



Environmental and Social Monitoring Report

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December 2007

INDONESIA: Tangguh Liquefied Natural Gas Project Second Compliance Monitoring Report

Prepared by GHD
External Panel for Environmental and Social Monitoring

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Tangguh LNG Project External Panel Second Compliance Monitoring Report

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1. Introduction

This is the second report of the independent External Panel for the Tangguh E&S Project and is submitted as a Compliance Monitoring Report resulting from the second visit to the site. The activities and conduct of the External Panel are specified in the Tangguh LNG Project 'External Panel Terms of Reference' (August 2006).

The External Panel is required to satisfy the Asian Development Bank (ADB) Tranche Lender's and Japanese Bank for International Cooperation's (JBIC) policy requirements for independent external monitoring and evaluation of environmental and social aspects of the Tangguh LNG Project. The lenders for the project include the ADB Tranche, Commercial Tranche and Japanese Tranche lenders. The operator is BP Tangguh.

The project location is in Teluk Bintuni Regency of Irian Barat Province (formerly part of Papua Province), Indonesia.

The External Panel is appointed for a three-year period from February 2007 to assist the operator and the lenders with monitoring, reporting and advising on three aspects of the Tangguh E&S Project over the period to 2009. The activities associated with the development of the Tangguh LNG Project began in 1999/2002 commencing with the preparation of land for the LNG site and planning for the resettlement of Tanah Merah village.

The External Panel comprises three specialist skill areas. These include a Resettlement Specialist, an Indigenous Peoples and Social Issues team, and an Environmental Team.

On this second, semi-annual visit the aspects to be reported on by the External Panel are:

- » Involuntary Resettlement; and
- » Indigenous Peoples and the Integrated Social Programme (ISP).

Environment, Health and Safety (EH&S) aspects are reviewed and reported only once per year, and are not covered in this report. These aspects were previously addressed in the March 2007 visit, and will next be considered in March 2008.



2. Focus and Content of this Report

The task of the External Panel's Resettlement Specialist in this visit is to investigate further and report on the progress of the Land Acquisition and Resettlement Action Plan (LARAP) for the Tangguh LNG Project. The findings and recommendations are presented in section 4.2.

The External Panel's Indigenous Peoples and Social Issues (IPSI) Team are required to investigate and report on the Integrated Social Program (ISP). The TOR states that the evaluation target for the team will change for each site visit 'on an alternate basis'. This provides a practical approach for the team to address the diverse elements of a very large program sequentially over time, rather than attempt a review of all aspects in one visit, which is impractical. The findings and recommendations are presented in section 4.3.

In its March 2007 inception visit, the IPSI Team undertook a familiarisation with the overall ISP and commented on compliance at that time. For this second compliance monitoring visit the focus is on community level impacts, participation, and inclusion.

There is necessarily a degree of cross-over between the aspects being evaluated by the two teams. While overall aspects may be the same, it is to be noted the two teams are reviewing separate performance aspects relating to the LARAP and ISP respectively and in different locations. The resettlement specialist is evaluating the situation in the Resettlement-Affected Villages (RAVs) while the IPSI team is assessing conditions in the remaining Directly Affected Villages (DAVs) identified in the AMDAL. Both may evaluate the ISP's components that apply at Province, Regency, and District levels, as may their respective areas.



3. Objectives and Scope of Work of the External Panel

The previous Compliance Monitoring Inception Report (July 2007) of the External Panel presented the objectives of the External Panel as stated in the TOR, and the scope of work for the External Panel, as also stated in the TOR. These are not repeated here and readers are referred to the Inception Report (July 2007) for this information, available on the ADB website.

3.1 Definition: “District” in Specialized Local Usage

In Papua, unlike other Provinces across Indonesia, the 4th level administrative unit is known as the District, or *Distrik* in Bahasa Indonesia. The rest of Indonesia uses *Kecamatan* for this level, which is translated in English as Sub-District. Hence, the head of the District is referred to as the *Pak* or *Ibu Distrik* (Mr. or Mrs. District), and is the equivalent of *Camat* elsewhere in Indonesia. This report uses the appellation District Head when referring to this local leader.

3.2 Schedule of Work Conducted

The respective resettlement specialist and IPSI team members of the External Panel assembled in Jakarta on the 10th September 2007 to commence the compliance monitoring. The External Panel team members reviewed documents and were provided briefings on the 10th and 11th September, before travelling to site to conduct fieldwork from the 12th to 16th September. The External Panel team members returned to Jakarta on 17th September and proceeded with further meetings and report write-up through to 21st September. A close-out meeting took place on 20th September.

The External Panel Resettlement Specialist Team visited the *Kabupaten* capital of Bintuni, the *Kecamatan* capital of Babo and the resettlement affected villages (RAVs) of Tanah Merah Baru, Saengga, Onar Baru and Onar Lama. The External Panel also viewed the proposed fishing camp site at Manggosa from the air and from the sea, and viewed the LNG site fence from the air and the ground. The External Panel met with a variety of stakeholders, including ISP/LARAP staff and consultants, *Kabupaten* and *Kecamatan* staff, NGOs, village leaders and a range of villagers in the RAVs.

The External Panel IPSI Team visited the villages of Tomu, Ekam, Weriagar, Mogotira, and Otowery as well as the District capitals of Arandai and Babo, and the Regency capital of Bintuni. The team met with a variety of stakeholders including village and community leaders, teachers, ordinary men and women, the District Head of Babo, the vice-Regent, several representatives from among the Regency’s departments, and a number of the Operator’s implementing partners.



4. Findings

This section provides the principal findings of the External Panel. Section 4.1 provides a summary of the overall compliance outcomes. Section 4.2 presents the overall findings of the Involuntary Resettlement team, and section 4.3 presents the overall findings of the Indigenous Peoples and Social Issues team.

The External Panel presents its advice in this second report as both findings and recommendations, as required in the External Panel Terms of Reference (TORs) paragraphs 9.4 and 9.7. As with the previous Inception Report of the External Panel, it is noted that the LARAP program is relatively far advanced being due for completion in 2009, hence in this case especially it is considered necessary to provide early advice in recommendation form in order to provide useful assistance to the program.

4.1 Compliance Summary

To assist the reader, the Tangguh ADB Loan Tranche Agreement defines non-compliance as follows:

Level 1 E&S Non Compliance: “means any failure to comply with, or any action or omission which is inconsistent with, any Environmental and Social Requirement, but which failure, action, or omission does not constitute a Level 2 E&S Non Compliance.”

Level 2 E&S Non Compliance: “means any failure to comply with, or any action or omission which is inconsistent with, any Environmental and Social Requirement, but which failure, action, or omission (considered either on its own or in conjunction with any other one or more such failure(s), action(s) or omission(s)):

- » Has resulted in or is reasonably likely to result in material damage or harm to, or a material and adverse impact on, the environment;
- » Constitutes or is reasonably likely to constitute a “significant impact” for the purposes of and as defined in the Indonesian Decree Concerning Guidelines for the Determination of Significant Impacts (BAPEDAL Decree No. KEP-056/1994);
- » Has resulted in or is reasonably likely to result in material damage or harm to, or a material and adverse impact on, the lives, livelihood, quality of life, health, safety, security, property or cultural heritage of affected people; or
- » Has resulted in or is reasonably likely to result in the revocation of, or the refusal to grant, any approval, consent, permit or other authorization required for the implementation of the Tangguh E&S Project (but only to the extent that such approval, consent, permit or other authorization is required for implementation of the Tangguh E&S Project at that time.”

Given the above definition of non-compliance (Level 1 or Level 2) the following tables summarise the External Panel’s findings arising from the compliance monitoring undertaken in September 2007. Only non-compliant issues are included in these tables.



Table 1 Involuntary Resettlement Compliance Summary

Issue	Compliance Status
Handover of RAV built assets: This was scheduled for 2006 for Tanah Merah Baru and Onar Baru, and in 2008 for Saengga. The timetable for handover has, therefore, slipped in Tanah Merah Baru and Onar Baru.	Level 1 Non Compliance
Land title: The LARAP required payments associated with land title in 2005 (LARAP Implementation Schedule) and <i>hak milik</i> land title applications for Tanah Merah Baru in 2006 (LARAP page 60). This included the submission of an application with all necessary supporting documents to the Land Office, mapping the boundaries of each plot and paying the necessary fees (LARAP page 59). Whilst this work is on-going in Tanah Merah Baru, the timetable has slipped.	Level 1 Non Compliance
Pathway to Manggosa and associated fishing village: A fishing village was to be developed in 2006/7 (LARAP Table 1.4), dependent on the Manggosa pathway construction, scheduled for 2006 (LARAP page 237). Whilst consultations are on-going, Manggosa pathway has not yet been constructed, nor fishing village established.	Level 1 Non Compliance
Monitoring and Evaluation: The LARAP required internal monitoring benchmarked against the implementation schedule, including periodic assessment of levels of satisfaction of RAV people; and external monitoring and evaluation, based on biannual socio-economic surveys of the RAVs (LARAP pages 252-255). Internal and external monitoring was to start in 2001 and continue through to 2009 (LARAP Table 1.4). Although LARAP staff members are planning for the 2007 survey to be conducted in late 2007, as of the Panel's September visit these arrangements had slipped.	Level 1 Non Compliance
Project Workforce: The LARAP stated that opportunities for LNG construction phase employment would be provided to at least one member of every household of the RAVs (page xxiv). The LARAP calculations of income generated were based on one job for RAV workers for 30 months each, with one month training provided per worker (Table 9.14). Whilst Operator has devoted considerably more effort to this objective, LARAP intentions have not yet been accomplished.	Level 1 Non Compliance



Table 2 Integrated Social Program Compliance Summary

Issue	Compliance Status
Integrated Community Based Security: development of a local security enterprise with planned commencement in 2003 has not yet begun and the 2005 start-date for the Kubapaten security forum is overdue.	Level 1 Non Compliance
Micro-Finance and Micro-Enterprise: the regional service center was to have been completed in 2006. It is now to be started in 2008.	Level 1 Non Compliance
Monitoring and Evaluation: no monitoring and evaluation (M&E) system is yet in place, and limited baseline data are found to be available.	Level 1 Non Compliance
IPDF Section E1: since an M&E does not exist in totality, if revisions or amendments to the ISP were required, the Operator's M&E would not be in a position to substantially assist in designing new ISP components.	Level 1 Non Compliance
Record-Keeping for ISP Component Implementation: a Master List of initiatives, both those undertaken and those still in planning stage, does not appear to exist.	Level 1 Non Compliance
Review of ISP Information Dissemination: while overall communication and information dissemination is being conducted, some individual aspects appear to be failing or falling short of required levels.	Level 1 Non Compliance

In summary the majority of all activities undertaken as part of the LARAP and ISP are compliant. The following sections provide further detail and explanation.

