

Semi-annual Report

February 2016

Highlands Region Road Improvement Investment Program – Tranche 2.

Ialibu – Kagua Road Sub-project.

Prepared by Department of Works for the Asian Development Bank.

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Loan Number: 3076/3077 PNG.

Project Number: 40173-043.

Report No 3: Semiannual.

HIGHLANDS REGION ROAD IMPROVEMENT INVESTMENT PROGRAM -TRANCHE 2

Ialibu to Kagua ROAD SUB-PROJECT SOCIAL SAFEGUARDS MONITORING REPORT (July to December, 2016)

**Project Implementation Unit
Department of Works
National Capital District
Papua New Guinea
February 2017**

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Abbreviations

ADB	- Asian Development Bank
AP	- Affected People
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
ESSU	- Environment and Social Safeguards Unit
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	- Highland Road Maintenance Group
HRRIP	- Highland 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
NRA	- National Road Authority
PIU	- Project Implementation Unit
PNG	- Papua New Guinea
PRO	- Public Relations Officer
PWM	- Provincial Works Manager
RAP	- Resettlement Action Plan
RCR	- Resettlement Completion Report
Rd	- Road
RP	- Resettlement Plan
ROW	- Right-of-Way
SHP	- Southern Highland Province
SIS	- Socio-economic Impact Study
SMR	- Semi-annual Monitoring Report
SPS	- Safeguard Policy Statement
STD	- Sexual Transmitted Diseases
TOR	- Terms of Reference

1. Introduction

1.1 Background

01. The Highlands Region of Papua New Guinea (PNG), comprising of the Provinces of Western Highlands, Jiwaka, Southern Highlands, Hela, Eastern Highlands, Enga and Simbu, 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.

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

03. The GoPNG has negotiated a Multi-tranche Financing Facility (MFF) loan with the Asian Development Bank (ADB) to implement the Highlands Region Road Improvement Investment Program (HRRIP). The HRRIP includes projects to improve the HCRN, the preparation of long-term maintenance contracts for the HCRN, and the capacity development of road agencies. In total, 13 road sections are expected to be funded under the program. The Execution Agency (EA) for the program is Department of Works (DOW) whilst the Highland Region Maintenance Group (HRMG) is the Implementation Agency (IA).

04. The Project 2 (Tranche 2) includes improvement to three road sections namely, Mendi-Tambul Rd, Kotna-Lampramp Rd and Ialibu-Kagua Rd in the Western Highlands Province (WHP) and Southern Highlands Province (SHP), respectively.

05. The rehabilitation of the Ialibu-Kagua road is one of the 13 projects supported through the above loan. The contract has been awarded to COVEC (China) Limited where the contractor mobilized on 16th May 2016. The construction period of the project was 30 months. It is expected that the project is to be completed by mid- 2018. After construction, this road will provide an effective link between the Kagua district and Mendi as well as Mt Hagen.

1.2 Project Description

06. Ialibu-Kagua road section is 31.78 km long that connects Ialibu district with Kagua district in the SHP. The construction work of this road section includes up-grading of the gravel road between 7-Corners and Kagua and other improvements to the sealed section from Ialibu to 7-Corners.

07. The road consists of 8.0 meter sealed carriageway with 0.25 meter gravel shoulders on either side together with road furniture as per the design. The subproject work will take place within the existing road corridor and direct impacts will be confined to the edge of the existing road and the construction limits. The existing road is situated on customary land that belongs to 8 clans. The use of customary land for road expansion has been agreed by the clan leaders and communities that jointly own the land via memoranda of agreement (MOAs).

08. The resettlement impacts assessed at the time of project preparation categorised the project as Category B. The same category was confirmed by the findings of the Detailed

Measurement Survey (DMS). The RP was approved in June 2013, disclosed in the web site. It has been executed since 2015. The RP reveals that resettlement impacts are relating to the displacement of structures such as houses, crops and trees, huts, animal cages, fence lines, grave yards due to construction works. The resettlement completion report (30, May 2016) contains all relevant information on compensation payment which is not repeated in here.

