: day-to-day oversight and management of environmental and social aspects will fall under the responsibility of each PIU managing sub-project activities. Environmental and social specialists and/or focal points or external consultants will be appointed by the PIUs to support supervision and provide technical support to the implementing agencies.

Construction related works: Mitigation and management measures outlined in the site-specific ESMP (i.e., UKL/UPL or SPPL) will be implemented by contractors and/or third-party providers, including those managing community-based activities. Implementation of activities involving civil works will be supervised by supervision consultants and/or relevant technical PIU specialists. Environmental and social monitoring is required to gather information to determine the effectiveness of the mitigation and management measures and to ensure compliance of the contractors and/or third-party providers with the approved ESMPs and other applicable procedures.

4.3 Stakeholder Engagement

A Stakeholder Engagement Plan (SEP) has been developed to guide stakeholders' engagement approach, plan, timeline, and resourcing for its implementation throughout the project cycle. Stakeholder engagement activities shall adopt the principles of participation, access to information and disclosure, social inclusion, transparency, and informed consent without coercion. The project's SEP includes relevant provisions for information disclosure, (a variety of modes for) public consultations, and grievance redress mechanisms.

Stakeholder engagement with local communities is a key process in achieving consensus on activities to be undertaken in proposed the site. As such, community consultations will be one of the main engagement activities throughout M4CR environmental and social management strategy. Community consultations will be conducted in socially and culturally appropriate way, while promoting meaningful engagement with marginalized groups within the potential target communities.

Key stakeholders for M4CR were categorized as follows:

- Governments, including central, subnational and village governments
- Coastal communities in target locations
- Marginalized/ vulnerable group within coastal communities in target locations
- Interested parties, including Development partners, NGOs, and private sectors, communities from neighboring villages, academics, media, and others.

Box 1: Methods of Engagement

The methods of engagement are varied according to each target group at national and local levels, such as:

- a. Multistakeholder forum for mangroves
- b. Regular coordination meetings with relevant government agencies – through PIUs, with national and subnational governments
- c. Public information dissemination and disclosure (i.e., through local media, information boards, village representatives and/or leaders).
- d. Interview with representatives of local communities, facility administrators, relevant government agencies and organizations.
- e. Public consultations (at district/municipal, sub-district/municipal levels), workshops, and/or focus group discussions (FGDs).
- f. Community consultations at village level, and if needed additional separate forum for women from low-income households, indigenous women, youth, and other vulnerable groups.
- g. Consultation with indigenous people whenever present
- h. If needed, survey and questionnaire (i.e., beneficiary satisfaction assessments)

A detailed stakeholder analysis and plan can be found in SEP, which will be implemented in conjunction with the ESMF.

4.4 Feedback and Grievance Redress Mechanism

A project level Feedback and Grievance Redress Mechanism (FGRM) for the M4CR will be established, building upon the existing systems operating within the PMO, BPD LH and PIU. Key enhancement measures will be sought on the following aspects: i) strengthening accountability and promote good governance, ii) providing accessible, transparent, and safe means for project stakeholders, including communities to express their feedback, concerns and complaints related to project activities; and iii) enhancing inter-agency coordination and collaboration for grievance management to enable effective grievance tracking and settlements and lessons-learned for future improvements under the project.

While the PMO and/or BPD LH will be responsible to oversee the whole implementation of the project's FGRM, both PIUs will be responsible to implement and oversee the day-to-day operation of GRM. The PMO and/or BPD LH will compile the FGRM records from the PIUs and assess the effectiveness of the systems during project implementation, including any proposed enhancement measures based on lessons learned.

Under the project, the FGRM includes procedural standards, e.g., channels, processing timelines required to respond to complaints, coordination lines, complaints-handling escalation mechanism, documentation, and reporting. These procedures and standards have been established by the PIUs under the existing mechanisms and will need to be strengthened during the project implementation, particularly on aspects related to accessibility and reliability of grievance channels, complaint handling mechanism, coordination, inter-agency data sharing, tracking and monitoring. Such institutional strengthening strategy will be included in the **Chapter 6: Capacity Development Plan** of the ESMF. The following provides specific details of the project's FGRM:

4.4.1 Definition

Grievance Redress Mechanism is a process for receiving, evaluating, and handling and recording complaints from the target coastal communities and other stakeholders of the Project as well as the broader public who may have concerns and interest to the project activities.

4.4.2 Scope

The FGRM will be made available for stakeholders and other interested parties to raise questions, comments, suggestions and/or complaints related to activities funded by the Project.

FGRM users include: (1) project beneficiaries and people who will be affected by the project both directly; and indirectly (2) project workers, including those hired by third party providers (i.e., contractors, goods and service providers); and (3) the broader public.

Management of the FGRM: feedback and grievances will be managed by the PIUs, under direct oversight of the Project Director/head of the task force. Overall oversight and technical support including troubleshooting will be provided by the PMO and/or the BPD LH as a fund manager. BPD LH will be responsible to compile all feedback and complaints and their settlements from the PIUs.

Confidentiality and conflict of interest: complaints can be made with verified identity or anonymously. **Confidentiality represents a fundamental aspect of the project and complainants' identity will not be disclosed unless they provide consent to allow further verification and investigation.** These measures apply to SEA/SH allegations and/or other issues of sensitive measures which may result in retaliation against complainants (i.e., frauds). A whistle-blowing mechanism shall be established under the project's FGRM.

Submission of Complaints: feedback and complaints can be submitted at any time during the implementation of the project. Outstanding and new complaints should continue to be administered and settled in a manner acceptable to the World Bank following project's closure (at a minimum of six months following submission of a project completion report).

4.4.3 FGRM Channels

The PIUs will provide the channels where coastal communities and other stakeholders can submit complaints. Under MOEF, complaints may be addressed through *Pejabat Pengelola Informasi dan Dokumentasi* (PPID) in *Public Relations office and Pusat Data and Informasi* (Pudsatin).

The existing FGRM channels within MOEF include:

- Email: pusdatin@menlhk.go.id and ppid@menlhk.go.id / ppidklhk@gmail.com and ppid@brgm.go.id
- SMS or Ring PUSDATIN: 021-5730191 and +62-21-5705086
- Complaints/ Information to PPID: +62 21 573 0484 / +62 21 5730118/119
- WhatsApp PPID +62 822 9910 0040
- Letter or direct visit to KLHK office at: Kementerian Lingkungan Hidup dan Kehutanan PPID / Biro Hubungan Masyarakat, Gedung Manggala Wanabakti Blok I Lt. 1, Jl.Gatot Subroto - Senayan - Jakarta 10270 Indonesia

Under the BRGM, the following channels are available to receive feedback and complaints:

- Email address: pengaduan@brg.go.id and ppid@brgm.go.id
- SMS : 1708
- Mobile application : DUKMAS BRGM (android)
- Direct Messages to Social Media BRGM : Instagram @brgm_indonesia; youtube: Badan Restorasi Gambut dan Mangrove
- Letter or direct visit to :

- 1) **Badan Restorasi Gambut dan Mangrove**
Pejabat Pengelola Informasi dan Dokumentasi (PPID)
Jalan Teuku Umar 17, Jakarta Pusat, DKI Jakarta. Indonesia

- 2) **Badan Restorasi Gambut dan Mangrove**
Up. Unit Pengelolaan Pengaduan BRGM
Deputi Bidang Edukasi, Sosialisasi, Partisipasi dan Kemitraan
Jalan Cikini Raya No. 42, Menteng Jakarta Pusat 10300

- Project-specific FGRM channels may be established during project implementation as applicable in addition to the above channels. Information of the available FGRM channels and procedures for filing complaints and how such complaints will be processed shall be provided in an accessible format. Further, relevant FGRM information shall be published on the PIUs' websites (<https://www.klhk.go.id> and <https://brgm.go.id>) and BPDH's website (<https://bpdh.id/>).

4.4.4 Internal FGRM Processing

There are three categories of feedback and grievances under the M4CR. These include: i) general complaints from the public and the target communities; including Indigenous Peoples in project areas; ii) complaints from project workers; and iii) project-related accidents, including OHS, COVID-19 infection, SEA/SH.

This chapter will cover processing of the first category of complaints, whereas the second category is being addressed under the LMP (refer **Annex 7: Labor Management Procedure**). If activities are being outsourced to third party providers and/or contractors, each provider will be responsible to manage and document grievances filed by their respective workers. In the context of civil works, contractors may benefit from support from OHS officer and/or supervision engineers in managing workers' grievances. The FGRM officers within the PIU shall maintain coordination and communication with the contractors and OHS supervision engineers to ensure that all grievances are duly handled and systematically documented.

The third category is being addressed in the SEA/SH prevention strategy (refer **Annex 12: Sexual Exploitation and Abuse (SEA) Prevention Strategy**) and the Environmental and Social Incident Reporting Tool (refer Annex 8: Incident and Classification and Communication).

Consistent with a survivor-centered approach, SEA/SH allegations would be coordinated by a qualified officer, most likely the project's gender specialist and handled by a competent service provider as applicable. Key measures shall be adopted to ensure protection, confidentiality, and preference of the survivors. In the event that such allegations involve children under the national law, due processes required by the GoI shall be duly followed with relevant protection and support made available to the survivors and the families. FGRM communication shall include recommended channels for SEA/SH incident reporting (i.e., SMS or mobile/telephone line directly administered by the project's gender specialist), community awareness of SEA/SH prevention and relevant measures for survivor protection and confidentiality amongst potential stakeholders who may receive such grievances, including community facilitators.

The FRGM process being outlined in this section applies to the general FGRM procedures targeted to the coastal communities in target locations, as well as the other national and sub-national stakeholders. The

mechanism is adopting the existing Public Inquiry and Grievance redress mechanism within the PIUs, where the communities and the broader public can submit their feedback, concerns and/or complaints through one of the available channels. Within the PIUs, an administrator will receive, screen, consolidate and dispatch them to the relevant directorates and/or units and track and maintain communication with the individuals and/or groups submitting complaints and/or concerns.

In general, the process of capturing, recording, and following up complaints are provided as follows:

- **Receiving, recording, and dispatching/verifying.** Complaints must be immediately submitted to a tracking system where complaints are sorted and transferred to the division/directorate/unit responsible for investigating and handling complaints, and/or to authorized staff if the complaint is related to a particular project activity implementation. Each complaint will be responded regardless of the need for further investigation and/or follow-up. Any suggestions and questions must also be recorded and reported so that they can be analyzed to improve project communication.

A team of FGRM officers will be recruited on a merit basis during project implementation. Considerations on the arrangement of FGRM functions and responsibilities will seek to avoid and/or minimize potential conflicts of interest. Under the M4CR the FGRM functions may be attached to the Information and Documentation Management Unit (or *Pejabat Pengelola Informasi dan Dokumentasi* (PPID)), with one to two dedicated officers being in charge for the project and one as coordinator at the PIU level. The PMO will assign and/or recruit a FGRM coordinator at the project level, who will be responsible to manage, evaluate, report, and document all feedback and complaints received from the existing channels and/or reported from the PIUs. All appointed individuals involved in the investigation process must not have material, personal, or professional interests to the investigation and there is no personal and/or professional relationship with the complainant(s) or witness(es).

- **Reviewing and investigating.** Following complaint dispatch, each complaint must be reviewed within 20 (twenty) working days and investigated as necessary. The officer and/or team in charge of investigating complaints may request verification and/or additional information to be able to determine the scope of investigations and if additional follow ups are required. Such investigation and/or follow-ups may involve site visits, document review, and meetings with parties who are competent and/or authorized to solve the issues under investigation. The timeframe for complaint investigation can be extended up to 21-30 business days depending on the complexity of the issues, subject to the PIU manager's approval. On a periodic basis, the complainant must be informed whether:
 - additional consultation is needed to respond to a complaint.
 - further materials are needed to enable proper investigation

The results of the investigation and response will be submitted for consideration to the FGRM coordinator at the PMO, who will advise specific actions to adopt. The FGRM coordination will document the status of the complaints, including actions to be taken or agreed. Details of the investigation and findings will also be documented in the tracking system and submitted to the FGRM coordinator at the PIU level.

If complaints cannot be solved internally by the division/directorate/unit within the PIUs, complaints can be escalated to the PMO and/or National Steering Committee (NSC) as relevant.

- **Responding.** Complainants will receive complaint verification and updates of complaint settlements by mail, e-mail, in-person, and/or other channels where complaints are submitted as applicable. Questions will be responded by the FGRM officers, community facilitators and/or relevant directorate(s) within 20 (twenty) working days of submission. To enable feedback loop, complainants will be provided opportunities to express their concerns and/or opinions regarding the outcome and/or processes of complaint settlements. If any dissatisfaction is reported, the FGRM officers shall be responsible to liaise with relevant directorate(s) or parties and/or escalate to higher authority on a case-by-case basis.

Alternative grievance mechanism processes will also be accommodated under the project, particularly those concerning the target communities, including Indigenous Peoples. Such processes shall be consulted and agreed with these communities and may be supported by community facilitators in defining socially and culturally acceptable channels, communication, grievance settlements and documentation. Under the project, the PIUs shall seek to ensure that hiring of community facilitators prioritizes qualified individuals with strong social and cultural understanding and skills, including familiarity with the contexts where they will be assigned to. Where applicable, the FGRM process may adopt the existing community grievance mechanisms to the extent they are inclusive, acceptable to the community and not in contradiction with human rights values that the project seeks to protect. These includes empowering community mediators and leaders such as *tetua adat/ raja/* chief of the community and address grievances through community-led processes and elevate to the formal mechanisms established by the project where necessary. Due to the pivotal role that community facilitators are expected to assume, it is crucial to ensure that these facilitators are adequately equipped with relevant grievance-handling skills, including inter-cultural communication skills, documentation of grievances, and reporting.

Figure 4: Alternative Grievance Mechanisms



For more detailed explanation on the FRGM mechanism, please refer to Stakeholder Engagement Plan (SEP).

4.4.5 Staffing

The FGRM Officers at the PIUs will have the following responsibilities:

- Coordination of the entire FGRM implementation across components and management of response.
- Developing FGRM awareness raising and communication materials.
- Receiving, recording, tracking complaints and inquiries.
- Sorting and categorizing and dispatching complaints to the relevant directorates, departments, units and/or parties, including third party providers as applicable.
- Notifying the complainants (*'pengadu'*) about their complaint status and timeframe for settlements about receipts and deadlines for reviewing complaints.

- Maintaining communication and ensuring coordination with relevant stakeholders responsible for complaint settlements.
- Consolidate and analyze grievance reports and providing FGRM reports for submission by the PIUs to the PMO and BPLDH.

The FGRM coordinator at project level at the PMO will coordinate the overall FGRM implementation with the PIUs, provide Quality Control and Quality Assurance for grievance management, including required troubleshooting to improve response, tracking and settlements. He/she will also be responsible for the overall monitoring, consolidation of data, and reporting as part of the project implementation/progress report.

4.4.6 Monitoring and Reporting

The FGRM documentation for the project will be available on the PIUs websites (<https://www.klhk.go.id> and <https://brgm.go.id>) and acting PMU (<https://bpdh.id/>), which will be updated periodically.

The PIUs' FGRM officers will monitor FGRM implementation under their respective system and assess its effectiveness and accessibility in capturing, documenting, and resolving complaints at the project level. Such monitoring will inform measures for future FGRM improvements.

As part of the progress report submitted to the World Bank, the FGRM Coordinator at the PMO will collect and consolidate the FGRM documentation from each PIU and perform necessary analyses to identify if there are systematic issues associated with the project implementation. The reports will include the following information:

- Status of the FGRM operation and systems (procedures, staffing, awareness raising activities, etc.).
- Quantitative data about the number of complaints received, typologies of complaints, and their status of settlements, including speed for resolution based on categories of complaints.
- Qualitative data about the typologies of complaints and responses provided, and if there are unresolved complaints.
- Average time-used for complaint settlements.
- Complaints warranting further escalation to the higher level.
- Any specific issues related to FGRM processes and staffing.
- Corrective actions agreed and lessons learnt.

4.5 ESMF Documentation and Disclosure

As part of the project preparation, MoEF and BRGM conducted public consultations on the overall project design and proposed activities and its relevant environmental and social instruments, such as the ESMF, SEP, and ESCP. All documents have been disclosed since February 11th, 2022. These documents were disclosed prior to the consultations, in both Bahasa Indonesia and English, to ensure the accessibility of the information presented to the target participants. A national-level public consultation was organized on February 16th, 2022, involving government and non-government stakeholders, including non-government organizations (NGOs) and think-tank groups, followed by an open call for public feedback.

During project implementation, disclosure of information will be tailored based on the stakeholders' characteristics and needs. For instance, the information disclosure strategy for public consultation with governments at national and sub-national levels is through a formal invitation letter with a link to a webpage (where they can download the documents) and/or copy of (summary of or full) relevant documents, while for community consultations, a local facilitator will first engage the village leaders/ *adat* leaders (pre-consultation) and then provide a summary of project information in printed copies (i.e., a summary of the report, infographic, poster, etc.), prior to the village forum commences. As part of project preparation, the project team will conduct public consultation at national and local levels for seeking feedback for M4CR technical design refinement.

The draft ESMF, SEP, and ESCP are available on the PIUs' websites (<https://klhk.go.id> and <https://brgm.go.id>).

CHAPTER 5: INSTITUTIONAL ARRANGEMENT FOR ENVIRONMENTAL AND SOCIAL MANAGEMENT

The environmental and social management under MC4R will follow the overall project's institutional arrangements where overall environmental and social coordination will be assumed by the PMO housed under MOEF's DG PDASRH. Day-to-day implementation of project activities and their corresponding risk management will be the responsibility of the Project Implementation Units (PIUs) for each component. At the national level, the project will be implemented by MOEF as a PIU for Components 1, 2, 3 and 4, and led by the Secretary of DG PDASRH. BRGM will serve as a PIU for Components 2 and 3, led by the secretary of VRGM. Provincial PIUs will be established in each of the target provinces to implement field-level activities, including implement specific risk mitigation measures in line with the applicable ESMF provisions. Both the PMO and PIUs will include a team of administrative and technical specialists as well as consultants who will assist in the design, execution, supervision, and monitoring of project components. Environmental and social consultants/specialists will be hired by the PMOs and PIUs, as well as additional expertise for environmental and social management as applicable, including gender, Indigenous Peoples expert, land tenure expert, etc. Details of the required personnel will be reflected in the Project Operations Manual (POM). BPDH as a fund manager will be responsible for liaising and coordinating with the PMO and PIUs on the overall environmental and social management and implementation of required risk mitigation measures. Such functions may be assumed by the existing environmental and social team established under BPDH, with potential additional capacity support being provided by the project. Specific details of the assignment of roles and responsibilities for environmental and social management are presented in the **Table 10**.

Table 10: PMU and PIUs Roles and Responsibilities in E&S Process

Environmental and Social Actions	PMO under DG PDARSH of MOEF	National and Provincial PIU of MOEF	National and Provincial PIU of BRGM	BPDLH (Fund Manager)	Service Providers/ Contractors
Component 1: Strengthening Policy and Institutions for Mangrove Management					
Screen and assess potential downstream environmental and social impacts associated with policy and/or regulatory development and their enforcement.		√			
Incorporate environmental and social considerations into policies and regulations both at the national and sub-national level.		√			
Facilitate stakeholder consultations as guided by the project's Stakeholder Engagement Plan (SEP) for implementation of activities under Component 1.		√			V (in the event technical agencies and/or service providers are involved)
Implement the Labor Management Procedure (LMP), including Codes of Conduct, COVID-19 Infection Prevention Control (IPC) measures.		√			V (as above)
<u>Overall E&S management</u> : provide overall guidance and oversight (quality control and quality oversight) for the integration of environmental and social considerations and their implementation under Component 1 by relevant ministries and sub-national governments.	√			√	
Component 2: Rehabilitating and Promoting Sustainable Mangrove Landscape Management					
<u>Assessment (Sub-comp 2.1)</u> : Incorporate environmental and social risk screening assessments as part of site selection and sequencing of potential interventions.		√	√		

Environmental and Social Actions	PMO under DG PDARSH of MOEF	National and Provincial PIU of MOEF	National and Provincial PIU of BRGM	BPD LH (Fund Manager)	Service Providers/ Contractors
<p>In the event that Indigenous Peoples as per ESS7 are identified, implement provisions of the IPPF, including meaningful community consultations. Ascertain if FPIC is applicable as part of the screening process and implement required provisions as applicable.</p>					
<p><u>Capacity building (Sub-comp 2.1):</u> Incorporate environmental and social good practices into training development and field schools, including amongst others: inclusive participation of community groups, implementation of LMP provisions (i.e., prevention of child labor, non-discrimination).</p>					
<p><u>Planning and design (Sub-comp 2.1):</u> Incorporate environmental and social risk management, including alternative sites, technology and/or engineering measures to avoid and/or minimize potential impacts into village mangrove rehabilitation plans. These shall be reflected in the Terms of References (TOR) and subsequently bidding documents and contracts of service providers. ensure social acceptance to operate through community consensus and agreement to participate. In the event access restrictions are envisaged, ensure provisions of the Process Framework and as applicable compensation are duly followed. In the event land acquisition is required, implement land acquisition in line with the Land Acquisition Framework collaborate with Component 3 on mitigation of livelihoods impacts. prepare site-specific Environmental and Social Management Plans (ESMP) as applicable or include provisions of Environmental and Social Codes of Practices (ESCOPs).</p>		<p style="text-align: center;">√ (Technical design and workplans to be appraised and approved by Mangrove Rehabilitation Group)</p>	<p style="text-align: center;">√ (Technical design and workplans to be appraised and approved by Mangrove Rehabilitation Group)</p>		

Environmental and Social Actions	PMO under DG PDARSH of MOEF	National and Provincial PIU of MOEF	National and Provincial PIU of BRGM	BPD LH (Fund Manager)	Service Providers/ Contractors
<p><u>Implementation (Sub-comp 2.1):</u></p> <p>Manage environmental and social risks and impacts associated with site-preparation activities (i.e., hydrological repair, fencing, erosion control/coastal protection installation, halophytic grass planting) and mangrove planting in line with site-specific ESMP or ESCOPs, LMP, SEP as applicable.</p> <p>Monitor, manage and respond to grievances and community concerns.</p>		√	√		√ (in the event that a third-party service provider such as contractors and intermediary institutions are involved)
<p><u>Monitoring and Evaluation (Sub-comp 2.1):</u></p> <p>Monitor environmental and social impacts post-rehabilitation stage, including any complaints and grievances and environmental impacts.</p>		√	√		√
<p><u>Adaptive management (Sub-comp 2.1):</u></p> <p>Implement mid-course correction for any environmental and social impacts.</p> <p>Integrate environmental and social sustainability elements into village management plans and monitor their ongoing implementation, including provide technical assistance as applicable.</p> <p>Monitor, manage and respond to grievances and community concerns.</p>		√	√		√
<p><u>Landscape-level mangrove management (Sub-comp. 2.2):</u></p> <p>Facilitate multi-stakeholder engagement, starting from the village level through engagement with field school groups as well as provincial and district stakeholders for landscape level management. Ensure SEP provisions on inclusive and</p>		√	√		√ (Technical government agencies, NGOs/CSOs may

Environmental and Social Actions	PMO under DG PDARSH of MOEF	National and Provincial PIU of MOEF	National and Provincial PIU of BRGM	BPD LH (Fund Manager)	Service Providers/ Contractors
<p>participatory engagement processes, including with vulnerable groups (i.e., women, poor households, people with disability, Indigenous Peoples).</p> <p>Integrate environmental and social sustainability principles in the capacity building and training program, including conservation good practices, community engagement, sustainable livelihoods, etc.</p> <p>Support implementation of village mangrove plans (supported under 2.1), including formation of forest patrol groups, patrolling activities, conflict resolution, environmental education, awareness-raising.</p> <p>Monitor, manage and respond to grievances and community concerns.</p>					be engaged to support PIUs)
<p><u>Overall E&S management:</u></p> <p>Provide relevant clearance/approvals for environmental and social management plans as applicable (for substantial risk activities) and overall guidance and oversight (quality control and quality oversight) for the integration of environmental and social considerations and their implementation. Provide technical support as applicable.</p>	√			√	
Component 3: Improving Livelihood Opportunities for Mangrove Communities					
<p><u>Rapid local market assessment (Sub-comp 3.1):</u></p> <p>Incorporate environmental and social risks associated with identification of potential commodities, social exclusion risks, sustainability factors and relevant capacity building needs. Screen the proposed business opportunities against the</p>		√	√		

Environmental and Social Actions	PMO under DG PDARSH of MOEF	National and Provincial PIU of MOEF	National and Provincial PIU of BRGM	BPD LH (Fund Manager)	Service Providers/ Contractors
negative list and assess relevant environmental and social risks and impacts.					
<p><u>Capacity building (Sub-comp 3.1):</u></p> <p>Facilitate fit-for-purpose capacity building, including through coastal field schools and corresponding training of trainers. Ensure social inclusion aspects and appropriateness and accessibility of training delivery particularly for vulnerable groups (i.e., women, people with disability, poor households, Indigenous Peoples)</p> <p>Implement provisions of the SEP and LMP as part of face-to-face capacity building activities.</p> <p>Monitor, manage and respond to grievances and community concerns.</p> <p><i>Note: efforts will be made to ensure participation of women such as provision of childcare, engagement with male and female community leaders to overcome barriers to entry for women.</i></p>		√	√		√ (financial service providers may also be involved in the delivery of the training activities)
<p><u>Coastal enterprise development (Sub-comp 3.2)</u></p> <p>Incorporate environmental and social risks and their management associated with commodity development in value chain assessments in select commodities (i.e., non-timber mangrove products, nearshore capture fisheries, sustainable aquaculture, coastal agriculture, and eco-tourism).</p> <p>Screen the proposed business opportunities against the negative list and assess relevant environmental and social risks and impacts.</p>		√	√		√ (a firm will be hired to manage business grant windows under the sub-component)

Environmental and Social Actions	PMO under DG PDARSH of MOEF	National and Provincial PIU of MOEF	National and Provincial PIU of BRGM	BPDH (Fund Manager)	Service Providers/ Contractors
<p>Facilitate business development in select coastal commodity value chains, including provisions of business grants (tailored to new and established businesses with different capacities).</p> <p>Integrate environmental and social sustainability practices as part of technical and operational assistance under each window of business grants (as encapsulated in business plans supported under the project).</p> <p>Monitor, manage and respond to grievances and community concerns.</p> <p><i>Note: efforts to promote women’s participation through identification of knowledge and skills gaps, a separate grant competition window for women, and research on innovative approaches (in partnership with the East Asia and Pacific Gender Innovation Lab) will be included as part of the overall technical support under Sub-component 3.2.</i></p>					
<p><u>Overall E&S management:</u></p> <p>Provide relevant clearance/approvals for environmental and social management plans as applicable (for substantial risk activities) and overall guidance and oversight (quality control and quality oversight) for the integration of environmental and social considerations and their implementation. Provide technical support as applicable.</p>	√			√	
Component 4: Project Management					
<p>Provide overall environmental and social guidance, technical facilitation, allocation of resources including budget and technical personnel, oversight and troubleshooting support.</p>	√			√	

Environmental and Social Actions	PMO under DG PDARSH of MOEF	National and Provincial PIU of MOEF	National and Provincial PIU of BRGM	BPD LH (Fund Manager)	Service Providers/ Contractors
Implement environmental and social provisions as required under the ESMF, LMP, SEP and ESCP for implementation of activities under all project components.		√	√		√ (as applicable depending on the scope agreed with PIUs)

CHAPTER 6: CAPACITY DEVELOPMENT

6.1 Capacity Development

Capacity development represents a crucial part of environmental and social management and such a measure is aligned with the overall Component 1 objective (i.e., to strengthen the institutional capacity in mangrove management). Capacity building is required to ensure that the project design activities and additional mitigation can be implemented, with the scope, efforts, resource and budget allocation commensurate with the project risk categorization. Capacity building is developed based on an assessment and plan, are integrated in the Project design and POM, with key ESMF-related subjects being included as part of wider training packages.

The PIUs shall be responsible for ensuring that all entities' institutional and individual capacity, especially amongst project implementors in the field, have met the minimum technical requirements, including for the management of environmental and social aspects. Such an objective is expected to be achieved through i) recruiting institutions/ individuals with adequate level of capacity required to do the job properly; and ii) conducting capacity development activities throughout the project cycle, including mobilizing technical support as applicable. Delivery of capacity building will be organized through various modalities, including technical meetings, work meetings, coaching clinics, on-the-job training, and technical assistance.

The main topics for capacity building program in ESMF, which can be revisited during project implementation, include but not limited to:

- Review on the Gol's policies, regulatory framework and the Bank's Environmental and Social Standards related to M4CR Project and how they are being applied under the project.
- Risk screening and scoping, including application of a negative list and risk assessment tool when developing sub-project activities.
- Potential environmental and social issues anticipated in specific activities under the M4CR Project and their corresponding and/or appropriate risk mitigation and management. These include appropriate stakeholder engagement, application of relevant tools, and preparation of site-specific ESMPs.
- Construction management relating to environmental and social aspects and how to use the ESCOPs, OHS, and Community Health and Safety Management, including SEA/VAC prevention.
- Community participation approaches particularly with regards to affirmative measures and social inclusion promotion for vulnerable groups, gender mainstreaming, socio-culturally engagement approaches with Indigenous Peoples.
- Grievance redress management and settlement process and communication skills for project implementers.
- Context-specific issues such as access restrictions, conflict mediation, boundary disputes, tenurial issues, livelihoods, etc. where skill and resource requirements may be tailored to the complexity of these issues.

6.2 Budget and Financing

M4CR financing will support implementation of the ESMF and related activities such as monitoring, evaluation, supervision, documentation, dissemination, and capacity building. Budget allocation for core environmental and social management at the project level will be integrated under each component with

overall environmental and management support being sourced from Component 4. Budget allocation for sub-project environmental and social management will be embedded into project activities and contracts. Specific budget allocation for preparation of sub-project environmental and social management instruments (i.e., UKL-UPL, additional expertise for technical assistance, communication strategy, FGRM enhancements, etc.) will be determined during project implementation based on specific issues to be addressed, following site selection.

In general, the following expenditure items are being planned and will be allocated under the project's workplan.

Table 11. Overall Environmental and Social Budget Assessment

Budget Items	Estimate	PIC
Recruitment of environmental and social specialists at the PMO	TBD	TBD
Recruitment of environmental and social specialists at the PIUs	TBD	TBD
Annual monitoring and oversight of environmental and social aspects, covering operational costs, technical assistance, and reporting	TBD	TBD
Capacity building and training	TBD	TBD
Communication strategy, including SEP implementation, stakeholder consultations	TBD	TBD
FGRM establishment and implementation	TBD	TBD
COVID-19 health protocols implementation	TBD	TBD
Total		

ANNEXES

Annex 1 – Environmental and Social Negative List

The PMO and/or BPLDH shall review and provide clearance of annual workplans submitted by KLHK and BRGM, with a preliminary of environmental and social risk screening and scoping provided by the PIUs. Such a preliminary assessment can be revisited when the data is available (i.e., after provincial-level assessment or village level assessment). The PMO and/or BPLDH can develop a “risk watchlist” system to track relevant sub-project warranting oversight. The PMO and/or BPLDH can provide ‘conditional or unconditional approval’ depending on the assessment findings.

The project will adopt the following the negative list, which will be performed as part of the preliminary screening and will be verified as part of the site-verification processes following approvals of the workplans and on the basis of field assessments, the PIUs shall refine the required environment and social risk management measures and/or relevant requirements if part of the work is being outsourced to third parties.

