

**PERUSAHAAN LISTRIK NEGARA (PT PLN)  
Indonesia Sustainable Least Cost Electrification  
P169059**

**STAKEHOLDER ENGAGEMENT  
FRAMEWORK**

**November 2020**

**Disclaimer**

This documents will be updated based on technical consultation with relevant units in PLN, further development, engagement and consultation will be conducted as part of the finalization of the document. Please refer to PLN website for the latest updated document that will be available after the grant agreement signed.

## 1. INTRODUCTION

**Indonesia has made it a priority to reach 100 percent electrification by 2024.** From the current 98 percent access rate, the Government of Indonesia is targeting universal access by 2024. The majority of the 6 million people who lack access to electricity live in the Eastern Islands. According to the Government of Indonesia's access rate, the lowest electrification rates are in NTT with 86 percent, South Maluku with 91 percent and Central Kalimantan and Central Papua with 94.5 percent. The Government of Indonesia's access rate encompasses (i) PLN's customers, (ii) villages that were electrified under the electrification program of the Ministry of Villages, Disadvantaged Areas Development and Transmigration (in short: Ministry of Villages) and (iii) households that were electrified under the Ministry of Energy and Mineral Resources (MEMR) pre-electrification program. When restraining the definition of electrification to PLN customers, the country access rate is 95 percent, with the lowest rates being 49 percent in Central Papua, 57 percent in NTT, 77 percent in West Sulawesi and 86 percent on average in Maluku.

**In Indonesia, the low electrification ratio is usually paired with high average generation cost.** The Eastern Islands are characterized by small to medium size grids (below 150 MW) which are mostly powered with diesel generators. Their average cost of generation is the highest in Indonesia. The 2018 average generation cost in those islands was between USD 0.14 and 0.21 per kWh, compared to around USD 0.07 per kWh in the Java-Bali grid. It faced a 5-10 percent increase from 2017 which already faced a 15-20 percent increase from the 2016 average generation cost. This increase is mostly due to the increase in diesel fuel costs in the last few years.

**To support the development of a sustainable electrification plan and lessen PLN's financial burden who is requested by law to offer a uniformed tariff across islands, it is critical to also reduce the cost of generation of the island main grids as more customers will be connected to it.** Even if under Law 30/2009, the electricity tariff no longer needs to be uniformed throughout Indonesia, under MEMR Regulation 28/2016, MEMR set PLN's customer tariff according to types of customers and fixed it for the whole country. Therefore, PLN cannot reflect the real cost of the electricity per island and capital expenditures (CAPEX) necessary for grid upgrades and extensions needed to connect new households. To reduce the burden of connecting new customers to grids that are not cost-reflective, PLN needs to reduce the cost of its electricity in those grids.

**The Indonesia Sustainable Least-cost Electrification (ISLE) project will enable PLN to develop and pilot a sustainable and affordable framework to electrification by reducing the cost of generation, improving grid reliability and mobilizing private investments.** Through Bank-Executed Trust Fund (BETF) and Recipient-Executed Trust Fund (RETF) activities, ISLE will provide a set of solutions to PLN to (i) reduce the cost of generation in its Eastern Islands by increasing the share of least-cost renewable generation, (ii) improve grid reliability by developing clear guidelines on how to assess electricity losses and lack of reliability and (iii) reduce the financial burden on the public finances by mobilizing private investments. All of these actions being key for large as well as small grids. The BETF activities focus on the upstream development of the electrification roadmap and framework, ensuring its replicability, while the RETF activities focus on piloting such a framework. During the piloting phase, lessons learnt will be collected to inform the Framework that will be then implemented at a larger-scale. By improving PLN's staff capacity

to integrate VRE and deal with its constraints in the 10 selected islands, PLN may be able to then scale it up to larger grids.

**To enable the Framework to be replicated in the rest of Indonesia, PLN identified with the support of the World Bank, 10 islands that are representative of different categories of small to medium size island grids in the Eastern Islands.** The islands were selected based on the following criteria: (i) PLN grid size (5-250 MW); (ii) average generation cost; and (iii) existing electrification rate. The islands are divided into three groups, (i) Category 1: islands with installed capacity below 10 MW, 100 percent diesel generation and low electrification ratio; (ii) Category 2: islands with an installed capacity between 10 and 50 MW with 100 percent diesel generation; and (iii) Category 3: islands with an installed capacity between 50 and 250 MW with a diverse energy mix. ISLE is focusing on two regions, namely Maluku and Nusa Tenggara (NTT and NTB). As per the official letter from PLN Planning Director received in February 2019, the selected islands are Alor, Morotai and Rote for Category 1; Buru, Seram and Tual/Kei Kecil for Category 2; and Flores, Sumbawa, Ternate and Timor Barat for Category 3.

