

Semi-annual Report

July 2019

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

Prepared by Department of Works for the Asian Development Bank

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**PNG: HIGHLANDS REGION ROAD IMPROVEMENT  
INVESTMENT PROGRAM - TRANCHE 3**

**Nipa to Munihu Road Sub- Project**

**SEMI- ANNUAL SOCIAL SAFEGUARDS  
MONITORING REPORT**

January to June 2019

**Project Implementation Unit**

**Department of Works**

**National Capital District**

**July 2019.**

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## **ABBREVIATIONS**

ADB	Asian Development Bank
CSC	Supervision Consultant
CRO	Community Relations Office
DA	District Administrator
DC	Design Consultant
DMS	Detailed Measurement Survey
DPs	Displaced Persons
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
HRRIIP	Highlands Region Road Improvement Investment Program
IA	Implementation Agency
IMO	Independent Monitoring Organization
IRS	International Resettlement Specialist
LLG	Local Level Government
MFF	Multi-Tranche Financial Facility
MOA	Memorandum of Agreement
MTS	Manager-Technical Services
NM	Nipa - Munihu
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
SSO	Social Safeguard Officer

## **1.0 EXECUTIVE SUMMARY**

- A. This semi-annual social safeguard monitoring report covered the period from January to June, 2019. 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 - Munihi sub-project in Southern Highlands Province (SHP) 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 June 21 2017, and the project commencement was announced on the 26th of February 2018 followed by the mobilization of plant and equipment's. The construction period of the project is 24 months. 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 agency has provided support related to activities to acquire land for upgrading HRRIP road. With this mandate, HRMG/PSC 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 landowners.
- F. Two separate Detailed Measurement Surveys (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 and confirmed by the findings of the detailed measurement survey (DMS).
- H. The resettlement category is determined by the severity of impacts on affected people. In the case of Nipa-Munihi road subproject, as there are impacts on houses, businesses, crops, trees apart from land impacts on 11 tribes, there are few affected people. It is therefore to be concluded that this subproject falls into Category B for involuntary resettlement impacts, according to ADB's SPS.

- I. There were 10 public consultations and meetings were conducted during this period with roadside communities in the Nipa-Munihi sub-project road at numerous intervals from January to June 2019 covering all the affected wards. There were 311 participants and out of this total, 220 were males (71%) while there were 91 females (29.3%).
- J. There were approximately 216 participants who belonged to DP households. This number represented 69% of total public consultation participants. Most of the concerns raised and discussed during the consultations were resettlement and construction related issues. Other issues were resolved on site by the civil contractor and some were handled by HRMG through the grievance redress committees.
- K. During the covered period proposals to conduct a GRC meeting were scheduled by HRMG but due to law and order issues in SHP have forced its delay. However, GRCs formerly convened on September 19, 2018 which have concluded all resettlement related issues. The issues as discussed during the final GRC meeting are;(a) issues regarding missed outs and underpayment;(b) grievances relating to previous environmental damages for 500meters road section;(c) grievances relating to further damages caused by landslips in specific sections along the subproject road;(d) Issues relating to ceremonial grounds and;(e) other construction related issues that hinders the progress of civil works for the road project.
- L. There were five (5) important decisions made by the Committees during their final GRC meeting and these are;(a) The total of 451 grievances regarding missed outs and underpayments were recommended to HRMG for final settling of payments;(b) The total of 290 claims filed by DPs within the 500meters road section over previous environmental damages were considered to be paid in package. The total of Kina 20,000.00 was approved by GRCs for settling the claims. The amount would be paid in package;(c) Contractor to give sub contracts to locals in landslips affected section;(d) provision of in-kind assistance (community projects) to be given to locals in lieu of compensation payment for the loss of ceremonial ground and;(e) Contractor to build good relationships with locals along the subproject road and address minor social issues that is hindering the progress of civil works.
- M. Grievances enlisted during the covered period would be addressed during the proposed GRC meeting, basically they may be captured on the 3<sup>rd</sup> quarter or 2<sup>nd</sup> Semi-Annual Social Safeguards Report.
- N. Direct Employment – For the months of January to June 2019, the Nipa-Munihi road subproject was able to generate 1470 payroll positions with estimated wages of Kina 1,044,500 or a monthly average of Kina 174,083.33.00. There were 252 foreign skilled personnel hired to work in various construction activities. The estimated wages paid to these foreign employees are not reflected in this report because their wages.
- O. Women’s Participation – For the first half of 2019, there were 198 female workers directly employed by the contractor and classified as payroll activities equivalent to Kina 175,000.00 or a monthly average of Kina 29,166.7. For the same period the total of 67 women participated in non-payroll activities equivalent to Kina 33,500.00. For the covered period, women who directly and indirectly participated in the construction activities earned a combined total of Kina 208,500.00
- P. Other Benefits – For the first half of 2019, the customary landowners earned a total of Kina 259,197,30 or a monthly average of Kina 43,199.5 as royalties from the operations of the four (4) quarries for the project. Additionally, customary landowners

earned a total of Kina 43,800.00 or monthly average of Kina 7,300.00 for land leases paid for the two (2) camps and other facilities located at Mt. Wiri Camp in Lai Valley LLG and Nembi Camp in Nipa Basin LLG. Furthermore, local purchases of the contractor netted the surrounding communities a total of Kina 3,909,080.22 for the month of July to December; 2018. Overall, other direct benefits totaled Kina 63,292.00.

- Q. Based on four (4) recommendations that required corrective actions as reported in last semi-annual social safeguard report only two (2) issues have been settled and these are; (a) final payment made for the 451 grievances that were endorsed by GRCs and; (b) final payment of Kina 20,000.00 was paid in package to the 290 DPs for previous environmental damages.
- R. At this time there are four (4) outstanding issues that requires a corrective actions and these are ;(i) provision of in-kind assistance to various clans who owns four (4) ceremonial areas which the road will traverse and ;(ii) addressing any additional grievances if arises during the course of civil works; (iii) Involvement of more women in construction works to meet ADB's safeguards requirement of 30% of Women's participation in Construction work; (iv) Implementation of Income restoration measures.
- S. Based on the RP, HRMG has fully complied with (a) full payment of all affected assets within the construction limits; (b) conducted public consultations and disclosure of project information and entitlement policies; (c) established a functioning grievance redress committee; and (d) set up its internal monitoring system for this sub-project.



## **2.0 INTRODUCTION**

### **2.1 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 Munihi Road, Pangia Wiru Loop Road, Gewa Gembogi 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-Munihi 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 Road Authority and China Overseas Engineering Group Co., LTD (COVEC China). The CSTB contract was signed on March 15, 2017. The contract was commenced in October 16, 2017, has a duration of 24 months and is expected to be completed in November 16, 2019.

### **2.2 PROJECT DESCRIPTION**

6. Nipa Munihi road section is 27.73 km long that connects Nipa District with Mendi-Munihi 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).

9. The Detailed Measurement Survey (DMS) 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 are also 21,823 affected crops and trees. 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).