Table 12: Negative List

Negative List	Stage	PIC
Are not aligned with the policies, initiatives, and or objectives of M4CR.	Approval of workplans	PIUs to provide self-assessment, PMO and/or BPLDH to review and provide clearance of annual workplan submitted by the PIUs
Involve large-scale and high-risk construction expected to lead to significant adverse environmental and social impacts.	Approval of workplans	As above
Activities that may result in significant conversion or degradation of natural habitats including those of terrestrial, coastal, and marine ecosystems, or activities where the conservation and/or environmental gains do not clearly outweigh any potential losses and/or necessitate any resettlement.	Approval of workplans	As above
Activities that will cause permanent and/or significant loss or damage to cultural property, including sites with archaeological (prehistoric), paleontological, historical, religious, cultural and unique natural values.	Approval of workplans and to be verified as part of site-selection processes and implementation	As above
Employment of children below the minimum age of 14 years of age	Worker recruitment phase (i.e., community workers), site-selection, procurement of civil works	As above
Activities that will negatively affect vulnerable and endangered species listed under the IUCN Red List of Threatened Species.	Approval of workplans, to be verified as part of the site-selection process (i.e.,	As above

Negative List	Stage	PIC
	village perception survey (land due diligence)	
Activities that will result in involuntary land acquisition or physical displacement and/or eviction of affected communities, or relocation of Indigenous Peoples	Approval of workplans, to be verified as part of the site-selection process	As above
<p>Utilize asbestos in the form of Amianthus (concentration 1.0 f/ml), Chrysotile (concentration 1.0 f/ml) and other forms of Asbestos (concentration 4.0 f/ml)</p> <p>Use prohibited chemicals regulated in Government Regulation Number 74 of 2001 on Management of Hazardous and Toxic Substance.</p> <p>Use prohibited chemicals regulated in Ministry of Agriculture Regulation Number 39 of 2015 on Pesticide List</p> <p>Utilize the recycled hazardous waste (e.g., used oil) which may threaten people’s health and safety.</p>	Approval of workplans, to be verified as part of site-specific ESMP	As above, PIUs to specific in the TORs and bidding documents (i.e., specifications of work, goods and services)
Utilize materials that are illegally sourced such as timber and timber products, stone/minerals from illegal quarries	Approval of workplans, to be verified as part of site-specific ESMP	As above, PIUs to specific in the TORs and bidding documents (i.e., specifications of work, goods, and services)

Annex 2: Sub-project Environmental and Social Risk Screening Form

This exercise will be performed by the PIUs and/or the selected intermediaries' organizations (*Lembaga Perantara*) and to be reviewed by PIUs.

Form 1: Sub-project Environmental and Social Risk Screening Form

Name of the activity				
Project location				
Brief Description of Project (project scale and activities)				
Screening #1: Project Eligibility				
Is the project included in the Exclusion List? (Y/N)			Please check with Annex 1: Negative List	
Note: If the answer is YES, screening is stopped and should not be continued (project application will be rejected)				
Screening #2: Potential Environmental and Social Impacts				
Parameters	Yes	No	Notes	Reference/ Instruments to be referred to
Will the proposed project activities and its associated facilities ¹⁰ (if any) likely to generate environmental and social impacts?				
Are there dissenting views from the community about the proposed activities?				
Will the proposed project be in a disputed area and/ or unable to proof the clear and clear status of the land?				
Will the proposed locations be located in an area that is not aligned with the regional spatial planning and disaster risk zones?				

¹⁰ Associated Facilities means facilities or activities that are not funded as part of the project and, in the judgment of the Bank, are: (a) directly and significantly related to the project; (b) carried out, or planned to be carried out, contemporaneously with the project; and (c) necessary for the project to be viable and would not have been constructed, expanded or conducted if the project did not exist. For facilities or activities to be Associated Facilities, they must meet all three criteria.

Will the proposed project involve mixed workforce (local and/or external) or lead to Occupational Health and Safety (OHS) risks such as work accidents and/or disruption to work environment?				
Will there be risks of child labor associated with project activities?				
Is there a risk of labor influxes?				
Will the proposed project involve the use of chemical and hazardous materials and/or result in the production of solid or liquid waste (e.g. water, hazardous, domestic or construction wastes), or an increase in waste production during construction or operation phase?				
Will the proposed project involve the use of resources, including energy, water, and raw material?				
Will the proposed subproject create risks of increased air pollution (e.g., dust, noise, vibration, gas emissions)?				
Will the proposed project affect the quantity or quality of surface waters (e.g., sea, rivers, streams, wetlands) or groundwater (e.g., wells)?				
Will the proposed project create risks of increased soil degradation or erosion?				
Will the proposed project have possible impacts and risks on community health and safety from construction and/or operational activities?				
Are there any potential risks of community and worker exposure to water-borne, water based, water-related, and vector-borne diseases, and communicable and noncommunicable diseases that				

could result from project activities?				
Will the proposed project involve interactions between contractors and the remote local beneficiaries and affected communities?				
Will the proposed project involve any disproportionate impacts and risk on certain groups (vulnerable groups, gender, etc.)?				
Will the proposed project require land (public or private) to be acquired (temporarily or permanently)?				
Will project activities affect people economic activity/community access to land use?				
Will the proposed project use land that is currently occupied or regularly used for productive purposes (e.g., gardening, farming, a fishing location, forests)?				
Will the proposed project result in the loss of income sources and means of livelihood due to land acquisition?				
Will the project likely to induce or exacerbate social conflicts (in places where historically known of having social conflicts)?				
Are there any sensitive natural habitats (forest, riverine, coastal, mangroves, coral reefs, wetlands, peat land) areas or threatened species that could be adversely affected by the project?				
Will the proposed project involve harvesting or exploiting a significant volume of natural resources such as marine and aquatic resources, timber and				

non-timber forest products, fresh water, etc.?				
Are there social-cultural groups present in the project area, or who use the project area, who may be considered as “Indigenous Peoples/ethnic minorities/tribal groups”?				
Are there community members of the indigenous groups in the project area who will either receive benefits or are adversely impacted by the project?				
Do such groups use indigenous languages that differ from the national language or language used by the majority, in the project area?				
Will the proposed construction activities be implemented in areas known as a cultural heritage site?				

Risk Screening Result

Risk Classification	High / Substantial / Moderate / Low
Project Eligibility	Yes / No
	Note: the proposed activities rated as high risks will not be eligible for financing under the Project.

Annex 3: Six Rehabilitation and Conservation Techniques

The project seeks to apply six global good practice techniques for mangrove rehabilitation, including: 1) mangrove stress identification and removal; 2) natural revegetation; 3) direct planting without hydrological repair; 4) minor hydrological repair with planting or human-assisted natural revegetation; 5) major hydrological repair with planting or human-assisted natural revegetation; and 6) experimental erosion control. Further detail the rehabilitation and conservation techniques is described in this following table.

Table 13: Rehabilitation and Conservation Techniques

Global Best Practice Technique	Site type	Site preparation actions	Planting actions	Success criteria
Pre-emptive stress identification and removal	Stressed mangrove, waterlogged site, dry site, tree foliage grey-green, dead/dying leaves, large lenticles on tree trunk/roots	Minor hydrological repair (ex. Shallow tidal channel creation/excavation, undersized culvert replacement with larger culverts/bridges)	<ul style="list-style-type: none"> Natural regrowth Natural revegetation 	<p>>2000 stems/ha over baseline at TZ+18 months</p> <p>>25% of stressed adult trees survive at TZ+18 months</p>
Natural regeneration (and human assisted natural regeneration)	Site with appropriate hydrology but propagule limited (lack of proximate, mature trees)	NA	Human assisted natural revegetation = periodic collection of mature propagules (high diversity) and broadcasting of propagules into rehabilitation site (by boat, drone or on foot)	>2000 stems/ha over baseline at TZ+18 months
Direct planting	Sparse mangroves cover 0-30% or Moderate mangroves cover 30-70%	Fencing, use of stakes, clearing of weed species	Direct planting of propagules, nursery-reared seedlings, transplanted wildlings. In Indonesia includes dense group plantings as bioshields (<i>rumpun berjarak</i>) and planting of aquaculture ponds for silvofisheries (<i>silvofisheries</i>)	<p>(M1) >2000 stems/ha over baseline at TZ+18 months</p> <p>(M2) >1000 stems/ha over baseline at TZ+18 months</p>
Minor hydrological rehabilitation		Use of human labour with hand-tools for; strategic breaching of low-level dike walls, shallow tidal channel	Planting of salt-water tolerant grasses (halophytic grasses) to prepare soil conditions, prevent erosion, capture propagules	>2000 stems/ha over baseline at TZ+18 months

Global Best Practice Technique	Site type	Site preparation actions	Planting actions	Success criteria
		repair or creation/excavation, undersized culvert replacement with larger culverts/bridges	Natural revegetation (no cost) Human assisted natural revegetation (propagule collection and dispersal) Direct planting of propagules (propagule collection and planting)	
Major hydrological rehabilitation		Use of heavy machinery such as excavator, barge, pumps, dredges to add fill material to low sites (below MSL or below target elevation) or add fill material to high sites followed by natural re-grading and shallow tidal channel creation; localized spraying of hydraulic sediment slurry to low laying sites;	Direct planting of seedlings (propagule collection, rearing in nurseries, planting)	>2000 stems/ha over baseline at TZ+18 months
Experimental erosion control	In-tact mangrove forest (<i>lebat</i>) 70-90% mangrove cover; or both former or potential mangrove ecosystem experiencing erosion/abrasion	Permanent or temporary placement of erosion control/coastal protection infrastructure including low level permeable check weirs, low-rock break-walls, oyster reefs, sediment or sand filled geotextile tubes. Chenier (sand bar) reconstruction.		>2000 stems/ha over baseline at TZ+18 months

Annex 4: Content for Environmental and Social Assessment Acceptable to the Bank

Based on the screening process, the PMUs with support from the environmental and social specialist and/or consultants will prepare the following instruments, depending on risk levels.

- Preparation of an environmental and social assessment and/or Environmental and Social Management Plan (ESMP) (i.e. UKL UPL) for the project with: i) predictable and expected to be temporary and/or reversible; ii) low in magnitude; iii) site-specific, without likelihood of impacts beyond the actual footprint of the Project; and iv) low probability of serious adverse effects to human health and/or the environment (e.g., do not involve use or disposal of toxic materials, routine safety precautions are expected to be sufficient to prevent accidents, etc.).
- Preparation of SPPL that includes relevant information using reference from the Environmental and Social Code of Practices (ESCOPs). The SPPL constitutes the E&S commitment of the PMU – for projects with low E&S risks.

The following matrices provide the outlines for the UKL-UPL and SPPL that are acceptable to the Bank. These outlines build upon the GoI’s requirements specified by the national regulations.

I. Content for UKL-UPL (ESMP) outlines acceptable to the Bank

UKL-UPL outline (GoI requirements)	UKL-UPL outline acceptable to the Bank (incorporating UKL-UPL and ESS1 requirements)
Identity of Initiator: Initiator name, business address, postal code, telephone number, fax number and email	Refer UKL-UPL, no additions required.
Project description/ activity plan: name of project/ activity, map that is built in accordance with cartography rules and/or an adequate illustration of the location, scale/size of project/business activity, outline of components of the project/business activity	Refer UKL-UPL and add: <ul style="list-style-type: none"> • Description of environmental setting at the project site • Summary of alternative sites, technology considered and assessment of environmental and social impacts of each alternative - Land acquisition requirements (refer to Annex) • Identification of associated facilities, if any • Summary of current and future developments • Basis of design for the project • Consultations with potentially impacted communities and how emerging views are reflected in the design and decision-making processes • Assessment of the legal framework relevant the proposed investment in view of environmental and social risk management
Environmental impact and environmental management and monitoring plan/effort matrix: source of impact, type of impact, scale of impact, environmental management (activity, location, and duration/timing), environmental monitoring (activity, location, duration/timing), institution/person in charge, remarks.	Refer UKL-UPL and add: <ul style="list-style-type: none"> • Social impact assessments, OHS and community, health and safety risks, Indigenous Peoples, and vulnerable groups and appropriate engagement and risk mitigation measures • Land acquisition impacts (refer to Annex 7) and proposed mitigation measures

UKL-UPL outline (GoI requirements)	UKL-UPL outline acceptable to the Bank (incorporating UKL-UPL and ESS1 requirements)
	<ul style="list-style-type: none"> • Assessment of indirect impacts, both environmental and social, community, health impacts • Assessment of impacts from associated facilities • Grievance handling processes • Cost estimates for each management and monitoring action and sources of funds • Capacity building and training plans for project owner and contractors - Institutional arrangements • Consultation processes and plans
Statement of assurance for UKL-UPL implementation	Refer UKL-UPL, no additions required.

II. Format for the “Statement of Commitment to Implement Environmental Management and Monitoring” (SPPL)

Form 2: Statement of Commitment to Implement Environmental Management and Monitoring (SPPL)

(For activity plan not requiring any UKL/UPL, subproject shall develop SPPL)

We, the undersigned below

Name :
Job position :
Address :
Ph Number :

As party in charge of the environmental management of:

Name of Entity :
Address of Entity :
Ph Number of the entity :
Type of entity :
Production capacity :
Permit already obtained :
Purpose :
Amount of capital :

Hereinafter, we confirm that we are capable and committed to implementing the environmental and social **action plans as follows:**

1.
2.
3.
4. etc.

This SPPL shall be effective from the date of its issuance, up to the completion of our project activity. If the project undergoes any change of location, design, process, type of raw materials and/or supporting materials, this SPPL must be revised.

Registry number from local environment agency	
Date	
Receiver	

Annex 5: Environmental and Social Management Plan (ESMP) and Environmental and Social Code of Practice (ESCOP)

An Environmental and Social Management Plan (ESMP) is prepared by site-level to lay out key measures needed to manage environmental and social aspects of the program. As part of risks management, site-level ESMPs are to be utilized by project implementing entities and will form the basis of site-specific management plans that will be prepared and implemented by these entities. Based on risk screening, site-level ESMPs will be prepared to manage potential risks and impacts. The development of such plans will be commensurate with the level of risks of each activity and accordingly, mitigation measure, and monitoring and oversight requirements will be fully aligned with the level of anticipated risks. The following template shall be included in the bidding document if specific works are outsourced to third party implementers, including civil work contractors. The ESMP template is as follows.

Form 3: ESMP Template

Project Activity	Risks and Impacts	Mitigation Measures	Monitoring - Frequency	Responsible	Budget Allocation
<i>E.g. Mangrove rehabilitation activity</i>	<i>Occupational Health and Safety (OHS) accident, including exposure to natural disasters, COVID-19 risks</i>	<i>Provide relevant PPE (safety shoes, mask, hats)</i>	<i>Every week during field activity</i>	<i>Village facilitator</i>	
And so on					

This Environmental and Social Code of Practice (ESCOP) shall be developed to manage the risks associated with the project activities that may cause environmental and social risk. The ECOP provides the key references and specifications that inform the preparation of the Environmental and Social Management Plan (ESMP).

All works supported under the Project are required to comply with the ESCOPS and this will be specified in the contractor(s) agreements. The ESCOP provides the guidance for the environmental and social risk management of the works during the implementation of the Project. The potential environmental and social impacts, mitigation measures, and responsibilities during the planning/ design and construction stages are outlined. The guideline of ECOP outlines:

- a. Environmental duties of the contractor
- b. Identification of environmental risks that might occur; and
- c. Mitigation and monitoring measures

How to use

The following ESCOPs provides the key references and specifications that inform the preparation of the UKL-UPL or SPPL that is acceptable to the Bank for subprojects that involve physical works at site.

These ESCOPs must be included in bidding documents and contracts to inform bidders on the guidelines used for the management of environmental and social risks and impacts. Relevant specifications in the ESCOPs will become contractual obligations for contractors and can be enforced by the PIUs (BRGM and KLHK). This ESCOP can be adjusted according to the scope of project activities/needs as necessary as per PIU's approval.

Environmental and Social Obligations of Contractors

1. Compliance with all relevant legislative requirements in Indonesia.
2. Construction materials such as stone, sand, aggregate and timber will only be sourced from legal sources (licensed quarries and timber concessions) operating adequate environmental management plan acceptable to the Bank.
3. Implement the project labor management (OHS and community health safety) for the duration of the construction period in line with the ESMF.
4. Undertake monitoring of the effectiveness of the implementation of the project and keep records.
5. When applicable, conduct contractors' obligations under the UKL-UPL (ESMP) for environmental management and mitigation efforts.
6. When applicable, report the UKL-UPL (ESMP) monitoring/implementation records to PIU office.
7. Employ and train suitably qualified staff to take the responsibility for the project.
8. Conduct gender sensitization and gender- and respectful behaviors awareness raising to workers and security personnel that may involve during project implementation; please refer to Annex on SEA/SH Prevention and Annex on Code of Conduct for Promoting Respectful Behavior and Preventing Violent Act. These two CoC should be signed and agreed by the contractors/ third party and workers.
9. Implement respectful relationship in workplace and around the project site i.e., with local communities.
10. Implement grievance redress mechanism for workers (to capture, handle, compile, and report complaints).

Prohibitions

1. Refer to Annex 1: Environmental and Social Negative List.

Worker Health and Safety

1. The contractor will comply with all Indonesian regulations for worker exposure to the project.
2. Measures to prevent unauthorized access to dangerous areas should be in place.
3. The contractor should ensure that qualified first aid are easily accessible throughout the site and can be provided at all times.
4. The contractor should provide a handwashing facility and other COVID-19 Infection Prevention Control (IPC) measures in place.
5. Remote sites should have written emergency procedures in place for dealing with cases of trauma or serious illness up to the point at which patient care can be transferred to an appropriate medical facility.
6. All staff will be provided with suitable personal protective equipment (PPEs) i.e., hard hats, masks, gloves, and boots. Workers should not be exposed to working environments with temperature, noise, and vibration level above permissible limit without proper PPEs.
7. Provisions should be made to provide OHS training to all employees to ensure they are apprised of the basic site rules of work at/on the site and of personal protection and preventing injury to fellow employees. Through appropriate contract specifications and monitoring, the contractor

should ensure that service providers, as well as contracted and subcontracted labor, are trained adequately before assignments begin. Training should consist of at least:

- a. Basic hazard awareness.
 - b. Basic knowledge of equipment, construction material, and tools.
 - c. Potential site-specific hazards, and its health and safety implications.
 - d. Hygiene requirements.
 - e. Safe work practices, including exposure prevention and the use of PPEs. SOPs for risk precautions and safety procedures of each type of works should be developed and disseminated accordingly, and
 - f. Emergency procedures for accidents, fire, evacuation, and natural disaster and emergency exercise.
8. Contractors must ensure that heavy equipment and vehicles are maintained properly, and operators are well trained and licensed.
 9. Contractors should establish and implement an occupational health and safety monitoring program that includes: (i) regular inspection of OHS implementation and testing of all safety features and hazard control measures; (ii) document compliance using an appropriate combination of portable and stationary sampling and monitoring instruments using recognized methodologies; and (iii) monitor and document training activities, documentation of occupational injuries and near misses (what happened, cause of accident, and future preventive measures).

Site Preparation and Hydrological Repairs

1. Land clearance should only begin once the due-diligence assessment has been completed. If there are overlapping claims, evidence of agreements with the claimants and/or occupants shall be obtained prior to execution of activities with risks.
2. In the event that site preparation and hydrological repairs take place in land acquired under the project, land clearance shall only commence when a) all transactions under willing buyer and willing seller arrangements have been completed; and b) voluntary land donation has been performed in agreement with the landowners and rightful heirs. In all scenarios, documentation shall be provided by the PIUs as evidence. Where there are crops in the proposed footprint, affected landowners and/or tillers will be given reasonable time to harvest the crop to minimize livelihoods impacts
3. Stockpile and protect topsoil for reuse in site rehabilitation; and
4. The application of chemicals for vegetation clearing shall be avoided.

Waste Management

1. Contractors are required to develop a site-specific waste management procedure that is in line with the existing Gol regulations as well as ESS3.
2. Establish and enforce daily site clean-up procedures, including maintenance of adequate storage, recycling and disposal facilities for litter, solid waste, soil and construction debris.
3. All solid waste that cannot be recycled shall be transported by an approved or certified third-party waste handler, disposed of offsite at an approved/licensed disposal site.
4. Once the job is completed, all construction-generated debris should be removed from the site and disposed of to a designated landfill site.
5. Where applicable, temporary collection and disposal of hazardous waste shall follow the Gol requirements. Hazardous wastes shall be sent to any accessible licensed third-party collector. Records and manifests on disposal of hazardous wastes shall be kept.

Transportation and Operationalization of Heavy Equipment

Heavy equipment may be involved in the sub-project activity. Managing transportation and operationalization of heavy equipment around the project area is an important part of ensuring the workplace risks are adequately managed to prevent harm to workers and general public. The equipment moves in and around the workplace, loading and unloading are often leading cause of incident to workers.

Contractors shall consider several key issues for managing the transportation and operationalization of heavy equipment at workplaces include:

- a. Regularly checking the equipment operating procedures, work safety aspects, operator skills and knowledge, and inspection and maintenance aspects.
- b. Eliminating reversing equipment or minimizing the related risks. The need for heavy equipment to reverse should be avoided where possible as reversing is a major cause of fatal accidents. A turning circle could be installed so that vehicles can turn without reversing. If the site is restricted and turning circles are tight, the controllers must ensure that reverse systems like alarms, sensors, are used. It's also about informing co-workers where vehicles might be turning and ensuring the area is clear.
- c. Minimizing heavy equipment movement. Good planning can help to minimize heavy equipment movement to, from, and around the site. For example, landscaping to reduce the quantities of equipment movement.
- d. Identifying risk and mitigation measure for the potential hazard that can happen during heavy equipment transportation and operationalization. Below are several potential hazards:
 - a. Workers are exposed to falling material lifter by heave equipment
 - b. Workers are hit or run over by heavy equipment
 - c. Electric shock if the appliance is in direct contact with the high voltage power line.
- e. Ensuring the readiness of heavy equipment conditions in the inspection form. Immediately report if there is any problem, damage and repair the equipment if necessary.
- f. Ensuring that the communication tool is active during the field work.
- g. Ensuring adequate communication and consultation with communities prior to mobilization of heavy equipment.
- h. Ensuring that mobility of heavy equipment consider OHS, including the safety of children (i.e., if the location will pass through or around children playground or the site of communities' activities).

Use of Community Worker

1. Contractor should ensure that OHS requirement is implemented by community workers according to applicable standards. Please refer to **Annex 7: Labor Management Procedure** and **Annex 5: Environmental and Social Management Plan (ESMP) and Environmental and Social Code of Practice (ESCOP)**.
2. Contractor is responsible to ensure that the employment of community workers is performed according to the applicable national regulation and WB standards on labor and working arrangement and provision (Working hour, contract arrangement, child labor). Please refer to **Annex 7: Labor Management Procedure**.
3. Contractor and/or third party is responsible to ensure that Code of Conduct for promoting respectful behaviors (and preventing violent act) and Code of Conduct in preventing SEA are being implemented in the ground. Please refer to **Annex 12: Sexual Exploitation and Abuse (SEA) Prevention Strategy** and **Annex 13. Code of Conduct for Project Workers**.

Annex 6: Land Acquisition Framework and Process Framework (PF) for Managing Restriction of Access to Natural Resources

A. Introduction

Project investments under Components 2 and 3 may require land, such as construction of supporting infrastructure for mangrove rehabilitation and conservation, community livelihoods infrastructure, etc. The project does not envisage significant land acquisition needs since large-scale infrastructure will not be eligible for financing. Under M4CR, land under the project will be provided through i) voluntary transaction (willing-buyer and willing-seller scheme) and ii) voluntary land donation. Involuntary land acquisition and resettlement and/or any activities which may lead to such impacts will not be eligible under the project. Land acquisition and resettlement are considered involuntary if affected persons or communities do not have the right to refuse land acquisition that result in displacement. Mangrove rehabilitation and conservation activities performed at the village level should obtain broad community consensus as evidenced through community agreements to participate in project activities. However, the project acknowledges that such activities may result in access restrictions on land use and natural resources. Such restrictions may potentially have implications on affected persons and communities' livelihoods (i.e., access to assets, loss of income sources or other means of livelihood) both temporarily and permanently. Further, mangrove rehabilitation and restoration activities may potentially require relocation and closure of fishponds and place further restrictions on their expansion. Since many of such economic activities often take place in forest estates where affected persons and communities may not have formal or recognizable tenure rights, management of potential impacts on potentially affected persons and communities will be further assessed in consultations with them and reflected in mangrove management plans that will be developed for target sites. Under such circumstances ESS5 provisions will apply.

The above risks will be assessed on a case-by-case basis and mitigation measures will be developed in a participatory manner with individuals and communities affected. A Process Framework has been prepared under the project to guide management of such risks, including consultative processes to build consensus with affected persons and communities on mitigation measures and relevant livelihoods restoration support.

Under M4CR, a Process Framework to mitigate the impacts of access restrictions has been prepared to form part of the overall framework for management of potential risks and impacts associated with land acquisition and restrictions on land use. The Process Framework serves as a tool to avoid any unnecessary restriction of access to land use and natural resources that will adversely affect local communities. Secondly, the framework establishes a process by which members of potentially affected communities participate in design of project components/activities, determination of measures necessary to achieve the objectives of the ESS5, including relevant compensations and required implementation and monitoring of relevant project activities.

B. Policy Objectives and Key Definitions

The objective of the framework is to ensure that all persons and communities (or hereafter Project Affected People) subjected to access restrictions can participate in the design and development of risk and impact mitigation measures to achieve the objective of the ESS5. If land acquisition is required under the project, the framework establishes modalities of land acquisition eligible under the project. The project will not finance activities requiring involuntary land acquisition and/or those that may result in resettlement nor eviction of individuals and/or communities in the target areas.

For project activities that may impose and/or require changes in land use under improved mangrove management that restrict access to resources in legally designated parks or protected areas or other common property resources on which local people may depend for livelihood purposes, mangrove management plans shall establish a participatory process for determining appropriate restrictions on use and set out the mitigation measures to address adverse impacts on livelihoods that may result from such restrictions.

In the event that mangrove restoration and conservation activities potentially result in economic displacement with significant impacts on livelihoods or income generation, additional measures on livelihoods improvement and/or restoration will be integrated as part of mangrove management plans with financing under Component 3. For any activities concerning with land acquisition and access restrictions, no involuntary land acquisition nor forced eviction in line with ESS5¹¹ will be allowed under the project.

Box 2: Key definitions under LARF and PF are as follows:

- **Project Affected Persons (PAP)** refers to all of the people who, on account of the project related activities, would have their (i) standard of living adversely affected; or (ii) right, title, interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed temporarily or permanently; (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business, occupation, work or place of residence or habitat adversely affected; and “Project Affected person” means any of the Project Affected Persons.
- **Restrictions on land use** refers to limitations or prohibitions on the use of agricultural, residential, commercial or other land that are directly introduced and put into effect as part of the project. These may include restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources and restrictions on land use within utility easements or safety zones.
- **Land acquisition, or land provision**, is the process whereby a person involuntary loses ownership, use of, or access to, land as a result of the project. Land acquisition can lead to a range of associated impacts, including loss of residence or other fixed assets (fences, wells, tombs, or other structures or improvements that are attached to the land).
- **Rehabilitation and/or Restoration of Livelihoods** is the process by which PAPs are provided sufficient opportunity to restore productivity, incomes and living standards. Compensation for assets often is not sufficient to achieve full rehabilitation.
- **Replacement cost** is the method of valuation of assets which determines the amount of compensation sufficient to replace lost assets, including any necessary transaction costs. Replacement cost shall normally be assessed by independent appraisal team/institutions, properly constituted in accordance with Indonesian Law and applying the appropriate rules for valuation. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional as to meet the replacement cost standard.

C. Key Principles

Under the project, reasonable efforts will be implemented to ensure the following:

- a. Wherever possible, sub-project designs should be conceived as development opportunities, so that PAP may benefit from the services and facilities created for, or by, sub-project activities.

¹¹ In line with ESS5, forced eviction is defined as the permanent or temporary removal against the will of individuals, families, and/or communities from the homes and/or land which they occupy without the provision of, and access to, appropriate forms of legal and other protection, including all applicable procedures and principles in ESS5.

- b. All PAPs are entitled to compensation for lost assets or loss of access to land, productive assets, and/or loss of access to natural resources designated as conservation areas. Where applicable, alternative forms of assistance in equivalent to compensation at replacement cost may also be offered. Such measures seek in order to ensure that affected persons and/or communities' livelihoods will not be worse-off due to project activities.
- c. Compensation rates refer to amounts to be paid in full to the individual and/or collective owners of the lost land and other assets, without depreciation and/or deduction for taxes, fees or any other purpose. A compensation scheme, including alternative income generation support will also be applicable to impacts associated with restrictions of access to land use, productive assets and natural resources brought by the project under improved mangrove management.
- d. Value of land and assets to be compensated under a willing-buyer and willing-seller scheme shall reflect the mutually agreed amount with land and/or asset owners through a negotiated process. Project proponents (PIUs) may request assistance from independent appraisal team/institution where applicable. Valuation methods reflect replacement costs as defined under the ESS5.
- e. No involuntary land acquisition and no physical resettlement will be allowed under the project.
- f. Efforts should be made to provide land-for land replacement where livelihoods of affected persons and/or communities are land-based. If applicable, replacement land-plots, sites for relocating businesses (i.e., fishponds), or replacement agricultural land should be of equivalent use value to the land that will be acquired and/or put under improved mangrove management.
- g. As part of planning and implementation of project activities, PAPs should be consulted about potential activities with access restriction impacts and participate in the design of project components, and mitigation measures to address such impacts. Relevant agreements and action plans shall be publicly disclosed in a manner accessible to PAPs.
- h. Methods by which PAPs can pursue grievances will be established, and information about grievance procedures will be provided to PAPs.
- i. Where there are overlapping claims, and/or usage by persons other than the seller and/or disputes between the seller and claimants, the proposed land for the project activities will be considered ineligible to be purchased. Only where land has been assessed as clean and clear through due diligence, the project may proceed with land purchase when required. ESS5 provisions do not apply to voluntary, legally recorded market transaction where the seller is given a genuine opportunity to retain the land and to refuse to sell it and is fully informed about available choices and their implications.

D. Project Requirements

The following section outlines key requirements under the project for the management of potential risks and impacts as a result of land acquisition and access restrictions.

1. Land Acquisition Procedures

Land may potentially be required for M4CR activities under Component 2 on rehabilitating and conserving mangroves and Component 3 on improving livelihoods opportunities for mangroves communities. Such land acquisition is expected to be minor since the project will only finance small-scale supporting infrastructure for mangrove restoration and conservation and livelihood activities. The project will adopt the following modalities for land acquisition:

a. Willing-buyer and Willing-seller Scheme

The project may acquire land through negotiated settlements bilaterally agreed by both parties (buyers and sellers). Such negotiation shall be performed in a consultative and transparent manner, involving

legitimate heirs as applicable. All proceedings shall be documented, and a final agreement shall be signed by the negotiating parties in the presence of a facilitator and witnessed by neighbors. Documents for land transaction and transfer of ownership shall be supported by “*akta jual beli*” (deed of sale and purchase) endorsed by a notary or an authorized party (i.e., “*Pejabat Pembuat Akta Tanah* (PPAT)). Land legal status shall be duly confirmed through a due-diligence process (refer **sub-Annex 4.1**) and the PIUs and/or sub-national governments shall facilitate the process and bear the transaction costs. Any direct land purchase under the project through a willing-buyer and willing seller scheme shall be duly documented (refer **sub-Annex 4.2**).

b. Voluntary Land Donation

In some circumstances, sub-project activities may propose that part or all of the land to be used for such activities are donated on a voluntary basis without payment of full compensation. Such a modality of land acquisition is possible provided that the following conditions are met:

1. The potential donor(s) and their legitimate heirs have been appropriately informed and consulted about the activities requiring land and the choices available to them.
2. Potential donors are aware that refusal is an option and have confirmed in writing their willingness to proceed with the donation.
3. The amount of land being donated is minor and will not reduce the donor’s remaining land required to maintain their livelihood at current levels. Typically, land donation shall involve no more than 10 percent of the donor’s productive land assets.
4. Decision to donate shall not require physical relocation nor cause economic displacement.
5. The donor(s) are expected to benefit directly from the project
6. For community or collective land, land donation can only occur with the consent of individuals using or occupying the land.
7. The land in question must be free of squatters, encroachers, or other claim or encumbrances.