4.2 Involuntary Resettlement

4.2.1 Introduction

Basis for the Report

The second Compliance Monitoring Report selectively reviews progress in the Land Acquisition and Resettlement Action Plan (LARAP), based on field assessments and a review of documents, including the Operator's report on LARAP of 6th October 2007. It draws upon 14 presentations and associated reports prepared by the ISP/LARAP Team in September 2007. Following two days of briefing and document review in Jakarta at the BP Office, the External Panel spent 4 days conducting field visits to the Resettlement-Affected Villages (RAVs) and Teluk Bintuni from Babo Base Camp. Tidal constraints, combined with the scheduled return to Babo Base Camp each night, limited the External Panel's time in the RAVs and so also limited the extent to which paragraph 9.5 of the TORs could be addressed.

Major Themes for Resettlement

These sources confirm the continued importance of the three major LARAP themes identified by the External Panel in its Inception Report following a visit in March 2007:



1. **Sustainable hand-over to government and the communities of the Project-built village assets, utilities, and facilities** so that they can continue to operate into the future.
2. **Development of sustainable livelihoods** among the resettlement affected villagers to a standard better than the pre-Project situation.
3. **Risk management through enhanced monitoring and evaluation** that will provide regular updates on progress, highlight risks, and give insight on how to deal with risks.

Focusing on these three themes, this Section reflects, selectively, on recent achievements by comparing Tangguh Project's commitment, as set out in the LARAP, with updated progress, focusing on certain issues raised in the first External Panel visit in March 2007.

Addressing the External Panel TORs paragraph 9.4 (k), this Section assesses the growing impact of in-migration in the RAVs. It reviews briefly in-migration dynamics, effects and impacts; the original LARAP provisions for addressing migration; the Project response; and current and possible future impacts for LARAP implementation.

The External Panel finds that in-migration has significant current and possible future impacts for LARAP implementation. It also has wider environmental and social implications.

4.2.2 Sustainable Handover of Project-Built RAV Assets

(a)

LARAP Provisions for Handover

Progressive Handover

The LARAP provided for progressive transfer of ownership and of obligations for operation, maintenance and repair of RAV assets, comprising infrastructure, facilities and utilities (LARAP Section 4.5.2.5). For each item, the LARAP proposed a Handover Agreement be executed, containing certain provisions: confirmation that the Project would hand over the facilities to authorized village representatives, the local government or a designated third party, for the benefit of villagers; agreement that appropriate ownership and responsibility for operation, funding, maintenance and repair would be decided through a process of consultation between the Project and relevant stakeholders; and that these agreements on ownership and responsibility for operation would, amongst other things, take into account the long-term best interests of the community (LARAP Section 4.5.2.5).

Preconditions for Handover

The LARAP (page 60) also recorded that the villagers of Tanah Merah Baru and Onar Baru, local government and the Tangguh Project had agreed upon a phased handover of ownership and management responsibilities for village facilities and utilities. This handover would occur (a) in accordance with national, provincial or regency laws and regulations; (b) after the village had ascertained permitting requirements and set preconditions in place; (c) after the village had established rules and regulations pertaining to use; and (d) after appropriate capacity has been developed to ensure sustainable operations. Handover of any asset would be effected by the Handover Agreement, which would include an agreement by the community to maintain the asset and a commitment to use them only for the purpose for which they were intended.



Constraints to Handover

The LARAP recognised that the handover of ownership and operation of village assets “had been complicated by: (a) difficulty to engage the community in these issues prior to the move; (b) the lack of good governance within the village (e.g., lack of a legislative branch of government); (c) the need to establish an appropriate village structure (i.e., village management cooperative) in Tanah Merah Baru and Onar Baru; and (d) the need to develop appropriate village management and technical capacities. It is therefore recommended promoting community awareness, promoting good governance, the establishment and capacity-building of a village management cooperative, and the development of village-level technical capacity for operations and maintenance” (LARAP page 141).

Risks of Dependency and Timetable for Handover

The LARAP also specified however, that the handover was to be completed “as soon as possible after completion of construction” (LARAP page 298). The LARAP recognized the dangers if the RAV communities were to become dependent on the Project due to long running subsidies for assets and utilities, and limited the process of handover to two years. “Given the time taken to incorporate new staff, equipment and material requirements into government budgets”, the LARAP undertook to “provide salaries for personnel for a period of 2 years to ensure that the new facilities and services were operational” (LARAP page 302). Two years after construction would require phasing out of these salaries some time in 2006 for Tanah Merah Baru and Onar Baru, and in 2008 for Saengga. The timetable for handover has, therefore, slipped in Tanah Merah Baru and Onar Baru.

(b)

External Panel Inception Report Recommendations

The External Panel’s Inception Report (June 2007) recommended that the Handover Plan for village facilities be attached to the next six-monthly report, and updated for the next Panel visit. It recommended that the Operator’s six-monthly reports address specifically the recommended activities and key events of this Handover Plan. It is further recommended that a program of specific consultations be undertaken in RAV villages to support the Handover Plan; and that more complete data on consumption of electricity and water per household and village facility be collected as a basis for planning for the handover of water supply and electricity systems.

(c)

Progress in Handover

Consultation on Handover

The Operator has initiated a series of meetings with representatives of the RAVs and the Bupati to discuss the terms of the handover, and supported a visit of the Bupati to the RAVs. Since the cooperatives do not appear to be working sufficiently robustly to take responsibility for the RAV utilities, the LARAP team members are working to develop different models for capacity building. The handover has been separated into two phases.

Phase 1 Handover

The first phase of the handover includes all community assets minus the utilities of power and water, and is scheduled for 4th quarter 2007. This includes the structures and land for educational and health facilities, mosques, churches, cemeteries, jetties and boat landing facilities, and markets. The Operator’s



legal team is preparing Agreements to support the handover of assets to communities. Once handed to communities most of the assets (an exception being the *balai kampung*) will be handed over to a third party, supported by supplementary agreements with each operating agency. The supplementary agreements are designed to elaborate the responsibility of various parties to protect the asset. For example, education facilities will be handed to the *Kabupaten* Teluk Bintuni Education Department to be managed by an NGO. Similarly, health facilities will be handed to the *Kabupaten* Health Department.

Phase 2 Handover

Phase 2 handover includes electrical power and water supplies. So far there has been good progress in Onar Lama where villagers have established a body to manage water and electricity facilities. The External Panel heard some negative views in Tanah Merah Baru on this question, with village leaders expressing concern at the high cost of running the water supply and electric power systems¹ and requesting the project to continue financing the utilities. However, the External Panel also found some positive attitudinal changes expressed by the leaders in Onar Baru towards taking responsibility for these utilities.

Affordability Study for Phase 2 Handover of Utilities in Power and Water Systems

The Project has committed to the principle of organizing an affordability study by a professional economist to assess costs of power and water at various stages of usage, comparing costs with current cash income levels and recommending options for demand management².

Onar Baru's remaining community facilities³

These facilities are on track for construction in the 4th quarter of 2007. Construction will be accomplished through a community tender process, supported by LARAP staff.

School Parent Initiatives

The creation of several parent committees for schools is a positive development supporting handover of the educational facilities.

4.2.3 Land Title for RAV Households

(a)

LARAP Provisions

Providing land title is an important part of handing over full responsibility for assets and facilities. The LARAP required support and finance to cover applications for land title for plots for RAV households. In terms of the timeframe, the LARAP required payments associated with land title in 2005 (LARAP Implementation Schedule) and *hak milik* land title applications for Tanah Merah Baru in 2006 (LARAP

¹ At a village meeting in TMB on 14 September 2007 the *kepala kampung* and *adat* leaders told the External Panel that, due to the high cost of maintaining water and power, they would like the Operator to continue financing these utilities for as long as the Project operated. One *adat* leader told the External Panel that he thought the Operator should take care "100 per cent" of the RAV's needs.

² BP Tangguh Project's *Response to the Second Monitoring Report of the External Monitoring Panel on the Performance of the Land Acquisition and Resettlement Action Plan (LARAP)* August 2007 (http://www.bp.com/liveassets/bp_internet/indonesia/STAGING/home_assets/downloads/ITangguh_Response_LARAP_External_Monitoring_Panel_report_July_2006.pdf accessed on 25 September 2007).

³ The Onar Baru additional community facilities include 2 teachers' houses, a church and a village hall.



page 60). This included the submission of an application with all necessary supporting documents to the Land Office, mapping the boundaries of each plot and paying the necessary fees (LARAP page 59). The supporting documentation includes the identity cards of the individuals representing the household, copies of the agreements evidencing the relinquishment of the land, the Building Permit, a boundary map for the land and the Settlement Agreement (LARAP page 60).

LARAP Section 4.5.2.4 provided for Settlement Agreements to give the villagers preliminary evidence of ownership of their individual plots and houses. These agreements were executed before the move from Tanah Merah Lama. The LARAP envisaged that this would facilitate the land title applications.

