
APRIL 2021

LAND ACQUISITION AND RESETTLEMENT FRAMEWORK (LARF)



TABLE OF CONTENT

TABLE OF CONTENT	i
LIST OF FIGURE.....	i
LIST OF TABLE.....	i
LIST OF ABBREVIATIONS	ii
I. INTRODUCTION.....	1
II. BASIC PRINCIPLES.....	2
III. WORLD BANK AND INDONESIAN POLICIES	3
3.1 World Bank Policies	3
3.2 Indonesian Government Policies.....	5
3.3 Gap Analysis	6
IV. LAND ACQUISITION SCHEME.....	9
V. LAND ACQUISITION PLANNING	11
5.1 Entitlement	12
5.2 Cut off date.....	15
5.3 Methods for valuing assets affected by land acquisition	15
VI. CONSULTATION AND DISCLOSURE	17
VII. GRIEVANCE REDRESS MECHANISM	17
VIII. MANAGEMENT AND MONITORING	20
IX. BUDGET ESTIMATE AND FINANCING	22
APPENDIX I. OUTLINE OF ABBREVIATED LARAP.....	23

LIST OF FIGURE

Figure 1. Land acquisition and resettlement framework (LARF) guidance flow.....	2
Figure 2. Land acquisition procedures for the UPCSHP Project	11
Figure 3 Community Grievance Flow Diagram	19
Figure 4 LARAP Implementation Reporting	21

LIST OF TABLE

Table 1. Principles of ESS 5 and ESS 10.....	4
Table 2. Gap analysis of Indonesia's national policies with ESS 5 related to land acquisition and resettlement	7
Table 3. PAP category and entitlement matrix.....	12
Table 4. Physical and non-physical methods.....	16

LIST OF ABBREVIATIONS

ESF	Environmental and Social Framework
ESS	Environmental and Social Standard
GRM	Grievance Redress Mechanism
GTF	Grievance Task Force
IMA	Independent Monitoring Agency
LAIT	Land Acquisition Implementation Team
LARAP	Land Acquisition and Resettlement Action Plan
LARF	Land Acquisition and Resettlement Framework
MAPPI	Masyarakat Profesi Penilai Indonesia / Indonesian Appraisal Professional Society
NPW	<i>Nilai Penggantian Wajar</i> (Replacement Value)
PAP	Project Affected Persons
PERHUTANI	Perusahaan Hutan Negara Indonesia / Indonesian State Forest Company
PLN	State Electricity Company
PPAT	Land Titles Registrar
PPKH	Pinjam Pakai Kawasan Hutan/Borrowing and Use of Forest Area
UCPSHP	Upper Cisokan Pumped Storage Hydropower
UIP	Unit Induk Pembangunan/Main Development Unit
UPP	Unit Pelaksana Proyek/Project Implementation Unit

I. INTRODUCTION

Land acquisition and compensation payment of Upper Cisokan Pumped Storage Hydropower (UCPSHP) Project started in 2011. PLN has already implemented the LARAPs, completed land acquisition and compensation payment, with some outstanding issues, for the Upper and Lower reservoirs, the access road, and the tower pads for the transmission line. It is also anticipated that the project contractors will need additional lands for their construction operations. There could also be other unanticipated land needs during construction due to project design optimization or adjustments. These land needs could be permanent or temporary. They are expected to be in small parcels and scattered all over the project area. But the details of the land needs, including location, size and timing etc. are not known at this stage. Once the contractors are mobilized, they will prepare their construction operation plans. These plans should spell out their detailed construction activities and based on these, the contractor should also identify the detailed land needs, areas and locations. Therefore, this land acquisition and resettlement framework is prepared to guide the land acquisition planning for such possible needs during construction activities. The Land Acquisition and Resettlement Framework (LARF) was prepared in line with the Environmental Social Standard 5 (ESS 5) and ESS 10 of the Environmental and Social Framework (ESF) of the World Bank, and relevant to Indonesian laws and regulations.

The preparation of this LARF contains the elements contained in ESS 5 Annex 1.B, ESS 10, and the relevant national legislation and policies in Indonesia relating to land acquisition for the public interest. Therefore, this LARF lays out land acquisition and resettlement principles, policies, organizational and implementation arrangements to be applied for future land acquisition by PT.PLN and its contractor in compliance with the provisions of ESS5. The LARF Guidance flow is as depicted in **Figure 1**.

