



# Environmental and Social Monitoring Report

---

Project Number: 38919  
March 2009

## INDONESIA: Tangguh Liquefied Natural Gas Project Report for Integrated Social Program - Mid Term Review

Prepared by GHD  
External Panel for Environmental and Social Monitoring

This report has been submitted to ADB by GHD and is made publicly available in accordance with ADB's public communications policy (2005). It does not necessarily reflect the views of ADB.

**Asian Development Bank**



CLIENTS | PEOPLE | PERFORMANCE

# **Tanggung LNG Project External Panel**

## **Report for Integrated Social Program - Mid Term Review**

March 2009



# Contents

## ABBREVIATION & INDONESIAN TERMS

1.	Introduction	1
2.	The Integrated Social Program (ISP)	2
3.	Data Collection and Review Approach	4
3.1	Review	4
3.2	Overview of Findings	4
4.	Component Review	5
4.1	P1 – Governance and Revenue Management	5
4.2	BH1 – Strengthening of Civil Society in the Bird’s Head Region	5
4.3	BH2 – Business Empowerment in the Bird’s Head Region	7
4.4	BH3 – Workforce and Industrial Relations	7
4.5	BH4 – Mitigation of In-migration and Adverse Induced Impacts	9
4.6	K1 – Government and Civil Society in Kabupaten Teluk Bintuni	9
4.7	K2 – Integrated Community Based Security	11
4.8	K3 – Health	11
4.9	K4 – Education	12
4.10	K5 – Vocational Training	13
4.11	K6 – Women’s Empowerment	14
4.12	K7 – Microfinance and Micro-Enterprise	15
4.13	DAC1 – Community Development - Community Action Plans	16
5.	Recommendations	18

## Table Index

Table 1	September 2008 Workforce	8
---------	--------------------------	---



## Appendices

- A People Consulted
- B Documents Reviewed
- C Consultant (External Panel) Liability



## ABBREVIATION & INDONESIAN TERMS

ADB	Asian Development Bank
Bappeda	<i>Badan Perencana Pembangunan Daerah</i> (Agency for Regional Development)
BPMIGAS	<i>Badan Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi</i>
BPR	<i>Bank Perkreditan Rakyat</i>
BHBEP	Birds Head Business Empowerment Program
BRI	<i>Bank Rakyat Indonesia</i>
CAP	Community Action Plan
CEMSED	Center for Micro and Small Enterprises Dynamics ( <i>Pusat Studi Dinamika Usaha Mikro dan Kecil</i> )
CO	Community Organiser
CRP	Community Relations Program
CSO	Civil Society Organisations
DAV	Directly Affected Village
INDAV	Indirectly Affected Village
DCA	Direct Community Assistance
DPRD	<i>Dewan Perwakilan Rakyat Daerah</i>
DRP	Local District Parliament
EP	External Panel
E&S Project	Environmental and Social Project
IPB	<i>Institut Pertanian Bogor</i>
IPDP	Indigenous Peoples Development Plan
IPSI	Indigenous Peoples and Social Issues
ISP	Integrated Social Programme
IRR	LARAP adopted risk and reconstruction
JBIC	Japan Bank for International Cooperation
<i>Kabupaten</i>	Regency or District
<i>Kampung</i>	Village
KPI	Key Performance Indicator
KPTT	<i>Kursus Pertanian Taman Tani</i>
LARAP	Land Acquisition and Resettlement Action Plan



LGSP	Local Government Support Program
LNG	Liquefied Natural Gas
LP3BH	<i>Lembaga Penelitian Pengkajian dan Pengembangan Bantuan Hukum</i>
M&E	Monitoring and Evaluation or MONEV
NGO	Non Government Organisation
PERT	<i>Pelatihan Ekonomi Rumah Tangga</i>
PSKK-UGM	<i>Pusat Studi Kependudukan dan Kebijakan-Universitas Gajah Mada (Center for Population and Policy Studies-University of Gajah Mada)</i>
Polmas	<i>Perpolisian Masyarakat (Community Policing)</i>
RAV	Resettlement Affected Villages
SME	Small Medium Enterprise
SMP	<i>Sekolah Menengah Pertama (Junior High School)</i>
STIPAN	<i>Sekolah Tinggi Ilmu Pemerintahan Abdi Negara</i>
TCHU	Tangguh Community Health Unit
TOR	Terms of Reference
TOT	Training of Trainer
TIAP	Tangguh Independent Advisory Panel
UGM	University of Gajah Mada
UI	University of Indonesia
UNCEN	University of Cendrawasih
UNDEP	United Nations Development Program
USAID	United States Agency for International Development
WMO	Workforce Management Office
YASP	<i>Yayasan Anak Sehat Papua</i>
YIPD	<i>Yayasan Inovasi Pemerintahan Daerah (Centre for Local Government Innovation-CLGI)</i>
YMPD	<i>Yayasan Pengembangan Masyarakat Desa</i>
YPK	<i>Yayasan Persekolahan Kristen</i>



## 1. Introduction

The BP Tangguh LNG Project is located in *Kabupaten* Teluk Bintuni of Papua 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 the Tangguh Project activities over the period to 2009. 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 Japan 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 External Panel comprises three specialist skill areas. These include a Resettlement Specialist, an Indigenous Peoples and Social Issues team, and an Environmental Team. This is the Mid Term Review report of the Indigenous Peoples and Social Issues (IPSI) team of the External Panel. While there are three teams that comprise the External Panel, the requirement in the Tangguh LNG Project External Panel Terms of Reference specifies that the External Panel's Indigenous Peoples and Social Issues Team (IPSI), which carries out the compliance monitoring of the ISP, shall undertake a mid-term review in "lieu of the regularly-scheduled six-month report on the ISP during the latter half of 2008" (p.20, Tangguh LNG Project, External Panel Terms of Reference, August 2006).

The Mid Term Review is presented under the auspices of the External Panel and has been discussed and reviewed by the External Panel Team Leader.



## 2. The Integrated Social Program (ISP)

In 2006 the BP Tangguh Project developed an Integrated Social Program (ISP) 2006-2010 to enhance socio-economic and governance capacity at local and regional levels in West Papua. The ISP has been developed and approved as fulfilling the social, cultural and economic commitments of the Tangguh Project's AMDAL and the Lenders' Indigenous Peoples policies. Under ADB policy the ISP is known as the Indigenous Peoples Development Plan (IPDP) and is specifically intended to;

- » Promote the participation of indigenous people in the construction and operation of the Tangguh LNG facility
- » Ensure that indigenous people benefit from development interventions that would affect them, and
- » Provide effective safeguards against actual and potential adverse impacts of the project on local communities.

The ISP document defines project policy across a range of social and economic development issues and describes 14 specific programs that address development issues for affected villages surrounding the BP Tangguh construction site, in the broader region of *Kabupaten* Teluk Bintuni and more widely across the Province of Papua Barat. The ISP covers 13 inter-related sub-programs, which are being implemented in collaboration with a range of project partner organisations with specialist skills in training and project implementation. The fourteenth component, The Land Acquisition and Resettlement Action Plan (LARAP) for local Papuan resettlement affected villages (RAV) is included with the ISP cluster of initiatives but is currently subject to independent monitoring. From the end of 2009 it is proposed that the LARAP component will be fully integrated within a revised ISP framework of activities.

Under the terms of the agreement, the first iteration of the ISP will be subject to a mid term review to take the place of the regular 6 monthly compliance monitoring visits. The report presents the findings of the mid-term review team in terms of a two-step assessment process of project progress against objectives. In other words, we ask, firstly, is the project undertaking the tasks to which it is committed to under the ISP?, and secondly, we consider to what extent are these activities effective at this stage of the program? The question of compliance is implicit in this process but we do not make any specific judgements on this aspect of external monitoring at this time.

