

Semi-annual Report

January 2019

HIGHLANDS REGION ROAD IMPROVEMENT INVESTMENT PROGRAM -TRANCHE 3

Nipa-Munihu Road Sub-Project

Prepared by Department of Works for the Asian Development Bank

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SEMI-ANNUAL SOCIAL SAFEGUARDS MONITORING REPORT # 4

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

Nipa-Munihu Road Sub-Project (July-December 2018)

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

17th January 2019

TABLE OF CONTENTS

| | |
|--|----|
| ABBREVIATIONS | 4 |
| 1.0 EXECUTIVE SUMMARY | 5 |
| 2.0 INTRODUCTION..... | 8 |
| 2.1 Project Description..... | 8 |
| 2.2 Institutional Arrangements | 9 |
| 2.3 Purpose & Methodology..... | 9 |
| 3.0 BUDGET AND TIME FRAME | 11 |
| 3.1 Safeguards Staffing | 11 |
| 3.2 Capacity Building and Training Activities..... | 11 |
| 3.3 Memorandum of Agreement | 12 |
| 3.4 Process of initial compensation..... | 12 |
| 3.5 Second Compensation Payment Based on GRCs Recommendations..... | 13 |
| 4.0 PUBLIC PARTICIPATION AND CONSULTATIONS..... | 14 |
| 4.1 PUBLIC CONSULTATIONS AND WOMEN’S PARTICIPATION | 14 |
| 4.2 GRIEVANCE REDRESS MECHANISM | 18 |
| 4.2.2 COMPOSITION OF THE GRCs | 20 |
| 4.2.3 NEW GRIEVANCES FILED WITH HRMG..... | 20 |
| 5.0 BENEFIT MONITORING | 21 |
| 5.1 ROAD CONSTRUCTION EMPLOYMENT | 21 |
| 6.0 REMEDIAL ACTIONS TAKEN | 27 |
| 6.1 Settling of Pending Grievances..... | 27 |
| 6.2 Settling Grievances for the 500meters road section..... | 27 |
| 7.0 Future Required Corrective Actions | 29 |
| 7.1 Settling Pending Issues..... | 29 |
| 8.0 APPENDICES..... | 31 |
| Appendix 1 – List of References | 31 |
| Appendix 2: --List Of People Interviewed | 31 |
| Appendix 3: Photographs..... | 32 |
| Appendix 4:--Organizational Chart | 36 |
| Appendix 5:-A Sample of Signed Deed Of RELEASE (DoR)..... | 37 |

ABBREVIATIONS

| | |
|--------|--|
| ADB | Asian Development Bank |
| APs | Affected Persons |
| CRO | Community Relations Office |
| CSC | Construction Supervision Consultant |
| DA | District Administrator |
| DC | Design Consultant |
| DMS | Detailed Measurement Survey |
| DOW | Department of Work |
| DPs | Displaced Persons |
| EA | Executive Agency |
| ESSB | Environment and Social Safeguards Branch |
| GR | Grievance Redress |
| GRC | Grievance Redress Committee |
| GRM | Grievance Redress Mechanism |
| GRP | Grievance Redress Process |
| HCRN | Highland Region Core Road Network |
| HIV | Human Immunodeficiency Virus |
| HRMG | Highlands Road Management Group |
| HRRIIP | Highlands Region Road Improvement Investment Program |
| IA | Implementation Agency |
| IMO | Independent Monitoring Agency |
| IRS | International Resettlement Specialist |
| LLG | Local Level Government |
| MFF | Multi-Tranche Financial Facility |
| MOA | Memorandum of Agreement |
| MTS | Manager-Technical Services |
| NM | Nipa Munihu |
| NRA | National Road Authority |
| PNG | Papua New Guinea |
| PRO | Public Relations Officer |
| PSC | Project Supervision Consultant |
| PWM | Provincial Works Manager |
| RAP | Resettlement Action Plan |
| RCR | Resettlement Completion Report |
| ROW | Right-of-Way |
| SFPC | Senior Field Project Coordinator |
| RP | Resettlement Plan |
| SHP | Southern Highlands Province |
| SIS | Socio-economic Impact Study |
| SMR | Semi-annual Monitoring Report |
| SPS | Safeguard Policy Statement |
| SSO | Social Safeguard Officer |

1.0 EXECUTIVE SUMMARY

1. This semi-annual social safeguard monitoring report covered the period from July to December, 2018. This report was carried out by the DOW through the Highlands Road Management Group (HRMG) and the monitoring results will be communicated to ADB through this report.
2. Nipa-Munihu road sub-project is one of the 4 sub-projects in Tranche 3 of the Highlands Region Roads Improvement Investment Program, an ADB assisted road program. The sub-project is covered by CSTB contract # 3531 entered into by the Independent State of Papua New Guinea represented by the Department of Works and COVEC (PNG) Limited.
3. The contract was awarded on June 21 2017, and the project commencement was announced on the 26th of February 2018 followed by the mobilization of plant and equipment's. The construction period of the project is 24 months. The Long-Term Performance Based Maintenance Services is 60 months from the issuance of the Performance Certificate for the Improvement Work.
4. 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.
5. In accordance with the HRRIP eligibility criteria, every effort has been made to minimize the impacts on land acquisition and resettlement for this road section. The engineering design has been formulated to minimize the need to acquire additional land outside of the existing road alignment, to the extent feasible and consistent with agreed design standards and good engineering practice. Among the technical solutions applied to minimize resettlement effects were (a) shifting the road alignment to the opposite side of the potential affected structure, (b) narrowing of the road shoulders in front of the potential affected structures, and (c) adjustments of the drainage component to minimize resettlement impacts.
6. Additionally, the Department of Works (DOW) through the Provincial Works Office (PWO) in close coordination with the provincial, district administrators, local-level government (LLG) presidents and wards leaders where the road section is located, all cooperated to ensure that no new structures or other improvements were erected or crops and trees planted within the construction limits after the proposed project information were first disseminated to them on July 18-21,2011 and subsequently on January 5-6,2012, the date in which initial validation inspections for resettlement impacts assessments were conducted by the design team.
7. The results of the resettlement impact assessment indicated that the existing road carriage occupies a total of 10.84 hectares of customary land owned by 11 tribes and their respective clans. The upgrading and rehabilitation of the road will require an additional 22.66 hectares of customary land for the whole road section. In total, the sub-project will require a total of 33.50 hectares of customary land which is the subject matter of the Memorandum of Agreement (MOA) between the Department of Works (DOW) and the customary land owners.
8. Two separate Detailed Measurement Survey (DMS) were undertaken for the sub-project road at various dates. The initial covered only the first 13.950 kilometers out of the total road length of 27.8 km. Based on the results, there were 30 affected structures; 16 structures made of bush materials, 14 structures made of semi-

permanent materials (trade stores), 35 grave sites and 78 fences with an aggregate length of 3,004 meters to be affected. There were also 21,823 affected crops and trees. A total of K307, 876.35 were assessed including vulnerability and loss of business allowance, etc. The second DMS started at chainage 13+950 – 27.73 and it consisted of total number of structures identified to be within the road construction stands at 83 structures of which 57 are constructed from bush materials, 20 semi-permanent and 6 structures from permanent materials. The total area of these structures is 363.8 sqm. The total amount of compensation for the affected 83 structures is Kina 94,965.60. The sub-project is classified as Category B as confirmed by the findings of the detailed measurement survey (DMS).

