TERMS OF REFERENCE

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS) DEVELOPMENT

AND ENVIRONMENTAL AND SOCIAL MANAGEMENT FOR INDONESIA DISASTER RISK FINANCE POOLING FUND PROJECT (INDORISK PROJECT)

FISCAL POLICY AGENCY

THE MINISTRY OF FINANCE OF THE REPUBLIC OF INDONESIA

November 2020

A. BACKGROUND

Located in the Pacific Ring of Fire with 127 active volcanoes, Indonesia experiences frequent earthquakes and tsunamis, as well as floods. Between 2007 and 2018, recorded disaster events caused the loss of 7,375 lives and displaced 55,000,000 people,[1] with annual economic losses of approximately US$2.2 to US$3 billion[2] (equivalent to 0.2-0.3% of 2018 GDP). Subnational impacts can be much more severe, with damages from past events reaching up to 50% of provincial GDP. Earthquake risk is particularly high, with around 80 percent of the country located in earthquake-prone areas.[3] It is expected that by 2055, approximately 64 percent of Indonesia's population will be living in earthquake hazard zones, up from 53 percent in 2016, with the largest increase in exposure across Java island.[4] The poor and vulnerable often bear the brunt of disaster impacts as they tend to live in hazard areas, lack access to basic services, and have limited access to financial resources and assets to cope with the aftermath.[5]

Before 2019, the Government relied only on the national state budget and international assistance to cover disaster losses. According to the National Disaster Risk Financing and Insurance Strategy, from 2005-2017 the government on average each year set aside IDR 3.1 trillion (US$219 million) in a contingent budget lines for disasters. This has proven insufficient for the estimated average annual economic cost of IDR 22.8 trillion (US$1.6 billion), leading to an estimated post-disaster funding gap of IDR 19.75 trillion (US$1.4 billion). Major events can significantly exceed this, as the catastrophic earthquakes in 2018 in West Nusa Tenggara (July to August), earthquake and tsunami in Central Sulawesi (September) and tsunami along Sunda Strait (December) show. Budget reallocations responding to unforeseen disasters can impede the achievement of development targets and slow down rehabilitation.

From 2015 to 2018 the central government spent every year between US$400 and US$900 million (0.03-0.09 percent of GDP) on disaster response and reconstruction.[6] This includes spending on disaster-related and emergency response, social support, housing reconstruction, and rehabilitating or reconstructing public infrastructure. Examples of such spending cover both pre- and post-disaster activities. Pre-disaster activities include awareness raising, capacity building, early warning system, emergency preparedness, data management and storage, and fire prevention programs. Post-disaster activities include evacuation and rescue, emergency supports, fire suppression, cash transfer for social assistance program, provisions of health services equipment and management, civil works for reconstruction and rehabilitation and structural strengthening, cash for works in villages, and land rehabilitation. Disaster-related spending is likely to increase further with climate change and more frequent disasters, placing an increasing burden on public expenditure. Therefore, financial preparedness for disasters, climate shocks, and other crises such as health shocks is increasingly important to protect Indonesia's development gains and economy.

[1] Based on EM-DAT 2018 and BNPB data.

[2] National Disaster Management Authority, Head of Data and Information, 2018; and World Bank/GFDRR 2012. ASEAN.

[3] National Disaster Management Authority, Director of Disaster Risk Reduction on Safe School Program, 2016

[4] World Bank. 2018. Review and Analysis of Indonesian Cities' Exposure to Disaster Risk

[5] World Bank. 2017. Unbreakable: Building the Resilience of the Poor in the Face of Natural Disasters.

[6] *Analysis carried out by the team of government expenditure 2015-2018. Forthcoming.*

Responding to this challenge, the Government of Indonesia launched its National Disaster Risk Financing and Insurance (DRFI) strategy during the WB-IMF Annual Meetings in October 2018 under the leadership of the Minister of Finance and the Vice President. The overarching mission of the strategy is to protect state finances and the population through sustainable and efficient risk financing mechanisms that meet disaster-related expenditures in a planned and timely manner, and that deliver well-targeted and transparent assistance following shocks. The strategy brings together key government priorities including to protect the state budget through establishing a dedicated budgetary mechanism.

The Pooling Fund Bencana (PFB) is the most critical activity of the implementation of the Government's DRFI strategy. To protect the state budget, the Government decided to develop a dedicated disaster reserve fund (a 'pooling fund') to improve overall coordination and governance of disaster expenditures (including international assistance). The PFB is expected to help improve disaster financing by (i) enabling the Government to accrue unspent budget allocations for disaster response for future years and build reserves; (ii) improving efficiency in the use of funds from the state budget for all phases of disaster expenditures through improved up front planning and budgeting; (iii) leveraging additional financial instruments by linking them directly to the PFB PFB with clear and pre-agreed operating procedures; (iv) connecting the PFB to clear pre-arranged disbursement channels and rules, thereby increasing speed and transparency of post- disaster spending and providing predictability to implementing agencies on the availability of funds; and (v) increasing the ability to link risk financing to incentives and activities for all phases of disaster risk management, including preparedness and prevention.

The Indonesia Disaster Risk Finance Pooling Fund (or hereafter IndoRISK Project) seeks to support Indonesia in establishing a disaster pooling fund overseen by the Ministry of Finance[7].

B. PROJECT DESCRIPTION

The IndoRISK Project will strengthen the financial and fiscal resilience of the Government of Indonesia to natural disasters and health-related shocks. This will be achieved by supporting the establishment of a PFB and by assisting the Government of Indonesia to improve its capacity for an effective implementation of the National DRFI Strategy.

A unit operating as a public service agency (*Badan Layanan Umum* or BLU) under the supervision of the Ministry of Finance will be assigned to manage the PFB. BLU model is expected to enable some flexibility in financial and non-financial management. Such flexibility would allow the PFB to: i) accumulate budget surpluses across multiple fiscal years; ii) design and implement its own governance structure to ensure the fund is managed appropriately and according to international standards; iii) recruit staff and

[7] The Pooling Fund will serve as a self-insurance mechanism for the Government of Indonesia. It will receive budget funding, develop a risk financing strategy to ensure it can meet all expenditures even in years with catastrophic disaster events, and then work with implementing agencies to establish different post-disaster compensation through which its funding will be disbursed (building on the model of self-insurance funds in Australia and Mexico). This is a fundamentally different operating model from existing regional risk pools which operate as insurance companies offering specific parametric insurance products, such as the Southeast Asia Disaster Risk Insurance Facility (SEADRIF), the Caribbean Catastrophe Risk Insurance Facility (CCRIF) or the Pacific Catastrophe Risk Insurance Company (PCRIC).

consultants with the required expertise to meet the varying and complex needs of the PFB; and iv) procure goods and services appropriate to its needs, including the purchase of insurance / reinsurance protection for the fund as part of a broader risk financing strategy as well as receive payout directly from the insurance companies.

The Project is being supported by the World Bank and structured around three activities: (1) the first activity will strengthen fiscal resilience by establishing and capitalizing the PFB, including the development of ESMS; (2) the second activity will improve disaster expenditure by building the systems linking this new PFB to key ministries; and (3) the third activity will enhance the capacity and systems of the PFB a Trust Fund grant.

C. ENVIRONMENTAL AND SOCIAL RISK ASSESSMENT

The environmental and social risk: Risks were determined on account of potential risk of future activities financed by the PFB. The risk rating also factors environmental and social aspects common in disaster-related contexts. These include issues particularly related to environmental management (i.e. debris management, reconstruction and rehabilitation), social inclusion, equitable access to assistance, Occupational Health and Safety (OHS), community health and safety (i.e. exposure to diseases, debris removal, demolition, civil works, etc.), relocation of disaster displaced people, including pre-emptive relocation, land acquisition, impacts on Indigenous Peoples, etc.

Activities to be supported by PFB will range from low to high risk activities. Project typologies include pre-disaster activities (e.g. preparedness, early warning system, management and storage, fire prevention, awareness raising and capacity building) and post-disaster actitivites (e.g. evacuation and rescue, fire suppression, cash transfer for social assistance program, provisions of health services equipment and management, cash for works in villages, land rehabilitation, emergency responses, rehabilitation and reconstruction of infrastruture, housing and settlement or resettlement).

Typical substantial to high risk activities may include infrastructure rehabilitation and reconstruction. Generally, risks associated with these activities include displaced people, land acquisition, land expropriation and/or land use restrictions, loss of land ownership/rights and assets, livelihoods impacts; inequitable/disproportionate impacts on vulnerable groups; conflict between resettled and host communities; as well as risks associated with the large and diverse workforce including poor working conditions occupational health and safety, child labor, labor influx and GBV issues associated diverse workforce. Environmental impacts may include disposal of non-hazardous and hazardous wastes; deterioration of water bodies; temporary increased noise, fugitive dust and mobile emissions; soil erosion and runoff from excavations and disposal of spoils; use of excessive raw materials, water, and energy; loss of vegetation; social disturbance of traffic safety and mobility disruptions. Annex V provides more detailed explanations of different typologies and their respective risk level and impacts.

An ESMS will be established to manage environmental and social risks and impacts associated with pre- and post-disaster activities supported by the PFB. The ESMS will be developed based on the World Bank Environmental and Social Standards (ESSs).

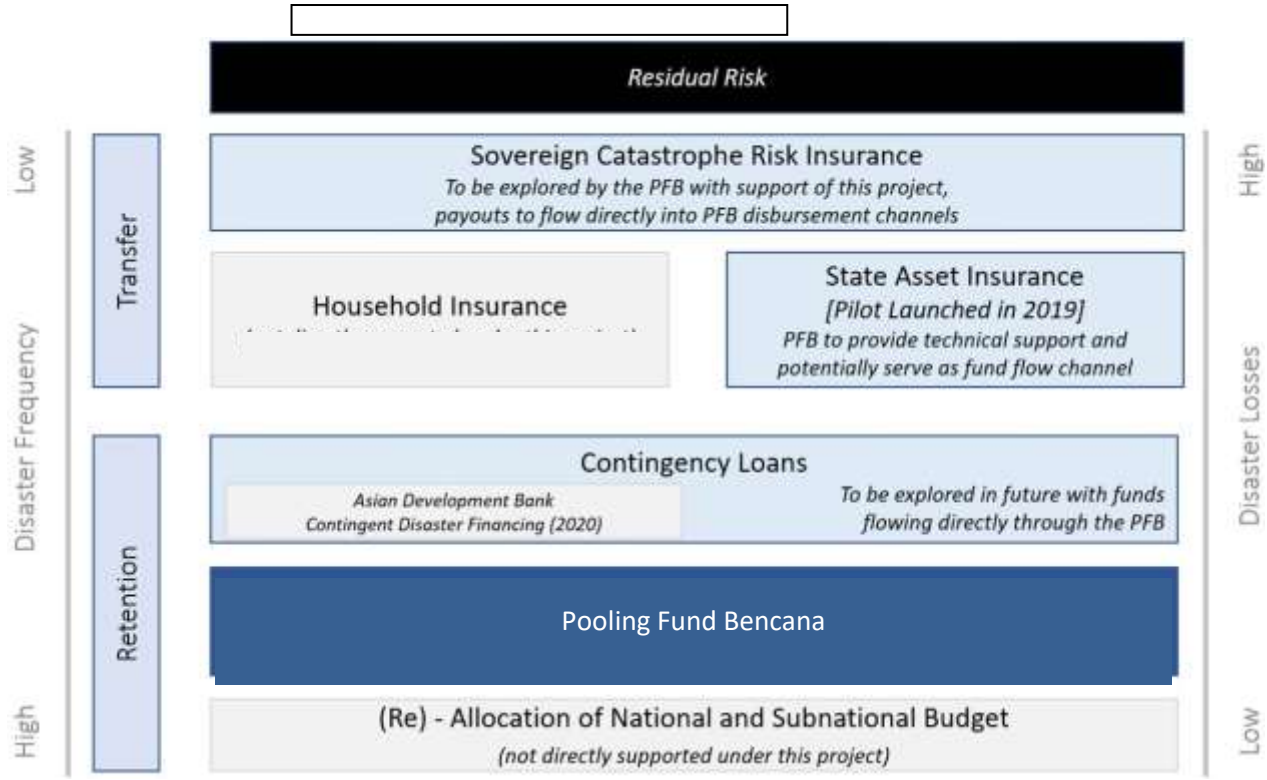
The World Bank ESS9 on Financial Intermediary applies due to the fund management nature of the PFB. The ESMS to be developed by the PFB's BLU will apply to all activities to be supported by the PFB regardless the sources of fund. The ESMS will set out the arrangements for tracing the fund utilization to the final beneficiary. Indicative typology of activities / eligible expenditures for some recipients are available in ESMS's TOR Annex IV.A and Annex V that contains a checklist (and example of activities risk) to identify potential E&S risks and impacts to environmental activities such as air, water, soil, flora fauna and social aspects as mentioned above from typical activities during pre-disasters and post disasters events.