**To build and maintain over time a constructive relationship with stakeholders, in particular the locally affected communities, the project will develop Stakeholder Engagement Plans (SEPs).** Stakeholder Engagement is a process used to involve relevant stakeholders for a clear goal to attain the determined results and as a basic accountability mechanism. The engagement with the stakeholders is an integral part of the TA FS, including the preparation of the environmental and social documents. A SEP will be prepared for each identified investment based on this framework as a stand-alone document or attached in the identified investment ESMP depending on the comprehensive of the engagement. The identified investment SEP will be updated throughout the TA activities. The preparation of the identified investment SEP is included in the ESMP ToR.

## **2. PROJECT LOCATION**

The following investments (refer as identified investments) have been identified:

- a. 6 hybridization subprojects of 20-30 MWp solar with battery combined to existing diesel in Alor, Buru, Morotai, Rote, Seram, Tual/Kei Kecil
- b. 10 stand-alone PV subprojects (around 50 MWp each) in Flores, Sumbawa, Timor and Ternate,
- c. 5 grid-connected stand-alone battery storage in Flores, Sumbawa and Timor
- d. Two transmission lines have been identified as critical for grid reliability and stability in Timor (around 80km as per RUPTL) and Flores (around 80km as per RUPTL)
- e. Grid upgrades including 500m doubling of 150kV line and doubling two transformers in Timor, doubling of two transformers and implementation of a SCADA system with automatic generation control (AGC) in Sumbawa, doubling of transformers and implementation of a SCADA system with AGC in Flores, capacitor banks on distribution feeders, doubling of 20 kV line and implement SCADA in Alor, doubling of 20 kV system and transformer and implement SCADA in Rote, doubling transformer and implement SCADA with AGC in Ternate, implement SCADA system in Buru and Morotai, doubling transformers, the interconnection of systems and implement SCADA in Seram, doubling 20 kV line and implement SCADA system in Tual/Kei Kecil.

The precise location of the identified investments will be provided by the FS.

### 3. PROJECT COMPONENT

**ISLE TA has two components: (i) Component 1: Identified Investments Preparation and (ii) Component 2: Support and Capacity Building.** More precisely:

- a. **Component 1: Identified Investments Preparation.** Component 1 will finance the studies needed to finance the Phase 1 identified grid and generation investments in the ten islands selected by PLN as per the letter of PLN Planning Director dated February 2019. FS which will include preliminary E&S assessment, and their associated E&S instruments, such as Environmental and Social Management Plans (ESMPs) Environmental and Social Management Plans (ESMPs), Labor Management Plans (LMPs), Resettlement Plans (RAPs), Indigenous Peoples Plans (IPPs), and Stakeholder Engagement Plans (SEPs) will be financed for the six hybridization projects, the ten solar PV projects, the five battery storage projects and the grid upgrades. The E&S instruments will follow the Indonesian regulations and the World Bank Environmental and Social Framework (ESF) and an assessment will be conducted for each investment project to assess which E&S instrument will be triggered. Each identified investment will be ready to be financed after the technical assessments financed under the present Component will be completed.
- b. **Component 2: Support and Capacity Building.** Component 2 will finance direct support for PLN on the project implementation and management increasing their internal capacity. The objective of Component 2 is to reduce the Government's reliance on external advisors for the implementation of the Framework to other islands than the ten pilot islands. Component 2 will finance (i) embedded consultants in PLN's team and (ii) training/knowledge exchange workshops. Component 2 will finance training for the PLN headquarters (HQ) and PLN regions' planning teams to learn how to use a state-of-the-art planning tool that can represent solar variability and battery storage usage, i.e. PLEXOS. Specific capacity building needs with regards to training and workshops will be further assessed during implementation. Component 2 will also focus on supporting the finalization of the Framework Approach and its integration into PLN's plans.

