

Semi-annual Report

February 2021

Papua New Guinea: Town Electrification Investment Program – Tranche 1.

Prepared by PNG Power Limited for the Asian Development Bank.

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Social Monitoring Report

Loan 2713 / 2714 (SF)-PNG:

Town Electrification Investment Program (TEIP) Tranche 1 Projects



Reporting period: July to December 2020

Prepared by PNG Power Limited for the Asian Development Bank

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List of Acronyms and Abbreviations

ADB	Asian Development Bank
APs	Affected Persons
CBCs	Community Based Contracts
DDC	Divune Development Company
DHPP	Divune Hydro Power Project
GoPNG	Government of Papua New Guinea
HH	household
HPP	Hydro Power Project
IPPF	Indigenous People's Planning Framework
KBTL	Kimbe - Biella Transmission Lines Project
KV	KiloVolt
LARP	Land Acquisition and Resettlement Plan
MFF	Multi-tranche-Financing Facility
MW	Megawatts
NGO	Non-Government Organization
PIU	Project Implementation Unit
PM	Project Manager
PNG	Papua New Guinea
PPL	PNG Power Limited
RHPP	Ramazon Hydro Power Project
RP	Resettlement Plan
SOE	State Owned Entity
STI	Sexually Transmitted Infections
T1	Tranche 1
TC	Tree Compensation
TEIP	Town Electrification Investment Program
TL	Transmission Lines

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1.0 INTRODUCTION

1. This is the final semi-annual report covering the period from July to December 2020 due to the loan closure in November 2020. It outlines a summary of the safeguards implementation and monitoring of the Resettlement Plans for the TEIP Tranche 1 projects and the Divune Indigenous People's Assessment and Measure as reported in the Indigenous People's Planning Framework (IPPF).

1.1 Background

2. The Asian Development Bank (ADB) has provided a multi-tranche financing facility (MFF) and piggy back Grants as additional financing to GoPNG to develop its hydropower resources to reduce reliance on diesel generation in three provinces in Papua New Guinea as part of the Town Electrification Investment Program (TEIP). The implementing agency (IA) is PNG Power Limited (PPL), a state-owned entity (SOE) that is responsible for the generation and distribution of electricity throughout PNG. PPL established a project implementation unit (PIU) to administer and manage TEIP. the MFF covers two tranches. The loan component for Tranche one has closed November 2020. However, extended to March 2021 due to some of the projects ongoing activity that has yet to be completed.
3. PPL is the sole energy supply entity in PNG and therefore mandated to improve energy connectivity in PNG. TEIP's two main objectives are (i) to connect customers that are located in areas with a high percentage of urban residents, specifically in Popondetta, Oro Province, Kimbe, West New Britain, and Buka, Autonomous Region of Bougainville; and (ii) to improve electricity supply in the provincial centers through replacement of high-cost diesel generators with renewable energy generators like hydropower.
4. Tranche one sub projects are; (i) construction of a 3 MW run-of-the river hydropower project with associated 33kV transmission lines covering 70km in Oro (Divune HPP); (ii) construction of 142 kilometers of 66kV HV transmission lines from the Lake Hargy hydropower plant in Bialla to Kimbe, the provincial capital of West New Britain; and (iii) construction of a 3 MW run-of-river hydropower project with associated transmission lines in Bougainville (Ramazon HPP) has been transferred to Tranche two. The Bougainville transmission line (TL) project is in Tranche one (T1) and some details of safeguards-related work on the TL is included in this report. Also as part of T1, additional funding was allocated for the refurbishment of Lake Hargy and Ru Creek HP. These two projects

were completed on 31st December 2019. Since they are brown field project no social monitoring was required.

5. The contract for the (i) 142 km, 66kV HV Transmission Line connecting Bialla to Kimbe (KBTL) in West New Britain province was awarded on 26 February 2015 to Angelique International and the project was completed in Q4 2017; (ii) the Ramazon Hydro Power Project (RHPP), has not been awarded to date, however the associated Transmission Line works covering 67km from Kokopau to Teroki Tinputz is funded and supervised under TEIP Tranche 1. The Ramazon Transmission line project is expected to be completed by end of October 2020. However, extended to March 2021 due to HH connections still ongoing during this time.
6. The contract of the third major project, (iii) Divune Hydro Power Project (DHPP) was awarded to the joint venture of AG Investment Ltd. and Hunan Lishui Hydro and Power Company, on the 18th of August 2016. This sub project was completed in December 2020 and awaiting construction completion of transmission lines of the access road for commissioning on the 31st March 2021.
7. All three projects have been classified as Category B for social and include involuntary resettlement and indigenous people impacts that are not deemed significant. The Resettlement Action Plan (RAP) and IPP were prepared and disclosed on the ADB website.
8. The PIU project team monitors the execution of all activities associated with land acquisition, and payment of affected assets in terms of compensation to the Affected Persons (APs) including consultations, grievance redress mechanisms, gender activities and employment opportunities.