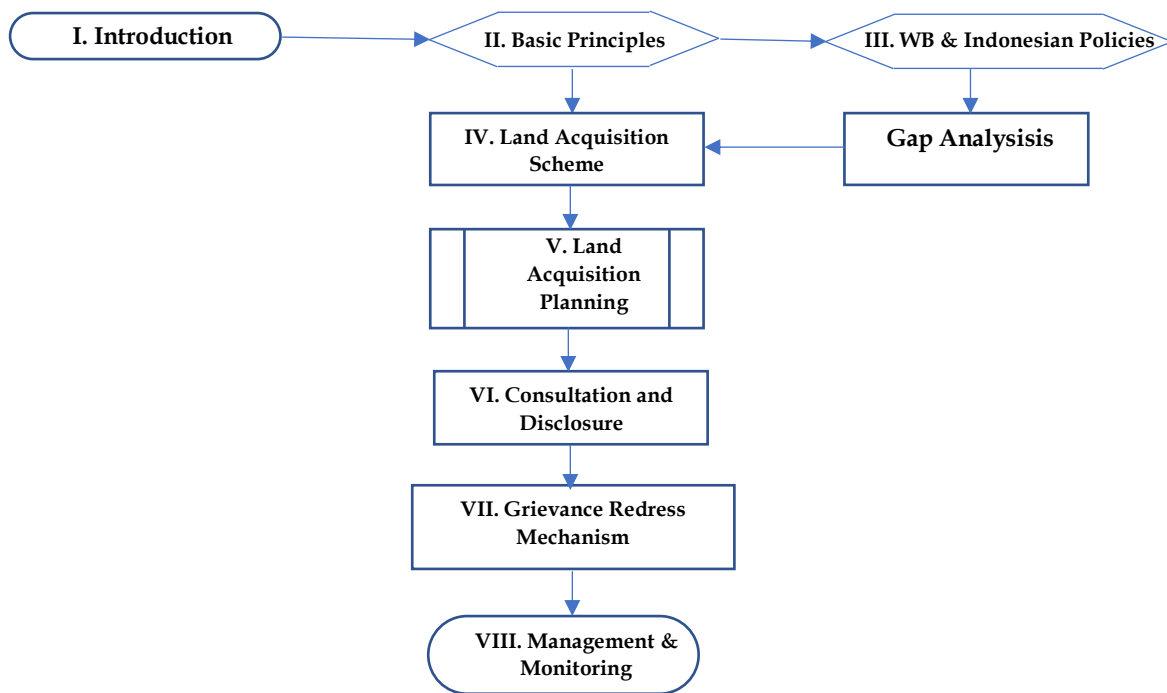


Figure 1. Land acquisition and resettlement framework (LARF) guidance flow

Briefly, the systematic writing of LARF **Figure 1** begins with I) Introduction that contains the background for the preparation of the LARF; II) Basic principles are methods, principles, and processes that must comply with the guidance in ESS 5 and ESS 10 as well as national laws and regulations; III) The World Bank policy is a brief description of the principles of ESS 5 policies and relevant Indonesian laws and regulations and is complemented by a gap analysis, a description of the gaps in Indonesia's national policy towards ESS 5; IV) Land acquisition scheme is a description of potential schemes for additional land acquisition purposes; V) Land acquisition planning is a description of the land acquisition procedure, entitlement, cut-off date, and methods of valuing assets affected by additional land acquisition; VI) Consultation and disclosure is a description of the planning, preparation, and implementation stages; VII) Feedback and complaint mechanism (grievance redress mechanism) is a description of the complaint handling mechanism in detail and Standard Operating Procedure (SOP) of the established Grievance Task Force, and VIII) Reporting and monitoring is a description of the flow, progress, and timing of reporting and monitoring.

II. BASIC PRINCIPLES

Any land acquisition will be conducted in a manner consistent with relevant national laws and provisions of ESS5 and in compliance with basic principles of due process (including the provision of adequate advance notice, meaningful opportunities to lodge grievances and

appeals, and avoidance of the use of unnecessary, disproportionate, or excessive force). Land acquisition under the project is acceptable when:

- a. Efforts have been made to avoid involuntary resettlement risks, including forced eviction. Even though the additional land requirements are expected to be small, less than five Ha, negotiated settlement or willing-buyer-willing-seller approaches will be preferred wherever appropriate with the PAPs to avoid administrative or consignment or judicial delays for acquisition using eminent domain, and to the extent possible to reduce the impact on the PAPs.;
- b. Project Affected People (PAP) are well-informed on their entitlements, including fair prices (*nilai penggantian wajar*) based on the assessment of an independent/ licensed appraiser;
- c. In the event of economic displacement, affected households will be assisted in their efforts during the transition, including in their efforts to improve their livelihoods and standards of living where necessary;
- d. PAPs receive timely compensation for loss of assets at replacement costs and are assisted to improve/restore their livelihood where necessary;
- e. Selection of location of the land required will carefully consider accessibility, public safety, environmental impacts, and environmental sustainability considerations, socio economic impacts of the people.
- f. Potentially affected individuals, groups, or communities are meaningfully consulted, informed of their rights, and provided reliable information concerning the consequence of their decisions;
- g. PAPs are enabled to negotiate the options of compensation;
- h. Grievance redress mechanisms are put in place; and
- i. Terms and conditions of the transfer are transparent, and mechanisms are put in place for monitoring compliance with agreed terms and conditions.

III. WORLD BANK AND INDONESIAN POLICIES

3.1 World Bank Policies

The Environmental and Social Framework (ESF) is a general guideline for assessing and managing environmental and social risks in activities funded by World Bank projects. ESS 5 and ESS 10 are highly relevant to the preparation of the LARF which is described in **Table 1**.

Table 1. Principles of ESS 5 and ESS 10

Standard	Theme	Principles
ESS 5	Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	<ul style="list-style-type: none"> ▪ Applies to permanent or temporary physical and economic displacement resulting from different types of land acquisition and restrictions on access ▪ Avoidance of involuntary resettlement to the extent possible, or when unavoidable, minimize involuntary resettlement by exploring project design ▪ Avoidance of forced eviction ▪ Provisions of timely compensation for loss of assets at replacement costs, assistance to displaced persons in their efforts to improve, or at least restore their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing before the beginning of project implementation, whichever is higher ▪ Efforts to improve living conditions of poor and vulnerable persons who are physically displaced through provisions of adequate housing, access to services and facilities, and security of tenure. ▪ Resettlement as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant. ▪ Provisions of appropriate disclosure of information, meaningful consultation, and informed participation of those affected;
ESS 10	Stakeholder Engagement and Information Disclosure in the preparation of LARF for this project.	<ul style="list-style-type: none"> ▪ Requires stakeholder engagement throughout the project life-cycle, and preparation and implementation of a Stakeholder Engagement Plan (SEP) and constructive relationship with stakeholders, in particular, project-affected parties; ▪ Promotion of effective and inclusive means of engagement with project-affected stakeholders throughout project life-cycle that could potentially affect them ▪ Requires early identification of stakeholders, both project-affected parties and other interested parties, and clarification on how effective engagement will take place

Standard	Theme	Principles
		<ul style="list-style-type: none"> ▪ Stakeholder engagement to be conducted in a manner proportionate to the nature, scale, risks, and impacts of the project, and appropriate to stakeholders' interests ▪ Requirements for appropriate disclosure of project information on environmental and social risks and impacts in a timely, understandable, and appropriate manner and format. ▪ An inclusive, accessible, and responsive grievance mechanism, accessible to all project-affected parties, and proportionate to project risks and impacts

3.2 Indonesian Government Policies

Land acquisition for the Cisokan Project is subject to new laws and regulations. Omnibus Law (*Undang Undang Cipta Kerja*), Law No. 11 of 2020, especially in Chapter VIII concerning the Land Acquisition for Development for Public Interest strengthens Law no. 2 of 2012. Law 11/2020 comes into force since the enactment of Government Regulation no. 9/2021 concerning the Implementation of Land Acquisition for Development for Public Interest on February 2, 2021. The remaining land acquisition is part of the outstanding tasks that must be carried out and completed by PLN before the commencement of construction, will be subject to this new legislation (Transitional Provisions, Article 140, Government Regulation 19/2021). All land acquisition settlements for the Cisokan Project are carried out under the new legislations.

