

Semi-annual Report

August 2018

# **HIGHLANDS REGION ROAD IMPROVEMENT INVESTMENT PROGRAM -PROJECT 3 Nipa-Munihu Road Sub-Project**

Prepared by Department of Works for the Asian Development Bank

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SEMI-ANNUAL SOCIAL SAFEGUARDS MONITORING  
REPORT No. 2

**PNG: HIGHLANDS REGION ROAD  
IMPROVEMENT INVESTMENT PROGRAM  
(TRANCHE 3)**

**Nipa Munihu Road Sub-Project**

JANUARY – JUNE 2018

Prepared by Highlands Road Management Group (HRMG), Department of Works for the Asian  
Development Bank.

August 2018.

## TABLE OF CONTENTS

<b>Executive Summary.....</b>	<b>6</b>
<b>1.0 Introduction.....</b>	<b>8</b>
1.1 Background.....	8
1.2 Project Description.....	8
1.3 Institutional Arrangements .....	9
1.4 Purpose & Methodology.....	9
<b>2.0 Background of the Resettlement Activities.....</b>	<b>11</b>
2.1 Detailed design stage.....	11
2.2 Process of Compensation.....	11
<b>3.0 Budget and Time Frame .....</b>	<b>13</b>
3.1 Resettlement Staffing.....	13
3.2 Capacity building and training activities.....	13
3.2.1 Training Seminar for Contractors .....	13
3.2.2 Training Seminar for Social Safeguards.....	13
<b>4.0 Delivery of Compensation and Entitlements.....</b>	<b>15</b>
4.1 Memorandum of Agreement .....	15
4.2 Verification Survey of DMS Results .....	15
4.3 DMS for Second Section .....	16
4.4 Full Payment of Compensation .....	17
<b>5.0 Public Participation and Consultation.....</b>	<b>19</b>
5.1 Public Consultations and Women's Participation.....	19
5.2 Grievance Redress Mechanism.....	22
5.2.1 Composition of the GRC.....	22
5.2.2 Grievances Filed with GRC.....	23
5.2.3 Issues and Concerns Arising out of the Previous Contractor .....	23
5.2.4 GRC Recommendations .....	24
<b>6.0 Benefit Monitoring .....</b>	<b>25</b>
6.1 Road Construction Employment .....	25
6.2 Benefits from Quarry Operations .....	26
6.3 Revenue from Lease of Land.....	27
6.4 Other Local Benefits.....	27
<b>7.0 Requirements for Remedial Actions.....</b>	<b>29</b>
7.1 Pending Grievances .....	29

7.2 Implementation of In-Kind Assistance .....	29
7.3 Implementation of Income Restoration Measures.....	29
Appendices .....	30
Appendix 1 List of References .....	30
Appendix 2: Procedures for the GRC Process .....	31
Appendix 3: HRMG Community Relations Officer (Job Description).....	34
Appendix 4: Flow Chart of GRC Process .....	36
Appendix 5: Organizational Chart .....	37
Appendix 6: Photographs .....	38

## LIST IF TABLES

Table 1: Summary of Resettlement Costs Based on the RP .....	11
Table 2: Compensation Costs of Affected Assets (Km 0+000 - Km 13.950) .....	16
Table 3: Summary of Affected Assets (km 13.950 - Km 27.73) .....	17
Table 4: Consolidated Compensation Costs .....	18
Table 5: Summary of Public Consultations and Women's Participation .....	20
Table 6: Summary of Issues Raised during Consultations.....	20
Table 7: Composition of the Grievance Redress Committee (GRC) .....	23
Table 8: Grievances Lodged with the GRC (July -- December 2017).....	23
Table 9: Summary of Monthly Employment by Gender .....	25
Table 10: Breakdown of Workers by Origin .....	26
Table 11: Estimated Wages by Origin .....	26
Table 12: Summary of Quarry Volume and Estimated Value .....	27
Table 13: Summary of Lease Rentals Paid to Customary Land Owners .....	27
Table 14: Summary of Local Purchases.....	28

## Abbreviations

ADB	Asian Development Bank
APs	Affected Persons
CRO	Community Relations Office
DA	District Administrator
DC	Design Consultant
DMS	Detailed Measurement Survey
DP	Displaced Person
DOW	Department of Work
EA	Executive Agency
ESSB	Environment and Social Safeguards Branch
GR	Grievance Redress
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
GRP	Grievance Redress Process
HCRN	Highland Region Core Road Network
HIV	Human Immunodeficiency Virus
HRMG	Highlands Road Management Group
HRRIP	Highlands Region Road Improvement Investment Program
IA	Implementation Agency
IMO	Independent Monitoring Agency
IRS	International Resettlement Specialist
LLG	Local Level Government
MFF	Multi-Tranche Financial Facility
MOA	Memorandum of Agreement
MTS	Manager-Technical Services
NM	Nipa Munihi
NRA	National Road Authority
PNG	Papua New Guinea
PRO	Public Relations Officer
PSC	Project Supervision Consultant
PWM	Provincial Works Manager
RAP	Resettlement Action Plan
RCR	Resettlement Completion Report
ROW	Right-of-Way
SFPC	Senior Field Project Coordinator
RP	Resettlement Plan
SHP	Southern Highlands Province
SIS	Socio-economic Impact Study
SMR	Semi-annual Monitoring Report
SPS	Safeguard Policy Statement
SS	Social Safeguard Officer

## EXECUTIVE SUMMARY

- a) This third semi-annual social safeguard monitoring report for Nipa -Munihu Road covered the period from January to June, 2018. This report was carried out by the DOW through the Highlands Road Management Group (HRMG) and the monitoring results will be communicated to ADB through this report.
- b) Nipa - Munihu sub-project road is one of the 4 sub-projects of Tranche 3 of the Highlands Region Roads Improvement Investment Program, an ADB assisted road program. The sub-project is covered by CSTB contract # 3531 entered into by the Independent State of Papua New Guinea represented by the Department of Works and COVEC (PNG) Limited.
- c) The contract was awarded on 21 June 2017, and the project commencement started 11 December 2017 with a duration of 24 months and is scheduled to be completed on 10 December 2019. The Long-Term Performance Based Maintenance Services is 60 months from the issuance of the Performance Certificate for the Improvement Work.
- d) HRMG, the project implementing unit (PIU) has provided support related to activities to acquire land for upgrading HRRIP road. With this mandate, HRMG has provided training/seminars, technical and financial support to empower and upgrade the capabilities of its staff and other project stakeholders.
- e) The results of the resettlement impact assessment indicated that the existing road carriage occupies a total of 10.84 hectares of customary land owned by 11 tribes and their respective clans. The upgrading and rehabilitation of the road will require an additional 22.66 hectares of customary land for the whole road section. In total, the sub-project will require a total of 33.50 hectares of customary land which is the subject matter of the Memorandum of Agreement (MOA) between the Department of Works (DOW) and the customary land owners.
- f) Two separate Detailed Measurement Survey (DMS) were undertaken for the sub-project road at various dates. The initial covered only the first 13.950 kilometers out of the total road length of 27.8 km. Based on the results, there were 30 affected structures; 16 structures made of bush materials, 14 structures made of semi-permanent materials (trade stores), 35 grave sites and 78 fences with an aggregate length of 3,004 meters to be affected. There were also 21,823 affected crops and trees. A total of K307,876.35 were assessed including vulnerability and loss of business allowance, etc.
- g) The second DMS started at chainage 13+950 – 27.73 and it consisted of total number of structures identified to be within the road construction stands at 83 structures of which 57 are constructed from bush materials, 20 semi-permanent and 6 structures from permanent materials. The total area of these structures is 363.8 sqm. The total amount of compensation for the affected 83 structures is Kina 94,965.60. The sub-project is classified as Category B as confirmed by the findings of the detailed measurement survey (DMS).
- h) In summary, there are 1,278 APs whose affected assets and allowances amounted to Kina 758, 050.75. This total amount is based on the latest Valuer General's Compensation Rates or full replacement costs, whenever applicable. The APs received their corresponding amounts and all signed their respective Deeds of Releases (DORs).
- i) For the covered period there were total of 13 public consultations conducted along the sub-project at numerous intervals from January to June 2018 covering all the affected wards. There were 870 participants and out of this total, 500 were males (57.47%) while there were 370 females (42.52%). There were 660 participants who belonged to AP households. This number represented 75.86% of total public consultation participants.

- j) The establishment of the GRC for this sub-project was facilitated by HRMG as part of its delegated mandate to implement the resettlement plan. The Grievance Redress Committee (GRC) meeting was convened on the 26<sup>th</sup> April 2018 to address escalating number of grievances and resolutions were made that all grievances enlisted needed re-verification exercise which has been executed on the 18th May 2018 to fully settle outstanding compensation issues.
- k) For the covered period here were a total of 765 outstanding grievances registered in the complainant log sheet. A series GRC meetings will be scheduled to deliberate on grievances lodged by the aggrieved APs and the final recommendations derived through the deliberations will be communicated to HRMG for taking proper action.
- l) For the covered period, there were one (1) grievance redress committee meeting conducted for the subproject road. The GRCs have deliberated on grievances filed before them by the aggrieved APs. Some grievances are yet to be deliberated and to be verified on site prior final submission of recommendations to HRMG for settling payments. The GRCs are yet to deliberate on some outstanding grievances and those grievances will be verified on site prior submission. The exact number of genuine grievances confirmed as genuine by GRCs will be provided in the next reporting period.
- m) From January to June 2018, the subproject has hired a total of 665 workers consisting of 651 men (98 %) and 14 women (2%). There were 379 APs or their relatives employed during the review period. Working on an average monthly wage of Kina 500, the disbursements by the contractor during the 6 months is Kina 332,500.00 or a monthly average of Kina 55,416.67.
- n) It is estimated that the workers from Lai Valley received a total of Kina 220,500.00 while Nipa Basin received a total of Kina 45, 000.00 or a consolidated total of 265, 500.00 during January to June 2018.
- o) Three quarries were identified for extraction of materials, out of these 2 quarries were along the sub-project road whilst only one have been identified towards the end of the sub-project road and is in operation. A total of Kina 58,422.00 was paid to the quarry owners of Mt. Wira during the covered period.
- p) The contractor's campsite is at Mt. Wiri, in which it has monthly agreement payments. The disposal site has no charge or is free as per the signed agreement with the landowners. For the covered period the contractor has paid an aggregate amount of Kina 12,000 as per the signed agreements to customary landowners.
- q) The main campsite at Mt. Wira had purchased locally various construction materials, purchases of food, water, and miscellaneous items. The contractor has spent K61,068.00 on purchasing local food and miscellaneous items near the campsite areas, from the local markets and from Mendi Town Market. The contractor spent a total of Kina 102, 692.00 for the purchasing of local construction materials. And Kina 97,523.00 in total was spent on local purchase for the time covered. In summary, the contractor paid a total of Kina 1,076, 051.46 on local purchases.
- r) There are four (4) recommendations for corrective actions as reported in the last semi-annual report of 2017 and these are;(a) the grievances pending in the GRC; (b) an in-kind assistance to be given to APs who have lost assets within the 500 meters road section; (c) provision of in-kind assistance to clans who owns the four (4) ceremonial grounds which the road will traverse and;(d) implementation of income restoration measures as contained in the RP.