D. ROADMAP AND MILESTONES

To strengthen financial resilience, Indonesia formally launched its National Disaster Risk Finance and Insurance (DRFI) Strategy during the WB-IMF Annual Meetings in October 2018, under the leadership of the Minister of Finance and the Vice President.[8] Its overarching mission is to protect state finances and the population through sustainable and efficient risk financing mechanisms that meet disaster-related expenditures in a planned and timely manner, and that deliver well-targeted and transparent assistance following shocks. **Figure 1** shows the target risk layering as set out in the strategy, including the PFB as the central reform. This Strategy is well embedded in the overarching government reforms on building fiscal, physical, and social resilience, which are outlined in the recently approved National Medium-Term Development Plan (RPJMN) for 2020–2024, to be implemented through the government work plan (RKP) and the state budget (APBN).

[8] The strategy was prepared over the course of 2018 with close technical support by the World Bank.

Figure 1: Target risk layering arrangement as set out in the national DRFI Strategy, including the PFBPFB



Source: Project Document Appraisal, 2020

The roadmap on the implementation of the DRFI Strategy sets out the actions to be implemented by the Government in the short and mid-term. This Roadmap was prepared based on priorities considering risks, characteristics of disasters, and stakeholders' readiness.

Table 1: DRFI Roadmap

Timeframe	Action Programs	Activities
Short-term (2018 – 2019)	Strengthening the Policy Framework	1. Formulation of DRFI Strategy 2. DRFI Strategy in the 2019 Budget document (Macroeconomics - Fiscal Policy/ KEM-PPKF)
	Public Asset Insurance Implementation	Insurance of Ministry of Finance's assets (pilot project)
	Strengthening the Existing Risk Transfers Scheme Including Broaden the Scope	Review of the existing Agriculture Insurance scheme

	Feasibility Study on Pooling Fund	An assessment on the pooling fund institutional model
	Explore Appropriate International Instruments	Understanding MDBs financing facilities for disaster (workshop, etc.)
	DRFI Education (Law Enforcements, Parliament, Line Ministries, Sub National Governments)	Various seminars, workshops, focus group discussions (FGDs)
Medium-term 2020-2023	Preparation and Establishment of the Pooling Fund	A. Formulation of the Presidential Decree on Pooling Fund B. Minister of Finance assigns an existing BLU under MoF to manage the pooling fund
	Explore New Financing Schemes	a USD 500 million ADB-Contingent Disaster Financing is approved
	Increasing Sub National Government Role (Cost-sharing) in Disaster Risk Financing	Formulation of sub-national contribution scheme(s) in the pooling fund
	Explore Pre-arranged Disbursement Channels	Formulation of pre-arranged disbursement rules for the pooling fund
	Improving Fiscal and Budget Management	Investing in Better Data and Budgetary Governance
	International Cooperation (Knowledge Exchange) and Initiatives	Active participation in international DRFI forums

E. OBJECTIVE

The assignment is to seek a pool of experts and/or consulting firm to support the Fiscal Policy Agency of the Ministry of Finance to formulate an Environmental and Social Management System (ESMS) for the PFB as well as to provide support for environmental and social risk management of the PFB funded project. The consultant team will facilitate required engagement and consultations with MOF's internal departments and external agencies, including line ministries and sub-national governments, and non-government stakeholders, including NGOs and CSOs. The scope of services is further detailed in **Section F**.

Scope of the ESMS: The scope of the ESMS covers all financing administered by the PFB to support pre- and post-disaster activities channeled across relevant stakeholders. Hence, endorsement from PFB's

senior management for the adoption of the ESMS, relevant procedures for screening/risk assessment[9], oversight, grievance management, stakeholder engagement, etc., availability of relevant expertise and technical support, including workplans and budget allocation for the overall ESMS implementation will be required. The ESMS and the level of efforts that will be required of the consultant team in terms of technical expertise and day-to-day support will be commensurate with potential environmental and social risks of activities financed by PFB. Since PFB will finance a broad range of potential projects or activities related to pre-and post-disaster activities, the ESMS will need to be calibrated to ensure capacities exist within the PFB to screen and monitor such projects or activities.

The ESMS will include a specific procedure to screen potential projects or activities against the risk classification (refer **Annex III**) to enforce ESS compliance across these projects or activities by relevant stakeholders and monitor such compliance. In agreement with the World Bank, ESS compliance will be sought to all activities financed under the PFB. In consequence to the varying levels of risks posed by the future pre-and post-disaster projects or activities funded by the PFB, the ESMS will set out the requirements of managing the potential impacts of these activities on the environment, land, and Indigenous Peoples. The consultant will assist the BLU in designing the ESMS and mainstreaming the environmental and social management principles into its overall operations.

The ESMS will be developed based on the requirements of World Bank's Environmental and Social Framework (ESF). The ESMS will also set out the appropriate procedures for the PFB to process disaster risk recovery activities at different risk levels. In addition, the ESMS will incorporate a phased approach, prioritizing the management system for low and moderate risk activities. This means that the PFB may implement lower to moderate risk projects during the first years of BLU 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. Furthermore, the ESMS shall provide the procedural flexibility for expedite processing of funding requests with contingency measures built-in for extraordinary events (i.e. large-scale natural disasters and/or health pandemics). Such contingency measures may include simplification of procedures, mobilization of extended hands-on technical support for E&S assessment, instrument preparation and overall management, etc. to enable adequate and speedy response. Please see Annex VI about the ESMS Sequencing Table. Further details will be defined as part of the ESMS development, including agreements on the contingency procedures and processes for verifying and approving fund requests. Efforts will be maintained to ensure consistent compliance of the ESMS across future activities, regardless of institutional capacities of fund channeling entities. In the case that high risk projects may be implemented during the first years of BLU establishment, the ESMS shall provide guidance on the appropriate approach to mitigate the possible risks and explore feasible options for additional resources.

Objectives: in line with the above scope, the ESMS will be developed to fulfill the following objectives:

[9] **Annex V** provides an example of a screening checklist to identify potential environmental and social risks and impacts to environmental activities such as air, water, soil, flora fauna and also to social aspects from for a broad range of typology of activities related to pre-and post-disaster activities in Indonesia, including high and substantial risk activities such as reconstruction and rehabilitation, housing and settlement and emergency evacuation.

a. Setting out how the PFB's BLU will manage environmental and social risks and impacts associated with the PFB's operations in line with the national laws and applicable ESS requirements of the World Bank ESF (ESSs – refer **Annex I**) for the project. This includes screening procedures, monitoring/oversight and reporting on ESMS implementation. The consultant should consider different approaches to environmental and social risk management coverage for pre- and post-disaster activities. Additional deliverables as part of country system strengthening include institutional review and performance assessments and upstream capacity strengthening targeted at fund channeling entities, including ministries/agencies, sub-national governments and community groups;

b. Setting out how the ESMS addresses specific arrangements and requirements by development partners, including the World Bank and other financiers.

c. Promoting good international environmental and social management practices for disaster activities supported by the PFB;

d. Promoting institutional capacity building for environmental and social management within MOF and line ministries/agencies and sub-national governments;

e. Establishing a ESMS structure, generally covering Environmental and Social Policy, Environmental and Social procedures, organizational capacity, monitoring and reporting, stakeholder engagement, including Feedback and Grievance Redress Management (FGRM);

f. Establishing a clear procedure for environmental and social management to ensure that:

   - Fund channeling entities consistently adhere to the national law and mainstream relevant provisions of the ESSs for their management of environmental and social risks and impacts;
   - Line ministries and agencies as well as sub-national governments are able to, ex-ante, identify, assess and manage potential environmental and social risks and impacts of their proposed activities.
   - PFB's BLU has a functioning system to manage information from all related parties including their reports on the use of funds and to affirm that they comply with the ESMS.

Further details on expected deliverables are outlined in **Section F** on Scope of Services.

F. SCOPE OF SERVICES

The scope of services is phased into the following deliverables:

a. Assessment of Legal Framework(s) and Capacities

The consultant team will undertake a legal framework review relevant to the establishment and implementation of an ESMS within the PFB's organizational structure and mandates. The consultant team will assess potential legal entry points for the institutionalization of the ESMS, including any required revisions and issuance of supporting regulations. The consultant will also asses the implications of the promulgation of the recent Omnibus Law on Job Creation pertaining to environmental and social

management. In undertaking this task, the consultant team will engage relevant departments and ministries for this purpose.

The main regulations to be assessed for the purpose of ESMS establishment include:

i. Omnibus Law on Job Creation;
ii. Presidential Regulation on Pooling Fund for Disasters (PFB) – not promulgated yet;
iii. Law No. 17 of 2013 on State Finances;
iv. Law no. 32 of 2009 on Protection and Management of Environment;
v. Law no. 26 of 2007 of Spatial Planning;
vi. Law no. 2 of 2012 on Land Acquisition in the Public Interest;
vii. Law No. 24 of 2007 on Disaster Management, and its derivative Government Regulation (PP) No. 21 of 2008;
viii. Government Regulation No. 44 of 2012 on Emergency Fund;
ix. Government Regulation No. 23 of 2008 on Participation of International Organization and Non-Governmental Foreign Organization in emergency Response;
x. Government Regulation No. 22 of 2008 on Disaster Financing and Aid Management;
xi. Government Regulation No. 23 of 2005 on Financial Management of General Services Agency (*Badan Layanan Umum*), and its derivative Ministry of Finance Regulation No. 7/PMK.02/2016 on Administrative Requirements for BLU;
xii. Presidential Regulation No. 17 of 2018 on Disaster Management under Specific Circumstances;
xiii. Presidential Regulation No. 08 of 2008 on National Agency for Disaster Management (BNPB);
xiv. Ministry of Finance Regulation No. 247/PMK.06/2016 on Insurance for State Assets;
xv. Ministry of Home Affairs Regulation No. 101/2018 on Minimum Technical Standards for Basic Service Provisions for Disaster Management at the District/Municipality level;
xvi. Other relevant national and subnational regulations

Relevant questions to be covered under the assessment include:

i. What legal basis is required for the establishment and institutionalization of the ESMS within the PFB's BLU?
ii. Whether the existing legal framework(s) are sufficient to support the establishment and institutionalization of an ESMS within the PFB's BLU? If not, which specific laws and regulations need to be issued and/or revised to enable the PFB to enforce ESMS provisions amongst relevant stakeholders and by whom?
iii. What legal options are available to enable the PFB's BLU to enforce compliance of ESMS provisions and requirements across relevant stakeholders, which may consist of central ministries/agencies and sub-national governments? Are there existing legal frameworks to

enable such mandates, including contractual arrangements with potential fund channeling entities?

iv. What processes are required, including stakeholder deliberation and consultations, to revisit and/or issue relevant regulations to support ESMS operationalization?

The consultant team will provide an analysis of pros and cons of possible options for operationalizing the ESMS within relevant legal frameworks and provide recommendations, indicate the timeline and required resources to address legal and procedural requirements for the development and adoption of the ESMS. The consultant will prepare an action plan on relevant measures to be addressed as part of the ESMS roadmap.

b. Institutional Capacity and Performance Review of Fund channeling entities

As part of the ESMS development, the consultant team shall undertake institutional capacity assessments and review of past performance/track-records for environmental and social management across relevant fund channeling entities (i.e. line ministries agencies, sub-national governments, community groups, private entities – refer **Annex IV**) in line with ESSs and at a minimum national legislation. Such review is expected to inform eligibility criteria of relevant stakeholders (refer **Annex II**) and relevant capacity building and targeted technical assistance supported by the PFB and inform relevant action plans which may be required as part of proposal verification and approval processes. In addition, if future decision is to designate an existing BLU within MOF (to be selected) to host the PFB in its early years, an institutional capacity assessment of the selected BLU will also be included under this deliverable.

