

**Terms of Reference (TOR) for Independent  
Environmental and Social Audits of Subprojects  
under Central Sulawesi Rehabilitation and  
Reconstruction Project (CSRRP)**

Prepared by

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REPUBLIC OF INDONESIA**

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*This TOR is a supplementary document to the Environmental and Social Management Framework (ESMF) for CSRRP. It is a template that shall be revised and finalized prior to advertisement, including any necessary updates to the scope of services such as number of sub-projects to be audited and allocated number of days for key personnel.*

## A INTRODUCTION

CSRRP will support the Government's recovery program in Central Sulawesi and help rehabilitate, reconstruct, and increase resilience by strengthening the building quality and sustainability of critical public facilities and housing settlements. In principle, rehabilitation and reconstruction efforts under CSRRP will be aligned with the Government's Recovery Master Plan.

The project will complement recovery efforts of permanent housing, public facilities, settlement infrastructure construction and infrastructure recovery activities supported by Government financing sources, other existing World Bank financed projects, as well as other development partners and organizations.

CSRRP includes three components:

### a. **Component 1: Resilient construction of permanent housing units and settlement infrastructure**

- Sub-component 1.1 – Civil Works: This sub-component will finance civil works for construction of approximately 7,000 permanent housing units to the project's resilience standards in safe resettlement sites and related settlement infrastructure and community facilities to relocate disaster-displaced households. Affected communities will be engaged from the beginning of the relocation process with special emphasis on participation of women and vulnerable community members.
- Sub-component 1.2 – Grants for Community-Based Reconstruction (\$0): This sub-component will support communities in reconstruction of housing units that meet seismic risk mitigation standards in safer locations. This sub-component will be triggered as per the request of the Government should its implementation be required.

### b. **Component 2: Resilient reconstruction and strengthening of public facilities**

This component will finance civil works for rehabilitation, reconstruction and structural strengthening of public facilities to improve seismic performance and safety, reduce disaster vulnerability, increase climate resilience, and improve functionality and service standards. Public facilities such as schools, health facilities, and markets are eligible for financing under this component. The project will support the following principal types of investments: (a) the in situ repair and reconstruction of damaged assets; (b) construction of new assets in new locations when the damaged assets cannot be rebuilt in situ; and (c) construction and/or expansion of assets in new locations to serve people who, as a result of the earthquake, must relocate from hazard-prone areas. Seismic strengthening of existing public facilities undamaged by the recent catastrophic event may also be included.

### c. **Component 3: Project implementation support**

This component will support managerial and technical assistance of the project through financing the costs of expert consultants and community facilitators throughout the project cycle to strengthen the Government's capacity at both the central and subnational level—on post-disaster recovery.

Investments funded by CSRRP must be implemented in accordance with the principles of sustainable development, including environmental, social, cultural, and economic considerations, per the Government of Indonesia's laws and regulations. Project implementation shall also comply with the following applicable World Bank's Environmental and Social Standards (ESSs) under the Environmental and Social Framework (ESF), including ESS 1 Assessment and management of environmental and social risk and impacts, ESS 2 Labor and working conditions, ESS 3 Resource efficiency and pollution prevention and management, ESS 4 Community health and safety, ESS 5 Land acquisition, restrictions on land use and involuntary resettlement, ESS 6 Biodiversity conservation and sustainable management of living natural resources, ESS 7 Indigenous Peoples/Sub-Saharan African historically underserved traditional local communities, ESS 8 Cultural heritage, and ESS 10 Stakeholder engagement and information disclosure.

CSRRP has established an Environmental and Social Management Framework (ESMF) to address specific provisions in the applicable ESSs. The ESMF also includes provisions that are not fully addressed under the Government's laws and regulations to meet the ESSs.

Per the Environmental and Social Commitment Plan (ESCP), independent environmental and social (E&S)

audits of the sub-projects financed by CSRRP are required to ensure the ESMF requirements are adequately implemented and consistent with ESSs. Such an independent E&S audit will prioritize high-risk sub-projects, particularly those involving medium- to large-scale civil works and relocation of disaster-displaced peoples.