09. Apart from compensation payment information, the RP consisted of the establishment of institutional arrangements for implementation, grievance redress mechanism and consultations with the APs during and until all resettlement activities are completed. The RP included a budget of Kina 124,122.12 (exclusive of administrative expenses) all of which has been already paid out in February 2016. The RP also included a claim for Kina 1.80 M representing some unpaid compensation work relating to work carried out prior to this project. The land owners agreed to settle down with Kina 900,000 worth of in-kind assistance as compensation. This has been fully delivered in March 2016 (Resettlement Completion Report). The due diligence report completed for the first road section from lalibu to Kagua stated that previous dues to APs in this road section were Kina 363,080.70. This too was fully settled in March 2016. Internal monitoring has been undertaken by HRMG with further advice from PIU/ESSU based in Port Moresby whilst external monitoring has been assigned to an Independent Monitoring Organisation (IMO). The IMO has conducted its preliminary inspection of activities in respect of this sub-project in 2016. A complete review by IMO is expected in 2017.

1.3 Purpose

10. This report was written to present the status of social safeguards including the compliance with approved RAP in respect of lalibu-Kagua road section, covering the review period of July to December 2016. The comprehensive semi-annual monitoring (safeguards monitoring) reports (SMR) is a requirement under the Safeguards Policy Statement (SPS).

11. This report contains the outcomes and issues encountered during the implementation of RAP, for the review period referred to above. The report also presents the corrective action plan for execution during 2017.

1.4 Methodology

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

13. The list of reports reviewed is in Appendix 1 whilst names of people interviewed are presented in Appendix 2.

1.5 Report Organisation

14. The report consists of the foregoing introduction and 2 other sections as follows:

Section 1 – Introduction

Section 2 –Monitoring results and findings

Section 3 – Conclusions and recommendations

2. Monitoring results and findings

15. The main findings of internal monitoring during the review period are presented in this section.

16. The basis for monitoring is the parameters and indicators listed in the RP. The RP contains nine parameters that are to be included in the program of internal monitoring. The monitoring parameters proposed under the program of resettlement for the sub-project road are as follows:

- Compensation payment
- Consultations
- Grievance redress
- Training
- Employment
- Skills development
- Land use by contractor
- Women associations formed
- Income and livelihoods restoration

17. Discussed below is the status of performance of each of the above 9 parameters during the reporting period.

2.1 Compensation payment

18. The compensation payment according to the RP has been completed (refer to resettlement completion report, May, 2016). The remaining issues addressed in this report are the missed out APs, AP grievances and in-kind payment, the latter represents the rate adjustment since 2013. The number of APs who have missed out on payment have been identified, verification conducted and assessment finalised. The GRC has approved the payment for all genuine APs as confirmed by the verification team. On the matter of grievances, there are 976 cases reported. GRC reviewed the grievances and agreed to conduct ground assessments. A core team comprising of 2 GRC officials and 2 HRMG officials has been formed to conduct this exercise. The team worked together with relevant ward councillors and community representatives in their respective ward areas to conduct verification. The process has been completed where the grievances reported by 294 APs were found to be genuine compared to 976 reported cases. The GRC approved the payment of Kina 200,000 for 294 APs. This amount includes rate adjustment of 6.4% per annum to reflect price increase and the administrative costs.

19. It has been agreed by the GRC members and the affected people that the missed out APs should receive cash-payments. It was expected that disbursement for all eligible APs is administered in the second half of the reporting period. However, this was not possible as APs rejected the payment due to reasons explained below.

20. The survey team in October worked along the alignment and established ground marks. At this stage, it was evident that several new houses and properties along the alignment will have to be acquired as the soils were found to be unstable. The team observed several sections where landslides were imminent. Therefore, it was found to be not possible to work within the previous construction limits. When the APs came to know about this new information, they refused to accept the previously agreed compensation payment and demanded additional funds for several properties and assets that are likely to be affected. Accordingly, it has been agreed between the APs and project staff to determine the

actual new assets that are likely to be impacted. This assessment was in progress during the review period. Once the properties are identified and values determined, the GRC is expected to meet again to approve values and payment details.