The Policies of the Republic of Indonesia relating to the preparation of this LARF are as follows:

1. Law No. 5/1960 concerning Basic Agrarian Regulations.
2. Law No. 2 of 2012 on Land Acquisition for Development for Public Interest.
3. Law No 11 of 2021 on Omnibus Law (*Undang Undang Cipta Kerja*) especially in Chapter VIII concerning Land Acquisition for Development for Public Interest
4. Government Regulation No 11 of 2021 concerning Implementation of Land Acquisition for Development for Public Interest
5. Presidential Regulation Number 62 of 2018 concerning Management of Social Impacts in the context of Provision of Land for National Development.

6. Regulation of the Ministry of ATR/BPN Number 6 of 2020 concerning Provisions for the Implementation of Presidential Regulation No. 62 of 2012.
7. West Java Governor Regulation Number 32 of 2013 concerning Technical Guidelines for Implementation of Land Acquisition Preparation for Development for Public Interest.
8. Regulation of the Minister of Environment and Forestry Number P.7/MENLHK/SETJEN/KUM.1/2/2019 concerning Amendments to the Regulation of the Minister of Environment and Forestry Number P.27/MENLHK/SETJEN/KUM.1/7/2018 concerning Borrowing and Use of Forest Area Guidelines.
9. West Java Governor Regulation Number 32 of 2013 concerning Technical Guidelines for Implementing Land Preparation for Development for Public Interest.
10. Decree of the Governor of West Java 593/Kep.596-Pemksm/2018 concerning the third amendment to the Decree of the Governor of West Java Number 593/Kep.1386/Pemum/2011 concerning the Stipulation of Land Acquisition Location for Upper Cisokan Pumped Storage Hydro Power Plant Development in West Bandung and Cianjur Regency.
11. Regulation of the Director of PLN Number 0344.P/DIR/2016 concerning Small Scale Land Acquisition under 5 ha.
12. Memorandum of Understanding for West Java Provincial Government, Cianjur Regency Government, West Bandung Regency Government with PT. PLN (Persero) Regarding the CSR Program for the Construction of Upper Cisokan Pump Storage Plants Number: 671/06/Admrek/2009;671/2064/Bappeda;205.2/PRJ-34 PLN/2009;013.MoU/040/DIR/2009.

3.3 Gap Analysis

Laws regulations and policy regulations in Indonesia have covered several aspects in ESS 5, but there are still some gaps that are identified and described in **Table 2** which details the identification of gaps between national policies and ESS 5. Under Cisokan project, where there are gaps in policies, PLN will follow the more stringent rules would apply and the ESF would prevail.

Table 2. Gap analysis of Indonesia's national policies with ESS 5 related to land acquisition and resettlement

Theme	Assessments	Proposed Gap-filling Measures
Resettlement plan as a sustainable development program	There is a choice of forms of compensation and it is sufficiently regulated, but the deliberations with the PAPs prioritize the provision of compensation in the form of cash.	Entitlement matrix presented in Table 3 of this document provides details on entitlements and compensation options, including cash payment and other assistance.
Restriction of access to land other natural resources	Adverse social and economic impacts due to restrictions of access and land use are not explicitly covered under the Law 2/2012	The Project is preparing a Forest Partnership Framework which is equal to the Process Framework. The framework cover provisions of addressing impacts due to restrictions on land use and access to natural resources. Indirect impacts due to land acquisition have been covered by ESIA.
Replacement costs	No gaps. MAPPI uses SPI 204 in determining the value of properties based on the reconstruction cost of making a new building (<i>nilai penggantian wajar</i>). The Independent appraisal assesses and recommend compensation for loss of physical and non-physical assets and premium/solatium at replacement costs.	Entitlement matrix presented in Table 3 of this document provides details on entitlements and compensation options at replacement costs consistent with ESS 5. Compensation will be provided at replacement costs based on independent appraiser valuation
Livelihoods Restoration	Livelihood package arrangements tended to be directed in the form of cash although the laws and their implementing regulations also regulate the provision of assistance in the form of capacity building	The Project will provide sufficient resources for planning and implementation of livelihood restoration measures such as skill training, credit or micro-finance facilities for small businesses, the short-term project generated employment, etc. to ensure that affected people can improve, or at least restore, their livelihoods and levels of income. However, livelihood restoration impacted by additional land acquisition is not envisaged under this Project.
Assistance to Physically Displaced	Assistance to displaced households due to land acquisition is not covered by laws and its implementation regulations	Additional physical displacement is not expected under the new project. In case of such situations, entitlement matrix presented in Table 3 of this document

Theme	Assessments	Proposed Gap-filling Measures
		provides details on entitlements and compensation options 5
Compensation for loss of income sources or means of livelihood	Legal provisions are deficient to recognize entitlements for loss of incomes and means of livelihood due to land acquisition.	Entitlement matrix presented in Table 3 of this document provides details on entitlements and compensation options consistent with ESS5.
Support for affected persons who have no recognizable legal right or claim to the land they are occupying	Perpres 62/2018 and Permen BPN 6/2020 do require to provide compensation and assistance for those who do not have right on land but have occupied or utilized the land with a set of criteria	Entitlement matrix presented in Table 3 of this document provides details on entitlements and eligibility criteria in line with ESS5
Compensation options	Options of compensation are sufficiently elaborated.	Entitlement matrix presented in Table 3 of this document provides requirements of compensation options, eligibility criteria, and entitlements for different PAP categories.
Land Acquisition and Resettlement Planning Instruments	The laws and its implementations regulations describe adequately the instruments and procedure to be followed on planning, preparation, implementation and reporting & evaluation stages.	Additional land acquisition for contractor's need would be less than 5 Ha. PLN will prepare a simple planning document (Abbreviated LARAP) to explain land requirements, the acquisition and compensation process that will be carried out.
Costing	The laws and its implementation regulations clearly stipulate	Overall land acquisition costs, including livelihoods assistance, will be established as part of land acquisition planning and will be financed by PT. PLN.
Disclosure and engagement	The laws and its implementation regulations clearly stipulate on its requirements on information disclosure.	All documents will be disclosed and consulted to the public in a suitable form to meet the Bank's disclosure requirements. Community engagement will form part of project implementation.
Grievance Mechanism	The laws and their implementation regulations have elaborate and time-bound procedures for filing complaints by affected households and process to address complaints and grievances.	Applying the Grievance Redress Mechanism developed under Cisokan Project.

