

# Resettlement Plan

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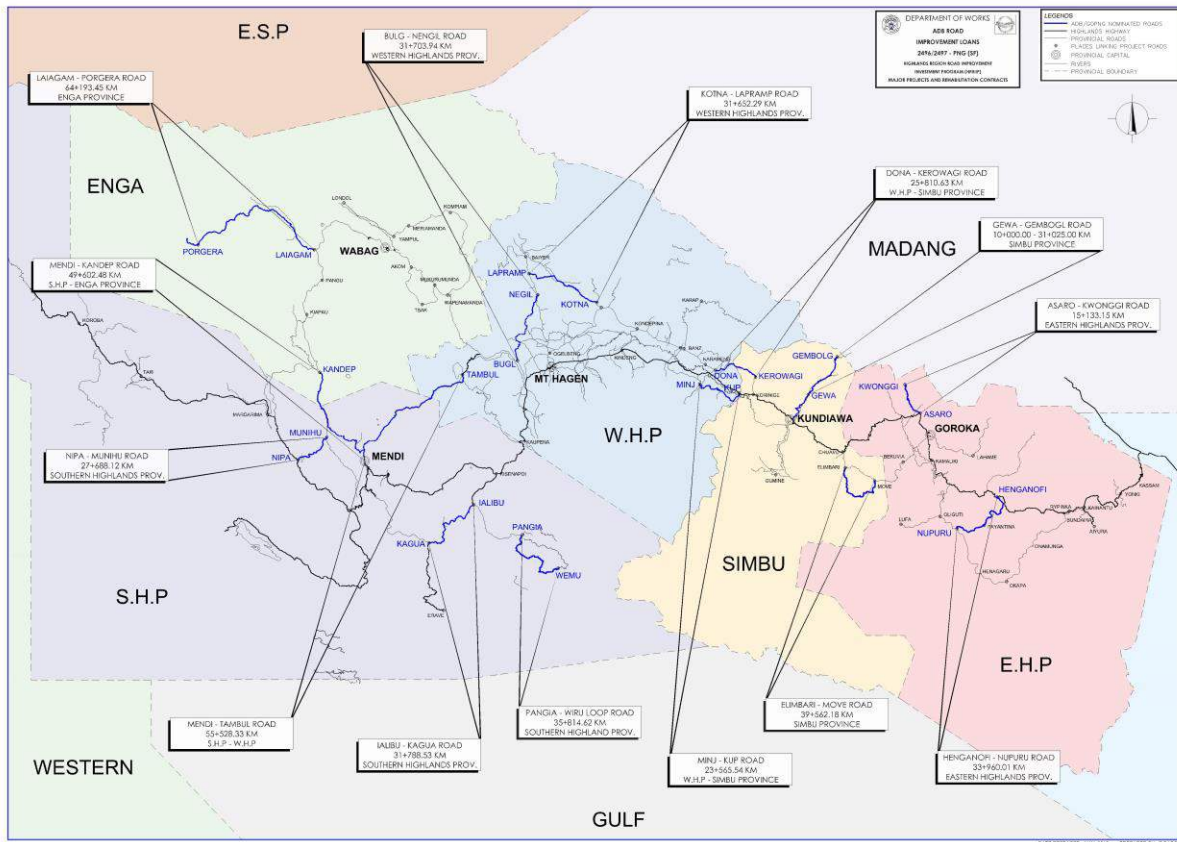
## PNG: Highlands Region Roads Improvement Investment Program, Tranche 3

Prepared by the Government of Papua New Guinea's Department of Works for the Asian Development Bank.

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# HIGHLANDS REGION ROADS IMPROVEMENT INVESTMENT PROGRAM



## HENGANOFI – NUPURU SUB-PROJECT RESETTLEMENT PLAN

UPDATED FINAL REPORT  
JUNE 2016

**CURRENCY EQUIVALENTS**

(As of 1 December 2015)

Currency Unit – Kina (K)

K1.00 = US\$0.3420

**ABBREVIATIONS**

ADB	–	Asian Development Bank
APH	–	Affected People Household
COA	–	Certificate of Alienability
DBST	–	Double Bitumen Surface Treatment
DLO	–	District Lands Officer
DLPP	–	Department of Lands and Physical Planning
DMS	–	Detailed Measurement Survey
DOW	–	Department of Works
EHP	–	Eastern Highlands Province
ESSU	–	Environmental and Social Safeguards Unit
HRMG	–	Highlands Road Management Group
HRRIIP	–	Highlands Region Roads Improvement Investment Program
IMO	–	Independent Monitoring Organization
ISS	–	International Social Specialist
LIR	–	Land Investigation Report
LLCM	–	Local Land Court Magistrate
LLG	–	Local Level Government
LSD	–	Lands and Survey Division
MFF	–	Multi-tranche Financing Facility
M&E	–	Monitoring and Evaluation
MOA	–	Memorandum of Agreement
NARI	–	National Agriculture Research Institute
NGO	–	Nongovernmental Organization
NRA	–	National Roads Authority
NSS	–	National Social Specialist
NTDP	–	National Transport Development Plan
PLO	–	Provincial Land Officer
PMV	–	Passenger Motor Vehicle
PNG	–	Papua New Guinea
PWD	–	People with Disabilities
PWM	–	Public Works Manager
RIZ	–	Road Influence Zone
SPS	–	Safeguard Policy Statement

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## I. EXECUTIVE SUMMARY

1. This is the brief Resettlement Plan for Henganofi-Nupuru (33.96 km) road section under Tranche 3 of the Highlands Region Roads Improvement Investment Program (HRRIP) for Papua New Guinea (PNG). The purpose of HRRIP is to upgrade, rehabilitate and maintain roads in the Highlands Highway network in PNG. This is the updated report based on the validation exercise completed in May. The report presents assessment of all possible impacts based on the detailed engineering design for this sub-project road.

2. In accordance with the HRRIP eligibility criteria, every effort has been made to minimize the impacts on land acquisition and resettlement for this road section. The engineering design has been formulated to minimize the need to acquire additional land outside of the existing road alignment, to the extent feasible and consistent with agreed design standards and good engineering practice. Among the technical solutions applied to minimize resettlement effects were (a) shifting the road alignment to the opposite side of the potential affected structure, (b) narrowing of the road shoulders in front of the potential affected structures, and (c) adjustments of the drainage component to minimize resettlement impacts.

3. Additionally, the Department of Works (DOW) through the Provincial Works Office (PWO) in close coordination with the provincial, district administrators, local-level government (LLG) presidents and wards leaders where the road section is located, all cooperated to ensure that no new structures or other improvements were erected or crops and trees planted within the construction limits after the proposed project information were first disseminated to them on 25<sup>th</sup> November 2011. The resettlement impacts assessment was originally conducted in the same year.

4. The results of the resettlement impact assessment indicated that the existing road carriage occupies a total of 17.95 hectares of customary land. The upgrading and rehabilitation of the road will require an additional 19.55 hectares of customary land for the whole road section. In total, the project will require a total of 37.85 hectares of customary land which is the subject matter of the memorandum of agreements (MOAs) signed between DOW and the customary land owners.

5. Aside from the resettlement impacts on customary land, the whole road section of 33.96 km is free from any impacts on assets including residential houses, trade stores or any other structures. The whole road section is also free from crops and trees, fences and grave sites. Accordingly, there will be no physical or economic displacement arising out of the proposed road improvement project. This was re-confirmed by the validation exercise in May 2016. The *cut-off date is March 13, 2015*, the date when the resettlement impact assessment for the Henganofi-Nururu road section was completed.

6. The degree of impacts shall be determined by (i) the scope of physical and economic displacement, and (ii) the vulnerability of the displaced persons. Based on the degree of impacts and vulnerability of tribes and clans living along this road project, a brief resettlement plan has been prepared and is presented in the following sections.

7. Several consultations in the project area have been undertaken by DOW through the Highlands Road Management Group (HRMG), PWO in coordination with both Provincial and District Administration Offices, LLG presidents and ward leaders. The displaced persons have already been informed about their rights to file complaints and/or queries on any aspect of land

acquisition compensation, and resettlement. A variety of techniques of consultations with stakeholders were used during the project preparation such as in-depth interviews, conduct of socio-economic survey, public community meetings, focus group discussions, etc. A detailed measurement survey (DMS) was waived in the absence of affected assets along the whole road section.

8. A socio-economic survey was conducted to establish the condition of households of affected tribes and clans living along the road section. The respondents for the survey do not have their assets affected by the road. They were interviewed as representatives of the 11 affected tribes who own the relevant section of customary land so that their socio-economic conditions will provide the baseline for future monitoring.

9. Consultations were held with the different villages and included provincial, district and local ward officials and leaders, tribal, clans and sub-clans leaders and the local communities. Public disclosure of the resettlement plan was conducted with the affected (land) people, communities and different national and local government agencies.

10. The ward councilors, tribal and clan leaders in Kafentina and Fayantina LLGs have signed the MOAs for the use of customary land in exchange for public infrastructure (road). The project entitlements included in the standard MOA were explained and discussions followed.

11. This resettlement plan has been developed as per Asian Development Bank's (ADB's) SPS and the pertinent laws of PNG. Where the laws of PNG are not clear, a project-specific set of resettlement principles consistent with ADB policy has been adopted. The SPS's policy principles on involuntary resettlement are as follows: (1) screen early and assess resettlement impacts; (2) carry out consultations with displaced persons and develop a grievance redress mechanism; (3) improve/restore livelihoods of displaced persons through land-based strategies, replacement of lost assets, compensation at replacement cost, and additional benefits, as appropriate; (4) provide appropriate assistance to physically displaced persons; (5) improve living standards of poor displaced persons and other vulnerable groups; (6) develop transparent procedures for negotiations; (7) provide assistance and compensation to non-titled displaced persons for loss of non-land assets; (8) prepare resettlement plans; (9) disclose resettlement plans to displaced persons and other stakeholders and document the consultation process; (10) conceive and execute resettlement as part of the project; (11) deliver entitlements to displaced persons before their physical or economic displacement; and (12) monitor and assess resettlement outcomes.

12. The affected people are the tribes, clans and sub-clans who own the customary land that will be affected by the subproject. Based on the consultations with affected people, income and livelihoods restoration activities beneficial to them were identified. In the meantime, infrastructure activities closely aligned with the road section were also agreed to provide additional benefits to the community.

13. Assistance to the affected community is provided in recognition and appreciation by DOW of the permission granted by customary land owners for the free use of their land for this road project. The community is provided with in-kind assistance amounting to 350,000 Kina to build and/or repair infrastructure items of their priority. The new road will also be inclusive of bus-bays and areas for vending. The latter item is estimated at 182,000 Kina. Such activities are also expected to counter the unmeasurable adverse effects on the tribes and clans such as the

presence of construction crews and their equipment and temporary inconvenience arising out of the construction activities.

14. The DOW as the executing agency has overall responsibility to manage the planning, implementation and monitoring related to acquiring use of rights for additional land to implement the project. The HRMG, as the implementing agency for the subproject has the responsibility to carry out the planning, implementation and monitoring of resettlement activities as required.

15. The involvement of local government units is vital in the implementation of the resettlement plan. The Provincial Works Manager (PWM) and Provincial and District Administrators will closely collaborate with HRMG to implement resettlement activities as appropriate.

16. Grievances will be addressed adequately at all stages of project development. Learning from the completed two projects, an internal grievance redress mechanism (GRM) for the sub-project will be established within the province. The GRM includes the establishment of a grievance redress committee (GRC). The primary objective of the GRM is to facilitate conflict resolution in a timely manner, minimizing court cases. It will also provide affected people with a forum to air their objections and address relevant issues and concerns adequately. If any affected person is not satisfied with the ruling of the GRC, s/he may take the grievance to the PNG Judicial System.

17. The resettlement cost estimate for this project includes income enhancement measures and support costs for resettlement plan implementation. The executing agency will ensure timely allocation of funds and availability of resources to provide assistance to the affected people. DOW will plan in advance and include in their budget its counterpart funding for this project. The total cost of resettlement for the Henganofi-Nupuru is estimated to be **744,800 Kina**.

18. The implementation schedule for this resettlement plan has been formulated based on the overall project implementation timeline. All activities related to land acquisition and resettlement are planned to ensure that issues are resolved prior to commencement of civil works. Public consultations and internal and external monitoring will be undertaken intermittently throughout the project duration.

19. The resettlement plan implementation will be closely monitored to provide DOW with an effective basis for assessing resettlement progress and identifying potential difficulties and issues. During the implementation of the resettlement plan, the HRMG, assisted by the Environmental Social Safeguards Unit (ESSU) will prepare semi-annual safeguard monitoring reports and submit these reports to DOW and ADB in addition to regular quarterly progress reports as part of the project performance monitoring. The DOW has already appointed an independent monitoring organization (IMO) to undertake external monitoring. The IMO will prepare bi-annual monitoring reports, and conduct post-resettlement evaluation. All IMO reports will be submitted to HRMG, DOW and ADB.

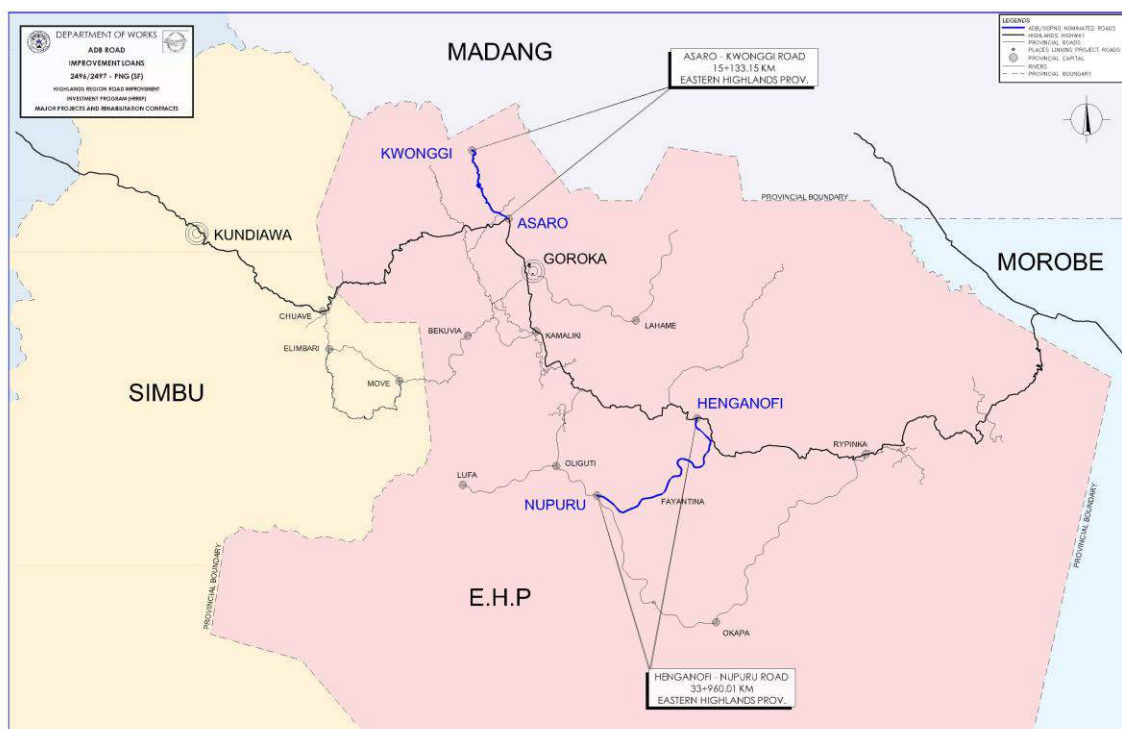
## II. PROJECT DESCRIPTION

## A. Project Overview

20. The HRRIP is intended to upgrade, rehabilitate and maintain roads in the Highlands Region Core Network (HRCN) in PNG. The Investment Program will focus on the Highlands' core road network of around 1,400 kilometers (km) of major national and provincial roads. The Government of Papua New Guinea will undertake this program through DOW with assistance from ADB.

21. The Highlands Region is a major contributor to PNG's economy through its mineral and agricultural exports. It is also home to around 40% of the country's population who rely almost exclusively on the road network for movement of people and goods. The road network is vulnerable to damage because of the mountainous terrain, seismic activities, and heavy rain. The goals of the HRRIP are to support economic growth by improving rural access to market centers, leading to increased exports and integration of the Highlands Region and its population into the mainstream economy of PNG, and to facilitate access to social and education facilities in the region. The economic and social benefits of a comprehensive road transport network will contribute to poverty reduction in the Highlands Region.

**FIGURE 1: LOCATION MAP OF THE HENGANOFI-NUPURU SUB-PROJECT**



## **1. Existing Road Conditions**

22. The subproject road starts at the junction with the Highlands Highway, approximately one kilometer from Daulo District Station at 0+080 km and proceeds in a generally south westerly passing by Fore Village and ending in Nupuru at 34.04 km or a total length of 33.96 km. The existing road formation is 4-5 meters wide in a flat to rolling terrain decreasing to 3-5 meters wide in the mountainous sections. The surface varies from river gravel to weathered materials to the natural sub-grade where the surface has been eroded.

23. The subproject road is located in Daulo District (population 13,317 households) and will start at Habanofi (Yohotegave) council ward in Kafentina LLG and will pass through the 10 council wards in Fayantina LLG. The subproject road goes to the many villages of the different wards whose main product is coffee (97% of total district households).

24. There are several junctions that connect interior villages through several secondary roads to the Henganofi-Nupuru subproject road and form part of the road influence zone (RIZ) with the Fore junction located at chainage 17+800 km as the most important and populous. The population of the RIZ is estimated at 44,226 persons based on the 2011 population census. The RIZ has been defined as the area up to approximately 6 km to each side of the road. This distance is assumed to be the distance that can be travelled on foot in one hour and the average distance that people would travel on a daily basis.

## **2. Proposed Works**

25. It is proposed that a 6.0 meters sealed carriageway with 0.25 meter gravel shoulders will be provided under the improvement of the Henganofi-Nupuru subproject. The shoulders will be sealed in areas where scouring by carriageway run-off could occur due to high gradients or high super elevation or a combination of both. Six existing bridges are in reasonable condition and will be retained with rehabilitation as necessary. A new bridge will be required at Imaka Creek. Additional drainage culverts will be provided and existing culverts replaced as necessary. Roadside drains will be provided to cater for surface water run-off from the carriageway and adjacent earthwork slopes and the drains will be lined where necessary to prevent scour. Road safety features will include traffic signs, pavement markings and guardrails.

26. The vertical and horizontal alignments will follow the existing alignments with improvements to horizontal and vertical curves to provide the minimum requirements in terms of stopping single distance.

27. At several locations where erosion or scouring is evident in the side drains, consideration should be given to provide erosion protection to the drains. Where the erosion is present in the drains located at the base of the cut embankments or unstable areas not subject to surface movement stone pitching cement and stone lining or scour breaks may be used. In areas where some surface movement may be likely Reno mattress or rock scour breaks may have to be applied.

28. The subproject works will therefore take place within the existing road corridor and resettlement impacts are expected between the edge of the existing road and the construction limits. In addition, there are some cut works on the mountainsides that are required to further improve the slope and turning geometry. In these areas, the road widening may exceed 6m, depending on either the width of the cut or fill in a particular road section.

29. The entire road is situated on customary land, the use of which has been agreed in consultation with the clans and communities that jointly own the land. In order to expedite implementation of the project, the use of customary land required to upgrade the road have been agreed upon by clans and communities through Memoranda of Agreement (MOAs) [see Annex 4-Memorandum of Agreement] permitting the use of customary land for public infrastructure. This resettlement plan covers the land acquisition impacts from the edge of the existing road up to the construction limits including road clearance, and other infrastructure (e.g., drainage and culverts).

## **B. Minimizing Land Acquisition**

30. The resettlement framework provided for eligibility criteria for subproject roads in order to qualify for inclusion in the HRRIP. Among the eligibility criteria are provisions that are intended to minimize the land requirements such as (a) it is an existing or former road, that is, the road bench exists and restitution of a trafficable road does not require major earthworks or the construction of structures; (b) the proposed works avoid the displacement of residential structures or other permanent structures; (c) the candidate road is on state-owned land (as per the Land Act), or there is a negotiated agreement with affected communities and landowners to use customary land.

31. The engineering design for road upgrading and rehabilitation has been formulated to minimize the need to acquire additional land outside of the existing road alignment, to the extent feasible and consistent with agreed design standards and good engineering practice. Based on this principle, the area subject to involuntary resettlement starts at the edge of the existing road (both sides) and ends at the boundary of the construction limit. The construction limit is defined as the area of the formation width and 3 meters (both sides) area, the latter required for road visibility.

32. The team initially conducted validation inspections on November 25, 2011 and subsequently on March 21, 2012. During these visits, project information was disseminated to community and public consultations were conducted. The team also estimated project affected assets. The initial assessment resulted in the identification of 17 affected assets that include 8 houses (all built with non-durable materials), 2 trade stores (mixture of non-durable and permanent materials), 6 fences (shrubs and pig wire) and 1 wooden gate. The study team submitted the stations of these road improvements to the design team to adjust the alignment to the opposite side of the affected asset, whenever possible.

33. The study team went back on March 12 and 13, 2015 and conducted a rapid assessment on the road improvements earlier identified the status of assets previously identified and whether there are new assets built within the construction limits.

