

PRELIMINARY PROPOSAL
Pilot Activity for
DECENTRALIZING AMDAL

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INTRODUCTION

The Analisis Mengenai Dampak Lingkungan (AMDAL) has been implemented in Indonesia for over 15 years. During this period, numerous guidelines and supporting regulations have been issued, and several revisions have been conducted to improve the effectiveness and quality of AMDAL studies. Among the many environmental tools, AMDAL is the most widely known and implemented, yet some improvements to the system and the practice are considered necessary. The AMDAL system is defined as the set of regulations, guidelines and involved parties that make up the environmental assessment currently applied nationally. The AMDAL system as a whole can be divided into many elements. The effectiveness of the system, depends on the effectiveness of the elements.

Regional autonomy that went into effect in 2000 has added another dimension to the dialog on improving AMDAL effectiveness. This devolution of authority of environmental management (including AMDAL) offers opportunities for improvement, but at the same time, are creating some concern about performance of AMDAL as an environmental tool. The World Bank scoping study found that some AMDAL guidelines are difficult to implement because of specific environmental characteristics or existing development trends in an area. Some regions are already issuing local regulations or practicing an interpretation not entirely consistent with the national system. Some are staying true to the spirit of environmental assessments, and may in fact enhance AMDAL's effectiveness and efficiency. Others, however, seem questionable. This trend of 'localizing' AMDAL appears difficult to prevent.

Improving the entire AMDAL system will take a long time, and may continue to be an iterative process. The Ministry of Environment is already planning to conduct a series of studies, workshops and consultations with stakeholders to commence the effort of ‘reforming’ the AMDAL system. Another activity being considered is a pilot activity to test some ideas for alternative AMDAL system(s).

THIS PROPOSAL

This proposal is prepared specifically for the pilot activity under consideration, offering a design and approach regarded most strategic at this point. The proposal is submitted to the World Bank, which plans to support the Ministry of Environment for some of the AMDAL reform activities.

The proposal, herein, proposes an exercise that would lead to more concrete ideas towards decentralizing AMDAL by developing ‘**Region-Specific AMDAL Models**’. **Region-specific here refers to a province or a group of neighboring districts/cities with similar vision and characteristics formulating an AMDAL system that they regard appropriate for the environmental and socio-economic characteristics of the area, as well as the human and institutional capacity to manage an AMDAL system.** Results of the exercise are expected to feed into the policy dialog and analysis process in the Ministry of Environment.

ACTIVITY OBJECTIVES

The overall objective of the Pilot Activity for decentralizing AMDAL is 1) assess the feasibility of a region-specific AMDAL system, and 2) provide inputs and recommendations to the national government, c.q. Ministry of Environment, to allow for regional variation to the AMDAL system.

Specific outputs that will be produced by the Pilot Activity are:

1. Description of 2 (two) Region-Specific AMDAL Models developed in two selected regions under the Pilot Activity, and tested through a real project. The models may include modifications to any of the elements listed in Table 1 in the next section.
2. A model for the process of developing region-specific AMDAL . Included are the consultation process with national government, participation of stakeholders, decision-making or consensus-building process and other.
3. A report containing recommendations regarding:
 - Elements of AMDAL that should continue to apply nationally
 - Elements of AMDAL that are should open to regional innovation or continuous improvement.
 - Institutional issues related to management and review of AMDAL in the regions.
 - Changes in regulations and guidelines to support decentralization of AMDAL.
 - Accreditation process to be developed by Ministry of Environment for decentralization of AMDAL. This includes criteria for regions eligible to develop a region-specific AMDAL system, requirements for developing region-specific AMDAL system, and process of

accreditation by national government.

The Pilot Activity is envisioned to involve 2 (two) regions, that have indicated interest to explore development of a region-specific AMDAL system, namely: Badan Pengelola Lingkungan Hidup Daerah (BPLHD) Province of West Java, to involve a number of districts/cities in the Bandung Basin, and Badan Pengendalian Dampak Lingkungan Daerah (Bapedalda) Kota Balikpapan, to initiate efforts and engage several neighboring districts.

BASIC PREMISE

The following describes the basic premise that will be used during the early stages of the Pilot Activity. The premise is based on findings during the World Bank scoping study. The intent is that during the early stages of the Pilot Activity, the basic premise will be used to further develop the concept of a Region-Specific AMDAL system .

The basic premise is that some regions (either province or district/city level) regard the effectiveness of AMDAL in their areas is partly hindered by inappropriateness of several elements of the AMDAL system to the specific conditions of their areas. If given some flexibility to design their own AMDAL system, they would make some changes or variations to the current AMDAL system. The Pilot Activity would give such an opportunity to the selected regions, as an exercise to feed into discussions at the national level.

The basic premise further postulates that in order to review the AMDAL system as a whole, it is necessary to look at its elements and determine which elements in the AMDAL system should:

- Can easily apply nationally;
- Should be opened to regional variation, factoring in differences in natural characteristics and economic trends, as well as human and institutional capacity.
- Should be deregulated to allow continuous improvements to be driven by either the market or by scientific developments in the environmental field.

To determine which elements fall into which category, a process of dialog, analysis and formulation must occur. At the regional level, for example, a series of discussions and agreements will be required among the environment agencies of the relevant districts/cities/province, as well as key players/leaders among other AMDAL stakeholders. The regions also must consult and obtain concurrence from the Ministry of Environment to proceed with the exercise.