Key aspects that warrant independent audit assessments include management of adverse environmental and social risks, such as handling of hazardous wastes, occupational and community health and safety (including management of Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) risks), labor influx, land acquisition, relocation of disaster-displaced people and overall consultation processes, including engagement with Indigenous Peoples and/or *Adat* Communities if present in sub-project locations.

Specific sub-projects to be audited will be recommended by the government's environmental and social management team assigned to CSRRP in consultation with the Central Project Management Unit (CPMU) and the World Bank. The final list will be approved by the CPMU Director and will be included in the bidding document for the procurement of a consultant team/firm to undertake the E&S audit.

## **B OBJECTIVE**

The objective of the E&S audit is to perform an independent assessment of the environmental and social management of CSRRP in line with the requirements established in the ESMF and ESCP. Focus will be placed on examining whether a system for addressing environmental and social aspects of the project and sub-project activities are functional and adequately resourced and whether implementation of mitigation measures and established mechanisms as contemplated in the Environmental and Social Management Plan (ESMP) and Land Acquisition and Relocation Action Plans (LARAPs) is in line with the ESSs as elaborated in the ESMF. Based on audit findings, gap-filling and enhancement measures with agreed action plans will be recommended for the project going forward.

## **C SCOPE OF SERVICES**

The focus of the E&S audit will be on approximately ten [to be confirmed] sub-project activities involving medium- to large-scale civil works and relocation of disaster-displaced people under Component 1 of CSRRP. Selection criteria for sub-project activities include:

- a. Medium to large relocation sites, including satellite relocation sites. Self-relocation activities under the BSPS scheme will not be included;
- b. Sub-projects requiring environmental permits (UKL/UPL and/or AMDAL) and;
- c. Contractor-led civil works

The audit will comprise of an independent evaluation of the overall environmental and social management in line with the project's ESMF across selected sub-projects under CSRRP.

Specific responsibilities include:

- a) Develop a broad audit program that will confirm the consultant's understanding of the audit objective, scope, methodology/approach and schedule and prepare an audit checklist that will cover meetings at the CPMU, PMU and PIU levels, relevant sub-national government agencies, community facilitators, contractors, and supervision engineers. The detailed methodology and audit checklist templates shall be reviewed by the CPMU and World Bank. The audit program shall incorporate field visits to select project locations.
- b) Based on clear and agreed criteria, select site-specific activities or sub-projects to be included in the audit.
- c) Review and assess the adequacy of the sub-projects' stakeholder identification, analysis and engagement progress and assess current and planned stakeholder engagement activities as outlined in the project's [Stakeholder Engagement Plan \(SEP\)](#).
- d) Conduct an environmental and social audit as per the audit program. This audit will assess compliance

with the ESMF requirements (including documentation, consultations, disclosure, etc.) and relevant legislation and regulatory requirements, including environmental permitting and land acquisition legislation. The audit will assess whether a system for environmental and social management as stipulated in the ESMF has been duly followed and fully functional. These include effectiveness of the institutional arrangements, resource adequacy, environmental and social management processes for screening, environmental and social assessments, considerations of alternatives, risk mitigation and oversight, reporting and documentation, Feedback and Grievance Redress Mechanism (FGRM). Refer to Annex A for further detail.