## **1.0 INTRODUCTION**

### **1.1 BACKGROUND**

1. The Highlands Region of Papua New Guinea (PNG), comprising the Provinces of Western Highlands, Southern Highlands, Eastern Highlands, Enga, Jiwaka, Simbu and Hela is a major contributor to the PNG economy through its agricultural production and mineral resources. A well-maintained road network is essential to facilitate the movement of goods and people. The Government of PNG (GoPNG) has made significant investment in improving the road network but a lack of maintenance has resulted in deterioration of the roads such that the Highlands Core Road Network (HCRN) is now in poor condition.

2. In order to address the deterioration of the HCRN there is a clear need to: (i) implement a program of regular maintenance of all HCRN roads that are in good condition; and (ii) to improve those roads that are in poor condition and ensure that maintenance begins on these roads as soon as the improvement works are completed.

3. The GoPNG has negotiated a Multi-Tranche Financing Facility (MFF) with the Asian Development Bank (ADB) to implement the Highlands Region Road Improvement Investment Program (HRRIP). The HRRIP will include projects to improve the HCRN, and develop the capacity development of road agencies. Tranche 3 included the upgrading and rehabilitation of four road sections namely; Nipa Munihu Road, Pangia Wiru Loop Road, Gewa Gembogl Road and Henganofi Nupuru Road.

4. The Executing Agency (EA) for whole the HRRIP is the Department of Works (DOW) whilst the Highlands Roads Management Group (HRMG) is the Implementation Agency (IA) based in Mt. Hagen, Western Highlands Province (WHP).

5. The Nipa Munihu Road Section is covered by CSTB contract # 3531 entered into by the Independent State of Papua New Guinea represented by the Department of Works and National Authority and China Overseas Engineering Group Co., LTD (COVEC China). The official commencement date of the project is December 11, 2017 and will be completed within 24 months or on 10 December 2019.

### **1.2 PROJECT DESCRIPTION**

6. Nipa Munihu road section is 27.73 km long that connects Nipa District with Mendi-Munihu District both in Southern Highlands Province. The existing road traverses through hilly and mountainous terrain with the highest point located at km 13+290 (Elevation: 2283m) and the lowest point located at the km 22+550 (Elevation: 1806m). The road alignment is generally reasonable but minor adjustments will be required in some sections.

7. The sub-project works will 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 5m, depending on either the width of the cut or fill in a particular road section.

8. The whole existing road with a length of 27.73 km 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 sub-project, the use of customary land required to upgrade the road have been agreed by clans and communities through Memoranda of Agreement permitting the use of customary land for public infrastructure. The approved resettlement plan (RP) 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). The sub-project is classified as Category B as confirmed by the findings of the detailed measurement survey (DMS). In addition, the loss of land or income generating assets is below 10% (insignificant).

### **1.3 INSTITUTIONAL ARRANGEMENTS**

9. The Department of Works, as the executing agency, has the overall responsibility to manage the planning, implementation and monitoring related to acquiring use rights for additional land to implement HRRIP subprojects, as well as compensation for damages on project-affected land.

10. DOW established a Project Management Office (PMO) headed by a Project Director which manages the day to day activities of the program. Within the PMO, there are two units, the Project Management Unit (PMU) which is based in Port Moresby. The other is the Highlands Road Management Group (HRMG), the DOW's Project Implementation Unit (PIU) for HRRIP subprojects to carry out the planning, implementation and monitoring for land activities, as required and is based in Mt. Hagen.

11. HRMG is headed by the Field Project Manager (FPM). Under the FPM are two sub-units, the construction unit headed by the "Engineer" and the social and environmental safeguards unit headed by the Senior Field Project Coordinator (SFPC). The SFPC is ably supported by the Manager of Technical Services (MTS). Under the MTS are three sub-units, the social safeguards, resettlement, and HIV/AIDS officers.

12. The reporting protocols for the monitoring reports originate from the resettlement or environmental officers who prepare their back to office reports (BTOR). Routinely, they visit their respective sub-project twice a month. In addition, the safeguards and environmental officers may return to the subproject as often as needed if new issues will arise regarding resettlement and environmental issues.

13. These collated BTORs form the backbone of the monthly reports. The monthly reports form the basis for the quarterly reports. These quarterly reports are augmented by the data retrieved from the contractor such as employment, quarry operations, participation of women in employment and other relevant data. The quarterly reports form the basis of the semi-annual reports that are being submitted to DOW/POM and ADB.

### **1.4 PURPOSE & METHODOLOGY**

14. This report presents the status of social safeguards including the compliance with approved RP in respect of Nipa Munihi road section, covering the review period of January 1 to June 30, 2018. This semi-annual monitoring report (SMR) is a requirement under the Safeguards Policy Statement 2009 (SPS 2009).

15. The contract between DOW and the contractor was signed on 21 June 2017. Based on the general conditions of the contract, the commencement of the contract will start upon (a) receipt of advance payment by the contractor; (b) delivery to the contractor of reasonable evidence of employer's financial arrangements; and (c) effective access to and possession of the site given to the Contractor. The commencement of this project is 11 December 2017.

16. The primary data was gathered through discussions with project staff, officials, community leaders, the contractor and APs. More in-depth discussions were conducted with APs to gather relevant information on resettlement, the manner of implementation of RP and its impacts and finally the improvement of AP's living standards. The secondary data sources utilized include monitoring reports produced by the HRMG, contractor reports, PSC, district administrators and other reports.

17. Based on the above, internal monitoring activities are conducted monthly thus these reports have been consolidated for quarterly and semi-annual social safeguards monitoring reports. Specific monitoring standards outlined will be:

- Budget and Time Frame;
- Delivery of Compensation and Entitlements;
- Public Participation and Consultations;
- Benefit Monitoring;
- Requirements for Remedial Actions.

## 2.0 BACKGROUND OF THE RESETTLEMENT ACTIVITIES

### 2.1 DETAILED DESIGN STAGE

18. The Nipa-Munihi (27.730 km) road section aims to upgrade, rehabilitate and maintain roads in the Highlands Highway (HH) network in PNG. The resettlement impacts, both physical and economic displacements arising out of the implementation of the road project and their corresponding compensation based on full replacement costs based on Resettlement Plan (RP) are shown in the following Table 1: Summary of Resettlement Costs Based on the RP.

**Table 1: Summary of Resettlement Costs Based on the RP**

Resettlement Costs	Unit	Amount
Houses and Trade Stores	30 structures	91,865.00
Graves	35 graves	8,260.00
Fences	78 fences	8,175.00
Crops and Trees	21,823 crops & trees	124,709.65
Rehabilitation Allowances		
Moving Allowance	30 households	7,200.00
Shifting Allowance	14 households	3,360.00
Subsistence Allowance	30 households	7,200.00
Grave Relocation & Reburial Allowance	35 households	35,000.00
Severity Impact Allowance on Productive Assets	183 households	24,941.93
Vulnerability Allowances		
Elderly headed households (65 yrs. & Above)	20 households	4,800.00
Female headed household	15 households	3,600.00
Physically challenged HH Heads	3 households	720.00
Households below poverty line	22 households	6,600.00
<b>Total (Net of Administrative Costs)</b>		<b>233,009.65</b>

19. The selection criteria for subprojects for the HRRIP include provisions that the proposed work is on an existing road, does not involve major earthmoving works and avoids the displacement of residential structures or other, permanent structures. These selection criteria in effect aim to minimize the resettlement impacts for any candidate road for the HRRIP.

### 2.2 PROCESS OF COMPENSATION

20. A verification survey was conducted by the HRMG staff together with LLG ward leaders and councillors, officials from District and Provincial Works based on the Consultant's master list. Some assets that are likely to be affected but were not included in the master list have been assessed by the HRMG staff. The total number of APs based on the Consultant's assessment was 326 household with the total affected assets and allowances of Kina 233,009.65 net of administrative costs.

21. After site verification of the affected assets, the affected persons increased to 355 APs and the amount also increased to Kina 307,876.35, net of administrative costs. On the DMS for the second section (Km 13.950 – Km 27.73) which was completed on 4 July 2016 by the HRMG team, there were 923 APs whose affected assets amounted Kina 450,174.40 net of administrative expenses.

22. In summary, there are 1,278 APs whose affected assets and allowances amounted to Kina 758,050.75. This total amount is based on the latest Valuer General's Compensation Rates or full replacement costs, whenever applicable. The APs received their corresponding amounts and all signed their respective Deeds of Releases (DORs).