The review should cover relevant indicators to assess whether:

- Institutional track-records for the environmental and social management of previous pre- and post-disaster response are in line of the national law requirements and consistent with relevant principles in the ESSs.
- Clear operating procedures, capacities and resources exist at relevant stakeholders for screening and assessment of environmental and social risks and impacts, and preparation of relevant mitigation measures. This assessment may review past performance related to compliance records of the national law and environmental permitting (based on AMDAL/UKL UPL) processes in the context of post-disaster operations where relevant;
- Previous processes for land acquisition and post-disaster resettlement practices, management of risks and impacts related to Indigenous Peoples, labor and working conditions, community health and safety, environmental management are aligned with the national law and international good practices;
- Functioning feedback and grievance mechanisms (FGRM) are in place and publicly accessed. Track records of grievance handling in post-disaster contexts;
- Stakeholder engagement capacities, including whether or not a clear organizational structure and mandates are in place.

The review will include the proposed line ministries/agencies and sub-national governments as indicated in **Annex IV,** independently of the establishment of the PFB's BLU. The consultant team will provide a

work plan for the required review, including a proposed methodology, modality and schedule for the assessment.

c. Development of Environmental and Social Management System (ESMS) Procedures

The ESMS is to be established by the PFB's BLU and integrated into the PFB's risk management system, transactional framework, or any other relevant system operating within the PFB's BLU. The ESMS will put in place procedures to identify, assess, manage, and monitor the environmental and social risks and impacts of activities on an ongoing basis. As part of the ESMS, roles and responsibilities will be established to maintain an organizational capacity and competency, including Environmental and Social experts, government focal points, representatives from senior management at MOF, and adequate resources to support the implementation of the ESMS prior to any fund disbursement by the PFB's BLU.

The PFB ESMS should include the following elements at the very least:

i. **Introduction –** which outlines the existing BLU's background, objectives, organizational structure and roadmap; portfolio of activities to be supported.

ii. **The Environmental and Social Management System** – defines the objectives, scope, and principles of the ESMS in line with the national law and the World Bank's ESSs.

iii. **Environmental and Social Policy** – the existing BLU shall establish and maintain in place an overarching policy defining the E&S objectives and principles to guide sound E&S performance. The E&S policy should state the E&S requirements and standards that apply to the activities and that will be used to manage the associated E&S risks and impacts. The E&S policies shall outline institutional commitment for the national law and the World Bank's ESF as well as other international institutions environmental and social standards (if relevant) and clearly define environmental and social objectives and principles that includes, but not limited to: promoting sustainable development by protecting natural habitats, biodiversity and ecosystem services, pollution prevention and energy efficiency, climate change, occupational health and safety, labor and working conditions, community health, safety, and security, protection of vulnerable groups, including Indigenous Peoples. A legal framework to support adoption of an Environmental and Social Policy may be warranted and the ESMS will provide a clear roadmap for such institutionalization.

iv. **Identification and Assessment of Environmental Risks and Impacts** – risk screening procedures, including risk classification based on an analysis of potential risks and performance capacities (building on point b). This process will be embedded in the proposal verification process by designated verification agencies, including MOF, BAPPENAS, MOHA and BNPB with technical and personnel support from PFB. The ESMS will include procedures for the PFB's BLU to identify, assess, manage, and monitor the environmental and social risks and impacts of projects, to assess proposal readiness in view of environmental and social management capacities and recommend gap-filling measures, building on upstream institutional capacity and performance review. This includes requirements for relevant stakeholders to ensure budget is available as part of financing packages to address environmental and social aspects of concerns as minimum eligibility criteria for fund channeling entities. An example of a checklist to identify potential

environmental and social risks and impacts to environmental activities such as air, water, soil, flora fauna and to social aspects from a broad range of typology of activities/potential projects related to pre-and post-disaster activities in Indonesia, is provided in **Annex V**. This includes high and substantial risk projects such as reconstruction and rehabilitation, housing and settlement, resettlement and emergency evacuation.

The ESMS will include procedures for negative list screening and risk categorization. Such screening will also need to assess the presence of associated facilities as per ESS1[10] and ensure that there are procedures to request compliance of ESSs for associated facilities amongst relevant stakeholders. **Annex V** can also be used to identify associated risks and impacts from high and substantial risk activities such as reconstruction and rehabilitation, housing and settlement, resettlement, and emergency evacuation and support.

Identification of risks based on current capacity profiles of relevant stakeholders will build on prior review of institutional capacities undertaken by relevant experts mobilized as part of the assignment (**refer Sub-section b on institutional capacity review of relevant stakeholders**).

In verifying proposals and/or undertaking such institutional review, the PFB's BLU will need to take into considerations the following aspects:

- Potential occupational health and safety risks and impacts, including community health and safety, labor and working conditions, including potential public health risks associated with COVID-19 for project workers and communities. For stakeholder engagement purposes, relevant COVID-19 Infection Prevention and Control requirements can be referenced in the project's Stakeholder Engagement Plan;
- Potential negative risks and impacts related to land acquisition and involuntary resettlement, including restrictions on land use;
- Potential negative risks and impacts on natural resources, including impacts on forests, biodiversity, use of energy, pollution, etc.
- Potential negative impact on the community and vulnerable groups, including Indigenous Peoples.
- Risk factors related to potential environmental and social management, along with existing capacities amongstrelevant stakeholders, proposed management of environment and social management measures against relevant ESS provisions, including stakeholder engagement and compliance to the GoI's laws and regulations (i.e. environmental permits);

v. Risk and Impact Management

Since the funds administered by the PFB's BLU is designed to support financing in all disaster phases, agile and streamlined environmental and social procedures will be required to enable

[10] Under ESS1, the term "Associated Facilities" are: (a) directly and significantly related to the project; and (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.

fast disbursements. The following measures are being contemplated as part of the overall arrangement for environmental and social management:

- Application of a negative list and eligibility criteria for all activities under the PFB financing. The ESMS will need to ensure relevant capacities exist within PFB to monitor ESS compliance, including technical expertise to support such compliance across relevant stakeholders (i.e. capacity building, technical facilitation, just-in-time support, etc.);
- Application of a relevant environmental and social risk mitigation hierarchy by relevant stakeholders in line with ESS1, commensurate with the nature and magnitude of environmental and social risks and impacts;
- Targeted capacity and institutional strengthening measures based on prior review and analysis of previous performance and capacity assessments;
- Agreed procedures for post-audits to confirm compliance with the ESMS across line ministries/agencies and sub-national governments;
- Agreed arrangements for environmental and social monitoring and supervision and;
- Agreed sanctions and/or remedial measures in the event of non-compliance (i.e. options in contractual agreements between PFB and fund channeling entities).

As part of the ESMS procedure, the consultant team will include an environmental and social screening procedure for potential pre-and post-disaster activities. This screening is to assess environmental risks and whether mitigation measures have been incorporated as part of planning in financing proposals submitted by fund channeling entities.

Eligible financing will need to be screened against the negative list and risk criteria. **Annex II** provides guidance on the operationalization of the negative list and required environmental and social risk screening, which will be further defined once the PFB's organizational set-up has been established and/or confirmed. The questionnaire on potential E&S impacts to air, water, soil, flora fauna and social aspects in Annex V could also be used as a rapid risk assessment tool in addition to the risk classification (Annex III).

In addition, for all projects and activities financed under the PFB, the ESMS shall provide relevant management frameworks and/or procedures to guide relevant stakeholders in preparing relevant environmental and social management measures in the case specific impacts are envisaged. These include existing good practices "off the shelf" plans/assessments, TORs to be made available to fund channeling entities to adopt and revise. These include relevant templates, TORs and guidelines for:

- **Environmental and Social Impact Assessment** is an instrument to identify and assess the potential environmental and social impacts of a proposed project, evaluate alternatives, and design appropriate mitigation, management and monitoring measures;
- **Environmental and Social Management Plan (ESMP)** is an instrument that details (a) the measures to be taken during the implementation and operation of a project to eliminate or

offset adverse environmental and social impacts, or to reduce them to acceptable levels; and (b) the actions needed to implement these measures;

- **Environmental and Social Audit** is an instrument to determine the nature and extent of all environmental and social areas of concern at an existing project or activities. The audit identifies and justifies appropriate measures and actions to mitigate the areas of concern, estimates the cost of the measures and actions, and recommends a schedule for implementing them. For certain projects, the environmental and social assessment may consist of an environmental or social audit alone; in other cases, the audit forms part of the environmental and social assessment;
- **Hazard or Risk Assessment**, an instrument for identifying, analyzing, and controlling hazards associated with the presence of dangerous materials and conditions at a project site. The Bank requires a hazard or risk assessment for projects involving certain inflammable, explosive, reactive, and toxic materials when they are present in quantities above a specified threshold level. For certain projects, the environmental and social assessment may consist of the hazard or risk assessment alone; in other cases, the hazard or risk assessment forms part of the environmental and social assessment
- **Labor Management Procedure (LMP)** in line with the national law and the ESS2 to be implemented by fund channeling entities to guide activities where financing from the PFB is sought. This LMP is part of the ESMS[11].
- **Community health and safety measures,** consisting requirements for application of relevant Codes of Conduct for prevention of Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) and Violence against Children (VAC) in line with the World Bank's Good Practice Note on SEA/SH (cite the link) along with requisite communication and capacity building in line with the national law and ESS 4.

In addition to the above, the following frameworks will need to be prepared as part of the ESMS Procedures:

- **Land Acquisition and Resettlement Policy Framework (LARPF),** including a Process Framework to address potential impacts of land acquisition, pre-emptive relocation activities, and restrictions in access to natural resources in legally designated parks and protected areas in line with the national law and ESS5. LARPF and Process Framework are part of the ESMS as stated in the project's Environmental and Social Commitment Plan (ESCP).
- **Indigenous Peoples Planning Framework (IPPF)** in the event that activities will be implemented in geographies where Indigenous Peoples are present and/or where activities will generate adverse impacts on Indigenous Peoples in line with the national law and ESS7. IPPF is part of the ESMS as stated in the project's ESCP.

[11] The LMP refers to an element in the ESMS. A project-level LMP for the PMU and PFB's staff will be prepared separately from the ESMS.

- **Chance Finds Procedures** in the event activities have impacts on cultural heritage.

vi. Risk Based Sequencing in ESMS Development

The ESMS will entail phased approach for ESMS implementation based on risks of PFB funded future activities. Lower to moderate risk projects will be implemented during the first years of BLU establishment as soon as the necessary management system and staffing capacity is available; while substantial to high projects will be implemented when the necessary management system and staffing resources are available. Additionally, the ESMS shall provide procedural flexibility for processing of funding requests with built-in contingency measures for extraordinary events, including events declared as a natural disaster by the Government of Indonesia and situations when institutional capacity of fund channeling entities is insufficient to implement higher risk projects during emergencies. Once triggered, such a contingency plan can facilitate rapid mobilization and utilization of funding. This could include, for example minimizing the number of processing steps and mobilization of extended hands-on technical support for E&S assessment, instrument preparation and overall management, etc. to enable adequate and speedy response. Further details and other options will be defined as part of the ESMS development, including agreements on the contingency procedures and processes for verifying and approving fund requests. In the case that high risk projects may be implemented during the first years of BLU establishments, the ESMS shall provide guidance on the appropriate approach to mitigate the possible risks and explore feasible options for additional resources.

vii. **Organizational Capacity and Competency** – the ESMS shall ensure that the PFB's BLU staff includes competent experts and/or specialists responsible for the overall environmental and social management of the PFB. The ESMS shall also ensure that there are requirements and processes to ensure the PFB recipients have adequate capacities and clearly defined roles and institutional arrangements for the management of environmental and social aspects of pre-and post-disaster response operations to be financed by the PFB. Specific arrangements and coordination both internally and externally will be defined in the ESMS.

viii. **Capacity Building** – the ESMS includes a capacity building plan for PFB's BLU and fund channeling entities including community groups receiving funding where necessary and/or relevant to advance the environmental and social mainstreaming in the overall operations to be financed by the PFB. Such capacity building measures build on institutional capacity reviews as further elaborated in **sub-section C.** A pool of technical experts recruited under the TOR will be responsible to develop such a plan and facilitate and/or deliver environmental and social training and other technical support as needed.

ix. **Resource allocation** – the ESMS will detail financing mechanisms and required resources for relevant environmental and social management processes, including mobilization of relevant experts and specialists to support the PFB's BLU, development of an information management system, site supervisions, etc.

x. **Monitoring and Reporting** – the PFB's BLU will monitor the environmental and social performance of pre and post-disaster operations it finances (refer **Annex IV**) in a manner proportionate to the risks and impacts of the sub-projects and agree on the content and

reporting frequency and mechanism with recipient ministries/agencies and sub-national governments. The ESMS shall outline this requirement, including environmental and social post-audits. Monitoring and reporting protocols needed from recipient to PFB and PFB to the Bank.

xi. **Stakeholder Engagement and Public Communication Strategy, including a Grievance Redress System** – the ESMS will require the recipient ministries/agencies and sub-national governments to conduct stakeholder engagement in a manner proportionate to the nature of proposed activities, along with their risks and impacts as guided by the Project's Stakeholder Engagement Plan (SEP). Procedures to obtain meaningful consultations that allow stakeholders to understand the potential risks and impacts of subprojects shall be reflected in the ESMS. This will also include guidance on information disclosure that shall be done in relevant languages and/or forms in a manner that is accessible and culturally appropriate, as early as possible, and prior to approval of sub-projects. As part of the ESMS, a longer-term public communication strategy will need to be prepared once PFB's BLU is established. This includes strengthening channels to facilitate feedback and submission of grievances from stakeholders including communities affected and workers, building on the project's SEP.

d. Technical Support for Environmental and Social Management

The consultant team will be retained in the PFB's organizational arrangement over the course of project implementation and will be gradually phased out once a fully established ESMS with adequate resources and expertise are in-place (refer **Section G on deliverables**). The scope of such technical support is phased into the following:

i. Prior to PFB's BLU assignment

Prior to the assignment of the PFB's BLU and its ESMS, the consultant team will provide interim support for the overall environmental and social management for the PFB. This includes preparation of ESMS operational procedures, relevant review and capacity building programs, facilitating implementation of the SEP, dissemination of relevant requirements. Once the ESMS is established, this function will be integrated as part of the overall PFB's structure.

ii. Following PFB's BLU assignment

The consultant team will provide expert advice and environmental and social management support to the PFB's BLU, which will gradually be phased out once permanent organizational structures have been established and relevant staff and/or consultants have been recruited by PFB's BLU. Prior to the completion of the PFB funded project, the ESMS is expected to be able to demonstrate proven track record and sustained capacities. Environmental and social performance of the BLU in implementing the ESMS will be evaluated on a bi-annually basis.