## **2.3 INSTITUTIONAL ARRANGEMENTS**

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

## **2.4 PURPOSE & METHODOLOGY**

15. This report presents the status of social safeguards including the compliance with approved RAP in respect of Nipa Munihi road section, covering the review period of January 1 to June 30, 2019. This semi-annual monitoring report (SMR) is a requirement under the Safeguards Policy Statement 2009 (SPS 2009).

16. The contract between DOW and the contractor was signed on June 21, 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. As of 26<sup>th</sup> February 2018, the commencement date for this project has been established.

17. Prior to the commencement date of the subproject, the contractor has leased customary land and prepared its camp site and other facilities required by the various construction activities. The contractor has mobilized its heavy equipment and construction supplies as per official commencement date on December 30, 2017. Quarry development sites have been selected along the sub-project road, Wapu Su Oro Quarry which is next to the campsite will serve the sub-project road towards the end of chainage. The other two (2) quarry development sites including Sopharam (km 0+900), Haren (4+300) not operational due to poor materials, and Urami (km 7+000) were identified in Nipa side of the road sub project.

18. The contractor has approached the project on two (2) fronts. One team has commenced clearing and grubbing from Nipa at the start of the project whilst the second team started works from the end of the project at (Km 27.727) Munihi in Lai Valley working backwards to Nipa. As of this reporting period, the Nipa and Munihi Team have meet each other especially doing clearing and grubbing works at km 11+800. Other civil works especially embarkment, line drain, and culvert installation were in progress, however law and order issues at the project site has severely affected work progress.

19. This semi – annual report will therefore focus on what have been done on resettlement and will discuss what parameters or indicators will be utilized to internally monitor the implementation of the remaining resettlement activities during actual road construction such as missed out and undervaluation of affected assets, public consultations, grievance redress and monitoring of direct and indirect project benefits.

20. The primary data was gathered through discussions with project staff, officials, community leaders, the contractor and DPs. More in-depth discussions were conducted with DPs 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, CSC, district administrators and other reports.

21. 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.

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

#### **3.1 SAFEGUARDS STAFFING**

22. 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 DPs have been mobilized since Tranche 1 and Tranche 2 and is now fully staffed to undertake its responsibilities in Tranche 3.

23. 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 ten (10) 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 Construction and Supervision Consultant (CSC).

24. 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.

25. The PSC resettlement/social safeguards and environmental specialists work in close coordination with HRMG resettlement and environmental officers. Basically, PSC Safeguards team work more closely with the contractor to ensure that safeguards policies of ADB SPS 2009 and GoPNG laws especially Environmental and Land laws are adhered by the contractor. Routinely, they visit their respective road subproject twice a month. In addition, the field officers of PSC/HRMG may return to the subproject road as often as needed if there are any resettlement /environmental related issues during the course of the implementation of each road sub-project.

26. 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.

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

27. During the covered period from January to June 2019, there were two training seminars conducted in May 2019. The first training seminar was conducted on 24<sup>th</sup> May 2019 at DoW Mt. Hagen Conference Room and was facilitated by the Gender Consultant of HRMG/DoW. The seminar focused on HIV & Aids and its negative impact on newly constructed subproject roads. The seminar was merely a group discussion; however, participants have discussed some very important gender related causes that trigger the spread of HIV & AIDs and the possible measures to mitigate or control the virus (*refer proceedings attached*). The second training seminar was conducted on 28<sup>th</sup> of May 2019 at DoW Mt. Hagen Conference Room and was facilitated by ESSB/DOW, and those took charge include ESSB Manager, International Social Safeguards Specialist and Environmental Consultant. The participants were the Environmental and Social Safeguards officers of HRMG; National Environmental Specialist of CSC, National Environmental and Resettlement Specialists of PSC and the International Resettlement and Environmental Specialists. The seminar focused on a draft DoW Safeguards Policy 2019 thus case studies of projects undertaken were discussed, basically on how best safeguard practices can be implemented at project levels.

Participants were given samples of the DoW Safeguards Policy 2019 so that feedbacks could be given to ESSB for a final review.



**Image 1: Stephen Nakandio, Gender & HIV/AIDS Consultant (HRMG) facilitated the focus group discussion on HIV & Aids and its negative impact on newly constructed subproject roads on 24<sup>th</sup> May 2019 held at the DoW Mount Hagen Conference Room.**



**Image 2: Safeguards Policy 2019 (draft) training seminar facilitated by the ESSB/DoW on 28<sup>th</sup> May 2019 held at the DoW Mount Hagen Conference Room. Discussions basically focused on how best safeguard practices can be implemented at project levels.**



## **4.0 DELIVERY OF COMPENSATION AND ENTITLEMENT**

### **4.1 MEMORANDUM OF AGREEMENT**

28. 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 subproject. 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.

29. 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).

30. 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 DPs.

### **4.2 PROCESS OF INITIAL COMPENSATION**

31. A verification survey was conducted by the HRMG staff together with LLG ward leaders and councilors, 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 DPs 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.

32. After site verification of the affected assets, the affected persons increased to 355 DPs 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 July 4, 2016 by the HRMG team, there were 923 DPs whose affected assets amounted Kina 450, 174.40 net of administrative expenses.

33. 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 DPs received their corresponding amounts and all signed their respective Deeds of Releases (DORs).

34. Once the master list of DPs 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 DPs is submitted to PMO for funding allocation.

35. 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 councilors to inform and mobilize the DPs to attend and receive their compensation payments for the affected assets.

36. The actual compensation payment is directly given to DP and most of the time with their families in the presence of the DA, LLG president, ward and village councilors', PWM and/or his representatives.

37. 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.

38. There are also rehabilitation allowances to assist the DPs in restoring their former living conditions. These allowances included shifting allowance, moving allowance, subsistence allowance, relocation and reburial assistance and vulnerability allowance.

39. With the presence of ward councilors, each DP is called and receives cash payment contained in an envelope with the amount indicated in the envelope. The DP is photographed while holding the payment before he signs 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.

40. 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.

#### **4.3 PAYMENT BASED ON GRC'S RECOMMENDATIONS**

41. The Second payment of compensation was based on grievances that were approved by grievance redress committees. Only those grievances considered as genuine and approved by GRCs were fully settled as of December 19, 2018.

42. For the covered period, HRMG has fully settled the 451 grievances out of 1,200 claims as recommended by the GRC as well settling the 290 claims filed by aggrieved DPs within the 500meters road section relating to previous environmental damages done by local contractor.

43. The claims for the 500meters road section were paid in package based on decision by the GRC. Four (4) separate deed of releases were signed by affected ward leaders confirmed that they have agreed the terms and conditions as contained in the Deed of Release (DoR) and have received the final payment for the loss of improvements within the 500meters road section.

44. The total of Kina 20,000.00 was paid in package to the 290 DPs for previous environmental damages done. Payments of compensation based on cases approved by GRCs were paid in Mendi Provincial Works office on December 19, 2018 at and was completed the same day. DPs have all signed the Deeds of Releases (DORs) in front of the ward leaders, HRMG Officers and Staff from the provincial Works office.