- e) Assess the implementing agencies' capacities and resources to implement environmental and social management measures. This covers assessment of institutional capacities of the **CPMU, PMU, and PIU** in supervising the overall implementation of the ESMF and project consultants, contractors and supervision engineers (refer task f). Key areas of concerns include management of all relevant environmental and social risk mitigation measures of operations under CSRRP, in particular, specific E&S risks that were identified in the ESMF and sub-project environmental and social assessments (i.e. UKL/UPL, and AMDAL) and availability of requisite resources to do so. The assessment shall include feedback on the quality of the environmental and social management reporting, including related reviewing and approving activities, risk management, plans, and project monitoring reports; as well as examining the implementation of mitigation measures and established mechanisms. Further elaboration of roles and responsibilities of the implementing units under the project to inform this assessment can be referenced in Chapter 5 of the ESMF.
- f) Assess the capacities and resources of **project consultants, contractors and supervision engineers** in implementing and addressing all relevant environmental and social risks and impacts of sub-project activities under CSRRP, in particular specific E&S risks that were identified in the ESMF and sub-project environmental and social assessments (e.g., UKL/UPL and AMDAL). The assessment shall include feedback on the quality of the environmental and social management reporting, including project monitoring reports, as well as compliance with the national legislation and permitting process and implementation of mitigation measures and established mechanisms. Subject to any continued restrictions on travel and public gatherings, site visits to sub-projects/activities and focus group discussions with stakeholders shall be conducted to verify the findings. Should restrictions be in place on travel and public gatherings, the consultant shall propose alternative solutions to data verification in the field. Such alternative approaches, including stakeholder engagement tools in lieu of site visits shall be reviewed and approved by the CPMU and the World Bank. On a sample basis, assess implementation of environmental management plans (RKL/RPL and/or Construction Environmental and Social Management Plan (ESMP) prepared by the contractors and assess whether the function of supervision engineers, particularly mitigation of environmental impacts on sensitive areas, sedimentation and storm water run-off, hazardous wastes management, occupational health and safety practices, traffic management, and emergency response mechanisms.
- g) Assess risks related to labor influx, covering Occupational, Health and Safety (OHS) and community, health and safety. Assess the management of such risks at the project and sub-project levels, including whether a system is in place and functions to address risks related to Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH), including Gender-Based Violence (GBV) and Violence Against Children (VAC) in line with the project's ESMF (Appendix 11), ESSs, and the [World Bank's Good Practice Note on SEA/SH \(which also covers GBV/VAC\)](#).
- h) Assess implementation of specific risks related to implementation and practices in land acquisition and relocation processes of disaster displaced people. Key aspects cover consultations, compensation processes, grievance handling, management of risks related to informal land claims and vulnerable groups and use of security forces. Assess the implementation practices of the Land Acquisition Plans (LAPs) and Relocation Action Plans (RAPs). On a sample basis, assess beneficiary satisfaction of the relocation processes.
- i) Assess the effectiveness of the project's Feedback and Grievance Redress Mechanism (FGRM) for subprojects in terms of its accessibility, credibility, effectiveness in resolving grievances, resourcing,

etc. Specific attention needs to be paid to the assessment of FGRM for SEA/SH and focus will be on understanding whether the system is functioning and protocols and practices established are in line with the [World Bank's Good Practice Note on SEA/SH](#). Caveats and utmost care of data handling in relation to SEA/SH are needed to ensure protection of victims and confidentiality.

- j) Present audit findings and recommend gap-filling and enhancement measures for the overall environmental and social management, with action plans agreed by the Ministry of Public Works and Housing (MPWH). Audit results shall be analyzed to identify key issues and gaps to be addressed in continued implementation of the ESMF and E&S risk mitigation measures, and recommendations shall propose clear actions needed to address technical and capacity building gaps. The final deliverable shall include extensive visual and graphic documentation including photographs of field conditions (including timestamps and geotagged reference points. The E&S audit team will submit audit reports to the CPMU, PMU and PIU and discuss a mutually agreed timeframe for the implementation of proposed follow-up actions. CPMU will submit all final audit reports to the World Bank for review/record. The audit will be deemed as closed only after this review and confirmation on action plans have been obtained.

## **D METHODOLOGY AND/OR APPROACH**

In performing the E&S audit, the consultant team shall review available documentation (e.g., ESMF, ESCP, technical reports, bidding and contract documents, environmental and social management plans, environmental permits, land acquisition plans, relocation action plans, FGRM records, etc.) and identify stakeholders, including community representatives for the purpose of due diligence and audits. Field visits to select sites, stakeholder engagement and beneficiary satisfaction surveys will be carried in coordination with CPMU and assigned environmental and social consultants from the project. The consultant shall be responsible to develop required assessment tools and identify relevant stakeholders as part of the audit program. These tools and stakeholder engagement plan for the audit purposes shall be reviewed and approved by CPMU and the World Bank

## **E TEAM COMPOSITION, QUALIFICATION AND EXPERIENCE**

The audit team is expected to be a firm with appropriate and sufficient capabilities, resources, and experience to execute the full extent of the scope of services to a very high quality. The team will mainly comprise of relevant experts in environmental management, social risk management, and other experts in specific topics such as OHS and community, health and safety, SEA/SH. The team must have experience in environmental and social assessments and risk management in major infrastructure projects and post-disaster reconstruction and rehabilitation. All team members are recommended to complete an ESF course/clinic delivered by the World Bank environmental and social specialists and demonstrate the following skills and experience:

