

Stakeholder Engagement Plan

Indonesia Coral Bond

**Republic of Indonesia
Indonesia Environment Fund and
the Ministry of Marine Affairs and Fisheries**

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Table of Contents

1	OBJECTIVE	3
1.1	Brief Description of the Project	4
1.2	Social Context	9
1.3	Institutional arrangement	11
2	KEY PRINCIPLES	12
3	REGULATORY FRAMEWORK	16
3.1	Relevant National Laws and Regulations	16
3.2	World Bank Environmental and Social Standards	17
4	BRIEF SUMMARY OF PREVIOUS ENGAGEMENT	19
5	IDENTIFICATION OF STAKEHOLDERS	22
6	VULNERABLE GROUPS AND INDIGENOUS PEOPLE	25
6.1	Vulnerable Groups	25
6.2	Indigenous Peoples	26
7	STAKEHOLDER ENGAGEMENT PLAN	28
7.1	Stakeholder Engagement Plan	28
8	INFORMATION DISCLOSURE	35
9	GRIEVANCE REDRESS MECHANISM	35
10	MONITORING, EVALUATION AND REPORTING	41
11	FINANCING	41
12	ANNEXES	42
	Annex I: Grievance Log Form	42
	Annex 2: Minutes of Meeting of Technical Meeting for Project Design	44
	Annex 3: Aide Memoire of Project Design and Identification	47
	Annex 4: Documentation of Consultations and Field Visits	53

Acronyms and Abbreviations

Bappenas	Badan Perencanaan Pembangunan Nasional/ the National Development Planning Agency
BPDLH	Badan Penyaluran Dana Lingkungan Hidup
BRIN	Badan Riset dan Inovasi Nasional / National Research and Innovation Agency (previously known as LIPI)
BRWA	Badan Registrasi Wilayah Adat/ the Registration of Indigenous Areas Agency, a Non-Governmental Organization compiling IPs-claimed areas
CMAI	Coordinating Ministry for Marine Affairs and Investment
CSO	Community Social Organization
DJPKRL	Direktorat Jenderal Pengelolaan Kelautan dan Ruang Laut/ the Directorate General of Marine Spatial and Ocean Management (Directorate General under MMAF)
ESMF	Environmental and Social Management Framework
ESCP	Environmental and Social Commitment Plan
ESS	Environmental and Social Standards
ICCTF	Indonesia Climate Change Trust Fund
IEF	Indonesia Environment Fund (BPDLH)
IP	Indigenous People
IUCN	International Union for Conservation of Nature
LAPOR	Layanan Aspirasi dan Pengaduan Online Rakyat/ a digital application built to capture complaints of various issues related government bodies' projects, programs, and activities both at national and local levels
MHA	Masyarakat Hukum Adat/ Sub-directorate of Customary Communities (sub-directorate under DJPKRL in MMAF)
MPA	Marine Protected Area
MMAF	Ministry of Marine Affairs and Fisheries
MoEF	Ministry of Environment and Forestry
MoF	Ministry of Finance
MSME	Micro, Small, and Medium Enterprises
MPA	Marine Protected Area

NGO	Non-Government Organization
KKP	Kementerian Perikanan dan Kelautan (see MMAF)
OJK	Otoritas Jasa Keuangan/the Financial Services Authority
PMU	Project Management Unit
POM	Project Operations Manual
RPJMN	Rencana Pembangunan Jangka Menengah Nasional/ the National Medium-term Development Plan (a 5-year plan)
RZWP3K	Rencana Zonasi Wilayah Pesisir dan Pulau-Pulau Kecil/ the Zonation Plan of Coastal and Small Islands
UPG	Unit Pengarusutamaan Gender/ the Gender Mainstreaming Unit

1 Objective

The purpose of this Stakeholder Engagement Plan (SEP) is to document all stakeholder activities for the Indonesia Coral Bond, a project funded by the World Bank through grant scheme and implemented by the Indonesia Environment Fund (PMU) through implementing units: Ministry of Marine Affairs and Fisheries (act as technical lead for the project) and the National Planning Agency (Bappenas)- ICCTF in 3 provinces across Indonesia. The SEP has been prepared by the Coral Bond preparation joint task team under the Ministry of Marine Affairs and Fisheries (MMAF), in coordination with Bappenas – ICCTF, Indonesia Environment Fund (IEF), and the World Bank.

Stakeholder engagement refers to a process of sharing information and knowledge, seeking to understand and respond to the concerns of others, and building relationships based on collaboration. Stakeholder consultation and disclosure are key elements of engagement and essential for delivery of successful projects. The scope of this draft instrument is engagement plan with stakeholders related to the project components and activities to enhance effectiveness of MPAs management in three selected areas in Indonesia.¹ This SEP is a draft version, which will be finalised during implementation of the project under Component 1.2.

The overall aim of the SEP is to ensure that a timely, consistent, comprehensive, coordinated and culturally appropriate approach is taken to consultation and project disclosure. It is intended to demonstrate the commitment of the IEF and MMAF to an international good practice approach to engagement in line with the World Bank’s Environmental and Social Standards (ESS). In this context, good stakeholder relations are also a prerequisite for good risk management.

¹ Herewith, this instrument does not cover the US/ international bonds issuance and transaction’s authorities or private investors-relations.

1.1 Brief Description of the Project

The Indonesia Coral Bond Project will invest in activities leading to the improved management of Marine Protected Areas (MPAs), MPA management effectiveness assessment, demonstration of conservation outcomes, and the inclusion of three MPAs in the IUCN Green List of Protected Areas, National MPA Raja Ampat and Provincial MPA Raja Ampat in Southwest Papua Provinces, and Provincial MPA Taman Kawasan Perairan Alor in East Nusa Tenggara. It aims to replicate the success of Wildlife Conservation bonds (“Rhino Bond”), a financing scheme implemented in South Africa to mobilise private financing to fund rhinos’ conservation efforts. Indonesia Coral Bond is aimed to improve coral reef health and conservation outcomes in target marine protected areas to meet the global best standards for marine protected management, the IUCN Green List.

The project also presents an opportunity to develop a robust blended finance operation for MPAs. It will build the capacity of the GoI to develop and execute innovative financing instruments that support conservation outcomes in collaboration with a reputable partner while also providing an opportunity to engage with institutional investors in a vastly underserved sector. By applying the IUCN Green List Standard diagnostic, this project will generate the knowledge to inform the effective and efficient allocation of government and development partner resources for MPA. The proposed instrument will incentivize increased investment into the ocean health sector by demonstrating the utility of robust metrics in acting as payment triggers and informing outcomes. It will also facilitate mobilization of financial resources for the country’s growing MPA network by demonstrating MPAs impacts and enhancing the credibility and international visibility of the government’s efforts to protect its unique marine biodiversity.

The project will: (i) finance site-based conservation management activities to improve the management effectiveness of target MPAs to deliver measurable outcomes in line with global standard of best practices (Component 1); and (ii) implement project management and monitoring activities (Component 2). These Components 1-2 will be funded through the foregone coupon payments and will fund conservation activities that may trigger the Conservation Success Payment. The GEF funds exclusively finance the Conservation Success Payment. The overview of activities in each component is as follows.

Component 1. Improve Management Effectiveness of Target MPAs to Deliver Measurable Outcomes (US\$ 8.5 million funded by foregone coupon payments, and \$4 million LAUTRA co-financing)

This component will improve critical shortcomings in MPA management in three MPAs. It will support technical assistance and investments to systematically evaluate MPAs against internationally recognized standards, provide targeted support for improvement, establish expert oversight, and ensure accountability through independent audits.

Subcomponent 1.1. Benchmarking against IUCN Green List Standard (US\$1 million funded by foregone coupon payment; IUCN). The component will support technical assistance and investments to (i) crosswalk analysis of EVIKA and IUCN Green List Standard to identify EVIKA

data and evidence that can underwrite the evidence requirements of the Green List; (ii) assess and benchmark each target MPA performance against the Green List Standard; (iii) provide technical assistance to develop a detailed, gender-sensitive action plan to make expected improvements against the IUCN Green List Standard (which includes gender equity under Green List Standard criteria 1.1); (iv) capacity building and technical assistance to support implementation of this action plan; and (v) establish an independent scientific advisory group and finance external assessments by Assurance Services International who will undertake bi-annual independent progress audits to verify outcomes against which outcome-based payments could be made. Gender-sensitive action plans will consider gender disaggregated data in socio-economic assessments; involvement of women and women's groups in community-based biodiversity monitoring and data collection; and ensuring women are consulted on and included in identification of threats and co-creation of response options to strengthen compliance (with specific targets and indicators). This subcomponent will be implemented by IUCN, contracted by IEF.

Subcomponent 1.2. Stakeholder engagement and threat identification, prioritization and mitigation (US\$5.5 million funded by foregone coupon payment). Specific activities to be financed in each target MPA will be confirmed by the performance assessment to be conducted during implementation. Preliminary activities identified that would support MPAs to enhance stakeholder engagement include: (i) comprehensive and gender-sensitive stakeholder mapping to identify and document all affected stakeholders, including minority and marginalized groups, and women; (ii) developing and documenting stakeholder input processes and grievance redress mechanisms, including evaluating adequacy of and documenting existing processes (e.g., village development plans, LAPOR!) and drafting of technical manuals and Standard Operation Procedures (SOPS) where required; (iii) designing and deploying effective and inclusive community and stakeholder engagement strategies to raise awareness about the importance, rules and benefits of the MPAs and to integrate stakeholder input into management planning. (v) developing and implementing protocols for monitoring socio-economic outcomes, including defining socio-economic outcome targets for the MPA (contributing to IUCN Green List Criteria 2.4); (vi) identifying conservation targets, baseline conditions, thresholds and acceptable limits of change; (vii) comprehensive threat mapping, assessment and prioritization, including preparation of a documented method and process for identifying threats and for evaluating risk and prioritising threats; (viii) designing intelligence-led and gender-sensitive threat mitigation strategies, including improving processes for receiving, compiling, grading and acting on stakeholder intelligence (e.g., from POKMASWAS groups, fisher buyers and sellers, etc.), and preparing strategic intelligence-led and risk-based MPA surveillance and monitoring patrol strategies; (ix) develop and deploy protocol for monitoring of site-specific prioritised threats and conservation targets, including using technology such as SMART² (a conservation area management platform, including mobile, desktop, and cloud-based components to help collect, visualize, store, analyse, report and act on conservation monitoring data), and hydrophones or other strategies to improve blast fishing detection and mapping; (x) supporting small-scale producers to apply for and comply with appropriate licence and permit requirements; (xi) improve and implement effective collaborative patrol, surveillance and enforcement systems to ensure compliance of activities in MPAs –

² <https://smartconservationtools.org/en-us/>

community-based surveillance systems (Pokmaswas) will be promoted, with clear data recording and reporting systems and with clear response systems from the MPA management unit and associated enforcement personnel in order to act upon any reported observations or violations; (ixii) establishing baseline conditions and limits of acceptable change for visitor sites, and identify and implement appropriate limitations for visitor numbers; (xiii) develop and implement codes of conducts, anchoring restrictions, waste and wastewater management provisions to mitigate visitor impacts; (xiv) implement right-based fisheries management approaches in priority areas, by allocating fishing rights to communities involved in development and implementation of coastal fisheries co-management plans.

Gender-sensitive stakeholder and rightsholders identification and engagement will address key barriers to women’s participation, including by establishing mechanisms for communication and dialogue which take into account factors influencing women’s engagement, such as the timing and location of meetings, hiring female facilitators, and working through women’s groups or networks. Site-specific plans for gender-sensitive stakeholder engagement activities will be required in order to build on existing community platforms where women are comfortable meeting and participating, such as church groups or community organizations. These plans will consider how women are more likely to receive and understand information on changes to MPA management, and the types of forums where they will be able to attend and comfortably speak up and ask questions. Moreover, since gender equity is built into the Green List process (e.g. criteria 1.1), this project will not only establish plans, but must also establish sufficient documentation and evidence to satisfy an auditor that these plans are being implemented and are effective. Gender-sensitive management actions will ensure inclusive communications and outreach activities, and safeguards measures to avoid intimidation of women in particular. Activities will be consistent with the green list process which requires evidence that management (including threat mitigation) is performed with consideration to socioeconomic context (including gender) – see green list criteria 2.4 and 3.3. Stakeholder perceptions (including a specific gender target) of management will be tracked as an intermediate results indicator. The effectiveness of stakeholder engagement activities in improving community awareness of MPA management systems (including a specific gender target) will be tracked as an intermediate results indicator. This subcomponent will be implemented by NGOs, contracted by IEF.

These proposed activities will build upon and complement the foundational investments under the LAUTRA project such as: (i) limited stakeholder mapping to identify private sector and community partnership projects; (ii) operationalise stakeholder coordination forums; (iii) procure MPA information centres; (iv) enhance coastal communities’ livelihoods; (v) building MPA Management Units staff capacity in MPA management; (vi) update management plans, including incorporating threat identification and risk assessment findings; (vii) implement routine MPA surveillance patrols; (viii) procure surveillance tools, technologies and infrastructure, including patrol boats, buoys and field offices.

Subcomponent 1.3. Coral reef health monitoring (US\$1 million funded by foregone coupon payment). This subcomponent will focus on measuring the impact of target MPAs on coral reef health, the main conservation target of the three MPAs, including measuring changes in coral reef

fish biomass, the project KPI. Specific activities to be financed in each target MPA will include: (i) scientifically robust field surveys conducted annually by experienced coral reef surveyors of coral reefs across the 3 target MPAs using a pre-determined sampling protocol and survey method. The survey will use underwater transect photoquadrats (UTPs) to collect data on live coral cover and an underwater visual census (UVC) approach to collect coral reef fish biomass data. Surveys will be conducted in the core zones of the 3 MPAs and control sites outside the MPAs. Coral photoquadrats will be uploaded and analysed using automated image analysis in MERMAID (Marine Ecological Research Management AID)³; (ii) input all data into MERMAID. MERMAID is a secure online data management system where the data collected during coral reef monitoring surveys can be submitted by the surveyors. The purpose of using MERMAID would be to collate, validate and store coral reef monitoring data in a secure, transparent, and auditable manner; (iii) production of annual report for each target MPA based on the findings and observation from the field surveys. These should include the general condition of the reef ecosystem; notable challenges faced during the survey mission and a robust statistical analysis to show trends in biophysical metrics, especially the coral reef fish biomass metric. The reports should identify whether necessary progress is being made towards thresholds for successful outcomes, make management recommendations based on the survey findings and identify any potential threats to the ecosystem. (iv) Build capacity of the MPA Management Units in coral reef surveys. This subcomponent will be implemented by a Monitoring Agent, contracted by IEF.