Land due diligence shall be performed by project proponents and/or sub-national governments to ascertain that all the criteria above are met in addition to other criteria outlined in **sub-Annex 4.1**. The land subject to voluntary donation must meet technical project criteria performed by project proponents and/or technical authorities to ensure that the land is appropriate for project purposes and safe for the public. The project proponents shall maintain a transparent record of all consultations and agreements reached. A voluntary land donation letter shall be signed by land donor(s) and project proponents, witnessed by neighbors (refer **sub-Annex 4.2**). If such donation entails relinquishment of legal transfer of land ownership to the project proponents and/or sub-national governments, a formal process of land transfer process shall be initiated by the project proponents and/or sub-national governments at their costs.

The project proponents shall bear any transaction costs associated with land purchase and voluntary land donation. Such costs include administrative charges, registration or title fees, reasonable moving expenses, and any similar costs imposed on PAPs.

For both the willing-buyer and willing-seller and voluntary land donation arrangements, project proponents must perform the following:

1. Request approvals from the PIUs and provide a rationale for the choice of land acquisition modality and include relevant due-diligence analysis to help inform approval processes. Where applicable, PIUs may request additional information and/or verification by project facilitators and/or other parties as applicable.

2. Provide progress and completion reports to the PIUs, including any relevant documentation such as consultation records, signed agreements and/or donation letters, negotiation minutes, and other documentation, etc. The original copies of such documentation shall be archived by PIUs and maintained at a minimum five years following project closure.
3. Maintain a Feedback and Grievance Redress Mechanism to the community, including landowners and donors throughout the project implementation.

Box 3: Voluntary Land Donation

Land contribution is acceptable only if there are informed consent and power of choice.

Informed consent means that the land donor(s) involved are fully knowledgeable about the project and its implications and consequences and freely agree to donate part of their land.

Power of choice means that the land donor(s) involved have the option to refuse.

2. Use of State-owned Land

MC4R anticipates that the majority of mangrove rehabilitation and restoration activities likely take place within state-owned land, particularly forest estates under the management of MOEF. There may be pre-existing occupation of such land and/or utilization of such land and extraction of natural resources by local communities. Under such circumstances, improved management of these areas brought about by the project may restrict community access to land use and natural resources. Restrictions on land use and access to natural resources such as marine and aquatic resources, timber and non-timber forest products, medicinal plants, hunting and gathering grounds and cropping areas may adversely community livelihoods if not adequately managed. Under the project, there may be several scenarios of potential impacts where activities take place in state-owned land where there has been pre-existing occupation and/or land claims by communities:

Table 14. Potential Use of State-Owned Land

Scenario	Typology of Project Activities	Potential Impacts	Potential Mitigation Measures
Scenario 1: State-owned land used by local communities for subsistence and/or small-scale economic activities (i.e., hunting grounds, ponds, extraction of timber and non-timber products)	Re-planting of mangroves, closure and rehabilitation of abandoned ponds, establishment of supporting mangrove protection infrastructure where needed, conflict resolution	Temporary and permanent access restriction impacts. The latter include restrictions of the extraction of timber products (i.e., for charcoal production). Access to fishing grounds may be temporarily restricted during the planting and rehabilitation of degraded mangroves. There may be potential conflicts due to overlapping tenure claims.	Alternative livelihoods for affected persons and/or communities, including cash-for-work opportunities and community grants, skills training, etc. (to be financed under Component 3), provisions of alternative infrastructure (i.e., fishing pier). Affirmative measures to enable participation of vulnerable groups in Component 3. Non-land compensation where

Scenario	Typology of Project Activities	Potential Impacts	Potential Mitigation Measures
			applicable as defined in the Entitlement Matrix (Section G).
Scenario 2: state-owned land used by local business owners for commercial activities particularly commercial-scale aquaculture, oil-palm plantation, etc.	As above. Activities may enforce limitations on expansion of commercial aquaculture activities, rehabilitation of abandoned ponds and restrictions of their future use.	The project will target both abandon and active aquaculture ponds, and prior to any activities in the ground, the project will require community consensus and an agreement with the 'owner/ land claimants' on the proposed and scope of the activity in 'their land'. There are potential conflicts due to overlapping tenure claims and law enforcement. There may be hardship in getting the land claimants/ 'claim to be the owner of land' as they may not reside in the village. Potential of getting rejection from the 'land claimants' over land use change.	Participatory planning with broader stakeholders, including local business owners who have been benefitting from illegal use of state-owned land. Community consensus and agreement from the land claimants/'owners' (i.e., the lands are state-owned land, but people often claim it theirs and make market-based transaction over this land using village-letter of acknowledgement of 'land ownership'/ 'land transfer').
Scenario 3: combination of subsistence and commercial use of mangroves	As above	As above	Identification of risks, particularly amongst vulnerable group, participatory planning and affirmative measures for livelihoods opportunities under Component 3. Non-land compensation where applicable as defined in the Entitlement Matrix (Section G).

As part of site selection criteria for the Project, PIUs will screen and identify potential risks and impacts associated with land use of state-owned land, particularly in areas where there overlapping claims and land uses. Potential conflicts with local communities and other stakeholders with vested interest will be assessed. Relevant management of such risks will be integrated into the mangrove management plans that will be produced to address context-specific issues in each target site, both at the village and landscape levels.

The project will not finance large-scale civil works, and land acquisition and hence, has incorporated such activities in the negative list. The project activities will only involve small-scale infrastructures with limited

land acquisition under the agreed modalities in this framework. In the event, state and/or government-owned land is being propose for such activities, a due diligence assessment to confirm the clean and clear status of the proposed land will be required (refer **sub-Annex 4.1**).

3. Management of Impacts Associated with Access

Implementation of mangrove rehabilitation and conservation necessitate improvements in management of mangrove forests and large-scale landscape approach for ecosystem protection in target locations. Such measures may result in access restrictions, such as prohibitions of timber extraction and aquaculture activities, which may impact local people. Access restriction impacts associated with mangrove management in the project target sites, including protection of legally designated parks (mangroves conservation and/or protection areas) shall be addressed through the provisions of the Process Framework (refer **sub-Annex 6.4**) prepared under the project. The Process Framework establishes a process by which members of potentially affected communities participate in the design on project components, determination of measures necessary to address potential adverse risks and impacts, particularly on livelihoods and implementation and monitoring of relevant project activities.

Relevant measures to address potential adverse impacts, including any measures to assist affected persons and/or communities and a monitoring plan of the implementation of agreed measures shall be integrated in village mangrove management plans that will be developed through consultative and participatory processes. PIUs shall document efforts of the implementation of the Process Framework, including relevant consultations, concerns, and agreements as well as potential support required to implement agreed measures.

Further, integral into the project's social mitigation measures, Component 3.1 on improving livelihoods for mangrove communities will prioritize local communities who are negatively affected by Component 2 activities to be the beneficiaries.

E. Public Consultation and Disclosure

The PIUs and/or project proponents requiring land shall disclose information about the project plan and land acquisition process to the affected local communities and the village leaders (and also customary/*adat* leaders and/or community figures where applicable) explaining the proposal, potential impacts and legal rights of the PAPs under this framework.

A similar approach is applicable prior to implementation of specific activities with access restriction impacts as guided in the Process Framework. If access restriction is anticipated from project activities, the PIUs and/or project proponents/ third parties are required to consult with project affected persons/ local communities, laying out the options, and inform their rights and jointly develop mitigation measures acceptable to those impacted. This process will be integrated during the village-level assessment as part of site screening, where community consensus is part of due diligence process prior to any field-activities.

The detailed of whether there should be separate consultations with surrounding communities living nearby to the target conservation/rehabilitation areas should be considered once locations have been confirmed. This consultations/socialization with surrounding communities should be in consideration to manage potential risk of social conflicts and jealousy (of not being selected to participate) or in contexts where there are overlapping claims, while also considering their roles and potential contributions in the overall mangrove management. Further, since administrative village boundaries are not always clear cut and/or established, and it is important to engage surrounding communities in the stakeholder engagement process to mitigate the above risks.

Affected persons and/or communities should be provided with opportunities to participate in planning and implementation of any activities that will affect them both adversely and positively. All affected local communities are to be informed regarding potential impacts and proposed mitigation measures, including inclusion priority to livelihoods components, and any other assistance schemes.

The PIUs will ensure that women and individuals from low-income households will be encouraged and facilitated to be able to be meaningfully involved in any consultation process. Separate meetings/group discussions/interviews with vulnerable and marginalized households, including women shall be organized to facilitate their participation and views in specific interventions under the project. Consultations will be undertaken at venues and times that are suitable for women and individuals from low-income households.

Any relevant documentation, including relevant action plans integrated into the village mangrove management plans shall be made accessible in Bahasa Indonesia and/or local language, ensuring accessibility of these documents to diverse groups, and will be disclosed in places accessible to affected persons and communities. Agreed arrangements to address access restriction risks and/or impacts shall be disseminated to the affected individuals and/or communities and other relevant stakeholders who will be implementing the agreed measures and/or contributing to the financing of such measures.

Key elements to be disclosed include i) key agreements reached, ii) impact mitigation measures, which can be in the form of livelihoods restoration/alternative livelihoods options and compensations as applicable; iii) entitlement and eligibility criteria as guided in this framework; iv) timeline for delivering such support and/or compensations; v) grievance redress mechanisms, vi) monitoring and evaluation arrangements, including mid-course corrective measures as needed.

Relevant measures shall be adopted to ensure that they understands how to participate and their rights, entitlements, and responsibilities as part of the overall mangrove management activities. Such documents shall also be made publicly accessible at PIU's and/or project's websites as applicable.

F. Cut-off Date for Eligibility

A cut-off date of eligibility refers to a date where mangrove restoration and rehabilitation activities with potential impacts on land use and access to land and natural resources are announced at the village level. This may take place following village selection processes based on a series of screening and feasibility assessment processes during project implementation. The announcement, including the date, must be publicly disseminated and affected communities are aware of the terms and conditions as outlined in this framework.

The cut-off date establishes the time limits to determine eligibility of persons living and/or with assets or interest inside the sites proposed for the project activities. People who encroach the project area after the cut-off date will not be entitled to compensation. The cut-off date may be revisited if there is a significant time lapse between the announcement and actual activities with potential impacts on land use and access to land and natural resources.

G. Eligibility and Entitlement Policy

All PAPs will be prioritized for accessing livelihood opportunities under Component 3. Under specific circumstances defined in the entitlement matrix below, PAPs are eligible for compensations and/or livelihoods assistance as applicable to address potential impacts where restrictions on land use, both permanent and temporary, cannot be avoided.

Under the framework, PAPs may be classified as persons:

- a. Who have formal legal rights to land or assets;
- b. Who do not have formal legal rights to land or assets but have a claim to land or assets that is recognized or recognizable under national law or;
- c. Who have no recognizable legal right or claim to the land or assets they occupy or use.

The project will adopt replacement cost for compensation for lost and/or forgone land use and/or assets and/or investments as defined in this framework. Replacement cost will be applicable to the following impacts, including:

- a. In cases where restrictions on land use brought about by the project for the purpose of mangrove rehabilitation and conservation activities affect local business owners (i.e., aquaculture) who have legitimate rights on land in question;
- b. In case project activities cause access restrictions on land use, with resulting economic displacement amongst PAPs who do not have legally recognizable claims to land. This includes renters, sharecroppers and encroachers who have utilized the land in question prior to the cut-off date.

To ensure compensation at replacement cost, planned compensation rates may require updating in project areas where inflation is high or the period of time between calculation of compensation rates and delivery of compensation is extensive.

Table 15: Eligibility and Entitlements

Category of PAPs	Entitlements
Land and/or asset owners who lose land and/or other assets (including any improvements made to the land) being acquired, with evidence of land titles and/or ownership acceptable to communities.	Replacement costs or negotiated values determined bilaterally between buyers and sellers, whichever is higher.
Persons who utilize mangrove resources for subsistence and small-scale economic activities.	Replacement cost for identifying viable alternative locations, lost net income (during the period of project implementation), equipment and forgone investments for establishing commercial/livelihoods activities. Livelihoods assistance as applicable, including support on establishing alternative livelihoods.
Local business owners who operate in mangrove areas who are subject to closure*	Costs of identifying a viable alternative location, for lost net income during the period of the transfer and reinstallation of the facility, equipment and for re-establishing commercial activities. Affected workers will receive assistance for temporary loss of wages, and if necessary, assistance in identifying alternative employment opportunities.
Persons who own and occupy dwellings and other structures built on state or government-owned land without any recognizable legal right or claim to the land they occupy.	PAPs will be compensated for lost assets other than land, such as crops, irrigation and pond infrastructure and other improvements made to the land at replacement costs. In addition, they will be eligible to access assistance in lieu of land

Category of PAPs	Entitlements
	<p>compensation sufficient to provide such persons with an opportunity to re-establish livelihoods elsewhere.</p> <p>The project is not required to compensate or assist persons who encroach the project area after the cut-off date for eligibility.</p>
Owners of perennial and/or other seasonal crops	Compensation for loss of trees at replacement cost (taking into account their productivity and age), including livelihoods restoration assistance
Renters of structures (i.e., ponds) built on state or government-owned land without any recognizable legal rights or claims to the land they occupy.	At a minimum two month notice from the cut-off date/census survey for the renters to find another place or other assistance agreed by renters which may include moving allowance, transition allowance and livelihoods assistance.
Sharecroppers	Assistance to livelihood restoration
Encroachers (i.e., persons who extend their personal holdings by encroaching adjacent state or government-owned land prior to the cut-off date.	Compensation for structures and other improvements made to the land being encroached at replacement cost. Livelihood restoration assistance, moving and transitional allowance as applicable.
Encroachers who entered the project area after the publicly announced cut-off date	Not entitled to any compensation.

Under specific circumstances, ESS5 provisions, including the above entitlements, do not apply to restrictions of access to natural resources under community-based natural resource management projects i.e., where the community using the resources collectively decides to restrict access to these resources, provided that an assessment satisfactory to the Bank establishes that the community decision-making process is adequate and reflects voluntary, informed consensus, and that appropriate measures have been agreed and put in place to mitigate adverse impacts, if any, on the vulnerable members of the community. PIUs shall furnish the World Bank with relevant documentation, including minutes of community consultations and consensus to ascertain the above.

In cases where project activities require relinquishment of land rights both partially and/or in full amongst PAPs with legal rights or claims to land that are recognized or recognizable under national law (i.e., claims outside the forest estates). Under such circumstances, the project shall only adopt voluntary land acquisition processes through a willing-buyer and willing seller and voluntary land donation schemes (refer **section D**).

For project activities that may impose changes in land use that restrict access to natural resources in the project sites, the project shall establish a participatory process for determining appropriate restrictions on use and set out the mitigation measures to address impacts on livelihoods that may result from such restrictions (refer to **sub-Annex 6.4 on Process Framework**).

H. Forms of Compensation

Compensation may take several forms and/or a combination of these under the project: (a) cash; (b) land replacement/swap; (c) alternative livelihoods opportunities; and (d) other forms of compensation agreed by PAPs and the project proponents. The project will not finance activities that require involuntary land acquisition nor activities resulting in physical resettlement impacts. Compensation forms will depend on the preference of the PAPs and may take combination of these depending on the agreement between the PAPs and the project proponents.

Box 4: Integration to livelihoods component as a measure to mitigate access restriction impacts

To offset any lost revenue that might result from the access restrictions, the Project will facilitate and prioritize access by affected local communities to livelihoods' programs under component 3.

Other options of compensation will also be considered upon consultation with the affected communities. For example, through a participatory process (during social mapping and consultative processes), community members will be presented with options and thus access restrictions are fully understood and agreed by both parties.

If affected communities may potentially relinquish their livelihoods activities or part of such activities, they will be compensated by one or more available alternatives under Component 3, such as: provision of technical assistance to establish/expand micro businesses, access to the financial services and market, gaining wages from employment through cash-for-work and mangroves monitoring-related activities.

At the same consultations with surrounding communities (communities living nearby the targeted areas) will also be conducted to ensure that they are aware of potential activities requiring access restrictions and to understand if they may also be impacted as a result of the proposed interventions. Key agreements shall be consolidated in village mangrove management plans.

Affected individuals and local communities will be informed about their options and rights and consulted on and offered choices among feasible compensation/livelihoods alternatives as early as feasible following decisions on specific sites and proposed site-specific interventions. The nature of the restrictions and corresponding measures to mitigate their adverse impacts (action plans) are to be determined with the participation of the affected individuals and/or community groups.

I. Implementation Arrangement

Land acquisition processes under the project, including land due diligence and action plans to manage potential risks and impacts, including how relevant measures are integrated in village mangrove management plans shall be the responsibility of the PIUs and/or project proponents requiring land (i.e., sub-national governments) under supervision of the PIUs. Coordination with technical agencies, such as MoEF's departments, the Ministry of Agrarian Affairs and Spatial Planning/National Land Agency (ATR/BPN) and/or sub-national government agencies may be required on a case-by-case basis.

In case land is required for implementation of sub-project activities, PIUs must ensure that sub-project plans shall include relevant action plans for land acquisition, including land due diligence as applicable. In the case, use of state and/or government-owned land action will be used and/or reinstated and there are potential access restriction risks, PIUs and/or project proponents shall assess risks of the proposed activities and incorporate risk mitigation measures into sub-project planning and design and village mangrove management plans in line with the Process Framework. PIUs shall provide compensations to

PAPs in the case of economic displacement and acquisition of assets under the eligibility and entitlement policy outlined in **Section G**.

PIUs will regularly monitor implementation of the required measures under this framework and furnish the PMO and BPDH with progress and completion reports of activities, highlighting how land acquisition and management of access restriction risks and impacts, including any grievances and concerns expressed and/or filed by affected persons and communities.

In the event that some elements of project activities are delegated and/or outsourced to third party service providers, including intermediary organizations and/or contractors, implementing activities requiring land, PIUs, as the employer, shall assume full responsibility for land acquisition, including ensuring proper risk and impact mitigation measures as outlined in this framework.

J. Cost and Budget

The costs for acquiring land shall be borne by the GoI under the state budget of respective agencies implementing sub-project activities requiring land. The project may finance the costs of mitigation measures, including relevant consultations and engagement, livelihoods assistance and support for alternative livelihoods, grievance handling and management, and monitoring.

In the event of litigation, the GoI shall bear the costs of setting cases under the state budget of respective agencies that are subject to litigation.

K. Grievance Procedure

Grievances and/or complaints received as a result of land acquisition and access restrictions shall be processed following the FGRM procedures established under the project. Grievance procedures are established in the ESMF for the affected local communities to bring their complaints to PIUs through community facilitators. Such procedures include reasonable performance standards, e.g., time required to respond to complaints, and should be provided without charge to PAP. The name and contact detail of the designated unit/persons for handling complaints shall be displayed at each project site.

Adjustment in the standardized FGRM procedures may be called for to address specific circumstances, including in areas where access to formal complaint mechanisms are not accessible or safe. Under such circumstances, PIUs shall consult with affected communities, their leaders, and representatives on appropriate modalities for resolving grievances.

In the event that project-level FGRM mechanisms fail to resolve complaints, the PIUs may elevate such complaints to the National Steering Committee (NSC) level and/or sub-national working groups as applicable. Preference shall be placed on capitalizing on local practices for conflict resolution instead of formal and legal proceedings.

L. Monitoring and Reporting

Implementation of land acquisition shall be monitored and systematically documented by PIUs and reported as part of the project progress reports. Management of access restriction impacts associated with mangrove rehabilitation and conservation activities will be monitored as part of the overall monitoring of village mangrove management plans. Such monitoring shall be performed in a participatory manner, exploring communities' views of the processes, perceptions of entitlements received, and any grievances and concerns. Implementation of village mangrove management plans shall be reported as part of the project reports. Further details on monitoring arrangements, including frequency, modality and approaches, will be elaborated in the Project Operation Manual (POM). External monitoring through

a third-party arrangement may be called for on a need basis, prioritizing implementation of complex mangrove rehabilitation and conservation.

Project progress reports shall provide information on the land acquisition progress and their completion where applicable and management of access restrictions, covering the following indicators:

- Disclosure of information and consultation with PAP/affected local communities.
- Status of land acquisition and/or access restriction and how impacts are being managed in line with the framework.
- Inclusion PAPs to Livelihood components and any other assistance schemes.
- Income restoration activities, including the alternative income generation and compensations received.
- Public information dissemination and consultations process.
- The benefits of the project for PAPs.
- Number and type of grievances received, how they are being addressed and when they have resolved.

Sub Annex 6.1. Land Due Diligence Protocol

In the event that the project requires land, project proponents (PIUs) and/or sub-national governments in charge of land procurement are required to carry out a due-diligence process to ensure that the proposed plots to be acquired meet the following criteria:

- a. were acquired through willing buyer and willing seller and/or voluntary land donation as established under the framework
- b. are safe and technically feasible. When structural elements or components of a project activity is situated in high-risk locations, including those with risk of extreme weather or slow onset events and their failure or malfunction may threaten the safety of communities, the project proponent(s) shall assess technical feasibility and safety considerations of the proposed site as part of the due-diligence assessment
- c. no overlapping claims and disputes. Where there are disputes, project proponents shall be responsible to ensure that settlements of such disputes prior to commencement of activities with potential impacts on the land in question.

The due-diligence assessment focuses on both the legal and actual “ground truthing” of the proposed site(s) to be financed under the project.

The following matrix provides the main criteria to be covered as part of the land due-diligence process:

Table 16: Land Due Diligence Matrix

	Status	Risk Analysis	Relevant Documentation
Legal Aspects and Ownership			
Is the land directly owned by the party/individuals whom the project is negotiating?			
What is the legal status of the land in question (i.e., private land, state-owned land, concession land*, etc.)? <i>*On the land under private concessions, is the land in question actively utilized for its designated purpose or whether the land is abandoned or used for other purposes in contravention of its legal use.</i>			
Is there any litigation or court case on the land in question?			
Are there overlapping claims and/or disputes? If yes, what are the status of their settlements?			
Is there presence of Adat, collective/communal land claims in the proposed site*? <i>*If yes, please refer to the Indigenous Peoples Planning Framework (IPPF)</i>			
In the case of voluntary transaction, is documentation of land transaction and landowner(s) and legitimate heirs’ agreement available*?			

	Status	Risk Analysis	Relevant Documentation
<i>*Furnish the due-diligence checklist with records of land transaction and payments/compensation mutually agreed by both buyer and seller.</i>			
Land use			
What is the current utilization of the land in question (i.e., productive vs. non-productive land, agricultural vs. residential, etc.?)			
Are there other parties utilizing the land in addition to the legitimate landowner(s), such as sharecroppers, cultivators, informal occupants, etc.?			
Are there resettlement and economic displacement risks associated with land acquisition and reinstatement of state-owned land? <i>*Land taking resulting in resettlement will not be eligible under the project. If there are economic displacements, please refer to Eligibility Criteria for Compensation</i>			
Are there access restrictions to legally designated parks, protected areas and other common property resources associated with land acquisition and reinstatement of state-owned land? <i>*If there are access restriction risks, please refer to the Process Framework</i>			
Natural disaster and climate change risks			
Is the land being proposed situated in high-risk locations, including those with risks of natural disasters, including those with risk of extreme weather or slow onset events and their failure or malfunction may threaten the safety of communities?			
Documentation to be provided as applicable			
Minutes of negotiation and consultation with landowner(s) and their legitimate heirs, including any documentation on agreed amount for a willing-buyer and willing seller scheme and grievances and concerns raised			
Evidence or documentation of land legal status (i.e., land certificates and/or other forms of recognized evidence of land claims/ownership)			

Sub Annex 6.2 Documentation Checklist for Direct Purchase of Land (Willing-buyer and Willing Seller)

- a. Name of sub-project proponent (if sub-national government, please specify which agency)
- b. Brief description of sub-project acquiring land
- c. Size, existing use, and location (with map or sketch) of land acquired
- d. Name and identity of landowner(s)/seller(s)
- e. Name and identity of land buyer(s)
- f. Type of use (sub-project) of the acquired land
- g. Date of land purchase
- h. Land price
- i. Date of payment
- j. Scheme of payment (cash, and/or cash transfers, installment, etc. as applicable)
- k. Recipient of payment(s) as agreed by landowner(s)
- l. Date and signatures of the landowner and witnesses from neighbors and representatives of village governments
- m. Attachment of: (a) minutes of negotiation; (b) attendance list; (c) receipts of payment; and (d) a copy of deed of sale and purchase issued by a notary or PPAT.
- n. Certification of the purchased land and the remaining land

Sub Annex 6.3 Example of Statement of Land Donation

Statement Letter of Land Donation

Statement Letter of Land Donation

I, the undersigned this:

Name :

Occupation :

Address:

declare that I voluntarily donate my land or assets affected for the project / sub-project
..... (write the name of activity/ sub-project(s) to be constructed on the donated
land)

Location of land :

Size of land (in sqm) :

Current land use :

Status of ownership :

Proposed use of land donated :

Map/sketch of donated land with borders :

.....
.....
.....

This statement was made in good faith without any coercion.

Place, date of the agreement

Agreed by:

Landowner Signature (or finger prints)

Signature of M4CR (project proponents) and/or
representatives of sub-national governments

Name:

Name:

Acknowledgment by Head of Village (and/or an authorized representative)

Name: signature/fingerprint:

Signature of heirs and witnesses:

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Sub Annex 6.4. Process Framework

Mangrove rehabilitation and their long-term management may potentially impose restrictions on extraction of natural resources, and it may require changes in the existing livelihoods practices amongst the community. Under such circumstances, the Process Framework seeks to integrate participatory processes to enable members of potentially affected communities participate in the design of the proposed interventions, determination of measures to address livelihoods impacts and implementation and monitoring of relevant project activities.

For the above purpose, village mangrove management plans shall incorporate the following planning elements:

- Assessment of proposed interventions and their potential impacts, including access restrictions and economic displacement risks and impacts. The analysis must clearly describe specific activities which may potentially result in such risks and impacts, potential measures to avoid and/or reduce potential impacts (i.e., choice of sites, technology/techniques, engineering measures, etc.), responsible entities and the process by which potentially displaced persons and communities participate in the design of activities. Further, the analysis should also describe the nature and scope of restrictions, their timing, potential alternatives/ options for restoring livelihoods, as well as administrative and legal procedures to protect affected communities' interests.
- Criteria for eligibility of affected persons and communities. The consultation processes shall establish that potentially affected persons and communities will be involved in identifying any adverse impacts, assessing the significance of impacts based on an assessment of socio-economic circumstances and vulnerability status and reaching agreements on the criteria for eligibility for any mitigating and/or compensating measures necessary. PIUs and/or project proponents may refer to the Eligibility and Entitlement Policy (**Section G**) of this framework.
- Measures to assist affected persons and communities in their efforts to improve their livelihoods or restore them in real terms, pre-displacement levels while maintaining the sustainability of the conservation areas. Such measures will be linked with project support under Component 3, based on planning under Component 2. Such measures as outlined in the village mangrove management plans shall describe methods and procedures by which communities will identify and choose potential mitigating or compensating measures to be provided to those adversely affected, and procedures by which adversely affected community members will decide among the options available to them. These include amongst others capacity building and training for new skills and alternative livelihoods options, technical support for business development, and participation in business grant schemes under Component 3.
- A feedback and grievance mechanism process, including how potential conflicts and/or grievances within or between affected communities will be resolved. The FGRM process shall describe the process for resolving disputes relating to resource use restrictions that may arise between or among affected persons and communities, and grievances that may arise from them with regards to dissatisfaction of community agreements on eligibility criteria, mitigation measures and/or their actual implementation.
- Implementation arrangements, roles and responsibilities of various stakeholders, including government and non-government entities providing services or assistance to affected persons and communities, including financing arrangements and allocation.
- Arrangement for monitoring of implementation measures, including required participatory formulation of output and outcome indicators developed in participation with affected communities and their achievements.

- PIUs shall ensure disclosure of relevant information, including i) key agreements reached, ii) impact and potential options as the mitigation measures, which can be in the form of livelihoods restoration/alternative livelihoods options and compensations as applicable; iii) entitlement and eligibility criteria as guided in this framework; iv) timeline for delivering such support and/or compensations; v) grievance redress mechanisms, vi) monitoring and evaluation arrangements, including mid-course corrective measures as needed.

Annex 7: Labor Management Procedure

1. Introduction

This Labor Management Procedure (LMP) is part of Environmental and Social Management Framework (ESMF) developed by the Government of Indonesia to manage labor and working conditions under the Mangrove for Coastal Resilience Project (M4CR). The project involves rehabilitating and conserving mangrove ecosystem and landscape (Component 2) and improving coastal communities livelihoods' opportunities (Component 3). The LMP sets out the Project's approach and relevant measure to meet the national requirements as well as the World Bank's ESS 2 on Labor and Working Conditions.

The LMP has been prepared to guide BPD LH, KLHK, BRGM and contractors and/or all third parties potentially involved for the project implementation in establishing the approach to identifying the potential risks and impacts on project workers, including community workers that typically result from mangrove rehabilitation and conservation activities, including supporting small-scale construction works and community-based livelihoods activities. The LMP establishes key requirements pertaining to employment relationships, working conditions, prevention of all forms of forced and child labor, labor rights and protection as well as measures to manage the potential risks and impacts related to Occupational, Health and Safety (OHS).

World Bank ESS 2

The World Bank's requirements related to labor are outlined in Environmental and Social Standard 2 on Labor and Working Conditions (ESS2) under the Environment and Social Framework (ESF) and promotes sound worker-management relationships and enhances the development of benefits of a project by treating workers in the project fairly and providing safe and health working conditions.

Table 17. Key Objectives of the ESS2

Key objectives of the ESS2 are to:
a. Promote safety and health at work
b. Promote the fair treatment, non-discrimination, and equal opportunity of project workers
c. Protect project workers, including vulnerable workers such as women, persons with disabilities, young people (of working age, in accordance with ESS2), migrant workers, contracted works, community workers, and primary supply workers, as appropriate
d. Prevent the use of all forms of forced labour and child labour
e. Support the principle of freedom of association and collective bargaining of project workers; in a manner consistent with national law; and
f. Provide project workers with accessible means to raise workplace concerns

ESS2 applies to project workers including full-time, part-time, temporary, and community workers. All project implementing agencies both at the national and sub-national levels are responsible for implementing relevant provisions in the LMP as they are applicable to the project. The LMP will address how this ESS will apply to different categories of project workers including direct workers, and how the project implementing agencies, including BPD LH, KLHK, and BRGM through their respective PMOs and PIUs will require third parties to manage their workers in line with the LMP.

2. Scope of the LMP

The project will engage approximately a large number of workforces workers under various contracts throughout the project cycle. The scope of LMP is determined on the basis of the type of employment relationship between the project workers and their employers (i.e., the PMO, BPDH (Environmental Fund Agency), National PIUs, Provincial PIUs, contractors and third parties (i.e., intermediaries). The project is expected to employ all types of project workers as defined under ESS2, including direct workers, contracted workers, primary supply workers and community workers (refer **Table 18**). Application of the ESS2 requirements will be informed by the nature of their employment under the project as well as the risks associated with performing project activities. The ESS2 requirements set forth under the LMP apply to project workers, including full-time, part-time, and temporary workers. The project does not envisage involvement of seasonal and migrant workers.