LARAP Land Title Provisions for TMB and Saengga

Hak milik certificates are to be provided for house, house-plot, garden and agroforestry plots in Tanah Merah Baru; and for house and house plots only in the resettlement-receiving village of Saengga.

LARAP Land Title Provisions for Onar

The LARAP requires assistance for land titling in Onar Baru but not in Onar Lama. The LARAP records (Section 4.5.1) that, for the 26 households moving to Onar Baru, the Agofa clan, which holds *hak ulayat* rights in the area, was willing to relinquish such rights for the benefit of the 26 households, as recorded in a Deed of Relinquishment. The Agofa clan members would, however, retain their traditional usage rights over the non-housing plot areas as well as over the marine resource rights (LARAP Section 4.5.1). Whilst the Agofa clan holds *hak ulayat* rights, land in Onar is zoned as forestry land. The land would have to be released first, which can be a very lengthy process, before formal *hak milik* certificates can be issued to the households. Households electing to move to Onar were, therefore, informed that the commitment of the Project to facilitate the grant of certified land title for houses would be more difficult to achieve at Onar because of the land status (LARAP page 58). Nonetheless, the Project undertook to facilitate provision of *hak milik* to the 26 households in Onar Baru, providing that the Agofa clan and local government supported this endeavour (LARAP page 60)⁴. All of the households in Onar Baru have signed the Operator's Settlement Agreement that obliges them to maintain the condition of their houses and not to disturb their neighbours. As for Onar Lama the LARAP states clearly that the Project had no commitment to provide land title to the Onar Lama households, leaving this up to the community to take up with the Agofa clan and local government (LARAP page 159).

(b)

Progress in Land Titling

Preparation of Legal Documents

None of the RAV households have their *hak milik* land title certificates yet. The Operator's legal team continues to prepare the necessary documents to secure land title. This includes the provision of KTP/Kartu Keluarga for the RAV households expecting to obtain formal land title certificates⁵.

⁴ The Operator signed an Agreement with Agofa clan and local government supporting the provision of *hak milik* certificates to the 26 households in Onar Baru, documented and witnessed by local government officials.

⁵ LARAP staff informed the External Panel that the KTP and KK were 99 per cent complete among households in TMB, and 70 per cent complete among households in Onar Baru and Saengga.



Moratorium on Sale or Transfer

The Settlement Agreement also included a prohibition against transfer or sale for 5 years (LARAP page 228). This moratorium will end in 2009, so reinforcing the need to secure the *hak milik* certificates for RAV households soon, particularly in the context of recent high in-migration. The Operator's legal team is exploring with the Land Office the possibility of inserting a limit on transfer or sale of the *hak milik* certificate. The External Panel agrees that, if it can be accomplished, this initiative would provide a measure of protection for the local community in the context of high in-migration.

4.2.4 Sustainable Livelihoods

The LARAP specified that "the core resettlement efforts will be medium- to long-term programs designed to ensure that the affected communities can increase the sustainable productivity of their natural resource-based activities (i.e. agriculture and fishing) and offering expanded and diversified income generation opportunities" (page 33). The objective was to assist "resettled and host communities...to sustainably improve and surpass their income, standards of living and livelihoods (in real terms) over and above the pre-Project (displacement) levels or expected levels without the project" — this is "resettlement with development" (LARAP pages 169-172).

(a)

Dimaga Foundation

LARAP Provisions

The LARAP recommended establishing and operating a Foundation as an additional means of compensation for the Sumuri generally, and for the three clans losing resources in particular, in proportion to their losses (35 per cent share for Wayuri; 30 per cent for Sowai; and 25 per cent for Simuna, with 10 per cent share for the Sumuri tribe as a whole) (LARAP Sections 4.4.2.10 and 11.3.11). Whilst this Foundation goes beyond livelihoods by providing the 10 per cent of total funds for education assistance for the Sumuri tribe as a whole, nonetheless many requests address income generation activities. The Dimaga Foundation was established in 2002 as a legal entity under Indonesian law, with a sum of \$750,000. It was to be topped up by annual increments of \$250,000 to a total base of \$2m. The LARAP envisaged that, by 2006, the Project would continue to socialize on the operation of the Foundation; to contract services to advise on investment strategies; and to contract services to implement the Foundation (LARAP p.240), appointing a Fund Manager to manage and invest the funds.

Findings of the External Panel's Inception Report

The External Panel's Inception Report recommended that Dimaga Foundation begin disbursements to community-based projects in the RAVs within 12 months from the date of writing, to focus initially on capacity building, especially supporting livelihood restoration, in anticipation of the end of the Project construction phase. It further recommended that the Operator's six-monthly reports present data on progress in the Dimaga Foundation, such as establishment of the Board, accumulation of funds, investment of funds, streamlined procedures, upfront release of funds according to agreed distribution formula, and actions taken to build capacity to plan, submit and implement proposals from the RAVs.

Recent Progress

Over the past 6 months, the Operator has made considerable progress in setting up the framework, and in socialising the procedures for funding applications among the 3 resource-losing clans. One full time



LARAP team member is working closely with the intended beneficiaries to ensure that they understand the application process and their responsibilities for productive use of the funds. A Manager is being appointed, whilst arrangements for investing the funds are being developed through outsourcing to an asset manager. A Dimaga Foundation account has been set up in Bank Mandiri in Fak-Fak. Yayasan Satunama in Yogyakarta has provided capacity building training to representatives of the three clans. Three representatives from the Sumuri tribe are working with LARAP staff to define the mechanism to disburse the funds for education. These funds may be used for providing scholarships for students, as one means of addressing the LARAP commitment (LARAP page 222). For the remaining 90 per cent of funds, the LARAP team rely on clan leaders to identify the members of each of the three clans who are eligible to apply for funding. The first disbursements worth USD 44,000 are being made to clan members. Challenges ahead, of which the ISP/LARAP team members are well aware, include ongoing mentoring, audit, and the setting up of a robust monitoring and evaluation system to track the effectiveness and impact of the disbursements.

(b)

Agriculture

LARAP Provisions

The LARAP scheduled capacity building in agriculture from 2003 continuously to 2009, with material assistance from 2004 through to 2008 (LARAP Table 1.4). Following a planning and a re-establishment phase, Phase III of the agro forestry program (2006-8) focused on capacity building and problem solving in intensive vegetable and field crop production systems and diversification to fruit trees, cash crops, livestock, community forestry, etc. (LARAP page 174). The LARAP budget provided funds for capacity building up to and including 2008.

Revival of Programs

The External Panel notes that the Institute Pertanian Bogor (IPB) has commenced work to enable villagers to resume and expand their agricultural activities to support subsistence and income generation. This is in the initial stages, and the IPB team are awaiting feedback. Whilst it is early days for this program, the External Panel has heard mixed views of the effectiveness, from both migrant and local women, and advises the need for careful attention in addressing issues raised by the participants. Flexibility and client orientation, taking account of the specific features of the local environment and community preferences, could assist the program.

(c)

Fisheries and Small Business

LARAP Provisions

The objective was to restore and sustain increased harvest levels and income streams from marine resources (LARAP page 182). Phase III (post-relocation) was to encompass long-term access to marine resources; capacity building; and to promote small scale fisheries enterprises and sustainable artisanal fisheries. A fishing village was to be developed in 2006/7 (LARAP Table 1.4), dependent on the Manggosa pathway construction. The rationale for the savings, loans and small enterprise development was, first, to help RAV households use the income from construction work wisely; and, second, to



promote longer term income generation capability for the post construction phase when incomes will drop dramatically (pp190-191).

Progress

IPB is working with RAVs on processing and marketing fish products. The External Panel had the opportunity to observe this program in Onar. Onar village cooperative has been supplying prawns to Universal Sodexo, the Tangguh catering company. This is a very encouraging development. The External Panel heard several villagers articulate a strong desire to supply the Project with vegetables, fish, prawns, wood, even furniture. The Operator is aware of these aspirations but notes problems with fluctuations in supply. The External Panel is of the view that more could be done to explore the possibility of local sourcing for project needs. This would complement work being done in the Bird's Head Region by IFC in strengthening supply chain linkages and support for local small and medium enterprises (SMEs). The recent fisheries survey will be useful for planning fisheries development.

(d)

Upgrading the Pathway to Manggosa

LARAP Provisions

The LARAP provided for "building an access track along the LNG plant perimeter fence thereby allowing Tanah Merah Baru residents to walk from their new village to Manggosa and thereby access fishing grounds east of the LNG plant" (LARAP page 185). This path was to be completed as a walking trail in 2006 (LARAP page 237). A small fishing village in Manggosa was also to be developed as a basis for fishers working the proximate area (LARAP page 185), to be done in 2006 (LARAP page 237). The Manggosa site is located on the Wayuri clan's *hak ulayat* land, and has a significant cultural and productive value for the Tanah Merah Baru residents. Residents of Tanah Merah Lama had long harvested fish and prawns from the site, and also sago from naturally occurring stands at the mouth of the Manggosa River, moving into the area seasonally for the purpose of harvesting (LARAP page 80).

Progress

The External Panel notes that constructing the pathway and associated fishing camp will help to increase incomes from fishing, to reduce the cost of fishing, to improve safety and to reduce the risks of trespassing in the marine exclusion zone around the LNG plant. The contractors have graded the fence line, so that the cleared land can be used as a rough pathway part of the way, but this does not provide all weather walking access right to Manggosa. At a meeting in Tanah Merah Baru on 14th September 2007 the External Panel heard the *kepala kampung* request upgrading to sufficient standard to allow 4 wheel drive vehicle access to Manggosa in all weathers. This change goes beyond the original LARAP commitment to a pathway for walking, and it is not clear that local people have access to vehicles to make use of such a road. The scope and extent of upgrading, as requested by the villagers, remains to be resolved, but is receiving careful consideration by ISP/LARAP staff. The External Panel recommends that the upgrading should be of a level sufficient to allow all-weather walking, in line with the original LARAP commitment. The alignment of the pathway should be designed to ensure that there is no future risk of it being taken over by future developments at the LNG site. The LARAP commitment for the fishing village depends on the resolution of this issue.