2.2 Consultation activities

21. The consultations undertaken during the review period were relating to grievances of which almost all were dealing with missed-out payment and owners of assets that are likely to be impacted within the new construction limits. The public consultations were conducted in groups, large meetings and individually with the APs along the alignment from Seven Corners to Kagua station. This work has been undertaken both by HRMG staff as well as contractor staff with support from community leaders.

22. The purpose of consultations was to explain community members about the process of addressing their grievances, about impacts on assets within the new construction limit and methods of assessment and payment process and, about the distribution of in-kind materials (seeds, fertilizers and tools).

23. Two meetings were conducted between Lalibu Station to Seven Corners to explain APs about the in-kind materials distribution program. The total participants at the two meetings were about 100.

2.3 Grievance Redress

24. The grievance redress activities during the review period focussed on three aspects. First, it continued to educate APs on their missed-out payment and about details of payment procedure. There are 294 APs whose grievances have been approved on the matter of missed-out payments. Second, the field staff worked with AP's who have been confirmed to receive in-kind assistance. The list was finalised and disbursement methods were agreed. In the meantime, HRMG staff worked to procure the required quantity of seeds materials and tools. Finally, a lot of efforts were made to identify APs as well as their assets that are likely to be impacted by civil works. Grievances in respect of above aspects will continue to be addressed by project staff until all matters are resolved. It is expected to convene meetings of the Grievance Redress Committee (GRC) during the first quarter of 2017 to pass its judgement on all pending grievances.

25. As part of grievance redress process, awareness was conducted to enhance the APs understanding of the Grievance Redress Process (GRP) during the review period. The main role of the community relations officer (CRO) of HRMG was to create awareness and provide initial response to APs with regards to their grievances. The APs were informed about the process of handling the grievances and the mechanism in place to provide resolution to their grievances.

2.4 Other activities

26. With the commencement of civil works, the contractor has employed some APs and others in the community. The wages earned have been a positive source of income for several APs. The contractor also paid for the temporary use of land for construction activities where community members inclusive of APs benefitted.

2.5 Income and livelihood restoration

27. The APs are being assisted in two ways to restore their livelihoods and incomes. First, in-kind material assistance has been provided to each of the six Wards from Seven-Corners to Lalibu Station during the previous reporting period. This was funded through rate adjustment calculated at 6.4% per year from 2013 (date of Valuer General's List) through to 2016 when disbursements were made. Monitoring activities on the use of materials already distributed revealed that APs have continued to benefit from saw mills, electricity and dumping truck.

28. The second method agreed is to distribute seeds and other tools required to increase their crops production. Details of this form of assistance have been finalised during the previous reporting period. The implementation was expected to commence in August 2016 but had to be put off at the request of APs and community leaders. The reason being the passing away of the paramount leader and the social unrest in the months of August and September. The leaders, agricultural officials and APs have reached an agreement to commence this work in 2017.

29. The SIS study already implemented in this road section has collected data on housing, employment, ownership of household possessions, income, livelihoods, etc. The survey was conducted both in project villages as well as in few control villages. The results reveal that the status of social indicators is the same in both project and control villages. The mid-term study to be conducted in the same villages is expected to capture the position of the indicators with the aim to measure development created by the project. The mid-term study will be undertaken in 2017 whilst the final impact assessment is planned for 2018 report is available.

30. The Independent Monitoring Organisation (IMO) has reviewed the process of resettlement in this road section. It is expected that IMO's report together with recommendations will be available later this year.

