

Ministry of Finance of the Republic of Indonesia
Indonesia Disaster Risk Finance Pooling Fund Project
(IndoRISK Project)

ENVIRONMENTAL and SOCIAL
COMMITMENT PLAN (ESCP)

November 2020

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. MOF is responsible for the overall compliance with all requirements and actions outlined in the Environmental and Social Commitment Plan (ESCP). The ESCP sets out material measures and actions, any specific documents or plans, as well as the timing for each of these.
2. MOF will implement material measures and actions so that the Project is implemented in accordance with the World Bank Environmental and Social Standards (ESSs) as referred to in this ESCP. These include the implementation of a Stakeholder Engagement Plan (SEP), the establishment and operationalization of an Environmental and Social Management System (ESMS), regular reporting of environmental and social management of the funds, including post-audits and other actions specified in the ESCP. Once established and fully functional, the Pooling Fund for Disasters (*Pooling Fund Bencana* or hereafter PFB) will take these roles and responsibilities through its ESMS. This includes ensuring that fund channels and recipients adhere to the ESSs applicable to the project.
3. Implementation of the material measures and actions set out in this ESCP will be monitored and reported to the Bank by MOF as required by the ESCP and the conditions of the legal agreement, and the Bank will monitor and assess progress and completion of the material measures and actions throughout implementation of the Project.
4. As agreed by the Bank and MOF, this ESCP may be revised from time to time during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances or in response to assessment of Project performance conducted under the ESCP itself. In such circumstances, MOF will agree to the changes with the Bank and will update the ESCP to reflect such changes. Agreement on changes to the ESCP will be documented through the exchange of letters signed between the Bank and the MOF. The MOF will promptly disclose the updated ESCP.
5. Where Project changes, unforeseen circumstances, or Project performance result in changes to the risks and impacts during Project implementation, the MOF shall provide additional funds, if needed, to implement actions and measures to address such risks and impacts which may include environmental, health and safety, labor and working conditions, stakeholder engagement, Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH).

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
MONITORING AND REPORTING			
A	<p>REGULAR REPORTING</p> <p>Prepare and submit to the Bank six-monthly monitoring reports on the status of implementation of actions outlined in the ESCP, including establishment of an ESMS, ESSs compliance monitoring for activities funded by the Bank's proceeds, implementation of stakeholder engagement activities, functioning of the project and PFB's feedback and grievance mechanism(s), E&S institutional capacity strengthening to channel and recipient entities, etc.</p>	Six-monthly throughout project implementation as part of the project progress reports	Project Management Unit (PMU) (BKF / PFB BLU)
B	<p>INCIDENTS AND ACCIDENTS</p> <p>Promptly notify the Bank of any incident or accident related to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers. Provide sufficient detail regarding the incident or accident, indicating immediate measures taken or that are planned to be taken to address it, and any information provided by any contractor and supervising entity, as appropriate. Subsequently, as per the Bank's request, prepare a report on the incident or accident and propose any measures to prevent its recurrence.</p>	48 hours following incident and accident identification and/or reporting	PMU (BKF / PFB BLU)
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ENVIRONMENTAL AND SOCIAL MANAGEMENT</p> <p>Procurement of a consulting firm to support the E&S management and establishment of ESMS within the PFB as per the agreed Terms of Reference (ToR)</p>	Following loan effectiveness at the latest	PMU (BKF / PFB BLU)
1.2	<p>ORGANIZATIONAL STRUCTURE</p> <p>Establish and maintain an organizational structure with qualified staff, a government focal point, a representative of the senior management within MOF to have overall accountability for environmental and social performance and resources to support the establishment and operationalization of the ESMS.</p>	<p>An Environmental and Social focal point and a representative of the senior management within MOF to be appointed prior to loan effectiveness.</p> <p>ESMS consulting team to be recruited following loan effectiveness or sooner</p>	PMU (BKF / PFB BLU)