1.2. Work status T1 sub project

9. Over the six-month period from July to December 2020 the following activities were recorded and reported by the TEIP PIU currently implementing the subprojects. The sub projects for T1 were expected to be completed end of November 2020, however further extended to end of March 2021. Table 2 outlines the T1 sub projects and works status.

Table 1: Brief update on work status for T1

No.	TRANCHE 1 SUBPROJECTS	SCOPE OF WORK	CONTRACTOR	WORK STATUS
1	Kimbe Bialla 66KV Transmission Line	Construction of a new 66 kV TL connecting Kimbe and Bialla towns with a length of over	Angelique International Limited	66kV TL completed household connections are currently on going with household energized at

No.	TRANCHE 1 SUBPROJECTS	SCOPE OF WORK	CONTRACTOR	WORK STATUS
		142km.		885/1224
2	Divune Hydro Power	Construction of a new run-of-river hydropower plan with a capacity of 3MW	Joint Venture of AG Investment and Hunan Lishui Hydro & Power Co. Ltd.	completed all civil works and installation of equipment. Currently the hydro is going through testing by PPL testing team.
3	Divune 33kV TL	Construction of 33kV TL from Popondetta town to Kokoda station; over 70km	PPL/Contractor	the construction of HV line from Popondetta down to DHPP junction has been completed. Construction from Divune HP to Kokoda is still outstanding.
4	Ramazon 33kV TL	Construction of 33kV TL from Kokopau Buka to Tearoki Mission; over 40km	PPL	construction of line is at Tsunpetz 39/67 km away from Buka Town.

2.0 MONITORING ACTIVITIES

10. This report presents the latest status of social safeguards and includes PPL's compliances with the approved RAP with respect to the Town Electrification Investment Program Tranche 1.
11. This report summarizes various resettlement and social safeguards activities that are being undertaken for this project and were presented in other reports including Environment reports, Compensation report, CBC reports and other reports.
12. This report covers the period from July to December 2020. The primary methods of monitoring used are interviews with various staff and secondary data is collected from reports of site visits from Project Officers, Lands Offices, Project Engineers, Environmentalist, and the Gender Specialist.
13. The scope of monitoring includes (i) compliance with the agreed policies and procedures for land acquisition in accordance to PNG Land Act 1996 and ADB SPS 2009; (ii) prompt approval, allocation and disbursement of compensation payments to APs, including if necessary, supplemental compensation for additional and/or unforeseen losses; and, (iv) remedial actions as required. The monitoring also covers the social impacts of the transmission lines and whether APs

are able to restore, and preferably improve, their pre-project living standards, incomes and productive capacity. These are discussed under the following:

- Consultations
- Delivery of Compensation and Entitlements
- Divune IPP

2.1 Consultations

14. As part of the project works, continuous consultations have been carried out to resolve some of the outstanding issues in the sub project sites. PPL carries out consultations in the communities with clan leaders, village elders and the provincial government to assist with the issues of CBC, tree compensation and grievances.

3.0 MONITORING RESULTS

15. Monitoring outcomes for this reporting period covers mainly;
- compensation,
 - benefits
 - Consultations/Awareness and Disclosure
 - GRM
 - Divune IPP
 - Challengers

3.1 Compensation

16. The table 1 below provides an update on the summary of all compensation payments for the three sub-projects during this reporting period. Two activities have been completed and that is the tree compensation for KBTL and structure along the ROW. Outstanding issues include the last tree compensation for Kamundo and Oivi mountain villages in Popondetta and payment for land acquisition for the two substation at Mai and Baubata Kimbe. For Buka there was no tree compensation paid. Tree compensation for Divune will be completed as of June 2021 as well as payment for the two substation in Kimbe.