Key duties as follows:

- Staffing support for the PFB's BLU for the overall environmental and social management, including relevant environmental and social management for the PFB funded project as per-ESMS procedures if there are any disbursements from PFB to fund channeling entities to respond to unforeseen disasters within the lifespan of the project.

- Technical support for the operationalization of agreed ESMS procedures, including development and operationalization of an information management system for the PFB (refer to task c.), including any adjustments according to the needs of the PFB and in accordance with government policies and regulations.
- Facilitating communication, consultations and engagement with relevant stakeholders, particularly ministries and agencies responsible for the establishment of the PFB's BLU, line ministries, agencies, sub-national governments as well as other interested stakeholders, including other line ministries/agencies and CSOs/NGOs as part of the development of an ESMS and environmental and social management for the project.
- Assisting designated environmental and social focal points for the project and PFB's BLU once assigned in managing relevant proposal verification processes, monitoring and supervision, including post-audits and maintaining database on environmental and social data;
- Assisting relevant officer(s) designated to coordinate FGRM at PFB's BLU, including screening information intake, relevant analysis and dispatching, tracking resolution and settlements;
- Deliver relevant capacity building activities for MOF's staff and consultants in charge of managing the PFB as well as line ministries/agencies and sub-national governments based institutional capacity and performance review (**refer task b**);
- Facilitating revisions and development of legal framework(s) for the operationalization and adoption of the ESMS and Environmental and Social Management within PFB's BLU;
- Facilitating the implementation of the Stakeholder Engagement Plan (SEP), including necessary SEP updating processes;
- Facilitating knowledge transfer from the ESMS TA consultants to MOF and BLU ESMS experts/staff and other relevant stakeholders involved in the operationalization of the PFB's BLU, including officers designated as part of the proposal verification team.

G. DELIVERABLE TIMELINE

The following presents target deliverables which will be agreed upfront with the selected consultant team. Any changes will be made in agreement with the selected consultant team.

Table 2: Deliverables

Timeline	Deliverables	Notes
2021	- Assessment of legal framework(s) for the ESMS and Environmental and Social Management for PFBPFB funded project - ESMS Procedure and relevant workplans - ESMS information management system - Institutional Capacity and Performance	Responding to deliverables a, b, c and d of the scope of services. Full environmental and social team is on-board. **For the purpose of the Performance-**

	Review - Environmental and Social Management Support - Capacity building delivery	**based Condition (PBC) payment for year one (PBC1), the following deliverables will be required**: - Written endorsement of the ESMS by MOF's senior management - ESMS procedures - Relevant staff/consultants (included within the scope of the TOR) - Workplans and associated budget allocation for environmental and social management for operationalization of the ESMS.
2022	- Institutional Capacity and Performance Review (contd.) - Environmental and Social Management Support - Capacity building facilitation	Responding to deliverable c and d. Full environmental and social team is maintained.
2023	- Institutional Capacity and Performance Review (contd.) - Environmental and Social Management Support - Capacity building facilitation - Evaluation and stock-taking	Responding to deliverable c and d. Full environmental and social team is maintained.
2024	- Environmental and Social Management Support - Capacity building facilitation - Evaluation and stock taking	Responding to deliverable c and d. Partially phased out. Only core environmental and social experts, including team leader retained.
2025	- Environmental and Social Management Support - Capacity building facilitation - Evaluation and stocktaking, including addressing pending deliverables.	Responding to deliverable c and d. Environmental and social experts being engaged part-time. Team leader is retained full-time.

H. FIRM/CONSULTANT QUALIFICATIONS

The ESMS Technical Assistance (TA) team will consist of environmental and social experts, supporting environmental and social focal points within MOF. The team composition includes:

Table 3: Team Qualifications

Team Leader	The team leader will be responsible for the overall management of the deliverables as outlined in Section E on Scope of Services, under supervision of MOF. He/She is expected to perform the following responsibilities: - Develop an annual work plan for the ESMS team based on the expected deliverables and timeline, and recommend adjustments based on clear rationales; - Lead relevant technical assessments for the ESMS, including legal and performance review of recipient ministries/agencies and sub-national governments; provide recommendations on the ESMS roadmap - Serve as the main focal point for the ESMS team and facilitate relevant engagement with relevant units and/or external agencies and sub-national governments for the purpose of ESMS establishment; - Coordinate ESMS team members to ensure timely delivery of agreed deliverables as per-the Scope of Services; - Provide technical support to MOF in interpreting applicable ESSs into the project's operating system, including identification of relevant sources and experts to support the PFB's BLU; - Lead the design and development of the ESMS, including the development of ESMS database and monitoring system, environmental and social institutional training programs forrelevant stakeholders, operationalization of an FGRM system; - Monitor ESS compliance across activities funded by the World Bank's proceeds. - Provide Quality Check and Quality Assurance (QA&QC) to outputs produced by the ESMS team, and track achievement milestones and recommend and communicate relevant actions in the event of delay. - Other assignments within the scope of the TOR as requested by the PMU manager
	Qualifications: - Advanced university degree/Master's degree in project management, environmental or social sciences and a minimum of ten years of professional experience in sustainability, environmental and social risk

	management, preferably in Financial Intermediary (FI) operations; - International experience in environmental and social management, with familiarity with Financial Intermediaries, the World Bank's Safeguards Policies and/or Environmental and Social Framework (ESF), Financial Intermediaries and ESMS. Similar policies in other international financial institutions in complex and challenging settings and across practices will be an advantage; - Extensive team leader experience; - In-depth knowledge of environmental and social management in post-disaster operations is an advantage; - International work experience including in Indonesia is mandatory - Strong interpersonal and task management and analytical skills, demonstrated ability to translate policy requirements into actionable and practical recommendations; - Experience with quality assurance systems (e.g. ISO 14001 or EMAS, or OHSAS) - Attention to details and respect for deadlines; - Fluency in Bahasa Indonesia and English (both oral and written) is mandatory
Environment Specialist	Under coordination of the team lead, the specialist is expected to perform the following responsibilities: - Provide technical support to MOF in interpreting applicable ESSs into the project's operating system, which will inform the establishment of an Environmental and Social Management System for the pooling fund; - Serve as a technical specialist for environmental management, advising MOF team and relevant agencies on environmental risk management processes for pre and post-disaster response activities (refer **Annex IV**), including on aspects related to construction management, waste handling, including debris removal and disposal, environmental permitting, etc. - Develop relevant procedures and operational mechanisms particularly on the application and dissemination of project monitoring and supervision arrangements (i.e. post environmental and social audits), risk assessments and mitigation instruments in line with ESSs. These procedures will form part of the overall ESMS (corresponding to deliverable b in the Scope of Services). - Undertake institutional capacity review, including review of track-records of recipient ministries/agencies and sub-national governments and assess

	capacity gaps and recommend capacity strengthening measures particularly on aspects related to environmental management; - Facilitate upstream capacity building activities on environmental management to recipient ministries/agencies and sub-national governments on the - Monitor ESS compliance across activities funded by the World Bank's proceeds. - Coordinate with the stakeholder engagement specialist for the overall FGRM management including grievance tracking.
	Qualifications: - Advanced university degree/Master's degree in environmental sciences and a minimum of five years of professional experience in sustainability and environmental management; - Knowledge and experience in addressing issued covered by the World Bank's Environmental and Social Framework (ESF) or similar policies in other international financial institutions in complex and challenging settings and across practices; - Knowledge and experience working in post-disaster emergency response and reconstruction is an advantage; - Work experience in Indonesia is mandatory - Strong interpersonal and task management and analytical skills, demonstrated ability to translate policy requirements into actionable and practical recommendations; - Fluency in Bahasa Indonesia and English (both oral and written) is mandatory
Social Specialist	Under coordination of the team lead, the specialist is expected to perform the following responsibilities: - Provide technical support to MOF in interpreting applicable ESSs into the project's operating system, which will inform the establishment of an Environmental and Social Management System for the pooling fund; - Serve as a technical specialist, advising MOF team and relevant agencies on social risk management processes for pre and post-disaster response activities (refer **Annex IV**), including on aspects related to social inclusion, gender, community health and safety, land acquisition, Indigenous Peoples, Gender-based Violence, etc. - Develop relevant procedures and operational mechanisms particularly on

	the application and dissemination of the project's monitoring and supervision arrangements (i.e. post environmental and social audits), risk assessments and mitigation instruments in line with ESSs. These procedures will form part of the overall ESMS (corresponding to deliverable b in the Scope of Services). - Undertake institutional capacity review, including review of track-records of recipient ministries/agencies and sub-national governments and assess capacity gaps and recommend capacity strengthening measures particularly on aspects related to social management; - Facilitate upstream capacity building activities on social management to recipient ministries/agencies and sub-national governments on the - Monitor ESS compliance across activities funded by the World Bank's proceeds. - Coordinate with the stakeholder engagement specialist for the overall FGRM management including grievance tracking, public communication and stakeholder consultations.
	Qualifications: - Advanced university degree/Master's degree in social sciences (anthropology, sociology, political economy, social development, etc.) and a minimum of five years of professional experience in sustainability, social risk management and/or social development (e.g. voice and participation, gender, Indigenous Peoples, gender-based violence, community-driven development, citizen engagement, social inclusion etc.); - Knowledge and experience in addressing issued covered by the World Bank's Environmental and Social Framework (ESF) or similar policies in other international financial institutions in complex and challenging settings and across practices; - Experience with applying WB safeguards policies and IFC standards - Knowledge and experience working in post-disaster emergency response and reconstruction is an advantage; - Work experience in Indonesia is mandatory - Strong interpersonal and task management and analytical skills, demonstrated ability to translate policy requirements into actionable and practical recommendations; - Fluency in Bahasa Indonesia and English (both oral and written) is mandatory

Gender Specialist	Under coordination of the team lead, the specialist is expected to perform the following responsibilities: - Provide technical support to MOF in gender mainstreaming, including through ESS entry points, and inform the establishment of an Environmental and Social Management System for the PFB's BLU; - Serve as a technical specialist, advising MOF team and relevant agencies on gender and Sexual Exploitation and Abuse/Sexual Harassment/Violence against Children (SEA/SH/VAC); - Develop relevant procedures and operational mechanisms particularly on the application of gender mainstreaming procedures within PFB's BLU and assist relevant stakeholders in adopting such procedures as part of their pre- and post-disaster response (refer **Annex IV**). This includes support to the monitoring and oversight of gender mainstreaming activities at the PFB's BLU and fund channeling entities levels. - Undertake institutional capacity review, including review of track-records of recipient ministries/agencies and sub-national governments and assess capacity gaps and recommend capacity strengthening measures particularly on aspects related to gender and SEA/SH/VAC; - Facilitate upstream capacity building activities on gender and SEA/SH/VAC prevention to relevant stakeholders; - Coordinate with the social and stakeholder engagement specialists for the overall FGRM management including grievance tracking, public communication and stakeholder consultations.
	Qualifications: - A Master's degree in a relevant field of study including gender studies, sociology, public policy or development studies; - At least 10 years of experience conducting analysis, training, and or implementation of activities to promote gender equality; - Experience in gender mainstreaming in pre-and post-disaster activities is mandatory; - Experience analyzing, advising or conducting other activities designed to raise awareness, prevent or respond to SEA/SH/VAC; - Understanding of the World Bank's operations and/or other Multi-lateral Development Banks is an advantage; - Fluency in Bahasa Indonesia and English and strong written and verbal communication skills.