Table 18. Project Workers Categories and Roles

Category	Definition	Type of workers	Expected roles
Direct Workers	People employed or engaged directly by project EA through its PMO, and implementing agencies through the National and Sub-national PIUs, as well as BPLDH to work specifically in relation to the project	Government secondees assigned by the EA and IA both at the national and sub-national level.	Provide day-to-day management of project activities, including technical assistance and oversight support
		National and sub-national consultants and experts hired by the EA and IA. These may include among others technical experts/consultants (i.e., mangrove rehabilitation and conservation techniques, GIS/spatial analysis, conflict resolution, livelihoods), social and environmental consultants, M&E consultants.	Provide day-to-day management (implementation, monitoring & evaluation, and reporting of) project activities, technical advisory and expertise relevant to all project components, environmental and social management, M&E, coordination support, etc at the project and subproject levels Local facilitator to facilitate community engagement, mobilization and awareness raising, including handling and/or administering community grievances
Contracted workers	People employed or engaged through third parties	Workers hired by contractors and sub-contractors	Perform work related to mangroves restoration and conservation activities, required preparatory work (i.e., supporting civil works, land rehabilitation, erosion and sediment controls), planting, etc. (local facilitators hired by third party) Perform work related to stakeholder engagement,

Category	Definition	Type of workers	Expected roles
			mobilization and community engagement, awareness raising, and administering community grievances.
Primary supply workers	People employed or engaged by project' primary suppliers. Primary suppliers are those suppliers who on an ongoing basis provide directly to the project goods or materials essential for the core functions of the project.	Workers of the mangrove seedlings. This includes casual workers.	Provide seedlings or other materials and services needed for the project to operate
Community workers cash-for-work	People employed or engaged in providing community labor	Community workers under the cash-for-work scheme (<i>padat karya</i>) for the purpose of mangrove planting and maintenance, including patrols.	Cash-for-work for mangrove restoration implementation

3. Expected Number of Project Workers

The project anticipates hiring of around 1050 direct and contracted workers. These include consultants, specialists/experts, government secondees, and local facilitators stationed both at the national and sub-national levels. The actual size of the workforce is yet to be confirmed following decisions of the exact locations and detailed activities to address specific rehabilitation and conservation needs.

Under the project management component (Component 4), approximately 50 consultants and experts will be hired at different phases of the project implementation. These include Geographic Information System (GIS) experts, policy and regulatory experts, stakeholder engagement specialists, social management, environmental management, Grievance Redress Mechanism (GRM), Monitoring, Reporting and Verification (MRV) specialist, and others.

Under Component 2, the project will potentially mobilize consultants, local facilitators, and community workers for the implementation of mangroves restoration and conservation activities in the field. Third-party contractors and/or service providers may also be engaged to support the implementation of Component 2 activities. Under Component 3 on improving livelihoods options of the coastal communities, technical experts and/or consultants, consultancy firms and local facilitators (who may be the same individuals hired under component 2) will be recruited to assist the PIUs in the screening and selection of beneficiaries and implementation of livelihoods activities under the component. Under both components 2 and 3, community facilitators will be hired locally.

Since the project is not envisaged to finance large-scale construction, potential risks and impacts associated with labor influxes were assessed insignificant. A typical civil work package based on the previous experience may require around 50 workers depending on the scale and complexity of restoration and conservation efforts. Some of the workforce may potentially be sourced locally. **Table 19** provides

summary of the anticipated workforce under the project. The actual size of worker and cash-for-work planning and hiring modality will be determined during project implementation.

Table 5. Project Workers Size Estimate

Component	Type of workers				Significant Labour influx		Est. Size
	Direct workers	Contracted workers	Primary suppliers	Community workers	Y	N	
Component 1 – Strengthening policy and institutions for mangrove management	Government secondees, consultants, experts hired by EA and IAs	N/A	N/A	N/A		No	50
Component 2 – Restoring and conserving mangrove ecosystem	Government secondees, consultants, experts hired by the EA and IAs	Workers of intermediary organizations and third-party contractors, community facilitators	Workers of providers and/or suppliers of goods and services	Local community members recruited for mangrove rehabilitation and conservation works		No	
Component 3 – Improving livelihoods for coastal communities	Government secondees, consultants, experts hired by the EA and IAs	Workers of consultancy firms, intermediary organizations, community facilitators	N/A	N/A		No	
Component 4 – Project management	Government secondees, consultants, experts hired by the EA and IAs	N/A	N/A	N/A		No	TBD

4. Characteristics of Project Workers

Direct workers to support the project management (i.e., PMO, national and sub-national PIUs, BPD LH) will be hired on a full-time basis and some experts will be retained on an on-call basis depending on the needs. These workers will be mostly engaged for office-based activities with minimal OHS risks to the extent that Infection Prevention Control (IPC) measures are fully adhered.

Contracted workers hired by contractors, intermediary organizations (i.e., NGOs/CSOs) will be tasked to provide labor for mangrove restoration and conservation works, including construction of supporting infrastructure, land preparation, planting, maintenance, etc. Their contracts will be defined based on agreed deliverables and/or outputs during project implementation.

Community workers from the target villages will contribute required labor for mangrove restoration and conservation works, and some of them may be directly recruited by the project and/or by third party implementers.

The above characteristics and patterns of employment and how they will apply under the project will need to be further assessed during project implementation. To the extent possible, skilled and unskilled workers will be recruited locally, while the cash-for-work (*padat karya*) for restoration activities will be targeted for local communities (prioritize the respective village and at least within the same sub district, to the extent possible).¹² Employers (IAs) shall encourage the contractors to prioritize local people to the extent that the minimum skill requirements are available locally (for instance to be local facilitators or other potential skilled employment opportunity. Affirmative measures to promote participation of women and people with disability will be developed.

The project shall encourage employment of project workers above 18 years of age. In the event that the decision is made to allow employment amongst individuals over the minimum age of 14 and under the age of 18, specific conditions under ESS2 para. 17-18 shall prevail. The minimum age requirement for workforce will be incorporated in bidding documents and worker contracts.

Timing of Labor Requirements: the timing and sequencing of labor recruitment and deployment will depend on the project phases and the types of activities being financed. Direct workers may potentially be employed throughout the project's duration. Skilled workers, such as technical consultants may likely to be engaged in the longer term and rotated in and out of multiple sites within the sub-project (for instance overseeing restoration activities in multiple sites). These workers may be retained from an extended period as long as the demand for their service exists. Contracted workers and community workers will be employed on a deliverable-based contract agreed bilaterally with their respective employers. The former may be deployed to multiple sites depending on their Terms of Reference (ToR). Each worker will be duly informed about the timing of their employment and services expected prior to contract signing.

5. Key Potential Labor Risks and Mitigation/Response Measures

An initial environmental and social risk screening identified potential risks and impacts associated with use of labor for the purpose of project activities. Such risks are mostly associated with mangrove rehabilitation and conservation activities, which may involve provisions of goods and services performed by contracted workers, community workers as well as primary supply workers. Occupational Health and Safety (OHS) risks may potentially stem from working in remote and hazardous areas, exposure to chemicals (i.e., fertilizers, herbicides, pesticides, etc.), use of child labor and poor working conditions. This project may also involve use of construction vehicles and heavy equipment and hence, present OHS and community health and safety risks. Project activities may potentially take place in areas prone to natural disasters (i.e., high-seismic zones and Tsunami) and ecologically sensitive and high-biodiversity areas. Such risks warrant adequate management, which is expected to be addressed through implementation of the LMP provisions as well as adherence to good practices in mangrove restoration and conservation activities as also defined in the sub-project ESMP and Environmental and Social Codes of Practices.

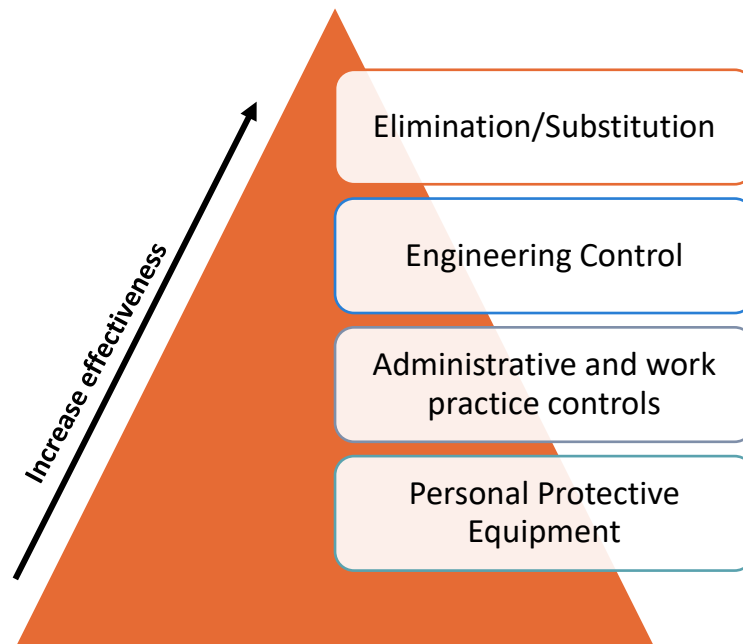
Since the project does not envisage financing large-scale civil works, OHS risks typical to large-scale civil works are considered insignificant. OHS risks under the project may potentially stem from unsafe working

¹² Since M4CR anticipates small-scale civil work, the project seeks to promote use of local content such as manpower, material, equipment and technology in construction activities as guided by the Government Regulation (No. 22/2020) on Construction Service. As such, the project will encourage the selected contractors/third-party stakeholders (i.e., contractors, village enterprises/BUMDES) to consider hiring the locals where feasible.

conditions (i.e., working in or near water, and work on the slopes, working at night or dark place where lighting is poor), lack of skills in operating vehicles and required equipment, fatigue, and extended work hours. Poor adherence to safety standards may lead to work-related accidents which may also involve surrounding communities. In addition, use of child labor is considered relevant under the operation particularly across activities where community labor is required. The LMP specifies the minimum age for employment and/or engagement in connection with the project and will put in place a system to monitor risks associated with child labor, including age verification requirements as part of the recruitment process. Further, COVID-19 also presents public health risks when Infection Prevention Control (IPC) measures are not fully adhered across activities requiring face-to-face interactions. Some of the main risks identified, and the proposed mitigation measures are further described in **Table 21**.

A risk management hierarchy (see **Figure 6**) is commonly used to address OHS risks associated with civil works and/or any work involving heavy equipment. Such an approach is best applied to mangrove restoration and conservation efforts where these involve activities with OHS risks. A risk management hierarchy will form the foundation on the basis of which potential OHS risks and hazards are managed and controlled. Since some mangrove rehabilitation and restoration techniques may potentially involve use of heavy equipment, the project will seek to adopt relevant mitigation measures, starting from elimination/substitution of risks, followed by engineering controls, administrative and work practice controls, and finally application of Personal Protective Equipment (PPE) when risks are not avoidable.

Figure 5. Hierarchy of Control



The measures are discussed below:

- **Elimination/ substitution.** The most effective way to deal with a safety hazard is to eliminate it altogether by preventing exposure to the hazard before it occurs. In substitution, one seeks to permanently reduce the risk by substituting to a less hazardous material or reduction of system energy. These are process design solutions that require a permanent change to how a job is performed.

- **Engineering controls.** Change the structure of the work area to reduce exposure using safety device or barriers. An example would be to place a high fence around dangerous location to prevent access.
- **Administrative and work practice controls.** Implement procedures that require workers to do things to reduce their exposure to a risk. A lockout/ tagout program, warning system, sirens and alarms are examples of this control. This includes to set expectations and programs/ inductions/ socialization that will engage workers to practice safe work protocols.
- **Personal protective equipment.** In many cases where substitution or elimination inappropriate, the least measure is to ensure employees wear the proper protective personal equipment tools. People are required to wear protective clothing, gloves, and mask for mangrove rehabilitation and conservation activities.

Table 6. Key Potential Labor Risks and Mitigation/Response Measures

Rehabilitation and Conservation Techniques	Site preparation actions	Planting Action	Key Potential Labor Risk	Mitigation Measure
Pre-emptive stress identification and removal	Minor hydrological repair (e.g., tidal channel creation/ excavation, undersized culvert replacement with larger culverts/bridges)	Natural regrowth and revegetation	Work accident COVID-19 infection Poor working conditions, particularly for workers deployed to the site for site preparation and planting activities	Application of proper PPE such as protective clothing, gloves, mask for the job. Requirements for adequate and safe working conditions, including application of IPC measures in the context of COVID-19. Relevant ESHS requirements to be incorporated into the TORs and bidding document if relevant works are to be outsourced.
Natural regeneration (and human assisted natural regeneration)	NA	Human assisted natural revegetation = periodic collection of mature propagules (high diversity) and broadcasting of propagules into rehabilitation site (by boat, drone or on foot)	Work accident COVID-19 infection	Application of proper PPE such as protective clothing, gloves, mask for the job. Requirements for adequate and safe working conditions, including application of IPC measures in the context of COVID-19. Relevant ESHS requirements to be incorporated into the TORs and bidding document if relevant works are to be outsourced.

Rehabilitation and Conservation Techniques	Site preparation actions	Planting Action	Key Potential Labor Risk	Mitigation Measure
Direct planting	Fencing, use of stakes, clearing of weed species	Direct planting of propagules, nursery-reared seedlings, transplanted wildlings	Occupational Health and Safety (OHS) accident, including exposure to natural disasters, COVID-19 risks	Application of proper PPE such as protective clothing, gloves, mask for the job.
Minor hydrological rehabilitation	Use of human labor with hand-tools for; strategic breaching of dike walls, tidal channel repair or creation/excavation, undersized culvert replacement with larger culverts/bridges	Planting of salt-water tolerant grasses (halophytic grasses) to prepare soil conditions, prevent erosion, capture propagules Direct planting of propagules (propagule collection and planting) Human assisted natural revegetation (propagule collection and dispersal)	Occupational Health and Safety (OHS) accident, including exposure to natural disasters, COVID-19 risks	Integration of OHS management into site-specific ESMP and ESCOPs, including provisions of capacity building, PPE, and relevant equipment for project workers. Provisions of monitoring, including use of supervision consultants for field activities Implementation of Environmental and Social Incident Reporting protocol outlining reporting, investigation mechanism and remedial measures Enforcement of COVID-19 Infection Prevention Control (IPC) measures
Major hydrological rehabilitation	Use of heavy machinery such as excavator, barge, pumps, dredges to add fill material to low sites (below MSL or below target elevation) or add fill material to high sites followed by re-grading and tidal channel creation. spraying of hydraulic sediment slurry to low sites	Direct planting of seedlings (propagule collection, rearing in nurseries, planting)	Occupational Health and Safety (OHS) accident, including exposure to natural disasters, COVID-19 risks	Integration of OHS management into site-specific ESMP and ESCOPs, including provisions of capacity building, PPE, and relevant equipment for project workers. Provisions of monitoring, including use of supervision consultants for field activities Implementation of Environmental and Social Incident

Rehabilitation and Conservation Techniques	Site preparation actions	Planting Action	Key Potential Labor Risk	Mitigation Measure
				Reporting protocol outlining reporting, investigation mechanism and remedial measure Enforcement of COVID-19 Infection Prevention Control (IPC) measures
Experimental erosion control	Permanent or temporary placement of erosion control/coastal protection infrastructure including permeable dams, low-rock break-walls, oyster reefs, sediment or sand filled geotextile tubes. Chenier (sand bar) reconstruction.		Work accident COVID-19 infection	Integration of OHS management into site-specific ESMP and ESCOPs, including provisions of capacity building, PPE, and relevant equipment for project workers. Provisions of monitoring, including use of supervision consultants for field activities Implementation of Environmental and Social Incident Reporting protocol outlining reporting, investigation mechanism and remedial measures Enforcement of COVID-19 Infection Prevention Control (IPC) measures

OHS and community health and safety risks are anticipated from activities involving field activities in hazardous and disaster-prone areas, use of chemicals, and those requiring use of heavy equipment. Community workers under cash-for-work Component 2 are expected to perform the following duties, i.e., planting the mangrove seedlings and other rehabilitation techniques that did not require the use of heavy machinery.

Table 21. Labor and Working Condition Risks and Mitigation Measures

Risks	Mitigation measures
Occupational Health and Safety (OHS) risks associated with mangrove restoration and rehabilitation activities, including supporting civil works (i.e., hazardous working conditions, lack of skills to operate heavy equipment, fatigue, exposure to chemicals, etc.)	<p>A risk management hierarchy is to be pursued, starting from elimination and substitution of risks to use of PPE where appropriate (see Figure 5. Hierarchy of Control) starting from the site-selection and design phases. Such measures shall be reflected in the Terms of Reference (ToR) and accordingly in the bidding documents and contracts for activities being tendered. Relevant OHS provisions will apply to contractors and their sub-contractors.</p> <p>Facilitate OHS induction to project workers, including community workers by respective employers prior to commencement of activities and during their implementation through provisions of OHS training, mandatory general inductions, job specific inductions to all workers.</p> <p>Where relevant, perform Job Safety Analysis (JSA) system, routine safety briefing/toolbox meeting.</p> <p>Provision of OHS inspector(s)/supervisor(s) with relevant experience and sufficient with the number of workers and area of work. This may be integrated in the scope of work for the supervision consultant.</p>
Workplace discrimination. Examples include worker hiring practice and/or employment or treatment of project workers made on the basis of personal characteristics unrelated to inherent job requirements. Terms and conditions are not clear and not transparent or with disproportionate benefits that may lead to discriminatory practices and/or community protest/social jealousy.	<p>Provision of clear, understandable, written contracts with clear terms and conditions of employment to all project workers, provision of benefits in accordance with the national standard and ESS2 requirement, transparent information on work opportunity/job opening to the community for local recruitment.</p> <p>Non-discrimination and equal opportunity policy will be included in the procedure of hiring practice and Human Resource (HR) policy by PMU, PIUs and/or the Contractor.</p> <p>Development of clear and inclusive selection criteria for cash-for-work scheme, including affirmative measures to promote participation of vulnerable groups, including women, people with disability, <i>Adat</i> communities, etc. Widely consult and disseminate such information to the target communities.</p> <p>Development of a feedback and grievance redress mechanism (FGRM) for project workers. Community facilitators shall disseminate available channels and support grievance management filed by the community.</p>
Risks of child labor, particularly for activities requiring community labor (i.e., cash-for-work scheme). Risk associated with forced labor is considered irrelevant under the project since all labor requirements will be provided on a voluntary basis and there will be a system established to ensure adherence to such provisions.	Encourage employment of project workers above 18 years of age. In the event that the decision is made to allow employment amongst individuals over the minimum age of 14 and under the age of 18, specific conditions under ESS2 para. 17-18 shall prevail. Additional resources will be made available, including for supervision, communication, and outreach, FGRM, etc. to ensure duly adherence the ESS2 provisions and the national labor law.

Risks	Mitigation measures
	<p>Reflect the above requirements in all relevant documents such as HR policy, bidding documents and worker contracts. Widely communicate zero tolerance to child labor under the project, including the cash-for-work scheme in the target sites.</p> <p>Establish an age verification protocol for all project workers prior recruitment and maintain records of evidence of staff age (copy of ID and signed contract).</p> <p>Perform labor supervision/inspection as further defined in LMP.</p> <p>Establish an FGRM mechanism to report use of child labor. Community facilitators extend such oversight role and dissemination of the HR policy to all relevant stakeholders, including reporting of any grievances pertaining to use of child labor.</p>
<p>Delivery of supplies and mobilization of heavy equipment for construction activities may have implications on biodiversity disruption</p>	<p>Development and implementation of Biodiversity Management for the project located in the ecologically sensitive area, including to be extra careful when mobilizing heavy equipment in protected areas.</p> <p>To have field-supervisor and/or environmental expert in the field to oversee the mobilization of heavy equipment, as necessary.</p> <p>This will be complemented by socialization with local communities as suggested in Stakeholder Engagement Plan.</p>
<p>Mobilization of heavy equipment for civil construction, despite in small-scale, can lead to traffic increased in local areas, and impose (despite low) a risk of accident.</p>	<p>Traffic management and announcement board as further defined in ESHS requirements in bidding documents and contracts, which will need to be reflected in the contractor's Management Strategies and Implementation Plans (MSIPs) and ESMP.</p> <p>Implementation of requisite measures will be complemented by socialization with local communities as suggested in Stakeholder Engagement Plan. (i.e., to communicate with sub district and village governments and communities prior to mobilization of heavy equipment)</p>
<p>Use of tools, equipment and vehicles during the construction work (including power tools, heavy vehicles, lifting equipment, etc.) that may cause incident/accident and health issue (i.e., from noise, vibration, chemical spills) to the workers and also to community nearby</p>	<p>Incorporate the following ESHS requirements for civil work packages in the bidding documents, contracts, and contractor's MSIPs and ESMP: Screening of operator and skilled worker for the respective work, JSA, routine safety briefing/toolbox meeting, work permit (as applicable), provision of Lock out/ Tag Out (LOTO) system, provision and enforcement on the use of PPE, routine supervision and inspection, provision of fence/barricade and signage to prevent unauthorized access from community to the construction area. Detail arrangement on responsibility for provision of safety equipment and PPE will be written in the contract.</p> <p>Contractor Environmental and Social Mitigation Plan (E-ESMP) and bidding documents will reflect these requirements.</p>

Risks	Mitigation measures
Improper hygiene facility (i.e., sanitation facility and food from catering) and practice that may lead to health issue of the workers (i.e., water borne disease and food poisoning) and impacting the productivity	Incorporate the following ESHS requirements for civil work packages in the bidding documents, contracts, and contractor's ESMP: provision and periodic maintenance of proper sanitation facility, selection and periodic monitoring of provided food from contractor (and caterer service), socialization on good hygiene practice.
Potential transmission of COVID-19 among workers and/or the surrounding community	Screening of vaccinated workers, initial and periodic COVID-19 test, screening of worker entering work area (i.e., temperature and health/symptoms report) and prior mobilization to or in-between project sites, provision of mask and hand sanitizer/soap and running water spot, limitation on the number of workers in the same area of work, reporting and follow up procedure for worker experiencing symptoms of COVID-19. Protocol of COVID-19 prevention in construction project, issued by the DG of Construction Supervision of the Ministry of Public Works and Public Housing will be referred in the ESHS requirements in bidding documents, contracts and MSIPs and contractor's ESMP as relevant.
Emergency situations resulting from work incident/accident or natural disasters (i.e., flood, landslide, earthquake, Tsunami).	Provision, socialization and training of emergency response procedure to project workers and affected community (as applicable). Such a procedure shall also be reflected in the contractor's MSIP and ESMP as relevant.
Physical interaction between workers (consultants, construction workers, or community facilitators) and local communities present Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) risks both verbally and physically.	<p>All project workers must sign Codes of Conduct (CoCs), which include zero tolerance on SEA/SH and application of sanctions in line with the project HR policy and Gol's regulation (suspended or termination of contract), in the event of reporting and/or allegations. Please refer to Code of Conduct for Preventing SEA/VAC and CoC for promoting Respectful Behavior which should be signed by all workers under this Project.</p> <p>Establishment of a FGSM channel with functions adapted to receive SEA/SH allegations in line with good international practices.</p> <p>SEA/SH awareness and sensitization to project workers and communities on CoCs and grievance reporting.</p>

The above risks will be updated during the development of the sub-project design, including decisions on the exact locations and specific interventions to address contextual issues. Hence, the proposed mitigation measures shall be adjusted based on the typology of risks by relevant implementing entities.

6. Legal and Regulatory Framework

This section covers summary of national regulatory framework on workers protection and working conditions, and how it aligns (or differ with) the World Bank Labor and Working Condition standard (ESS 2). Any gaps identified between national regulations and World Bank ESS2 are covered in the LMP which forms part of the ESMF. In the event there are discrepancies between the national regulations and ESS2, the highest standard shall prevail.

Summary of labor legislation gaps between the Government of Indonesia' regulation and ESS 2 (Table 22).

Table 22. Labor Regulatory Gap Assessment

Issue	The Indonesian Regulation	Gaps with ESS 2	Mitigation measures
Terms and conditions of employment that are non-discriminatory and provide equal opportunity	Law No. 13 of 2003 on Manpower sets out the primary rules for establishing employment relationships, employment terms, and conditions. These include working hours and overtime arrangements, workers organization and collective bargaining/ labor agreements and employment termination. Law No. 14 of 2004 on the National Security System and Law No. 24 of 2011 on the National Social Security (BPJS): employers are required to register and participate in social security programs, which include healthcare, pension, work accidents, old age, and death insurance	Under the Job Creation Law No. 11 of 2020, labor bargaining power are weakening through 1) easier process to terminate contract-workers (no negotiation phase required); and no limit for contracting extension for contract-workers; the regulation to provide overtime-pay extended to 3-4 hours per day and 18 hours per week (so overtime under 18 hours per week did not count as eligible for overtime pay).	We will set out maximum working hours and eligibility for overtime pay under the LMP; This will be reflected in bidding requirements, contract, and C-ESMP.
Occupational Health and Safety (OHS)	Law No. 1 of 1970 on Work Safety requires safe and healthy workplaces and establishing health and safety committees. Law No 13 of 2003 concerning Manpower Law stipulates that every worker has a right to be covered for Occupational and Health Safety	No gap	Follow the common procedure and to be reflected in bidding documents/ requirements, contract and C-ESMP.
Minimum aged/ Child Labor	The Labor Law contains specific provisions regarding the employment of minors. In general, an employer is prohibited from employing children under 18 years of age. However, a child between the ages of 13 and 15 years may perform light work, provided that such work does not interfere with his or her physical, mental or social welfare and development.	Minimum working age is lower than the ESS2, which is 14 years of age. No specific conditions for employment of a child above 15 years of age.	The project is encouraged to hire workers above 18 years of age and an age verification will be enforced. In the event that the decision is made to allow employment amongst individuals over the minimum age of 14 and under the age of 18, specific conditions under ESS2 para. 17-18 shall prevail. No employment of children aged 14 years of age and below.

			The same requirements shall be incorporated in bidding documents and ToRs. PIUs will monitor the implementation of LMP, develop and implement age verification protocol and in particular to include a system to monitor implementation of age verification protocol on the ground.
Forced Labor	The Republic of Indonesia has ratified the ILO Convention Against Forced Labor. Law No. 13 of 2003 on Manpower as the main labor law in Indonesia has stipulated some boundaries that reflected legal commitment to avoid forced labor.	No gap	Implementation of the existing regulation will be applied to LMP and institutional capacity development (to implement it) and monitoring will be enhanced. This will be reflected on Capacity building plan; C-ESMP; Bidding requirements; and contract.
Community workers under cash-for-work arrangement	Presidential Regulation 82 of 2020 on Corona Virus Disease Control and National Economic Recovery (<i>Pemulihan Ekonomi Nasional</i>) stipulates macro level cash-for-work program as part of national economy recovery program to be mainstreamed to all ministers' activities. Environmental and Forest Minister Decree on Operational Plan for Cash-for-Work on Mangroves Program SK 353/MenLH /Sekjen/Das.1/8/2020 stipulates the requirements process (via groups at village level and assisted by existing [quasi] government groups in the field); payment mechanism; no discrimination principle; information disclosure; and action plan for 2020.	There are gaps on OHS requirements (no requirements and protocol on OHS at field level) and no protocol on grievance redress mechanism. This Cash-for-Work regulation also follows the minimum age requirement of 15 (following the Indonesia's Minimum workers age)	To include OHS requirements and grievance redress mechanism in the bidding documents (for ones that will be implemented by third party providers) and streamline to annual action plan (<i>Rancangan Teknis</i>). PIUs will monitor the implementation of such actions, and added an indicator of satisfaction of workers under cash-for-work scheme during monitoring/verification.

National legislations

The main labor legislation in Indonesia is Law No. 13 of 2003 on Manpower, which sets out the primary rules for establishing employment relationships, employment terms, and conditions. These include working hours and overtime arrangements, workers organization and collective bargaining/ labor agreements and employment termination.

Some of the contents of Law No. 13 of 2013 have been amended with the enactment of Law No. 11 of 2021 concerning Job Creation¹³. Some of which have been amended by the Job Creation Act to the Manpower Law are:

- The loss of maximum time limit provisions in Fixed Term Work Agreement (*Perjanjian Kerja Waktu Tertentu/ PKWT*)
- Permit to use foreign workers is replaced by a plan to use foreign works approved by the central government and there are exceptions such as for start-ups, research, etc
- Overtime per day is added from a minimum of 3 hours to 4 hours, a maximum of 18 hours a week
- Rest weekly for one day for 6 working days in one week. The provision of weekly rest for 5 working days is not regulated.
- The elimination of the phrase ‘the need for decent life’ as reference for calculating minimum wage, which has an impact on the broader shift in the concept of wage protection.
- Removal of restriction on the types of work that can be outsourced.
- The paradigm shift of termination of employment is easier because it opens possibility for layoffs only through notification from employers to workers without prior negotiation
- Less government interference in industrial relations by restoring work relations to an agreement between employers and workers, such as the matter of non-permanent contracts time limit and the right to long rest that can be agreed upon in the work agreement.

Minimum wage: Minimum wage rates will follow the Provincial Minimum Wage Rate (was formulated against the national matrix for calculating the provincial minimum wage), which are different across regions in Indonesia.

Daily wage for community workers: However, for community workers, wage arrangement that is applicable is the daily-worker wage (*Hari Orang Kerja*) as per MenLHK Regulation on SOP for cash-for-work (*padat karya*) in Mangrove rehabilitation in 2020, following general guideline (*surat edaran*) in 2020 provided by Ministry of Finance on *padat karya* fund disbursement and realization under the National Economy Recovery Plan (*Pemulihan Ekonomi Nasional/ PEN*), which was translated into Ministerial Decree in each line ministry in Indonesia.

Terms and conditions of employment: non-permanent workers, including those hired for a specified period or to complete certain outputs, are entitled to receive the prevailing district minimum wage for ordinary hours. The law stipulates that worker should be paid on a timely basis and at least once per month, although they may be paid more frequently or in a timeframe agreed in the work agreement.

Based on Law No. 14 of 2004 on the National Security System and Law No. 24 of 2011 on the National Social Security (BPJS), employers are required to register and participate in social security programs, which include healthcare, pension, work accidents, old age, and death insurance. Detailed arrangement on the implementation and administrative sanctions are set out in several governmental and presidential regulations. In addition to this, the workers are also entitled to receive religious holiday allowance as

¹³ As of this ESMF writing, the Job Creation Law No. 11 of 2020 (an omnibus law) was in question (it is regarded as ‘unconstitutional owing to several procedural issues’ by the Indonesian Constitutional Court) and imposes implications that all regulations derived from the Job Creation Law are suspended until this omnibus law revised within two years’ timeframe. However, we do not identify any practical implications on labour management, and to overall environmental and social management plan, of the project.

stipulated by the Minister of Manpower Regulation No. PER-04/ MEN/ 1994 on Religious Holiday Allowance.

Law No. 8 of 2016 on Disabled Persons stipulated encouragement to provide employment opportunities for people with disabilities. It encourages employers to provide a fair pay, flexible time, and enabling environment for employees with disability. This Law also regulates the need to design a disability-friendly grievance redress mechanism for employees with disabilities.

Table 7. ILO Conventions Ratification – Indonesia

Indonesia has ratified all ILO fundamental conventions related to workers protection, as follows:
a. Forced Labor Convention
b. Freedom of Association and Protection of the Right to Organize Convention
c. Right to Organize and Collective Bargaining Convention
d. Equal Remuneration Convention
e. Abolition of Forced Labor Convention
f. Discrimination (Employment and Occupation) Conventions
g. Minimum Age Convention (C138)
h. Worst forms of Child Labor Convention (C182).

