

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

PANGIA-WIRU LOOP ROAD SUB-PROJECT

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

This Semi-annual Social Monitoring Report is a document of the Borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature. Your attention is directed to the "terms of use" section of this website.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

Social Safeguards Monitoring Report

Semi-annual Report (July – December 2019)

PNG: HIGHLANDS REGION ROAD IMPROVEMENT INVESTMENT PROGRAM -TRANCHE 3

Pangia-Wiru Loop Road Sub-Project

CSTB# 3532

**Department of Works and Implementation
Port Moresby, National Capital District
Papua New Guinea**

Submission date: 31 January

Table of Contents

ABBREVIATIONS.....	5
EXECUTIVE SUMMARY	6
1.0 INTRODUCTION	9
1.1 Project background	9
1.2 Sub-project description.....	9
1.3 Institutional arrangements	10
1.4 Purpose and methodology	11
2.0 SAFEGUARD STAFFING AND CAPACITY BUILDING	12
2.1 Safeguards staffing	12
2.2 Capacity building and training activities	12
2.2.1 Training seminar on quarry operation	12
3.0 DELIVERY OF COMPENSATION AND ENTITLEMENTS	13
3.1 Memorandum of agreement	13
3.2 Process of initial compensation made	13
3.3 Second batch of compensation payment based on GRC recommendations	14
3.4 Third batch of compensation payment based on GRC recommendation	15
3.5 In-kind assistance	15
4.0 STAKEHOLDER PARTICIPATION AND CONSULTATIONS	16
4.1 Public consultation and women participation	16
4.2 Grievance redress mechanism.....	19
5.0 MONITORING PROJECT BENEFITS.....	21
5.1 Employment opportunities	21
5.2 Benefits of quarry operation	22
5.3 Benefits from land lease payments.....	23
5.3.1 Lease payment received by customary landowners.....	23
5.4 Other direct community benefits	24
5.5 Summary of benefits for 2 nd half of 2019	25
6.0 REMEDIAL ACTIONS TAKEN.....	26
6.1 Redressing of grievance issues.....	26
6.2 Monitoring of benefits of in-kind assistance	26
6.3 Additional information on indirect social benefit	26
6.4 Implementation of income restoration measures	26
APPENDICES	28
Appendix 1: Lis of References	28
Appendix 2: List of People Interviewed.....	28
Appendix 3: Organisational Chart.....	29

Lis of Tables

Table 1: Summary breakdown based on GRC's recommendations	15
Table 2: Summary of Public Consultation and Women Participation	16
Table 3: Issues raised during public consultations	17
Table 4: Composition of Grievance Redress Committee	19
Table 5: Summary of grievance for Pangia-Wiru Loop subproject	20
Table 6: Summary of monthly employment by gender	21
Table 7: Summary of monthly employment by gender for unskilled workers	22
Table 8: Summary of quarry volume extracted and cost estimates	23
Table 9: Summary of lease rental payment to customary landowners	23
Table 10: Local hires by subcontractors	24
Table 11: Proposed locations for bus bays and waiting sheds	27

ABBREVIATIONS

ADB	Asian Development Bank
APs	Affected Person(s)
CRO	Community Relations Officer
CSC	Construction Supervision Consultant
DA	District Administrator
DC	Design Consultant
DMS	Detailed Measurement Survey
DOW	Department of Work
EA	Executive Agency
EIA	Environment Impact Assessment
ESSU	Environment and Social Safeguards Unit
GR	Grievance Redress
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
GRP	Grievance Redress Process
HCRN	Highlands Region Core Road Network
HIV	Human Immunodeficiency Virus
HRMG	Highlands Road Management Group
HRRIP	Highlands Region Road Improvement Investment Program
IA	Implementation Agency
IESSS	International Environment and Social Safeguards Specialist
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
NRA	National Road Authority
PNG	Papua New Guinea
PRO	Public Relations Officer
PWL	Pangia Wiru-Loop
PWM	Provincial Works Manager
QMP	Quarry Management Plan
RAP	Resettlement Action Plan
RCR	Resettlement Completion Report
ROW	Right-of-Way
SFPC	Senior Field Project Coordinator
RP	Resettlement Plan
SHP	Southern Highlands Province
SIA/SIS	Social Impact Assessment / Socio-economic Impact Study
SMR	Semi-annual Monitoring Report
SPS	Safeguard Policy Statement
SSO	Social Safeguard Officer

EXECUTIVE SUMMARY

- A. This Semi-annual Social Safeguards monitoring report covered the period from July to December, 2019. This safeguards monitoring was carried out by the DOW through the Highlands Road Management Group (HRMG) and results will be communicated to ADB through this report.
- B. Pangia-Wiru Loop sub-project road is one of the 4 sub-projects of Tranche 3 of the Highlands Region Roads Improvement Investment Program, an ADB assisted road program. It is in Southern Highlands Province (SHP) in the districts of Ialibu/Pangia. The Pangia-Wiru Loop road sub-project officially started on May 16, 2016. The first two and a half months covered the mobilization period (May 16 to August 3, 2016). As of December 2019, civil works have reached its full stage.
- C. HRMG, the project implementing unit (PIU) has provided support related to activities to acquire land for upgrading HRRIP road. With this mandate, HRMG has provided training/seminars, technical and financial support to empower and upgrade the capabilities of its staff and other project stakeholders.
- D. The resettlement plan was submitted and approved by ADB in August 2016. There were affected assets comprises of structures, fences, graves and communal places. There were also affected crops and trees of various categories were assessed during the initial DMS and the Due Diligence Survey. The total estimate value of the affected assets was Kina 374,941.47 net of administrative costs.
- E. The detailed measurement survey (DMS) was carried out by the international consultants from Renardet SA on July 21 to July 31, 2015. The Pangia Wiru Loop road was classified as Category B as confirmed by the findings of the DMS. The cut-off date was August 1, 2015 which was the date when the DMS was completed.
- F. DOW has negotiated and entered into a Memorandum of Agreement (MOA) with all affected tribes and clans for the use of the minimum additional land required to rehabilitate and upgrade the Pangia – Wiru Loop road. In addition, the affected tribes and clans validated also the permission given by their forefathers to use their land for the existing road.
- G. In addition to the customary land, there are personal assets affected as well as economic displacements. The technical solutions adapted to minimize previously identified affected assets reduced the number of affected structures to 18 structures (16 houses and 2 trade stores, 22,115 of crops and trees, 4 graves, 2 fences and one ceremonial ground owned by a tribe.
- H. Based on the RP, there were 62 APs affected by the project with total affected assets and allowances of Kina 178, 970.50 net of administrative costs. After site verification of the affected assets, the amount was reduced to Kina 144, 680.97, net of administrative costs.
- I. Based on the due diligence survey, there were an additional 146 APs who were missed out from the original DMS. Their affected assets and allowances net of administrative costs amounted to Kina 230,261.50.
- J. There were 62 APs in the verified DMS and 146 Affected Persons (APs) in the due diligence survey or a total of 208 APs who all received their compensation payments totalling Kina 374, 941.47 net of administrative costs. The compensation payments were fully paid on December 30, 2016. This total amount paid is based on the latest Valuer General's Compensation Rates at full replacement costs, whenever applicable. The APs

have signed the respective Deeds of Releases (DORs) and their photographs (of each AP) were also taken when they received the payments from DOW in front of their ward leaders/councilors.

