



# Indigenous Peoples Development Plan (IPDP) of The Mandalika Urban and Tourism Infrastructure Project

Indonesia Tourism Development Corporation (ITDC)

06.10  
2018



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## ABBREVIATIONS

<b>AEC</b>	: Architecture Engineering Construction
<b>AIIB</b>	: Asia Infrastructure Investment Bank
<b>AMDAL</b>	: Analisis Mengenai Dampak Lingkungan/
<b>BKKBN</b>	: Badan Koordinasi Keluarga Berencana Nasional/ National Family Planning Coordinating Board
<b>BPD</b>	: Badan Perwakilan Desa/ Village Representative Council
<b>BTDC</b>	: Bali Tourism Development Corporation
<b>C&amp;R</b>	: Communication & Relation
<b>CDO</b>	: Community Development Officer
<b>CEDAW</b>	: Convention on the Elimination of Discrimination Against Women
<b>CGPA</b>	: Cumulative Grade Point Average
<b>CRC</b>	: Convention on the Rights of the Child
<b>CRO</b>	: Community Relations Officer
<b>CSR</b>	: Corporate Social Responsibility
<b>E&amp;S</b>	: Environment & Social
<b>ESC</b>	: EnviroSolutions & Consulting
<b>ESIA</b>	: Environmental and Social Impact Assessment
<b>ESMP</b>	: Environmental and Social Management and Monitoring Program
<b>ESP</b>	: Environmental and Social Policy
<b>ESS</b>	: Environment and Social Standard
<b>FGD</b>	: Forum Group Discussion
<b>FPIC</b>	: Free, Prior, and Informed Consent
<b>FPICon</b>	: Free, Prior, and Informed Consultation
<b>GC</b>	: Grievance Contact
<b>GDP</b>	: Gross Domestic Product
<b>GHG</b>	: Greenhouse Gas
<b>GoI</b>	: Government of Indonesia
<b>GRC</b>	: Grievance Resolution Committee
<b>GRDP</b>	: Gross Regional Domestic Product
<b>GRM</b>	: Grievance Redress Mechanism
<b>GSTC</b>	: Global Sustainable Tourism Council
<b>IATA</b>	: International Air Transportation Association
<b>ICAO</b>	: International Civil Aviation Organization
<b>ICCPR</b>	: International Convention on Civil and Political Rights
<b>ICERD</b>	: International Convention on the Elimination of All Forms of Racial Discrimination
<b>ICESCR</b>	: International Convention on Economic, Social, and Cultural Rights

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<b>ICT</b>	: Information and Communication Technologies
<b>IFC</b>	: International Finance Corporation
<b>ILO</b>	: International Labour Organization
<b>IP</b>	: Indigenous People
<b>IPDP</b>	: Indigenous Peoples Development Plan
<b>IPPF</b>	: Indigenous Peoples Planning Framework
<b>ITDC</b>	: Indonesia Tourism Development Corporation
<b>ITMP</b>	: Information Technology Master Plan
<b>Kades</b>	: Kepala Desa/ Village Head
<b>KUD</b>	: Koperasi Unit Desa/ Units of Cooperatives
<b>LDGL</b>	: Landscape Design Guidelines
<b>LPM</b>	: Lembaga Pemberdayaan Masyarakat/
<b>MA</b>	: Masyarakat Adat/ Customary Communities
<b>MCK</b>	: Mandi Cuci Kakus
<b>MHA</b>	: Masyarakat Hukum Adat/Customary Law Communities
<b>MoU</b>	: Memorandum of Understanding
<b>NGOs</b>	: Non Governments Organizations
<b>NTB</b>	: Nusa Tenggara Barat/ West Nusa Tenggara
<b>PAP</b>	: Project Affected Persons
<b>PCDP</b>	: Public Consultation and Disclosure Plan
<b>PDAM</b>	: Perusahaan Daerah Air minum/ Regional Water Utility
<b>PKBL</b>	: Program Kemitraan dan Bina Lingkungan/ Partnership and Environmental Improvement
<b>PKK</b>	: Pembinaan Kesejahteraan Keluarga/
<b>PLN</b>	: Perusahaan Listrik Negara/
<b>PMU</b>	: Project Management Unit
<b>PNPM</b>	: Program Nasional Pemberdayaan Masyarakat Mandiri Pedesaan/ National Program for Development of Independent Communities in Villages
<b>Posyandu</b>	: Pos Pelayanan Terpadu/ Integrated Service Post
<b>PPNPPI</b>	: Indonesia Tourism Development Priority Program
<b>PUSKESMAS</b>	: Pusat Kesehatan Masyarakat/ Community Health Center
<b>PUSTU</b>	: Puskemas pembantu/ Community Health-Sub-Center
<b>RKL-RPL</b>	: Rencana Pengelolaan Lingkungan-Rencana Pemantauan Lingkungan /Guidelines for Reporting Implementation of Environmental Management and Monitoring Plans
<b>RPF</b>	: Resettlement Policy Framework
<b>RPJM</b>	: Rencana Pembangunan Jangka Menengah/ Medium Term Development Plan
<b>RPJMN</b>	: Rencana Pembangunan Jangka Menengah Nasional/ National Medium-term Development Plan
<b>Sekdes</b>	: Sekretaris Desa/ Village Secretaries
<b>SEZ</b>	: Special Economic Zone

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<b>SIYB</b>	: Start and Improve Your Business
<b>SMEs</b>	: Small and Medium Enterprises
<b>SOE</b>	: State-owned Enterprises
<b>STO</b>	: Sustainable Tourism Observatories
<b>SWRO</b>	: Sea Water Reverse Osmosis
<b>TA</b>	: Technical Assistance
<b>TEAs</b>	: Temporary Evacuation Sites
<b>TESS</b>	: Temporary Evacuation Shelters
<b>UNDRIP</b>	: UN Declaration on the Rights of Indigenous People
<b>UNWTO</b>	: United Nations World Tourism Organization
<b>WWTPs</b>	: Instalasi Pengolahan Air Limbah/ Waste Water Treatment Plant

## CHAPTER 1

### EXECUTIVE SUMMARY

#### 1.1 Project Background

The Government of Indonesia (GoI) has prioritized tourism as an important growth sector. As a part of the National Medium-term Development Plan (*RPJMN*) for 2015-2019, GoI launched the Indonesia Tourism Development Priority Program (*PPNPPI*) to accelerate the development of tourism, including designating The Mandalika in Lombok as a Special Economic Zone (SEZ). The main objective of the proposed AIIB Project loan is to provide sustainable core infrastructure for development of a new tourism destination in The Mandalika region of Lombok, providing critical basic and tourism-related infrastructure. Of 1,250 hectares of land managed by ITDC, 1,164 ha of land was transferred by the GoI to ITDC with the Right to Manage. The Project also aims to protect and enhance the unique cultural life, natural environment, and scenic attractions of the Project area, which are its major tourism assets.

Development of The Mandalika SEZ is expected to benefit not only a wider set of communities in Lombok and support sustainable development and poverty reduction throughout the Island, but also to increase inflows of foreign and domestic investment, visitors to Lombok, and thus increase local employment and economic growth, and contribute to Indonesia's tourism competitiveness. The Mandalika SEZ is located along the southern coast of the Island of Lombok, West Nusa Tenggara Province, and is within Pujut District, Central Lombok Regency (**Figure 1-1**).

**Figure 1-1 The Mandalika Project in Southern Lombok**



The development of the Project is divided into two phases: Phase-I (2019-23) and Phase-II (2024-26). For the Phase 1 Development, under component 1, the provision of basic infrastructure will cover the development of essential infrastructure such as internal roads, landscape, drainage, water supply network, sewerage network, wastewater treatment, solid waste management, information and communication technologies (ICT), electricity distribution, landscaping, and public facilities. Component 1 will also cover a Subcomponent for infrastructure improvements to

selected neighboring communities including water supply and sanitation, drainage, solid waste management, transport, disaster risk reduction, protection of natural assets, and community facilities. This would ensure that an equitable share of the benefits of the Project reaches local communities. Component 2 funds implementation support and capacity building and will provide technical assistance (TA) to strengthen the ITDC Project Management Unit (PMU) including project management support, construction management, establishing economic linkages, and destination management and monitoring.

## 1.2 Project Benefits, Impacts, and Proposed Development Programs

Information regarding opinions, perceptions, and views on benefits, impacts, and proposed development programs were collected during Focus Group Discussions (FGDs) with groups of village apparatus, village leaders, women, elderly, youth, customary (*adat*) representatives, and disabled groups and during in-depth interviews with individuals and community groups conducted by ESC and ITDC on 30 August – 3 September 2018. In-depth interviews were also conducted on 5 to 8 August 2018. A majority of the community members in FGDs and interviews gave consent to The Mandalika Project development. Other interviews carried out with stakeholders (village heads and village secretaries) in all affected villages from ITDC also showed support for development of the Project during AMDAL Addendum public consultation and information disclosure on 8 March 2017 and 22 February 2017. The Mandalika SEZ has consistently received broad support from affected communities (Kuta, Mertak, Sengkol, and Sukadana) for development as a tourism destination.

**Table 1-1 Project Benefits and Impacts**

Issue	Benefit	Impact
Infrastructure	<ul style="list-style-type: none"> <li>Improved infrastructure (roads, street lights, pavement, etc.)</li> <li>Well organized and structured beaches that are convenient for tourism and recreational activities</li> <li>Availability of religious facilities (Nurul Bilad mosque)</li> </ul>	<ul style="list-style-type: none"> <li>Lack of street lighting in many areas</li> <li>Damaged road access, non-paved roads Kuta-Gerupuk and access road to Mertak</li> </ul>
Customs and traditions	<ul style="list-style-type: none"> <li>More people participating in Bau Nyale event, positive image of Lombok due to tourism, etc.</li> <li>Establishing <i>Kampung Madani</i> cultural village in Kuta, where community members are not allowed to have tattoos and piercings.</li> <li>Establishment of cultural school in Sukadana</li> </ul>	<ul style="list-style-type: none"> <li>Local customs and cultural changes, “cultural fading” (including barriers to conducting cultural rituals),</li> <li>Tourists’ dress is often not in accordance with local culture. Visitors who are outside of Mandalika SEZ are expected to wear proper clothing</li> </ul>
Social	<ul style="list-style-type: none"> <li>Decreasing crime rate which leads to safer conditions</li> <li>More social and religious activities conducted</li> <li>Social assistance programs for the community (health assistance, deep wells, cow donations during celebrations, etc.), tree planting</li> </ul>	<ul style="list-style-type: none"> <li>Lifestyle change among on youth (hair coloring, piercing, tattoos, changes in dress code of locals, free sex and promiscuity)</li> <li>Drug trafficking</li> <li>Emerging of illegal “red light districts”</li> </ul>

Job Opportunities	<ul style="list-style-type: none"> <li>• More jobs and business opportunities for local community</li> <li>• Decreasing number of unemployed</li> </ul>	<ul style="list-style-type: none"> <li>• Unequally distributed employment opportunities</li> <li>• Less priority on local employees</li> <li>• Difficulties finding jobs for disabled</li> </ul>
Business Opportunities	<ul style="list-style-type: none"> <li>• Incoming investment to Mandalika area</li> <li>• Growing business development around the SEZ such as the emerge of homestays, restaurants, and rentals of vehicles, surfing equipment, and boats</li> <li>• Increased regional economic growth and locally generated revenue</li> <li>• Establishment of craft and baker groups for souvenirs and food</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of venues for trading to local people</li> <li>• Increasing income disparities between rich and poor as well as between officials and businessmen and the community at large</li> </ul>
Land	<ul style="list-style-type: none"> <li>• Land price increases</li> </ul>	<ul style="list-style-type: none"> <li>• Low land prices offered by ITDC for the land inside the SEZ Mandalika</li> <li>• Many disputes on land status</li> <li>• Anxiety of eviction for those who live on ITDC land, and loss of people's homes</li> <li>• Land use changes and shrinking of agricultural land</li> <li>• Loss of grazing and fishing grounds</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>• Preservation of the existing fishing village at Kuta II Subvillage, with no relocation</li> </ul>	<ul style="list-style-type: none"> <li>• Pollution and dust during construction and transport of materials for the Project</li> <li>• Decreasing groundwater levels due to excessive use by hotels and homestays</li> </ul>
Others	<ul style="list-style-type: none"> <li>• Increase in number of tourists</li> <li>• Community empowerment in all affected village</li> </ul>	<ul style="list-style-type: none"> <li>• Increases in prices of goods and services</li> <li>• Recruitment of workers not transparent</li> </ul>

ITDC has currently implemented community development programs, both for Nusa Dua and The Mandalika SEZ through its *Kemitraan dan Bina Lingkungan* (PKBL—Partnership and Environmental Improvement) program. Numbers of activities have been held since 2016 in various sectors including education, nature conservation, social assistance and donation, and capacity building among local stakeholders such as tourism awareness training for the public, tourism awareness training for tourism industry participants and workers, gardening training, and architecture-engineering construction (AEC).

As for development of IPDP, several programs are developed to address basic needs—infrastructure, agriculture, livestock, fisheries, education, health, economic and business development, and social cultural programs that aim at empowering the local community, reducing poverty, improving skills in the local community, and improving incomes of locals. The development program is planned based on participatory consultation with the community, through FGDs, consultations with key informant individuals, and community groups.

**Table 1-2 Community-Proposed Development Programs**

No	Sector	Objective	Programs	Activities
1	Basic Need - Infrastructure	Basic needs for connectivity and water supply	Public facilities	Road development (Road access Kuta-Gerupuk, road asphalt in Mertak, and new road access in Sukadana) – To assits government program
			Basic needs	Deep wells
2	Agricultural, livestock, and fisheries	Improve livelihoods of farmers who are affected by ITDC Project activities through the development of sustainable agriculture, agroforestry, and forestry	Cash crops, agroforestry development and Integrated farming (rice, corn, tobacco, home gardens, estate crops, fruit trees, trees, etc.)	Form farmer groups/ Integrate with existing farmer group
				Establish and operate nursery
				Technical training and Good Agricultural Practices (Including application on the farms) and agricultural tools assistance
				Visits to other areas
				Technical field support/ coaching/ field assistance
				Marketing and enterprise development
3		Improve livelihoods of livestock farmers through increasing production of livestock	Livestock development	Form livestock farmer group/ Integrate with existing livestock group
				Livestock technical training and management
				Input assistance
				Technical field support/ coaching/ field assistance
				Visits to other areas, marketing and enterprise development
4		Improve livelihood of fishermen through increasing production of fish/ shrimp and fish/ shrimp catch	Fish/shrimp farming and fishing activities	Form fish/shrimp farmer group/ Integrate with existing fisher group
				Technical Training
				Input assistance
				Technical field support/ coaching/ field assistance
5	Education	Improve capacity of human capital and competitiveness of local people	Educational facilities and support	Scholarship for bachelor/ diploma level tourism education, tourism vocational school
				Learning tools
		Vocational education --	English course	



No	Sector	Objective	Programs	Activities
			Skills base enhancement	Cooking and pastry course
				Tourism & hospitality training
				Computer training
				Driving course
				Security guard training
				Mechanical Training
				Carpenter training
				Gardening Training
				Construction workers training and certification
				Cosmetology training
				Tailoring training
6	Health	Improve access to health services of community (maternal & child), increase health awareness and literacy, as well as promote well being	Health Facilities	Village Maternal and Child Health Centers ( <i>Posyandu</i> )
				Rubbish bins
			Health Education	Waste management training
				Seminar or socialization about health & sanitation awareness
				Sex education
7	Economic and Business development	Assist and improve local business development	Market facilities	Market revitalization
			Small and medium enterprise development	Start and improve your business (SIYB) and Entrepreneurship Training
				Home industry and traditional craft/fabric development
				Revolving fund/ micro credit
			Handicrafts and art development	Souvenir making training
8	Social cultural	Preserve and introduce local culture to visitors	Cultural facilities, material support, and social program support	Multifunction building (cultural hall) for culture activities
				Art materials
				Traditional uniforms
				Weaving tools
				Customary school
				Group formation
				Culture and religion program
			Sports	Sports facilities

No	Sector	Objective	Programs	Activities
				Sports equipment
				ITDC League/ Games

### 1.3 Implementation Arrangements

ITDC as stated currently implements community development programs, both for Nusa Dua and The Mandalika SEZ, through its *Kemitraan dan Bina Lingkungan* (PKBL—Partnership and Environmental Improvement) programs. Numbers of activities have been held since 2016 in various sectors including education, nature conservation, social assistance and donations, and capacity building for local stakeholders such as tourism awareness training for the public, tourism awareness training for tourism industry participants and workers, gardening training, and architecture-engineering construction (AEC) training and certification. The IPDP is designed to build on this experience.

The IPDP's implementation will require an institutional setting and assignment of respective responsibilities with coordination across areas of expertise. The CSR/PKBL unit will lead the implementation of IPDP, assisted by the Communication & Relations (C&R) Department to liaise with local communities and seek permits and approvals as required. Coordination with external parties includes with village heads, assisted by village community institutions such as *Badan Perwakilan Desa* (BPD) or Village Representative Councils. IPDP could also be integrated with similar programs being carried out by the regional government and other institutions such as Non-Governmental Organizations (NGOs) in various areas.

ITDC has allocated a budget of USD 600,000 for implementation of its PKBL programs for Nusa Dua and The Mandalika in past years. However, the IPDP budget for The Mandalika Project is estimated currently at about USD 5 million in total.

### 1.4 Public Consultation and Information Disclosure

ITDC has extensively consulted with the public and local residents of Lombok. On 12 January 2012, ITDC hosted a public consultation as legally mandated for AMDAL process at the Tatsura Hotel in Kuta, Central Lombok. As part of the AMDAL Addendum process, another public consultation meeting was held on 24 April 2018 in Mandalika area.

Other public consultations were also hosted on 22 February 2017 regarding The Mandalika Kuta Beach layout/restructuring, overview of development and Master Plan of The Mandalika Tourism SEZ, cultural practices, and job and business opportunity expectations, and Corporate Social Responsibility (CSR) programs targeting local village heads, other government apparatus, village representatives, and representative of local business leaders. On 8 March 2017, a consultation related to social investment was held at the Segara Anak Hotel in Kuta. Socializations of beach layout to bungalow owners were conducted on 31 October 2017, and 20-21 June 2018, through visiting the bungalows; and on 16 July 2018 ITDC held a stakeholder workshop at the ITDC offices. Consultations on Coastal Hygiene Safeguards for Implementing Communities *Madak* Traditions were carried out on Kuta Beach on 6 September 2017.

ITDC also held meetings with West Nusa Tenggara Government “Acceleration Team” to settle land claims within the Project Area, which took place on 7 December 2016 and 17 March 2017. Land surveys were conducted by Land Legal Consultant, Soemadipraja & Taher, in consultation with Village Elders and leaders on 2 – 4 July, and 25 – 28 July 2018, as well as on 24 April 2018, to disclose Project changes and potential impacts to villages.

A series of intensive consultations were also conducted within August and September 2018 as part of this ESIA and IPDP process, and involved meetings with community members including with: a worker (Oki) at Kuta Cove Hotel, Head of Subvillage (Rahmat Tanye) of Ebunut Sub village/Kuta, Head of PKK and LPM (Kuta Village), Head of Kuta Subvillage II (Awaluddin), Head of Petiuw Subvillage (Sukadana) and Subvillage Secretary, a traditional fabric seller (Idakna) at Kuta Beach, a coconut seller (Marjasih) and a shop owner (Minarsih) at Kuta Junction, group representatives (leaders, women, elderly, disabled, youth) from Kuta, Sengkol, Sukadana, and Mertak Villages, enclave land owners in Ebunut Subvillage (Muhadi), and Head of Batu Guling Subvillage (Mertak).

FGDs were also held to gather information on community concerns and expectations in August and September 2018 involving group representatives from village apparatus, village leaders, women, elderly, youth, customary leaders, and the disabled. Local affected community residents (Kuta, Mertak, Sengkol, and Sukadana) are very supportive and give their consent to the Mandalika tourism development. Community concerns and expectations gathered from the public consultations and in-depth interviews are summarized in **Table 1-3**.

**Table 1-3 Community Concerns and Expectations**

Issue	Concerns and Expectations
Land	<ul style="list-style-type: none"> <li>• Owners agree to sell to ITDC, but only at market prices.</li> <li>• Current price offered by ITDC (approx. Rp 500,000/m<sup>2</sup>) is considered much lower than market price (Rp 1.5 – 2 million/m<sup>2</sup>).</li> <li>• Land owners actually prefer land swaps. Land inside Mandalika is replaced with land outside Mandalika but 2 to 3 times larger.</li> <li>• Expect regular meetings be held between ITDC and affected villagers every 2 - 3 months. Also expect improved relations through informal meetings and visits.</li> </ul>
Resettlement	<ul style="list-style-type: none"> <li>• Inhabitants (legal and illegal) expect ITDC to provide dwelling places in a resettlement area outside, but still nearby, the Mandalika area.</li> <li>• The sooner resettlement occurs, the better (to remove uncertainty).</li> <li>• Expect ITDC to assist livelihood restoration.</li> </ul>
Job Opportunities	<ul style="list-style-type: none"> <li>• Expect priority for employment opportunities to be given to locals.</li> <li>• Expect threshold of qualification requirements is lowered for locals.</li> <li>• Expect skills training related to the development of Mandalika.</li> </ul>
Business Opportunities	<ul style="list-style-type: none"> <li>• Expect priority for business opportunities to be given to locals.</li> <li>• Expect provision of calves, lambs, and equipment for husbandry and fishery,</li> <li>• Expect seafood produced by locals is purchased by ITDC and other companies in the Mandalika area.</li> <li>• Expect skills training to start, manage, and improve businesses.</li> </ul>
Training	<ul style="list-style-type: none"> <li>• Expect training in English, cooking, pastry, hospitality business, and entrepreneurship.</li> <li>• Expect assistance in animal husbandry, specifically provision of calves, lambs,</li> </ul>

	<p>equipment for cattle feed production, and chicken raising.</p> <ul style="list-style-type: none"> <li>• Expect field mentoring in agriculture. Special interest in setting up integrated farming, i.e., self sustained agriculture-animal husbandry-aquaculture combinations.</li> <li>• Expect assistance in fisheries, especially provision of fishing equipment and boats.</li> </ul>
Education	<ul style="list-style-type: none"> <li>• Expect ITDC or government to set up a tourism vocational school in the Mandalika area.</li> </ul>
Tradition	<ol style="list-style-type: none"> <li>1) Expect to continue practicing traditions such as with <i>Mare Mradik/Madak, Ngapung, Bau Nyale, and Nazzar</i>.</li> <li>2) Concerns exist about negative changes in traditions and religious practices specifically related to inappropriate dress, tattoos, body piercing, hair coloring and styles. <ul style="list-style-type: none"> <li>• Concerns exist about the emergence of prostitution in Mandalika area.</li> <li>• Concerns exist about drug and alcohol abuse.</li> </ul> </li> </ol>
Perceptions and Opinions of Project	<ol style="list-style-type: none"> <li>3) Overwhelmingly positive and supportive of the Mandalika development Project.</li> <li>4) Pleased with positive changes in terms of improvement of infrastructure, more tourist visitors, more jobs and business opportunities.</li> <li>5) Only one individual opposed the Kuta Beach layout, due to concerns of impacts on the local culture and traditions, as well as blocking community access to the Beach.</li> </ol>

## 1.5 Grievance Redress Mechanism

A grievance is a concern or complaint raised by an individual or a group of people affected by the Project. Grievances can originate from a variety of sources including employees, external stakeholders, governments, and local residents and communities. The focus of this GRM is on grievances originating within local communities and expressed by local residents.

ITDC does not currently have a formal grievance redress mechanism for affected people and communities. Currently, grievances from the community are addressed through direct dialogue with Village Heads. The objective of this approach is that all community-related grievances are resolved effectively and in a timely manner.

However, as part of its long-term commitments to the community, ITDC will establish an appropriate and formal grievance mechanism that allows concerns and grievances about the Project's social and environmental performance to be raised by individuals or groups among Project-affected communities and will facilitate their resolutions. A proposed grievance procedure in this case involves six steps: (1) complaint received, (2) complaint recorded, (3) complaint reviewed by EHS team, (4) response delivered, (5) complaint resolved = closed; (6) complaint not resolved = legal recourse.

Project-related grievances can be in the form of general concerns, or particular incidents and impacts, or even perceived impacts. The ITDC GRM will address verbal or written grievances, which includes providing sufficient information about the complaint or claim so that a proper and informed evaluation of the grievance can be made. When a grievance is filed, it will be logged and evaluated using the process outlined in the GRM. All grievances will be tracked for monitoring and reporting purposes and to ensure timely and proper resolution.

## 1.6 Monitoring and Evaluation

Monitoring IPDP is a process of periodically collecting, analyzing, and using available information on the implementation of IPDP and of understanding whether current progress of implementation is on track. Monitoring Plans are provided in the form of a monitoring and evaluation matrix, which will form the basis for monitoring and evaluation purposes on this Project. The AIIB also requires clients to provide periodic monitoring reports pertaining to Project performance with respect to environmental and social risks and impacts.

The IPDP's monitoring and evaluation will be conducted through internal monitoring to check performance and activities on monthly, bimonthly, or quarterly basis, depending on nature of activities. Internal evaluation will be carried out at least semiannually, while evaluation by third party is at least once a year. The monitoring is to be done accordingly (monthly, bimonthly, and quarterly) to give feedback for evaluation and inputs for the following yearly cycle for the Company's IPDP.

**Table 1-4 Summary of Proposed Projected Monitoring and Evaluation Costs (USD), 2019 – 2023**

Component	Program	Year
		2019 - 2023
Basic needs infrastructure	Public facilities	10,000
	Basic needs	
Agriculture, livestock, fisheries	Cash crop, Agroforestry development, and Integrated farming	50,000
	Livestock development	30,000
	Fish/shrimp farming and fishing activities	35,000
Education	Educational facilities	50,000
	Vocational education - Skills base enhancement	
Health	Health Facilities	20,000
	Health Education	
Economic and development business	Market facilities	35,000
	Small and medium enterprise development	
	Handicrafts and art development	
Social cultural	Cultural facilities, material support, and social program support	40,000
	Sports	
<b>Annual Totals (USD)*</b>		<b>270,000</b>

\*All values are in USD, converted from original estimates in IDR at 1 USD = 14,856 IDR.