Theme	Assessments	Proposed Gap-filling Measures
Monitoring and Evaluation	The laws and their implementation regulations do not provide for external monitoring of resettlement implementation and post-implementation evaluation to assess whether the objectives of the resettlement plan have been achieved. Further, it is deficient in providing details on the objectives of the evaluation.	Applying Independent Monitoring Agency (IMA) which had been used during implementation of the 2011 LARAPs. IMA will monitor the implementation of land acquisition and, prepare a periodic monitoring report and post-implementation evaluation.

IV. LAND ACQUISITION SCHEME

Additional land acquisition can occur on privately owned land and/or land owned by Perhutani. The land acquisition procedure follows the stages stipulated in Law 2/2012, Law 11/2020 and PP 19/2021 starting from planning, preparation, implementation to submission of results. There are various options in for acquiring the additional lands needed during construction.

One option is legal acquisition by the competent authorities using eminent domain. There is a well established system and procedure for such legal acquisition. All early acquisitions for Cisokan Project took place following this approach. If necessary, the same system and procedure will be followed. PLN will be fully responsible for its implementation if this option is selected.

Another option is negotiated settlements or willing-buyer-willing-seller transactions. This is preferred options for land needs during construction. This is allowed both under ESS5 and Indonesia laws, where PLN can approach individual private land owners and start negotiation. This is much faster and efficient and can help skip many of the legal procedures and bureaucratic steps for legal acquisition, avoid delays in project implementation schedules or the occurrence of consignment or forcible land expropriation by the state through judicial proceedings, and to the extent possible to minimize the impact that will be experienced by the PAPs. This is more appropriate for situations where land needs are small and scattered. This would also give the land owners the space and allow them to exert fully their rights and negotiate with the project for their desired compensation rates. PLN will be responsible to carry out negotiated settlement if this option is adopted. PLN will ensure that this is an open, transparent and pressure free environment to conduct such negotiations. A third option of taking land is leasing.

A third option is leasing for temporary land use. Most of the lands the contractors need would be temporary in nature and would be released after they decommission. The leasing period would vary depending on the duration of the operation activity. In such situations, leasing would be a preferred option to accommodate the contractor's temporary needs and also avoid the impacts of permanent land loss by the land owners. In such situations, depending on the contractual provisions, the contractors can request PLN to negotiate the lease with the land owners or they can directly conduct the negotiation under PLN's assistance and supervision. In leasing options are adopted, it is important ensure that land owners are compensated for the crop loss during the leasing period in the form of a leasing fee and that the contractors will guarantee to restore the land to their original status before returning the land back to the land owners.

In applying such a scheme, special care must be taken to ensure: (a) that all tenure rights and claims (including those of informal users) affecting the land in question are systematically and impartially identified; (b) that potentially affected individuals, groups or communities are meaningfully consulted, informed of their rights, and provided reliable information concerning environmental, economic, and social impacts of the proposed investment; (c) that PAPs are enabled to negotiate the options of compensation and appropriate conditions for the transfer; (d) value of compensation offers will need to reflect the prevailing market prices for similar land plots in the same area, and (e) value of compensation be based on assessment conducted by licensed appraisers.

All proceedings will be documented, and a final agreement will be signed by the both parties in the presence of a notary and follow the rules that apply in Indonesia. Timing for the payment of the agreed amount should be agreed upon by the parties during the deliberation (*musyawarah*).

V. LAND ACQUISITION PLANNING

The additional land is required, among others, for the construction of ancillary facilities such as a workforce base camp, surge tank, spoil bank, and access to a powerhouse. Land acquisition procedure of the UCPSHP construction project can be seen in **Figure 2**.

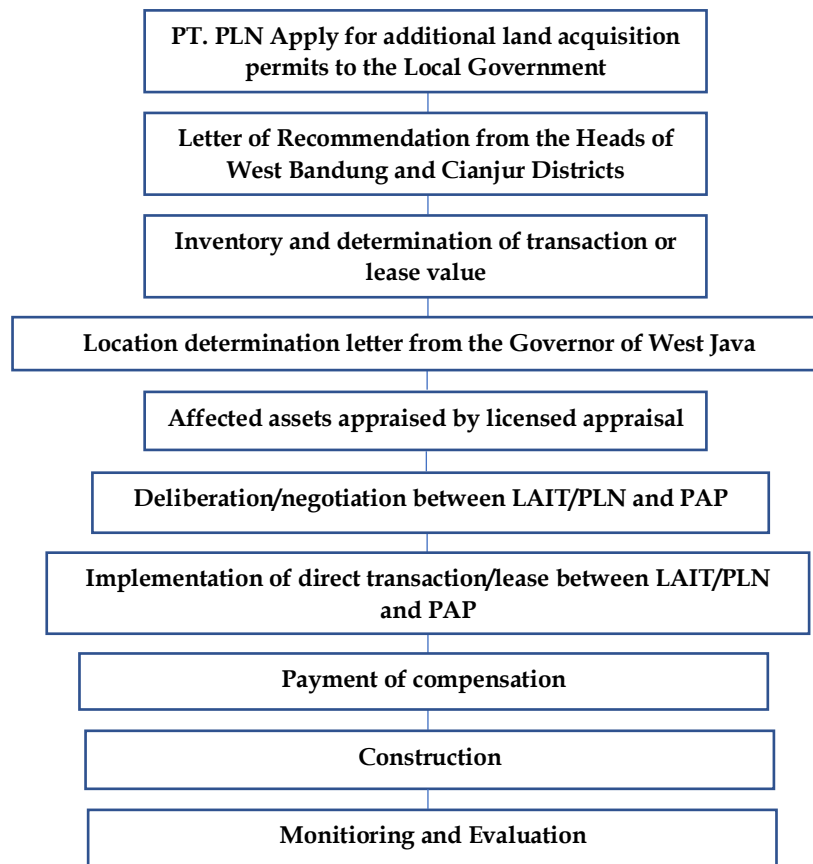


Figure 2. Land acquisition procedures for the UPCSHP Project

PLN is overall responsible for the land acquisition activities under the project. However, there is a possibility, depending on the contractual provisions, that contractors will engage with landowners regarding land needs particularly for temporary land use. Land acquisition planning will be prepared by PLN while implementation of land acquisition plan is responsible for the Land Acquisition Implementation Team (LAIT) of West Bandung and Cianjur Regency. If land taking is handled by the contractor themselves, they would document the lands needs and prepare abbreviated plans on the land taking and payment process.