- Strong and demonstrated interpersonal skills, and experience communicating with senior government officials, communities and large groups of people, ability to organize and conduct technical workshops related to audit findings;
- Excellent working knowledge of Indonesian legislation and regulations related to environmental and social risk management, and as outlined in the project ESMF, is required for all specialists;
- Field experience and good knowledge of the implementation of World Bank's safeguards policies (or that of other international financial institutions), including the Environmental and Social Framework (ESF) is desirable;
- Proven writing and analytical skills, ability to initiate innovative approaches;
- Proven ability to work as a team-player with multi-tasking skills, experience in facilitation, presentation, communication and computational skills, resourcefulness, attention to details and client orientation;
- Competency in the use of standard desktop publishing applications (e.g., Microsoft Office); and

- Ability to communicate and write effectively in English and Bahasa Indonesia.

Specific qualifications and experiences of the desired team composition are outlined below:

**a. Environmental Specialist (Key Specialist)**

- At least a Master's degree in Environmental Science / Engineering / Planning;
- Preferably a minimum of 10 (ten) years relevant professional experience particularly in environmental management of infrastructure projects, post-disaster reconstruction and rehabilitation;
- Demonstrated experience in environmental impact assessments and development of risk management instruments, especially addressing impacts on civil works projects; and
- Experience in conducting similar audit and possess an auditor certification for ISO, and/or relevant environmental management systems.

**b. Social Risk Specialist (Key Specialist)**

- At least a Master's degree in social sciences, sociology, anthropology, or community development;
- Preferably a minimum of 10 (ten) years relevant professional experience particularly in social risk management in infrastructure projects, post-disaster reconstruction and rehabilitation;
- Demonstrated experience in social impact assessments and development of risk management instruments, especially addressing impacts on vulnerable or diverse groups (e.g., people with disabilities), land acquisition and resettlement, Indigenous Peoples, etc.; and
- Experience in conducting similar audits, especially in the areas of social risk management.

**c. SEA/SH and Gender Specialist**

- At least a Master's degree in such as social development, public policy, gender studies, or related field;
- Preferably a minimum of 10 (ten) years relevant professional experience or equivalent combination of education and working experience in Gender Based Violence (GBV) and SEA/SH management, gender studies and post-disaster contexts;
- Experience in developing and assessing SEA/SH guidelines, management systems, checklists, and training courses on SEA/SH; and
- Experience in conducting similar audits, especially in the areas of SEA/SH management.

**d. Occupational, Health and Safety (OHS) Specialist**

- At least a Master's degree in Occupational Health and Safety (OHS), work physiology and physiotherapy, safety and work, civil works, project management, or other relevant disciplines;
- Preferably a minimum of 10 (ten) years relevant professional experience particularly in OHS management of infrastructure or civil works projects;
- Demonstrated experience in OHS assessments and supervision and development of OHS management instruments for major infrastructure projects; and

- Experience in conducting similar audit and possess an auditor certification for Occupational Health and Safety Management System (OHSAS).

## **F TIME ALLOCATION**

This audit will commence approximately 12 months from Loan Effectiveness during and post relocation activities. The scope of the TOR covers this first E&S audit requirement. The time input will be approximately 30 to 40 working days for key specialists and at least 25 working days for non-key specialists, subject to extension depending on the number and sizes of subproject samples that will be audited. The time allocation includes completion of the scope of services; and submission and presentation of draft and final audit reports.

Further audits may be conducted, including to inform the mid-term performance evaluation with agreed actions being reflected in the mid-term evaluation report. The second audit is expected to be undertaken following completion of Component 1 to assess post-disaster contexts and beneficiary satisfaction. A new TOR based on findings and lessons-learned from the first audit will be developed by MOPWH and a new procurement process for consultants will be initiated.

## **G DELIVERABLES**

The consultant shall prepare a separate report assessing the overall management of ESMF implementation, and separate reports for the various sub-projects/activities with site-specific findings and recommendations. A synthesis report of gaps, strengths and weaknesses of both overall project and site-specific management of E&S risks, with recommendations for improvement, shall be prepared in the final report.