(e)

Request from Saengga Residents for Outboard Motors

The request from Saengga villagers for outboard motors has been passed to the Bupati, where progress will need to be followed. This request is additional to the LARAP commitments.

(f)

Project Employment for RAVs

This issue is discussed further in Section 4.1.5 below.

4.2.5 Risk Management through Monitoring and Evaluation

(a)

LARAP Provisions

LARAP monitoring and evaluation has three main functions: first, monitoring the delivery of LARAP entitlements; second, allowing assessment of whether LARAP objectives are being addressed and to identify any emerging problems; and third, to assess whether livelihoods, living standards and incomes have been improved compared to the pre-Project situation. The LARAP required internal monitoring benchmarked against the implementation schedule, including periodic assessment of levels of satisfaction of RAV people; and external monitoring and evaluation, based on biannual socio-economic surveys of the RAVs (LARAP pages 252-255). Internal and external monitoring was to start in 2001 and continue through to 2009 (LARAP Table 1.4).

(b)

Progress

Biannual Socio-Economic Baseline Update

The Operator assured the External Panel that the socio-economic baseline update scheduled in the LARAP for 2007 will be conducted towards the end of 2007. The Operator is arranging to recruit suitably qualified experts to support this work. The External Panel reaffirms the importance of a good quality update to provide feedback on LARAP implementation and to underpin risk management. It is particularly important to ascertain whether the income curve of the resettlement-affected villagers has been re-established and improved, as envisaged in the LARAP.

The External Panel reiterates its previous advice, that this is a high priority task.

4.2.6 Migration into the RAVS

Growing Migrant Presence in the RAVs

Five years ago migrants comprised less than one quarter of the original Tanah Merah Lama population before relocation⁶. In Onar Lama migrants comprised less than half of the population⁷.

⁶ At the time of the In the 2002 Census recorded a total population of Tanah Merah Lama as 591 individuals. By late 2003 this had increased to 654 individuals. There were 16 migrant couples, some with children, plus 70 migrant individuals. The migrant population can be estimated at around 210 individuals, comprising less than one quarter of the total TML population. The migrants were temporarily to vacate the village during the relocation to Tanah Merah Baru and Onar Baru in mid-2004. (LARAP Appendix 8.4 para 2).



Now, migrant flows are increasing, concentrated in the areas of project operation. By the end of May 2007 the In-Migration Forum recorded 934 migrants to the project area, concentrated in areas of project operation: Irarutu III (Babo) receiving the most (34%); followed by TMB (29%); Saengga (23%); Onar (7%) and Tofoy (6%). The migrants were primarily male (76%). The majority classify themselves as looking for work. They are primarily from outside Papua⁸.

In Tanah Merah Baru the External Panel heard from village officials that migrants now number 389 people, or 40 per cent of the total population of 972 people⁹. This represents a significant increase since the 2002 census. Migrants include people from Manado, Makassar, Ternate, Ceram, Ambon, Java and elsewhere in Papua.

In Saengga the External Panel heard at a village meeting that migrants now comprise 21% of the total population of 525 people.

In Onar an entirely new hamlet of Onar Tengah has sprung up between Onar Lama and Onar Baru since the Project constructed the new bridge to Onar Baru in 2003/4. The number of migrant households is reported at 24 in Onar Tengah. The External Panel counted nearly 30 houses and other structures in this hamlet¹⁰. Even if the relocated 26 households from Tanah Merah Lama to Onar Baru are counted as "local" on account of their clan affiliations, for Onar as a whole the migrant groups now constitute more than half of the total population.

Effects and Impacts

Not all of the RAV migrants are drawn by the Project, but the Project is clearly a major attraction for migrants. Some migrants are posted to the RAVs for work in schools, health clinics and other services. Others reportedly come to the area through affinal kin links based on past marriages, and, on this basis, claim the right to reside. Other migrants may pay local people for the right of being accepted into the local community. In Tanah Merah Baru villagers reported to the External Panel that migrants pay local households Rp300, 000 - 500,000 per month for the right to reside with them in the village. This may include giving the migrants the right to use the clan name, for example, for seeking employment at the Project. Certain clan leaders are reported to promote this kind of arrangement.

Migrants are constructing houses near RAVs, for example along the river in Saengga, and in Onar Tengah. They also reportedly rent rooms, in some cases entire houses, in Tanah Merah Baru and Saengga. Some Saengga residents have reportedly not demolished their old houses, and rent them to migrants instead¹¹. The demarcation between Onar Tengah and Onar Baru has been set by the *kepala kampung* in Onar Baru with an area set aside specifically for migrant housing.

In positive terms, migrants bring capital and new skills, especially in trading. This has made life easier in Tanah Merah Baru and Saengga especially, since the residents can now buy a wide range of goods

⁷ It comprised 28 households, with 13 resident migrant households, or 46 % of households.

⁸ Operator's Social Report – Part One, Land Acquisition and Resettlement Action Plan (LARAP), Tangguh LNG Project. October 2006 – April 2007.

⁹ Village population figure given to the External Panel in a village meeting on 14 September 07. This may be compared to the figure of 590 people at the LARAP census of 2001/2, Table 5.1 of the LARAP.

¹⁰ These migrants are developing small stores (kiosk) and also engage in fishing. The migrants are mainly from Maluku. The External Panel heard that these new migrants are additional to the earlier group of migrants from Ceram, who now form 25 households in Onar Lama, together with 8 or 9 local households.

¹¹ Second report of the External Monitoring Panel, *LARAP's Implementation Performance in 2006*, page 15.



locally, whereas previously, if they had the funds at all, they had to take a round trip of several days by prahu to reach the market in Babo or Bintuni.

There are also negative effects for local people. According to project data¹² migrants dominate businesses in Tanah Merah Baru and Saengga. They also traded in alcohol and hidden prostitution in these two RAVs. There have been conflicts between local people and migrants, and between migrant groups, in Tanah Merah Baru and Onar. Concerns about security in Tanah Merah Baru led to local residents asking for a Pos Polisi earlier in 2007. Women at home during the day or out tending their gardens were increasingly concerned about migrants carrying sharp weapons around the village.

In Onar Baru the households from Onar Tengah are adding to pressure on the local fishing grounds.

LARAP Provisions to Address In-Migration

The LARAP flagged the possibility that an influx of migrants during construction might constitute a risk for the integrity of the communities (page 78), and assessed the risk as being moderate to high (page 117). The risks were various: weakening of local customs, breakdown of social cohesion, introduction of communicable diseases, environmental deterioration stemming from increased resource use, economic marginalization, increased demand and stress on basic services including housing, water and sanitation, electricity, transport, education and health, and increased ethnic tension (LARAP page 223).

The LARAP proposed various measures to address these risks. It provided a project recruitment and management policy and procedure providing positive discrimination for locals (Table 6.2 para 3) and establishing a recruitment procedure for migrant workers seeking employment through the use of Regional Growth Centres (LARAP page 223). It provided for savings loans and small enterprise programs to mitigate the possible risk of marginalization of locals in a migrant influx, and longer term medium to long term joblessness during the operation phase (Table 6.2 para 4 and page 116). It provided for health programs at village level and among the workforce to minimize the risk of communicable disease from the migrant workforce (Table 6.2 para 5). It provided a Bay wide in-migration awareness program that was transferred to the ISP to address the risk of community disarticulation from migrant inflows (Table 6.2 para 7). This was expected to encourage village government to develop specific legislation for controlling in-migration (LARAP page 223). The influx population was to be monitored and appropriate actions taken to address potential problems (LARAP page 224).

The LARAP noted the difficulty of ensuring preference for local people in employment. During the construction phase of resettlement housing, the Project actively promoted adoption of fair recruitment processes guaranteeing local participation over and above migrant labour during village construction. However, the field recruitment process allowed migrants to be recognized as bona fide residents, and so offered employment opportunities to them ahead of local people. In view of this experience the LARAP specified that the Project, the EPC contractor and government would develop a Workforce Recruitment and Management Plan for the Bay (LARAP page 194).

Potential Effects on LARAP Activities

There are potential effects of in-migration on LARAP implementation. Firstly, migrants are, potentially, placing increasing pressure on the facilities that were designed for the original village inhabitants. Where

¹² Presentation to the External Panel on the in-Migration Control Program, 12 September 07 by Max Samaduda, Babo Base camp.



migrants run businesses they have access to village power and water apparently free of charge. In Onar Tengah the families have access to water from the Onar Baru genset.

This raises a number of questions that may have implications for the process of handover of the facilities to community and government. To what extent are the migrants adding to consumption of water and power in the RAVs, and for what specific purposes? To what extent are they using water and power for businesses? What is their ability and willingness to pay for these utilities? It may be higher than that of local people. What are the implications for the migrant patterns of use of the facilities constructed by the Project? What are the implications for the handover to the communities and government?

Secondly, with the exception of certain project activities that are restricted to local clan members, such as the Dimaga Foundation, migrants can take part in project training and health activities, women's groups, cooperatives, agriculture, fishing and small business activities. This raises questions about the extent to which migrant groups may take part in or come to dominate activities originally intended for local people.

Thirdly, migrants, on the basis of their new residence status, may gain employment at the Tangguh project. The LARAP promised one job per household for the resettlement-affected people in the RAVs, in order to help them regain their livelihoods. The LARAP assumptions on income generation were based on 30 months of employment by RAV inhabitants.