- K. There were around 8 formal public consultations and discussions conducted with roadside communities in the Pangia-Wiru Loop sub-project road at numerous intervals from July to December 2019 covering some of the affected wards specially to discuss on issues of concern relating to resettlement, further environmental damages done during the course of the implementation of the road project. The approximate total number of participants in these 8 formal consultations is 376 and out of this total 295 were males (78.46%) while there were 117 females (31.12%).
- L. There were approximately 216 participants who belonged to AP households. This number represented 57.46% of total public consultation participants. Most of the issues of concern as raised by roadside communities and were discussed during the consultations and discussions were relating to resettlement, payment of compensation for the relocation of ceremonial area and some further environmental damages occurred as a result of contractor's negligence. Other minor issues were resolved on site by the civil contractor whilst some were handled by HRMG through the grievance redress committees pending final resolution.
- M. Grievances resulting from initial payment of compensation have been deliberated by GRCs in several meetings at the District Office in Pangia and cases approved on genuine grounds have been transmitted to HRMG and were fully settled as of March 28, 2018. A total of 1,145 grievances out of 1,600 were fully settled based on recommendation by GRCs. The total of 545 claims were discarded because GRCs through deliberations and site re-verification have discovered that these claims are spurious and unwarranted.
- N. Further deliberation of claims by GRC and final GRC meeting prompted a site re-verification, thus GRC have decided that 340 grievances are genuine and recommended to HRMG for settling payments whilst the remaining 205 grievances were deemed to be spurious and discarded. Basically, the grievances involved the following.
 - ✦ Pubi/Payama ceremonial ground in which the subproject road traverse circa 810 meters.
 - ✦ Assessment of affected assets including residence, trade stores and fences, etc at Pubi-Payama ceremonial ground.
 - ✦ Payment of Pubi-Payama ceremonial ground prior to accessing circa 810 meters prior to commencement of civil works.
- O. There were on-going consultations and discussions held with the aggrieved locals at Pubi/Payama Ceremonial area. In a group discussion with aggrieved locals at Pubi/Payama village, they urged HRMG/DOW to fast track payments whilst allowing the contractor to proceed with capping layer and other necessary civil works within the circa 810 meters of the ceremonial ground
- P. The issues relating to the adverse impacts occurred within the school perimeters have also been deliberated several times alongside others and the committees determined that and in-kind assistance will be provided to two schools in lieu of monetary form of payment. The schools are Tunda Primary situated at Chainage 24.500 and Williame primary at Chainage 30.050.
- Q. Issues of concern were expressed by aggrieved communities along the road corridor relating to construction works and further adverse impacts occurred during the civil works.

Such issues were addressed by the contractor and others were addressed through clarifications provided in public consultations. The legacy issues have been clearly deliberated through public consultations and were addressed amicably.

- R. Third Payment of compensation based on meritorious claims were compensated accordingly on the 28th of August 2019 at Pangia District Office. A total monetary value of Kina 410,000.00 has been paid.
- S. All aggrieved APs were present during the disbursement to receive their payments at Pangia District Office and signed their respective Deeds of Releases (DORs) in front of the Ward Councilors, HRMG staff and officers from the District Administration.
- T. Propositions for in-kind assistance in-lieu of monetary form of payment were inclusive of the total compensation value.
- U. **Direct Employment:** For the covered period from July to December 2019, the contractor has hired a total of 965 workers and personnel or an average of 160.8 persons per month. There were 870 males (90.16%) while there were 95 females (9.8%) during the covered period employed in the sub-project. There were 630 DPs that were employed in the sub-project. This represents 65.3% of total persons hired. It is estimated that the contractor paid the 965 workers and personnel a total of Kina 482,500.00 or an average of Kina 80,416.70 per month. Out of this total, Kina 60, 000.00 was paid to female workers from July to December 2019.
- V. **Women's Participation:** For the second half of 2019, there were a total of 95 female workers directly employed by the contractor classified as payroll activities earned estimated wages of Kina 60,000.00. For the same period the total of 31 women participated in non-payroll activities was earning a total of Kina 15,500.00. For the covered period women directly and indirectly participated in the construction activities was earning a combined total of Kina 75,500.00
- W. **Other Benefits:** For the second half of 2019, the customary landowners earned a total of Kina 69,979.00 or a monthly average of Kina 11,663.16 as royalties from the operations of the four (4) quarries for the project.
- X. **Additionally**, customary landowners earned a total of Kina 15,000.00 for land leases paid for the camp and other facilities located at Lagane Camp. Furthermore, the contractor has also purchased other local construction materials and food items from the locals at around Kina 1,975,090.40 for the month of July to December 2019.
- Y. **Other Community Benefits:** A living quarters and site office was ended over to Pangia Admin Primary School on 3rd December 2019. The contractor and school agreed that monthly land rentals be forfeited for usage of school land for the construction of said facilities and should be ended over during completion of the subproject road.

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 (HRRRIIP). The HRRRIIP will include projects to improve the HCRN and develop the capacity development of road agencies. Tranche 3 included the upgrading and rehabilitation of four road sections namely, Nipa-Munihu Road, Pangia Wiru Loop Road, Gewa-Gembogl Road and Henganofi-Nupuru Road.
- 4 Tranche 3 (Loan # 3404/3408) included the upgrading, rehabilitation and maintenance of four road sections namely, Nipa-Munihu Road in Southern Highlands (SHP), Pangia Wiru Loop Road in Southern Highlands (SHP), Gewa-Gembogl Road in Simbu and Henganofi Nupuru Road in Eastern Highlands Province.
- 5 The Executing Agency (EA) for whole the HRRRIIP 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 Pangia - Wiru Loop Road Section is covered by CSTB contract # 3532 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.

1.2 Sub-project description

- 7 The Pangia-Wiru Loop (31.4 km) road section aims to upgrade, rehabilitate and maintain roads in the Highlands Highway (HH) network in PNG. The whole length (31.4 km) of the Pangia–Wiru Loop road is on customary land. The first 3.40km of the sub-project road is located in East Pangia Rural LLG while the next 28 km is located in South Wiru Rural LLG, both in Pangia District, Southern Highlands Province.
- 8 The inhabitants of Pangia to Wiru depend entirely on agricultural production as more than 90% of the population is subsistence farmers. Sweet/English potato and variety of greens grow very well there, however; due to bad condition of the road, they are not grown in large quantities. Generally, an improved Wiru-Loop road will greatly enhance and improve travel and economic activities such as small enterprises, education, delivery of basic services and access to health services, etc.