9. The resettlement category is determined by the severity of impacts on affected people. In the case of Nipa-Munihi road subproject, as there are impacts on houses, businesses, crops, trees apart from land impacts on 11 tribes, there are few affected people. It is therefore to be concluded that this subproject falls into Category B for involuntary resettlement impacts, according to ADB's Operations Manual of October 2013 (OM Section F1/BP, 1 October 2013).
10. There were 7 public consultations conducted with roadside communities in the Nipa-Munihi sub-project road at numerous intervals from July to December 2018 covering all the affected wards. There were a total of 650 participants and out of this total, 400 were males (61.53%) while there were 250 females (38.46%).
11. There were approximately 350 participants who belonged to DP households. This number represented 53.84% of total public consultation participants. Most of the concerns raised and discussed during the consultations were resettlement and construction related issues. Other issues were resolved on site by the civil contractor and some were handled by HRMG through the grievance redress committees.
12. During the covered period, the GRCs have convened the final GRC meeting on September 19, 2018 which have concluded all resettlement related. The issues as discussed during the final GRC meeting are;(a) issues regarding missed outs and underpayment;(b) grievances relating to previous environmental damages for 500meters road section;(c) grievances relating to further damages caused by landslips in specific sections along the subproject road;(d) Issues relating to ceremonial grounds and;(e) other construction related issues that hinders the progress of civil works for the road project.
13. There were five (5) important decisions made by the Committees during their final GRC meeting and these are;(a) The total of 451 grievances regarding missed outs and underpayments were recommended to HRMG for final settling of payments;(b) The total of 290 claims filed by DPs within the 500meters road section over previous environmental damages were considered to be paid in package. The total of Kina 20,000.00 was approved by GRCs for settling the claims. The amount would be paid in package;(c) Contractor to give sub contracts to locals in landslips affected section;(d) provision of in-kind assistance (community projects) to be given to locals in lieu of compensation payment for the loss of ceremonial ground and;(e) Contractor to build good relationships with locals along the subproject road and address minor social issues that is hindering the progress of civil works.
14. For the covered period, HRMG has fully settled the 451 grievances as recommended by GRC as well settling the 290 claims filed by aggrieved DPs within the 500meters road section relating to previous environmental damages done by local contractor. These claims were settled in package based on decision by the GRCs. Four (4) separate deed of releases were signed by affected ward leaders confirmed that they

have agreed the terms and conditions as contained in the Deed of Release (DoR) and have received the final payment for the loss of improvements within the 500meters road section.

15. Based on four (4) recommendations that required corrective actions as reported in last semi-annual social safeguard report only two (2) issues have been settled and these are ;(a) final payment made for the 451 grievances that were endorsed by GRCs and;(b) final payment of Kina 20,000.00 was paid in package to the 290 DPs for previous environmental damages.
16. At this time there are four (5) outstanding issues that requires a corrective actions and these are ;(i) provision of in-kind assistance to various clans who owns four (4) ceremonial areas which the road will traverse and ;(ii) addressing any additional grievances if arises during the course of civil works;(iii)Involvement of more women in construction works to meet ADB's safeguards requirement of 30% of Women's participation in Construction work;(iv)Implementation of Income restoration measures and;(v)Implementation of Livelihood Restoration Measures as proposed by ESSB.
17. Based on the RP, HRMG has fully complied with (a) full payment of all affected assets within the construction limits; (b) conducted public consultations and disclosure of project information and entitlement policies; (c) established a functioning grievance redress committee; and (d) set up its internal monitoring system for this sub-project.
18. **Direct Employment** – For the months of July to December 2018, the Nipa-Munihu road subproject was able to generate 595 payroll positions with estimated wages of Kina 297,500.00 or a monthly average of Kina 49,583.00. There were a total of 42 Chinese skilled personnel hired to work in various construction activities. The estimated wages paid to the Chinese employees are not reflected in this report because their wages were paid based on their skills and work experiences.
19. **Women's Participation – Women's Participation** – For the second half of 2018, there were a total of 29 female workers directly employed by the contractor and classified as payroll activities which earned an estimated wages of Kina 14,500.00 or a monthly average of Kina 2,416.67. For the same period the total of 69 women participated in non-payroll activities was earning a total of Kina 34,500.00.For the covered period women directly and indirectly participated in the construction activities was earning a combined total of Kina 49,000.00
20. **Other Benefits** – For the second half of 2018, the customary land owners earned a total of Kina 70,320.00 or a monthly average of Kina 11,720.00 as royalties from the operations of the four (4) quarries for the project. Additionally, customary land owners earned a total of Kina 36,000.00 or monthly average of Kina 6,000.00 for land leases paid for the two(2) camps and other facilities located at Mt. Wiri Camp in Lai Valley LLG and Nembi Camp in Nipa Basin LLG.
21. Furthermore, local purchases of the contractor netted the surrounding communities a total of Kina 35,990.00 for the month of July to December; 2018.The contractor has also purchased other local construction materials from the locals at around Kina 22,900.00 and purchased other necessary items from the locals at around Kina 4,700.00 for the month of July to December, 2018.Some additional community benefits were provided to the roadside communities as and when required.

2.0 INTRODUCTION

22. 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.
23. 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.
24. 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 (HRRIIP). The HRRIIP 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.
25. The Executing Agency (EA) for whole the HRRIIP is the Department of Works (DOW) whilst the Highlands Roads Management Group (HRMG) is the Implementation Agency (IA) based in Mt. Hagen, Western Highlands Province (WHP).
26. The Nipa-Munihu Road Section is covered by CSTB contract # 3531 entered into by the Independent State of Papua New Guinea represented by the Department of Works and National Road Authority and China Overseas Engineering Group Co., LTD (COVEC China). The CSTB contract was signed on March 15, 2017. The contract was commenced in October 16, 2017, has a duration of 24 months and is expected to be completed in November 16, 2019.

2.1 Project Description

27. Nipa Munihu road section is 27.73 km long that connects Nipa District with Mendi-Munihu District both in Southern Highlands Province. The existing road traverses through hilly and mountainous terrain with the highest point located at km 13+290 (Elevation: 2283m) and the lowest point located at the km 22+550 (Elevation: 1806m). The road alignment is generally reasonable but minor adjustments will be required in some sections.
28. The sub-project works will take place within the existing road corridor and resettlement impacts are expected between the edge of the existing road and the construction limits. In addition, there are some cut works on the mountainsides that are required to further improve the slope and turning geometry. In these areas, the road widening may exceed 5m, depending on either the width of the cut or fill in a particular road section.
29. The whole existing road with a length of 27.73 km is situated on customary land, the use of which has been agreed in consultation with the clans and communities that jointly own the land. In order to expedite implementation of the sub-project, the use of customary land required to upgrade the road have been agreed by clans and

communities through Memoranda of Agreement permitting the use of customary land for public infrastructure. The approved resettlement plan (RP) covers the land acquisition impacts from the edge of the existing road up to the construction limits including road clearance, and other infrastructure (e.g., drainage and culverts).

30. The Detailed Measurement Survey (DMS) covered only the first 13.950 kilometers out of the total road length of 27.8 km. Based on the results, there were 30 affected structures; 16 structures made of bush materials, 14 structures made of semi-permanent materials (trade stores), 35 grave sites and 78 fences with an aggregate length of 3,004 meters to be affected. There are also 21,823 affected crops and trees. The sub-project is classified as Category B as confirmed by the findings of the detailed measurement survey (DMS). In addition, the loss of land or income generating assets is below 10% (insignificant).

2.2 Institutional Arrangements

31. 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.
32. DOW established a Project Management Office (PMO) headed by a Project Director which manages the day to day activities of the program. Within the PMO, there are two units, the Project Management Unit (PMU) which is based in Port Moresby. The other is the Highlands Road Management Group (HRMG), the DOW's Project Implementation Unit (PIU) for HRRIP subprojects to carry out the planning, implementation and monitoring for land activities, as required and is based in Mt. Hagen.
33. HRMG is headed by the Field Project Manager (FPM). Under the FPM are two sub-units, the construction unit headed by the "Engineer" and the social and environmental safeguards unit headed by the Senior Field Project Coordinator (SFPC). The SFPC is ably supported by the Manager of Technical Services (MTS). Under the MTS are three sub-units, the social safeguards, resettlement, and HIV/AIDS officers.
34. The reporting protocols for the monitoring reports originate from the resettlement or environmental officers who prepare their back to office reports (BTOR). Routinely, they visit their respective sub-project twice a month. In addition, the safeguards and environmental officers may return to the subproject as often as needed if new issues will arise regarding resettlement and environmental issues.
35. 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.

2.3 Purpose & Methodology

36. This report presents the status of social safeguards including the compliance with approved RAP in respect of Nipa Munihi road section, covering the review period of July 1 to December 30, 2018. This semi-annual monitoring report (SMR) is a requirement under the Safeguards Policy Statement 2009 (SPS 2009).