The Recent Project Response

The Operator has sponsored an In-Migration Program that has initiated a number of activities to build awareness of the potential consequences of high levels of in-migration. This includes research and socialization at various levels of government and community. It also includes the facilitation, in partnership with the *Dinas Kependudukan* in Teluk Bintuni, of a regulation for a population control system. It is intended that the Bupati will issue a *Surat Keputusan* to define Tanah Merah Baru and Saengga Villages as a special area, and the Project will publish this document¹³.

The ISP team has also supported government efforts to assist the RAVs in specific cases, eg. for registration, alcohol prohibition, ID and family card issuance.

The Operator has also issued a public response to the Second Report of the External Monitoring Panel (15 May 2007)¹⁴. This Report analysed hiring records for Project employment and found that the majority of jobs reported in Workforce Management Office (WMO) statistics as given to members of the RAVs had, in reality, been given to outsiders. The Report recommended a re-organization of the recruitment and hiring processes, together with changed procedures for managing job-allocation and job-length maintenance, to ensure that only genuine RAV workers would benefit.

To address these findings, the Operator has initiated an audit to cover all aspects of RAV recruitment and hiring, and has undertaken to publish the summary findings and act on its recommendations (see footnote 14). The Operator has initiated several other measures to address this issue:

¹³ Presentation to the External Panel on the in-Migration Control Program, 12 September 07 by Max Samaduda, Babo Base camp.

¹⁴ BP Tangguh Project's *Response to the Second Monitoring Report of the External Monitoring Panel on the Performance of the Land Acquisition and Resettlement Action Plan (LARAP)* August 2007 (http://www.bp.com/liveassets/bp_internet/indonesia/STAGING/home_assets/downloads/I/Tangguh_Response_LARAP_External_Monitoring_Panel_report_July_2006.pdf accessed on 25 September 2007).



1. Informing original RAV residents, who were included in the 2002 census, of new Project construction job opportunities through a various means such as village postings and local radio announcements.
2. Making changes to demobilization procedures to ensure that RAV workers are prioritised when opportunities to re-hire arise or to fill new vacancies relating to the operation and construction phases of the Project. This involves making special provision for DAVs (including RAVs) to be re-recruited by a new contractor under new transfer procedures, instead of being demobilized back to their point of hire.
3. The project sent a letter to all village heads in January 2007, requiring that all of the names they put forward must appear on the 2002 census list, and rejecting any other names put forward.
4. The Operator is conducting a detailed mapping of staffing needs during the operational phase, and identifying opportunities for DAVs, with priority to RAVs from 2002 census. The project is also prioritizing the hiring of RAV residents during the remainder of the construction phase of the Project.

External Panel Comments on the Strategy

This External Panel has several comments on this strategy.

1. The External Panel heard mixed views from RAVs during field visits. Many villagers still appear to be unclear about the Project employment possibilities. Whilst some RAV people do not want to take up their opportunities to work, there is still widespread desire for project work amongst many RAV people, some of whom have reportedly only had a few weeks or months of work so far during the project construction phase. Workforce grievances are by far the single most frequent source of grievance for the DAV villages as a whole in the Project's Grievance Procedure. The External Panel recognizes that briefing RAV people on workforce matters, and then familiarizing prospective and newly hired workers with work procedures, needs a range of special efforts, especially when this may be the first formal job for the workers.
2. There are still significant numbers of migrants in the RAV workforce. For example, in Tanah Merah Baru the External Panel heard estimates from a village meeting that, of around 30 people currently working for the Project, 20 are migrants and 10 are locals. At the Workforce briefing in Babo the External Panel heard that, in the RAVs there were, officially, 48 households that had not received any project work compared with 211 households which had received work. A special effort is required to check these remaining households to ascertain whether any of their members want to work.
3. At the Workforce briefing in Babo, the External Panel heard that the sub-contractors might still hire people who are not on the original 2002 census list. Operator's letter to village heads requesting use of the 2002 census list did not elicit a cooperative response in all cases. Extra effort may be required in such cases to secure co-operation.
4. The Project response states that, since January 2007, both skilled and unskilled RAV workers have been re-recruited to fill posts under specific transfer procedures, instead of being demobilized upon contract completion (See footnote 14). However, the External Panel's review of the Project document entitled *Managing Demobilization* that specifies the new DAV recruitment procedures after a meeting of 6th December 2006, mentions only that proven and SKILLED workers are exempt from the requirement not to be transferred to another employer at



site. The application only to skilled workers would cut out the majority of the unskilled and semi-skilled RAV workers. The Operator should ensure that all unskilled and semi-skilled RAV workers are also eligible.

5. The document does not specify a priority for RAVs, only for DAVs. The special case of the RAVs is made in the LARAP, on grounds of the relatively greater project impact in their lives.

4.2.7 Summary and Recommendations

The External Panel recognizes that, whilst there are still challenges ahead, there have been major efforts to achieve good progress in key areas of LARAP implementation since the External Panel's first visit, especially in the operation of the Dimaga Foundation, agricultural support and fisheries. The External Panel notes that the 2007 biannual monitoring and evaluation update of the baseline survey has been promised as scheduled in 2007; and that the operator has committed to undertake an affordability study for the power and water utilities.

LARAP implementation is falling short on the original LARAP timetable in the areas of land titling, the pathway to Manggosa and associated Manggosa fishing village, and the handover of facilities in Tanah Merah Baru and Onar Baru.

The External Panel has noted the very useful work of the In-Migration Forum at various levels of government and the communities. However, despite this, and despite the careful provisions in the LARAP, migration to the RAVs is increasing nonetheless.

In-migration Forum initiatives are important. However, by fully and consistently implementing its recent commitments on project employment, and by filling some loopholes as outlined in Section 4.1.6 above, the External Panel is of the view that the Project can make an even greater contribution to stem the flow of migration to the three RAVs.

External Panel Recommendations – Involuntary Resettlement

Sustainable Handover

- » **It is recommended that** the Handover Plan for village facilities be attached to the next six-monthly report, and updated for the next External Panel visit. It is further recommended that the Operator's six-monthly reports address specifically the recommended activities and key events of this Handover Plan, especially as articulated in the LARAP page 60, based on the agreements between the villagers of Tanah Merah Baru and Onar Baru, local government and the Tangguh Project for a phased handover of ownership and management responsibilities for village facilities and utilities;
- » **It is recommended that** more complete data on consumption of electricity and water per household and village facility be collected as a basis for planning for the handover of water supply and electricity systems;
- » **It is recommended that** land title applications for Tanah Merah Baru, originally scheduled to be submitted in 2006, be submitted to the Land Office as a matter of priority; and
- » **It is recommended that** the proposed affordability study include usage of utilities, for domestic and business purposes, of both original and migrant populations in the 3 RAVs. This will reveal the additional migrant usage and allow comparisons between the two groups.



Sustainable Livelihoods

- » **It is recommended that** the IPB agriculture development program in the RAVs pay careful attention to addressing issues raised by the participants. Flexibility and client orientation, taking cognizance of the specific features of the local environment and community preferences, may be the key to a successful program;
- » **It is recommended that** the Project explore the further possibilities of local sourcing for project needs. This would complement work being done in the Bird's Head Region by IFC in strengthening supply chain linkages and support for local small and medium enterprises (SMEs);
- » **It is recommended that** the upgrading of the Manggosa pathway, which was scheduled for 2006, should be of a level sufficient to allow all-weather walking, in line with the original LARAP commitment. The alignment of the pathway should be designed to ensure that there is no risk of it being taken over by future developments at the LNG site; and
- » **It is recommended that** the Operator fully implement its recent undertakings with respect to Workforce Procedures, subject to the following:
 - (i) Operator place increased emphasis on briefing RAV people on workforce matters, and familiarize prospective and newly hired workers with work procedures;
 - (ii) Operator check those remaining non-working households to ascertain whether any of their members want to work;
 - (iii) Operator make efforts to secure co-operation from the *kepala kampung* to utilise the 2002 Census list for recruitment, and check the list of names against the 2002 Census; and
 - (iv) Operator reviews the demobilization procedures to ensure that all unskilled and semi-skilled (as well as skilled) RAV workers are also eligible for transfer to new contractors and so encourage continuity of employment.

Risk Management through Monitoring and Evaluation

- » **It is recommended that** the planned 2007 biannual socio-economic baseline survey update include both (a) a census update of the 2002 census, taking account of demographic changes in the original census population; and (b) a census of the large migrant groups now living in the 3 RAVs, including Onar Lama and Onar Tengah. This means coverage of each household in the RAVs, whether local or migrant, for comparative purposes.

4.3 The Integrated Social Program (ISP) and Social Issues

4.3.1 Introduction

The External Panel IPSI Team's Site Visits

The Indigenous and Social Issues (IPSI) team visited the North Shore villages of Tomu and Ekam (contiguous) on 15th September, Weriagar and Mogotira (contiguous) on 16th September, and the South Shore village of Otowery on 17th September. Dividing into three, the team undertook separate focus-group discussions with village leaders, women, and men. Leaders were discouraged from attending either of the other two concurrent sessions, and men were not present in, or within earshot of, the women's group. The village leaders discussion was led by the Papuan member of the IPSI team, a decision based on his superior familiarity with local culture and issues. The External Panel is confident



that the information flow from respondents was uninhibited and candid, and unaffected by the presence of ISP staff (usually only one or two) at each meeting. Because of time constraints caused by religious activities and the fast-dropping tides, neither of the two paired villages engaged in a full set of focus-group discussions (i.e., six); however, since the villages are adjoining, the External Panel does not view this as a crucial omission. The External Panel team had adequate time to walk around the villages, and because each member can speak *bahasa* Indonesia, was able to talk with a variety of people.

4.3.2 Compliance and Performance Summary

In regard to the following categories and their numbering convention (e.g., BH2), this Report uses the official reference numbers of Table 8.1 in the ISP. This differs from the referencing used in the previous Inception Report of the External Panel.