- 9 The candidate road will serve an estimated population of 63,478 persons (2011 Census of Ialibu/Pangia District). This area is a potential route connecting the Highlands Region to Port Moresby, the capital of PNG. This area is also a potential route to transport petroleum and mineral resources.
- 10 It is proposed to upgrade the road 5.5-meter wide carriageway sealed with Double Bitumen Surface Treatment (DBST) and 0.25-meter wide shoulders. The proposed total width is 12.00 meters that includes a minimum of 3.0-meter wide (both sides) strip for visibility. Earthworks will be required to widen the existing road bench to accommodate the final formation width and roadside drains as well as to provide for local improvements to the vertical alignment. Approximately 3,600 linear meters of retaining wall will be required at various locations to provide adequate formation width and avoid extensive embankment construction.
- 11 A resettlement plan (RP) was prepared by the design consultants for the Pangia-Wiru Loop sub-project and submitted to DOW and was approved by ADB in August 2016. It is based on the assessment of land acquisition impacts based on the final detailed engineering design for the road improvements as determined through a Detailed Measurement Survey (DMS).
- 12 After several documented public consultations with the clans and communities that owns the land, a memorandum of agreement (MOA) was signed between DOW and customary landowners upon permitting the use of the customary land in exchange for public infrastructure. This meant that there was no change in land ownership but only permission to use their customary land for road access. This MOA also validated and confirmed that permission granted by their tribal forefathers for the existing road carriage from Pangia-Wiru Loop sub-project.
- 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. The cut-off date is the date when the DMS was completed which is August 1, 2015 in this road sub-project.
- 14 This sub-project's resettlement category is Category B as the number of affected persons who will suffer major impacts defined as physically displaced and losing 10% or more of productive assets are expected to be less than 200 persons. The various resettlement impacts are discussed in the section of asset impacts.

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 (PUI) for HHRIP 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). In the revived organizational chart (as of September 1, 2017), the positions of FPM and SFPC are handled by the same person for smoother coordination and more effective implementation. For the social and environmental safeguards, the SFPC is ably supported by the Manager of Technical Services (MTS). Under the MTS are two sub-units based on geographical considerations, namely Eastern and Western Sections of the Highlands Region.

- 18 The new 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 once or twice a month. In addition, both the EOs and Social Safeguards Officers may return to the subproject as often as needed if any environmental and social/resettlement issues will arise during the implementation of the road project.
- 19 Based on new arrangements made, the EOs and SSOs are also being assisted by the CROs assigned for each road sub-projects in attending and addressing to social/resettlement and environmental related issues of concern. The CROs are now at the front lines of information dissemination, coordinating and monitoring activities of HRMG in close coordination with the SSOs and EOs.
- 20 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 HQ and ADB.

1.4 Purpose and methodology

- 21 This report presents the status of social safeguards including the compliance with approved RAP in respect of Pangia Wiri Loop road section, covering the review period of July to December, 2019. This semi-annual monitoring report (SAMR) is a requirement under the Safeguards Policy Statement 2009 (SPS 2009).
- 22 This report also establishes and summarizes various resettlement and social safeguards activities that was undertaken for this sub-project that were presented in some other reports including the back to office reports and Quarterly reports during the covered period. Highlights and important milestones are reiterated to produce this document containing all the previous documentation and activities for this sub-project. This report is undertaken to establish the basis and foundation for future quarterly, semi-annual and annual reports.
- 23 This semi-annual report is based on data gathered from several sources during this reporting period. The primary data was gathered through key informants' interviews (KIIs) with project staff, officials, community leaders, the contractor and DPs. More in-depth focused group discussions (FGDs) were conducted with APs to gather relevant information on resettlement, the manner of implementation of RP and its impacts and finally direct and indirect benefits accruing to the APs. The secondary data sources were gathered through the monthly reports prepared by Environmental Officers of HRMG.
- 24 Indicators for the internal monitoring are those related to process, immediate outputs and results. This information has been collected directly from the field and reported in a form of monthly executive briefs to the DOW by HRMG through the office of the Senior Field Project Coordinator/Field Project Manager to assess the progress and results of RP implementation, and to adjust the work program, if necessary. These monthly and quarterly reports have been consolidated in this semi-annual social safeguard monitoring report. Specific monitoring standards are:

- i) Budget and Time Frame;
- ii) Delivery of Compensation and Entitlements;
- iii) Public Participation and Consultations;
- iv) Benefit Monitoring;
- v) Requirements for Remedial Action

2.0 SAFEGUARD STAFFING AND CAPACITY BUILDING

2.1 Safeguards staffing

- 25 The Highlands Road Management Group (HRMG) under the Department of Works based in the DOW compound in Mt. Hagen, who is tasked to internally monitor all activities associated with land acquisition and payment of compensation to APs have been mobilized since Tranche 1 and Tranche 2 and is now fully staffed to undertake its responsibilities in Tranche 3.
- 26 It is headed by the Senior Field Project Coordinator (SFPC) who is in charge of day to day monitoring activities and is supported by the Safeguards Coordinator, Social Safeguards Officer and Environmental Officers. He is ably supported by the Manager of Technical Services and support staff. There are eight (8) Community Relations Officers (CROs) 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).
- 27 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.
- 28 The new reporting protocols for the monitoring reports originate from the social/ resettlement and environmental officers of HRMG who prepare their back to office reports following site inspections/field trips (BTOR). Routinely, they visit their respective road sub-project twice a month. In addition, the field officers of HRMG may return to the subproject as often as needed if there are any resettlement /environmental related issues during the course of the implementation of each road sub-project
- 29 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.

2.2 Capacity building and training activities

2.2.1 Training seminar on quarry operation

- 30 For this reporting period a seminar was facilitated by PSC International Environmental and Social Safeguards Specialist (IESSS) for all Tranche 3 subprojects at Hotel Kimininga, chamber 1 and 2, on 9th September 2019. The training was assisted by National Environmental Specialist of the Project Supervision Consultant (PSC). Attending this meeting were HRMG Environmental Officer(s), PSC Resettlement/Social Safeguards and Environmental Specialist's together with site engineer(s) and their respective resident engineer(s) who will interact frequently with both the contractors and affected communities.

- 31 The training focused on the environmental responsibilities of the contractor in the implementation of road projects which included “*Selection of Quarries, Operation and Closure or Rehabilitation works*”. Basically, the training-seminar gave insights of a quarry management plan and its principles, whether it be a land-based or riverine quarry, and the best management practices to mitigate risks involved in quarry operations. It was also highlighted that adherence to relevant GoPNG laws especially Conservation and Environmental Protection Authority (CEPA) is paramount. For example, Quarry Permits to be obtained from CEPA (Conservation & Environmental Protection Authority) in which for Land-based quarry, if extraction is projected to be 100,000 tons per year – a permit is required from CEPA. For River Gravel Extraction, if extraction is projected to be 10,000 tons for over 6 months, a permit is required from CEPA – thus it is important to incorporate EIA/SIA/QMP/Environmental Policy/Permit Application form. In addition, utmost consideration should be given to Asean Development Bank (ADB) Safeguards Policy Statement (ADB SPS 2009) for compliance purposes especially during quarry closure.

3.0 DELIVERY OF COMPENSATION AND ENTITLEMENTS

3.1 Memorandum of agreement

- 31 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 Pangia – Wiru Loop road. In addition, the affected tribes and clans had also validated the permission given by their forefathers to use their land for the existing road. There are no direct costs to secure the use of the required lands for the sub-project. Documentation expenses for these MOAs have been taken care under administrative expenses of the sub-project.
- 32 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 experienced physical and/or economic displacement because of the project based on the latest Valuer General’s Compensation Schedule for Trees and Plants (All Regions) as identified during the detailed measurement survey (DMS) and re-verification surveys.
- 33 As part of the preparatory activities for the payment of compensation, HRMG conducted several public consultations in the different affected wards and villages along the subproject road from May to December 2016. The public consultations included the provincial, district and local ward officials and leaders of tribes, clans and sub-clans and the local communities. Public disclosures have been undertaken to disseminate the resettlement plan, particularly the eligibility criteria, entitlements, cut-off date and the establishment of a grievance redress committee to address grievances and complaints of APs.