In the design of the ISP a simple geographical coding of the component activities was developed. These are: the Province (Papua – P1), the Bird's Head region of West Papua (BH 1-4), *Kabupaten* Teluk Bintuni (K1-7), and a final grouping around Direct Community Assistance (DCA1) focusing on community development at the *Kampung* (village) level.

The 13 components of the ISP subject to the present review by the IPSI team comprise;

- » P1 Governance and revenue management
- » BH1 Civil society strengthening and Strengthening *Adat* Institutions
- » BH2 Bird's Head business empowerment
- » BH3 Workforce and industrial affairs
- » BH4 Mitigation of in-migration and adverse induced impacts
- » K1 Regency and Village Government



- » K2 Integrated community based security
- » K3 Health
- » K4 Education
- » K5 Vocational training
- » K6 Women's empowerment
- » K7 Microfinance and microenterprise
- » DCA1 Community Development - Community Action Plans (CAP)



## 3. Data Collection and Review Approach

### 3.1 Review

The IPSI review team site visit and consultations in Jakarta and Teluk Bintuni cover the period 12-24 October 2008. During this period the team reviewed relevant documents provided by the Operator. The project has generated a large number of reports and analyses providing a wealth of information on ISP activities. A list of documents referred to is provided at the end of the report (Appendix 2).

In addition, the review team received a range of presentations on the progress of ISP from component managers and team members in Jakarta and Babo camp. The team met with local government representatives in *Kabupaten* Teluk Bintuni (i.e staff from Bappeda, Dinas Kesehatan, Dinas Pendidikan), and took the opportunity to visit a number of villages in the Teluk Bintuni area (Tofoy on the southern bank and Taroy in the north). Team Member, Mr Ones Kambuaya also held meetings with Provincial government officials and ISP Partner organisations (including USAID and LP3BH) in Manokwari. The meetings provided an opportunity to assess first hand some of the ISP activities being undertaken in the Bird's Head region of the Province. The team takes the opportunity to express their appreciation to BP and the ISP team for their assistance and support in facilitating the site visits to the Teluk Bintuni project area.

### 3.2 Overview of Findings

The review team finds that the ISP (program) as a whole is on track to fulfil its commitments at this mid point of implementation. In a complex and challenging work environment there have been some notable achievements and early project successes which reflect well on the commitment and application of ISP project staff and participants. The majority of the components are delivering positive results and progress towards their respective objectives. Under current conditions the IPSI team see no major problems or critical operational difficulties for the remainder of the ISP period to 2010.

There has been some slippage in program activity in a number of the components, especially in terms of meeting the pre-determined schedule of implementation. To the extent that these delays reflect decisions to focus on building a stronger basis for development or re-appraising the impact of particular activities we think this is both justified and appropriate. Where program initiatives have proved ineffective the ISP team have taken remedial action in a number of cases to improve implementation.

For the purposes of this review, the ISP component activities can be grouped into three performance categories.

- » A number of component activities are proving to be very effective and more than meeting expectation.
- » A second group comprising the majority of activities are assessed as making satisfactory progress and working towards their objectives.
- » While a third category of components or component activities have struggled to meet their operational objectives, but hold out prospects for improvement over time.

Specific analysis and commentary on the 13 ISP components is presented below. In a number of cases advisory recommendations are presented at the end of each section.



## 4. Component Review

### 4.1 P1 – Governance and Revenue Management

The objectives of this component are directed towards improved stakeholder revenue management and enhanced capacity to manage revenues streams in the context of the Bird's Head Diversified Growth Strategy.

The initial project partner for this component was the UNDP (Capacity 2015) which focused its activities on the Provincial level of government based in Manokwari and undertook a variety of training and support for regional and spatial planning. Workshops addressing issues of revenue management for Papua were also held with a range of stakeholders.

With a shift towards a more sustained focus on governance, particularly at the Regency or *Kabupaten* level, the ISP component has since entered into a 36 month partnership with USAID through its Regency based Local Government Support Program (LGSP). From 2008, 5 regencies will be assisted. They comprise Manokwari, Fak Fak, Sorong Kota, Sorong and Kaimana. To date the program is producing significant results with a focus on participatory and performance-based planning and budgeting, improved accounting standards, and transparency; along with provincial government coordination, civil society strengthening and training for members of parliament (DPRD). At this stage the collaboration is judged to be effective and appropriate in a context where capacity and performance remain weak.

#### 4.1.1 Revenue Management

Under the Special Autonomy Law (21/2000) for Papua, and the subsequent revision to include the Province of West Papua under the provisions of the law (Perpu 1/2008), resource revenues are intended to be disbursed according to a formula that provides for Central Government (30% between 2001-2025 and from 2027, 50%), and 70% to the producing Provincial Government (from 2027, 50%) which is then further divided among constituent districts. However, to date the enabling legislation to give effect to revenue sharing arrangements under the Special Autonomy Law is yet to be ratified and at present cannot be implemented. Final agreement on BP Tangguh LNG Revenues are therefore subject to further inter-governmental discussions and agreements and it would be inappropriate for the Review Team to comment further on this matter at this stage.

### 4.2 BH1 – Strengthening of Civil Society in the Bird's Head Region

There are two related sub-programs within this component. The first deals with civil society initiatives across the Bird's Head region; the second with a focus on customary society in the *Kabupaten* Teluk Bintuni and traditional (*adat*) institutions.

#### 4.2.1 Strengthening of Civil Society in the Bird's Head Region

The objective of this initiative is to increase the capacity of civil society to represent their constituents and address their needs. Under the program a series of activities was planned to support capacity building of Bird's Head based Civil Society Organisations (CSO). These activities included the establishment of a resource centre for training and networking, and a series of project funded grants for training (\$50,000 per annum) and local CSO initiatives (\$50,000 pa). However, the External Panel understands that BP will revisit the final grant amounts. Local partner LP3BH, a legal NGO, has been providing coordinating



services with up to 24 local NGOs in the Bird's Head region to develop effective networking and capacity building strategies.

In April 2008 the IPSI External Panel found this set of activities to be non-compliant (see Report of External Panel April 2008). For a variety of logistical, financial and political reasons the proposed resource centre did not proceed and in its place the project has been working towards the development of an internet web site to provide a focus for networking and information dissemination. A number of proposals from potential providers have been received and it is hoped that the system will be in place by early 2009.

In developing the capacity of CSOs to provide more effective commentary and advocacy services in the region, the ISP program has arranged meetings with local media outlets and local government leaders and security agencies to help CSOs establish communication and working relationships. In addition a number of training courses have been implemented including management training and support in meeting legal accreditation requirements for prospective advocates. Two training providers, Pacifis at the University of Indonesia (UI), and Yayasan Satunama (Jogyakarta) have been identified as suitable institutions to help strengthen CSO capacity and build support linkages with specialist advisors in other jurisdictions.

Due to delays in the implementation schedule and the need to build capacity among local NGOs, the planned annual program of grant funding (\$50,000pa) is yet to be initiated. However, it is expected that over the remaining period of the ISP implementation, local NGOs will have opportunities to secure support funding for their respective areas of interest and advocacy.

#### **4.2.2 Strengthening Adat Institutions in Kabupaten Teluk Bintuni**

The objectives of this sub-program of the component are directed towards (1) improved definition and understanding of the roles of *adat* institutions among their constituencies and wider society (2) improved representativeness (3) improved capacity of *adat* institutions to manage their responsibilities and strengthen cultural practices.