37. The contract between DOW and the contractor was signed on June 21, 2017. Based on the general conditions of the contract, the commencement of the contract will start upon (a) receipt of advance payment by the contractor; (b) delivery to the contractor of reasonable evidence of employer's financial arrangements; and (c) effective access to and possession of the site given to the Contractor. As of 26th February 2018, the commencement date for this project has been established.
38. Prior to the commencement date of the subproject, the contractor has leased customary land and prepares its camp site and other facilities required by the various construction activities. The contractor has mobilized its heavy equipment and construction supplies as per official commencement date on December 30, 2017. Quarry development sites have been selected along the sub-project road, Wapu Son Quarry which is next to the campsite will serve the sub-project road towards the end of chainage. The other three (3) quarry development sites were identified in Nipa side of the road sub project.
39. The contractor has approached the project on two (2) fronts. One team has commenced clearing and grubbing from Nipa at the start of the project whilst the second team started works from the end of the project at(Km 27.727) Munihu in Lai Valley working backwards to Nipa. The progress of the clear and grub activity as of even date of the site inspection was about a total of 19.7Km completed approaching from either end. From Munihu side the contractor managed to accomplish about 11Km where the clear and grubbing is currently at Km 16.700 of the project site whereas from Nipa end, the contractor has reached Km 8.00.Hence, the remains an untouched section of 8.7Km between the approaching fronts.
40. This semi – annual report will therefore focus on what have been done on resettlement and will discuss what parameters or indicators will be utilized to internally monitor the implementation of the remaining resettlement activities during actual road construction such as missed out and undervaluation of affected assets, public consultations, grievance redress and monitoring of direct and indirect project benefits.
41. 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.
42. Based on the above, internal monitoring activities are conducted monthly thus these reports have been consolidated for quarterly and semi-annual social safeguards monitoring reports. Specific monitoring standards outlined will be:
 - Budget and Time Frame;
 - Delivery of Compensation and Entitlements;
 - Public Participation and Consultations;
 - Benefit Monitoring;
 - Requirements for Remedial Actions.

3.0 BUDGET AND TIME FRAME

3.1 Safeguards Staffing

43. The Highlands Road Management Group (HRMG) under the Department of Works based in the DOW compound in Mt. Hagen, who is tasked to internally monitor all activities associated with land acquisition and payment of compensation to DPs have been mobilized since Tranche 1 and Tranche 2 and is now fully staffed to undertake its responsibilities in Tranche 3.
44. It is headed by the Senior Field Project Coordinator (SFPC) who is in charge of day to day monitoring activities and is supported by the Safeguards Coordinator, Social Safeguards Officer and Environmental Officers. He is ably supported by the Manager of Technical Services and support staff. There are ten (10) Community Relations Officers (CRO) constituting of a male and female in each of the four (4) road sub-project under Tranche 3. HRMG is assisted by the Social/Resettlement and Environmental Safeguards Specialists from the Construction and Supervision Consultant (CSC).
45. 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.
46. 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 is any resettlement /environmental related issues during the course of the implementation of each road sub-project.
47. These collated BTORs form the backbone of the monthly reports. The monthly reports form the basis for the quarterly reports. These quarterly reports are augmented by the data retrieved from the contractor such as employment, quarry operations, participation of women in employment and other relevant data. The quarterly reports form the basis of the semi-annual reports that are being submitted to DOW/POM and ADB.

3.2 Capacity Building and Training Activities

48. During the covered period from July to December 2018, there was only one training seminar conducted during the covered period. The training seminar was conducted on October 30, 2018 at Kuri Lodge in Mt.Hagen, WHP and was facilitated by the International Environmental Specialist and International Resettlement Specialist both are attached with Renardet SA Engineers. The Training was focused on the types of reporting and its format as per ADB's reporting requirement. The participants were the environmental and Social Safeguards officers of HRMG; National Environmental Specialist of CSC, National Environmental and Resettlement Specialists of PSC and the International Resettlement and Environmental Specialists.

3.3 Memorandum of Agreement

49. DOW has negotiated and entered into a Memorandum of Agreement (MOA) with all affected tribes and clans for the free use of the minimum additional land required to rehabilitate and upgrade the Nipa-Muniyu road subproject. In addition, the affected tribes and clans had also validated the permission given by their forefathers to use their land for the existing road. There are no direct costs to secure the use of the required lands for the sub-project. Documentation expenses for these MOAs have been taken care under administrative expenses of the sub-project.
50. The MOAs did not cover the structures, trees, crops and land improvements located in the affected lands. Full compensation have been paid to owners of these improvements who will experience physical and/or economic displacement because of the project based on the latest Valuer General's Compensation Schedule for Trees and Plants (All Regions).
51. As part of the preparatory activities for the payment of compensation, HRMG conducted several public consultations in the different affected wards and villages along the subproject road from May to December 2016. The public consultations included the provincial, district and local ward officials and leaders of tribes, clans and sub-clans and the local communities. Public disclosures have been undertaken to disseminate the resettlement plan, particularly the eligibility criteria, entitlements, cut off date and the establishment of a grievance redress committee to address grievances and complaints of DPs.

3.4 Process of initial compensation

52. A verification survey was conducted by the HRMG staff together with LLG ward leaders and councilors, officials from District and Provincial Works based on the Consultant's master list. Some assets that are likely to be affected but were not included in the master list have been assessed by the HRMG staff. The total number of DPs based on the Consultant's assessment was 326 household with the total affected assets and allowances of Kina 233, 009.65 net of administrative costs.
53. After site verification of the affected assets, the affected persons increased to 355 DPs and the amount also increased to Kina 307, 876.35, net of administrative costs. On the DMS for the second section (Km 13.950 – Km 27.73) which was completed on July 4, 2016 by the HRMG team, there were 923 DPs whose affected assets amounted Kina 450, 174.40 net of administrative expenses.
54. In summary, there are **1,278 DPs** whose affected assets and allowances amounted to **Kina 758, 050.75**. This total amount is based on the latest Valuer General's Compensation Rates or full replacement costs, whenever applicable. The DPs received their corresponding amounts and all signed their respective Deeds of Releases (DORs).
55. Once the master list of DPs with the breakdown of affected assets and their corresponding amounts was submitted to DOW, the list is finally verified and confirmed by HRMG before the final list of DPs is submitted to PMO for funding allocation.
56. Unlike Tranche 2, the approved resettlement budget is remitted directly to HRMG instead. Formerly the budget was remitted to the PWM of the concerned province. Once, received, HRMG schedule the date for payment of compensation, informing

the concerned district administrators (DAs), LLG presidents, ward leaders and village councilors to inform and mobilize the DPs to attend and receive their compensation payments for the affected assets.

57. The actual compensation payment is directly given to DP and most of the time with their families in the presence of the DA, LLG president, ward and village councilors, PWM and/or his representatives.
58. 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.
59. There are also rehabilitation allowances to assist the DPs in restoring their former living conditions. These allowances included shifting allowance, moving allowance, subsistence allowance, relocation and reburial assistance and vulnerability allowance.
60. With the presence of ward councilors, each DP is called and receives cash payment contained in an envelope with the amount indicated in the envelope. The DP is photographed while holding the payment before he sign 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.
61. 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.

3.5 Second Compensation Payment Based on GRCs Recommendations.

62. The Second payment of compensation was based on grievances that were approved by grievance redress committees. Only those grievances considered as genuine and approved by GRCs were fully settled as of December 19, 2018.
63. For the covered period, HRMG has fully settled the 451 grievances out of 1,200 claims as recommended by GRCs as well settling the 290 claims filed by aggrieved DPs within the 500meters road section relating to previous environmental damages done by local contractor.
64. The claims for the 500meters road section were paid in package based on decision by the GRCs. Four (4) separate deed of releases were signed by affected ward leaders confirmed that they have agreed the terms and conditions as contained in the Deed of Release (DoR) and have received the final payment for the loss of improvements within the 500meters road section.
65. The total of Kina 20,000.00 was paid in package to the 290 DPs for previous environmental damages done.
66. Payments of compensation based on cases approved by GRCs were effected in Mendi Provincial Works office on December 19, 2018 at and was completed the

same day. The Aps have all signed the Deeds of Releases(DORs) in front of the ward leaders, HRMG Officers and Staff from the provincial Works office.