The consultant team is expected to deliver the following outputs:

<b>Output</b>	<b>Timeframe (weeks from contract start date)</b>
Inception report/audit plan	Two weeks
Draft report assessing overall project management of ESMF implementation and E&S risk management	Six weeks
Draft report assessing various sub-projects/activities	Eight weeks
Final audit report including technical recommendations for overall project and site-specific management of E&S risks, incorporating comments from the CPMU, PMU, PIU and the World Bank.	Ten weeks following approval of the first draft

## **H PAYMENT**

The payment for this audit will be made in two instalments. The first payment equivalent to 50% of the agreed contract value upon submission and approval of the draft audit report and 50% upon submission and approval of the final audit report.

## **I REPORTING**

The consultant team will report to the CPMU Director and work in collaboration with the project's environmental and social management specialists and other experts assigned for the expected deliverables.

## **J PERFORMANCE EVALUATION**

If the work of the consultant is not found satisfactory at any stage, the CPMU Director holds the authority to suspend payments of the services. Continuation of the remaining services will be subject to performance evaluation by CPMU.

## **K CONFLICT OF INTEREST**

The consultant shall provide independent audit services to assess the contract implementation and outputs of previous consulting services for CSRRP-financed activities. In order to avoid conflict of interest, a consulting firm that has been engaged by the Implementing Agency (or an affiliate that directly or indirectly controls, is controlled by, or is under common control with that consulting firm) to provide consulting services for the preparation or implementation of a project/sub-project, shall be disqualified from subsequent assignments, which directly related to those Consulting Services.



## **Annex A: Indicative Outline for Independent Environmental and Social Audits<sup>1</sup>**

*Environmental and social audit* is an instrument to determine the nature and extent of all environmental and social areas of concern at an existing project or activities. The audit identifies and justifies appropriate measures and actions to mitigate the areas of concern, estimates the cost of the measures and actions, and recommends a schedule for implementing them. For certain projects, the environmental and social assessment may consist of an environmental or social audit alone; in other cases, the audit forms part of the environmental and social assessment.

The aim of the audit is to identify significant environmental and social issues in the existing project or activities, and assess their current status, specifically in terms of meeting the requirements of the ESSs.

- a) **Executive Summary.** Concisely discusses significant findings and sets out recommended measures and actions and timeframes.
- b) **Legal and Institutional Framework.** Analyzes the legal and institutional framework for the existing project or activities, including the issues set out in ESS1, paragraph 26, and (where relevant) any applicable environmental and social requirements of existing financiers.
- c) **Project Description.** Concisely describes the existing project or activities, and the geographic, environmental, social, and temporal context and any Associated Facilities. Identifies the existence of any plans already developed to address specific environmental and social risks and impacts (e.g., land acquisition or resettlement plan, cultural heritage plan, biodiversity plan). Includes a map of sufficient detail, showing the site of the existing project or activities and the proposed site for the proposed project.
- d) **Environmental and Social Issues Associated with the Existing Project or Activities.** The review will consider the key risks and impacts relating to the existing project or activities. This will cover the risks and impacts identified in ESSs1–10, as relevant to the existing project or activities. The audit will also review issues not covered by the ESSs, to the extent that they represent key risks and impacts in the circumstances of the project.
- e) **Environmental and Social Analysis.** The audit will also assess (i) the potential impacts of the proposed project (taking into account the findings of the audit with regard to the existing project or activities); and (ii) the ability of the proposed project to meet the requirements of the ESSs.
- f) **Proposed Environmental and Social Gap-filling/Enhancement Measures.** Based on the findings of the audit, this section will set out the suggested measures to address such findings. These measures will be included in the Environmental and Social Action Plan for the Project. Measures typically covered under this section include the following:
  - specific actions required to meet the requirements of the ESSs
  - corrective measures and actions to mitigate potentially significant environmental and/or social risks and impacts associated with the existing project or activities
  - measures to avoid or mitigate any potential adverse environmental and social risks or impacts associated with the proposed project.

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<sup>1</sup> Refer ESS1 – Annex 1. Environmental and social assessment, paragraph 16 of the World Bank Environmental and Social Framework.