To date and in accordance with the planned activities, an assessment of customary institutions in the Teluk Bintuni region has been undertaken including an extensive anthropological report by the Jayapura based CSO, YMPD (2006). The report identified prospective cultural (*adat*) institutions that would benefit from a strategically directed capacity building program of activities and lay the groundwork for progressive implementation of an *adat* strengthening program.

The partner organisation contracted to facilitate the field program, YPMD, has recently re-commenced activities in Teluk Bintuni after something of a hiatus with plans to re-vitalize component activities. YPMD has established an office in Bintuni and is currently embarking on further field research to gather additional material to facilitate the development of an effective institutional mechanism for expressing the aspirations and traditions of Bintuni *adat* communities. This is a welcome development but has meant that the sub-program activities planned for the component are now significantly delayed.

*Adat* or customary authority and affiliation remain a vitally important factor in local community attitudes and understandings. However, the dynamics of Papuan customary politics and decision-making mean that there are no simple answers to the issue of *adat* institutional strengthening. Nevertheless, it is the view of the review team that an active engagement with contemporary *adat* processes and aspirations needs to remain an important objective for BP Tangguh. This means sustaining a dialogue with influential representatives of the key affected language communities in Teluk Bintuni, especially the Simuri, Sebyar



and Irirutu groups. Continuing government efforts to reach a settlement with customary communities over compensation claims for the LNG development represent an important step in that direction and are discussed in more detail later in the report.

### **4.3 BH2 – Business Empowerment in the Bird’s Head Region**

As part of the outreach components of BP Tangguh, the ISP initiative includes provision for assisting businesses in the wider Bird’s Head region to compete more effectively for the supply of goods and services to the TLNG. In the process the component seeks to empower businesses to take advantage of emerging economic opportunities in the wider region.

In conjunction with PT. Austraining Nusantara, the Bird’s Head Business Empowerment Strategy has to date provided training for 145 regional firms of which 48 have participated in specialised mentoring programs designed to strengthen their specific business operations and management organisation. The businesses are based in four *Kabupaten* across the Province of West Papua, including Sorong, Manokwari, Fak Fak and Teluk Bintuni, and the program is also extending their consultation and advisory services to selected Chambers of Commerce in the region.

A measure of the success of the program is the growing number of locally based businesses that have improved their operating procedures and now compete effectively for supply and service tenders to the Tangguh LNG plant. One of the BHBEP mentored companies, CV Sibena Jaya, is the first indigenous Papuan company to win a BP contract. Others have successfully qualified for BP tender pre-qualification to submit tender documents for civil work maintenance contracts. One of the benefits of improving business management and organisation to a point where they can develop competitive tenders for BP contracts is that a range of other opportunities also become available including government tenders and service contracts for other resource development companies in the region. This is the case for two mentored companies based in Bintuni township which have recently won Government work tenders

Overall the progress of the BHBEP activities to date is considered effective with well directed training programs and business mentoring combined with a strong monitoring and evaluation framework. The sustained progress provides a solid foundation for improving business practice and opportunities in the years ahead. One area that remains under-developed is the marketing potential for the supply of fresh produce to the LNG plant by local SME businesses in the Teluk Bintuni area. ISP partners working on micro-enterprise development in the Bintuni area (See K7) are collaborating on issues of supply chain and stocking points for fresh vegetables, but progress remains limited.

The BHBEP program managers should undertake more detailed market and supply chain analysis to improve marketing opportunities for fledgling micro-enterprise and farmer producers in the region.

### **4.4 BH3 – Workforce and Industrial Relations**

The workforce and industrial relations component aims to ensure that employment processes comply with AMDAL commitments concerning transparent and fair recruitment processes and that the participation quotas for local, Papuan and national workers are reached. It also seeks to ensure that workforce recruitment and industrial relations comply with Indonesian regulations and that good relationships are maintained between the project, the workforce, and the Teluk Bintuni and Birds Head communities.



Workforce recruitment centres were established in Sorong, Fak Fak, Manokwari and Bintuni township and have proved an effective way of systematically managing the recruitment process. In line with AMDAL quotas for recruitment of local workers, some recruitment was undertaken directly in the DAVs, in particular the RAVs. The numbers of job seekers avoiding the recruitment centres and coming directly to the villages near the plant appears to have been limited, with the majority entering through the formal recruitment channels.

The ISP requires that all households within the DAVs are offered the opportunity to apply for a position. Village heads were given a list of the jobs on offer with the assumption that they would provide the information to all households who would then have the opportunity to apply for a job. The procedure for this was found by the External Panel to be flawed and would not necessarily ensure that all households had the opportunity to obtain a job (see External Panel Report April 2008). In March 2008, data provided by the Project indicated that 546 employees had been recruited from the DAVs while over 320 households had not had anyone employed on the LNG plant construction.

The project has exceeded AMDAL targets for the recruitment of workers from DAVs and the Birds Head in all skill categories – unskilled, semi-skilled, skilled and managerial. However, in the semi skilled category, workers recruited from other parts of Papua were less than 1% of the total man hours despite the AMDAL target of 63% (see Table below). This shortfall is partly offset by the greater numbers of staff recruited from the Bird's Head region. This relationship holds for workforce participation both at the height of construction numbers and for the current demobilisation phase.

**Table 1 September 2008 Workforce**

Sept-08	DAV		Bird's Head		Other Papua		National & Expat		Total	
	Actual	AMDAL	Actual	AMDAL	Actual	AMDAL	Actual	AMDAL	Actual	AMDAL
<b>Unskilled</b>	58.62	20.00	41.14	25.00	0.24	55.00	0.00	0.00	100.00	100.00
<b>Semi Skilled</b>	14.84	10.00	40.20	20.00	0.87	63.00	44.10	7.00	100.00	100.00
<b>Skilled</b>	1.04	0.00	23.10	2.00	1.26	10.00	74.59	88.00	100.00	100.00
<b>Supervisor &amp; Manager</b>	0.37	0.00	2.46	1.00	0.60	5.00	96.57	94.00	100.00	100.00

(Source: ISP Presentation October 2008)

A grievance system for employees has been established with complaints mainly concerning contractual and payment problems. BP has taken action to encourage contractors to resolve issues which are expressed through the grievance procedure and the system appears to be working adequately.

There has been thorough socialization to local communities concerning the demobilization of workers in the transition to the operational phase. Public relations and communications activities (eg comic, radio, Kabar Dari Teluk) were conducted to prepare workers and local communities for the impact of demobilization. Efforts are being made by BP to encourage contractors to maintain valued DAV



employees by rehiring or transferring them to other areas which still require workers. These efforts have been effective in reducing the numbers of workers demobilized and has dampened local community dissatisfaction. Nevertheless, community hopes regarding employment remain high and this needs on-going management. Contractors need to be continually reminded to recruit local workers where possible and to encourage the promotion of local workers.

#### **4.5 BH4 – Mitigation of In-migration and Adverse Induced Impacts**

The potential for adverse impacts of spontaneous immigration around resource projects, sometimes known as the honey-pot syndrome, is well attested to around resource development in Indonesia. The ISP document foregrounds this issue and has recommended a number of strategies to mitigate unregulated opportunistic in-migration. They include (1) project management of workforce recruitment strategies that reduce the likelihood of spontaneous immigration, (2) improved awareness within government, local communities and civil society about potential impacts and consequences and (3) improved capacity at all levels of government to respond to increased immigration and induced impacts.

