

Semi-annual Report
January 2020

PNG: HIGHLANDS REGION ROAD IMPROVEMENT INVESTMENT PROGRAM – TRANCHE 3

HENGANOFI-NUPURU ROAD SUB-PROJECT

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

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**SEMI- ANNUAL SOCIAL SAFEGUARDS MONITORING REPORT
(July-December 2019)**

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



Henganofi to Nupuru Road Sub- Project

CSTB# 3533

Submission date: 31 January 2019

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ABBREVIATIONS

ADB	Asian Development Bank
AP	Affected Persons
CRO	Community Relations Office
CWYC	China Woo Yi Company
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
GOPNG	Government of Papua New Guinea
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
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
TOR	Terms of Reference
PWM	Provincial Works Manager

EXECUTIVE SUMMARY

- I. This semi-annual social safeguard monitoring report covered the period from July to December 2019. This monitoring report was prepared by the DOW through the Highlands Road Management Group (HRMG) for government of Papua New Guinea and ADB.
- II. Henganofi-Nupuru road sub-project 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 # 3533 entered into by the Independent State of Papua New Guinea represented by the Department of Works and China Wu Yi LTD (CWY China).
- III. The contract was awarded last March 4, 2017 and mobilization started in October 2017. 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.
 - I. HRMG, the project implementing unit (PIU) has provided support related to activities to acquire land for upgrading the 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.
 - II. In accordance with the HRRIP eligibility criteria, every effort has been made to minimize the impacts on land acquisition and resettlement for this road section. The engineering design has been formulated to minimize the need to acquire additional land outside of the existing road alignment, to the extent feasible and consistent with agreed design standards and good engineering practice. Among the technical solutions applied to minimize resettlement effects were (a) shifting the road alignment to the opposite side of the potential affected structure, (b) narrowing of the road shoulders in front of the potential affected structures, and (c) adjustments of the drainage component to minimize resettlement impacts.
- III. The results of the resettlement impact assessment indicated that the existing road carriage occupies a total of 17.95 hectares of customary land. The upgrading and rehabilitation of the road will require an additional 19.55 hectares of customary land for the whole road section. In total, the project will require a total of 37.85 hectares of customary land which is the subject matter of the memorandum of agreement (MOA) between DOW and the customary landowners.
- IV. Aside from the resettlement impacts on customary land, the whole road section of 33.96 km is free from any resettlement impacts on assets including residential houses, trade stores or any other structures. The whole road section is also free from crops and trees, fences and grave sites. Accordingly, there will be no physical or economic displacement arising out of the proposed road improvement project. The cut-off date is March 13, 2015, the date when the resettlement impact assessment for the Henganofi-Nupuru road section was complete.
- V. However, based on the RP, the total cost of this resettlement plan for the Henganofi-Nupuru road project amounted to 744,800 Kina. This budget includes community assistance measures, in-kind assistance, and an amount for compensation of crop or assets in case such losses occur, physical and price contingencies and administrative expenses. The cost of external monitoring is provided directly by ADB which is not included in the RP budget.

- VI. 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 initial Grievance Redress Committee (GRC) meeting was convened on the 1st of February 2018. The preparatory meeting was convened purposely to formalize the GRC members, approach to resolve grievances, and officially open the GRC to start operational function.
- VII. The GRC convened for a second time at Henganofi District office on the 6th of September 2018 chaired by the District Administrator. This occurred in the third quarter of 2018. This meeting included the identification of problem areas along the road project as well as the careful deliberations of the 333 log grievances that were tabled in the meeting during that time. The third GRC meeting occurred in the fourth quarter of 2018 on the 13th of December which saw technical advisors from HRMG carrying out the initial re-verification exercise of the 600 logged grievances along the project corridor.
- VIII. From July to December 2019, a total of 781 grievances have been received by HRMG through the Resettlement and Social Safeguards unit and has been registered in the complainant log sheet. This is final after the HRMG team conducted a re-verification of grievances from CH 26 to CH 34 during the third quarter (July-September) of 2019. The finalized list was forwarded to Henganofi district administration by HRMG technical advisors for verification and payment.
- IX. For this period there were 6 public consultations conducted along the sub-project at numerous intervals from July to December 2019 covering all the affected wards. There were 269 participants and out of this total, 176 were males (65.43%) while there were 65 females (24.16%) and 28 children (10.41%) participants.
- X. This report also covers the operation quarry which is the Upegu Quarry. Some materials were extracted from Konamempi River near campsite. During the fourth quarter of 2019 the Upegu quarry ceased operation. A total of PGK 110, 360.12 was paid for both quarries with 81.16% going to the quarry local landowners.
- XI. The subproject has a total of two campsites one at Konamempi and the other at Upegu. The Upegu campsite was closed during the fourth quarter (October-December) of 2019. Konamempi and Upegu campsites both have a quarterly payment agreement. The entire disposal site along the project corridor has no charge or is free as per the signed agreement with the landowners. However, for the stockpile area there is payment as per the signed agreement between the contractor and the landowners. For the covered period the contractor has paid an aggregate amount of K 11, 600.00 as per the signed agreements to customary landowners. Upon the completion of the construction project or expiration of the lease, all permanent improvements shall be owned by the customary landowners.
- XII. The main camp is located at the border of Konamempi and Menefi Village at CH 0+460. This camp had purchased locally various construction materials, purchases of food, water, and miscellaneous items. The contractor has spent K18, 000.00 on purchasing local food and miscellaneous items near the campsite areas, from the Henganofi station local market and from Goroka Town Market. Other local purchase includes the purchase of live meat such as chicken, ducks, pigs and goats totaling K 39, 768.00. The contractor had no other local expenditures for the period covered. The contractor spent a total of K 56, 200.00 for the purchase of local construction materials such as timber, logs, posts and bamboo strips. A total of K 113, 968.00 was spent on local purchases for the time covered.
- XIII. There are two recommendations for corrective actions; (a) Payments of grievances finalized in 2019; (b) Implementation of in-kind programs is also reported.

1.0 INTRODUCTION

1.1 Project 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-Wilu Loop Road, Gewa-Gembogl Road and Henganofi-Nupuru Road.

4. Tranche 3 (Loan # 3404/3408) included the upgrading, rehabilitation and maintenance of four road sections namely, Nipa-Munihu Road in Southern Highlands Province (SHP), Pangia-Wiru Loop Road in Southern Highlands Province (SHP), Gewa-Gembogl Road in Simbu Province and Henganofi Nupuru Road in Eastern Highlands Province.