3.2 Process of initial compensation made

- 34 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 62 households. In the verification survey, an additional 146 households are most likely to be affected. Hence, based on the updated master list, the total number of households was 208 households.

- 35 Once the master list of APs with the breakdown of affected assets and their corresponding amounts was submitted to DOW, the list is finally verified and confirmed by HRMG before the final list of DPs is submitted to PMO for funding allocation.
- 36 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 APs to attend and receive their compensation payments for the affected assets.
- 37 The actual compensation payment is directly given to AP and most of the time with their families in the presence of the DA, LLG president, ward and village councilors, PWM and/or his representatives.
- 38 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.
- 39 There are also rehabilitation allowances to assist the APs in restoring their former living conditions. These allowances included shifting allowance, moving allowance, subsistence allowance, relocation and reburial assistance and vulnerability allowance.
- 40 With the presence of ward councilors, each AP 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.
- 41 HRMG then prepares and finalizes a summary report, attaching the deed of release (DOR) as supporting documents. One set is given to the PWM because he will be dealing with allegations of non-payment and other compensation related complaints. Another set is provided to HRMG as the project implementing unit while the last set is brought to the PMO as part of the funding liquidation process.

3.3 Second batch of compensation payment based on GRC recommendations

- 42 The second batch of payment of compensation was based on grievances that were received from APs and approved by GRC after assessed and verified. Only those grievances considered as genuine and approved by GRCs were fully settled as of March 28, 2018.
- 43 There was a total of 1,600 grievances filed with HRMG through GRCs. A total of four (4) grievance redress committee meetings were conducted and deliberated on all grievances received and filed at HRMG. Site inspection and verification exercises were also conducted after each GRC meeting to determine the claims on site with the APs.
- 44 The GRCs have decided that total 1,145 grievances out of 1,600 grievances filed with HRMG were considered genuine and was recommended to HRMG for payments while 455 grievances were deemed to be not eligible for compensation and were not accorded in due course. The summary is presented in the following table 1: Summary breakdown of payments-Pangia-Wiri Loop road subproject

Table 1: Summary breakdown based on GRC's recommendations

Carriage Way	Total APs	C & T	Structures	Fence	Grave	Total Amount
Left	595	119,806.00	74,870.00	9,361.00	1,640.00	205,677.00
Right	550	121,924.00	66,189.00	4,260.00	1,950.00	194,323.00
Total	1145					400,000.00

45 Payments of compensation based on cases approved by GRCs were affected in Pangia Station on February 8, 2018 at Pangia District Office and was completed on March 28, 2018. All DPs were present during the disbursement to receive their payments.

46 The aggrieved APs have all signed their respective Deeds of Releases (DORs) in front of the Ward Councilors, HRMG staff and officers from the District Administration during disbursement.

3.4 Third batch of compensation payment based on GRC recommendation

47 The third batch of payment of compensation was based on grievances evolving as a result of no proper DMS conducted during the initial design phase due to inaccessible road condition

and terrain especially towards the end of subproject road. The grievances were in the category of missed-out APs, damage of assets and the famous Pubi/Payama ceremonial ground which the subproject road traverses circa 810 meters.

48 Based on GRC recommendation and screening, HRMG have conducted a rapid on-site reverification exercise for assessment purposes.

49 Payment of compensation based on meritorious claims were compensated accordingly on the 28th of August 2019 at Pangia District Office. A total monetary value of Kina 410,000.00 was paid inclusive of Williame Primary School fencing.

50 All aggrieved APs were present during the disbursement to receive their payments at Pangia District Office and signed their respective Deeds of Releases (DORs) in front of the Ward Councilors, HRMG staff and officers from the District Administration.

3.5 In-kind assistance

51 There are schools, churches and marketplaces along the sub-project road entitled to in-kind assistance. The PIU/DOW through HRMG selected Williame Primary School and Catholic church for this in-kind assistance program in lieu of providing monetary form of compensation payment due to the fact that it is an oldest school in South Wiru LLG established through the Catholic Mission Agency thus enrolling all school aged children from grade 3 – 8.

52 However, due to time constraints and other project related grievances prompted HRMG to present a total of K30,000.00 cheque that was received by the catholic priest upon signing of Deeds of Releases (DORs) on 28th of August 2019 at Pangia Station.

4.0 STAKEHOLDER PARTICIPATION AND CONSULTATIONS

4.1 Public consultation and women participation

- 47 Several public consultations were held with roadside communities along the road subproject during the covered period. Consultations, discussions and meetings were conducted at several occasion especially when any issues of concern were raised by roadside communities. Such issues were normally discussed during public consultations and meetings to amicably address them. Such consultations and meetings were often facilitated by the CROs engaged for the project. The CROs were assisted by ward councilors and leaders to amicably resolve the issues. Other critical issues that could not be resolved by CROs are referred to HRMG safeguards officers to visit the sites to address the issues.
- 48 Other several consultations and meetings were also conducted by the contractor and these are not reflected in this report because such consultations were not documented. Ongoing awareness along the subproject areas were also conducted by the government discipline security officers attached to the project, informing roadside communities to evade causing unnecessary work disturbances and illegal activities.
- 49 Public awareness was also conducted by private security personnel attached with the contractor. Locals along the subproject road were being informed about the importance of good road network and the difference between resettlement and environmental claims to minimize grievances and to place them in a better position to fully understand the process of grievance redress mechanism and resolutions of grievances through the Grievance Redress Committees. Provided in the table 3 below are some of the issues raised and discussed during consultations held with locals along the subproject areas.
- 50 There were around 8 formal public consultations and discussions conducted with roadside communities in the Pangia-Wiru Loop sub-project road at numerous intervals from July to December 2019 covering some of the affected wards specially to discuss on issues of concern relating to resettlement, further environmental damages done during the course of the implementation of the road project.
- 51 The consultations and discussions in most part was held at Pupi/Payama ceremonial area relating to the missed-out payment for structural improvements within the 810 meters road section and the grievances over compensation payment for loss of the ceremonial area at Pupi/Paiyama. There were huge numbers of participants which the attendants' sheet could hardly document the participants. The approximate total number of participants in these 7 formal consultations is 376 and out of this total, 295 were males (78.46%) while there were 117 females (31.12%). These are summarized in the following table 2: Summary of Public Consultations and Women's Participation.

Table 2: Summary of Public Consultation and Women Participation

Month	# of Consultations	Male Participants	Female Participants	Total Participants	DPs Who Participated
July	2	120	40	160	50
August	1	30	10	40	31
September	1	45	32	41	46
October	2	55	15	70	45
November	1	20	5	25	16
December	1	25	15	40	28
Total	8	295	117	376	216
Percentage	100%	78.46%	31.12%	100%	57.46%

- 52 There were approximately 216 participants who belonged to AP households. This number represented 57.46% of total public consultation participants. Most of the issues of concern as raised by roadside communities and were discussed during the consultations and discussions were relating to resettlement, payment of compensation for the relocation of ceremonial area and missed out payment for structural improvements within the 810 meters road section. The issues have been settled through compensation payments by HRMG.
- 53 Some issues relating to destruction of school and church fencing at Williame during clearing and grubbing works were also raised and discussed between aggrieved parties, HRMG, Contractor and CSCs. The issue has been amicably resolved when the catholic priest at Williame Station were promised to provide in-kind assistance by HRMG.
- 54 A brief summary of issues of concern as raised and discussed during the consultations for the covered period are summarized in Table 3: Issues raised during public consultations.

