(6) Indonesia: Comparison with International EIA Procedures

Indonesia's EIA procedures largely meet the global standards. They include many environmental and emission standards on the air, noise, and water quality.

Comparison with IFC Performance Standards

Selected IFC Performance Standards	Laws and Regulations
Standard 1 Assessment and Management of Environmental and Social Risks and Impacts	Many laws and regulations are in place for risk assessment and management systems, including GR No.27/2012 on the environmental permit system for EIA and GR No. 46/2016 on the SEA system.
Standard 2 Labor and Working Conditions	A total of 42 laws and regulations are in place for the health and safety of workers.
Standard 3 Resource Efficiency and Pollution Prevention	Many laws and regulations are in place for the use of natural resources, including conservation areas, reserved forests, water resources, and peat ecosystems. Laws and regulations are in place for pollution prevention, covering such aspects as emission standards, effluent standards, hazardous waste management, and landfill management.
Standard 4 Community Health, Safety, and Security	Regulations on community health, safety and security include the Decree of Minister of Health No.876/2001 and the Decree of Head of the Environmental Impact Management Agency (BAPEDAL) No.124/1997—both of which provide guidelines on health impact assessment in EIA—as well as the Decree of Head of BAPEDAL No.299/1996 on the guidelines on social impact assessment.
Standard 5: Land Acquisition and Involuntary Resettlement	Regulations on land acquisition and involuntary resettlement include the State Minister of Agrarian / Head of BPN Regulation No.2/1999 on the guidelines for private project proponents to obtain land permits; and the Head of National Land Agency (BPN) Decree No.5/ 2012 on the guidelines on land purchase techniques.

Indonesia's EIA system is meticulously designed; it is not significantly different from what international organizations require. To fully meet their requirements, however, the following measures need to be taken:

- Screening: No detailed impact predictions are made on projects that are subject to UKL-UPL in Indonesia. When IEE is required in an ODA project, for example, impact predictions need to be made based on documentary research.
- Scoping: Items to be taken up in the scoping process differ depending on the capacity of the consultant, and the items required by international organizations may not be covered. Additional items may thus be necessary.
- Environmental/emission standards: Environmental standards and emission/discharge standards are set in many items; however, detailed items and values are not necessarily the same as those set by international organizations. Items and values may thus need to be checked.
- Environmental conservation: Indonesia's environmental conservation strategies mention offsets but do not specify the targets for net losses or gains. When these are required, such strategies need to be enhanced.
- Information disclosure: Indonesia's legislation requires that all EIA-related documents be disclosed. Yet not all EIA reports and UKL-UPL are accessible on the Web. When such documents need to be made accessible on the Web, it is necessary to address this need on a project-by-project basis.
- Biodiversity: Indonesia has 628 nationally-designated conservation areas, 488 key biodiversity areas (KBAs), and 1,839 species that are on the IUCN Red List of Threatened Species[1]. Yet, even EIA-qualified consulting firms may not conduct biological research at an appropriate level. Experts capable of biological research need to be retained for projects located around the habitants of species on the IUCN Red List.
- Involuntary resettlement: This issue may come to the surface at the time of compensation procedure for land acquisition following the EIA or project approval process. EIA is supposed to address this issue, but it does not involve a detailed survey or compensation plan. In addition, EIA's public consultation process comes before the layout is finalized; it is not intended to obtain community consent on compensation rules. A detailed survey for resettlement compensation and the estimation of associated compensation are made separately after an environmental permit is granted or the project is approved. Also, public consultation is held under the Law of Land Procurement for Public Utilities Construction (Law No.2/2012). Experience shows, however, that the failure to reach an agreement at this stage may hinder the launch of the construction work or lead to the suspension of the ongoing work. It may even develop into a lawsuit. The desirable

[1] CR = Critically Endangered; EN = Endangered; VU = Vulnerable; NT = Near Threatened

approach to precluding such possibilities may be to hold public consultation many times before the layout is finalized and work out the layout and project details in a participatory process that incorporates community input in order to avoid a conflict.

- Environmental pollution during operation: Environmental pollution often occurs after a plant that handles hazardous substances starts operation. Even a project for which appropriate conservation measures have been planned in EIA and evaluated as adequate in the examination process may face a problem in the operational phase, which may come to the surface when residents report it. The main cause may be the failure to take measures as planned, operate pollution control facilities as planned, conduct monitoring as planned or provide instructions in an environmental audit. Such failure stems from the lack of morals or skills on the part of the project proponent.