Subcomponent 1.4. Ensuring Financial Sustainability (US\$1 million funded by foregone coupon payment). Specific activities to be financed in each target MPA will include: (i) develop target MPAs business plans; (ii) build capacity of site managers in financial planning and management; (iii) identify options and best-practice mechanisms for advancing Ecological Fiscal Transfer to support MPAs; (iv) pilot and evaluate a new MPA revenue stream in at least one target MPA; (v) pilot and evaluate a new performance-based payment instrument in at least one target MPA. This component will be implemented by ICCTF, the entity who is also implementing Component 3 of LAUTRA focused on strengthening the enabling environment and developing strategies for innovative financing for marine conservation and coastal livelihoods.

Component 2: Project Management and Monitoring (US\$ 1.5 million funded by foregone coupon payments)

The IEF as Indonesia's national Environmental Finance Agency will serve as the Project Management Unit (PMU) as well as Fiduciary agency to distribute investor coupon payments for the financing of activities to improve conservation outcome of the MPAs. IEF's strategic selection for fiduciary responsibility is to enable IEF be part of the learning process of working with such a non-sovereign instrument with the aim that IEF may develop capacity to issue similar instruments in the future.

Sub-component 2.1. Project Management (US\$0.7 million funded by foregone coupon payment). This sub-component will support project management accordance with operational, fiduciary, environmental and social risk management requirements. This will include, *inter alia*,

³ <https://datamermaid.org/>

staffing, operations, financial management, procurement, environmental and social risk management, including implementation of the grievance redress mechanism.

Sub-component 2.2. Monitoring and Evaluation (US\$0.3 million funded by foregone coupon payment). This sub-component will support monitoring, reporting and evaluation of project activities, outputs and outcomes.

Sub-component 2.3. Capacity Building, Coordination, and Knowledge Management (US\$0.5 million funded by foregone coupon payment). This will include, *inter alia*: (i) citizen and stakeholder engagement and coordination activities; (ii) inter-institutional collaboration and coordination; (iii) identify mechanisms through which IEF can mobilize private sector capital; (iv) enhancing IEF accounting and reporting standards to align with national IFRS-like standards (PSAK); (v) build IEF capacity in preparing ESG and Sustainability Reports; (vi) build IEF capacity in adopting and consistently monitoring the Environmental & Social (E&S) Framework; (vii) build IEF capacity in developing a pipeline of bankable projects that could be financed through future bond issuances; (viii) and events and knowledge sharing activities, including through vehicles such as the Go! Blue Finance Advisory Committee, the Coral Triangle Initiative, the International Coral Reef Initiative, and the IUCN Green List community.

Conservation Success Payment (US\$13.76 million funded by GEF NGI and EUR1 million, or approximately US\$1.1 million, funded by BNP Paribas)

The GEF NGI and BNP Paribas funds (US\$14.86 million in total) will be used to pay bondholders a Conservation Success Payment as part of bond redemption. GEF and BNP Paribas resources will be held by the World Bank until year 5 of the project and will only be paid out (single Conservation Success Payment) if there is verified achievement in the select MPAs of coral reef fish biomass targets. If the impact metric targets are not achieved, GEF and BNP Paribas funds will be returned to the GEF and BNP Paribas. The amount of the Conservation Success Payment paid to the investors will depend on the level of achievement of the KPI “increase in coral reef fish biomass in core zone in target MPAs relative to open access areas (percent)” in year 5 of the project compared to year 1. If the KPI increase is below 25 percent in all target MPA then 0 percent of the Conservation Success Payment will be made. If the KPI increase is equal or above 25 percent in only one target MPA then one third of the Conservation Success Payment will be made. If the KPI increase is equal or above 25 percent in two target MPAs then two third of the Conservation Success Payment will be made. If the KPI increase is equal or above 25 percent in the three target MPAs then 100 percent of the Conservation Success Payment will be made.

Locations. The Project be implemented in 3 provinces, including East Nusa Tenggara, Papua and West Papua. These 3 provinces include 1 national MPAs and 2 provincial MPAs. The population living in the 224 villages directly adjacent to the three target MPAs (173,836 people, about half of which are women) will benefit from improvements in MPA management. By investing in the conservation, enhancement and provisioning of marine and coastal ecosystem goods and services, the project will generate climate mitigation and adaptation co-benefits that include carbon sequestration and improved resilience of local communities and coastal areas. By

enhancing the sustainable management of coral reef ecosystems, the Project will increase the value of natural resources for local, national, and global beneficiaries. For example, the protection of critical spawning and nursery grounds within MPAs will contribute to maintaining the healthy fish stocks that underpin local livelihoods and food security.

These three MPAs were selected based on three key criteria: their global biodiversity significance, representativeness of their institutional setting, and their existing management performance. First, they lie within the globally significant Coral Triangle ecoregion and encompass a significant proportion of two seascapes. The Birds Head Seascape contains KKN Raja Ampat and KKPD Raja Ampat and is the most biodiverse marine area on Earth with about 1,600 reef fish species and over 550 coral species recorded. The Sunda Banda Seascape contains KKPD Alor and is a priority conservation region, harbouring over three-quarters of known coral species and has been identified as one of the Earth's coral reef regions that is at lowest risk of increased bleaching. Institutionally, these MPAs are representative of the two models of MPA management in Indonesia: with one managed by national government (technical unit under MMAF), and two managed by provincial governments (implementing units under the Provincial Fisheries Agency). This allows the project to be tested within two different institutional settings. These three target MPAs are:

1. KKN Raja Ampat (325,085 ha) located in Papua Barat Daya province and under the jurisdiction of MMAF;
2. KKPD Raja Ampat (1,348,459 ha) located in Papua Barat Daya province and under the jurisdiction of a provincial government Regional Public Service Agency (BLUD);
3. KKPD Selat Pantar (Alor) (277,072 ha) located on East Nusa Tenggara province and under the jurisdiction of East Nusa Tenggara provincial government.

Finally, these MPAs have some of the highest MPA management performance levels in Indonesia according to national standards and are strong candidates for accelerating to international standards of management effectiveness for improved conservation outcomes. The most recent EVIKA assessment (2023) awarded a score of 86.7 percent (Gold) for KKN Raja Ampat but noted significant deficiencies in indicators related to stakeholder partnerships, threat management, and the condition of conservation targets and core zones. For KKPD Raja Ampat the 2023 EVIKA score is 91.5 percent (Gold) and noted significant deficiencies in indicators related to threat management, community empowerment and participation, and the condition of conservation targets. For KKPD Alor the 2023 EVIKA score is 88.2 percent (Gold) and noted significant deficiencies in indicators related to community outreach and empowerment, threat management, stakeholder benefits, and the condition of conservation targets and core zones.

1.2 Social Context

The targeted locations for coral bonds are MPAs that boast rich biodiversity and serve as home to local and indigenous/ *Adat* communities closely connected to the coastal areas. These communities mostly consist of local and indigenous peoples who have long inhabited these areas, such as Barunusa/ Balue, Namatalaki, and Barawihing *Adat* communities residing in coastal and small island villages surrounding Alor, Maya and Kawe *Adat* communities in Raja Ampat. The

livelihoods of these local and Adat communities are heavily relied on coastal and marine resources, both for food security and economic activities aquaculture and tourism. The MPAs serves as their primary source of livelihood and is also a crucial aspect of their social and cultural identity. In Indonesia, marine spatial are divided into several zones, including the core zone ('no take zone'), buffer zone, and utilisation zone. Most local and Adat communities are fishing on the utilisation zone, which are allocated for fishing (among other purposes), or buffer zone. However, some Adat communities, due to the proximate distance between settlements (small island) and the core zone, they also fish in what supposedly 'no take zone'. For instance, this phenomenon is observed in four villages surrounding the core zone in Provincial MPA Alor. To complicate matter, "intruders", medium-scale fishers from different province such as West Nusa Tenggara or South Sulawesi, often found to fish in the core zone of Alor. Hence, the Project observes there is a risk of access restriction of Adat communities in the core zone induced by heightening monitoring and surveillance of the no-take zone, which will be addressed in several instruments, including in this Stakeholder Engagement Plan.

In three locations/ MPAs under Indonesia Coral Bond, there are at least four villages in small island of Alor, of which small-scale/ artisanal fishers, that are in close proximate with "no take zone" (or called "Core Zone" in the formal MPA zoning document) of the MPA Alor. This mean that 'partial restriction' is possible, (explanation on partial restriction could be found in 6.2 Indigenous Peoples).

On average, local and Adat communities still employ traditional methods in managing coastal and marine resources, reflecting a sustainable approach. For instance, Adat communities in Raja Ampat and Alor still uphold customary rules that regulate the timing and methods of fishing to allow fish stocks to replenish naturally or known as *Sasi* (*the open and shut window for fishing*). This practice is preserved and enforced by Adat governing system, including ways of communicating and undergoing collective/community-monitoring, and reward and punishment mechanism.

Across three MPAs of Indonesia Coral Bond' target location, the majority of households have used fishing as a primary income generating activity for more than 10 years with average monthly income varied from IDR 500k to 3 million per month per household. Another source of income was collected from construction work or factory-related work, retail, public sector jobs, farming, tourism and aquaculture. Dependency on fishing was found higher for fishing communities in Eastern and Central Indonesia, especially in villages far from the regency capitals. Several most vulnerable households are identified, including households with a high dependency of earnings from traditional fishing grounds; households without productive assets (boats, plot of land, fridge or cool boxes, etc); and households with few productive-age family members.

Additionally, at macro level, Coral Bond target provinces (East Nusa Tenggara, Papua Barat, and Papua Barat Daya) relatively have moderate to high poverty rate; low to moderate Village Development Index as well as Human Development Index (HDI), all relative to the national average score. An increase in unemployment rate and poverty rate in the past year triggered by the prolonged Covid-19 pandemic has worsened the vulnerability of these communities. In terms

of labour conditions, informality and lack of social protection have also contributed to impoverishment of coastal communities. Lastly, climatic changes has added another layer, which exacerbates the vulnerability of coastal and small island communities. More detailed social context can be found in the document Preliminary Social Assessment for the Oceans for Prosperity Project (<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099240112122261469/p17339104fc8e80d0ae4a0751e0011e208>).

1.3 Institutional arrangement

The Indonesian Environment Fund (IEF) will serve as the lead executing agency. The IEF is a public service agency mandated to channel and distribute environmental and climate funds to support Indonesia's sustainability targets. accountable to and structurally operationalized under the Ministry of Finance (MOF). A Project Management Unit (PMU) will be established in the IEF to administer the project. The PMU is responsible for overall project coordination, day-to-day management, budgeting, financial management, safeguards monitoring, project progress monitoring, evaluation and reporting, and coordination with other government agencies. The PMU will be staffed with project director, project manager, fiduciary and safeguards specialists. The PMU will prepare an annual work plan, budget, update monitoring and evaluation indicators, procurement plan, and required reporting, which will be endorsed by the Project Technical Committee. The PMU will also prepare consolidated quarterly financial report and annual financial reports.

A Project Committee will be formed within two months of project effectiveness. The Project Committee will consist of Oversight Committee and Technical Committee. The Oversight Committee will be chaired by the Deputy of Natural Resources Management (echelon 1), Bappenas. The role of Project Oversight Committee is to provide overall strategic guidance. The Project Technical Committee will be chaired by Ministry of Marine Affairs and Fisheries (echelon 2). The Project Technical Committee will endorse the Annual Work Plans, Procurement Plans and Consultant TORs, provide technical guidance and advice for project planning, implementation, and monitoring and evaluation, and play a key role in intra- and inter-ministerial coordination when difficult issues emerge. The activities and decisions of Project Technical Committee will guide the decisions of the PMU.

Four Project Implementation Units (PIU) will be placed at: 1) BKKPN Kupang (MMAF); 2) UPTD MPA Alor, East Nusa Tenggara; 3) UPTD-BLUD MPA Raja Ampat; 4) ICCTF - BAPPENAS. The PIUs are responsible for facilitating the activities planning, including through providing technical inputs for the Annual Work Plan, Procurement Plan, Consultant TORs for project activities relevant to their sites, facilitating the project implementation, monitoring, and evaluation, and reporting of activities at the subnational level (provincial/district/village), as well as coordination with relevant stakeholders at the subnational level. The PIUs will not be managing grants funding but will be able to access cash advance from IEF for their operational expenses such as meetings and travel.

IEF Lembaga Perantara (LEMTARA) or Intermediary Agencies will implement activities in the target sites, under the supervision of PIUs and PMU. LEMTARA will prepare (draft) project planning documents (AWP) based on inputs from PIUs, which includes the planning for budgeting, procurement, financial administration, safeguards monitoring, project monitoring, evaluation, gender, and feedback and grievance redress mechanism. LEMTARA will implement project activities and manage the achievement of project indicators under the supervision of PIUs, prepare technical guidance, manuals, SOPs, technical documents to support the implementation of activities, as well as prepare (draft) project reports, and coordinate with relevant stakeholders at the subnational level.

IEF will contract service providers to support project implementation. Service providers will include IUCN as the Verification Agent, who will also provide Technical Assistance, and a Monitoring Agent, who will be charge of conducting the coral reef surveys to monitor coral reef health and the KPI in particular.

Institutional arrangement for implementation of stakeholder engagement plan in the Coral Bond project will follow the institutional arrangement of implementation of Environmental and Social Management Framework, which follows overall institutional of the project. Environmental and social coordination will be carried out by a safeguard team placed under the PMU. The implementation of day-to-day project activities and the related risk management will be the responsibility of the PIU for each component.