Stakeholder Engagement/FGRM Specialist	Under coordination of the team lead, the specialist is expected to perform the following responsibilities: - Facilitate implementation and updating of the project's Stakeholder Engagement Plan (SEP), recommend engagement approaches based on a stakeholder analysis and identification; - Lead the development of a public communication strategy for the PFB's BLU and engage and liaise with relevant agencies/units within MOF and external agencies/ministries and sub-national governments; identify requisite resources and modality for the implementation of such a strategy; - Identification and engagement with information dissemination outlets, including with media and local networks to ensure broad outreach; - Lead the establishment of an FGRM for the PFB's BLU as part of the ESMS and Environmental and Social Management for PFB funded projects and serve as a point of contact for FGRM, including on aspects related to coordination; - Develop relevant communication materials for public communication and consultations; - Prepare ESMS and Environmental and Social Management progress report in consultation with the Team lead and assigned specialists;
	Qualifications: - University degree in communication, journalism or other social sciences and a minimum of five years of professional experience in public communication and/or FGRM management; - IT skills, experience in developing an electronic database and design software - Understanding and experience in identifying different types of stakeholders - Practical experience in setting up and operating feedback mechanisms - Familiarity with social media, journalism and strong networks in Indonesia for public information dissemination and outreach - Knowledge and experience working in post-disaster emergency response and reconstruction is an advantage; - Work experience in Indonesia is mandatory - Strong interpersonal and task management and analytical skills, demonstrated ability to translate policy requirements into actionable and

	practical recommendations; - Fluency in Bahasa Indonesia and English (both oral and written) is mandatory
Legal analyst	Under coordination of the team lead, the specialist is expected to perform the following responsibilities: - conduct legal framework review relevant for the establishment of an ESMS and Environmental and Social Management within the PFB's organizational structure and mandates. - advise MOF team and relevant agencies from legal perspective for the development of ESMS and Environmental and Social Management for PFB funded projects. - provide inputs on relevant procedures development and operational mechanisms particularly on the application and dissemination of the project's monitoring and supervision arrangements (i.e. post environmental and social audits), risk assessments and mitigation instruments in line with ESSs. These procedures will form part of the overall ESMS and Environmental and Social Management for PFB funded projects (corresponding to deliverable b in the Scope of Services). - Undertake institutional capacity review, including review of track-records of recipient ministries/agencies and sub-national governments and assess capacity gaps and recommend capacity strengthening measures particularly on aspects related to environmental management;
	Qualifications: - Advanced university degree/Master's degree in law; - Knowledge and experience in addressing issued covered by the World Bank's Environmental and Social Framework (ESF) or similar policies in other international financial institutions in complex and challenging settings and across practices; - Knowledge and experience working in post-disaster emergency response and reconstruction is an advantage; - Work experience in Indonesia is mandatory - Strong interpersonal and task management and analytical skills, demonstrated ability to translate policy requirements into actionable and practical recommendations; - Fluency in Bahasa Indonesia and English (both oral and written) is mandatory

Team assistant	Under coordination of the team lead, the specialist is expected to perform the following responsibilities: - provide overall administrative and logistics assistance, including organizing workshops, budget, assessments, scheduling, etc. - support the team lead and ESMS specialists in relevant preparation of deliverables, including mapping of stakeholders and resources, preliminary analysis, research on background information. - maintain and periodically update the ESMS database.
	Qualifications: - Bachelor's or Diploma in administration, accounting, project management social and/or environmental sciences, - Knowledge and experience working in post-disaster emergency response and reconstruction is an advantage; - Work experience in Indonesia is mandatory; - Computer literacy (i.e. Word, Excel, Power Point, etc.) - Fluency in Bahasa Indonesia.

I. REPORTING AND COORDINATION

The consultant team will report directly to the project's PMU and BKF through its Team Leader. The Team Leader will provide regular updates to the PMU manager and BKF on the overall milestones in a monthly report (due every 25th).

Annex I WORLD BANK ENVIRONMENTAL AND SOCIAL STANDARDS

The World Bank Environmental and Social Framework (ESF) sets out the World Bank's commitment to sustainable development, through a Bank Policy and a set of Environmental and Social Standards (ESS) that are designed to support clients' capacities, with the aim of ending extreme poverty and promoting shared prosperity.

The ten ESSs establish the standards that World Bank-financed operations are required to achieve throughout the project life cycle, as presented in **Table 4**. Further details can be referenced in the World Bank Environmental and Social Framework.

Table 4: The World Bank Environmental and Social Standards (ESS)

Standard	Concerning	Highlights
ESS1	Assessment and Management of Environmental and Social Risks and Impacts	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.
ESS2	Labor and Working Conditions	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.
ESS3	Resource Efficiency and Pollution Prevention and Management	Requires technically and financially feasible measures to improve efficient consumption of energy, water, and raw materials, and introduces specific requirements for water efficiency where a project has high water demand
ESS4	Community Health and Safety	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 activities should take into account safety, climate change adaptation and universal access considerations where technically and financially feasible.

ESS5	Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Applies to permanent or temporary physical and economic displacement resulting from different types of land acquisition and restrictions on access, which requires community participation and consultation, disclosure of information and a grievance mechanism. Involuntary resettlement should be avoided. Where involuntary resettlement is unavoidable, it will be minimized and appropriate measures to mitigate adverse impacts on displaced persons (and on host communities receiving displaced persons), including timely compensation at replacement costs, grievance management, livelihoods restoration, and considerations of alternatives will be carefully planned and implemented
ESS6	Biodiversity Conservation and Sustainable Management of Living Natural Resources	ESS 6 recognizes that protecting and conserving biodiversity and sustainably managing living natural resources are fundamental to sustainable development and it recognizes the importance of maintaining core ecological functions of habitats, including forests, and the biodiversity they support. ESS 6 also addresses sustainable management of primary production and harvesting of living natural resources and recognizes the need to consider the livelihood of project-affected parties, including Indigenous Peoples, whose access to, or use of, biodiversity or living natural resources may be affected by project activities. ESS 6 sets requirements for management of modified habitats, natural habitats and critical habitats.
ESS7	Indigenous Peoples	Applies when the people are present or have a collective attachment to the land, whether they are affected positively or negatively and regardless of economic, political or social vulnerability, which requires meaningful consultation tailored to affected parties and accessible grievance mechanism. ESS 7 ensures that the development process fosters full respect for the human rights, dignity, aspirations, identity, culture, and natural resource-based livelihoods of Indigenous Peoples. ESS7 is also meant to avoid adverse impacts and enhance benefits of projects on Indigenous Peoples, or when avoidance is not possible, to minimize, mitigate and/or compensate for such impacts.
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 lifecycle. 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
ESS9	Financial Intermediaries	ESS9 requires FIs to have an Environmental and Social Management System (ESMS), covering policy, procedures, organizational capacity monitoring and reporting and stakeholder engagement. Relevant ESSs is required to be applied in FI subprojects as part of its risk management system. FI subprojects must conduct stakeholder engagement in a manner proportionate to the risks and impacts of the FI subprojects. Where FI subprojects are likely to have minimal or no adverse environmental or social risks or impacts, the FI will apply national law.
ESS10	Stakeholder Engagement and Information Disclosure	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 make a significant contribution to successful project design and implementation. ESS 10 requires stakeholder engagement throughout the project lifecycle, and preparation and implementation of a Stakeholder Engagement Plan (SEP).

Annex II Environmental and Social Screening under the PFB Funding

As part of the ESMS procedure, the consultant team will include an environmental and social screening procedure for potential pre- and post-disaster projects and activities financed by the PFB.PFB. This screening is to ensure that potential risks will be mitigated accordingly and incorporated as part of funding recipient proposals, as well as ensure that that capacities exist amongst line ministries/agencies and sub-national governments to manage potential downstream environmental and social risks and impacts associated with pre-and post-disaster activities. This annex provides guidance on the operationalization of the required environmental and social risk screening, which will be further defined once the PFB's organizational set-up has been established and/or confirmed.

a. Upstream institutional capacity and performance review

Included in the Scope of Services in the TOR (Section E, point B), the consultant team will undertake a series of assessments to assess the existing environmental and social capacities amongst ministries/agencies and sub-national governments based on an activities typology for pre-and post-disaster response. Institutional capacity strengthening will target relevant stakeholders with weak environmental and social capacities, with enhanced monitoring and technical support by the team in charge of managing the ESMS (refer **Table 5** to on capacity building requirements). A registry/database on relevant stakeholders, along with an assessment of their capacities, will be established as an output of these assessments. The scope of such assessments is informed by the preliminary institutional E&S capacity assessment (refer **Annex IV**).

Table 5: Capacity Building Requirements

E&S Capacities	Requirements
HIGH	
• Sustained E&S performance and rack record of compliance with the national law and/or relevant standards required by development partners where applicable. • E&S management relevant to the typology of proposed activities, including: - Relevant procedures, protocols, operational guidance for E&S management are in place and adopted; - Organizational structure and personnel for E&S management, including oversight are in place; - Adequate budget for E&S management is available and/or included in the financing proposal; - Feedback and Grievance Redress Management (FGRM) and/or any equivalent systems are functioning; - Stakeholder engagement capacities, including engagement with non-government stakeholders (i.e. CSOs, NGOs)	• Periodic reporting (six-monthly) of E&S management throughout activity implementation • Periodic participation in E&S capacity building and sensitization.
MEDIUM	

• Records of E&S non-compliance issues with sustained improvements towards adherence to the national law and/or relevant standards required by development partners where applicable. • E&S management relevant to the typology of proposed activities, including: - Relevant procedures, protocols, operational guidance for E&S management are in place, and partially adopted and/or enforced; - Organizational structure in place but lacking relevant expertise for E&S management; - Budget for E&S management is inadequate; - Feedback and Grievance Redress Management (FGRM) and/or any equivalent systems are in place, but not yet proven in terms of their records; - Some capacities for stakeholder engagement but not proven in terms of their adequacy;	• Periodic reporting (quarterly) of E&S management throughout activity implementation. • Implementation of E&S action plans recommended by the PFB's BLU E&S team; • Periodic participation in E&S capacity building and sensitization. • Ability for the PFB's BLU to undertake E&S audits during activity implementation.
LOW	
• Systemic E&S non-compliance issues with no records of improvements; • No and/or weak E&S management relevant to the typology of proposed activities, including: - No relevant procedures, protocols, operational guidance for E&S management; - No clear organizational structure and expertise in E&S management; - No budget for E&S management; - No Feedback and Grievance Redress Management (FGRM) and/or any equivalent systems are in place, - No and/or lack of capacities and experiences for stakeholder engagement	• Periodic reporting (quarterly) of E&S management throughout activity implementation. • Implementation of E&S action plans recommended by the PFB's BLU E&S team, including recruitment of E&S specialists as part of financing proposals. • Periodic participation in E&S capacity building and sensitization, with specific arrangements agreed during proposal selection. • Ability for the PFB's BLU to undertake E&S monitoring and provide technical assistance during activity implementation. • In the absence of a FGRM system, use of PFB's FGRM to capture and track issues and/or complaints.

b. Negative List Screening for Goods, Services, and Physical Works

Every proposal must be screened against the negative list to exclude activities that may pose significant risks. The following activities are considered to be ineligible to be financed under the PFB.

i. Purchase of alcoholic beverages, tobacco products, recreational drugs, luxury items, military goods, radioactive materials and nuclear reactors[12], environmentally and human health hazardous goods[13];

ii. Payments prohibited by UN Security Council decisions under Chapter VII of the UN Charter[14];

iii. Use of any form of asbestos material in new construction activities.

iv. Activities that are political in nature.

c. Screening of Environmental and Social Risks

Every proposal must be screened against the risk classification matrix (refer **Annex III**) as part of proposal verification. A generic checklist to assess potential E&S impacts to environmental activities such as air, water, soil, flora fauna and social aspects will be prepared during the ESMS development. An example of the checklist can be found in Annex V based on the typology of activities for pre-disaster and post-disasters in Indonesia. The screening tool shall be used for PFB financing in general.

d. Screening of Associated Facilities

As part of the proposal verification process by the ESMS TA team, the PFB's BLU E&S team will assess whether the proposed activities are linked to and/or include any associated facilities as defined under the ESS1. Such facilities refer to facilities and/or activities that are not funded as part of the financing requests but are:

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

All the three criteria above must be met for facilities and/or activities to be considered as Associated Facilities. In this regard, **all Associated Facilities are subject to the application of the ESSs applicable to the PFB funded Project regardless the sources of the PFB.**

[12] This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where the radioactive source is trivial and/or adequately shielded.