3 Conclusions and Recommendations

3.1 Conclusions

31. The main conclusions arising from the monitoring activities during the review period are as follows:

- The compensation to missed-out APs inclusive of 19% rate adjustment has been calculated as Kina 200,000. This amount has been secured but payment was rejected by APs as they demanded a higher payment. The project staff in consultation with community leaders have been working to assess how many more APs are likely to be impacted together with the compensation amount for approval by the GRC;
- All grievances concerning past payment have been compiled, assessed and verification conducted. There are 976 grievances of which 294 have been approved by GRC for payment. The total amount is Kina 200,000 which will be paid in 2017;
- The arrangements to pay APs in-kind materials as rate increase was scheduled to but could not be executed during the reporting period. The passing away of a community leader and the resulting social unrest is the main reason behind the postponement. The APs have now agreed to cooperate with project staff and to receive seeds and other materials in 2017. The value of the in-kind materials is Kina 127,385;
- The community along Ialibu-Kagua road section continues to receive income from the contractor by way of purchase of food, construction and employment .; and
- Women employment has been about 4% which is below the expected rate of 30% as per the loan agreement. The contractor's staff has been instructed to increase women employment with the recruitment of a woman CRO.

32. Based on the above conclusions, it is clear that all resettlement activities as stated in the RAP have been completed

3.2 Recommended actions

33. As stated in the previous paragraphs, there are three resettlement activities that are pending. The first is payment of compensation for missed out APs of which there are 294 APs. Second, the distribution of in-kind materials to APs is scheduled for 2017. The final activity is to assess new APs who are likely to be impacted by construction activities. The Table below provides information on the up-dated action plan.

Table 1: Up-dated Corrective Action Plan

Serial No.	Item and Corrective Action	Responsibility	Completion Date (Planned)	Remarks
1	Complete all outstanding payments representing missed out APs and aggrieved APs	DOW/HRMG	March 2017	Funds are secured
2	Complete in-kind materials assistance to APs	HRMG	April 2017	Materials identified, list of APs prepared, Agriculture Technicians informed and AP

				awareness created
3	Monitoring of in-kind assistance provided	HRMG/PIU/ESSU	31 st December 2017	Building materials and income-generation assets provided to 7 Wards will be monitored
4	HRMG staff to identify women groups and undertake other actions to increase women employment on construction works.	HRMG/Contractor	31 st December 2017	Contractor was mobilized on 16 th May
5	Collect disaggregated data on AP benefits from construction works	HRMG/PIU	30 th June 2017	This matter has been discussed with CRO training conducted in October 2016
6	January-June semi-annual monitoring report	PIU/ESSU	30 th June 2017	

34. Based on above discussion, it is to be highlighted that most of the resettlement activities in this road project has already been completed. The remaining activities to be executed are the distribution of seeds and tools, compensation to APs inclusive of missed-out and new APs who are likely to be impacted by the project. The previous Table indicated the plan for completion of all three above activities in 2017. The monitoring of RP and the livelihoods restoration (includes IMO activities) will continue until the closure of this subproject.

Appendices

Appendix 1 : List of References

1. Resettlement Plan for lalibu-Kagua Road section (2013).
2. Resettlement Monitoring Report for lalibu-Kagua (Nov 2014)
3. Resettlement Monitoring Report (Feb, May and June 2015)
4. Resettlement Completion Report (2016).
5. Social Safeguards Monitoring Report for January-June 2016

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. Jerry Kevin, Safeguards Coordinator and member, resettlement disbursement team
5. Garry Dum, Environment Officer, HRMG
6. Charles Luta, Community Relations Officer, HRMG
7. Nick Wani Nisa at Yarana
8. Peter Pagasa at Karanas Ward
9. Toro Warea
10. Nopiya Nakanol, AP
11. Luci Nakanol, AP
12. Maria Nakanol, AP
13. Fermon Yano, AP
14. Lombo Pare, Secretary, Khoi-Hiru People's Association
15. Moses Mele, committee member, Khoi-Hiru People's Association
16. Simon Yana, committee member
17. Musa Yakopa, Ex. Member, Khoi-Hiru Association
18. Nelson Kumpinen, Kagua Police Station
19. Rorepea Toi. District Administrator, Kagua
20. Greame Noyo, OIC DAL station Kagua-Erave
21. Cr. Thomson Yapina. Maima-Ambu Fishery Co-op society
22. Obsert Palu, AP/ member Maima-Ambu Fishery Co-op Society
23. Rommen Sevilla, project manager
24. Biri Deplap, H&SO
25. Alob Keso, admin manager
26. Fathias Hafren, admin officer
27. Dean Oliver, construction supervisor