

Republic of Indonesia
Ministry of Marine Affairs and Fisheries

Indonesia Coral Bond
(P181486)

Draft
ENVIRONMENTAL AND SOCIAL
COMMITMENT PLAN (ESCP)

Appraisal
November, 2024

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Republic of Indonesia (the Recipient) will implement Indonesia Coral Bond Project, with the involvement of Indonesian Environment Fund (IEF), Ministry of Marine Affairs and Fisheries (MMAF), the Indonesia Climate Change Trust Fund (ICCTF), as set out in the Grant Agreement (the Agreement). The International Bank for Reconstruction and Development (the Bank), acting as the implementing agency of the Global Environment Facility (GEF), has agreed to provide financing for the Project, as set out in the Agreement.
2. The Borrower shall ensure that the Project is carried out in accordance with the Environmental and Social Standards (ESSs) and this Environmental and Social Commitment Plan (ESCP), in a manner acceptable to the Bank. The ESCP is a part of the Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the Agreement.
3. Without limitation to the foregoing, this ESCP sets out material measures and actions that the Recipient shall carry out or cause to be carried out, including, as applicable, their respective timeframes; institutional, staffing, training, monitoring and reporting arrangements; and grievance management. The ESCP also sets out the environmental and social (E&S) documents that shall be prepared or updated, consulted, disclosed and implemented under the Project, consistent with the ESSs, in form and substance acceptable to the Bank. Said E&S documents may be revised from time to time with prior written agreement by the Bank. As provided for under the referred Agreement, the Recipient shall ensure that there are sufficient funds available to cover the costs of implementing the ESCP.
4. As agreed by the Bank and the Recipient, this ESCP will be revised from time to time, if necessary, to reflect adaptive management of Project changes or unforeseen circumstances or in response to Project performance. In such circumstances, the Bank and the Recipient agree to update the ESCP to reflect these changes through an exchange of letters signed between the Bank and the Recipient's Representative specified in the Agreement or the Executive Director of Indonesian Environment Fund (IEF). The Recipient shall promptly disclose the updated ESCP.
5. The subsection on "Indicators for Implementation Readiness" below identifies the actions and measures to be monitored to assess Project readiness to begin implementation in accordance with this ESCP. Nevertheless, all actions and measures in this ESCP shall be implemented as set out in the "Timeframe" column below irrespective of whether they are listed in the referred subsection.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
IMPLEMENTATION ARRANGEMENTS AND CAPACITY SUPPORT¹			
A	ORGANIZATIONAL STRUCTURE Establish and maintain a an organizational structure within the Project Management Unit (PMU) at IEF; and establish and maintain four Project Implementing Units (PIUs) at Directorate General of Marine Spatial and Ocean Management (DGMSOM), Ministry of Marine Affairs and Fisheries (MMAF) Provincial Marine and Fisheries Department in East Nusa Tenggara and Papua Barat Daya Provinces and Natural Resources Management Deputy – BAPPENAS, with qualified staff and resources to support management of environmental, social, health and safety (E&S) risks and impacts of the Project. Appoint one E&S focal point, hire one environmental consultant and one social consultant for PMU; appoint one Project Implementation Coordinator (PIC) for each of the four PIUs, and hire adequate environmental and social consultants based on business needs.	<p>a. PMU, including E&S focal point(s) and E&S consultants, established and operational no later than three months of project effective date, and thereafter maintained the PMU and these positions throughout Project implementation.</p> <p>b. PIUs, including one E&S focal point for each of the PIUs, established and operational, no later than one month of project effective date, and thereafter maintained throughout Project implementation.</p> <p>c. Hire adequate environmental and social consultants for PIUs based on business needs before project activities commence.</p>	<p>Indonesia Environment Fund (IEF) /PMU</p> <p>PIUs</p> <p>IEF / PMU</p>

¹ For all actions, consult with the country lawyer to ensure consistency with the legal agreement in cases where some actions need to be completed before the project becomes effective (effectiveness condition) or before certain disbursements can occur (disbursement condition).