34. It was observed that aside from the affected customary land, the whole road section is free from any assets including residential houses, huts, trade stores, etc. The whole road section is also free from crops and trees, fences and grave sites. Hence, it is to be highlighted that there will be neither economic nor physical displacement arising out of the proposed road improvement project. Based on this analysis, it is to be concluded that there is no longer the need to conduct a detailed measurement survey (DMS) because the whole road section is free from any affected assets. This was re-confirmed during validation where it was noted that the entire alignment is completely free of any assets, built either old or new.

### C. Objectives of the Resettlement Plan

35. Considering that the proposed road subproject will not affect any asset or will result in any displacement, the depth and scope of this resettlement plan is *commensurate* with the minimal resettlement impacts. This leads to the purpose of this brief resettlement plan which is to document and address the affected customary land, estimated at 0.66 ha (existing 0.31 ha and additional land of 0.35 ha) for Kafentina LLG and 36.83 ha (17.63 ha existing and 19.20 ha additional land) for Fayentina LLG or a total of 37.49 hectares.

36. The other objective of this resettlement plan is to establish the prevailing socio-economic conditions along the subproject road and to present details of the public consultations conducted.

## III. SCOPE OF LAND ACQUISITION AND RESETTLEMENT

37. The DOW, local leaders and residents along the road indicated that the whole existing road is located on customary land that has not been alienated to the State as per the Land Act. The classification and locations of customary and state lands were confirmed by the provincial and district personnel who were consulted on the classification of affected lands.

### A. Scope of Land Acquisition

#### 1. Land Impacts

38. The whole length of the Henganofi-Nupuru road is customary land located in Daulo District, Eastern Highland Province. The road section from chainage 0+080 to 0+680 km or the first 600 meters is located in Habanofi ward in Kafentina LLG while the 0+680 to 34.04 km or 33.96 km is located in 10 wards of Fayentina LLG. The existing road occupies 17.95 hectares while the additional land required to upgrade and rehabilitate the subproject road is 19.55 hectares. The rehabilitated road will occupy a total of 37.50 hectares of customary land with a total width of 11.04 meters. The details are shown in the following Table 1: Breakdown of Existing Road and Additional Land Required.

**TABLE 1: BREAKDOWN OF EXISTING ROAD AND ADDITIONAL LAND REQUIRED**

LLG	Classification	Length (Meter)	Existing Road (Ha)	Additional Land (Ha)	Total (Ha)
Kafentina	Customary Land	600	0.32	0.35	0.6625
Fayentina	Customary Land	33,360	17.63	19.20	36.83
Total		33,960	17.95	19.55	37.50

Source: Design Consultant's Computation

39. In the Henganofi-Nupuru road section, the determination of tribal/clan land was estimated during the community consultations with tribe and clan leaders who accompanied the team. The land boundaries were plotted on the maps and design sheets and their

corresponding areas computed. The details of customary land holding are presented in Table 2: Breakdown of Affected Areas by Tribes and Their Impacts.

**TABLE 2: BREAKDOWN OF AFFECTED AREAS BY TRIBES AND THEIR IMPACTS**

No	Tribes/Clans	Chainage	Length (Km)	Affected Area (sqm)
1	Yohotegave	0+080-3+200	3.12	17,961.13
2	Konamebi	3+200-5+900	2.70	15,543.29
3	Monazabate	5+900-6+400	0.50	2,878.39
4	Vietna	6+400-9+200	2.80	16,118.96
5	Toronte	9+200-13+400	4.20	24,178.45
6	Nasare	13+400-17+800	4.40	25,329.80
7	Fore	17+800-23+400	5.60	32,237.93
8	Oketeru	23+400-27+700	4.30	24,754.12
9	Imake	27+700-30+000	2.30	13,240.58
10	Niuyagana	30+000-32+500	2.50	14,391.93
11	Zakarina	32+500-34+040	1.54	8,865.43
	<b>Total</b>		<b>33.96</b>	<b>195,500.00</b>

#### **a. Severity of Land Impacts on Tribes**

40. The Government of Papua New Guinea has encouraged the registration of customary land since the early 1980s but the efforts have not been successful. It enacted two laws, the Land Group Incorporation (Amendment) Act and Voluntary Customary Land Registration Act to lay the groundwork for customary land registration. These Acts were brought into effect in 2011, following recommendations from the National Land Development Task Force. The Acts recognize the corporate nature of customary groups and allow them to hold, manage and deal with land in their customary names, and for related purposes. These Acts also facilitate the voluntary registration of customary land, to be known as “registered clan land”, and make that land available for development through the use of Incorporated Land Groups (ILGs). **Annex 1** presents a further discussion on customary land issues that are relevant to the subproject.

41. These two laws were generally ignored by the customary landowners in fear that land registration would become the basis for the assessment of real property tax or other taxes related to land holdings. Other customary landowners feared that the government might use the land registration to usurp their land. Hence, very few customary lands are registered. In the areas where HRRIP has subprojects, there is no report of any affected customary land that is registered under existing laws.

42. There is also no land survey conducted in the affected customary lands in the subproject. During the DMS, the team enquired from the local leaders whether there are any documents for the assessment of land area held by tribes. The tribal leaders stated that they have no documents or are unaware of any office where data on their land holdings is available.

43. Tribal land ownership is not absolute and only reflects the social system of PNG. Ownership and boundaries of land can never be fixed for all time but reflect changes in power and authority. Land rights are best perceived from the center, rather than having fixed

boundaries. This means that greater clarity of tenure occurs at the center of customary land, with less distinction at the boundary.

44. Land rights are held in common with other members of the tribe. The relationships between tribes influence the assertion of land rights and subsequent tenure. Land tenure is not absolute but is repeatedly tested by competing tribes. Disputes over land are never lost; rather the loser will regroup for a further claim.

45. It is in the above context that the team attempted to estimate the tribal land holding through a survey. However, the tribal elders warned the team that determining the exact areas in square meters could potentially re-ignite boundary issues that would lead to a war with the neighboring tribes, because of the high possibility that the neighboring tribes will not agree on the boundaries set by another tribe because of past conflicts.

46. With the high risks of resurrecting bad blood between the affected tribes, the team had to be contented with measuring the affected areas of tribal land. The boundaries are general estimation and it is quite possible that the neighboring tribes point to different boundaries, the difference is divided and this point becomes the common boundary. These are the reasons why this report cannot present the severity of impacts on land because of the impossibility of determining the total tribal land holdings.

#### **b. No Severity of Land Impacts**

47. The relationship of tribes / clans to their land suggests that members are permitted to use and profit from the tribal land. If there are encroachers on tribal lands, it is the sole duty of every member of the tribe to drive trespasser away even it this will involve tribal warfare. These clearly show the real owners of these lands are the tribes and clans and that members are only acting on behalf of the tribe and clan. Hence, in determining the number of affected persons, the tribe is treated as a corporate entity with its own separate and distinct personality from that of its members.

48. The tribal lands in the Highlands Region are substantial and the increase in the population either by natural growth or through marriage can be adequately addressed by releasing extra lands of the tribes to members who are in need of additional or new land to farm. Based on interviews, it is noted that a household has several farming plots located in different parts of their tribal lands. Some are currently farmed for food gardening while others are under fallow during which land is given a rest to regain its loss fertility, having continuously farmed for 4-5 years.

49. The land impact of the project is expected to trigger the release of idle tribal lands as substitute lands in favor of the affected households. The location, size and fertility of the substitute lands will be determined by the tribal elders and leaders taking into consideration the conditions and sizes of these affected lands.

50. Aside from customary land, the subproject does not affect assets owned by the tribal members. Moreover, the portions of their land affected by the road are devoid of any income generating assets. Hence, aside from impacts on land that affect the entire tribe, there are no direct impacts on households by the subproject.

## **2. No Asset Impacts**

51. It was observed that in the first 18 km of the road section the average existing width of the road corridor is around 20 meters with some portions having a width of up to 30 meters. The majority of this road section is located on mountain ridges. There are several junctions along the main road (Henganofi-Nupuru road) that connect clusters of villages located in the interior of the main road.

52. For the second part of the road section (19 km to 34 km), the average width is around 15 meters. There are several villages located along this section (Fore, Futago, 6 miles, Imaka, Negire and Okuyapor). Considering that the average construction width of the proposed upgrading and rehabilitation project is around 12 meters (average road width is 11.04 meters), the existing cleared road corridor is sufficient to accommodate the construction limits of the road design without affecting any assets or improvements.

53. The assets that were initially identified during the validation inspections in November 2011 consisting of 8 house, 2 trade stores, 6 fences and 1 wooden gate were found to be outside of the construction limits. Hence, there are no affected assets in this subproject except the customary land. The absence of any asset along the full length of the alignment was further confirmed by the validation team which inspected the entire road section on 26<sup>th</sup> May 2016.

## **3. Resettlement Category**

54. The resettlement category is determined by the severity of impacts on affected people. In the case of Henganofi-Nupuru road subproject, as there are no impacts on houses, businesses, crops, trees of any other asset apart from land impacts on 11 tribes, there are no affected people. It is therefore to be concluded that this subproject falls into Category C for involuntary resettlement impacts, according to ADB's Operations Manual of October 2013 (OM Section F1/BP, 1 October 2013).

# **IV. SOCIO-ECONOMIC PROFILE**

## **A. Sources of Data**

55. Primary data was generated by the socio-economic survey conducted in 2014 in randomly selected households along the road alignment. Public consultations were also conducted in November 2011, March 2012, October 2014, March 12 and 13, and lastly on April 30, 2015. Two focus group discussions and key informant interview provided data from the community.

56. The secondary data were sourced from the PNG District and Provincial Profile (March 2010) published by the National Research Institute and the National Census conducted in 2011.

## **1. Secondary Socio-Economic Information**

57. The Henganofi-Nupuru road section location in Daulo District, starts at Henganofi and ends at Nupuru, a length of 33+960 km. Located in north, the Daulo District is mountainous with a number of narrow densely populated valleys, which run south from the mountains. The district lies within altitudes of 1,200-2,400 meters. Small areas of floodplain occur in the

Gafutina, Karmanuntina and Dunantina valleys. Average annual rainfall ranges between 1,800 and 2,800 mm, with a moderate to long dry season. Periods of drought are more common in this district than elsewhere in Eastern Highlands, resulting in occasional food and water shortages.

58. The estimated population in the year 2011 was 45,783 persons. There were 14,378 citizen households with the average household size of 3.14 persons. Males dominate the population with 24,029 males compared to 21,754 females. The population is evenly distributed throughout the district, with an average density of 70 persons/km<sup>2</sup>. The highest population density of 187 persons/km<sup>2</sup> are found on the Gafutina and Karmanuntina floodplains, while the lowest of 13 persons/km<sup>2</sup> is found around Lihona on the northern border.

59. Daulo District has 37 elementary, 12 community and 20 primary schools to service the whole population. The gross enrolment rate is 68.6% while the net admission rate is 54.6%. The literacy rate in the district is 38.7%. There are 4 health centers in the district and 3 aid posts. The health personnel are composed of 8 nursing officers. There are no health officers assigned to the district.

60. Incomes are very high on the Gafutina and Karmanuntina floodplains and in the hills south of Henganofi, and are derived from sales of coffee, fresh food, firewood, potato and cattle. People in the Dunantina Valley have moderate incomes, while those in the remainder of the district are very poor, particularly in the Lihona area.

61. Agriculture on the Gafutina and Karmanuntina floodplains is very intensive and is dominated by the production of sweet potato. Cultivation is continuous and production is maintained through the use of peanut rotations, tillage, small mounds and drains. People in the Dunantina Valley employ a similar system, but it is less intensive, with 6–14 consecutive plantings before a fallow period of 1–4 years. Moderate intensity sweet potato gardens dominate the middle of the district, while people in the northern and southern areas cultivate sweet potato at low-intensity. Management techniques include tillage, small mounds and drains, all of which require improvements to increase production.

## **2. Primary Socio-Economic Information**

62. The following sections contain results of the socio-economic survey conducted in October 2014 in this subproject area. It should be noted that there are no either affected or displaced households except for the 11 tribes that won the affected customary land. The households for socio-economic survey represent the affected tribes.

63. This socio-economic survey established the baseline condition along the subproject road. It is the basis for assessing the impacts when the construction is completed. It is to be noted that results of the survey are not a basis to determine any resettlement related compensation as there are no such impacts.

64. The data are disaggregated by gender to determine differences between men and women-headed households. Also, the results are not the basis to determine vulnerability assistance because the subproject has no impact on assets.

### a. Demographic Information

65. There are 67 household interviewed in the socio-economic survey. Out of this total, 63 households are headed by men (94%) while only 4 households are headed by women (6%). There are 23 nuclear families (34%) while 44 households are extended families (66%). The total population is 595 persons composed of 296 males (49.75%) and 299 females (50.25%). The details are shown in the following Table 3: Type of Household and Gender Distribution.

**TABLE 3: TYPE OF HOUSEHOLD AND GENDER DISTRIBUTION**

Type of Household	Nuclear	Extended	Total		Male	Female	Total	Ave HH Size
			Number	Percent				
Men-Headed Household	22	41	63	94	285	284	569	9.03
Women-Headed Household	1	3	4	6	11	15	26	6.50
Total	23	44	67	100	296	299	595	8.88
Percentage	34.33%	65.67%	100.00%		49.75%	50.25%		

Source: Socio-Economic Survey, October 2014

66. The average household size is 8.88 persons. The men-headed households have an average size of 9.03 persons while the women-headed households have an average of 6.5 persons. The average household size in Daulo District is 3.14 persons according to the results of 2011 census. Hence, the household size in the subproject is 2.82 times larger than the average household size in the district.

67. The gender ratio is 101 females for every 100 males. There are 237 persons in the economically productive age (15–65 years old) while there are 358 persons in the dependent ages (under 15 years and above 65 years old). There are 151 dependent persons for every 100 persons in the economically productive age. The Age Dependency Ratio is defined as the ratio of persons in the “dependent” ages (generally under age 15 and over age 65) to those in the “economically productive” ages (15–65 years) in the population. The details are shown in the following Table 4: Age and Gender Distribution.

**TABLE 4: AGE AND GENDER DISTRIBUTION**

Type of Household	<15 Years		15-65 Years		>65 Years		Total	Percentage
	Male	Female	Male	Female	Male	Female		
Men-Headed HH	123	119	121	105	41	60	569	96
Women-Headed HH	3	7	7	4	1	4	26	4
Total	126	126	128	109	42	64	595	100
Percentage	21.18%	21.18%	21.51%	18.32%	7.06%	10.76%	100.00%	

Source: Socio-Economic Survey, October 2014

## b. Education and Literacy

68. In general, PNG has low levels of educational achievement and adult literacy. Since 2000, there has been an improvement in the literacy rate; it is estimated to be 57.3% in 2005 (UNDP, 2007), compared with 51.7% in 2000 (NSO, 2003). The gender gap in literacy is significant where 57% of men are able to read and write with only 46% of women have the same capacity. The proportion of adult men and women who have ever attended school are 51% for men and 42% for women. However, among people who have attended school at any time, only 43% of men and 33% of women complete the primary level.

69. In terms of educational attainment of sampled households, 140 persons (23.53%) are not of school age. The educational attainment of the balance of 455 persons is broken down as follows: 81 household members (13.61%) had no schooling; 247 household members (41.51%) are in the primary level while 79 household members (13.28%) are in the secondary level. Thirty two household members (5.38%) are in the high school level while only 16 household members (2.69%) are in the college level. The breakdown of their highest educational attainment is shown in the following Table 5: Educational Attainment.

**TABLE 5: EDUCATIONAL ATTAINMENT**

Category	Male	Female	Total	Percentage
Not of School Age	67	73	140	23.53%
No Schooling	50	31	81	13.61%
Primary	116	131	247	41.51%
Secondary	35	44	79	13.28%
High School	17	15	32	5.38%
College	11	5	16	2.69%
<b>Total</b>	<b>296</b>	<b>299</b>	<b>595</b>	<b>100.00%</b>

Source: Socio-Economic Survey, October 2014

70. The educational attainment results reveal that a relatively large number of households send their children to the primary school. As the schooling years go up, the drop-out rate increases with only 2.69% reaching college level. In addition, the number of household members without schooling is greater for males (50) compared with only 31 for females. This is also true in the primary level where female enrolment is higher than males. As students progress in their education, the number of females in the secondary high school and college levels decreases. This may be attributed to a number of factors including early marriages and the demand for women (and not men) to work in their food gardens.

71. Educational attainment for women-headed households was disaggregated from the overall survey results. The percentage of members who had no schooling is lower in women-headed households by around 10%. In addition, the percentage of members in women-headed households in both high school and college are higher compared to men-headed households. In summary, members of women-headed households are more educated than members of men-headed households. The details are shown in Table 6: Educational Attainment of Women-headed Households.

**TABLE 6: EDUCATIONAL ATTAINMENT OF WOMEN-HEADED HOUSEHOLDS**

<b>Educational Category</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>	<b>Percentage</b>
Not of School Age	1	3	4	15.38%
No Schooling	1	0	1	3.85%
Primary	3	4	7	26.92%
Secondary	2	2	4	15.38%
High School	3	5	8	30.77%
College	1	1	2	7.69%
<b>Total</b>	<b>11</b>	<b>15</b>	<b>26</b>	<b>100.00%</b>

Source: Socio-Economic Survey, October 2014

72. Literacy is generally defined as the ability to read, write and comprehend the meanings of written words and signs that are expressed in any language. There has never been a national literacy survey in PNG. The estimate of 56% of people being literate is based on a question in the national census in 2000: 'Are you able to both read and write with understanding a short simple statement in your day to day life?' This means that around 56% of the country's total population can read, write and understand basic conversation in either their own languages or in any of the country's common languages such as English, Motu and Tokpisin.

### **c. Economic Activities**

73. The people in the Henganofi-Nupuru road section were asked about their main economic activities. All respondent households (67 households) are involved in agriculture. Forty six households (67%) are involved in small enterprises while an almost equal (45 households) number (66%) is engaged in roadside vending. This activity is dominated by women who sell mainly vegetables, cooked food items, smoke and betel nut along the road. Hunting and gathering is still a significant economic activity practiced by 29 households (43%). The proportion of households that have reported income from hired labor is 27% whilst 18% have reported income from employment. About 43% households have reported hunting and gathering income. Only one household has reported income from poultry.

74. The agriculture practiced in the subproject area is subsistence centered around the moderate-to-high intensity cultivation of sweet potato. Other common crops include beans, corn, greens, cabbage, sugarcane and peanuts. Households use techniques such as composting and mounding to maintain the productivity of their land; in areas of moderate intensity cultivation, gardens are left fallow for up to 15 years after 2–5 plantings.

75. The primary source of income in the district is agriculture. The main agricultural activity is coffee cultivation practiced by 96% of households in the sample. The cultivation of food crops and livestock are mostly for home consumption. Only 9% and 4% households for food crops and livestock respectively sold it for cash.

76. The livestock kept by households are pigs, goats, sheep and poultry mainly for consumption and customary practices such as rituals, bride price, etc.

77. Coffee and animals are sold to traders for cash income. Nearly 90% of coffee growers sell to buyers, while only 10% households make direct sales at local and/or regional markets.

#### d. Household Income and Expenditure

78. Based on the 67 households, the average annual household income was estimated as 8,120 kina or an average of 677 kina a month. Agriculture contributed 220,867 kina representing 40.60% of total household income.

79. Forty-one households (61.19%) earn additional income from road side vending totaling 70,530 kina representing around 13% of total household income. The 41 households earn an average of 11,720 kina annually from roadside vending. There were only 4 households who derive income from government employment. However, their salaries contributed 10.31% of total household income. The other details are shown in the following Table 7: Source of Annual Household Income.

**TABLE 7: SOURCE OF ANNUAL HOUSEHOLD INCOME**

Income Source	Reporting HHs (number)	Reporting Percentage	Total Income by Source	
			Value (Kina)	Percentage
Agriculture	67	100.00%	220,867.00	40.60%
Paid Labor	16	23.88%	12,585.00	2.31%
Small Enterprise	9	13.43%	30,360.00	5.58%
Government Employment	4	5.97%	56,100.00	10.31%
Business & Trading	12	17.91%	55,450.00	10.19%
Transport Business	11	16.42%	37,520.00	6.90%
Roadside Vending	41	61.19%	70,530.00	12.96%
Hunting & Gathering	9	13.43%	10,176.00	1.87%
Remittance	30	44.78%	33,189.00	6.10%
Other Sources	11	16.42%	17,262.00	3.17%
<b>Total</b>			<b>544,039.00</b>	<b>100.00%</b>

Source: Socio-Economic Survey, October 2014

80. The annual household income of the four women-headed households was disaggregated from the rest of the results of the survey. It reveals that all four women-headed households are deriving income from agriculture and three households are involved in roadside vending. A significant finding is that four households are earning 48% of their annual income from government employment. For one of them, this annual income amounted to as much as 17,000 kina. The breakdown of their sources of income is shown in Table 8: Sources of Annual Income of Women-Headed Households.