Table 3: Issues raised during public consultations

Consultation Location	Issues of Concern	Response by HRMG Officers
Elu Quarry Ch:8+000	Most quarries operated by the contractor ceased operation since the subproject road reached its full stage of construction. As such, quarry owners along the subproject road requested the contractor to leave their quarry pit open for future use.	The contractor is obliged to thoroughly close or rehabilitate quarry sites after extraction of materials for road works. However, if quarry landowners request contractor to let it open should a proper end over – take over process be facilitated by the contractor, thus signing of statutory declaration form with landowners.
Tunda Ch:24.560	Locals demanded sub-contract for construction of Tunda Primary School fencing. Grievance for environmental damages caused as a result of landslip at an unstable section of the road.	It is the contractor prerogative to offer sub-contracts to local contractors, hence locals were made known that construction of school fencing is a gift from the contractor. It is the contractor's negligence that has resulted in the environmental damages hence the contractor is liable to settle the issue. Matter referred to the contractor and was resolved amicably. Matter will be referred to GRCs for deliberation and recommendations will be submitted to HRMG for rectifying them;

Pubi/Paiyama Ceremonial Ground Ch:28+860	<p>Claims of land compensation for loss of ceremonial ground in which the subproject road traverses circa 810 meters.</p> <p>Matters regarding the Improvements and Structures within the ceremonial ground be assessed and paid apart from the ceremonial area.</p> <p>Accessing of ceremonial ground has been stopped by landowners demanding payment prior civil works to proceed;</p>	<p>Proposition of in-kind assistance has been recommended. However, APs demanded monetary benefits instead.</p> <p>HRMG team with GRCs assessed all structures situated within the ceremonial area using the prevailing Valuer General's rates of compensation, thus genuine claimants were paid.</p> <p>The matter was deliberated several times in the GRC meetings, and a submission was made to DOW-HQ through the HRMG. After several consultation and awareness with landowners, civil works were allowed to proceed until their payments were disbursed.</p>
Williame Primary School	<p>Matter raised regarding the assets adversely impacted within the school perimeters.</p>	<p>HRMG proposed to provide in-kind assistance to the school in lieu of providing monetary form of compensation payment.</p> <p>However, cash disbursement was made during payment due to time constraints.</p>

- 56 The aggrieved APs from Pupi-Payama deemed genuine and compensated accordingly were 340 out 545 grievances filed relating to missed out payment for assets within the 810 meters road section.
- 57 APs have been informed several times during the consultations that any grievances arising from further environmental damages caused by any construction activity are the responsibility of the contractor. DOW through HRMG would only be liable to address any resettlement related issues if these issues emanate within the construction limits.
- 58 Locals have been urged to refrain from causing unnecessary work stoppages as all their grievances are being processed and screened by GRCs. The very genuine grievances will be recommended to HRMG for settling payments. They have been informed to support the contractor for the smooth progress of civil works. The contractor has been urged to recruit/engage locals in each of the affected wards to participate in various constructions related tasks. Female were urged to participate in non-payroll construction works.

4.2 Grievance redress mechanism

- 59 The grievance redress committees have been established for the road sub project purposely to deal with issues relating to payment of compensation for loss of assets. All grievances received from aggrieved DPs were provided to the GRCs for deliberations through the GRC meetings.
- 60 The Grievance Redress Committee for the subproject 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. The names of the members of the GRC are shown in the following Table 4: Composition of Grievance Redress Committee.

Table 4: Composition of Grievance Redress Committee

No.	Name	Position	District
1	Mr. Samson Wereh	Asst DA Ialibu-Pangia District	District Administrator
2	Mr. Nixon Kanema	DAO/Project Officer	Pangia District Rep
3	Cr. Miriam John	South Wiru Rep	Women's Rep
4	Cr. Punopo	Kauwo 1 Ward Councilors	Affected Ward Councilor
5	Cr MiwiYawi	Kauwo 2 Ward Councilor	Affected Ward Councilor
6	Cr Isaac	Kalane Ward Councilor	Affected Ward Councilor
7	Cr. Angula	Kauwo Ward Councilor	Affected Ward Councilor
8	Mr. Mathias Awi Konga	HRMG Officer	Technical Adviser
9	Mr. Garry Dum	HRMG Officer	Technical Adviser

4.3 Grievances been resolved

- 62 For the covered period (June to December, 2019), the total number of grievances filed with HRMG through the GRCs have totalled up to 545. These number of grievances were relating to missed out payments for improvements and structures and for the most part the grievances were relating to the structural improvements within the 810 meters road section that was not initially by DMS team and the Due diligence survey team.
- 63 The grievances have been deliberated on by the GRC and further site re-verifications have confirmed that 340 out of the 545 grievances were considered genuine and recommended to HRMG for settling payments whilst 205 grievances were deemed to be non-genuine and are discarded. HRMG safeguards team have assessed the 340 genuine grievances using the prevailing Valuer General's compensation rates and derived at PGK180,000.00 to settle the 340 outstanding grievances.
- 64 Additional claims totalling 150 relating to the assets situated within the vicinity of the Pupi ceremonial area was filed with HRMG. Ward councilors and leaders who are GRC members have conducted site verification of claims and confirmed that the 150 separate claims by aggrieved households within the ceremonial area that will relocated to an alternative location were considered genuine. The claims have been submitted to HRMG-DoW for final assessment based on the Prevailing Valuer General's compensation rates and paid accordingly.
- 65 Besides locals have also demanded HRMG-DoW/Contractor for paying them compensation of Kina 5000.00 for the loss of the ceremonial area. However, in a final discussion held, they

were informed that those who lives within the ceremonial area will be compensated for the relocation of their homes to an alternative location whilst a certain amount of money will be allocated to the three (3) affected clans in package as a form of compensation payment. There were approximately 20 households living within the ceremonial area who have submitted 150 names of their members of the households. The assessment team have assessed their structures and improvements based on the valuer general are rates and derived at Kina 80,513.00 which were compensated to the 150 displaced persons residing within the ceremonial area.

- 66 The HRMG office after receiving the claims from the households living within the ceremonial area have made site inspections and verified the structural improvements within the vicinity of the area and valued them using the prevailing Valuer General's (VG) compensation rates and derived at the total amount of Kina 80,513.00 which have been paid to the 150 aggrieved Affected Persons (APs) for them to relocate their homes and also for loss of improvements surrounding the area.
- 67 Additional grievance filed by Williame Primary school relating to assets adversely impacted within the school perimeter were proposed to be paid in-kind assistance in lieu of monetary payment. Other 35 grievances relating to missed out payments at Williame, Tunda, Maipani and Kalane were settled based on the computed amount of Kina 30,000.00 using the Prevailing Valuer General's compensation rates. The Kina 30,000.00 covers providing inkind assistance to Williame School and settling other remaining grievances.
- 68 In summary the total number of grievances filed with HRMG through the GRCs was totalled around 730 and out of this,525 grievances were considered genuine and have been settled by HRMG whereas 205 grievances were deemed to be non-genuine and was discarded. The computed total amount based on the prevailing valuer general's rates to settle these 525 genuine grievances were around Kina 430,000.00. This amount includes providing inkind assistance to Williame and Tunda primary schools. The Summary of the grievances received by HRMG-DoW and deliberated by GRCs for the covered period from July to December 2019 is summarized in the following table 5: Summary of Grievances for PangiaWiru Loop subproject (July to December 2019).