23. Once the master list of APs with the breakdown of affected assets and their corresponding amounts was submitted to DOW, the list is finally verified and confirmed by HRMG before the final list of APs is submitted to PMO for funding allocation.
24. Unlike Tranche 2, the approved resettlement budget is remitted directly to HRMG instead. Formerly the budget was remitted to the PWM of the concerned province. Once, received, HRMG schedule the date for payment of compensation, informing the concerned district administrators (DAs), LLG presidents, ward leaders and village councillors to inform and mobilize the APs to attend and receive their compensation payments for the affected assets.
25. The actual compensation payment is directly given to AP and most of the time with their families in the presence of the DA, LLG president, ward and village councillors, PWM and/or his representatives.
26. All compensation rates and the amount of the compensation for damaged crops, trees and structures were based on Valuer General's Schedule of Compensation (August 2013) or full replacement costs if the damaged assets are not included in the compensation schedule.
27. There are also rehabilitation allowances to assist the APs in restoring their former living conditions. These allowances included shifting allowance, moving allowance, subsistence allowance, relocation and reburial assistance and vulnerability allowance.
28. With the presence of ward councillors, each AP is called and receives cash payment contained in an envelope with the amount indicated in the envelope. The AP is photographed while holding the payment before he sign the deed of release (in triplicate) indicating that DOW has fully complied with its obligation and he has waived his right over his affected properties. There are two witnesses, one from HRMG and another from a local leader.
29. HRMG then prepares and finalizes a summary report, attaching the deed of release (DOR) as supporting documents. One set is given to the PWM because he will be dealing with allegations of non-payment and other compensation related complaints. Another set is provided to HRMG as the project implementing unit while the last set is brought to the PMO as part of the funding liquidation process.

### **3.0 BUDGET AND TIME FRAME**

#### **3.1 RESETTLEMENT STAFFING**

31. The Highlands Road Management Group (HRMG) under the Department of Works based in the DOW compound in Mt. Hagen, who is tasked to internally monitor all activities associated with land acquisition and payment of compensation to APs have been mobilized since Tranche 1 and Tranche 2 and is now fully staffed to undertake its responsibilities in Tranche 3.

32. It is headed by the Senior Field Project Coordinator (SFPC) who is in charge of day to day monitoring activities and is supported by the Safeguards Coordinator, Social Safeguards Officer and Environmental Officers. He is ably supported by the Manager of Technical Services and support staff. There are eight (8) Community Relations Officers (CRO) constituting of a male and female in each of the four (4) road sub-project under Tranche 3. HRMG is assisted by the Social/Resettlement and Environmental Safeguards Specialists from the Project Supervision Consultant (PSC). The organizational chart is shown in Appendix 6: -- Organizational Chart.

33. The CROs for the sub-project road have been coordinating with their respective Provincial Works Managers and have been utilizing their facilities as field offices for resettlement related works. In the local level, the CROs have also been coordinating with the Provincial and District Administrators, LLG presidents, and affected ward leaders. The job description of the CRO is attached as Appendix 4: HRMG Community Relations Officer.

#### **3.2 CAPACITY BUILDING AND TRAINING ACTIVITIES**

##### **3.2.1 TRAINING SEMINAR FOR CONTRACTORS**

34. For the covered period there was one seminar training facilitated by HRMG for all Tranche 3 subprojects in the conference room of HRMG last 8 February 2018. The meeting was assisted by the environmental specialists of the construction supervision consultants (CSC) of Tranche 2 since these specialists of CSC for Tranche 3 have yet to be regularized. Attending this meeting were the contractors for Tranche 3 subprojects.

35. The training focused on the environmental responsibilities of the contractor in the implementation of the road project which included Tree Planting and Quarry Management. For Tree Planting, it was emphasized that upon removal of trees during type D excavation works as recommended by the site engineer, for each tree removal a ratio of 1:5 for example should be replanted by the contractor upon the discretion of resident engineer. The topics covered include Tree Planting and Management, Planting Materials Propagation, Tree Site Selection and Planting Implementation.

36. With regards to Quarry Management, all contractors were urged to comply with the approved Quarry Management Plan (QMP) submitted as a sub-plan in the Construction Environmental Management Plan (CEMP). They were further advised to notify any changes for the review of the QMP. The topics covered during the training included; Quarry Impact Plan, Quarry Management Plan, Quarry Location, Quarry Site, Site Layout, Quarry Pit Development and Closure Plan.

##### **3.2.2 TRAINING SEMINAR FOR SOCIAL SAFEGUARDS**

37. A social safeguards workshop was conducted on 14 June 2018 at ADB PNG resident mission conference room, Port Moresby which was attended by representatives of various stakeholders' of ADB projects in the country specifically DOW, Civil Aviation, Health Department, and Water PNG.

38. The training aimed at identifying the challenges being faced by ADB funded projects in the country and how best ADB policies can be applied to fully implement the projects financed given the political, cultural and social complexities. The workshop agendas included; Land acquisition process in PNG and Resettlement Planning, etc. In addition, the necessary steps in due diligence survey was emphasized due to an escalating number of grievances identified at project levels and to address them positively through the established grievance redress mechanism. Also, some constraints of monitoring and implementing of the resettlement plan was discussed and measures on how best it can be successfully delivered.

## **4.0 DELIVERY OF COMPENSATION AND ENTITLEMENTS**

### **4.1 MEMORANDUM OF AGREEMENT**

39. 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 Nipa-Munihi road. In addition, the affected tribes and clans had also validated the permission given by their forefathers to use their land for the existing road. There are no direct costs to secure the use of the required lands for the sub-project. Documentation expenses for these MOAs have been taken care under administrative expenses of the sub-project.

40. The MOAs did not cover the structures, trees, crops and land improvements located in the affected lands. Full compensation has been paid to owners of these improvements who will experience physical and/or economic displacement because of the project based on the latest Valuer General's Compensation Schedule for Trees and Plants (All Regions).

41. As part of the preparatory activities for the payment of compensation, HRMG conducted several public consultations in the different affected wards and villages along the subproject road from May to December 2016. The public consultations included the provincial, district and local ward officials and leaders of tribes, clans and sub-clans and the local communities. Public disclosures have been undertaken to disseminate the resettlement plan, particularly the eligibility criteria, entitlements, cut-off date and the establishment of a grievance redress committee to address grievances and complaints of APs.

### **4.2 VERIFICATION SURVEY OF DMS RESULTS**

42. The DMS undertaken in middle of August 26 to 6 September 2015 by the international design team was limited only to the first Km 13.950. There were some affected assets that may have been missed out during the DMS and to settle this uncertainty, a verification survey was conducted by the Resettlement Unit of Highlands Roads Management Group (HRMG) and was completed in 25 July 2016.

43. The affected assets that were missed out in the previous DMS and identified in this verification were combined with the previously identified affected assets and are discussed in the following paragraphs. There were also some instances wherein previously affected assets such as some crops and trees were excluded in the master list because after re-measuring of the construction limits, these will not be affected by the project.

THE DETAILS OF THE RESULTS OF THE VERIFICATION SURVEY OF THE DMS RESULTS WERE PRESENTED IN THE PREVIOUS SEMI-ANNUAL REPORT (JULY TO DECEMBER 2017). HOWEVER, FOR REITERATION AND CLARITY, THE SUMMARY TABLE OF THESE RESULTS ARE SHOWN IN THE FOLLOWING

44. **Table 2: Compensation Costs of Affected Assets (Km 0+000 - Km 13.950).**



**Table 2: Compensation Costs of Affected Assets (Km 0+000 - Km 13.950)**

Affected Assets	Unit/Area	Amount	Total Amount
Structures	<b>55</b>		<b>131,711.00</b>
Bush Materials	26 Structures (222sqm)	30,636.00	
Semi-Permanent	24 Structures (96.21sqm)	38,775.00	
Permanent	5 Structures (77.38sqm)	62,300.00	
Graves	<b>48</b>		<b>16,130.00</b>
Cemetery & Unmarked	28	3,710.00	
Permanently Marked	14	4,620.00	
Permanently Mark w/Features	6	7,800.00	
Fences	<b>4,076</b>		<b>14,250.50</b>
Plant/Bush	3,645	11,250.50	
Wooden	416.66	2,500.00	
Metal	14.28	500	
Crops and Trees	<b>21,575</b>		<b>121,784.85</b>
Category A	1,726	31,069.00	
Category B	11,971	26,898.70	
Category C	3,606	40,682.65	
Category C1	1,068	3,025.85	
Category C2	112	295.55	
Category C3	467	4,002.60	
Trees	2,625	15,810.50	
Rehabilitation Allowance	<b>100</b>		<b>24,000.00</b>
Business Disruption Allowance	18	4,320.00	
Moving Allowance	55	13,200.00	
Vulnerability Allowance	27	6,480.00	
<b>Total</b>			<b>307,876.35</b>

Source: Detailed Measurement Survey. August-September 2015& Verification Survey 02, July 2016

### 4.3 DMS FOR SECOND SECTION

45. DMS for the second section from Km 14+950 – Km 27.73 which was not included in the original DMS was conducted and completed on 4<sup>th</sup> July 2016. Those assets likely to be affected when the improvement works commence have been assessed and valued using the latest 2013 Schedule of Compensation Rates for trees and crops issued by the Office of the Valuer General.

46. Some ceremonial areas likely to be affected have been verified and recorded during the DMS and these includes;(a) Shumbi ceremonial ground located at Chainage 13+100;(b) Sonba 1 Ceremonial ground located at Chainage 16+050;(c) Sonba 2 ceremonial ground located at Chainage 16+200 and;(d) Nengia Ceremonial Ground located at Chainage 19+350.

47. This will be further assessed based on the pre-construction survey to determine the actual scope of impact and possible technical adjustments during construction activities. As ceremonial grounds are communally owned, in-kind compensation is preferred where the entire communities benefit from such development package.