The implementation of IPDP will be reported semiannually to authorized parties and AIIB, and at least annually to the public through the Company's media/website. Internally, reports will be made to senior management regularly, depending on needs and requests.



## CHAPTER 2

### INTRODUCTION TO PROJECT AND PROJECT AREA

This Chapter describes the Project background, Project description, and Project components to be financed by AIIB. The geographical context is introduced, including basic administrative structure of The Mandalika area in Lombok. The definition of the Project area is discussed, focusing not only on the areas where all Project activities will be located, but also addressing surrounding communities expected to receive most of the direct benefits as well as potential impacts from the proposed Project.

#### 2.1 Project Background

The Government of Indonesia (GoI) has prioritized tourism as an important growth sector. The National Medium-term Development Plan (*RPJMN*) for 2015-2019 designated tourism as one of four sectoral development priorities and GoI is investing about 9 percent of its Development Budget in the sector. Along with *RPJMN*, the GoI launched the Indonesia Tourism Development Priority Program (*PPNPPI*) to accelerate the development of ten priority tourism destinations, including Mandalika in Lombok. The GoI has laid the initial groundwork for this development; to date, the GoI has initiated and completed the following:

- Designated Mandalika as a Special Economic Zone (SEZ/KEK) and a National Strategic Project (Presidential Regulation No 3 of 2016);
- Renamed the Bali Tourism Development Corporation (BTDC) as the Indonesia Tourism Development Corporation (ITDC), while expanding its mandate to also cover the planning and development of Mandalika;
- Prepared an integrated Mandalika Master Plan that guides future tourism development in Lombok to concentrate at Mandalika, and an Environmental and Social Impact Assessment (ESIA);
- Acquired almost all of the required land for The Mandalika SEZ;
- Planned regional infrastructure investments that include expansion of the Lombok international airport and a bypass road connecting the airport and Mandalika SEZ.

##### 2.1.1 Project Objective

The main objective of the proposed AIIB Project loan is to provide sustainable basic infrastructure for the development of a new tourism destination in The Mandalika region of Lombok. Critical basic and tourism-related infrastructure will be provided for some 1,250 ha of land. Of 1,250 ha managed by ITDC, 1,175 ha of land was transferred by the GoI to ITDC with the Right to Manage. Serviced lands are to be leased to private investors to construct accommodation, retail, and other tourist facilities to an internationally acceptable standard. In addition, the Project includes improvements to basic infrastructure and services in selected surrounding communities that can serve both visitors and residents. The Project will aim to protect and enhance the unique cultural

life, natural environment, and scenic attractions of the Project area, which are its major tourism assets.

### 2.1.2 Project Beneficiaries

While the Project will focus on The Mandalika area as the entry point, the development is expected to benefit a wider set of communities in Lombok and support sustainable development and poverty reduction throughout the Island. The Project is expected to mobilize private capital and increase the number of foreign and domestic visitors to Lombok, thereby boosting foreign exchange earnings, local employment, and contributing to Indonesia's tourism competitiveness.

## 2.2 Project Description

In order to further develop tourism in the 1,164 Ha of lands at Mandalika area of Central Lombok (Figure 2-1), the Indonesia Tourism Development Corporation (ITDC) plans to provide key basic infrastructure such as internal roads, landscape, drainage, water supply network, sewerage network, wastewater treatment, solid waste management, information and communication technologies (ICT), electricity distribution, landscaping, and public facilities. Serviced lands are then can be leased to private investors to construct retail, accommodation, and other tourist facilities to an internationally acceptable standard. In addition, the Project includes improvements to basic infrastructure and services in selected surrounding communities that can serve both visitors and residents of The Mandalika area.



Figure 2-1 Project Location

## 2.3 Project Components

The key infrastructure of The Mandalika will require an estimated total investment of USD458 million of which USD341 million will be funded by a sovereign backed loan from the Asian Infrastructure Investment Bank (the Bank). The development project will be implemented within eleven year duration which is divided into two phases: Phase-I (2019-23) and Phase-II (2024-26).

The Project as discussed in this document is for implementation during Phase I. The Project consists of two components as described below.

### **2.3.1 Component 1: Provision of Basic Infrastructure**

***Subcomponent 1.1 development of essential infrastructure*** such as internal roads, landscape, drainage, water supply network, sewerage network, wastewater treatment, solid waste management, information and communication technologies (ICT), electricity distribution, landscaping, and public facilities. The main collector and local road network will be constructed under the Project to provide access to hotels and tourism facilities in The Mandalika area. Parking areas would be provided in the amenity core and in the service areas. All utilities such as clean water, sewerage, irrigation water, power, telecommunication, and gas lines, will be housed in a utility corridor within the road rights-of-way. Storm water would be collected in open ditches and swales along the road, and would be infiltrated into the soil with the help of modular tanks and porous fill materials.

The integrated drainage system of The Mandalika area, consisting of bioretention (swales and modular tanks), river normalization, and Project area elevation through earthfill works will be developed under the Project to overcome extreme local rainfall, high river discharge, flash flooding, and high sea water levels. As part of disaster risk management, Temporary Evacuation Shelters (TESSs) and Temporary Evacuation Sites (TEAs) provided under the Project would serve as common facilities, while leaseholders are required to provide elevated “evacuation zones” on rooftops. This part of the funding will also cover shelter and emergency evacuation for the local population in the immediate vicinity of the site.

Clean water would be supplied to The Mandalika area from two main sources, SWRO (sea water reverse osmosis) and PDAM (Regional water utility company). Under the Project, the water storage tanks and distribution lines will be constructed to distribute potable water to the hotels, restaurants, and tourism facilities. The closed pipe network of sewage lines, sewage lift stations, and two WWTPs would be constructed to collect and treat the wastewater from The Mandalika area. The solid waste disposal system would include the collection and transportation of solid waste for disposal in a regional public landfill site.

The electrical distribution network and a 20 kV transformer station would be provided under the Project. Under the MoU signed by PLN and ITDC, PLN would undertake the work required to link The Mandalika to its local power system and assure that sufficient generating capacity to serve the future power demand in Mandalika would be available as and when needed.

Landscaping would be provided, according to the Landscape Design Guidelines (LDGL), with plants to be supplied from a nursery site within The Mandalika site. The effluent of the WWTPs will be used for irrigating both public and private greenery in the Project area, while the produced sludge will be composted at the ITDC’s plant nursery site. The amenity hubs in the Western and Eastern Zones of The Mandalika would be constructed for information centers, restaurants, shops, and other tourism and commercial facilities. Multiple venues for Small and Medium Enterprises (SMEs) and local vendors would be created under the Project.

Additional infrastructure investments by public and private sectors during this period will include the construction of green infrastructure assets in the form of a 35 MW PV solar power plant and

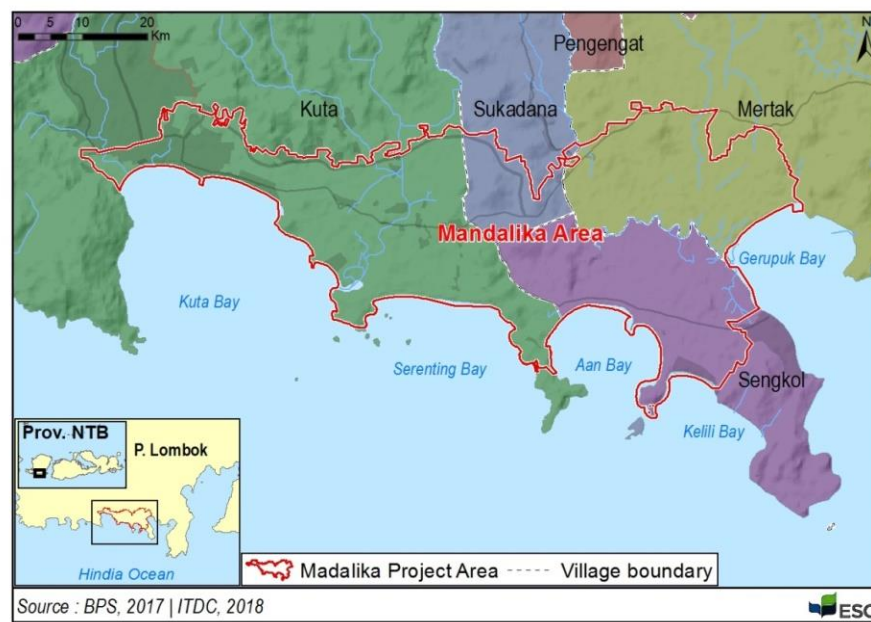
two SWRO plants (10,000 m<sup>3</sup>/day), which will reduce reliance on the fresh water resources of Lombok Island.

The list of infrastructure project components and required land areas can be found elsewhere in the document. This part of the Project is likely to involve involuntary land acquisition and resettlement.

### Subcomponent 1.2 - Infrastructure improvements to neighboring communities

This subcomponent would support infrastructure improvements for the selected surrounding communities, including water supply and sanitation, drainage, solid waste management, transport, disaster risk reduction, protection of natural assets, and community facilities. This would ensure that an equitable share of the benefits of the Project reaches local communities, while helping to mitigate likely negative externalities from an increased influx of tourists and associated businesses. The objectives of sub-component 1.2 are to: (i) ensure buy-in and continued support from local communities to the proposed Project during preparation, implementation, and operation; (ii) minimize direct, indirect, and induced environmental and social impacts of the Project; (iii) improve economic and infrastructure linkages with The Mandalika tourism area.

The geographical scope of sub-component 1.2 will broadly cover the four villages of Kuta, Sukadana, Mertak and Sengkol (See **Figure 2-2**). The maximum cumulative contract values for each village will be determined following a multi-criterion analysis based on population size, socio-economic status, infrastructure needs, and proximity to, as well as likely induced impacts from, activities within the SEZ.



**Figure 2-2 Village Boundaries around Mandalika Area**

Eligible expenditure can cover a range of contract sizes, though not exceeding the maximum per-village cumulative contract value. Extensive consultations were carried out during project appraisal which identified a range of eligible infrastructure types to be included, leading to the following shortlist:

- (i) Water supply: construction or expansion of water supply network; repairs or replacement of water storage facilities;
- (ii) Sanitation: construction or improvement of community toilets; purchase of septic tank pump out trucks; construction or improvement of community septic tanks;
- (iii) Drainage: improvement or construction of drainage infrastructure including culverts, underground and road side drainage channels, swales, retention ponds;
- (iv) Solid waste management: small-scale solid waste processing facilities; household-level collection equipment; garbage collection trucks and other collection equipment; small-scale biogas and composting equipment; temporary disposal sites;
- (v) Transport: routine and preventative road maintenance; road improvement and reconstruction; road betterment including minor widening; improvement of sidewalks and bicycle paths; bridge routine and periodic maintenance; other road-related infrastructure such as street lighting;
- (vi) Disaster risk reduction: Construction of vertical evacuation structures or retro-fitting of existing public-access buildings to perform as such; on-shore breakwaters, seawalls or coastal forests; installation of sirens and integration with BPBD early-warning system; retrofitting of existing public buildings for earthquake resistance;
- (vii) Protection of natural assets: rehabilitation of mangrove and coral reef habitats; small-scale water-efficient irrigation facilities;
- (viii) Community facilities: landscaping and beautification; hospitality training centers; cultural centers; small-scale medical facilities; improvement of existing piers and other low-impact coastal facilities.

### **2.3.2 Component 2: Implementation Support and Capacity Building**

This Component will provide Technical Assistance (TA) to strengthen the ITDC/PMU for carrying out project activities to ensure that project implementation is consistent with project objectives and compliance with the loan agreement and long-term sustainable destination management.

#### **Sub-component 2.1. Project management support**

To ensure the effective implementation of the Project, the ITDC will strengthen PMU's project management capacity by hiring a Consultant, separate from, and in addition to, a supervision consultant so as to assist the ITDC in the following tasks: procurement, financial management, monitoring and evaluation, coordination among all stakeholders, compliance with environmental and social safeguards, stakeholder engagement and communications. This Sub-component will provide project-related professional training, workshops, and public information for ITDC staff and relevant stakeholders in topics related to the tasks listed above as well as ensuring that project implementation benefits local communities (men and women) to the greatest extent possible. This Sub-component will also finance consultancy services to carry out feasibility studies, detailed design studies as well as environment and social impact assessments in order to enable the implementation of the Sub-component 1.2.



### **Sub-component 2.2. Construction management**

Given the complexity of works and leaseholders' quality requirements, a strong focus will be given to ensuring sufficient personnel will be available for contract management and construction supervision. This Sub-component will support the employment of consultants to: (i) review and refine detailed engineering design and contract documentation for the works to be undertaken for the project; and (ii) supervision of the construction of these works.

### **Sub-component 2.3. Establishing economic linkages**

This Sub-component will build on ITDC's existing Corporate Social Responsibility (CSR) activities and target direct interventions strengthening economic linkages of Mandalika resort with the local economy by: (i) providing both assistance in linking hotels with local suppliers of goods and services as well as training for business/enterprise development, language, and hospitality skills for local populations, ensuring that these are accessible by men and women and those of different education levels. This will familiarize suppliers with the quantity, quality and reliability requirements of large hotel chains and ways to meet them *well before project completion* while convincing hotel chains of the benefits of local sourcing for both branding and sustainability; (ii) developing business and hospitality skills for the semi-skilled and unskilled, micro and small enterprises as well as craft makers in and around Mandalika while identifying ways to close financing gaps; and (iii) training and organizing of local guides as skilled mediators between tourists on the one hand and local culture/natural assets on the other.

### **Sub-component 2.4. Destination management and monitoring**

This Sub-component will support setting up a destination management office in Mandalika for the inclusive and sustainable management of the destination. The ITDC will also seek, apart from the ITDC's bi-annual requirement to produce RKL-RPL reports, certification through a recognized standard for sustainable tourism destinations as an independent seal of approval. Furthermore, evidence from large tourism resorts indicates that these often induce significant, sometimes uncontrolled, urban expansion in the periphery. This sub-component will thus establish a baseline of urban expansion around Mandalika using an established methodology for analysis of satellite imagery to ensure comparability of results after project completion. This will also facilitate the relevant governments' informed decision regarding improvements of their existing sectoral and spatial plans and their future development priorities. This Sub-component will support preparatory studies and planning for future tourism destinations. This Component will provide Technical Assistance (TA) to strengthen ITDC for carrying out Project activities to ensure that Project implementation is consistent with all objectives and in compliance with the loan agreement and long-term sustainable destination management.

## CHAPTER 3

### REGULATORY AND INSTITUTIONAL FRAMEWORK

This Chapter presents an overview of Indonesian laws and regulations on social aspects, with special reference to indigenous peoples and the Bank's social policy on indigenous people s; the gap analysis between the two and measures to address the gaps. The rationale for triggering the Bank's Environment and Social Standard 3 (ESS 3) on Indigenous Peoples for the proposed Project will be discussed.

#### 3.1 Indigenous Peoples Laws and Regulations

The Mandalika Project must comply with Indonesian social legislation and regulations, as well as various rules relevant to Indigenous Peoples considerations. The following Table lists the key laws and regulations related to social aspects.

Application of ESS 3 is a complicated by the complexity of indigenous issues in Indonesia. The extensive references to traditional *adat* land rights and *hak ulayat* (rights of usufruct) in the National legislation (as summarized below) indicate how the diverse indigenous culture and traditional legal systems remain important factors in the modern legal environment.

There are also GoI policies concerning isolated, disadvantaged communities that exist with total dependence on natural resources and very little access to technology. These are separated from mainstream culture and suffer when their isolation is broken or their lands are used for development. These situations are comparable to the types of Indigenous Peoples issues often addressed in multilateral finance institution and ILO policies; but these policies are not relevant to The Mandalika Project and are not addressed here.

**Table 3-1 Laws and Regulations Relevant to Indigenous Peoples**

No	Regulation	Theme and General Objective
1.	Law No 5 of 1960	<b>Agrarian Basic Principles.</b> Defines the fundamental types of rights that may be held by private individuals and entities. Describes the roles of the State with regard to its direct use of land as well as its regulation of private rights and private uses of land. Indonesia's agrarian law recognizes <i>adat</i> law, or Indonesia customary law, as long as it does not conflict with the National interest or other regulations set out in the Law.
2.	Law No 41 of 1999 Amended by Law No 19 of 2004	<b>Forestry.</b> Article 1 point 6 of this Law was changed by Constitutional Court Decision No. 35/PUUX/2012 and now reads "...customary forest is a forest located within the area of an indigenous community..." Before, the word "State" was in the article. With the elimination of the word "State" from the definition, it is now understood that customary or <i>adat</i> forests are now no longer State forests.
3.	Law No 6 2014	<b>Villages.</b> Acknowledges existence and rights of Customary Law Communities or <i>Masyarakat Hukum Adat</i> (MHA), provided that they

No	Regulation	Theme and General Objective
		are recognized and MHA may opt to establish <i>adat</i> villages with their own institutional structures and authority. However, this Law suffers from the lack of guiding regulations and institutional mandates to make such provisions operational. The Law grants a <i>desa adat</i> the authority to conduct <i>adat</i> -based public administration. In contrast with previous laws, this Law adopts optional, noncumulative criteria for recognition of MHAs, with the existence of territory being mandatory.
4.	Law No 27 of 2007 as Modified and replaced by Law No 1 of 2014.	<b>Coastal Zone and Small Island Management.</b> Beginning in 2007, acknowledged Customary Communities (MA), and in 2014 these became Customary Law Communities (MHA) with a clearer definition. Both Laws acknowledge the existence of MHAs provided they are recognized, and require consultations with MHA for any development in coastal areas. Stipulates specific provisions on public consultations for the development of coastal management plans. Such consultations stress the needs for accuracy, transparency, and access to information. Conflict resolution may be handled through customary processes.
5.	Law No 23 of 2014	<b>Regional Government.</b> Recognizes the existence of Customary Institution ( <i>Lembaga Adat</i> ) by granting these rights of "empowerment." Determines that <i>adat</i> law is an additional rule for particular purposes such as village elections. Establishes <i>adat</i> or <i>adat</i> law as a basis upon which to conduct local development, or as a parameter to measure social cohesiveness.
6.	Law No 11 of 2010	<b>Cultural Heritage.</b> Recognizes Customary Law Communities (MHA) as the owners of their cultural heritage and grants them the authority to manage it. Requires observation and data collection on cultural heritage that may be affected by Project activities.
7.	Minister of Forestry Regulation No. P.39/Menhut-II/2013	<b>Empowerment Through Forest Partnership.</b> Effort to enhance local communities' capabilities and autonomy to benefit from forest resources in an optimal and equitable way, to increase the welfare of local communities. Requires forest concession holders to engage in partnership with communities based on principles of mutual agreement, participation, transparency, and trust. Such benefit sharing schemes may include smallholder plantations, livelihood activities, training, and facilitation. However, for these community members to be able to engage in the schemes, they need to provide valid proof of identification (ID card, or reference letter from the village head) and reside within the forest concession areas, demonstrate reliance on natural resources, and have capacity to engage in productive and sustainable activities.
8.	Minister of Spatial Development/Head of National Land Agency Regulation No 9 of 2015	<b>Procedures for Determination of Communal Land Rights.</b> Procedures for the determination and transitional provisions for communal land rights of MHA and local Communities Located in a Specific Area of MHA and community residents located in a specific area. Stipulates requirements and criteria for confirming the MHA's

No	Regulation	Theme and General Objective
		communal land rights and community members' land rights, outlines the procedures and requirements to apply for the land rights for MHA and community members who live in the specific area, identification, verification and field check, and reporting and determination of communal land rights as well as requirements for the MHA and the community members in the specific areas to manage the land that has been given rights.
9.	Minister of Interior Regulation No 52 of 2014	<b>Guidelines for Recognizing and Protecting MHA.</b> Guidance for protecting indigenous groups, starting from the formation of the committee, the stages of recognition and protection, dispute resolution, guidance, and supervision, as well as funding.

**Table 3-2 Indonesian Indigenous People Laws Compared to Related UN Convention**

Core Conventions	Ratified / Accepted by GOI
ILO Indigenous and Tribal Peoples Convention No 169, 1989	Not ratified yet
UN Declaration on the Rights of Indigenous Peoples (UNDRIP), 13 September 2007	Endorsed
International Convention on the Elimination of All Forms of Racial Discrimination (ICERD) 4 Jan 1969	25 June 1999 with a reservation
International Convention on Civil and Political Rights (ICCPR) 23 March 1976	23 February 2006 with a declaration
International Convention on Economic, Social, and Cultural Rights (ICESCR) 3 Jan 1976	23 February 2006 with a declaration
Convention on the Rights of the Child (CRC) 2 Sept 1990	5 September 1990
Convention on the Elimination of Discrimination Against Women (CEDAW) 3 Sept 1981	13 September 1984 with a reservation
The Special Procedures of the Human Rights Council, 2006	
The Guidelines on Indigenous Peoples' Issues of UNDG, February 2008 *)	

\*)Source: [http://www.un.org/esa/socdev/unpfii/documents/UNDG\\_Guidelines\\_indigenous\\_FINAL.pdf](http://www.un.org/esa/socdev/unpfii/documents/UNDG_Guidelines_indigenous_FINAL.pdf)

### 3.2 AIIB Social Policy on Indigenous People

The objectives of ESS 3 are to design and implement Projects in a way that fosters full respect for Indigenous Peoples' identity, dignity, human rights, economies, and cultures, as defined by the Indigenous Peoples themselves, so that they: (a) receive culturally appropriate social and economic benefits; (b) do not suffer adverse impacts as a result of Projects; and (c) can participate actively in Projects that affect them.

If the Project's screening process determines that Indigenous Peoples are present in, or have collective attachment to, the Project area, and are likely to be affected by the Project, the Client is required to prepare an Indigenous Peoples plan, as follows:

- **Social Assessment.** Undertake a culturally appropriate and gender-sensitive social assessment or use similar methods to assess Project impacts, both positive and adverse, on Indigenous Peoples. This may be a stand-alone exercise or part of the Project's overall social assessment. Give full consideration to options the affected Indigenous Peoples communities prefer in relation to the provision of Project benefits and the design of mitigation measures. Identify social and economic benefits for these affected Indigenous Peoples that are culturally appropriate and gender and intergenerationally inclusive, and develop measures to avoid adverse impacts on them, or when avoidance is not possible, to minimize or mitigate such adverse impacts.
- **Indigenous Peoples Plan.** Prepare an Indigenous Peoples plan that is based on the social impact assessment prepared with the assistance of suitably qualified and experienced experts and that draws on indigenous knowledge and participation by the affected Indigenous Peoples communities. Included in the Indigenous Peoples plan are: (a) a framework for continued consultation with these affected Indigenous Peoples during Project implementation; (b) measures to ensure that the Indigenous Peoples receive culturally appropriate benefits; (c) measures to avoid, minimize, mitigate, offset, or compensate for any adverse Project impacts; and (d) culturally appropriate grievance procedures, monitoring and evaluation arrangements, and a budget and time-bound actions for implementing the planned measures. In some cases, the Indigenous Peoples plan may, if approved by the Bank, be part of an overall community development plan, where the Client takes special efforts to ensure that Indigenous Peoples receive appropriate benefits through such a plan.
- **Indigenous Peoples Planning Framework.** Prepare an IPPF if a Project is likely to involve Indigenous Peoples and (a) consists of a program or series of activities whose details are not yet identified at the time the Project is approved by the Bank, or (b) in exceptional circumstances, duly justified by the Client, the Bank determines that the environmental and social assessment of identified Project activities may be conducted using a phased approach under paragraph 50 of the ESP. Prepare an Indigenous Peoples plan, as described in the preceding paragraph, during development of the activities in conformity with the IPPF approved by the Bank.
- **Avoidance of Impacts.** Avoid any restricted access to, and physical displacement from, protected areas, and natural resources under the Project. Where avoidance is not possible, ensure that the affected Indigenous Peoples communities participate in the design, implementation, and monitoring and evaluation of management arrangements for such areas and natural resources, and that benefits are equitably shared.
- **Proportionality.** Ensure that the level of detail and comprehensiveness of the Indigenous Peoples plan or IPPF is proportional to the degree of the Project's impacts. The degree of the impacts is determined by evaluating: (a) the magnitude of the impacts on the Indigenous Peoples, including: (i) customary rights of use and access to land and natural resources; (ii) socioeconomic status; (iii) cultural and communal integrity and heritage; (iv) health, education, livelihood systems, and social security status; and (iv) indigenous knowledge; and (b) the vulnerability of the affected Indigenous Peoples. Ensure the Indigenous Peoples Plan and IPPF (if applicable) will complement the broader coverage of social risks and impacts in the environmental and social assessment and provide specialized guidance to address specific issues associated with the needs of affected Indigenous Peoples.