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

6. The Henganofi-Nupuru Road Section is covered by CSTB contract # 3533 entered into by the Independent State of Papua New Guinea represented by the Department of Works and National Road Authority and China Wu Yi Co., LTD (CWYC). The CSTB contract was signed on March 15, 2017.

1.2 Sub-project Description

7. The road from Henganofi to Nupuru, starts from the Kafentina LLG at Konamempi passes through the Faiyantina LLG and ends at Nupuru and is approximately 34 km in length. The road project commences at the junction with the Highlands Highway at Konamempi, approximately one kilometer from Henganofi Station and ends at the junction with the Okapa road in Nupuru. The road serves the Henganofi and Okapa Districts of Eastern Highlands Province which together have an average population of 40,000. The road is the only link from the two districts to Goroka and Kainantu townships and hence improvement is vital to the economic development of the area and the delivery of fundamental services to the population. Figure 1 Location of the Henganofi - Nupuru Road.

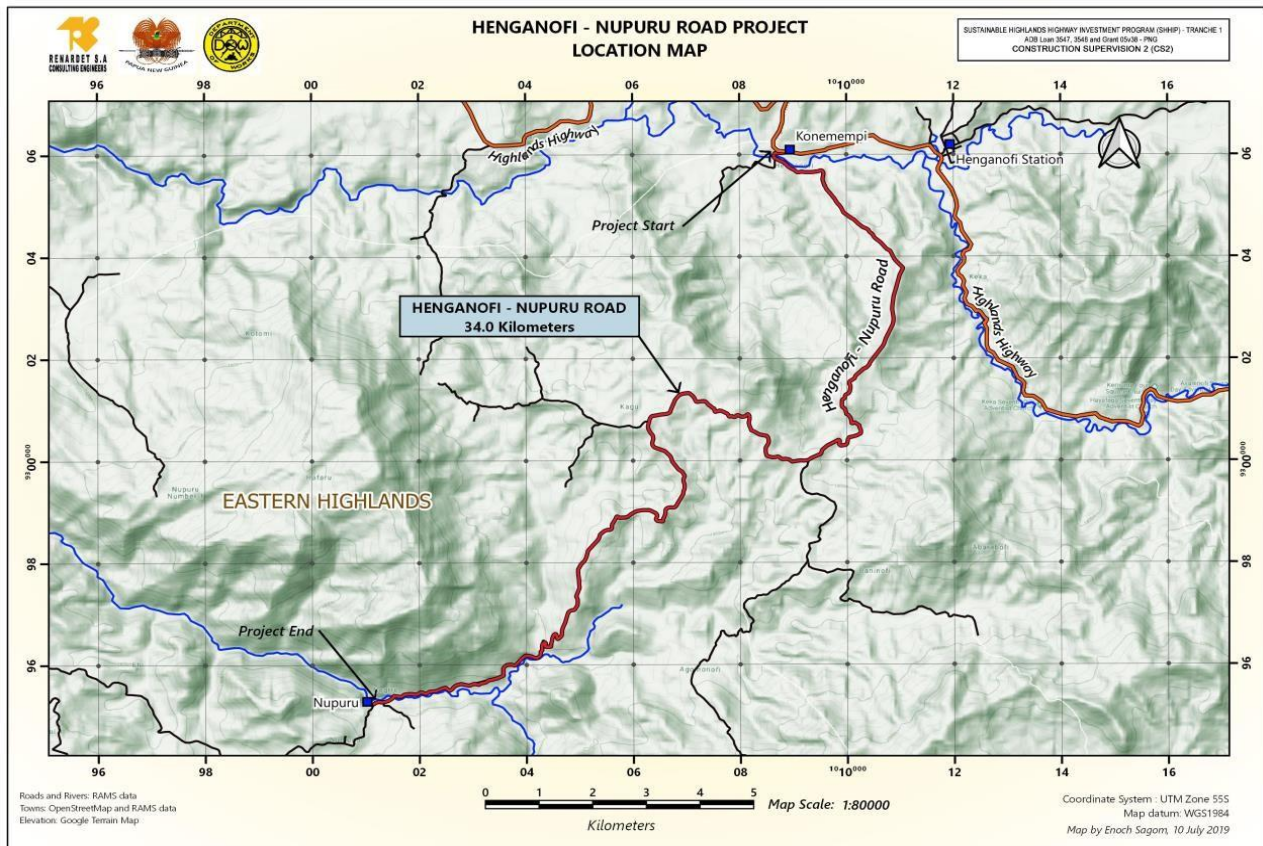


Figure 1: Location of Henganofi - Nupuru Road on PNG Map

8. The Henganofi – Nupuru road was initially a walking trail which since the late 1960s or early 1970s has gradually been opened to provide the current road by the elected MPs. The route traverse's mountainous terrain and extensive sections of the alignment follow ridges. Elsewhere, the route is benched into sidelong ground and comprises a twisting alignment with steep gradients at the approaches to river and creek crossings. Improvement of either the horizontal or vertical alignment would not be economically justified at the present time.

9. The route crosses a total of 4 rivers and 3 major creeks on existing bridges. Two of these bridges are of comparatively recent construction and will require only minor maintenance whereas the remaining structures will require rehabilitation of the superstructure, the provision of steel decking to replace the existing timber and the provision of pedestrian facilities across the bridges. One new bridge is been constructed and completed.

10. The route passes through 11 villages/tribal settlements, the largest of which is Fore that acts as a local centre for gathering and marketing for the population living within the middle of the road length and the immediate surrounding area. There are also numerous junctions along the road project with local roads connecting to the interior of the two LLGs.

11. The first 20 kilometers of the road primarily follows a ridge top alignment and the landscape is dominated by swathes of grassland with occasional secondary growth of trees,

generally around settlement areas and individual homes. In the section of the road from km 20 to the end at Nupuru, the local tribes have made extensive plantings of pine trees.

12. The entire length of the road corridor has been extensively disturbed by human habitation and the activities of clearance for cultivation, the gathering of wood for fuel and hunting for food, hides and feathers for ceremonial purposes. Consequently, there are no natural habitats of significance immediately adjacent to the road corridor and within the areas which will be affected by the proposed improvement works.

13. The MOA covered the land from the edge of the existing road up to the construction limits including road clearance and other infrastructure (e.g., drainage and culverts). This linear area on both sides of the road was the subject matter of the DMS.

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

1.3 Institutional Arrangements

15. 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.

16. 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.

17. 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.