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

4.0 PUBLIC PARTICIPATION AND CONSULTATIONS

4.1 PUBLIC CONSULTATIONS AND WOMEN'S PARTICIPATION

68. A number of public consultations were held with roadside communities along the road subproject during the covered period from July to December 2018. The consultations were conducted independently by HRMG (Environmental, Social and Gender Consultants), CSC (National Resettlement and Environmental Specialist) Contractor and CRO for HRMG and PRO for the Contractor.
69. Further consultations and community meetings were conducted on a weekly basis along the project areas by leaders and councilors of the affected LLG Wards. This type of consultations and group meetings on project site were not documented but important issues as discussed during such meetings were related to the road subproject; other issues related to job employment and locals claiming sub contracts from the Contractor. Some issues are being resolved by the contractor and others were discarded as they were considered not valid.
70. The purpose of the consultations and awareness was to inform the community members along the Nipa-Munihu road subproject about the importance of good road network and also briefing them about the difference between Resettlement related issues and Environmental claims to minimize grievances and to place them in a better position anytime their outstanding compensation payments are ready for payout given the reason that as soon as the road sealing begins there would be no hiccups.
71. A focus group discussion was also conducted with locals during the covered period from July to December 2018 to discover factors hindering the progress of civil works and to ensure that possible mitigation measures were recommended to rectify issues relating to the subproject road.
72. The main issues and concerns as expressed by locals along the roadside communities are relating to grievances of which almost all were dealing with missed-out or underpaid APs. Consultations were also undertaken to explain about the process of handling grievances, construction limits, and resolve construction damage on property, the procedure of payment for damages and in the matter of employment in civil works.
73. The consultations were conducted in groups, large meetings and individually with the APs by HRMG staff as well as PSC and the contractor staff. Two large meetings held in Munihu section of the road were facilitated by HRMG and PSC staff to resolve outstanding or underpaid compensation issues raised by the affected community. The first meeting was held at Mt. Hagen/ DOW compound with ward councilors representing their affected communities along the road project corridor.



Image 1: Social Safeguards Officer Mr.Mathias Konga addressing the aggrieved locals at Km 21+200 at Parinz Turn-Off. Locals have been assured that their claims will be settled in package once funds to settle their claims are readily available. They have been urged to refrain from causing unnecessary work stoppages.

74. A further Focus Group Discussions (FGDs) was held with representatives of the affected persons for the 500meters road section at HRMG office in Mt.Hagen dated 1st November,2018.Issues and concerns expressed during the discussions are relating to prompt payment to aggrieved APs for the 500meters environmental damages and few structures adversely affected road by construction and landslips.
75. The main issues at the centre of discussion were the prompt payment of Kina 20,000.00 as compensation for environmental damages within 500meters road section. The issue was decided by the GRCs during the final GRC meeting that a total of Kina 20,000.00 were to be paid in package to the 290 affected persons for loss of damages done to improvements within the 500 meters road section.
76. There were 7 public consultations conducted with roadside communities in the Nipa-Munihu sub-project road at numerous intervals from July to December 2018 covering all the affected communities along the subproject road. There were a total of 650 participants and out of this total, 400 were males (61.53%) while there were 250 females (38.46%).
77. There were approximately 350 participants who belonged to DP households. This number represented 53.84% of total public consultation participants. Most of the concerns raised and discussed during the consultations were resettlement and construction related issues. Other issues were resolved on site by the civil contractor and some were handled by HRMG through the grievance redress committees. These are summarized in the following table 1: Summary of Public Consultations and Women's Participation.

Table 1: Summary of Public Consultations & Women participation

| Month | # of Consultations | Male Participants | Female Participants | Total Participants | DPs Who Participated |
|-------------------|--------------------|-------------------|---------------------|--------------------|----------------------|
| July | 2 | 95 | 45 | 140 | 90 |
| August | 1 | 40 | 30 | 70 | 55 |
| September | 1 | 35 | 50 | 85 | 40 |
| October | 2 | 80 | 70 | 150 | 45 |
| November | 1 | 150 | 55 | 205 | 120 |
| December | 0 | 0 | 0 | 0 | 0 |
| Total | 10 | 400 | 250 | 650 | 350 |
| Percentage | 100% | 61.53% | 38.46% | 100% | 53.84% |

78. It was made known during the several consultations conducted on site that any issues. In the event that the contractor fails to comply with its CEMP resulting in further damages done to natural environment will be the sole responsibility of the contractor.
79. One of the issue that was discussed during the consultations held for the covered period are the landslips that has affected food gardens and further environmental damage. Locals in landslips affected sections have raised concerns that they be compensated for damages done outside of the construction limits.
80. HRMG Safeguards officers in response informed the locals that the landslips were caused as results of continuous downpours in the last few months. Therefore any environmental damages caused as results of landslips are considered as part of natural disaster and locals were advised to seek further assistance from the provincial disaster office in Mendi.
81. However, the contractor has adopted a mitigation measures by engaging locals from the landslips-affected-zones to work on the construction of gabion baskets protection works, masonry stone walls and retaining walls as required in some critical spots. This measure has minimized some of the landslips related issues along the road subproject. A brief summary of issues is summarized in Table 2: Summary of Issues Raised during July to December consultations and meetings. The attendance sheets of these consultations are not available.

TABLE 2: SUMMARY OF KEY ISSUES RAISED DURING CONSULTATIONS: JULY TO DECEMBER 2018

| CONSULTATION LOCATION | ISSUE/CONCERNS RAISED BY DPs | RESPONSE FROM HRMG |
|---------------------------------------|---|---|
| Egenda Market Place Chainage 4.500 | 82. Grievances resulting from initial payment of compensation for loss of assets(Missed outs/Under-payment) | Site inspection and verification by GRCs will only determine the grievances from APs as genuine or non-genuine; Only the genuine grievances will be recommended to HRMG for consideration |

| | | |
|--|---|---|
| <p>Shumbi Chainage 13.940</p> | <p>83. DPs queried further clarification over Construction limits;</p> | <p>There are no specific meters for road width as the civil works will take place within the construction limits based on the road design.</p> <p>Any assets damaged within the construction limits will be looked at by GRCs and if damages occurred outside of the construction limits will be the responsibility of the contractor.</p> |
| <p>Nengia Ceremonial Ground Chainage 17.950</p> | <p>Prompt settling of grievances relating to missed outs/under-payments prior further construction works;</p> | <p>Grievances have been deliberated by GRCs during a several GRC meetings and the final approved claims were recommended to HRMG for payment. The dates for settling the payment will be made known to them through the CROs.</p> |
| <p>Nengia Ceremonial Ground Chainage 17.950</p> | <p>Locals expressed concern regarding the Ceremonial Ground at Km 16.500 that is affected because the road traverses their communal area (<i>singing place</i>).</p> | <p>The issue has been discussed by GRCs during a several GRC meetings and was decided by the committees that an in-kind assistance will be provided to the clans who owns the area. It was made known to them that HRMG will not make any cash payment to any individual.</p> |
| <p>Sonba Village Chainage 15.400</p> | <p>Landowners from within Km 10.00 to km 15.800 have strongly requested to be given sub- contract for road clearing and grubbing works prior further road works within their road sections.</p> | <p>Locals were advised that it was the prerogative of the main contractor to nominate their sub-contractor in accordance with their own requirements for the specified works and the Employer has no contractual right over their operations</p> |
| <p>Parinz Junction(Map Ward 1) Chainage 21.300</p> | <p>Locals expressed concern regarding the previous environmental damages done by IPZ Local Contractor.</p> | <p>The matter was raised and discussed during the final GRC meeting and it was resolved that the total of 209 claims as endorsed by GRCs will be paid in package. The total of Kina 20,000.00 will be paid to them in package.</p> |
| <p>Munihu Station Km 24.300</p> | <p>Aggrieved Locals expressed concern regarding further environmental damages caused by landslips. They claimed a compensation of Kina 25,000.00</p> | <p>Neither Contractor nor HRMG will be held responsible for settling landslips-related claims as it is considered as part of natural disaster caused by natural phenomenon; However, to avoid any inconvenience, locals from landslips affected zones will be temporarily engaged by contractor on casual basis for the protection related works as technically instructed by civil contractor.</p> |
| <p>Tumea (Re-alignment at 22+980 to 23+080)</p> | <p>ApkasTem, claiming to be the landlord at the said chainage where the sub-project road traverses through a ceremonial ground and has demanded the following;</p> <ul style="list-style-type: none"> a) Re-alignment of the road to the left-side to avoid destruction to their ceremonial ground & to avoid damage of cultivation; <p>The said landlord demanded DOW/HRMG K125,000 to be paid as</p> | <p>The issue has been discussed by the landlord stating the following reasons;</p> <ul style="list-style-type: none"> a) The sub-project road was designed according to the existing road; thus, funding has been approved based on the design; b) Re-designing of the road will be quite a lengthy and costing exercise; |