45. Members of the Grievance Redress Committees were involved during the payment disbursement. Chairperson for the GRCs was involved in payment disbursement. All deeds of releases were endorsed and signed by the GRC chairperson. Attached in Appendix 5 is the sample of the signed deed of release being endorsed by GRC chairman.

## **5.0 PUBLIC PARTICIPATION AND CONSULTATIONS**

### **5.1 PUBLIC CONSULTATIONS AND WOMEN'S PARTICIPATION**

46. A number of public consultations were held with roadside communities along the road subproject during the covered period from January to June 2019. The consultations were conducted independently by HRMG (Environmental, Social and Gender Consultants), CSC (National Resettlement and Environmental Specialist) Contractor and CRO for HRMG and PRO for the Contractor.

47. Further consultations and community meetings were conducted on a weekly basis along the project areas by leaders and councilors of the affected LLG Wards. This type of consultations and group meetings on project site were not documented but important issues as discussed during such meetings were related to the road subproject; other issues related to job employment and locals claiming subcontracts from the Contractor. Some issues are being resolved by the contractor and others were discarded as they were considered not valid.

48. The purpose of the consultations and awareness was to inform the community members along the Nipa-Munihi road subproject about the importance of good road network and also briefing them about the difference between Resettlement related issues and Environmental claims to minimize grievances and to place them in a better position anytime their outstanding compensation payments are ready for payout given the reason that as soon as the road sealing begins there would be no hiccups.

49. A focus group discussion was also conducted with locals during the covered period from January to June 2019 to discover factors hindering the progress of civil works and to ensure that possible mitigation measures were recommended to rectify issues relating to the subproject road.

50. Though compensation payments for grievances have been recently paid, some issues and concerns expressed by locals along the roadside communities are relating to grievances pertaining resettlement or environmental issues whilst some were dealing with missed-out or underpaid DPs. 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.

51. The consultations were conducted in groups, large meetings and individually with the DPs by HRMG staff as well as PSC and the contractor staff. A large meeting was held in Munihi section of the road were facilitated jointly by HRMG and PSC staff to resolve issues on ceremonial as well as outstanding or underpaid compensation issues raised by affected communities. Other meetings held along the roadsides mainly focused on educating APs concerning the importance of subproject road. They were further urged not to take-on political issues by interfering with the road construction works.





**Image 3:** National Resettlement & Social Safeguards Specialist – Mr. Steven Kolaiye of the PSC addressing the aggrieved locals at km 14+500 Shumbi Village. Locals have raised their concern about their ceremonial ground in which the subproject road will traverse through. They have been urged to refrain from causing unnecessary work stoppages since GRC will resolve their issues.

52. There were 10 public consultations conducted with roadside communities in the Nipa-Munihi sub-project road at numerous intervals from January to June 2019 covering all the affected communities along the subproject road. There were 311 participants and out of this total, 220 were males (71%) while there were 91 females (29.3%).

53. There were approximately 216 participants who belonged to DP households. This number represented 69% of total public consultation participants. Most of the concerns raised and discussed during the consultations were resettlement and construction related issues. Other issues were resolved on site by the civil contractor and some were handled by HRMG through the grievance redress committees. These are summarized in the following

54. Table 1: Summary of Public Consultations.

**TABLE 1: SUMMARY OF PUBLIC CONSULTATIONS**

Month	# of Consultations	Male Participants	Female Participants	Total Participants	DPs Who Participated
January	2	40	10	50	35
February	2	50	6	56	40
March	1	35	50	85	40
April	2	55	10	65	45
May	1	15	5	20	28
June	2	25	10	35	28
<b>Total</b>	<b>10</b>	<b>220</b>	<b>91</b>	<b>311</b>	<b>216</b>
<b>Percentage</b>	<b>100%</b>	<b>70.7%</b>	<b>29.3%</b>	<b>100%</b>	<b>69%</b>

55. It was made known during the several consultations conducted on site that in the event that the contractor fails to comply with its CEMP resulting in further damages done to natural environment will be the sole responsibility of the contractor.

56. One of the issues that was discussed during the consultations held for the covered period was the landslips that has affected food gardens and further environmental damage. Local residents in landslips affected sections have raised concerns that they be compensated for damages done outside of the construction limits.

57. HRMG Safeguards officers informed the locals that the landslips were caused as results of continuous downpours in the last few months. Therefore, any environmental damages caused as results of landslips are considered as part of natural disaster and locals were advised to seek further assistance from the provincial disaster office in Mendi.

58. However, the contractor has adopted a mitigation measures by engaging locals from the landslips-affected-zones to work on the construction of gabion baskets protection works, masonry stone walls and retaining walls as required in some critical spots. This measure has minimized some of the landslips related issues along the road subproject. A brief summary of issues is summarized in Table 2: Summary of Issues Raised during January to June consultations and meetings. The attendance sheets of these consultations are not available.

**TABLE 2: SUMMARY OF KEY ISSUES RAISED DURING CONSULTATIONS**

LOCATION	ISSUE/CONCERNS FROM DPs	RESPONSE FROM HRMG/PSC
KM 3+500	APs complained about excessive dumping of spoils without their consent or formal approval.	The contractor was urged to produce a standard spoils agreement form thus consents of APs must be sought. Further, the contractor's environmental officer was advised to do proper site inspections at spoils dumping site for sensitive receptors such as drinking water, etc.
KM 6+400	<p>A church located outside of the construction limits and on an unstable slope was prone to landslide. As such, landowners complained about this resettlement issue and stopped construction works at least less than a km, thus advising the contractor to skip this section.</p> <p>A church located above the slope that was prone to landslide hindered civil works between less than a km. However, on-site assessment with the contractors' surveyor, HRMG/PCS team have found out that adequate space is available for</p>	<p>On-site assessments conducted jointly by PSC and Contractors Surveyor have identified that there was adequate space to cut the slope without affecting the church.</p> <p>In light with this, HRMG/PSC Safeguards team advised the DPs that this issue is outside of the construction limits, therefore the contractors would be liable should damage be caused.</p> <p>However, HRMG Social Safeguards Officer mentioned that if any damages is being caused during construction, the church would be considered for the in-kind assistance, thus urged DPs to allow construction works to proceed.</p>