THE RESULTS OF THE DETAILED MEASUREMENT SURVEY CONDUCTED FOR THE SECOND SECTION OF THE ROAD WERE PRESENTED IN THE PREVIOUS SEMI-ANNUAL REPORT (JULY TO DECEMBER 2017). FOR REITERATION AND CLARITY, THE RESULTS ARE PRESENTED IN THE FOLLOWING

48. **Table 3: Summary of Affected Assets (km 13.950 - Km 27.73).**

**Table 3: Summary of Affected Assets (km 13.950 - Km 27.73)**

Affected Assets	Unit/Area	Amount	Total Amount
<b>Structures</b>	<b>83</b>		<b>94,965.60</b>
Bush Materials	57 Structures (229.80 sqm)	31,717.60	
Semi-Permanent	20 Structures (111sqm)	44,733.00	
Permanent	6 Structures (23sqm)	18,515.00	
<b>Graves</b>	<b>69</b>		<b>16,485.00</b>
Cemetery & Unmarked	61	13,845.00	
Permanently Marked	8	2,640.00	
<b>Fences</b>	<b>101</b>		<b>20,710.00</b>
Plant/Bush	49	6,340.00	
Wooden	49	12,660.00	
Metal	1	1,050.00	
Stone	2	660	
<b>Crops and Trees</b>	<b>65,342</b>		<b>271,693.80</b>
Category A	3,537	58,649.90	
Category B	18,971	58,165.90	
Category C	5,600	53,039.95	
Category C1	22,092	26,969.80	
Category C2	5,296	5,671.65	
Category C3	2,506	18,173.30	
Trees	7,340	51,023.30	
<b>Rehabilitation Allowance</b>	<b>193</b>		<b>46,320.00</b>
Business Disruption Allowance	23	5,520.00	
Moving Allowance	147	35,280.00	
Vulnerability Allowance	23	5,520.00	
			<b>450,174.40</b>

#### 4.4 FULL PAYMENT OF COMPENSATION

49. Payment of compensation to APs who owned the affected asset within the construction limits were based on (a) the DMS undertaken by the design consultant in 2015 and verified by the HRMG team for the first 13.950 km and (b) the results of the DMS conducted by HRMG for the remaining section of 13.78 km for the Nipa – Munihi Road.

50. The payments were made by wards and/or tribes and clans. Actual payments were made in Mendi Provincial Works Office, SHP which started last 18 May 2017 and was completed on 23 May 2017 (Saturday and Sunday excluded). The payments were facilitated by the HRMG staff in close coordination with the personnel from the Southern Highlands Provincial Works. Security personnel were also involved in the disbursement of payments to ensure that payments were disbursed in an atmosphere free from intimidation and coercion.

CONSOLIDATING THE PAYMENTS FOR THE TWO SECTIONS, THE TOTAL APs WAS 1,278 PERSONS AND THE TOTAL COMPENSATION PAYMENTS DISBURSED FOR THE NIPA MUNIHU ROAD ACCOUNTED TO A TOTAL OF KINA 758,050.75. THE DETAILS WERE ALREADY PRESENTED IN THE PREVIOUS SEMI-ANNUAL REPORT (JULY – DECEMBER 2017). HOWEVER, FOR REITERATION AND CLARITY, THE SUMMARY OF PAYMENTS IS SHOWN IN THE FOLLOWING

51. **Table 4: Consolidated Compensation Costs.**

**Table 4: Consolidated Compensation Costs**

Affected Assets	Unit/Area	Amount	Total Amount
<b>Structures</b>	<b>138</b>		<b>226,676.60</b>
Bush Materials	83 structures	62,353.60	
Semi-Permanent	44 structures	83,508.00	
Permanent	11 structures	80,815.00	
<b>Graves</b>	<b>117</b>		<b>32,615.00</b>
Cemetery & Unmarked	89	17,555.00	
Permanently Marked	22	7,260.00	
Permanently Mark w/Features	6	7,800.00	
<b>Fences</b>	<b>129</b>		<b>34,960.50</b>
Plant/Bush	69	17,590.50	
Wooden	55	15,160.00	
Metal	3	1,550.00	
Stone	2	660	
<b>Crops and Trees</b>	<b>86,917</b>		<b>393,478.65</b>
Category A	5,263	89,718.90	
Category B	30,942	85,064.60	
Category C	9,206	93,722.60	
Category C1	23,160	29,995.65	
Category C2	5,408	5,967.20	
Category C3	2,973	22,175.90	
Trees	9,965	66,833.80	
<b>Rehabilitation Allowance</b>	<b>293</b>		<b>70,320.00</b>
Business Disruption Allowance	41	9,840.00	
Moving Allowance	202	48,480.00	
Vulnerability Allowance*	50	12,000.00	
Women Headed Households	21	5040	
Elderly	11	2640	
Handicapped Headed Households	18	4320	
			<b>758,050.75</b>

Vulnerability allowance includes women headed households, elderly and handicapped headed households. The amount is disaggregated into these three categories in the table

52. The outstanding compensation payments in this road project are the grievances and claims filed with the GRC that may be decided in favour of the complainants by the GRC. A contingent fund has been requested from DOW/POM to settle any decision of the GRC in favour of payment to the complainant under the “pay as we go” approach.

## 5.0 PUBLIC PARTICIPATION AND CONSULTATION

### 5.1 PUBLIC CONSULTATIONS AND WOMEN'S PARTICIPATION

53. Public Consultations and interviews were conducted at numerous intervals with roadside communities who are direct stakeholders and other indirect stakeholders including the District Administrator, LLG Presidents, Ward Councillors, religious and women representatives. Also, site meetings were held with the contractor to discuss the socio-economic benefits as well as other issues pertaining sub-project road. Basically, consultations for the most part covered the project and the positive and negative impacts of the project.

54. The consultations undertaken during the review period were relating to grievances on missed-out or underpaid APs. Consultations were also undertaken to explain about the process of handling grievances, construction limits, and resolve construction damage on property, the procedure of payment for damages and in the matter of employment in civil works.

55. The consultations were conducted in groups, large meetings and individually with the APs by HRMG staff as well as PSC and the contractor staff. Two large meetings held in Munihi section of the road were facilitated by HRMG and PSC staff to resolve outstanding or underpaid compensation issues raised by the affected communities. The first meeting was held at Mt. Hagen/ DOW compound with ward councilors representing their affected communities along the road project corridor.

56. The discussion focused on the proposed re-verification exercises to be carried out by HRMG/PSC and data of structures and food crops voluntarily collected by ward councillors in the affected areas. The meeting concluded well with nominating the scheduled date for a GRC meeting to convene. Also, the Social Safeguards Officer of HRMG revoked the data collected and explained that an on-site re-verification exercise will be carried out as per the outcome of the GRC meeting since most APs have been initially compensated.

57. A re-verification survey of alleged miss-out and under paid APs has been undertaken by HRMG/PSC on the 18<sup>th</sup> May 2018 as per the Grievance Redress Committee (GRC) meeting resolution on the 26<sup>th</sup> April 2018. During this time, the second informal meeting were held with the APs concerning the nature of the re-verification exercise, in which they were explained that only genuine missed-out or underpaid APs located within the construction and affected by the nature of construction works would be compensated.

58. Further, they were made known that damages such as landslides or others outside of the construction limits is solely responsible by the contractor. In addition, personal interviews were held with a landlord at chainage 22+980 to 23+080 who requested for re-alignment and demanded Kina 125, 000 with the contractor as land compensation since the sub-project road will be traversing through a ceremonial ground. It was explained that the re-alignment will incur additional cost to the project and in-kind assistance such as community markets or bus bay would be erected upon project completion, thus the excessive compensation amount will not be entertained by neither the contractor nor HRMG/DOW.

59. For the covered period there were total of 13 public consultations conducted along the sub-project at numerous intervals from January to June 2018 covering all the affected wards. There were 870 participants and out of this total, 500 participants were males (57.47%) while 370 were females (42.52%). These are summarized in the following **Table 5: Summary of Public Consultations and Women's Participation**.

**Table 5: Summary of Public Consultations and Women's Participation**

MONTH	# of Consultations	Male Participants	Female Participants	Total Participants	APs who participated
January	2	95	70	165	120
February	3	100	56	156	75
March	1	87	74	161	134
April	4	65	92	157	141
May	2	78	35	113	100
June	1	75	43	118	90
<b>Total</b>	<b>13</b>	<b>500</b>	<b>370</b>	<b>870</b>	<b>660</b>
<b>Percentage</b>	<b>100%</b>	<b>57.47%</b>	<b>42.52%</b>	<b>100%</b>	<b>75.86%</b>

60. There were 660 participants who belonged to AP households. This number represented 75.86% of total public consultation participants. Important points discussed during the consultations are the about the project are; positive and negative impacts. Positive impacts discussed during the consultations are; better road access would link to other basic services, generation of spin-off benefits, improve in socioeconomic activities, creation of employment opportunities and improve in livelihoods.

61. Negative impact of project discussed during the consultations includes; loss of assets and other adverse impact to environment and eco-system and loss of land if necessary. However, the positive impacts outweigh the negative impact because people begin to realize the importance of having better and accessible road. A brief summary of issues is summarized in **Table 6: Summary of Issues Raised during Consultations**. The attendance sheets of these consultations are not available.