The required additional land is not expected to be large in scale. The total number of PAPs is anticipated to be less than 200 families and the impacts on the entire PAPs are minor. As such, PT. PLN is obliged to prepare an Abbreviation of LARAP which describes the land requirements needed and the acquisition process that will be carried out including estimation

the value of the affected assets by licensed appraiser. An outline of the abbreviated LARAP is provided in **Appendix I**.

This plan document will be submitted to the World Bank for review and approval. There shall be no construction activities on the land before an agreement is made with the World Bank on the land acquisition planning document and before full payment on the land has been completed by PT. PLN.

In case that the usage of forest areas causes access restriction to the community, the Project has developed a Forest Partnership Framework which is compatible with provisions of Process Framework under ESS5.

5.1 Entitlement

The PAPs and their rights have been classified by PT. PLN at the time of compiling the 2011 LARAP document as part of the World Bank requirements in Project preparation. **Table 4.1** shows the PAPs entitlements matrix, Chapter IV in the 2011 LARAP document can still be used but some require adjustments according to new laws and regulations including the basis for assessing compensation for land, buildings, crops, and other assessable losses according to the standard issued by MAPPI, namely SPI 204 and following the principles of ESS 5. The categories of PAPs and their rights can be seen in **Table 3**.

Table 3. PAP category and entitlement matrix

Assets	PAP Category *	Type of Compensation	Entitlement Description
1.Land	1. Owning land with a certificate	Cash payment and Non-Cash assistance	<ul style="list-style-type: none"> ▪ Cash payment at replacement cost, following assessment by the licensed appraiser under SPI 204 <ul style="list-style-type: none"> ○ Administrative costs and taxes assistance ○ Transition and moving fee assistance ▪ Non-Cash assistance <ul style="list-style-type: none"> ○ Capacity building in the form of one-time skills improvement assistance to project-affected families and/or ○ One-time assistance to raise capital in the form of a Micro Business Package to families who have to move and can choose one of the packages available.
	2. Owning land without a certificate	Cash payment and Non-Cash assistance	<ul style="list-style-type: none"> ▪ Cash payment at replacement cost, following the results of the assessment by the licensed appraiser under SPI 204

Assets	PAP Category *	Type of Compensation	Entitlement Description
			<ul style="list-style-type: none"> ○ Administrative costs and taxes assistance , ○ Transition and moving fee assistance ▪ Non-Cash assistance <ul style="list-style-type: none"> ○ Capacity building in the form of one-time skills improvement assistance to project-affected families and/or ○ One-time assistance to raise capital in the form of a Micro Business Package to families who have to move and can choose one of the packages available.
	3. Sharecroppers, illegal tenants, and encroachers who cultivate the land/are on the land of PT PLN/ PT. Perhutani	Cash payment and Non-Cash assistance	<ul style="list-style-type: none"> ▪ Cash payment following the results of the assessment (non-land) by the licensed appraiser under SPI 204 <ul style="list-style-type: none"> ○ Transition and moving fee assistance ○ Administrative costs and taxes assistance, and ▪ Non-cash assistance: Capacity building in the form of one-time skills-building assistance to project-affected families.
	4. Tenant	Cash payment and Non-Cash assistance	<ul style="list-style-type: none"> ▪ Cash payment following the results of the assessment (non-land) by the licensed appraiser under SPI 204 <ul style="list-style-type: none"> ○ Transitional allowance assistance and ○ Non-cash: Capacity building in the form of one-time skills improvement assistance to project-affected families
	5. The owner of the remaining-land, pinched land, and cut land, accompanied by proof or claim of ownership	Cash payment	<ul style="list-style-type: none"> ▪ Cash payment at replacement cost, following the results of the assessment by the licensed appraiser under SPI 204 <ul style="list-style-type: none"> ○ Transition fee assistance ○ Administrative costs and taxes assistance ○ Capacity building in the form of one-time skills improvement assistance to project-affected families
2. Building/ House	6. House owner	Cash payment and Non-Cash assistance	<ul style="list-style-type: none"> ▪ Cash payment at replacement cost, following the assessment by the licensed appraiser under SPI 204, for reconstruction cost without depreciation or cost for making a new building

Assets	PAP Category *	Type of Compensation	Entitlement Description
			<ul style="list-style-type: none"> ○ Transition and moving fee assistance ○ Administrative costs and taxes assistance ○ Relocation fee assistance ▪ Non-Cash assistance <ul style="list-style-type: none"> ○ Capacity building in the form of one-time skills improvement assistance to project-affected families and/or ○ One-time assistance to raise capital in the form of a Micro Business Package to families who have to move and can choose one of the packages
	7. Small shop/workshop owner	Cash payment and Non-Cash assistance	<ul style="list-style-type: none"> ▪ Cash payment will be given to building owners who have small shops/workshops separated from their houses, following the results of the assessment by the licensed appraiser under SPI 204 <ul style="list-style-type: none"> ○ Transition and moving fee assistance ○ Administrative costs and taxes assistance ○ Relocation fee assistance ▪ Non-Cash assistance <ul style="list-style-type: none"> ○ Capacity building in the form of one-time skills improvement assistance to project-affected families and/or ○ One-time assistance to raise capital in the form of a Micro Business Package to families who have to move and can choose one of the packages available
	8. Tenant	Cash payment or Non-Cash assistance	<ul style="list-style-type: none"> ▪ Cash payment: Relocation allowance assistance and ▪ Non-cash assistance: Capacity building in the form of one-time skills improvement assistance to project-affected families
3. Crops/plants and/or annual and perennials	9. Crops/plants and/or annual perennials owner	Cash payment for crops/plants	<ul style="list-style-type: none"> ▪ Cash payment <ul style="list-style-type: none"> ○ Following the results of the assessment by the licensed appraiser (refer to SPI 204, MAPPI) ○ Compensation for crops and plants will consider annual and perennials for the number of crops to be compensated for.