**TABLE 8: SOURCES OF ANNUAL INCOME OF WOMEN-HEADED HOUSEHOLDS**

Source of Income	Reporting HHs (number)	Reporting Percentage	Total Income by Source	
			Value (Kina)	Percent
Agriculture	4	100.00%	8,470.00	23.98%
Paid Labor	1	25.00%	570.00	1.61%
Small Enterprise	1	25.00%	4,008.00	11.35%
Government Employment	1	25.00%	17,000.00	48.13%
Road Side Vending	3	75.00%	4,526.00	12.81%
Remittance	1	25.00%	300.00	0.85%
Others	1	25.00%	450.00	1.27%
<b>Total</b>			<b>35,324.00</b>	<b>100.00%</b>

Source: Socio-Economic Survey, October 2014

81. Comparing the annual income of the men and women-headed households, there is a difference in that women-headed households earn an average of 8,831 kina a year compared to 8,074 kina a year for a men-headed households.

82. There are 26 household members in the 4 women-headed households where each member is earning an average of around 28 kina per person per day or US\$10/day, which is above the poverty line of US\$2/person/day. There are 569 members of men-headed households where each is earning an average of around 10 kina per person/day or US\$3.69 per day. Women-headed households are earning about three times that of the men-headed households.

83. Household Expenditure – The total annual expenditure for the 67 surveyed households amounted to 337,685 kina or 4,915 kina per household per year. Food is the largest expenditure component accounting for 92,700 kina (27.45%) of total household expenses. Transport came second with 48,626 kina (14.40%) while agricultural inputs was third with 33,348 kina (9.88%). The expenditure on food may be under-reported because of the availability of food gardens of the respondents and their tendency to report food expense as out-of-pocket cash spent on food and exclude food coming from their food gardens.

84. The study team observed that there were only few passenger motor vehicles (PMVs) plying along the Henganofi-Nupuru road section. Moreover, there does not operate PMV along the full length as a major river crossing does not have a bridge. The transportation fare is high because of the very bad condition of the road. The other details are shown in Table 9: Annual Household Expenditure.

**TABLE 9: ANNUAL HOUSEHOLD EXPENDITURE**

Household Expenditure	Reporting Households (number)	Reporting Percentage	Total Expenditure by Source	
			Value (Kina)	Percent
Food	57	85.07%	92,700.81	27.45%
Transportation	57	85.07%	48,626.13	14.40%
Clothing	56	83.58%	44,359.84	13.14%
Health	48	71.64%	12,647.04	3.75%
Education	41	61.19%	27,249.83	8.07%
Communication	54	80.60%	31,891.86	9.44%
Social Function	46	68.66%	29,084.88	8.61%
Agricultural Inputs	33	49.25%	33,348.15	9.88%
House Fuel	34	50.75%	10,495.12	3.11%
Other Expenses	3	4.48%	7,281.99	2.16%
<b>Total</b>			<b>337,685.65</b>	<b>100.00%</b>

Source: Socio-Economic Survey, October 2014

85. Comparing the annual household expense of 4,915 with the average annual income of 8,120 kina gives a difference of around 3,205 kina per year that represent household savings. However, food grown in their food gardens and consumed by households is not reported or under reported. In addition, traditional compensation for damages may not be regular but represent a big amount of household expense.

86. The Annual Household Expenditure of the 4 women-headed households was disaggregated from the rest of survey results. The total Annual Household Expenditure amounted to 8,340 kina or 173 kina per household per month. The largest expenditure is on food representing 56.35% of total expenditure. The next largest item is transportation amounting to 1,480 kina (17.75%). The other details are shown in the following Table 10: Women-Headed Household's Annual Expenditure.

**TABLE 10: WOMEN-HEADED HOUSEHOLD'S ANNUAL EXPENDITURE**

Household Expenditure	Reporting HHs (number)	Reporting Percentage	Total Expenditure by Source	
			Value (Kina)	Percent
Food	4	100.00%	4,700.00	56.35%
Transportation	2	50.00%	1,480.00	17.75%
Household Expenditure	Total	Percentage	Total Expenditure by Source	
			Value (Kina)	Percent
Clothing	1	25.00%	520.00	6.24%
Education	1	25.00%	260.00	3.12%
Communication	2	50.00%	600.00	7.19%
Social Function	1	25.00%	260.00	3.12%
Agricultural Inputs	1	25.00%	260.00	3.12%
House Fuel	1	25.00%	260.00	3.12%
<b>Total</b>			<b>8,340.00</b>	<b>100.00%</b>

Source: Socio-Economic Survey, October 2014

87. Comparing the household expenses between men and women-headed households, there is a significant difference. The total average monthly household expense of men-headed households amounted to 410 kina a month while the same figure for women-headed households amounted to only 174 kina a month or a difference of 236 kina a month. The men-headed households spend 2.36 times the monthly household expense of women-headed households. Inversely, women-headed household are thrifter and spend their income more judiciously.

#### **e. Poverty**

88. The highest poverty rates occur among households that have little or no cash incomes, without any member in active employment. Poor households also have smaller areas for cropping or the soil fertility of their land is low. Poor households also do not have any of the livestock types which other households in the survey sample have reported on.

89. It was also observed that many poor households in the road section have poor houses always built using impoverished material such as plastic sheets, tree bark and straw with earth for the floor.

#### **f. Housing**

90. Based on the sample size of 67 households, the major source of domestic water is nearby streams accounting for 41 households. This is followed by spring, a source of water for 17 households while 9 households have piped water. The major toilet type used by households is the pit-latrine accounting for all (67) of respondent households. All households use wood as fuel for cooking.

91. In the RIZ,<sup>1</sup> over 97% of households own their houses. Nearly all houses are constructed using local and non-durable materials, i.e., wood frames with woven bamboo walls and thatch roofs. Few have modernized their traditional houses by adding windows and front porches. The better-off households construct houses that combine non-durable and durable materials.

#### **g. Migration**

92. There are generally four types of migration in PNG: (a) rural to urban, (b) rural to peri-urban, (c) rural to rural, and (d) rural to resource projects. These movements are associated with the ability to earn cash incomes in particular provinces, with most migrants moving from provinces where incomes are lowest, to provinces where incomes are highest. In many parts of PNG, people are moving from areas they perceive as disadvantaged to areas they perceive as advantaged. That is, from poor quality land with poor access to markets and services, to higher quality land with better access to markets and services and with increased chances to engage in the cash economy.

93. The respondents were asked if they or any member of the family migrate for work outside of their district. Out of the total respondents of 67 households, only 10 households have some members of their families migrating to work outside of their district (2) or outside of the province (8). Six members migrated because of opportunities on trade and business while 4

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<sup>1</sup> Road influence zone is defined as the area up to approximately 6 km to each side of the road. This distance is assumed to be the distance that can be travelled on foot in 1 hour and the average distance that people would travel on a daily basis.

members were laborers. They earn an average of 317 kina a month and leave their homes twice a year.

94. Out of the total of 10 households who have some members working elsewhere, one household is a female-headed household whose member is working outside of the province. The remittance of this member in a female-headed household contributes 300 kina a year.

#### **h. Status of Women**

95. The 67 household respondents were asked what kind of activities the female members of their families are engaged in. The question can have multiple answers. The female members of the families are responsible for the cultivation of their food gardens (100%). This is a very important source of food in their families and women are responsible for their continuous production. If the women are finished tending their gardens and just waiting for the vegetables and other crops to mature, the women work for other good gardens and nearby coffee plantations (82.10%) to augment their income. The household works, which is a traditional domain of women are being done by women in 65 households (97.01%). This is augmented by services, offering household services to other households being practiced by 51 households (76.12%). Other activities are shown in Table 11: Women's Participation in Economic Activities.

**TABLE 11: WOMEN'S PARTICIPATION IN ECONOMIC ACTIVITIES**

<b>Economic Activity Undertaken by Women</b>	<b>Total</b>	<b>Percentage</b>
Agricultural cultivation	67	100.00%
Allied activities*	40	59.70%
Sale of Forest Product	12	17.91%
Trade and business	43	64.18%
Agriculture Labor	55	82.10%
Non agricultural labor	16	23.88%
Household Industry	46	68.66%
Services	51	76.12%
Household Chores	65	97.01%
Others	17	25.37%

Source: Socio-Economic Survey, October 2014

Far from being marginalized, the women in the study area are very active in their pursuit and contribution to the income of the families. Sixty households reported an aggregate amount of 94,750 kina or an average of around 1,579 kina annually. This average amount is understated because of the local practice of not considering food consumption raised in the food garden as part of the income earned by a family. The respondents were asked about the female participation in decision making in the family. Based on the results of the socio-economic survey, the women in the study area have mainstreamed in generating income to augment family income. In addition, the female participation in decision making process regarding various family aspects is very apparent and observable. It is very noticeable that women from this subproject have very high participation rate compared to the other subprojects in HRRIP.

96. Table 12: Summary of Female Participation in Decision Making presents the summary of the female participation in decision making in the study area.

**TABLE 12: SUMMARY OF FEMALE PARTICIPATION IN DECISION MAKING**

Female Participation on Decision Making	Total	Percentage
Financial matters	67	100.00%
Education Matters	67	100.00%
Health Issues	67	100.00%
Purchase of assets	62	92.54%
Daily Household Activity	67	100.00%
Social / Marriage Issues	67	100.00%
Others	15	22.39%

Source: Socio-Economic Survey, October 2014

## **V. INFORMATION DISCLOSURE, CONSULTATION AND PARTICIPATION**

### **A. Consultations during Project Preparation**

97. In compliance with the Government of PNG and ADB policies and priorities, the HRRIP will ensure a transparent and accountable process for resettlement planning and implementation in respect of upgrading, rehabilitating and maintaining roads in the Highlands Highway network. Dissemination of information and consultation with stakeholders has occurred at different points in the preparation and implementation of the Henganofi-Nupuru road project to ensure that affected tribes and other stakeholders have timely information about land negotiation. The DOW, through its consultants working in collaboration with Provincial and District Administrations and local authorities had organized consultation activities and disseminated project information and elicited their issues and concerns as well as their opinions regarding the project.

98. The project team composed of DOW consultants and staff held consultations in EHP with provincial and district authorities, as well as representatives of Provincial and District Women's Councils, development enclaves, private business houses, nongovernment organizations (NGOs) and community organizations. Community consultations and women's focus groups were conducted in several villages on each of the T3 roads including the Henganofi-Nupuru road section.

### **B. Consultations with Affected People**

99. Representatives of all tribes who donated their land were consulted during resettlement plan preparation. A sample of 67 of them were visited to conduct socio-economic survey. The majority of them were invited to public consultations. Several smaller meetings and focus group discussions were held with customary land owners.

100. The main issue investigated with affected people (land only) was the manner by which they cope with loss of land. The discussions and interviews also examined the type of mitigation measures to be provided so that the impact on them from land-taking is minimized.

101. All of the affected people contacted said that they will significantly benefit from the rehabilitated road. According to their view, such benefits are available for the entire community regardless of land donated. Further, the rehabilitated road will bring in several services such as trader visits, education, health, etc. that will provide benefits to the entire community. As the

status of health in the subproject villages is low and the facilities available in schools is low, they suggested project to consider giving some form of in-kind assistance to build community infrastructure.

102. These consultations raised the need for in-kind assistance that should be included in the resettlement plan. A block sum of 350,000 kina is provided to support community facilities such as refurbishment of schools and aide-posts. The community leaders are in the process of finalizing facilities to be supported with a priority list to guide through in implementation. At the request of APs, the validation team has proposed that part of the budget is invested on the provision of seeds, extension and support towards the development of small businesses by people along the road. These activities will have a significant impact as the main income sources of the affected community are subsistence farming and small-scale economic activities. A service provider has been identified to work with the community in the provision of agriculture and business development activities.

103. The direct consultations with the affected people also revealed the necessity to monitor the implementation of resettlement program. Here their suggestion was that the project examines how well they are coping with the resettlement impacts after the initial assistance is provided through. They also suggested that additional ways to assist them is discussed at that time should their living standards is found to be lower than prior to resettlement. This aspect is built into the monitoring section of the resettlement plan.

### **C. Consultations during Resettlement Plan Preparation**

104. Based on the assessment of the project, the key provincial stakeholders identified for Henganofi-Nupuru road project included the Provincial Governor, Provincial Administrator and DOW Provincial Works Manager. In the district and LLG levels, the key people identified included the District Administrator, LLG Council Presidents, Ward Councilors, Village Court Officials, Women and Youth Leader Representatives, Church Groups, Civic and NGO groups.

105. The public consultations for the subproject Henganofi-Nupuru Road were held on 25 November 2011 and March 21, 2012 with the twin objectives of: (i) informing the public that the government, through the DOW will implement the HRRIP 2496–2497 ADB (SF)—PNG and the Henganofi-Nupuru Road in their area is a candidate road of the project, and (ii) get the opinions, concerns and issues of the stakeholders for consideration in the design of subproject. List of people who participated in public consultations is provided in **Annex 6**.

106. The Project Team met the stakeholders, village elders/leaders and some ward counsellors from the villages of Menimpi, Habanofi, Fore, Futago, 6 Mile, Imaka and Negire and Okuyapor and disclosed to them the inclusion of the Henganofi to Nupuru Road in the HRRIP as one of the candidate roads. The Project Team presented the proposed scope of works and explained the needs for the rehabilitation of the said roadway. The participants were informed of the possible social positive and negative impacts of the project and the mitigating measures that will be established to enhance the positive impacts and minimize, or if at all possible, eliminate the adverse impacts of the proposed development. Issues and concerns were also elicited from the participants and perceptions were properly noted by the Project Team.

107. The Project Team also discussed with the community participants the likely social impacts that will accrue from the implementation of the subproject. On the short-term, the rehabilitation will create employment to the people as workers will be required in civil works and

ancillary activities. The rehabilitation will also need skilled workers for specialized works. Over the long-term, it will increase farmers' income due to improved road network, provide better access to basic services including necessary health services for women, children, elderly, and people with disabilities (PWDs), enhance transport of goods and services, trigger improved economic activities and trade and eventually uplift their living standards.

108. Unanimous support was expressed by the participants for the upgrading, rehabilitating and maintaining roads in the Henganofi-Nupuru due to a wide range of economic and social benefits (e.g., rehabilitation of coffee gardens, diversification of coffee factories, expansion of cash cropping for wider markets because of improved accessibility, reduced cost for transport of goods, and better access to health care, education and other services, improved family ties and social network, among others) identified by the participants. Women understand that road improvements offer them particular benefits related to their responsibilities to grow food, opportunity to engage in businesses, and better care for the health and education of their children.

109. The third community consultation was undertaken in November 2014 while respondent households were being interviewed for the socio-economic survey or around two and a half years after the last public consultations in March 2012. The team distributed project leaflets in English and Pidgin to households along the subproject road. Discussions on the content of the leaflet were undertaken in populated areas along the villages and some clarifications were raised by participants of these discussions.

110. The fourth public consultations were undertaken on March 12 and 13, 2015 when the team conducted a resettlement impact assessment to validate the observations made in November 2014 that previously identified affected assets were no longer within the construction limits. **March 13, 2015 is the cut-off date** adopted for this subproject road and was disseminated to the residents of the subproject road. The last public consultations were held on April 30, 2015 after it was determined that a DMS is no longer necessary for the subproject road.

111. The participants told the team about their hardships in carrying agricultural produce to the markets. Women took the brunt of the suffering because they are the ones who carry the products to the market. The hardship that these tribal members have to endure has resulted in planting crops just enough for their household needs. They are discouraged to plan surplus crops because of the extreme difficulty in bringing their products to the market. In buying their supplies from the market, they have to suffer the same hardships that they experience in bringing their produce to the markets. As a result, they just buy the basic commodities like sugar, flour, cooking oil, soap, matches, kerosene and others. Majority have to be content to eat what they grow in their food gardens.

112. During the resettlement impact assessment, the Oketeru Tribe requested again the re-measurement of their area to ensure that aside from customary land, no personal assets will be affected by the project. The team went back to their area and showed the construction limits and plotted these points on the ground. Upon seeing that the suspected two houses are outside the construction limits, the tribe thanks the team and fully endorsed the project.

113. The Vietna Tribe at chainage 6-9 km was very thankful of the subproject because teachers will be able to diligently teach their students because of the improved accessibility. Presently, almost all of the teachers walk this stretch of around 7 km to report for work and in the afternoon walk back again to the Highlands Highway to go home.

114. The Fore Tribe, the biggest in terms of affected customary land, asked what will happen to the roadside vendors who sell their products near the bridge. Will these sellers be able to continue their selling activities once the sealing of the road is completed? The construction limits was plotted on the ground and showed that the roadside vending area will not be affected by the

project. The sellers will continue to sell their products. As an enhancement measure, it was pointed out that the project can propose for the construction of the bus bay in this major area with provisions for roadside selling. The participants in the impromptu meeting in the market area all thanks the team and said that they are expecting this project to enhance their household income.

115. The Fore Tribe in the middle of the subproject shared the information that their tribe is planning to buy and operate some PMV units to stimulate the economic activities in their area by providing transportation for their tribesmen to deliver the agricultural products to Daulo area or to Goroka, the capital of the province where buying prices are higher. Some members also said that in case of medical emergencies, the tribe has 24 hour access to transportation in bringing the patients to the hospital.

116. The project involves the widening of certain portions of the road section, will the cutting of the mountainside to widen the road make the area (km 23) prone to landslides which may endanger residents and other travelers? The slope angle in cutting the mountainside will be constructed taking into consideration the type of soil in the area. The engineering design will take this into consideration and will propose mitigating measures to stabilize the slope and make the road safer. There is also a construction supervision team that will ensure that the approved design is implemented faithfully by the contractor.

117. Many of the participants view the project as a source of livelihood income in terms of employment opportunities, income from land rental for the camps and support facilities of the winning contractor. In addition, they are expecting to receive royalties from the operation of the quarry areas along the road section. During the 4<sup>th</sup> public consultations, the DA revealed that they are in the process of purchasing a mobile plant to supply the needed aggregates in anticipation for the subproject. This project is expected to generate employment opportunities for the quarrying and processing of aggregates heeded by the project.

118. The summary of questions, comments and concerns raised during the series of public consultations is presented in the following Table 13: Summary of Various Public Consultation Proceedings.

**TABLE 13: SUMMARY OF VARIOUS PUBLIC CONSULTATION PROCEEDINGS**

Questions/Comments and Concerns	Remarks
How wide is the proposed road and what assets will be affected by the road project?	Based on the detailed design, the construction limits will require an additional of about 3 meters of customary land each side of the existing road. Based on the design and inspections, aside from customary land, there are no assets or improvements that will be affected by the project.
What will happen to our customary land, will government pay for the land?	The project is negotiating for the use of the land required with the tribes and clans who own the required land needed for the project. Ownership will still be retained by the tribes by the use will now be open to the public. If the negotiations are successful, there will be no payment for the affected land (MOAs have been signed).
Generally, the tribes in EHP are more peaceful and will cooperate fully for the construction and sealing of the road. We assure DOW and ADB that the required MOAs will be signed by all affected tribes because we need badly the road. We have suffered long enough and nobody will ask for compensation of the customary land.	The team thanked the speakers who promised full cooperation for the construction of their road. Their comments and needs for a sealed road will be noted and communicated to the proper authorities.
Who is funding and implementing the sub-project road?	HRRIP is a DOW project being financially assisted by ADB. DOW has a project director who will head the project implementing unit. The HRMG based in Mt. Hagen is the implementing arm of DOW.
What are the steps required to push the project and schedule of project implementation?	After the road design, sectoral studies will be undertaken and submitted to ADB for funding. If these documents are approved and funds allocated, the bidding process will begin. It is estimated that the bidding process will take a minimum of 6 months from ADB approval.
The proposed project will be of great assistance to bring our farm products to the markets, help in educating our children and facilitate the delivery of health services to our families. What are we supposed to do to hasten the construction of our road?	Your utmost cooperation will be needed to have your permission for the use of your customary land. In addition, please observe the cut-off date wherein newly introduced improvements will not be compensated. Avoid building structures and/or planting crops and trees because after the cut-off date, new improvements will not be compensated.
Who will construct the road? Who will maintain the completed road?	The sub-project will undergo an international bidding process and the winning bidder will be awarded the construction contract. The contractor will also maintain the road for the next 5 years and then maintenance will become the responsibility of DOW.
Can we participate in the road construction as workers so that we earn additional income?	Qualified and willing tribal members are encouraged to apply and work in the project. It is a policy of both DOW and ADB to encourage active participation of residents along the sub-project. Interested members may apply directly with the winning contractor or any authorized sub-contractor.
Where will the contractor get the building materials for our road?	The winning contractor will go around the sub-project area and will look for suitable sources of aggregates and location of their various facilities. The will negotiate directly with the customary land owners for the quarrying activities and the use of the land to locate their construction facilities.
Are there benefits that women will get out of the	The sub-project will benefit men and women alike. In

project?	addition, women are encouraged to apply for work in the project. Aside from this, there are also proposed roadside vending areas to be funded by the project located in strategic position along the road. Considering that almost all of the roadside vendors are women, this project will specifically for the benefit of women.
Considering the socio-economic benefits that we will derive from this road project and the funds will come from the government and our only contribution is our customary land, we unanimously approve and support the proposed road project.	The team thanked the participants in a series of consultations and their approval and full support will be communicated with the pertinent authorities.

119. The series of public consultations and project disclosures conducted in several places along the subproject road were held in accordance with ADB's Public Communications Policy (2005). The DPs and other stakeholders were given leaflets and several opportunities to ventilate their issues and concerns as well as the opportunity to express their opinions regarding the proposed project.