LOCATION	ISSUE/CONCERNS FROM DPs	RESPONSE FROM HRMG/PSC
KM 14+500 Shumbi	<p>A group of people raised their concern about the ceremonial ground since the subproject road will traverse through.</p> <p>Some APs urged if the contractor could re-align the road since their ceremonial ground have been used long ago by their ancestors. Otherwise, they said that HRMG/DOW would compensate them accordingly.</p> <p>In addition, some APs complained that they have missed-out from the recent outstanding compensation payment.</p>	<p>The APs were made known that re-alignment would not be possible since funding was allocated as per design.</p> <p>Also, APs were made known that <i>'in lieu'</i> of cash, ONLY in-kind assistance would be provided by HRMG/DOW for the taking of ceremonial ground.</p> <p>Awareness were conducted concerning the importance of the subproject road; however APs were urged to formally register their complains/grievances through the HRMG/CRO on-site.</p>
Munihi Station Km 24.300	Aggrieved Locals expressed concern regarding further environmental damages caused by landslips. They claimed a compensation of Kina 25,000.00	<p>Neither Contractor nor HRMG will be held responsible for settling landslips-related claims as it is considered as part of natural disaster caused by natural phenomenon;</p> <p>However, to avoid any inconvenience, locals from landslips affected zones will be temporarily engaged by contractor on casual basis for the protection related works as technically instructed by civil contractor.</p>
Tumea (Re-alignment at 22+980 to 23+080)	<p>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;</p> <p>Re-alignment of the road to the left-side to avoid destruction to their ceremonial ground &amp; to avoid damage of cultivation;</p> <p>The said landlord demanded DOW/HRMG K125,000 to be paid as land compensation for the re-alignment.</p>	<p>The issue has been discussed by the landlord stating the following reasons;</p> <p>The sub-project road was designed according to the existing road; thus, funding has been approved based on the design;</p> <p>Re-designing of the road will be quite a lengthy and costing exercise;</p> <p>Advised the landlord that the contractor will still follow the existing road as per design, however, taking of the ceremonial ground will not be compensated in cash but an in-kind assistance will be preferred.</p>
Kuyanda Chainage 25.300	<p>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;</p> <p>DPs represented by a youth have raised concerns that locally</p>	<p>The road project communities were advised that such issues are always discussed during our monthly site meetings with the contractor. The contractor was strongly urged to comply with the contractual obligations by giving employing opportunities for both male and female from the road</p>

LOCATION	ISSUE/CONCERNS FROM DPs	RESPONSE FROM HRMG/PSC
	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 DPs by the contractor;	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.

59. During the consultations, all DPs have been informed about the GRM and the method of accessing the process through consultations such as meetings, focus group discussions and through word of mouth by community leaders who have been thoroughly briefed about the GRM process. DPs 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.

## 5.2 GRIEVANCE REDRESS MECHANISM

60. A Grievances Redress Committee (GRC) has been established by the project to receive, log and deliberate on all grievances received from APs relating to compensation and other environment and social issues. Additional grievances relating to resettlement or construction related matters were also referred to the GRCs for deliberations and the recommendations derived were submitted to HRMG for considerations and taking further actions.

61. 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 DPs 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.



**Image 4:** GRCs during the final GRC session held at the conference room of Renardet SA, Mendi Provincial Works. Picture Courtesy of Social Safeguards Officer, HRMG

62. For the covered period from January to June 2018, GRCs meetings for the subproject road were scheduled but due to law and order issues in SHP have caused unnecessary delay in resolving construction related grievances in the category of resettlement and environmental. A GRC meeting has been conducted last year, December 18, 2019 at Renardet S.A Office located in Mendi Provincial Works.

#### **5.2.1 FINAL GRC MEETING AND DECISIONS**

63. The GRCs in their last year final GRC meeting have made some important decisions which was submitted to HRMG for considerations and these includes the following;

**a) Settling of grievances regarding missed out and under-payments-**The GRCs made a decision through the GRC Chairperson that a total of 451 grievances out of 1,200 claims filed with HRMG were considered to be genuine and is recommended to HRMG for final payment;

**b) Settling of issues regarding 500meters improvements damages-**The GRC decided that a total amount of Kina 20,000.00 will be paid in package to the 290 claims as filed collectively by aggrieved DPs for loss of improvements. The decision was agreed to by four (4) leaders representing the 290 affected persons in the final GRC meeting;

**c) Issues Relating to Further Damages Caused by Landslips-**Locals from landslips affected zones will be temporarily engaged by contractor on casual basis for the protection related works as technically instructed by civil contractor.

**d) Issues relating to Construction Limits-**GRCs clarified that Contractor carries out construction work as per the road design prepared earlier and if any damages done outside of the construction limit will be the responsibility of the contractor; there is no constant road width but will depend on the terrain, design and existing condition of the road.

**e) Settling Grievances Relating to Ceremonial Grounds-**GRCs decided that the In-Kind assistance will be provided to affected communities in lieu of payment of compensation; Community projects will be nominated upon consultation with locals during the construction works;

### 5.2.2 COMPOSITION OF THE GRC

64. The GRC 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 DPs who may have some resettlement related complaints arising out of the project.

65. There are eight (8) committees members nominated and three (3) technical advisors representing HRMG. The three (3) safeguards officers are assigned for the subproject roads in the western side of the Highlands Region. The members of the GRC are shown in the following Table 3: Composition of the Grievance Redress Committee.

**TABLE 3: COMPOSITION OF THE GRIEVANCE REDRESS COMMITTEE**

NO:	NAME	SEX	TITLE	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 Advisor
10	Garry Dum	Male	Environmental Officer	Technical Advisor
11	Saul Nol	Male	Environmental Officer	Technical Advisor

### 5.2.3 NEW GRIEVANCES FILED WITH HRMG

66. For the covered period (January – June 2018), some grievances along the subproject road were enlisted by HRMG/CRO, however, yet to be screened and verified during GRC meeting. Grievances filed last year 2019 by aggrieved clans entails three (3) ceremonial grounds in which the road will traverse. The three (3) ceremonial areas are;

- a) Nengia Ceremonial Area at Km 16.500-Nengia Clan members have filed separate claims regarding the ceremonial area that is going to be affected during the course of civil works because the road will definitely traverse and scatter the *ples singsing* (*singing place*). The matter was deliberated by GRC and was resolved that an in-kind assistance will be considered as part of compensation payment. Final discussions will be held with the affected clans to determine the type of in-kind assistance they collectively prefer.
- b) Sonba 1 and Sonba 2 Ceremonial Areas at Km 14.100-Affected clans have also filed separate claims demanding HRMG to settle prior claims before further works could reach the ceremonial grounds. There are two (2) separate ceremonial areas that the road will traverses. The GRC has decided an in-kind assistance to be given to the affected communities but the decision is yet to be confirmed by the leaders of the affected communities.
- c) Shumbi Ceremonial Area at Km 13.500 - Shumbi Community has also filed their claims with HRMG regarding their ceremonial area. They have expressed concern that their only ceremonial place is going to be disturbed during the course of civil works hence they have demanded HRMG to settle their claims whichever in cash payment or in-kind assistance. Final discussions will be held with affected clans to determine the types of assistance they would collectively have a preference for.



## **6.0 MONITORING OF PROJECT BENEFITS**

67. The contractor has officially commenced the civil works for the subproject road on December 11, 2017. Since the construction work for the road sub-project commenced, the Contractor has recruited affected persons and those living within the project influence zone (PIZ) to work in various construction activities. And all these activities have generated income and other benefits for the people as further provided in the following paragraphs.

### **6.1 ROAD CONSTRUCTION EMPLOYMENT**

68. Project employment is one of the positive effects of the project and the contractor is greatly encouraged to source its manpower requirements from the DPs and the residents of the affected wards and villages. It is also a condition in the MOA, wherein the customary landowners 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 DPs and at least 30% women to be employed in the road project. These pertinent provisions also cover and are applicable to local sub-contractors.