ILO Convention is one of the international regulations relating to ESS2, especially regulating about safety and healthy at work and protection project workers of minimum age. Below is the World Bank Labor and Working Condition standard (ESS2) that has been trigger by the subproject activities, which involving recruitment of consultants, third parties/ contractors and project construction workers, primary materials suppliers, as well as facilitators at local level.

The minimum age for work under Gol's regulations is 15 years old. Young workers between 15 and 18 years old are allowed to engage in working opportunities but not allowed to do any work that is likely to bring risks to harm health, safety, mental or emotional development, and disturbance to their education. The regulation also explicitly states that workers have the right to occupational health and safety protection.

Law No. 1 of 1970 on Work Safety requires safe and healthy workplaces and establishing health and safety committees. It requires employers to report to the various government agencies and details regulations regarding government inspections of workplaces. The law was amended with Government Law No. 25 of 1975 which update requirements for Law No. 1 of 1970.

Another law is Law No 13 of 2003 concerning Manpower Law, which several articles stipulate framework for OHS. The law stipulates that every worker has a right to be covered for Occupational and Health Safety: 'Every enterprise is under an obligation to apply for an occupational health management system that shall be integrated into the enterprise's management system' (article 86-87).

In 2012, the Government of Indonesia issued Government Regulation No. 50 of 2012 on Occupational Safety and Health (OSH)¹⁴ Management System. The regulation mandates that the establishment of OSH management system for every undertaking that employs 100 workers or more or has a high level of potential hazard. Enterprises with high level of potential hazard are mandated to review their OSH management system through regular audits by independent auditors. Ratio for the number of OHS

¹⁴ In several documents, Occupational Safety and Health (OSH) was referred as Occupation health and Safety (OHS). In this document, we use the term OHS interchangeable with OSH, which has similar meaning in principle.

officers against the size of the workforce is required under the Decree of the DG of Labor Supervision No. 20/DJPPK/2004 on certification of Construction OHS with requirement of:

- i. Workforce of more than 100 people with project implementation of 6 months must have at least one main Construction OHS expert, one intermediate Construction OHS expert and two junior Construction OHS experts.
- ii. Workforce of less than 100 people or project implementation of less than 6 months must have at least one intermediate OHS Construction Expert and one junior Construction OHS expert.
- iii. Workforce of less than 25 people or project implementation for less than 3 months, must have at least one junior Construction OHS expert.

Meanwhile in the international good practices, the OHS Standards require appointing a competent OHS officer for every 50 workers.

World Bank ESS 2

The World Bank's requirements related to labor are outlined in Environmental and Social Standard 2 on Labor and Working Conditions (ESS2) under the Environment and Social Framework (ESF) and promotes sound worker-management relationships and enhances the development of benefits of a project by treating workers in the project fairly and providing safe and health working conditions.

ESS2 applies to project workers including full-time, part-time, temporary, and community workers. All project implementing agencies both at the national and sub-national levels are responsible for implementing relevant provisions in the LMP as they are applicable to the project. The LMP will address how this ESS will apply to different categories of project workers including direct workers, and how the project implementing agencies, including BPD LH, KLHK, and BRGM through their respective PMOs and PIUs will require third parties to manage their workers in line with the LMP.

Terms and Conditions of Employment

Project workers will be provided with information and documentation that is clear and understandable regarding their terms and conditions of employment. These include their rights and obligations under the Gol's labor law. These include their rights pertaining to hours of work, wages, overtime, compensation and benefits, as well as FGRM channels made available to them. Such information shall be provided prior to contract signing and when any material changes to the terms or conditions of employment occur. Deductions from payment of wages will only be made as allowed by national law and project workers will be informed of the conditions under which such deductions will be made. Leave periods, including sick leave, maternity and family leave, holiday will be consistent with national Labor Law, which is following the National Public Holidays. Project workers shall receive written notice of termination of employment and details of severance payments in a timely manner in line with national law. Since these provisions are equally applicable to contracted workers, such provisions shall be duly reflected in the bidding documents and contracts for civil works and services.

Under the cash-for-work scheme where community labor is expected, PIUs shall implement relevant measures to ensure that such labor is provided on a voluntary basis as an outcome of individual or community agreement. Such individual and collective consent shall be documented by the PIUs prior to the commencement of any work involving community labor. In addition, relevant provisions on safe working conditions and OHS, including measures to ensure non-discrimination and equal opportunity as above shall also be applicable for community workers and relevant risk mitigation measures, including provisions of PPEs and relevant training shall be provided in view of the nature and risks of activities to be performed by community workers.

The amount and method of payment and times of work shall be consulted and agreed with individuals and/or community groups prior to contract signing. Risks of child labor and forced labor will be monitored by the PIUs and zero tolerance to both child labor and forced labor shall be clearly and widely disseminated to the community.

Minimum Age

The project shall encourage employment of project workers above 18 years of age. In the event that the decision is made to allow employment amongst individuals over the minimum age of 14 and under the age of 18, specific conditions under ESS2 para. 17-18 shall prevail. These include:

- A child over the minimum age and under the age of 18 will not be employed or engaged in connection with the project in a manner that is likely to be hazardous or interfere with the child's education or be harmful to the child's health or physical, mental, spiritual, moral or social development.
- An appropriate risk assessment is conducted prior to the work commencing; and
- The project implementing agencies conduct regular monitoring of health, working conditions, hours of work and the other requirement of this ESS.

An age verification protocol shall be established as part of the hiring practices and no individuals aged 14 years of age and below shall be eligible for recruitment under the project. All project workers, including those under the cash-for-work scheme will enter into a contract with their respective employers for which such an age verification will be required.

7. Roles and Responsibilities for Labor Management

Below is the identification of role in LMP and OHS management system and their responsibility.

PIUs' Environmental and Social Team

- The PIUs' environmental and social team, with support from OHS consultants/specialists as relevant, shall oversee the implementation of LMP as whole, including OHS management system, ensuring the implementation of regular OHS and working environment review and compliance with applicable national laws and the ESF as further elaborated in the LMP and ESMF
- The PIUs' environmental and social team shall be responsible to organize relevant awareness raising and socialization on the LMP, including ESHS provisions under the project, to all project implementers including third-party providers.
- The PIUs' shall be responsible to compile records and prepare periodic LMP implementation report to be submitted as part of the project progress report. This includes overall LMP, OHS and FGRM implementation reports.
- Note: The project's FGRM officers and/or coordinator shall extend their support to manage potential grievances from project workers, including workers of third-party providers who may file grievances to the project's FGRM channels established under the project.

PMO and/or BPD LH's Environmental and Social Team

- The PMO and/or BPD LH's shall be responsible for the overall oversight and supervision and consolidate LMP implementation reports, including FGRM records from project workers.
- Additional technical support, including mobilization of relevant experts on a need basis (i.e., sub-project activities with substantial OHS risks).

Contractors

- In the event that contractors are hired to perform mangrove rehabilitation and conservation activities, including any supporting infrastructure, land preparation and maintenance works, they shall provide an OHS officer/focal point in their personnel composition with qualifications in line with the ESHS requirements in the bidding documents and contracts.
- Contractors shall implement MSIP and Contractor's ESMP on managing risks related to labor and working conditions and monitor their implementation and report any incidents in line with **Annex 9**. This involves ensuring budget allocation for adequate ESHS management under their scope of the work as defined in the contract.
- Contractors shall establish an FGRM for their workers and furnish their employers (PIUs) with complete documentation of workers' grievances. In the event that there are SEA/SH allegations being filed, the contractors shall duly report to the PIU in a manner consistent with the protocol established in **Annex 8**.

Supervision Engineers/Consultants

- Depending on the risk levels and complexities of the mangrove restoration and conservation activities, supervision engineers/consultants may be engaged to support PIUs in the overall supervision of these activities. Under such an arrangement, supervision engineers which will be obligated to approve contractor's ESMP and oversee their implementation in the project site(s), document the overall implementation, including any gaps and recommend remedial measures to address such gaps.
- Supervision engineers/consultants shall also monitor ESHS implementation across activities performed by community workers under a cash-for-work scheme and provide required awareness, training, and technical support for adequate ESHS adherence.

8. Grievance Mechanism

The PIUs (KLHK and BRGM) shall establish FGRM for their workers and require their third-party providers, including contractors to establish an FGRM for their workers in an accessible, equitable, and respectful manner. The project's FGRM operated by KLHK and BRGM as well as BPD LH shall also be disseminated to all project workers, including those recruited by the contractors and sub-contractors as an alternative FGRM channel.

In accordance with the requirements of the LMP, the above workers' FGRM administered by the project or third party/contractors shall be made available to all project workers, whether directly employed or working for contractors/ sub-contractors. BPD LH, BRGM and/or KLHK shall extend their respective FGRM to workers whose employers are not able to provide their own FGRM(s). This will ensure access to grievance mechanism for all workers and will assist the implementing agencies in monitoring how well contractors are upholding their workers' rights.

Confidentiality and conflict of interest: Complaints can be made anonymously through a whistle blowing system. Confidentiality represents a fundamental aspect of the project and complainants' identity will not be disclosed unless they provide consent to allow further verification and investigation. Project workers will not be retaliated against or otherwise subject to reprisal or negative action for filing complaints. SEA/SH reporting shall follow the protocol established in **Annex 8**.

Table 24. GRM Channels for Workers

GRM Channels for workers:
<ol style="list-style-type: none"> 1. Directly to Grievance Officer 2. Directly to Project/ site manager 3. Provision of comment box (with paper and pen available) 4. Via annual workers survey 5. Other channels as appropriate – to be discussed with the awarded Contractor

Project workers’ grievance resolution will follow the existing workers Human Resources grievance resolution in existing PIUs (BRGM and KLHK) and PMO (BPD LH). **This means, whenever possible, grievances will be resolved at the lower-scale prior to escalating to the upper-level.** It provides stages to help address the potential complexity and to enable the correct level of management to be involved. It is aimed at addressing concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned, without any redistribution. However, when the grievances cannot be addressed using the existing HR resolution system, the complainants are encouraged to use the formal FGRM established under the project.

As frontliners, project coordinator/site manager, community facilitators, or supervision engineers may receive grievances from project workers, including contracted workers and community workers and facilitate submission through appropriate channels to ensure systematic documentation, tracking and settlements.

In the event that such grievances are resolved at the site level and no further case follow-ups are required by the complainants, such complaints are considered closed and documented (case close). When response and settlements provided are deemed to be inadequate by the complainants, their grievance resolution shall be re-assessed and may be escalated to the assigned FGRM coordinator and/or PIU coordinator through the established FGRM channels under the project. Such complaints shall be assessed whether they can be resolved at the PIU level and/or a higher level (i.e., PMO, Steering Committee or BPD LH) or other channels (other ministries, sub-national governments, etc.).

For community workers, complaints may be addressed to community facilitators and facilitators receiving complaints from these workers shall facilitate their escalation if necessary, to relevant directorates, units and/or agencies in charge.

9. Roles and Responsibilities for FGRM implementation

a. Project-level FGRM coordinator (PMO)

- Assume the overall responsibility for implementation of the worker grievance mechanism, including defining protocols, awareness/communication, training, troubleshooting, etc.
- Ensure that PIUs Project Coordinators and PIUs Social Specialists and provincial PIU coordinators and FGRM focal points are well aware and informed on the FGRM channels and management protocols, including as applicable to project workers. Train relevant specialists and focal points for FGRM site induction and dissemination.
- To oversee the implementation of the overall FGRM at the project level.
- To compile and analyze grievance reports obtained through available FGRM channels as well as personnel managing FGRM channels at the sub-national and site levels.

- To provide an annual consolidated FGRM report as part of project progress and technical recommendations for FGRM system strengthening.

b. PIUs' FGRM officer(s)

- Overall responsibility for effective implementation of the worker grievance mechanism (workplace) across project activities, including field supervision.
- Ensure the contractors/ sub-contractors develop and apply for their own FGRM aligned with the principles established under the LMP.
- Receive, document, screen/sort, dispatch, and track grievances submitted through the PIUs' FGRM channels.
- Review and assess grievance resolution as appropriate and FGRM report on a periodic basis and assess systematic gaps in grievance management and follow-up and/or escalate for outstanding issues.
- Provide oversight of grievance process and monitor consistency of resolutions and responses.
- Provide relevant training and sensitization of FGRM mechanisms to project workers as applicable.

c. Field Coordinators and/or Local Facilitators

- Receive grievances, including those documented through alternative grievance channels, document, dispatch and facilitate their resolutions with relevant parties in charge. Respond to inquiries from the communities.
- Monitor grievance resolution, including informing complainants as applicable and assess their satisfaction of the settlements agreed.
- Facilitate community based FGRM, including maintaining local channels for grievance submission on-site. Consolidate, document and report grievances received from these channels (i.e., comment boxes).
- Support awareness raising, communication and information dissemination about FGRM procedures, particularly for community workers engaged under the project.

d. Contractors and sub-contractors

- Develop and apply their own FGRM channels, and systematically document and periodically provide regular records to the supervision engineers and/or PIUs, including their settlement status.
- Facilitate grievance resolution submitted by their workers in a manner acceptable to the project and in line with the spirits established under the LMP.
- Disseminate FGRM channels established under the project as options to file grievances for their workers, including workers hired by the sub-contractors.

e. Contractor Management

All project implementers, including contractors and sub-contractors must follow the Labor Management Procedure, and must submit periodic reports on LMP implementation, including FGRM records.

This will be explicitly stated on the bidding documents, with anticipation that contractors should include the budgeting for implementing, monitoring, and reporting of LMP-related activities.

All queries related to LMP from contractors can be addressed to:

- The hiring agencies, including PIUs. PIUs' Environmental and Social team may provide technical support in responding relevant queries.

- Procurement working groups (*Pokja*) established by the PIU.
- OHS engineer/supervision engineer consultant.
- Other authorized stakeholders to respond to LMP queries.

10. Monitoring & Evaluation and Reporting

PIUs will document and report the implementation of LMP management, including OHS and FGRM, to the PMO and/or BPLDH in a periodic basis (bi-annually).

LMP and OHS implementation at the site level will be documented by field coordinator/manager (can be assigned to consultant), compiled by the PIUs, and reported to the PMO and/or BPLDH annually. There is no certain template for LMP implementation, thus the LMP/ OHS consultant will be required to propose LMP/OHS implementation reporting template. However, as a general guidance, key information that must be covered including:

- Numbers of workers involved in overall site-level project at that time and the nature of their employment (i.e., direct workers, contracted workers, primary supply workers, and/or community workers), the timeframe and terms and conditions of their employment and whether they are consistent with the LMP.
- Whether the provided number of OHS experts and their level of expertise as supervisor is sufficient?
- If applicable, whether accommodation (temporary or semi-permanent) is available and how it has been managed according to the principles of wellbeing of workers and their safety (sanitation, IPC measures for COVID-19 and other communicable diseases, access to basic recreational facilities, clean drinking water etc.)
- Whether there are risks of child labor and whether age verification protocols have been duly implemented prior to contracting.
- Whether there have been incidents/accidents, how they have been reported and handled, and whether any remedial measures have been implemented.
- Risks and/or incidents caused by force majeure threatening workers' safety (i.e., floods, tsunamis, landslides, etc.) and how the risk management plans, including emergency plans, have incorporated management of such risks?
- Whether the terms and conditions of project workers, including contracted workers and community workers, including wages and other benefits, OHS, work hours, leave, social security etc. are consistent with the LMP?
- Records of workers' grievances, their typology, settlements and whether such grievances involve systematic issues (i.e., no provisions of PPE, late payments, etc.). The report shall also capture complaints warranting further escalation to the higher level.
- Whether FGRM for workers are in place and functional? Have there been any induction and socialization conducted?

11. Financing

Labor management procedure implementation will be financed under budget allocation for specific activities requiring project workers and shall be included as part of the costs to deliver works outlined in the Bill of Quantity (BoQ). The Component 4 on Project Management can mobilize additional support for LMP implementation, including hiring of experts, supervisions, technical assistance, and capacity building as applicable.

Annex 8: Incident and Classification and Communication

1. Introduction

The E&S incident response procedure is prepared to guide the PMU/PIU and the World Bank on how to respond to incidents in terms of internal reporting; where contractors and PMO and World Bank's staff can seek additional support and the respective contractors; the roles of PMO/PIU and the World Bank in relation to on the ground remedies. This procedure was developed in alignment with the World Bank's Safeguards Incident Reporting Toolkit (SIRT), which is an internal guideline for the World Bank's staff in the event of incidents that occur as the result of the World Bank investments.

An incident is defined as an accident, incident or negative event resulting from failure to comply with the Project's ESS requirements, or conditions that occur as the result of unexpected or unforeseen risks or impacts during project implementation. Examples of such incidents include fatalities, serious accidents and injuries, social impacts from labor influx, sexual exploitation and abuse (SEA) or other forms of Sexual Exploitation and Abuse (SEA), major environmental contamination, child labor, loss of biodiversity or critical habitat, loss of physical cultural resources and loss of access to community resources. The procedure is concerned with accidents involving communities, construction workers, supervision consultants, suppliers, as well as PMO/PIU staff.

2. Management and Reporting Process

The overarching incident management and reporting process comprises six steps (see Figure 7. Details on activities for each step as well as the roles of the respective parties are provided in Table 25)

Table . The incident response procedure may not apply beyond initial reporting and review when the project is completed, and the constructed and/or rehabilitated assets are transferred to the legal owner and/or local governments. Any subsequent incidents after the transfer will not be considered as a project related incident. These incidents are clearly outside the control of the project and while they can be documented, are not considered as a project related incident.

Figure 7. Overarching Incident Management and Reporting Process

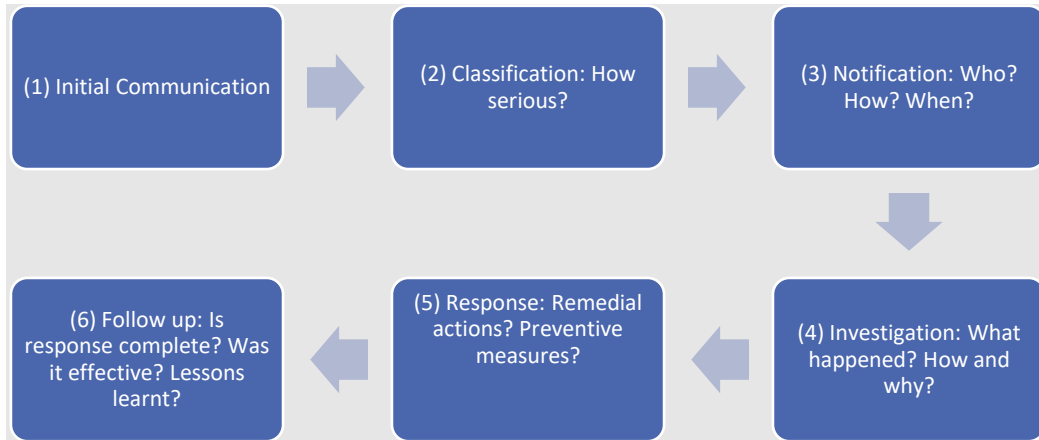


Table 25. Incident Reporting Procedure

Incident Reporting Stage	Activities	Role of Relevant Parties		Tools
		PMO/PIUs	World Bank	
1. Incident occurs: Initial Communication	PMO to provide relevant information to WB	Inform the Bank, inform appropriate authorities in compliance with local regulations, secure the safety of workers and public, and provide immediate care	Ensure TTL is aware, advise PMO and/or government counterparts if not aware, and launch the SIRT process	Written report answering above questions through email, letter or social media messaging services
2. Classify incident	Incident classification within 24 hours of receipt of the information; If it cannot be fully classified due to missing information, preliminary classification should be provided and confirmed as details become available	Promptly provide information about the incident to the Bank	TTL with support of E&S specialists classifies incident(s) to determine severity	Incident classification and communication
3. Notification	Communication process internally within the PMO/PIUs and relevant officers at the MMAF and the Bank according to level of severity of the incident	PMO/PIUs prepares incident report (within 48 hours) and circulates internally within MMAF and notifies the World Bank through the Task Team Leader and Environmental and Social Specialists as per-Classification and Notification Guide.	Depending on the level of severity of the incident, take necessary actions to address the incident and inform the World Bank's Senior Management if the incident is classified as Serious or Severe.	Incident Report Incident Classification and communication
4. Investigation	Field investigation to understand facts on the ground	Provide information requested by the Bank and facilitate incident site visit	Join the field investigation and provide expertise required to conduct proper field investigations	
		Undertake root cause analysis (RCA) with the Bank to understand and document the root cause(s) of the incident. RCA should be completed	Support the PMO to carry out RCA. An RCA or equivalent analysis will be required for all serious and severe incidents	ToRs for consultant(s) retained by PMO to undertake RCA and other analyses

Incident Reporting Stage	Activities	Role of Relevant Parties		Tools
		PMO/PIUs	World Bank	
		as soon as possible, ideally within 10 days		
		PMO/PIU Manager communicates to the Minister and/or DG as relevant	CD communicates to relevant Minister and/or DG (MMAF) orally and/or in writing to discuss findings of the RCA	
5. Respond	Develop Incident Corrective Action Plan (ICAP)	Agree on ICAP with Bank, including own actions, responsibilities and timelines for implementation, and PMO/PIU monitoring program	Work with the PMO/PIU to design and agree an appropriate ICAP	Example of the types of measures that can be included in an ICAP are included
6. Follow-up	ICAP implementation	Implement ICAP and ensure that contractors and sub-contractors follow and implement key action items in the ICAP	Monitor ICAP implementation and provide ongoing technical support if necessary	ICAP template
		Conduct internal documentation and provide sections in the E&S performance report on the implementation of the ICAP	TTL reflects incident in Implementation Status Report (or interim ISR); ISR section relating to incident is reviewed by Country Lawyer	ICAP template
		For Serious and Severe cases, conduct a third-party (independent) monitoring and supervision of the ICAP	Monitor ICAP implementation and provide ongoing technical support if necessary	

Sub-Annex 8.1: Incident Classification and Communication

Three levels of classification include indicative, serious and severe. Each of these classifications is briefly described as follows:

Indicative - A relatively minor and small-scale incident or non-compliance that is limited in its immediate effects but may be indicative of wider-scale issues within a project that could lead to serious or severe incidents. These may be escalated to serious or severe incidents, when, for example, there is recurrence of the incident within a six-month period, increasing severity of impact of the incident, or inability or unwillingness of the contractors to rectify the condition within the agreed timeframe.

Serious - An incident that is causing or will cause significant harm to the environment, workers, communities, or natural or cultural resources, is complex and/or costly to reverse and may result in some level of lasting damage or injury. This may include repeated non-compliance, injuries to workers that require off-site medical attention and result in lost time, improper treatment of vulnerable groups, inadequate consultation, consistent lack of OHS plans in a civil works environment, and medium-scale deforestation. These types of incidents require an urgent response.

Severe - An incident or repeated pattern of non-compliance of sufficient seriousness that it may, in addition to the actual or potential harm caused, pose a corporate risk to the Bank. A severe incident is complex and expensive to remedy, and likely irreversible. A fatality is automatically classified as severe, as are large-scale deforestation, major contamination, forced or child labor, human rights abuses of community members by security forces or other project workers, including SEA, violent community protests against a project, kidnapping, and trafficking in endangered species.

If documented circumstances and relevant discussions between the PMO/PIU, contractors, supervision engineer and within the Bank team confirm that the incident is **Indicative**, **Serious**, or **Severe**, then a one to two-page Incident Report (IR) (see **sub-Annex 13.2**) should be prepared and issued by the PMO Manager/Director, which shall be then forwarded to the WB Task Team (through Task Team Leader) within 48 hours of receipt of the information, with the support of the Project's E&S specialist(s), for internal communication.

Sub-Annex 8.2: Example Incident Corrective Action Plan (ICAP) Outline

The contents of the ICAP are driven by the findings of the Root Cause Analysis (RCA), and are specific to the type of incident, its location, severity, and incorporation of necessary measures to strengthen the Project's institutional capacity to implement corrective and preventative measures. The ICAP will be implemented by the PMO/PIU for Serious and Severe incidents, with Bank supervision and support.

Table 8. Possible Section for an ICAP

Example ICAP Sections		Possible Actions
Immediate to near term actions		Stop works, secure the site, provide medical care and counseling, pay compensation, remediate contamination, enforce anti-poaching, notify relevant authorities, design and implement response mechanism etc.
Medium term/ongoing actions	Documentation, monitoring and reporting	Streamline, consolidate and review as necessary existing ESHS/OHS monitoring and reporting tools, with a focus on increased monitoring of leading indicators to increase effectiveness.
	Contractual agreements /enforcement	Review bidding/contractual arrangements to determine if existing language is adequate to ensure <u>sufficient onsite</u> presence of <u>qualified</u> and independent E&S professionals for adequate implementation of the health safety plan and identify if any adjustments may be necessary for future agreements.
	Risk assessment, processes, procedures and training plans for managing risks	Update risk assessment and management plans to address: <ul style="list-style-type: none"> • Fire risk and adequate fire extinguishers placement • Electric risk should also be reviewed, and safe work procedures developed for handling, maintaining and checking electric equipment and extension cords. • Permit to work procedures should be developed for high-risk activities with daily verification and sign-off of competent health and safety officers or supervisors.
		Delayed Resettlement Compensation example – update risk assessment and management plans to address: <ol style="list-style-type: none"> a. Based on the RCA determination of the reasons for the continued delays in payment of compensation, put in place an effective strategy for addressing them as necessary b. Ensure that all outstanding and new claims are appropriately addressed c. Determine whether there were impacts that have not previously been considered (livelihoods/loss of business income, vulnerable groups) for which compensation or assistance may be required d. Ensure continuing consultation with Project-affected people and a well-functioning feedback and grievance redress mechanism (FGRM) e. Monitor implementation and provide fortnightly progress reports f. Recruit a separate expert to conduct an audit to confirm satisfactory implementation of the process above

Example ICAP Sections		Possible Actions
	Competencies, roles and responsibilities:	Onsite staffing resources and organizational arrangements dedicated to E&S, health and safety by the implementer(s) (e.g., construction company and the supervision consultant) should be reviewed considering the updated risk assessment and findings. This may include adjustments in terms of number, competence, onsite presence, organization, communication and reporting, so that project activities may comply with the ESH/OHS plan requirements.
	High level monitoring and evaluation:	Once the monitoring and reporting system is consolidated, the supervision consultant and PMO/PIU should be able to monitor leading indicators such as near-misses (e.g., a heavy load that falls near a worker), and deviations with high-risk potential (e.g., absence of protective barriers, uninsured workers) based on daily observations by the contractor and the supervision consultant.

Annex 9: Indigenous Peoples Planning Framework (IPPF)

1. Introduction

An Indigenous Peoples Planning Framework (or hereafter IPPF) has been prepared under MC4R as an instrument to manage potential risks and impacts of project activities affecting Indigenous Peoples in project locations, including any potential exclusion risks. The IPPF also includes any measures warranted to protect the rights of Indigenous People and/or Customary Communities, particularly concerning their tenure and access to natural resources.

The IPPF establishes consultation procedures and sets conditions for meaningful engagement and consultations. It includes measures to promote effective project design, to build local project support or ownership and to reduce the risk of conflicts through consensus building with target communities. The IPPF addresses relevant requirements under ESS 7, which requires that the development process under the project fosters full respect for the human rights, dignity, aspirations, identity, culture and natural resource-based livelihoods of Indigenous Peoples. ESS 7 stresses impact avoidance and if not feasible, mitigation in full consultations with affected communities. ESS 7 seeks to promote sustainable development benefits and opportunities for Indigenous Peoples in a manner that is accessible, culturally appropriate and inclusive. Elements of meaningful consultations in the IPPF are integral to the Stakeholder Engagement Plan (SEP) and hence, will be mainstreamed throughout project implementation.

The project strives to avoid adverse impacts on Indigenous People and promote their participation and inclusion in the project activities. In the event adverse impacts are envisaged, measures and actions to minimize such impacts will be developed in consultation with the affected Indigenous Peoples and/or *Masyarakat Adat* and through a social mapping (such as socio-economic assessment at the site selection stage), proportional to potential risks and impacts. The scope and scale of the required mitigation measures or action plans will be proportionate to the potential risks and impacts of the project. Such measures and plans shall be integrated into village mangrove management plans, which shall include key planning processes for meaningful consultations with affected persons and communities, agreed mitigation measures, benefit sharing and affirmative measures for vulnerable groups as applicable, and grievance management. The project's Stakeholder Engagement Plan (SEP) also includes measures to promote meaningful participation and consultations with Indigenous Peoples both at the site (village level) and regional level for the purpose of mangrove management at the landscape level.

2. Objective

The purpose of the IPPF is to guide project implementing entities in ensuring that relevant risk and impact mitigation measures and consultative processes are fully in line with relevant provisions under the ESS7.

ESS7 seeks to ensure that the development process fosters full respect for the human rights, dignity, aspirations, identity, culture, and natural resource-based livelihoods of Indigenous Peoples. The project is required to avoid adverse impacts of projects on Indigenous Peoples or when avoidance is not possible, to minimize, mitigate and/or compensate for such impacts. ESS 7 also promotes sustainable development benefits and opportunities for Indigenous Peoples in a manner that is accessible, culturally appropriate, and inclusive.

Implementation of this framework will be determined based on site-level screening as part of site selection process by PIUs. The IPPF has been prepared to guide the screening, consultations and engagement and management of impacts on Indigenous Peoples if they are present and/or will be affected by the project activities.

3. Legal Framework

In the context of Indonesia, Indigenous Peoples are often associated with the terms of *Masyarakat Adat* and/or *Masyarakat Hukum Adat*, with the latter often being used in legal and regulatory products and hence, in the Indonesian legal context, both terms refer to ‘customary communities’ who are subject of by various laws. Recognition of customary communities in the legal processes emphasize the distinct *customary* laws of such communities, which is reflected in the regulatory framework, including the Indonesian Constitution. The Indonesian Ocean Law No. 32 of 2015 defines *Masyarakat Hukum Adat* as a customary community with collective attachment to i) a territory due to the ties to the origin of ancestors, ii) strong relationships with the environment, and iii) the existence of a customary normative system and governing body that regulates economic, political, social and legal institutions. The existence of *Masyarakat Hukum Adat* is generally recognized by other groups through the acceptance and respect for the existence, and all the rights and identities attached to them. However, formal recognition by the state as *Masyarakat Hukum Adat* is required before their tenure and other associated rights are recognized.

Law No. 6/2014 on Village (*UU Desa*) states that establishment of village government should consider local *adat* systems and provides the possibilities for villages to register as *Adat* village. The establishment of a village government must respect the socio-cultural values and customs and maintain and preserve traditional values. Law No. 23/2014 on Local Government defined *Masyarakat Adat* as a group of people who have long settled in certain geographical areas of Indonesia and have collective ties to ancestral origins, strong relationships with land, territory, natural resources, customary government institutions, and customary law in its customary territory in accordance with the provisions of the legislation.

Several provincial and districts’ governments, through the District Regulations (*Perda*), have provide legal recognition to Indigenous Peoples as *Masyarakat Hukum Adat*, once such communities met the government’s criteria as above and self-nominated themselves. The process to obtain legal recognition requires identification, verification, validation, and defining of a specific community. The consequences of this legal recognition include recognition of customary rights, including land rights, economic and social rights. However, there is no standardized procedure of the processing timeline and who bears the financial costs to process legal recognition. In addition, areas where there are overlapping claims and tenurial conflicts would require settlements of such claims and/or conflicts, which further complicate the overall process. These create barriers for these communities to pursue legal recognition of their presence and tenure claims from the state.