1.3	<p>MANAGEMENT TOOLS AND INSTRUMENTS</p> <p>Establish ESMS procedures for the PFB integrating relevant procedures for screening, upstream institutional strengthening measures, risk oversight, a feedback and grievance redress mechanism (FRGM), stakeholder engagement and an ex-post environmental and social audit as per an agreed Terms of Reference (ToR) of the ESMS.</p> <p>The ESMS is considered adopted following completion of these indicators:</p> <ol style="list-style-type: none"> Clearance has been obtained from the World Bank; Any revisions of and/or issuance of legal frameworks, agreements and administrative decisions where relevant for the implementation of the ESMS are completed; The institutional arrangement within the BLU for implementing the ESMS, including adequate staffing and resources as per-the ToR are found satisfactorily to the Bank; The PFB adopts the ESMS as part of its operational requirements and is responsible for the management and oversight of ESMS implementation. 	<p>The development of ESMS follow a phased approach, prioritizing the management system for low and moderate risk activities. The PFB may finance low to moderate risk activities during the first years of PFB establishment as soon as the management system and staffing capacity for low and moderate risk activities are available, while the development of the management system and staffing capacity for substantial and high risk activities are underway.</p> <p>The full ESMS, including procedures for managing the impacts of substantial and high-risk activities, is established and adopted in Year 3 of project implementation.</p> <p>(Refer Annex VI of the TOR ESMS on the ESMS Sequencing Matrix)</p>	PMU (BKF / PFB BLU)
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>LABOR MANAGEMENT PROCEDURES</p> <p>A Labor Management Procedure (LMP) for PMU staff and consultants.</p>	Prior to assignment of staff and/or recruitment of consultants for the PMU	PMU (BKF / PFB BLU)
2.2	<p>Prepare a Labor Management Procedure (LMP) as part of the ESMS guiding management of risks related to labor and working conditions for project workers (i.e. MOF staff in charge of the project, PMU, PFB staff, consultants, government secondees and personnel financed by the project).</p>	LMP will be part of the draft ESMS development during the first year of BLU establishment	PMU (BKF / PFB BLU)
2.3	<p>FEEDBACK AND GRIEVANCE REDRESS MECHANISM FOR PROJECT WORKERS</p> <p>Establish a FGRM for project workers as part of the LMP.</p>	<p>Prior to loan effectiveness</p> <p>LMP to be updated, adopted and implemented during project implementation.</p>	PMU (BKF / PFB BLU)

2.4	<p>OCCUPATIONAL HEALTH AND SAFETY (OHS) MEASURES</p> <p>Integrate relevant OHS provisions under ESS2 into the ESMS.</p>	<p>OHS measures will be part of the draft ESMS development during the first year of BLU establishment.</p> <p>ESMS to be maintained and updated throughout project implementation.</p>	PMU (BKF / PFB BLU)
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	<p>E-WASTE MANAGEMENT PLAN</p> <p>Prepare, adopt, and implement an E-Waste Management Plan.</p>	<p>E Waste Management plan will be part of the draft ESMS development during the first year of BLU establishment.</p> <p>ESMS to be maintained and updated throughout project implementation.</p>	PMU (BKF / PFB BLU)
3.2	<p>RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</p> <p>ESMS screening procedures, mitigation measures, selection and monitoring and evaluation will ensure that the fund proceeds will not be used for activities that cause pollution and inefficiency of resources. The ESMS will include this aspect.</p>	<p>Screening will be part of the draft ESMS development during the first year of BLU establishment.</p> <p>ESMS to be maintained and updated throughout project implementation.</p>	PMU (BKF / PFB BLU)
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	<p>COMMUNITY HEALTH AND SAFETY</p> <p>Integrate community health and safety aspects, including monitoring and reporting, into relevant procedures in the ESMS.</p>	<p>Community Health and Safety aspects will be part of the draft ESMS procedures during the first year of BLU establishment.</p> <p>ESMS to be maintained and updated throughout project implementation.</p>	PMU (BKF / PFB BLU)
4.3	<p>SEXUAL EXPLOITATION AND ABUSE AND SEXUAL HARASSMENT (SEA/SH)</p> <p>Integrate relevant SEA/SH reporting and monitoring into the ESMS based on the Bank's Good Practice Note.</p>	<p>SEA/SH reporting will be part of the draft ESMS development during the first year of BLU establishment.</p> <p>ESMS to be maintained and updated throughout project implementation.</p>	PMU (BKF / PFB BLU)
4.4	Facilitate SEA/SH sensitization and awareness raising to fund recipient entities	Following ESMS establishment and	PMU (BKF / PFB BLU)