69. For the covered period from January to June 2019, the contractor has hired a total of 42 foreign skilled personnel to work in various construction activities. The estimated wages paid to the Chinese employees are not reflected in this report because their wages were paid based on their skills and work experiences.

70. The contractor has also hired Local skilled personnel to work in various construction activities. The estimated wages paid to the employees were based on the Minimum average monthly Wages of Kina 500.00.

71. From January to June 2019, the subproject has hired a total of skilled personnel of 1470 workers consisting of 1272 men (86.5%) and 198 women (13.5%). There were 402 DPs that were employed in the sub-project. This represents 27.3% of total persons hired. The breakdown is shown in the following Table 4: Summary of Monthly Employment by Gender.

**TABLE 4: SUMMARY OF MONTHLY EMPLOYMENT BY GENDER**

<b>Months</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>	<b>DPs Employed</b>	<b>Estimated Female Wages</b>	<b>Estimated Total Wages</b>
January	231	17	248	56	8,500.00	115,500.00
February	259	35	294	89	17,500.00	129,000.00
March	371	67	438	67	32,000.00	185,000.00
April	411	79	490	65	39,000.00	205,000.00
May	411	79	490	35	39,000.00	205,000.00
June	411	79	490	90	39,000.00	205,000.00
<b>Total</b>	<b>1272</b>	<b>198</b>	<b>1470</b>	<b>402</b>	<b>175,000</b>	<b>1,044,500.00</b>
<b>Average</b>	<b>212</b>	<b>33</b>	<b>245</b>	<b>67</b>	<b>29,166.7</b>	<b>174,083.33</b>
<b>Percentage</b>	<b>86.5%</b>	<b>13.5%</b>	<b>100%</b>	<b>27.3%</b>	<b>16.7%</b>	<b>100%</b>

**Note:** This table on the summary of monthly employment excludes foreign workers.

72. For the covered period, it is estimated that the contractor paid the 1470 workers and personnel a total of Kina 1,219,500.00 or an average of Kina 174,083.33.00 per month. Out of this total, Kina 175,000.00 was paid to female workers or an average of Kina 29,166.7 per month from January to June 2019.

73. In addition, the contractor also farmed out certain construction activities to women along the road subproject areas. The contractor pays them upon completion of the assigned

tasks. There were four activities paid on piece-work basis namely, gabion baskets, line drains, rip-raps and head-walls.

74. For the covered period, there were a total of 67 women who worked and were paid for these 4 construction activities. There were 38 women who were involved in gabion works. Women sorted out stones that are specified in for the gabion baskets. There were 11 women who were involved in the construction of headwalls and 18 women involved in Rip Raps works. The details are shown in Table 5: Summary of Women's Participation in Non-Payroll Activities.

**TABLE 5: SUMMARY OF WOMEN'S PARTICIPATION IN NON-PAYROLL ACTIVITIES**

Month	Gabions	Line Drains	Head Walls	Rip Raps	Total
January	10	-	3	5	18
February	7	-	3	1	11
March	5	-	1	1	7
April	4	-	-	3	7
May	7	-	3	3	13
June	5	-	3	3	11
<b>Total</b>	<b>38</b>	<b>-</b>	<b>11</b>	<b>18</b>	<b>67</b>
<b>Average</b>	<b>7.6</b>	<b>-</b>	<b>1.3</b>	<b>3</b>	<b>11.17</b>
<b>Percentage</b>	<b>56.7%</b>	<b>-</b>	<b>16.4%</b>	<b>26.9%</b>	<b>100.00%</b>

75. The minimum wage in the Highlands Region is around Kina 500 a month. This is the basis for estimating the wages paid to women for the covered period. This amount is multiplied by the number of women for the covered period.

76. For the covered period, the 198 women working in the project for non-payroll activities were able to earn an estimated kina 175,500.00 from January to June 2019. The details are shown in the following Table 6: Estimated Monthly Income of Women in non-Payroll Activities.

**TABLE 6: ESTIMATED MONTHLY INCOME OF WOMEN IN NON-PAYROLL ACTIVITIES**

Month	Total Number of Women	Estimated Wages (Kina)
January	18	9,000.00
February	11	5,500.00
March	7	3,500.00
April	7	3,500.00
May	13	6,500.00
June	11	5,500.00
<b>Total</b>	<b>67</b>	<b>33,500</b>

77. The project area occupies 2 LLGs known as Nipa Basin LLG located in Nipa Kutubu District and Lai Valley LLG located in Mendi Muni District. The workers from local areas long the project employed by the contractor come from these 2 LLGs and some from outside of the project area. For the covering period 10.3% were foreigners, 52.6% Lai Valley LLG, 35.4% Nipa Basin LLG and the remaining 8.9% come from other LLGs within the province or others. The employment data by origin of workers is presented in Table 7. Summary of Employment by origin for the month of January to June 2019.

**TABLE 7: SUMMARY OF EMPLOYMENT BY ORIGIN**

Month	Foreigners	Lai Valley LLG	Nipa Basin LLG	Other LLGs	Total
January	42	114	78	14	<b>248</b>
February	42	121	80	51	<b>294</b>
March	42	220	170	48	<b>438</b>
April	42	278	180	35	<b>490</b>
May	42	278	180	35	<b>490</b>



June	42	278	180	35	490
<b>Total</b>	<b>252</b>	<b>1289</b>	<b>868</b>	<b>218</b>	<b>2450</b>
<b>Average</b>	<b>42</b>	<b>214.8</b>	<b>144.7</b>	<b>36.3</b>	<b>408</b>
<b>Percentage</b>	<b>10.3%</b>	<b>52.6%</b>	<b>35.4%</b>	<b>8.9%</b>	<b>100.00%</b>

78. Based on employment data presented above, it is possible to estimate the distribution of wages by LLG area. The workers in 2 project area LLGs namely, Lai Valley and Nipa Basin have received a total of Kina 1,078,000.00 during the covered period from January to June 2019. The details are shown in Table 8: Estimated Wages Paid to Workers from Affected LLGs.

**TABLE 8: ESTIMATED WAGES PAID TO WORKERS FROM AFFECTED LLGS**

Month	Lai Valley LLG	Estimated Wages (K)	Nipa Basin LLG	Estimated Wages (K)	Total (K)
January	114	57,000.00	78	39,000.00	96,000.00
February	121	60,000.00	80	40,000.00	100,000.00
March	220	110,000.00	170	85,000.00	195,000.00
April	278	139,000.00	180	90,000.00	229,000.00
May	278	139,000.00	180	90,000.00	229,000.00
June	278	139,000.00	180	90,000.00	229,000.00
<b>Total</b>	<b>1289</b>	<b>644,000.00</b>	<b>868</b>	<b>434,000.00</b>	<b>1,078,000.00</b>

## 6.2 BENEFITS FROM QUARRY OPERATIONS

79. The owners of the lands where the quarries are located are usually the tribes and clans who own the customary lands. However, there are tribe members who are assigned portions of customary lands where the quarries are located. These tribal occupants suffer direct disturbances and are entitled to a bigger share than ordinary tribal members. The royalties received each month are divided based on internal agreements within the tribes.