- *Commercial Development of Natural Resources.* If the Project involves the commercial development of natural resources (such as minerals, hydrocarbons, forests, water, or hunting or fishing grounds) within customary lands under use by Indigenous Peoples, ensure that the affected Indigenous Peoples' communities are informed of: (a) their rights to such resources under statutory and customary law; (b) the scope and nature of the proposed commercial development and the parties interested or involved in such development; and (c) the potential effects of such development on the Indigenous Peoples' livelihoods, environment, and use of such resources. Include in the Indigenous Peoples Plan arrangements to enable the Indigenous Peoples to receive in a culturally appropriate manner an equitable share of the benefits to be derived from such commercial development that is at least equal to or higher than that of any other affected landowners.
- *Commercial Development of Cultural Resources.* If the Project involves the commercial development of Indigenous Peoples' cultural resources and knowledge, ensure that the affected Indigenous Peoples' communities are informed of: (a) their rights to such resources under statutory and customary law; (b) the scope and nature of the proposed commercial development and the parties interested or involved in such development; and (c) the potential effects of such development on Indigenous Peoples' livelihoods, environment, and use of such resources. Reflect the nature and content of agreements in the Indigenous Peoples Plan and include arrangements to ensure that Indigenous Peoples receive an equitable share of the benefits to be derived from such commercial development in a culturally appropriate way.
- *Consultations.* Carry out a process of meaningful consultation on the Project with affected Indigenous Peoples communities and concerned Indigenous Peoples organizations, in a culturally appropriate, accessible and inclusive manner, and facilitate their informed participation: (a) in designing, implementing, and monitoring measures to avoid adverse impacts or, when avoidance is not possible, to minimize, mitigate, offset, or compensate for such impacts; and (b) in tailoring Project benefits to affected Indigenous Peoples communities in a culturally appropriate manner. To enhance affected Indigenous Peoples' active participation, provide for culturally appropriate, and gender inclusive capacity development in the Project.
- *Special Considerations in Consultations.* In addition, ensure that this process: (a) involves Indigenous Peoples' representative bodies and organizations (e.g., councils of elders, village councils or chieftains) and, where appropriate, other community members; (b) provides sufficient time for Indigenous Peoples' decision-making processes; and (c) allows for Indigenous Peoples' effective involvement in the design of Project activities or mitigation measures that may affect them either positively or adversely.
- *Grievance Mechanism.* Establish a culturally appropriate and gender inclusive grievance mechanism to receive and facilitate resolution of affected Indigenous Peoples' concerns and grievances regarding the Project's environmental and social performance, and inform them of its availability. Scale the grievance mechanism to the risks to, and impacts of, the Project on Indigenous Peoples. Design the mechanism to address Indigenous Peoples' concerns and complaints promptly, using an understandable and transparent process that is gender-sensitive, culturally appropriate, and readily accessible to all affected Indigenous Peoples. The grievance mechanism may utilize existing formal or informal grievance mechanisms, provided



that they are properly designed and implemented, and determined by the Bank to be suitable for the Project; these may be supplemented, as needed, with Project-specific arrangements. Include provisions to protect complainants from retaliation and to remain anonymous, if requested. Make reports on grievance redress and outcomes available, in accordance with the *Information Disclosure* bullet below.

- *When Free, Prior and Informed Consultation (FPICon) is Required.* Since Indigenous Peoples may be particularly vulnerable to the loss of, alienation from, or exploitation of their land and access to natural and cultural resources, engage in FPICon and obtain the broad support of the affected Indigenous Peoples if activities under the Project would: (a) have impacts on land and natural resources subject to traditional ownership or under customary occupation or use; (b) cause relocation of Indigenous Peoples from land and limitations on access to natural resources subject to traditional ownership or under customary occupation or use; or (c) have significant impacts on Indigenous Peoples' cultural heritage. In these circumstances, engage suitably qualified and experienced independent experts to assist in the identification of the Project's risks to and impacts on Indigenous Peoples.
- *Definition of FPICon.* There is no universally accepted definition of FPICon; for the purposes of ESS 3, FPICon was described as follows: (a) the scope of FPICon applies to Project design, implementation arrangements and expected outcomes related to risks to, and impacts on, the affected Indigenous Peoples; (b) FPICon builds on the process of meaningful consultation and requires good faith negotiation between the Client and these affected Indigenous Peoples; (c) the Client documents: (i) the mutually accepted process of consultation between the Client and these Indigenous Peoples; and (ii) evidence of broad community support of these Indigenous Peoples on the outcome of the negotiations; and (d) FPICon does not require unanimity and may be achieved even when individuals or groups within or among these affected Indigenous Peoples explicitly disagree with support for the Project. When the Bank is unable to ascertain that such broad community support has been obtained from the affected Indigenous Peoples, exclude from the Project those activities that would affect those Indigenous Peoples. In such cases, ensure that the Project, as redesigned, will not have adverse impacts on such Indigenous Peoples. If the Bank has determined, pursuant to paragraph 61 of the ESP, that the laws of the country in which the Project is located mandate free, prior, and informed consent (FPIC), and that the Client is required to apply FPIC, apply FPIC as defined in those laws, in the manner required by the Bank.
- *Information Disclosure.* Disclose the draft Indigenous Peoples Plan, including documentation of the consultation process and the results of the social impact assessment in a timely manner in accordance with disclosure requirements of the ESP, in the Project area, in an accessible place and in a form and language(s) understandable to affected Indigenous Peoples communities and other stakeholders. Disclose the final Indigenous Peoples plan and its updates to the affected Indigenous Peoples communities and other stakeholders in the same manner. Disclose any IPPF in the same manner. Regularly disclose updated environmental and social information relating to Indigenous Peoples, along with information on any relevant material changes in the Project.
- *Action Plan.* If the Project involves (a) activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples have traditionally owned or customarily used or occupied (such as land titling/certification activities) or (b) the acquisition

of such lands, prepare and include in the Indigenous Peoples plan an action plan for the legal recognition of such ownership, occupation, or usage.

- **Monitoring.** Monitor implementation of the Indigenous Peoples Plan using suitably qualified and experienced experts; adopt a participatory monitoring approach, wherever possible; and assess whether the Plan's objective and desired outcome have been achieved, taking into account the baseline conditions and the results of monitoring of the Plan. Disclose monitoring reports in accordance with the *Information Disclosure* bullet above. Consider use of suitably qualified and experienced third parties to support monitoring programs.

### 3.3 Rationale for Triggering the Bank Environment and Social Standard 3

ESS 3 applies if Indigenous Peoples are present in, or have a collective attachment to, the proposed area of the Project, and are likely to be affected by the Project. The term Indigenous Peoples is used in a generic sense to refer to a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees: (a) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (b) collective attachment to geographically distinct habitats or ancestral territories in the Project area and to the natural resources in these habitats and territories; (c) customary cultural, economic, social or political institutions that are separate from those of the dominant society and culture; and (d) a distinct language, often different from the official language of the country or region. In considering these characteristics, national legislation, customary law, and any international conventions to which the country is a party may be taken into account. A group that has lost collective attachment to geographically distinct habitats or ancestral territories in the Project area because of forced severance remains eligible for coverage, as an Indigenous People, under ESS 3.

This Standard aims to design and implement Projects in a way that fosters respect for Indigenous Peoples (IP) identity, dignity, human rights, economy and culture, as defined by the Indigenous Peoples themselves, so that they: (a) receive culturally appropriate social and economic benefits, (b) do not suffer adverse impacts as results of projects, and (c) can participate actively in projects that affect them. This standard is applicable because the majority Sasak community affected by The Mandalika Project has been classified as IP.

As outlined in the Introduction to this document, the AIIB's require a Community Development Plan and Indigenous Peoples Plan be prepared to accompany the proposed resettlement of affected persons in the area. As emphasized, the views and considerations of indigenous groups must be incorporated into plans for community development. AIIB has recognized the community of the Sasak as being Indigenous People.

In terms of the criteria on Indigenous People, the Sasak ethnic group could be considered 'indigenous' according to the rationale that follows.

- A close attachment to ancestral territories and to natural resources in these areas.** Sasak derive land ownership rights primarily through belonging to an *adat* group that has residual rights to *Tanah Adat* or 'customary land'.
- Self-identification and identification by others as members of a distinct cultural group.** While 'Sasak' and 'non-Sasak' are real distinctions in the minds of these peoples, this is not a distinction that neatly fits an 'indigenous versus non-indigenous' dichotomy. In fact, the

Sasak district in the Project area openly acknowledges their ancestry, which is an anomaly for Muslims in Lombok.

- (c) **Often use a language different from the national language.** Sasak ethnic groups all speak closely related dialects of the Sasak language.
- (d) **Presence of customary social and political institutions.** Sasak ethnic groups have their own customary social and political institutions (as embodied in *adat* –‘customary law’). An investigation of this *adat* will reveal certain fundamental similarities with *adat* communities throughout Indonesia, a case in point being the institution of community decision making through discussion to achieve consensus, known as *Musyawarah*. However, Sasak *adat* institutions are in many ways highly distinct from those of the numerous other *adat* groups that together constitute the dominant society and culture.
- (e) **Primarily subsistence-oriented production.** This is the main economic activity of the vast majority of people in the project area, virtually all of whom are Sasak.
- (f) **Vulnerability to being disadvantaged as social groups in the development process.** Members of Sasak communities have had or will have their lands acquired. The households to be compensated will lose their agricultural land, and will be equally vulnerable to being disadvantaged if adequate community development programs in matters pertaining to land use and income generation are not implemented.

ITDC acknowledges that for this and successive IPDPs, if neighboring villages were excluded from development programs on the basis of the application of the above-mentioned ethnic distinction, this would in all probability create jealousies that would disrupt the ethnic and religious harmony that now characterizes the Pujut District.

Due to the above considerations, ITDC has combined its Indigenous Peoples Development Plan with its Community Development Plan.

### 3.4 Gap Analysis and Measures to Address Identified Gaps

Based on Gap Analysis report by ESC, in regard to regulatory requirements, the Project is in material compliance with the Indonesian regulation, in terms of environmental and social impact assessment (known as AMDAL) and environmental permit requirements (though these remain in process). However, additional works still need to be conducted with respect to the Bank’s Environmental and Social requirements. ESC found a positive community perception and support during a site visit on 19-21 March 2018 as well as a close relationship between community and ITDC. Below is the summary of findings and recommendations for the Gap Analysis conducted by ESC:

#### 3.4.1 Environmental and Social Assessment and Management

With respect to the 2012 AMDAL and 2018 AMDAL Addendum. ESC recommended the Project conduct an Environmental and Social Impact Assessment (ESIA) to address gaps and deficiencies identified in this Gap Analysis such as follows:

- Examine technical alternatives (design, technology, and operation) of the various activities in the 2018 Master Plan, such as Wastewater Treatment Plants, Solid Waste

Incinerators, and Brine Water Discharge, including its feasibility of mitigating environmental and social risks and impacts, capital and operational expenditures, suitability under local conditions and institutions, and training and monitoring requirements for alternatives.

- Prepared additional impact assessments that are missing from the 2012 and 2018 AMDALs such as:
  - Marine critical habitat assessment of nearshore and offshore of the Project area;
  - Terrestrial critical habitat assessment of Project area and surroundings;
  - Biodiversity impact assessment including habitat lost, degradation and fragmentation of habitat, invasive species, over exploitation of biodiversity resources, hydrological changes, nutrient loading, and climate change impacts;
  - Turtle breeding, including abundance, diversity, sensitivity to lights, awareness of visitors, and long term sustainability;
  - Coastal marine resources and fishing activities
  - Sustainability of land and water use
  - Local community's livelihood especially impacts on income generation
  - Vulnerable groups such as the elderly, people with disabilities, uneducated and illiterates, women, children
  - Gender equality in obtaining jobs, business opportunities, trainings, and education
  - Access to land and natural resources
  - Local cultural resources--identify cultural resources and establish a management plan including chance find procedure
  - Safe working conditions for Project workers
  - Community health and safety including building safety
  - Traffic and road safety

These issues have not been adequately, if at all, dealt with in the AMDAL documents.

- Promoting the use of renewable energy to lower carbon use and for reducing GHG emissions.
- Assess potential transboundary impacts of the Project, i.e., visitors travel by airplanes and other means from overseas and other parts of Indonesia.
- Assess associated facilities, such as coal-fired power plant and transmission lines, water treatment plant and distribution pipelines, Pengengetan landfill and solid waste transportation, Praya International Airport, retaining ponds for flood control. These facilities are located beyond the Project boundary. Environmental impacts include GHG emission, coal ash, sludge and effluent discharge, traffic, changes in river hydrology.
- Assess whether there are child labors and forced labor practices within the Project area and area of influence.
- Mitigation of potential significant environmental or social impact:
  - Anticipating and avoiding potential impacts

- Minimizing or reducing potential impacts to acceptable levels
- Compensating for or offsetting residual risks or impacts where technically and financially feasible.
- Enhance positive impacts in ESIA by means of environmental planning and management. AMDAL is too focused on risks and adverse impacts, yet the Project will bring numerous positive impacts both to the people as well as to the environment. The mangroves are an example. Were the Project not there to conserve the largest stand as an “ecopark,” it would not be able to withstand and survive development pressures in the future.
- Extend the environmental and social management and monitoring program (ESMP) found in the 2012 and 2018 RKL-RPL in the ESIA, such as:
  - Provisions for disclosure and consultation (expand to other stakeholders beyond just government)
  - Capacity development and training measures
  - Cost estimates and budget allocation.
- Measures for improving efficiency in consumption of energy, water, as well as other resources and material inputs.
  - Storage for solid wastes including recycling centers and incinerators
  - Solar energy to complement PLN electricity supply
  - Mangrove eco-park regeneration, with supports to local fisheries
  - Brine water disposal from the Sea Water Reverse Osmosis (SWRO) plant
  - Monorail transportation system.

For the 2012 AMDAL process, public consultation and announcement were required by the regulations to disclose plans and progress and to gather expectations and concerns from stakeholders. Procedures for public consultation and information disclosure should be established to ensure the following:

- Meaningful consultations regarding the Project on an ongoing basis throughout the implementation and life cycle of the Project.
- Government authorities have been consulted for environmental and social management planning and throughout implementation stages. Results of implementations have been reported every six months since 2013. These disclosure practices should be extended to include other stakeholder including affected people, private sector, and NGOs.
- Timely disclosure of information that is understandable and readily accessible to stakeholders is the standard.
- Consultation in an atmosphere free of intimidation or coercion, gender inclusive, accessible, responsive, and tailored to the needs of vulnerable groups.
- Consideration of relevant views of affected people and other stakeholders in decision-making.
- Document public consultations in auditable records that include subject of consultation, participants, venue, and date.

- Additionally, ESS requires a set of adaptive management measures in case of Project changes or in anticipation of unforeseen circumstances. The adaptive management process should be set out in the ESMP, specifying how such changes are to be managed and reported. Further, management systems should also establish a formal grievance mechanism in order to address the complaints related to Project activities. The grievance mechanism should adequately address concerns promptly and transparently, in a culturally appropriate manner, and be readily accessible to all segments of the affected communities. Engagement with all stakeholders should also be developed, including establishing a close working relationship with regional NGO's and universities. ITDC also needs to develop its Community Development Program for affected people.

### 3.4.2 Involuntary Resettlement

Related to involuntary resettlement, ESC recommended a study, even though ITDC currently takes the position it does not cause Involuntary Resettlement in the Project; the study should cover:

- Who are the displaced people (name of the head of the family and number of persons in household)?
- What kind of displacement, physical and/or economic?
- Where they were from prior to displacement and where they resettle now?
- What are their income and livelihood/source of income (before and after displacement)?
- What can be done to assist them if they have not established and improved their livelihood as compared to the pre-displacement period?

### 3.4.3 Indigenous People

The Mandalika area is inhabited predominantly by Sasak. The ESC opinion in the initial Gap Analysis was that Sasaks in The Mandalika Project Area do not meet the definition of indigenous people in ESS 3 or comparable policies, notably IFC Performance Standard 7 (PS 7) and the ILO policies. ESC recommended that the Project include the local community as containing various vulnerable groups--women, older people (>40 years old), poor, disabled, and uneducated/illiterate--in a program that empowers them to participate in the Project and receive benefits from it. This would meet the intent of the IP concept, which seeks to provide assistance to IP groups, not due to indigeneity *per se*, but due to their frequently vulnerable status. Under the rationale presented in subsection 3.3 above, the decision has shifted to accepting that the Sasak community in the Project Area is to be considered IP. Prior to extensive tourism development, it remains dominantly Sasak in ethnic composition, with active adat traditions of the Sasak community. Local residents are economically vulnerable, largely dependent on dry field subsistence farming and nearshore fishing, with remittances from relatives working overseas and in other parts of Indonesia often important.

## CHAPTER 4

### SOCIAL AND ECONOMIC CONDITIONS IN PROJECT AREA

This Chapter presents the main findings of the social assessment in the Project area as well as the methodology used. A brief introduction of socioeconomic conditions in the Province, Regency, and District are followed by a detailed socioeconomic profile, disaggregated by gender, of the Project area. The Project Area surrounds The Mandalika SEZ, and consists mostly of four villages with a total of about 11,050 households and 32,857 persons on 6,412 hectares of land. The basic socioeconomic conditions of the affected villages include ethnic background, available gender disaggregated data on population profile, poverty conditions, and vulnerable groups.

#### 4.1 Social and Cultural Sphere

##### 4.1.1 Project Affected Communities

The Mandalika Tourism SEZ will affect communities near the Project site, from the design stage through construction and operation. Covering 1,175 hectares along the coast of Pujut District, Central Lombok Regency, West Nusa Tenggara Province; although entirely located within Pujut District, the Project site intersects the four villages tabulated below. This baseline Chapter provides an overview of the environmental and social conditions in the affected area.

**Table 4-1 Affected Jurisdictions**

Province	Regency	District	Villages
West Nusa Tenggara (NTB)	Central Lombok	Pujut	Kuta
			Mertak
			Sengkol
			Sukadana



**Figure 4-1 Administrative Areas of Mandalika Tourism SEZ Project**



### 4.1.2 Demography

**Table 4-2** provides an overview of the population numbers in the affected villages and district. The village with the highest population density is Sukadana, at 663.9 people per km<sup>2</sup>. On the other hand, Kuta is the village with the lowest population density at 385.5 people per km<sup>2</sup>. However, among the affected villages, Sengkol is the most populated. In fact, it consists of 11,013 people – roughly twice that of Sukadana which has 5,198 individuals. Kuta and Mertak are inhabited by 9,120 and 7,526 people, respectively. In regard to administrative area, Kuta (23.66 km<sup>2</sup>) covers the most area, thrice that of Sukadana (7.83 km<sup>2</sup>). Mertak and Sengkol also encompass areas substantially larger than Sukadana at 14.27 km<sup>2</sup> and 18.36 km<sup>2</sup>, respectively.

Overall, families across the affected area are composed of an average 3 or 4 people per household. For example, the household size in Pujut District is 3.41 people per household. Similarly, the household size in the affected villages ranges from 3.18 people per household (Mertak) to 4.03 people per household (Kuta).

**Table 4-2 Population of Affected Villages, 2016**

No.	Village	Area (Km <sup>2</sup> )	Male	Female	Total	Sex Ratio (Male: Female)	Number of Household	Density (people/km <sup>2</sup> )	Household Size
	Pujut District	233.55	49,702	53,954	103,656	0.92	30,354	443.83	3.41
1	Kuta	23.66	4,544	4,576	9,120	0.99	2,262	385.46	4.03
2	Mertak	14.27	3,697	3,829	7,526	0.97	2,364	527.40	3.18
3	Sengkol	18.36	5,255	5,758	11,013	0.91	3,212	599.84	3.43
4	Sukadana	7.83	2,468	2,730	5,198	0.90	1,610	663.86	3.23
	Subtotal (of Villages)	64.12	15,964	16,893	32,857	-	9,448	-	-
	% of Pujut	27.5	32.1	31.3	31.7	-	31.1	-	-

Source: Pujut District in Figures, 2017.

In terms of population growth (**Table 4-3**), Pujut District grew 5.20% from 98,534 people in 2012 to 103,656 people in 2016. Its annual average growth is 1.3% although the District experienced a slower growth rate in 2015-2016. Looking at each affected village, as presented on **Table 4-3**, Kuta Village experienced the highest influx of residents from 2012-2016. In fact, in 2015-2016 alone, the population grew by 11%. The trend as observed in Kuta Village is in contrast with Mertak Village, where the population tended to gradually shrink over the years. In 2015-2016, the population of Mertak Village decreased by 4.4%. Like Kuta Village, the populations in Sukadana and Sengkol Villages also tended to increase albeit at smaller pace. The annual growth rates for Sukadana and Sengkol Villages are 0.9 and 1.2% respectively.



**Table 4-3 Population Growth of Affected Villages**

Village	2012	2013	2014	2015	2016	Growth Rate (%)		
						Overall	Annual Average	Latest
Pujut District	98,534	99,258	101,745	102,659	103,656	5.2	1.3	0.97
1. Kuta Village	7,886	7,944	8,142	8,216	9,120	15.6	3.9	11.0
2. Sukadana Village	5,012	5,049	5,175	5,221	5,198	3.7	0.9	-0.4
3. Mertak Village	7,553	7,609	7,799	7,869	7,526	-0.4	-0.1	-4.4
4. Sengkol Village	10,500	10,576	10,842	10,941	11,013	4.9	1.2	0.7

Source: Pujut District in Figures, 2017; Pujut District in Figures, 2016, Pujut District in Figures, 2015, Pujut District in Figures, 2014, Pujut District in Figures, 2013

#### 4.1.2.1 Population by Gender

**Table 4-2** indicates the sex ratios (male: female) in affected villages and Pujut District. The ratios range from 0.90 to 0.99 among the affected villages, indicating that there are more females than males in these areas. For instance, Kuta boasts the highest sex ratio at 0.99, which essentially means that although there are more females than males, the difference between the two sexes is minute. On the other hand, Sukadana has the lowest sex ratio among the affected villages; its sex ratio stands at 0.90, which means that there are 90 males for every 100 females. Pujut District has a sex ratio of 0.92. This may indicate substantial male labor out-migration.

#### 4.1.2.2 Population by Age Group

##### Pujut District

**Table 4-4** and **Table 4-5** show the population demography in Pujut District based on sex and age groups, as well as the dependency ratio. This is illustrated in the population pyramid in **Figure 4-2**. It is clear that the productive population exceeds the nonproductive population; in fact, the former constitutes about 64.3% of the population, while the elderly (> 65 years old) and the young people (< 15 years old) are only 30.9% and 4.8% of the total population. These result in a dependency ratio of 55.6%, slightly higher than the Central Lombok Regency average of 52.3% and the Indonesian average of 49%. Pujut District is seeing a growing population; the population pyramid shows a significantly higher number of young people (especially 0-4 years old) compared to the older generations.

**Table 4-4 Population Demography in Pujut District, 2015**

Age	Pujut District				
	Male	Female	Non-productive Age	Productive Age	Dependency Ratio (%)
0 - 4	5,785	5,575	11,360	9,689	55.6
5 - 9	5,207	5,025	10,232		
10 - 14	5,207	4,946	10,153		
15 - 19	4,932	4,757			

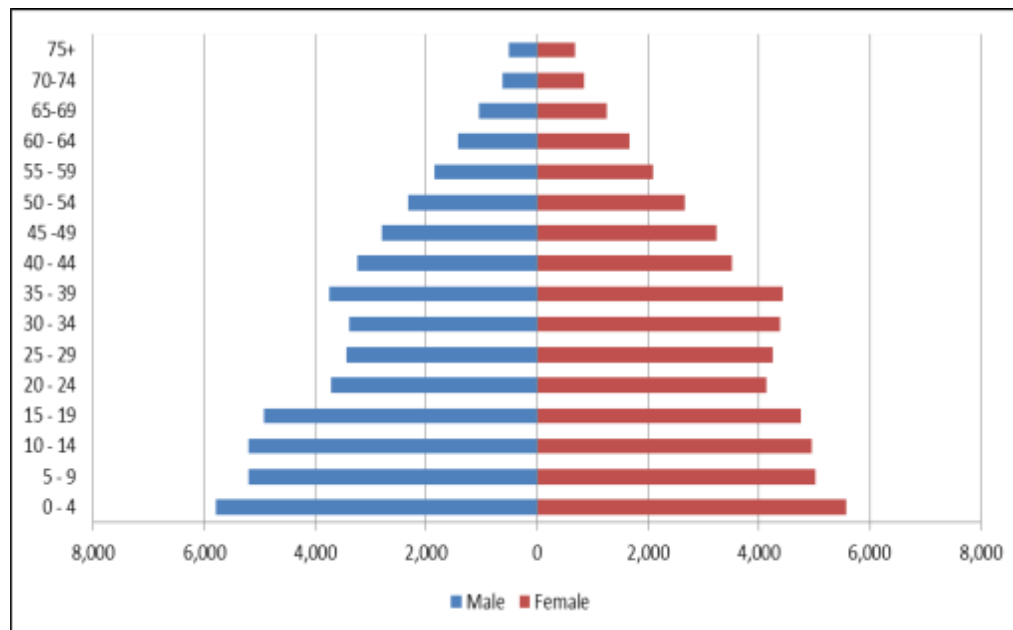
Age	Pujut District				
	Male	Female	Non-productive Age	Productive Age	Dependency Ratio (%)
20 - 24	3,722	4,141		7,863	
25 - 29	3,437	4,248		7,685	
30 - 34	3,386	4,382		7,768	
35 - 39	3,753	4,434		8,187	
40 - 44	3,233	3,510		6,743	
45 - 49	2,805	3,235		6,040	
50 - 54	2,317	2,660		4,977	
55 - 59	1,846	2,084		3,930	
60 - 64	1,419	1,658		3,077	
65-69	1,045	1,257	2,302		
70-74	625	840	1,465		
75+	509	679	1,188		
<b>Total</b>	<b>49,228</b>	<b>53,431</b>	<b>36,700</b>	<b>65,959</b>	<b>55.6</b>

Source: Pujut District in Figures, 2017

**Table 4-5 Population Percentages by Age Group in Pujut District, 2015**

Age Group	Pujut District			
	Population		Total	Percentage
	Male	Female		
0-14	16,199	15,546	31,745	30.9
> 65	2,179	2,776	4,955	4.8
15-64	30,850	35,109	65,959	64.3
<b>Total</b>	<b>49,228</b>	<b>53,431</b>	<b>102,659</b>	<b>100.0</b>
<b>Dependency Ratio</b>				<b>55.6</b>

Source: Pujut District in Figures, 2017



Source: Pujut District in Figures, 2017

**Figure 4-2 Population Pyramid in Pujut District**

#### Kuta and Sukadana Villages

As with Central Lombok Regency and Pujut District, productive population is the dominant age group in Kuta and Sukadana, two of the affected villages. In 2015, the dependency ratio in both Kuta and Sukadana was the 55.7%, which meant that every 56 members of the non-productive population (e.g., children or the elderly) are supported by 100 members of the productive population. The dependency ratios of Mertak and Sengkol Villages are 55.8 and 52.8, respectively. These are detailed in **Table 4-6**.