Assets	PAP Category *	Type of Compensation	Entitlement Description
4. Public facilities/ infrastructure (schools, mosques, water sources, roads, bridges, water disposal systems, etc.)		Protection, relocation, rehabilitation	<ul style="list-style-type: none"> ▪ Project-affected public facilities will be renovated or relocated with a consultation with the relocated communities. ▪ Detailed management of affected communities can be seen in the EMP report
5. Forest Area	10. PT. Perhutani	Release of forest land	<ul style="list-style-type: none"> ▪ Refers to the applicable laws and regulations
Referring to the description above (items 1,2 and 3)	11. Vulnerable PAP	Referring to the description above (items 1,2 and 3)	<ul style="list-style-type: none"> ▪ Cash payment and non-cash assistance: categories of asset loss items 1,2 and 3 ▪ Additional assistance from the project: Service assistance as needed
	12. Severely affected people	Referring to the description above (items 1,2 and 3)	<ul style="list-style-type: none"> ▪ Cash payment and non-cash assistance: categories of asset loss items 1,2 and 3 ▪ Additional assistance from the project: Service assistance as needed

5.2 Cut off date

The cut-off date of PAP eligibility is defined as the date the Governor of West Java Province issued a Location Determination (*Penetapan Lokasi*) for the project (LARAP 2011 and still in effect). The consideration in determining the cut-off date is to reduce the potential social conflict if the announcement of the cut-off date is made on a different day.

5.3 Methods for valuing assets affected by land acquisition

As mandated by Law no. 2/2012 and Law no. 11/2020 and its implementing regulations, the value of assets affected by the Project must be assessed by a land appraiser (independent and licensed). The value determined by the licensed appraiser will be used as the basis for deliberations and negotiations with PAP. The preferred form of the scheme will be determined based on the results of the deliberations between LAIT with PAPs. The assessment will be carried out on each affected land plot, which includes land, all objects above and below the land, buildings, crops, matters relating to the affected land, and/or other assessable losses (example: non-physical losses equivalent to the value of money, loss of job or source of income, relocating costs, costs of professions change, and the residual value of

the property). The remaining property that is no longer physically or economically viable/livable/usable, it can be compensated if the owner decides to release it.

The assets valuation by the licensed appraisers will be conducted based on the MAPPI Standards as defined in the MAPPI Guidelines, also known as SPI 204. Compensation (*Nilai Penggantian Wajar*) consists of market price plus transaction costs and other fees plus premiums, as detailed below:

- **Physical assets:** land, buildings, facilities, crops, and other matters related to land acquired to return to their owner's property with at least the same quality as previously owned before the land acquisition;
- **Non-physical assets:** loss of a job, loss of ongoing business (business interruption), conversion of the profession, emotional loss (solatium), transaction costs, moving costs, other losses that are specific, subjective, and aspects that are difficult to be valued.
- **Premiums:** payments over and above the total. Additional amounts are due to the physical attachments of landowners or feelings of loss due to the unilateral actions of the procuring authorities in acquiring or taking over the land. Premium is given as a percentage of compensation (*Nilai Penggantian Wajar*= replacement value).

In principle, the details of the physical and non-physical valuation methods carried out by land appraisers are presented in **Table 4**.

Table 4. Physical and non-physical methods

No	Object	Assessment Basis
1	Land	Market price and/or loss of incomes
2	Building	Reconstruction cost without depreciation or cost for making a new building
3	Crops/plants and perennials	Market prices that based on applicable standards, total input costs, and labor for replanting or the value of one production cycle, whichever is higher
4	Transaction Cost	Relocating costs, taxation, notary fees, labor
5	Waiting period for compensation payment time	Bank deposit/lending interest
6	Remaining unusable land	Market price
7	Other damages	Recovery cost as much as the replacement value

Every aspect in this chapter of land acquisition planning, including land acquisition procedures, entitlement, cut-off date, and asset valuation methods, must refer to the national policies on land acquisition for development for public interest and ESS 5 and ESS 10.

VI. CONSULTATION AND DISCLOSURE

Consultation and disclosure for the LARF start from the planning, preparation, and implementation stages. In short, this consultation should be performed in the following activities:

- For the planning stage, the plan of the location of physical investments, purpose of the development, steps and time frame for land acquisition, roles of licensed appraisers in the asset valuation, scheme of land acquisition, and option of compensation that would be provided for the PAPs, eligible assets or objects for compensation (physical and non-physical including premiums), compensation for community/public facilities, and responsibility and rights of the eligible PAPs. Consultations will use public meetings, media, and information in the closest villages/neighborhoods. Consultations will adopt a dialogue approach and can take place more than one time, depending on the need and agreement reached. The agreement will be put in writing.
- For land acquisition described in this guideline, results of asset valuation done by the licensed appraisers will be provided to the PAPs and used as the basis for negotiations.
- Before any civil works with impacts on agricultural land, consultations with affected landowners and/or tillers must be undertaken. Affected individuals will be given a reasonable time to harvest crops to minimize livelihoods impacts. All compensation must be paid before taking possession of the affected assets.
- Draft and final Abbreviated Land Acquisition and Resettlement Plans will be disclosed on the Project's website of PT. PLN.

The draft of LARF has been disclosed on the PT PLN Website on 26 February 2021, and the updated will be uploaded once approved.

VII. GRIEVANCE REDRESS MECHANISM

All grievances related to land acquisition and resettlement will be managed by a Grievance Unit which will be established under the project. The GRM set up has incorporated several key lessons learned from the LARAP implementation in the last couple of years include:

1. Direct communication with the complainant was proven to be effective in receiving and addressing complaints rather than through administrative channels. Village facilitators were stationed at the affected villages so the community can raise/submit their concerns easily and followed up in accordance with the procedure. In addition, grievance hotline numbers were also published and posted in strategic locations.
2. Clear description and classification of the complaints helped the effective process of channeling/directing the issues to the relevant/appropriate division for resolution.
3. Geographic Information System (GIS) tool is utilized to analyze the spatial location of the complaints. The distribution of complaints was updated monthly following the latest status of each complaint. This helped the project to understand the pattern of emerging issues across the project areas.