According to evidence from the ISP component managers, it is evident that spontaneous in-migration on the scale implied in the ISP document has not materialized in the *Kabupaten* Teluk Bintuni area. There is little evidence of unregulated in-migration in DAV settlements, and while the RAV area near the LNG plant has experienced a rise in spontaneous migrants the impact is relatively limited and semi-regulated by local Papuan community agreements (see LARAP report). The reason for the comparatively small influx of migrants to date can be largely attributed to BP Tangguh's disciplined workforce recruitment policies which have no on-site recruitment and require that demobilised workers return to their site of recruitment.

This is proving to be an effective disincentive to a mobile and largely unskilled Indonesian workforce who might otherwise take the opportunity to try their luck in *Kabupaten* Teluk Bintuni.

Among the complementary strategies being pursued by the ISP component team and project partners to build resilience and awareness of unregulated in-migration, has been the facilitation of local legislation at the village (*Perkamp*) and regency level (*Perda*). The idea is to provide a stronger legal basis for managing potentially adverse issues arising from spontaneous in-migration. At this stage the regulations remain in draft form and can only become effective with the support of the *Bupati* and the local *Kabupaten* Parliament (DPRD). This may take some time given that the *Bupati* has expressed his support for higher levels of in-migration as a driver of economic development and the fact that around 50% of the *Kabupaten* Teluk Bintuni population are themselves immigrants.

In the current context there remains a requirement to continue monitoring and managing issues that arise from in migration, particularly among communities in proximity to the LNG plant. An improved understanding of the relationships negotiated between migrants and residents would enhance understanding of migration dynamics. The dissemination of the Bintuni bulletin, *Kabar dari Teluk*, which has been promoted to raise awareness of these and other issues, has proved to be a popular and effective media strategy. Copies of the bulletin can be found posted on noticeboards in DAV communities which in the process also support the ISP basic literacy program.

#### **4.6 K1 – Government and Civil Society in Kabupaten Teluk Bintuni**

The effective establishment of *Kabupaten* Teluk Bintuni in 2005 has generated a significant need for capacity building and mentoring across a range of government administrative functions. With ISP project



partner YIPD / CLGI, the project has endeavoured to improve government capacity in strategic planning, the delivery of services to their constituency and to develop transparent and accountable management systems. In addition to work at the *Kabupaten* level, the ISP program extends to supporting District (*Kecamatan*) and Village (*Kampung or Desa*) levels of government through its partners PSKK-UGM on the southern shore of the bay and IPGI on the north.

YIPD has been providing government support and advice effective since early 2007. Their work has concentrated on the development of strategic planning for 14 *Pemda* Agencies, among others *Bappeda* financial reporting and *Dinas Pendidikan*. Study tours to progressive *Kabupaten* in Java (Sleman) and assistance with legal drafting by members of the local District Parliament (DRP) are examples of their facilitation work. YIPD has also assisted with the training of 40 staff members who have been sent for advanced training in Government at STIPAN (*Sekolah Tinggi Ilmu Pemerintahan Abdi Negara*). Discussions with local *Kabupaten* staff indicate that the work of YIPD has been very welcome especially their ongoing process of mentoring and clarification of government responsibilities and procedures.

During 2008, however, the working relationship between ISP managers and YIPD was strained when staff of the partner organisation accepted paid positions as government advisors from the *Bupati* of Teluk Bintuni. This was felt to compromise the independence of YIPD under the MOU agreement with BP Tangguh. Consequently, although the contract with YIPD is currently being extended to the end of 2008, there are firm plans to issue an open tender to secure a new partner and continue the capacity building program under a revised package of initiatives. The review team endorses this decision.

#### 4.6.1 District and Village Government

Strengthening the capacity of District (*Kecamatan*) and Village (*Kampung*) governments in the Teluk Bintuni forms a sub-program of this ISP component. The objectives are to support local government in delivering transparent and accountable governance along with sustainable development planning. The need to build awareness among communities about the roles and responsibilities of elected government representatives is a further requirement of the intervention.

To date the principal efforts of program partners IPGI (north coast) and PSKK-UGM (south shore) have focused on improving skills and practice at District levels of government. A range of educational and training programs have been undertaken and efforts to improve service delivery and fulfil position requirements are well underway. Corresponding efforts to engage and strengthen the performance and participation of Village level government have been delayed, although activities such as the CAP program (DCA 1) provide indirect opportunities to engage local Village leadership and governance procedures.

One of the complicating factors of local government capacity building in Teluk Bintuni generally is the continuing process of *pemekaran* or sub-division of local government units into smaller administrative jurisdictions. In Teluk Bintuni, efforts are underway to establish 24 new districts from the existing 10 operating administrations. As a result there is a significant emerging demand for training and capacity building for newly appointed staff to these districts. As a consequence the ISP program and its partner organisations are effectively acting as a training provider for local government. The extent to which BP wishes to maintain this subsidization, and for how long, is a question for consideration. It certainly has the effect of diluting the capacity building efforts over time.



#### **4.7 K2 – Integrated Community Based Security**

The objectives of the component are to work with a local security enterprise to deliver the Project's physical security needs and to support a community policing system which would develop awareness, ownership, trust and links between the community and security forces. In support of this, security forums were to be established where community leaders, local government and representatives from the military, police and industry would be able to meet to discuss security issues.

A local security enterprise has not been contracted because none of the prospective firms were found to be capable of tendering in line with BPMIGAS regulations. Consequently this activity is not being implemented. Instead, the present strategy focuses on the employment of local workers by the current security company which is Jakarta-based which has resulted in 96% of the guards employed being local. The review team supports this strategy and recommends that the contracted company be encouraged to train local guards for supervisory and management positions in order to increase their skills and the potential for a viable local enterprise to be established in the future.

Joint Security Guidelines and Standard Operating Procedures have been drawn up between the Papuan Police and BP Tangguh and this arrangement is working well. The military are aware of these guidelines and procedures and have been included in training arrangements. Training of police in community policing has been undertaken including instruction in the national law regarding community policing, human rights and the BP Tangguh exclusion zone. There has been basic and refresher training in emergency response and human rights. The National Police Force has endorsed the approach to community policing and a process of TOT has commenced in which selected police trainers will instruct other police in handling riots and in community policing. These are all positive and effective interventions.

District level forums for discussion and resolution of security issues have also been established. However, the review team was not able to establish whether these are in fact operating.

At the village level, community oriented policing committees, or *Polmas*, have reportedly been formed but are not operating. This activity of the component is not effective and is therefore at present not contributing to the management of local security issues. In the village of Tofoy for example, community members stated that they were waiting for further information from the Project about how *Polmas* would work despite the fact that there were significant problems of drinking and violence in the community which were not being dealt with by locally stationed police.

The review team recommends that the current model of community policing at village level be reviewed and discussions held with villagers to improve the way it is implemented. Furthermore, monitoring of the attitudes and behaviour of police stationed in the community should be conducted to identify where the training is not being applied and to make improvements. Communities should be supported until the revised model operates effectively.

#### **4.8 K3 – Health**

The BP Tangguh Health component, initially managed through the Tangguh Community Health Unit (THCU), is designed to contribute to the improved health status of the resident populations of the Bintuni Gulf area and to the TLNG project area. The objective includes enhanced access to and provision of quality health services. In response the component has set out an ambitious program of activities designed to target and ameliorate outbreaks of endemic diseases in the region (such as malaria, TB, diarrhoeal outbreaks); improve the capacity of local health services to address health needs of the community and generate evidence-based epidemiological research findings for program support. The



component includes a water supply and sanitation sub-program for villages in Teluk Bintuni, and a range of preventative health and promotional activities directed in particular to maternal and child health.