### 4. PURPOSE OF THE STAKEHOLDER ENGAGEMENT FRAMEWORK

Since the project locations are yet to be determined, a framework-level approach (Stakeholder Engagement Framework) is prepared to guide the preparation of the Stakeholder Engagement Plan (SEP) for each identified investment as soon as their sites are known, as a standalone document or attached in the identified investment ESMP. The preparation of the identified investment SEP is included in the ESMP ToR and the SEF is attached in the ToR of ESMP.

The purposes of the SEF are the following:

- Set up a systematic approach to stakeholder engagement from the stakeholder identification and build and maintain a constructive relationship with them, in particular, project-affected parties;
- Assess the level of stakeholder interest and support for the project and to enable stakeholders' views to be considered in the TA activities and environmental and social performance;

- Inform the preparation of identified investment-specific Stakeholder Engagement Plans (SEPs). A SEP will be prepared for each identified investment in this RETF based on guidance prepared in this SEF.
- Provide means for effective and inclusive engagement with project-affected parties throughout the TA life cycle on issues that could potentially affect them;
- Ensure that appropriate project information on environmental and social risks and impacts is disclosed to stakeholders in a timely, understandable, accessible and appropriate manner and format.
- Provide project-affected parties with accessible and inclusive means to raise issues and grievances and allow PLN to respond to and manage such grievances.

This SEF document outlines general principles, steps for stakeholder identification and analysis, and plan for an engagement process/communication approach in accordance with the WB Environmental and Social Standard 10 (ESS 10) Stakeholder Engagement and Information Disclosure that will be implemented in the FS. The preparation of the SEP will be included in the TOR ESMP and will include consultation of the possible indirect impacts from the identified investments covered by TA activities when they are implemented under future investments. An outline of identified investment SEP is provided as **Annex 1**.

The identified investment SEP is a live document, which will be updated throughout the TA activities. The SEP also includes a section on Information Disclosure and Grievance Mechanism as part of SEP.

## **5. SUMMARY PRELIMINARY PREVIOUS ENGAGEMENT**

Since 2018, with the support of the World Bank, PLN held a series of internal discussions on electrification, involving various PLN units, such as:

July 2019: roundtable on electrification business plan with the planning and procurement teams.

In November 2019 and 2 January 2020, workshops on electrification strategy were organized, involving PLN Wilayah East Nusa Tenggara and West Nusa Tenggara in Kupang and Lombok, and PLN Wilayah Maluku and Maluku Utara both in Ambon.

The workshops were organized to inform PLN's internal stakeholders about the program. PLN Wilayah, which is in the capital of the respective province, invited units from islands selected in this program. Typically, each island assigned two staff to participate in the workshop. The PLN staff from Units came from either generation or distribution function. In the workshop, the staff from the PLN Headquarter and the Bank team explained the purpose of the exercise and stages of the program. In the first workshop, the Consultant presented data required in this exercise, then there was an intense exchange of information between consultant and PLN staff from units. In the second workshop, the Consultant explained the result of their exercise and possible intervention in PLN at the unit level to achieve the objective under this activity.

The draft is publicly disclosed at PLN website on August 31, 2020.

## **6. GENERAL PRINCIPLES of the SEF**

This SEF has been developed to enable participation of both affected (or likely to be affected, directly or indirectly) and interested stakeholders to ensure that the TA is implemented in a timeframe that enables meaningful consultation, and in a way that minimizes potential and social risks. Stakeholders will be provided 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. Community engagement should take into consideration various factors that may inhibit participation, such as gender inequality, illiteracy, ethnicity, disability, and other exclusion factors amongst vulnerable groups. Hence, consultations will be targeted to ensure a tailored engagement approach. The environment and social risks and benefits generated and/or associated with the TA shall be communicated through open and constructive dialogues. Risk mitigation measures shall be prepared in consultation with the community, including vulnerable groups.

The engagement with stakeholders has been begun as early as possible to gather initial views on the project proposal, continues on an ongoing basis, and will be managed throughout the TA life cycle. Through the engagement, stakeholders are encouraged to provide feedback on FS activity and on the identification and mitigation of environmental and social risks and impacts. A documented record of the stakeholder engagement will be maintained and disclosed as part of the environmental and social assessment of the FS, including a description of the stakeholder 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. If significant changes are made to each specific identified investment SEP, the updated SEP will be disclosed.

The stakeholder engagement will be applied for all identified investment. The TOR of ESMP included the stakeholder engagement aspect for the future development of this draft. To align the above principles with the proposed stakeholder engagement activities, the project will mobilize a team of consultants with relevant expertise and skills required to prepare the ESMP, including preparing and updating the specific identified investment SEP.