**Table 4-6 Population by Age Group in Kuta and Sukadana Villages, 2015**

Age	Kuta Village				Sukadana				Mertak				Sengkol			
	Male	Female	Total	%	Male	Female	Total	%	Male	Female	Total	%	Male	Female	Total	%
0-14	1,346	1,199	2,545	31	816	798	1,614	30.9	1,272	1,165	2,437	31.0	1,718	1462	3,180	29.6
>65	181	214	395	4.8	110	143	253	4.8	2,422	2,628	5,050	64.2	3,274	3748	7,022	65.4
15-64	2,567	2,709	5,276	64.2	1,554	1,800	3,354	64.2	172	210	382	4.9	231	298	529	4.9
Total	4,094	4,122	8,216	100	2,480	2,741	5,221	100	3,866	4,003	7,869	100.0	5,223	5,508	10,731	100.0
	Dependency ratio			55.7	Dependency ratio			55.7	Dependency ratio			55.8	Dependency ratio			52.8

Source: Pujut District in Figures, 2017

### 4.1.3 Education and Skill Base

#### Pujut District

In 2015, there were 108 primary schools in Pujut District, considerably more than middle schools (52 schools) and high schools (20 schools). The student-teacher ratio in Pujut District was between 5 and 10, meaning there were at most 105 students for every teacher (**Table 4-7**).

**Table 4-7 Educational Institutions in Pujut District, 2015**

Types of School	Number of Schools	Number of Students	Number of Teachers	Student-Teacher Ratio
Kindergarten	64	1,265	247	5
Primary School	108	14,109	1,388	10
Middle School	52	5,760	893	6
High School	20	2,079	413	5
Vocational School	5	921	98	9

Source: Pujut District in Figures, 2017

#### Kuta, Sengkol, Mertak, and Sukadana Village

Among the affected villages, Sengkol has the most primary schools (9 institutions), kindergartens (5 institutions), and middle schools (3 institutions), although it only has 1 high school. The number of educational institutions in the affected villages can be seen in **Table 4-8**. The student-teacher ratios in Kuta, Mertak, and Sengkol Villages are considerably higher than Sukadana Village, especially from the kindergarten to the middle school level. Mertak Village has the highest student-teacher ratio (17) in both primary school and kindergarten levels, while Kuta Village has the highest ratio (10.3) for middle school level. Sengkol Village has the highest ratio for high school level. Based on the National Statistics Agency report, there is no high school in Mertak Village.

**Table 4-8 Number of Schools, Students, Teachers in Affected Villages, 2015**

Types of School	Kuta				Sukadana				Mertak				Sengkol			
	I	S	T	S:T	I	S	T	S:T	I	S	T	S:T	I	S	T	S:T
Kindergarten	4	217	19	11.4	4	87	13	6.7	3	184	11	16.7	5	189	18	10.5
Primary School	3	782	53	14.8	4	382	42	9.1	6	994	60	16.6	9	1304	13	9.7
Middle School	3	579	56	10.3	2	184	38	4.8	2	477	49	9.7	3	860	86	10.0
High School	2	197	45	4.4	1	48	13	3.7	0	0	0	0.0	1	430	62	6.9

Note: I = Institutions (Number of Schools); S = Student; T = Teachers; S:T = Student-to-Teacher ratio

Source: Kuta Village Profile 2017, Sukadana Village Profile 2017, Mertak Village Profile 2017, Sengkol Village Profile 2017

**Table 4-9** shows the educational level in the affected villages, Kuta, Sengkol, Mertak, and Sukadana Villages, as presented in the AMDAL Addendum 2018. As can be inferred from the table, the educational level of the residents is fairly low. The number of residents who pursue university degrees is very low – only 1 to 3% of the residents manage to attain a university degree. In contrast, the number of residents who finish either elementary or middle school is high. For instance, up to 30% and 25% of Kuta village residents are middle school graduates and primary school graduates, respectively. Similar trends can be observed in other villages. The villages with the highest percentage of elementary school graduates are Sengkol and Mertak with 34% of the residents each. Sukadana has the highest percentage of middle school graduates at 39% of the residents. On the other hand, the number of residents who never attended school is relatively low among the villages, ranging from 3-7% of the residents, most of them of the older generations above 40 years old.

**Table 4-9 Educational Levels in Project-Affected Villages**

No.	Educational Level	Kuta				Sengkol				Mertak				Sukadana			
		M	F	T	%	M	F	T	%	M	F	T	%	M	F	T	%
1	Currently in kindergarden or elementary school	23	31	54	25	11	12	23	23	9	11	20	15	11	17	28	19
2	Elementary school graduates	21	34	55	25	14	19	33	34	17	27	44	34	14	21	35	24
3	Middle school graduates	27	39	66	30	11	7	18	18	13	18	31	24	25	32	57	39
4	High school graduates	15	12	27	12	8	7	15	15	15	12	27	21	9	7	16	11
5	Graduates with Diploma III	3	2	5	2	0	0	0	0	0	0	0	0	0	0	0	0
6	University graduates	4	1	5	2	2	1	3	3	1	1	2	2	1	0	1	1
7	Never attend schools	2	5	7	3	2	4	6	6	2	4	6	5	4	7	11	7
	<b>Total</b>	<b>95</b>	<b>124</b>	<b>219</b>	<b>100</b>	<b>48</b>	<b>50</b>	<b>98</b>	<b>100</b>	<b>57</b>	<b>73</b>	<b>130</b>	<b>100</b>	<b>64</b>	<b>84</b>	<b>148</b>	<b>100</b>

Note: M = Male; F = Female; T = Total.

Source: AMDAL Addendum 2018



#### 4.1.4 Religion and Ethnicity

##### 4.1.4.1 Religion

As with most other regions in Indonesia, the most widely practiced religion in Pujut District and the affected villages is Islam. In fact, Muslims make up more than 99% of Pujut District and each of the affected villages. Other religions, such as Christianity, Hinduism, and Buddhism are embraced by less than 1% of the population (**Table 4-11**). These are also reflected in the number of religious facilities, as shown in **Table 4-10**. There are 139 Mosques and 68 Musholas in Pujut District. As for the affected villages, Sengkol has the most Mosques and Musholas, with totals of 17 and 23 facilities. There is no facility dedicated to other religions.

**Table 4-10 Religious Facilities in Central Lombok Regency and Affected Villages, 2015.**

Village	Mosque	Mushola	Church	Puri	Vihara
West Nusa Tenggara Province	4,767	n/a	7	412	53
Central Lombok Regency*	1,322	1,426	0	3	0
Pujut District*	139	68	0	0	0
Kuta	7	17	0	0	0
Mertak	12	7	0	0	0
Sukadana	9	11	0	0	0
Sengkol	17	23	0	0	0

Source: Pujut District in Figures, 2017; Central Lombok Regency in Figures, 2017

\*Data from 2016

**Table 4-11 Population Composition of Central Lombok Regency by Religion, 2016**

Village	Muslim (%)	Protestant/Catholic (%)	Hindu (%)	Buddhist (%)	Total (%)
West Nusa Tenggara Province	96.78	0.45	2.45	0.32	100
Central Lombok Regency	99.7	0.0	0.3	0.0	100
Pujut District	99.9	0.0	0.1	0.0	100
Kuta	99.4	0.1	0.5	0.0	100
Merta	99.0	0.0	1.0	0.0	100
Sukadana	100.0	0.0	0.0	0.0	100
Sengkol	99.7	0.0	0.3	0.0	100

Source: Pujut District in Figures, 2017; Central Lombok Regency in Figures, 2017

##### 4.1.4.2 Ethnicity

Ethnic composition for Kuta village is predominantly Sasak, who account for 99% as shown in Table 4-12. Other ethnic groups and foreigners who reside in Kuta Village accounted for only about 1% of total population in 2016. According to key informant interviews conducted by ESC, the ethnic composition of Mertak Village is roughly composed of 94% Sasak people, 5% Bajo people, while Balinese, Javanese and others combined are at about 1%. Unfortunately, no

ethnicity profiles are available for Sukadana and Sengkol; however, they are expected to have similar ethnic group composition as Kuta and Mertak with Sasak people being the dominant ethnic group.

**Table 4-12 Ethnic Group Composition in Kuta Village, Pujut District 2016**

Ethnic	Male	Female	Total	Percentage (%)
Sasak	3,927	3,994	7,921	99.02%
Bali	34	12	46	0.58%
Sunda	3	9	12	0.15%
Makasar	3	1	4	0.05%
Bugis	1	0	1	0.01%
Madura	1	0	1	0.01%
Timor	1	0	1	0.01%
Australia	7	3	10	0.13%
China	0	1	1	0.01%
America	1	1	2	0.03%
<b>Total</b>	<b>3,978</b>	<b>4,021</b>	<b>7,999</b>	<b>100.0%</b>

#### 4.1.5 Vulnerable Groups

The need to respect differences is paramount to the IPDP. Vulnerable groups of people are those who experience higher risks of impoverishment and social exclusion compared to the general population. Vulnerability may stem from an individual's or group's ethnicity, color, gender, gender identity, language, religion, age, disablement, political or other opinion, national or social origin, property, birth, and or status. A separate consultation for women and vulnerable groups is normally held to accommodate the special needs of those groups and to hear their questions, concerns, opinions, and suggestions that normally are not heard. The consultation for these groups can be effective using participatory techniques. Stakeholders that are considered to be most vulnerable listed below might need special attention for implementation of IPDP.

- **Women** – in patriarchal societies, females can readily be overlooked or excluded in development. Hence, specific provision must be made for women, which ensure women's needs are addressed.
- **Minorities** – the IPDP should specifically identify minorities based on religious, cultural, ethnic, or other grounds, and seek to ensure that provision is made for their equal access to the stakeholder engagement process.
- **Elderly** – the elderly are particularly vulnerable, and are easily left out or exempted from activities. Addressing their rights to express concerns, views, and cultural knowledge should be provided for.
- **Handicapped or illiterate** – the same applies as for elderly and minorities.
- **Disadvantaged isolated communities** – this group of people have little influence and power among other communities. Their rights, involvement, and equal access to stakeholder engagement should be allowed for and made available.
- **Indigenous Peoples** - social groups with identities that are distinct from mainstream society which are often among the most marginalized and vulnerable segments of the population. In

many cases, their economic, social, and legal status limits their capacity to defend their rights to, and interests in, lands, natural and cultural resources, and may restrict their ability to participate in and benefit from development. This IPDP is based on the assumption that all Sasak local residents are Indigenous Peoples (IP), but the possibility that other IP groups exist among the PAP must be allowed for.

As shown in the subsection Population by Age Group, the elderly--age above 65 years old--account for 4.8% to 5.1% of the total population at the village, District, and Regency levels. Sasak are considered indigenous people on Lombok. Women, on the other hand, comprise more than half of total population. These vulnerable groups should be part of the IDPD. Sasak is the majority ethnic group in West Nusa Tenggara, and amounts to 67% of the population in the Province, while in Kuta Village, Sasak is the predominant ethnic group and accounts for 99%.

#### 4.1.6 Community Welfare

According to BKKBN (Badan Koordinasi Keluarga Berencana Nasional or National Family Planning Coordinating Board), a household's level of welfare is categorized into five groups:

- Non-welfare – households that are not able to fulfil their basic needs, such as food, clothing, education, adequate housing, and easy access to medical facilities;
- Welfare I – households that are able to fulfill their basic needs, but not their psychological needs, such as rights to pray, ability to consume meat/fish/egg, new clothing, adequate space in their houses, adequate literacy, and income.
- Welfare II – households that are able to fulfil their basic and psychological needs, but not their developmental needs, such as information from newspapers or radio, opportunity to increase their religious knowledge, income savings as cash or tangibles, and family dinner/lunch/breakfast to enhance family communication.
- Welfare III – households that are able to fulfil their basic, psychological, and developmental needs, but not self-esteem needs, such as active participation in community/social organizations or regular donation to social causes.
- Welfare III Plus – households that are able to fulfil their basic, psychological, developmental and self-esteem needs.

Therefore, according to the criteria above, **Table 4-13** shows the numbers of families in each of the welfare levels. Based on data from the National Statistics Agency, in 2015 the majority of the population in the affected villages belonged to the non-welfare level. For instance, in Mertak, 1,745 families are unable to fulfil their basic needs, such as food (at least twice a day), access to medical treatment, or adequate housing. In contrast, only a handful of families could meet their basic, psychological and developmental needs; they are able to receive information, earn sufficient income, or be active in their community. For instance, Mertak only has 55 families at the Welfare III level.

**Table 4-13 Households by Welfare Level in Affected Villages, 2015**

Village	Percentage of Households by Welfare (%)					Total
	Non welfare	Welfare I	Welfare II	Welfare III	Welfare III Plus	
Pujut District	47.1	31.7	15.4	5.8	0	100
1. Kuta	49.9	30.0	14.0	6.1	0.	100
2. Sukadana	60.0	28.0	8.8	3.2	0	100
3. Mertak	55.0	33.3	9.9	1.7	0.	100
4. Sengkol	30.9	37.3	19.7	12.1	0	100

Source: Pujut in Figures, 2017

ESC also conducted Focus Group Discussions (FGD) on 31 August and 1 September 2018. In those discussions, ESC inquired about the community's perceptions toward welfare of a household. Majority of the participants tend to view wealthy households as those who possess an abundance of physical assets, including cars, houses, lands, cash, jewelry, and even livestock. A well-off household should also have stable jobs, thus sufficient streams of income. Some mentioned education level as an indicator of a welfare of a household. Few stated that a household's welfare can be indicated by the intangibles, such as being a tight-knit household or possessing the courage and ability to pursue their dreams. In contrast, many see poor households as those who lack basic necessities, including adequate housing, food, stable incomes, land, and education.

#### 4.1.7 Cultural Heritage

Cultural heritage is the legacy of physical objects (monuments, artefacts, or areas) or intangible attributes (traditions, languages, or rituals) that are passed down from the previous generations and preserved for the benefit of future generations. The best-known cultural heritage in Pujut District is Bau Nyale, an annual festival in which local community members (and nowadays tourists) gather to catch Nyale, a type of edible marine worm (Bachtiar et al., 2016). The festival usually takes place on the fifth day after the full moon in February or March. This event is crucial from the economic, historical, sociological, and ecological perspectives. It is widely considered an important tradition to the local communities.

However, since becoming a tourist attraction, the Bau Nyale festival has undergone multiple adjustments. For instance, cultural performances are no longer done by community members along with local artists; rather, the government invites artists from other cities to perform. The traditional culture has been mixed with pop culture so as to attract more tourists. In addition, the festival has included many more people even those from outside Pujut. By tradition, the festival is only participated in by community members who have blood ties with the Pujut ancestry.

As for any physical cultural heritage, the AMDAL Addendum (2018) concludes the Project area has no known historical artefacts with high archeological/anthropological values. However, based on interviews with community leaders as reported in the Addendum, there is a mosque and a tomb of a religious/community leader called the Makam Soker (Syayyid Burhanuddin). The leaders expect that this area will be respected such that it can be preserved as a cultural heritage for later generations.

Another example of cultural heritages around The Mandalika tourism resort is the Ende and Sade Sasak Tourism Village, located in Sengkol and Rembitan Villages respectively. In Ende Sasak village, there are 38 traditional houses that are wholly made of wood and bamboo. The roofs are made of woven alang-alang (*Imperata cylindrical*) designed to last from 80-100 years. In addition, the floors are made of *Bale Tani*, which is essentially a mixture of soil and cow or bull dung. To maintain its stability, homeowners would polish the floor with cow dung monthly. Other cultural heritage includes Ancient Mosque of Pujut Mountain (*Masjid Kuno Gunung Pujut*), Ancient Mosque of Rembitan (*Masjid Kuno Rembitan*) and The Tomb of Wali Nyato'. All these are located in Pujut District. In addition to being important historical legacies, these mosques are also considered as places of worship.



Tomb of Wali Nyato'



Ancient Mosque of Rembitan



Ende Tourism Village



Weaving at Ende Tourism Village

Source: ESC Site Visit (29 August – 3 September 2018)

**Figure 4-3 Cultural Heritage**

## 4.2 Economic Aspects

### 4.2.1 Gross Regional Domestic Product

Gross Domestic Product (GDP) is one of the indicators of economic progress of a region; it is defined as the total value-added of goods and services produced in a year in a region. Economic growth rates of Central Lombok Regency are summarized in **Table 4-14**. Since 2013, the Regency has seen steady economic growth with an annual rate of 5.9% on average.

**Table 4-14 Growth Rate of Gross Regional Domestic Product of Central Lombok Regency at 2010 Constant Market Prices**

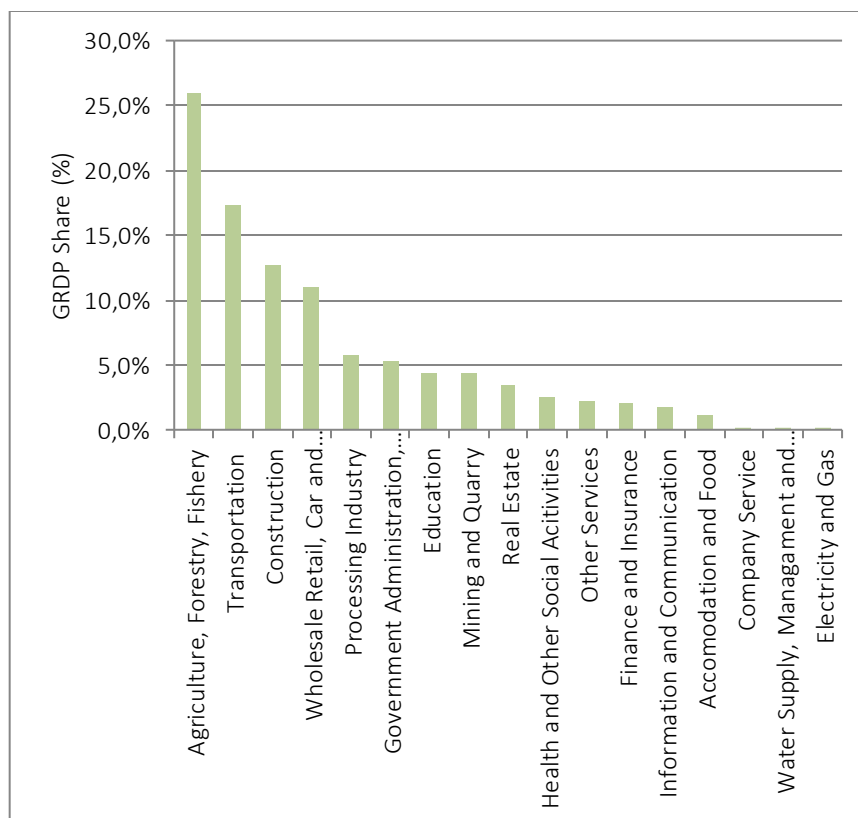
Year	Central Lombok Regency
	Growth Rate (%)
2013	6.24
2014	6.28
2015	5.58
2016	5.67
Average	5.94

Source: Central Lombok Regency in Figures, 2017

In Central Lombok Regency, Agriculture, Fishing, and Forestry is the largest sector (around 26% of the total GRDP), while Electricity and Gas is the smallest. The Transportation sector and the Construction sector are also two of the largest – around 17% and 12% of the total GRDP, respectively. The sectoral rank based on respective GRDP contribution can be seen in **Table 4-15** and illustrated in **Figure 4-4**.

**Table 4-15 Gross Regional Domestic Product at 2010 Constant Prices by Sector in Central Lombok Regency (billion rupiah), 2016**

Industry Sector	Central Lombok Regency	
	GRDP (2016)	Industry Share (%) to GRDP
Agriculture, Forestry, Fishery	2,817.45	26.0%
Transportation	1,872.47	17.3%
Construction	1,379.07	12.7%
Wholesale Retail, Car and Motorcycle Repair	1,188.74	11.0%
Processing Industry	621.49	5.7%
Administration, Defense, and Mandatory Social Security	568.92	5.2%
Education	475.78	4.4%
Mining and Quarrying	470.92	4.3%
Real Estate	373.15	3.4%
Health Services and Other Social Activities	270.50	2.5%
Other Services	249.01	2.3%
Finance and Insurance	217.36	2.0%
Information and Communication	195.21	1.8%
Accommodation and Food	116.37	1.1%
Company Service	15.75	0.1%
Water Supply, Management and Recycling of Waste	13.54	0.1%
Electricity and Gas	8.21	0.1%
<b>Total</b>	<b>10,853.94</b>	<b>100.0%</b>



Source: Central Lombok Regency in Figures, 2017

**Figure 4-4 Share of GRDP by Sector in Central Lombok Regency, 2016**

#### 4.2.2 Labor Force and Employment

A primary survey was conducted as part of preparing the AMDAL Addendum (2018—the Addendum). In total, the survey involved 219 respondents from Kuta Village, 98 respondents from Sengkol, 130 respondents from Mertak, and 148 respondents from Sukadana. From the results in **Table 4-16**, it can be deduced that the main occupation among the residents is farmers, followed by fishermen. Among all respondents within all the affected villages, 19.2% identify as farmers, while 4.5% identify as fishermen.



**Table 4-16 Occupation of Survey Respondents in Affected Villages**

Occupation	Kuta				Sengkol				Mertak				Sukadana				Total	%
	M	F	T	%	M	F	T	%	M	F	T	%	M	F	T	%		
Farmer	21	5	26	11.9	11	2	13	13.3	33	2	35	26.9	38	2	40	27.0	114	19.2
Fisherman	11	3	14	6.4	12	0	12	12.2	1	0	1	0.8	0	0	0	0.0	27	4.5
Tourist Guide	4	0	4	1.8	0	0	0	0.0	0	0	0	0.0	0	0	0	0.0	4	0.7
Hotel Manager	1	0	1	0.5	0	0	0	0.0	0	0	0	0.0	0	7	7	4.7	8	1.3
Hotel Staff	2	0	2	0.9	0	0	0	0.0	0	0	0	0.0	0	0	0	0.0	2	0.3
Driver	1	0	1	0.5	0	0	0	0.0	0	0	0	0.0	0	0	0	0.0	1	0.2
Construction Laborer	3	0	3	1.4	0	0	0	0.0	0	0	0	0.0	0	0	0	0.0	3	0.5
Farm Manager	1	0	1	0.5	0	0	0	0.0	0	0	0	0.0	0	0	0	0.0	1	0.2
School Management	1	0	1	0.5	0	0	0	0.0	0	0	0	0.0	0	0	0	0.0	1	0.2
Retail	2	16	18	8.2	0	0	0	0.0	0	0	0	0.0	0	0	0	0.0	18	3.0
Shops and Kiosks	3	11	14	6.4	0	0	0	0.0	0	3	3	2.3	0	4	4	2.7	21	3.5
Working abroad	0	3	3	1.4	0	2	2	2.0	0	2	2	1.5	0	3	3	2.0	10	1.7
Teacher	2	2	4	1.8	0	0	0	0.0	0	0	0	0.0	0	0	0	0.0	4	0.7
Musicians	1	0	1	0.5	0	0	0	0.0	0	0	0	0.0	0	0	0	0.0	1	0.2
Civil Servant	3	1	4	1.8	0	2	2	2.0	1	1	2	1.5	2	0	2	1.4	10	1.7
Military	0	0	0	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0	0.0	0	0.0
Livestock Breeder	0	0	0	0.0	0	0	0	0.0	1	0	1	0.8	0	0	0	0.0	1	0.2
Housekeeping	0	37	37	16.9	0	19	19	19.4	0	34	34	26.2	0	34	34	23.0	124	20.8
Unemployed	12	15	27	12.3	9	11	20	20.4	12	20	32	24.6	11	15	26	17.6	105	17.6
Attending School	27	31	58	26.5	16	14	30	30.6	9	11	20	15.4	13	19	32	21.6	140	23.5
<b>Total</b>	<b>95</b>	<b>124</b>	<b>219</b>	<b>100</b>	<b>48</b>	<b>50</b>	<b>98</b>	<b>100</b>	<b>57</b>	<b>73</b>	<b>130</b>	<b>100</b>	<b>64</b>	<b>84</b>	<b>148</b>	<b>100</b>	<b>595</b>	<b>100</b>

Note: M = Male; F = Female; T = Total

Source: AMDAL Addendum, 2018

The majority of the respondents, however, are not within the labor force (e.g. housekeeping, attending schools) or are unemployed. In fact, out of the respondents surveyed, 17.6% claim they are unemployed, 20.8% are housekeeping and 23.5% are still in schools. The unemployment rate among respondents is substantially higher than the unemployment rate of Central Lombok Regency, which was 7.4% in 2015 (Central Lombok Regency in Figures, 2017).

### 4.2.3 Local Economy in Surveyed Area

**Table 4-17** summarizes the primary data collected in the Addendum. The income below does not include the subsistence components of income, such as food from the farmers' own crops. Among the residents surveyed in the affected villages, a majority of the respondents earn a salary above Rp. 243,000 per month. However, a substantial portion of the population earns less than Rp. 168,500 per month, substantially lower than the Provincial Minimum Wage of West Nusa Tenggara of Rp. 1,825,000 per month. Remittances from abroad and other parts of Indonesia of labor migrants are not accounted for with available data. They are known to be significant for West Nusa Tenggara Province.

However, based on the interviews with key informants conducted by ESC, it is known that the current salary of residents in the Project area tends to be above Rp. 1,000,000. For instance, based on the interviews, the average income of residents in Sukadana village is about Rp. 1,500,000 while the residents in Kuta Village generally earn more than Rp 2,500,000. The relatively higher salary range in Kuta Village is due to new employment opportunities and business ventures, such as vehicle rentals, as a result of the growing tourism sector. In Mertak Village, on the other hand, the average income is still less than Rp 1,000,000, with the income of farmers at about Rp 50,000 per day.