The mid term review finds very substantial progress has been achieved under the component in a range of activity areas. These achievements include;

- » A dramatic decline in the prevalence of malaria across the DAV area and the BP Tangguh LNG site, from 23% to 1.8% (average). This is the outcome of the introduction of regular testing and treatment of the disease. This result means that the DAV area is effectively malaria free, a result that represents a remarkable achievement in innovative malaria control.
- » Successful community health programs have seen significant reductions in mortality rates from diarrhoea in children (under 5) from 22% (2003) to 2.6% (2007); 51.4 % of children are now immunized (0% in 2004); 68.9% of women are fully immunized for Tetanus (up from 10.4% in 2004).
- » The BP Tangguh Community Health Unit has established a local NGO, *Yayasan Anak Sehat Papua* (YASP) to continue the work of the health program and enhance local capacity in the delivery of health services. There is evidence that staff of YASP are now working more closely with the local health services (*Dinas Kesehatan*) on a range of front line health related activities.

The development of an effective and responsive community based health system across the project area will be many years in the making. Sustaining and expanding the gains established by the ISP health component team requires strong government health service endorsement and support. In this respect further efforts are required to improve linkages with the administration of health services in the regency and work to integrate effective health initiatives and procedures within government management structures. Tackling the high prevalence of tuberculosis, addressing the environmental determinants of diarrhoeal outbreaks, and managing the emergence of public health issues such as HIV/AIDS all remain significant challenges, as does the goal of sustaining and expanding the malaria eradication strategy.

The Health component is currently being re-positioned to address the future requirements and directions of the program which will include efforts to extend the benefits and develop micro enterprises around health and medical treatment provision as an integral component of community health delivery and services. The review team endorses these initiatives and the potential for the extension of health services into communities less well served by government providers.

#### **4.9 K4 – Education**

The objectives of the education component focus on developing capacity to manage the basic education sector in Teluk Bintuni, along with improved participation and learning outcomes from primary level education.

The Project supports education foundations of the three main religious groups in the DAVs: Muslims (*Muhammadiyah*), Catholics (YPPK) and Protestants (YPK). Funding has been provided to improve school buildings, teacher housing and also for class room requirements including text books in the DAV schools operated by these foundations. YPK, continues to show poor management performance, raising concerns among parents of children attending YPK managed schools. Further strengthening of the foundation is recommended as well as efforts to secure stronger support from the Jayapura based headquarters.

The Project has provided funding through the education foundations to pay for contract teachers to be employed in the absence of government employed teachers. Contract teachers now constitute 47% (41



of 88) of the total number of staff in these schools. However, Project support for contract teachers will cease in 6 months. The *Dinas* has been notified that it will need to allow for payment of contract teachers in its budget. However, there are concerns that the government will not be able to continue the support for these additional teachers to ensure that the teacher-pupil ratio remains at the current level. Some continuing subsidization of teachers is probably necessary, but the ISP team should seek at least matching funding from the regional government and a commitment to shoulder more of the responsibility in this area.

The local government has a system of providing incentives to public servants and contract teachers posted outside towns and in remote areas to encourage them to remain in place. However, teacher absence remains a problem and some villagers report chronic teacher absence which affects pupil participation and educational achievement in these locations. Improvements in monitoring and reporting teacher absences, with sanctions as necessary, should be considered.

The British Council was appointed as the main partner for research on educational issues across the Regency and to support capacity building of the *Dinas* and educators throughout Teluk Bintuni. A Mid-Term Evaluation of the British Council's activities was conducted by an independent evaluator. (For full details see Teluk Bintuni Basic Education Project Mid Term Evaluation August 2008). Schools visited by the External Panel showed the beneficial effects of the British Council's training in active teaching and learning methodology and the comparative study tour of teachers to Makassar. The education system has also benefited from teacher training in Minimum Service Standards; the education information management system which has been introduced to the *Dinas*; training in education planning and budgeting; and improvements in school supervision arrangements. The least effective activities identified by the British Council's independent evaluator were the establishment of an Education Council which had failed to function; the failure to obtain agreement for a reorganized structure in the *Dinas*; and the lack of development of local Papuan content for use in the classroom. Other issues identified in the Mid-Term Evaluation include the need for improved communications and coordination between the British Council, the *Dinas* and the local foundations, and the lack of functioning school libraries.

One activity required in the ISP is to develop household and community support for education. Although training from the British Council has been directed to representatives of school committees, this has had limited impact and lacks effectiveness without significant follow up. The ISP also requires that a scholarship system be established and while draft guidelines for the scholarships have been developed the scholarship scheme itself is yet to be implemented. A proposed media campaign to promote basic education around Teluk Bintuni is still to be finalised, although one poster has been produced and disseminated.

#### **4.10 K5 – Vocational Training**

The program aims for increased literacy and numeracy skills amongst the DAV population including improving the skills of the local population to enable them to participate in the construction of the LNG plant and wider opportunities in the developing economy of the region. A further aim is to create a workforce that is capable of assuming supervisory roles in the LNG operations.

There remains a high level of illiteracy and poor numeracy skills in the population. Literacy and numeracy training has been conducted in the north and south shore DAV communities by UNCEN. Over 80% of participants have been women and pass rates are high. As an indication of its effectiveness and



popularity, requests for further training for new participants and at an intermediate level for those who have passed the basic level.

Vocational education training has been provided to a wide range of participants over a number of skills areas, including those related directly to employment on the LNG site such as welding, pipe fitting, fork lift driving and rigging. Fifty four Papuans were trained as LNG operators according to BP Presentation. In addition, training has been provided to DAV participants in other relevant skills such as motor bike, generator and air conditioning maintenance.

A training centre for local people has been constructed on the north shore near Aranday town with funding from the Project. Two batches of 30 participants have been trained in carpentry, masonry and business administration. There is a need to ensure that future training encompasses a wider range of courses and that an oversupply of particular skills does not develop. Furthermore, the courses are of only 6 weeks duration and are limited to basic skills. Follow-up training, or longer training, may be required to ensure that trainees have a good level of competence. Monitoring how well a sample of trainees use the skills to improve their livelihoods after training should be conducted to indicate areas of weakness.

The training centre is planned to be fully operated by the *Dinas* for Vocational Education when Project support concludes at the end of 2008. However, there is still no budget for this. Furthermore, although the Project is providing operational management training, the *Dinas* requires substantial capacity building, and raises concerns about the centre's sustainability.

Although the ISP document states that a fixed proportion of vocational education opportunities will be offered to women, a target has not been set and only 6 out of 208 trainees were women (3%). Some women have expressed an interest to the External Panel in learning non traditional skills such as carpentry and they should be given the opportunity to participate in courses outside traditional forms of training for women (such as office skills and business administration).

#### **4.11 K6 – Women's Empowerment**

The component's objectives are to increase awareness, understanding and respect for the rights, roles and responsibilities of women, improve their participation in decision-making and management of resources at household and community level, and implement outreach activities on women's development issues, especially recognising and mitigating any negative impacts caused by Project driven changes in livelihood patterns and income levels.

The component is operating satisfactorily under difficult conditions. Some increases in women's involvement in community activities and willingness to speak out in public have been observed.

A women's forum has been established with membership of women selected from villages around Teluk Bintuni. They meet for training sessions, discussions and sharing of ideas on topics such as women's rights, gender differences, potential negative impacts of the Project on family and village life, and health. The forum members are expected to convey what they have learned to other villagers on their return. Some training has been provided to improve women's confidence to communicate with other women in their villages but more remains to be done. The *Dinas* for Women's Empowerment is involved in some component activities but its capacity is limited.