Proportionate to risk level, which regarded as Moderate for both environment and social at appraisal stage, PIU will carry out activities at the field level, including implementing certain risk mitigation measures in accordance with the applicable Environmental and Social Framework' provisions tailored proportionate to the activity' risk level. The PIU will include the project's technical implementation team, which includes environmental and social focal point(s). Environmental and social consultant(s)/specialist(s) will be recruited by the PMU/ PIU-MMAF, if it is found necessary. The PMU/ IEF as the fund manager will be responsible for liaising and coordinating in overall environmental and social management and the implementation of the necessary risk mitigation measures and reporting to the World Bank. Detailed institutional arrangement for implementation of environmental and social management could be found in the Project Operations Manual (POM).

2 Key principles

This SEP is developed to promote participation of both affected and interested stakeholders so that the project design, in particular stakeholder engagement approaches and activities are implemented in a participatory and inclusive manner, transparent, promote equal opportunity and minimize environmental and social risks. To enable effective engagement with key stakeholder, capacity building and recruitment of technical consultants/staffs would be deployed in assisting implementation of the SEP. Further, project design, both under Component 1 and Component 2,

have integrated consultative and participatory processes on the improvement of MPA management effectiveness and under the project management and monitoring activities.

Box 1: Stakeholder Engagement Principles

The principles of communication and stakeholders' engagement are as follows:

1. **Participation:** It is necessary to ensure broad and inclusive participation of disaster affected people. Communities will be provided with options to enable them to participate, and a targeted outreach will be made available to ensure that vulnerable groups have access to overall project implementation.
2. **Access to information and disclosure:** Relevant information will be disclosed in a language and forms accessible to target communities and the wider public. Communities will retain the rights to ask information about the status of the project, their entitlements, eligibility criteria as well as responsibilities and FGRM channels will be made accessible.
3. **Social inclusion:** Community engagement should take into considerations various factors which may inhibit and/or prevent participation such as gender inequality, illiteracy, disability, ethnicity, and other exclusion factors amongst vulnerable groups. Hence, consultations and facilitation will be targeted to ensure tailored engagement approach. Risk mitigation measures shall be prepared in consultations with vulnerable groups.
4. **Transparency:** Environmental and social risks and benefits generated and/or associated with project activities shall be communicated through open and constructive dialogues. Agreement on mitigation measures, including alternative designs shall be documented and made available to the public. A regular monitoring and tracking of FGRM will be made publicly available, including status of resolution.
5. **Informed consultation without coercion:** Prior engagement and information dissemination should precede consultations to allow such consultations to be meaningful. Project stakeholders will be provided with options on a range of consultation modalities and/or approaches and retain the rights to refuse participation despite such options.

Below is general application of the stakeholder engagement principles on the project.

Under Component 1, the project aims to address critical deficiencies in the management of three Marine Protected Areas (MPAs) through technical assistance and investments. It encompasses several subcomponents, including benchmarking against the IUCN Green List Standard, stakeholder engagement and benefits, threat identification, prioritization, and mitigation, setting and monitoring biophysical targets, and ensuring financial sustainability. Under this component, the key stakeholders are including national and subnational government agencies, the UPTs and MPA management units, IUCN independent scientific advisory group (IUCN-EAGL), coastal communities (including vulnerable and indigenous groups), indigenous governing bodies (within the indigenous areas), NGOs and CSOs both international and local, international donors, and multilateral development banks, and local communities in target locations.

During Project implementation, the PMU will engage stakeholders through existing engagement structures as early as possible and will continue the engagement throughout the implementation of the Project, particularly during field surveys, baseline assessment, planning, mobilization, implementation stages and until the Project is eventually closed out. The stakeholders will be further engaged once the Project is approved as well as prior to and during implementation of the Project activities.

Key measures to promote inclusive stakeholders' participation include:

1. Engage stakeholders through existing structures as early as possible, such as the national coordination platform and or MPA Forum/Programmes;
2. Take cognisance of the social, economic and environmental needs of key stakeholders concerned;
3. Strengthening of the consultative process during the assessment of MPA performance against the Green List Standard and the development and implementation of detailed action plan outlining the steps needed to make expected improvements against the IUCN Green List Standard:
 - a. Conduct consultations with stakeholders throughout the entire project cycle to inform them about its plan and activities, including capturing their concerns, feedback and complaints
 - b. Conduct awareness-raising activities to sensitize key stakeholders and communities on the project.

Under Component 2, the project will support project management activities to ensure cost efficient, timely, and quality delivery of project activities and results, including coordination between the nodes, M&E and project reporting. This will include workshops, and operational costs to support the project's day-to-day implementation and management, including procurement, financial management, environmental and social safeguards, preparation of annual work plans and organization of audit reports, including the implementation and monitoring of the SEP. The PMU will monitor the SEP in accordance with the requirements of the Environmental and Social Commitment Plan (ESCP) including changes resulting from updates in the design of the Project or Project circumstances. The extent and mode of stakeholder monitoring with respect to environmental and social performance would be proportionate to the potential environmental and social risks and impacts of the project and their effect on the various stakeholder interests in specific activities.

Key measures to promote inclusive stakeholders' participation include:

1. Collection of records of consultations with stakeholders on environment and social performance of the project, and on the implementation of the mitigation measures outlined in the ESCP on a bi-annual basis, included as part of ES progress implementation report. This will include whether stakeholder engagement is carried out in a consultative manner, in accordance with the SEP and build upon the channels of communication and engagement as established with stakeholders.

2. Periodic report of Grievance Mechanism as part of the above ES progress implementation report, including: progress of Grievance Mechanism operation, the grievance log, and evaluation/ learning notes of the function and accessibility of the project Grievance Mechanism. Period report of Grievance Mechanism could be included in relevant document.
3. Periodic reviews of compliance with requirements of the legal agreement, including the ESCP.
4. Where appropriate, engaging stakeholders and third parties such as independent experts, local communities or NGOs, to complement or verify projects stakeholder monitoring information.

Box 2: Mainstreaming Stakeholder Engagement into Project Design

The following principles will prevail at all stages of activities under all components in general:

1. All community members should have equal opportunity, regardless of their gender, age, ability, indigeneity status, and residing locations in the participating village, to participate in engagement forums/ events. Information outlining options for participation shall be made widely available, in an accessible format for people with visual and hearing impairments, and the project shall strive to reach the most vulnerable groups.
2. Community participation in Stakeholder engagement and benefits, under component 1, will include diverse and vulnerable groups in the community, including to reach out to specific neighbourhoods or specific groups of people to receive their feedback on the established MPA zonation (no-take zone), risk of access restriction on small scale fishers to the no-take zone, and potential communities co-monitoring/ surveillance within the no-take/ core zone.
3. Practices of inclusive participation, i.e., making women-only or people with disability-only group discussions, are to consider in enhancing social inclusion and meaningful participations from all elements of the community.
4. Ensuring that small-scale/ artisanal and traditional fishers are identified and participated in activities , under Subcomponent 1.2 and Subcomponent 1.3, including to hear their voice on the existing MPA management (and if the management plan will be revised, to ensure that it is consulted with the directly affected vulnerable groups) and ways to improve management effectiveness, and the Project shall carefully consider the needs, constraints and opportunities for vulnerable and marginalised groups to participate (**i.e., fisherwomen and women engaged in coastal-dependent economy, small-scale/ artisanal and traditional fishers, people with disability whose livelihood depends on the ocean/ coastal-based economy, landless and poor households, and households without productive means, such as ship crews, informal daily-laborers, etc**). Affirmative measures shall be established in consultation with these groups.

5. In general, engagement processes will be conducted in a democratic, participatory, transparent, and accountable manner. Communities and target groups of peoples will have the opportunity to refuse participation in a fully informed manner.
6. Ensuring documentation of such consultations and engagement activities.

To align the above principles with proposed stakeholder engagement activities, the project will mobilize experts and facilitators with relevant expertise and skills required to facilitate community participation processes, especially for Component 1 (i.e., stakeholder engagement and benefit) and Component 2 (i.e., supporting small-scale producers to apply for and comply with appropriate licence and permit requirements,)

3. Regulatory Framework

The section below provides a summary of the national regulatory framework and the World Bank standards in regard to information disclosure, engagement with stakeholders, and grievance redressal system.

3.1 Relevant National Laws and Regulations

Several applicable regulations in Indonesia relevant to Stakeholder Engagement and Information Disclosure as regulated in the Environmental and Social Standards (ESS) of the World Bank ESF and also relevant to Project implementation, include:

1. Law No. 14/2008 on Public Information Disclosure, requires the availability of transparent public information;
2. Law No. 8/2016 on Persons with Disabilities, guarantees the life sustainability of every citizen, including persons with disabilities, with the same legal standing and human rights as Indonesian citizens, including the right to work, entrepreneurship, and cooperatives;
3. Law No. 32/2014 on Oceans, which includes articles on information disclosure and participation of local governments and local communities to manage and use the oceans sustainably.
4. Law No.1/2017 jo Law No.27/2007 on the Management of the Coastal Areas and Small Islands, includes the requirements of sequence of public consultations with local communities in developing the coastal and small islands spatial use planning (RZWP3K) at district and subdistrict levels.
5. Government Regulation No. 45/2017 on Community Participation in the Administration of Regional Government, in which the community has the right to participate in regional development planning;
6. Government Regulation No. 22/2021 on the Implementation of Environmental Protection and Management, regulates community involvement in the AMDAL (Environmental Impact Analysis) process for a) the provision of complete and transparent information; b) equality of position between the parties; c) fair and prudent problem solving; and d) coordination and communication;

7. Ministry of Marine Affairs and Fisheries No.31/2020 on the Establishment and Management of the Marine Conservation Areas, which includes requirement to conduct public consultations that result in consensus to develop marine protected areas plan at subdistrict and/or village levels.
8. Minister of Home Affairs Regulation No. 18/2018 on Village Community Institutions and Village Traditional Institutions, [considers those institutions] as partners in increasing community participation in the development process;
9. Presidential Instruction No. 9/2000 on Gender Mainstreaming in National Development, instructs gender mainstreaming in development planning, as well as in the implementation and evaluation through a gender analysis that includes participation in the development process and the benefits received; and
10. Minister of Home Affairs Regulation No. 15/2008 on General Guidelines for the Implementation of Gender Mainstreaming in the Regions, [was stipulated] for the implementation of gender mainstreaming at the regional level.
11. The Decree of the Executive Director of Indonesia Environment Fund No. 69/2022 concerning Guidelines for Handling Complaints.
12. The Decree of the Executive Director of Indonesia Environment Fund No. 04/2023 concerning Environmental and Social in the IEF.

3.2 World Bank Environmental and Social Standards

The World Bank ESS 10, “Stakeholder Engagement and Information Disclosure”, recognizes the importance of open and transparent engagement between the Project Implementing Units (PIUs) and Project stakeholders as an essential element of good international practice. Specifically, the requirements of ESS10 are as follows:

1. PIUs will engage with stakeholders throughout the Project life cycle, commencing such engagement as early as possible in the project development process and in a time frame that enables meaningful consultations with stakeholders on Project design. The nature, scope, and frequency of stakeholder engagement will be proportionate to the nature and scale of the Project and its potential risks and impacts;
2. PIUs will engage in meaningful consultations with all stakeholders. PIUs will 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;
3. The process of stakeholder engagement will involve the following, as set out in further detail in this ESS: (i) stakeholder identification and analysis; (ii) planning how the engagement with stakeholders will take place; (iii) disclosure of information; (iv) consultation with stakeholders; (v) addressing and responding to grievances; and (vi) reporting to stakeholders.
4. PIUs will maintain and disclose, as part of the environmental and social assessment, a documented record of stakeholder engagement, including a description of the stakeholders consulted, a summary of the feedback received, and a brief explanation of how the feedback was taken into account, or the reasons why it was not.

This standard requires the Borrower and or implementing units to develop a Stakeholder Engagement Plan (SEP) proportionate to the nature and scale of the Project and its potential risks and impacts (in this case: Moderate risk), disclose it as early as possible prior to Project appraisal, and seek the views of stakeholders on the SEP, including on the identification of stakeholders and the proposals for future engagement.

During project implementation, draft SEP will be updated (under subcomponent 1.2 and subcomponent 1.3) and the implementing units will disclose the updated SEP. In addition, the Borrower will also develop and implement a grievance mechanism to receive and facilitate resolutions of Project-affected parties' concerns and grievances related to the environmental and social performance of the Project in a timely manner. For a more detailed explanation of the World Bank Environmental and Social Standards, please refer to the following link: <http://www.worldbank.org/en/projects-operations/environmental-and-social-framework/brief/environmental-and-social-standards>.

4 Brief Summary of Previous Engagement

There has been an ongoing engagement with local stakeholders since the end of 2023 to date, including local governments (various agencies across the three provinces), village leaders and village governments, academics, local communities, including small-scale fishers, SMSEs group and women working in blue economy, Adat communities, prospective implementing partners (Civil Society Organisations) and private sectors. The engagement comes in various forms, including community forums, meetings, interviews, surveys, and Focus Group Discussions or Workshop. Engagement in terms of field survey and FGDs with local governments, communities and private sectors, were conducted by a research consultant during the project identification mission (see annex 2), which data was used to provide input to the project design. Field surveys in 4 villages and involving approximately 250 participants in total across 4 MPAs were conducted in 19-28th February 2024. The detailed list of previous engagements is as follows.

Table 1. Stakeholder Engagement Activities from December 2023 to April 2024

Activity	Components	Target/ Participated Stakeholder	Description	Timing
Technical Discussion of Coral Bond Project	Proposed Location, Project Preparation, Timeline & Focal Points, Proposed Activities, Partner Selection Criteria, Project Governance, and fund flow/management,	MMAF (DG Marine Spatial Management, BKKPN Kupang, UPTD Alor, KKN Raja Ampat and UPTD-BLUD Raja Ampat), BAPPENAS (the national development planning agency and ICCTF), Indonesia Environment Fund (IEF)	The technical meeting was conducted to discuss, and reach reach an agreement on the basic design of the bond and clarify some details for the project design and GEF proposal.	December 20 th , 2023; Minutes of Meeting included.
Project design, including E&S, workshop	All, Environmental and Social, Fiduciary and Financial Management (including the socialization of the IUCN Green List)	MMAF (DG Marine Spatial Management, BKKPN Kupang, UPTD Alor, KKN Raja Ampat and UPTD-BLUD Raja Ampat), BAPPENAS (the national development planning agency and ICCTF), Indonesia Environment Fund (IEF)	A two-days' workshop on the project design and components, scope, and coverage; and generic E&S scope and application in the project.	January 15-16 th 2024; Aide Memoire Included.