Table 5: Summary of grievance for Pangia-Wiru Loop subproject

Types of Grievances Deliberated by GRCs							
Missed Out Payments for Assets within 810 Meters road section		Assets within ceremonial Area		Other Missed Out Payments		Assets Affected within School Areas	
Total Grievances:545		Total Grievances:150		Total Grievances		Total grievances	
Genuine	Non-Genuine	Genuine	Non-Genuine	Genuine	Non-Genuine	Genuine	Non-Genuine
340	205	150	0	35	0	2 Schools	0

5.0 MONITORING PROJECT BENEFITS

- 70 People living along the road sub-project are the direct and indirect beneficiaries of the road sub-project. Some of the people have been adversely affected by the project. Their assets including structures, fences, cemeteries and improvements have been adversely impacted during the implementation of the project. Hence as a prerequisite to ADB SPS (2009) affected persons have to be provided an opportunity to participate in the project to enhance, or at least restore, their livelihoods in real terms relative to the pre-project levels and to improve their standards of living.
- 71 Since the construction work for the road sub-project commenced, the Contractor has recruited affected persons and those living within the project impact 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.

5.1 Employment opportunities

- 72 Project employment is one of the positive effects of the project and the contractor is greatly encouraged to source its manpower requirements from the APs 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.
- 73 For the covered period from July to December 2019, the contractor has hired a total of 965 workers and personnel or an average of 160.8 persons per month. There were 870 males (90.16%) while there were 95 females (9.84%) during the covered period employed in the sub-project. There were 630 APs that were employed in the sub-project. This represents 65.3% of total persons hired. The breakdown is shown in the following Table 6: Summary of Monthly Employment by Gender.

Table 6: Summary of monthly employment by gender

Months	Male	Female	Total	DPs Employed	Estimated Female Wages	Estimated Total Wages
July	170	30	200	120	15,000.00	100,000.00
August	170	30	200	120	15,000.00	100,000.00
September	160	10	170	120	5,000.00	85,000.00
October	160	10	170	120	5,000.00	85,000.00
November	160	10	170	120	5,000.00	85,000.00
December	50	5	55	30	15,000.00	27,500.00
Total	870	95	965	630	60,000.00	482,500.00
Average	145	15	160.8	105	10,000.00	80,416.70
Percentage	90.16%	9.8%	100%	65.3%	12.43%	100%

****Source: COVEC Pangia-Wiru Loop road subproject data****

- 74 For the covered period, it is estimated that the contractor paid the 965 workers and paid a total of Kina 482,500.00 or an average of Kina 80,416.70 per month. Out of this total, Kina 60, 000.00 was paid to female workers from July to December 2019.

75 In addition, the contractor also farmed out certain construction activities that were not captured by the employment data because these deliverables are paid per task or per piece.

Hence, there were women documented working in the quarry, segregating flat stones to be used in the line drains and culverts but were not reflected in the data presented by the contractor.

76 There are four construction activities where both males and females have participated but were not reflected in the employment data provided by the contractor because their mode of payment is not daily but based upon completion of a certain piece or task. These are construction of gabion baskets, line drains, ripraps, head walls and stone sorting. However, according to the data provided by Contractor in its monthly reports, there were unskilled works from the affected communities employed by contractor to work in various construction activities. The breakdown is shown in the following Table 7: Summary of monthly employment by gender for unskilled workers.

Table 7: Summary of monthly employment by gender for unskilled workers

Month	Unskilled Men	Unskilled Women	Total	DPS Employed	Estimated Total Amount Paid
July	20	5	25	12	12,500.00
August	15	5	20	15	10,000.00
September	20	6	26	20	13,000.00
October	10	4	14	10	7,000.00
November	12	5	17	10	8,500.00
December	9	6	15	15	7,500.00
Total	86	31	117	82	58,500.00
Average	14	5	19	13	9,750.00
Percentage	73.50%	26.49%	100%	70.08%	100.00%

77 For the covered period, there were 117 unskilled locals along the affected communities employed by contractor to work in non-payroll various construction activities. The total wages paid to these 117 unskilled employees was Kina 58,500.00 or an average total wage of Kina 9,750.00. The wages paid to them depends upon the completion of a certain given tasks. Hence it was not commutated using the estimated wage rate of Kina 500.00. Such assigned tasks are on a casual basis and both male and female were engaged to carry out the tasks.

78 The contractor in its monthly reports did not specify the number of personnel and casual workers employed by their origin or per LLGs. Also, the number of women who have participated in non-payroll activities has not been provided by the contractor hence it is not captured in this report.

5.2 Benefits of quarry operation

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 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 are divided based on internal agreements within the tribes.

80 For the month of July to December 2019, there were three (3) operating quarry sites and this is known as the Elu Quarry, Kabulbul Quarry, Tomiare Quarry, and Kumarini Quarry.

81 The materials are extracted from the quarries at an agreed cost of K1.30per bucket or K13.00 per/cubic meter. The total volume of materials extracted for the month of July to December 2019 was approximately 66,157 tonnes. The total royalties' payment received by customary landowners for the above tonnage produced by 3 operating quarry sites was around Kina 86,004.10. The details are shown in the following Table 7: Summary of Quarry Volume & Estimated Value.

Table 8: Summary of quarry volume extracted and cost estimates

Month	Elu Quarry (m ³)	Kabulbul Quarry (m ³)	Tomiares Quarry (m ³)	Kumarini Quarry (M ₃)	Total M ³	Total
July	92	369	278	398	1,137	14,781.00
August	92	369	278	398	1,137	14,781.00
September	nil	nil	77	308	385	5,005.00
October	nil	4,920	290	3,870	9,080	11,804.00
November	nil	4,920	290	3,870	9,080	11,804.00
December	nil	4,920	290	3,870	9,080	11,804.00
Total	184	15,498	1,974	12,718	29,899	69,979.00
Average	30.67	2,583	329	2,119.67	4,983.17	11,663.16

**Estimated amount is based on the signed contract of K1.30/bucket or K13.00/cubic meter*

5.3 Benefits from land lease payments

5.3.1 Lease payment received by customary landowners

82 The contractor for the subproject road has made use of customary land where its campsite was established 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 2,500 as per the signed Lease agreements signed for the usage of Langane Campsite.

82 For the covered period, the contractor has paid an aggregate amount of Kina 15,000.00 to the customary landowners or on average spent around Kina 2,500.00/month. The details are shown in the following Table 9: Summary of lease rental payments to customary landowners.