| | | |
|---|--|--|
| | land compensation for the re-alignment. | Advised the landlord that the contractor will still follow the existing road as per design, however, taking of the ceremonial ground will not be compensated in cash but an in-kind assistance will be preferred. |
| Kuyanda Chainage 25.300 | <p>The vendors at the market revealed the positive impacts of the road project and proclaimed that daily income from their sales have substantially increased over the last few months;</p> <p>APs represented by a youth have raised concerns that locally produced foods are not purchased by the contractor;</p> <p>They requested the contractor to engage local sub-contractors for minor civil works, i.e. Line drain;</p> <p>Some complained that unskilled jobs were unevenly recruited among APs by the contractor;</p> | The road project communities were advised that such issues are always discussed during our monthly site meetings with the contractor. Thus, they are urged to comply with the contractual obligations by giving employing opportunities for both male and female from the road project communities & minor contracts, etc. |
| Mt. Wiri Contractors camp site meeting | <p>The local employees were interviewed whether they come from project affected wards & the data for both male/female were collected;</p> <p>The employees also raised issues on pay rates of the contractor.</p> | <p>HRMG/CSC to closely monitor local participation in the project and ensure compliance in 30% women engagement by the contractor;</p> <p>Urge contractors to comply with standard PNG Minimum Wage rate of Kina 3.50 per hour.</p> |

84. During the consultations, all DPs have been informed about the GRM and the method of accessing the process through consultations such as meetings, focus group discussions and through word of mouth by community leaders who have been thoroughly briefed about the GRM process. DPs were also informed that they are allowed to resolve their grievances through the formal court system should they be unhappy about the solutions proposed by the GRC. The step in the GRC is shown in Appendix 3: -- Procedures for the GRC Process. A visual flow chart was also presented as shown in Appendix 5: Flow Chart of GRC Process.

4.2 GRIEVANCE REDRESS MECHANISM

85. A Grievances Redress Committee (GRC) has been established to receive log and deliberate on all grievances received from DPs relating to the payment of compensation. Additional grievances relating to resettlement or construction related matters were also referred to the GRCs for deliberations and the recommendations derived were submitted to HRMG for considerations and taking further actions.
86. The establishment of the GRM for this sub-project was facilitated by HRMG as part of its delegated mandate to implement the approved resettlement plan. It was established prior to the commencement of the subproject road. This is to ensure

that grievances lodged by aggrieved DPs would be addressed as quickly and as efficiently as possible, avoiding escalation of issues, reducing adverse impacts that may occur along the road project and maintain a positive attitude towards the project by the stakeholders.



Image 2: GRCs during the final GRC session held at the conference room of Renardet SA, Mendi Provincial Works. Picture Courtesy of Social Safeguards Officer, HRMG

87. For the covered period from July to December 2018, the GRCs have conducted a final GRC meeting for the road subproject. The final GRC meeting have concluded all resettlement related issues and concerns as filed by the aggrieved DPs with HRMG through the GRCs. The final GRC meeting was conducted in the conference room of the Renardet SA in Mendi Provincial Works on December 19, 2018.

4.2.1 FINAL GRC MEETING AND DECISIONS

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

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

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

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

d) Issues relating to Construction Limits-GRCs clarified that Contractor carries out construction work as per the road design prepared earlier and if any damages

done outside of the construction limit will be the responsibility of the contractor; there are no-invariable measures given for length of road width as only construction limits determine the extent of civil works.

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

4.2.2 COMPOSITION OF THE GRCs

89. The committee 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.
90. There are eight (8) committees members nominated and three (3) technical advisors representing HRMG. The three (3) safeguards officers are assigned for the subproject roads in the Western End. The names of the members of the GRC are shown in the following Table 8. Composition of the Grievance Redress Committee.

TABLE 3: COMPOSITION OF THE GRIEVANCE COMMITTEE: NIPA-MUNIHU ROAD PROJECT

| NO: | NAME | SEX | TITLE | POSITION IN GRC |
|-----|---------------------|--------|---------------------------------|-----------------------|
| 1 | John Harisol | Male | District CEO-Nipa Kutubu | Chairperson |
| 2 | John Titus | Male | LLG President-Nipa Basin | Member |
| 3 | Jack Soal | Male | LLG President-Lai Valley | Member |
| 4 | Cr.Pip Sogurao | Male | Ward Councillor-Egenda 3 | Member |
| 5 | Top Zera | Male | Ward Leader-Lai Valley LLG | Member |
| 6 | Peter Wapnais | Male | Shumbi 1 Ward Representative | Member |
| 7 | Jenetha His | Female | Women's Representative | Member |
| 8 | Pastor Samuel Moris | Male | Church Pastor | Church representative |
| 9 | Mathias Awi | Male | Social Safeguard Officer | Technical Advisor |
| 10 | Garry Duma | Male | Environmental Officer | Technical Advisor |
| 11 | Saul Nol | Male | Environmental Officer | Technical Advisor |

91. While there were no deadlines to submit the complaints, members of the GRC were urged to encourage DPs with complaints to lodge their grievances within 14 days after receipt of compensation payments in their wards and villages. During compensation payments, the DPs and persons claiming to be DPs were also informed of this 14 day filing period. The complainants may file their complaints with the Community Relations Officer so that their complaints may be formally registered in the compliant log sheet which is the basis for setting up the agenda of the GRC.

4.2.3 NEW GRIEVANCES FILED WITH HRMG

92. For the covered period (July-December 2018), there were some grievances filed by aggrieved clans regarding three (3) ceremonial grounds which the road will traverse. The three(3) ceremonial areas are;
 - a) **Nengia Ceremonial Area at Km 17.950-**Nengia Clan members have filed separate claims regarding the ceremonial area that is going to be affected during the course of civil works because the road will definitely traverse and scatter the *ples singsing*. The matter was deliberated by GRCs and was resolved that an in-

kind assistance will be considered as part of compensation payment. Final discussions will be held with the affected clans to determine the type of in-kind assistance they would collectively have a preference for.

- b) Sonba 1 and Sonba 2 Ceremonial Areas at Km 14.100-**Affected clans have also filed separate claims demanding HRMG to settle them prior any further works could reach the ceremonial grounds. There are two (2) separate ceremonial areas that the road will traverses. Also GRCs have decided an in-kind assistance to be given to the affected communities but the decision is yet to be confirmed by the leaders of the affected communities.
- c) Shumbi Ceremonial Area at Km 13.500-**Shumbi Community has also filed their claims with HRMG regarding their ceremonial area. They have expressed concern that their only ceremonial place is going to be disturbed during the course of civil works hence they have demanded HRMG to settle their claims whichever in cash payment or in-kind assistance. Final discussions will be held with affected clans to determine the types of assistance they would collectively have a preference for.