Activity	Components	Target/ Participated Stakeholder	Description	Timing
Project Identification Mission	All components including the socialization of the IUCN Green List	<p>1. KKN Raja Ampat: Center for Coastal and Marine Resources Management (LPSPL) Sorong; DKP Sorong; CI; YKAN; and Indonesia Sea Turtle Foundation</p>	<p>A ten-days field survey to conduct an initial benchmarking assessment of four MPAs against the IUCN Green List to understand their existing level of alignment. This survey used qualitative data collected through presentations, interviews, group discussions and town halls and a survey were used to understand the relationship between existing management activities and the requirements of the 17 IUCN Green List Standard criteria.</p>	19-28 th February 2024; Aide Memoire Included.
		<p>2. UPTD BLUD Raja Ampat: Regional Public Service Agency-Regional Technical Implementation Unit (UPTD-BLUD) Raja Ampat; Marine & Fisheries Agency (DKP) Raja Ampat District; Satker of Marine and Fisheries Resources Surveillance (PSDKP) Sorong; Tourism Agency of Raja Ampat Province; Coast Guard; Marine Police; Conservation International (CI); Yayasan Konservasi Alam Nusantara (YKAN); Papua University; Papua Sea Turtle Foundation; Women Divers Community (Molobin) Raja Ampat; Homestay & Resort Association in Raja Ampat; Community of Guardians of the Sea; Village and Indigenous Peoples Leaders; Maya customary council; and MSMEs (Micro, Small and Medium Enterprises) groups (Arborek & Piaynemo).</p>		
		<p>3. BKKPN Kupang: DKP NTT; DKP Kab. Kupang; NTT Marine Conservation Council; Provincial Tourism Department; PSDKP Kupang; Center for the Management of Coastal and Marine Resources (BPSPL) Denpasar; YKAN; World Wildlife Fund (WWF); YAPEKA Foundation; Nusa Cendana University; Muhammadiyah Kupang University; Krisnadwipayana Kupang University; Marine and Fisheries Polytechnic Kupang; Community of guardians and lovers of the sea: Tourism Awareness Groups (POKDARWIS); MSMEs groups led by women; PT TOM (pearl aquaculture company); PT. PLN (Power Plant).</p>		
		<p>4. UPTD Alor: Planning, Research, and Development Agency (Bappelitbang) Alor; DKP Kab. Alor; Tourism Agency of Alor District; Tribuana University; Coast Guard; Marine Police; Village and Indigenous Peoples Leaders; MPA collaboration forum; WWF; Thresher Shark Indonesia;</p>		

Activity	Components	Target/ Participated Stakeholder	Description	Timing
		Taka Foundation; Teman Laut Indonesia Foundation; Community Fisheries Monitoring Group (POKMASWAS) groups; CV. Tidayona (fisheries processing business); PT. TOM and PT CIB (pearl aquaculture); Alor Tourism Alliance (ABA); and MSMEs Groups led by women (fisheries; aquaculture and tourism business).		
Technical Meetings	All component	MMAF (DG Marine Spatial Management), and Indonesia GEF Focal Point	Technical meeting to present proposed coral bond project design and components for the GEF focal point endorsement.	March 4 th , 2024
Project Preparation Mission	All component	MMAF (DG Marine Spatial Management, BKKPN Kupang, UPTD Alor, KKN Raja Ampat and UPTD-BLUD Raja Ampat), BAPPENAS (the national development planning agency and ICCTF), Indonesia Environment Fund (IEF).	Technical meeting to finalize the proposed coral bond project design and components for the development of the PAD.	May 15-16 th , 2024
ESF Consultations	Environmental and Social Safeguard	MMAF (DG Marine Spatial Management), and Indonesia Environment Fund (IEF).	Technical meeting to finalize the ESCP and SEP document.	August 9 th , 2024
GRM mechanism consultations	Environmental and Social Safeguard	MMAF (DG Marine Spatial Management, BKKPN Kupang, UPTD Alor, KKN Raja Ampat and UPTD-BLUD Raja Ampat), Indonesia Environment Fund (IEF).	Technical meeting to finalize the GRM mechanism	August 19 th , 2024
Project Preparation Mission	All component	MMAF (DG Marine Spatial Management, BKKPN Kupang, UPTD Alor, KKN Raja Ampat and UPTD-BLUD Raja Ampat), BAPPENAS (the national development planning agency and ICCTF), Indonesia Environment Fund (IEF).	Technical meeting to finalize the proposed coral bond project design and components for the development of the PAD.	August 20-21 th , 2024

Minutes of Meeting and Aide Memoire for the technical meeting and project identification mission could be found in Annex 2 and 3.

5 Identification of Stakeholders

Before laying out a stakeholder engagement plan, the first step is to identify who are the stakeholders (across levels) that will be relevant to the project. Stakeholders are understood as broader parties who are affected and/or can influence decision or implementation or taking interest over the project activities. This includes government and non-governmental actors, both at national, subnational (provincial and district), and village-levels. The below table indicates stakeholders identified during the preparation of the project.

Indonesia Coral Bond Project will engage a large number of stakeholders, both those who will be direct beneficiaries and indirectly affected, but also a broader community to ensure the longterm support and success of Project investments. Local communities and individuals who live in the vicinity of the three supported Marine Protected Areas, KKN Raja Ampat, KKD Raja Ampat, dan KKD Alor, will be specifically engaged. In addition, in accordance with the Project's Environmental and Social Framework (ESF), as well as required under the Indonesian national law, community members will be consulted to provide insights to improve MPA management of three selected MPAs to meet the IUCN Green List Standard, and if negative risk occur (such as risk of exclusion of most marginalised groups and risk of access restriction to marine space and resources), to find ways to agree upon the mitigation measures. The main forum for engagement will be through the existing community engagement methods and mechanism in developing and implementing the management plan.

Following the World Bank ESS 10, stakeholders are divided into two categories, namely i) project affected parties and ii) other interested parties. We added a sub-category of vulnerable groups under the Project Affected Parties category.

Project affected parties are individuals and groups who are affected or likely to be affected by the project. In this Project, we identified that these groups will likely fall into this category associated with component 1 on Improve Management Effectiveness of Target MPAs to Deliver Measurable Outcomes. The Project Affected Parties will be categorized as indirectly affected parties since there is no infrastructure development activity in the project. This group includes small-scale/traditional/artisanal fishers, fisherwomen/women working in the blue economy, coastal and small island communities, the owners of small and medium enterprises in coastal and small islands, and indigenous people. **Based on assessment at this stage**, affected groups will be indirectly affected through potential downstream impact from practices of strengthening of existing MPAs management. In Indonesia, Marine Protected Areas have "utilisation zone", in which fishing grounds are allocated for small-scale fishers. However, when the Project progresses, there might be spillover/ downstream impact due to the pressure from "medium-scale" fishers who were restricted due to stronger monitoring of "no take zone" in the MPAs. These medium-scale fishers might (or might not) go to fishing grounds where small-scale fishers' fish. There should be assessment to see the impact on small-scale fishers in the Mid-Term of project implementation. **Vulnerable groups.** The project indirect-affected parties can also fall into vulnerable groups, as informed by the social assessment in LAUTRA, including small-scale/ traditional/ artisanal fishers and subsistence fishers, fishing ship crew/ small-scale fishers without productive assets, poor

households who rely on marine resources for subsistence, fisherwomen/ women working in informal blue economy sectors, and indigenous groups.

Consultations is required to enable stakeholder’s buy-in and commitment in supporting the Project, while capturing their aspirations and concerns, in particular local communities.

In the future, when the Project could monetize carbon from the blue sector, there should be attempt to revisit this SEP to see how consultations with the right-holders (local and *Adat* communities located nearest to or have attachment to oceans where the core zone is located) could be strengthened even further, including on the planning, implementation and monitoring-reporting/ documentation

Other interested parties are individuals or groups whose interests may be affected by the project and who have the potential to influence the project outcomes in any way. In Coral Bond, we identified that interested parties include local governments, academics, non-governmental organizations, civil society organizations, and corporate bond buyers including bank and financial institutions who work and are interested in the blue sector, both in terms of conservation and financial/economy. gains

Below is the details category and list of stakeholders:

Table 2. List of Stakeholders under Coral Bond

Group of Stakeholders	Stakeholders
Governments – implementing units	
National Government	<ul style="list-style-type: none"> ● Ministry of Marine Affairs and Fisheries (DG Marine Spatial Management and all relevant directorates and units) – Project Board Committee and Implementing Agency ● Indonesia Environment Fund (IEF) – PMU/Fund Manager ● Ministry of Development Planning (Directorate of the Marine and Fisheries) – Implementing Agency ● Marine Police and Coast Guard
Internal Stakeholders	<ul style="list-style-type: none"> ● KKN Raja Ampat ● UPTD BLUD Raja Ampat ● BKKPN Kupang ● UPTD Alor
Local resource management committees/individuals	Technical Units/Unit Pelaksana Teknis (UPT) – PRL, Pengasawan Sumber Daya Kelautan dan Perikanan (PSDKP).
Provincial and City/district governments	<ul style="list-style-type: none"> ● Local Development Planning Agency (Bappeda) in each province and city ● Marine & Fisheries Agency (DKP) in each province and city ● Environment agency ● Tourism agency
Government Regulators	<ul style="list-style-type: none"> ● Ministry of Finance ● OJK (Otoritas Jasa Keuangan) – Authority (to inform)

Group of Stakeholders	Stakeholders
Implementing partners/ Civil Society Organisations	Selected LEMTARA/ implementing partners for the project
Communities	
Local-level Government	<ul style="list-style-type: none"> • Village government • Village Representative body (<i>Badan Permusyawaratan Desa</i>) • Customary governing body (<i>Badan Musyawarah adat</i>)
Quasi governments	BUMDES (village-level enterprise)
Communities	<ul style="list-style-type: none"> • Affected small-scale/ artisanal or traditional fishers • Community Conservation rangers/masyarakat pengawasan • Affected coastal communities whose livelihoods depend on the coastal-economy and oceans (i.e. micro/small scale tourism business owners; restaurants, etc) • Neighbourhood communities • Vulnerable groups, i.e., fisherwomen and women engaged in coastal-dependent economy, small-scale/ artisanal and traditional fishers, people with disability whose livelihood depends on the ocean/ coastal-based economy, landless and poor households, and households without productive means, such as ship crews, informal daily-labourers, etc.
Vulnerable groups	
Vulnerable groups (as informed by Social Assessment)	<ul style="list-style-type: none"> • Small-scale fishers/ traditional or artisanal fishers • Fishers or households without productive means and assets e.g. ship crews, informal daily labourers, etc. • (Low income) Households who heavily rely on marine resources for subsistence • Fisherwomen or women works in informal blue economy sector • Indigenous peoples
Indigenous groups	
Indigenous/community resource rights holders	Barunusa/ Balue, Namatalaki, and Barawihing <i>Adat</i> communities residing in coastal and small island villages surrounding Alor, Maya and Kawe <i>Adat</i> communities in Raja Ampat. Details to be updated during implementation.
Indigenous governing body	<ul style="list-style-type: none"> • <i>Badan Musyawarah Adat/ Adat</i> governing body • <i>Tetua adat/ Raja/ Kapita Laung/</i> the elderly
NGOs/CSOs and Academics	
NGO/CBO mitra	<ul style="list-style-type: none"> • YKAN/TNC • WWF • Yayasan Konservasi Indonesia • Yayasan Terangi • Yayasan Ekonusa • YAPEKA Foundation • Papua Sea Turtle Foundation • Women Divers Community (Molobin)

Group of Stakeholders	Stakeholders
	<ul style="list-style-type: none"> • Thresher Shark Indonesia • Taka Foundation • Teman Laut Indonesia Foundation
Independent experts/Research institutions	<ul style="list-style-type: none"> • Universities and academics (academics from Universitas Cendrawasih, Universitas Papua, Nusa Cendana University; Muhammadiyah Kupang University; Krisnadwipayana Kupang University; Marine and Fisheries Polytechnic Kupang, Tribuana University. • National Research and Innovation Agency (previously known as LIPI, the Ocean and Coral Reefs working group)
Commercial interests	<ul style="list-style-type: none"> • Tourist operators in specific sites • Hotel and resto associations in specific sites
Development partners, investors and or technical assistance partners	
NGO/Development Organisation	<ul style="list-style-type: none"> • FAO • Global Environmental Facility (GEF) • UNDP (United Nations Development Program) • WWF – the US • International Union for Conservation of Nature (IUCN) • Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) • KfW (Kreditanstalt Für Wiederaufbau/Germany Development Bank)
Media	
Media outlets	<ul style="list-style-type: none"> • National and regional media outlets

6 Vulnerable Groups and Indigenous People

6.1 Vulnerable Groups

Vulnerable groups are population groups that suffer from discrimination, unequal access to rights, unequal access to and control over resources or unequal access to development opportunities. As a result, they may be poorly integrated into the formal economy, may suffer from inadequate access to basic public goods and services, and may be excluded from political decision-making. As a result, they risk being disproportionately affected by project-related risks and adverse impacts. Such groups may include ethnic, religious, cultural, linguistic minorities, indigenous groups, female-headed households, children and youngsters, the elderly, persons with disabilities, and the poor.

In this project, based on social assessment, several vulnerable groups identified as indirectly affected parties include small-scale fishers, traditional fishers, artisanal fishers, households or groups that rely on coastal and/or marine resources for subsistence, livelihoods, and/or micro business activities, ship crew or fishers without productive assets, women working in the blue sector or fisherwomen, and indigenous people in coastal and small areas, particularly those that have not received formal acknowledgment from the state. In the case of vulnerable groups, the

Project ensures that vulnerable individuals and groups are duly and timely consulted, making sure that their concerns are heard, taking into account individuals' and communities' specificities, and delivered in an appropriate form, manner, and language. This is done in the form of focus group discussions, key informant surveys, gender assessments as well as ensuring materials are in local languages.

6.2 Indigenous Peoples

Below is a description on Indigenous Peoples that are potentially involved in the project.