#### **D. The Memorandum of Agreement Process**

120. Based on the resettlement framework, land acquisition impacts of the upgrading, rehabilitation and maintenance of the Highlands Highway network of roads may include one or more of the following: (i) permanent use of customary land, as required to permit upgrading and rehabilitation of the road; (ii) temporary use of customary land, as required to establish construction camps; and (iii) damages to crops, trees and/or structures on affected lands and/or due to ancillary works. The memorandum of agreement (MOA) covers only the permanent use of customary land to permit the upgrading, rehabilitation and maintenance of the subproject. A further discussion on MOA approach is found in **Annex 2**.

121. After the team computed the minimum land required to upgrade and rehabilitate the sub-project based on the detailed engineering design, it started to conduct public consultations. The purpose was to inform the stakeholders about sub-project activities and to elicit their comments, issues and concerns. The mechanics of the MOA was one of the major topics in every public consultation because it affects their customary land. The actual area for each tribe and council ward was determined first in the plans and was confirmed during the actual measurements in the field.

122. The ward leaders and tribal elders were also mobilized to assist in explaining to their members the implications of such a MOA. Then these leaders and elders notify the district administrator who inform HRMG that they are ready to sign the MOA. Copies were given to the Member of Parliament, Provincial Governor, District Administrator and the Provincial Works Manager of SHP among others, before the actual signing of the MOA.

123. The signing of the MOA is an occasion for both leaders and community to meet together with the Member of Parliament, other officials of national government agencies who are from the sub-project, local leaders and tribe members. During the actual signing, leaders speak in support of the project pointing at community benefits. The Land Officer of the province, if present, is tasked to explain for the last time the consequences of their signing of the MOA, otherwise this task done by the District Administrator.

124. The MOA process is witnessed by a third-party verifier engaged by DOW, whose role is twofold. First, it validates that the assets that will be lost were properly assessed, the applicable compensation rates were applied and the price offered is a fair reflection of what it costs to replace the lost assets. Second, the verifier observes the actual signing process and determine whether it is fair, open and transparent. He also observes whether there is threat, intimidation or duress exerted on the signatories or if the signing of the signatories are based on their own free will by listening to speeches and observing the demeanor of the participants. In some instances, the independent verifier approaches certain speakers to interview them about their speeches. The independent verifier is a Magistrate or another senior officer/ retired person or an independent organization employed for this purpose by HRMG. In the case of the present sub-project, MOA process undertaken in the Kafentina LLG and Fayantina LLG has been verified by Carter Education Management Consultancy which is an independent organisation. The third-party verifications are attached to the relevant MOA itself.

125. The signed copy of two MOAs together with the certification of the independent verifier is provided in **Annex 4**.

126. The MOA negotiations started in Tranche 1 and through the years the MOA has been amended and refined by results of the many discussions with stakeholders. There are provisions in the MOA that were the results of discussions with the tribes such as the integration of the compensation policy of HRRIP, the reversion of possession of the land to the tribe subject of the MOA if the government abandons the road, the annulment of the MOA in case the road is not included in the HRRIP. In short, the MOA is the result of various consultations starting from Tranche 1 and not a contract of adhesion wherein one party prepares the agreement and the only participation of the other party is to agree or disagree with the terms and conditions. It is a bilateral agreement wherein both parties took active part in the formulation of the terms and conditions.

## **E. Public Disclosure of RP**

127. The RP has already been disclosed by DOW to district administrators, local government agencies, communities and to the affected tribes . After the approval of this RP by ADB, it will be posted in ADB website. The validated copy will be made available to relevant stakeholders and affected persons after the approval by ADB.

128. The HRMG staff and local resettlement specialists have conducted meetings with the DPs, tribal leaders, provincial, district and ward officials as well as the relevant government agencies as part of the disclosure process to acquaint them of the substance and mechanics of the RP. These HRMG staff and local consultants will assist in the actual implementation of the resettlement plan.

## **VI. GRIEVANCE REDRESS MECHANISM**

### **A. Legal and Traditional Grievance Redress Mechanism in PNG**

129. Land and land-related disputes are common to all regions of Papua New Guinea and cause social and economic disruptions. PNG's Land Disputes Settlement Act 1975 created a three-tiered structure for settling disputes--mediation, arbitration and appeal--based on a combination of Melanesian customs, principles and practice, and formal law of British origin.

Papua New Guinea's system for settling customary land disputes provides clear benefits from using existing customary norms and institutions as well as emphasizing local expertise and decentralized decision making.

130. The Land Disputes Settlement Act sets out three stages for the attempted settlement of disputes over customary land. Stage one is compulsory mediation by a land mediator, an appointed local person-in practice always a male-who the local community agrees possesses the knowledge required. If mediation does not settle the dispute, stage two allows for the dispute to be taken to a Local Land Court for arbitration. A Local Land Court comprises a Local Land Magistrate as chairman and either two or four land mediators. The court has wide powers under the Act to reach a settlement between the parties, but if no agreement can be reached, it can impose settlement.

131. In general, disputes cannot be taken further than the Local Land Court, but the Act does allow a limited right of appeal (against a Local Land Court's decision) to the Provincial Land Court (stage three). Grounds for appeal are confined to errors of jurisdiction, decisions made contrary to natural justice or cases of manifest injustice.

132. Mediated settlements are evidence of land rights but they do not bind the parties (unless approved by a Local Land Court), whereas arbitrated settlements do bind the parties. The Local Land Court is also authorized to deal with other matters 'inextricably involved' with the land dispute before it.

134. The Act is largely administered by the Provincial Land Disputes Committee for the province concerned, lawyers are in general excluded from appearing in Land Court hearings and the Land Courts are not bound by any laws other than the Act itself or any other Act expressly applied to them. In special circumstances under Section 4 of the Act, the national government may declare that a land dispute should be settled by some means other than those provided by the Act. Such special circumstances include that the dispute is longstanding and previous attempts at mediation have failed, or the dispute has already resulted in serious breaches of the peace. This section of the Act was included as a 'safety valve' to help resolve intractable cases.

135. Papua New Guinea's Land Disputes Settlement Act was designed by Melanesians for a Melanesian society. Its structure of mediation, arbitration and appeal is based on a combination of Melanesian customs, principles and practice, and formal law of British origin. The mandatory involvement of the disputing parties in mediation is based on the principle that a resolution by consensus is more permanent than one imposed by authority. The system is decentralized to district level to bring it closer to the community it is designed to serve.

## **B. Grievance Redress Mechanism for HRRIP**

136. Based on the experiences learned in Tranche 1 of the HRRIP, a grievance redress mechanism (GRM) has been established in the 2 provinces to provide displaced persons (DPs) with the opportunity to seek redress on their complaints and grievances in a timely and satisfactory manner. The grievance redress mechanism will apply equally to the negotiation of the MOA and in the issues related to the implementation of the resettlement plan. The lessons from Tranche 1 projects will be adapted for projects in Tranche 3 in order to ensure the implementation of a satisfactory GRM.

137. In Tranches 1 and 2, a DP may file his/her complaint directly with HRMG which is based in Mt. Hagen, WHP. Upon receipt of the complaint, HRMG will send its personnel to the site and investigate the complaint. Because of the long travelling time and the expenses involved in going to HRMG, the process causes inconvenience to APs.

138. At the same time, the investigations of the complaints by HRMG were often delayed because of limited personnel and vehicles to travel to other provinces. The HRMG personnel who were tasked to investigate are often not familiar with the prevailing tribal system in place, including boundaries, relationships among and sub-clans and historical perspective of the location of the complaint because they come from different areas and provinces.

139. Based on lessons learned in Tranche 1, the GRM has been improved. The up-graded GRM entertains complaints arising from both the implementation of RP as well as environmental grievances. It encourages APs to lodge their grievances within the province. The provincial works manager (PWM) receives the complaints that makes it more convenient for APs to lodge the complaint. Since s/he is based in the province, the filing of the complaint is easier for the complainant and the PWM has the necessary personnel who are familiar with the area where the complaint arose. A grievance redress committee (GRC) is established in the province with 5-6 as its members. Four of them are from the district or province where this sub-project is located. The members from the district or province are District Administrator (chair person), LLG President (deputy chair), PWM (secretary), representatives of APs and a church nominee. The representatives of HRMG are the Community Relations Officer and Environmental Officer, the latter is sitting for hearing on environmental grievances.

140. DPs can initiate a project related resettlement complaint by filing a written or oral complaint addressed to the Provincial Works Manager (PWM). Within 10 days upon receipt of complaint, the PWM shall furnish a written summary of the complaint to the DP, his/her tribe/clan and to HRMG as the implementing agency of the RP with a notice of a mediation meeting not later than 10 days from the receipt of the written summary of the complaint of the complainant.

141. During the mediation meeting, the PWM will receive, clarify and simplify the issues involved and would try its best efforts to resolve the issues involved which would be acceptable to both the DP and HRMG. If there is meeting of the minds between the DP and HRMG, a written agreement will be signed summarizing the points of agreements. If there was no such agreement, the matter is presented to the GRC for resolution.

142. The GRC meets at short intervals depending on the number of grievances to be resolved. Both parties may re-negotiate the offer made during the first hearing and may introduce new arguments and evidence to support their respective positions. After the summation of their views, the GRC shall make a decision based on the policies governing HRRIP, prevailing laws of PNG and customary laws of the place where the dispute arose.

143. If the AP is not satisfied with the decision of the GRC, s/he may then take the grievance to the PNG judicial system, specifically to the Local Land Court. In this case, HRMG will hold the compensation amounts in escrow. Compensation will be paid in full upon final resolution of the case in the courts or in any other fora, in accordance with the entitlements of the affected person as decided by the court of competent jurisdiction.

## **VII. LEGAL FRAMEWORK**

144. The policy framework and entitlements for land acquisition/resettlement are based on the laws, regulations and policies of the Government of Papua New Guinea (GoPNG) and the ADB safeguard policy. The principal PNG laws include: (i) the 1975 Constitution; (ii) the 1996 Land Act; (iii) the 2000 Land Disputes Settlement Act; (iv) Fairness of Transaction Act (1993) (v) Land Group Incorporation (Amendment) Act (2009), and (vi) Customary Land Registration Act (2009).

145. While Tranche 1 (T1) was prepared under the ADB Policy on Involuntary Resettlement (1995), all subsequent tranches including Tranche 3 where the Henganof –Nupuru road section is included will follow ADB’s Safeguard Policy Statement 2009 (SPS).

146. In the HRRIP, Tranche 3 subprojects including this subproject and subsequent tranches will be governed by the SPS. In addition, land acquisition, compensation and resettlement for all HRRIP subprojects will be carried out in compliance with ADB policies for gender and development (1998), accountability (2011) and public communications (2011).

### **A. PNG Legal Framework**

147. Majority of the lands in PNG are classified as customary lands wherein specific territories are owned or vested on the clans. Clan members or “primary right holders” are co-owners of their customary lands with the right to use but not to alienate or sell the lands. They own/possess these lands as stewards for future generations. Land ownership and use is an integral part of the identity, the sustenance and the social relations of clans; property rights are inherited from ancestors and maintained in trust for future generations. The State has no authority over customary land other than the provisions of the Land Act to acquire customary land for public purposes.

148. During the colonial administration, the 1963 Customs Recognition Act stated that “custom shall be recognized and enforced by, and may be pleaded in, all courts...” (Art. 3(1) (a)). Following independence, these principles were reaffirmed in the Constitution and subsequently elaborated in the 2000 Underlying Act. Customary law is defined as the rules, rights and obligations pertaining to an individual or group by custom and tradition; and, according to the 2000 legislation, shall apply and be recognized by the courts where written and underlying laws do not apply and except as it is inconsistent with written law.

#### **1. PNG Constitution**

149. The 1975 Constitution explicitly provides for the adoption of custom as part of the underlying law of PNG (Schedule 2), thus recognizing the property rights attached to customary land. During the colonial administration, the 1963 Customs Recognition Act stated that “custom shall be recognized and enforced by, and may be pleaded in, all courts...” (Art. 3(1) (a)). Following independence, these principles were reaffirmed in the Constitution and, subsequently, in the 2000 Underlying Act. Customary law is defined as the rules, rights and obligations pertaining to an individual or group by custom and tradition; and, according to the 2000 legislation, shall apply and be recognized by the courts where written and underlying laws do not apply and except as it is inconsistent with written law.

150. The Constitution also guarantees the right of PNG citizens to protection from unjust deprivation of property (Art. 53). No land or interest in land may be acquired compulsorily by the State except as it is required for public purposes or other justifiable reasons. Moreover, in the event of expropriation of land, “just compensation must be made on just terms by the expropriating authority” (53(2)).

## **2. 1996 Land Act**

151. The Land Act (No. 45 of 1996) sets out the conditions and procedures for the State to acquire customary land required for public purposes such as roads, tracks, bridges, culverts and quarries. These legal provisions and procedures apply to the acquisition of land and assets by the State, legally owned/leased by other parties (persons) than the State. PNG does not avail of any national, provincial or local government policies for relocating and resettling people. Acquisition of land and assets by the State for public purposes and the related legal procedures, compensations, and the legally defined procedures for appeals, grievance redress, etc are all arranged for under the Land Act 1996 (See additional pertinent provisions in Annex 3 Salient Provisions of the 1996 Land Act).

## **3. Land Dispute Settlement Act**

152. The Land Disputes Settlement Act (No. 10 of 2000) was initially adopted in 1975. It sets out rights and procedures related to the resolution of disputes involving customary land. It recognizes as parties to these disputes, customary kinship groups, customary descent groups and customary local groups or communities (S2). It also requires that proceedings take into account relevant customs (S35 (1) (d)). The Act provides for the establishment of a Provincial Land Disputes Committee, as well as Land Courts at the local (LLG), district and provincial levels. The Committee can appoint land mediators for specified land mediation areas where disputes occur; a mediator may be the Local Land Court Magistrate (LLCM), a Village Magistrate, a Local Councilor or other senior person of good standing with the litigants. The Act promotes a process for resolution of land disputes through (i) a first step of mediation; if mediation fails, it is followed by (ii) arbitration, and (iii) appeal to the designated courts. The mediation and arbitration processes are based on the principles of traditional dispute settlement in PNG.

## **4. Fairness of Transaction Act of 1993**

153. The Fairness of Transaction Act of 1993 relates to the effect of certain transactions, to ensure that they operate fairly without causing undue harm to, or imposing too great a burden on, any person, and in such a way that no person suffers unduly because he is economically weaker than, or is otherwise disadvantaged in relation to, another person. The purposes of this Act are to (a) ensure the overall fairness of any transaction which (i) is entered into between parties in circumstances where one party is for reasons of economic or other advantage predominant and the other is not able to exercise a free choice; or (ii) for one reason or another, without attaching any evil design or bad faith, appears to be manifestly unfair or not to be genuinely mutual; and (b) allow for the re-opening and review of any transaction irrespective of fault and validity, enforceability or effect of any agreement; and (c) ensure the fair distribution and adjustment of rights, benefits, duties, advantages and disadvantages arising out of a transaction. Transaction means any contract, promise, agreement, dealing or undertaking of an economic or commercial nature whether supported by consideration or not entered into between parties, and includes (a) an informal, complete or incomplete transaction; and (b) a transaction governed by customary law.

## **5. Protection of Transport Infrastructure Act, 2010**

154. The Protection of Transport Infrastructure Act was enacted unanimously by PNG Parliament to protect all types of roads and road reserves from unlawful entry, occupation or use when ordered to do so. It also penalizes anyone who stops people from using transport infrastructure by blocking them, and/or destroys or damages any transport infrastructure. It also prohibits the demand for compensation and other related payments and the use of threats to induce any compensation and other related payments regarding the use of transport infrastructure. In addition, it also punishes any person who fails to stop members of his family or other people from committing an offence under this act.

155. This Act applies to all roads built on land acquired by the State or built on land yet to be acquired by the State. If the land has not been acquired by the State and roads have been built on them, the owners cannot block the roads or damage the transport infrastructure. The legal remedy is to file complaints or grievances with the proper courts and not undertake these prohibited acts enumerated in the law.

## **6. Land Group Incorporation (Amendment) Act and Voluntary Customary Land Registration Act**

156. These Acts were brought into effect in 2011, following recommendations from the National Land Development Task Force. The Acts recognize the corporate nature of customary groups and allow them to hold, manage and deal with land in their customary names, and for related purposes. These acts also facilitate the voluntary registration of customary land, to be known as “registered clan land”, and make that land available for development through the use of Incorporated Land Groups (ILGs). These laws encourage (a) greater participation by local people in the national economy by the use of the land; (b) better use of such land; (c) greater certainty of title; (d) better and more effectual settlement of certain disputes; (e) legal recognition of the corporate status of certain customary and similar groups, and (f) conferring on them, as corporations, of power to acquire, hold, dispose of and manage land, and of ancillary powers; and (g) encouragement of the self-resolution of disputes within such groups.

### **B. ADB Safeguard Policy Statement (SPS)**

157. The Safeguard Policy Statement (SPS) became effective and applicable in January 2010. The SPS was formulated to address the emerging challenges of development, respond to lessons learned from its experience with its old safeguard policies, and adapt to its new lending modalities and financing instruments. Under an MFF arrangement such as the HRRIP, if the management review on any tranche is done after the effectivity of the SPS, the tranches are governed by the SPS. This means that the applicable ADB involuntary resettlement policy for tranche 3 (T3) and subsequent tranches will be the SPS.

158. The SPS, Safeguard Requirements 2: Involuntary Resettlement aims to avoid or minimize the impacts on people, households, businesses and others affected by the land acquisition required by a project. The scope of the policy includes physical and economic displacement as a result of (i) involuntary acquisition of land, (ii) involuntary restriction on land use, and (iii) involuntary restriction of access to legally protected areas. The objectives are to: (i) avoid involuntary resettlement wherever feasible, and minimize involuntary resettlement through assessing project alternatives and alternative project designs; (ii) enhance or at least restore the

livelihoods of all affected people (DPs) in real terms relative to pre-project levels and improve the standards of living of the affected poor and other vulnerable groups.

159. The SPS's policy principles on involuntary resettlement are as follow: (1) Screen early and assess resettlement impacts; (2) Carry out consultations with DPs and develop a grievance redress mechanism; (3) Improve/restore livelihoods of DPs through land-based strategies, replacement of lost assets, compensation at replacement cost, and additional benefits, as appropriate; (4) Provide appropriate assistance to physically displaced DPs; (5) Improve living standards of poor DPs and other vulnerable groups; (6) develop transparent procedures for negotiations; (7) provide assistance and compensation to non-titled DPs for loss of non-land assets; (8) Prepare RPs; (9) disclose RPs to DPs and other stakeholders and document the consultation process; (10) conceive and execute resettlement as part of the project; (11) deliver entitlements to DPs before their physical or economic displacement; and (12) monitor and assess resettlement outcomes.

### C. GAPS between PNG Laws and ADB's SPS

160. The gaps between the PNG laws and ADB SPS requirements on land acquisition and resettlement have been identified and necessary gap-filling measures developed to meet the requirements of ADB's SPS. The following Table 14: GAPS and Gap Filling Measures shows the gaps identified between the PNG legal framework and the ADB Safeguard Policies.

**TABLE 14: GAPS AND GAP FILLING MEASURES**

PNG Laws	ADB SPS Requirements	Gap-Filling Measures
There is neither provision for persons who lost their land they occupy partially or entirely and who have neither the legal rights nor any recognizable rights to such land.	ADB SPS provides for payment of compensation for all affected assets, except payment of occupied land, including non-title holders.	RP will include payment of compensation for affected assets of all DPs including non-title holders and provide provisions to improve or at least restore livelihood. (There are no non-title holders in this particular subproject).
There are no provisions to prepare RP based on meaningful consultations with DPs, including the poor, the landless, elderly, women, and other vulnerable groups	ADB SPS requires that RPs must be prepared based in consultations with DPs, and that poorer and vulnerable people are also consulted and informed of their entitlements and resettlement options	RPs will be prepared in consultation with DPs, including vulnerable groups, and uploaded on ADB website; translated or summary versions will be available at the provincial, district and local level. Local clan leaders whose members are affected will also receive a copy of the summary RP or brochure with relevant information.
There are no provisions to improve or at least restore the livelihoods of all DPs	It is needed to improve or at least restore livelihoods of DPs by a range of strategies targeted at DPs	RPs will include measures for improvement or at least restoration in living standards of DPs to pre-subproject levels
Very limited provisions to provide assistance/ compensation to DPs who lose access to non-land assets (e.g. Valuer General has 2013 Schedule for valuation).	Requires that DPs are compensated for all losses, including non-land assets, at full replacement cost	The project will follow the principle of replacement cost for compensation of affected assets. DOW will conduct a replacement costs survey to update compensation rates. Valuer-General will provide updated schedule for valuation of project affected assets
There is no requirement for the monitoring and assessment of resettlement outcomes.	It requires that resettlement outcomes be monitored and assessed.	RPs will include indicators and baseline data to monitor impacts on living standards of DPs. The monitoring reports will also be disclosed including to DPs.