5.0 BENEFIT MONITORING

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

5.1 ROAD CONSTRUCTION EMPLOYMENT

- 94. Project employment is one of the positive effects of the project and the contractor is greatly encouraged to source its manpower requirements from the DPs and the residents of the affected wards and villages. It is also a condition in the MOA, wherein the customary land owners permitted DOW to upgrade and rehabilitate the sub-project fully expecting that they will be hired to work in the road project. There are provisions in the contract agreement between DOW and the contractor regarding the employment of local residents including DPs and at least 30% women to be employed in the road project. These pertinent provisions also cover and are applicable to local sub-contractors.
- 95. For the covered period from July to December 2018, the contractor has hired a total of 42 Chinese skilled personnel to work in various construction activities. The estimated wages paid to the Chinese employees are not reflected in this report because their wages were paid based on their skills and work experiences.
- 96. The contractor has also hired Local skilled personnel to work in various construction activities. The estimated wages paid to the employees were based on the Minimum average monthly Wages of Kina 500.00.
- 97. From July to December 2018, the subproject has hired a total of skilled personnel of 595 workers consisting of 566 men (95.12%) and 29 women (4.87%). There were 245 DPs that were employed in the sub-project. This represents 41.17% of total

persons hired. The breakdown is shown in the following Table 4: Summary of Monthly Employment by Gender.

Table 4: Summary of Monthly Employment of Skilled Personnel by Gender for the Month of July to December 2018.

| Months | Male | Female | Total | DPs Employed | Estimated Female Wages | Estimated Total Wages |
|-------------------|---------------|--------------|--------------|---------------|------------------------|-----------------------|
| July | 50 | 4 | 54 | 15 | 2,000.00 | 27,000.00 |
| August | 52 | 4 | 56 | 15 | 2,000.00 | 28,000.00 |
| September | 69 | 5 | 74 | 25 | 2,500.00 | 37,000.00 |
| October | 130 | 6 | 136 | 65 | 3,000.00 | 68,000.00 |
| November | 95 | 4 | 99 | 35 | 2,000.00 | 49,500.00 |
| December | 170 | 6 | 176 | 90 | 3,000.00 | 88,000.00 |
| Total | 566 | 29 | 595 | 245 | 14,500.00 | 297,500.00 |
| Average | 94.33 | 4.83 | 99.16 | 40.83 | 2,416.67 | 49,583.33 |
| Percentage | 95.12% | 4.87% | 100% | 41.17% | 4.87% | 100% |

98. For the covered period, it is estimated that the contractor paid the 595 workers and personnel a total of Kina 297,500.00 or an average of Kina 49,583.00 per month. Out of this total, Kina 14,500.00 was paid to female workers or an average of Kina 2,416.67 per month from July to December 2018.
99. In addition, the contractor also farmed out certain construction activities to women along the road subproject areas. The contractor pays them upon completion of the assigned tasks. There were four activities paid on piece-work basis namely, gabion baskets, line drains, rip-raps and head-walls.
100. For the covered period, there were a total of 69 women who worked and were paid for these 4 construction activities. There were 30 women who were involved in gabion works. Women sorted out stones that are specified in for the gabion baskets. There were 22 women who were involved in the construction of headwalls and 17 women involved in Rip Raps works. The details are shown in Table 5: Summary of Women's' Participation in Non-Payroll Activities.

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

| Month | Gabions | Line Drains | Head Walls | Rip Raps | Total |
|-------------------|---------------|-------------|---------------|---------------|----------------|
| July | 2 | - | 2 | 2 | 6 |
| August | 2 | - | 1 | 2 | 5 |
| September | 2 | - | 2 | 2 | 6 |
| October | 5 | - | 4 | 3 | 12 |
| November | 7 | - | 5 | 3 | 15 |
| December | 12 | - | 8 | 5 | 25 |
| Total | 30 | - | 22 | 17 | 69 |
| Average | 5 | - | 3.66 | 2.83 | 11.5 |
| Percentage | 43.47% | - | 31.88% | 24.63% | 100.00% |

102. The minimum wage in the Highlands Region is around Kina 500 a month. This is the basis for estimating the wages paid to women for the covered period. This amount is multiplied by the number of women for the covered period.
103. For the covered period, the 69 women working in the project for non-payroll activities were able to earn an estimated kina 34,500.00 from July to December 2018. The details are shown in the following Table 6: Estimated Monthly Income of Women In Non-Payroll Activities.

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

| Month | Total Number of Women | Estimated Wages (Kina) |
|--------------|-----------------------|------------------------|
| July | 6 | 3,000.00 |
| August | 5 | 2,500.00 |
| September | 6 | 3,000.00 |
| October | 12 | 6,000.00 |
| November | 15 | 7,500.00 |
| December | 25 | 12,500.00 |
| Total | 69 | 34,500.00 |

104. The project area occupies 2 LLGs known as Nipa Basin LLG located in Nipa Kutubu District and Lai Valley LLG located in Mendi Munihu District. The workers from local areas long the project employed by the contractor come from these 2 LLGs and some from outside of the project area. For the covering period 31.90% were foreigners, 52.13% Lai Valley LLG, 12.06% Nipa Basin LLG and the remaining 3.89% come from other LLGs within the province or others. The employment data by origin of workers is presented in Table 7. Summary of Employment by origin for the month of July to December 2018.

Table 7: Summary of Employment by origin for the Month of July to December 2018

| Month | Foreigners | Lai Valley LLG | Nipa basin LLG | Other LLG | Total |
|-------------------|---------------|----------------|----------------|--------------|---------------|
| July | 42 | 65 | 10 | 5 | 122 |
| August | 42 | 50 | 10 | 5 | 107 |
| September | 42 | 50 | 15 | 4 | 111 |
| October | 42 | 60 | 15 | 5 | 122 |
| November | 43 | 95 | 23 | 6 | 167 |
| December | 43 | 95 | 23 | 6 | 167 |
| Total | 254 | 415 | 96 | 31 | 796 |
| Average | 42.33 | 69.16 | 16 | 5.16 | 132.66 |
| Percentage | 31.90% | 52.13% | 12.06% | 3.89% | 100% |

105. Based on employment data presented above, it is possible to estimate the distribution of wages by LLG area. The workers in 2 project area LLGs namely, Lai Valley and Nipa Basin have received a total of Kina 255,500.00 during the covered period from July to December 2018. The details are shown in table 8. Summary of Estimated Monthly Wages Paid to the Workers from Affected LLGs for the month of July to December 2018.

Table 8: Summary of Estimated Monthly Wages Paid to the Workers from the Affected LLG for the Month of July to December 2018.

| Month | Lai Valley LLG | Estimated Wages (K) | Nipa Basin LLG | Estimated Wages (K) | Total (K) |
|--------------|----------------|---------------------|----------------|---------------------|-------------------|
| July | 65 | 32,500.00 | 10 | 5,000.00 | 37,500.00 |
| August | 50 | 25,000.00 | 10 | 5,000.00 | 30,000.00 |
| September | 50 | 25,000.00 | 15 | 7,500.00 | 32,500.00 |
| October | 60 | 30,000.00 | 15 | 7,500.00 | 37,500.00 |
| November | 95 | 47,500.00 | 23 | 11,500.00 | 59,000.00 |
| December | 95 | 47,500.00 | 23 | 11,500.00 | 59,000.00 |
| Total | 415 | 207,500.00 | 96 | 48,000.00 | 255,500.00 |

5.2 Benefits from Quarry Operations

106. 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.
107. For the month of July to December 2018, there were four (4) operating quarry sites and this is known as Wapu Su-Oro quarry located in Munihu side (approximately 3km from the sub-project road, end of km 27.73) is currently in operation including the other three (3) quarries located in Nipa Side are known as Harren Quarry, Sumbor Quarry and Huremi Quarry.
108. The materials are extracted from these four (4) operating quarry sites at an agreed cost of K1.50 or K13.00 per cubic meter. The total volume of materials extracted for the month of July to December 2018 was approximately 46,880 tonnes. The total royalties' payment received by customary land owners for the above tonnage produced by 4 operating quarry sites was around Kina 70,320.00. The details are shown in the following Table 9: Summary of Quarry Volume & Estimated Value.