Indigenous People in coastal and small islands of Indonesia

Based on screening at provincial level, using secondary data from the Indigenous People Domain Registration Agency (BRWA) and was crosschecked with data from MMAF, indigenous groups are present in 3 provinces of Coral Bond indicative target locations (the village-level location has not been confirmed yet). While the conditions are varied, generally, indigenous people residing in coastal and/or small islands are engaged in small-scale/ household agricultural activities and fisheries for subsistence. There are some sub-groups and individuals who are engaged with other works, such as becoming civil servants, providing services (tourism), and small-scale trading. The details information of indigenous practices regarding marine resources management is available on the Social Assessment (a stand-alone document).

The World Bank ESS 7 has laid out standards to protect the rights of indigenous people, meaningfully engage and consult, regardless of their formal recognition from the state.

Based on the Oceans for Prosperity' social assessment, there are several indigenous communities identified at provincial level, including:

- Arguni & Pig-pig Sekar (West Papua)
- Werur Tambrau (West Papua)
- Malaumkarta (West Papua)
- Mayalibit (West Papua)
- Kawe (Southwest Papua)
- Barunusa/ Balue, Namatalaki, and Barawihing (Alor)

Engagement with indigenous people will be tailored to ensure socially and culturally appropriate methods of consultation and engagement, particularly for subcomponent 1.2 on stakeholder engagement and benefit activities, even though they are less likely to be directly impacted, a local facilitator/ Indigenous people expert or language interpreters will be employed to ensure that means of consultations are effective and appropriate. To be able to conduct meaningful consultations with Indigenous communities, tailored methodologies, including the use of specific additional visual aids, oral explanations, etc, and/or specific customary ways of consulting with Adat governing bodies and Adat communities should be pursued. Grievance Redress Mechanism is tailored to provide access to Indigenous/ Adat communities to use it.

What if partial access restriction confirmed?

Partial access restriction refers to condition where the small-scale/artisanal fishers are restricted from fishing within the no-take zone (as they used to prior to the gazetting/legalisation of MPAs), but there are other zones within agreeable distance/ areas allocated for fishing – so that they are not losing ‘fishing ground’ or means of livelihoods yet they are affected by the increased enforcement of MPA within the Core Zone.

Partial access restriction is likely to happen (please see Social Context), however, based on assessment conducted during preparation, to only small number of small island’ villages located near “Core Zone” in Marine Protected Areas (MPAs), including the identified four villages in the close proximity to the Core Zone of Alor MPA in East Nusa Tenggara Province. In Indonesia, MPAs are divided into several zonation, including core zone/ no-take zone, buffer zone, and utilisation zone. Fishing activities are allowed in the utilisation zone, with details specifications on what techniques and methods of fishing allowed by law.

As part of ESF streamlining to strengthen the borrower’s framework, Indonesia Coral Bond will partially adopt the World Bank ESF, while strengthening the Borrower’s Framework. Proportionate to the risk, Meaningful consultations need to be undertaken and documented in the Management Plan (or other instruments as necessary) with affected communities, including communities experiencing partial access restriction. The project does not envisage to cause relocation of indigenous peoples nor cause significant impact on indigenous people cultural heritage that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the affected indigenous peoples.

What if full access restriction confirmed?

Where activities are expected to result in severe access restrictions associated with marine area conservations (Adat communities losing *their only access* to fishing ground), Free, Prior Informed Consent (FPIC) will be obtained from the community concerned *prior to* MPA’s enforcement. Based on Oceans for Prosperity (LAUTRA)’s Preliminary Social Assessment and workshop and interview with MPA Management Office in Kupang, Alor, and Raja Ampat, full access restriction is less likely to occur. FPIC processes will be embedded as part of the development of MPA development plan or management plan revision, where community consultations and consensus building will be facilitated following socially and culturally appropriate means and methods. Appropriate mitigation measures shall be applied to mitigate and offset the livelihood loss, including through channelling any forms of assistance or community’s empowerment supports executed by the Provincial/ District level Marine and Fishery’s Agency (Dinas KP Provinsi dan Dinas KP Kabupaten/Kota) and other agencies as necessary, such as the Community’s Empowerment Agency, Social Affairs agency, etc, which often have programmes on livelihoods, etc. If the MPAs are part of the national-managed MPA, such as one in Raja Ampat (KKPN Raja Ampat), Ministry of Marine Affairs and Fisheries to i) explore the possibility of channelling livelihood

components under LAUTRA to these affected communities and ii) engage with local governments to find alternative livelihood measures to mitigate and offset the income loss.

7 Stakeholder Engagement Plan

The disclosure of project information will be conducted during the preparation both through MMAF website, public publication and community consultations. At project level, there will be inclusion of engagement strategy to both under Component 1 and Component 2 activities, including through the participatory planning of implementation and monitoring of Marine Protected Areas; and in particular a comprehensive stakeholder mapping to identify and document all affected stakeholders, including minority and marginalised groups activity under Component 1. Further, both components include indicators to ensure that i) participatory planning is occurring and ii) vulnerable groups are included in the process at village level. The tables below give a brief description of actions that have already taken place as well as actions to be taken to implement this SEP.

7.1 Stakeholder Engagement Plan

The project will be further informed by the broader stakeholder engagement approach through i) consultations and community participation during project implementation; ii) transparent feedback and grievance redress mechanisms; iii) communication outreach, public campaigns, and capacity building; and iv) development of risk management processes and engagement required under the World Bank's Environmental and Social Framework (ESF) and the Borrower's framework.

The level and approach for stakeholder engagement will depend on the level of risks and influence each stakeholder holds, and their capacity to manage anticipated environmental and social risks adequately. Another important consideration is engagement to enhance the project's benefits and social acceptance by enhancing project implementation to be participatory, inclusive, and responsive to community needs. This SEP will be implemented as early as possible at the planning stage to allow for community participation and their early feedback to be fully integrated as part of the overall implementation approach.

Under the project, public consultations serve as one of the stakeholder engagement platforms to discuss project design and key components and have been organized for activities where broad stakeholders' views are critical to enhance project design and implementation. These consultations have been performed in parallel with other engagement activities supported by the project, including community facilitation for planning and mobilization, day-to-day project stakeholder communication and monitoring, regular coordination meetings, ad-hoc consultations, FGRM implementation etc. Hence, the following provides an initial plan of the main consultations that are expected during the project preparation and implementation.

As the PIU for component 1, particularly for subcomponent 1.1 on Benchmarking against IUCN Green List Standard, MMAF will also need to develop a robust engagement plan with the Expert Assessment Group for the Green List (EAGL). This plan should outline a systematic approach for

collaboration, communication, and coordination between MMAF and other implementing units with the EAGL throughout the certification process. The engagement plan could include regular meetings and consultations between relevant stakeholders from MMAF and the EAGL to discuss the nomination process, share information on candidate sites, and address any questions or concerns. Additionally, the plan may involve providing the EAGL with access to relevant data, documentation, and resources necessary for conducting assessments and verifications. Clear communication channels, timelines, and responsibilities should be established to ensure transparency, efficiency, and accountability in the engagement process. By fostering a collaborative and cooperative relationship with the EAGL, the GoI can enhance the credibility and effectiveness of the Green List certification process in Indonesia, ultimately contributing to the conservation and sustainable management of protected and conserved areas in the country.

Additionally, to ensure effective collaboration and partnership with Lembaga Perantara (LEMTARA) /civil society organization (CSO) serving as implementing partners for the project, IEF and MMAF should also establish a comprehensive engagement plan. This plan should prioritize regular communication and consultation sessions between relevant government officials and representatives from LEMTARA to discuss project objectives/goals, activities, and timelines. Additionally, the engagement plan could involve capacity-building initiatives to strengthen LEMTARA's capabilities in project implementation, monitoring, and reporting. Clear roles, responsibilities, and expectations should be outlined to foster mutual understanding and accountability between the MMAF and LEMTARA. LEMTARA should appoint an official/consultant to take the role of stakeholder/ community engagement specialist, who is responsible to ensure that consultations with local and Adat communities are conducted according to this SEP. Moreover, mechanisms for feedback, evaluation, and adjustment should be incorporated into the engagement plan to ensure transparency and adaptability throughout the project lifecycle. By nurturing a collaborative and supportive relationship with LEMTARA, the IEF and MMAF can leverage the organization's expertise and networks to enhance the effectiveness and sustainability of project interventions aimed at addressing more MPA management effectiveness challenges in Indonesia.

Finally, a robust engagement plan and consultation with Private Sector and Potential Corporate Bond Buyers should be established to facilitate private sector investment for the sustainability of the project. This plan should entail structured dialogues and information-sharing sessions between PMU and representatives from potential corporate bond buyers, ensuring alignment of investment objectives with conservation goals. Moreover, the engagement plan could involve the identification of key investment opportunities within MPAs and the formulation of attractive financial packages to incentivize private sector participation. Collaborative efforts may include joint feasibility studies, risk assessments, and financial modelling exercises to assess the viability and attractiveness of investment opportunities. Clear communication channels and mechanisms for ongoing engagement should be established to foster trust and transparency between the private sector and PMU throughout the investment process. By actively involving the private sector in marine conservation initiatives, the GoI can tap into additional resources and expertise, thereby enhancing the sustainability and impact of conservation efforts in Indonesia's coastal and marine ecosystems.

In working with and on the indigenous communities' areas, the Project adheres to customary protocol for visiting communities through regular communication with appropriate focal points of the Sub-directorate of Customary Communities at the national level, together with Technical Working Group (UPT) and MPA management units at the provincial and or district levels to provide information about the nature and intent of our activities. A social and/or IP specialist will be hired to assist with the technical preparation and engagement activities with Indigenous People in target areas.

The following public consultation plan will be organized in an inclusive, participatory, and transparent manner, which may include choice of engagement modalities, information production and dissemination, use of RGMs, and affirmative measures to vulnerable groups. These are detailed in Table below.

Table 3. Stakeholder Engagement Plan

Project Stage	Consultation topics	Method	Target Groups	Timeframe	Person in Charge
Initial project implementation	Consultation with the national stakeholders, internal stakeholders, and prospective LEMTARA	Coordination meetings	National Governments, UPTs, MPA management units and potential implementing partners.	Early stage of project implementation and maintained throughout the project cycle	IEF – Coral Bond project secretariat (PMU) MMAF – DJPKRL
	Follow up engagement with prospective LEMTARA/ CSOs' implementing partners (such as YKAN/TNC, WWF, and Conservation International, among others)	Meetings, technical workshops (virtual, face-to-face, and hybrid),	short-listed CSOs to be implementing partners	Early stage of implementation; and maintained throughout the project	IEF – Coral Bond project secretariat (PMU) MMAF – DJPKRL
	Project consultation at the sub-national level, information dissemination and socialization to obtain feedback from sub-national stakeholders (particularly provincial, district government, village governments and potentially affected local communities) on the general project design, project components and respective activities	Stakeholder workshops/consultations (virtual, face-to-face, and hybrid), community meetings	Provincial, district, and village level governments, representative of communities, local NGOs, CSOs, and Universities	During project preparation	IEF – Coral Bond project secretariat (PMU) MMAF – DJPKRL
	Consultations with village and or local communities in target locations as part of site-selection processes, joint assessments of key issues for Component 1 to Improve Management Effectiveness of Target MPAs	Community meetings, focus group discussions, participatory research approaches	Local communities, village governments, women's groups, Adat groups, etc.	Early stage of project implementation as part of site-selection processes.	MMAF – DJ PKRL
	Consultations with affected communities, including Indigenous Peoples and their	Community meetings and consultations, including separate consultations with	Indigenous governing body/leaders/ elderly; indigenous women;	Throughout the project implementation	IEF – Coral Bond project secretariat (PMU) together with

Project Stage	Consultation topics	Method	Target Groups	Timeframe	Person in Charge
	<p>leaders for the development of risk and impact management measures, including integration of such measures into MPA management plan.</p> <p>This includes consulting communities on the risk and impact and mitigation measures of the proposed activity (for instance, if the activity proposed is to strengthen the monitoring of no-take zone area from fishers, the risk is partial access restriction is envisaged, and proposal mitigation measures must be discussed and agreed with communities), and any required due diligence prior to commencement of specific activities with potential impacts.</p> <p>To capture concerns over the management plan.</p>	<p>vulnerable groups and women as applicable.</p> <p>the project shall consult with community leaders and chiefs, including the respected elders, such as <i>tetua adat</i> and with their facilitation, obtain consent from the broader community members. The project shall reach out to broader groups in Adat communities, following permission from their leaders. The key is to understand how their governing body and norms operate and follow them through (no cutting corner).</p>	<p>indigenous communities' members; village level governing body (<i>badan musyawarah desa</i>)</p>		<p>DJ PKRL and MPA Management Units (particularly on the Subcomponent 1.2. Stakeholder engagement and benefits)</p>
During project implementation	<p>Socialization of Project Design, Implementation Arrangement and Fund Flow Management at the national, provincial and or district level</p>	<p>Meetings and dissemination of posters/printed booklet</p>	<p>City/District and village governments; NGOs, CSOs, local Universities and local communities;</p>	<p>Early stage of project implementation and prior to any activity in the field</p>	<p>IEF – Coral Bond project secretariat (PMU) MMAF – DJPKRL</p>
	<p>Socialization of site selection criteria and LEMTARA selection criteria at the provincial and district level</p>	<p>Meetings and dissemination of posters/printed booklet</p>	<p>City/District and village governments; NGOs, CSOs, local Universities and local communities;</p>	<p>Early stage of project implementation and prior to any activity in the field</p>	<p>IEF – Coral Bond project secretariat (PMU) MMAF – DJPKRL</p>