Outreach and capacity building is being conducted through focus group discussions at village level including the use of print materials and radio. Advocacy on women's issues has been carried out in meetings with village leaders and government officers, and also through the media and a seminar.



Efforts are being made to encourage married women to obtain marriage certificates to strengthen their legal rights and protect their entitlements.

The activity relating to participation targets is poorly executed. The ISP states that girls should receive 50% of scholarships. However, the draft guidelines for the scholarship scheme, known as Student Support, which was provided to the External Panel, does not refer to this stipulated target. Furthermore, women have received less than 25% of BPMIGAS tertiary scholarships and no participation targets have been identified by the Project for activities, such as vocational education.

In some cases, men's resistance to women's participation in activities was reported. Efforts need to be made to improve this constraint on women's participation, for instance, by regular discussions with men to increase their understanding of the importance and benefits to the family of women's improved capacities and also by seeking ideas from men for increasing gender equality within the community.

Gender mainstreaming in ISP components is now being undertaken. This is important to comply with Lenders' gender policies and to build gender awareness and equality through the implementation of the ISP activities. However, the program would also benefit from a sharpened focus. For example, a key area (or areas) could be identified (e.g women's vocational education/girls's primary education) and a strategy developed to strengthen women's participation and empowerment in that particular area. As one key area is strengthened, the focus could change to another set of issues.

#### **4.12 K7 – Microfinance and Micro-Enterprise**

This component is directed to improving individual and household levels of saving and enhancing local capacity to develop micro and small scale enterprises that meet both the operational needs of the LNG plant and new economic opportunities arising in the bay region. To date considerable efforts have been made by the BP ISP team and their partner organisations, Satunama, YPPWP, *Institut Pertanian Bogor* (IPB) and CEMSED to generate component effectiveness.

In the ISP document it was proposed to facilitate the establishment of a financial services institution, the *Bank Perkreditan Rakyat* (BPR), as a key institution providing guidance and Bay wide savings and credit services. However, despite the efforts of CEMSED, state regulatory requirements precluded BPR involvement in the region and the project has struggled to find a suitable alternative provider. Ongoing discussions with the Manokwari branch of the *Bank Rakyat Indonesia* (BRI) to provide a mobile banking service for the DAV area are yet to be concluded and prospects for meeting the evident demand for banking services among local communities remain uncertain. These difficulties have delayed implementation of key elements in the micro-finance program, and they highlight the importance of promoting a culture of savings and household financial management as a preliminary step towards more complex credit and financial debt obligations.

In this regard the ISP initiative to enhance household financial management (PERT – *Pelatihan Ekonomi Rumah Tangga*) that is being implemented in stages around the Bay with a focus on married couples (46 households have participated in 2008 to date) is well directed. This training is also linked to a pilot credit scheme facilitated by IPB and BRI to provide trammel nets for prawning to selected households where fishing is the primary livelihood. However, the success of this scheme remains to be seen.

NGO partner Satunama is actively promoting micro-enterprise cooperatives and mentoring a range of small businesses in Teluk Bintuni (currently 94 registered micro-enterprises). Prominent among these include a fish supply contract between Koperasi Enenem Jaya (Arguni Island – Fak Fak Regency) and LNG Plant caterer, Indocater, providing 100kg of fresh fish at Rp20,000 per kg. Another cooperative,



Damai Sejahtera, based in the community of Indirectly Affected Village (INDAV), Rejosari, has grown to 68 members, mostly women, who are concentrating on small scale trading through savings and loan arrangements. A loan facility of Rp50million (approx \$USD5000) managed through the BRI branch has recently been extended to eligible members of the cooperative to expand their business operations. At Weriagar and other Bay sites local women are actively involved in value adding micro-enterprises focused on salted fish production.

These activities highlight the potentials for productive diverse economic enterprise in Teluk Bintuni. However, in all cases the issue of marketing and the sustained economic development of small scale private enterprise remains a significant challenge. Transport costs and the logistics of supplying fresh produce at competitive prices are a major constraint to local development initiatives.

#### **4.13 DAC1 – Community Development - Community Action Plans**

The objectives of this component include improving the livelihoods of individuals, households and communities by strengthening their capacity to plan and manage their own development, leading to improvements in their physical, social and human resource capacities.

Over a period of 10 years, US\$30,000/year for each DAV is being provided to fund development activities. Partner organisations have facilitated participatory action planning for communities to develop proposals to improve their village. The CAP process has been improved and now involves communities evaluating the successes and difficulties of the previous year prior to the planning exercise for the next year. This is a useful initiative. Women and youth, as well as men, are included in the participatory planning activities, although the degree to which this is accomplished varies between communities. There are issues with community participation and sharing of responsibility for implementing the CAP in some locations. However, the Project is addressing these problems with written agreements regarding the parties' responsibilities, by withdrawing when community participation is not forthcoming, and by the appointment of Community Organisers (CO) to support villagers in implementing their planned activities. CO have been posted in the North Shore villages but the South Shore recruitment of CO is not complete.

Communities are being trained to undertake their own participatory planning without external facilitation. In Taroy, the community has successfully facilitated their own planning for two years and in Weriagar/Mogotira and Tomu/Ekam, training in self facilitation has been conducted this year. Other DAV communities are assessed by the Project as not yet being ready to manage their own action planning.

Villages visited by the External Panel show the benefits of the CAP activities with major infrastructure projects such as jetties, walkways and mosques completed. In addition to infrastructure activities, capacity building in skills such as cooking, sewing and fish processing has been conducted, educational support has been given and equipment provided, such as chain saws and outboard motors.

Communities have now generally accepted that they will not have direct access to the CAP funds and that invoices should be sent to the Operator for payment. Nevertheless, as has been noted in previous External Panel reports, there continue to be suspicions and accusations regarding the expenditure of funds. A strategy to increase transparency in expenditure in the CAP program should be developed in joint discussions with villagers, not just the village CAP management committee, in order to alleviate suspicions and tensions.

Under the umbrella of CAP, there has been collaboration with the local government for house renovation and electricity provision. Consideration is also being given to linking the CAP process with the local government development planning activity at village level which is known as *Musrenbang*. This would



have the joint benefit of improving *Musrenbang* procedures while increasing the sustainability of the CAP process which would be able to tap into the government funds after Project funding ends. However, the manner in which this linking could be achieved so that the CAP process retains its integrity needs careful examination, possibly by an external partner at an appropriate time, and well before any merger is contemplated. Block Grant funding to village level communities is becoming a common feature of development funding across Indonesia and comparative lessons from other areas may prove helpful in this regard.

In addition to CAP funds, non-CAP funds support community radios and water and sanitation infrastructure provision. The water and sanitation program has had a mixed performance from both technical and social perspectives. Initially, bores were drilled to provide water to communities without consideration of sustainability and how communities would pay for their operation and maintenance. Water from some bores was not potable. The approach now adopted throughout the DAV is to promote rainwater harvesting. This is a much simpler approach with operation and maintenance costs to communities far lower than pumping, even if the unit cost per litre of water supplied may be higher. But, there remain technical and social elements which need further attention.

In Taroy settlement, the External Panel noted that water tanks, tank platforms and guttering had not been fitted properly and that stronger technical support for those who undertook the work was necessary. On the social side, questions were raised by community leaders about the safety of drinking water collected in the tanks and concerns were expressed about dust and dirt which collects in the tanks following rain. This suggests that insufficient information and extension has been given to communities and that villagers would benefit from being provided with evidence about the differing levels of water quality in their water resources, including rain water tanks so that they can compare and see for themselves. In addition, methods of reducing and clearing sediment from the tanks did not seem to have been addressed.