**Table 4-17 Income per Capita (Monthly) of Affected Villages from Survey Results, 2017**

Income per capita	Kuta	Sengkol	Mertak	Sukadana	Total	%
< Rp 168 500	4	14	7	11	36	19.5
Rp 168 500 - Rp 199 000	9	5	4	4	22	11.9
Rp 199 000 - Rp 243 750	10	5	8	3	26	14.1
> Rp 243 000	18	41	29	13	101	54.6
<b>Jumlah</b>	<b>41</b>	<b>65</b>	<b>48</b>	<b>31</b>	<b>185</b>	<b>100</b>

Source: AMDAL Addendum, 2018

### 4.2.4 Expenditure for Community Development

In Indonesia, there exists a mechanism to alleviate poverty and reduce unemployment at the village level, the PNPM (*Program Nasional Pemberdayaan Masyarakat Mandiri Pedesaan* or National Program for Development of Independent Communities in Villages). Based on data from the National Statistics Agency, the expenditures for this program are compiled in **Table 4-18**. Mertak has the most funds allocated for community development, while Sengkol has the least. In fact, Sengkol's fund is dwarfed in comparison to those of other villages. It has only 19 million Rupiah for the PNPM Mandiri program, while Mertak has almost 300 million Rupiah. This can possibly be explained, however, by the income and welfare data by village presented above. It can be noted (**Table 4-18**) that Sengkol has the largest percentage of people in the highest income

bracket (63%), compared to 43% in Kuta and 42% in Sukadana. Mertak does have the second highest at 60%. Per Table 4-13, Sengkol has the lowest percentage in the Non-welfare category while Mertak has the second highest. Sengkol also has the highest percentage in the Welfare III category (almost double that in Kuta), while Mertak has by far the lowest.

**Table 4-18 Expenditures of PNPM Mandiri, 2015**

Village	Community Development Fund (Rupiah)
Kuta	162,351,600
Sukadana	276,596,300
Mertak	289,071,900
Sengkol	19,805,706
Pujut District	2,769,600,000

Source: Pujut District in Figures 2017

#### 4.2.5 Poverty Conditions

Poverty is viewed as lack of income/ expenditure of a person to meet daily food and non-food basic needs including food, clothing, and shelter. A person whose income per capita per month is below the poverty line is considered poor. **Table 4-19** shows the poverty line and number of poor people for Provincial and Regency levels. Poverty line in 2012 was Rp 285,665 and slightly increased, adjusting to the inflation rate, to Rp 355,337. Number of poor people in the last 5 years in West Nusa Tenggara slightly decreased from 18.63% in 2012 to 16.07% in 2017 of total Provincial population. Similarly, the percentage number of poor people at the Regency level of Central Lombok also slightly decreased from 16.72% in 2012 to 15.80% in 2016. The number at both Provincial and Regency levels are considered high at above 10 percent of total population. There are no poverty data available at the District and village levels, nor data for other vulnerable groups.

**Table 4-19 Poverty Line and Number of Poor People in West Nusa Tenggara 2012-2016 and Central Lombok Regency, 2012-2017**

Year	Poverty Line (Rupiah)	Number of Poor People			
		West Nusa Tenggara		Central Lombok Regency	
		Total	Percentage	Total	Percentage
2012	285,665	862,516	18.63	148,200	16.72
2013	306,311	843,660	17.97	145,200	16.20
2014	319,518	820,818	17.24	145,180	16.03
2015	335,286	823,890	17.10	147,940	16.26
2016	357,337	804,445	16.48	145,370	15.80
2017	n.a	793,776	16.07	n.a	n.a

Source: West Nusa Tenggara in Figures 2017 and National Socio Economic Survey in West Nusa Tenggara in Figures 2017

## 4.3 Transportation Aspects

### 4.3.1 Road

Road infrastructure enables movement of land vehicles and is obviously one of the most important aspects in supporting economic activities. **Table 4-20** summarizes the lengths of each type of road. Majority of the roads in Pujut District and the affected villages are dirt roads. Out of 816 km of roads in Pujut District, 71.9% are dirt roads (unpaved) while only 17.6% are paved with asphalt. Similarly, the roads in the affected villages are mostly dirt roads; for example, 70% of Kuta Village roads and 87% of Sukadana Village roads are unpaved. Only Kuta has fewer unimproved road kilometers than the Pujut average, and only by an insignificant margin.

**Table 4-20 Lengths of Road by Type in Affected Villages and Percentages, 2015**

Locations	Asphalt		Hardened		Soil		Total
	Length (km)	%	Length (km)	%	Length (km)	%	
Pujut District	144	17.6	85	10.4	587	71.9	816
1. Kuta	20	25.0	4	5.0	56	69.7	80
2. Sukadana	4	8.7	2	4.3	40	86.7	46
3. Mertak	17	17.3	3	3.1	78	79.4	98
4. Sengkol	10	11.2	6	6.7	73	81.9	89

Source: Pujut District in Figures, 2017

### 4.3.2 Land Transportation

As shown in **Table 4-21**, the majority of people in both Pujut District and the affected villages rely on motorcycles as their primary mode of transportation. For instance, there were 5,558 motorcycles in Pujut District (or about 64.7% of the total land transport vehicles) in 2016. The affected villages had similar numbers. More than 60% of the total land transport in all villages was motorcycles. However, aside from motorcycles, the residents also seem to depend on bicycles to get around. In fact, there were 2,175 bicycles in Pujut District. Among the affected villages, Sengkol and Kuta have the highest numbers of bicycles with 264 and 180 bicycles, respectively.

**Table 4-21 Numbers of Land Transport Vehicles in Pujut District, 2016**

Location	Wagon	Bicycle	Colt/Bus/Truck	Motorcycle	Total
Pujut District	110	2,175	744	5,558	8,587
1. Kuta	23	180	93	593	889
2. Sukadana	7	107	28	270	412
3. Mertak	0	171	28	326	525
4. Sengkol	18	264	87	706	1,075

Source: Pujut District in Figures, 2017

### 4.3.3 Air Transportation

The main airport on Lombok island is the Lombok International Airport (IATA: LOP, ICAO: WADL, which was officially inaugurated in 2011, replacing Selaparang Airport as the Island's only fully

operational airport. With a 2,750-meter runway, it can accommodate both wide-body and smaller aircraft. It serves various domestic and international airlines, such as AirAsia, Batik Air, Citilink, Garuda Indonesia, Korean Air, Lion Air, Name Air, Silk Air, and Wings Air.

In 2016 alone, it served 34,975 domestic aircraft and 1,967 international aircraft (arrivals, departures, transit), as well as 3,156,918 domestic passengers and 1,967 international passengers. These are shown in **Table 4-22**.

**Table 4-22 Domestic and International Aircraft, Passengers, Baggage, and Cargo Arriving at and Departing Lombok International Airport, 2016**

Type	Status			Total
	Arrival	Departure	Transit	
Domestic				
Aircraft	15,415	15,422	4,138	34,975
Passengers	1,562,785	1,471,894	122,239	3,156,918
Baggage (items)	11,079,776	11,081,336	-	22,161,112
Cargo (tons)	5,523,627	6,392,811	-	11,916,438
International				
Aircraft	990	977	-	1,967
Passengers	139,851	124,815	-	264,666
Baggage (items)	1,665,538	893,208	-	2,558,746
Cargo (tons)	381	79,959	-	80,340

Source: Central Lombok in Figures, 2017

#### 4.3.4 Electricity Network

Out of the 30,036 households in Pujut District in 2015, a large majority were powered with electricity, with only 4.2% not connected. Like Pujut District, the affected villages (Kuta, Sukadana, Mertak, and Sengkol) also have high electrification ratios, ranging from 91.8% in Mertak to 99.5% in Sengkol.

**Table 4-23 Number of Electrified Households in Pujut District, 2015**

Locations	Households	Households with Electricity	Percentage (%)
Pujut District	30,036	28,777	95.8
1. Kuta	2,239	2,159	96.4
2. Sukadana	1,579	1,488	94.2
3. Mertak	2,340	2,147	91.8
4. Sengkol	3,180	3,165	99.5

Source: Pujut District in Figures, 2017

#### 4.3.5 Communication/Social Media

In Pujut District and two of the affected villages, Kuta and Sukadana, radios and televisions are still prevalent as forms of communication and sources of information. For example, in 2016 there

were 11,232 televisions and 2,379 radios in Pujut District. Records from the National Statistics Agency showed that Kuta had considerably more televisions, but fewer radios, than Sukadana. There is only one post office in Pujut District, and it is located in Sengkol Village. Sengkol Village also happens to have the most radios and televisions among the affected villages (**Table 4-24**). Telephone numbers are assumed to be landlines.

**Table 4-24 Communication Facilities in Pujut District, 2016**

Locations	Post Office	Radio	Television	Telephone
Pujut District	1	2,379	11,232	17
1. Kuta	-	130	660	9
2. Sukadana	-	183	317	-
3. Mertak	-	234	267	-
4. Sengkol	1	288	2,211	8

Source: Pujut District in Figures 2017

#### 4.3.6 Land Use

As shown in **Table 4-25**, the dominant land cover in Pujut District, as well as Kuta Village, is dry land, which is characterized by a scarcity of water. The second most dominant cover was agricultural land, which covered up to 29.1% of the land – perhaps not surprisingly since the agriculture sector is the largest in the Regency. Large areas of agricultural land are similarly recorded in other affected villages, namely Sukadana, Mertak, and Sengkol, at more than 20% of the total area each. On the other hand, Kuta only possesses a small area of agricultural land – around 4%.

Forests are not a dominant land cover in Pujut District; however, as can be seen in **Table 4-25**, it covers significant swaths of land in both Kuta and Mertak village. In fact, it covers around 32% of the lands in both Kuta and Mertak.

**Table 4-25 Land Cover in Pujut District, 2015, in Percent**

Village	Agricultural Land (%)	Dryland (%)	Building (%)	Forest (%)	Others (%)	Total
Kec Pujut	29.1	42.4	13.5	8.6	6.4	100
Kuta	4.0	57.4	5.7	32.3	0.6	100
Sukadana	22.2	21.8	56.0	0	0	100
Mertak	24.0	30.2	9.9	32.9	3.0	100.
Sengkol	29.7	29.4	10.8	0	30.2	100

Source: Pujut District in Figures, 2017

## 4.4 Public Health Aspects

### 4.4.1 Health Facilities

**Table 4-26** shows the numbers of health facilities in the affected villages. These are derived from the village profile documents obtained by ESC; where data for some facilities are not available from the profiles, these are completed from the Addendum (2018). This is true for Kuta and

Sengkol Village, in which data on health facilities are lacking. Kuta Village possesses the highest number of health facilities, from pharmacy to community health centre (*Puskesmas*) categories. In contrast, there is no recorded health facility in Mertak Village. The most prevalent health facility in Sukadana and Kuta Village is the *Posyandu* or the Integrated Service Post. In Indonesia, *Posyandu* refers to a medical event organized by and for the community, with guidance from trained medical personnel, rather than a permanently staffed facility. No health facility is recorded in the Mertak Village Profile.

**Table 4-26 Health Facilities in Affected Villages**

Health Facilities	Sukadana	Kuta	Sengkol	Mertak
Puskesmas (Community Health Centre)	0	1	1	0
Pustu (Community Health Sub-center)	1	5	4	0
Polyclinic	0	2	0	0
Posyandu (Integrated Service Post)	14	21	88	0
Maternity Hospital	2	2	0	0
<b>Total</b>	<b>17</b>	<b>31</b>	<b>93</b>	<b>0</b>

Source: Kuta Village Profile 2017; Sukadana Village Profile 2017; AMDAL Addendum 2018; Mertak Profile 2017

#### 4.4.2 Health Workers

Based on available data from the village profiles (acquired during ESC site visits), this subsection compiles the number of health workers in each affected village. Where data for some workers are not available from the profiles, these are completed from the Addendum (2018). This is true for Kuta and Sengkol Village, in which the data on health workers is lacking. The most common health worker in Sukadana and Mertak Villages is trained healers (*dukun persalinan terlatih*) traditional informal practitioners, as are usually prevalent in rural areas. There are 16 and 10 of these healers in Sukadana and Mertak Villages, respectively. Moreover, in these villages, midwives and nurses also practice. In Kuta Village, there are 28 nurses and 7 midwives as shown in **Table 4-27**.

**Table 4-27 Number of health workers in the affected villages**

Occupation	Village			
	Kuta	Sukadana	Mertak	Sengkol
Dentist	1	0	0	0
Trained Traditional Healer	1	16	10	0
Midwife	7	8	3	10
Nurse	28	7	2	31
Traditional Healer	0	0	0	4
Doctor	1	0	0	3

Source: Kuta Village Profile 2017; Sukadana Village Profile 2017; AMDAL Addendum 2018; Mertak Profile 2017



#### 4.4.3 Prevalent Diseases

The following data on the most prevalent diseases are taken from the AMDAL Addendum (2018), which combines available data from Kuta, Sengkol and Teruwai Villages. It is worth noting that Teruwai Village does not overlap with the Project Area. Nevertheless, the most common disease found is acute infections of the upper respiratory system, at 19% of the total cases. Muscle pain is also fairly common, attributed to 15% of the total cases. Other common diseases are skin infections and diarrhea at 15.2% and 8.6%, respectively.

**Table 4-28 Ten (10) Most Common Diseases in Kuta, Sengkol, and Teruwai Village**

No	Types of Disease	%
1	Acute diseases in the upper respiratory system	19.7
2	Muscle pain	15.4
3	Skin infection	15.2
4	Other diseases	13.6
5	Diarrhea	8.6
6	Skin allergy	7.7
7	Gastritis	5.9
8	Other diseases in the upper respiratory system	5.6
9	Fungal skin diseases	5.0
10	Hypertension	3.3
<b>Total</b>		<b>100</b>

Source: AMDAL Addendum, 2018

#### 4.4.4 Facilities Sanitation

**Table 4-29** presents a summary of the sanitation facilities within the affected villages, concerning infiltration wells, MCK (*Mandi Cuci Kakus*, which is a communal facility for bathing, washing, and defecating), households with toilets and the availability of drainage system. This summary is obtained from the village profiles acquired by ESC during the site visits. Based on these documents, Kuta Village is the only one with infiltration wells; in fact, 120 households own such facilities. MCK facilities are prevalent in the affected villages, particularly Mertak and Kuta Villages, although none is available in Sukadana Village. In addition, Mertak does not have an established drainage system, whereas Sukadana and Kuta Villages do. Unfortunately, no data on sanitation facilities are available on the Sengkol Village Profile.

**Table 4-29 Sanitation Facilities in Affected Villages**

Sanitation Facility	Mertak	Sukadana	Kuta
Number of households with infiltration wells	0	0	120
Public MCK ( <i>Mandi Cuci Kakus</i> )	10	0	12
Number of households with toilets	1,237	615	400
Drainage system/wastewater disposal system	None	Present	Present

Source: Kuta Village Profile 2017; Sukadana Village Profile 2017; Sengkol Profile 2017; Mertak Profile 2017

#### 4.4.5 Clean Water

**Table 4-30** presents the types and numbers of clean water sources in the affected villages, as outlined in the village profiles that were acquired by ESC. Majorities of residents still rely on wells, either dug wells or bored wells with pumps, to obtain their share of clean water. For instance, there are 1,465 dug wells and 506 well pumps in Mertak Village alone. There are also 18 retention basins accessible to the villagers for clean water. Aside from the well pumps and dug wells, the residents of Kuta and Sukadana Villages also rely on spring water. In the affected villages, there are no public hydrants, rainwater tanks, or water treatment facilities. Unfortunately, no data on sources of clean are available in the Sengkol Village Profile.

**Table 4-30 Sources of Clean Water in Affected Villages**

Source	Number of Facilities		
	Sukadana	Kuta	Mertak
Pumped well	37	58	506
Dug well	58	267	1465
Public hydrant	0	0	0
Rainwater tank	0	0	0
Clean water tank	1	0	0
Retention basin	0	0	18
Spring	1	1	0
Water treatment facility	0	0	0

Source: Kuta Village Profile 2017; Sukadana Village Profile 2017; Sengkol Profile 2017; Mertak Profile 2017

## CHAPTER 5

### PROJECT BENEFITS, IMPACTS, AND MITIGATION MEASURES

#### 5.1 Broad Community Support for Proposed Mandalika Project

Generally, the communities in The Mandalika area, especially the affected villages (Kuta, Mertak, Sengkol, and Sukadana) are very supportive and positive toward development of The Mandalika tourism destination. ESC and ITDC conducted Focus Group Discussions (FGDs) with individual and groups for consultation in the affected village from 30 August – 3 September 2018, to gather opinions, perceptions, and views on proposed Project activities, including problems and challenges faced by the community, changes perceived by the community, positive benefits and negative impacts to be caused by different Project components, concerns and expectations from the Project in terms of development programs for improvements in local communities and the livelihoods of local population, as well as community consent and support for The Mandalika SEZ.

FGDs were held on 31 September and 1 September 2018 as a part of consultation with community members from different groups including village apparatus, village leaders, women, elderly, youth, customary representative, and disabled. The individual and group consultations focused on enclave land owners, heads of dusuns (subvillages), women's group, and community who did not participate in the other FGDs.

ESC also had the opportunity earlier to carry out interviews with stakeholders in all affected villages from 5 to 8 August 2018. Investigators were able to gather opinions, perceptions, and views on proposed Project activities, both positive benefits and negative impacts, and expectations from the Project. However, consultations with different groups were not conducted due to the villages being struck by two severe earthquakes in early August that devastated much of Lombok Island. Earlier interviews were conducted on 20 March 2018 by the ESC team with the Village Secretaries (SEKDES) of Kuta and Mertak, who also support the Project.

ITDC also received support for development of the Project during AMDAL Addendum public consultation and information disclosure 8 March 2017 and 22 February 2017. Stakeholders are mainly very supportive of The Mandalika Tourism SEZ and it is reasonable to conclude that broad community support exists.

#### 5.2 Potential Benefits and Impacts from Mandalika Project

Potential benefits and impacts from The Mandalika Project activities were discussed primarily during Focus Group Discussions (FGDs) with different groups—including vulnerable groups (village apparatus, village leaders, women, elderly, youth, customary representative, and disabled) within the community as well as during consultations with individual and groups from 30 August – 3 September 2013 in the villages in the affected area. There are numerous of benefits perceived by the community from Mandalika, among others improved infrastructure (roads, street lights, pavement, etc.), more jobs and business opportunities, decline in number of people unemployed, number of tourists increasing, incoming investment, multiplier effects on business development around the SEZ such as growth in homestays and restaurants, increased regional economic

growth and locally generated revenue, orderly and well organized beaches, land price increase, decline in crime rate which leads to safer conditions, availability of religious facilities (Nurul Bilad mosque) as well as more social and religious activities, convenience for tourism and recreational activities as result of beach structuring and better views, social assistance programs for the community (health assistance, deep wells, cow donations during d celebration, etc.), tree planting, more people participating in Bau Nyale event, positive image of Lombok due to tourism, etc.

On the other hand, community also perceived negative impacts from The Mandalika development, which mainly highlighted--impact on local customs and cultural changes (including barriers to conducting cultural rituals), impacts on youth (especially related to youth lifestyle such as hair coloring, piercing, tattoos, changes in dress code of locals, and sexual and promiscuity), reduced role of customary leaders, dress code of visitors not in accordance with local culture, emergence of illegal “red light districts”, drug trafficking. Other negative impacts perceived are low land prices offered by ITDC for the land inside the SEZ Mandalika, many disputes on land status, and anxiety on evictions for those who live on ITDC land, unequally distributed employment opportunities and less priority on local employees, difficulties finding jobs for disabled, shrinking of agricultural land, loss of people’s homes, loss of grazing and fishing grounds, increase disparities between rich and poor as well as officials and businessmen and the community at large, increases in prices of goods and services, lack of street lighting and venues for trading, damaged road access, Kuta-Gerupuk has not been paved, nor has the road in Mertak, impact of infrastructure works (dust, no proper permitting, and excavated holes not being repaired), environmental pollution due to trash.

The perceived information on potential benefits and impacts was also collected through interviews with key informants during the site visit of 5 to 8 August 2018. Note that during the site visit the severe earthquakes forced the planned data collection via focus group discussions (FGDs) with representatives of community groups to be changed to interviews with key informants, since most community members were evacuated to areas distant from the SEZ. Other information collected was based on public consultation and information disclosure sessions with stakeholders.

There are several expectations the Village Heads (KADES) expressed during interviews, such as the need for a clear boundary between ITDC’s SEZ and the villages, no policy changes should result from structural changes, need for regular meetings between ITDC and affected villagers (Sukadana, Mertak, Kuta, and Sengkol) every 2 or 3 months to discuss current issues with the community. Also noted was a need for more engagement to improve “emotional relations” between ITDC and the villagers through more informal meetings and visits, recruitment should give priority to local labor, and need for availability of a grievance channel.

The Village Head of Sukadana and the Head of Village Government Affairs acknowledged the positive and negative impacts of the Project. The positive Project benefits are economic benefits and improvements in community welfare; human resources improvements, especially in terms of education levels; local labor recruitment; community empowerment in each village; and partnership between ITDC and the community with a mutual benefit principle.

The negative impacts were stated as including “cultural fading” (Sukadana Village anticipated this issue by establishing a “cultural school.”) It was stated visitors need to respect local culture

(zonation should be demarked; visitors who are outside of Mandalika SEZ should wear proper clothing), and establishing new road access into the ITDC area.

For Mertak Village, there are some expectations from the community from the SEZ (KEK) in Mandalika. First, community empowerment in the agricultural tourism concept is expected. In Mertak, there are farmers who cultivate the land using water buffalo; the Village Secretary expects this practice can be introduced to visitors as a tourism attraction. Second, seafood produced by the community can be bought by companies operating in the SEZ.

Specifically for land acquisition, KADES Kamil explained that the Company should hold socialization and consultations with the community and explain the objectives of land acquisition, what is used for, and compensation. In general, the community agrees with land acquisition and relocation, as long as there is agreement regarding compensation and other related matters. Regarding landholding, majority are right-of-ownership land and land owned by the community. There is no customary land in Mertak.

Similarly, for Kuta Village, there are some positive benefits from the Project highlighted by SEKDES Lalu: employment opportunities are considered major, either from ITDC and its contractors or due to multiplier effects from the KEK, such as from businesses in the surrounding Kuta area. Business opportunities such as homestays, restaurants, vehicle and surfing equipment rentals, and others, have quickly grown. There are some villagers or land owners who sold their land for capital to start up businesses or contracted their land to third parties. Many villagers want to operate their own businesses.

People from outside the Kuta area will also receive benefits from the KEK by becoming traders and operating other businesses. Fishermen have also slightly changed profession to at least partly serve as tourist guides and provide boat rentals for surfing, as well as working in construction during the windy season. Some fishermen are still fishing in the normal season. Religious activities have significantly increased to anticipate negative influences on local culture. The Village also established the *Kampung Madani* cultural village, where community members are not allowed to have tattoos and piercings. The community also established craft and baker groups for souvenirs and food. These groups appear in each subvillage (*dusun*) and received support from the Village Office for training in tailoring, baking, weaving, spa services, and making souvenirs.

The negative impacts are seen as local culture fading, especially as the young generation is influenced by outside culture such as body piercing (of men), tattoos, etc. Land uses have changed from agricultural land (about 30% of Kuta) to tourism purposes, including for KEK, accommodation (homestay, villa, and resort development), and other tourism related businesses. Rice fields have significantly decreased from 50 hectares to only about 10 to 15 hectares in the last 3 years. The youth are being affected by illegal drugs. There are worries of water levels decreasing due to groundwater use by hotels and homestays. Water infrastructure such as PDAM at the moment is not yet available for all villagers and businesses.

Expectations from Kuta Village related to ITDC are that there are no obstacles for development continuity of the KEK. The progress is expected as planned; the community in Kuta supports the KEK and ITDC and the community is expected not to depend only on the KEK. Permits to develop homestays, hotels, and other businesses outside the KEK should not be restricted, but there is a need for spatial planning. Exchange information with the Kuta Village Government and then the

Village can deliver information to the community, including about the KEK progress and infrastructure developments.

Sengkol Village Head, Mr. Lalu, acknowledged there are some direct and indirect positive benefits from the Project, such as infrastructure development in the area; more business opportunities, for example, traders (selling souvenirs, etc.) in the KEK area. On the other hand, negative impacts of the Project include that ITDC is not communicative and transparent (example: recruitment of workers was not transparent and not many knew about this process previously). KADES Lalu made an ambiguous statement regarding economic benefit, that economically, there has been no improvement.

Regardless of negative impacts and personal disappointments, there are some expectations from Sengkol KADES and his community. The expectations are economic benefits, where community's income and welfare both increase. Employment of more permanent local staffs and appointing local people to fill management level positions are expected. There is a need to change and rebrand ITDC's image. Land and building tax clarity is desire; the Village Head has not received any information regarding taxes. He requested data on landholdings inside the KEK. This is to avoid overlapping land certificates being issued by the Village. The Village Office is to provide these services for the community. Therefore, if there is a request for a "Sporadic" certification by the community, the Village can issue the certification documents without worrying about overlapping land claims.

Other information was collected from the AMDAL and Gap Analysis reports. Public consultation for the AMDAL of the Project was conducted on 12 January 2012 at Tatsura Hotel, Central Lombok Regency. The consultation involved representatives of local villages and the Pujut District government as well as the Environment Office of Central Lombok Regency. Consultations were also held in the following villages: Kuta, Mertak, Sengkol, Sukadana, and Teruwai.

Concerns and expectations of the public expressed during public consultations include the following:

- Employment opportunities with the Project;
- Preservation of the existing fishing village at Kuta II Hamlet, with no relocation;
- Expect positive impacts to local economy and human resources;
- Construction of public facilities for the community of the area;
- Protection of the culture and traditional customs from impacts of tourism;
- Solution to land ownership issues;
- Access to roads, beaches, cemeteries, and other public places, which should stay open to local communities.

In the Gap Analysis report was also highlighted the notes from the site visit of 19 to 21 March 2018. Positive community perceptions and support were evident during the site visit. For example, members of the local community mentioned that the development of The Mandalika, including the road network, has facilitated better and easier access to and from local villages. Broad support from the community for this Project was also reflected through the community's positive attitudes and close relationships with ITDC personnel and activities.