[13] Environmentally hazardous goods are deemed to be those that are illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances and polychlorinated biphenyls (PCBs), asbestos

[14] Chapter Vii: Action with Respect To Threats To The Peace, Breaches Of The Peace, And Acts Of Aggression (https://www.un.org/en/sections/un-charter/chapter-vii/index.htmlhttps://www.un.org/en/sections/un-charter/chapter-vii/index.html)

Annex III Risk Classification Matrix

RISK CRITERIA			
Project type, location, sensitivity, scale	**Nature & magnitude of ES risks & impacts, available mitigation**	**Implementing Agency's capacity and commitment**	**Context risk relevant to ES measures**
• physical considerations; • type of infrastructure (e.g., dams & reservoirs, power plants, airports, roads); • volume of hazardous waste and disposal;	• impacts on greenfield sites; • impacts on brownfield sites (e.g., rehab, maintenance or upgrading); • nature of potential risks and impacts (e.g. irreversible, unprecedented or complex); • resettlement activities; • Indigenous Peoples presence; • possible mitigation measures considering the mitigation hierarchy;	• capacity to manage risks and impacts consistent with the ESSs; • country policy, legal and institutional framework; • laws, regulations, rules and procedures applicable to the Project sector; • regional and local requirements; • technical and institutional capacity; • track record of past project implementation; • financial and human resources available;	• other areas of risk relevant to the delivery of ES mitigation measures and outcomes • depending on the specific Project and the context in which it is being developed, • including the nature of the mitigation and technology being proposed, • considerations relating to domestic and/or regional stability, conflict or security.
HIGH RISK CLASSIFICATION			
• complex • large to very large scale • in sensitive location(s)	• wide range of significant adverse risks and impacts • long term, permanent and/or irreversible, impossible to avoid entirely	• uncertain, conflicting agency jurisdiction • legislation, regulations not addressing risks and impacts • changes to applicable legislation	• factors outside project control impacting ES performance and outcomes • E&S instruments (e.g. AMDAL) that require ministerial level or special

	• some cannot be mitigated or require complex, unproven mitigation, sophisticated social analysis • high in magnitude and/or in spatial extent (large to very large area or population); • significant adverse cumulative or transboundary impacts; • high probability of serious adverse effects to human health and/or the environment • high value and sensitivity (e.g. protected and internationally recognized areas) • high value, sensitive lands or rights of Indigenous Peoples and other vulnerable minorities • Intensive or complex involuntary resettlement or land acquisition • Impacts on cultural heritage or densely populated urban areas • may give rise to significant social conflict, harm or human security risks • a history of unrest in area or	are being made • enforcement is weak • limited past experience of implementing agencies • challenges and concerns about track record regarding ES issues • significant stakeholder engagement capacity, commitment, track record concerns	committee (Dam Safety Committee) approval.

	sector, concerns about use of security forces		
SUBSTANTIAL RISK CLASSIFICATION			
• not as complex • Large to medium scale • not such sensitive location	• some significant risks and impacts • mostly temporary, predictable and/or reversible • possibility of avoiding or reversing but with substantial investment and time • may give rise to limited degree of social conflict, harm, human security risk; • medium in magnitude and/or in spatial extent (medium to large area and population) • less severe, more readily avoided/mitigated cumulative and/or transboundary impacts • medium to low probability of serious adverse effects to human health and/or the environment (with known and reliable mechanisms to prevent or	• uncertain, conflicting agency jurisdiction • legislation, regulations not addressing risks and impacts • changes to applicable legislation are being made • enforcement is weak • in some respects, limited experience of implementing agencies • some concerns about track record regarding ES issues readily addressed • some stakeholder engagement concerns readily addressed	E&S instruments (e.g. AMDAL) that require ministerial or governor level approval.

	minimize) • lower effects on areas of high value or sensitivity • more readily available and reliable mitigatory and/or compensatory measures		
MODERATE RISK CLASSIFICATION			
• no activities with high • potential for harming people or environment • located away from sensitive areas	• risks and impacts not likely to be significant • not complex and/or large • predictable and expected to be temporary and/or reversible; • low in magnitude; • site-specific, without likelihood of impacts beyond the project footprint; • low probability of serious adverse effects to human health and/or the environment • Routine safety precautions are expected to be sufficient to prevent accidents		National EIA legislation requires E&S instruments such UKL UPL or SPPL

	• easily mitigated in a predictable manner		
LOW RISK CLASSIFICATION			
	• Minimal or negligible risks to and impacts on human populations and/or the environment • few or no adverse risks and impacts and issues • No further assessment after screening		Activities that does not require E&S instrument as per national EIA legislation

Annex IV Project Typology and Preliminary Institutional Capacity Assessment of Relevant Stakeholders

A Typology of potential funded projects by PFB

PFB is designed to provide additional funding for disaster management at the national and sub-national levels, including disaster prevention, emergency response, rehabilitation, and reconstruction projects.

Based on the Indonesian National Disaster Response Framework 2018, there are eight areas of disaster management tasks that may need the funds, which are:

1. **Search and Rescue:** Land search and rescue, structural collapse search and rescue, waterborne search and rescue, coordination of international search and rescue partners. Pre-disaster activities includes capacity building, search and rescue preparedness.
2. **Displacement and Protection:** Provision, delivery and management of emergency food, temporary shelters, water and sanitation, and emergency and social assistance to families in affected areas. Provisions of safe shelter and protection to vulnerable groups, such as children, people with disabilities, elderly, minority groups (including HIV AIDS/ODHA and sexual minorities). Provisions of response and protection to gender-based violence; and provision of psychosocial support. Pre disaster activities include capacity building, communication and coordination
3. **Health:** Provisions of health services and health service management, including public health response, essential nutrition service, healthcare, and emergency medical services. This includes but not limited to health needs regardless of cause (natural hazard, accident, pandemic, etc.); medical surge support; psycho-social support; mass fatality management; and environmental and waste management. Pre disaster activities include awareness rising, risk reduction infrastructure and equipment.
4. **Logistics:** National incident logistics planning, management, and capability; resource support; and, securing transportation and access needed to other task areas to move supplies. The two sub-groups are 1) transportation and 2) warehousing and distribution. Pre disaster activities include capacity building, stockpiling, capacity assessment.
5. **Public works and utilities:** Conducting damage and impact assessments; infrastructure protection and emergency repair; coordination of response, stabilization, and safety and accessibility of infrastructure systems; and, re-establishment of essential services. The key sub-groups are transportation, telecommunication, energy, water and sanitation, temporary shelter, debris clearance, and permanent shelter. Pre disaster activities include capacity building, risk reduction infrastructure retrofitting.
6. **Education:** Re-establishment of school operations and structures, such as provision of emergency support through education posts, safe and inclusive learning process, and

temporary schools; psychosocial support for students, teachers, and staffs; and coordinating reconstruction and rehabilitation for education units. Pre disaster activities include awareness raising, and risk reduction infrastructure retrofitting.

7. **Early Recovery:** coordination of a variety of functions related to economic response, private sector involvement, and transition into recovery. This includes emergency support activities in areas of agriculture; trade, hotels, and restaurants, transportation and communication; electricity, gas, and water service, processing industry, finance, construction. Pre disaster activities include capacity building, provision of policies and/or regulations guiding recovery, early warning system, fire prevention.
8. **Coordination, Command, and Implementation Assistance**
    - **Coordination:** overall assessment coordination, synchronization of data and information, disaster operation permits, coordination of the use of resources and funds.
    - **Command:** establishing disaster management command, facilitation and support posts, as needed; provision of facilities to support command operations (community outreach, public communication, logistics, media center, etc.), deployment of human resources, equipment, and logistic, capacity building
    - **Implementation Assistance:** disaster risk information services, early warning system, emergency support, monitoring and evaluation, fund management, preparation of transition from emergency to recovery.

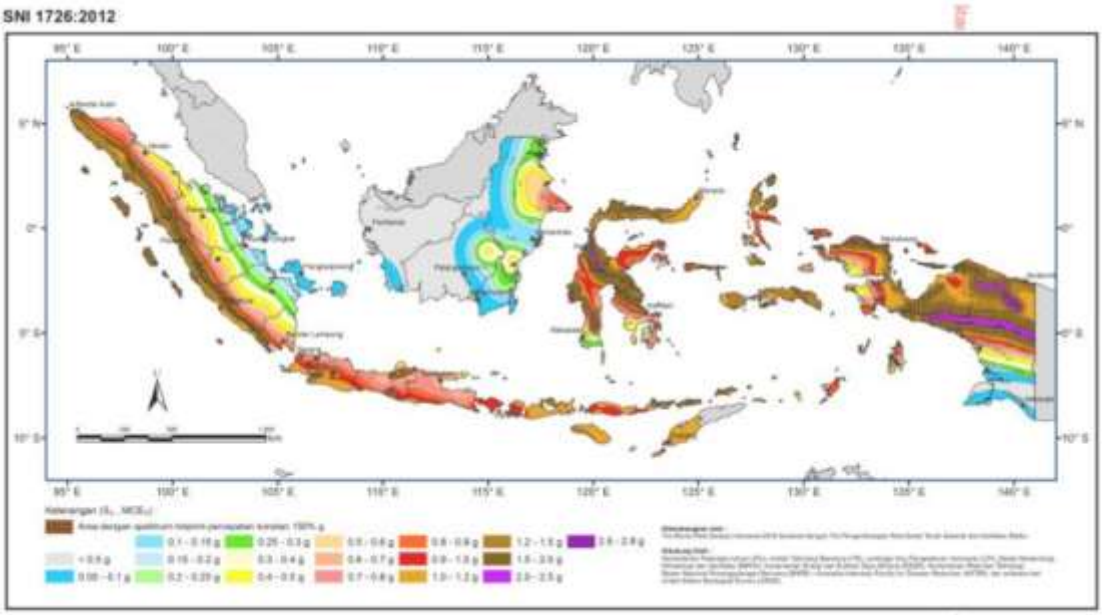
B Sub-National Institutional Capacity Assessments

Scope: sub-national institutional capacity assessments will be undertaken as part of the ESMS TOR deliverables (**Scope of Services E, point. b**) and will focus on target provinces and districts based on specific disaster typologies (**Error! Reference source not found.**). This includes also environmental and social capacity assessments of fund channeling entities coming from community groups (i.e. during proposal verification). Such an assessment takes into account the existing institutional capacities and track-records in the handling of pre- and post-disaster impact management, in line with the national law, particularly the Ministerial Regulation of Home Affairs No. 101/2018 on minimum service standards (*Standar Pelayanan Minimum* or hereafter SPM) for disaster management as well as relevant ESSs applicable to typical pre- and post-disaster response activities. As part of the deliverable, the consultant will prepare relevant lists of questions which will be deployed as part of the sub-national institutional capacity assessments.