18. 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 EOs may return to the subproject as often as needed, if new issues will arise regarding resettlement and environmental issues.

19. These collated BTORs form the basis 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 and ADB.

2.0 PURPOSE & METHODOLOGY

20. This report presents the status of social safeguards including the compliance with approved RAP in respect of the Henganofi Nupuru road section, covering the review period of July 1 to December 31, 2019. This semi-annual monitoring report (SMR) is a requirement under the Safeguards Policy Statement 2009 (SPS 2009) of ADB.

21. As of December 31, 2019, the end of this second semi-annual report coverage, clearing and grubbing activities has been completed and stops at Nupuru Junction. The other activities undertaken for the period covered along the project corridor is the laying of the subbase and base course materials from CH 30+840 to CH 34+000. In the fourth quarter sealing of prime and gravel chips along the road project stops at CH 30+520.

22. This second semi-annual report will also focus on what have been done on resettlement and will discuss what parameters or indicators that were 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.

23. Indicators for the internal monitoring are those related to process, immediate outputs and results. This information will be collected directly from the field and will be reported monthly to the DOW by the HRMG staff to assess the progress and results of RP implementation, and to adjust the work program, if necessary. These monthly reports will be consolidated for the quarterly reports and semi-annual social safeguards monitoring reports. Specific monitoring standards will be:

- a) Background Implementation of RP
- b) Capacity Building and Training Activities
- c) Delivery of Compensation and Entitlements.
- d) Public participation and Consultations.
- e) Monitoring of Benefits.
- f) Recommendation for Remedial Actions.

3.0 BACKGROUND OF RESETTLEMENT PLAN

3.1 Detail Design Stage

24. The total cost of this resettlement plan for the Henganofi-Nupuru road project amounted to 744,800 Kina. This budget includes community assistance measures, in-kind assistance, and an amount for compensation of crop or assets in case such losses occur, physical and price contingencies and administrative expenses. The cost of external monitoring is provided directly by ADB which is not included in the RP budget. The details are shown in the Table 1: Summary of Costs Estimates and RP Budget.

Table 1: Summary of resettlement cost estimates based on RP budget

BUDGET COSTS	AMOUNT (KINA)
Land	Covered by MOA
Crops and assets compensation, if any	50,000.00
Road Design features	182,000.00
In-Kind Assistance	350,000.00
Sub-total (A)	532,000.00
Physical Contingency (20%)	79,800.00
Price Contingency (10%)	53,200.00
Sub-total (B)	133,000.00
Administrative Expense (15%) (C)	79,800.00
Grand Total (A+B+C)	744,800.00

25. 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.

26. Based on these selection criteria, the district administration headed by the local Member of Parliament Hon. Robert Aitiyafa facilitated the widening of the road corridors and improvement payments. The records of these payments are with the district administration and the local member reassured the locals during a public consultation in January 2018 that grievances recommended by GRC will be settled by the district administration.

27. From July to December there are total of 781 grievances logged and documented for the Henganofi-Nupuru subproject. During the Third Quarter (July-September) a final re-verification exercise was carried out from CH 26+000 to CH 34+000 to value these planted and structural improvements. After the exercise the technical advisors to the project derived an estimated value of K 305, 381.12 and forwarded the finalized list to the Henganofi district for payment. This figure is subjected to variation at district administrations discretion since initial payment was facilitated and executed by the district through DSIP and the final total payable is derived from grievances only. A summary of the above is shown below in table 2.

Table 2: Compensation Cost for Grievance after re-verification exercise is completed.

RE-VERIFICATON ITEMS	AMOUNT
Cost of Different Structures	K 82, 903.20
Crops and Trees	K 222, 477.80
Grand Total	K 305,381.00

3.2 Process of compensation payment executed by HRMG

28. A verification survey is 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 will be reassessed by the HRMG staff. The total number of DPs on the Consultant's assessment will either increase or decrease depending on the outcome of the verification survey.

29. Once the master list of DPs with the breakdown of affected assets and their corresponding amounts are 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.

30. 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 schedules 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.

31. 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.

32. All compensation rates and the amount of the compensation for damaged crops, trees and structures are based on government's Valuer General's Schedule of Compensation (August 2013) or full replacement costs if the damaged assets are not included in the compensation schedule.

33. 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.

34. 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.

4.0 CAPACITY BUILDING AND TRAINING ACTIVITIES

4.1 Training conducted for quarry management in Kimininga Hotel

35. The International Environmental & Social Safeguard Specialist along with the National environmental specialist spearheaded a Seminar Workshop on Quarry Management, closure & Rehabilitation on the 9th of September 2019 at the Hotel Kimininga Conference Room, Mt. Hagen City. The seminar was attended by participants from the contractors of Tranche 2 and 3 and Environmental and Social Safeguards Officers from HRMG.

36. The purpose of the training is to address the key aspects of quarry management, closure & rehabilitation so that they will meet the government, community and company expectations. It also fulfills the compliance, requirements and guidelines of the Quarry

Management Plan (QMP), project Construction Environmental Management Plan (CEMP) of the project, ADB Safeguard Policy Statement (SPS) and HRMG Guidelines on Project Implementation and Monitoring for HRRIP. The aim is to up skill the Officers of Tranche 2 and 3 the required methods needed in quarry management and quarry closure & rehabilitation plan which complies with ADB standards. Different policies and guidelines were discussed and some of the common mistakes were highlighted to ensure they are avoided for the current quarry sites. This training held at Hotel Kimininga was of utmost importance because it gets the officers understood the difference between hard rock quarry, riverine quarry and also the aspects of quarry closure & rehabilitation plan to ensure the environmental impacts are minimized for the greater good of the environment.



Picture 1: Capacity building Training workshop at Kimininga Hotel, Mt. Hagen

4.2 Training for Community Relations officers in HRMG Office.

37. There are two assigned CROs for each subproject road consisting of one male and one female, who are residents in the project area. These CROs are employed by HRMG and are assigned permanently in their respective subproject roads as community representatives of HRMG in addressing resettlement and environmental issues arising out of the implementation of the subproject roads under HRRIP.

38. An induction meeting was conducted in August 2017 to familiarize the CROs with the project and empower them to liaison with the affected communities in providing project information, exercising preliminary mediation responsibilities and assisting in the monitoring and reporting function of HRMG.

39. Project information consisted of procedures in the selection of candidate roads, formulation of the resettlement plan (RP) including the memorandum of agreement (MOA) between DOW and the customary landowners, ADB's Safeguards Policy Statement (SPS),

the construction contract, organizational arrangement for project implementation, grievance redress procedures, requirements for monitoring and the job description of the CRO.