Table 9: Summary of lease rental payment to customary landowners

Month	Lagani Campsite Rentals	Total
July	2,500.00	2,500.00
August	2,500.00	2,500.00
September	2,500.00	2,500.00
October	2,500.00	2,500.00

November	2,500.00	2,500.00
December	2,500.00	2,500.00
Total	15,000.00	15,000.00
Average	2,500.00	2,500.00

84 The contractor has also paid a monthly rental for the Bitumen Yard at Kina 900.00. for the covered period (July to December 2019) the contractor has paid a total of Kina 5,400.00 as the rental payment for the bitumen yard.

85 For the covered period (July to December 2019) the contractor has spent a total of Kina 3,295,629.60 for purchasing and hiring of local construction materials and equipment's. This includes dump trucks and excavators totalling up to Kina 2,275,431.20 and also hired fire sand with sealing chips at Kina 1,018,748.00. For the locally produced food items the contractor has spent a total of Kina 1,450.00. The details are shown in the following Table 10: Local hires by subcontractors.

Table 10: Local hires by subcontractors

Month	Excavators & Dump Trucks	Fine Sand & Sealing Chips	Local Purchase of Food Items	Total
July	156,695.20	185,250.00		338,945.20
August	156,695.20	185,250.00		338,945.20
September	23,900.00	299,900.00	550.00	324,300.00
October	23,900.00	299,900.00	550.00	324,300.00
November	23,900.00	299,900.00	550.00	324,300.00
December	23,900.00	299,900.00	550.00	324,300.00
Total	408,990.40	1,570,100.00	2,200.00	1,975,090.40
Average	68,165.07	448,600.00	366.67	329,181.66

87 As part of sharing project benefits to the affected communities, the contractor has always sub-contracted other necessary maintenance work within the campsites to the locals who have sufficient skills and capacity to carry out construction work.

88 In addition, the Contractor is very reliable in providing the following in-kind assistance and donations to the wards, villages, schools and churches along the subproject.

89 Provide other assistance and support to social obligations for roadside communities.

- a) Provide and assist locals by transporting sick people to nearby health centres.
- b) Provide fuel to police and security personnel.
- c) Provide crushed materials (gravel) to schools and churches as requested.
- d) Provide coffins and other materials to close relatives of the deceased.

5.4 Other direct community benefits

90 During project commencement the contractor has constructed a Field Office with Laboratory and a Living Quarters for the Project Supervision Consultant personnel at Pangia Admin

Primary School ground. A Memorandum of Agreement was signed between the contractor and Pangia Admin Primary School Board of Management specifying that instead of monthly rental payments, all facilities constructed by the contractor should be ended over to the school upon completion of the sub-project road.

- 91 On 3rd December 2019, HRMG being the Project Implementation Unit successfully ended over the facilities to Pangia Admin Primary School when the sub-project road reached its final completion stage thus there was no further need for Project Supervision Consultant team to use the facilities.
- 92 The end-over take-over program was facilitated by HRMG and PSC, thus witnessed by Pangia Admin Teachers, Students, and the surrounding communities.
- 93 The Headmaster of the school gave his words of appreciation to HRMG/DoW and the contractor for giving facilities of certain value to the school in exchange of land rentals. Further comments were made that since their staff have housing woes, they will use the buildings to accommodate teachers.

5.5 Summary of benefits for 2nd half of 2019

- 94 Direct Employment – For the covered period from July to December 2019, the contractor has hired a total of 965 workers and personnel or an average of 160 persons per month. There were 870 males (90.16%) while there were 95 females (9.8%) during the covered period employed in the sub-project. There were 630 APs that were employed in the subproject. This represents 65.3% of total persons hired. It is estimated that the contractor paid the 965 workers and personnel a total of Kina 482,500.00 or an average of Kina 80,416.70 per month. Out of this total, Kina 60, 000.00 was paid to female workers from June to December 2019.
- 95 Women's Participation – For the second half of 2019, there were a total of 95 female workers directly employed by the contractor classified as payroll activities earned an estimated wage of Kina 60,000.00.
- 96 For the same period the total of 31 women participated in non-payroll activities was earning a total of Kina 15, 500.00.for the covered period women directly and indirectly participated in the construction activities was earning a combined total of Kina 75,500.00.
- 97 Other Benefits – For the second half of 2019, the customary landowners earned a total of Kina 69,979.00 or a monthly average of Kina 13,663.16 as royalties from the operations of the four (4) quarries for the project.
- 98 Additionally, customary landowners earned a total of Kina 15,000.00 for land leases paid for the camp and other facilities located at Lagane Camp. Furthermore, the contractor has also purchased other local construction materials and food items from the locals at around Kina 1,975,090.40 for the month of July to December 2019.
- 99 Other benefits to the subproject road community consist of a living quarters and site office ended over to Pangia Admin Primary School upon completion of the sub-project road as per binding agreement between the contractor and school for forfeiting monthly land rentals inorder to claim for facilities erected.

6.0 REMEDIAL ACTIONS TAKEN

100Based on the second half of 2019 semi-annual social safeguard monitoring report, there are several remedial actions required as outline in the following paragraphs.

6.1 Redressing of grievance issues

101For the period covering July to December 2019, compensation payments for meritorious grievances including assets (trade, houses and fence, etc) and improvements (food crops like banana, coffee and trees, etc) recommended by GRC have been successfully paid.

102However, emerging grievances including environmental matters to be continuously enlisted by HRMG CRO for further deliberation by GRC. All environmental related claims to be resolved by contractor.

6.2 Monitoring of benefits of in-kind assistance

103 The damage of assets (fence) incurred by contractor at Willame Primary and Catholic church were proposed for in-kind assistance in-lieu of monetary benefits. However, due to time constraints cash disbursement were made inorder to avoid further grievances.

104As part of the next monitoring activities, key beneficiaries of in-kind assistance who received monetary benefits would be interviewed on how they use the money for the parameter fencing and other related projects.

6.3 Additional information on indirect social benefit

105 The next monitoring report should include photographs on new structures constructed along the road including a complete listing of the owners and reasons for the construction of these new structures. Additional information on the increase in commercial activities along the road including trade stores, repair shops, vending areas as well as documentation of any change in agricultural cropping and areas.

6.4 Implementation of income restoration measures

106 Under income restoration measures provided in the RP, the tribes and the clans will be provided with three (3) 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.

107During 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. The proposed locations of these facilities based on the approved resettlement plan are shown in Table 11: Proposed locations for bus bays and waiting sheds

Table 11: Proposed locations for bus bays and waiting sheds

Location	Station	Service Population Area	Presence of facilities	Distance from Junction
Pondia Junction	3+650	Boundary of East Pangia and South Wiru LLGs. The interior villages have an estimated population of 2,000 residents.	Primary School Elementary School Aid Post Catholic Mission	2 kilometres
Kaluwe Junction	7+200	Feeder road linking interior villages with an estimated 1,500 residents.	Kaluwe Primary School Catholic Mission Proposed Kaluwe High School	1.5 kilometres
Kopela Market Place	11+600	Market place where residents of surrounding villages congregate	Market place servicing an estimated 1,500 residents	Villages located along the proposed road.
Wariko Market Place	17+800	Market place where residents of surrounding villages estimated at 500 persons congregate	Wiriko Aid Post Elementary School	Villages located along the proposed road
Tinda Road Junction	26+200	Feeder road linking interior villages with	Tunda Primary School	Three big villages nearby
		estimated 1,500 residents	Tunda Aid Post Council Chamber South Wiru LLG	In the interior around one Km from the junction.
Wiru Junction	26+500	Feeder road linking interior villages with estimated 1,500 residents	Elementary School Lutheran Church Catholic Church	2 big villages situated in the interior of the feeder road. Circa 1.5 Kilometres. The interior village is the home of the Prime Minister.
Pupi Junction	29+500	Market place with many villages surrounding the road. Estimated population of 1,000	Pupi Community School Elementary School Catholic Church	Other big villages situated some few meters away from the road
Williame Junction	31+100	Feeder Road linking interior villages with Estimated Population of circa 1,500	Williame Primary School Proposed Williame High School Catholic Mission	Other big villages situated in the interior of the feeder road 1km away