Table 6: List of Provinces based on Disaster Typologies (Indonesia Disaster Index 2018)

Fire-prone provinces	South Sumatera, Central Kalimantan, Riau, South Kalimantan, Jambi. West Kalimantan, East Kalimantan (based on forest fire occurrences between 2015 – 2016)

Earthquake prone provinces	Aceh, North Sumatera, West Sumatera, South Sumatera, Lampung, Bengkulu, Jambi, North Sulawesi, Central Sulawesi, Southeast Sulawesi, South Sulawesi, West Sulawesi, Maluku, North Maluku, West Papua, Papua, DKI Jakarta, West Java, Central Java, D.I. Yogyakarta, East Java, Banten, Bali, NTT,NTB, Gorontalo.
Tsunami prone provinces	Aceh, North Sumatera, West Sumatera, Bengkulu, West Java, DI Yogyakarta, East Java, Central Java, Banten, Bali, NTB, North Sulawesi, Central Sulawesi, South Sulawesi, Maluku, West Papua, Papua, NTT, Lampung, West Sulawesi, Southeast Sulawesi, North Maluku, East Kalimantan, Gorontalo.
Provinces with active volcanoes	Central Java, East Java, North Sumatera, South Sumatera, Bali, West Java, NTB, NTT, North Sulawesi, North Maluku, Yogyakarta.
Flood prone provinces	Aceh, North Sumatera, West Sumatera, Riau, Jambi, South Sumatera, Bengkulu, Lampung, Bangka Belitung, West Java, Central Java, DI Yogyakarta, East Java, Banten, DKI Jakarta, West Kalimantan, East Kalimantan, Central Kalimantan, North Sulawesi, Southeast Sulawesi, South Sulawesi, North Maluku, West Papua, Papua, NTB
Landslide prone provinces	Aceh, North Sumatera, Bengkulu, Central Java, NTT, South Sulawesi, West Sulawesi, West Papua, Papua, Central Sulawesi, NTB, West Sumatera, Riau, Jambi, South Sumatera, Lampung, Bangka Belitung, West Java, Central Java, Yogyakarta, East Java, Banten, Bali, West Kalimantan, Central Kalimantan, East Kalimantan, North Kalimantan, North Sulawesi, Southeast Sulawesi, Gorontalo, Maluku, North Maluku



Areas prone to earthquake (SNI 1726:2012)

General assessment: by the end of 2019, only 50% of the districts and/or municipalities have implemented the SPM for disaster management and fire hazards. Due to budget constraints, including lack of human resources, districts and/or municipalities do not have or have not updated their disaster management plans, which serve as the reference for the implementation of the SPM. Inadequate compliance with building codes and standards can lead to the development of vulnerable infrastructure and building assets. While Indonesia follows the 2012 National Standardization Body's Earthquake Planning Procedures for New Building and Non-building Construction (SNI 1726:2012), older buildings followed outdated building codes (SNI 03-1726:2002 or SNI 03-1726:1989) that mandated limited structural corrections. According to a BNPB and World Bank assessment, an estimated 75 percent of all school buildings in Indonesia are situated in disaster-prone areas, and many schools were built in the 1980s, before disaster risk considerations and seismic strengthening guidelines were introduced.

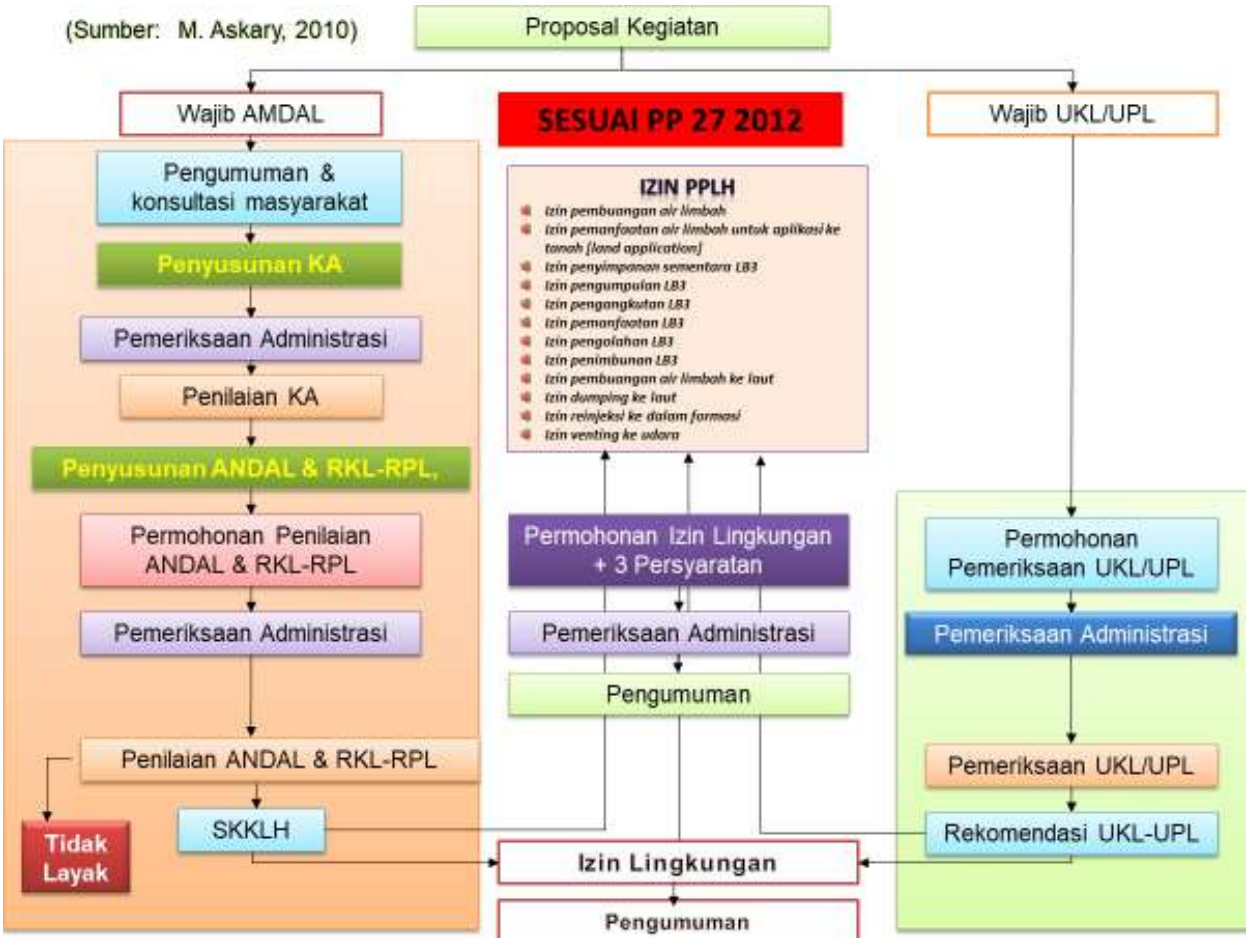
Recent post-disaster rehabilitation and reconstruction experience in Central Sulawesi, which was affected by earthquakes, tsunamis and liquefaction also indicate that districts and/or provinces are potentially constrained in terms of:

a. Inter-agency coordination for emergency response, post-disaster rehabilitation and reconstruction;
b. Lack of database/registry of disaster affected households/peoples which affected accurate and timely targeting and emergency support;
c. Budget availability for the requisite rehabilitation and reconstruction, including land acquisition in the event of relocation of disaster affected households and/or public facilities. If budget is available, contingent financing in the public sector is bound by the same accountability requirements as regular public spending, and special privileges

(e.g., faster disbursement and more relaxed requirement) may lead to moral hazards and the proliferation of political economy around the contingent fund, especially during election years.

d. Lack of spatial data for disaster prevention and related planning. As systematic nationwide mapping at large scale (up-to 1:5,000) has not yet covered the entire archipelago, base maps for such detailed risk identification are not generally available.
e. Depending on the scale and nature of disasters, stakeholder engagement capacities, including information dissemination capacities, grievance redress mechanisms, are generally strained in the context of disaster response.

Provincial and District Environmental Agency: with the help of Technical Team of Environmental Reviewer will recommend the approval of the environmental assessment documents such as AMDAL (full environmental assessment) and UKL UPL (partial environmental assessment) to the governor or major/regent to issue environmental permits. Figure 1 shows the environmental permitting processes for AMDAL and UKL UPL.



For post-disaster activities such as reconstruction and rehabilitation the project proponent needs to prepare AMDAL and/or UKL UPL based on the criteria defined in PermenLH 38/2019.

From the experience in Aceh Tsunami, MoEF had issued a streamlined AMDAL processing for post-disaster relief activities (PermenLH 30/2006).

The challenges exist with regards to the poor coordination between the project proponent who sit in the central government agency with the local environmental agencies who will issue the permit that could create delay and unnecessary bureaucracy during AMDAL/UKL UPL review and approval and also the issuance of environmental permit.

The types of potential E&S impacts are generic for post disaster activities such as construction related health and safety issues, debris removal management, construction waste management, potential encroachment to the surrounding forest to get timbers and construction materials etc. Existing mitigation measures and SOP from Ministry of Public Works can be readily applied to use during these activities, but again sometimes lack of coordination cause incidents such as land clearing activities started without environmental permit and tender documents for contractor and the contract document itself do not contain E&S mitigation measures. The WB funded projects such as Rekompak, CSSRP tried to overcome this issue by early "high level" engagement and coordination with the clients and local government agencies to ensure that commitment related to E&S documentation processing is effectively implemented. Training and capacity building are also undertaken to understand the benefits of early assessment of potential risks and impacts from the activities.

Annex V. Preliminary E&S Assessment of Typology of Activities

Activities to be supported by PFB will range from low to high risk activities. Project typologies include pre-disaster activities (e.g. preparedness, early warning system, management and storage, fire prevention, awareness raising and capacity building) and post-disaster actitivites (e.g. evacuation and rescue, fire suppression, cash transfer for social assistance program, provisions of health services equipment and management, cash for works in villages, land rehabilitation, emergency responses, rehabilitation and reconstruction of infrastruture, housing and settlement or resettlement). The checklist below shows examples of questions to assist the identification and screening of possible associated environmental and social risks. An example of using this checklist to assess the activities risk is indicating relevant impacts and their level of risks for each proposed activities (e.g activities marked with green such as Awareness raising is likely low risk, activities marked with yellow may range from moderate risk to substantial, e.g. Fire prevention will include acquire of chemical and emergency preparedness may include rivers rehabilitation that will need relocation of informal settlers, and activities marked with red on impacts is likely high risk activities, these include rehabilitation and reconstruction of affacted infrastructure, and housing reconstruction and settlement).

Environment Component	Main Check Item	PRE-DISASTERS ACTIVITIES							POST DISASTER ACTIVITIES										
		Awareness Raising	Capacity building,	Early warning system,	Emergency preparedness	Data management and storage	Fire prevention program		Evacuation and rescue,	Emergency supports,	fire suppression,	cash transfer social assistance	provisions of health services equipment a	reconstruction and rehabilitation,	housing and resettlement,	cash for works in villages	, land rehabilitation.		
Air	Construction Related Impacts																		
	i] Will there be increased local air pollution due to rock crushing, cutting and filling works, and chemicals from asphalt processing?													x	x				
	ii. Is there a possibility that air pollutants emitted from various sources, such as vehicle traffic will affect ambient air quality? Does ambient air quality comply with the country's ambient air quality standards?													x	x				
	iii. Will there be vehicle and equipment emissions from construction activities or degradation of air quality due to construction wastes?													x	x				
	iv. Where industrial areas already exist near the route, is there a possibility that the project will make air pollution worse?																		
	Water Supply Works:																		
	Is there a possibility that chlorine from chlorine storage facilities and chlorine injection facilities will cause air pollution? Do chlorine concentrations within the working environments comply with the country's occupational health and safety standards?														x				
	Thermal Powerplant (if applicable) – if not ignore																		
	Have adequate air quality control plans been established for different types of fuel?														x				
	ii. Have other sources of pollution within airshed been considered in establishing air quality control plan?																		
	iii. Do air pollutants, such as sulfur oxides (SOx), nitrogen oxides (NOx), and soot and dust emitted by power plant operations comply with the country's or international emission standards?														x				
	iv. In the case of coal-fired power plants, is there a possibility that fugitive coal dust from coal piles, coal handling facilities, and dust from coal ash disposal sites will cause air pollution?																		
	Are adequate measures taken to prevent the air pollution?																		
	v. Can the facility purchase low sulphur coal to decrease air emissions?																		
	vi. Can the plant monitor and reduce excess air flow in the boiler to ensure good combustion efficiency while reducing NOx emissions?																		