**Table 6: Summary of Issues Raised during Consultations**

LOCATION	ISSUE/CONCERNS RAISED BY APS	RESPONSE FROM HRMG
Maip 1 (Ch:21+300)	<p>There is a legacy issue in which previous contractors have damaged improvements (trees &amp; food crops, etc.) within a less than 1km of the subproject road.</p> <p>During the monthly monitoring for social safeguards/resettlement compliance, communities along the sub-project road in the said category have always asked questions on how soon the compensation payments would be made. In addition, they urged the contractor to engage them in the construction works.</p>	<p>Liaised with the LO's advising them that previous damages will not be entertained by HRMG/DOW for compensation. However, in-kind assistance such as a community market / bus bay could be erected.</p> <p>They were explained about the process of handling grievances, construction limits, and resolve construction damage on property, the procedure of payment for damages. Further, they were advised about the re-verification survey undertaken to consider genuine missed-out/underpaid APs. In addition, the APs/none APs were guaranteed that the contractor will always give priority to locals in terms of employment and other benefits since it is part of the contractual agreement.</p>

LOCATION	ISSUE/CONCERNS RAISED BY APS	RESPONSE FROM HRMG
Map (Re-alignment at 22+980 to 23+080)	Apkas Tem, claiming to be the landlord at the said chainage where the sub-project road traverses through a ceremonial ground and has demanded the following; Re-alignment of the road to the left-side to avoid destruction to their ceremonial ground & to avoid damage of cultivation; The said landlord demanded DOW/HRMG K125,000 to be paid as land compensation for the re-alignment.	The issue has been discussed by the landlord stating the following reasons; The sub-project road was designed according to the existing road; thus, funding has been approved based on the design; Re-designing of the road will be quite a lengthy and costing exercise; Advised the landlord that the contractor will still follow the existing road as per design, however, taking of the ceremonial ground will be compensated in cash or in-kind assistance such as community market/bus bays.
Kuyanda	The vendors at the market revealed the positive impacts of the road project and proclaimed that daily income from their sales have substantially increased over the last few months; APs represented by a youth have raised concerns that locally produced foods are not purchased by the contractor; They requested the contractor to engage local sub-contractors for minor civil works, i.e. Line drain; Some complained that unskilled jobs were unevenly recruited among APs by the contractor;	The road project communities were advised that such issues are always discussed during our monthly site meetings with the contractor. Thus, they are urged to comply with the contractual obligations by giving employing opportunities for both male and female from the road project communities & minor contracts, etc.
Mt.Wiri Contractors camp site meeting	The local employees were interviewed whether they come from project affected wards & the data for both male/female were collected;  The employees also raised issues on pay rates of the contractor.	HRMG/CSC to closely monitor local participation in the project and ensure compliance in 30% women engagement by the contractor;  Urge contractors to comply with standard PNG Minimum Wage rate of Kina 3.50 per hour.
Egenda Market Place	Grievances resulting from initial payment of compensation for loss of assets(Missed outs/Under-payment)	Site inspection and verification will determine the grievances from APs as genuine or non-genuine; Only the genuine grievances will be recommended to HRMG for consideration
Shumbi	Construction limits;	There are no specific measurements for road width as the civil works will take place within the construction limits based on the road design. Any assets damaged within the construction limits will be looked at by GRCs and if damages occurred outside of the construction limits will be the responsibility of the contractor.
Nengia	Further damages during the course of civil works;	Grievances regarding further damages to assets will be referred to contractor and HRMG only responsible for damages within construction limits.



LOCATION	ISSUE/CONCERNS RAISED BY APS	RESPONSE FROM HRMG
Kuyanda	Assets initially damaged within 500meters by local contractor-Ipewenz Construction Limited	An in-kind development packages will be provided to the affected wards for the loss of assets;
Munihi Station	Grievances in relation to Ceremonial Grounds/Communal Places;	An In-Kind assistance is acceptable in addressing issues relating to disturbances done to Communal/Ceremonial Grounds Meaningful Consultations will be carried out with affected clans during the course of civil works to identify the types of community projects they prefer.

62. During the consultations, all APs have been informed about the GRM and the method of accessing the process through information dissemination such as meetings, focus group discussions and through word of mouth by community leaders who have been thoroughly briefed about the GRM process. APs were also informed that they are allowed to resolve their grievances through the formal court system should they be unhappy about the solutions proposed by the GRC. The step in the GRC is shown in Appendix 3: -- Procedures for the GRC Process. A visual flow chart was also presented as shown in Appendix 5: Flow Chart of GRC Process.

## 5.2 GRIEVANCE REDRESS MECHANISM

63. The establishment of the GRM for this sub-project was facilitated by HRMG as part of its delegated mandate to implement the approved resettlement plan. It was established prior to the commencement of the subproject road. This is to ensure that grievances lodged by aggrieved APs would be addressed as quickly and as efficiently as possible, avoiding escalation of issues, reducing adverse impacts that may occur along the road project and maintain a positive attitude towards the project by the stakeholders.

64. The 1<sup>st</sup> GRC meeting of 2018 was convened to confirm and verify the escalating number grievances along the road project site enlisted by the Community Relations Officer of HRMG. The GRC meeting resolved that all alleged missed-out or underpaid APs needed a re-verification survey, which has been undertaken on the 18<sup>th</sup> May 2018 to finally settle outstanding compensation issues for the sub-project road.

### 5.2.1 COMPOSITION OF THE GRC

THE COMMITTEE IS COMPOSED OF RESPECTED LOCAL OFFICIALS AND LEADERS WHO ARE WELL KNOWN IN THE AFFECTED COMMUNITIES FOR THEIR FAIRNESS AND EVEN HANDEDNESS IN DECIDING DISPUTES AND CONFLICTS. ITS MAIN FUNCTION IS TO RECEIVE, LOG AND DELIBERATE ALL GRIEVANCES RECEIVED FROM THE APs WHO MAY HAVE SOME RESETTLEMENT RELATED COMPLAINTS ARISING OUT OF THE PROJECT. THE NAMES OF THE MEMBERS OF THE GRC ARE SHOWN IN THE FOLLOWING

65. **Table 7: Composition of the Grievance Redress Committee (GRC).**

**Table 7: Composition of the Grievance Redress Committee (GRC)**

No:	Name	Gender	Title/ Position	Position in GRC
1	John Harisol	Male	District CEO-Nipa Kutubu	Chairperson
2	John Titus	Male	LLG President-Nipa Basin	Member
3	Jack Soal	Male	LLG President-Lai Valley	Member
4	Cr.Pip Sogurao	Male	Ward Councillor-Egenda 3	Member
5	Top Zera	Male	Ward Leader-Lai Valley LLG	Member
6	Peter Wapnais	Male	Shumbi 1 Ward Representative	Member
7	Jenetha His	Female	Women's Representative	Member
8	Pastor Samuel Moris	Male	Church Pastor	Church representative
9	Mathias Awi	Male	Social Safeguard Officer	Technical Adviser
10	Saul Nol	Male	Environmental Officer	Technical Adviser

66. While there were no deadlines to submit the complaints, members of the GRC were urged to encourage APs with complaints to lodge their grievances within 14 days after receipt of compensation payments in their wards and villages. During compensation payments, the APs and persons claiming to be APs were also informed of this 14-day filing period. The complainants may file their complaints with the Community Relations Officer so that their complaints may be formally registered in the compliant log sheet which is the basis for setting up the agenda of the GRC.

### 5.2.2 GRIEVANCES FILED WITH GRC

67. For the covered period, there were no new grievances filed with the GRC. A total of 765 grievances are outstanding from the previous reporting period which have been received by HRMG through the Resettlement and Social Safeguards section and has been registered in the complainant log sheet. A GRC meeting will convene to deliberate on grievances lodged by the aggrieved APs for the subproject road and the final recommendations derived through the deliberations will be communicated to HRMG for taking proper action. The summary of grievances outstanding from the previous reporting period is presented in the following **Table 8: Grievances Lodged with the GRC (July -- December 2017)**.

**Table 8: Grievances Lodged with the GRC (July -- December 2017)**

Road Section	Grievances Filed	Nature of Grievances			
		Previous Environmental Damages	Ceremonial Grounds	Missed out	Under-Paid
Left Side	388	65	25	230	68
Right Side	377	53	16	206	102
<b>Total</b>	<b>765</b>	<b>118</b>	<b>41</b>	<b>436</b>	<b>170</b>
<b>Percentage</b>	<b>100%</b>	<b>15.42%</b>	<b>5.35%</b>	<b>56.99%</b>	<b>22.22%</b>

68. The summary of grievance enlisted in the category of genuine and none-genuine, specifications of road section (right/left) and copies grievance log sheet etc would be provided in the next reporting period.

### 5.2.3 ISSUES AND CONCERNS ARISING OUT OF THE PREVIOUS CONTRACTOR

69. The majority of grievances received by the GRC from the APs in the Nipa Munihi subproject were connected with previous asset damages within the 500 meters road segment incurred by the previous contractor (IPZ Construction Company) when it was contracted to upgrade the Iri-Lai road which would link Komo Magarima District in Hela Province and Mendi-Munihi District in SHP.

70. HRMG has requested the previous contractor several times for information on the loss of assets within the 500 meters road fragments but the contractor was reluctant in providing the requested data. Hence, APs within this road fragment were missed out during compensation payments. However, the APs were informed during the compensation payments in Mendi that their grievances are to be addressed by the contractor and ADB/DOW will not be held liable for the previous damages caused by the contractor.

71. Realizing that the damages caused by the previous contractor cannot be the liability of HRRIP, the GRC members inclusive of the ward councillors and tribal leaders suggested that these asset damages should be addressed by the previous contractor.

72. An in-kind development package shall be provided for these APs who have incurred asset losses caused by the previous contractor. Public consultations have been conducted with this affected community precisely to get their views and opinions about the selections of community projects for the affected ward.

#### **5.2.4 GRC RECOMMENDATIONS**

73. For the covered period a GRC meeting was convened on 26 April 2018 and the following recommendations were made and provided to HRMG for consideration and guidance:

- All outstanding compensation issues to be thoroughly re-verified by HRMG/PSC to settle all compensation issues by fully implementing the resettlement plan of the sub-project road;
- Legacy issues or damages done by previous contractors to be considered for in-kind assistance, such as erecting of markets / bus bays upon project completion;
- Any asset damages occurring outside of the construction limits is the sole responsibility of the contractor, thus DOW/HRMG shall not be liable for such damages.