Table 9: Summary of Quarry Volume by Tons for the Month of July to December 2018.

| Month | Wapun Su-Oro Quarry(M ³) | Harren Quarry (M ³) | Sumbor Quarry (M ³) | Huremi Quarry (M ³) | Total (M ³) | Total Amount |
|----------------|--------------------------------------|---------------------------------|---------------------------------|---------------------------------|-------------------------|------------------|
| July | 3,550 | 1,300 | 1,260 | 260 | 6,370 | 9,555.00 |
| August | 1,460 | 1,950 | 850 | 420 | 4,680 | 7,020.00 |
| September | 1,560 | 2,650 | 650 | 500 | 5,360 | 8,040.00 |
| October | 3,400 | 2,850 | 420 | 520 | 7,190 | 10,785.00 |
| November | 4,510 | 3,150 | 1,100 | - | 8,760 | 13,140.00 |
| December | 10,460 | 3,260 | 800 | - | 14,520 | 21,780.00 |
| Total | 24,940 | 15,160 | 5,080 | 1,700 | 46,880 | 70,320.00 |
| Average | 4,157 | 2,527 | 847 | 425 | 7,813 | 11,720.00 |

Agreed amount of K1.50 per bucket / K13.00 per cubic meter

5.3 Revenue from Lease of Land

109. The contractor for the subproject road has made use of customary land where camps are built and disposal of spoils at selected stable areas. All such cases have been agreed with the customary land owner for the payment of the agreed fees or in-kind assistance. The total amount received by customary landowners on this account is Kina 36,000.00 as per the signed land agreements for the usage of campsite at Mt. Wiri and Nembi Campsite.

TABLE 10: SUMMARY OF LEASE RENTAL PAID TO CUSTOMARY LAND OWNERS FOR THE MONTH OF JULY TO DECEMBER 2018

| Month | Mt.Wiri Campsite | Nembi Campsite | Stockpile Sites | Disposal Sites | Total |
|----------------|------------------|------------------|-----------------|----------------|------------------|
| July | 3,000.00 | 3,000.00 | - | - | 6,000.00 |
| August | 3,000.00 | 3,000.00 | - | - | 6,000.00 |
| September | 3,000.00 | 3,000.00 | - | - | 6,000.00 |
| October | 3,000.00 | 3,000.00 | - | - | 6,000.00 |
| November | 3,000.00 | 3,000.00 | - | - | 6,000.00 |
| December | 3,000.00 | 3,000.00 | - | - | 6,000.00 |
| Total | 18,000.00 | 18,000.00 | - | - | 36,000.00 |
| Average | 3,000.00 | 3,000.00 | - | - | 6,000.00 |

110. For the spoils disposal sites, selected stable areas have been agreed by landowners for backfilling to create sports field for example or other usable land. Benefits of this would be reported in the next quarter or semi-annual social safeguards report.

5.4 Other Direct Local Benefits

111. There are two construction camps for the contractor and these are Mt.Wiri Camp located some 2.5km from the end of the project and Nembi Camp which is located in Nipa.Both camps have locally purchased various construction materials, purchases of food, water, and miscellaneous items. For the months of covered period, these two camps spent Kina 35,990.00.The details are shown in the following Table 11: Summary of Local Purchases of the contractor for the month of July to December 2018.

TABLE 11: SUMMARY OF LOCAL PURCHASES OF THE CONTRACTOR FOR THE MONTH OF JULY TO DECEMBER 2018.

| Month | Food purchase (Kina) | Construction Materials Purchase (Kina) | Other Purchase (Kina) | Other Local Expenses (Kina) | Total (Kina) |
|----------------|----------------------|--|-----------------------|-----------------------------|------------------|
| July | 890.00 | 5,000.00 | - | 500.00 | 6,390.00 |
| August | 600.00 | 6,500.00 | - | 400.00 | 7,500.00 |
| September | 550.00 | 4,000.00 | - | 500.00 | 5,050.00 |
| October | 500.00 | 3,400.00 | - | 1,000.00 | 4,900.00 |
| November | 750.00 | 2,000.00 | - | 600.00 | 3,350.00 |
| December | 4,500.00 | 2,000.00 | - | 2,300.00 | 8,800.00 |
| Total | 7,790.00 | 22,900.00 | - | 4,700.00 | 35,990.00 |
| Average | 1,298.33 | 3,816.67 | - | 940.00 | 5,998.33 |

112. Above data indicates that **Kina 35,990.00** has been injected into the community by way of purchases and other services during the review period. Part of these expenses has been received by women who are likely to be impacted positively.

5.5 Summary of Benefits for the First Half of 2018

113. **Direct Employment** – For the months of July to December 2018, the Nipa-Munihu road subproject was able to generate 595 payroll positions with estimated wages of Kina 297,500.00 or a monthly average of Kina 49,583.00. There were a total of 42 Chinese skilled personnel hired to work in various construction activities. The estimated wages paid to the Chinese employees are not reflected in this report because their wages were paid based on their skills and work experiences.
114. **Women's Participation – Women's Participation** – For the second half of 2018, there were a total of 29 female workers directly employed by the contractor and classified as payroll activities which earned an estimated wages of Kina 14,500.00 or a monthly average of Kina 2,416.67. For the same period the total of 69 women participated in non-payroll activities was earning a total of Kina 34,500.00. For the covered period women directly and indirectly participated in the construction activities was earning a combined total of Kina 49,000.00
115. **Other Benefits** – For the second half of 2018, the customary land owners earned a total of Kina 70,320.00 or a monthly average of Kina 11,720.00 as royalties from the operations of the four (4) quarries for the project. Additionally, customary land owners earned a total of Kina 36,000.00 or monthly average of Kina 6,000.00 for land leases paid for the two(2) camps and other facilities located at Mt.Wiri Camp in Lai Valley LLG and Nembi Camp in Nipa Basin LLG.
116. Furthermore, local purchases of the contractor netted the surrounding communities a total of Kina 35,990.00 for the month of July to December; 2018. The contractor has also purchased other local construction materials from the locals at around Kina 22,900.00 and purchased other necessary items from the locals at around Kina 4,700.00 for the month of July to December, 2018. Some additional community benefits were provided to the roadside communities as and when required.

5.6 INDIRECT Social Benefits

117. There are also indirect social benefits arising from the upgrading and rehabilitation of the subproject road. These include construction of new structures brought about by the road project and the increase of public motor vehicles (PMVs) plying the route and expected decrease of transportation fares because of improved accessibility.
118. Positive and adverse impacts may occur simultaneously in a given project. It is projected that in the Nipa - Munihu road, the positive impacts are forecasted to be more important than the adverse impacts because of the nature of the project. The upgrading and rehabilitation of the road will generate spin-off benefits and boost socio economic activities within the road influence zone.
119. Since the project is still in the preliminary stage, this report could hardly measure and provide any information regarding the indirect social benefits incurred as a result of construction work. However, some indirect social benefits notable during the reporting period includes increase of roadside vending and erection of trade stores along the sub-project road.

6.0 REMEDIAL ACTIONS TAKEN

120. Based on the first half of 2018 semi-annual social safeguard monitoring report, there are some aspects that should be immediately addressed. There are also some aspects that require improvement to have a clearer picture of the benefits that are being derived from the subproject road. The following paragraphs contain brief discussions on the remedial actions taken on some of these matters.

6.1 Settling of Pending Grievances

121. For the covered period, HRMG has fully settled the 451 grievances out of 1,200 claims filed so far with HRMG as of December 19,2018 .All grievances filed with HRMG have been deliberated in several GRC meetings conducted and the only approved claims have been recommended to HRMG for final payment. There are three (3) methods that were adopted by HRMG in identifying and selecting the genuine grievances for payments and these are;
- i) Screening and selecting genuine grievances through the GRC meetings. A sound judgements were made by GRCs in recommending the genuine grievances ;
 - ii) Site verification conducted by GRCs and leaders/councillors of the affected wards in identifying the genuine grievances on site and;
 - iii) Site meetings and consultations conducted in each of the affected communities were very helpful in identifying and selecting genuine grievances.
122. Payments were facilitated by HRMG safeguards officers including GRCs and the representatives from Provincial Works office in Mendi.The District CEO who is also the GRC chairman was involved in the payment disbursement. Deed of Release was signed by each DP in front of ward leaders and was counter-signed and endorsed by the District CEO who is the GRC chairperson. The face photos of each DPs was taken during the disbursement. Photos and a sample of signed deed of release are provided in appendix 3 and 5: Photographs and sample of signed deed of release.