Project Stage	Consultation topics	Method	Target Groups	Timeframe	Person in Charge
	Socialization of technical implementation of Component 1 on Project Management and Monitoring (particularly on assess and benchmark each target MPA performance against the Green List Standard, and the development and implementation of detailed action plan outlining the steps needed to make expected improvements against the IUCN Green List Standard)	Meetings, Consultation Forum, FGDs	City/District and village governments; NGOs, CSOs, local Universities, Village governments, and local communities	Early stage of project implementation and prior to any activity in the field	IEF – Coral Bond project secretariat (PMU) MMAF – DJPKRL
	Socialization of technical implementation of Component 2 on Project Management and Monitoring (particularly on Citizen and stakeholder engagement and coordination activities, including implementation of the grievance redress mechanism at the village or community level)	Community consultation/ village forum, FGDs and door-to-door visits if needed	Village governments, local communities	Early stage of project implementation and prior to any activity in the field	IEF – Coral Bond project secretariat (PMU) MMAF – DJPKRL
	Technical consultation of component 1 (particularly on assess and benchmark each target MPA performance against the Green List Standard, and the development and implementation of detailed action plan outlining the steps needed to make expected improvements against the IUCN Green List Standard)	Coordination meetings and or FGDs	IUCN independent scientific advisory group (IUCN-EAGL)	Periodically (during project implementation i.e., quarterly)	IEF – Coral Bond project secretariat (PMU) MMAF – DJPKRL

Project Stage	Consultation topics	Method	Target Groups	Timeframe	Person in Charge
	Updates on project status.	Multistakeholder forum/workshops, coordination meetings, public consultations (presentation of updates followed by Q&As sessions), GRM records and public information disclosure	Central government partners, sub-national government agencies, community representatives, NGOs/CSOs	Periodically (during project implementation i.e., bi-annually)	IEF/MMAF – LAUTRA project secretariat (PMU)
	Consultation with Private Sector and Potential Corporate Bond Buyers	Meetings, Consultation Forum, FGDs	Private Sector and potential Bond Buyer with interest and/or concerns on blue sector, conservation and blue economy.	Periodically (during project implementation i.e., bi-annually)	IEF – Coral Bond project secretariat (PMU) MMAF – DJPKRL
Project/sub-project completion	Project completion, monitoring, and evaluation	Coordination meeting, workshops and FGDs	Central government partners, sub-national government agencies, community representatives, NGOs/CSOs	Joint-agencies inspection; site visit; meetings with local governments; public consultation with local communities	IEF – Coral Bond project secretariat (PMU) MMAF – DJPKRL
	Project completion public report and lesson learnt	multistakeholder forum, public consultations at the national and sub-national level	Central government ministries and/or agencies, sub-national government agencies, community representatives, NGOs/CSOs	Y5/ Project completion	IEF – Coral Bond project secretariat (PMU) MMAF – DJPKRL Bappenas

8 Information Disclosure

Documentation and information about the update of project activities and the results of consultation with stakeholders will be published by the PMU and PIUs as follows:

Indonesia Environment Fund: <https://web.bpdih.id/>

MMAF: Directorate General of Marine Spatial and Ocean Management:
<https://kkp.go.id/unit-kerja/djpkrl.html>

Drafts of Environmental and Social Management documents will be disclosed on: IEF and DGPKRL MMAF website IEF and MMAF also updates the public through general public-friendly articles to inform the public about Coral Bond preparation and it progresses. They will be available in IEF and MMAF website.

Further disclosure of information will also be conducted through information exchange with relevant government agencies, public consultation activities and community meetings. The project will ensure that relevant communication materials, containing project information, including FGRM channels are available in the target villages and/or communities and presented in a manner accessible to the community.

Means of information disclosure for indigenous people will be tailored to meet their needs and culturally appropriate, including if the information shall be disclosed verbally and/or through in person meeting with the elderly (*tetua/raja*). Usually, information is disclosed through an in-person meeting with the elderly, and then the elderly will convey the information to the communities. As for Coral Bond, this approach will be adopted, and any resources needed to ensure that information is disclosed properly, and reach the vulnerable groups, will be adequately allocated.

9 Grievance Redress Mechanism

Feedback dan grievance redress mechanism/FGRM or feedback mechanism and complaint handling is the process of receiving, evaluating, and handling, as well as recording feedback and complaints from the community, project stakeholders or other parties who may have concerns and interests in the Project. FGRM are provided and developed based on existing systems, which will be operated by IEF/ PMU.

Scope

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

FGRM users include: (1) project beneficiaries and those who will be affected by the project, both directly and indirectly; (2) interested parties such as advocacy-group, academics, etc (3) Coral Bond project workers; and (4) the wider community.

FGRM Management: The management of feedback and complaints will be coordinated by IEF/ PMU by involving MMAF and related PIUs. MMAF and PIU will appoint FGRM focal point to support smooth coordination.

Confidentiality and conflicts of interest: Complaints can be made under a verified or anonymous identity. Confidentiality is a fundamental aspect of the FGRM project and the identity of the complainant will not be disclosed unless they give consent to allow further verification and investigation. These measures apply to allegations of SEA/SH and/or other sensitive matters, which may result in retaliation against the complainant (e.g. fraud). A whistle-blowing mechanism is also available on FGRM projects.

Submission of Complaints: Feedback and complaints can be submitted at any time during the implementation of the project. Unresolved complaints and new complaints must continue to be managed and resolved.

FGRM Channel

IEF/ PMU provides a channel where residents/ beneficiaries/ project workers/ other parties affected by the project can make a complaint through:

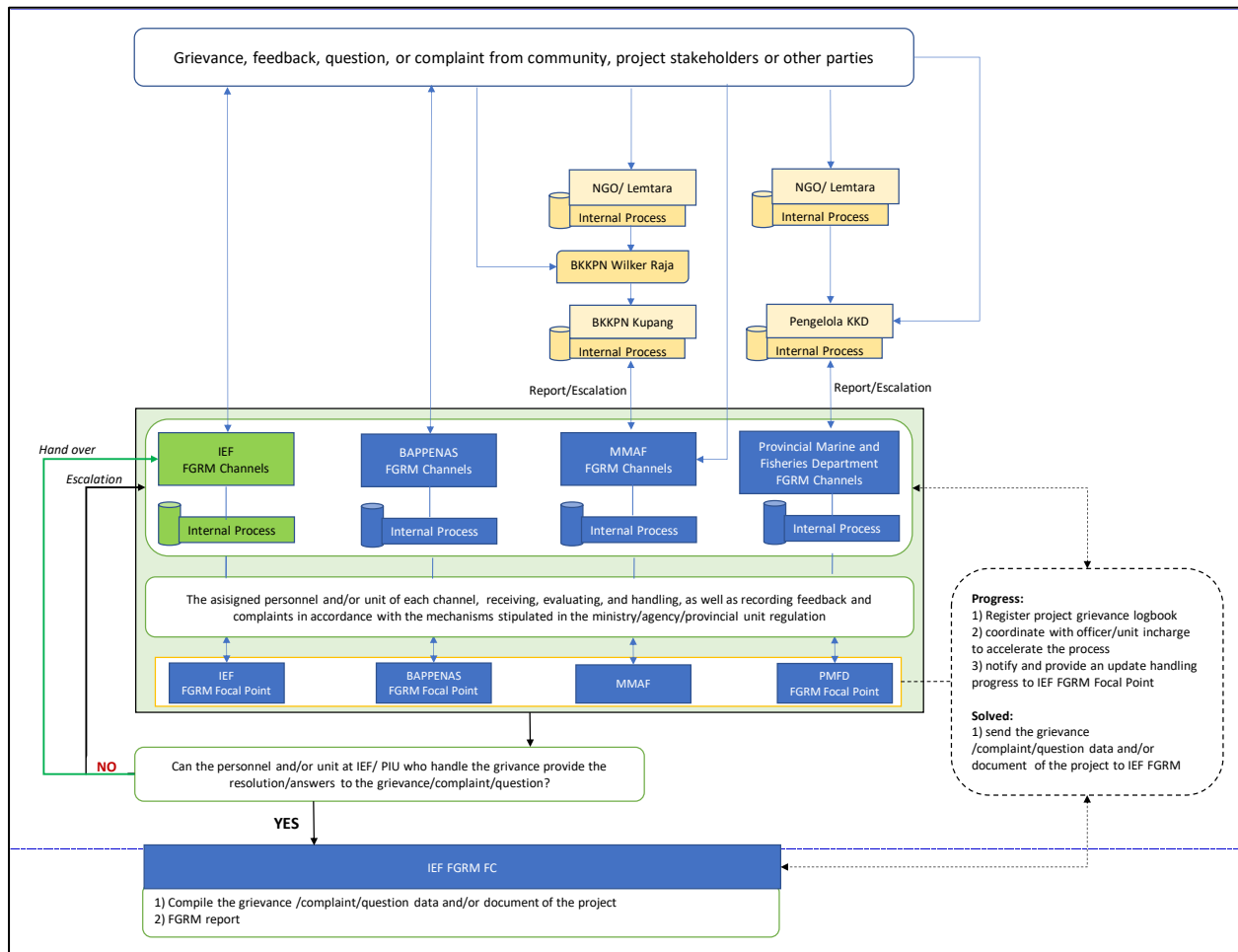
- a. Mail or come directly to the address:
Badan Pengelola Dana Lingkungan Hidup
JB Tower Lantai 30, Jalan Kebon Sirih, No.48-50,
Gambir, DKI Jakarta;
- b. Email : contact.us@bpdlh.id;
- c. Telephone : (021) 3505226; and
- d. Website : wise.kemenkeu.go.id.

In addition, a complaint channel is also available through the Ministry of Marine Affairs and Fisheries (MMAF):

- a. Email : pengaduanprl@kkp.go.id;
- b. SMS : KKP_ (your message/ grievance) send to 1708: and
- c. Website : kkp.lapor.go.id or lapor.go.id

The FGRM mechanism is shown in Figure1.

Figure 1. FGRM Mechanism for the Coral Bond Project



FGRM Processing

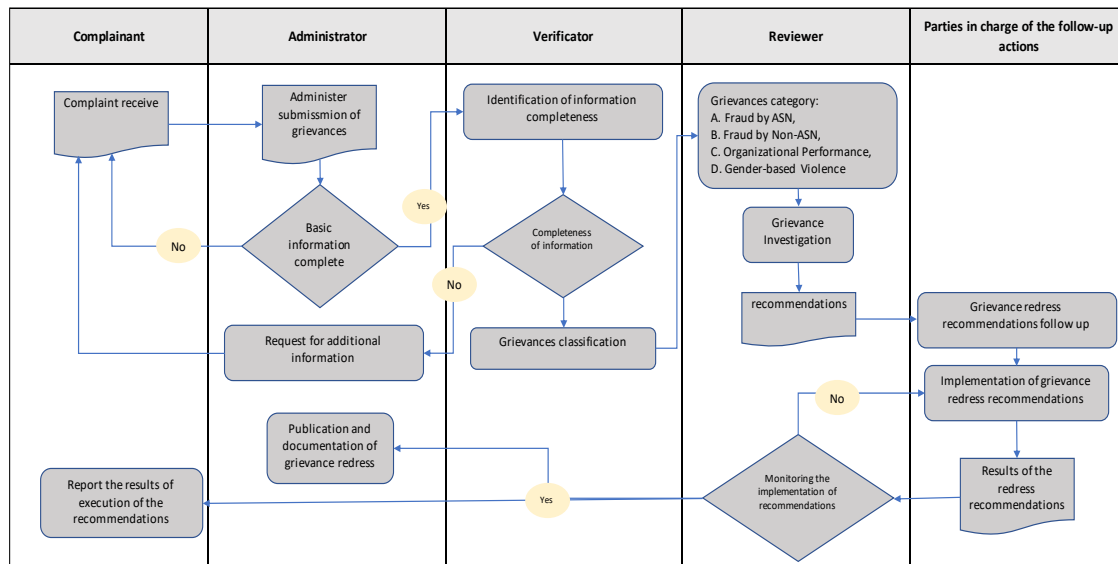
In implementing the complaint handling mechanism, IEF/ PMU will receive, identify and follow up the complaint, and submit the results to the whistleblower. The complaint receives by MMAF or PIU will be channeled to IEF. The implementation of complaint handling procedures is carried out by Administrators, Verifiers, Reviewers and Follow-up Parties. The administrator is responsible for receiving complaints, requesting additional information/documents from the whistleblower, documenting the resolution of complaints in the complaint record and administering complaint data/information. Verifiers are tasked with identifying, classifying and forwarding follow-up complaints to reviewers.

The reviewer is responsible for conducting investigations, providing resolution recommendations and monitoring the implementation of complaint resolution recommendations. IEF may involve internal and external parties in implementing recommendations or follow-up suggestions regarding the resolution of complaints, Parties involved in the follow-up process are responsible for: (i) preparing follow-up, planning and implementing recommendations for handling complaints based

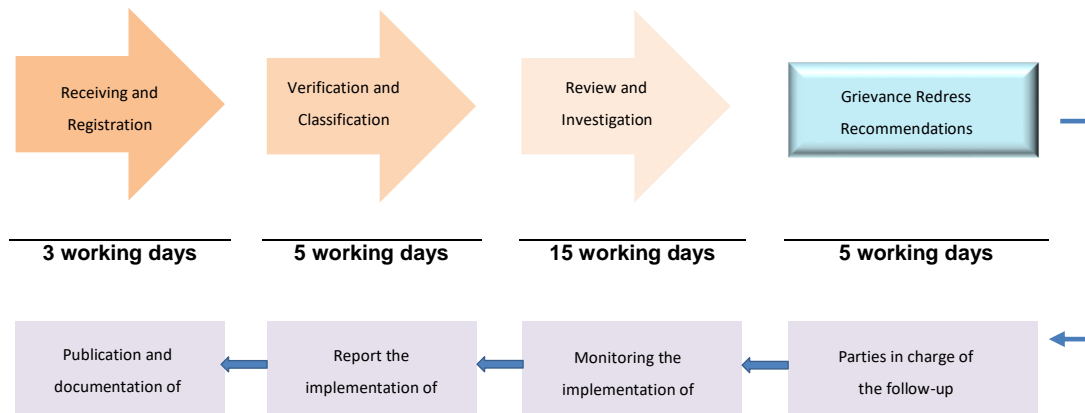
on the results of reviews and/or investigations; and (ii) prepare a report on the implementation of the recommendations and submit the report to the reviewer.

The complaint handling mechanism is regulated in the Decree of the Executive Director of IEF No. 69/2022 concerning Guidelines for Handling Complaints.

Complaint Handling Process Flow Table



Complaint Handling Resolution Time Table



Staffing

The IEF employees will process the complaints with the support from FGRM specialist recruited by PMU. The FGRM specialist will:

- Coordinate the entire FGRM implementation of the projects.
- Develop FGRM capacity building and communication.