The development of three community radios has been an innovative strategy. The operation of these units however, has continually been hampered by technical and other problems related to the voluntary nature of staffing and their lack of experience. The External Panel did not receive an ISP update on the situation of the three community radios on this visit, however, it is recommended that a review of the sub-component be undertaken to consider options for longer term viability.

The difficulties and risks in community development are indicated in the list of grievances for 2008. Of the 13 grievances reported to the External Panel, five (38.5%) related to concerns about community development activities.



## 5. Recommendations

In addition to a number of specific suggestions for improving activity performance within the respective ISP components – the review team offers the following recommendations for program enhancement in the years remaining under the present ISP commitment:

- » **Governance:** The ISP pursues a range of component activities directed to strengthening capacity and organization of governance at different levels of government in West Papua. The Review team endorses the plan to improve coordination and integration of the separate ISP governance components.
- » **Feasibility:** While the ISP document encourages BP to meet prescribed targets and timetables, it is important to balance these objectives with a strong analysis of the feasibility of any particular course of action. Attempting to move too quickly in order to achieve work targets will result in unsustainable outcomes. By and large, the ISP team appears to be taking this more measured approach which the review team endorses.
- » **Evaluation:** In the process of implementing the ISP document a number of component programs have undertaken their own internal evaluations and review of component progress and directions. The recent independent mid-term review of British Council activities in the education sector is a case in point; as is the iterative review of health component activities, and the continuing strategic assessment of KPI and component organisation under the broader monitoring and evaluation framework. The mid-term review endorses these actions and recommends that each of the ISP components be subject to an independent evaluation before 2010. The evaluation will establish the effectiveness of component progress towards the stated objectives, and formulate actions for improving component impact and planning in preparation for a post ISP phase.
- » **Communication:** The success of the community relations program of BP Tangguh relies on sustaining a dynamic and mutually respectful dialogue with stakeholders in the project area. The range of stakeholders is diverse, numerous and geographically dispersed, but includes local government, ISP staff and partners, local businesses and multiple Teluk Bintuni Papuan village communities. The Review team feels that communication and consultation is an area that can be improved across the ISP program. Attention to stakeholders and relationship building remains a core project business and the ISP team needs to redouble its efforts increase awareness and coordination around project activities and plans.
- » **Grievances:** BP Tangguh has put in place reporting arrangements for grievances in writing both at the LNG plant and within stakeholder communities. While these appear to be working reasonably well, the review team feels that they may not capture the full extent of people's concerns, particularly among local communities where oral traditions and face to face exchanges are favoured. In these contexts, a review of grievance procedures and responses may be appropriate to permit and keep records of more direct explanations and consultation.
- » **Employment Opportunities:** The construction phase of the LNG plant has provided significant work opportunities for local Papuan community members. This will not be sustained as the project moves into the operational phase and much of the unskilled workforce is demobilized. Although the ISP is intended to generate a range of training and employment opportunities to partly offset this trend, the



review team recommends that BP Tangguh be more proactive in supporting paid work opportunities for local Papuan residents in Teluk Bintuni.

- » **Pemekaran:** The process of proliferating government administrative units in *Kabupaten* Teluk Bintuni is continuing to spin off new districts (*kecamatan*) on both the north and south coasts of the Bay. Plans are in train for an expansion from 10 to 24 districts. When this eventuates it will significantly increase the demand for training and support for local government capacity building and improved community services (e.g education and health). BP is likely to be the recipient of further requests for assistance and will need to factor these issues into future planning and support arrangements. The extent to which BP Tangguh is willing to subsidize local government training and services should be communicated to the relevant local government authorities.
- » **Adat:** Engaging with *adat* and particularly promoting effective and responsive *adat* institutions in Teluk Bintuni may be the most challenging objective of the ISP. The dynamic, context-dependent and highly political nature of *adat* relationships both within and between communities precludes any easy consensus or stable coalitions. It is also apparent that some communities, particularly the north shore Sebyar ethno-linguistic group maintains a heartfelt grievance over the lack of a directly negotiated compensation settlement from the BP project, regardless of whether BP has fulfilled all Indonesian government regulatory obligations. In this context the recent Indonesian inter-governmental agreement over the establishment of a Rp6 billion fund to accommodate outstanding *adat* concerns is welcome and will provide an important practical and symbolic gesture of respect towards local *adat* communities; one that will go some way to defusing lingering concerns and the potential for critical campaigns to be directed against BP.
- » **Reporting:** The process of ISP activity monitoring and evaluation is generating a large assemblage of reports and data analysis about component activities and achievements. In order to better manage the data and to facilitate overall planning and program management, the Review team recommends that the ISP team generate a combined annual report that provides detailed component summaries of ISP progress and achievements against agreed KPI. A consolidated document will facilitate planning for the year ahead and a better understanding of the inter-relationships between component activities.



Appendix A  
**People Consulted**



## People Consulted

### ***Jakarta 13-14 October***

Fawaz K Bitar	Executive Vice President Tangguh Project, BP
Gerry Owens	Senior Manager Strategy and Business, BP
Andy Collins	Tangguh Operations Manager, BP
Juanita Darmono	Senior Manager, Strategy and Planning, BP
Ngurah Kresnawan	Vice President Communications and External Affairs, BP
Arintoko Utomo	Lenders' Liaison BP
Sherwin Pu	ADB
Masayuki Kanda	ADB
Albab Akanda	ADB
Osamu Odawara	Mizuho Bank
Paul Whincup	Lenders' consultants, ERM
Dr Tony McMullan	ISP Health Program
Hariato IS	Security Advisor, ICBS Program

### ***Babo Base Camp 15 October***

Ahmed Lie	LARAP manager
Ronny Mugu	ISP Workforce management
Geoffrey Wayuri	Grievances

### ***Bintuni township 16 October***

Musa Budi	Dinas Kesehatan
Michael Yawan	Dinas Kesehatan
Daniel Dudung	Kabid Sosbud Bappeda
Nikolas Lettungun	Staf Bappeda
Helbius Kiriho	Kabid Litbang, Bappeda
Peter Hagul	British Council
Sударsono Said	British Council
Yulianus Manikrowi	YPK representative
Very Dau	PSW-YPPK representative



Rosalina Tando	PSW-YPPK representative
Derek Bleden	Dinas Pendidikan (Bintuni)
Robert Parantean	Dinas Pendidikan
Marsianus Zada Ua	CRP Regency Program Coordinator
Edwin Wamafaun	TLO Bintuni officer

***Transmigration settlement SPV 16 October***

Demplot farmer group

Wayan	Austraining
Johanes Hematang	ISP Microfinance and microenterprise program

***Babo base camp 16 October***

Hendro Hadiyantono	BP Birds Head Business Empowerment
--------------------	------------------------------------

***Tofoi Village 17 October***

Villagers

YASP Community Liaison Officer

Agus Karisopa	Kepala RT, Tofoi
Burhamza Parenrangi	ISP community action plan (CAP) program

***Babo base camp 17 October***

Eko Binarso	ISP Microfinance and microenterprise program
Johanes Hematang	ISP Microfinance and microenterprise program
Wahyu Sadewo	Satunama
Sigit Wahyudi	Satunama
Hanung	Satunama
D. Taryono	IPB
Yahya	CEMSED
Dr. Tangri	ISP Health (THCU)

***Taroy Village 18 October***

Rajab Salawat	Taroy village head
---------------	--------------------



Suleiman Salawat	Deputy village head
Abdul Kadir Nabi	Pera Pera village head
Abu Bakar Salawat	
Abdul Rahman Bauw	
Mohammed Bauw	Tamba Newa Villlage Head.
15 Other villagers	