40. Periodically, CROs are guided by HRMG safeguards officers to strictly abide by their terms of reference issued to each CRO during the induction meeting. Each CRO are equipped with smart phones to take geotagged images and communicate with HRMG regarding issues on site.

41. Based on the experiences in Tranches 1 and 2, there is a further need to improve and clarify the responsibilities of the CROs to enable them to focus on their responsibilities so that they can perform effectively in the project areas so that issues and concerns may be settled in a timely and fair manner to avoid the escalation of grievances.

5.0 DELIVERY OF COMPENSATION AND ENTITLEMENTS

5.1 Memorandum of Agreement

42. DOW has negotiated and entered into a Memorandum of Agreement (MOA) with all affected tribes and clans for the free use of the minimum additional land required to rehabilitate and upgrade the Henganofi-Nupuru road. 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 paid under administrative expenses of the sub-project.

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

44. 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).

5.2 Verification of DMS Results

45. Based on the RP and MOA, DMS was not required at initial stage of the sub-project preparation. However, during construction phase and a re-verification survey was done after complaints by affected people and these were redressed accordingly by DOW to mitigate the issues (refer to table 2).

5.3 Delivery of compensation and resettlement benefits

46. The Resettlement Plan was submitted and approved by ADB in 2015. There were no affected residential or business structures, fences and graves. The District Administration of

Henganofi facilitated the payments of trees and crops as per the Valuer General's Rates of 2013. Grievances raised during construction will be addressed through the established Grievances Redress Mechanism Committee (GRMC) headed by the District's Chief Executive Officer with the Implementing Agency (HRMG) providing technical advice. Represented also in the GRMC are Local Councilors and Women's representative along the project impacted areas.

47. The local Member of Parliament Hon. Robert Aitiyafa together with the District Administration initiated and settled the payments of trees and crops during improvements works

in 2016. During a recent meeting on the 10th of January 2018 with the displaced persons (DPs) and affected persons (APs) near Konamempi village, Hon. Robert Aitiyafa reassured the locals that grievances raised during construction which are deemed genuine upon the recommendation of the GRMC will be settled by the District Administration.

48. Anis Foundation, a Non-Government Organization (NGO) trained locals along the road influence zone (RIZ) about livelihood restoration programs. This was facilitated and monitored by Environment and Social Safeguards Branch (ESSB) of the Department of Works. The locals were trained on poultry, small business management, breeding drought resistance crops such as Chinese cabbages and others. Locals interviewed expressed their joy and gratitude for this livelihood training activity.

5.4 Grievance redress during implementation phase

49. The outstanding compensation payments in this road project are the grievances and claims reported with the Grievance Redress Committee (GRC) that have been decided in favor of the complainants by the GRC. HRMG have requested for contingency fund from DOW/POM to settle the decision of the GRC in favor of payment to the complainant under the "pay as we go" approach.

50. For the third (3rd) quarter, 333 grievances were received for clearing and grubbing works from CH 0+000 to CH 20+000. GRC has convened during the third (3rd) quarter of 2018 to decide the merits of the complaints as well as identifying the problem areas along the road project. For the fourth (4th) quarter the GRC convened again and HRMG technical advisors to the project carried out a re-verification exercise to verify the merits of all the relocated structures along the road logged since project commencement. For the period covered the HRMG officers have logged a total of 781 grievances and this is a final total after a final re-verification exercise was carried out from CH 26 +000 to CH 34+000 during the third quarter of 2019.

6.0 PUBLIC PARTICIPATION AND CONSULTATIONS

6.1 Public Consultation and Gender Participation

51. Public Consultations were conducted with roadside communities who are direct users of the road. Other stakeholders visited include the District Administrator, LLG Presidents, Ward Councilors, religious representatives and women representatives. The consultations conducted for the most part covered included the project's positive and negative impacts on the communities located along the project corridor.

52. There were six (6) consultations conducted along the sub-project at numerous intervals and locations from July to December 2019. These consultations engaged most of the affected communities located along the road corridor. For the period covered there was a total of 269 participants. These included the males, females and children from the affected LLGs. Out of the given total, 176 were males (65.43%), 65 were females (24.16%) and 28 (10.41%) were children. Summary stats are provided in the following Table 3 below.

Table 3: Summary of consultation and gender participation

Month	No. of Consultations Done	No. of Males	No. of Females	No. of Children	Total No. of AP participated
July	3	30	18	1	49
August	2	41	20	6	67
September	1	105	27	21	153
October	0	0	0	0	0
November	0	0	0	0	0
December	0	0	0	0	0
Total	6	176	65	28	269
Percentage		65.43%	24.16%	10.41%	

53. The important points discussed during the consultations were the road impacts and road safety including both positive and negative impacts. Positive impacts discussed during the consultations such as project awareness are better road access would link to other basic services, generation of spin-off benefits, improve in socioeconomic activities, creation of employment opportunities and improvement in livelihood opportunities. It can be noticed that there was no public consultation conducted in the fourth quarter (October-December) of 2019. This is because the locals issued threats to HRMG officers making it difficult to visit project site. However, the issues are resolved during the fourth quarter of 2019 and the officers returned to sites for monitoring.

54. The negative impacts of the road project discussed during the consultations include primary and secondary improvement damages incurred by the contractor and subcontractor, and other adverse impacts to the environment and ecosystem and loss of land if required by the project. However, the positive impacts outweigh the negative impacts. As the year ends through public consultations with the general population people begin to realize and experience the importance of having a better and viable road. A brief summary of the issues was summarized in Table 3 below.

55. Awareness and public consultations are jointly being conducted by HRMG, Renardet, District Administration and the contractor (CWYC). All the public consultations recorded jointly by the parties mentioned above have been included in the third quarter and will be

included in the fourth quarter report and in this second semi-annual report of 2019 for the subproject.