### **5.3 Summary of Key Measures Program to be Developed**

The IPDP listed (as below) programs to address basic needs--infrastructure, agriculture, livestock, fisheries, education, health, economic and business development, and social cultural that aim at empowering local community, reducing poverty, improving skills of local community, and improving income of locals. The development program is developed based on participatory consultation with the community, as listed in the public consultation section, through FGDs, consultation with key informant individuals and community groups. Below are the programs for Indigenous Peoples development for 4 years.

**Table 5-1 Livelihood and Skill Development Assistance for Affected Households**

No	Sector	Objective	Programs	Activities	Method/Approach	Village				Target Beneficiaries	Partner
						Kuta	Suka dane	Sengkol	Mertak		
1	Basic Need - Infrastructure		Public facilities	Road development (Road access Kuta-Gerupuk, road asphalt in Mertak, and new road access in Sukadana)	Road is normally constructed by GoI through Public Work Agency using public funding. As a part of supporting government program on tourism, ITDC should request and coordinate with government agency for road development. ITDC can oversee the process of proposal for road construction through <i>Musrembang</i> (Development planning consultation)		√	√	√	Community Sengkol (Gerupuk subvillage, Mertak, and Sukadana)	Public Works and Spatial Agency Central Lombok.
			Basic need	Deep well	Deep well development should be allocated to the area severely affected by drought, especially for domestic use. Further coordination and consultation with village and subvillage head is needed. Number of deep wells allocated depends on funding availability		√		√	Community in the area severely affected by drought	Public Works and Spatial Agency, Rural Community Empowerment Agency Central Lombok.
2	Agricultural, livestock, and fisheries	To improve livelihoods of farmers who are affected by ITDC project activities through the development of sustainable agriculture, agroforestry, and forestry	Cash crop, Agroforestry development and Integrated farming (Paddy, corn, tobacco, home garden, estate crops, fruit trees, trees, etc.)	Forming farmer groups/ Integrated with existing farmer group	Socialization to community regarding the cash crop, agroforestry development, and integrated farming programs; establishing farmer groups and group structure; participatory identified preference cash crop, estate crops/tree species, identified planting seasonal calendar	√	√	√	√	Farmer groups	Agricultural and agency, Food Security Agency, Rural Community Empowerment Agency, Cooperative and Small Medium Enterprise Agency Central Lombok, local or national experienced NGOs
				Establishing and operating nursery	Nursery development and management						
				Technical training and Good Agricultural Practices (Including application in the farm) and agricultural tools assistance	Develop and provide technical trainings (nursery, grafting, and cultivation of cash crops, estate crops, fruit trees, composting, and integrated farming) as well as Good Agriculture Practices.						
				Cross visit	Learning from local agriculture champions through cross visits						
				Technical field support/ coaching/ field assistance	Extension service with regular visit and coaching (preferable with informal meeting)						
				Marketing and enterprise development	Develop better link to market; strengthening farmer group and leads to establishing farmer based enterprise unit/ cooperative, and improved entrepreneurship skills.						
3		Improve livelihoods of livestock farmers through increasing production of	Livestock development	Forming farmer group/ Integrated with existing livestock group	Socialization to community regarding the livestock program; establish livestock group, identified needs and type of support (Chicken, goat, and cow)	√	√	√	√	Livestock farmer, household with low per-capita income, unemployed head of	Agricultural and agency, Rural Community Empowerment Agency,



No	Sector	Objective	Programs	Activities	Method/Approach	Village				Target Beneficiaries	Partner
		livestock		Livestock technical training and management	Livestock health, technical training with combination of on the job training/ practical (feedlot, barn management, feeding, mating, cement insemination), production of livestock, efficient techniques of cow rearing and health					households	Cooperative and Small Medium Enterprise Agency Central Lombok, local or national experienced NGOs
				Input assistance	Revolving calf, goat assistance, cement insemination						
				Technical field support/ coaching/ field assistance	Extension service with regular visit and coaching (preferable with informal meeting)						
				Cross visit, marketing and enterprise development	Learning from best practices, and coaching (livestock extension), marketing						
4		To improve livelihood of fisherman through increasing production of fish/ shrimp and fish/ shrimp catch	Fish/shrimp Farming and fishing activities	Forming farmer group/ Integrated with existing fishermen group	Socialization to community regarding the livestock program; establish livestock group, identified needs and type of support	√		√	√	Fishermen, fish pond owners, households with low per-capita income, unemployed heads of households	Marine and Fishery Agency, local or national experienced NGOs
				Technical Training	Improve production of fish/shrimp production through training on efficient fish farming techniques and awareness training on the use of sustainable catch tools (not using fish bomb and poison)						
				Input assistance	Revitalization of catch equipment introducing modern fish catching equipment, marketing, and learning from best practice,						
				Technical field support/ coaching/ field assistance	Extension service with regular visit and coaching (preferable with informal meeting)						
5	Education		Educational facilities and support	Scholarship for bachelor level/ tourism diploma, tourism vocational school	Scholarship to be allocated to affected villages. Selection of scholarship recipients should be based on certain criteria and selected by scholarship committee in openness and transparent manners. Information on scholarship award should be accessible publicly in advance through several media tools (newspapers, pamphlets, ITDC website, etc.). Scholarship recipients maintain at least B in CGPA	√	√	√	√	Students from Affected area	Education Agency
				Learning tools	Providing learning equipment (toys ) for Kindergarten	√	√	√	√	Children	
		To improve capacity of human capital and competitive-ness of local people	Vocational education - Skill based enhancement	English course	These trainings and courses are to prepare local youth for tourism industry and in coordination with Education Agency. Opportunity to participate in the training should be open to any people in affected village, especially youth and including vulnerable groups. Information can be advertised through village apparatus or other media instruments	√	√	√	√	Youth who are interested in improving skills	Education Agency, Rural Community Empowerment Agency, local or national experienced NGOs
				Cooking and pastry course		√	√	√	√		
				Tourism & Hospitality Training		√	√	√	√		
				computer training		√					
				Driving course		√					
				security training,		√					
				Mechanical Training	Technical training related to car, motorcycle, bike, and technology hardware repair.	√	√				
				Carpenter training	Carpenter and gardening training are to create alternative	√	√	√	√	Youth, house hold	

No	Sector	Objective	Programs	Activities	Method/Approach	Village				Target Beneficiaries	Partner
				Gardening Training	livelihood for local community. These trainings open to any affected community who are interested in these areas	√	√	√	√	interested in carpentry, gardening, and construction	
				Construction Workers Training & Certification	Open to affected community. Information can be advertised through village apparatus or other media instruments	√	√	√	√		
				cosmetology	Support in the form training and tools. Further consultation and coordination with women groups for implementation	√	√	√	√	Women group	Women Empowerment and Family Planning Agency, Rural
				Tailoring		√	√	√	√	Women group	Community Empowerment Agency, Social Agency, Cooperative and SMEs Agency, local or national experienced NGOs
6	Health	To improve access of health service to community (maternal & child), increase health awareness and literacy, as well as promoting well being	Health Facilities	Village Maternal & Child Health Cenetr ( <i>Posyandu</i> )	Facilitate construction of <i>Posyandu</i> 's building and support health material needed in affected villages. These activities should be in coordination and consultation with Health Agency, district health center, and village apparatus		√			Maternal & Child	Health Agency, District health center
				Rubbish bins	Rubbish bin is to be distributed to strategic spots and subvillages. Further coordination and consultation with village and subvillage heads are needed. The rubbish collection matter and waste management should also further discuss with government agency at regency, district, and village level, specifically who is going to collect the rubbish.	√	√	√	√	Community as a whole	Environment Agency, Health Agency, Housing and Settlement Area Agency Central Lombok, District health center
			Health Education	Waste management training	These activities are to increase awareness on waste, health, and sanitation, as well as sex education and in partnership with health agency. Support can be in the form facilitation of the meeting arrangement and coordination with stakeholders	√	√	√	√	Community as a whole	Health Agency Central Lombok, District Health Center
				Seminar or socialization about health & sanitation awareness		√	√	√	√	Community as a whole	
				sex education		√	√	√	√	Youth	
				Healthy school campaign	Activity is in the form health talk on cleanness, hand wash, and tooth health. This activity is in partnership with schools in affected area, health agency, and district health center	√	√	√	√	Students from Affected area	
			Market facilities	Market revitalization	Re-allocation or market refinement and to facilitate local traders (home industries - sea grass processing, and fish processing, women groups, and traditional fabric, craft) to have a shop inside SEZ Mandalika. The market is also to promote local products to visitors.	√	√	√	√	SMEs owner	ITDC
7	Economic and Business development	To assist and improve local business development	Market facilities	Market revitalization	Re-allocation or market refinement and to facilitate local traders (home industries - sea grass processing, and fish processing, women groups, and traditional fabric, craft) to have a shop inside SEZ Mandalika. The market is also to promote local products to visitors.	√	√	√	√	SMEs owner	ITDC

No	Sector	Objective	Programs	Activities	Method/Approach	Village				Target Beneficiaries	Partner
			Small Medium EEnterprise development	Start and improve your business (SIYB) and Entrepreneurship Training	Start Your Business (SYB) and Start and Improve Your Business (SIYB) and entrepreneurship training cover coaching and lecturing. Content of training Includes marketing training, business management, budgeting, learning from best practitioner	√		√		Combination of on the job training, learning from best practices, coaching	Rural Community Empowerment Agency, Women Empowerment and Family Planning Agency, Industry and Trade Agency, Cooperative and SMEs Agency Lombok Tengah, local or national experienced NGOs
				Home industry & traditional craft/ fabric development	Products processing (sea grass and agricultural products, fish processing). Activities are to provide input and capacity building to these groups. Further consultation with the home industry group is needed	√		√		PKK group, women groups, SMEs	
				Revolving fund/ Micro credit	Mechanism for loan/capital distribution follows the concept of revolving fund. The revolving fund can partner with local and national NGO who are experience in micro credit	√	√	√		SMEs owner	
			Handicraft and art development	Souvenir making training	This program focuses on improving livelihood of person who is interested in handicraft and art through improving technical and no technical skill ability such as souvenir from coconut shell.	√	√	√		Craft group or women who are interested in craft	
8	Social culture	To preserve and introduce local culture to the visitors	Cultural facilities, material support, and social program support	Multifunction building (cultural hall) for culture activities	The building is for multi purposes used. Community expect to have cultural hall to perform traditional dance and performance to visitors	√			√	Village/ community as a whole/ cultural group	Cultural and Tourism Agency Central Lombok, local or national experienced NGOs
				Art material	Traditional music equipment (Gamelan)	√		√		Cultural group	
				Traditional uniform	Uniform is used for performance and cultural activities. Support is the form of material/ in kind support	√					
				Weaving tools	Providing weaving tools to local community to produce traditional fabric	√	√	√			
				Customary school	Support to customary school is in the form of skill enhancement and in kind (learning materials)		√			Sukadana Customary School	
				Group Formation	Waste Care Group, Tourism Awareness & Hospitality Group	√	√	√	√	Youth	
				Culture & Religion Program	Funding support/ culture & religion activities support	√	√	√	√	Elderly, Women, Youth	
			Sport	Sport facilities	Football field. Specifically for Mertak, the youth requested to borrow ITDC land for sport facilities prior construction. Internal ITDC meeting and consultation are needed prior approval for the request	√			√	Youth	Youth and Sport Agency Lombok Tengah
				Sport facilities	In kind support (sport club uniform, balls, nets, etc.)	√	√	√	√		
				ITDC League/ Games	ITDC to host games (football, basketball league, etc.). The league is also as a medium of engagement with community, especially youth	√	√	√	√		

Note:

To avoid redundancy, marketing training in the Agricultural activities sector can be linked to SIYB training under Small Medium Enterprise Activities sectors.

## CHAPTER 6

### IMPLEMENTATION ARRANGEMENTS

#### 6.1 Overall Social Management System

Current community development programs of ITDC, both for Nusa Dua and The Mandalika SEZ, are carried out through the program *Kemitraan dan Bina Lingkungan* (PKBL—Partnership and Environmental Improvement) especially for nearby communities in the Special Economic Zone areas. A number of Community Development activities were held in 2016 in various sectors including education and nature conservation. Focus often centers on donations. Recent donations included:

- Provision of aid to the victims of natural disaster in Gerobak Buleleng District.
- Provision of aid in the form of Bougainvillea flower seeds to Geopark Batur Kintamani with an aim to give positive impact on the surrounding environment.
- Provision of aid for religious facilities in the form of funds donation for the development and renovation of physical and nonphysical mosque facilities in the surrounding villages of Mandalika Tourism SEZ, namely the construction of washing (*wudhu*) area and toilet areas, as well as provision of prayer equipment and funds for religious ceremonies.
- Provision of aid to the victims of flood and landslide disasters in Purworejo Regency of Central Java.
- Company, together with public health centers (*Pukesmas*) in areas surrounding Nusa Dua provided health donations in the form of nutritious food package for toddlers and pregnant mothers.
- Carried out the National programs for SOEs, namely: Renovation of Veterans' Housing in West Nusa Tenggara Province by renovating and repairing 20 units of uninhabitable housing.
- Carried out the program of Students Get to Know the Country (*Siswa Mengenal Nusantara*) which involved 20 High School Students in NTB Province, by conducting student transfers to Jambi Province.
- Gardening Training for community living in Mandalika Tourism Area.
- Education Trip Workshop Program of Tourism Industry for Elementary School Teachers/Madrasah in the area surrounding Mandalika SEZ to Nusa Dua Bali.
- Tourism awareness training for street vendors in Mandalika Lombok Tourism Area.
- Provision of aid to the victims of landslide disaster in Garut Regency (West Java) as a form of care for the disaster victims.
- To develop homestay programs for the country, the Company carried out hospitality training and inaugurated the *Pinge Tabanan* tourism village by providing donation for the development of public facilities and infrastructure in the form of aid to develop tourism destination and

homestays through the empowerment of Pinge Village in Tabanan, Bali, and Sasak Ende Village in Lombok which have the potential to become tourism villages.

- Carried out health examination and treatment for elderly residents in the Supporting Villages of Nusa Dua Tourism Area.
- Carried out reforestation activity as the form of nature conservation by providing plant seeds (sengon, mahogany, trembesi, jati jabon, and papaya) to the villagers living in supporting villages of Mandalika Tourism Area.
- Donation of funds for Community Development Program of 2016 to Desa Adat Bualu, Desa Adat Peminge, Desa Adat Kampial, Kelurahan Benoa, South Kuta, Badung.
- Provision of Waste Bins to the Hindu Temples within Nusa Dua Area and Kelurahan Benoa.

In Nusa Dua, Bali, out of the total 1,558 UKM and cooperatives spread over nine regencies/ cities in Bali Province, there were 909 units consisting of 104 units of cooperatives/*KUD*, 804 UKM units, and one micro enterprise that had completed their partnership periods. Thus, the number of partners as of the end of 2016 was 649 business units consisting of 11 units of cooperatives/*KUD*, 583 small enterprises, and 55 micro enterprises.

Targeted distributions of Community Development program are classified into eight sectors according to the policy on CSR direction, namely: (1) donation for victims of natural disasters, (2) donation for education and training, (3) donation for health, (4) donation for development of public infrastructure and facilities, (5) donation for religious facilities, (6) donation for nature conservation, and (7) donation for social community and (8) donation for foster partners development.

The PKBL carried out in The Mandalika area consists of CSR assistance in the fields of environment, education, and human resource empowerment, social (art and culture), and infrastructure.

## 6.2 Institutional Setting and Respective Responsibilities

The successful implementation of ITDC's Community and Indigenous Peoples Plan (IPDP) will require the coordination of diverse areas of expertise. Figure 9-1 shows the overall ITDC organizational structure. The Communication & Relations (C&R) Department supports these activities in terms of liaising with local communities and seeking permits and approvals as required. The Mandalika has therefore appointed this as the IPDP/CSR Division needed to effect this coordination. This Department is referred to throughout the IPDP, RPF, and consultation and disclosure and related documents as Community Development.

As required, the staff will be trained to fulfill the requirements of their positions, for example to assist with stakeholder grievances; compensation negotiations, conflict resolution, and effective means on consultation. They will also be responsible to recruit additional requisite in-house staff, as required, as well as involve outside consultants to commence data collection.

### 6.3 Implementation Arrangements for IPDP

The IPDP programs listed above have predominantly been implemented by ITDC in conjunction with the community. To coordinate their efforts, the Village Heads will be assisted by village community institutions such as *Badan Perwakilan Desa* (BPD) or Village Representative Council. For the implementation of these programs for “Project-Affected Persons” (PAP) and the “Broader Community,” a description of the mechanisms that will be adopted follows. Programs could also be integrated with similar program being carried out by the government or other institutions such as Non-Governments Organizations (NGOs) in various areas.

### 6.4 Training Activities

The following are education and training activities being carried out by ITDC both for Nusa Dua and Mandalika.

#### 1. Tourism Awareness Training for Public

- Educational Travel Program. An educational workshop on the tourism industry for teachers of selected elementary schools and Madrasah from the areas currently undergoing development. In The Mandalika Tourism SEZ The teachers are invited to stay at hotels in the Nusa Dua tourism area. Aside from attending brief classes on tourism, they are invited to shop in the art market and visit the Bali Safari Marine Park.
- Regular training on cultural art and exhibitions in the surrounding villages and routine art exhibitions in the SEZ.

#### 2. Tourism Awareness Training for Tourism Industry Participants and Workers (“Players”)

- Basic Chinese and English language and hospitality training for SMEs, street vendors, and souvenir sellers.
- English language, hospitality, and comfort and safety driving training as well as certifications for transportation business participants. As a future plan, the Company will develop an application based taxi fleet for use in Nusa Dua and Mandalika whose members will be ITDC certified drivers of shuttle cars.
- After the tourism industry “players” are able to apply their education and skills, the Company will assist their marketing activity properly, through media and website of which the link is connected to the portal of Tourism SOE Synergy.

#### 3. Community Empowerment and Poverty Alleviation Field

- Gardening training for people from surrounding villages who have not attended formal education. After participating in the training, they will as needed be given landscaping maintenance work in Mandalika Tourism SEZ.

- Architecture Engineering Construction (AEC) training and certification for construction workers. With the AEC certification, the workers will be able to become the backbone of infrastructure and facility development activities in Mandalika tourism SEZ.
- Provision of scholarships to attend Tourism Polytechnic schools.

## **6.5 Budget Estimates for IPDP Implementation**

In 2016, the costs for partners of the Partnership Program (education, training, apprenticeship, promotion, and exhibition) were recorded in the Community Development program. Community Development funds disbursed in 2016 reached Rp 8.75 billion or USD 600,000 (Total for Nusa Dua and Mandalika).

A Project budget estimate for the IPDP estimates about USD5 million in total for The Mandalika, which will be in Project Component 2 of the Project financing. Further detail on the budget is to be provided by ITDC.

## CHAPTER 7

### PUBLIC CONSULTATION AND INFORMATION DISCLOSURE

Public consultation and information disclosure have guided the formation of this IPDP. ITDC has maintained consultation with stakeholders from village, District, Regency, and Provincial levels from the earliest activities in setting up the Special Economic Zone (KEK) at Mandalika. Recently, consultation activities have been held with regard to land acquisition and compensation, supplementary (“Addendum”) environmental impact assessment, CSR and social programs, as well as periodic information disclosure about the Project’s recent progress and changes, on the Kuta Beach restructuring, and mosque development. ITDC has also held several training sessions for the community as a part of this IPDP and related community development programs as well as focus group discussions (FGDs) and consultations with individuals and groups of the community to gather information on community needs and expectations specifically for developing this IPDP.

Public consultation and information disclosure as described below will be used to guide the implementation of the IPDP and future community development activities. Nevertheless, there is limited specific information on age, gender, and socioeconomic status available at the village level. A summary of available information on public consultation and disclosure as carried out by ITDC is presented below in **Table 7-1**.

**Table 7-1 Summary of Public Consultation and Disclosure**

When	With Whom	Where	By Whom	Key Issues
12 January 2012	Representatives of local villages and Pujut Camat, and of Environment Agency of Central Lombok Regency. Public consultations also held at Kuta, Mertak, Sengkol, Sukadana, and Teruwai villages.	Tatsura Hotel, Central Lombok Regency	ITDC	<ol style="list-style-type: none"> <li>1) Preservation of the existing fishing village;</li> <li>2) Expectation of positive impacts to local economy;</li> <li>3) Construction of public facilities in the area;</li> <li>4) Protection of culture and traditional customs from impacts of tourism;</li> <li>5) Access to roads, beaches, cemeteries, and other public places stay open to local communities.</li> </ol>
22 February 2017	Village Heads from Kuta, Rembitan, Sengkol, Sukada, Merta, Heads of Dusun (subvillages/ hamlets) of Kuta and Rembitan, village officials, heads of	Tatsura Hotel, Kuta, Lombok	ITDC and PT Wijaya Karya (contractor)	<ol style="list-style-type: none"> <li>6) Mandalika Kuta Beach layout/restructuring</li> <li>7) Overview of development and Master Plan of Mandalika Tourism SEZ, with main focus on mosque development and beach structuring for</li> </ol>



When	With Whom	Where	By Whom	Key Issues
	youth organizations, traditional leaders, Kuta Village tour groups. Government officials, including Director of Security of Vital Objects, Provincial Police, Head of Investment Services and One Stop Services of Central Lombok Regency as Administrator of SEZ (KEK) Mandalika, Pujut District Head (Camat), Representative of Central Lombok Culture and Tourism Office, and also Kuta and Pujut Police heads			<p>about 1.5 km.</p> <p>8) Cultural aspects in design and layout should be considered</p> <p>9) Community asked Project to allow the practices of <i>Mare Mradik/ Madak</i>, <i>Ngapung</i>, <i>Bau Nyale</i>, and <i>Nazzar</i> traditions on the beach.</p> <p>10) Job and business opportunity expectations from community</p> <p>Overall, the results indicated that stakeholders gave consent to the planned Project.</p>
8 March 2017	Business owners around Kuta Beach and representatives of business organizations on Kuta Beach as well as Kuta and Rembitan Village officials, Deputy Director of The Mandalika Tourism SEZ Project, Pujut Camat	Segara Anak Hotel, Kuta	ITDC	<p>1) Structuring Kuta Beach as well as solutions to rules and arrangements for people who have business activities around Kuta Beach</p> <p>2) Development progress in The Mandalika area, and discussion of community understanding of Mandalika development</p>
2-4 July and 25-28 July 2018	Affected community (village Elders and leaders)	Villages of affected area	Land Legal Consultant, Soemadipraja & Taher	<p>1) Interviewed 18 individuals related to the land purchase process in Project Area.</p>
6 Sept, 2017	Central Lombok Community	Kuta Beach	ITDC	<p>1) Consultations on Coastal Hygiene Safeguards for Implementing Communities <i>Madak Mare</i> Traditions where the community camp on the beach for 3 days and 3 nights to fish.</p> <p>2) Brief socialization and distribute polybags and buckets to increase</p>

When	With Whom	Where	By Whom	Key Issues
				awareness of beach cleanliness.
31 October 2017	Local stakeholders	Mandalika area	ITDC	“Preparation of Regency Spatial Strategic Plan around Mandalika Special Economic Zone.”
24 April 2018	Government officials and affected people	Mandalika area	ITDC	Disclosure information on Project changes and potential impacts on the affected villages on AMDAL addendum.
20-21 June 2018	Owner of Sekar Kuning Bungalow, Anda Bungalow, Segara Anak Bungalow, and Jerra Home Stay.	Kuta Beach area	ITDC	Informal consultation and socialization for bungalow owners An initial public consultation with these stakeholders
16 July 2018	Stakeholder SEZ Tourism Mandalika, AIB team, and ITDC	ITDC Office	ITDC	<p>Workshop on stakeholder engagement SEZ Mandalika Tourism.</p> <ol style="list-style-type: none"> <li>1) Disclosure of information on size of SEZ area at Mandalika, wastewater treatment plan, government regulation support, and infrastructure construction as well as increasing human capital through community development training</li> <li>2) Stakeholder raised concerns and responses: attention of ITDC on social jealousy issue, waste management, street lighting, education, coordination and synergizing with village government, acknowledgement of multiplier effect from ITDC, community development programs for community in term of infrastructure of public facilities (roads, toilets, water supply, electricity), and job opportunities.</li> </ol>

When	With Whom	Where	By Whom	Key Issues
6 August 2018	Amang Nuril and Tamat (head of management of Sasak Ende tourist village)	Sasak village Ende, Sengkol village, Lombok	ESC	<ol style="list-style-type: none"> <li>1) Sasak Ende tourist village has received several educational and development programs from government and private sectors, including ITDC</li> <li>2) The Sasak community at Sasak Ende tourist village is very supportive and positive to development of SEZ Mandalika</li> <li>3) Community proposed program is deep well</li> </ol>
7 August 2018	Muhammad Nurdin and H. Muridon (head of village and staff government affair Sukadana village)	Sukadana village, Lombok	ESC	<ol style="list-style-type: none"> <li>1) Landholding mostly belong to community with right of ownership</li> <li>2) Expectations of the Village Head are clear—demarcate boundary between ITDC and village, no policy changes as a result of structural changes, regular meetings between ITDC and affected villagers every 2-3 month, more engagement to improve relation through more informal meetings and visits, recruitment with priority of local labor, and availability of grievance channel.</li> </ol>
7 August 2018	Kamil (Village Secretary of Mertak Village)	Mertak Village, Lombok	ESC	<ol style="list-style-type: none"> <li>1) Majority of landholding is owned by community with right of ownership land and.</li> <li>2) Secretary of Village is supportive for the development of SEZ Mandalika</li> <li>3) Expectations from community are community empowerment in agricultural and tourism sector, introducing eco-tourism, and seafood</li> </ol>