## **7. STAKEHOLDER IDENTIFICATION AND ANALYSIS**

Stakeholders can include communities or individuals affected by the project and their formal and informal representatives, national or local government authorities, politicians, religious or community or *adat* leaders, organizations and civil society groups with special interest, academic communities, or other business. The identification of those project-affected parties (individuals or groups) will also include who, because of their circumstances, may be disadvantaged or vulnerable; i.e. those who may be more likely to be adversely affected by the project impacts and/or or limited than others in their ability to take advantage of the project benefits. Such an individual/group is also more likely to be excluded from/unable to participate fully in the consultation process and as such may require specific measures and/or assistance to do so.

As the locations of the project are remote islands, exclusion of particular stakeholders (such as Indigenous Peoples (IP), community living in the isolated areas) is a critical issue. It is necessary to ensure broad and inclusive participation of the community in project areas. Such participation will be conducted through a culturally sensitive approach and is based on meaningful engagement and Free, Prior and Informed Consent (FPIC) in the event of adverse impacts on Indigenous Peoples following ESS7 i.e.: i) have adverse

impacts on land and natural resource subject to traditional ownership or under customary use or occupation; ii) cause relocation of IPs from land and natural resources subject to traditional ownership or under customary use or occupation; and iii) have significant impacts on IPs that are material to the identity and/or cultural, ceremonial, or spiritual aspects of the IPs live. 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 activity.

This stakeholder identification is undertaken by including the indirect impacts of the identified investments covered by the TA activities when they are implemented under future investments. The Outline initial stakeholder grouping is provided below, where several groups at different levels are distinguished to identify appropriate and accessible communication and engagement methods among stakeholders throughout the project implementation process. This identification will be subject to further assessment in the FS stage and the list of the stakeholders will be updated. The groups that are identified as follows:

- a. People, social groups, and organization that will gain direct and/or indirect benefit from the project.**  
These target beneficiaries include: (i) potential new customers, including indigenous people community, (ii) potential project labor. Identification of these beneficiary groups is currently on-going and will continue during the FS process.
- b. Potentially adversely impacted communities** include: (i) affected people/communities, (ii) indigenous people community. When the stakeholder engagement with local individuals and communities depends substantially on community representatives (village heads, clan heads, community and religious leaders, local government representatives, civil society representatives), efforts to verify that such persons do, in fact, represent the views of such individuals and communities, and they are facilitating the communication process in an appropriate manner will be provided. Identification of these affected communities is currently on-going and will continue during the FS process.
- c. Interested groups** include: (i) local government agencies, (ii) non-governmental organizations/NGOs, Civil Society Organizations/CSOs and other development institutions working on VRE, (iii) indigenous people representative organizations, and (iv) private company. Engagement will require information about project activities and implementation to be publicly accessible and understandable, and their feedback and concern can be accommodated as part of the overall FS process. Identification of these interested groups is currently on-going and will continue during the FS process.
- d. Implementing agencies and agencies with authorities for the management of environmental and social risks (when the identified investments implemented under future investment)** include institutions and agencies that influence and make decisions on the project implementation. This group includes: (i) central government agencies such as Ministry of National Development Planning/National Development Planning Agency (Bappenas); Ministry of Finance (Kemenku), Ministry of Environment and Forestry (KLHK), (ii) sub-national government agencies, including the Provincial Government of West Nusa Tenggara, East Nusa Tenggara and Maluku Province, National Land Offices at the Provincial and District levels, as well as respective sectoral agencies at the Provincial and District levels. The level

of engagement will be contingent upon their respective roles and authorities in the management of environmental and social risks.

A stakeholder analysis will be conducted following the stakeholder identification. The level of analysis for stakeholder identification is informed by the level of potential risks and impacts affecting them. The analysis of stakeholder level of influence and interest will be carried out for all identified investments. An example on the stakeholder analysis matrix is provided at **Annex 2**.

## **8. ENGAGEMENT APPROACH/COMMUNICATION APPROACH**

The engagement process will use any approach that removes obstacles to participation, including differentiated measures to allow the effective participation of those identified as disadvantaged or vulnerable. Dedicated approaches and an increased level of resources will be sought for communication with such differently affected groups so that they can obtain the information they need regarding the issues that will potentially affect them, including how their view will be captured. Project stakeholders will be provided with options on a range of consultation modalities and/or approaches and retain the right to refuse participation despite such options.