Picture 2: Public consultation held at Imaka village at Ch 28+200

Table 4: Summary of complaints raised with response from HRMG CROs

Construction Location	Issues or Concerns raised by AP	Response provided by HRMG Officers
<ul style="list-style-type: none"> Imaka village Hoguporo village Lobu village <p>(10th July 2019)</p>	<p>People from these three-village same concern on the timing of payment for their grievances.</p> <p>Note: *Similar complaints were raised by several locals in different villages and the responses by HRMG's Officers were the same.</p>	<p>HRMG officers advised the people that after the final re-verification process a finalized list will be compiled followed by payments.</p>
<p>Imaka village and Niuyaguna Village</p> <p>(21st August 2019)</p>	<p>Issue on access bridge at Imaka.</p> <p>The Imaka villagers at CH 28+160 raise concern for the access bridge built. They want the payment as soon as possible. They claim they haven't received any payment for the access bridge built as promised by the contractor.</p>	<p>The contractor has responded to this grievance after the matter was referred to CWYC.</p>

Niuyaguna villagers at CH 31+500 (21 st August 2019)	Construction related issue. The Niuyaguna villagers at CH 31+500 raise concern regarding construction related issues. The contraction work along that area causes landslip covering food gardens. They stated that the contractors haven't responded to their concern and they are very frustrated.	The contractor has responded to this grievance after the matter was referred to CWYC.
Mehenave Village (24 th September 2019)	The Mehenave villagers at CH 13+000 enquired when they will receive their payment for their grievances. Also, they are asking who is responsible for the payment and why is the payment delayed	HRMG CRO provided response to the concerns raised. Also, he will take their concern up with DOW management.

6.2 Grievance Redress Mechanism in place

56. 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 initial Grievance Redress Committee (GRC) meeting was convened on the 1st of February 2018. The preparatory meeting was convened purposely to formalize the GRC composition, formulation of approaches to resolve grievances and officially convene the GRC to commence.

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

58. The committee is composed of the District Officials, women's representative, local 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 resettlement related complaints arising out of the project. The names of the GRC members are shown in table 4 below.

Table 5: Composition of GRC

No.	Name	Position	Organisation
1	Paul Bayuwe	Administration	Henganofi District
2	John Feyome	LLG President (Rep)	Henganofi District
3	Ms. Eriko Fufurefa	NGO and Women's Rep	Women's Association
4	Jones Sunaba	Ex Officio	DOW
5	Dominic Kerowa	Acting Provincial Works Manager	DOW
6	Alois	Ward Councilor	Ward 4 LLG
7	Amos Bekou	Ward Councilor	Ward 7 LLG
8	Soks Afio	Ward Councilor	Ward 5 LLG
9	Auwo Samson	Technical Advisor	HRMG/DOW
10	Steven Kolaiye	Technical Advisor	Renadet Consultant

59. While there were no deadlines to submit the complaints, members of the GRC were urged to inform APs with complaints to lodge their grievances following GRM process. The complainants may file their complaints with the HRMG Safeguards Officers on site 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.



Picture 3: GRMG CROs going through grievance list with ex officio

7.0 MONITORING OF BENEFITS

60. Since the construction works commenced on the 18th of November 2017 the communities and the DPs along the project corridor have been experiencing beneficial impacts. The project is in its initial stages of clearing and grubbing and these impacts are expected to intensify as the project works progresses on. Direct benefits for the communities and the DPs are the experienced most from the employment benefits as well as the payment they receive for the use of the customary lands. Indirect benefits have also started to be realized by all the communities in and outside of the project impact zone. The following are the positive effects experience by the communities along the road for the covered period.

61. 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 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.

62. From July to December 2019, the contractor carrying out the project work from Henganofi-Nupuru employed a total workforce of 1, 849 local workers and personnel. This total includes both the contractor's (CWYC) and subcontractor's (GLC) combined employees. The contractor had a monthly total employment average of 308 employees each month. The workers recruited to work in the project were engaged on ad-hoc basis and others were engaged on a long-term basis. Out of the total employed for the period covered 1, 670 were males (90.32%) while there were 179 females (9.68%). Employment figures for males have increased dramatically since the first semi-annual monitoring report and will continue to increase in the succeeding months of 2019. The contractor was advised to increase the employment of women to reach at least 30% but have failed to comply regardless of continuous advice and suggestions provided to them for the period covered. They have complied with providing employment for locals living along the project corridor as well as inside the RIZ to engage with the line drain and culvert construction works. This was done because the employment of locals along the road influence zone was also highly recommended.

63. For the covered period, records have shown that out of the total workers employed by the contractor a total of 1, 322 DPs were also employed. This is a great improvement and very encouraging result. This has shown that the contractor has taken the initiative to start employing and giving back to the affected people along the road in terms of employment. The contractor was also advised to give preference to DPs. The documentation of this employment data is very important. The disaggregated employment breakdown as well as estimated female wages for the covered period is tabulated below in table 6.

Table 6: Summary of monthly employment by gender

Month	Male	Female	Total	DPs Employed	Estimated Female Wages (K)
July	264	36	300	219	K 25 313.00
August	272	30	302	201	K 26 140.00
September	278	27	305	223	K 25 923.00
October	279	28	307	224	K 26 325.00
November	320	35	355	250	K 30 100.00
December	257	23	280	205	K 23 791.00
Total	1670	179	1849	1322	K 157 592.00
Average	278.3	29.8	308.2	220.3	K 26 265.33
Percentage 90.32%		9.68%	100%	71.50%	

64. The minimum wage in Papua New Guinea according to the Labor Office is K3.50 per hour. This rate is fixed for both short term and long-term engagement. Local and international companies and organizations are fully obliged to comply. This is the basis for estimating the wages paid to women for the covered period. This amount is multiplied by the hours worked per women to attain each woman's fortnightly wages. This is then multiplied by the number of women for the covered period. It is estimated that women employed in the Henganofi-Nupuru subproject received an estimated total wage of K157, 592.00 for this covered period of 2019 from direct employment.

65. In addition, the contractor also farmed out certain construction activities that were not previously captured by the employment data because these wages were paid per task or per piece. However, this deficiency has been rectified and data on women's participation in nonpayroll activities have been retrieved and documented.

66. For the months of July to December, the contractor engaged females in all the non-payroll activities except the construction of Rip Raps. The majority of Females were engaged notably as traffic spotters along the project road at various locations. Female participation in other related non-payroll activities started from the month of July through to December. For this covered period, a total of 125 women were engaged in non-payroll activities in the project. Out of that total 68 were engaged as spotters, 1 in the head wall construction, 31 in the Line drain and 25 in the construction of gabions. The females engaged in these construction activities were paid per day. The summary is shown below in table 7.