Papua Barat and Bird's Head Programs

Governance and Revenue Management (P1): Compliant as far as the External Panel has been able to determine through a meeting with USAID, however no updates from UNDP were obtained. The absence of site visits means that this could not be verified.

Civil Society Strengthening (BH1): Compliant as far as the External Panel has been able to evaluate through a meeting with USAID. However, according to USAID, performance currently lags behind schedule. The absence of site visits means that this could not be verified.

Bird's Head Business Empowerment (BH2): Compliant as far as the External Panel has been able to determine through a meeting with IFC-PENSA and Austraining. The absence of site visits means that performance cannot yet be evaluated.

Mitigation of In-Migration and Adverse Induced Impacts (BH4): Compliant in that village sensitization has occurred and that plans for village, District, and Regency decrees are in-place; but decrees have not yet been issued, and therefore performance of this component does not yet meet the ISP's expectations. In-migration to-date in the DAVs that the External Panel IPSI team visited is at present a minor issue as numbers of in-migrants are limited to less than five families/individuals, with indigenous villagers reporting only positive consequences.

Workforce and Industrial Affairs (BH3): The External Panel considers this component to be compliant, but finds in terms of performance that the perception among indigenous residents of the DAVs is not very positive, which suggests that greater transparency regarding workforce hiring would be of great benefit. The absence of site visits to regional hiring/demobilization centers means that performance cannot yet be evaluated fully.

Kabupaten Teluk Bintuni Programs

Governance (K1): The External Panel finds this component to be compliant, as determined through meetings with the Vice-Regent (*wakil Bupati*), Regency-level sector heads/representatives, the Babo District Head, and partners. Performance satisfactory at the above levels, but appears to be lagging desired outcomes at the level of village government.

Strengthening Adat Institutions (BH1): The External Panel finds this component to be compliant; performance is on-schedule and satisfactory.

Integrated Community Based Security (K2): Procedurally the External Panel finds this component to be Level 1 non-compliant (i.e. reversible), in that the development of a local security enterprise with a



planned commencement date of 2003 has not yet begun, and that the 2005 start-date for the Kabupaten security forum has long passed. However, it is compliant for other aspects, especially for community policing. Performance is satisfactory, but could be improved through greater participation of women in community policing and village security activities.

Health (K3): The External Panel finds this component to be compliant; performance is superior except for some water and sanitation initiatives (discussed in detail below). The External Panel notes that health initiatives are being undertaken Bay-wide, not just in DAVs and RAVs.

Basic Education (K4): The External Panel finds this component to be compliant; performance of qualitative targets are behind schedule, but with the presence of partner The British Council, is expected to rapidly catch up. Performance of quantitative targets (pupil enrollment, teacher-days, etc.) is meeting desired expectations. It is to be noted that basic education will now be provided entirely free-of-charge by Teluk Bintuni Regency, one component within the doubling of the Regency's budget allocation for education in 2007-08.

Vocational Training (K5): The External Panel finds this component to be compliant, with performance exceeding expectations for literacy/numeracy and on-site training in Bontang for BP Papuan personnel, but slightly behind target for the Arandai center, which is scheduled for its first intake in November 2007.

Women's Empowerment (K6): The External Panel finds this component to be compliant; performance is satisfactory, but in some respects, sustainable outcomes are not yet clear. Gains have been only tentatively institutionalized in communities, as can be reasonably expected at this early date.

Micro-Finance and Micro-Enterprise (K7): The External Panel finds this component to be compliant in all respects except for Level 1 non-compliance regarding the regional service center (*Lembaga Pelayanan Keuangan Simpan Pinjam*), that was to have been completed in 2006, but is now to start in 2008. In summary performance was found to be variable (discussed in detail below).

Community Development / Community Action Plans (DAV1): The External Panel finds this component to be compliant, however performance was found to be variable (discussed in detail below), and sustainability of concern.

General ISP Provisions

Public consultations (ISP Section 5.2.2): The External Panel finds this component to be compliant, with satisfactory performance.

Grievance and conflict resolution procedures (ISP Section 5.4): The External Panel finds this component to be compliant. The Operator's responsibilities upon receiving a grievance are being fully discharged, but there appear to be growing perceptions across the DAVs of some level of non-responsiveness on the part of the Operator. Such perceptions are problematic and need to be addressed (discussed in detail below).

Public disclosure (ISP section 5.5): The External Panel finds this component to be compliant, though performance is not completely satisfactory and improvement is needed (discussed in detail below).

Monitoring and Evaluation (ISP Sections 8.5.3.v, 8.6.3.ii.c, 8.6.3.iii.b, and 11; IPDF section E4): The External Panel finds this component to be Level 1 non-compliant; performance is difficult to evaluate at present since no monitoring and evaluation (M&E) system is yet in place, and few baseline data are available. With the notable exception of Health, since baseline data were not collected prior to the provision of ISP services, it will now prove to be difficult to accurately measure the impact of the ISP over



time. The External Panel therefore repeats its findings in the Inception Report regarding M&E, and notes that the pace at which plans are now proceeding has implications for the timing of the mid-term review scheduled for 2008. It is vital to accelerate the establishment of robust M&E systems.

Gender and development perspective (ISP Section 7.4): The External Panel finds this component to be compliant in terms of the Operator's awareness, but performance lags expectations (discussed in greater detail below).

The Indigenous Peoples Development Framework (IPDF)

IPDF Section D1: The External Panel finds this component to be compliant; the External Panel concludes that the Operator is aware that it must adhere to IPDF provisions and obligations in regard to revision of, or addition to, Tangguh E&S Project Components that would impact indigenous peoples.

IPDF Section E1: The External Panel finds this component to be Level 1 non-compliant since an M&E system does not yet exist in totality; education, health, infrastructure (community development), and economic indicators are currently under development. Thus, if revisions or amendments to the ISP would prove necessary, the Operator's M&E Section would not be in a position to substantially assist in designing these new ISP components.

4.3.3 Further Activities Required under the External Panel's ToR (Section 10.4)

Verify internal monitoring and reporting procedures / records (10.4[c]): The External Panel finds this component to be compliant for reporting procedures and qualitative monitoring, but performance cannot be evaluated since a Master List of all reports was not available.

Review the adequacy of the Operator's management systems, resources, and record-keeping for implementing ISP components (10.4[d]): The External Panel finds this component to be compliant for management systems and resources, with performance exceeding expectations. The External Panel finds ISP management at both program and component levels to be superior. However, record-keeping is found to be Level 1 non-compliant since a Master List of initiatives, both those undertaken and those still in the planning stage, does not appear to exist. It would be of benefit were this Master List to be compiled for each DAV, for reasons discussed in greater detail in Section 4.2.4.

Review Operator's procedures, organizational structure, record-keeping, and resource adequacy for delivering ISP components (10.4[e]): The External Panel finds this component to be compliant in most cases, but there appears to be a need to uniformly monitor performance of ISP partners, and to address the non-compliance cases above.

Review ISP information dissemination (10.4[h]): The External Panel finds this component to be Level 1 non-compliant in the few cases discussed in detail below, and otherwise compliant. However, there is a need for a Master List of all reports and data compiled by the Operator or received from its partners.

Monitor Project developments for applicability of the IPDF (10.4[i]): The External Panel is of the view that the political and socioeconomic environment in which the ISP was planned has not changed significantly, and understands that the Project has no imminent plans for adding new physical components that would impact indigenous peoples (IPDF section D1).



4.3.4 Cross-Cutting Issues, Observations, and Findings of the IPSI Team

The External Panel IPSI team notes there are important aspects of the Integrated Social Program that in practice link across the divides between the individual program components. Correspondingly, a significant portion of outcomes and performance of the ISP, upon which the External Panel is required to report, can only be effectively evaluated and commented on by looking at interlinked, or cross-cutting, issues and activities. This section therefore offers comment on this level of ISP performance.

The following issues are in no particular order of importance, either by subject or by any other categorization.

Issue: Communications and Information Dissemination

ISP Section 5.5 (public disclosure), all ISP project components, and IPDF Section D1 (provisions for changes to the ISP).

The External Panel notes that the ISP requirement to provide “villagers with a short Indonesian-language translation of the ISP” has been met, published as the *Buku Panduan Program Sosial Terpadu*. However, nobody from among the gender-disaggregated focus groups could recall having seen this document. On reviewing this document, the External Panel notes that the level at which it has been cast is technical rather than vernacular. Disseminating program objectives and delivery modes cast appropriately could be advantageous in achieving stated program outcomes.

The External Panel understands from discussion that translation of the entire ISP and IPDF from English into *bahasa* Indonesia would be of great benefit to internal staff.

ISP component K3 (health), K4 (education), and K12 (micro-finance and micro-enterprise), as well as Section 5.5 (public disclosure).

During its village visits, the External Panel did not observe the posting of progress of any ISP programs on public bulletin boards. For example, while the gender-disaggregated village focus-group discussions all acknowledged reductions in malaria, there is currently no information readily available for the populace to view the significant progress made to-date. The External Panel considers that progress reports would have significant positive feedback across relevant ISP components.

ISP Section 5.4 (grievance procedures), ISP Section 7.4 (gender and development perspective), and Section 5.5 (public disclosure).

The External Panel was informed by several individuals that grievances believed to have been filed correctly had received no Operator’s response. Factually, the External Panel was unable to verify a failure to respond, yet it notes the strong perception among respondents that the grievance process is either ineffective or inoperative. The External Panel was also informed that women often do not feel comfortable filing a grievance through a male, whether this is the village ISP representative or village authorities, as provided by the ISP. The External Panel is of the view that, where possible and appropriate, grievances could be listed and addressed in a more public manner, allowing the program’s beneficiaries to feel assured that their concerns are receiving a hearing.

ISP Component DAV1 (Community Action Plans, CAP) and ISP Section 5.2.2 (public consultation).