APPENDICES

Appendix 1: Lis of References

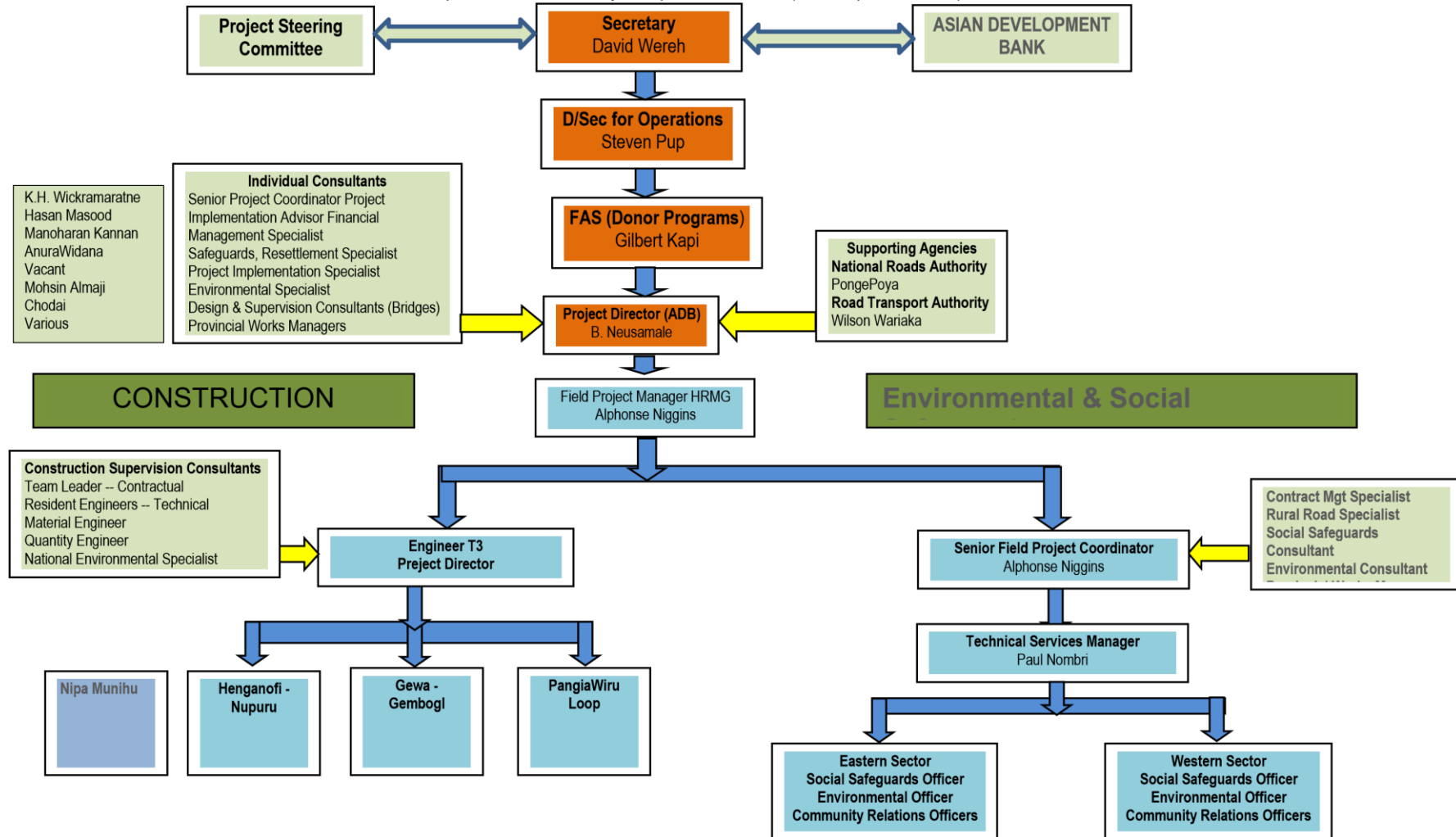
1. Resettlement Plan (RP) Pangia-Wiru Loop Sub-Project, March2016
2. Initial Compensation Payment Completion Report, May 2017
3. Brief Resettlement Completion Report, June 2017
4. Resettlement Completion Report, July 2017
5. First Quarterly Monitoring Report (2019)
6. Highlights of the Last GRC Meeting (2019)
7. Semi-Annual Report (July– December 2019)

Appendix 2: List of People Interviewed

1. Alphonse Niggins, Senior Field Coordinator, HRMG
 2. Paul Nombri, Technical Services manager, HRMG
 3. Mathias Awi, Social Safeguards Officer, HRMG
 4. Garry Dum, Environmental officer, Pangia-Wiri Loop
 5. Igantius Goiya, Project Enginner, PWL
 6. Rodney Karu, Environmental officer, (COVEC), Pangia-Wiri Loop
 7. Samson Wereh, GRC Chairperson and District Administrator, Ialibu-Pangia District
 8. Nickon Toropia, CRO, Pangia-Wiru Loop Road Subproject
 9. Carlton Punupo, CRO, Pangia-Wiru Loop Road Subproject
- .

Appendix 3: Organisational Chart

Department of Works, Project Implementation Unit (As of September 2017)



Appendix 4: Photographs



Figure 1: As part of Capacity Building and Training Program, a training – seminar was conducted by Project Supervision Consultant at Hotel Kimininga on 9th September 2019. The training focused on environmental responsibilities of the contractor – Quarry Selection, Quarry Operation, and Quarry Selection.



Figure 2: Resettlement and Social Safeguards Specialist of Project Supervision Consultant (PSC) addressing disgruntled landowners and ward leaders at Pubi-Paiyama in regard to issues pertaining ceremonial ground and assets affected.



Figure 3: Tomiare quarry site located at ch:22+000. Landowners received royalty payments on a monthly basis as per their agreed amount per truck load, for example, Kina 13.00/Truck load.



Figure 4: A female spotter engaged as an unskilled worker.



Figure 5: Third Payment of Compensation for aggrieved landowners conducted at Pangia District Office, on 28th of August 2019. In photo, Fr. Francis of Williame Primary School & Catholic Church and Gerry Dum (Environmental Officer - HRMG) presenting the Kina 30,000.00 initially proposed for in-kind assistance. Payee's respectively signed their Deed of Release (DoR) in front of ward leaders and HRMG officers.

6.1 Deed Signing Photographs



Figure 6: Site Office and Living quarters End-over Take-over program at Pangia Admin Primary School. In Photo, HMRG Officer officially ending over the Deed of Release to Deputy Admistress of the school.