Table 7: Number of women participations in Non-payroll activities

Month	Gabions	Line Drains	Rip Raps	Head Walls	Spotters	Total
July	2	2	-	1	11	16
August	3	5	-	0	12	20
September	4	6	-	0	10	20
October	3	5	-	0	10	18
November	10	8	-	0	15	33
December	3	5	-	0	10	18
Total	25	31	0	1	68	125
Percentage	20%	24.8%	0%	0.8%	54.4%	100%

67. The number of women's participation in non-payroll activities has increases for this covered period which is a positive sign. As civil works progress these figures are anticipated to increase. The project has completed its clearing and grubbing activities and many other construction activities has commenced which saw the participation of females in the project increased from July to December. Most of the females belong to the APs households and most are illiterate and unskilled thus the most fitting employment opportunity for them is to work as traffic controllers and spotters at this stage of the project.

68. The contractor as advised has engage more women to take part in the project especially for the non-payroll activities. These activities are such as line drainages, gabions, Head walls and traffic controllers such as spotters. Despite being highly recommended the engagement of women in campsite and technical areas remained the same from July till December.

69. From July to December females engaged in the non-payroll activities were paid K20.00 per day according to the contractor's management. Upon field verification and investigation, it was discovered that they were actually paid K 15.00 per day. The inflated data provided was brought to the contractor and the actual wages earned by the females were obtained. The female wages varied depending on the task performed and their durability. Most of the women engaged in the non-payroll activities were used interchangeable by the contractor for equal distribution of benefits. The 125 women working in the non-payroll activities earned a total estimated wage of K 52, 264.00 with a monthly average of K8, 710.67 for the covered period. Summary of this is shown below in table 8.

Table 8: Estimated monthly income by women on Non-Payroll activities

Month	Total Number of Women	Estimated Wages (Kina)
July	16	K 8 930.00
August	20	K 8 794.00
September	20	K 8 700.00
October	18	K 8 700.00
November	33	K 9 000.00
December	18	K 8 140.00
Total	125	K 52 264.00
Monthly Average		K 8 710.67



Picture 4: A female spotter engaged by the project

70. The monitoring from July to December also categorized the contractor's employees in terms of government level. The contractor has employed a total of 2, 089 persons to work in the project. Out of this total, 246 persons were foreigners, 416 were from other LLGs, 865 were from the Kafentina LLG while 562 were from the Fayantina LLG. The employees from other LLGs include other LLGs with Eastern Highlands Province and LLGs outside of the

province and district as well. The summary and details of the disaggregation of contractor's employees for the period covered is shown below in table 9.

Table 9: Summary of employment by local content and foreign workers

Month	Foreigner	Kafentina LLG	Faiyantina LLG	Other LLG	Total
July	38	141	82	77	338
August	40	143	85	74	342
September	42	147	92	66	347
October	43	148	85	68	344
November	43	155	132	68	398
December	40	131	86	63	320
Total	246	865	562	416	2089
Average	41	144.17	93.67	69.33	348.17
Percentage	11.78%	41.41%	26.90%	19.91%	100%

71. The subproject road traverses across two local government units, namely Kafentina and Faiyantina LLGs. In terms of direct benefits accruing from the project, an estimate was undertaken to calculate the income being derived from employment in the project by workers from the two affected LLGs. The computation was based on the minimum wage of K3.50/h set by the GoPNG through its labor laws.

72. From July to December the 580 workers originating from the Faiyantina LLG received a total estimated wages of K 355 633.50 working in the subproject. For the same period, it was also estimated that the 930 workers from Kafentina LLG received a total estimated wage of K531 757.00. Foreigners and workers from other LLG's salaries and wages were excluded in this computation the above figures are exclusively for the workers originating from the two affected LLGs. Combining the income of the workers from the two affected LLGs, the total amount in wages paid by the contractor to these workers amounted to K 887 390.00 for July to December 2019. A great benefit through cash and kind has gone back to the community as payment for wages and for goods and services provided by indigenous people.

73. The details are shown in the following table 10 below.

Table 10: Estimated monthly wages paid to local workforce.

Month	Fayantina LLG	Estimated Wages (K)	Kafentina LLG	Estimated Wages (K)	Combined Wages (K)
July	82	K 53 790.00	141	K 84 210.00	K 138 000.00
August	85	K 53 894.50	143	K 88 370.00	K 142 264.50
September	92	K 59 741.00	147	K 92 400.00	K 152 141.00
October	85	K 63 741.00	148	K 81 800.00	K 145 541.00
November	150	K 70 525.00	220	K 95 200.00	K 165 725.00
December	86	K 53 942.00	131	K 89 777.00	K 143 719.00
Total	580	K 355 633.50	930	K 531 757.00	K 887 390.00
Average	96.67	K 59 272.25	155	K 88 626.17	K 147 898.42

7.1 Income benefit to quarry landowners

74. The owners of the land where the quarries are located are usually the tribes and clans who own the customary lands. However, there are tribe members who are assigned the 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 from the contractor are divided based on internal agreements within the tribes.

75. As the project progresses further up the chainage the contractor has identified two potential quarries. Only one was used which is the Upegu quarry after signed agreement with the local landowners for material extraction for the subproject from July to December 2019. Materials extractions from Upegu quarry are valued as per the signed agreement at K3.15 per cubic meter (m³). This agreement does not include the campsite lease rental payments. During the period covered on October the contractor received claims from various individuals and groups claiming to be the original landowners and have caused inconveniences to the daily operation of the project thus the contractor have ceased its material extraction. A total of 28 434.96 m³ of gravel was extracted from the Upegu quarry.

76. Contractor was granted Quarry Permit for Upegu quarry on the 23rd March 2018. The term of the permit is ten (10) years and the expiry date is 24th of April 2028.

77. The contractor started buying materials from the Highlands Highway quarry at Bena Bridge as well as some extraction from Konamempi River. A total of 6 600 m³ of gravel was bought from Bena bridge quarry and extracted from Konamempi river for the period covered.

78. The landowners benefiting from the royalty payments from the quarries received a total payment of K 110 360.12. This payment is for the materials extracted from their land from July to December. The volume extracted each month for the period covered and their estimated values paid each month are shown below in table 10.

Table 11: Summary of quarry volume extracted and payment value

Month	Konamempi River	Upegu Quarry	Bena Bridge Total (tons)		Estimated Value (Kina)
			Quarry		
July	-	7 819.56 m ³	-	7 819.56 m ³	K 24 631.61
August	-	7 651.98 m ³	-	7 651.98 m ³	K 24 103.74
September	-	6 363.42 m ³	-	6 363.42 m ³	K 20 044.77
October	-	6 600 m ³	-	6 600 m ³	K 20 790.00
November	1 200 m ³	Closed	5 400 m ³	6 600 m ³	K 20 790.00
December	-	Closed	-	-	-
Total	12 000 m³	28 434.96 m³	5 400 m³	35 034.96 m³	K 110 360.12
Percentage	34.25%	81.16%	15.41%	100%	

79. The contractor also leases customary land to locate their camp and other facilities. In addition, the contractor also pays customary landowners for disposal sites where the contractor stockpiles the excess spoils, basically from clearing and grubbing activities. Some locals voluntarily request the contractor to dump waste earthworks on unstable areas. No form of payment is made to the locals under this arrangement.