Under the CAP, community-based radios are to be supported by the Operator (Section 8.14.3). The External Panel notes that Babo’s radio received an exceptionally positive endorsement from the District Head of Babo, but that Arandai’s is functioning only intermittently. The External Panel heard positive



comment concerning listenership to radio transmissions. Discussions held to assess the effectiveness of the current ISP initiative's implementation revealed to the External Panel that communities are eager to share information among themselves.

Issue: Sustainable Development

ISP Components DAV1 (Community Action Plans) and K3 (health).

Advice received by the External Panel indicates that several of the water and sanitation initiatives as currently implemented are now effectively unsustainable, but notes that the Operator has already undertaken measures to address this. The External Panel observed one water system based on a borehole-well and delivery at the household level that at the time of the visit had been inoperative for a while. From comments by village inhabitants, the External Panel concludes that dissatisfaction with water supply is beginning to result in negative perceptions of the Operator, despite the success of other initiatives. It is encouraging to note that the planning for additional borehole wells has now been halted pending review. Regarding sanitation, the External Panel notes that the ISP's commitment to provide adequate sanitation appears to be lagging; conversely, it is possible that communities may be entering a dependency cycle since they appear to believe that the sole solution to inadequate sanitation is with the Operator providing toilets through CAP funds.

The External Panel also observed the initial stages of a problem with non-biodegradable solid wastes, a product of increased household purchasing power in concert with access to mass-produced goods through small sales outlets (b. Indonesia: *kiosk*). It is noted that unplanned waste repositories are breeding sites for disease vectors, and according to the *Baseline Health Survey (2000)* a resting site for the highly venomous New Guinea Death Adder. The External Panel considers that a deeper interaction between the community development and health components of the ISP could assist in more sustainable solutions for both. The External Panel notes that considerable expertise of INGOs in water and sanitation as well as solid waste projects has accumulated across the Indo-Pacific region over the past several decades. This knowledge might be of benefit to the ISP program.

ISP Components BH2 (Bird's Head business empowerment), K6 (women's empowerment), K7 (micro-finance and micro-enterprise), DAV1 (community development), and K3 (health).

The External Panel finds that many of the component ISP programs can be considered to lack interconnectedness. Noted also in the LARAP findings (section 4.1.3), this appears to be the case for linkages between the regional-level programs to those at Bintuni Bay level (e.g., BH2 with K7 – Bird's Head business empowerment with micro-enterprise, such as value-added marine products) as well as among the Bintuni Bay programs themselves (e.g., K6, K7, and K3 – women's cultivation of vegetables with potential positive health impacts at the household level). It is apparent to the External Panel that an overarching Master Plan, as is now being discussed by the ISP team, will be a great benefit.

ISP Component K6 (women's empowerment), K7 (micro-finance and micro-enterprise), DAV1 (community development), and BH1 (strengthening adat institutions).

The External Panel often heard from both men and women respondents that micro-finance and micro-enterprise endeavours fare poorly. The External Panel has come to learn that this may be largely due to the exceptionally strong kinship ties that indigenous communities possess in combination with *adat* (customary law). The External Panel heard that it is difficult to demand repayment of loans or payment for goods or services from members of the same clan, and believes that this could jeopardize the longevity of micro-finance institutions and group-based micro-enterprises, no matter which gender



comprises the group. The External Panel also heard respondents express the view that group-based micro-enterprises will be prone to fail under prevailing *adat*, whereas several individual initiatives are succeeding.

The External Panel found that one micro-finance institution achieving 100% repayment of loans is led and managed by a migrant to Bintuni Bay. The External Panel notes that migrants, not being constrained by *adat* in the same manner as indigenous peoples, are able to secure loan repayment. In its Compliance Monitoring Inception Report (June 2007), the External Panel noted that not all in-migration has negative impact, a fact underscored by this example. The External Panel is of the view that the success rate of micro-finance and micro-enterprise endeavours could perhaps be improved with the appropriate engagement of in-migrant capabilities.

On a broader scale, the External Panel notes that *adat* and *hak ulayat* (usufruct rights) in combination may have fashioned a culture in which values of justness, sameness, and stability prevail, and in which significant tensions may arise from perceived disadvantage. The External Panel sees this as an important issue to be addressed. It is suggested that a Master List, by DAV, of initiatives taken and planned may assist in assuring the beneficiaries that ISP components are being delivered in concordance with these prevailing cultural values.

Issue: Gender and Development Perspectives (ISP Section 7.4)

ISP Sections K6 (women's empowerment), K2 (integrated community-based security), and DAV1 (community action plans).

The External Panel heard from women respondents that in their view inclusion rates in community decision-making could be improved. Two issues in particular were brought to the External Panel's attention. First, it would appear that community meetings with the agenda to discuss Community Action Plan proposals may be held at night, which the women report to be a limiting factor in their attendance. The External Panel heard the view expressed by women in one village that "men are not worried about women's problems," and that while they were free to choose their own CAPs programs, they knew nothing about the men's decision-making process, nor about how expenditures are allocated and made. In this same village, women expressed their concern to the External Panel that while women handle household finances, men's decisions for community infrastructure that will require routine payment of bills for operation and maintenance do not include them. Second, the External Panel learned from women respondents that while some village security forums have a female member, not all do; this may preclude serious attention being paid to domestic violence, which women presented as a pervasive social problem.

ISP Sections K6 (women's empowerment), K3 (education), K5 (vocational training, Section 11.4 (monitoring and evaluation), and Section 5.5 (public disclosure).

The External Panel notes that specific requirements regarding women's participation are lagging. In particular, the ISP stipulates that "50% of scholarships will be awarded to female applicants" (ISP Section 8.12.5.III). The External Panel's gender analysis of scholarships data provided by the Operator suggest that to-date this award ratio is only 21%. The External Panel reminds the Operator that it is responsible for ensuring that all parties understand the commitments made under the ISP. This same Section in the ISP requires the operator to establish specific targets for the participation of women in vocational training activities. With the Arandai vocational training center's first intake scheduled for later this year, the External Panel notes the need to set targets.



The External Panel received advice from the women's focus groups that women in some villages are interested in training and work in non-traditional occupations for women, such as carpentry and masonry, two skills that the Arandai center plans to teach. It was noted that there are women who would like to be security guards if they could pass the physical requirement tests.

The External Panel reiterates its finding in the Inception Report, that all data collected needs to be gender-disaggregated.

Issue: Human Well-Being

ISP Components K3 (health), K4 (education), DAV1 (community development), and Section 11.4 (monitoring and evaluation).

The External Panel found all focus groups to react positively to the health and education components of the ISP, and notes the successes of the community health initiatives. Data provided by the TCHU (the Operator's health unit) indicate that malaria incidence rates have declined appreciably since the ISP's inception, and prevalence rates across all DAVs have declined to 5% from 23% in August. Child deaths due to diarrhoea caused by the rotavirus have also declined significantly, and the communities are well aware of this positive impact. The External Panel finds that the relationship between the TCHU and *Dinas Kesehatan* (the government health service) is robust, and is optimistic that there will be improved government services in the future because of the TCHU's mentoring process.

The External Panel also heard very positive feedback from villagers regarding the ISP's education initiatives. However, it is noted that the marked increase in pupil attendance rates is often accompanied by significant decreases in teacher-to-student ratios, which can cause class disruptions. The External Panel was able to confirm from the Vice Regent of *Kabupaten Bintuni Bay* that the local government plans to double its 2007-08 education expenditures over 2006-07 levels, and therefore anticipates resolution of over-crowding in due course as more teachers are recruited and more classrooms built. The External Panel finds the issue of teacher absenteeism, noted in its Inception Report, as now coming under control due to a combination of teachers' incentives, the recruitment of village leaders to report on teacher absenteeism, and unannounced visits by the local government's school superintendent.

However, the External Panel heard during focus group discussions and from individual teachers that it is common for pupils to attend class without having consumed any food beforehand. Teachers pointed out that this often limits the children's attention span.

While the External Panel is aware that primary-school aged children are now almost universally enrolled women's focus-group discussions revealed that of those who are not, the majority are likely to be girls because they must assume family care responsibilities. The External Panel notes that in the absence of gender-disaggregated data, gender-based differences in school attendance will not be possible to either confirm or refute.

Amendments Made to the ISP

ISP Section 5.2.2. (public consultations), and the External Panel's ToR Sections 10.4.d. and 10.4.e. (review the Operator's record-keeping).

The External Panel notes the responsiveness of the ISP team to the dynamic socioeconomic, legal, and political environment of Bintuni Bay, West Papua and Papua Provinces, and Indonesia more generally. The External Panel identified two positive instances where a requirement of the ISP is evolving, after significant public consultations, into an implementation strategy that will result in an expanded and/or



improved mode of service delivery to indigenous peoples, namely the North Shore Foundation and the Grand Proposal for the strengthening of civil society organizations. The External Panel also notes the practical constraint, given the changing nature of forestry legislation in combination with customary law, to shelve the ISP's timber utilization strategy for the time being. The External Panel considers that internal monitoring can be assisted through the compilation of a master list of all such amendments and additions.

External Panel Recommendations – ISP and Social Issues

Communication, Information Dissemination, and Transparency

- » **It is recommended that** the ISP summary be retranslated in a vernacular form, reprinted, and distributed among the communities' residents;
- » **It is recommended that** the full ISP and IPDF documents be translated into *bahasa* Indonesia for the benefit of ISP staff;
- » **It is recommended that** in, and specific to, each DAV, information regarding labor hiring, including estimates for the date of work commencement and the number of people that will be required, should be posted on the public notice boards;
- » **It is recommended that** in, and specific to, each DAV, progress updates on programs such as health, education, and community development timelines should be posted on the public notice boards;
- » **It is recommended that** the Operator should compile a list of all ISP initiatives undertaken or planned, by each community included, and that the agglomerated Master List be posted on each DAVs public notice boards once it is concluded that benefits are being distributed equitably;
- » **It is recommended that** the Operator should devise a mechanism that allows greater transparency of the grievance procedures, with particular reference to providing assurance that action is being/has been taken. Any such mechanism devised should protect community members using the grievance procedures who wish to remain anonymous;
- » **It is recommended that** the Operator should ensure that the results of all pre-hire medical exams are transmitted to the prospective hires within two weeks of the results' availability; and
- » **It is recommended that** the Operator should hold CAP meetings only at times suited to women's as well as men's availability, and that it should encourage men to accept women as committee members at all levels of the community development process, including budgeting allocations and expenditures.