## **D. Resettlement Principles for the Project**

161. This RP has been developed as per ADB's Safeguard Policy Statement (SPS) and the pertinent laws of Papua New Guinea. Where the laws of PNG are not clear, a project-specific set of resettlement principles consistent with ADB policy has been adopted. The resettlement principles of this RP consistent to the resettlement framework are as follows:

- I. Land acquisition and resettlement will be avoided or minimized through careful engineering design.
- II. DPs will be consulted meaningfully and effective mechanisms will be established for hearing and resolving grievances.
- III. Social assessment will be undertaken and RPs will be prepared for roads involving land acquisition/resettlement.
- IV. DPs will receive compensation at replacement cost for their loss of assets and necessary assistance to ensure that they will be as well off as without the project.
- V. Loss of assets may be compensated through cash compensation or in kind compensation commensurate to actual losses, at the option of the DPs;
- VI. Such compensation will be paid to DPs prior to commencement of civil works.
- VII. Absence of formal title will not be a bar to compensation or assistance. Particular attention will be paid to women, the elderly and other vulnerable people.
- VIII. Land acquisition and resettlement will be conceived of as part of the project and related costs will be included in and financed out of the project cost.
- IX. Resettlement impacts, including any unforeseen losses that may occur during construction will be monitored and remedial steps taken as required.

## **VIII. ENTITLEMENT, ASSISTANCE AND BENEFITS**

162. Usually, the unit of loss determines the unit of entitlement. In PNG, 97% is customary land owned by the tribes and clans. For lands and other communal properties required to implement this project, the units of entitlement are the tribes and clans who own the affected lands needed by the project.

### **A. No Compensation Entitlements**

163. In the Henganofi-Nupuru road section, land acquisition impacts in the rehabilitation and upgrading activities include the following; (i) permanent use of customary land, as required to permit upgrading and rehabilitation of the road; (ii) temporary use of customary land, as required to establish construction camps and other construction facilities; and (iii) the use of land for dumping of road wastes.

#### **1. Negotiation for Use Rights of Customary Lands**

164. For most public works in PNG, the government authorities often consult with landowners who claim an interest in the land and obtain land through negotiation. The project will continue this tradition of negotiation. When an HRRIP subproject involves a road that is located on customary land, the HRMG will collaborate with the Provincial and District Administrators and Provincial Works Managers in order to enter into negotiations with landowners to acquire the right to use additional land required to upgrade and rehabilitate the road or on a temporary basis

to accommodate other activities related to the HRRIP (See **Annex 2** HRRIP Approach in Obtaining MOA).

165. The use of customary land needed to upgrade or rehabilitate the road has been negotiated through a MOA with the community leaders and affected landowners (See **Annex 4** Memorandum of Agreement). The subject matter of the MOA covers the (a) existing road carriage and (b) the additional land between the edge of the existing road carriage and the construction limits. This is the minimum additional land required to upgrade and rehabilitate the Henganofi-Nupuru road section. There are no private affected lands in the whole subproject road.

## **B. Justification for the Absence of Compensation for Assets**

166. Based on the series of assessments and adjustments of the road alignment, it has been confirmed that there are no affected private or communal structures, crops and trees, graves and fences or other assets. Hence, there is no need to discuss and enumerate the compensation for any assets as this may only give rise to the perception that there are affected assets.

167. If there are assets that will be affected during the implementation of civil works, the contractor will make appropriate payments based on full replacement cost at market rate prevailing at the time of compensation.

## **C. Community Assistance Measures**

168. There are no specific individual households that are affected by the loss of customary land, with the tribes, clans and sub-clans bearing the loss. The members of the affected tribes will continue to be subsistence farmers, cultivating their other food gardens located at different parts of customary land.

169. As discussed earlier in this RP, two main types of assistance are provided to the community in the sub-project area. The purpose is as an appreciation of their land donated to the road and as part of mitigation of construction impacts. There are some effects on the customary landowners that are difficult to measure but nevertheless adversely affect them. Examples are difficulties during road construction. The details of assistance proposed to be provided to the community are described below. All activities will be coordinated by HRMG.

### **1. In-kind Assistance**

170. The communities will be assisted by way of in-kind materials for the refurbishment of community infrastructure. Like in previous sub-projects, the community leaders have been requested to prepare and submit a list of infrastructure items such as schools and health posts that need repairs or refurbishments. The in-kind assistance will be in the form of building materials and equipment that are required to make infrastructure works. Once the list is ratified by LLG Presidents and Ward Councilors, HRMG will make arrangements to supply the materials to respective community leaders. The second form of assistance is to provide seeds, extension advice and training for small business development. The latter is basically support the livelihoods and income restoration of the people along the road. A total of 350,000 Kina is proposed in the RP to provide in-kind assistance.

### **2. Construction of Bus Bays**

171. Bus bays (loading and unloading areas of public motor vehicles) with provisions for roadside vending will be constructed in at least four locations as income enhancement measures for women who traditionally sell their own agricultural products to have cash for their families. These proposed bus bays are usually located in village centers / markets or in the vicinity of important junctions connecting interior villages to the Henganofi-Nupuru subproject road. Safety provisions will be incorporated in the design to ensure that these roadside vendors have adequate protection from wayward vehicles.

172. The host tribes or clans of these proposed bus bays will have the responsibility to supply the required additional land to accommodate the bus bays and the vending area free of charge so that their tribesmen or clansmen would have opportunities to sell and earn additional income. This is a precondition for the establishment of bus bays with provisions for roadside vending and will be presented in details under the sub-section on costs of income enhancement measures.

### **3. Construction of Waiting Sheds**

173. There are several important junctions connecting secondary roads with the main subproject road. These secondary roads serve as access roads to several villages located in the interior of the Henganofi-Nupuru Road. Residents carry on their backs their agricultural produce to these junctions for transport to Henganofi town center or to Goroka, the provincial capital or to Lae, the second largest city in PNG. Returning home, they unload from public vehicles their household supplies in these junctions and carry them on their backs to their villages.

174. Based on the several consultations conducted around these junctions, residents living in the interior villages were desirous of having some sort of waiting sheds that can also serve as temporary storage areas for their agricultural produce and household supplies. The details are shown under the sub-section on costs of design measures.

175. Both the construction of bus bays and waiting sheds will be undertaken by the contractor during rehabilitation where HRMG will continue to monitor this activity. The timing of the construction will be undertaken in coordination with the whole road project.

### **4. Project Employment**

176. People affected by permanent or temporary loss of land or by damage or loss of crops, trees or structures will be given priority for employment by contractors for civil works and/or maintenance works on the road, assuming qualifications to do the work. The implementation of this priority for employment will be the responsibility of DOW as the executing agency. Provisions will be made to include this priority for employment in the contract with the winning contractor. This employment provision will also be encouraged through local sub-contractors as appropriate.

#### **D. Justification for the Absence of Rehabilitation Assistance**

177. Based on the resettlement impact assessment, except for customary land, there are no physical or economic displacements for the project. There are also no vulnerable households because no household will suffer any loss of their assets. Hence, this RP does not make any provision for rehabilitation assistance.

#### **E. Indigenous People**

178. Following the ADB definition of Indigenous People “as those with a social or cultural identity distinct from the dominant or mainstream society which makes them vulnerable to being disadvantaged in the processes of development”, the project will not need an Indigenous People Plan because while AP’s may fall under different tribal/linguistic groups, they are considered as part of the mainstream society and of the population living in highland areas which generally characterizes PNG.

179. Inspection of the project areas and interaction with the people in the proposed project sites reveals that the people experience the same social problems and opportunities as other tribes and linguistic groups. Social divides are more pronounced in clans and sub-clans, and living in urban or rural areas rather than by tribe or linguistic group.

180. The last PNG census figures for the year 2000 show that the population was just over five million. Approximately 95 per cent of people are Melanesians. There is no particular ethnic group that dominates another. Given this backdrop, there is no indigenous or ethnic minority peoples as “those with a social or cultural identity distinct from the dominant or mainstream society, which makes them vulnerable to being disadvantaged in the processes of development.” As such, it is not deemed necessary to prepare separate IP related documents. The RF and the RP address the issue of use of customary land for road widening.

## F. Entitlement Matrix

181. The following Table 15: HRRIP Entitlement Matrix summarizes the entitlements to compensation and rehabilitation assistance for the Henganofi-Nupuru road section under the HRRIP. It should be noted that only customary land is affected by this sub-project, hence only land is included in the matrix.

**TABLE 15: HRRIP ENTITLEMENT MATRIX**

Type of Impact	Entitled Person	Entitlement	Expected Results	Implementation
Temporary use of land	Customary land:  Land users as recognized by clan leaders	Use of the land will be acquired through negotiated lease with landowners. Rent as negotiated under the lease.  In the case of extraction of materials (e.g., gravel) from the land, the civil works contractor will negotiate directly with the landowner to reach agreement regarding the payment of royalties.	Compensation (in form of land lease) for use of land.	The agreement to use customary land whether temporarily or permanently will be negotiated based on the following conditions: a) landowners agree to support the upgrading and rehabilitation of the road; b) landowners are consulted and make informed decisions regarding agreements to use land; and c) Landowners guarantee on behalf
	State-owned land:  Users or occupants	No compensation will be paid for use of the land.  Cash compensation at replacement cost will be paid for any damaged crops and trees		

Type of Impact	Entitled Person	Entitlement	Expected Results	Implementation
Permanent use of land	Customar y land:  Land users as recognize d by clan leaders	Use of the land will be acquired through a negotiated Memorandum of Agreement with landowners.	Memorandu m of agreements on use of customary land.	of all clan members that they will not disrupt the project in other ways. In the case of customary land used temporarily, the cost of restoration of the land following its use will be the responsibility of Contractors as part of their Contracts.
	State-owned land: Users or occupants	No compensation will be paid for use of the land. Cash compensation at replacement cost will be paid for any damaged crops, trees, fences or other structures on project-affected land (see below).		
Unforeseen Impacts	Unforeseen impacts will be documented and mitigated based on the principles agreed in this RP and ADB SPS.			

182. Where there is a gap existing between GoPNG laws and regulations and the policies of the ADB, the provisions and principles adopted in the Resettlement Framework will take precedence over the provisions of relevant laws and procedures currently in force in PNG.

### **G. Cut-Off Date**

183. The cut-off date is March 13, 2015, the date when the resettlement impact assessment for the Henganofi – Nupuru road section was completed. Any person who settles in the affected areas after this date will not be eligible for compensation. DOW has informed local communities regarding this cut-off date through the provincial, district and local wards and through the relevant local government agencies.

184. Any person or group that occupies or uses land required for upgrading and rehabilitation of the road after the cut-off date will not be eligible for any compensation and/or rehabilitation assistance; they will be required to remove from the land as per the provisions of the Land Act.

## **IX. RESETTLEMENT BUDGET AND FINANCING PLAN**

### **A. Sources of Funding for Land Acquisition and Compensation**

185. All costs for the HRRIP related to land acquisition, compensation and allowances, operation and administration costs, surveys, monitoring and reporting will be financed by GoPNG using counterpart funds.

186. In all instances, the HRMG acting on behalf of the DOW, the EA, will monitor the process to ensure that there are minimum delays in the allocation, disbursement and payment of compensation funds.

**B. No Costs to Acquire Additional Land to Upgrade Roads**

187. DOW has negotiated and entered into a Memorandum of Agreement (MOA) with all affected tribes and clans for the free use of the minimum additional land required to rehabilitate and upgrade the Henganofi-Nupuru road. The list of affected tribes and clans are contained in Table 2: Breakdown of Affected Areas by Tribes and Their Impacts Table 2: Breakdown of Affected Areas by Tribes and Their Impacts. There are no direct costs to secure the use of the required lands for the project. Documentation expenses for these MOAs will be taken care under administrative expenses of the subproject.

188. It should be noted that there are no land surveys conducted for the affected customary land in the sub-project. To conduct these surveys to determine the percentage of affected customary land in relation to the overall tribal land holdings would not be prudent and will just open previous land conflicts that most probably would ignite tribal wars. Suffice to say that tribal land holdings are considerable amounting to hundreds in some cases thousands of hectares. It is estimated that the additional land of 17.95 hectares required is less than 10% of the land holdings of the 11 affected tribes and are very insignificant.

**C. No Costs for Compensation of Assets**

189. Since there are no affected private or communal structures, crops and trees, graves and fences or other assets, there are no discussions on compensation of assets. However, this RP provides 50,000 Kina to support crops and income of APs in case the need arises to compensate them at the time of construction.

**D. Cost of In-kind Assistance**

190. This RP proposes that 350,000 Kina is provided by way of in-kind assistance to the affected community. This amount is to be spent on the purchase of materials for community facilities such as schools and health posts as identified by the leaders of sub-project area. The people along the road will also be assisted by this package to procure seeds, extension and business development training to ensure that their livelihoods are enhanced and income is further improved.

**E. Costs of Design Measures to Assist Community**

191. In order to assist community, four typical bus bays with provisions for roadside vending and 4 typical waiting sheds with provision for temporary storage of agricultural products will be built in strategic areas along the subproject road.

192. The cost estimate for a typical bus bay (paved) is 170 kina per sqm including provisions for slightly elevated stalls and 200 kina per sqm for the waiting shed. A typical bus bay has a dimension of 50 meters X 3 meters or 150sqm. At 170 per sqm, a typical bus bay will amount to 25,500 kina or a total amount of 102,000 kina.

193. The cost estimate for a typical waiting shed with provisions for a temporary storage area is 200 kina per sqm. The proposed floor area is around 100 sqm and at will amount to 20,000

kina or a total amount of 80,000 kina. The total cost is 182,000 kina and the cost breakdown of these facilities and their locations are shown in the following Table 16: Locations, Types of Facilities & Costs.

**TABLE 16: LOCATIONS, TYPES OF FACILITIES & COSTS**

No	Location	Location	Ward	Village	Remarks	Costs
1	Habanofi Primary School	5+900	Tebenofi	Hebanofi	Bus Bay	25,500
2	Toronte-Kafenogi-Crevabe	9+200	Yemevi	Toronte	Bus Bay & Waiting Shed	45,500
3	Nasere-Sirumpa-Fore	20+200	Fore	Pore	Bus Bay	25,500
4	Imaka	27+700	Kripave	Imaka	Bus Bay & Waiting Shed	45,500
5	Negire Junction	29+100	Kripave	Negire	Waiting Shed	20,000
6	Okuyapor Border Junction	32+500	Forapi 1	Okuyapor	Waiting Shed	20,000

## F. Cost of Resettlement Budget

194. The total cost of this resettlement plan for the Henganofi-Nupuru road project amounted to 744,800 Kina. This budget includes community assistance measures, in-kind assistance, an amount for compensation of crop or assets in case such losses occur, physical and price contingencies and administrative expenses. The cost of external monitoring is provided directly by ADB which is not included in the RP budget. The details are shown in the Table 17: Summary of Costs Estimates and RP Budget.

**TABLE 17: SUMMARY OF COSTS ESTIMATES AND RP BUDGET**

Budget Costs	Amount
Crops and assets compensation, if any	50,000.00
Road Design Features	182,000.00
In-kind Assistance	350,000.00
Sub-total (A)	532,000.00
Physical Contingency (20%)	79,800.00
Price Contingency (10%)	53,200.00
Sub-total (B)	133,000.00
Administrative Expense (15%) (C)	79,800.00
<b>Grand Total (A+B+C)</b>	<b>744,800.00</b>

Note: Cost of IMO is supported directly by ADB

## X. INSTITUTIONAL ARRANGEMENTS

### A. Department of Works

195. As Executing Agency (EA) for the HRRIP, Department of Works (DOW) has the overall responsibility to manage planning, implementation and monitoring related to the implementation of the RP. It also coordinates the MOA process as well as the independent verification of both MOAs as well as resettlement completion. The EA will up-date the RP and will submit the RP to ADB for approval. The DOW is also responsible for the recruitment of IMO.

**B. Highlands Road Management Group**

196. The Highlands Road Management Group (HRMG), as the Implementing Agency (IA) for the subproject has the responsibility to undertake implementation and monitoring of the entire resettlement process. The activities include but not be limited to the following:

- I. Collaborate with and assist PLO and/or DLO to carry out their work in compliance with the HRRIP policies and ADB requirements;
- II. Provide qualified personnel to conduct and/or assist PLO and/or DLO to carry out surveys including fieldwork to support the subproject screening and preliminary assessment of additional land requirements; and, as required, a census of displaced people, the detailed measurement survey (DMS) and socio-economic baseline survey;
- III. Collaborate with PLO and/or DLO for negotiations regarding Memoranda of Agreement (MOA) and leases for use of land;
- IV. Coordinate and carry out consultations with affected communities, including leaders, displaced people and other interested community members; and, ensure that all stakeholders are informed in a timely manner about the project, its policies and procedures; ensure that all requirements are carried out concerning public disclosure of the provisions for land acquisition and compensation; and, oversee and monitor the grievance redress process;
- V. Review and endorse the draft RP prior to submitting it to DOW for approval, making sure that all matters related to resettlement are complete and properly reported;
- VI. Monitor the process of allocation and disbursement of funds for compensation including to ensure that funds are available and compensation is paid in a timely manner as per the provisions of the RF;
- VII. Work with ESSU to update RP when the footprint is physically marked on ground;
- VIII. Implementation of income and livelihoods restoration measures and monitoring;
- IX. Carry out internal monitoring of resettlement activities and collaborate with and support the work of the independent monitoring organization;
- X. Coordinate with civil works contractors to ensure that required land is cleared in a timely manner, that unforeseen damages and losses are recorded and compensation paid and that all other steps and measures are taken to complete the civil works in an efficient manner;
- XI. Preparation of resettlement completion report for the approval of DOW.

**C. Environmental and Social Safeguards Unit – DOW**

197. The Environmental and Social Safeguards Unit (ESSU) of DOW has been expanded through the provision of an International Social Specialist (ISS). A National Social Specialist (NSS) is expected to be recruited. Both will provide support to the HRMG in ensuring compliance with social safeguards in project implementation.

198. The ISS is conducting capacity development of HRMG staff in the following areas: (i) GoPNG policies and procedures for acquisition of customary land, including MOA; (ii) ADB policies and procedures for land acquisition and compensation; (iii) applying GoPNG and ADB policies and procedures to the requirements of the HRRIP; and, (iv) other technical support related to, among others, surveys and data collection to prepare a detailed measurement survey (DMS) and Land Investigation Report (LIR), community consultations and awareness programs and the preparation of reports and training of HRMG, contractor and Supervision Consultant's social staff on monitoring, data analyses and reports preparation.

199. The training also involves people from DOW and HRMG, provincial and district lands officers in HRRIP subproject areas, relevant staff of the Valuer General and any other organizations involved in land acquisition and compensation activities. The HRRIP support will continue to include technical and financial support to strengthen the resources of DOW, HRMG and provincial and district lands offices. This support will take the form of assessment and recommendations to increase staffing, developing terms of reference for work related to land acquisition and compensation activities and providing financial support for the work related to fieldwork, for example, to carry out sub-project resettlement plans, detailed measurement surveys (DMS), RCS, and/or prepare Land Investigation Reports (LIR) and RPs.

200. The Annex 5 presents the organigram for agencies under the DOW.

**D. Provincial Administration**

201. The Provincial Land Officer (PLO) will collaborate with HRMG to plan, implement and monitor land activities for HRRIP subprojects in the province and/or delegate responsibility to the relevant District Land Officers (DLO). The PLO responsibilities include:

- I. Conducting surveys of land required permanently or temporarily for the subproject;
- II. Negotiating and signing a Memorandum of Agreement for permanent use of customary land with the leaders and affected landowners in communities;
- III. Negotiating and signing leases for temporary use of land required for the subproject; and,
- IV. Consulting with and advising affected communities about the HRRIP, the policies and procedures when additional land is required and the rights and responsibilities of displaced people and other stakeholders.

202. The Provincial Governor and/or Provincial Administrator (PA) in coordination with DOW are responsible to ensure that funds are allocated and disbursed to pay compensation and allowances for provincial (and/or district) roads that are included in the HRRIP.

**E. District and LLG Administrations**

203. The District Land Officer (DLO), as delegated by the PLO, will collaborate with HRMG to plan, implement and monitor land activities for HRRIP subprojects in the district, including:

- I. Conducting surveys of land required permanently or temporarily for the subproject, and preparing LIR;
- II. Negotiating and signing a Memorandum of Agreement for use of customary land with the leaders and affected landowners in communities will land is affected;
- III. Negotiating and signing leases for temporary use of land required for the subproject; and,
- IV. Consulting with and advising affected communities about the HRRIP, the policies and procedures when additional land is required and the rights and responsibilities of displaced people and other stakeholders.

204. LLG Council Presidents will be effective participants in all consultations with local communities, displaced people and other stakeholders. They will be responsible for collaborating with HRMG to organize and carry out these consultations.

**F. Institutional Capacity for Land Acquisition Activities**

205. The National Department of Lands and Physical Planning (DLPP) and the Lands and Survey Division (LSD) situated within the DOW are well-organized to assist the Executing Agency (EA) to (i) oversee and manage the land acquisition and compensation process; and, in particular, to support the work of the IA and others with respect to identification of land tenure, review and endorsement of procedures and plans, as well as facilitation of requests for allocation and disbursement of funds to pay compensation.

206. As the Implementing Agency (IA), the HRMG has good experience in dealing with issues related to community consultations and negotiation of Memorandum of Agreements (MOA) for additional land required to upgrade and rehabilitate national and provincial roads, as well as other aspects of compensation for lost and damaged assets as per the GoPNG procedures. Similarly, the personnel of the PLO and DLO in most jurisdictions also have experience with MOA and compensation issues.

207. The HRRIP will provide training for land acquisition activities and involuntary resettlement through the Environmental and Social Safeguards Unit for other DOW, HRMG and PLO and DLO staffs. The training program will be spearheaded by the International Social Specialist supported by the National Social Specialist, the latter upon joining the team.