M4CR will assess if mangrove rehabilitation and conservation activities will affect tenure claims of Indigenous Peoples if based on the site-level screening their presence is known. Relevant measures to protect their rights and respect their culture, customs and knowledge through meaningful engagement will be implemented as further elaborated in the following section.

4. Scope of Application

The IPPF covers all Indigenous Peoples and vulnerable communities as characterized by the ESS 7, irrespective of formal recognition by the Gol. The scope of the measures required under the IPPF is defined based on the nature of risks and impacts and specific provisions may be required depending on the nature of the anticipated impacts. These are described in the following sections:

a. Identification Criteria

As explained in Legal Framework, in the context of Indonesia, Indigenous Peoples are often referred to as *Masyarakat Adat* (indigenous People) by Indigenous advocacy groups and *Masyarakat Hukum Adat* (Customary Communities or Customary Law Communities) for those who have obtained legal recognition from the state. The application of the ESS7 will equally apply to other vulnerable groups who may not

Box 5: Indigenous People

Under ESS 7, the term “Indigenous Peoples” is used in a generic sense to refer exclusively to a distinct social and cultural group possessing the following characteristics in varying degrees:

- Self-identification as members of a distinct indigenous social and cultural group and recognition of this identity by others.
- Collective attachment to geographically distinct habitats, ancestral territories, or areas of seasonal use or occupation, as well as to the natural resources in these areas.
- Customary cultural, economic, social, or political institutions that are distinct or separate from those of the mainstream society or culture; and
- A distinct language or dialect, often different from the official language or languages of the country or region in which they reside.

necessarily identify themselves and/or meet the requirements of *Masyarakat Adat* under the Gol’s framework but qualify for policy coverage under ESS7. Such a rationale was adopted to recognize the diversity and complexity of socio, cultural, and traditional characteristics, vulnerability, structural challenges to obtain legal acknowledgement, and relationships with land and natural resources amongst communities in local areas.

Where applicable, the IPPF also applies to communities or groups of Indigenous Peoples who, during the lifetime of members of the community or group, have lost collective attachment to distinct habitats or ancestral territories in the project area, because of forced severance, conflict, government resettlement programs, dispossession of their land, natural disasters, or incorporation of such territories into an urban area. This IPPF also applies to sea-nomad, forest dwellers, hunter-gatherers, pastoralists, or other nomadic groups, subject to satisfaction of the criteria established in this framework.

b. Site Screening and Risk Assessment

Site screening will be part of site selection criteria, which will be conducted after the first tier of screening has been cleared. Site screening is an integral part of social mapping activity during preparation and will commence in consultations with sub-district and village governments, community representatives, local organizations, including *Adat* organizations.

Site screening will refer to the identification criteria and be led by social specialists in the PIUs, assisted by local facilitators, and in coordination with other expert consultants (for instances, the livelihoods and mangroves-technical consultants). This screening will inform further engagement processes, including meaningful consultations to promote participation of women, youth, and other vulnerable members of the affected communities.

Such screening will not only be limited to the immediate project footprints but also other neighboring areas in anticipation that there are communities who may utilize the target areas for livelihoods, and cultural practices and/or who may have attachments to these areas.

While the project is expected to generate positive impacts on Indigenous Peoples through improved mangrove management, there are potential access restriction risks, especially amongst those who have

benefitted from unsustainable extraction of mangrove resources (i.e., timber, aquaculture, etc.). In addition, promoting conservation in areas where there has been legacy of conflict and overlapping tenure claims may further exacerbate the existing tension and disputes. As part of site screening, such dimensions and risks shall be thoroughly assessed in a participatory manner. Project activities shall not commence if community consensus on activities with adverse impacts on them has not been ascertained as part of site screening and/or village/community consultations.

Further, the above site screening shall also assess potential access barriers for Indigenous Peoples, particularly amongst their vulnerable members, to meaningfully participate in project activities and hence, benefit from the project. The project anticipates presence of minority sub-groups, who may only be identified through inclusive consultations and mapping of stakeholders. Such consultative processes are expected to inform relevant mitigation measures, which are fit-for-purpose and proportionate to the nature, scale and scope of potential impacts.

c. Consultations and Engagement

On the basis of screening, project implementers/through Mangrove Stewardship Village and Field Schools with assistance from the PIUs and/or expert consultants will engage in a process of meaningful consultations with affected Indigenous Peoples. Such engagement is expected to be an iterative process until common understanding have been reached, including use of Indigenous People's local wisdom and knowledge for the purpose of mangrove rehabilitation and conservation areas (under Component 2), and participation and consultation on livelihoods (under Component 3). Activities under Component 2 and 3 shall proceed once community consensus to participate has been obtained and ascertained by the PIUs. Such consensus shall be duly documented.

The extent, frequency and degree of engagement required by the consultation process should be commensurate with the identified potential risks and concerns raised by respective Indigenous Peoples. Meaningful consultations are built on mutually accepted process by community representatives and their legitimate leaders. These consultations serve at least two purposes:

- Provide a platform to enable community participation to express their concerns, views on the project's benefits, risks, impacts, and mitigation measures and explore ways to ensure project implementation is culturally and socially acceptable; and
- Enable decision making processes based on local/customary mechanisms.

Community participation needs to be based on gender-sensitive and inter-generationally inclusive approaches.

Box 6: Effective consultations are built upon a two-way communication process that should:

- Involve members of affected communities and their recognized representative bodies and organizations in good faith.
- Capture the views and concerns of men, women and vulnerable community segments including the elderly, youth, displaced persons, children, people with special needs, etc., about impacts, mitigation mechanisms, and benefits where appropriate. If necessary, separate forums or engagements need to be conducted based on their preferences.
- Begin early in the process of identification of environmental and social risks and impacts and continue on an ongoing basis as risks and impacts arise.
- Be based upon the prior disclosure and dissemination/socialization of relevant, transparent, objective, meaningful, and easily accessible information that is in a culturally appropriate language(s) and format and is understandable for affected communities. In designing consultation methods and use of media, special attention needs to be paid to include the concerns of Indigenous women, youth, and children and their access to development opportunities and benefits.
- Place greater emphasis on inclusive engagement for people directly affected by the project, rather than people affected indirectly.
- Ensure that the consultation processes are free of external manipulation, interference, coercion and/or intimidation. The consultations' design should create enabling environments for meaningful participation, where applicable. In addition to the language(s) and media used, the timing, venues, participation composition need to be carefully thought through to ensure everyone could express their views without repercussions; and
- Be documented.

d. Free, Prior and Informed Consent

Under this framework, Free, Prior and Informed Consent (FPIC) from Indigenous Peoples who are affected by project activities are warranted under the following circumstances:

- Activities/sub-activities have adverse **impacts on land or natural resources subject to traditional ownership or under customary use or occupation.**
- Activities/sub-activities that **cause relocation of Indigenous Peoples** from land and natural resources subject to traditional ownership or under customary use or occupation; or
- Activities/sub-activities **have significant impacts on Indigenous Peoples' cultural heritage** that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the affected Indigenous Peoples' lives.

Under ESS7, consent refers to the collective support of affected Indigenous Peoples for the project activities that affect them, reached through a culturally appropriate process. Such consent may exist even if some groups object to such project activities as further defined below.

Under the framework, FPIC is established as below:

- The scope of FPIC applies to project design, implementation arrangements and expected outcomes related to risks and impacts on Indigenous Peoples.

- FPIC builds on and expands the process of meaningful consultations in line with the project's SEP and those that i) involve Indigenous Peoples' representative bodies and organizations and other community members; ii) provide sufficient time for Indigenous Peoples' decision-making processes; iii) allow for Indigenous Peoples' effective participation in the design of project activities or mitigation measures that could potentially affect them either positively or negatively. Prior information shall be provided in an accessible and transparent manner to enable meaningful understanding of potential project risks and impacts. If needed, community facilitation may be provided at the request of the community to enable access to information and assessment of potential risks and impacts.
- The PIUs will document: i) the mutually accepted process to carry out good faith negotiations that have been agreed by the PIUs and affected communities; ii) the outcome of the good faith negotiations, including all agreements reached as well as dissenting views. Evidence of any agreement and consensus made with community representatives and their leaders shall be duly documented. This includes any grievances that may be reported during the consultation processes and agreements on grievance settlements and/or action plans to address such grievances and
- FPIC does not require unanimity and may be achieved even when individuals or groups within or among affected Indigenous Peoples explicitly disagree. Such disagreement shall be assessed on a case-by-case basis with the involvement of community leaders and if required, ascertained by an independent party.

In the event FPIC cannot be ascertained, specific aspects of the project/sub-project potentially with impacts defined as circumstances warranting such consent shall not be processed further. The PIUs and/or implementing entities shall ensure that no adverse impacts result on Indigenous Peoples result as a consequence of implementation of other aspects of the project and/or sub-project activities.

e. Impact Mitigation and Development Benefits

The PIUs and other implementing entities where applicable shall facilitate consultations and engagement with affected communities to identify mitigation measures in alignment with the mitigation hierarchy outlined in the ESMF as well as opportunities for culturally appropriate and sustainable development benefits. Implementation of any agreed mitigation measures, including determination of eligibility, delivery, and distribution of benefits and/or compensations shall take into account the institutions, rules and customs of the affected Indigenous Peoples. Eligibility for benefits and/or compensations can either be individually or collectively based or a combination of those. In the event that benefit and/or compensation distribution occurs on a collective basis, efforts shall be made by PIUs and implementing entities to promote equitable access to benefits and compensations.

The scope and scale of impact mitigation measures shall be in line with the scope and scale of impacts anticipated. The project shall avoid potential risks and impacts warranting Free, Prior and Informed Consent (FPIC) under ESS7, particularly those that may be cause adverse impacts on lands and natural resources subject to traditional ownership or customary use or occupation. Specific project activities being proposed in such lands and territories shall be assessed whether circumstances warranting FPIC are anticipated. No relocation of Indigenous Peoples and/or activities which lead to such relocation are allowed under the project. Improvements in mangrove management are expected to result in positive outcomes and benefit local communities. However, the project also acknowledges potential access restriction risks to land use and natural resources that may affect Indigenous Peoples in project sites and their surroundings. Management of potential impacts is further described below:

Impacts on lands and natural resources subject to traditional ownership or under customary use or occupation

Project activities may take place in mangrove areas traditionally owned or under customary use or occupation and may result in restrictions to land use and natural resources, including timber extraction and aquaculture activities with potential livelihoods impacts. Such risks shall be mitigated under the Process Framework as outlined in **Annex 4**, including provisions of alternative livelihoods support and/or compensations in line with eligibility and entitlement criteria. In the event that adverse impacts on land and natural resources under such land and territories are envisaged as a result of project activities, including access restrictions to land use and natural resources, a Free, Informed and Prior Consent (FPIC) will be required prior to implementation of any activities with such impacts.

Where conservation efforts require establishment of legally recognized rights to lands and territories that Indigenous Peoples have traditionally owned or customarily used, such as demarcation and/or gazettement of forest estates for conservation purposes, the PIUs shall facilitate legal recognition of such ownership, occupation, or usage where feasible under national law. If such an option is considered not feasible, alternative measures for legal recognition of the Indigenous Peoples' perpetual or long-term renewable custodial or use rights shall be facilitated (i.e., social forestry and/or forest partnership schemes).

Where the project seeks to promote commercial development of land and natural resources owned or under customary use or occupation of Indigenous Peoples under community-based livelihoods activities (Component 3), the PIUs and/or implementing entities shall afford due process and establish equitable and culturally appropriate benefit-sharing arrangements with the affected communities.

Cultural Heritage

The project is not envisaged to result in significant impact on cultural heritage that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the Indigenous People's lives. Any activities that are deemed to cause such impacts shall be avoided. Where project activities may result in temporary restrictions to such cultural heritage (i.e., during planting), relevant measures and alternative access, considering the safety of the affected communities, shall be incorporated into sub-project planning and technical design. Local communities shall be allowed to access their cultural heritage once activities that may require such temporary restrictions have been completed.

Where activities under community-based livelihoods propose to use cultural heritage for commercial purposes such as eco-tourism, the PIUs and/or implementing entities shall inform the affected Indigenous Peoples of i) their rights under national law; ii) the scope and nature of the proposed commercial development; and iii) the potential consequences of such development and obtain their FPIC. The PIUs and/or implementing entities shall also facilitate equitable access to benefits to be derived from commercial development of cultural heritage, in line with the customs and traditions of the affected communities.

f. Social Assessment

Commensurate to the potential risks and impacts, social assessments will be required as part of site screening processes to inform site selection. The purpose of such an assessment is to identify the presence and understand the nature of project's risks and impacts on Indigenous Peoples.

Site screening may include social mapping to provide a more informed understanding and analysis of risks as well as opportunities through which mitigation measures can be tailored to specific contexts and needs.

Such an analysis is expected to be performed in a participatory manner with community representatives, including those who may be vulnerable. In the event that potential adverse impacts associated with access restrictions are anticipated, FPIC shall be obtained prior to implementation of the activities concerned and further consultations shall be continued during project implementation as guided in the Process Framework (**refer sub-Annex 6.4**).

Potential areas to be covered include:

- Nature of vulnerability and attachments to water/sea and land and natural resources.
- Specific risks and potential adverse impacts as a result of project and/or sub-project implementation, especially if activities generate access restriction to sea-use.
- Level of community acceptance to the activities and/or initiatives supported by the project and/or sub-project activities.
- Analysis of relevant stakeholders, either who will be impacted or who have interest to the activities in question and the elaboration of a culturally appropriate process for consulting with the Indigenous Peoples at each stage of activity preparation and implementation.
- Opportunities to enhance participation of the communities concerned (i.e., mangroves conservation and livelihoods); and
- Approach to participation, including specific measures to promote participation and inclusion of vulnerable groups in risk management and overall project implementation.

The approach and engagement with affected communities for the social assessment purposes are based on meaningful consultations in good faith. Such consultations will be oversight by social specialists in the PIUs.

g. Integration of Mitigation Measures into Project Design

In consultation with affected communities and based on risk assessments, relevant mitigation measures of potential risks and impacts, including those that may be associated with access restrictions to land use and natural resources shall be integrated as part of the development of village mangrove management plans supported by the project. A separate community development planning process may also be warranted as part of the mangrove management plans as applicable and in agreement with affected communities. Component 3 may potentially finance implementation of agreed mitigation measures.

In the event that adverse impacts are envisaged, FPIC shall be obtained prior to implementation of any activities with such impacts. Facilitating FPIC shall include measures to enable meaningful community decision making as elaborated in **section d**. Such process shall be duly documented and achieved (refer to Reporting, Monitoring and Documentation)

The project's SEP has incorporated relevant provisions of meaningful engagement and consultations with Indigenous Peoples, including a process to promote inclusive outreach and facilitation to vulnerable groups and/or sub-groups who may be marginalized. The SEP has also incorporated relevant provisions of inclusive FGRM.

A guideline for the integration of Indigenous Peoples planning elements into the village mangrove management plans can be found in **sub-Annex 9.1**.

h. Feedback and Grievance Management

The project's FGRM shall integrate measures to ensure cultural appropriateness and accessibility of potential channels to be used under the project. The FGRM shall also consider customary dispute-resolving mechanism to ensure that the process entails goodwill and respect traditional values and

practices. Grievance handling will follow the proposed processes in the ESMF. Where relevant, the approaches to grievance identification may be adjusted based on needs and access to communication such as through direct communication with community facilitators, survey, etc. Engagement activities, including consultations and dialogues, will be designed to be respect local values systems and practices.

The Terms of References for the PIUs' environmental and social team and facilitators will include the responsibility for monitoring of the project's potential risks and impacts on Indigenous Peoples.

5. Implementation Arrangement

Implementation of the IPPF will follow the project's Error! Reference source not found.. The development of sub-project plans addressing ESS 7 requirements, such as community engagement and consultations, integration of impact mitigation measures into village mangrove management plans and other planning processes shall be the responsibility of project PIUs with technical support from the project's social specialist or other experts as needed. Oversight will be provided by PIUs (national and/or provincial levels) as well as PMO and BPDH as relevant (to be confirmed prior to appraisal), supported by the PIUs' environmental and social team with ground support from the facilitators and/or expert consultants. An independent expert may be called on a need basis and where circumstances warrant such independent views (i.e., community protests, conflicts, etc.).

6. Reporting, Monitoring and Documentation

Implementation of the IPPF provisions, including any grievances received, shall be duly reported and documented in project progress reports. Where relevant provisions of the IPPF have been integrated in the village mangrove management plans, such plans shall also include Monitoring and Evaluation and FRGM implementation. The FRGM shall consider customary dispute-resolving mechanism to ensure that the process entails goodwill and respect traditional values and practices. Grievance handling will follow the proposed processes in the ESMF, although some tailored approaches to grievance identification through direct communication with the affected communities may be called for, depending on the level and nature of risks and impacts. Engagement activities, including consultations and dialogues, will be designed to be respect local values systems and practices.

The Terms of References for social specialists in the PIUs and facilitators include the responsibility for monitoring of the project's potential risks and impacts on Indigenous Peoples. Where access restriction impacts on land use and natural resources are envisaged, the PIUs' environmental and social team shall be required to oversee the implementation measures as agreed with the affected communities and report their implementation and any emerging issues to the PIUs. The PIUs shall be responsible to consolidate such information and provide recommendations on remedial measures and system strengthening as relevant.

At the minimum, documentation of FPIC should entail information on who represent the communities and their leaders as applicable (i.e., the elderly, *tetua adat*, etc), key agreements reached and any dissenting views, a documented record of their consent related to the scope of the activities and/or project areas where such consent is granted. Documentation of previous consultations prior to achieving FPIC shall also be included and any associated inquiries, grievances and concerns.

Any agreements reached with affected communities shall be disseminated and disclosed in respective project sites in a manner accessible to them. As applicable, a summary of key agreements will be prepared and/or communicated in language(s) accessible to the affected communities.

7. Financing

Implementation of direct risk mitigation measures shall be integrated into project design and hence shall be covered under respective project activities with identified impacts. Livelihood assistance may potentially be financed under Component 3 of the project. Overall support for implementation of IPPF measures, including provisions of technical experts, monitoring and relevant consultations with stakeholders may also be financed under Component 4 of the Project Management.

Sub Annex 9.1: Integration of IPPF provisions into Project Design

Depending on the scale and nature of potential risks and impacts on Indigenous Peoples, elements of risk and impact management and their planning instrument shall be integrated as part of the project design. If potential impacts concern with mangrove management, including any restrictions on land use and natural resources, relevant mitigation measures shall be agreed with affected communities under the village mangrove management plans. These include measures to enhance benefits and positive outcomes on the target communities through inclusive and meaningful engagement and participation.

Standalone Indigenous Peoples Plans (IPPs) are not required under the project since relevant planning and mitigation measures shall be fully integrated in the technical planning documents and/or village mangrove management plans. To do so, the PIUs shall ensure that the below measures are fully adhered to as part of site-selection, technical design and planning processes, implementation arrangements, monitoring and evaluation and village mangrove management plans:

- a. Assessment of project and/or sub-project activities with impacts on Indigenous Peoples.** Such an assessment shall provide analysis of the nature and scale of such impacts, including:
 - i. Review the legal and institutional framework applicable to Indigenous Peoples in the project context.
 - ii. Include baseline information on the demographic, social, cultural, and political characteristics of the affected communities; the land and territories that they have traditionally owned or customarily used or occupied; and the natural resources on which they depend.
 - iii. Identify key project stakeholders and elaborate a culturally appropriate and gender-sensitive process for meaningful consultation with Indigenous Peoples at each stage of project preparation and implementation, taking the review and baseline information into account.
 - iv. Assess, based on meaningful consultation with the affected communities, the potential adverse and positive effects of the project and sub-project activities. Critical to the determination of potential adverse impacts is a gender-sensitive analysis of the relative vulnerability of, and risks to, the affected Indigenous Peoples given their circumstances and close ties to land and natural resources, as well as their lack of access to opportunities relative to those available to other social groups in the communities, regions, or national societies in which they live.
 - v. Include a gender-sensitive assessment of the affected Indigenous Peoples perceptions about the project and its impact on their social, economic, and cultural status.
 - vi. Identify and recommend, based on meaningful consultation with the affected communities, the measures necessary to avoid adverse effects or, if such measures are not possible, identify measures to minimize, mitigate, and/or compensate for such effects and to ensure that Indigenous Peoples receive culturally appropriate benefits under the project.
- b. Assessments of circumstances requiring FPIC and alternative project design/siting to avoid adverse impacts (refer to the Section on Free, Prior and Informed Consent).**
- c. Information disclosure, consultation and participation,** covering the following processes which:
 - i. Describes the information disclosure, consultation and participation process with the affected communities that can be carried out during project preparation.
 - ii. Summarize their comments on the results of the social impact assessment and identify concerns raised during consultation and how these have been addressed in project design.

- iii. In the case of project activities cause adverse impacts and under limited circumstances, FPIC, document the process and outcome of consultations with affected communities and any agreement resulting from such consultations for the project activities and risk management measures addressing the impacts of such activities. For minimum FPIC documentation requirements, refer to the Reporting, Monitoring and Documentation section.
- iv. Describe consultation and participation mechanisms to be used during implementation to ensure Indigenous Peoples' participation during implementation; and
- v. Confirm disclosure of the agreements reached with the affected Indigenous Peoples.
- d. Benefit sharing/ compensation arrangements:** specify the measures to ensure that the affected communities receive social and economic benefits that are culturally appropriate, and gender responsive.
- e. Mitigation measures:** specify the measures to avoid adverse impacts on Indigenous Peoples; and where the avoidance is impossible, specifies the measures to minimize, mitigate and compensate for identified unavoidable adverse impacts for each affected community.
- f. Capacity building:** provide measures to strengthen the social, legal, and technical capabilities of: (a) government institutions to address Indigenous People's issues in the project area; and (b) affected communities' organizations in the project area to enable them to represent their communities more effectively and participate in the management of risks and impacts.
- g. Feedback and Grievance Redress Mechanism:** describe the procedures to redress grievances by affected Indigenous Peoples. It also explains how the procedures are accessible to Indigenous Peoples and culturally appropriate and gender sensitive.
- h. Monitoring, reporting and evaluation:** describe the mechanisms and benchmarks appropriate to the project for monitoring and evaluating the implementation of the agreed mitigation measures. It also specifies arrangements for participation of affected Indigenous Peoples in the preparation and validation of monitoring, and evaluation reports.
- i. Institutional arrangements:** describe institutional arrangement responsibilities and mechanisms for carrying out the various mitigation measures agreed with the affected communities.
- j. Budget and financing.** This section provides an itemized budget for all activities associated with risk mitigation and benefit enhancement measures.

Annex 10: Chance Find Procedure and Cultural Resources Management Plan

1. Definitions

A chance find is an archaeological, historical, cultural, or remain material, encountered unexpectedly during project construction or operation. A chance find procedure is a project-specific procedure that will be followed if previously unknown cultural heritage is encountered during project activities. This type of procedure generally includes a requirement to notify relevant authorities of found objects or sites by cultural heritage experts; fence off the area of finds or sites to avoid further disturbance; conduct an assessment of found objects or sites by cultural heritage experts; to identify and implement actions consistent with the requirements of the World Bank and Indonesian law; and to train project personnel and project workers on chance find procedures.

2. Objectives

- To protect physical cultural resources from the adverse impacts of project activities and support their preservation.
- To promote the equitable sharing of benefits from the use of PCR.

3. Procedure

If there is a discovery of archeological sites, historical sites, remains and/or objects, including graveyards and/or individual graves during excavation or construction, due to sub-project activities, the sub-project shall:

- a. Halt the construction activities in the area of the chance find.
- b. Delineate and fence the discovered site or area.
- c. Secure the site to prevent any damage or loss of removable objects. In cases of removable antiquities or sensitive remains, a night guard shall be arranged until the responsible local authorities or the District/Provincial Department of Culture, or the local Institute of Archaeology, if available, can take over.
- d. Forbid any taking of the objects by the workers or other parties.
- e. Notify all subproject personnel of the finding and take preliminary precautions of protection.
- f. Record the chance find objects and the preliminary actions.
- g. Notify the responsible local authorities and the relevant Institute of Archaeology immediately (within 24 hours or less).
- h. Responsible local authorities should be in charge of protecting and preserving the site before deciding on subsequent appropriate procedures. This would require a preliminary evaluation of the findings to be performed by the local Institute of Archaeology. The significance and importance of the findings should be assessed according to the various criteria relevant to cultural heritage, including the aesthetic, historic, scientific or research, social and economic values.
- i. Decisions on how to handle the finding shall be taken by the responsible authorities. This could include changes in the subproject layout (such as when finding an irremovable remain of cultural or archeological importance) conservation, preservation, restoration and salvage.
- j. Implementation of the authority decision concerning the management of the findings shall be communicated in writing by relevant local authorities.
- k. The mitigation measures could include changing the subproject design/layout, protection, conservation, restoration, and/or preservation of the sites and/or objects.
- l. Construction work at the site can resume only after permission is given from the responsible local authorities concerning safeguarding the heritage.

The subproject proponents are responsible for cooperating with the relevant local authorities to monitor all construction activities and ensure the adequate preservation actions already taken and hence the heritage sites protect.

Annex 11: Biodiversity Management Framework

The first aim of any project should be to avoid impacts on biodiversity and ecosystem services. However, when avoidance of impacts is not possible, measures to minimize impacts and restore biodiversity and ecosystem services will be implemented. Given the complexity in predicting this project's impacts on biodiversity and ecosystem services over the long term, the aim will be to adopt a practice of adaptive management in which the implementation of mitigation and management measures are responsive to changing conditions and the results of monitoring throughout the Project's lifecycle. The biodiversity management framework will be developed and implemented in the project located in the specifically designated protected and/or ecologically sensitive area.

This section aims to guide implementing agency to develop biodiversity management framework, which should include but not limited to the following items:

- a. Introduction (Includes project background/description/species and habitats of conservation importance/protected areas that could be impacted by the project).
- b. Scope of the Biodiversity Management Framework, and its interface or overlap with other ESMPs.
- c. Roles & Responsibilities of implementing agency, PMO, consultants, and other relevant parties.
- d. Project Standards (National, International Standards/Conventions, World Bank, applicable guidelines)
- e. Project Impacts Section (typically a table, no need to repeat the ESIA; if possible, describe potential residual impacts, especially for NH/CH that may require active mitigation/management measures to achieve NNL/NG)
- f. Mitigation Measures and Management Controls. If the project will impact Natural Habitat and/or Critical Habitat, this section should provide conceptual strategies to achieve NNL/NG that would demonstrate that the project could theoretically meet ESS6). This includes differentiated risk management approaches to habitats based on their sensitivity and value.
- g. Implementation Schedule (work schedule and relevant schedule to finalize E&S instruments before construction)
- h. Monitoring (including preliminary KPIs which would be linked to determining mitigation success and/or need for adaptive management)
- i. Training & Capacity Building
- j. Audit and Reporting (e.g., internal auditing/independent engineer etc.)
- k. Document Control

Annex 12: Sexual Exploitation and Abuse (SEA) Prevention Strategy

1. Introduction

Sexual Exploitation and Abuse/Violence Against Children (SEA/VAC, henceforth called SEA) refers to any act that is perpetrated against a person's will and is based on gender norms and unequal power relationships. It includes physical, emotional or psychological and sexual violence, and denial of resources or access to services. Violence includes threats of violence and coercion and inflicts harm on women, girls, men and boys, as well as people of diverse gender identities.

SEA incidents are often defined by the power relationship between survivor and perpetrator, as well as the circumstances surrounding the incident – not the actual act of violence (i.e., rape or sexual assault).

Box 7: Key Definition

Sexual Exploitation and Abuse (SEA) refers to “any actual or attempted abuse of a position of vulnerability, differential power, or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another.” Whereas Sexual Abuse refers to “the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions.”

Violence Against Children (VAC) is defined as physical, sexual, emotional and/or psychological harm, neglect or negligent treatment of minor children (i.e., under the age of 18), including exposure to such harm,²⁴ that results in actual or potential harm to the child’s health, survival, development or dignity in the context of a relationship of responsibility, trust or power. This includes using children for profit, labor²⁵, sexual gratification, or some other personal or financial advantage. This also includes other activities such as using computers, mobile phones, video and digital cameras or any other medium to exploit or harass children or to access child pornography.

The M4CR seeks to mainstream SEA and VAC awareness into project implementation. This strategy will hence guide the PIUs in ensuring that project workers are adequately briefed and trained on SEA and VAC awareness and prevention measures in mangroves restoration and conservation activities, as well as during community facilitation activities. Project workers will be required to sign and adhere to Codes of Conduct (CoC).

A gender specialist will be hired at the PIUs (Implementing Units: KLHK and BRGM), who will assist in gender-awareness, SEA and VAC awareness raising, supervision of CoC compliance. This Annex provides a strategy for SEA and VAC mainstreaming and relevant CoC for workers.

2. SEA/SH Risk and Prevalence

Thirty-five percent of women worldwide have experienced non-partner sexual violence or physical and/or sexual intimate partner violence (WHO 2013) which are considered as manifestations of Sexual Exploitation and Abuse (SEA). The risks of SEA can include Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) that exists in an unequal relationship between gender, decision making power (politics), or access to resources (economy). In infrastructure project, major civil works can exacerbate SEA both in public and private spaces. It can take the form of many ways, one of which is in projects with large influx of workers such as in roads or house reconstruction projects.

In Indonesia, the prevalence of gender-based violence is mostly perpetrated by husbands/partners. Unfortunately, there are no official statistics on the various forms of violence against women in Indonesia. However, based on the 2016 Indonesian National Women’s Life Experience Survey, around 1 in 3 women (33.4%) aged 15 to 64 years old have experienced physical and/or sexual violence perpetrated by their partner or non-partner in her lifetime. Based on this figure, there is at least one out of ten (9,4%) women

experiencing such violence in the last 12 months. In addition, two in five (41.7%) women have experienced at least one of the four types of violence²⁶ in her lifetime, and around 42.3% of women have experienced violence in the forms of restrictions or limitations to movement and freedom within her lifetime, with 23.3% experiencing such violence the last 12 months.

Table 9. SEA/SH Prevalence in Indonesia

	Types of Violence Perpetrated by Husband/Partner			
	Sexual	Physical	Economic	Psychological
During lifetime	10.6%	12.3%	24.5%	20.5%
Past 12 months	3.8%	1.8%	9%	7.5%

Source: UNFPA (2017). *Key Findings: 2016 Indonesian National Women's Life Experience Survey*

The same survey also documented that physical and/or sexual abuse tend to occur more in urban areas (36,3%) than in rural areas (29,8%). **However, it is also possible that girls and women in rural areas were less likely to consider such incident as 'violence' nor report it (i.e., engrained violence against women and lack of awareness and information on how to report it).** Such abuse was experienced more by women aged 15–64 years old with minimum education (i.e., high school – 39,4%) and unemployment status.

During pandemic Covid-19, the Annual Violence against women' Record (CATAHU) of 2020 and 2021 showed that the increase in financial hardship among low-income households (induced by prolonged pandemic and its spill over to the macro economy) indicated to also increase violence cases, including the highest rate on domestic abuse and online-based violence¹⁵. There were 8,234 violence against women recorded in 2021 in Indonesia, with note that this number is believed to be significantly less than the real number (due to feeling of shame and other cultural barriers, access to support service, lack of trust to authoritative figures, and etc.).