Interconnectedness of ISP Components

- » **It is recommended that** the linkage between the Health and Community Development components be strengthened, such that Health has greater input and influence in the decision-making process;
- » **It is recommended that** the Master Plan currently being considered should be finalized, and that this document focuses on how the ISP components can be better connected to one another; and
- » **It is recommended that** the Operator should promote through appropriate means available the message that children should consume food prior to heading to school in order to help them concentrate and learn at school.



Micro-Finance, Micro-Enterprise, and SMEs

- » **It is recommended that** the Operator should identify how best to use in-migrant talents and capabilities to improve micro-finance and micro-enterprise endeavours, since *adat* expectations may otherwise jeopardize success;
- » **It is recommended that** upon renewal of the contract for provision of security, the terms are reconfigured such that the winning bid undertakes the mentoring of a local start-up; and
- » **It is recommended that** the Partners providing Bird's Head Business Initiative strengthening and mentoring be asked to investigate possible linkage with ISP economic empowerment initiatives at the Teluk Bintuni level, including but not limited to supply-line linkages.

Gender and Development

- » **It is recommended that** the Operator should set and/or adhere to targets for women's participation in scholarships, vocational training, and workforce; and
- » **It is recommended that** consideration be given to ways to assist women to be able to meet achievable physical requirements for joining the security workforce.

Sustainable Development

- » **It is recommended that** the Operator should investigate the applicability of ICRAF/CIFOR expertise in agro-forestry initiatives as relevant to the sustainable development of Bintuni Bay communities, in addition to the IPB's agriculture programs currently implemented within the ISP; and
- » **It is recommended that** the Operator should examine the benefit of consulting International NGOs with long experience in water and sanitation issues in the Indo-Pacific and who could help implement these ISP components in a sustainable manner.

Monitoring and Evaluation

- » **It is recommended that** the Monitoring and Evaluation unit should address the need for a full monitoring and evaluation system that covers all ISP components, as well as the additional requirements in the ISP, and to include the gathering of baseline information from all relevant localities and sites relevant to the ISP program.



Appendix A

Involuntary Resettlement – People Interviewed



INVOLUNTARY RESETTLEMENT – PEOPLE INTERVIEWED

RESETTLEMENT PERSONS MET

2007	Location	Persons met	Representing/Position
9 September	Jakarta Welcome dinner	Ippei Nagatomo Osamu Odawara Indira Simbolon Basrie Kamba Agus Supriyanto Arintoko Utomo	JBIC Mizuho ADB BP BP BP
10 September	Kick off meeting	Lenders representatives BP representatives, led by Mr. Gerry Owens	
		Herbiana Wintawati Karsten Fuelster Hendro John	BP PSCM Dept IFC Senior Investment Officer IFC Pensa Austraining
11 September		Wisnu Bharata Harianto I.S.	BP ICBS
		Pradakso Hadiwidjojo	BP Governance and Revenue Management
		Una Vini	BP Legal section
12 September	Babo Base Camp	Ronny Siahaan	BP ISP Field Team Manager
		John Lamera	BP Dimaga Foundation
		Jeffry	BP Grievances
		Ahmad Lie	BP Community Relations
		Dr Tanri K.	BP Health
		Agustina A.	BP Education
		Agustinus P	BP Community Devp (CAP)
		Eko Y. Hematang	BP Microenterprise and microcredit
		Lina Moeis	BP Women's Empowerment
		Sito M Lumaela	BP Workforce Management LNG Plant
		Max Samaduda	BP Immigration Control
		Dr. Hidayat Alhamid	BP Monitoring and Evaluation
13 September	Teluk Bintuni	Toto Purwanto	British Council
		Pastor Lambert D Niron	YPPK
		Haris Tahir	Muhammadiyah
		Haji Lubis	YIPD and IPGI
		Habel	BP Government Relations Supervisor
			Deputy Bupati, Regency local government
		Dr Andreas	Head of Health Services
			Head of Population
			Head of Bappeda (Regional development planning board)
			Head of Education Services



			Head of Manpower Services
14 September	Tanah Merah Baru		Winfrid K. LARAP Supervisor Ibu Ros LARAP Team Community representatives: Kampung Head and Secretary Kampung Councillors Women's group leaders Cooperative members Fishers Adat leaders Health workers School Teacher
15 September	Saengga		Kampung Secretary Community representatives: Neighbourhood Heads Men's groups Women's group leaders Adat leaders School headmaster School teacher Community Police Church leader Immigration Control Fisher
	Babo District		Head of Babo district
16 September	Onar Baru		Neighbourhood Head Community representatives: Men's group Adat leaders Teacher
		Kasman IPB Team Sugeng Hari Suseno IPB Team	Kerupuk training team from IPB
17 September	Travel to Jakarta		
18 September		Glenn Gibney Agustini Raintung Dr Tanri K.	Project Concern International Country Director Project Concern International BP Health
		Erwin Maryoto	BP Papua Affairs Senior Manager
		Hardinsyah Dari Iskander	IPB Team Leader IPB Fisheries
20 September	Close out meeting	Lenders Representatives BP Representatives	



Appendix B
IPSI Team – People Interviewed



IPSI TEAM – PEOPLE INTERVIEWED

IPSI TEAM PERSONS MET

2007	Location	Persons met	Representing/Position
9 September	Jakarta Welcome dinner	Ippei Nagatomo Osamu Odawara Indira Simbolon Basrie Kamba Agus Supriyanto Arintoko Utomo	JBIC Mizuho ADB BP BP BP
10 September	Kick off meeting	Lenders representatives BP representatives	
		Herbiana Wintawati Karsten Fuelster Hendro John	BP PSCM Dept IFC Senior Investment Officer IFC Pensa Austraining
11 September		Whisnu Harianto I.S.	BP ICBS
		Pradakso Hadiwidjojo	BP Governance and Revenue Management
		Una Vini	BP Legal section
12 September	Babo Base Camp	Ronny Siahaan	BP ISP Field Team Manager
		John Lemara	BP Dimaga Foundation
		Jeffry	BP Grievances
		Ahmad Lie	BP Community Relations
		Dr Tanri	BP Health
		?	BP Education
		Agustinus P	BP Community Devp (CAP)
		Eko	BP Microenterprise and microcredit
		Lina M	BP Women's Empowerment
		Sito M Lumaela	BP Workforce Management LNG Plant
		Max Samaduda	BP Immigration Control
13 September	Teluk Bintuni	Toto Purwanto	British Council
		Pastor Lambert D Niron	YPPK
		Haris	Muhammadiyah
		Haji Lubis	YIPD and IPGI
		Habel	BP Government Relations Supervisor
			Deputy Bupati, Regency local government
		Dr Andreas	Head of Health Services
			Head of Population
			Head of Bappeda (Regional development planning board)
			Head of Education Services
			Head of Manpower Services
14 September	Tomu Ekam villages		Community representatives: Men's group



			Women's group Village head Adat leader Malaria Worker School Principal
	Arandai town		Leader of KSP Damai Sejahtera Micro finance
			? partner involved in local government devp Arandai - we visited their office and saw computer training
		Winifreds M	BP LARAP Supervisor
15 September	Weriagar Mogotira villages		Community representatives: Men's groups Women's groups including members of Women's forum in Mogotira and women's micro enterprise group in Weriaragar Village heads Adat leaders School teacher
	Babo district		Head of Babo district
		Hidayat Alhamid	BP Monitoring and Evaluation
16 September	Otowery village		Community representatives: Men's group Women's group including members of Women's forum Village head Adat leader Malaria worker
17 September	Jakarta		
18 September		Glenn Gibney Agustini Raintung Dr Tanri	Project Concern International Country Director Project Concern International BP Health
		Erwin Maryoto	BP Papua Affairs Senior Manager
		Hardu Dari	IPB Team Leader IPB Fisheries
19 September		Yoke Sudarbo Faye Haselkorn Ratna Kurniawati	USAID Project Development Specialist DDG USAID Senior Local Governance Adviser DDG USAID Public Health Advisor
20 September	Close out meeting	Lenders Representatives BP Representatives	



Appendix C
Consultant (External Panel) Liability



Excerpt From Agreement for Consulting Services between Asian Development Bank (as ADB Tranche Lender), Japan International Finance Management (Tangguh) Corporation (as Japanese Tranche Lender), Mizuho Corporate Bank, Ltd (as Commercial Tranche Facility Agent), and GHD PTY LTD and PT Global Hutama Desain (as Consultant).

23. LIABILITY

23.1

To the maximum extent permitted by law, the Consultant will have no liability to the Operator and the Financing Parties (or any person claiming through them, including the PSC Parties) for any cost, expense, loss or damage, whether arising under or in connection with or for breach of this Agreement, or in connection with the performance or non-performance of the Services, whether such liability arises in contract, in tort (including negligence), under statute, under any indemnity, by cross claim or otherwise, except to the extent that the cost, expense, loss or damage was caused directly by the Consultant's or any of its subcontractors' gross negligence or wilful misconduct.

23.2

This Clause shall survive for five years after the expiration or termination of this Agreement. This Agreement has been entered into on the date stated at the beginning of this Agreement.

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Document Status

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