## XI. IMPLEMENTATION SCHEDULE

208. The following implementation schedule considered that only customary land will be affected by the sub-project and the use of customary land has been sufficiently addressed by the signing of the MOAs permitting DOW the use of the minimum land required to upgrade and rehabilitate the existing road. Aside from the affected customary land, there are no physical or economic displacements that will result in the implementation of this sub-project.

209. A timeline for the implementation and post implementation of the RP implementation has been prepared in accordance with different steps covered under this RP and presented in Table 18: RP Implementation Schedule (2015-16).

**TABLE 18: RP IMPLEMENTATION SCHEDULE (2016)**

Resettlement Activity	Responsibility	Mar-Jun	Jul	Aug	Sep	Oct
Translation of RP into Pidgin	DOW/HRMG					
Distribution/Consultation of RP and information pamphlets in Pidgin	DOW/HRMG					
Submission of RP to ADB for approval	DOW/Consultants					
Allocation of financial resources for income enhancement measures, contingencies and admin costs	DOW/National Executive Council					
Disputes/objections (complaints/grievances)	DOW/HRMG/Court					
Issuance of no-objection for commencement of civil works by ADB	DOW/ADB					
Commencement of civil works	DOW/Contractor					
Quarterly Progress Reporting and semi-annual safeguard monitoring reports to ADB	DOW/HRMG					
Independent evaluation of RP program (After 3-months of the RP Implementation)	IMO					

\*Note: The timing of the construction of bus bays and waiting sheds will be just after the sealing of the particular road section where these facilities will be located to ensure that these facilities will be undertaken in coordination with the whole road project.

## **XII. MONITORING AND REPORTING**

210. RP activities in the Henganofi-Nupuru road project will undergo both internal and external monitoring. Internal monitoring will be conducted by HRMG assisted by the Environmental Social Safeguards Unit (ESSU). External monitoring will be undertaken by the independent Monitoring Organization (IMO) recruited by DOW and already approved by ADB.

### **A. Internal Monitoring**

211. The HRMG assisted by the ESSU will monitor all activities associated with resettlement and the implementation of income restoration measures. The scope of internal monitoring includes: (i) compliance with the agreed policies and procedures for land acquisition; (ii) prompt approval, allocation and disbursements of funds and payment of compensation to DPs, including supplemental compensation for additional and/or unforeseen losses; (iii) progress of implementation of livelihoods enhancement and income restoration measures; (iv) consultations with APs and other community leaders; (v) progress with the design of bus bays/waiting sheds, its field testing and final execution; (vi) operation of the GRM and progress of actual redressal; and (vii) AP engagement in actual construction activities, including women employment. Further information on RP monitoring including proposed indicators are presented in Annex 6.

212. During the implementation of the RP, the HRMG will prepare semi-annual safeguard monitoring reports and submit these reports to DOW for clearance and transmission to ADB in addition to regular quarterly progress reports as part of project performance monitoring. The implementation progress of in-kind assistance will be presented in safeguards monitoring reports to be prepared by HRMG. The IA will also submit a report to DOW confirming that all resettlement activities are completed to proceed with civil works.

### **B. External Monitoring**

213. The DOW has already recruited an independent monitoring organization (IMO) to conduct external monitoring for HRRIP subprojects that require resettlement. The purpose of external monitoring is to validate internal monitoring activities and propose corrective actions, if resettlement objectives have not been achieved. The IMO will also examine social impacts of the subprojects and whether DPs are able to restore, and preferably improve, their pre-project living standards, incomes, and productive capacity. The approved terms of reference for the IMO is found in Annex 7.

214. The IMO will prepare bi-annual monitoring reports; and, conduct post-resettlement evaluations twelve (12) months after compensation is completed for each subproject. All IMO reports will be submitted to HRMG, DOW and ADB.

## **Annex 1: Issues On Acquiring Customary Land**

In the Highlands region, the social structure of tribal groups is patriarchal and clans include people who can share a common ancestry through their father's lineage. Each clan has a specific territory; sub-clans or extended family groups are granted rights to use some of the clan territory to meet their basic needs for housing and gardens. Primary rights are reserved for people who are recognized as members of a clan (or its sub-clans); other people may earn secondary rights to a clan's territory through marriage. In all cases, clan territory cannot be alienated.

Access to land is a fundamental and defining asset in the livelihood and cultural traditions of the Highlands people. Land is, first and foremost, the basis of subsistence agriculture that provides for the needs of rural households. It is common practice to produce small surpluses that are distributed in kind or in cash (after sale of crops at local markets) to members of the house line or sub-clan; this represents repayment into the social capital of the group (Rivers, 2004). The land is where sacred sites are located; and, where people bury their dead, often at visible locations in order to venerate a community leader who has passed away. Allegiance to one's clan territory remains strong among people who migrate from their communities for short or longer periods. Land is what a family transfers to its next generation as the basis for the continuing cycle of social reproduction.

As PNG develops the difficulties inherent in how to mobilize customary land for new economic and physical development become more and more apparent. With respect to works to upgrade road networks, several approaches have been employed. These are identified here as background to the proposed HRRIP approach that is discussed in the next section.

- I. The implementation of the ADB Loan 1709-PNG DOW negotiated a Memorandum of Agreement (MOA) with affected communities and landowners to acquire the use of customary land without payment of compensation for the upgrading of national and provincial roads.
- II. In consultations during the preparation of the HRRIP, people and communities in the Highlands region strongly supported proposals to upgrade and rehabilitate roads, recognizing that this is a necessary condition to improve accessibility and living conditions.
- III. Most people in the region consider that existing roads are located on State land, whether or not there has been a formal process to alienate customary land. However, there were some stakeholders who insisted that these roads are located in customary land and are still unpaid when these lands were first used as roads. The intensity of this view of unpaid land varies between provinces in the Highlands Region and is less noticeable in provinces (Morabe and Madang) near the coastal areas.
- IV. Moreover, in consultations during preparation of T1 and T2 roads for the HRRIP, provincial and district authorities as well as communities along the roads repeatedly indicated their willingness to contribute additional land without any financial considerations to enable roads to be upgraded.
- V. However, there have been some complaints about the past road upgrading and rehabilitation activities regarding outstanding issues on affected improvements which may influence the acceptability of projects and/or impede the rehabilitation of roads in the HRRIP. These should be reviewed very carefully because the demand for unfounded or obsessive compensation has become an emerging cottage industry and has unnecessarily delayed infrastructure projects in the Highlands Region.

## **Annex 2: HRRIP Approach in Obtaining MOA**

- I. HRMG with assistance from the Provincial Administrators and District Administrators, Provincial Works Managers will organize a series of community consultation with local officials (LLG Council Presidents and Ward Councilors), community leaders, displaced people (DPs), other community members and other stakeholders; DPs include all individuals and families that have rights to use land and/or own crops and structures affected by additional land requirements to upgrade or rehabilitate the road.
- II. The purpose of the consultation is that all DPs and other stakeholders are fully informed about the HRRIP subproject, the scope of road improvements, the benefits that this will bring to individuals and the community and the strategies to acquire use of land to permit road rehabilitation to proceed, including the use of the MOA; and, the policies and procedures that will apply to the establishment of a public road reserve.
- III. During consultations, the community leaders and affected landowners will be asked whether they agree that the use of this land for road improvements (a) is directly linked to benefits they and their community will receive and (b) does not severely affect their living conditions, livelihoods and incomes; and, they are satisfied that (c) community sanctioned measures are in place to replace any land losses such as (1) release of customary land in fallow, idle or reserved in favor of DPs living along the road corridor, (2) adjustments of sub-clan boundaries to mitigate the road impacts, other similar communal mitigating measures.
- IV. The agreement will be confirmed by a Memorandum of Agreement (MOA) that waives the customary interest in the land (right to exclusive use of the land or permission to use customary land as a public road) in lieu of the public infrastructure. The MOA enumerates the duties and responsibilities of both the government and the customary land owners including the compensation principles for affected assets of displaced persons. An example of a MOA is included in Annex 4.
- V. The MOA will be entered into by the Department of Works as the authorize representative of the Independent State of Papua New Guinea and the customary land owners. The customary land owners will be represented by the local level government (LLG) council president, and all of the ward councilors as duly representatives of the affected tribes, clans and sub—clans. The MOA will be verified by an independent third party such as a designated non-government organization or legal authority. The signed MOA will be submitted to the pertinent government agencies for proper disposition.
- VI. The HRMG through its community relation officers (CROs) and the Provincial Works Managers will reiterate and explain fully the HRRIP grievance redress mechanisms which were previously mentioned in the MOA. Displaced persons or persons with an interest in the subproject will be advised to clarify or file their complaints and/or grievances related to the MOA or other aspects of the HRRIP (see section regarding grievance redress mechanisms) for mediation and arbitration processes as provided in the mechanisms and avoid prohibited activities enumerated in the Protection of Transport Infrastructure Act of 2010.

### **Annex 3: Salient Provisions of the 1996 Land Act**

I. The Minister may acquire land through a) agreement or b) compulsory purchase, including acquisition of developments to or improvements on the land (Art. 7 and 8). Improvements on land include, among others, buildings, fences, wells, reservoirs, gardens, plantations or fixtures constructed to manage or use land and/or to raise livestock.

II. Acquisition of customary land by agreement shall be on the terms and conditions agreed between the Minister and the customary landowners. However, the Minister may not acquire land that is required or likely to be required by the customary landowners. Further, if the land is likely to be required in the future by customary landowners, the Minister may lease the land (Art.10).

III. In the case of compulsory purchase, the date of acquisition is the expiration of a two month period following the publication of a notice to treat in the National Gazette (Art. 12). The notice to treat must also be served to all landowners or such of them as can, after diligent inquiry, be ascertained; prior to the end of this period, landowners are required to provide particulars regarding their interest in the land, as well as the amount requested to sell their interests to the State (Art. 13). The National Land Commission (NLC) shall hear landowners and shall determine and recommend to the Minister the amounts to be paid.

IV. The value of compensation for land acquired under compulsory purchase shall take into consideration a) the value of the land at the date of acquisition, b) the damage (if any) caused by the severance of the land from other land in which the claimant has an interest and c) the enhancement or depreciation in value of the claimant's interest in other land adjoining or severed from the acquired land by virtue of the purpose for which the land is acquired. This enhancement or depreciation in value shall be deducted from or added to, as the case requires, to the amount of compensation otherwise payable (Art. 23).

V. The value of compensation to be paid shall be determined a) by agreement between the Minister and the claimant prior to or after the acquisition (Art. 25 and 26) or b) by arbitration as per the procedures of the Arbitration Act, as agreed by the Minister and the claimant (Art. 27).

VI. It is an offence punishable by fines and/or imprisonment of persons who trespass on or unlawfully enter, occupy or use State or customary land, or who refuse to leave that land within 14 days of being notified to do so (Art. 144-146).

VII. The procedures for compulsory acquisition of land for major highways (e.g. Highlands Highway) as implemented by the Department of Works (DOW) include:

VIII. When the road design is complete, the Lands and Survey Division (LSD) of DOW commissions a private surveyor to determine the boundaries of the land to be acquired as well as the location, sizes and areas of affected customary land. The completed surveys are submitted to the Surveyor General for registration.

IX. Upon receipt of the registered survey plans, the DOW requests the Department of Land and Physical Planning (DLPP) to issue an instruction to the relevant Provincial Administration (PA) to carry out a land investigation for the proposed acquisition.

X. The relevant Provincial Land Officer (PLO) (and/or District Land Officer (DLO)) conducts the land investigation and prepares a Land Investigation Report (LIR) including ownership genealogy, rights and interests held in the land; and, an assessment of the value of improvements to land prepared in accordance with the Economic Trees and Plant Price Schedule.

XI. The LIR is submitted to the PA for his/her recommendation for alienation of the land. A copy of the LIR is sent to the Office of the Valuer General to conduct a valuation of the land and improvements.

XII. A copy of the LIR is also sent to the Department of Provincial Affairs that prepares Certificates of Alienability (COA). The COA certifies that there is no impediment to the acquisition of the customary land; it is signed by the Secretary for Provincial Affairs, as well as representatives of affected Local-Level Governments (LLGs).

XIII. DOW receives the valuation report and COAs, raises cheques based on the valuation amounts and prepares purchase documents that are forwarded to the Secretary of DLPP for his/her signature. The signed documents and cheques are sent to the PA for execution and payment to landowners.

XIV. The DLO, with all relevant forms, makes the offer to the landowners. If accepted, the forms are executed and the money is handed over in accordance with the requirements of the landowners. If rejected, it then goes to the Minister of Lands for a negotiated settlement.

## Annex 4: Memorandum of Agreement (MOAs)

KAFENTINA, LLG



P O Box 1108  
BOROKO, NCD  
Papua New Guinea

## DEPARTMENT OF WORKS



Tel: (675) 324 1114

Fax: (675) 324 1102

## MEMORANDUM OF AGREEMENT

This **Memorandum of Agreement** entered into by and between;

The Independent State of Papua New Guinea as represented by the Department of Works;

---AND---

The council ward of Habanofi, in Kafentina LLG, Henganofi District, Eastern Highlands Province represented by its wards leaders, district leaders, leaders of clans and sub-clans, the names of which are enumerated at the end of this document;

---WITNESSETH---

**Whereas**, the State through the Department of Works is formulating, administering and implementing the Highlands Region Roads Improvement Investment Program (HRRIP), an ADB funded program for the upgrading, rehabilitation and maintenance of selected roads in the Highlands Region Road Network;

**Whereas**, one of the qualification of a road for the HRRIP is that it is an existing or former road, that is, the road bench exists and restitution of a trafficable road does not require major earthworks or construction of structures and the local population as well as district and provincial administrators have clearly stated their support for upgrading and rehabilitation of the pre-selected road;

**Whereas**, the Henganofi -- Nupuru road section has been pre-selected by the State through the Department of Works (DOW) and approved by the Asian Development Bank (ADB) based on certain assumptions including two conditions namely that the right to use (a) existing road carriage has been negotiated in the past when such road was constructed, and (b) additional land to be required for the HRRIP project has been negotiated with the customary owners;

**Whereas**, after diligent searches and inquiries from the relevant government agencies, the existence of a written document on the agreement for the use of customary land in the past cannot be ascertained and that the agreement may not have been put into writing;

**Whereas**, the absence of any proof of the existence of previous agreements for the use of the existing road carriage and the use of additional road width for the HRRIP project by the government require a written agreement for the continued inclusion of the selected road to the HRRIP because the previous assumptions of the existence of these documents for the use of existing road and additional land may not be defensible;

**Whereas**, there is an urgent need to have a written agreement on land use for the eligibility of the selected Henganofi -- Nupuru road section with the HRRIP and avoid any future conditions that would give rise to misunderstandings, resentments and possible conflicts on the right to use the customary lands;

**Whereas**, the clans and communities who jointly own the customary land are fully aware of the benefits of an ungraded and rehabilitated road for their communities such as faster travelling time and cheaper transport costs, better access to health and educational facilities, increase economic activities, better access of farm products to markets among others;

**Whereas**, the clans and communities, who jointly own the affected customary land that will be needed by the government for road improvements, are fully supportive of the proposed project to improve the existing road section passing through their communities, wards and districts;

**Whereas**, the clans and communities, who jointly own the affected customary land are desirous for the road section which is located in their customary land, to retain its status as a pre-selected road of HRRIP subject to a feasibility study including qualifications of the project's eligibility criteria and detailed engineering design;

**Whereas**, there is an urgent need for a close public – tribal partnership between the Independent State of Papua New Guinea as represented by the Department of Works who has the legal mandate to undertake infrastructure development in the country and the clans and communities who jointly own the customary land where the proposed road development will be constructed;

**NOW, THEREFORE**, for and in consideration of the foregoing premises and covenants hereinafter stipulated, the Independent State of Papua New Guinea, represented in this Memorandum of Agreement by the Department of Works (DOW) and the clans and communities who jointly own the customary land where the existing road carriage is located and the additional land that will be required to improve the existing road have entered into this agreement as follows:

## 1.0 Identification and Location of Road Section

1.1 DOW has considered the road section from Henganofi – Nupuru as a pre-selected road for the HRRIP. This road section has a length of around 33+960 Km and will start at chainage 0+080 located at Henganofi and will end at chainage 34+040 at Nupuru.

1.2 We certify that we, as individuals and representatives of our communities and clans, are the exclusive customary owners of the road section that is a pre-selected road for the HRRIP. The particulars of our customary land are described below;

Road section: Henganofi - Nupuru  
Chainage: From 0+080 to 0+680  
Wards: Habanofi  
LLG/District/Province: Kafantina, Henganofi, Eastern Highland Province

## 2.0 Additional Land Requirements

The upgrading and rehabilitation of this pre-selected road will require additional customary land and that based on the existing road and the proposed road, both described below, the preliminary estimate of the DOW for the additional land requirement is 11.02 hectares,

Existing Road	Proposed Road
Carriageway 4.00 meters Formation width 4.20 meters Total width 5.28 meters, to outside of drainage structures Total area 0.3171 hectare of existing road within the customary land.	Carriageway 6.00 meters Formation width 6.50 meters Total width 11.04 meters of construction limits Total area 0.6625 hectare of proposed road
<b>Difference of area between existing road and proposed road: 0.35 hectares</b> (additional land required)	

### 3.0 Agreement

#### 3.1 Responsibilities and Commitments of Clans and Communities

1. We, members and representatives of the clans and communities who jointly own the customary lands on the above mentioned road section agree to permit the Independent State of Papua New Guinea (State), as represented by DOW, to use our additional customary land for the upgrading, rehabilitating and maintaining the road section described above exclusively under the HRRIP and guarantee the unimpeded use of the road by the public;
2. That in recognition of the fact that the road project which will provide development and livelihood opportunities for our communities, we voluntarily waive our rights to compensation for the following two types of trees/crops listed in the 2013 Valuer General's Compensation Schedule, whose economic value is not significant: timber trees identified under Category D and crops measured based on area.<sup>1</sup>We will harvest our affected trees/crops before the road construction and will use the produce for household needs or sell them and retain the sale proceeds with ourselves.
3. Except for the minor trees/crops mentioned above, the government will provide compensation for other major crops/trees as well affected structures and assets (see section 3.2 below).
4. That we enter into this agreement on the basis of our free and prior informed choice and consent, having been provided with full information by the State through the DOW and DLPP about the HRRIP project and are fully aware of the consequences for our tribes, clans/sub-clans and communities and waive any and all customary interests over the additional lands in lieu of public infrastructure;
5. That we are aware that the State will be using public funds for the improvement of roads situated in customary lands and if the issue of land use is not properly addressed now, future generations of customary owners may restrict and limit public and private vehicles from using the improved road that may cause conflict and unrest in our communities and villages;
6. That our full permission for the State to use the additional land is premised on the existence of the said road and in the event that the use of our customary land as a road is discontinued for any cause, our permission will also cease and the use of the land will revert to the former owners and users of the land at the time of taking;
7. That we are validating and reiterating the permission given by our ascendants to permit the State through the DOW, to use our customary lands where the existing road carriage is located and in the event that the use of our customary land as a road is discontinued for any cause, our permission will also cease and the use of the land will revert to the former users of the land at the time of taking;
8. In the event that the State will seek to use or establish a public road reserve beyond the actual construction limits of the proposed road under the HRRIP, the required additional lands is not included in the subject matter of this MOA and will require a separate agreement with the customary land owners;
9. That if there are any dislocations on land use that will be caused to any member of our clans and community because of the additional land requirement of the road, in considerations for the positive effects of the project, our clans and communities involved will address this issue based on our customs and traditions and provide for adequate land replacement;
10. That we are representing all the clans and communities that jointly owned the land as described in Section 2 of this agreement and that we will all be jointly responsible to control and supervise our ranks in complying with the terms and conditions of this agreement.

<sup>1</sup>Crops identified by area in the 2013 Valuer General Compensation Schedule are the following: Green vegetable (mixed), Ceananthe, rice, sorghum, watercress, wheat, wild scrambling bamboo, kunai grass, mat weaving plant, sago (wild) and other similar crops.

11. That we are guaranteeing the State on behalf of all members of this community and its clans that there will be no land claims or grievances on the existing road as well as on the additional land required and that there will be no disruption and/or disturbance of the civil works to upgrade and rehabilitate the road;
12. That in the event that there is disruption and/or disturbance of data gathering for planning, surveys and during the implementation of civil works of the above road section, the clan and/or community involved will be jointly liable for the appropriate remedies and the erring person who may be criminally liable, be surrendered to the proper authorities for the appropriate legal measures.