When	With Whom	Where	By Whom	Key Issues
				<p>produced by the community can be purchased by companies under ITDC.</p> <p>4) Related to land acquisition, community agrees to sell the land with land prices following market prices.</p>
7 August 2018	Pak Lalu Badarrudin (Head of Kuta Village)	Kuta Village	ESC	<p>1) Sources of livelihood for Kuta villagers are diverse. Most of villagers worked as farmers and fishermen, before Kuta village was famous for tourism</p> <p>2) Head of Village and community of Kuta are very supportive toward development of SEZ Mandalika</p> <p>3) Concerns are cultural change, land use change from agricultural land to tourism based-used, drug trafficking, and decrease well water level due to excessive used.</p> <p>4) Expectation is priority of local community recruitment and business opportunity</p> <p>5) Exchange of information with Kuta Village leaders so the village can deliver information to community.</p> <p>6) Mainly the land belongs to community with status of right of ownership</p> <p>7) Land owners are willing to sell the land to ITDC as long as the prices follow market rate. Community prefers to have land swaps</p>
8 August 2018	Pak Lalu Tanauri (Head of Sengkol Village)	Sengkol Village	ESC	<p>1) Sengkol community is about 70% involved in agricultural sector, 30% in trading sector, fishing,</p>

When	With Whom	Where	By Whom	Key Issues
				<p>tourism, and other sectors. For Gerupuk (subvillage of Sengkol), 90% are fishermen.</p> <p>2) Changes in profession for Gerupuk community from fishermen to tourism businessmen, tour guides, waitress, and other tourism jobs-related</p> <p>3) Expectations are more economic benefits to community, employing more permanent local staffs and appoint local people to fill up management level, rebranding ITDC's image, land and building tax clarity.</p>
30 August 2018	Oki (Kuta villager who works as receptionist at Kuta Cove Hotel)	Kuta Cove Hotel Kuta, Lombok	ESC	<p>1) Infrastructure has much developed in Kuta area</p> <p>2) High level of job opportunities</p> <p>3) Capacity buildings needed are English and cooking courses, especially for youth</p>
30 August 2018	Rahmat Tanye (Head of Ebunot Subvillage, Kuta)	Ebunot Subvillage, Kuta	ESC	<p>1) There have been positive changes on infrastructure, business (small traders) and job opportunities. Negative side is arise of illegal 'red light district' near Kuta</p> <p>2) Some villagers have difficulty getting jobs in SEZ Mandalika, cannot fulfill requirements, even though have attended construction and certification training</p> <p>3) Mostly people in Ebunot work as farm workers, fisherman, and private employee. Community needs soft skill to improve their welfare such as training related to tourism</p>

When	With Whom	Where	By Whom	Key Issues
				<p>industry (English and cooking courses) for youth, entrepreneurship for general category, weaving training for women, training on integrated farming, input and material assistance for agricultural production, and field assistantship (extensions) for farmers. For education sector, Tanye expect to have vocational school on tourism in Mandalika area.</p> <p>4) Related to land issue, many villagers still claimed the land, some due to mismeasurement; the price offered for enclave areas is low. As long as the price suitable, the land owners will agree with the offer</p> <p>5) Expectation is ITDC to accommodate more local people for job and business opportunities; early engagement and socialization for land clearing. (ITDC has purchased most of the land in Ebunot, however about 898 people from 140 households live in the area).</p> <p>6) Current existing government programs are rice assistance for poor household, public health access, trash collection. However, village fund cannot be allocated for infrastructure development due to the area being in SEZ Mandalika</p>
30 August 2018	Bai Ayuni and ibu ____ (Head and member of PKK – Pendidikan)	Kuta Village	ESC	<p>1) There are some changes are infrastructure development improved,</p>

When	With Whom	Where	By Whom	Key Issues
	Kesejahteraan Keluarga – Family welfare education) and Yusuf (head of LPM)			<p>many visitors and vendors in Kuta and at the beach. The positive side is more job and business opportunities, increase in income and crime rate decrease. The negative side is emerge of illegal 'red light district' which lead to domestic violence, dress code not in accordance with local culture (wearing bikini/ short pants on the street).</p> <p>2) Concerns on social conflict and increased social jealousy due to many vendors at the beach who are from outside Kuta Village, and ITDC to regulate and socialize to vendors at the beach for the use of trash bins.</p> <p>3) Expectation is to accommodate more locals as employee (not only as low skill labor, but also as skilled labor)</p> <p>4) Related to community development program, the PKK members requested ITDC or relevant government institution to establish job training center in Kuta to improve skills and ability. Those program are for weaving, crafts, entrepreneurship, marketing (start and improve your business program), and other capacity building, and programs related to tourism such as English and cooking courses, art and cultural programs for youth, as well as financial support and field assistance. The PKK group</p>

When	With Whom	Where	By Whom	Key Issues
				<p>currently has several products such as sea grass -based confection, pastry, and needs a venue to market.</p> <p>5) Programs that have been implemented by government are driving training, anti-drug campaign, and environmental program through planting. Other programs are sewing, cosmetology, cooking, fish processing, and weaving.</p> <p>6) PKK members are very supportive of development of SEZ Mandalika</p>
30 August 2018	Awaluddin (Head of Subvillage Kuta II)	Kuta, Lombok	ESC	<p>1) Littering and low skill levels of community are among the problems in Kuta II. The positive impacts are the infrastructure development (including boat dock and pavement in Kuta II), job and business opportunities (home stay). The negative side is social jealousy if there is no assistance/ aid to farmers group.</p> <p>2) Community needs for Kuta II are to improve capacity such as English and cooking courses; fish processing facilities and revitalization of fishing equipment, as well as cleaning programs from ITDC (awareness and trash collection).</p> <p>3) Community's expectations are to be given priority for jobs in Mandalika area and to lower job qualification for recruitment process.</p>



When	With Whom	Where	By Whom	Key Issues
				4) Related to land, ITDC has purchased land in Kuta area, however community still uses the land for settlement. In the case of relocation, community requested to be relocated near to Kuta. Due to land issues, government program targeting infrastructure development cannot be implemented.
30 August	H. Bagi (Village Secretary – farmers) and H. Khaidir (Head of Subvillage Petiuw)	Sukadana	ESC	<p>1) Problems facing by community in Sukadana are water during drought season, low agricultural yields, and low educational attainment.</p> <p>2) Positive changes are more job opportunities, decreased unemployment, infrastructure improvement, social assistantship and donation from ITDC, received capacity building programs such as construction training and certification, gardening, etc. On the negative side is cultural change, especially the change of dress code for local people who dress like tourists.</p> <p>3) To address problems at village level, programs proposed are deep well and dam construction, agricultural improvement program through sustainable agricultural, agroforestry and integrated farming training, improving agricultural tools, cattle support such as calf assistance, as well as field</p>

When	With Whom	Where	By Whom	Key Issues
				<p>assistantships; soft skill enhancement programs-- entrepreneurship, pastry training, English and cooking courses, carpentry for youth, and weaving activities for women. For education sector, community needs building, and toys for preschool and kindergarten. Health facilities currently damaged due to earthquake, community requested ITDC to facilitate birthing facilities.</p> <p>4) Expectation is to give priority to local community to be recruited as employees.</p> <p>5) Secretary of Village and Head of Subvillage strongly support development of SEZ Mandalika</p> <p>6) Related to land issue, they expect ITDC to settle it quickly and then focus on development of SEZ Mandalika</p>
30 August 2018	Idakna (traditional woven fabric seller at Kuta Beach area)			<p>1) Most of the woven fabric sellers in Kuta beach are from Sade Subvillage, Rembitan village.</p> <p>2) Infrastructure has much been improved and developed</p> <p>3) Currently there is no rule to limit their selling activities</p> <p>4) Sellers have language barriers to communicate with foreign tourists and expect to learn English though training</p>
30 August 2018	Marjasih and Minarsih (Coconut	Kuta	ESC	<p>1) Positive changes are infrastructure, more</p>

When	With Whom	Where	By Whom	Key Issues
	seller and small shop owner at Kuta Junction)			<p>visitors, and more job and business opportunities inside and outside Mandalika. Negative side is cultural and lifestyle change especially for youth (including changing in dressing code), emerge of illegal 'red light district'. Marjasih and Minarsih see SEZ contributes much positive impact.</p> <p>2) In term of community need to improve livelihood, for the youth they need soft skills based programs such as English, cooking, and hospitality training. For women, weaving, and traditional pastry training, and for business owner is start and improve your business (entrepreneurship, book keeping, etc.). All those programs need field assistance.</p> <p>3) Land issue. Mostly they agree with land purchase plan by ITDC as long as land price follows market price. They also prefer land swaps.</p> <p>4) International migrants are to Taiwan, Malaysia, and Arab countries. In 2018, there are 6 Kuta residents working in Taiwan</p>
31 August 2018	Villagers of Kuta (including group of village apparatus, village leaders, customary leaderz representative, women, elderly, disabled, and youth)	ITDC office, Kuta, Lombok	ESC and ITDC	<p>FGD related to problems faced at village level, community proposed programs, concerns and expectations as well as community consent</p> <p>1) Unregulated deep well that causes deeper water levels in the community wells, cleanliness and</p>

When	With Whom	Where	By Whom	Key Issues
				<p>sanitation, drug trafficking, low skills and educational attainment, low income, public health, fewer community development programs for women, poor housing conditions, few job opportunities for disabled, economic problems emerging for those in eviction plans.</p> <p>2) Some changes perceived by community are infrastructure (roads, street lights, etc.) improvements, more visitors and homestay development, beach and other areas are neat and well organized, land price increases, reduced unemployment, emergence of "red light district" and drug trafficking, economic condition is improved.</p> <p>3) Benefit from SEZ Mandalika are improved infrastructure (roads, street lights, etc.), more jobs and business opportunities, decline in number of people unemployed, number of tourists increases, beach is neater. However, the disabled group perceived economic and job opportunity declines.</p> <p>4) Community proposed development programs:</p> <p>a). Education and skill improvements: English and cooking courses, and hospitality training for youth, cosmetology, pastry, tailoring for women, driving course, security training, computer training,</p>

When	With Whom	Where	By Whom	Key Issues
				<p>mechanic training b)  Agriculture and cattle raising: calf and goat assistance, chicken raising, and agricultural tools assistance, c).  Economic and business development:  entrepreneurship, home industry products processing, souvenirs from coconut shells for women, marketing, capital assistance, d).  Education: scholarship e).  Culture: <i>Kepembayanan</i> training; traditional music equipment assistance and traditional uniforms, establish cultural hall and cultural activities. f).  Health: Posyandu, g).  empowerment of fishermen: fishing equipment assistance, boat, etc., strengthening fishermen group through cooperative, and field assistantships h).  Development program for disabled i). provide sport facilities</p> <p>5) Community concerns are about the cultural changes and employment opportunity taken by outsiders due to locals unable to compete and fulfill requirements.</p> <p>6) Expectations are priority of local community for labor recruitment and business opportunity, to provide assistance for SMEs, to participate in religious activities, new area is to be opened to public, more activity to make beach more beautiful, ITDC is expected to grant</p>

When	With Whom	Where	By Whom	Key Issues
				<p>community development programs, and those evicted are given houses, and provide special programs for disabled.</p> <p>7) All participants from Kuta Village gave consent and support to development of SEZ Mandalika, except one who rejected it due to eviction issues.</p>
31 August 2018	Villagers of Sengkol (including group of village apparatus, village leaders, customary representative, women, elderly, disabled, and youth)	ITDC office, Kuta	ESC and ITDC	<p>FGD related to problems faced at village level, community proposed programs, concerns and expectation, as well as community consent</p> <p>1) Problems faced by community are related to infrastructure, clean water, public health facilities, less employment opportunities, low community awareness on cleanliness and sanitation, low education attainment, drug trafficking, cultural change (especially among the youth with concerns on promiscuity), safety and security issue.</p> <p>2) Some changes perceived by community in the area are the mosque development, decrease in unemployment, more safety (less crime), traders at the beach cause negative views and inconvenience for visitors, more employment and business opportunities, improved economic conditions, more visitors, health assistance, increase in educational attainment.</p> <p>3) Benefit from SEZ</p>

When	With Whom	Where	By Whom	Key Issues
				<p>Mandalika are Lombok tourism is famous domestically and abroad, more investment, more jobs available, religious facilities in the area (Nurul Bilad mosque), convenient tourism and recreational activities, special changes especially for beach structuring, better beach views.</p> <p>4) Community proposed development programs</p> <p>a). Education and skill based improvement: English, cooking course, and hospitality training for youth, tailoring for women, driving course b) Fishery: fish raising training and fishing equipment assistance. Cross visits, strengthening fishery group and formalizing the group through a cooperative c). Business development: entrepreneurship (SIYB), home industry products processing (sea grass and agricultural products), capital support e): Culture: traditional music instrument assistance, weaving tools.</p> <p>5) Community concerns are competitiveness--local community cannot take part in SEZ development due to low educational attainment and skills; impact on youth (especially related to youth lifestyle and sex), customary practices changes.</p> <p>6) Expectations are priority recruitment of local labor, settling all land issues.</p>

When	With Whom	Where	By Whom	Key Issues
				7) All participants from Sengkol Village gave consent and support to development of Mandalika SEZ.
1 Sept 2018	Villagers of Sukadana (including group of village apparatus, village leaders, customary representative, women, elderly, disabled, and youth)	ITDC office, Kuta	ESC and ITDC	<p>FGD related to problem facing at village level, community proposed programs, concerns and expectations, as well as community consent</p> <p>1) Problems facing by community are low awareness of cleanliness and sanitation (no toilets in some households), electricity, road interconnection, religious and customary practices fading, public health, gender, low income and employment, low level of human resources, and lack of infrastructure (including sport facilities)</p> <p>2) Some changes in the area are infrastructure, agricultural land shrinking, more visitors, more social and religious activities, more jobs and business opportunities, increase in community income, more people participate in Bau Nyale event, and beach is more beautiful.</p> <p>3) Benefits from SEZ Mandalika are more visitors, job and business opportunities, reduced unemployment, more street lights installed, positive image of tourism and becoming famous worldwide, tree planting, increase in land prices, increased regional economic growth and locally generated revenue.</p>



When	With Whom	Where	By Whom	Key Issues
				<p>4) Community proposed development programs are a). Cattle raising: feed processing equipment for cattle, calf and goat assistance, training on feed making for cattle, chicken raising, and input assistance for cattle raising group. b). agriculture: integrated farming (including compost making training, papaya cultivation), input assistantships and field assistantships (extension service) for farmers group c). Craft and culture: weaving for traditional fabrics, tailoring, cosmetology, pastry (including cassava cracker) for women. d). Customary school e). Education and skill based development: entrepreneurship for traders, English course, cooking, and mechanics (including technology repair training) for youth. f). Health: Socialization of sex education g). Infrastructure: road development (asphalt)</p> <p>5) Community concern are locals cannot be part of SEZ development due to low educational attainment and skills, impact on youth (especially related to youth lifestyle and sex), customary practice changes, land use changes – land for agriculture shrinking.</p> <p>6) Expectations are priority recruitment of local labor, SEZ development synchronizing with local</p>

When	With Whom	Where	By Whom	Key Issues
				<p>culture, road infrastructure can be assisted by ITDC, and ITDC to host sport games to unite the youth in affected villages.</p> <p>7) All participants from Sukadana Village gave consent and support development of SEZ Mandalika</p>
1 Sept 2018	Villagers of Mertak (including group of village apparatus, village leaders, customary representative, women, elderly, disabled, and youth)	ITDC office, Kuta	ESC and ITDC	<p>FGD related to problem facing at village level, positive and negative impacts perceived, community proposed programs</p> <p>1) Problems facing by community are low human development index (including for disabled, due to low educational attainment), inadequate infrastructure development and public facilities (road damage, no street lights, no high school or public health facilities, lack of water supply, lack of sport facilities, religious facilities need development), limited job opportunities, and low economic status (including for elderly and disabled), security issues, lack of empowerment and social programs for needy persons, orphans, and disabled.</p> <p>2) Some changes perceived by community in Mertak Village and surrounding areas are changes in infrastructure (more road construction mainly at main road, not at subvillage level), agricultural land shrinking, more visitors,</p>

When	With Whom	Where	By Whom	Key Issues
				<p>cultural changes and lifestyle issues (piercing and tattoos among youth), village is neat and clean, crime rate decreased, land prices increasing.</p> <p>3) Benefits from SEZ Mandalika are more job opportunities and decreased unemployment, deep well and social program assistance (cow donations during Eid celebration), land price increase, cultural change, new recreational spots.</p> <p>4) Community proposed for development programs a). Agricultural: seedlings, agricultural input assistance (seedlings, fertilizer, tools) compost making training, and agribusiness training b). Fisheries: revitalization of fishing equipment c). Business development: entrepreneurship training, traditional market facilities, sea grass processing, and fish processing d). Craft and culture: traditional cloth weaving and craft tools, and traditional music equipment (Gamelan) e). Education: English and cooking courses, cosmetology and fashion (tailoring) training, eco-tourism,</p>

When	With Whom	Where	By Whom	Key Issues
				<p>partnership/ collaboration for cultural programs, library f). Health: public clinic/ hospital g). Infrastructure: road development and clean water facilities (deep wells), cultural hall h). Sport facilities: football.</p> <p>8) Community concern are local cannot take part in SEZ development due to low educational attainment and skills, impact on youth (especially related to youth lifestyles and sex), increased competitiveness, jobs for farmers decline as result of agricultural land shrinking, cultural and religious value changes, emerge of illegal 'red light district', drug trafficking,</p> <p>5) Expectations are priority recruitment of local labor, local economic growth and improvement, increase in local community income, feeling secure with security conditions, ITDC can assist and support village with traditional music instruments, and support from government for cultural preservation, and ITDC can borrow the land for sports used by youth prior to its development in the Mertak area</p> <p>6) Most of participants agree with SEZ development. Only two rejected the SEZ due to the loss of agricultural land and given negative</p>

When	With Whom	Where	By Whom	Key Issues
				impacts on youth. Other reason for rejecting the SEZ is if labor is sourced from outside the area.
2 Sept 2018	Mariane and Sudarman (Owner of enclave land 18)	Kuta, Lombok	ESC	<p>1) There are some positive changes in the area such as infrastructure development (roads, mosques, beach structuring), economic improvements as a result of more jobs being available, crime rate decrease. On the negative side, increased drug used especially among youth, emerge of illegal 'red light district.'</p> <p>2) Related to enclave land, in enclave land 18 there are about 4 households with 10 members of family who mostly they work as farmers (paddy and dry land) construction workers, fishers, cattle raisers, as well as ITDC staff).</p> <p>3) Basically the enclave land owners agree with ITDC's plan to purchase the land from community; however the price offered (Rp 525,000/ meter or 52.5 million rupiah per 100 m<sup>2</sup>) by ITDC is much lower than the land price outside the SEZ (150 – 200 million rupiah per m<sup>2</sup>). According to Mariane, if the land is sold to ITDC at current offered price, then community is unable to purchase new land outside the SEZ.</p> <p>4) Community offered to accept land swaps with other ITDC lands as a solution with condition of</p>

When	With Whom	Where	By Whom	Key Issues
				<p>1:2 or 1:3 (1 meter community land in exchange with 2 or 3 meters of ITDC land outside area). ITDC is also requested to provide livelihoods for the enclave owners and other households who live on the enclave land.</p> <p>5) Development programs proposed are entrepreneurship and start and improve your business (SIYB) programs, and other skill based enhancements such as English, cooking, and pastry courses.</p> <p>6) Community concerns are related to the influence on customary life, religion, and lifestyle of local youth (hair coloring, tattoos, piercing); dress code of visitors; and local community being left behind from SEZ development.</p> <p>7) Expectations are to prioritize local community for jobs and business opportunity, facilitates soft skills enhancement, lower job requirements for locals.</p> <p>8) Community (Mariane and Sudarman) very supportive toward development of SEZ.</p>
2 Sept 2018	Muhadi (Enclave land owner in Ebunut Subvillage)	Kuta	ESC	<p>1) Positive changes are infrastructure development (roads, bridges), increase in job and business opportunities, and decrease in crime rate. No negative changes are seen by Muhadi.</p> <p>2) Supports the SEZ</p>

When	With Whom	Where	By Whom	Key Issues
				<p>3) Development programs proposed are soft skills based programs such as English, cooking, pastry courses, and entrepreneurship.</p> <p>4) Expectation is more job and business opportunity for local communities</p> <p>5) Related to the plan for land purchase by ITDC, land price should be in accordance with market price. Alternatively, a land swap with condition of 1:3. Currently, there are 8 households (24 people) living on this enclave land who work as hotel security, kiosk vendor, farmer, and cattle raiser.</p>
2 Sept 2018	Tarzan, Kardi Murjani, Bung Hadi, Tangkok (Head of Subvillage and community Batu Guling, Mertak)	Mertak	ESC	<p>1) Some positive changes in Mertak Village (including Batu Guling Subvillage) are infrastructure (roads, electricity), establishment of Tunak Mountain ecotourism, and better community housing conditions. Negative changes are incomes of fishers decreasing due to moratorium on lobster catch from Ministry of Marine and Fisheries. However, negative impacts from SEZ are effects on local culture (hair coloring, tattoos, piercing), alcohol, competitiveness increasing for local community.</p> <p>2) Problems in Village are lack of employment, low educational levels, land use changes (agricultural land shrinking).</p> <p>3) Development programs proposed by community</p>

When	With Whom	Where	By Whom	Key Issues
				<p>are skill based development such as English and cooking courses, hospitality training, craft and souvenir training, construction training and certification. For agricultural sector, related to integrated farming and cattle raising. For fishers, revitalization of fishing tools and nets for fish raisers.</p> <p>4) Concerns are cultural change (including changes in dress code), community not getting employment opportunities. Expectations are of community empowerment and employment.</p> <p>5) Support SEZ development</p>





Women group



Elderly group



Cultural Leaders group



Village Apparatus group



Diffable group



Notes written by FGD participants

**Figure 7-1 Photos of Focus Group Discussions (FGD)**

## CHAPTER 8

### GRIEVANCE REDRESS MECHANISM (GRM)

This Chapter provides information on the GRM for local villagers, in order to effectively set up a (or use the existing) GRM system to hear complaints and concerns regarding implementation of IPDP.

#### 8.1 AIIB Requirements on Grievance Redress Mechanisms

The Mandalika Project is required to establish a suitable grievance mechanism to receive and facilitate resolution of the concerns or complaints of people who believe they have been adversely affected by the Project's environmental or social impacts, and to inform Project-affected people of its availability. The grievance mechanism is scaled to the risks and impacts of the Project. The grievance mechanism may utilize existing formal or informal grievance mechanisms, provided that they are properly designed and implemented, and deemed by the Bank to be suitable for the Project. These may be supplemented, as needed, with Project-specific arrangements.

The mechanism is designed to address affected people's concerns and complaints promptly, using an understandable and transparent process that is gender-sensitive, culturally appropriate, and readily accessible to all affected people. The grievance mechanism includes provisions to protect complainants from retaliation and to remain anonymous, if requested. The mechanism provides for maintenance of a publicly accessible case register, and reports on grievance redress and outcomes, which are disclosed in accordance with the applicable ESS.

Grievances from the communities are reactions toward actual or perceived impacts of the Project activities. Community grievances can include the following:

- Issues related to transportation and traffic;
- Increase in environmental pollution;
- Impact on community health;
- Disturbances to locals due to influx of migrant workers to the area;
- Issues arising out of sharing of employment and business opportunities; and
- Concerns over the impact on local cultures and customs.

#### 8.2 Existing Practice and Grievances

The Project does not have a formal grievance redress mechanism for affected people and communities as yet. As explained to ESC by village officials, the people usually contact the head of village and verbally express their grievances concerning certain aspects of Project activities. The village head will then communicate the grievances to the ITDC representative, who will internally

discuss the position and/or resolution that can be offered. The representative conveys the response to the village head. Once a response received, the village head communicates it back to the people.

During a visit in March 2018, ESC was informed that grievances from local people or communities are not particularly numerous. There were a few grievances concerning lands, employment, and business opportunities, and noise from a karaoke place. For example, in the past year or so, the ITDC hired a group of new security guards. The number of local people who would like to be hired was more than the number of security guards needed. The people who were not hired expressed grievances to the Company and to the Head of Kuta Village. After a series of communications, the grievances were resolved.

On other matters, the people of the older generations have concerns on the potential impacts of Western culture to the younger generations. However, so far they have kept these concerns to themselves and have not expressed such grievances other than in consultation meetings and discussions. Similarly, there are some concerns about construction workers from nearby islands coming to Lombok for the current construction of a large hotel, but no grievances were expressed regarding the matter. While the existing GRM seems to have worked in the Project area, it is informal and verbal in nature and no written records exist (as far as ESC has determined).

### **8.3 Proposed Mechanism Overview**

The following is best practice regarding the grievance redress mechanism, which can be adopted by ITDC or adapted as appropriate.

#### **8.3.1 Grievance Mechanism Guiding Principle**

The Company shall establish and maintain good relations with local communities. This requires efforts to minimize adverse impacts, respect to human rights, and provide sustainable benefits to the host communities, especially the Kuta, Sukadana, Mertak, and Sengkol villages. To understand the concerns and expectations of the communities, the Company shall establish regular dialogue in order to avoid or to minimize adverse impacts and to ensure equitable benefits for local people. The Company shall anticipate risks or adverse impacts that could affect the communities.

The Company is to establish an appropriate mechanism that allows concerns and grievances about the Project's social and environmental performance to be raised by individuals or groups among Project-affected communities and facilitate their resolutions. The development of the mechanism should be both independent and localized so that it will be trusted by communities. Ideally, grievance handling procedures should be in place from the beginning of the environmental and social assessment process and exist throughout the life cycle of the Project.

As with the broader process of stakeholder engagement, it is important that the Company's management stays informed and involved so that decisive actions can be taken when needed to avoid escalation of grievances. A good grievance mechanism would help the Company understand the community perceptions of the Project risks and impacts, so as to adjust its measures and actions to

address the community concerns. The Company should be aware of judicial and administrative mechanisms available in Indonesia for resolution of disputes and should not impede access to these mechanisms. Below are various principles and best practice measures that are used when developing grievance redress mechanisms:

- Establish a procedure for receiving, recording, and addressing grievances that is readily accessible, culturally appropriate, and understandable to the affected communities.
- Inform the affected communities about the availability of such procedure or mechanism during the Company-community engagement process.
- Consider when and how to seek solutions to grievances in a collaborative manner with involvement of affected community.
- Scale the grievance mechanism to potential risks and adverse impacts of the Project.
- Address concerns and grievances promptly, using an understandable and transparent process that is readily accessible to all segments of the affected communities.
- Ensure participation of both genders and vulnerable groups.
- Consider customary and traditional methods for dispute resolution when designing the system.
- Assign experienced and qualified personnel to receiving and responding to grievances.
- Establish a redress mechanism so those who feel their grievances have not been adequately addressed have recourse to an external body for reconsideration of their case.
- Document grievances received and responses provided, and report back to the community periodically.
- Share such reporting with senior management and shareholders as appropriate.