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
B	<p>CAPACITY BUILDING PLAN/MEASURES</p> <p>Capacity building and/or training for the PMU, PIUs, project workers to be conducted by the appointed qualified environmental and social specialists, which may include:</p> <ol style="list-style-type: none"> 1. Environmental and social management of Technical Assistance activities. 2. Awareness-raising sessions regarding SEA/SH prevention 3. Screening and assessment of specific aspects of biodiversity 4. Grievance redress mechanism 5. Stakeholder engagement and inclusion 	Throughout Project implementation	PMU and PIUs
MONITORING AND REPORTING			
C	<p>REGULAR REPORTING</p> <p>[Specify how E&S performance of the project will be monitored and reported to the World Bank.]</p> <p>Prepare and submit to the Bank regular monitoring reports on the environmental, social, health and safety (ESHS) performance of the Project. The reports shall include:</p> <ol style="list-style-type: none"> 1. Status of preparation and implementation of E&S documents required under the ESCP. 2. Summary of stakeholder engagement activities carried out as per the Stakeholder Engagement Plan. 3. Complaints submitted to the grievance mechanism(s), the grievance log, and progress made in resolving them. 	<p>Submit semestral (Biannual] reports to the Bank throughout Project implementation (commencing after the Effective Date.</p> <p>Submit each report to the Bank no later than 45 days after the end of each reporting period.</p>	IEF / PMU
D	<p>CONTRACTORS' MONTHLY REPORTS</p> <p>Not relevant.</p>	N/A	

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
E	<p>INCIDENTS AND ACCIDENTS</p> <p>Notify the Bank of any incident or accident relating to the project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including those resulting in death or significant injury to workers or the public; acts of violence, discrimination or protest; unforeseen impacts to cultural heritage or biodiversity resources; pollution of the environment; dam failure; forced or child labor; displacement without due process (forced eviction); allegations of sexual exploitation or abuse (SEA), or sexual harassment (SH); or disease outbreaks. Provide available details of the incident or accident to the [Bank/Association] upon request.</p> <p>Arrange for an appropriate review of the incident or accident to establish its immediate, underlying and root causes. Prepare, agree with the Bank, and implement a Corrective Action Plan that sets out the measures and actions to be taken to address the incident or accident and prevent its recurrence.</p>	<p>Notify the Bank no later than 48 hours after learning of the incident or accident.</p> <p>Provide review report and Corrective Action Plan to the Bank no later than 10 days following the submission of the initial notice, unless a different timeframe is agreed to in writing by the Bank.</p>	IEF / PMU
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ENVIRONMENTAL AND SOCIAL ASSESSMENTS AND/OR PLANS</p> <p>Include E&S management provisions in POM (e.g., stakeholder engagement, E&S management for TA activities, capacity building).</p> <p>Adopt and implement the Project Operations Manual (POM) which include institutional and implementation arrangements, E&S capacity building plan, compliance with E&S safeguards requirements, including management of TA activities, progress monitoring, supervision and reporting of the project consistent with the relevant ESSs.</p>	<p>Draft POM prior to Appraisal</p> <p>Implement the POM throughout Project implementation.</p>	PMU and PIUs
1.2	<p>MANAGEMENT OF CONTRACTORS</p> <p>Not relevant.</p>	N/A	