Child marriage is also found in several parts of Indonesia. At least one in four girls currently marry before reaching adulthood, with highest percentage among girls aged 16 and 17 (around 20.2% of marriages in 2008 and 19.3% of marriages in 2015). Despite poverty is a major cause of child marriage, in some contexts, social and cultural acceptance of such practice is evident across various economic levels and in both rural and urban areas. Unfortunately, indicating a similar trend to SEA/SH incidents, child marriage cases were also increased to 64,200 cases across Indonesia in 2020 or threefold compared to 2018.¹⁶ While noting that this increase can be resulted from the increased category of 'child marriage' for girls (to 19 years old, from previously 16 years old) in 2019, and from execrated economic hardship due to prolonged pandemic.

SEA/SH and Violence against Children (VAC) risks, such as verbal and physical harassments may potentially be driven by the following factors may include:

- a. Locations: construction (despite small scale) may take place in rural areas where there could be potential exposure of local communities with incoming-project workers (consultants, construction workers etc.).

¹⁵ <https://komnasperempuan.go.id/catatan-tahunan-detail/catahu-2021-perempuan-dalam-himpitan-pandemi-lonjakan-kekerasan-seksual-kekerasan-siber-perkawinan-anak-dan-keterbatasan-penanganan-di-tengah-covid-19>

¹⁶ <https://www.gatra.com/detail/news/529544/kesehatan/memprihatinkan-pernikahan-dini-dan-stunting-di-temanggung-tinggi>

- b. Community facilitation: livelihoods component activities facilitate interactions among community members in coastal areas/sites and local facilitators and project staff.
- c. Creation of local employment: small-scale construction works under Component 2 and 3 and cash-for-work may attract short-term employment which may provide financial benefits to local populations, which may temporarily affect household power relations.

3. SEA/SH and VAC Prevention Strategy

The following outlines key prevention measures will be adopted as part of project implementation.

Gender Specialist

A gender specialist will be recruited to lead gender awareness and sensitization (increase the sensitivity of unequal gender relations in workplace) initiatives, SEA/SH and VAC prevention, including management in the event is reported, oversee compliance of Codes of Conduct and other related activities to strengthen the project's social risk management.

The specialist will also be responsible to assess SEA/SH and VAC risks at the project-level. Potential aspects that will be subject to further assessments cover:

1. SEA/SH and VAC risks related to mangrove restoration and conservation activities under Component 2 and livelihood activities under Component 3
2. SEA/SH and VAC informed design/program plans for all components.

In preparing the SEA/SH and VAC management, the relevant specialist must ensure that the PIUs and third-party providers, including contractors must follow the key principles:

- **Be survivor-centered**: approach considerations related to SEA/SH and VAC prevention, mitigation and response through a survivor-centered lens, protecting the confidentiality of survivors, recognizing them as principal decision-makers in their own care and treating them with agency, dignity and respect for their needs and wishes.
- **Emphasize prevention**: adopt risk-based approaches that aim to identify key risks of SEA/SH and VAC and undertake measures to prevent or minimize harm.
- **Build on existing local knowledge**: engage community partners – local leaders, civil society organizations, gender and child advocates and service providers – as resources for knowledge on local level risks, effective protective factors and mechanisms for support throughout the project cycle.
- **Be evidenced-based**: build on existing research and knowledge, both from local and global sources, on how to address SEA/SH and VAC effectively.
- **Be adaptable**: Operational guidance presented in this note provides the foundation for an effective SEA/SH and VAC risk management approach; adapt and adjust mitigation measures to respond to the unique drivers and context in any given setting.
- **Enable continuous monitoring and learning**: ensure operations integrate mechanisms for regular monitoring and feedback to track effectiveness and to build internal knowledge of what works to prevent, mitigate and respond to SEA/SH and VAC.

Codes of Conduct

Project workers are required to sign and comply with the project's codes of conduct (refer **Annex 13**). The Codes of Conduct cover prevention of SEA/SH and VAC as well as respectful behavior. A key element of the Codes of Conduct will be the sanctions that may be applied if an employee is confirmed as a perpetrator. The sanctions need to be proportional to the transgression.

In the event of Codes of Conduct are violated, employers should place the worker on an administrative leave pending a full and fair review to determine the veracity of said allegation(s). Examples of potential sanctions include the following:

- Informal warning
- Formal warning
- Additional training
- Loss of up to one week's salary
- Suspension of employment (either administrative leave as above or without payment of salary), for a minimum period of one month up to a maximum of six months
- Termination of employment; and/or,
- Referral to the police or other authorities as warranted.
- Sample of relevant Codes of Conduct can be found in **Annex 13**.

Staff Training

All staff in direct contact with communities, particularly local facilitators and staffs or consultants that will regularly visit the sites, will be required to attend induction training addressing root causes of SEA/SH and VAC specialist(s) and its impact on survivors and communities before beginning work, and additional refresher training on a regular basis (annually). Training will be led by a qualified SEA/SH and VAC specialist(s) with the coordination of project Implementing agencies and support of Contractor and Supervision Consultant management.

At a minimum, all staff/workers in M4CR should be trained in:

- What SEA/SH and VAC is, and the Project's and national commitments in place to mitigate and respond to incidents and zero tolerance to SEA/SH and VAC.
- Codes of conduct and their implications.
- Individual M4CR' roles and responsibilities on prevention of SEA/SH and VAC
- Appropriate conduct of staff and prohibited actions, in line with the standards set by the codes of conduct.
- SEA/SH and VAC incident reporting, the duty of investigation, and referral procedures.
- Survivors' needs and available services.

Training should focus on the role that each individual can play to prevent SEA/SH and VAC and report it when it occurs adopting the survivor-centered principles above. Managers and supervisors should be required (and evaluated on their ability) to promote and foster respect for the standards outlined in the codes of conduct to their subordinates.

Community Awareness Raising

Awareness-raising activities for the local community should be conducted in parallel to the setting up of the complaint management system in order to develop a comprehensive response to SEA/VAC.

At a minimum, beneficiaries and communities affected by the project have a right to know:

- The standards of conduct for M4CR workers.
- The basic concepts of SEA/SH and VAC and sexual exploitation and abuse, and the provisions specifically prohibiting SEA/SH and VAC and project values.
- Rights and responsibilities.
- FGRM, including safe mechanisms to report SEA/SH and VAC incidents.

- Services available to survivors, and how to access them.
- What to expect after making a complaint, including potential referrals, timeframes, and the roles, responsibilities, and any limitations of actors involved, and
- Approach and steps to ensure survivors' safety and confidentiality.

Awareness-raising activities will be conducted by a qualified SEA/SH and VAC service provider, appointed by the PIUs.

Inclusion of SEA/SH and VAC Prevention Measures in Bidding Document for Civil Works

If civil works are outsourced to contractors, the Contractor shall prepare a construction ESMP (C-ESMP) in accordance with requirements of the Project's SEA/SH and VAC Strategy and Action Plan and Response Protocol (refer to this guideline in the ESMF). The Contractor will ensure that all contract workers and managers attend SEA/SH and VAC induction training prior to beginning works and that time spent on trainings is paid (and must be allocated at times when workers are alert – e.g., not immediately after completing a night shift).

The Contractor shall conduct regular community awareness-raising sessions to share information on SEA/SH and VAC, available services, Codes of Conduct (CoC) content and Grievance Redress Mechanism reporting channels. This can be combined or coordinated with HIV/AIDS training, but adequate time and attention must be given to SEA/SH and VAC issues. Awareness-raising sessions should be supported by Information, Education, Communication (IEC) materials for display in worksites, workers' camps, and communities.

The Contractor's ESMP will include:

- Codes of Conduct – commitment to adopt and implement codes of conduct for company, managers, and individuals (refer to templates provided in **Annex 13**)
- Staff training – SEA/SH and VAC training program including inductions and refresher trainings for all workers and managers led by a SEA/SH and VAC service provider.
- Community awareness raising – SEA/SH and VAC community awareness program conducted by a SEA/SH service provider and in parallel to the establishment of the project's FGRM.
- Managing Communities' and Survivors' Expectations – a clear approach to communicating the scope of the project's SEA/SH and VAC management measures.
- Grievance Redress Mechanism – outline FGRM with multiple channels to initiate a SEA/SH and VAC complaint and ensure safe and confidential handling of cases.

The Contractor shall adopt and implement an effective feedback and grievance redress mechanism (FGRM) with multiple channels to accommodate a SEA/SH and VAC complaint and ensure safe and confidential handling of cases.

The Contractor's management team will support to ensure that all project workers are adequately briefed and trained on SEA/SH and VAC and relevant CoC as well as ensuring public safety and safe access to communities where construction activities are planned.

4. Monitoring and Reporting

It is understood that SEA/SH and VAC risks and cases change overtime, hence, PIUs and project implementers must monitor such risks from time to time as part of the environmental and social performance monitoring, with support from the project's gender specialists and other relevant experts. Monitoring may be performed in collaboration with facilitators and local government and other

stakeholders (including local SEA/SH and VAC service providers) where the project will be implemented and check if cases are being reported through the project's FGRM or staff and the status (i.e., referral to services, sanctions for perpetrators).

PIUs must also monitor the following:

- Number of training and awareness raising events held, individuals trained (disaggregated by Contractor/Supervision Engineer/IA and by sex), and this number as a percentage of overall staff numbers.
- Number of community awareness-raising sessions held, by location.
- Number of individuals participating in awareness-raising sessions, disaggregated by sex.

5. Feedback and Grievance Redress Mechanism

There are risks of stigmatization, rejection and reprisals against survivors when they report SEA/SH incidents they experience and/or experienced by others. Thus, having multiple channels, through which complaints can be registered in a safe and confidential manner, are necessary. **This include direct channel to the PIUs' Social/gender specialist that will be hired under the project.**

M4CR may utilize multiple complaint channels, and these must be trusted by those who need to use them. Community consultations are one mechanism to identify effective channels (e.g., local community organizations, service providers, etc.).

In terms of reporting, no identifiable information on the survivor should be stored in the FGRM records.

The FGRM coordinator or social/gender specialist receiving SEA/SH and VAC complaints **should not ask for, or record, information on details** related to the SEA/SH and VAC incident:

1. The nature of the complaint (what the complainant says in her/his own words without direct questioning)
2. If, to the best of their knowledge, the perpetrator was associated with the project; and,
3. If possible, the age and sex of the survivor.
4. If possible, information on whether the survivor was referred to services.

No investigation shall be allowed to be performed by the parties receiving allegations of SEA/SH and VAC.

Subject to the survivor's will and/or their custodian, any allegations and/or cases reported shall be immediately reported to the project's gender specialist who will liaise with local service providers (i.e., NGOs and/or CSOs) and/or relevant sub-national agency responsible for women and child protection. Cases involving VAC shall follow the Gol's regulation on child protection. **The World Bank considers children as anyone under the age of 18— even if national law may have a lower age—and, as such, not able to give free and voluntary consent.**

The gender specialist will be responsible to guide the referral process including connecting the survivor to appropriate services. It is up to the survivor, and only the survivor, whether to take up the referral. If the survivor does not wish to place an official complaint with the employer or project staff, the complaint is closed.

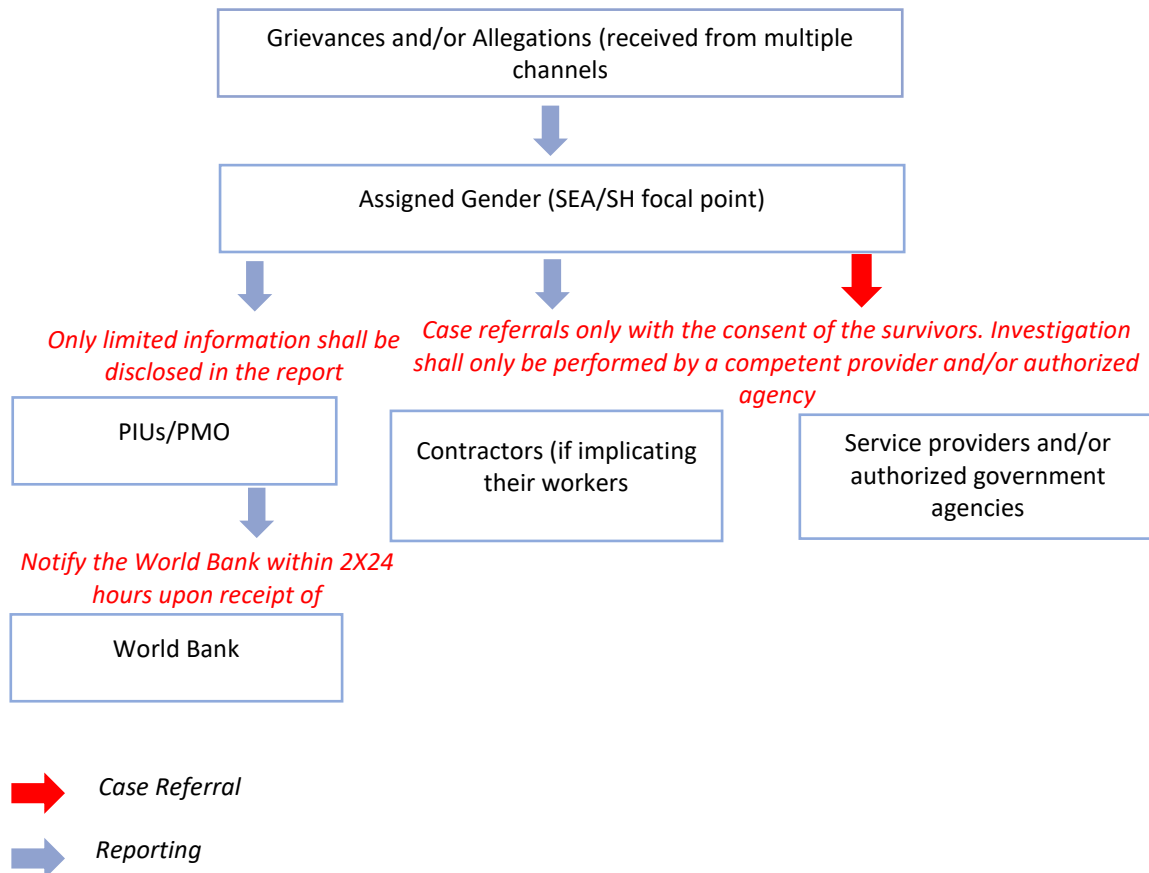
The information in the FGRM must be confidential—especially when related to the identity of the complainant. For SEA/SH and VAC, the GRM should primarily serve to: (i) refer complainants to the SEA/SH Services Provider; and (ii) record resolution of the complaint.

There are two elements related to resolving and closing a SEA/SH and VAC case:

- The internal project system, in which the case is referred to a service provider for survivor support, and through the established resolution mechanism appropriate actions are taken against perpetrators, including HR sanctions; and,
- The support that the survivor receives from the SEA/SH Services Provider and the survivor at her/his own will no longer supports from the provider.

When the survivor proceeds with the complaint, the case is reviewed through a SEA/SH and VAC resolution mechanism which addresses key principles of survivors’ protection and confidentiality and a course of action is agreed upon; the appropriate party who employs the perpetrator (i.e., the contractor, consultant, or PIUs) takes the agreed disciplinary action in accordance with local legislation, the employment contract and the CoC. Within the established resolution mechanism, it is confirmed that the action is appropriate, and then informs the FGRM that the case is closed.

Figure 8: SEA/SH FGRM Flows



FGRM

Training to sensitize SEA/VAC complaints handling should be proposed by the project’s gender specialist (can be an individual consultant or service providers). Budget for SEA/SH and VAC awareness training and other activities can be allocated from Component 4 on Project Management. SEA/SH and VAC case

management shall be the responsibility of the respective employers of the project if the cases are project related and/or borne by the projects if such cases are reported through the project's FGRM channels regardless whether they are related with the project or not.

Annex 13. Code of Conduct for Project Workers

Project workers, as specified in the LMP, are required to sign and comply with the project's codes of conduct for Code of Conduct of Respectful behavior. A key element of the Codes of Conduct will be the sanctions that may be applied if an employee is confirmed or proven to conduct an act of violent. The sanctions need to be proportional to the transgression. These codes of conducts govern:

- Institution Code of Conduct for project implementers, including Intermediary Organizations (Lembaga Perantara), contractors and third party (NGOs/CSOs/Universities), which requires the company to commit to preventing and addressing SEA/SH VAC issues.
- Field site coordinator/Manager's Code of Conduct requires managers to commit to implementing the Institution Code of Conduct, as well as those signed by individuals; and,
- Individual Code of Conduct requires each staff and project worker of the project to implement and comply with the Company Code of conduct in preventing violence behavior and promoting respectful relationship.

In the event of Codes of Conduct are violated, employers should place the worker on an administrative leave pending a full and fair review to determine the veracity of said allegation(s). Examples of potential sanctions include the following:

- Informal warning
- Formal warning – if possible (if the personnel is tied directly to the project)
- Additional training
- Removal of oneself from the project
- Loss of up to one week's salary
- Suspension of employment (either administrative leave as above or without payment of salary), for a minimum period of one month up to a maximum of six months
- Termination of employment; and/or,
- Referral to the police or other authorities as warranted.

1. Principles

In preparing the respectful behavior and non-violent guideline, the relevant specialist (for instance social specialist) must ensure that the PIUs and third-party providers, including contractors, CSOs/NGOs/village level security personnel or local policy officers, must follow the key principles:

- **Be gender sensitive** be aware that local communities, especially ones from low-income households, women, children, and people with disabilities are in a more disadvantaged position within the power relations in the communities and society, and thus, a verbal/action/emotional bullying and any form of violent can affect them different – and they have different ability to respond on and report it to the project.
- **Emphasize prevention** adopt risk-based approaches that aim to identify key risks of violent behavior in the project (for instance during preparation for land on hydrological approach in Component 2 that requires heavy equipment) and undertake measures to prevent or minimize harm.
- **Integrate it with SEA/SH and VAC prevention:** to integrate this measure to the SEA/SH and VAC prevention. As in principle, the two Codes of Practices are intertwined and operating based on trust and respectful relationships.

- **Enable continuous monitoring and learning:** ensure operations integrate mechanisms for regular monitoring and feedback to track effectiveness and to build internal knowledge of what works to prevent, mitigate and respond to potential risk of violent act or hindrance to respectful behavior.

2. Staff Training

All staff in direct contact with communities, particularly local facilitators, staff or consultants, and security personnel that will be deployed to the sites, will be required to attend induction training on respectful behaviour and non-violent act before beginning work, and additional refresher training on a regular basis (annually). Training will be led by a qualified social specialist and in the coordination with gender consultant (to be integrated to SEA/SH and VAC prevention training) and project implementing agencies; and support of Contractor and Supervision Consultant management.

At a minimum, all staff/workers and security personnel involved in M4CR should be trained in:

- What respectful behavior is, and the Project's and national commitments in place to mitigate and respond to incidents and zero tolerance to violent act.
- Codes of conduct and their implications.
- Individual M4CR' roles and responsibilities on prevention of violent act (and SEA/SH and VAC, as the two inductions/trainings can be integrated as one session)
- Appropriate conduct of staff and prohibited actions, in line with the standards set by the codes of conduct.
- GRM/ incident reporting, the duty of investigation, and referral procedures.

Training should focus on the role that each individual can play to prevent violent act and promote respectful behavior and report it when it occurs adopting the gender-sensitive approach i.e., who are in a more disadvantaged position within imbalance power relations. Managers and supervisors should be required (and evaluated on their ability) to promote and foster respect for the standards outlined in the codes of conduct to their subordinates.

3. Monitoring and Reporting

Implementation of Codes of Conduct will be included in general Monitoring and Reporting through inclusion of non-violent act indicator(s) i.e., to what extent the system has been established to avoid such action, to what extent it has been implemented, what are the hindrances to such implementation, and improvement measures.

4. Financing

To be included in environmental and social management budgeting.

5. Codes of Conduct Templates (Form 5)

Form 5: Code of Conduct Template

Preventing Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) and Violence Against Children (VAC)

The [contractors/ site project coordinator/ individual worker] are committed to ensuring that the Project is implemented in such a way that minimizes any negative impacts on the local environment, communities, and its workers. This will be done by respecting the environmental, social, health and safety (ESHS) standards, and ensuring appropriate occupational health and safety (OHS) standards are met. **The [company name/ site project coordinator/ individual worker] is also committed to creating and maintaining an environment in which sexual exploitation and abuse (SEA) and sexual harassment (SH) and violence against children (VAC) have no place, and where they will not be tolerated** by any employee, sub-contractor, supplier, associate, or representative of the contractors.

Therefore, to ensure that all those engaged in the project are aware of this commitment, the company commits to the following core principles and minimum standards of behavior that will apply to all company employees, associates, and representatives, including sub-contractors and suppliers, without exception:

General

- a. The [contractors/ site project manager/ individual worker] – and therefore all employees, associates, representatives, sub-contractors and suppliers – commit to complying with all relevant national laws, rules and regulations.
- b. The [contractors/ site project manager/ individual worker] commit to fully implementing their Contractors' Environmental and Social Management Plan (CESMP).
- c. The [contractors/ site project manager/ individual worker] commit to treating women, children (persons under the age of 18), and men with respect regardless of race, color, language, religion, political or other opinion, national, ethnic or social origin, property, disability, birth or other status. Acts of SEA/SH and VAC are in violation of this commitment.
- d. The [contractors/ site project manager/ individual worker] shall ensure that interactions with local community members are done with respect and non-discrimination.
- e. Demeaning, threatening, harassing, abusive, culturally inappropriate, or sexually provocative language and behavior are prohibited among all company employees, associates, and representatives, including sub-contractors and suppliers.
- f. The [contractors/ site project manager/ individual worker] will follow all reasonable work instructions (including regarding environmental and social norms).
- g. The [contractors/ site project manager/ individual worker] will protect and ensure proper use of property (for example, to prohibit theft, carelessness or waste).

Health and Safety

- a. The [contractors/ site project manager/ individual worker] will ensure that the Project's occupational health and safety (OHS) Management Plan is effectively implemented by company staff, as well as sub-contractors and suppliers.
- b. The [contractors/ site project manager/ individual worker] will ensure that all persons on-site wear prescribed and appropriate personal protective equipment, preventing avoidable accidents and reporting conditions or practices that pose a safety hazard or threaten the environment.

The [contractors/ site project manager/ individual worker] will:

- a. Prohibit the use of alcohol during work activities.
- b. Prohibit the use of narcotics or other substances which can impair faculties at all times.
- c. The contractors will ensure that adequate sanitation facilities are available on site and at any worker accommodations provided to those working on the project.

Sexual Abuse and Exploitation and Sexual Harassment and Violence Against Children

- a. Acts of SEA/SH or VAC constitute serious misconduct and are therefore grounds for sanctions, which may include penalties and/or termination of employment, and if appropriate referral to the Police for further action.
- b. All forms of SEA/SH and VAC, including grooming, are unacceptable, regardless of whether they take place on the work site, the work site's surroundings, at workers' camps or within the local community.
- c. Sexual Harassment – for instance, making unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct, of a sexual nature, including subtle acts of such behavior – is prohibited.
- d. Sexual favors – for instance, making promises or favorable treatment dependent on sexual acts – or other forms of humiliating, degrading or exploitative behavior, are prohibited.
- e. Sexual contact or activity with children under 18 – including through digital media – is prohibited. Mistaken belief regarding the age of a child is not a defense. Consent from the child is also not a defense or excuse.
- f. Unless there is full consent²⁷ by all parties involved in the sexual act, sexual interactions between the company's employees (at any level) and members of the communities surrounding the workplace are prohibited. This includes relationships involving the withholding/promise of actual provision of benefit (monetary or non-monetary) to community members in exchange for sex— such sexual activity is considered “non-consensual” within the scope of this Code.
- g. In addition to company sanctions, legal prosecution of those who commit acts of SEA/SH or VAC will be pursued if appropriate.
- h. All employees, including volunteers and sub-contractors are highly encouraged to report suspected or actual acts of SEA/SH and/or VAC by a fellow worker, whether in the same company or not. Reports must be made in accordance with project's SEA/SH and VAC Allegation Procedures.
- i. Managers are required to report and act to address suspected or actual acts of SEA/SH and VAC as they have a responsibility to uphold company commitments and hold their direct reports responsible.

d. Implementation

To ensure that the above principles are implemented effectively the contractors commit to ensuring that:

- a. All managers sign the Project's 'Manager's Code of Conduct' detailing their responsibilities for implementing the company's commitments and enforcing the responsibilities in the 'Individual Code of Conduct'.
- b. All employees sign the project's 'Individual Code of Conduct' confirming their agreement to comply with ESHS and OHS standards, and not to engage in activities resulting in SEA/SH or VAC.
- c. If relevant, displaying the Company and Individual Codes of Conduct prominently and in clear view at workers' camps, offices, and in public areas of the workspace. Examples of areas include waiting, rest and lobby areas of sites, canteen areas and health clinics.

- d. If relevant, ensure that posted and distributed copies of the Company and Individual Codes of Conduct are translated into the appropriate language of use in the worksite areas as well as for any international staff in their native language.
- e. If relevant, an appropriate person is nominated as the company's 'Focal Point' for addressing SEA/SH and VAC issues, including representing the company on the SEA/SH and VAC Complaints Team (GCT) which is comprised of representatives from the client, contractor(s), the supervision consultant, and local service provider(s).
- f. Ensuring that the SEA/SH and VAC Action Plan is effectively implemented and revised as needed.
- g. That the contractors effectively implement the agreed final SEA/SH and VAC Action Plan, providing feedback to the Project's GRM for improvements and updates as appropriate.
- h. All employees attend an induction training course prior to commencing work on site to ensure they are familiar with the company's commitments to ESHS and OHS standards, and the Project's SEA/SH and VAC Codes of Conduct.
- i. All employees attend a mandatory training course prior to commencement of work to reinforce the understanding of the project's ESHS and OHS standards and the SEA/SH and VAC Code of Conduct, as well as refresher training as relevant.

I do hereby acknowledge that I have read the foregoing Institution Code of Conduct, and on behalf of the company agree to comply with the standards contained therein. I understand my role and responsibilities to support the project's OHS and ESHS standards, and to prevent and respond to SEA/SH and VAC.

I understand that any action inconsistent with this Institution Code of Conduct or failure to act mandated by this Institution Code of Conduct may result in disciplinary action.

Institution name : _____

Signature : _____

Printed Name : _____

Title : _____

Date : _____

Form 6: Respectful Behavior and Non-violent Act

Respectful Behavior and Non-violence Act

This Code of Conduct is prepared as a **guidance for all project workers**, including project permanent staffs (civil servants), external consultants, workers of the intermediaries organizations/NGOs, contractors and its workers, local facilitators, community workers and security personnel that will be deployed during the project implementation.

Specific to security personnel, aside of local police officers, the scope also includes community-based/village level security personnel such as *Bantara Bina Desa (Babinsa)*.

The Codes of Conduct seeks to avoid any form of physical, verbal, and emotional violence and bullying throughout the project implementation, particularly in respect to Component 2 and Component 3 implementation in the ground (i.e., direct interaction with local communities).

The [contractors/ site project coordinator/ individual worker] are committed to ensuring that the Project is implemented in such a way that minimizes any negative impacts on the local environment, communities, and its workers. This will be done by respecting the environmental, social, health and safety (ESHS) standards, and ensuring appropriate occupational health and safety (OHS) standards are met. **The [company name/ site project coordinator/ individual worker] is also committed to creating and maintaining an environment in which verbal, act, and emotional violent (such as physical harassment, the use of unnecessary tools, weapons, or personnel's, and bullying) have no place, and where they will not be tolerated** by any employee, sub-contractor, supplier, associate, or representative of the contractors.

Therefore, to ensure that all those engaged in the project are aware of this commitment, the company commits to the following core principles and minimum standards of behavior that will apply to all company employees, associates, and representatives, including sub-contractors and suppliers, and local security personnel, without exception:

General

- a. The [contractors/ site project manager/ individual worker] – and therefore all employees, associates, representatives, sub-contractors, suppliers, and local security personnel – commit to complying with all relevant national laws, rules and regulations.
- b. The [contractors/ site project manager/ individual worker] commit to fully implementing their Contractors' Environmental and Social Management Plan (C-ESMP).
- c. As per SEA/SH and VAC Prevention Code of Conduct, the [contractors/ site project manager/ individual worker] commit to treating everyone with respect, i.e., women, children (persons under the age of 18), and men with respect regardless of race, color, language, religion, political or other opinion, national, ethnic or social origin, property, disability, birth or other status. Acts of violent are in violation of this commitment.
- d. The [contractors/ site project manager/ individual worker] shall ensure that interactions with local community members are done with respect and non-discrimination.
- e. Demeaning, threatening, harassing, abusive, culturally inappropriate, or sexually provocative language and behavior are prohibited among all company employees, associates, and representatives, including sub-contractors, suppliers, and local security personnel.

- f. The [contractors/ site project manager/ individual worker] will follow all reasonable work instructions (including regarding environmental and social norms).
- g. The [contractors/ site project manager/ individual worker] will protect and ensure proper use of property (for example, to prohibit theft, carelessness or waste).

This Code of Conduct will be integrated to the SEA/SH and VAC Prevention Code of Conduct and will be treated as an integral measure for promoting respectful behaviors.

I do hereby acknowledge that I have read the foregoing Contractor Code of Conduct, and on behalf of the company agree to comply with the standards contained therein. I understand my role and responsibilities to support the project's OHS and ESHS standards, and to prevent and respond to violent act, and SEA/SH and VAC.

I understand that any action inconsistent with this Company Code of Conduct or failure to act mandated by this Company Code of Conduct may result in disciplinary action.

Company name : _____

Signature : _____

Printed Name : _____

Title : _____

Date : _____

Annex 14. COVID 19/ Infectious Disease Prevention and Control (IPC) for Stakeholder Engagement and Field Works

1. Protocols for Stakeholder Engagement

The PIUs shall determine the specific channels of communication that should be used while conducting stakeholder consultation and engagement activities. The following are some considerations while selecting channels of communication, in light of the current COVID-19 situation:

- Conducting virtual meeting as much as possible and implementing physical distancing for direct meetings.
- If smaller meetings are permitted, conduct consultations in small-group sessions, such as focus group meetings. If not permitted, make all reasonable efforts to conduct meetings through online channels, including webex, zoom and skype.
- Diversify means of communication and rely more on social media and online channels. Where possible and appropriate, create dedicated online platforms and chatgroups appropriate for the purpose, based on the type and category of stakeholders.

Where direct engagement is necessary, these measures may be required:

- a. Planning and Preparation.** The PIUs will need to review project activities to confirm that projects are taking adequate precautions to prevent or minimize an outbreak of COVID-19. Suggestions on how to do this are set out below:
 - Identify and review planned activities under the project requiring direct stakeholder engagement, public consultations, and training activities.
 - Review the country COVID-19 spread situation in the project area, and the restrictions put in place by the government to contain virus spread.
 - Assess the level of proposed direct engagement with stakeholders, including location and size of proposed gatherings, frequency of engagement, categories of stakeholders (international, national, local).
 - Assess how restrictions that are in effect in the country and proposed area for direct engagement would affect these activities.
 - Coordinate and inform the local health agencies on proposed engagement, location, and number of participants.
 - Appoint a focal point in the PIUs who will be responsible for coordinating preparation of engagement activities and ensuring that the COVID-19 prevention measures are communicated to all participants. It is also advisable to designate co-focal point as back-up person; in case the main focal point becomes ill.
 - The result of these assessment should be taken into account by the PMO in identifying the appropriate COVID-19 prevention measures.
- b. Protocols for in-country travel.** The project is required to comply to the national health protocols for any travels.
- c. Protocols for attending face-to-face meetings**
 - Define and secure entry and exit points to the meeting room. Participants and trainers must be checked for body temperature before entering the room where only participants with a body temperature <37.5°C is allowed entry.
 - All participants and trainers will need to present a non-reactive rapid test result that was taken 2 (two) days before the meeting. Costs for the rapid test will be covered by the project.