80. For the month of July to December 2018, there were four (4) operating quarry sites and these are known as Wapu Su-Oro quarry located in Munihi side (approximately 3km from the sub-project road, end of km 27.73), Harren Quarry, Sapharam Quarry and Huremi Quarry. Suru quarry was recently identified along the subproject road.

81. The barrow materials are extracted from these four (4) operating quarry sites at an agreed cost of K1.70 per bucket or K13.00 per cubic meter. The total volume of materials extracted for the month of January to June 2019 was approximately 259,197.30 tons. The total royalty payments received by customary landowners from the 5 operating quarry sites was estimated at around Kina 259,197.30. The details are shown in the following Table 9: Estimated Quarry Monthly Volume.

**TABLE 9: ESTIMATED QUARRY MONTHLY VOLUME**

Month	Wapun Su-Oro Quarry(M <sup>3</sup> )	Sapharam Quarry (M <sup>3</sup> )	Harren Quarry (M <sup>3</sup> )	Huremi Quarry (M <sup>3</sup> )	Suru Quarry (M <sup>3</sup> )	Total (M <sup>3</sup> )	Total Amount
January	11,789	8,703	5,882	0	0	26,374	44,835.80
February	14,745	7,338	0	0	0	22,083	37,541.10
March	12,425	23,414	0	0	0	35,839	60,926.3
April	7,697	10,020	0	0	0	17,717	30,118.9
May	14,805	10,258	0	0	0	25,063	42,607.1
June	8,327	0	0	16,768	308	25,393	43,168.1
<b>Total</b>	<b>69,788</b>	<b>52,395</b>	<b>5,882</b>	<b>16,768</b>	<b>308</b>	<b>152,469</b>	<b>259,197.30</b>
<b>Average</b>	<b>11,631</b>	<b>8,732.5</b>	<b>980</b>	<b>2,794.6</b>	<b>51.3</b>	<b>25,411.5</b>	<b>43,199.55</b>

Agreed amount of K1.70 per bucket / K13.00 per cubic meter, approximately one ton per cubic meter

### 6.3 REVENUE FROM LEASE OF LAND

82. 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 landowner for the payment of the agreed fees or in-kind assistance. The total amount received by customary landowners on this account is Kina 43,800.00 as per the signed land agreements for the usage of campsite at Mt. Wiri and Nembi Campsite as well as local workers accommodation next to Mt. Wira campsite. The details are shown in the following Table 10: Summary of Lease Rental Paid to Customary .

**TABLE 10: SUMMARY OF LEASE RENTAL PAID TO CUSTOMARY LANDOWNERS**

Month	Mt. Wiri Campsite	Nembi Campsite	Local Worker Accommodation	Total
January	3,000.00	3,000.00	1,300.00	7,300.00
February	3,000.00	3,000.00	1,300.00	7,300.00
March	3,000.00	3,000.00	1,300.00	7,300.00
April	3,000.00	3,000.00	1,300.00	7,300.00
May	3,000.00	3,000.00	1,300.00	7,300.00
June	3,000.00	3,000.00	1,300.00	7,300.00
<b>Total</b>	<b>18,000.00</b>	<b>18,000.00</b>	<b>7,800.00</b>	<b>43,800.00</b>
<b>Average</b>	<b>3,000.00</b>	<b>3,000.00</b>	<b>1,300.00</b>	<b>7,300.00</b>

83. For the payments for the use of disposal sites, selected stable areas have been agreed by landowners for backfilling to create communal areas. Payments and/or other benefits will be reported in the next quarter or semi-annual social safeguards report.

### 6.4 OTHER DIRECT LOCAL BENEFITS

84. There are two construction camps of the contractor which have purchased locally various construction materials, food, water, and miscellaneous items. For the covered period, these two camps spent Kina 3,909,080.22. The details are shown in the following Table 11: Summary of Local Purchases by the Contractor.

**TABLE 11: SUMMARY OF LOCAL PURCHASES BY THE CONTRACTOR**

Month	Food purchase (Kina)	Construction Materials Purchase (Kina)	Other Purchases (Kina)	Other Local Expenses (Kina)	Total (Kina)
January	16,662.79	303,090.15	168,537.75	5,069.00	493,359.69
February	7,425.29	267,201.85	20,099.83	29,973.50	324,700.47
March	8,057.01	236,833.55	256,498.38	2,787.30	504,176.24
April	26,137.70	567,303.53	556,314.73	6,924.60	1,156,680.56
May	20,209.60	296,918.65	374,937.73	11,393.80	703,459.78
June	23,849.55	283,359.55	412,350.00	7,144.38	726,703.48
<b>Total</b>	<b>102,341.94</b>	<b>1,954,707.28</b>	<b>1,788,350.23</b>	<b>63,292</b>	<b>3,909,080.22</b>
<b>Average</b>	<b>17,056.99</b>	<b>488,676.82</b>	<b>298,058.00</b>	<b>10,548.7</b>	<b>651,513.37</b>

85. This amount of Kina 3,909,080.22 has been received by affected communities 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.

## **6.5 SUMMARY OF BENEFITS FOR THE FIRST HALF OF 2019**

86. Direct Employment – For the months of January to June 2019, the Nipa-Munihi road subproject was able to generate 1470 payroll positions with estimated wages of Kina 1,044,500.00 or a monthly average of Kina 174,083.33. There were 252 foreign skilled personnel hired to work in various construction activities. The estimated wages paid to these foreign employees are not reflected in this report because their wages.

87. Women's Participation – For the first half of 2019, there were 198 female workers directly employed by the contractor and classified as payroll activities equivalent to Kina 175,000.00 or a monthly average of Kina 29,166.7. For the same period the total of 67 women participated in non-payroll activities equivalent to Kina 33,500.00. For the covered period, women who directly and indirectly participated in the construction activities earned a combined total of Kina 208,500.00.

88. Other Benefits – For the first half of 2019, the customary landowners earned a total of Kina 259,197.30 or a monthly average of Kina 43,195.55 as royalties from the operations of the four (4) quarries for the project. Additionally, customary landowners earned a total of Kina 43,800.00 or monthly average of Kina 7,300.00 for land leases paid for the two (2) camps and other facilities located at Mt. Wiri Camp in Lai Valley LLG and Nembi Camp in Nipa Basin LLG. Furthermore, local purchases of the contractor netted the surrounding communities a total of Kina 3,909,080.22 from the month of January to June 2019. Overall, other direct benefits totaled Kina 63,292,000.00.

## **6.6 INDIRECT SOCIAL BENEFITS**

89. There are also indirect social benefits arising from the upgrading and rehabilitation of the subproject road. These include construction of new structures brought about by the road project and the increase of public motor vehicles (PMVs) plying the route and expected decrease of transportation fares because of improved accessibility.

90. Positive and adverse impacts may occur simultaneously in a given project. It is projected that in the Nipa - Munihi road, the positive impacts are forecasted to be more important than the adverse impacts because of the nature of the project. The upgrading and rehabilitation of the road will generate spin-off benefits and boost socio economic activities within the road influence zone.