Different methods of communication are used to: (i) to ensure easy, transparent, direct, open and interactive communication with all stakeholders, and (ii) to get feedback in the FS process. The project will be further informed by the broader stakeholder engagement approach through: (a) consultations and community participation during FS implementation; and (b) transparent feedback and grievance redress mechanisms. The preparation of identified investment SEP will be conducted and will be implemented as early as possible at the FS stage to allow for community participation and their early feedback to be fully integrated as part of the overall FS activity. Project communication and stakeholder engagement will follow inclusive, participatory, and transparent principles. The methods vary according to the target groups such as but not limited to:

- Regular coordination meetings with relevant government agencies – central, provincial and district;
- Public information dissemination and disclosure;
- Interview with representatives of local communities, facility administrators, relevant government agencies and organizations;
- Public consultations (at provincial, district, sub-district), workshop, and/or focus group discussion (FGDs);
- Survey and questionnaire.

The time and venue of any proposed public consultation meetings, and the process by which meetings will be notified, summarized, and reported.

Detailed initial stakeholder engagement strategy that will be implemented during the FS stage will be included in the ESMPs and later will be updated to include strategies during the implementation phase of identified investments.

## **9. PUBLIC CONSULTATIONS AND STAKEHOLDER ENGAGEMENT WHEN THERE ARE CONSTRAINTS ON CONDUCTING PUBLIC MEETINGS**

With the outbreak and spread of COVID-19, people have been advised or may be mandated by national or local law, to exercise social distancing, and specifically to avoid public gatherings to prevent and reduce



the risk of the virus transmission. Countries have taken various restrictive measures, some imposing strict restrictions on public gatherings, meetings and people's movement, and others advising against public group events. At the same time, the general public has become increasingly aware and concerned about the risks of transmission, particularly through social interactions at large gatherings.

In particular, they will affect Bank requirements for public consultation and stakeholder engagement in projects, both under implementation and preparation. WHO has issued technical guidance in dealing with COVID-19, including (i) **Risk Communication and Community Engagement (RCCE) Action Plan Guidance Preparedness and Response**; (ii) Risk Communication and Community Engagement (RCCE) readiness and response; (iii) COVID-19 risk communication package for healthcare facilities; (iv) Getting your workplace ready for COVID-19; and (v) a guide to preventing and addressing the social stigma associated with COVID-19. All these documents are available on the WHO website through the following link: <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/technical-guidance>.

It is important that the alternative ways of managing consultation and stakeholder engagement discussed with clients are in accordance with the local applicable laws and policies, especially those related to media and communication. The suggestions set out below are subject to confirmation that they are in accordance with existing laws and regulations applying to the project.

Due to covid19 constraints stakeholder consultation and engagement activities should not be deferred, but rather designed to be fit for purpose to ensure effective and meaningful consultations to meet project and stakeholder needs. The task team and the PMU should:

- Review the country COVID-19 spread situation in the project area, and the restrictions put in place by the government to contain virus spread;
- Be sure that all project task team members articulate and express their understandings on social behavior and good hygiene practices, and that any stakeholder engagement events be preceded with the procedure of articulating such hygienic practices.
- Avoid public gatherings (taking into account national restrictions), including public hearings, workshops and community meetings, and minimize direct interaction between project agencies and beneficiaries / affected people;
- If smaller meetings are permitted, conduct consultations in small-group sessions, such as focus group meetings. If not permitted, make all reasonable efforts to conduct meetings through online channels, including Webex, Zoom and Skype meetings;
- Diversify means of communication and rely more on social media and online channels. Where possible and appropriate, create dedicated online platforms and chat groups appropriate for the purpose, based on the type and category of stakeholders;
- Employ traditional channels of communications (TV, newspaper, radio, dedicated phone-lines, public announcements and mail) when stakeholders do not have access to online channels or do not use them frequently. Such channels can also be highly effective in conveying relevant information to stakeholders, and allow them to provide their feedback and suggestions;
- Employ online communication tools to design virtual workshops in situations where large meetings and workshops are essential, given the preparatory stage of the project. Webex, Skype, and in low ICT capacity situations, audio meetings, can be effective tools to design virtual workshops;