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
1.3	<p>TECHNICAL ASSISTANCE</p> <p>Ensure that the consultancies, studies, assessment exercise, capacity building, training, and any other technical assistance activities under the Project, including, inter alia, assessment of gaps between EVIKA and IUCN Green List, trainings for IUCN Green List certification, a labor code of conduct (e.g., SEA/SH prevention and mitigation), are to be carried, in accordance with terms of reference acceptable to the Bank, that are consistent with the ESSs. Thereafter prepare and finalize the outputs of such activities in compliance with the terms of reference.</p>	All draft TORs to be prepared and submitted to Bank prior to commencement of the activity. Throughout Project implementation.	IEF / PMU
1.4	<p>CONTINGENT [EMERGENCY] [EARLY] RESPONSE FINANCING</p> <p>Not relevant.</p>	N/A	
1.5	<p>ASSOCIATED FACILITIES</p> <p>Not relevant.</p>	N/A	
1.6	<p>USE OF [BORROWER/RECIPIENT'S] ENVIRONMENTAL AND SOCIAL FRAMEWORK</p> <p>Use of part of the Borrower's Environmental and Social Framework, that is the Indonesia's Environment Fund' Environment and Social Management System (IEF ESMS).</p> <p>The use of IEF ESMS will be accompanied by several additional measures, including on ESS 1 (E&S risk management approach for TA component); ESS 2 (Project workers Code of Conduct for GBV prevention and respectful workplace and Labor Grievance Redress Mechanism); ESS 3; ESS 6; ESS 7; and ESS 10.</p> <p>Following the use of BESF, the Borrower has an obligation to notify the Bank of any change in the BESF that may have an impact on E&S risk management for the Project.</p>	Gap-filling measures, including additional instruments and templates to materially meet ESF shall be prepared and submitted to the Bank prior to commencement of the activity. These all should be included in POM, and to be implemented throughout Project implementation.	IEF/ PMU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
1.7	COMMON APPROACH Not relevant.	N/A	
1.8	ACTIVITIES SUBJECT TO RETROACTIVE FINANCING Not relevant.	N/A	
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	LABOR MANAGEMENT PROCEDURES Adopt and implement relevant provision of labor management in line with ESS2 and Indonesia's labor law, including, provisions on workers' code of conduct on SEA/SH prevention, worker's grievance arrangements. Provision of workers' code of conduct on SEA/SH prevention and workers' grievance arrangement to be included in the POM.	Prepare the relevant provision of labor management In line with ESS 2 prior to project activities commence, and thereafter implement these provisions throughout Project implementation.	PMU and PIUs
2.2	OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT PLAN Not relevant.	N/A	
2.3	GRIEVANCE MECHANISM FOR PROJECT WORKERS Establish and operate a grievance mechanism for Project workers, as described in POM and consistent with ESS2.	Establish grievance mechanism prior engaging Project workers and thereafter maintain and operate it throughout Project implementation.	PMU and PIUs

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
<p>ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT [The relevance of ESS3 is established during the ESA process. ESS3 may require the preparation of specific measures to cover energy, water (e.g., water balance) and raw materials use, management of air pollution, hazardous and nonhazardous wastes, chemicals and hazardous materials and pesticides (pest management plan). Depending on the project, these measures may be set out in an E&S document (e.g., ESMP) already mentioned in the section under ESS1 above or as a stand-alone document or as a separate measure or action. See <u>sample actions</u> below.]</p>			
3.1	<p>WASTE MANAGEMENT PLAN Not relevant.</p>	N/A	
3.2	<p>RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</p> <p>TA activities may encompass pollution prevention and management to mitigate impacts on protected areas. Refer to Item 1.3 of the ESCP, TA activities are to be carried out in accordance with terms of reference acceptable to the World Bank that are consistent with ESS3. Thereafter ensure that the outputs of such activities comply with the terms of reference.</p>	Same timeframe as for the preparation and implementation of the ESMP	PMU and PIUs
<p>ESS 4: COMMUNITY HEALTH AND SAFETY [The relevance of ESS4 is established during the ESA process. As with other ESSs, ESS4 may require the preparation of specific measures to cover community health and safety risks, including, inter alia, on infrastructure and equipment design and safety, safety of services, traffic and road safety, community exposure to health issues, ecosystem services, management and safety of hazardous materials, emergency preparedness and response, security (including engagement of security personnel), and safety of dams. Depending on the project, these measures may be set out in an E&S document (e.g., ESMP) already mentioned in the section under ESS1 above or as a stand-alone document or as a separate measure or action. See <u>sample actions</u> below.]</p>			
4.1	<p>TRAFFIC AND ROAD SAFETY Not relevant.</p>	N/A	
4.2	<p>COMMUNITY HEALTH AND SAFETY Not relevant.</p>	N/A	

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
4.3	SEA AND SH RISKS Not relevant.		
4.4	SECURITY MANAGEMENT² Not relevant.	N/A	
4.5	DAM SAFETY (FOR ANNEX A ESS4) Not relevant.	N/A	
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT [The relevance of ESS5 is established during the ESA process. If resettlement documents need to be prepared (e.g., resettlement process frameworks, resettlement action plans, process frameworks) this should be reflected in the ESCP. See <u>sample actions below</u>]			
5.1	RESETTLEMENT [FRAMEWORK] [PLAN] or [PLANS] Not relevant.	N/A	
5.2	PROCESS FRAMEWORK Develop and adopt Process Framework in accordance to ESS 5. Process Framework to be presented in POM.	Prepare Process Framework prior to project activities commence, and thereafter implement these provisions throughout Project implementation.	PMU and PIUs