Detailed arrangement of the GRM and grievance intake form are presented in the SCMP document. The following diagram summarizes the process of resolving grievances.

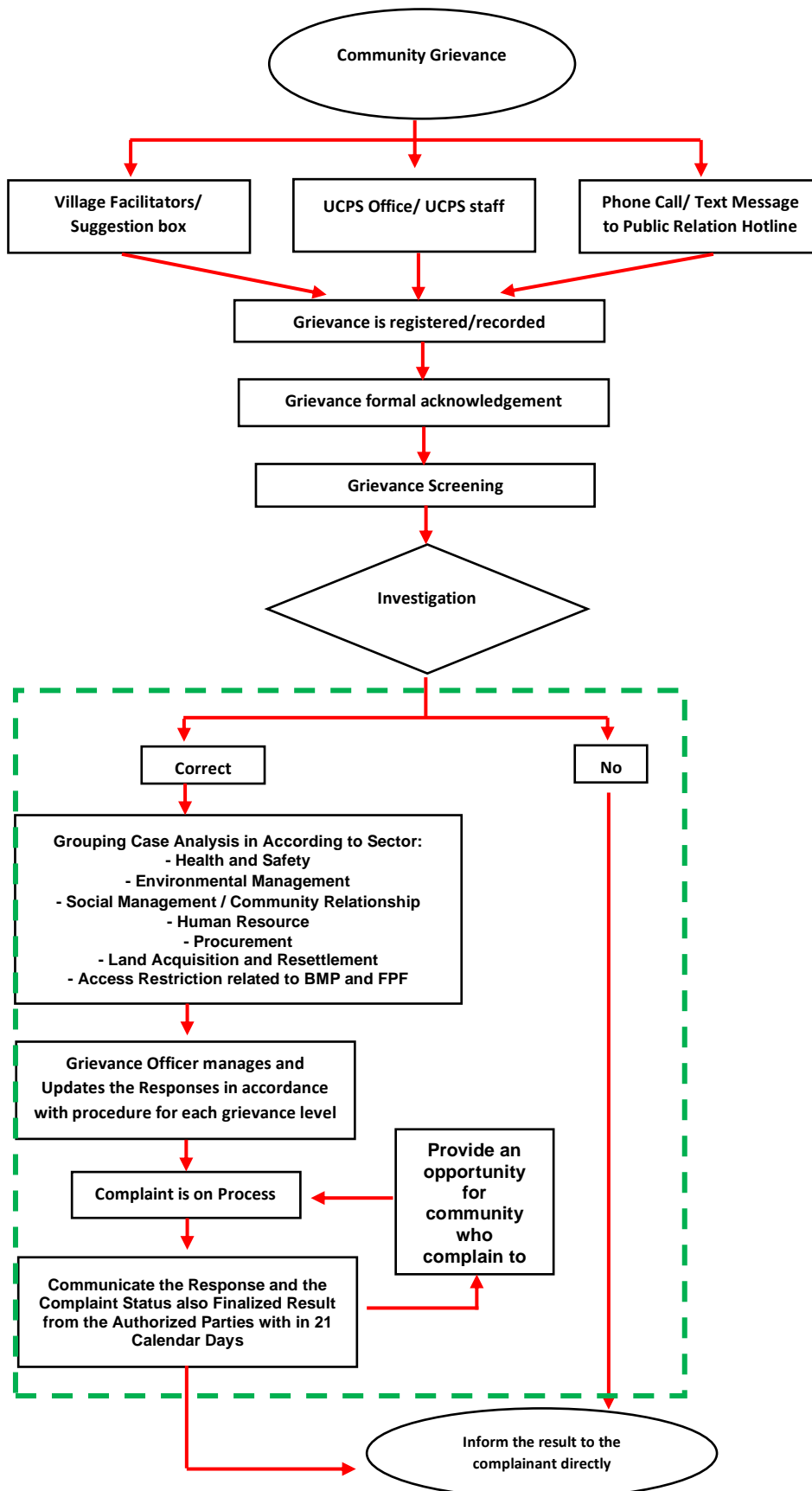


Figure 3 Community Grievance Flow Diagram

VIII. MANAGEMENT AND MONITORING

Referring to the PLN organizational structure and the division of authority for hydropower projects, the PLN Head Office is responsible for ensuring the compliance of the LARF and budget availability appropriately and on time carried out by the PLN UIP. The Head Office will supervise and provide advice and direction to the PLN UIP.

To implement the LARF, the PLN UIP under the leadership of a General Manager is responsible for allocating the budget in a timely and sufficient manner for preparing planning documents such as Abbreviated LARAP, implementing land acquisition as well as the outstanding tasks, monitoring and evaluation, and handling complaints throughout the project. Operationally, it is the responsibility of the Deputy of Communication and Land Affairs (called *Divisi KP*) to:

- a. Prepare an annual budget planning
- b. Prepare an Abbreviated LARAP and implement the action plans
- c. Prepare an action plan for completing outstanding tasks and resolving outstanding issues from the 2011 LARAP implementation review and implementing the action plan.
- d. Engagement with stakeholders (relevant agencies at various levels - central, provincial and district including villages, NGO, CSO and community) is not limited to preparing of action plan but also during implementation of action plan and resolution of community complaints.
- e. Manage complaints received from the community and respond back in a timely manner.
- f. Monitor and evaluate the implementation of the action plans regularly and take correction action if necessary.
- g. Coordinate with the procurement team in a timely manner if the preparation of the LARAP, implementation of GRM, monitoring and evaluation require consultant services.
- h. Review all the action plans to ensure they follow the LARF and applicable laws and regulations prior to submission to the World Bank for review and approval.
- i. Prepare periodic reports (quarterly) on the implementation of action plans for the General Manager and Head Office.
- j. Present the progress of LARF implementation including the progress of the action plans to the World Bank Mission Team which is officially implemented twice a year.