- c. Maintain communication and coordination with relevant stakeholders responsible for the resolution of complaints.
- d. Consolidate, and compile FGRM reports.

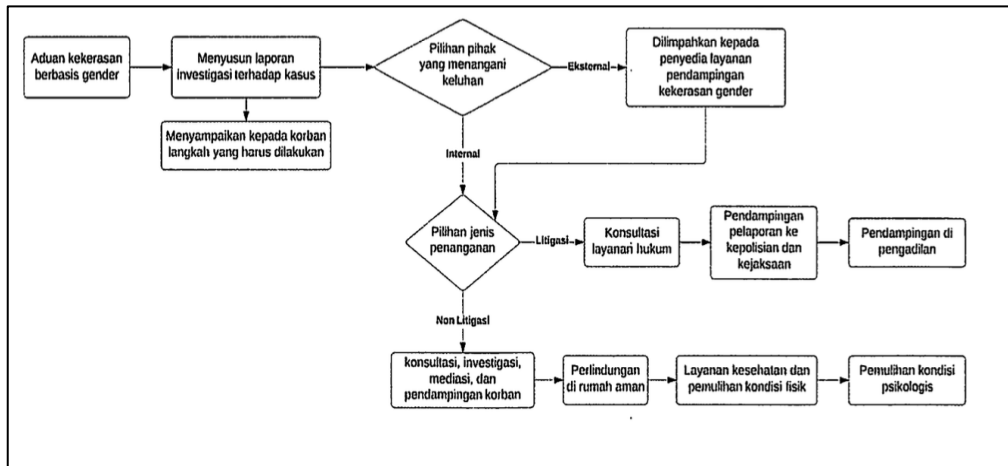
Process for Handling Complaints on Gender-Based Violence/Exploitation and Sexual Violence and Sexual Harassment (GBV/ SEA/SH)

Given that gender-based violence (GBV) / exploitation and sexual violence (SEA) and sexual harassment (SH) have their own characteristics, the complaint handling process is explained in the table below

Tabel GBV/ SEA /SH Complaint Handling Process Table

Step	Process
1	<p>Complaint submission</p> <p>The whistleblower notifies or submits a complaint through the complaint channel (direct/verbal, written, email, telephone). In submitting the complaint, the whistleblower can be represented by another party or submit a complaint anonymously.</p>
2	<p>Complaint Handling</p> <p>Complaints will be handled by Reviewers from the work unit that carries out the function of human resource management. If necessary, a gender task force can be formed to assist in handling these complaints.</p> <p>The appointed gender task force must be neutral, free of conflicts of interest, gender responsive, have the capacity to handle gender-based violence. The task force can involve gender experts from outside BPD LH.</p>
3	<p>Identify, investigate, and resolve</p> <p>The reviewer will develop plans and strategies for handling complaints, carry out studies / investigations, compile reports on the results of studies / investigations including providing recommendations for handling complaints.</p> <p>The reviewer may contact the whistleblower to offer counseling, mediation, negotiation, consultation or conciliation and provide the reporter with initial information regarding the steps the whistleblower needs to take while the complaint is in the process of being addressed.</p> <p>In the event that the complaint cannot be resolved internally or the whistleblower requests that the handling process be carried out by an external party, the complaint can be transferred to the relevant party, including: a) Komnas perempuan, b) the local women's and children's protection working group, or c) women's assistance service providers.</p>

Table of Process Flow for Handling Complaints of Gender-Based Violence/Exploitation



Project worker complaint handling mechanism

The mechanism for handling workers' complaints is also regulated in the Decree of the Executive Director of IEF No. 69/2022 concerning Guidelines for Handling Complaints. The handling mechanism is as explained above.

Transparency, monitoring, and reporting

Transparency

Regular policies, procedures, and updates on the FGRM system, complaints made and progress, will be available on the website: bpdlh.id. This component will be updated as needed.

Routine internal monitoring and reporting

The IEF will assess the FGRM function bi-annually to:

- Make summaries of FGRM results on a quarterly & bi-annually basis, including suggestions and questions, to the project team and management.
- Review the status of complaints that have not been resolved and suggest corrective actions as needed.

On the bi-annually meeting, there will be a discussion and review the effectiveness and use of FGRM and collect suggestions on how to improve it.

Submitting the midterm and annual progress report to the World Bank

In the midterm (semester) and annual implementation reports that are submitted to the Bank, IEF/PMU will include GRM results, which provide the latest information as follows:

1. Status of GRM formation (procedures, staffing, awareness raising, etc.);

2. Quantitative data about the number of complaints received, the relevant number, and the amount completed;
3. Qualitative data about the types of complaints and answers given unresolved problems;
4. The time needed to resolve complaints;
5. Number of complaints resolved at the lowest level, rising to a higher level;
6. Any special problems solved by procedures/staffing;
7. Factors that can influence the use of the GRM / beneficiary feedback system;
8. All corrective actions used.

10 Monitoring, Evaluation and Reporting

This section presents an overview of the reports that will be used to report on and monitor stakeholder engagement activities.

Monitoring and evaluation will be conducted in bi-annual manner, with combination of monthly reports-review and primary data joint-site inspections. Several key points to be included in M&E and reporting are:

1. key concerns, from local communities and other stakeholders, captured in the GRM
2. key concerns from vulnerable groups
3. the amount of time needed to resolve grievances in average
4. the availability and applicability of Standard Operating Procedures (SOP)
5. notes on resources to implement GRM (is additional resource needed?)
6. notes on capacity building to implement GRM (will there any specific areas benefitted by capacity building activities?)

PMU will be responsible to conduct M&E and reporting, which will be submitted to the World Bank. PMU will be assisted by each PIU to provide technical insights/ data in terms of GRM operation in regard to each component.

11 Financing

All activities will be financed either one of these modalities, i) under project component when the activities are streamlined to the project or component activities; ii) under project implementation support or iii) under the contractor/ third party budget if the activities are undertaken by the selected third parties.

12 Annexes

Annex I: Grievance Log Form

COMPLAINTS / QUESTIONS RECORD FORM (Form A)				
Instructions: This form must be completed by staff who receive questions or complaints and are stored in the project file. Please attach relevant supporting documentation/letters.				
Date of Complaint:		Name of Staff:		
Complaints Received by (please tick (√) the appropriate box): <input type="checkbox"/> Province <input type="checkbox"/> City <input type="checkbox"/> Municipality / subdistrict <input type="checkbox"/> Village				
Under MPAs: KKN Raja Ampat, KKD Raja Ampat, KKD Alor (please circle ones that are relevant)				
Complaint made via (please tick (√) the appropriate box): <input type="checkbox"/> In person/ visit to office (IEF, MMAF/UPT) <input type="checkbox"/> Phone <input type="checkbox"/> E-mail <input type="checkbox"/> SMS <input type="checkbox"/> Website <input type="checkbox"/> Complaint Box / Other advice <input type="checkbox"/> Community Meeting <input type="checkbox"/> General Consultation <input type="checkbox"/> Others _____				
Name of Complainant: (information is optional and confidential)				
Gender: <input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Choose not to say				
Address or contact information of complainant: (information is optional and confidential)				
Location of complaints/problems occurred [please write]				
National:	City:	Province:	Village:	
A Brief Explanation of Complaints or Questions: (please write as detail as possible)				
	Category 1	Social Issues (for instance: GRM unreliable, livelihoods disruption associated MPAs or coral reefs management activities, access restriction, etc)		
	Category 2	Environmental Issues		
	Category 3	Complaints related to violations of policies, guidelines, and procedures		
	Category 4	Complaints related to breach of contract		

Category 5	Complaints regarding misuse of funds/lack of transparency, or other financial management problems
Category 6	Complaints related to abuse of power/intervention by the project or government
Category 7	Complaints regarding staff performance
Category 8	Force majeure report
Category 9	Complaints about Project intervention
Category 10	Others
Handle and follow up required by:	
Progress in resolving complaints (e.g. answered, resolved):	

IEF Grievance Log Form --> OPTION

A. INFORMASI AWAL

1. Saluran Penyampaian Keluhan : Tatap muka/telpon/e-mail/surat/media massa*
2. Tanggal laporan :
3. Nama Pelapor : Anonim/.....(terbuka/dirahasiakan*)
4. Status Pelapor : Individu/Organisasi masyarakat/Badan hukum/
/Instansi Pemerintah dan Pemerintah Daerah*
5. Status Keluhan : Baru / banding* (No. Register:)⁴
6. Alamat Pelapor :
7. Nomor kontak :
8. Alamat email :

B. MATERI POKOK KELUHAN (perhatikan kelengkapan informasi 4W-1H)

Uraikan informasi mengenai kronologi kejadian, yang setidaknya memuat:

- a) identitas Terlapor
- b) lokasi/tempat ditemukannya Keluhan yang dilaporkan
- c) kapan peristiwa yang menimbulkan adanya Keluhan terjadi
- d) siapa saja yang terlibat dalam Keluhan yang disampaikan
- e) bagaimana Keluhan tersebut muncul
- f) bukti pendukung Keluhan (laporan, foto, rekaman suara, video dan bukti lain yang relevan)

Status Keluhan : 1. Keluhan diteruskan kepada Verifikator;
2. Keluhan tidak dapat diteruskan.

Administrator :(Nama dan Paraf)
Tanggal :

⁴ Isi dengan nomor register Keluhan sebelumnya, jika Keluhan yang masuk adalah bersifat banding

Annex 2: Minutes of Meeting of Technical Meeting for Project Design

Minutes of Meeting Technical Discussion of Coral Bond Project World Bank Jakarta Office, December 20th 2023

Welcome Remark

- KKP has informed the GEF OFP about the coral bond initiative. They are still awaiting endorsement and require additional coordination for the proposal and project preparation.
- The TTL expressed gratitude to all participants for their collaboration during the development of the ideas. The TTL also emphasized that the technical meeting aims to discuss the next steps, reach an agreement on the basic design of the bond, and clarify some details for the full proposal.

Key Discussion Points

Proposed Location:

- KKP confirmed three proposed locations (KKN Savu Sea, KKN Raja Ampat, and KKPD Raja Ampat) and also suggested KKPD Alor as an additional target location, considering its status that meets the criteria and its management capacity and commitment, which strongly support the implementation of this project. KKPD Alor will be a potential target location to be added, considering the budget stretch for the 3+1 locations and funding flow to the management unit that has not yet established as BLUD.
- KKP reminds about the human resources capacity in each target location, which also carries a workload and target in the LAUTRA program. Therefore, there must be a certain strategy to achieve both the LAUTRA and Coral Bond targets without overloading MPA management unit staff.
- In the process of selecting the target location, BPD LH recommends prioritizing the determination of Key Performance Indicators (KPIs) within the activity components rather than focusing solely on the location itself. Subsequently, a mapping process is undertaken to identify locations capable of achieving these targets. This is consistent with the desktop Green List benchmarking exercise that was done by IUCN in September 2023.

Project Preparation Timeline & Focal Points:

- KKP suggests adding an agenda item for coordination with GEF OFP and organizing a IUCN Green List socialization meeting with the MPA manager and local government of the target location.
- KKP Focal Point: Seditjen PRL with support from Dir. KKHL for technical aspects.
- BPD LH Focal Point: Director of Fundraising and Funding Development.
- Bappenas: Director of Maritime Affairs and Fisheries, and Director of ICCTF.

Proposed Activities:

- The basis will be the result of IUCN Green List site-based assessment. All gaps to achieve a fully met IUCN GL will be the priority activities.
- The division between LAUTRA and Coral Bond can be done by creating a list of activities with planned funding in LAUTRA. If there is a gap (LAUTRA investment is not allowed/not sufficient to achieve fully met IUCN GL criteria), then it will be filled by activities in Coral Bond. Another option, could be to decide to use LAUTRA to fill gaps in the “Sound Design and Planning” and “Effective Management” pillars of the IUCN GL standard; while the Coral Bond will finance activities to fill gaps in the “Good Governance” and “Demonstrating Successful Conservation Outcomes” pillars.
- Another option, if all activities towards achieving a fully met Green List can be implemented by LAUTRA, is for the Coral Bond funding to be directed towards value-added activities in certain topics such as climate change, gender, and socio-economic indicators, that are not extensively covered by Component 1 in LAUTRA.

Partner Selection Criteria:

- KKP suggests that potential implementing partners (e.g. NGOs) should possess the following qualities: 1) Strong understanding and experience with the local context (relations with local government/SUOP) in terms of institutional, social, economic, and cultural aspects, 2) high-quality management and field capacity (human resources, reporting systems, experience in similar projects), 3) Familiarity with EVIKA and IUCN GL.
- BPDH already has selection criteria, standard operating procedures (SOP), and capacity-building support for selection process of implementing partners or intermediary institutions (LEMTARA) that will carry out the implementation of activities.
- The importance of identifying implementing partners before bond issuance rather than after was discussed.

Project Governance and fund flow/management:

- Project governance and fund flow need to be aligned with the Ministerial Regulation on the Management of Marine Conservation Funds in BPDH, which is currently being developed by KKP in collaboration with UNDP. This is to ensure that everything is harmonized and in accordance with the regulations that will be established.

Proposed Fund Flow:

- Priority option: The grant manager will be BPDH, and the funding will be directly channelled to LEMTARA (NGOs, CSOs, etc.). No funding will go to KKP or the MPA management unit. Additional options will be discussed in the next meeting.

Key Next Steps

- Coordination meeting between KKP and GEF OFP (GoI internal process) including to follow up the endorsement letter – in January 2024.
- Second technical meeting (including a mini workshop on the IUCN GL for all KKHL staff, MPA management unit and potential partner in target locations) in January 16-18th 2024.

- Project Preparation Mission in February 6-7th (Jakarta), 8-26th (Target Location), 28-29th (Jakarta).
- Concept Note (WB internal process) in January 30th 2024.