² Depending on security risks and details of the project, the Borrower may retain or engage public security personnel, including military, to provide security for the project. Such cases may require a specific security management assessment and/or security management plan and setting out specific measures and actions in the ESCP. See Annex to the “Tip Sheet: Drafting the Environmental and Social Commitment Plan” for further guidance.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES [The relevance of ESS6 is established during the ESA process. As with other ESSs, ESS6 may require the preparation of specific measures that may be set out in an E&S document (e.g., ESMP) already mentioned in the section under ESS1 above or as a stand-alone document or a separate measure or action. See sample actions below].			
6.1	BIODIVERSITY RISKS AND IMPACTS Refer to Item 1.4 of the ESCP. TA activities include the improvement of biodiversity conservation and management of living natural resources. TA activities are to be carried out in accordance with terms of reference acceptable to the World Bank that are consistent with ESS6. Thereafter ensure that the outputs of such activities comply with the terms of reference.	Throughout Project implementation.	PMU and PIUs
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES [See examples of possible actions below that can be used if determined that ESS7 is relevant, as set out in paragraph 54 of the E&S Policy and paragraphs 8-10 of ESS7.]			
7.1	INDIGENOUS PEOPLES FRAMEWORK 1. Prepare and implement an Indigenous Peoples Planning Framework (IPPF) for the Project, consistent with ESS7. 2. Adopt and implement relevant provision of engagement with Indigenous Peoples in line with ESS7 as outlined in the POM.	Prepare the IPPF prior to Project commences, and thereafter implement the IPPF throughout Project implementation.	PMU and PIUs
ESS 8: CULTURAL HERITAGE [The relevance of ESS8 is established during the ESA process. As with other ESSs, ESS8 may require the preparation of specific measures that may be set out in an E&S document (e.g., ESMP) already mentioned in the section under ESS1 above or as a stand-alone document or a separate measure or action. See sample actions below].			
8.1	CULTURAL HERITAGE RISKS AND IMPACTS Not relevant.	N/A	

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
8.2	CHANCE FINDS Not relevant.	N/A	
ESS 9: FINANCIAL INTERMEDIARIES [This standard is only relevant for Projects involving Financial Intermediaries (FIs)]			
9.1	ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS) Not relevant.	N/A	
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	STAKEHOLDER ENGAGEMENT PLAN Adopt and implement relevant provision of Stakeholder Engagement for the Project, consistent with ESS10, as describe in the POM, which shall include measures to, inter alia, provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.	Throughout Project implementation	PIUs
10.2	PROJECT GRIEVANCE MECHANISM Establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances in relation to the Project, as described in the POM, promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all Project-affected parties, at no cost and without retribution, including concerns and grievances filed anonymously, in a manner consistent with ESS10.	Establish the grievance mechanism before project activities commence, and thereafter maintain and operate the mechanism throughout Project implementation.	PMU and PIUs

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
		Appoint a FGRM focal point before project activities commence, and maintained throughout Project implementation.	
<p>INDICATORS FOR IMPLEMENTATION READINESS [This subsection lists the ESCP actions (by their numbering in the first column of the ESCP) that are identified as relevant to monitor project readiness from an E&S standpoint. These may include actions related to: i) establishment of E&S risk management units in the Project Implementation Entities, ii) recruitment and training of E&S staff within Project Implementation Entities, iii) Memorandums of Understanding or other written agreements/arrangements between Project Implementation Entities and other concerned agencies to ensure proper coordination of E&S risk management activities; iv) E&S effectiveness or disbursement conditions, if deemed warranted, v) ES assessments and plans to be prepared by the Borrower at the onset of implementation; vi) other project-specific requirements related to E&S readiness for implementation].</p>			
<p>The following actions are indicators for implementation readiness:</p> <ol style="list-style-type: none"> 1. Appointment of at least one E&S/ Safeguard focal point in the Project Management Office (civil servant or officer) 2. Draft Safeguard Instruments/ templates in Project Operation Manual (POM) to fill the gaps with the PMU's Environmental and Social Management System (ESMS) 			