- In situations where online interaction is challenging, information can be disseminated through a digital platform (where available) like Facebook, Twitter, WhatsApp groups, Project weblinks/ websites, and traditional means of communications (TV, newspaper, radio, phone calls and mails with a clear description of mechanisms for providing feedback via mail and / or dedicated telephone lines. All channels of communication need to clearly specify how stakeholders can provide their feedback and suggestions;
- Engagement with direct stakeholders for household surveys: Where direct engagement with project-affected people or beneficiaries is necessary, such as would be the case for Resettlement Plans or Indigenous Peoples Plans preparation and implementation, identify channels for direct communication with each affected household via a context-specific combination of email messages, mail, online platforms, dedicated phone lines with knowledgeable operators. However, there may be situations involving indigenous communities, or other communities that may not have access to the digital platforms or means of communication, teams should develop specially tailored stakeholder engagement approaches that will be appropriate in the specific setting;
- In situations where it is determined that meaningful consultations that are critical to the conduct of a specific project activity cannot be conducted in spite of all reasonable efforts on the part of the client supported by the Bank, the task team should discuss with the client whether the proposed project activities can be postponed by a few weeks in view of the virus spread risks. This would depend on the COVID-19 situation in the country, and the government policy requirements to contain the virus spread;
- Each of the proposed channels of engagement should clearly specify how feedback and suggestions can be provided by stakeholders.

## 9. INFORMATION DISCLOSURE

Relevant information will be disclosed in a language and forms accessible to target communities and the wider public, and culturally appropriate, taking into account any specific needs of groups that may be differently or disproportionately affected by the project or groups of the population with specific information needs (such as disability, literacy, gender, differences in language or accessibility). Project information will be disclosed to allow stakeholders to understand the indirect risks and impacts of the project, and potential opportunities, the proposal for mitigating the impacts, highlighting potential risks and impacts that might disproportionately affect vulnerable and disadvantaged groups and describing the differentiated measures taken to avoid and minimize the impacts.

This draft SEF is disclosed in the PLN website [www.pln.co.id](http://www.pln.co.id). on ... The identified investments SEP will also be disclosed once is ready in the relevant PLN website.

## 10. FEEDBACK AND GRIEVANCE REDRESS MECHANISM (FGRM)

As part of the identified investment SEP, a Feedback and Grievance Redress Mechanism (FGRM) will be prepared and implemented by PLN to receive and facilitate the resolution of concern and grievances of project-affected parties, target communities as well as broader stakeholders who may be affected or have interest in the identified investments, related to the TA activities. The aim of FGRM is generally (a) to strengthening accountability to the beneficiaries, and (b) to provide a way for project stakeholders to provide feedback and/or express complaints related to project activities. FGRM serves as a mechanism to

be accessible and reliable, systematic issues can be identified and addressed in a coordinated and timely fashion and will utilize existing formal or informal grievance mechanisms. The mechanism is not only to receive and record complaints but also to solve and communicate the status of resolution back to the complainants to ensure transparency and accountability. Although feedback must be handled at the level that is closest to the complaint, all complaints must be recorded. The Grievance mechanism may include the following:

- a) Different ways in which users can submit their grievances, which may include submission in person, by phone, text message, mail, e-mail or via a web site, etc.;
- b) A log where grievances are registered in writing and maintained as a database;
- c) Publicly advertised procedures, setting out the length of time users can expect to wait for acknowledgment, response and resolution of their grievances;
- d) Transparency about the grievance procedure, governing structure and decision-makers;
- e) An appeal process to which unsatisfied grievances may be referred when the resolution of grievance has not been achieved.
- f) Mediation will be provided as an option where users are not satisfied with the proposed resolution.

The draft FGRM will build on the existing complaints handling systems and will be included in the ESMPs for further development.

#### **11. MONITORING AND REPORTING**

SEP of the identified investments will provide monitoring measures that will focus on the overall implementation quality of the stakeholder engagement. A set of indicators to assess the quality of the SEP implementation will be developed and this task will be included in the TOR of ESMP.

#### **12. INSTITUTIONAL ARRANGEMENTS FOR STAKEHOLDER ENGAGEMENT**

PLN assisted by E&S consultant will define clear roles, responsibilities and authority as well as designate specific personnel to be responsible for the preparation of identified investment SEP, implementation and monitoring of stakeholder engagement activities and compliance with the WB ESS 10. The institutional arrangements will also be defined at the local level (provincial/district level).

#### **13. FINANCING PLAN**

The preparation and the implementation of the SEP will be funded by PLN (part of project component).