Table 2: Tree Compensation Cumulative Payment

Subproject	Activity	Initial Compensation Calculations	Amount Paid As Of Q4 2020	Yet To Be Paid
Kimbe Bialla 66kVTL	Land Acquisition	63,750	Nil	170,000
	tree compensation	3,560,097.00	2,004,549.13	0
	Relocation of Houses to be moved away from the T/L 34 houses	0	253,000	0
DHPP	Land Acquisition 26.57ha	3,305,802.01	3,305,802.01	0
	Tree Compensation	1,457,086.90	1,220,789.10	200,000.00(estimated)

RHPP	Land Acquisition 12.117ha gifted 5.376 ha to lease	596,000.00	Nil	Nil
	Tree Compensation	313, 666.00	27,000.00	Nil

3.2 Benefits to the local communities

17. People living within the vicinity of the sub-project are being directly or indirectly impacted by the project and so PPL has provided the following benefits for these APs. A survey will be carried out by PIU to document impacts of the sub projects of T1.

Employment

18. Construction of Transmission Lines requires trained and skilled labour in the electrical field and therefore PPL has been unable to recruit unskilled labour from communities to be engaged. PPL therefore enabled communities' participation in the projects through small community contractual works on land clearing. One of the initiatives encouraged is the Community-Based Contracts (CBCs) that provide employment opportunities for indigenous communities. A total of 658 contracts have been awarded in all three sites as of end December 2020. The total population participated is around 10,122 altogether during this reporting period, See table 3 for more information.

Table 3: CBC Updates

Subproject	Total Contracts	Total Work force	Total Paid so far (PGK)
RHPP	79	1970	451,527.36
KBTL	274	3,589	1,210,067.16
DHPP	305	4,563	938,214.82
TOTAL	658	10,122	2,599,809.34

19. In this reporting report CBC for Popondetta remains unchanged. As for Kimbe and Buka, there was an increase of CBC works carried out during this reporting period. A total of 57 members took part

in Kimbe and in Buka 56 members of the community took part in the CBC. Thirty percent of workforce were female.

3.2.2 Household Connections

20. PPL is committed to connecting homes in the three project areas to the main electricity grids. Table 4 shows the spread of homes in the 3 sites that have received electricity connections.

Table 4 :Household Connection Updates

SUBPROJECT	TOTAL NUMBER OF HH CONNECTED	TOTAL NUMBER OF HH ENERGIZED	TARGET NUMBER OF HH TO CONNECT	TOTAL PERCENTAGE OF PEOPLE ACCESS ELECTRICITY
Buka	1000	885	1224	72.30
Kimbe	1100	1548	1897	81.60
Popondetta	1100	810	1,879	43.11
Total	3200	3,243	5000	64.86

21. The percentage of HH connected and energized for all three subprojects is at 64.86 percent. An increase from the last monitoring period. Kimbe is way ahead with its HH connection followed by Buka and Popondetta.
22. Households connected headed by females' numbers 85 households in AROB; 15 households in Oro and 5 households in WNB.
23. There are a total of 364 social service providers such as police stations, health centers and clinics, schools and social service providers' accommodations who have been connected under the TEIP project as of the end of this monitoring period. Table 5 below details the spread of connected social service providers in the 3 provinces.
24. The sub projects so far have progressed at a slow but at a steady pace. Household connections to individuals, churches and schools in the communities in Kimbe, Buka and Popondetta have greatly benefited in receiving electricity for light, charging of mobile phones, refrigeration and powering of small electrical equipment's. Even small tucker box canteens along the highway have excess to electricity to sell cold goods such as drinks and ice cream. More people along communities along

the TL project corridors have benefited from the power connection. There was an increase in the power connection in the service sector in each sub project. This is an ongoing activity and more houses and service facilities will be connected by the time subprojects are completed.

Table 5: Benefits of Services

Community Centers Connected	Buka	Popondetta	Kimbe	Total
Police Station and Police residences	0	20	35	55
Health Centers / Clinics	5	5	40	50
Church and church workers residences	11	28	30	69
Schools and Teachers Accommodation	30	40	120	190
Total per Site	46	93	225	364

3.3 Grievance Redress Mechanism

25. the GRM for each of the sub project is very effective. Most of the issues are being resolved through this channel. PMU has a good relationship with the community leaders. All issues are firstly address by the community leaders. However, when the APs are not satisfied, they express their grievances through writing letters to the PMU Manager. The lands officer is tasked to assist the Manager to address these issues. In cases where the claims are genuine PMU address these issues. PMU ensures that the issues are addressed through response letter, consultation and awareness. Sensitive issues such as land issues are being resolved through the Provincial Government Officers allocated to assist PMU

26. No grievances recorded during this monitoring period, however, there are still ongoing issues at the project site that is being attended to by our Lands Offer and site supervisors.