***Babo base camp 18 October***

Burhamzah Parenrangi	ISP community action plan (CAP) program
Richard Kalilago	ISP community action plan (CAP) program
Amin Baraweri	ISP community action plan (CAP) program
Agus Poluakan	BP CRP Manager

***Babo base camp 19 October***

Ferdinand Tetro	ISP In-migration control
Lechana Warikar	ISP Education and Vocational Education
Rosalina Rumbino	ISP Women's Empowerment

***Babo village 19 October***

Jafar Fimbay	CAP's village development committee leader
Salai Fimbay	Village secretary and tribal spokesman

***Jakarta 22 October***

Basrie Kamba	External Affairs Senior Manager
Hidayat Alhamid	External Affairs
Habel	Government Relations

***Teleconference***

Deki Rumaropen	YPMD Jayapura
Josef Rumaseb	NGO Coordinator Manokwari



***Jakarta 24 October***

Fawaz K Bitar	Executive Vice President Tangguh Project, BP
Gerry Owens	Senior Manager, Strategy and Business, BP
Juanita Darmono	Senior Manager, Strategy and Planning, BP
Ngurah Kresnawan	Vice President Communications and External Affairs BP
Arintoko Utomo	Lenders Liaison BP
Dewanti Oktanina	BP
Erwin Maryoto	BP ISP Manager
Gatot Bilal	BP
Ayana Macintosh – Lee	BP



Appendix B  
Documents Reviewed



## Documents Reviewed

1. Background Paper – Pendekatan Kebijakan Baru Bagi Provinsi Papua dan Provinsi Papua Barat (The New Deal Policy for Papua, 2007 Jakarta)
2. Bird's Head Governance Initiative, nd, Fact Sheet.
3. BP June 2008 External Panel's July 2007 Recommendations Action Plan Tracking Status
4. BPPD Pemerintah Provinsi Irian Jaya Barat October 2006 Rencana Pembangunan Jangka Menengah Daerah (RPJMD) Prov Irian Jaya Barat 2006 – 2011
5. BPPD Provinsi Papua Barat nd Draft Laporan Akhir Rencana Pengembangan Wilayah dan Investasi Daerah Provinsi Papua Barat (2007-2026)
6. British Council 2007 Analisis Kebutuhan Guru SD dan SMP di Kabupaten Teluk Bintuni
7. British Council 2008 Teluk Bintuni Basic Education Project Mid-Term Evaluation August
8. British Council 2007 Peran dan Tanggung Jawab Komite Sekolah Februari
9. Capacity 2015 nd Diversified Growth Strategy
10. Capacity 2015 nd Evaluation Report (End of Phase I) July 2004 – June 2007
11. Capacity 2015 nd First Quarter Report 2007 (Jan-Mar 2007) – Capacity 2015 in West Papua
12. Capacity 2015 nd Pemerataan dan Penyebaran Pertumbuhan (Diversified Growth Strategy) di Irian Jaya Barat
13. Capacity 2015 nd RPJMD Provinsi Irian Jaya Barat
14. IFC-Pensa Access to Finance Survey Birds Head Peninsula Papua, Birds Head Business Empowerment Program (BHBEP) March 27 – April 8 2006
15. IFC-Pensa December 2007 Bird's Head Business Empowerment Program (BHBEP) Final Report
16. IPGI May 2008 Issue of the Impact of the KM Sebyar Operational in Aranday
17. IPGI June 2007 Lampiran 1 Laporan Evaluasi Program
18. IPGI Report on Security Assessment of Aranday District December 2006 – April 2008
19. Kerjasama Internasional di Papua Barat Manokwari 15 April 2008
20. Memacu Pembangunan Irian Jaya Barat nd
21. Pemerintah Provinsi Papua Barat August 2007 Rencana Induk Percepatan Pembangunan Provinsi Papua Barat
22. Project Management Team Capacity 2015 October 2006 Joint Management Area
23. SATUNAMA nd Laporan Akhir Program Peningkatan Kesejahteraan Masyarakat Teluk Bintuni Melalui Program Pengembangan Usaha Kerakyatan Tahun 2004-2007
24. SATUNAMA nd Laporan Akhir Proyek Pabrikasi Penampungan Air Hujan Kampung Tomu, Ekam dan Taroy



25. SATUNAMA July 2008 Laporan Evaluasi Kampanye Mendorong Pemberdayaan Perempuan
26. SATUNAMA nd Laporan Hasil Identifikasi Kebutuhan Mikro Finance Masyarakat Teluk Bintuni Bagian Utara
27. SATUNAMA 25 Februari 2008 Laporan Kegiatan Pendampingan CO Teluk Bintuni
28. SATUNAMA nd Modul Latihan PERT
29. Sekretaris BP3D Provinsi Papua Barat nd Rencana Aksi Perlakuan Khusus (Affirmative Action) Bagi Pengembangan Kualitas Sumber Daya Manusia Putra-Putri Asli Papua
30. Training on Management for Oil and Gas Revenue Sharing (Province of Papua Barat and Regent of Teluk Bintuni) 2-3 August 2007
31. UGM Penyusunan Indikator Hasil Pembangunan di kawasan DAVs and non-DAVs, Kabupaten Teluk Bintuni.
32. UNCEN 2007 Fenomena dan Dampak Migrasi di Kawasan Teluk Bintuni
33. UNCEN September 2008 Laporan Pelaksanaan Program Pemantapan Kemampuan Baca, Tulis dan Hitung di Kampung Tomu dan Ekam
34. UNCEN June 2008 Laporan Tengah Kegiatan Program Pemantapan Kemampuan Baca, Tulis, Dan Hitung di Kampung Tomu dan Kampung Ekam
35. UNCEN 2007 Penyusunan Indikator Hasil Pembangunan
36. UNDP nd Annual Work Plan
37. UNDP nd Konsep Penataan Ruang dan Pembangunan Provinsi Irian Jaya Barat
38. UNDP nd Project Proposal Phase II (2008 - 2012)
39. UNDP nd Third Quarter Report 2007 Capacity 2015
40. UNDP 2007 Evaluation Report, Phase 1 2004-2007.
41. USAID Annual Work Plan (Oct 1 2007 – Sept 30 2008)
42. USAID nd Assessment and Identification of Key CSOs in West Papua
43. USAID April 30 2008 Birds Head Governance Initiative Special Progress Report
44. USAID nd Good Governance Brief – Musrenbang as a Key Driver in Effective Participatory Budgeting – Key Issues and Perspective for Improvements
45. USAID nd Legal Drafting Penyusunan Peraturan Daerah (Buku Pegangan Untuk DPRD)
46. USAID nd LGSP – Principles for Evaluating Your Government’s Revenue Structure
47. USAID nd Local Governance Assessment Tool: A Gauge for Good Governance
48. USAID nd Local Government Financial Management Reform in Indonesia – Challenges and Opportunities
49. USAID March 2008 Performance Monitoring Plan (revision)
50. USAID Quarterly Report 12 January –March 2008



51. USAID nd The Birds Head Governance Initiative
52. USAID nd The Role of DPRD's in Promoting Regional Autonomy and Good Governance
53. USAID nd West Papua Regional Office (WPRO) Baseline Assessment Report
54. USAID 2007 Annual Report – Local Governance Support Program
55. Yayasan Pengembangan Masyarakat Desa Papua April 2008 Laporan Perkembangan Program Pemberdayaan dan Penguatan Kelembagaan Adat Suku Sebyar, Sumuri dan Irarutu di Kabupaten Teluk Bintuni Papua Barat Jayapura



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 willful 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.