80. The subproject has a total of two campsites one at Konamempi and the other at Upegu. Both campsites have a quarterly payment agreement with the customary landowners. All disposal sites located along the project corridor are free of charge as per the signed agreement with the landowners. They only request for excess soils to be dumped, leveled and stabilized in areas they see has potential for future development. The Upegu campsite has ceased operations during the fourth quarter (October –December) of 2019. For the covered period the contractor has paid an aggregate amount of K 6,800.00 for the Konamempi campsite and K4, 800 for Upegu Campsite respectively. Road works have already commenced, and the contractor has begun to place the subbase and base coarse materials on the sub grade surfaces of the road. The materials transported from Upegu are stockpiled at the contractor's stockpile area. The contractor has only one stockpile area that was used from July to December. There was no payment made as per the signed agreement with the landowner. Upon the completion of the construction project or expiration of the lease, all permanent improvements shall be owned by the customary landowners. The details are shown below in table 12.

Table 12: Summary of monthly rentals for land use for campsites

Month	Konamempi	Upegu Camp	Stockpile Sites		Total
	Camp				
July	K1 100.00	K 1 200.00	-		K 2 300.00
August	K1 100.00	K 1 200.00	-		K 2 300.00
September	K1 100.00	K 1 200.00	-		K 2 300.00
October	K1 100.00	K 1 200.00	-		K 2 300.00
November	K1 300.00	Closed	-		K 1 300.00
December	K1 100.00	Closed	-		K 1 100.00
Total	K 6 800.00	K 4 800.00	-		K 11 600.00

Percentage 58.62%

41.38%

-

100%

7.2 Return on sale of local food and materials to the project

81. The contractor has its main campsite located at Konamempi village at CH 0+460. For this period covered the contractor has made various local purchases for its operation. The local purchases include various construction materials, food (Vegetables and local meat), water, and miscellaneous items. For food and miscellaneous items, the contractor has spent a total of K 18 000.00 from July to December.

82. The foods purchased within the affected areas are from the project site and the Henganofi local market. Food not found within the affected area and purchased outside of the affected areas is from the Goroka town main market. Other local purchases include the purchasing of live meat such as chicken, ducks, pigs and goats. A total of K 39 768.00 was spent for the time covered. A total of K 56 200.00 was spent on the purchase of local construction materials. There was no payment on other local expenditure in the project. A total of K 113, 068.00 in total was spent on local purchase for the time covered. The details are shown below in the following table 13.

Table 13: Purchase of local food and materials to landowners

Month	Local food and material supply				
	Local Food	Materials	other Items		Total (K)
July	K 7 550.00	K 3 100.00	-	-	K 10 650.00
August	K 11 000.00	K 12 300.00	-	-	K 23 300.00

September	K 11 000.00	K 14 000.00	-	-	K 25 000.00
October	K 11 000.00	K 14 000.00	-	-	K 25 300.00
November	K 6 668.00	K 2 000.00	-	-	K 8 668.00
December	K 10 150.00	K 10 300.00	-	-	K 20 450.00
Total	K 57 368.00	K 55 700.00	-	-	K 113 068.00

Percentage 50.74%

49.26%

0%

0%

100%

83. As improvement works progresses further in many indirect social benefits started to arise as a direct result of the upgrading and rehabilitation of the Henganofi Nupuru subproject road. These benefits include the start of small businesses, rental houses, new local markets and the increase of public motor vehicles (PMVs) plying the route and the decrease of transportation fares as a result of improved accessibility.

7.3 Trade Store Business

84. Since the project commencement the communities along the project have realized the opportunities that the project brought. Thus, they have ventured into ways in which they can capitalize and benefit from the project. They created small business so that they can benefit indirectly from the project spin offs. The set-up trade store business along the project corridor. Many of the trade store owners are APs residing along the project corridor and have admitted seeing an increase in demand for the factory-made products they sell. The demand is so great that they run out of stock and have to travel two to three times a week to Henganofi or Goroka to buy their supplies compared to before where it was once a week. During the month of July to December these small enterprises have admitted seeing continuous increase in their profit margin than they did before.

85. Due to the road improvement more people now travel on the road unlike the past. The store owners have also gained the confidence to venture into other small businesses such as coffee cherry buying and lending out loans to interested clients in the area.

86. Since the commencement of the project there have been continuous increase in new construction of houses and trade stores. The demand for store goods had increased along the project road corridor. There are now 37 trade stores along the Henganofi-Nupuru road. Of the total 13 are permanent trade stores, 23 are semi-permanent and 1 is recently constructed from local bush materials.

7.4 Rental accommodation for construction workers

87. Another opportunity created by the project is the increased demand of rental houses to meet the housing need of the CWYC employees. The locals have taken advantage of this demand and have erected new bush material and semi-permanent houses to be put up for rent. This is because almost half of the contractor's employees are either from other provinces or other parts of the Eastern Highlands Province and need accommodation. The houses are rented at K 50.00 per fortnight like most houses around the area and the money the landlord

earns goes to purchasing basic needs like food and clothes from Henganofi station. A landlord can earn an estimated average total of K 150.00 a fortnight. For the period covered a landlord earned an estimated total average of K900 just from collecting rental fees from the contractor's employees.

7.5 New Local Markets

88. Since the commencement of the subproject, communities along the project corridor has benefited by erecting new markets at various locations along the road. They set up these markets to sell their cooked food, fruits, vegetables, store goods, beetle nut and cigarettes to the communities themselves, the general public traveling the road as well as the CWYC employees. During lunch break only foreign employees are provided food so the local employees along with a few foreign employees purchase the food sold by the local markets. After the construction work moves on the market remains and becomes a place of social gathering where buying and selling continues.

89. These new erected markets are initiated by the construction works. Where there are construction activities along the road project new markets are erected. There are different ways in which they set up these markets. People from further away only bring canvases for which they place their goods and sell. People nearby bring mobile table which they set up and take back home when done. People residing along the road edge set up by building permanent marketing stalls made from bush materials for their everyday sales. From July to December the tally of these markets has increased. Monitoring of these activities shows an average of 73 canvas markets, 17 table markets and 33 marketing stalls are doing active trading each day along the project corridor for the time covered.