## 6.0 BENEFIT MONITORING

74. The contractor has officially commenced mobilization on 11 December 2017. The contractor started pre-construction survey during the same month followed by clearing and grubbing, however, there are very few benefits arising out of the construction activities due to continuous work stoppages by the landowners. As such, the data's provided here may not fully capture the monitoring parameters.

### 6.1 ROAD CONSTRUCTION EMPLOYMENT

75. Project employment is one of the positive effects of the project and the contractor is greatly encouraged to source its workforce requirements from the APs and the residents of the affected wards and villages. It is also a condition in the MOA, wherein the customary land owners permitted DOW to upgrade and rehabilitate the sub-project fully expecting that they will be hired to work in the road project. There are provisions in the contract agreement between DOW and the contractor regarding the employment of local residents including APs and at least 30% women to be employed in the road project. These pertinent provisions also cover and are applicable to local sub-contractors.

76. From January to June 2018, the subproject has hired a total of 665 workers consisting of 651 men (98 %) and 14 women (2%). There were 379 APs or their relatives employed during the review period. Working on an average monthly wage of Kina 500, the disbursements by the contractor during the 6 months is Kina 332,500.00 or a monthly average of Kina 55,416.67. The details are shown in the following **Table 9: Summary of Monthly Employment by Gender**.

**Table 9: Summary of Monthly Employment by Gender**

Month	Male	Female	Total	AP Employed	Total Wages
January	42		42	15	21,000.00
February	37		37	20	18,500.00
March	64	3	67	43	33,500.00
April	91	3	94	51	47,000.00
May	197	3	200	120	100,000.00
June	220	5	225	130	112,500.00
<b>Total</b>	<b>651</b>	<b>14</b>	<b>665</b>	<b>379</b>	<b>332,500.00</b>
<b>Average</b>	<b>109</b>	<b>2.3</b>	<b>111</b>	<b>63</b>	<b>55,416.67</b>
<b>Percentage</b>	<b>98%</b>	<b>2%</b>	<b>100%</b>	<b>57%</b>	

77. In addition to wages, the contractor normally pays for certain activities by piece work. There were four activities paid on piece-work basis namely, gabion baskets, line drains, rip-raps and head-walls. For the review period, the minor civil works mentioned above have not been carried out, thus it would be reported during the 2<sup>nd</sup> quarter semi-annual reporting.

The project area covers two LLGs. For the covering period 9.77% were foreigners, 63.91%

Lai Valley LLG, 13.68% Nipa Basin LLG and the remaining 12.63% came from other LLGs within the province or others. The details are shown in the following

78. **Table 10: Breakdown of Workers by Origin.**

**Table 10: Breakdown of Workers by Origin**

Month	Foreigners	Lai Valley	Nipa basin LLG	Other LLG	Total
January	4	38			42
February	6	31			37
March	10	57			67
April	11	83			94
May	14	86	41	59	200
June	20	130	50	25	225
<b>Total</b>	<b>65</b>	<b>425</b>	<b>91</b>	<b>84</b>	<b>665</b>
<b>Average</b>	<b>10.83</b>	<b>70.83</b>	<b>15.17</b>	<b>14.00</b>	<b>110.83</b>
<b>Percentage</b>	<b>9.77%</b>	<b>63.91%</b>	<b>13.68%</b>	<b>12.63%</b>	<b>100.00%</b>

79. It is estimated that the workers from Lai Valley received a total of Kina 220,500.00 while Nipa Basin received a total of Kina 45,000.00 or a consolidated total of 265,500.00 during January to June 2018. The details are shown in the following **Table 11: Estimated Wages by Origin**.

**Table 11: Estimated Wages by Origin**

Month	Lai Valley LLG	Estimated Wages (K)	Nipa Basin LLG	Estimated Wages (K)	Total (K)
January	38	19,000.00	0		19,000.00
February	31	15,500.00	0		15,500.00
March	54	27,000.00	0		27,000.00
April	83	41,000.00	0		41,000.00
May	86	43,000.00	41	20,000.00	63,000.00
June	150	75,000.00	50	25,000.00	100,000.00
<b>Total</b>	<b>442</b>	<b>220,500.00</b>	<b>91</b>	<b>45,000.00</b>	<b>265,500.00</b>

## 6.2 BENEFITS FROM QUARRY OPERATIONS

80. The Wapu Su - Oro quarry (approximately 3 km from the sub-project road, end of km 27.73) is yet to be used for civil works pending quarry permit application from relevant GoPNG Authority - CEPA. Also, three (3) additional proposed quarry sites have been identified within the project zone and agreements have been signed for only two (2) sites. The volume of quarry extracted during the reporting period entails the materials used for backfilling and camp site preparations.

The materials are extracted from the quarry at an agreed cost of K1.50 or K13.00 per cubic meter. The total volume of materials extracted is approximately 4,494 tons. The total royalty value received by customary land owners for the above tonnage is Kina 58,422.00. The details are shown in the following

81. **Table 12: Summary of Quarry Volume and Estimated Value .**



**Table 12: Summary of Quarry Volume and Estimated Value**

Month	Wapu Su – Oro (Ton)	Estimated Value
January	NA	
February	NA	
March	NA	
April	290	3,770.00
May	1,704	22,152.00
June	2,500	32,500.00
Total	4,494	58,422.00

**Agreed amount of K1.50 per bucket / K13.00 per cubic meter**

### **6.3 REVENUE FROM LEASE OF LAND**

The contractor for the subproject road has made use of customary land where camps are built and disposal of spoils at selected stable areas. All such cases have been agreed with the customary land owner for the payment of the agreed fees or in-kind assistance. The total amount received by customary landowners on this account is Kina 12,900 as per the signed land agreements for the usage of campsite at Mt. Wira. The details are shown in the following

82. **Table 12: Summary of Quarry Volume and Estimated Value.**

**Table 13: Summary of Lease Rentals Paid to Customary Land Owners**

Month	Mt.Wiri Campsite	Total
January	2,000.00	2,000.00
February	2,000.00	2,000.00
March	2,000.00	2,000.00
April	2,000.00	2,000.00
May	2,000.00	2,000.00
June	2,000.00	2,000.00
<b>Total</b>	<b>12,000.00</b>	<b>12,000.00</b>

83. For the spoils disposal sites, selected stable areas have been agreed by landowners for backfilling to create sports field for example or other usable land. Benefits of this would be reported in the next quarter or semi-annual social safeguards report.

#### **6.4 OTHER LOCAL BENEFITS**

The contractor purchases food and other sources of protein, construction material and other local purchase of items. For the covered reporting period, the contractor locally purchased a total of Kina 1,076,051.46. The details of these purchases are shown in the following

84. **Table 14: Summary of Local Purchases.**

**Table 14: Summary of Local Purchases**

Month	Food purchase (Kina)	Construction Materials Purchase (Kina)	Other Purchase (Kina)	Other Local Expenses (Kina)	Total (Kina)
January	11,574.00	17,110.00	20,4660.00	3,350.00	23,6694.95
February	4,326.00	28,976.00	16,8192.00	3,353.00	20,4848.05
March	8,744.00	2,273.00	82,589.00	6,500.00	100,106.96
April	8,137.00	11,254.00	16,8671.00	20,600.00	20,5663.91
May	13,087.00	22,979.00	17,5550.00	38,520.00	25,0137.59
June	15,200.00	20,100.00	18,100.00	25,200.00	78,600.00
<b>Total</b>	<b>61,068.00</b>	<b>102,692.00</b>	<b>817,762.00</b>	<b>97,523.00</b>	<b>1,076,051.46</b>
<b>Average</b>	<b>10,178.00</b>	<b>17,115.33</b>	<b>136,293.67</b>	<b>16,253.83</b>	<b>179,341.91</b>
<b>Percentage</b>	<b>6%</b>	<b>9%</b>	<b>76%</b>	<b>9%</b>	<b>100%</b>

85. Above data indicates that Kina 1,076,051.46 has been injected into the community by way of purchases and other services during the review period. Part of these expenses has been received by women who are likely to be impacted positively.

## **7.0 REQUIREMENTS FOR REMEDIAL ACTIONS**

86. As of 30 June 2018, the end of this reporting period, there are two (2) outstanding issues, namely the a) grievances pending for compensation and b) in-kind assistance, income and livelihood restoration programs. The implementation of the recommended income restoration measures involving the construction of bus bays and waiting sheds are scheduled to commence once the portion of the proposed locations would have been sealed. These two outstanding issues are briefly discussed below.

### **7.1 PENDING GRIEVANCES**

87. A total of 765 grievances received by the resettlement unit of HRMG and these grievances have been registered in the complaint log-sheet. The grievance redress committees will deliberate further on the grievances during the next grievance redress committee meeting and only the genuine grievances will be recommended to HRMG for settling payments.

88. Upon receipt of advice that additional funds are available, HRMG will promptly settle these outstanding payments. The settling of these outstanding grievances will be provided in the next reporting period.

### **7.2 IMPLEMENTATION OF IN-KIND ASSISTANCE**

89. There are portions along the subproject road where asset damages were incurred by the previous contractor. While it is not the responsibility of the present project to compensate these damages to assets, the GRC has requested HRMG to consider in-kind assistance to alleviate their losses. The subproject road affected communities will be assisted by way of in-kind materials for the refurbishment of their community infrastructure. The in-kind assistance will be in the form of building materials and equipment that are required to make infrastructure works.

90. There are also issues on ceremonial grounds that will be affected by the project. There is a need to determine authoritatively to what extent these will be affected. Technical solutions should also be explored to minimize if not totally avoid these resettlement impacts. Further consultations with the affected tribes are needed.

91. Consultations with these affected communities will commence upon the commencement of actual construction activities to determine the types of in-kind assistance needed by these affected communities and the delivery system required to put these assistances in place.

### **7.3 IMPLEMENTATION OF INCOME RESTORATION MEASURES**

92. Under income restoration measures provided in the RP, the tribes and the clans will be provided with four (3) typical bus bays with provisions of road side vending and four (3) waiting sheds that will provide temporary storage areas for farm inputs and outputs as well as road side vending areas. The timing of the construction of bus bays 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 sub-project. Another round of consultations will be conducted to determine with finality the locations of these bus bays and waiting sheds.