91. Since the project is still in the preliminary stage, this report could hardly measure and provide any information regarding the indirect social benefits being generated by the project. However, some indirect social benefits notable during the reporting period includes increase of roadside vending and erection of trade stores along the sub-project road.

## **7.0 REMEDIAL ACTIONS TAKEN**

92. Based on the first half 2019 semi-annual social safeguard monitoring report, there are some aspects that should be immediately addressed. There are also some aspects that require improvement to have a clearer picture of the benefits that are being derived from the subproject road. The following paragraphs contain brief discussions on the remedial actions taken on some of these matters.

### **7.1 SETTling OF OUTSTANDING GRIEVANCES**

93. For the covered period, HRMG has fully settled the 451 grievances out of 1,200 claims filed so far with HRMG as of December 19, 2018. All grievances filed with HRMG have been deliberated in several GRC meetings conducted and the only approved claims have been recommended to HRMG for final payment. There are three (3) methods that were adopted by HRMG in identifying and selecting the genuine grievances for payments and these are;

- i) Screening and determining genuine grievances through the GRC meetings and ocular inspection, if necessary. Judgements were made by GRCs in recommending the genuine grievances;
- ii) Site verification conducted by GRC members and leaders/councillors of the affected wards to identify the genuine grievances on site and;
- iii) Site meetings and consultations conducted in each of the affected communities were very helpful in identifying and determining genuine grievances.

94. Payments were facilitated by HRMG safeguards officers including GRC members and the representatives from Provincial Works office in Mendi. The District CEO who is also the GRC chairman was involved in the payment disbursement. Deed of Release was signed by each DP in front of ward leaders and was counter-signed and endorsed by the District CEO. The face photos of each DPs were taken during the disbursement. Photos and a sample of signed deed of release are provided in appendix 5: Photographs and sample of signed deed of release.

### **7.2 SETTling GRIEVANCES FOR THE 500 METERS ROAD SECTION**

95. For the covered period, HRMG has fully settled the grievances filed by aggrieved persons regarding previous environmental damages done by the local contractor IPZ Company Limited within the 500meters road section from Km 21.500.

96. The claims have been deliberated several times by GRCs during the GRC meetings and the final decision was that the amount of Kina 20,000.00 will be paid in package to settle the 290 claims filed by locals regarding damages done to improvements within Km 21.300 and Km 21.800 or approximately 500meters road section.

97. During the payment disbursement, four (4) separate deeds of releases were signed by four (4) community leaders representing the affected persons who have agreed and accepted the Kina 20,000.00 that was paid for loss of improvements within the 500meters road section.

98. The final lists containing the names of 290 aggrieved affected persons was issued to four (4) ward leaders together with the Kina 20,000.00 so that they could disburse the amount in an even way to each of the DPs based on the assessment done by HRMG using the prevailing Valuer General's Rates for compensation.

### **7.3 SETTling ISSUES RELATING TO FURTHER DAMAGES**

99. During the covered period, HRMG together with the contractor have adopted mitigation measures to address issues relating to further environmental damages by construction works and natural phenomenon. There were three (3) mitigation measures adopted by HRMG/PSC in rectifying the issues relating to further environmental damages outside of the construction limits and these are;

- i) Issues regarding further environmental damages outside of construction limits arising out of a natural phenomenon were referred to the provincial disaster office for further assistance; Grievances relating to damages done by landslips in specific zones were referred to the provincial disaster office in Mendi;
- ii) Issues regarding damages occurred outside of the construction limits due to contractor's negligence in adopting best environmental management techniques was referred to the contractor to settle them;
- iii) Issues regarding environmental damages done within the construction limits were referred to the HRMG and was fully settled alongside other grievances recommended by GRCs as of December 19, 2018. A letter dated December 9, 2018 by the Contractor containing a listing of 11 environmental-related grievances was fully settled by HRMG.

### **7.4 DISSEMINATION OF PROJECT RELATED INFORMATION**

100. HRMG/PSC has conducted several public consultations in each of the affected communities along the road subproject during the covered period from January to June ,2019. All project related information was effectively disseminated to the locals in each of the affected communities in a timely manner.

101. DPs were informed about the establishment of grievance redress committees and the responsibilities bestowed to them by HRMG in deliberating, screening and deciding any resettlement related issues/grievances.

102. During the consultations DPs were informed about the steps and procedures involved in settling any project related grievance during the course of road construction. DPs were informed about some of the mitigation measures to be adopted by HRMG and contractor in rectifying any resettlement and construction related issues during the course of civil works.

103. DPs were informed about the in-kind assistance adopted by HRMG as part of compensation payment for loss of public assets such as ceremonial grounds, public cemeteries, sacred/ritual places and other sacred areas.

104. The Safeguards Policy Statement (SPS 2009) of ADB was also disclosed to the locals in each of the affected communities along the road subproject. Additional information contained in the Resettlement Plan (RP) for the road project were also made known to the locals along the road subproject.

105. The roles and responsibilities of HRMG/PSC and Contractor during the implementation of the road subproject were also differentiated and made known to the locals along the road subproject.

## **8.0 REQUIRED CORRECTIVE ACTIONS**

106. As of this reporting period there are some outstanding resettlement related matters that requires the implementation of corrective measures in rectifying them during the course of the civil works for the road subproject. There are six (6) outstanding resettlement related matters and these are the following;

- i) Issues regarding ceremonial grounds: Outstanding matters on four (4) ceremonial Grounds will be provided in-kind assistance to clan who legitimately owns these areas. Discussions will be conducted with clans to determine the types of in-kind assistance they prefer;
- ii) Settling outstanding grievances: Any resettlement related issues occur during the course of the implementation of civil works will go through the Grievance Redress Committees for deliberation and screening prior recommendation to HRMG for adopting corrective actions in rectifying the issues.
- iii) Encouragement of more women employment: The Contractor should be encouraged to employ more women to work in both payroll and non-payroll activities as per ADB's Safeguards Policies of 30% women's participation in road construction related works.

107. Under income restoration measures provided in the RP, the tribes and the clans will be provided with three (3) typical bus bays with provisions of roadside vending and three (3) waiting sheds that will provide temporary storage areas for farm inputs and outputs as well as roadside 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.

108. During the detailed design phase, there were already candidate areas where these bus bays and waiting sheds will be located. These were determined and confirmed through consultations with local leaders and through observations to determine the human traffic in these candidate junctions. Another round of consultations will be conducted to determine with finality the locations of these bus bays and waiting sheds.

109. In addition, for this reporting period (January to June 2019) there was no GRC meeting conducted. As such, it is very important that HRMG should propose a GRC meeting in order to resolve resettlement or environmental grievances that may arise after the outstanding compensation payment on December 18, 2018.