Annex 3: Aide Memoire of Project Design and Identification
Indonesia Coral Bond Project Identification Mission
February 15th – March 1st, 2024
Aide Memoire

Summary of the Aide Memoire:

- 1) An identification mission was held to develop the concept of the proposed Indonesia Coral Bond between February 15th and March 1st, 2024. The mission included field visits to the project target marine protected areas (MPAs): National MPA Raja Ampat (KKN Raja Ampat), Provincial MPA Raja Ampat (KKD Raja Ampat), National MPA Savu Sea (KKN Savu Sea) and Provincial MPA Alor (KKD Alor).
- 2) The mission objectives were to: i) agree on the proposed Project Development Objective (PDO) and Results Framework (indicators and targets); ii) advance the Project technical design details, including activities, outputs, and associated costs; iii) identify potential institutional and implementation arrangements; iv) discuss and confirm approaches for managing potential environmental and social risks as well as arrangements for procurement and financial management; v) undertake a baseline field assessment of each pilot MPA against each criteria of the Green List standard; vi) develop a costed and time-bound action plan for each pilot MPA to achieve the Green List standard within the project timeframe (2025 to 2029), that will guide identification of investments to be financed by the proposed project; vii) discuss details of the transaction and market/investor considerations (fund flow, risks, payment triggers); viii) agree on the timeline and next steps for project preparation and approval.
- 3) Summary of the key take away from the mission: (i) the mission agreed on the proposed financing mechanism (World Bank Wildlife Conservation Bond), project scope (supporting select MPAs to achieve independently verified conservation outcomes in line with IUCN Green List of Protected and Conserved Areas, and improving coral reef health), project locations (KKN Raja Ampat, KKD Raja Ampat, KKN Savu Sea, and KKD Alor) and main implementing partners (IEF, MMAF, ICCTF, IUCN); (ii) a preliminary IUCN Green List rapid assessment of the four target MPAs was successfully conducted by MMAF, IUCN and World Bank consultants and allowed to pre-identify project activities and to confirm relevance of outcome indicators; (iii) Gol and World Bank will continue to work together to try to secure GEF NGI funds for the Coral Bond outcome payment; (iv) project activities and implementation arrangements will be further discussed during the project preparation mission scheduled for 6-10 May 2024.
- 4) Project scope:
 - a) Technical/project identification and design workshop hosted by MMAF was held on February 15-16, and March 1, 2024, attended by the Bank team, IUCN, MMAF (including MPA managers), Bappenas, and IEF representatives. The IUCN presented the IUCN Green List on February 15. The workshop discussed and agreed on the proposed scope of the project: PDO, PDO indicators, components, project sites, and preparation timeline. The participants agreed that project implementation period, results framework and implementing partners will be further discussed during project preparation.

- b) A preliminary IUCN Green List rapid assessment of the four target MPAs was conducted by MMAF, IUCN and World Bank consultants between February 19 and 28, 2024, and found that these MPAs are falling short of global best practice in protected area management as defined in the IUCN Green List Standard. This preliminary study, that used data collected through interviews, group discussions and town halls with stakeholders and area managers, found the four sites scored between 35% and 41% on the alignment with the Green List criteria. Despite the existing investment, notable gaps were identified by the preliminary assessment that could be addressed by targeted management approaches to be implemented through the Coral Bond project. The target MPAs would need to reach 100 percent alignment to reach IUCN Green List status, which is feasible within the timeframe of the Coral Bond project. Gaps to be filled by the project include: (i) improve stakeholder and rightsholders identification and engagement at each site, including the mapping and development of potential co-management arrangements and the promotion of gender equity and diversity; (ii) improve understanding of the social and economic context, to be reflected in management goals and objectives; (iii) clearly identify biodiversity and socioeconomic targets; (iv) ensure that major threats, including impacts of climate change, are understood and mitigation activities are reflected in management planning and implemented, such as improving management of access to resources and strengthening compliance with resource regulations; (v) enhance monitoring of conservation and socio-economic outcomes; and (vi) ensure that arrangements are in place to deal with financial sustainability. The mission agreed that the project activities will be further confirmed and elaborated during project preparation. Ensuring complementarity with activities financed by LAUTRA will be an important consideration when deciding on final activities to be financed by the Coral Bond project.
 - c) As part of the preliminary IUCN Green List rapid assessment of the four target MPAs, World Bank consultants reviewed the existing coral reef health monitoring program, including protocol, trends, baselines and targets for the two biophysical impact metrics selected for the Coral Bond: live coral cover and reef fish biomass. Preliminary findings are presented in Annex 4. It was agreed that MMAF will provide reef monitoring raw data from the four sites, for further analysis by the World Bank team in order to confirm relevance of the two biophysical metrics as well as appropriate targets and monitoring protocol.
 - d) The mission agreed that the World Bank team will continue to work together with Gol to secure funding from potential outcome payers, including GEF (Blended Finance Program/Non-Grant Instrument). Agreed next steps included: revision and resubmission by World Bank team of the concept note to GEF in early March, incorporating technical inputs from the identification mission; MMAF to work with the Indonesian GEF Focal Point to secure endorsement letter for the project by March 15th 2024 (completed).
- 5) Implementation arrangements, fiduciary and ESF
- a) The mission discussed that IEF will act as the Executing Agency. The IEF will host the Project Management Office (PMU) which will be responsible for overall project coordination, day-to-day management, fiduciary, project progress monitoring, evaluation and reporting, and coordination with other government agencies. Under the PMU, Gol proposed that tentatively four Project Implementing Units (PIUs) will be established for

each MPA: 1) Deputy SDAM Bappenas; 2) DJPKRL-KKP; 3) UPTD-BLUD Raja Ampat; 4) Dinas Perikanan Propinsi NTT (UPTD-BLUD Alor). The PIUs will be responsible for planning, budgeting, managing, monitoring, and supervising of activities in their respective mandates/sites, with DJPKRL-KKP PIU having the additional responsibility to coordinate across the 4 PIUs. World Bank team expressed concerns regarding the complexity of the proposed implementation arrangements and suggested a streamlined structure to reduce transaction costs, minimize potential coordination issues, and increase project appeal to potential investors and outcome payers. It was agreed that project implementation arrangements will be further discussed during project preparation.

- b) The mission discussed the possibility for MMAF to serve as chair of the Project Board and Technical Team (as described in IEF Operational Handbook), which are responsible for providing the overall technical guidance/decision and approval for Annual Work Plan (AWP), Procurement Plan (PP) and consultant TORs and deliverables.
- c) The mission discussed that PIUs may implement activities independently with fiduciary support provided by IEF, or collaboratively through Intermediary Agencies (Lembaga Perantara/LEMTARA). During the 15-16 February workshop, the MPA managers expressed that they need support from LEMTARA to carry out certain activities on the ground. It was agreed that a limited number of NGOs (possibly two) will be tasked to implement project activities as LEMTARA. The IEF currently has five administrative criteria for selecting LEMTARA, and 28 NGO/CSOs are currently approved/registered (mostly terrestrial). MMAF will propose to IEF additional selection criteria relevant to marine and fisheries sector, and then recommend a shortlist of NGOs/CSOs/universities names to include as LEMTARA. Prior to that, MMAF will seek input from MPA managers on which NGOs/CSOs are suitable as partners for the Coral Bond project. Some of the criteria for preselecting implementing NGO partners (to be formalized in the Project Operations Manual) include: 1) Strong understanding and experience with the local context (relations with local government/MPA management units) in terms of institutional, social, economic, and cultural aspects, 2) demonstrated management and field capacity (human resources, fiduciary, reporting systems, experience in similar projects), 3) familiarity with EVIKA and IUCN GL, 4) strong capacity in community outreach, and coral reef monitoring.
- d) Detailed arrangements regarding the project implementation arrangement, funds flow and budgeting will be outlined in the Project Operation Manual (POM).
- e) The mission agreed that funding will be channelled by the World Bank to IEF based on grant agreement signed between The World Bank and the IEF. The IEF will be responsible for the overall financial management and procurement aspect of the project. The IEF will channel the funds for activities in the agreed annual work plan: i) directly to the third party (consultants, vendors, contractors) for contractual activities; ii) to PIU as cash advance for self-managed activity (swakelola); or iii) to intermediary agency (LEMTARA) for activities agreed to be implemented through LEMTARA. The financial management arrangement including budgeting, accounting, reporting, fund flow, internal control and audit will be discussed and agreed during project appraisal. The detailed financial management processes will also be included in the POM.

- f) The mission learnt that due to GOI regulation, IEF is not able to channel funding to IUCN (i.e., international entity). Therefore, for IUCN-related activities, the funding will need to be channeled directly from the World Bank to IUCN as Bank Executed Trust Funds (deducted from total project funding).
 - g) The procurement process under the Project will be subject to the Bank's Procurement Regulations (September 2023) and provisions in the Grant Agreement. 17. The procurement process will be carried out by Procurement Service Unit (Unit Pengadaan Barang dan Jasa Pemerintah/UKPBJ) of IEF. Procurement arrangements, UKPBJ capacity assessment, procurement risks and mitigation, will be discussed further during project preparation.
- 6) Environmental and social risk management and gender
- a) The World Bank has preliminary assessed project's Environmental and Social risk and impacts Moderate due to moderate to low labour risk, potential restriction of access of small-scale fishers to fishing grounds and insufficient participation of local communities in the MPA management Processes. The implementing agencies have designated E&S staff for the project preparation The mission agreed that the implementing agencies with the World Bank will prepare Environmental and Social Commitment Plan (ESCP) and Stakeholder Engagement Plan (SEP), to be ready by June 2024.
 - b) The World Bank and implementing agencies agreed to collect more data to further identify the gaps and action plans/improvement needed for IUCN certification in terms of implementation and documentation of stakeholder engagement processes and Grievance Redress Mechanism (GRM), in particular concerning inclusion of vulnerable/marginalized groups in the governance processes e.g., traditional/artisanal fishers, fishers ship crew/no productive means, fisherwomen, etc. The mission has also agreed to clarify the potential indirect downstream impacts of activities under "strengthening of MPA's monitoring and management" on the access of small-scale fishers to fishing grounds. This exercise aims to feed into the efforts to i) improve the Governance dimension of IUCN Green List and ii) inform Appraisal-stage Environmental and Social Risk Summary.
 - c) Corporate requirements on gender, citizen engagement, private capital mobilization and climate change 19. The World Bank task team will incorporate elements that meet the World Bank Group Corporate Requirements on gender, citizen engagement, private capital mobilization and climate change including Paris Alignment in the future stages of project preparation. These requirements will also be reflected in the Results Framework and will be discussed with the government during project preparation (scheduled for May 6-10, 2024).
- 7) The draft Aide Memoire was discussed at the wrap-up meeting held on March 1st, 2024, with Dr. Agus Dermawan (Chief Manager for Coastal and Marine Ecosystem, MMAF). The final version of the Aide Memoire was endorsed by the Bank management.

Minutes of Meeting
Coral Bond ESF Consultations
BPDLH Office, Jakarta, 09 August 2024

1. Participants: BPDLH, DJPKRL Secretariat, World Bank Team.
2. Purpose: The meeting aimed to discuss the development of the ESCP and SEP for the Indonesia Coral Bond Project. Key discussions focused on the Feedback and Grievance Redress Mechanism (FGRM) to address public complaints and suggestions.
3. Key Discussions:
 - The meeting emphasized the importance of effective grievance management and stakeholder engagement to ensure the success of the Indonesia Coral Bond Project and its alignment with international environmental and social standards.
 - Feedback and Grievance Redress Mechanism (FGRM): The meeting covered the design and implementation of FGRM at different levels, from local to national. Existing complaint channels like LAPOR and SPAN will be utilized and enhanced for effective grievance management.
 - The GRM will not only handle complaints but also gather constructive feedback from the community. A multi-tiered escalation process was outlined, starting from local authorities (Wilker) to regional (BKKPN Kupang) and eventually to the central level if needed.
 - Coral Bond Project Scope: The project focuses on monitoring biophysical conditions and evaluating conservation areas according to the IUCN Green List, without physical construction. Community involvement in conservation management is a priority.
 - Project Locations: Target areas include KKD Alor, KKD Raja Ampat, and KKN Raja Ampat. Specific channels will be opened for each site involving relevant institutions such as BKKPN Kupang, ICCTF, Bappenas, BLU Raja Ampat, and regional agencies in NTT.
4. Action Points:
 - The team will hire consultants at the Project Management Unit (PMU) level and designate focal points in each institution, both at the central and local levels, to support effective project implementation.
 - There is a need for appointing Points of Contact (PIC) in each institution to streamline the grievance handling process.
 - The implementation of ESCP and SEP will involve consultations and coordination with local stakeholders, which will be further discussed in upcoming meetings.
5. Next Steps:
 - Further development and refinement of the GRM design are required to ensure it aligns with the conditions on the ground. The process must be efficient, with a resolution timeframe of no more than 7x24 hours.
 - The team aims to finalize discussions and address potential issues during the mission, allowing the mission to focus on confirmation and further planning.

Minutes of Meeting
Coral Bond ESF Consultations (ESCP and SEP Document)
DJKPRL MMAF Office, Jakarta, 19 August 2024

1. **Agenda and Purpose:** The meeting focused on discussing the safeguard documents for the Indonesia Coral Bond Project, particularly the mechanism for handling public complaints and grievances (FGRM). The aim is to ensure compliance with international governance standards and to develop robust systems for managing community feedback.
2. **Participants:** The meeting was attended by representatives from various Indonesian government bodies, including Bappenas, the Ministry of Marine Affairs and Fisheries, and the World Bank team. The discussion was held both offline and online.
3. **Key Discussions:**
 - The **World Bank** introduced the project, emphasizing the importance of an effective grievance mechanism (FGRM) as part of the safeguard documents. This is crucial for achieving certification under the IUCN Green List.
 - Existing complaint channels will be utilized and enhanced. Each institution involved will establish a focal point to manage and escalate complaints as necessary.
 - The **Environmental and Social Commitment Plan (ESCP)** and the **Stakeholder Engagement Plan (SEP)** are targeted for completion before the project appraisal in October 2024.
4. **Complaint Handling Mechanism:**
 - Four institutions—BPD LH, Bappenas, KKP, and Provincial Agencies—will manage the FGRM. Multiple complaint channels will be established, and a clear escalation process will be defined for unresolved issues.
 - Complaints received at the community level will be addressed by designated local focal points, with escalation to higher authorities if necessary.
5. **Next Steps:**
 - The final safeguard documents are expected by the end of September, with further consultations and uploads planned on the project website.

The meeting underscored the need for a structured and responsive framework for managing grievances and ensuring the project's alignment with international environmental standards.

Annex 4: Documentation of Consultations and Field Visits