## **APPENDICES**

### **APPENDIX 1 LIST OF REFERENCES**

1. Resettlement Plan (RP) Nipa Munihi Sub-Project, August 2015
2. Results of the Detailed Measurement Survey September 13, 2016
3. Initial Compensation Payment Completion Report, May 2017
4. Monthly monitoring from January to June,2018

## APPENDIX 2: PROCEDURES FOR THE GRC PROCESS

To rationalize the GRC process and make them uniform for the different subprojects for Tranche 3, the following steps are recommended for formal adoption of the four GRC committees. The flow chart included in this report shall be posted in each of district office where the subprojects are located to ensure that APs is fully aware of the GRC procedures.

**Step1:** The potential affected person (AP) files verbally or in written form his/her complaint or grievance with the community relation officer (CRO) of HRMG, detailing his/her name, residence location or chainage, name or ward, and an enumeration of assets that are the subject matter of the complaint. He//she shall put the basis for the complaint.

**Step 2:** The CRO initially screens the verbal or written complaint and determines if the complaint is a resettlement related issue located inside the construction limits or it is an environmental issue arising out of any construction activity which affects the environment (such as food gardens, trees, crops, bodies of water) outside of the construction limits. If the complaint is an environmental issue, the complaint shall be log out and forwarded to the contractor for proper action.

**Note:** *There are cases wherein the complainant is the husband, brother, son or daughter of owner of the alleged affected asset. The CRO shall ascertain at this stage who is the real owner of the asset. Consult with the ward, tribal leaders in the area to ensure that only the real owners file grievances.*

**Step 3:** Only resettlement related issues will be forwarded to the GRC. The CRO shall assist the AP or files the written complaint in behalf of the AP. The CRO shall maintain his own log book (See Form 1) for all the resettlement related complaints that he/she will forward to GRC. This log book shall also contain all the necessary information to track down the status of each and every complaint filed with the GRC.

**Note:** *Specific complaint includes missed out payment, payment to wrong person, claimed asset is inside construction limits, wrong counting of affected assets, Inadequate pricing of affected assets, damage incurred by the previous contractor (previous asset loss) and others.*

The GRC on its own may refuse to take cognizance of the complaint brought before them when it appears that the GRC has no jurisdiction based on the face value of the complaint. In this case, the AP may opt to bring the complaint to other venues for the proper disposition of the claim.

**Note:** *There were previous cases wherein grievances filed were not connected with the subproject or were incurred by previous contractors. HRMG may take cognizance in a case to case basis.*

From this point of the complaint, he/she acts as the custodian of the records of the complaints and also acts as the secretariat supporting the official functions of the GRC. He/she shall closely coordinate with the social safeguards officer (SSO) of HRMG to ensure that proper documentation of all complaints is maintained, safe, intact and readily available to the SSO.

**Note:** *All records, documents, transcriptions, attendance sheets and photographs of all aspects of GRC proceedings are owned by HRMG and shall not be shared, photocopy or emailed unless with the written consent of the Senior Project Coordinator of HRMG.*

**Step 4:** The chairperson of the GRC, upon assurance of the availability of funds<sup>1</sup> from HRMG. Shall schedule a GRC meeting, specifying the claims and grievances that will be tackled in a certain road section of the subproject and the date and time of the meeting. The CRO shall inform HRMG Mount Hagen and the complainants that are included in the agenda of the covered road section in any form of communication available.

**Step 5:** At the date of the GRC meeting, the SSO and CRO shall go to the designated place of the meeting. The official GRC meeting can take place in a certain place or can be in a nature of a verification visit to personally assess the locations and types of assets mentioned in the complaint. Oral arguments and other modes of discoveries may be permitted during these verification visits with APs, upon proper permission of the chairperson. The decisions or resolutions made by the GRC shall be binding to the project and only an adverse decision of a local land court as per the Land Dispute Settlement Act may reverse the GRC decision. Again, if the complainant is not satisfied with the decision of the GRC, he/she may avail of other remedies such as filing a complaint with the local land court.

**Note:** *The CRO and SSO shall document every decision of the GRC made in the field, taking note of each vote of every member present, in cases wherein the votes are not unanimous. These should be noted in the log book corresponding to a particular complainant. If the grievance is deemed genuine or not genuine, the reason of the GRC should be explained in the log book.*

**Step 6:** The CRO shall update his log book and make the proper notations on the decisions of the GRC and jointly submit with the SSO, a summary to HRMG, containing all the details of the complaint with some photographs. The summary should be signed by the chairperson of the GRC. The SSO shall also maintain a log book of his own containing all the decisions of the GRC. The SSO shall reconcile his log book with the CRO to ensure that there is consistency and uniformity of data.

**Note:** *The ultimate responsibility of submitting to HRMG the summary of the decisions of GRC is with the SSO. It should contain per road section the number of grievances filed within the covered period, grievances deemed genuine, the amount awarded to each of the complainants.*

At this juncture, the CRO shall inform the APs of the decisions of the GRC whether the claims are dismissed or monetary awards have been given to the APs. On the latter case, the amounts of monetary awards should be communicated to the APs.

**Step 7:** The SSO shall submit the summary of the decisions of the GRC (See Form 2) and the necessary supporting documents and photographs to HRMG. He shall prepare the proper documents requesting payment for claims favorably acted upon by the GRC to HRMG.

**Note:** *The SSO shall also attached with the summary the decision for each of the complaints in Matrix form.*

**Step 8:** HRMG shall schedule payments of meritorious claims as decided by the GRC based on the road section visited or discussed by the GRC. The schedules will be based on the availability of funds of HRMG in Mount Hagen or from the approved payments and remittances of DOW/POM.

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<sup>1</sup> Members of the GRC receive sitting allowances with the chair receiving more. In addition, logistical expenses are incurred by SSO and SSC from Mount Hagen. It is recommended to give the CRO assigned to the GRC an allowance equivalent to the allowance of a sitting member to fully document the GRC proceedings. Payable upon submission of the complete report.



**Step 9:** Upon availability of funds, the SSO shall inform the CRO the schedule of payments of awards of the GRC, including the time, place and the names of APs that will be paid, including the corresponding amounts. On his/her part, the CRO shall inform all pertinent parties about the payment schedule and their corresponding amounts.

**Step 10:** SSO together with the CRO and ward leaders go to the road section and pay the GRC awards. APs sign deeds of release<sup>2</sup> and receive the payments for the awards of the GRC. SSO prepares summary of payments and photographs and submits to HRMG within 5 days after the payments.

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<sup>2</sup> HRMG should have a set of Deeds of Releases per project as part of its documentation and future reference in cases wherein future claims involving same affected assets are claimed.

## **APPENDIX 3: HRMG COMMUNITY RELATIONS OFFICER (JOB DESCRIPTION)**

### **General Function:**

The Community Relations Officer is responsible for carrying out community relations activities including, project information dissemination, local communities' notification & liaison, reporting and monitoring and issues management to promote goodwill and foster good relationships with Displaced Persons (APs), affected wards and LLGs officials, customary landowners, affected tribes and clans and other stakeholders.

### **Specific Functions**

#### **Information Education and Communication (IEC) Function**

- Communicate project disclosure leaflet to affected wards and villages;
- Explain the responsibilities of DOW/HRMG on resettlement related issues and contractor's responsibilities and liabilities outside of the construction limits, especially environmental damages arising out of the implementation of the project;
- Provide information to communities and other stakeholders on the progress of construction activities;
- Participate together with the SSO in the pre-construction survey and disseminate project information;
- Notify and organize affected communities in advance for scheduled activities, visits, consultation meetings that may be held from time to time in the job site;
- Provide information on the procedures on grievance redress committee (GRC) and assist APs in filing of cases with the GRC, if needed;
- Ensure proper documentation of attendance sheets, number of participants, women and APs;

#### **Mediation Function**

- Proactively identify potentially contentious community issues, provide advice for effectively managing issues;
- Initially identify whether an issue is resettlement or environmental related;
- Discuss with potential complainants the information in the leaflet and try to settle issue at this level;
- If issue is unsettled, refer to the proper authorities or units, issues arising out of the implementation of the project (HRMG/DOW or contractor's issues);
- Assist HRMG Mt. Hagen officers in the clarification and settlement of issues;
- Document GRC proceedings, resolutions and findings;

#### **Monitoring and Reporting Function**

- Be on site and participate in the pre-construction survey, wherein the plotting of the construction limits are undertaken jointly by DOW and the contractor;
- Prepare summaries of progress and monitoring parameters every month;
- Inform HRMG Officers of any outstanding issue that should be addressed;
- Report pressing individual and community issues to HRMG that require immediate actions;
- Assist in the implementation of any community development plan or income restoration measures for the affected communities;

#### **Miscellaneous Function**

- Attend periodic training and/or seminars for capacity building;
- Collect additional project information that HRMG may need from time to time;
- Perform other functions that may be assigned by HRMG;

#### **Monthly Deliverables of the CRO**

- Full documentation of public meetings, consultations, site visits including disaggregated by gender and APs attendance sheets, highlights of the meetings, some photos;
- Proof of prior notifications of meetings, village assemblies and other activities;