	as part of the upstream capacity building for fund recipients within the scope of the ESMS	maintained during project implementation.	
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
5.1	<p>LAND ACQUISITION AND RESETTLEMENT PLANNING FRAMEWORK (LARPF) AND PROCESS FRAMEWORK (PF)</p> <p>Integrate LARPF and PF into ESMS procedures to guide management of risks and impacts contemplated under ESS5 for pre- and post-disaster investments financed by the PFB. Monitor implementation of LARPF and/or PF by fund channels and recipients where relevant.</p>	<p>LARPF and PF will be part of the draft ESMS development during the first year of BLU establishment.</p> <p>ESMS to be maintained and updated throughout project implementation.</p>	PMU (BKF / PFB BLU)
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
6.1	<p>BIODIVERSITY RISKS AND IMPACTS</p> <p>A screening mechanism, mitigation measures, monitoring and evaluation to ensure no significant conversion or degradation to natural habitats and biodiversity from the proposed activities are incorporated into the ESMS, to be included into ESMS's TOR</p>	<p>Screening will be part of the draft ESMS development during the first year of BLU establishment.</p> <p>ESMS to be maintained and updated throughout project implementation.</p>	PMU (BKF / PFB BLU)
ESS 7: INDIGENOUS PEOPLES			
7.1	<p>INDIGENOUS PEOPLES PLANNING FRAMEWORK (IPPF)</p> <p>Integrate IPPF into ESMS procedures to guide management of risks and impacts contemplated under ESS7 for pre- and post-disaster investments financed by the PFB. Monitor implementation of IPPF by fund recipients where relevant.</p>	<p>IPPF will be part of the draft ESMS development during the first year of BLU establishment.</p> <p>ESMS to be maintained and updated throughout project implementation.</p>	PMU (BKF / PFB BLU)
ESS 8: CULTURAL HERITAGE			

8.1	<p>CHANCE FINDS</p> <p>Integrate a chance find procedure and post-disaster cultural heritage restoration principles into ESMS procedures to guide management of risks and impacts contemplated under ESS8 for pre and post-disaster investments financed by PFB. Monitor implementation of these procedures by fund recipients where relevant.</p>	<p>Cultural Heritage procedures will be part of the draft ESMS development during the first year of BLU establishment.</p> <p>ESMS to be maintained and updated throughout project implementation.</p>	PMU (BKF / PFB BLU)
ESS 9: FINANCIAL INTERMEDIARIES			
9.1	<p>ESMS</p> <p>Implement, update and adopt the ESMS to meet the ESS9 requirements, including ensuring organizational capacity, competency and resources are available following the roll out of PFB. Relevant indicators for ESMS adoption are outlined under ESS1.</p>	Following PFB roll-out (to be maintained and updated during project implementation).	PMU (BKF / PFB BLU)
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	<p>STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION</p> <p>Update, adopt, and implement Stakeholder Engagement Plan (SEP).</p>	Throughout project implementation.	PMU (BKF / PFB BLU)
10.2	<p>PROJECT GRIEVANCE MECHANISM</p> <p>Integrate, maintain, operate a grievance mechanism into the ESMS, as described in the SEP.</p>	Throughout project implementation.	PMU (BKF / PFB BLU)
CAPACITY SUPPORT (TRAINING)			
CS1	<p>Develop an institutional capacity building program on ESSs as part of the ESMS deliverables to fund channel and recipient entities. Topics include relevant provisions under ESS1, ESS2, ESS3, ESS4, ESS5, ESS6, ESS7, ESS8, ESS10. Thematic workshops may be considered based on needs and relevance.</p>	Following PFB roll out, maintained during project implementation.	MOF PMU (BKF / PFB BLU) with the World Bank support