Picture 5: New roadside market erected at Hogoteru village

7.6 Coffee Buying Business

90. Late in the month of December in the Eastern Highlands Province is the season for the coffee trees to flower and bear it cherries. Along the Henganofi- Nupuru road project, the main cash crop is coffee and supports many households in the two affected LLGs. Since the commencement of the project till December the road conditions have greatly improved due to the rehabilitation work carried out by the contractor. This has enabled local transportation to travel further in enabling local growers to transport their cash crops out to buyers along the road, Henganofi station, Goroka town and Lae. The people have expressed their gratefulness as a result of the project for the reduced costs of transport.

91. For the period covered coffee buyers from outside of the two LLGs have started to move in to purchase dried coffee. Coffee scaling stalls and bags are a familiar site along the road. Due to an increased number of buyers and competition coffee price has gone up to K4.20 per Kilo compared to before where it was K 3.80-K 3.90. The people from the affected LLGs are now able to get good money for their coffee and exclude all the extra expenses of transporting their coffee to urban centers like Henganofi station and Goroka Township. These incomes from coffee goes back into purchasing goods sold along the project corridor by the new markets and trades stores erected.



Picture 6: Drying coffee beans on land cleared by the project

7.7 Local Product Sale

92. The other new business venture created by the project and have emerged in the month of July to December is the selling of locally created product. People with excess of good native bush materials have started to capitalize on manufacturing and selling native products such as posts made from trees, bamboo walls (called blind) weaved by hand and trimmed natural roofing leaves (kunai). These natural products are placed on the roadsides for interested people traveling the road within and outside of the two affected LLGs to purchase. This has never been done before and is a direct result of the improved road access. The standard prices of these products are K3.00-5.00 per posts, K 5.00 for one heap of natural roofing leaves and K 200 for the Blind walls depending on the length weaved.

7.8 Entertainment Business

93. The other new business is the entertainment business taken up by most youths along the road. The young population have set up games and invited neighboring villages to take part in those games especially basketball and volleyball. The disposal sites that have been leveled by the contractor were used to stage these games. Youths from all over gather at the selected location to compete for prize money. The landowners make money by renting out their courts, nets and balls to be used for the game. Fee of K 2.00- K3.00 is paid to them per game played.

94. The other gaming business that has started at Konamempi and has increased up the road project is the introduction of the dart game. This games purpose is for interested persons to come and play with the chance of winning edible store good and prize money as well. Many people traveling the road are now playing this game to try their chance of winning goods and money. The dart owners make money from the fees paid to play per game which is K 1.00. When interviewed they expressed their gratefulness for the road and have stated that instead of doing unlawful activities such as smoking marijuana and consuming homebrew, they are now making a living for themselves by setting up these small businesses along the road project

7.9 Public Motor Vehicle (PMV) Business

95. Before the project when the roads were in a bad state, there were only 4 local Public Motor Vehicles (PMV) operating along the road corridor. The re-opening of the road and its improvements as of July has seen increased number of PMV's and a decrease in the fares paid by the passengers from K 6.00 to K 4.00. This is as a result of improved road conditions which has made trip faster to travel from point A to point B benefiting the local population along the road project corridor as well as the PMV owners. Many of these PMV owners have admitted to seeing increase in their daily revenue as a result of making more trips to and from Henganofi station and Goroka town. There are now over 10 PMV's transporting people to and from the urban centers.

8.0 CONCLUSION

96. The improvement of road access from Henganofi-Nupuru is nearing completion and most grievance issues are been redressed by the project team and through GRM. The pending issues are been deliberated by GRC and DOW as well as the contractor for construction related issues. So far there is no major issues encounter that will hinder the project. During these periods it is reported that there benefits now triggers down and the locals have realized and

enjoying the good road hence improves their livelihood and cash income opportunities. Gender inclusion and benefits to women and participation has increased and there is wider acknowledgement from communities however common gender issues are ongoing relating to daily challenged faced by women in these parts of the highlands continues.

9.0 REQUIREMENTS FOR REMEDIAL ACTIONS

97. As of December 31, 2019, there were two outstanding issues, namely the grievances pending in the GRC and in-kind assistance. The implementation of the recommended income restoration measures involving the construction of gender friendly structures are scheduled to commence once the portion of the proposed locations would have been sealed. These will be monitored during the final stages of the civil works and towards project completion.

98. From July to December 2019 the logged grievances increased to 781 which is the final total after the final re-verification exercise was carried out from CH 26+000 to CH 34+000 to verify the merits of these complaints during the third quarter.

99. Based on the GRC recommendations, the genuine claims have been forwarded to the Henganofi and Lufa District Administration and a copy to HRMG for further deliberations and payment. Since the District Administration spearheaded the widening of the road and improvement payments back in 2016, HRMG will provide the technical advice and support where necessary.

APPENDICES

Appendix 1 – List of References

1. Resettlement Plan (RP) Henganofi Nupuru Sub-Project, March 2016
2. Third and Fourth quarter social monitoring reports, 2019
3. Back to Office Report of HRMG Environmental Officer and Quarterly Reports.
4. Conformed Documents for the Improvement Works and Long-Term Performance Based Maintenance Service (LTPBM) for Henganofi Nupuru Road. Contract Number CSTB 3533.

Appendix 2 – List of People Interviewed

1. Mr. Alberto Fieramosca – Resident Engineer PSC.
2. Mr. Johnny Buduhan – Resident Engineer PSC
3. Alphonse Niggins, Senior Field Coordinator, HRMG
4. Stephen Sukot -National Environmental Specialist, PSC
5. Steven Kolaiye – National Resettlement Specialist, PSC
6. Paul Nombri, Manager, Technical Services, HRMG
7. Anita Uvovo, Environmental Officer, HRMG
8. Auwo Samson, Social Safeguards Officer, HRMG
9. Sammis Sipo, Public Relations Officer, China Wu Yi Co., Ltd
10. John Upave, Community Relations Officer, HRMG
11. Terrix Lanefae, Public Relations Officer, China Wu Yi Co., Ltd
12. James Andowawe, Health and Safety Officer, China Wu Yi Co., Ltd
13. Joel Wayawe, Environmental Officer, China Wu Yi Co., Ltd

Appendix 3: Photos taken during this period



Picture 7: Project team checking the line drainage



Picture 8: Inspecting the bridge completion works



Picture 9: Contractor and Supervision Consultant visiting the complete road section