## **9.0 APPENDICES**

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

1. Resettlement Plan (RP) Nipa-Munihi Road Sub-project, March 2016
2. Initial Compensation Payment Completion Report, July 2017
3. Back to Office Report, November 2,2018
4. Contractor's Monthly Progress Report, November,2018
5. Semi-Annual Social Safeguards Report (January – June 2018)
6. Highlights of the Third GRC Meeting, September 19,2018

### **APPENDIX 2: LIST OF PEOPLE INTERVIEWED**

1. Alphonse J Niggins, Principal Field Coordinator (PFPC), HRMG
2. Paul Nombri, Technical Services manager, HRMG
3. Mathias Awi, Social Safeguards Officer, HRMG
4. Michael Wang, Project Manager, COVEC, Nipa-Munihi Project
5. Saul Nol, Environmental officer, Nipa-Munihi Road Project
6. Richard Kundapen, GRC Chairperson, Nipa-Munihi Road Project
7. David Pal, Community Relations Office (CRO), Nipa-Munihi Road Sub-project
8. Simon Napin, Community Relations Office (CRO), Nipa-Munihi Road Sub-project
9. Robin Pip, Community Leader, Nipa Basin LLG
10. Mul Wesa, Community Leader, Lai Valley LLG
11. Steven Kolaiye, National Resettlement & Social Safeguards Specialist, RSA T3



### APPENDIX 3: PHOTOGRAPHS



**Image 3: Stephen Nakandio, Gender & HIV/AIDS Consultant (HRMG) facilitated the focus group discussion on HIV & Aids and its negative impact on newly constructed subproject roads on 24<sup>th</sup> May 2019 held at the DoW Mount Hagen Conference Room.**



**Image 4: Safeguards Policy 2019 (draft) training seminar facilitated by the ESSB/DoW on 28<sup>th</sup> May 2019 held at the DoW Mount Hagen Conference Room. Discussions basically focused on how best safeguard practices can be implemented at project levels.**





**Image 5:** National Resettlement & Social Safeguards Specialist – Mr. Steven Kolaiye of the PSC addressing the aggrieved locals at km 14+500 Shumbi Village. Locals have raised their concern about their ceremonial ground in which the subproject road will traverse through. They have been urged to refrain from causing unnecessary work stoppages since GRC will resolve their issues.



**Image 6:** GRCs during the final GRC session held at the conference room of Renardet SA, Mendi Provincial Works. Picture Courtesy of Social Safeguards Officer, HRMG



**Image 7:** Leaders representing the Displaced Persons (DPs) within the 500meters road section after signing four (4) separate deeds of release confirming the acceptance of Kina 20,000.00 in Package as part of Compensation Payment for Environmental Damages within a 500meters road section.

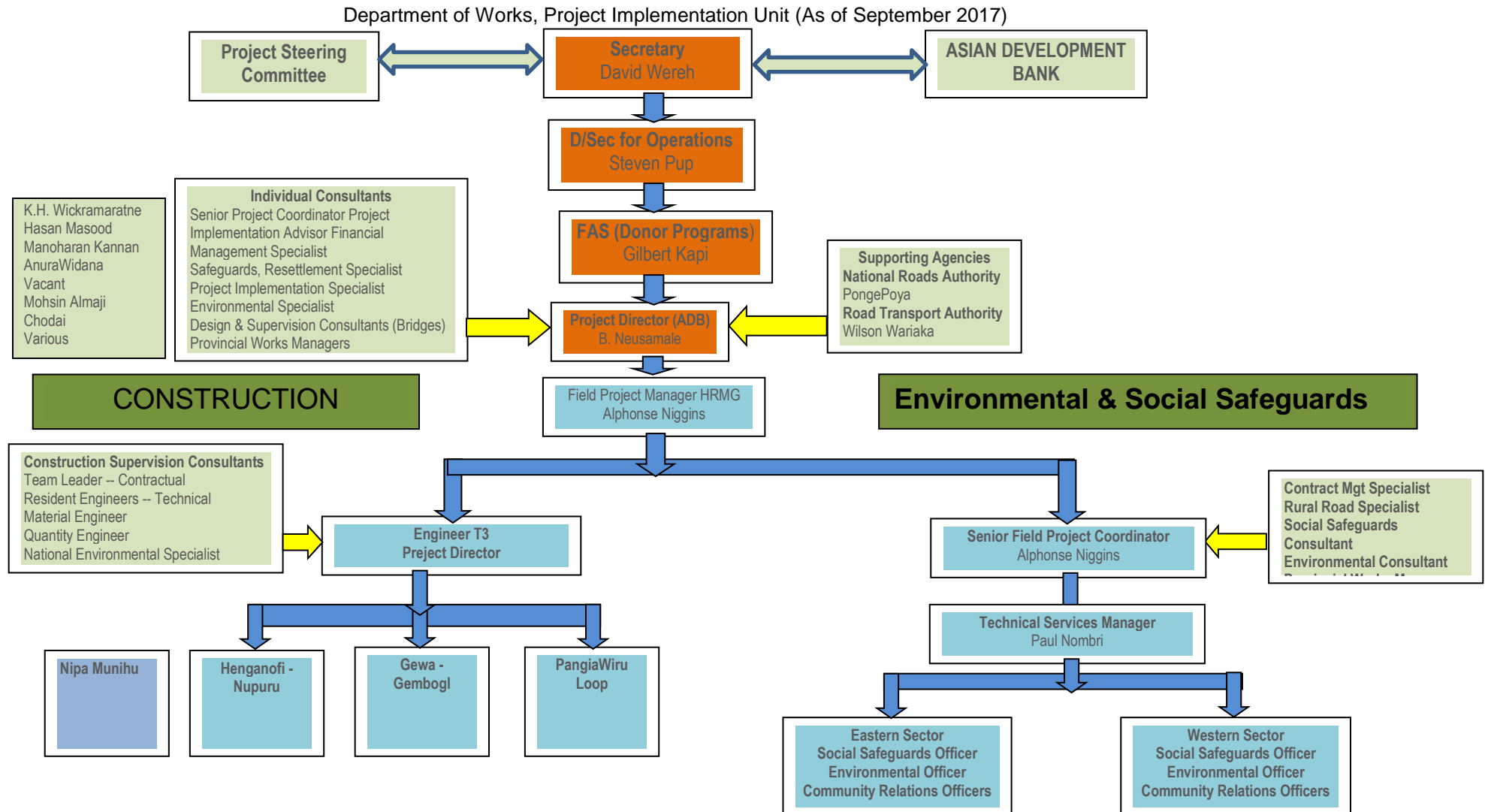


**Image 8:** GRC Chairperson and District CEO for Mendi-Munihi, Mr. Richard Kundapen demonstrating the signed Deeds of Release by each recipient (DPs). He was officially endorsing the receipt of payment by each DP during the payment disbursement. Witnesses (obscured) were GRC members and leaders of the affected wards.





**Image 9:** Nengia Ceremonial Ground at Km 17.950 is one of the four (4) Ceremonial Areas that will be affected during the course of civil works. The road will traverse this ceremonial ground based on the detailed design. Clans owning the area have agreed to receive in-kind assistance as part of compensation payment and pave way for the road to traverse the ceremonial area. The above diagram illustrates where the road will traverse and scatter the ceremonial area.

**APPENDIX 4: ORGANIZATIONAL CHART**

## **APPENDIX 5:A SAMPLE OF SIGNED DEED OF RELEASE (DoR)**

**Files available at HRMG Project office.**