### 3.2 Responsibilities and Commitments of the State through the Department of Works

1. The DOW has minimized as far as possible additional land requirements for the improvement of the existing road based on existing road standards to ensure the safety of passengers and vehicles using the improved road. However, there are instances that improvements in the hairpin curves sections, relocation of some bridges and improvement in the drainage system will result in using more lands than expected which are unavoidable but necessary to improve the safety of the existing road carriage.
2. DOW has conducted a detailed measurement survey to determine the additional land required to upgrade, rehabilitate and maintain the above mentioned road section based on the detailed engineering design and has a list of all the affected persons (APs) and their affected assets such as annual crops, perennial plants and trees, fences, structures, and graves and these will all be compensated based on the 2013 Valuer General's Compensation Schedule (hereinafter referred to as the Schedule);
3. The clans and communities will ensure that after the detailed measurement survey, there will be no new structures built or crops, plants, trees planted within the construction limits. Structures built and improvements planted or made after the detailed measurement survey (cut-off date) will not be compensated.
4. *Temporary Use of Land* – The road contractor will negotiate with customary land owners for the temporary use of customary land for the construction camps, motor pools, stockpile areas for aggregates, etc. The road contractors will be responsible for the restoration of the area after the completion of the road as part of their contract.
5. *Compensation for Loss of Annual Crops* – APs will be encouraged to harvest their annual crops specified under Category B of the Valuer General's Compensation Schedule; in this case, no compensation will be paid. However, if the annual crops under Category B are not yet harvestable by the time of land taking within 6 months period from the DMS, compensation will be based on the Valuer General's 2013 Compensation Schedule. In all cases, if the land taking is more than 6 months from the detailed measurement survey (DMS) that has been notified to APs as a cut-off-date, standing annual crops under category B are presumed to have been planted after the DMS (cut-off date) and shall not be compensable.
6. *Compensation for Loss of Perennial Plants and Trees* – Compensation for lost plants and/or trees will be paid based on the Valuer General's 2013 Compensation Schedule except otherwise provided for in the Schedule.<sup>2</sup>
7. *Compensation For Loss of Timber Trees* – For timber trees identified under Category D (forest trees) of the 2013 Schedule, APs have agreed to cut their affected forest trees, use the produce for household needs or sell them and keep the proceeds of the sale.
8. *Compensation For Loss of Fences* – Fences constructed of wood or metal will have a compensation rate equal to the current market price (per meter) for similar fencing materials, as determined in the subproject area. For vegetation fences, the compensation will be based on the Schedule for the type of plant material used.

<sup>2</sup>All natural occurring trees with a diameter of less than 6 centimeters at a height of 2.00 meters or natural occurring trees less than 2 meters in height shall not be subject of compensation claims as provided by the 2013 Compensation Schedule.

9. *Compensation for Loss of Semi-Permanent or Temporary Structures* -- Semi-permanent or temporary structures may be located close to the road and it may be necessary to shift these buildings back in order to upgrade the road. In this instance, APs will be provided with a shifting allowance to cover the costs of this activity. If such structures cannot be moved, APs are entitled to compensation at replacement cost for the materials and labor to repair or reconstruct a similar structure.
10. *Compensation for Loss of Graves* -- Compensation will be paid for the affected graves based on the Schedule. In addition, HRRIP will pay an additional grant to ensure that compensation received is equal to the costs for reburial and construction of new grave.
11. *Construction Employment* -- People affected by permanent or temporary loss of land or by damage or loss of crops, trees or structures will be given priority for employment by contractors for civil works and/or maintenance works on the road, preferably on road sections where they own the customary land, provided that these applicants are qualified to perform the work required.
12. *Shifting Allowance* -- The value of the shifting allowance will be calculated based on the provincial minimum wage as established by the Minimum Wage Board for a maximum period of two months. At the time that the shifting allowance is paid, the landowner will sign an agreement with DOW and/or DLO regarding the date by which the structure will be removed from the land required to upgrade/rehabilitate the road.
13. *Business Disruption Allowance* -- APs that own a temporary or semi-permanent structure that is used as a trade store or for other business purposes that must be shifted a short distance to a location outside the area designated for the road are entitled to an allowance to cover the loss of business income while the structure is being shifted calculated based on the provincial minimum wage as established by the Minimum Wage Board for a period equal to number of days of disrupted business.
14. *Time for Valuation of Assets* -- The valuation of assets will be made at the time of the detailed measurement survey (DMS) conducted following completion of detailed engineering design calculated based on the Valuer General's Compensation Schedule and assessing the requirement for additional grants and the grant amount based on existing conditions in the subproject area.
15. *Delayed Payment* -- If payment of compensation is delayed, compensation rates will be updated regularly based on inflation rates to ensure that APs receive compensation at replacement cost at the time of compensation payment.
16. *Full Payment of Compensation* -- APs are entitled to payment of all compensation based on the DMS prior to clearance of land and start of civil works. DOW will ensure that all procedures are followed to facilitate payment of APs prior to the start of civil works. In the case of affected crops, trees and structures, the compensation owed will be paid directly to the person who owns these assets.
17. All land acquisition activities will be coordinated with the civil works schedule. Civil works contractors will not be issued a notice of possession of the site until (i) compensation and relocation of APs have been satisfactorily completed; (ii) agreed rehabilitation assistance is in place; and, (iii) the site is free of all encumbrances.

#### 4.0 General Conditions

1. If the negotiated agreement for the use of the customary land as roads, both for the existing road and for the whole road section as described earlier have not been attained for any cause, both parties agree that this memorandum of agreement will become null and void and unenforceable to any or both parties; In this case, the State through the DOW will inform in writing the clans and communities through their leaders and representatives about this development and this is sufficient notice for the State to invoke the unenforceability of the MOA;

2. The State through the DOW and its consultant together with the provincial, district and ward administrations will conduct periodic consultations and encourage active participation of affected clans and communities covered by this road section to inform and update all stakeholders of the development of the project;
3. The State through the DOW in collaboration with the provincial and/or district land officer will institute a grievance process based on the accepted practices of mediation to address any complaint or issue regarding the valuation of asset or any resettlement related matter. If the complaint or issue is not resolved in this level, the HRRIP will adopt procedures to refer matters to the system of land courts as set out in the Land Disputes Settlement Act;
4. In the event of grievances that cannot be resolved through mediation at the local level, the State through the relevant authorities will hold the compensation amounts in escrow. Compensation will be paid in full upon final resolution of the case in the courts or other forum, in accordance with the entitlements of the affected person;
5. This MOA repeals and/or supersedes any written or verbal agreement for the use of customary land on the existing road carriage and the proposed road referred to in Section 2 of this MOA issued previously by either the DLPP, DOW and the customary land owners;
6. No amendment or additional terms and conditions to this MOA shall be deemed binding between the parties unless mutually agreed upon by them in writing.

IN WITNESS WHEREOF, we have hereunto affixed our signatures this 5<sup>th</sup> day of MAY 2015.

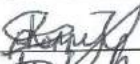


By and on behalf of the Independent State  
of Papua New Guinea Minister for Works

  
(Name and Signature)

  
(Designation)

5

**HENGANOFI – NUPURU ROAD PROJECT  
KAFETINA LOCAL LEVEL GOVERNMENT COUNCIL**

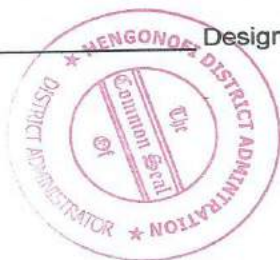
No	Name Of Leader & Status:	Council Ward Name:	Village:	Clan & Sub Clan:	Signature:	Date:
	Kerry Peter	HABANOFI	HABANOFI			21/04/2015
	DANIEL LONTO	KONAMENFI	KONAMENFI			21/04/15
	Puffy Susugau	PRESIDENT	LLGC			21/04/2015

**Witness:**

I, Derrick FORMAI, a Provincial Lands Officer of Eastern Highlands Province, a public servant of Papua New Guinea, do hereby certify that the contents of this Agreement were read over by Works Coordinator in the Kafe language that is understood by the signatories to this Agreement and I further certify that to the best of my knowledge and belief the contents of this Agreement are understood by the signatories hereto.

Dated at HENGANOFI this 21 day of April 2015

Signature:  Designation: Dist. Lands Officer



**Third Party Verification Letter**

We provide the independent verification of the Memorandum of Agreement (MOA) signed on 21/4/15 (insert date) between the Government of PNG represented by the Department of Works and landowners clans of KARENTINA L.L.G., HENGANDFI DISTRICT (insert address of landowners) on the use of 0.35 ha land for widening of the Highlands Regions Roads Improvement and Investment Program (HRRIP) that;

- (i) the landowners support the upgrading and widening of the road and have agreed to provide affected land,
- (ii) consultations and negotiations with landowners have been undertaken meaningfully, freely and in good faith and the landowners have made informed decisions on use of land, and;
- (iii) terms and conditions of the MOA have been explained to and understood and agreed to by the Landowners. The verification is based on our independent;

- Review of the documentation on the identification of affected landowners and the consultation and negotiation process leading up to the signing of the MOA;
- Validation that consultations with the landowners have been undertaken and that they were provided with relevant information as per the HRRIP Resettlement Framework (RF);
- Validation that the agreement is voluntary (free of coercion) and that the landowners have fully understood and agreed to the MOA terms and conditions;
- Validation that the landowner representatives signing the MOA duly represent the landowners;
- Validation that the contribution of the land to the project will not cause undue hardship to any third party or individuals;
- Validation that the loss of all assets on land (structures, trees, crops, etc) have been identified and sufficiently addressed for compensation in the Resettlement Plan (RP);
- Validation that compensation for loss of assets on the land included in the RP represents a fair and reasonable replacement cost based on market prices; and
- Validation that the MOA is in compliance with applicable laws of PNG, including \_\_\_\_\_ (specify applicable law) as well as safeguard requirements stipulated in the RF.

The verified copies of the MOAs are attached herewith.

Signature of Verified Officer:

Date: 21/4/2015

Name of NGO or Magistrate:

Official Stamp:





P O Box 1108  
BOROKO, NCD  
Papua New Guinea

## DEPARTMENT OF WORKS



Tel: (675) 324 1114  
Fax: (675) 324 1102

### MEMORANDUM OF AGREEMENT

This **Memorandum of Agreement** entered into by and between;

The Independent State of Papua New Guinea as represented by the Department of Works;

---AND---

The council wards of Yate, Suroi, Ehi, Niguna, Nagagimi, Hapru, Fore, Kuwana, Numuyagane, Krebabi, Kofionka District of Henganofi, Province of Eastern Highlands represented by its wards leaders, district leaders, leaders of clans and sub-clans, the names of which are enumerated at the end of this document;

---WITNESSETH---

**Whereas**, the State through the Department of Works is formulating, administering and implementing the Highlands Region Roads Improvement Investment Program (HRRIP), an ADB funded program for the upgrading, rehabilitation and maintenance of selected roads in the Highlands Region Road Network;

**Whereas**, one of the qualification of a road for the HRRIP is that it is an existing or former road, that is, the road bench exists and restitution of a trafficable road does not require major earthworks or construction of structures and the local population as well as district and provincial administrators have clearly stated their support for upgrading and rehabilitation of the pre-selected road;

**Whereas**, the Henganofi -- Nupuru road section has been pre-selected by the State through the Department of Works (DOW) and approved by the Asian Development Bank (ADB) based on certain assumptions including two conditions namely that the right to use (a) existing road carriage has been negotiated in the past when such road was constructed, and (b) additional land to be required for the HRRIP project has been negotiated with the customary owners;

**Whereas**, after diligent searches and inquiries from the relevant government agencies, the existence of a written document on the agreement for the use of customary land in the past cannot be ascertained and that the agreement may not have been put into writing;

**Whereas**, the absence of any proof of the existence of previous agreements for the use of the existing road carriage and the use of additional road width for the HRRIP project by the government require a written agreement for the continued inclusion of the selected road to the HRRIP because the previous assumptions of the existence of these documents for the use of existing road and additional land may not be defensible;

**Whereas**, there is an urgent need to have a written agreement on land use for the eligibility of the selected Henganofi -- Nupuru road section with the HRRIP and avoid any future conditions that would give rise to misunderstandings, resentments and possible conflicts on the right to use the customary lands;

**Whereas**, the clans and communities who jointly own the customary land are fully aware of the benefits of an ungraded and rehabilitated road for their communities such as faster travelling time and cheaper transport costs, better access to health and educational facilities, increase economic activities, better access of farm products to markets among others;

**Whereas**, the clans and communities, who jointly own the affected customary land that will be needed by the government for road improvements, are fully supportive of the proposed project to improve the existing road section passing through their communities, wards and districts;

**Whereas**, the clans and communities, who jointly own the affected customary land are desirous for the road section which is located in their customary land, to retain its status as a pre-selected road of HRRIP subject to a feasibility study including qualifications of the project's eligibility criteria and detailed engineering design;

**Whereas**, there is an urgent need for a close public – tribal partnership between the Independent State of Papua New Guinea as represented by the Department of Works who has the legal mandate to undertake infrastructure development in the country and the clans and communities who jointly own the customary land where the proposed road development will be constructed;

**NOW, THEREFORE**, for and in consideration of the foregoing premises and covenants hereinafter stipulated, the Independent State of Papua New Guinea, represented in this Memorandum of Agreement by the Department of Works (DOW) and the clans and communities who jointly own the customary land where the existing road carriage is located and the additional land that will be required to improve the existing road have entered into this agreement as follows:

## 1.0 Identification and Location of Road Section

1.1 DOW has considered the road section from Henganofi – Nupuru as a pre-selected road for the HRRIP. This road section has a length of around 33+960 Km and will start at chainage 0+080 located at Henganofi and will end at chainage 34+040 at Nupuru.

1.2 We certify that we, as individuals and representatives of our communities and clans, are the exclusive customary owners of the road section that is a pre-selected road for the HRRIP. The particulars of our customary land are described below;

Road section: Henganofi - Nupuru  
 Chainage: From 0+680 to 34+040  
 Wards: Yate, Suroi, Ehi, Niguna, Nagagimi, Hapru, Fore, Kuwana, Numuyagane, Krebabi, Kofionka  
 LLG/District/Province: Fayantina, Henganofi, Eastern Highland Province

## 2.0 Additional Land Requirements

The upgrading and rehabilitation of this pre-selected road will require additional customary land and that based on the existing road and the proposed road, both described below, the preliminary estimate of the DOW for the additional land requirement is 11.02 hectares,

Existing Road	Proposed Road
Carriageway 4.00 meters Formation width 4.20 meters Total width 5.28 meters, to outside of drainage structures Total area 17.63 hectares of existing road within the customary land.	Carriageway 6.00 meters Formation width 6.50 meters Total width 11.04 meters of construction limits Total area 36.83 hectares of proposed road
<b>Difference of area between existing road and proposed road: 19.20 hectares</b> (additional land required)	

### 3.0 Agreement

#### 3.1 Responsibilities and Commitments of Clans and Communities

1. We, members and representatives of the clans and communities who jointly own the customary lands on the above mentioned road section agree to permit the Independent State of Papua New Guinea (State), as represented by DOW, to use our additional customary land for the upgrading, rehabilitating and maintaining the road section described above exclusively under the HRRIP and guarantee the unimpeded use of the road by the public;
2. That in recognition of the fact that the road project which will provide development and livelihood opportunities for our communities, we voluntarily waive our rights to compensation for the following two types of trees/crops listed in the 2013 Valuer General's Compensation Schedule, whose economic value is not significant: timber trees identified under Category D and crops measured based on area.<sup>1</sup>We will harvest our affected trees/crops before the road construction and will use the produce for household needs or sell them and retain the sale proceeds with ourselves.
3. Except for the minor trees/crops mentioned above, the government will provide compensation for other major crops/trees as well affected structures and assets (see section 3.2 below).
4. That we enter into this agreement on the basis of our free and prior informed choice and consent, having been provided with full information by the State through the DOW and DLPP about the HRRIP project and are fully aware of the consequences for our tribes, clans/sub-clans and communities and waive any and all customary interests over the additional lands in lieu of public infrastructure;
5. That we are aware that the State will be using public funds for the improvement of roads situated in customary lands and if the issue of land use is not properly addressed now, future generations of customary owners may restrict and limit public and private vehicles from using the improved road that may cause conflict and unrest in our communities and villages;
6. That our full permission for the State to use the additional land is premised on the existence of the said road and in the event that the use of our customary land as a road is discontinued for any cause, our permission will also cease and the use of the land will revert to the former owners and users of the land at the time of taking;
7. That we are validating and reiterating the permission given by our ascendants to permit the State through the DOW, to use our customary lands where the existing road carriage is located and in the event that the use of our customary land as a road is discontinued for any cause, our permission will also cease and the use of the land will revert to the former users of the land at the time of taking;
8. In the event that the State will seek to use or establish a public road reserve beyond the actual construction limits of the proposed road under the HRRIP, the required additional lands is not included in the subject matter of this MOA and will require a separate agreement with the customary land owners;
9. That if there are any dislocations on land use that will be caused to any member of our clans and community because of the additional land requirement of the road, in considerations for the positive effects of the project, our clans and communities involved will address this issue based on our customs and traditions and provide for adequate land replacement;
10. That we are representing all the clans and communities that jointly owned the land as described in Section 2 of this agreement and that we will all be jointly responsible to control and supervise our ranks in complying with the terms and conditions of this agreement.

<sup>1</sup>Crops identified by area in the 2013 Valuer General Compensation Schedule are the following: Green vegetable (mixed), Oenanthe, rice, sorghum, watercress, wheat, wild scrambling bamboo, kunai grass, mat weaving plant, sago (wild) and other similar crops.

11. That we are guaranteeing the State on behalf of all members of this community and its clans that there will be no land claims or grievances on the existing road as well as on the additional land required and that there will be no disruption and/or disturbance of the civil works to upgrade and rehabilitate the road;
12. That in the event that there is disruption and/or disturbance of data gathering for planning, surveys and during the implementation of civil works of the above road section, the clan and/or community involved will be jointly liable for the appropriate remedies and the erring person who may be criminally liable, be surrendered to the proper authorities for the appropriate legal measures.

### 3.2 Responsibilities and Commitments of the State through the Department of Works

1. The DOW has minimized as far as possible additional land requirements for the improvement of the existing road based on existing road standards to ensure the safety of passengers and vehicles using the improved road. However, there are instances that improvements in the hairpin curves sections, relocation of some bridges and improvement in the drainage system will result in using more lands than expected which are unavoidable but necessary to improve the safety of the existing road carriage.
2. DOW has conducted a detailed measurement survey to determine the additional land required to upgrade, rehabilitate and maintain the above mentioned road section based on the detailed engineering design and has a list of all the affected persons (APs) and their affected assets such as annual crops, perennial plants and trees, fences, structures, and graves and these will all be compensated based on the 2013 Valuer General's Compensation Schedule (hereinafter referred to as the Schedule);
3. The clans and communities will ensure that after the detailed measurement survey, there will be no new structures built or crops, plants, trees planted within the construction limits. Structures built and improvements planted or made after the detailed measurement survey (cut-off date) will not be compensated.
4. *Temporary Use of Land* – The road contractor will negotiate with customary land owners for the temporary use of customary land for the construction camps, motor pools, stockpile areas for aggregates, etc. The road contractors will be responsible for the restoration of the area after the completion of the road as part of their contract.
5. *Compensation for Loss of Annual Crops* – APs will be encouraged to harvest their annual crops specified under Category B of the Valuer General's Compensation Schedule; in this case, no compensation will be paid. However, if the annual crops under Category B are not yet harvestable by the time of land taking within 6 months period from the DMS, compensation will be based on the Valuer General's 2013 Compensation Schedule. In all cases, if the land taking is more than 6 months from the detailed measurement survey (DMS) that has been notified to APs as a cut-off-date, standing annual crops under category B are presumed to have been planted after the DMS (cut-off date) and shall not be compensable.
6. *Compensation for Loss of Perennial Plants and Trees* – Compensation for lost plants and/or trees will be paid based on the Valuer General's 2013 Compensation Schedule except otherwise provided for in the Schedule.<sup>2</sup>
7. *Compensation For Loss of Timber Trees* -- For timber trees identified under Category D (forest trees) of the 2013 Schedule, APs have agreed to cut their affected forest trees, use the produce for household needs or sell them and keep the proceeds of the sale.
8. *Compensation For Loss of Fences* -- Fences constructed of wood or metal will have a compensation rate equal to the current market price (per meter) for similar fencing materials, as determined in the subproject area. For vegetation fences, the compensation will be based on the Schedule for the type of plant material used.

<sup>2</sup>All natural occurring trees with a diameter of less than 6 centimeters at a height of 2.00 meters or natural occurring trees less than 2 meters in height shall not be subject of compensation claims as provided by the 2013 Compensation Schedule.

9. *Compensation for Loss of Semi-Permanent or Temporary Structures* -- Semi-permanent or temporary structures may be located close to the road and it may be necessary to shift these buildings back in order to upgrade the road. In this instance, APs will be provided with a shifting allowance to cover the costs of this activity. If such structures cannot be moved, APs are entitled to compensation at replacement cost for the materials and labor to repair or reconstruct a similar structure.
10. *Compensation for Loss of Graves* -- Compensation will be paid for the affected graves based on the Schedule. In addition, HRRIP will pay an additional grant to ensure that compensation received is equal to the costs for reburial and construction of new grave.
11. *Construction Employment* -- People affected by permanent or temporary loss of land or by damage or loss of crops, trees or structures will be given priority for employment by contractors for civil works and/or maintenance works on the road, preferably on road sections where they own the customary land, provided that these applicants are qualified to perform the work required.
12. *Shifting Allowance* -- The value of the shifting allowance will be calculated based on the provincial minimum wage as established by the Minimum Wage Board for a maximum period of two months. At the time that the shifting allowance is paid, the landowner will sign an agreement with DOW and/or DLO regarding the date by which the structure will be removed from the land required to upgrade/rehabilitate the road.
13. *Business Disruption Allowance* -- APs that own a temporary or semi-permanent structure that is used as a trade store or for other business purposes that must be shifted a short distance to a location outside the area designated for the road are entitled to an allowance to cover the loss of business income while the structure is being shifted calculated based on the provincial minimum wage as established by the Minimum Wage Board for a period equal to number of days of disrupted business.
14. *Time for Valuation of Assets* -- The valuation of assets will be made at the time of the detailed measurement survey (DMS) conducted following completion of detailed engineering design calculated based on the Valuer General's Compensation Schedule and assessing the requirement for additional grants and the grant amount based on existing conditions in the subproject area.
15. *Delayed Payment* -- If payment of compensation is delayed, compensation rates will be updated regularly based on inflation rates to ensure that APs receive compensation at replacement cost at the time of compensation payment.
16. *Full Payment of Compensation* -- APs are entitled to payment of all compensation based on the DMS prior to clearance of land and start of civil works. DOW will ensure that all procedures are followed to facilitate payment of APs prior to the start of civil works. In the case of affected crops, trees and structures, the compensation owed will be paid directly to the person who owns these assets.
17. All land acquisition activities will be coordinated with the civil works schedule. Civil works contractors will not be issued a notice of possession of the site until (i) compensation and relocation of APs have been satisfactorily completed; (ii) agreed rehabilitation assistance is in place; and, (iii) the site is free of all encumbrances.