3.4 Divune IPP

27. In addition to compensation for affected land and assets, PPL has committed to following benefits to affected communities in the hydropower sites.

3.4.1 Subsidized and free power connections

28. It is envisioned that communities that used to own the land on which the hydro power project will be built on will receive free electricity connections. Construction of the DHPP has been completed as of December 2020, however the transmission line construction has not yet reached the HPP sites and so these communities have not yet received free electricity connections as was required by the IPP. An estimated 100HH in Waju Village were installed with free MSK and are awaiting to be connected to the TL and Hydro. it is expected to be connected and energized as of end of June 2021.

3.4.2 Access to energy: efficient bulbs by connected households

29. The LED light bulbs have arrived on site and stored at the storage site and awaiting other half of the package to arrive. Installation of light will be done once all light bulbs and cables are onsite. This is expected be completed end of Q2 2021 coinciding with the commissioning of DHPP.

3.4.3 Provision of Village Water Supply

30. This was achieved at the end of 2019. Six water tanks were successfully installed. Five tanks were installed at Waju village and one installed in Havaki village located on the other side of Divune River. Through the water tank committee these tanks were successfully installed. This committee will be responsible for taking care of these water tanks. This fulfills one of Divune IPP goals and requirements of the GAP to provide water to the direct impacted community. The tanks are now being fully utilized by the communities and have really assisted the mothers in lessening the burden of walking long distance to collect water. Using the tank has also increased the quality of water.

3.4.4 Awareness raising and training on power safety and power bill management;

31. Power safety has been part of the gender awareness activities conducted during the Live wire and HIV/ AIDS awareness conducted by the PMU Social Safeguard Specialist and the PPL Communications team as an ongoing exercise. The latest awareness was conducted in November 2018 in Kimbe. However, the power bill management training is an ongoing activity that PMU and PPL will be carrying out once the sub projects have been completed.

3.4.5 Establishing community village power and water committees

32. A water tank committee has been established through the DDC. The same committee will be responsible also for the power connections. These committee is made up of fourteen members of

which four are females. This committee will need to increase the number of female members as well as four females only makes up only 30 percent.

3.6 Conclusion and Recommendation

33. The social safeguard activities are nearing completion, however, despite the COVID 19 pandemic, PIU has managed to complete some of its outstanding task for social safeguards. The loan component from ADB has ceased disbursement as of November 2020, however, Go PNG funds will cover the costs of the outstanding task to complete the subprojects of T1. The new date for closing of T1 has been moved to March 2021.. All in all, social safeguards in DHPP has been at 85%, for BKTL is at 90% and RTL is at 90%.

4.0 TIME BOUND ACTION PLAN

34. The time bound action plan outlines the outstanding tasks to be completed. The outstanding tasks yet to be completed in DHPP are training on power bill management and the completion of TC payments. KBTL the outstanding task is to complete land payment for Mai substation in Kimbe and Baubata substation in Biella.

Table 6: Time bound action plan T1

NO.	ACTION ITEM	ACTIVITIES	DUE DATE	REMARKS
1	Completion of TC payments for Divune	Last verification to be done at Oivi Mountain and payment	31 st June 2021	Estimated #APs = 80 Estimated amount K200,000
2	Utility budget	Awareness raising and training on power safety and power bill management	31 st June 2021	
3	Land for Substation Mai and Baubata KBTL	Payment to be made after disputed parties court resolved.	31 st June 2021	K170,000

Annex: Photos



Siara Health Centre in the Selau Constituency was a proud recipient of the free power connections under TEIP Program in the Autonomous Region of Bougainville.



Erection of 2x H Frames for conductor stringing across the 500m Kumusi Bridge- Oro Province



Clearance and relocation work on the 33 KV Transmission Line at Mumuni Village along the Kokoda Highway-Oro Province



Meeting with communities and chief- Buka