Water	WATER SUPPLY WORKS																				
	Will the project cause deterioration of water quality due to inadequate sludge disposal or direct discharge of untreated sewage water?																x				
	ii. Will there be contamination of surface and ground waters due to sludge disposal on land?																x				
	iii. Is there a possibility of impairment of downstream water quality due to inadequate sewage treatment or release of untreated sewage?																x				
	iv. Do pollutants, such as SS, BOD, COD, pH contained in treated effluent from a sewage treatment plant comply with the country's effluent standards?																				
	CONSTRUCTION WORKS:																				
	Will the project has inadequate protection of intake works or wells, leading to pollution of water supply?															x	x				
	ii. Is the water supplied to the distribution system unsafe (e.g. excessive pathogens or mineral constituents) due to poor O&M treatment processes (especially mud accumulations in filters) and inadequate chlorination due to lack of adequate monitoring of chlorine residuals in distribution systems?															x	x				
	iii. Is the delivery of water to distribution system, which is corrosive due to inadequate attention to feeding of corrective chemicals?																				
	iv. Will the project cause excessive abstraction of water affecting downstream water users?															x	x				
	v. Do pollutants, such as SS, BOD, COD contained in effluents discharged by the facility operations comply with the country's effluent standards?															x	x				
	Is there a possibility that soil runoff from the bare lands resulting from earthmoving activities, such as cutting and filling will cause water quality degradation in downstream water areas?															x	x				
	ii. Will there be deterioration of surface water quality due to silt runoff and sanitary wastes from worker-based camps and chemicals used in construction?															x	x				
	iii. Will the project result in discharge and contamination to public water systems? Is there any alteration of surface water quality, including but not limited to, temperature, dissolved oxygen, or turbidity?																				
	iv. Will there be reduction in the amount of water otherwise available for public water supplies?																				
	v. Is there a possibility that surface runoff from roads will contaminate water sources, such as groundwater?																				
	vi. Will there be a change in the quantity of ground water either through direct additions or withdrawals or through interception of an aquifer by cuts or excavations?															x	x				
	vii. Will the project result in alterations to the course or flow of floodwaters?																				
	viii. Is the road placing fill below the ordinary high water mark of rivers and streams?																				
	ix. Is the site located in a riverine or coastal floodplains? Encroachment into a 100-year flood plain or regulated flood way?															x	x				
	x. Is there an impact on or construction in a wetland or inland floodplain?																				
	xi. Is there an increased risk of water pollution from oil, grease and fuel spills, and other materials from vehicles using the road?																				
	xii. Do effluents from various facilities, such as stations and parking areas/service areas comply with the country's effluent standards and ambient water quality standards? Is there a possibility that the effluents will cause areas that do not comply with the country's ambient water quality standards?																				

Flora Fauna																				
	Will the project result in change in the diversity of species or numbers of any species of flora (including trees, shrubs, grass, crops, micro flora, and aquatic plants)? Or an effect on any unique, rare, or endangered species of flora?													x	x				
	ii. Will there be introduction of new species of flora into an area or a barrier to the normal replenishment of existing species?													x	x				
	iii. Will the project result in changes in the diversity of species or numbers of any species of fauna (birds, land animals including reptiles, fish and shellfish, benthic organisms, insects, or micro fauna)? Or an effect on any threatened or endangered species of fauna?																		
	iv. Will there be introduction of new species of fauna into an area or result in a barrier to the migration or movement of fauna?													x	x				
	v. Will there be deterioration of, or interference with, fish or wildlife critical habitat?																		
Earth/Soil																			

change	Will the project cause unstable earth conditions or changes in geologic substructures? The destruction, covering, or modification of any unique geologic or physical features?													x	x				
	ii. Does the project cause disruptions, slope failures, landslides, displacement, compaction, or over covering of the soil due to earthwork? Are adequate measures considered to prevent slope failures or landslides, where needed?													x	x				
	iii. Will there be a change in topography or ground surface relief features?													x	x				
	iv. Will there be an increase in wind or water erosion of soils either on or off the site?																		
	v. Is there a possibility of changes in deposition or erosion of beach sands, which may modify the bed of the ocean, bay, or inlet?																		
	vi. Will there be chances of siltation, deposition, or erosion, which may modify the channel of a river or stream or the bed of a lake? Will there be sedimentation of roadside waterbodies and drains? Are adequate measures taken to prevent soil runoff?																		
	vii. Will there be loss of productive topsoil in borrow areas?																		
	viii. Will the project result in foreclosure on future uses of site on a long term basis?																		
	ix. Will the project cause alteration of surface water hydrology of waterways crossed by roads, resulting in increased sediment in streams affected by increased soil erosion at construction site? Does the construction plan provide for erosion and sediment control during and after construction?																		
Land Use																			
	Will the project result in the alteration of the present or planned land use of an area?													x	x				
	ii. Is there a possibility of reduction in acreage of any agricultural products, prime and unique farmland?													x	x				
Wetlands																			
	Is there a possibility that alteration of topographic features and installation of structures, such as tunnels will adversely affect surface water and groundwater flows?																		
	ii. Will the earthwork cause the removal of hydrophytic vegetation or the covering or replacing of any hydric soil?																		
Socio Economic																			
	Will the project affect existing housing (including but not limited to rural or urban residences and business or commercial buildings)?													x	x				
	ii. Will there be a demand for additional housing for construction workers?																		
	iii. Will the project cause other social concerns relating to inconveniences in living conditions in the project areas that may trigger cases of upper respiratory problems and stress?																		

Noise and Vibration																				
	Do noise and vibrations generated from the facilities, such as sludge treatment facilities and pumping stations comply with the country's standards?													x	x					
	Do noise and vibrations generated by the power plant operations comply with the country's or international ambient standards, and occupational health and safety standards?																			
	ii. In the case of coal-fired power plants, are the facilities for coal unloading, coal storage areas, and facilities for coal handling designed to reduce noise?																			
Subsidence																				
	In the case of extraction of a large volume of groundwater, is there a possibility that the extraction of groundwater will cause subsidence?													x	x					
Waste																				
	Are wastes, (such as waste oils, and waste chemical agents), coal ash, and by-product gypsum from flue gas desulphurization generated by the power plant operations properly treated and disposed of in accordance with the country's standards?													x	x					
	Will the project cause public health and safety hazards due to solid waste disposal in sanitary landfills?																			
	iii. Has the opportunities to reduce the amount of hazardous and toxic materials used in the plant evaluated?																			
	iv. Have alternatives uses of fly ash and bottom ash been evaluated? Is there a local market for construction material additives, road base materials, abrasives, soil amendments or acid neutralizing materials?																			
	Are wastes, such as sludge generated by the facility operations properly treated and disposed of in accordance with the country's standards?																			
	ii. Will the project cause discharge of hazardous materials into sewers, resulting in damage to sewer system and danger to workers?																			
Odor																				
	Are there any odour sources? Are adequate odour control measures taken?																			
	Are adequate control measures taken for odour sources, such as sludge treatment facilities?													x	x	x				
Protected Areas																				
	Is the project site located in protected areas designated by the country's laws or international treaties and conventions? Is there a possibility that the project will affect the protected areas?														x	x				
Ecosystem Services																				
	Does the project site encompass primeval forests, tropical rain forests, ecologically valuable habitats (e.g., coral reefs, mangroves, or tidal flats)?														x	x				
	ii. Does the project site encompass the protected habitats of endangered species designated by the country's laws or international treaties and conventions?														x	x				
	iii. If significant ecological impacts are anticipated, are adequate environmental protection measures taken to reduce the impacts on ecosystem?																			
	iv. Is there a possibility that the amount of water (e.g., surface water, groundwater) used by the project will adversely affect aquatic environments, such as rivers? Are adequate measures taken to reduce the impacts on aquatic environments, such as aquatic organisms?																			
	v. Is there a possibility that discharge of thermal effluents, intake of a large volume of cooling water or discharge of leachates will adversely affect the ecosystem of surrounding water areas?																			

Waste water																			
	Will the project cause increased sewage flow due to increased water supply? Or increased volume of sullage (wastewater from cooking													x	x				
	and washing) and sludge from wastewater treatment plant?																		
Soil and Groundwater Contamination																			
	If wastes, such as sludge are suspected to contain heavy metals; are adequate measures taken to prevent contamination of soil and groundwater by leachates from the wastes?												x	x	x				
	Has the soil in the project site been contaminated in the past, and are adequate measures taken to prevent soil contamination by leaked materials, such as crude oil, products, and chemical agents?																		
	ii. In the case of coal-fired power plants, have adequate management plans been established for controlling leachates from coal piles and coal ash disposal sites?																		

Public Health																			
	Is there a possibility of hazards to public health due to overflow flooding, and groundwater pollution due to failure of sewerage system?												x						
	ii. Will the project cause health and safety hazards to workers from toxic gases and hazardous materials which maybe contained in sewage flow and exposure to pathogens in sewage and sludge?												x						
Construction Activities																			
	Will the project cause social conflicts between construction workers from other areas and community workers?																		
	ii. Will there be road blocking and temporary flooding due to land excavation during the rainy season?													x	x				
	iii. Is there a possibility of noise and dust from construction activities?													x	x				
	iv. Will there be traffic disturbances due to construction material transport and wastes?													x	x				
	Will the project cause increased road traffic due to interference of construction activities?																		
	ii. Will there be continuing soil erosion/silt runoff from construction operations?																		
	iii. Will there be noise and dust from construction activities?																		

OTHERS																			
	Will the road construction affect a site with the potential for hazardous waste (e.g., sanitary landfills, gasoline stations, industrial sites)?											x	x	x				
	Will the project result in an impact upon the quality or quantity of existing recreational opportunities?											x	x	x				
	iii. Will there be an increase in motor vehicle movement, movement of bicycles, or pedestrians?												x	x				
	iv. Will there be existing parking facilities to be affected or create a demand for new parking?																	
	v. Will the commissioning of the project cause changes in access?												x	x				
	vi. Will it impact upon existing transportation systems?												x	x				
	vii. Will the project result in hazardous driving conditions where construction interferes with pre-existing roads?												x	x				
	viii. Is there a possibility of poor sanitation and solid waste disposal in construction camps and work sites, and possible transmission of communicable diseases from workers to local populations?											x	x	x				
	ix. Will there be creation of temporary breeding habitats for mosquito vectors of disease												x	x				
	Is there a possibility that the amount of water used (e.g., surface water, groundwater) by the project will adversely affect the existing water uses and water area uses?												x	x				
	ii. Will there be excessive algal growth in storage reservoir?												x	x				
	iii. Will the project cause impairments associated with transmission lines and access roads?												x	x				
	iv. Will there be health hazards arising from inadequate design of facilities for receiving, storing, and handling of chlorine and other hazardous chemicals?																	
	v. Will the project cause health and safety hazards to workers from the management of chlorine used for disinfection and other contaminants?																	
	vi. Is there a possibility of accidental leakage of chlorine gas?																	
	Will the project cause interference with other utilities and blocking of access to buildings; nuisance to neighbouring areas due to noise, smell, and influx of insects, rodents, etc.?												x	x				
	ii. Is there a possibility of environmental pollution due to inadequate sludge disposal or industrial waste discharges illegally disposed in sewers?												x	x				

ANNEX VI ESMS SEQUENCING TABLE

Time/Phase	Explanation of the Conditions	Timing of activities under the PFB
Year 1		
0-6 months since loan effective or when the consultant/firm is on board Note: the recruitment of the consultant can be undertaken by MoF earlier (before the loan effectiveness).	The Consultant/Firm is recruited - to develop the skeleton of the ESMS similar to ESS1 requirements or ISO 14001: EMS (clause 4:1 to 4:6), i.e.: E&S Policy, regulatory requirements, objective, target & program development, staffing and resources, internal and external communication, records management, operational procedures, emergency preparedness, monitoring and evaluation, corrective action, annual review. Preparation of procedures for low and certain moderate risk activities that do not require E&S assessments is priority activity for the consultant. *Staff recruitment and PFB capacity for implementing such procedures for low and certain moderate risk activities will also be prioritized*.	PFB can support low and certain moderate risk activities that will not require E&S assessments and/or can rely on template instruments, and does not require capacity building, training (e.g. pre-disaster activities related to awareness raising, early warning system etc.). See also Annex III of TOR ESMS.
6-12 months after the consultant onboard	Further develop the draft ESMS with the *emergency procedures during disaster* including screening and decision trees	PFB can support disaster risk response if relevant template instruments in the *draft ESMS* are sufficient for managing

	templates, templates/TORS/guidelines that can accommodate the urgent natures of the fund's response such as rapid impact assessment, damage needs assessment templates. To develop PFB capacity for implementing *emergency procedures during disaster* that require E&S assessments.	anticipated environmental and social risks and impacts.
Year 2	The final draft of the ESMS is further developed to include high and substantial risk activities (e.g. post disaster reconstruction) and is further adjusted as needed in view of any experience of responding to certain disaster event in year 1. To develop PFB's capacity for managing high and substantial risk activities that require E&S assessments. The final draft of the ESMS is agreed by the PFB and WB and publicly consulted by the FPB.	PFB can support low to medium risk activities (Annex III of TOR ESMS). PFB can support high and substantial risk activities at this stage if the procedures and PFB capacity calibrated to manage environmental and social risks are in place.
Year 3	ESMS is fully established, adopted, and implemented	PFB can support activities at all risk levels, including high and substantial risk activities for pre-disaster, at disaster and post-disaster phase.