#### 4.0 General Conditions

1. If the negotiated agreement for the use of the customary land as roads, both for the existing road and for the whole road section as described earlier have not been attained for any cause, both parties agree that this memorandum of agreement will become null and void and unenforceable to any or both parties; In this case, the State through the DOW will inform in writing the clans and communities through their leaders and representatives about this development and this is sufficient notice for the State to invoke the unenforceability of the MOA;

2. The State through the DOW and its consultant together with the provincial, district and ward administrations will conduct periodic consultations and encourage active participation of affected clans and communities covered by this road section to inform and update all stakeholders of the development of the project;
3. The State through the DOW in collaboration with the provincial and/or district land officer will institute a grievance process based on the accepted practices of mediation to address any complaint or issue regarding the valuation of asset or any resettlement related matter. If the complaint or issue is not resolved in this level, the HRRIP will adopt procedures to refer matters to the system of land courts as set out in the Land Disputes Settlement Act;
4. In the event of grievances that cannot be resolved through mediation at the local level, the State through the relevant authorities will hold the compensation amounts in escrow. Compensation will be paid in full upon final resolution of the case in the courts or other forum, in accordance with the entitlements of the affected person;
5. This MOA repeals and/or supersedes any written or verbal agreement for the use of customary land on the existing road carriage and the proposed road referred to in Section 2 of this MOA issued previously by either the DLPP, DOW and the customary land owners;
6. No amendment or additional terms and conditions to this MOA shall be deemed binding between the parties unless mutually agreed upon by them in writing.

IN WITNESS WHEREOF, we have hereunto affixed our signatures this 5<sup>th</sup> day of MAY 2015.

By and on behalf of the Independent State  
of Papua New Guinea Minister for Works

  
\_\_\_\_\_  
(Name and Signature)

  
\_\_\_\_\_  
(Designation)

7

**HENGANOFI – NUPURU ROAD PROJECT  
FAYANTINA LOCAL LEVEL GOVERNMENT COUNCIL**

No	Name Of Leaders & Status:	Council Ward Name:	Village:	Clan & Sub Clan:	Signature:	Date:
1	Alphonse Forkaya	YATE	YATE	YATE	<i>[Signature]</i>	21/04/15
2	SianeUsomo	KURU	KURU	Magrepa	<i>[Signature]</i>	21/04/15
3	YuteMousaApeli	EH1	EH1	Ehi	<i>[Signature]</i>	21/04/15
4	MotiMako	NIGUNA	NIGUNA	NEGIRE	<i>[Signature]</i>	21.04.15
5	SoxsohanaHafiyo	NAGAGIMI	NAGAGIMI	XAKAKI	<i>[Signature]</i>	21/04/15
6	FunoroKase	HAFRU	HAFRU	HAFRU	<i>[Signature]</i>	21/04/2015
7	Amos Bokori	FORE	FORE	USGETU	<i>[Signature]</i>	21/04/2015
8	Job Ave	KUWANA	KUWANA	KUWANA	<i>[Signature]</i>	21/04/2015
9	UvaoSegi	NUMUYAGAV E	NUMUYAGAVE	KUPUNOFI	<i>[Signature]</i>	21/04/2015
10	Roman Brinkaso	KEREBABI	KEREBABI	KEREBABI	<i>[Signature]</i>	21/4/15
11	Robin Pio	KOFIONKA	KOFIONKA	BANINOFI	<i>[Signature]</i>	21/04/15
12	KopiskKaimo	PRESIDENT	FAYANTINA	LLG	<i>[Signature]</i>	21/04/15

**Witness:**

I, DERICK FORMAN, a Provincial Lands Officer of Eastern Highlands Province, a public servant of Papua New Guinea, do hereby certify that the contents of this Agreement were read over by WORKS COORDINATOR in the KAFE language that is understood by the signatories to this Agreement and I further certify that to the best of my knowledge and belief the contents of this Agreement are understood by the signatories hereto.

Dated at Henganofi this 21<sup>st</sup> day of APRIL 2015

Signature: *[Signature]*

Designation: DIST. LANDS OFFICER



**Third Party Verification Letter**

We provide the independent verification of the Memorandum of Agreement (MOA) signed on 21/4/15 (insert date) between the Government of PNG represented by the Department of Works and landowners clans of FAYANTINA LLG, DISTRICT OF HENGANOFI (insert address of landowners) on the use of 19.20 ha land for widening of the Highlands Regions Roads Improvement and Investment Program (HRRIP) that;

- (i) the landowners support the upgrading and widening of the road and have agreed to provide affected land,
- (ii) consultations and negotiations with landowners have been undertaken meaningfully, freely and in good faith and the landowners have made informed decisions on use of land, and;
- (iii) terms and conditions of the MOA have been explained to and understood and agreed to by the Landowners. The verification is based on our independent;

- Review of the documentation on the identification of affected landowners and the consultation and negotiation process leading up to the signing of the MOA;
- Validation that consultations with the landowners have been undertaken and that they were provided with relevant information as per the HRRIP Resettlement Framework (RF);
- Validation that the agreement is voluntary (free of coercion) and that the landowners have fully understood and agreed to the MOA terms and conditions;
- Validation that the landowner representatives signing the MOA duly represent the landowners;
- Validation that the contribution of the land to the project will not cause undue hardship to any third party or individuals;
- Validation that the loss of all assets on land (structures, trees, crops, etc) have been identified and sufficiently addressed for compensation in the Resettlement Plan (RP);
- Validation that compensation for loss of assets on the land included in the RP represents a fair and reasonable replacement cost based on market prices; and
- Validation that the MOA is in compliance with applicable laws of PNG, including \_\_\_\_\_ (specify applicable law) as well as safeguard requirements stipulated in the RF.

The verified copies of the MOAs are attached herewith.

Signature of Verified Officer: \_\_\_\_\_

Date: 21 / 4 / 2015

Name of NGO or Magistrate: Kata

Official Stamp: \_\_\_\_\_



## **Annex 5: Organizational Arrangements**

**Annex 6: Indicators and Responsibility for RP Monitoring**

RP Parameter	Indicator	Responsibility	Remarks
1.Funding for RP (allocation & disbursement)	<ul style="list-style-type: none"> <li>Amount (in Kina) transferred to project by date</li> <li>Amount spent by activity and date</li> </ul>	HRMG safeguards coordinator in consultation with project accountant	
2.In-kind assistance	<ul style="list-style-type: none"> <li>Units of seeds &amp; planting material distributed</li> <li>Number of APs and non-APs benefitted</li> <li>Number of APs (by gender) contacted by extension, micro credit, business training and animal husbandry</li> <li>Number of APs receiving drinking water by date</li> </ul>	DA and service provider Monitoring by HRMG	Monthly reports are required
3.AP Livelihoods	<ul style="list-style-type: none"> <li>Housing, water supply, sanitation and electric power available and unavailable for APs</li> <li>Poverty level as perceived by APs</li> <li>Units of household items possessed by APs</li> <li>Number of garden plots</li> <li>Livestock units by type</li> </ul>	Baseline data from socio-economic study Mid-term and final impact data from the same study	Baseline study is completed
4.AP's income	<ul style="list-style-type: none"> <li>Household income of APs by vulnerability</li> <li>HH expenses</li> <li>Number employed</li> <li>Number in project employment</li> </ul>	Items 1 to 3 from SIS study data Last item from contractor	First three items from baseline, mid-term and final impact study whilst last item from monthly reports and HRMG monitoring check-list
5.Consultation	<ul style="list-style-type: none"> <li>Number of APs and community members attended by gender</li> <li>Date of meeting</li> </ul>	HRMG field staff	On a monthly basis
6.Grievances	<ul style="list-style-type: none"> <li>Number of grievances received by date</li> <li>Grievances reviewed by GRC by date</li> <li>Grievances approved by GRC</li> <li>Grievances fully resolved</li> <li>APs resorted to legal action (number)</li> </ul>	GRC	Data to be collected by HRMG staff and reported in their monthly report
7.AP satisfaction	<ul style="list-style-type: none"> <li>% APs satisfied with resettlement by gender</li> <li>% APs who have restored</li> </ul>	SIS study and IMO	Baseline data available now. IMO data from the report in 2017

	their livelihoods		
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## Annex 7 Details of Public Consultations in Henganofi-Nupuru

21<sup>st</sup> March 2012

### 1. Fore station (ch: 18+600)

Name	Sex	Occupation
Graham Stanley	Male	Youth
Felix Aifa	Male	Leader
Jonah Aifa	Male	Leader
Jonah Tanimio	Male	Leader
Stanley Aunnemo	Male	Subsistence farmer
Soka Kuba	Male	Youth
Titus Tanino	Male	Subsistence farmer
Tulex Bata	Male	Subsistence farmer
Jogave Timi	Male	Youth
Philmon Vegofi	Male	Subsistence farmer
Joe Navi	Male	Subsistence farmer
Ovis Novi	Male	Youth
Thomas aita	Male	Subsistence farmer
mAria Timbo	Female	Subsistence farmer
Simon Eve	Male	Subsistence farmer
Soo Smara	Female	Subsistence farmer
Bun Bata	Female	Subsistence farmer
Ikerafa Cowboy	Female	Subsistence farmer
Apifa Movin	Female	Subsistence farmer
Martin Ave	Male	Subsistence farmer
Waro Kenui	Male	Subsistence farmer

### 2. Futago Area (24+800)

Name	Sex	Role
Ephraim Kaka	Male	Youth leader
Johnson Kaka	Male	Church pastor
Gibson Kefa	Male	Assistant church pastor
Total Kafana	Male	Church pastor
Samuel Jacob	Male	Church pastor
Murphy Gideon	Male	Assistant church pastor
Willy	Male	Assistant church pastor
Joseph Sume	Male	Church pastor
Mathson	Male	Church pastor
Segapo	Male	Elder
Obeth Jacob	Female	Womans representative

Higi Joe	Male	Youth leader
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### 3 6-mile Area (25+500)

Name	Sex	Role
Nelson P	Male	Elementary Teacher
Mathew K	Male	Subsistence farmer
Alex K. B	Male	Community Leader
Hone	Male	Student
Francis	Male	Student
Sompa	Male	Subsistence farmer
Kevin	Male	Subsistence farmer
Joto	Male	pastor
Konarive	Female	Housewife
Joss	Male	Church Elder
Kavusy	Male	Subsistence farmer
Kaune	Male	Student
Juma	Male	Subsistence farmer
Sira	Female	Youth
Melex	Female	Student
Isifa	Male	Subsistence farmer
Aoto	Male	Subsistence farmer
Manakno	Female	Housewife
Kinamo	Male	Subsistence farmer
Kevin	Male	Community leader
Lovinda	Female	Housewife
Moviya	Male	Church leader
Vagio	Female	Housewife
Honekfa	Male	Youth
Italy	Female	Youth
Tita	Female	Student
Tom	Male	Student
Iron	Male	Subsistence farmer
ATANO	Female	Housewife
Joma	Male	Youth

### 4. Imaka area (27+300)

Name	Sex	Role
Sikuri Joaganaso	Male	Magistrate/Chairman village court
Kamilius Hoto	Male	Youth Leader
Jersy Firi	Male	Youth
Marko Efermo	Male	Youth

Saka Atete	Male	Subsistence Farmer
Jole Ajopa	Male	Subsistence Farmer
Deka Kopi	Male	Subsistence Farmer
Iso Wesley	Male	Youth
Power Siviro	Male	Subsistence Farmer

5. ***Lufa / Henganofi border league.*** (Ch:29+500)

<b>Name</b>	<b>Sex</b>	<b>Role</b>
Sopa Iko	Male	Leader
Jack Kay	Male	Youth
Segupe	Male	Leader/ sport official
Konavoyo	Male	Leader/ sport official
Hango	Female	Subsistence farmer
Kala	Male	Church Leader-SDA
Koifo	Female	Church Leader/ Womens Rep
Alex	Male	Youth Leader
Passie. M	Male	Church Rep
Gideon Yawa	Male	Subsistence farmer
Davi Yauka	Male	Subsistence farmer Youth
Tetim P	Male	Youth leader
Apako	Male	Peace officer/Land Mediator
Haneba	Male	Youth leader

## **Annex 8: Terms of Reference<sup>3</sup>**

### **Independent Monitoring Organization For the Highland Region Road Improvement Investment Program**

#### **A. External Monitoring Objectives**

1. The objectives for external monitoring are to provide an independent review and assessment of (i) the achievement of Highland Region Road Improvement Investment Program (HRRIP) resettlement objectives and principles, (ii) the effectiveness, impact and sustainability of the resettlement process including all types of assistance, (iii) propose a corrective action plan if required, to address significant remaining resettlement issues and (iv) to identify strategic lessons for future policy formulation and planning.

2. The assessment should be undertaken objectively and independently in close consultation with the Department of Works (DOW) as the execution agency (EA) and Highlands Road Management Group (HRMG) as implementation agency (IA). The principles that govern the basis for independent monitoring are contained in Asian Development Bank's (ADB) Safeguards Policy statement (SPS) of 2009.

#### **B. Team Composition and Timeline**

3. The Independent Monitoring Organization (IMO) will be a two-member team, one specialized in socio-economics and evaluation whilst the other in social anthropology. The socio-economist will be the team leader. Both should have adequate experience in resettlement monitoring for international agencies.

4. The task of IMO is to conduct independent monitoring of resettlement activities in respect of completed and on-going subprojects covering Tranche 1 through to Tranche 3 under HRRIP. The resettlement activities for Tranche 1 subprojects have already been completed whilst the same activities in other 3 subprojects (Tranche 2) are in the process of being approved or just about to be implemented. The actual number of subprojects to be monitored by the IMO depend on how many subprojects are completed by the mid-year 2018. Accordingly, the scope of work for IMO will commence by January 2016 and will be completed by June 2018.

#### **C. Monitoring and Evaluation Parameters**

5. Among the parameters that will be monitored and evaluated by the IMO are:

(i) Public consultation and disclosure. This activity has been completed for all subprojects in Tranche 1. Consultations in the process of preparation of RP have also been completed for all subprojects in Tranche 2 and 3. However, such consultations in Tranche 2 and 3 are yet to be organized in respect of up-dating RP and grievance redress. IMO is expected to conduct a desk review in respect of already completed activities whilst it will conduct observations on at least 2 such activities for each subproject in Tranche 2 and 3.

(ii) Identification of APs, their entitlements, assessment and valuation of assets. These activities have been completed for all 13 subprojects in Tranche 1 to 3. The project team will validate APs, their entitlements and the valuation process just prior to mobilization of contractors in respect of subprojects in Tranche 3. The IMO is expected to conduct a desk review in respect

of all subprojects in Tranche 1 and 2 whereas it will make observations on the validation process to be implemented by project staff for subprojects in Tranche 3. For observations, one such meeting per subproject at the minimum will be selected by the IMO.

(iii) Payment of compensation. This activity has been partially completed in all Tranche 1 subprojects whilst it is in progress for all other subprojects. The IMO will verify the process and the degree of completion for all subprojects, using available records cross-checked through a sample of AP interviews.

(iv) Co-ordination of resettlement activities with construction schedule. The IMO will verify the level of coordination achieved between resettlement with construction schedule for Tranche 1 subprojects. This will be conducted through a desk review combined with interview of selected stakeholders. For all other subprojects, the IMO will conduct field verification of this activity whenever it is implemented. It is expected that each subproject in Tranche 2 and 3 is visited to conduct this verification.

(v) Income restoration and livelihood activities. The IMO will verify the extent to which APs have restored their income levels and livelihood activities after resettlement. It is believed that APs have restored their income and livelihoods to pre-settlement stage in the case of completed subprojects. For other subprojects, this will happen sometime in the future, after completion of resettlement activities. Apart from discussions with different stakeholders, it is expected that IMO visit each subproject in Tranche 2 and 3 to verify this activity. The manner of accomplishment including details of methodology are to be provided in the inception report.

(vi) The level of satisfaction of APs on various aspects of the resettlement process will be assessed for Tranche 1 subprojects. The IMO will coordinate with the client to determine when this could be assessed in respect of other subprojects in Tranche 2 and 3. The IMO in consultation with DOW will determine and propose in their proposal the best approach (includes sampling details) to verify AP's satisfaction .

(vii) The grievance redress mechanism (GRM) has been established and is well under execution for Tranche 1 subprojects. It is yet to commence in respect of all other subprojects. The IMO whilst reviewing the GRM process for completed subprojects will coordinate with the client to determine when this could be assessed in respect of subprojects in Tranche 2 and 3. The timeline and methodology for such assessment will be proposed by the IMO.

(viii) Monitoring of RP is nearing completion in respect of Tranche 1 subprojects. It is yet to commence for all other subprojects. It is expected that IMO propose the method and other details to explain how they propose to undertake this activity.

6. It is required that IMO review each RP to identify all monitoring parameters that have been proposed. It is necessary to develop indicators and methods as appropriate in order to ensure the task of independent monitoring is comprehensive and thorough. These matters will be reported in their proposal and further elaborated in the inception report.

## D. Methodology

7. The general methodology for undertaking the independent review is briefly presented below. The IMO is expected to provide a detailed methodology in their inception report for review and approval by DOW.

### Desk Review

8. The resettlement activities in respect of all completed subprojects will be assessed through a desk review. The IMO is required to consult project staff in order to identify all documents and data files to conduct this review. All data sources and documents reviewed will be listed in their reports.

### Interviews

9. The IMO will conduct interviews with all stakeholders including the APs to conduct relevant assessments and validations. In doing so, the process, instruments utilized and capturing a representative sample of the affected population will be explained in the inception report. Special attention should be paid so that women, elderly persons and other vulnerable target groups are not overlooked from interviews.

### Participatory Techniques

10. The independent monitoring organisation will conduct participatory rapid appraisals (PRA) to consult various stakeholders (local government, implementing agencies, social organizations, community leaders and APs). Among the specific techniques to be employed are:

- (i) Key informant interviews with selected local leaders at village, LLG and district levels;
- (ii) Informal discussions with APs, vulnerable groups, women and other stakeholders;
- (iii) Focus Group Discussions (FGDs) with the affected population including vulnerable APs;
- (iv) Structured direct field observations;
- (v) Case studies; and
- (vi) Attend public consultations to assess the process, participant invitation, views of participants, feedback by project staff, etc.

## E. Staffing

11. The input schedule by the two-member team is as follows:

Position	Field (months)	Home-office (months)	Total (person months)
Socio-economist	9 (3 months each in 2016, 2017 and 2018)	0.50 (1-2 weeks after each field visit)	9.50
Social Anthropologist	4 (1 month in 2016, 2 months in 2017 and 1 month in 2018)	0.50 (1 week after field travel in 2016 and 2017)	4.50
Total	13	1.00	14.00

12. The two specialists will provide their inputs on an intermittent basis between 2016 and 2018 June. It is required that the two specialists organize their mobilization with a good overlap so that the monitoring and reviews are conducted as a team.

## F. Reports

13. The IMO is required to produce reports as listed below:

Deliverable	Description	Timeline	Remarks
Inception report	Contains proposed methodology, work plan, personal schedule including resources required and time plan	To be provided within one month of Commencement of work	One report for each Tranche. Inception reports for subprojects in T 2 and T 3 to show lessons learnt from previous Tranches and incorporate such lessons into current work
Progress reports	Issues to address include, but not limited to: <ul style="list-style-type: none"> <li>Progress of work undertaken</li> <li>Proposed work including recommendations for the attention of the client</li> <li>Deviations, if any, from the provisions in RP and an explanation thereof</li> <li>Identification of problem issues and recommended solutions so that implementing agencies are informed about the ongoing situation and can resolve problems in a timely manner</li> <li>Progress of the follow-up of problems and issues identified in the previous report</li> </ul>	Twice a year	Not necessarily based on each subproject. IMO is expected to propose the best approach
Final report	Three final reports, one for each Tranche. Each report contain methodology, outcome of monitoring, evaluation of process and outcomes 6-12 months after completion of all resettlement and compensation activities for each subproject, lessons learnt, findings, conclusions and recommendations for subprojects under the relevant Tranche.	Report to cover subprojects that are in various stages of construction	3 individual reports

**G. Presentations**

14. The IMO will conduct a seminar to highlight work undertaken, main findings, recommendations and lessons learnt. The presentation may follow the submission of bi-annual monitoring reports to discuss and resolve issues that are not conducted satisfactorily. The suggested participants for this event are HRMG, contractor, DOW and ADB.