As a preliminary guide, Table 1 below provides a list of the AMDAL elements that should be discussed during formulation of the Region-Specific AMDAL Model.

element		Description
1.	Permitting	Regarding where AMDAL is in the permitting process of a

	Context	proposed project. Agreement on AMDAL's place in permitting process has to be clarified, institutionalized and respected by all parties.
2.	Institutional Arrangement	Regarding division of roles/ responsibility among regional institution, such as which agency is responsible for approving AMDAL, supervising proponents post-AMDAL, providing technical support to proponent, etc.
3.	Type of assessment	Regarding the types of environmental assessments available to project proponents at the planning stage. The pilot activity shall explore the appropriateness or effectiveness of instituting other types of assessments, in addition to the existing UKL/UPL and AMDAL.
4.	Procedures	Regarding the procedure for AMDAL for each type of environmental assessment. The procedure includes: screening, scoping, impact analysis, preparation of environmental management and monitoring plans, and review meetings and consultations necessary.
5.	RKL/RPL Revision	Regarding possibility of making mandatory a revision of RKL/RPL once during the operational stage of a project.
6.	Report Format	Regarding possibility of simplifying the AMDAL report format so as to produce a more focussed and useful document.
7.	AMDAL Review Commission	Regarding possibility of changing the composition of the AMDAL Commission to focus on experts in the relevant fields.
8.	AMDAL Study Consultant	Regarding the application of a competency-standard for experts involved in conducting AMDAL studies.
9.	Timeframe	Regarding reduction of the time required to complete AMDAL requirements.
10.	Financing	Regarding possibility that the AMDAL review and approval process does not add financial burden on the project proponent.
11.	Public involvement	Regarding setting minimal requirements of public involvement for each type of environmental assessment.
12.	Supervision	Regarding mechanism for local government agencies to supervise proponent on the commitments in the RKL /RPL.
13.	Data management	Regarding procedures for management of approved AMDAL documents, database for monitoring results, storage and accessibility of data for other use, such as environmental quality monitoring, spatial planning, etc.
14.	Sanctions	Regarding instituting administrative or legal sanctions against proponents and government agencies that do not meet their commitments.

In addition, the effort to develop a concept for decentralized AMDAL will also address several general issues, namely:

1. The high investment in time and financial cost to meet AMDAL requirements.
2. The lack of influence AMDAL has on project design and siting, permit approval and regional/spatial planning.
3. The lack of supervision by government on implementation of environmental management/monitoring plans as defined in the AMDAL.
4. Unfocussed AMDAL report format.
5. Limited capacity of members of the AMDAL Commission.
6. Differences in understanding of public consultation among stakeholders.

WORKPLAN

The Pilot Activity is expected to consist of 4 stages as described in the following table.

Workplan for Pilot Activity		
stage		description
1.	Preparation	<ul style="list-style-type: none"> • Mobilization of experts and other team members. • Provision of work facilities. • Obtain commitment from 2 (two) regions to participate in the pilot as pilot regions. • Obtain concurrence from the Ministry of Environment to conduct the exercise. • Preparation of a detailed plan and work mechanism for each pilot region. • Conduct workshop to discuss the plans with relevant stakeholders.
2.	Formulation of Basic AMDAL Framework (2)	<ul style="list-style-type: none"> • Identify criteria of the desired Region-specific AMDAL system for each region. • Develop alternative institutional arrangement for AMDAL management and review/approval for each region. • Identify priority AMDAL elements to be modified in the pilot activity. • Identify types of environmental assessments to allowed in a decentralized AMDAL system. • Conduct workshop to discuss above results with relevant stakeholders.
3.	Formulation of Detailed Region-Specific AMDAL Mechanism (2)	<ul style="list-style-type: none"> • Develop region-specific mechanisms for the selected AMDAL elements, such as study process, review process, report format, public consultation requirements, and others. • Develop procedure for implementation at the post-AMDAL stage, such as RKL/RPL implementation and supervision, and data management. • Conduct workshop to discuss above results with relevant stakeholders. • Prepare workplan for field-test of Region-Specific AMDAL mechanism. • This stage will occur in two (2) regions.
4.	Field Test (2)	<p>Upon concurrence from the Governor/District Head/Mayor and the Ministry of Environment, the alternative Region-Specific AMDAL mechanism will be utilized for a real project AMDAL, involving the project proponent, AMDAL consultant and AMDAL Commission. The result of this field test will be presented and discussed in a workshop to obtain inputs and comments from experts and stakeholders. The field test will be implemented in two (2) regions, each with one real project.</p>
5.	Finalization	<ul style="list-style-type: none"> • Based on results of the Field Test, the Region-Specific AMDAL system will be documented and finalized. • Develop recommendations for an AMDAL accreditation system to be instituted by the Ministry of Environment. • Develop recommendations on changes to regulations and guidelines to support a region-specific AMDAL system. • Develop recommendations on follow-up activities. • Conduct workshop to discuss results of pilot activity to stakeholders.

		<ul style="list-style-type: none">• Compilation of Final Report.
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The following table provides a rough work schedule for the Pilot Activity. The duration of stages 1-3 are relatively easier to estimate, although it remains very dependent on how much time consensus-building among stakeholders will take. The duration of Stage 4 is more difficult to estimate, as it depends on the type (and complexity) of the proposed project used in the Field Trial, which in turn depends on what projects are in the pipeline in the selected pilot areas. The table below, therefore, is only a preliminary estimate, which will have to be revisited during Stage 3.