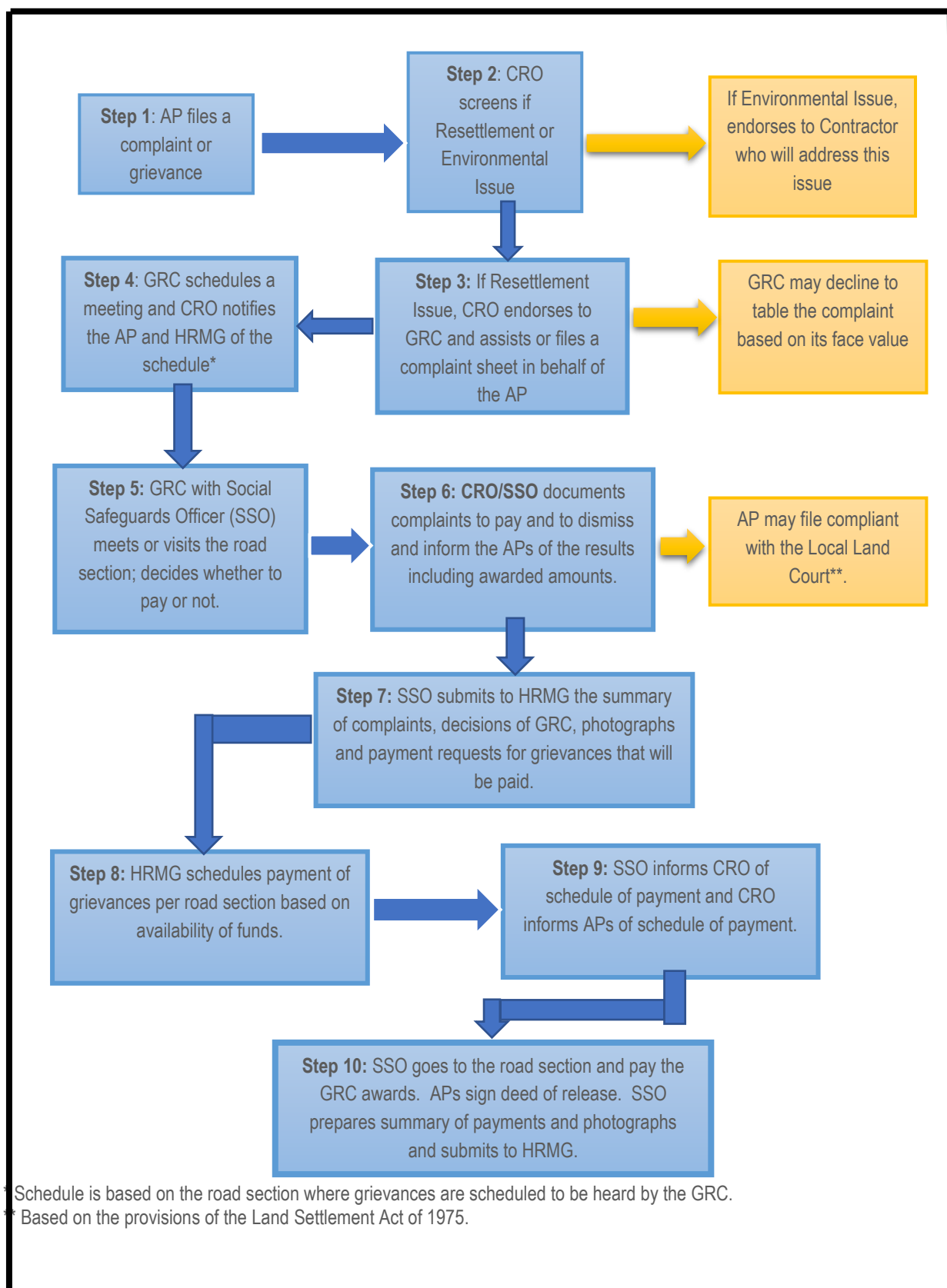
- Full documentation of GRC proceedings including grievances handled, resolved and outstanding issues and amounts involved;
- Monthly summary of community issues and complaints arising out of the covered month and any outstanding issues from the previous month;
- Monthly employment data and other direct and indirect benefits arising out of the project;

**Qualifications & Skills:**

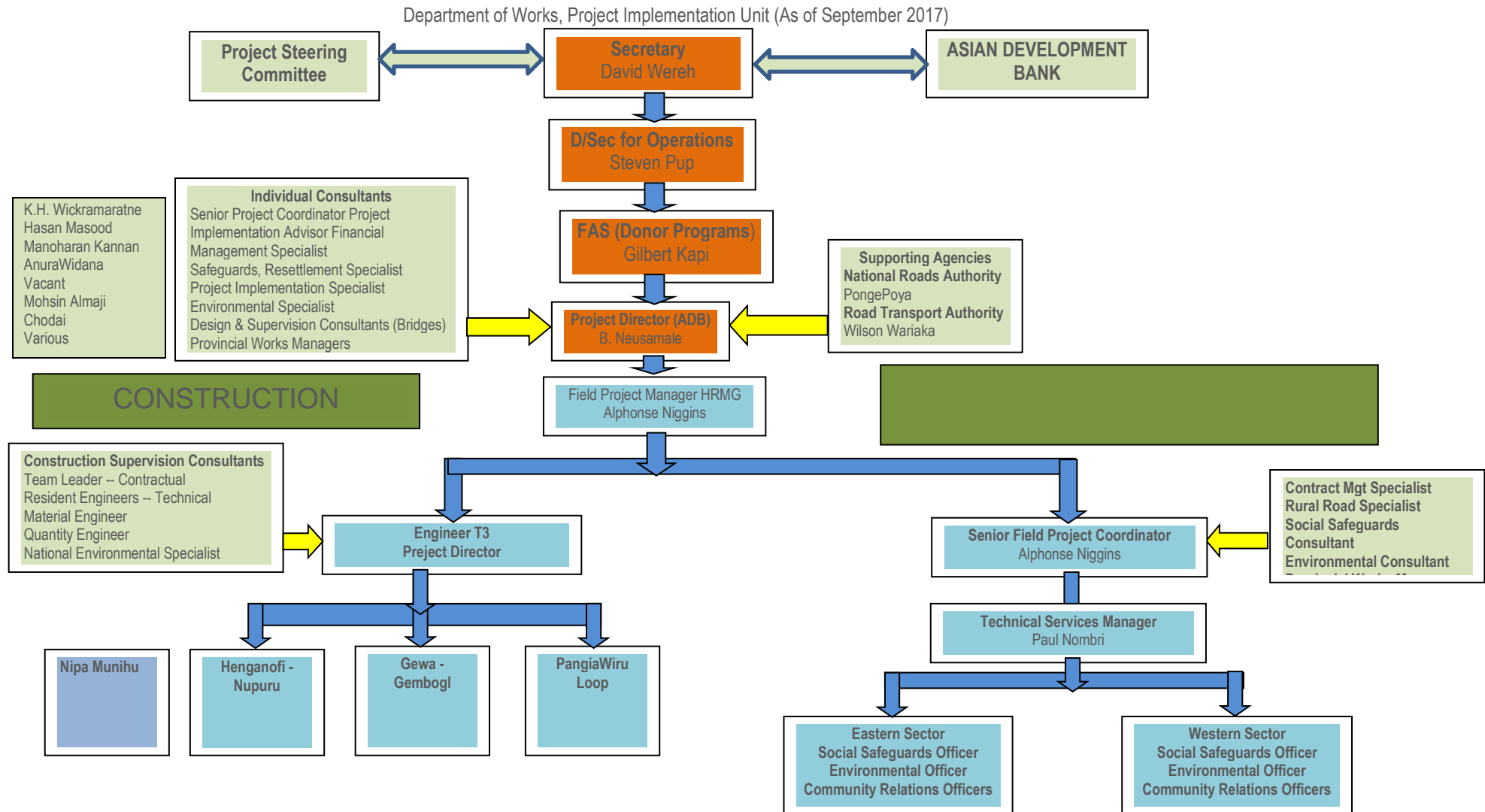
- Preferably a resident of the sub-project road;
- Educational attainment of at least grade 12;
- Able to read and write;
- Experience in managing community issues;
- Good communication, interpersonal and presentation skills; and ability to expand relationships;
- Good presentation skills and negotiation;
- Strong service-orientation, result driven and proactive;
- Proficiency in Microsoft office.

Women are encouraged to apply for this position as part of the policy of HRMG as gender equality employer.

## APPENDIX 4: FLOW CHART OF GRC PROCESS



## APPENDIX 5: ORGANIZATIONAL CHART



## APPENDIX 6: PHOTOGRAPHS



Image 1: HRMG Safeguard Officer addressing the gathering during the Verification exercise at Shumbi Ceremonial Ground (Chainage 13+950). Shumbi Ceremonial Ground is situated on both side of the road carriage-way is situated .It is situated at an Altitude of 2,118meters .



Image 2:HRMG Resettlement Officer addressing the gathering at Kopisor Ceremonial Ground(Chainage 0+600) during the site verification exercise





Image 3: Ward Leader raising a Concern over initial environmental damages done within 500meters road section by IPZ Limited during the site verification exercise by GRCs and HRMG Safeguards Officers. Consultation held at Chainage 21+000



Image 4: The road will traverse this Ceremonial Ground at Nengia Chainage 19+400. Affcted Clans have agreed with the idea of In-Kind assistance proposed by HRMG Resettlement Officer during the site verification and Consultation. A diagram illustrates where the road will traverse through the ceremonial area



Image 5: New Improvement of Pitpit and Wooden Fences Erected at Chainage 19+100. The fence was constructed after the DMS cut-off date. Due to lack of awareness following the DMS cut-off date have resulted in people constructing new fences and other developments. GRCs have determined that it is the fault of DoW in conducting on-going awareness hence people have customary rights to improve their lands. This fences and other similar improvements along the road after DMS cut-off date will be addressed through GRC deliberations.



Image 6: APs pointing to the newly improved food gardens which were improved after the DMS cut-off date. Other similar gardens were observed along the road sub-project during the verification work. All are within the construction limits and will be affected during the course of civil works





Image 7: A AP standing in front of his trade-store and fences. He was complaining of being under-paid during initial payment and demanded the contractor not to clear his fences including a bush material house situated at the back of his trade store.



Image 8 A store owner pointing to his trade-store alleging it is an affected structure. His Trade-store located some 2.5 meters from the edge of the construction limits.



Image 9.GRC members and representatives of affected Wards in discussion during the GRC Meeting