The PLN UIP and PLN Head Office have worked with the World Bank under the previous project and have some experiences in managing the implementation of the ESMP, BMP and LARAPs, as well as carrying out stakeholder consultations and supervision of the Contractor ESMP for the construction of the permanent access road. They have also benefited from some training initiatives on World Bank ESF. However, the capacity of the *Divisi KP* in charge of land and social issues is still weak and requires substantial strengthening. It needs to be supported by sufficient staff, social experts and managerial support, to implement the action plan for land acquisition and non-land social issues including communicating with other agencies and the need for strong coordination with the two related regencies, namely West Bandung and Cianjur and Perhutani as well. The *Divisi KP* will also need capacity building with regards to application of the ESF requirements. Given the importance of re-engagement with the two Regencies Governments and Perhutani, they also need capacity building related to the application of the ESF requirements. An alternative form of capacity building for the PLN UIP, Regencies and Perhutani is in-house capacity. The Action Plan Chapter in the LARAP Implementation Review and the need for additional land acquisition, albeit on a small scale of less than 5 Ha, show the five most important functions requiring in-house capacity and direction, namely Land Acquisition and Resettlement Management (how to complete delivery of all outstanding tasks and resolve outstanding issues including relocation site development, livelihood development), Grievances, Data Management, Stakeholder Engagement, and Monitoring & Evaluation.

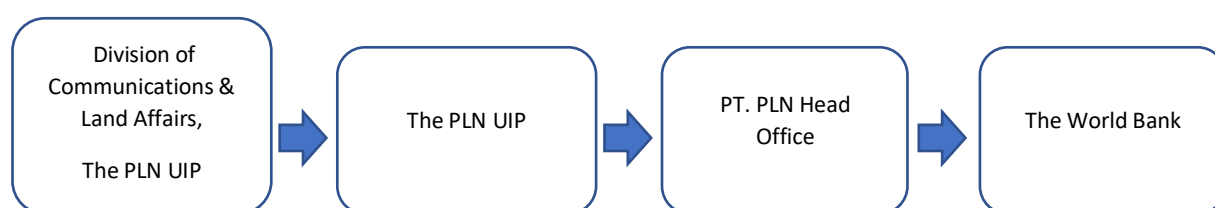


Figure 4 LARAP Implementation Reporting

In addition to reporting, the implementation of additional land acquisition must be accompanied by monitoring, which consists of a set of steps related to the process of preparing and implementing Abbreviated LARAP, which also involves a process to commence the civil works. The Independent Monitoring Agency is responsible for compiling and operating an integrated system using testable indicators to monitor and report progress and performance according to the activities schedule. Monitoring activities include:

- Monitoring the progress of the legal land acquisition process.
- Monitoring the progress of payments of compensation.
- Summary of information on compensation payments for private land and public land.
- Summary of information regarding the process and value of transaction or leasing payments by PT. PLN to sellers/leasing land used for project construction purposes.
- Summary of information regarding the complaints handling on implementation of LARAP by the project.

IX. BUDGET ESTIMATE AND FINANCING

Given the current uncertain status, it is difficult to estimate the amount of land needed during the construction phase, and the amount of compensation required. It is expected that only lands will be needed, and no acquisition and resettlement of houses are expected. A gross estimate, based on experiences under the project and in this sector so, is listed below,

Table 5 Budget Estimate and Financing

Item	Cost category	Cost (IDR million)
Preparation of action plan documents	Technical Assistance	1.500
Assets compensation		40.000
Public infrastructure		155.000
Livelihood development		2.000
Training/capacity building		1.000
Independent monitoring	Technical Assistance	2.500
Grievance redress services	Technical Assistance	2.500
Management		7.500
Social Panel		2.700
Contingency (30%)		64.410

PLN will be responsible to finance all costs associated with the LARF implementation.

APPENDIX I. OUTLINE OF ABBREVIATED LARAP

An Abbreviated LARAP covers the following minimum elements:

1. *Description of the project.* General description of the project and identification of the project area.
2. *Potential impacts.* Identification of (i) the subproject component or activities that will require land acquisition; and (ii) the zone of impact of such component or activities.
3. *Census of Project Affected Persons (PAPs) and inventory of affected assets.* The results of the census and the inventory of assets, including (i) a list of PAPs, distinguishing between PAPs with land rights and land users without such rights; and (ii) an inventory of plots and structures affected. The information generated by the census should be summarized in a table (see suggested format in Annexes C1 and C2).
4. *Legal analysis.* Descriptions of legal steps to ensure the effective implementation of land acquisition under the subproject, including, as appropriate, a process for recognizing claims to legal rights to land--including claims that derive from customary law and traditional usage.
5. *Eligibility.* Identification of the PAPs who will be eligible for compensation and explanation of the criteria used to determine eligibility.
6. *Valuation of assets and calculation of compensation for losses.* A description of the procedures that will be followed to determine the form and amount of compensation to be offered to PAPs.
7. *Consultations with persons who lose land and other assets.* A description of the activities carried out to (1) inform PAPs about the impacts of the project and the compensation procedures and options and (2) give the PAPs opportunities to express their concerns.
8. Brief description of the land acquisition method that will be carried out for private land and forestry land.
9. *Organizational responsibilities.* A brief description of the organizational framework for implementing land acquisition.
10. *Implementation schedule.* An implementation schedule covering land acquisition, including target dates for the delivery of compensation. The schedule should indicate how the land acquisition activities are linked to the implementation of the overall project.
11. *Costs and budget.* Cost estimates for land acquisition for the subproject.
12. *Grievance procedures.* Affordable and accessible procedures for third-party settlement of disputes arising from land acquisition; such grievance mechanisms should take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms.
13. *Monitoring.* Arrangements for monitoring land acquisition activities and the delivery of compensation to PAPs.

The information on the schedule of the implementation of the LARAP and the sources of funding will be summarized in a table below.

Table: Schedule of implementation of LARAP

Activity	Responsible institution	Deadline	Cost (Rp)	Source of Funding
1. Consultation with the people in project area and its potential social impacts				
2. Identification of affected people and assets				
3. The land acquisition method will be carried out on privately owned land and forestry land.				
4. Deliberation on form and amount of compensation				
5. Payment of compensation				
6. Monitoring and evaluation				