- All participants and trainers are required to wash their hands with soap for at least 20 seconds or apply hand sanitizer with at least 70% of alcohol content before entering the meeting room.
- All participants and trainers must wear at least masks throughout the meeting and is required to bring their own eating utensils and praying mats.
- Committees will be required to communicate health protocols that are applied throughout the meeting.
- Always apply social distancing by sitting/standing 1 meter apart from each other during the event.
- Seats, tables, and microphones will need to be sanitized before the meeting.
- Food shall not be served in a buffet. Caterers will serve food directly to the participants.

2. Protocols for Field Works

- a. **Assigning focal point** in the PIUs who will be responsible for coordinating preparation on site and ensuring that the COVID-19 prevention measures are communicated to all project participants.
- b. **Assess workforce characteristics.** The PIUs will be required to assess the profile of the project participants, work activities and schedule, and external field workers who resides at home or lodges within the local community (if any). Where possible, vulnerable group of COVID-19 to also be identified, including elderly people and those with underlying health issues. This vulnerable group is more susceptible to contracting the COVID-19 during project implementation.
- c. **Adjust work practices** based on workforce assessments which may include:
 - Conducting virtual meeting as much as possible and implementing physical distancing for direct meetings and field works.
 - Decreasing the size of work teams and limiting the number of workers on site at any one time.
 - Provision of Personal Protective Equipment (PPE)¹⁷ to prevent COVID-19, using masks at minimum.
 - Continuing with the usual environmental and social management trainings, adding self-hygiene and COVID-19 related trainings as appropriate.
 - Assess the extent to which work schedule needs to be adjusted (or stopped) to reflect prudent work practices, potential exposure of both workers and the community and availability of supplies, taking into account Government advice and instructions.
- d. **Define enter and exit of project site and characteristic of commencement.** Possible measures may include:
 - Establishing a system for controlling entry/exit to the site, establishing and securing entry/exit points. Entry/exit to the site should be documented.
 - Training staff who will be monitoring entry to the site, providing them with the resources required to document entry of workers, conducting body temperature checks, and recording details of any worker or other parties that is denied for entry.
 - Confirming that workers are fit for work before they enter the site or start work by setting maximum body temperature allowed to enter site, checking and recording workers' temperatures or requiring self-reporting. Special attention should be given to vulnerable group of COVID-19.
 - Providing daily briefings to workers prior to commencing work, focusing on COVID-19 specific considerations including cough etiquette, hand hygiene and physical distancing measures, using demonstrations and participatory methods and remind workers to self-

¹⁷ For further information, refer to [WHO interim guidance on rational use of personal protective equipment \(PPE\) for COVID-19](#).

monitor for possible symptoms (fever, cough) and to report to their supervisor and the COVID-19 focal point if they have symptoms or are feeling unwell.

- Preventing workers coming from COVID-19 affected area or who has been in contact with an infected person from entering or returning to the site for 14 days or isolating such worker for 14 days. If a worker has symptoms of COVID-19 (e.g. fever, dry cough, fatigue) and/or tested positive, the worker should be removed immediately from work activities and isolated at home/transferred to the nearest health facilities.
- e. General hygiene** should be communicated and monitored, to include:
 - Training workers and staff on site on the signs and symptoms of COVID-19, how it is spread, how to protect themselves (including regular handwashing and social distancing) and what to do if they or other people have symptoms¹⁸.
 - Placing posters and signs around the site, with images and text in local languages.
 - Ensuring handwashing facilities supplied with soap, disposable paper towels and closed waste bins exist at key places throughout site, including at entrances/exits to work areas; where there is a toilet, food distribution, or provision of drinking water; at waste stations; at stores; and in common spaces. Alcohol based sanitizer (60-95% alcohol) can also be used.
- f. Regular cleaning and waste disposal.** Conduct regular and thorough cleaning of all site facilities and provide staff with adequate cleaning facilities (such as soap, hand sanitizers, disinfectants, etc.). Disposable PPEs and any medical waste produced during the care of ill workers should be collected safely in designated containers or bags and disposed of following relevant requirements (e.g., national, WHO). In the case where COVID-19 cases are found on site, extensive cleaning with high-alcohol content disinfectant should be undertaken in the area where the worker was present, prior to any further work being undertaken in that area. Tools used by the worker should be cleaned using disinfectant and PPE disposed of.
- g. Identify accessible local medical facilities.** Preparation for this includes:
 - Obtaining information on resources and capacity of local medical services and selecting which medical facilities to be referred to for specific level of illness.
 - Discuss with specific medical facilities, to agree what should be done in the event of ill workers needing to be referred, and method of transport for sick workers.
 - Establishing an agreed protocol for communications with local emergency/ medical services.
 - Agreeing with the local medical services/specific medical facilities the scope of services to be provided and the procedure for in-take of patients.
 - If testing for COVID-19 is available, worker suspected with COVID-19 should be tested on site. If a test is not available at site, the worker should be transported to the local health facilities to be tested (if available).
 - An emergency response procedure should also be prepared for when a worker ill with COVID-19 dies in coordination with relevant local authorities, including any reporting or other requirements under national law.
- h. Communication and contact with the community** should be carefully managed. The following good practice should be considered:
 - Communications should be clear, regular, based on fact and designed to be easily understood by community members through forms of communication other than face-to-face, posters, pamphlets, radio, text message, electronic meetings. The means used should take into account the ability of different members of the community to access

¹⁸ for further information see [WHO COVID-19 advice for the public](#).

them. Existing grievance redress mechanism should be utilized to manage feedbacks and grievances from the communities.

- The community should be made aware of all measures being implemented to limit contact between workers and the community, procedure for entry/exit to the site, the training being given to workers and the procedure that will be followed by the project if a worker becomes sick.
- If project representatives, contractors or workers are interacting with the community, they should practice social distancing and follow other COVID-19 guidance issued by relevant authorities, both national and international (e.g., WHO).

Annex 15. Public Consultation and Documentation

Public consultation, through workshops with key stakeholders, meeting with village/subdistrict heads, surveys, and focus group discussions have been conducted in 50 villages in four provinces namely North Sumatera Province, Riau Province, East Kalimantan and North Kalimantan Province. These forms of local consultation were streamlined with the development of protocol for mangrove rehabilitation, which will be used during project implementation to guide technical operations of Component 2 and inform Component 3.

At the Provincial level, a workshop was conducted on the initial site selection screening (using remote sensing data/GIS) and consulted to verify at district and village-level. The Workshop was conducted with BKDSA (Ministry of Environmental and Forestry office in each province of the four provinces), BRGM, Balai for fish management (Ministry of Fisheries and Marine Affairs), district-level environmental agency, district-level marine affairs and fisheries agency, enumerators, and facilitators. The details are provided as follows:

- a. Medan, 3 – 5 January 2022. Representatives from BRGM; KLHK, BPDASHL, and BPSPL Padang; Dinas Kehutanan/ the Forestry Agency of North Sumatra; Dinas Kehutanan/ the Forestry Agency of Riau; and World Bank.
Female: 7 people
- b. Balikpapan, 8 – 10 January 2022. Representatives from BRGM; KLHK, BPDASHL, and BPSPL Pontianak; and Dinas Kehutanan/ the Forestry Agency North and East Kalimantan; and World Bank.
Female: 10 people
- c. Pekanbaru, 15 January 2022. Representatives from BRGM; KLHK, BPDASHL, and BPSPL Padang; Dinas Kehutanan/ the Forestry Agency of North Sumatra; and Dinas Kehutanan/ the Forestry Agency of Riau; and the World Bank.
Female: 2 people
- d. Tarakan, 20 January 2022. Representatives from BRGM; KLHK, BPDASHL, and BPSPL Pontianak; and Dinas Kehutanan/ the Forestry Agency North Kalimantan and East Kalimantan; and the World Bank.
Female: 5 people

Field verification was performed to develop the site selection and the protocol for mangroves rehabilitation (*Pedoman Rehabilitasi Mangrove*), at provincial (above through workshops with stakeholders) and at village level including in:

- a. North Sumatera Province, in 15 villages:
 - Tanjung Rejo, Kec. Percut Sei Tuan, Kab. Deli Serdang.
 - Desa Sei Apung, Kec. Tanjung Balai, Kab. Asahan.
 - Desa Asahan Mati, Kec. Tanjung Balai, Kab. Asahan
 - Desa Bagan Asahan, Kec. Tanjung Balai, Kab. Asahan
 - Desa Kayu Besar, Kec. Bandar Khalipah, Kab. Serdang Bedagai
 - Desa Pantai Cermin Kiri, Kec. Pantai Cermin, Kab. Serdang Bedagai
 - Desa Kota Pari, Kec. Pantai Cermin, Kab. Serdang Bedagai
 - Desa Pulau Kampai, Kec. Pangkalan Susu, Kab. Langkat
 - Desa Pasar Rawa, Kec. Gebang, Kab. Langkat
 - Desa Sangga Lima, Kec. Gebang, Kab. Langkat
 - Kelurahan Paya Pasir, Kec. Medan Marelan, Kota Medan

- Kelurahan Labuhan Deli, Kec. Medan Marelan, Kota Medan
- Kelurahan Sicanang, Kec. Medan Belawan, Kota Medan
- Kelurahan Belawan I, Kec. Medan Marelan, Kota Medan
- Desa Hamparan Perak, Kec. Paluh Kurau, Kabupaten Deli Serdang

Total female participants: 11 people

b. Riau Province, in 14 villages:

- Desa Sungai Undan, Kecamatan Reteh, Kabupaten Indragiri Hilir
- Desa Seberang Pulau Kijang, Kecamatan Reteh, Kabupaten Indragiri Hilir
- Desa Tanjung Baru, Kecamatan Tanah Merah, Kabupaten Indragiri Hilir
- Desa Sungai Tanjung Baru, Kecamatan Tanah Merah, Kabupaten Indragiri Hilir
- Desa Tanjung Pasir, Kecamatan Tanah Merah, Kabupaten Indragiri Hilir
- Desa Kampung Baru, Kecamatan Tanah Merah, Kabupaten Indragiri Hilir
- Desa Sungai Kampung Baru, Kecamatan Concong, Kabupaten Indragiri Hilir
- Desa Concong Tengah (Air Bagi), Kecamatan Concong, Kabupaten Indragiri Hilir
- Desa Kampung Baru (Serumpun Jaya), Kecamatan Concong, Kabupaten Indragiri Hilir
- Desa Sungai Solok, Kec. Kuala Kampar, Kab. Pelalawan
- Desa Sungai Upih, Kec. Kuala Kampar, Kab. Pelalawan
- Desa Serapung, Kec. Kuala Kampar, Kab. Pelalawan
- Desa Tanjung Gadai, Kec. Tebing Tinggi, Kab. Kepulauan Meranti
- Desa Penyengat, Kec. Sungai Apit, Kab. Siak

Total female participants: 2 people

c. East Kalimantan Province, in 9 villages:

- Desa Biatan lempake, Kec. Biatan, Kab. Berau
- Desa Karang, Kec. Biatan, Kab. Berau
- Desa Pegat batumbuk, Kec. Pulau Derawan, Kab. Berau
- Desa Muara Pantuan, Kec. Anggana, Kab. Kutai Kertanegara
- Desa Tani Baru, Kec. Anggana, Kab. Kutai Kertanegara
- Desa Pasir Mayang, Kec. Kuaro, Kab. Paser
- Desa Ponding Baru, Kec. Kuaro, Kab. Paser
- Desa Gersik, Kec. Penajam, Kab. Paser Utara
- Desa Riko, Kec. Penajam, Kab. Paser Utara

Total female participants: 24 people

d. North Kalimantan Province, in 12 villages:

- Desa Sekatak Buji, Kec. Sekatak, Kab. Bulungan
- Desa Sajau Hilir, Kec. Tanjung Palas, Kab. Bulungan
- Desa Salim Batu, Kec. Tanjung Palas, Kab. Bulungan
- Desa Salim Batu, Kec. Tanjung Palas Tengah, Kab. Bulungan
- Desa Nunukan, Kec. Nunukan, Kab. Nunukan
- Desa Tanjung Harapan, Kec. Nunukan Selatan, Kab. Nunukan
- Desa Tepian, Kec. Sembakung, Kab. Nunukan
- Desa Sekaduyon Taka, Kec. Semenggaris, Kab. Nunukan
- Desa Tana Lia, Kec. Tana Lia, Kab. Tana Lia
- Desa Tana Lia, Kec. Tana Lia, Kab. Tanah Tidung

- Desa Tana Merah, Kec. Tana Lia, Kab. Tanah Tidung
- Desa Tias, Kec. Tias, Kab. Tias

Total female participants: 5 people

In all four provinces, land tenure issues and access to land claims of ownership are key concerns raised by stakeholders, including local governments, village-level governments, local communities, aquaculture owners and workers (across scales i.e., large-, medium, and small- aquaculture businesses and palm oils). As expressed by one of stakeholders we talked to, “if the government plants mangroves there, we (the land claimants) afraid that the government will reclaim the land ownership, because they plant something there and have access to (our) land.” *(to note, in some cases, the lands that they claim to be theirs are legally registered as state-forests).*

The Government representatives who present from BRGM and KLHK responded that there will be village level screening at each site during project implementation and this concern will be included and incorporated during social mapping at village level i.e., land claimants mapping. This concern has been incorporated into the design of the screening process i.e., in the protocol for site selection and rehabilitation of mangroves.

In all four provinces, there are hopes that livelihood components can bring economic and social benefits for the communities and to the village. This aspiration was expressed by the Governor of North Kalimantan, provincial-level stakeholders in four provinces, local communities, aquaculture fishers and seaweed fishers, women groups, village chiefs, and local community leaders.

Discussions on Component 2 brought certain expectations amongst local stakeholders. The government representatives responded that their aspirations will be conveyed and discussed with relevant parties in designing the component.

Table 28. Local Stakeholders’ Aspirations

Province	Key concerns	Institutions and groups that were consulted	Rehabilitation Methods	Regulatory Framework at district and village level related to mangrove rehabilitation and/or indigenous people’ land ownership/ right to use acknowledgment
North Kalimantan	<p>Tenurial Issues</p> <p>Traditional land/big business owners</p> <p>Forestry/ conservation areas</p> <p>Access to land claims of ownership and land use</p> <p>Benefits from livelihood activities, and if possible, directing toward</p>	<p>Governor of North Kalimantan and coastal land claimants/ owners of aquacultures/ KKSS (<i>Kerukunan Keluarga Sulawesi Selatan – association of South Sulawesi Family</i>) and Network of Aquaculture Owners in Tarakan.</p>	<p>Hydrology engineering at aquaculture ponds¹</p> <p>APO (wave breaker)²</p> <p>Natural regeneration</p> <p>Planting</p>	<p>Perda Kab. Nunukan No. 16, Tahun 2018 tentang Pemberdayaan Masyarakat Hukum Adat</p> <p>Perda Kab. Nunukan No. 28, Tahun 2003 tentang Pengelolaan Hutan Mangrove</p> <p>Desa Sekaduyan (village regulation)</p>

	sustainable/ more productive but ecologically friendly aquaculture-business model			Taka, Kec. Sei Menggaris, Kab. Nunukan, No. 4, Tahun 2021
East Kalimantan		<p>KKSS (<i>association of South Sulawesi Family</i>), Balikpapan authorities</p> <p>NGOs – Blue Forest</p> <p>CSOs</p> <p>Academics – Universitas Mulawarman</p> <p>Companies/ concession owners</p>		<p>Peraturan Gubernur Kalimantan Timur No. 1, Tahun 2019 tentang Pemberdayaan Masyarakat Adat</p> <p>Peraturan Desa (village regulation) Muara Pantuan Tahun 2021, Kec. Anggana, Kab. Kutai Kertanegara</p> <p>Regulations on mangrove management (Perda Balikpapan)</p>
North Sumatera	<p>Tenurial Issues</p> <p>Customary and communities versus corporation: oil palm and aquaculture concessions</p> <p>Many potential sites are quite remote, thus there will be issue with accessibility (and when needed mobility of heavy equipment and labor) for hydrological technique of mangrove restoration.</p>	<p>Customary People Association (Asosiasi Masyarakat Adat Sumatera Utara)</p> <p>NGOs</p> <p>CSOs</p> <p>Academics – Universitas Sumatera Utara</p> <p>Environmentaladvocates (e.g., Mango Bay)</p> <p>Companies</p>		<p>SK Menteri KLHK on Hutan Kemasyarakatan, Hutan Adat.</p> <p>Perda Kab. Humbang Hasundutan No. 3/2019 tentang Pengakuan dan Perlindungan Hukum Adat Pandumaan Sipituhuta.</p>
Riau	<p>There are concerns with the selection criteria to ensure project success: the Government should assess biophysically viable locations first, and then consider socioeconomic aspects.</p> <p>This point was raised due to several ‘fails’ attempt of rehabilitation of mangroves due to inappropriate selection</p>			<p>SK Menteri KLHK on Hutan Desa, Hutan Adat. Perda Provinsi Riau tentang Pedoman Pengakuan dan Perlindungan Hukum Adat dalam PPLH.</p>

	of location/ biophysical elements of the site.			
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The government representatives who were present in all workshops and meetings with stakeholders in 50 villages in four provinces emphasized that this stage is survey stage to develop the project design and thus there would be a follow-up consultation and socialization of the project in the future. The national-level public consultation has been held in Jakarta, on February 16th 2022. Complete report of the public consultation can be found below.

Mangrove for Coastal Resilience Program (M4CR) Public Consultation Report

1. Date and Modality of Delivery

Date of the Event:

February 16, 2022

Modality of Delivery:

This public consultation was carried out in hybrid modality (offline and online). The offline event was held at Angke Kapuk Mangrove Nature Tourism Park, North Jakarta, while the online event was held through Zoom, prepared by a third-party organizer (Event organizer, EO), and broadcasted live on the BRGM Youtube channel. The modality of delivery in detail are as follows:

- Offline : Multipurpose Room, Angke Kapuk Mangrove Nature Tourism Park, Jl. Garden House, Kamal Muara, Penjaringan, North Jakarta City, DKI Jakarta
(Location map: https://g.page/twa_mangrove?share)
- Online : Zoom (Meeting ID 952 3917 3012, password KPWB2022) and Youtube channel:
(<https://www.youtube.com/watch?v=72s7PGO1Mkw&t=817s>)

Indonesian – English translator and sign language interpreter were available during the event.

2. Attendance List from Governmental and Non-Governmental Institutions/Agencies (Non-Government Organizations/NGOs, Academicians)

Number of participants: 160 online participants and 39 offline participants attended.

A. Offline participants

Governmental Institutions/Agencies	Non-Governmental Institutions/Agencies
National Level: <ul style="list-style-type: none"> • Ministry of Finance • Ministry of Environment and Forestry • Mangrove and Peatland Restoration Agency • Indonesia Environmental Fund Board 	Media: Patriot.co.id Media Others: Pacto Convex Hatfield Indonesia
Sub-National Level: <ul style="list-style-type: none"> • Regional Secretary of Riau Province • East Kalimantan Provincial Forestry Agency • Riau Provincial Forestry Agency • North Sumatra Provincial Forestry Agency 	

B. Online participants via Zoom

Governmental Institutions/Agencies	Non-Governmental Institutions/Agencies
<p>National Level:</p> <ul style="list-style-type: none"> • Ministry of Villages, Development of Disadvantaged Regions, and Transmigration • Ministry of Home Affairs • Ministry of Finance • Ministry of Agrarian Affairs and Spatial Planning / National Land Agency • Coordinating Ministry for Maritime Affairs and Investment • Ministry of Environment and Forestry • Mangrove and Peatland Restoration Agency • Indonesia Environmental Fund Board 	<p>NGOs:</p> <ul style="list-style-type: none"> • Wetlands International Indonesia (<i>Yayasan Lahan Basah</i>, YLBA) • PeTA • Nature Conservancy (<i>Yayasan Konservasi Alam Nusantara</i>, YKAN) • Indonesian Forum for the Environment (<i>Wahana Lingkungan Hidup Indonesia</i>, WALHI) of North Sumatera <p>Academia:</p> <ul style="list-style-type: none"> • Faculty of Forestry and Environment, Bogor Agricultural Institute • Faculty of Forestry, Mulawarman University • Faculty of Forestry, University of North Sumatera
<p>Sub-National Level:</p> <ul style="list-style-type: none"> • Regional Development Planning Agency of East Kalimantan Province • Regional Development Planning Agency of North Sumatra Province • North Kalimantan Forestry Agency • East Kalimantan Forestry Agency • Riau Forestry Agency • North Penajam Paser District Fisheries Agency • Riau Environment Agency • East Kalimantan Marine and Fisheries Agency • Marine and Fisheries Affairs Agency of North Kalimantan Province • Public Works and Spatial Planning Agency of Nunukan District • Marine and Fisheries Affairs Agency of East Kalimantan 	

Governmental Institutions/Agencies	Non-Governmental Institutions/Agencies
<ul style="list-style-type: none"> • Marine and Fisheries Affairs Agency of North Kalimantan • Forest Management Unit/FMU (<i>Kesatuan Pengelolaan Hutan, KPH</i>) of Tana Tidung, North Kalimantan • Production Forest Management Unit/PFMU (<i>Kesatuan Pengelolaan Hutan Produksi, KPHP</i>) of West Berau KPHP, East Kalimantan • Central Berau PFMU, East Kalimantan • North Berau PFMU, East Kalimantan • Belayan Sub-watershed PFMU, East Kalimantan • Tarakan FMU, North Kalimantan Forestry Agency • Kendilo PFMU, East Kalimantan • Delta Mahakam PFMU, East Kalimantan • Bulungan FMU, North Kalimantan • Watershed and Protected Forest Area Management Board (<i>Balai Pengelolaan Daerah Aliran Sungai dan Hutan Lindung, BPDASHL</i>) of Mahakam Berau • Kahayan Watershed and Protected Forest Area Management Board (BPDASHL) • Public Works, Spatial Planning, Housing, and Settlement Area Agency (<i>Dinas Pekerjaan Umum, Penataan Ruang, Perumahan, dan Kawasan Permukiman, DPUPRPKP</i>) of Tana Tidung • Directorate General of Treasury (DGoT) • The Village Community Development and Empowerment Program (<i>Program Pembangunan dan Pemberdayaan Masyarakat Desa, P3MD</i>) of North Luwu • Telapak Territorial Agency (<i>Badan Teritorial, BT</i>) of Bengkulu 	

3. List of Master of Ceremonies and Presenters

- Master of Ceremony: Firdaus Ribuman, Public Relations Officer of the Ministry of Environment and Forestry (MoEF)
- Moderator: Ir. Cyprianus Nugroho Sulistyono, M.Sc, the Mangrove and Peatland Restoration Agency (*Badan Restorasi Gambut dan Mangrove*, BRGM)
- Opening Remarks:
 - a. The Director General of Watershed Management and Forest Rehabilitation (*Pengelolaan Daerah Aliran Sungai dan Rehabilitasi Hutan*, PDASRH), the MoEF, Mme. Dyah Murtiningsih
 - b. The Secretary of MPRA/BRGM, Mme. Ayu Dewi Utari
- Presentation of Component 1, Policy Strengthening and Coordination of Mangrove Ecosystem Management, and Blue Carbon Financing: Ir. Sri Handayaningsih, M.Sc, Secretary of the Directorate General of Watershed Management and Forest Rehabilitation (PDASRH), the MoEF
- Presentation of Component 2, Rehabilitation and Sustainable Management of Mangrove Landscape and Presentation of Component 3, Improving Livelihood Opportunities for Communities Living Around Mangrove Areas: Prof. Dr. Satyawan Pudyatmoko, S.Hut., M.Sc., Deputy for Planning and Evaluation of the Mangrove and Peatland Restoration Agency (MPRA/BRGM).
- Presentation on Environmental and Social Management: Muhammad Yusuf, S.Si., M.Sc., Head of the Participation and Partnership Working Group of the Mangrove and Peatland Restoration Agency (MPRA/BRGM).

4. Questions and Responses to the Project and Responses from Government

- a. More comprehensive multi-stakeholder participation in the project i.e., national agencies, provincial governments, fieldwork units/FMUs, village governments, and local communities.
 - The involvement of the village as a subject is important. The success of mangrove planting is very much determined by the perception and commitment of the community (farmers/fishers) in the forest area, and this requires a process of unifying these perceptions and commitments in order to avoid project-oriented planting.
 - The project shall involve FMUs and communities at the provincial and village levels in carrying out sustainable rehabilitation project. FMUs have an important role in the field later on, and it will be involved in the implementation. Further coordination will be carried out.
 - The project shall involve Village Government, in accordance with the mandate of Village Law that all programs located in the village are not only acting as objects but acting as subjects or actors of this mangrove program. This will also be one of solution when the project ends, the Village (Village Government), can plan a budget for the sustainability of project in APBDES (*Anggaran Pendapatan dan Belanja Desa*).
In the previous year, there was also a pilot program in Villages, i.e., the Mangrove Stewardship Villages (*Desa Mandiri Peduli Mangrove*) as an integral part of the village development program and also capacity building program to make legal products, in this case Village Regulations. This pilot program will be continued in coordination with the

Ministry of Villages, Development of Disadvantaged Regions for more clarity in terms of its institutions.

Villages, including village government and communities, are important subjects in this project. So that their involvement will always be sought after, including in the selection and implementation of activities

- The rehabilitation project will be carried out along with the development of livelihoods improvement opportunities in the planting areas.
 - The landscape approach of the project is not only at the physical level (forest), but also synergizes the interests of various parties.
 - The project shall consider the involvement of the community and business owners related to the formulation of Policies related to Mangrove Rehabilitation. Likewise, this project is expected to assist the local government in developing policies not only in terms of rehabilitation but also protection of mangroves.
- b. Implementation of mangrove rehabilitation project and its sustainability
- The National Mangrove Rehabilitation Acceleration Roadmap (2021 – 2030) will provide macro direction related to mangrove rehabilitation (along with the MoEF, the Coordinating Ministry for Maritime Affairs and Investment, the Ministry of Marine and Fisheries Affairs (KKP) and Bappenas). This roadmap also includes a milestone that is expected to be achieved in the next few years (2030). Related to this, there are other potential sources of funding: the Borrow-to-Use Forestry Permit (Izin Pinjam Pakai Kawasan Hutan, IPPKH) (rehabilitation obligations for those who borrow forest land) or other investors (especially for land that is far from the community, so it is difficult to maintain). This roadmap will be evaluated this year and re-evaluated next year.
- c. Transfer to sub-national governments and tenurial issues
- The implementation of Safeguard in East Kalimantan needs to be maximized because there are many tenurial issues and social conflicts, both regarding planting and post-planting. An active role of FMUs and cooperation at the site level are needed.
 - This project will include P0, P1 and P2. In the meantime, this includes preparation of seed production in several area at the project level.
- d. Consideration of the political economy and social contract
- Mangrove planting inactive pond areas tends to fail because hydrologically the mangroves do not experience tides according to their habitat.

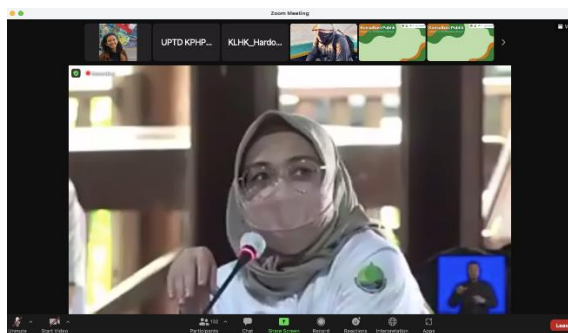
5. Key Issues and Concerns

- a. Project planning to develop a sustainable strategy for maintaining and strengthening mangrove or the exit strategy, including which party will be responsible after the project is completed in 2024.
- b. The village government and the community as subject/project implementers, not as objects.
- c. Inclusive and participatory participation from relevant parties both at the central level (Ministry of Villages, Development of Disadvantaged Regions, and Transmigration, Ministry of Public Works and Housing) and at the regional level (FMUs, community, village government, business

owners that use mangrove land such as aquaculture ponds or wood mills/charcoal factories “*panglong*”)

- d. The role of Sub-National Governments in the formulation of policies related to mangroves.
- e. Further explanation of institutional arrangements at both national and local levels.
- f. Establishment of a livelihood development strategy that goes along with planting, strengthening and maintaining mangroves.
- g. Further discussion on national and local level policies as the basis of mangrove protection.
- h. Tenurial issues and potential social conflicts regarding ownership and use of mangrove land to be embedded in the design and be implemented.

6. Snapshots





7. Written Feedback from Broader Public, NGO, CSO, Academic Institutions and Private Sectors.

Following the public consultation on 16 February 2022, PIU put additional effort to engage the broader public by disclosing an invitation to the public for providing written feedback to the project. The invitation was disclosed by Friday, 18 February evening in BRGM's website and was closed by 24 February at 3 pm Jakarta time. This invitation was broadcasted through BRGM social media accounts. The project received three written feedback from academic institution and NGO, as detail below:

- The rehabilitation and preservation of mangroves are some of the embodiments of the global climate change agreement in the Paris Agreement. In addition to mangrove forests being a carbon sink, mangrove forests are also able to withstand abrasion and for tourism activities. However, mangroves have also been a source of livelihood for the community, for example being processed into firewood or even converted into ponds and settlements. Then, how to choose alternative use of mangrove landscape? One of them is through sustainable development.

The sustainable development of mangroves can be started with an assessment or valuation of the types of mangrove benefits. Prof. Emil Salim underlined that the assessment and use of resources must consider 3 things (triple bottom line), namely economic benefits, social benefits, and environmental benefits. Another way is to use the method of transport costs (travel cost) and contingency assessment (contingency approach). AMDAL requirements and various regulations regarding environmental sustainability also need to be fulfilled so that the mainstreaming of sustainable development can be maintained.

Some examples of sustainable development actions include:

- Indonesian Natural Dye Institute (INDI) UGM helps the people of Kampung Laut in Cilacap to identify the potential of mangroves as a source of natural dyes, introduces selective logging methods to maintain mangrove ecosystem sustainability, while also supporting the community as a livelihood source.
- Mangrove-based Local Economic Development Strategy in the form of ecotourism has backward linkages with community activities (preserving mangroves, fish production, and others) as well as forward linkages (producing products from processed mangroves in a sustainable manner), and other activities supporting tourism itself.
- Inclusive development and supporting independent learning campuses, with the initial step in the form of program socialization must be done so that there are no differences in the vision and mission of the community around the mangroves. Furthermore, the participation of the campus community to add energy and new perspectives in mangrove management shall be included.

- The principle of Zero Waste – Circular Economy to ensure that economic activities do not cause waste nor the rest of the production process is poorly managed.
- Large-scale mapping will support mangrove rehabilitation activities by providing historical and current data related to all mangrove conditions. The mapping will provide macro and micro data. The data collected will be used to make further decisions and policies. Monitoring will be carried out using instruments that will be connected to a web-based dashboard to support data needs for users and related stakeholders. The mangrove digital map platform will control the entire mangrove area on a global scale providing important information for countries and policy makers. Furthermore, the presence of a real-time monitoring dashboard will provide supporting data for coastal communities who are developing conservation and restoration in understanding the dynamics at a local scale for conservation and restoration efforts.
- The project should have detailed indicators, especially to ensure that mangroves and the capacity development of local communities that will be provided can run in a sustainable manner. In addition, an analysis of the condition of the ecosystem is needed at an early stage. Project success can also be achieved by implementing a two-way communication function (either through “*musrembang*”, or existing district-level discussions) by prioritizing and sharpening the needs of coastal communities, so that post-project implementation continues to have an impact and runs in a sustainable manner. In addition, a clear flow is needed to assist transparency in project management.