### **8.3.2 Grievance Resolution Hierarchy and Management Dynamics**

While the Project aims to resolve the majority of individual, group, and community grievances by direct resolution at individual or group levels, a hierarchical grievance resolution mechanism should be developed as follows:

1. Direct resolution at the individual or group level;
2. Community-level resolution through public meetings;
3. Resolution through a stakeholder group comprising Project representatives, government representatives, religious and village leaders, and the complainants; and finally
4. Recourse to legal counsel if the grievance cannot be resolved.

The Project's PMU should establish a centralized grievance log and tracking system. This should be accessible as a data base that can be utilized to allow all registered grievances to be tracked and retrieved as and when necessary. The Project's performance in managing and closing out grievances will be reviewed as part of internal and external monitoring.

Grievances concerning activities in construction and operation phases may arise from many different sources, and their resolution may require varying amounts of time and input. Depending on the time of resolution, grievances may be forwarded for resolution to any of a number of levels within the Project organization structure. Effective and timely application of the grievance procedure may convince aggrieved persons to settle claims through the grievance mechanisms rather than bringing formal complaints to the police or the courts, or to political or *adat* leaders.

Although grievances cannot be generalized, some typical community grievances that frequently arise (types and examples) are tabulated below.

**Table 8-1 Grievances Typically Encountered**

Type of Grievances	Complainant(s)	Examples
Relatively minor and one-time problems related to company operations	Individual or family	Company truck damaging a community member's fence; one-time disrespectful encounter between company employee and community member
Relatively minor but repetitive problems related to company operations	An individual or a family or small group of people	Livestock getting loose because company employees fail to close gates or damage fencing
Relatively minor but repetitive and widespread problems	Multiple individuals, families, or larger groups	Company-related road traffic raising dust that settles on clothes, floors, furniture, laundry, etc
Significant and larger repetitive problems	Community groups, nongovernmental or community-based organizations, or local governments	Major construction of Company facilities allegedly causing structural and/or aesthetic damage to people's housing or crops
Major claims that company activities have resulted in significant adverse impacts on larger populations of people	Community groups, nongovernmental or community-based organizations, or local governments	Company operations adversely impacting a community's water supply, making it unsafe for drinking, livestock, and/or irrigation
Major claims over policy or procedural issues	Nongovernmental organizations, community groups or community-based organizations, or local governments	A company's noncompliance with its own policies; failure to follow best practice guidelines for adequate consultation to achieve prior and informed consent; inadequate land and compensation

### 8.3.3 Grievance Logging

The Grievance Log contains a record of the person responsible for an individual complaint, and records dates for the following events:

- Date grievance was reported;
- Date Grievance Log updated;
- Date proposed corrective action sent to complainant;
- Date grievance was followed up and closed out;
- Date close-out information was sent to complainant.

An example of a Grievance Management Form (Log and Action Form) is presented below. This also could also be created by modifying the form established by ITDC for the customers/tenants.

### **GRIEVANCE LOG AND ACTION FORM**

#### **Step 1 Grievance Received**

Grievance No : \_\_\_\_\_

Date Received : \_\_\_\_\_

Grievance expressed by: \_\_\_\_\_

Grievance received by : \_\_\_\_\_

Forwarded to Grievance Contact (GC):

\_\_\_\_\_ Name \_\_\_\_\_ Date Forwarded



**Step 2 Grievance Documented**

Nature of Grievance:

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Response, Corrective Action, and Resolution/Content of Verbal Response

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Verbal Response Delivered

Date

By whom?

### Grievance Resolved?

☐ Yes, Acknowledgement by Complainant

☐ No, Complainant's Further Statement if any

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### Step 3 Grievance Forwarded to EHS Management Team

### Grievance Forwarded

Date

By whom?

Grievance Reviewed

Date

By whom?

Further Appropriate Actions:

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Investigation Report Prepared?

Date

By whom?

Document Number: \_\_\_\_\_



**Step 4 Written Response Prepared by Grievance Contact**

Grievance Response No: \_\_\_\_\_ Date \_\_\_\_\_

Grievance Reviewed \_\_\_\_\_ Date \_\_\_\_\_ By Whom \_\_\_\_\_

**Response and Resolution Summary**

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Response Delivered \_\_\_\_\_ Date \_\_\_\_\_ By GC \_\_\_\_\_

Grievance Resolved?

☐ Yes, Acknowledgement by Complainant

If Complaint Not Resolved:

**Step 5 Grievance Forwarded to Resolution Committee**

Summary of Actions by GRC:

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Grievance Resolved?

☐ Yes, Acknowledgement by Complainant

If Complaint Not Resolved:

**Step 6 Forwarded to Legal Department****Date**\_\_\_\_\_ **Received by Whom**

Additional documents list

Date of issue	Title of Document	Remarks

## 8.4 Proposed Grievance Procedure

The primary objective of the community grievance mechanism is to ensure that people affected by the Project can present their grievances to the Project management for consideration and correction if appropriate. The people in the affected communities are to be informed of the intention to implement the grievance mechanism, and the procedure will be communicated and disclosed. The grievance mechanism will be applicable to all parties affected by the Project. The Grievance Resolution Steps are outlined below and illustrated in **Figure 8-1**.

**Step 1:** Complaints may be expressed verbally or in writing to the Project field representative or Grievance Contact (GC), or Community Development/Relations Officer (CDO/CRO). Complaints received by Project personnel will be forwarded to the Grievance Resolution Committee. Within one day of the original receipt of the grievance, the GC gives written notice to the complainant.

**Step 2:** Grievance Contact will be responsible for documenting verbal and written complaints. Complaints will be written onto a complaints log and action form (see attached). The complaints log and action form records (a) who reports the complaint; (b) who received the complaint (field representative or employee); (c) situation of the reception and answer of the responder; (d) the date the complaint was received and recorded; (e) the nature of the complaint; (f) information of proposed corrective action; (g) date of response (verbal and written) provided to the complainant; (h) corrective actions taken, by whom, and when, and (i) the date the complaint was closed out.

**Step 3:** Copies of all complaints log and action forms are forwarded to the Community Relations team. Appropriate actions to close out the complaint will be determined and written onto the form. Where necessary the Community Relations team will investigate complaints from the community and an investigation report will be developed.

**Step 4:** Written response for every grievance will be prepared within 14 days by the Grievance Resolution Committee.

The response will be delivered verbally before the written copy is provided to the Complainant. The complainant will be asked to sign and date the complaints log and action form to confirm receipt of the Project response.

The Project recognizes that actual time lines for possible actions will be determined by the nature of the grievance. If more time is required to implement appropriate actions, the Community Relations team will inform the complainant. The team will assume responsibility for ensuring all actions are implemented to adequately address the complaint. In most cases, the written response and agreed actions will be sufficient to resolve complaints.

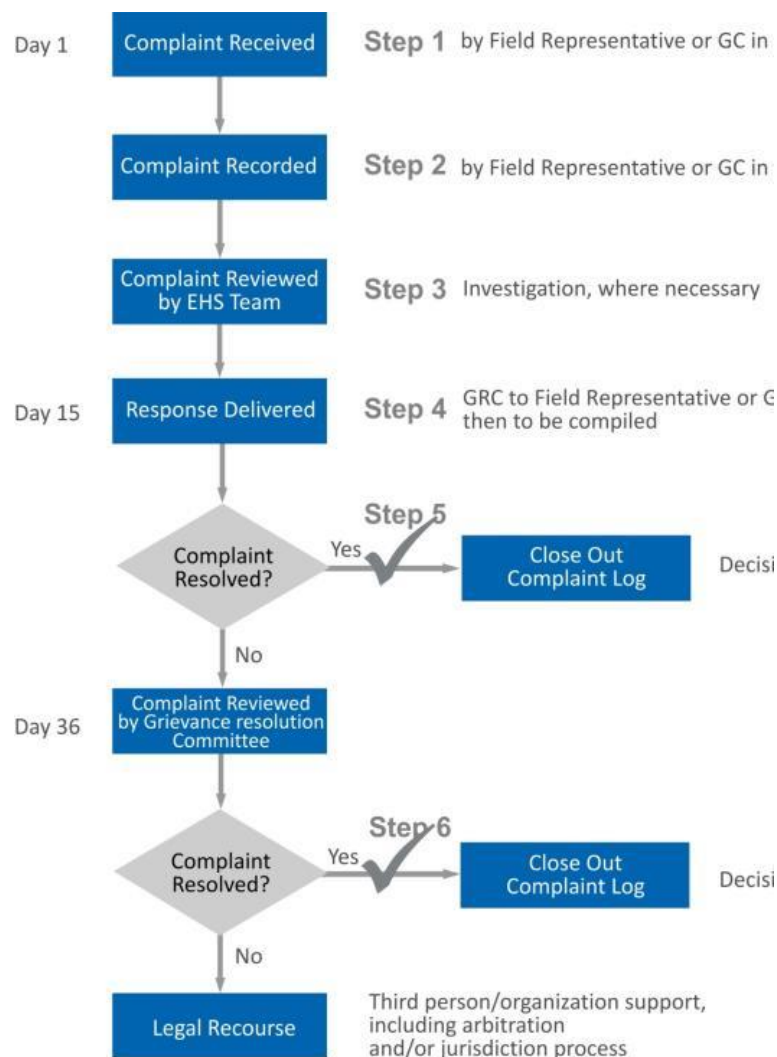
### ***If a complaint is unresolved,***

**Step 5:** Complainant will be referred to the GRC. The GRC comprises, as an example, the Project Site Manager, Community Relations Manager, Health, Safety, and Environment Manager, and General Affairs & Human Capital Manager (substitute equivalent ITDC position titles as appropriate). The GRC aims to resolve complaints within 30 days. Again, depending on the nature of the complaint, a longer timeline may be agreed upon with the complainant. If an agreeable solution is reached, the

complainant will be asked to sign and date the complaints log and agreed actions to confirm receipt of and agreement with the Project response.

***If complaint is still unresolved,***

**Step 6:** Final resolution is sought by legal counsel; Indonesian and West Nusa Tenggara jurisdictions shall apply.



**Figure 8-1 Grievance Resolution Step-by-Step**

## 8.5 Community Level Grievance Resolution

Above procedures and forms are oriented toward grievances by individuals and groups. More broadly based grievances may be handled by these procedures, but will require more attention, with recognition and awareness that cognizance of and participation in the process by senior management are essential.

Major community concerns and complaints will be addressed during community meetings and actions will be communicated during these meetings to ensure transparency of the procedure. Community meetings are usually conducted monthly by Community Relations in each village. If community concerns and complaints cannot be addressed during community meetings, grievance redress **Steps 5** and **6** will apply. Complaints may be directly delivered to the Project and the process will flow in the steps explained in the previous chapter.

The Grievance Contact (GC) will be responsible for:

- Providing the Project Team with a weekly report detailing the number and status of community-level complaints and any outstanding issues to be addressed; and
- Monthly reports, including analysis of the type of complaints, levels of complaints, and actions to reduce complaints.

## CHAPTER 9

# MONITORING AND EVALUATION

### 9.1 Monitoring

Monitoring IPDP is a process of periodically collecting, analyzing, and using available information on the implementation of IPDP and of understanding whether current progress of implementation is on track. Monitoring helps the Company to improve outputs, outcomes, and impacts. Evaluation on the other hand is to assess objectives, activities, implementation strategy, and operational performance. Evaluation also focuses on outputs, outcomes, and impacts, but to serve the essential function of providing feedback to improve the IPDP overall.

In regard to The Mandalika IPDP, internal monitoring to check performance and activities of the IPDP should be done monthly, bimonthly, or quarterly, depending on nature of activities. Internal evaluation, on the other hand, should be carried out at least semiannually, while evaluation by third party should be done at least once a year. It is proposed that the monitoring to be done accordingly (monthly, bimonthly, quarterly) to give feedback for evaluation and inputs for the following yearly cycle for the Company's IPDP. Indicators for monitoring and evaluation have been developed in Table 9-1 below to help with the assessment and to measure progress in accordance with the programs being selected for affected communities. To conduct monitoring and evaluation, ITDC needs to assign personnel and a team to monitor and evaluate IPDP activities including basic needs, social culture, education, health, and economy programs.

**Table 9-1 Monitoring and Evaluation**

No	Sector	Objective	Programs	Activities	Parameter to be Monitored	Frequency of Monitoring & Evaluation	whom and Location	Cost of M&E for 4 years (USD)
1	Basic Need - Infrastructure		Public facilities	Road development	Ensure proposal of community for road repair and asphalt are proposed in Musrembang, passes into Medium Term Development Plan (RPJM) Central Lombok, and listed as a project in Public Works Agency of Central Lombok.	Internal monitoring is every two month and evaluation is once in six month.	Re-inform community regarding the progress of road repair and asphalt, new road access. (Road access Kuta-Gerupuk, road asphalt in Mertak, and new road access in Sukadana)	10,000
			Basic needs	Deep wells	Numbers of wells successfully drilled and producing clean water. Total number of wells will be determined later based on assessment	Internal monitoring is every two months and evaluation is once in six month.	Affected villages (Sukadana, Mertak)	
2	Agricultural, livestock, and fisheries	To improve livelihoods of farmers who are affected by ITDC project activities	Cash crop, Agroforestry development, and Integrated farming (Paddy, corn,	Forming farmers group/ Integrated with existing farmers group	At least 1 farmer group is formed or integrated with existing farmer group in each affected village. In total there are 4 farmer groups	Internal monitoring is every two months and evaluation is once in six months. Internal monitoring	Farmers groups in affected villages (Sukadana, Sengkol, Kuta, Mertak)	50,000

No	Sector	Objective	Programs	Activities	Parameter to be Monitored	Frequency of Monitoring & Evaluation	whom and Location	Cost of M&E for 4 years (USD)
		through the development of sustainable agriculture, agroforestry, and forestry	tobacco, home garden, estate crops, fruit trees, trees, etc.)	Establishing and operating nursery	At least 1 nursery is established by farmers group. In total there are at least 4 nurseries	is every two month and evaluation is once in six month.		
				Technical training and Good Agricultural Practices (Including application on farm) and agricultural tools assistance	8 trainings (through formal and informal methods) with different topics conducted in each group. Parameters are attendance and participation of beneficiaries in training. Knowledge from training is applied in farming activities.			
				Cross visit	At least 1 cross visit for representative of each farmers group.			
				Technical field support/ coaching/ field assistance	Technical support team visited the farmers groups at least once a week or once in two weeks to conduct extension service and other related matter with farmers groups			



No	Sector	Objective	Programs	Activities	Parameter to be Monitored	Frequency of Monitoring & Evaluation	whom and Location	Cost of M&E for 4 years (USD)
				Marketing and enterprise development	at least 1 farmers group transform to enterprise/ cooperative at end of program			
3		To improve livelihood of livestock farmers through increasing production of livestock	Livestock development	Forming farmers group/ Integrated with existing livestock group	At least 1 livestock group is formed or integrated with existing farmers group in each affected village. In total there are 4 farmer groups	Internal monitoring is every two months and evaluation is once in six months. Internal monitoring is every two months and evaluation is once in six months.	Livestock farmers group in villages (Sukadana, Sengkol, Kuta, Mertak)	35,000
				Livestock technical training and management	Several trainings (through formal and informal methods) with different topics conducted in each group. Parameters are attendance and participation of beneficiaries in training. Knowledge from the training is applied in the livestock activities.			
				Input assistance	At least 5 cows, 10 goats, and cement insemination for each group with condition of applying revolving method. In total 20 cows and 40 goats			

No	Sector	Objective	Programs	Activities	Parameter to be Monitored	Frequency of Monitoring & Evaluation	whom and Location	Cost of M&E for 4 years (USD)
4		To improve livelihood of fisherman through increasing production of fish/ shrimp and fish/ shrimp catch	Fish/shrimp farming and fishing activities	Technical field support/ coaching/ field assistance	Technical support team visited the farmers groups at least once in two weeks to conduct extension service and other related matter with livestock groups			
				Cross visit, marketing and enterprise development	At least 1 cross visit for representative of each livestock group.			
				Forming farmer group/ Integrated with existing fishermen group	At least 1 livestock group is formed or integrated with existing farmers group in Sengkol, Kuta, Mertak villages. In total there are 3 fisher groups	Internal monitoring is every two months and evaluation is once in six months. Internal monitoring is every two months and evaluation is once in six months.	Fisher groups (Sengkol, Kuta, Mertak)	30,000
				Technical Training	Several trainings (through formal and informal method) with different topics conducted in each group. Parameters attendance and participation of beneficiaries in training. Knowledge from the training is applied in the fishing activities.			

No	Sector	Objective	Programs	Activities	Parameter to be Monitored	Frequency of Monitoring & Evaluation	whom and Location	Cost of M&E for 4 years (USD)
				Input assistance	1 set of fishing equipment handed over to fisher group. Total is 3 sets and 1 cross visit for representative of the group			
				Technical field support/ coaching/ field assistance	Technical support team visits the fisher group at least once in two weeks or once a month to conduct extension service and other related matter with fisher groups.			
5	Education	To improve capacity of human capital and competitiveness of local people	Educational facilities	Scholarship for bachelor level/ tourism diploma, tourism vocational school	Parameter is number of scholarship recipients. Scholarship advertisement placed and selection methods are in open and transparent manner. Scholarship recipients maintain at least B in CGPA	At the beginning of the year, internal monitoring is every 2 months and further monitoring is once in six month. Evaluation is once in six month based on performance in school or university. Informal visits should also be made to recipients to motivate their study.	Students from affected villages (Sukadana, Sengkol, Kuta, Mertak)	50,000

No	Sector	Objective	Programs	Activities	Parameter to be Monitored	Frequency of Monitoring & Evaluation	whom and Location	Cost of M&E for 4 years (USD)
				Learning tools	Handover of learning equipment and its used by Kindergarten students	Monitoring every 2 months and evaluation is once in six months		
			Vocational education - Skill based enhancement	English course	Parameters are number of beneficiaries, their attendance and participation in training. At least 25% has improvement in abilities in basic English speaking/ writing, and become tourism guides or work in SME activities that deal with foreigners. Number of participants will later be determined	Internal monitoring is every 3 months to see the impact of the training and how the training benefits the participants, as well as participants; occupations, income levels post training. Evaluation is at least once in six months. External evaluation by third party done at least once a year	Youth from affected villages (Sukadana, Sengkol, Kuta, Mertak)	
				Cooking and pastry course			Women's group from affected villages (Sukadana, Sengkol, Kuta, Mertak)	

No	Sector	Objective	Programs	Activities	Parameter to be Monitored	Frequency of Monitoring & Evaluation	whom and Location	Cost of M&E for 4 years (USD)
				Tourism & Hospitality Training	Parameters are number of training beneficiaries, attendance, and participation in training. At least 30% of training beneficiaries have SMEs or become employees in tourism & hospitality sector, or involved in second level of business activities.		Youth from affected villages (Sukadana, Sengkol, Kuta, Mertak)	
				Computer training	Parameter is number of beneficiaries, attendance, and participation in training. At least 25% of participants later have activities using computers, or in driving, security, mechanical, and carpenter sectors, or establish their own SMEs		Youth from affected village (Kuta)	
				Driving course				
				Security training,				
				Mechanical Training			Youth and villagers who are interested in mechanical and carpentry from affected villages (Sukadana, Kuta)	
				Carpentry training				

No	Sector	Objective	Programs	Activities	Parameter to be Monitored	Frequency of Monitoring & Evaluation	whom and Location	Cost of M&E for 4 years (USD)
				Gardening Training	Parameter is number of beneficiaries’ participation in training and availability of attendance sheet. At least 25% of participants manage the job in gardening land-scape, SMEs for gardening		Youth and villager who are interested in mechanical and carpentry work from affected villages (Sukadana, Kuta, Mertak, Sengkol)	
				Construction Workers Training & Certification	Parameter is number of beneficiaries, attendance, and participation in training. More than 50% are to be accepted to work in construction sectors.			
				Cosmetology	Parameter is number of beneficiaries, attendance, and participation in training. At least 30% of participants later have activities in cosmetology and tailoring sectors or establish their own SMEs		Women’s group from affected villages (Sukadana, Sengkol, Kuta, Mertak)	
				Tailoring				
6	Health	To improve access of health service to community (maternal & child), increase	Health Facilities	Village Maternal & Child Health Centre ( <i>Posyandu</i> )	Parameters are <i>Posyandu</i> building established and health materials handed over. This is in conjunction with the government program.	Monitoring every 2 months and evaluation once in six months	Women and children in Sukadana Village	20,000

No	Sector	Objective	Programs	Activities	Parameter to be Monitored	Frequency of Monitoring & Evaluation	whom and Location	Cost of M&E for 4 years (USD)
		health awareness and literacy, as well as promoting well being		Trash bins	Number of trash bin boxes are successfully distributed, installed, and maintained each year. Records on condition are necessary. Total bins distributed will be decided later		Villagers in all affected villages (Sukadana, Kuta, Mertak, Sengkol)	
			Health Education	Waste management training	Parameter is number of beneficiaries, attendance, and participation in training. Behavior change regarding health and sanitation, which is measured through observations and interviews.	Monitoring is on every activity once in 6 months and evaluation is once a year	Student, youth, and villagers from affected villages (Sukadana, Sengkol, Kuta, Mertak)	
				Seminar or socialization about health & sanitation awareness				
				Sex education				
				Healthy schools campaign				

No	Sector	Objective	Programs	Activities	Parameter to be Monitored	Frequency of Monitoring & Evaluation	whom and Location	Cost of M&E for 4 years (USD)
7	Economic and Business development	To assist and improve local business development	Market facilities	Market revitalization	One market is successfully built/ revitalized each year. The market, later on, is filled with local traders involved in SME activities. Total four markets revitalized	Internal monitoring is every 2 months when the market is under construction. Once the market is operating, monitoring is every 3 months and evaluation is at least once in six months.  External evaluation by third party is done at least once a year	Location of markets is determined by ITDC. The beneficiaries are villagers who open or want to open SMEs	35,000
			Small & Medium Enterprise development	Start and improve your business (SIYB) and Entrepreneurship Training	Parameters are participation of beneficiaries in training and attendance. At least 25% of training beneficiaries later have SMEs and are involved in business activities.	Internal monitoring is every 3 months and evaluation is at least once in six months.  External evaluation by third party be done at least once a year	SMEs owners or people who want to start business (Kuta and Sengkol)	
				Home industry & traditional crafts/ fabric development			PKK group, women's groups, SMEs (Kuta and Sengkol)	
				Revolving fund/ Micro credit			SME owners (Kuta, Sengkol, Sukadana)	



No	Sector	Objective	Programs	Activities	Parameter to be Monitored	Frequency of Monitoring & Evaluation	whom and Location	Cost of M&E for 4 years (USD)
			Handicraft and art development	Souvenir making training			Craft groups or women who are interested in crafts (Kuta, Sengkol, Sukadana)	
8	Social culture	To preserve and introduce local culture to the visitors	Cultural facilities, material support, and social program support	Multifunction building (cultural hall) for culture activities	One multifunction building is built and handed over to village for multipurpose/ cultural activities used.	Internal monitoring is every 3 months and evaluation is at least once in six months.  External evaluation by third party is done at least once a year	Affected villages (Kuta, Mertak)	40,000
				Art material	1 set of Gamelan handed over to art group. The Gamelan is used in cultural dance or other performances and educates youth and students to learn Gamelan.		Cultural groups (Kuta, Sukadana, Sengkol)	
				Traditional uniforms	One set of traditional uniforms is handed over to art group and used to perform traditional dance and culture performances during cultural events.			
				Weaving tools	Each group of craftsmen receives weaving aids. Total of 16 groups received. Parameter is handover document and the fabric resulted from weaving tools.			

No	Sector	Objective	Programs	Activities	Parameter to be Monitored	Frequency of Monitoring & Evaluation	whom and Location	Cost of M&E for 4 years (USD)
				Customary school	Parameters are 1 teacher participated in training and materials used for learning process		Sukadana Customary School	
				Group Formation	At least one group each village established		Youth (Kuta, Sukadana, Sengkol, Mertak)	
				Culture & Religion Program	Targets not determined yet. Condition and targets will be adjusted accordingly		Elderly, Women, Youth in affected villages (Kuta, Sukadana, Sengkol, Mertak)	
			Sport	Sport facilities	One football field available/ one sport facility available in each village supported by ITDC. The facilities are well used by the youth	Internal monitoring is every 3 months and evaluation is at least once in six months.	Youth and villagers in affected villages (Kuta, Sukadana, Sengkol, Mertak)	
				Sport facilities	The facilities are used during daily sport activities and competition	External evaluation by third party be done at least once a year		
				ITDC League/ Games	ITDC holds at least one league tournament per year			

## 9.2 Reporting

The monitoring, measurement, evaluation, and reporting of Indigenous Peoples Development Plan activities will be undertaken throughout the program. This will help facilitate continuous improvement of the implementation process.

Several mechanisms may be implemented as part of the action plan to assist in the collection, measurement, and analysis of IPDP activities, including direct surveys of affected communities and/or visitors to Mandalika area, students, schools, training participants; evaluation sessions following events such as training and workshops; and feedback mechanisms on the ITDC internet site.

Indigenous People Development activities and significant changes or updates in their implementation will be continuously reported and published to a wider audience in a transparent way through public domain documents and websites such as annual reports, Company website, newsletters, articles, local media, and other outreach tools. The reporting should also include public awareness on the IPDP.

The implementation of IPDP will be reported semiannually to authorized parties and AIIB, and at least annually to the public through the Company's media/website. Internally, reports will be made to senior management regularly, depending on needs and requests.