6.2 Settling Grievances for the 500meters road section

123. For the covered period, HRMG has fully settled the grievances filed by aggrieved affected persons regarding previous environmental damages done by locals contractor IPZ Co. Limited within the 500meters road section from Km 21.500.
124. The claims have been deliberated several times by GRCs during the GRC meetings conducted and the final decision reached was that the amount of Kina 20,000.00 will be paid in package to settle the 290 claims filed by locals regarding damages done to improvements within Km 21.300 and Km 21.800 or approximately 500meters road section.
125. During the payment disbursement, four (4) separate deeds of releases were signed by four (4) community leaders representing the affected persons who have agreed and accepted the Kina 20,000.00 that was paid for loss of improvements within the 500meters road section.

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

6.3 SETTling ISSUES RELATING TO FURTHER DAMAGES

127. During the covered period, HRMG together with the contractor has adopted a mitigation measures to address issues relating to further environmental damages caused as a results of construction works and natural phenomenon. There were three(3) mitigation measures adopted by HRMG in rectifying the issues relating to further environmental damages outside of the construction limits and these are;
- i) Issues regarding further environmental damages outside of construction limits caused as a results of natural phenomenon was referred to the provincial disaster office for further assistance; Grievances relating to damages done by landslips in specific zones were referred to the provincial disaster office in Mendi;
 - ii) Issues regarding damages occurred outside of the construction limits due to contractor's negligence in adopting best environmental management techniques was referred to the contractor to settle them;
 - iii) Issues regarding environmental damages done within the construction limits were referred to the HRMG and was fully settled alongside other grievances recommended by GRCs as of December 19, 2018. A letter dated December 9, 2018 by Contractor containing the lists totalling 11 of environmental-related grievances was fully settled by HRMG.

6.4 Dissemination of project related information

128. HRMG has conducted several public consultations in each of the affected communities along the road subproject during the covered period from July to December, 2018. All project related information were effectively disseminated to the locals in each of the affected communities in a timely manner.
129. DPs were informed about the establishment of grievance redress committees and the responsibilities bestowed to them by HRMG in deliberating, screening and selecting any resettlement related issues/grievances the legality they have in endorsing genuine grievances to HRMG for consideration and taking appropriate actions in rectifying them.
130. During the consultations DPs were informed about the steps and procedures involved in settling any project related grievances during the course of road construction. APs were informed about some of the mitigation measures to be adopted by HRMG and contractor in rectifying any resettlement and construction related issues during the course of civil works.
131. APs were informed about the techniques of in-kind assistance adopted by HRMG as part of compensation payment for loss of public assets such as ceremonial grounds, public cemeteries, sacred/ritual places and other sacred areas.
132. The Safeguards Policy Statement (SPS 2009) of ADB was also disclosed to the locals in each of the affected communities along the road subproject. Additional

information contained in the Resettlement Plan(RP) for the road project were also made known to the locals along the road subproject.

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

7.0 FUTURE REQUIRED CORRECTIVE ACTIONS

7.1 SETTLING PENDING ISSUES

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

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

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

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

v) IMPLEMENTATION OF LIVELIHOOD RESTORATION MEASURES

137. The livelihood restorations program for the road project affected communities has to be undertaken by ESSU/DOW through established organizations. This will be implemented during the course of civil works.

Vi) Reporting of Indirect Social Benefits

138. It is a requirement that the Indirect Social benefits brought about as results of road construction work have to be reflected in the Social Safeguards reports. Thus no information was gathered during the covered period. However, it will be reported in the next quarterly social safeguards report.

8.0 APPENDICES

APPENDIX 1 – LIST OF REFERENCES

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

APPENDIX 2: --LIST OF PEOPLE INTERVIEWED

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

APPENDIX 3: PHOTOGRAPHS



Image 2:A Discussion held between HRMG officials and landowners at Nengia Ceremonial Ground (Km 17.950).Image showing the Principal Engineer(HRMG) Mr. Kelly J.Kata addressing the landowners at Nengia.The landowners from Shumbi 1,Shumbi 2 and Nengia LLG Wards have gathered at Nengia Ceremonial ground to air their project related-grievances with HRMG Officials who visited the Site.



Image 3: Social Safeguards Officer Mr.Mathias Konga addressing locals at Parinz Turn-off Km 21+300. Aggrieved APs were informed about their prolonged-grievances relating to initial environmental damages for the 500meters road section has finally been approved by GRCs for payment. APs have agreed to receive the approved Kina 20,000.00 to be paid in package.



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



Image 5: GRC Chairperson and a/District CEO for Mendi-Munihu Mr. Richard Kundapen demonstrating the signed Deeds Of Release by each recipient (DPs).He was officially endorsing the receipt of payment by each DP during the payment disbursement. Being witnessed (obscured) were GRCs and leaders of the affected wards witnessing the payment.

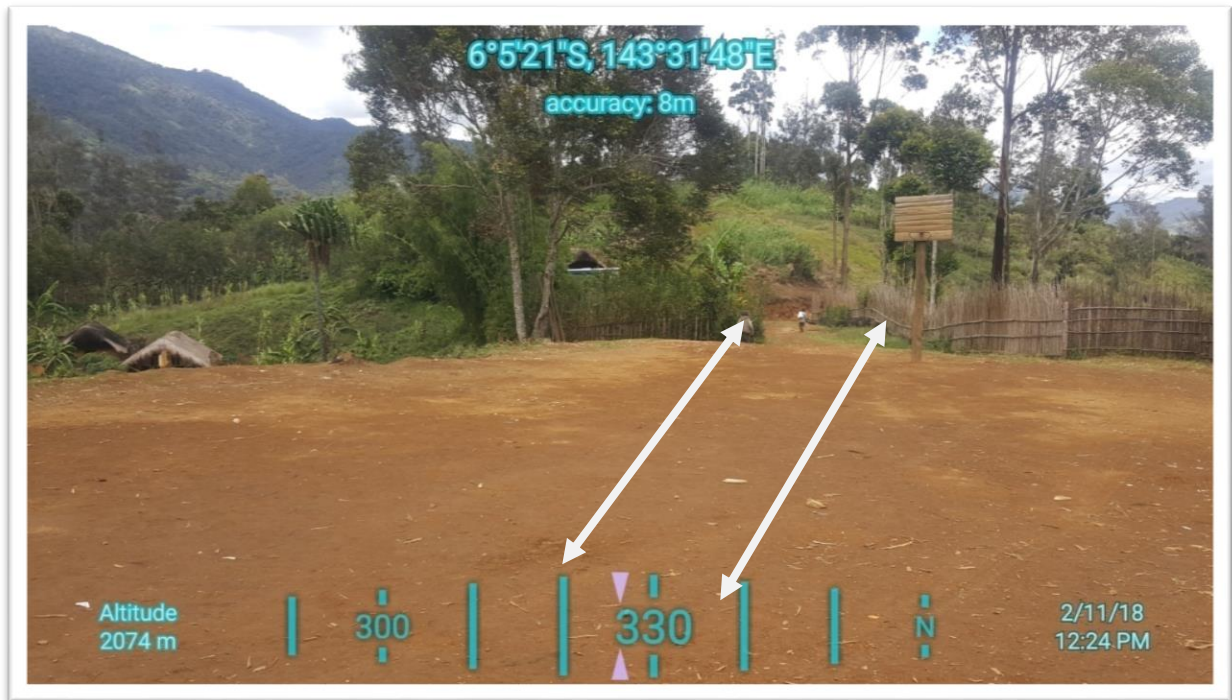


Image 6: Nengia Ceremonial Ground at Km 17.950 is one of the four (4) Ceremonial Areas that will be affected during the course of civil works. The road will traverse this ceremonial ground based on the scope of work. Clans owning the area have agreed to receive in-kind assistance as part of compensation payment and pave way for the road to traverse the ceremonial area. The above diagram illustrate where the road will traverse and scatter the ceremonial area.



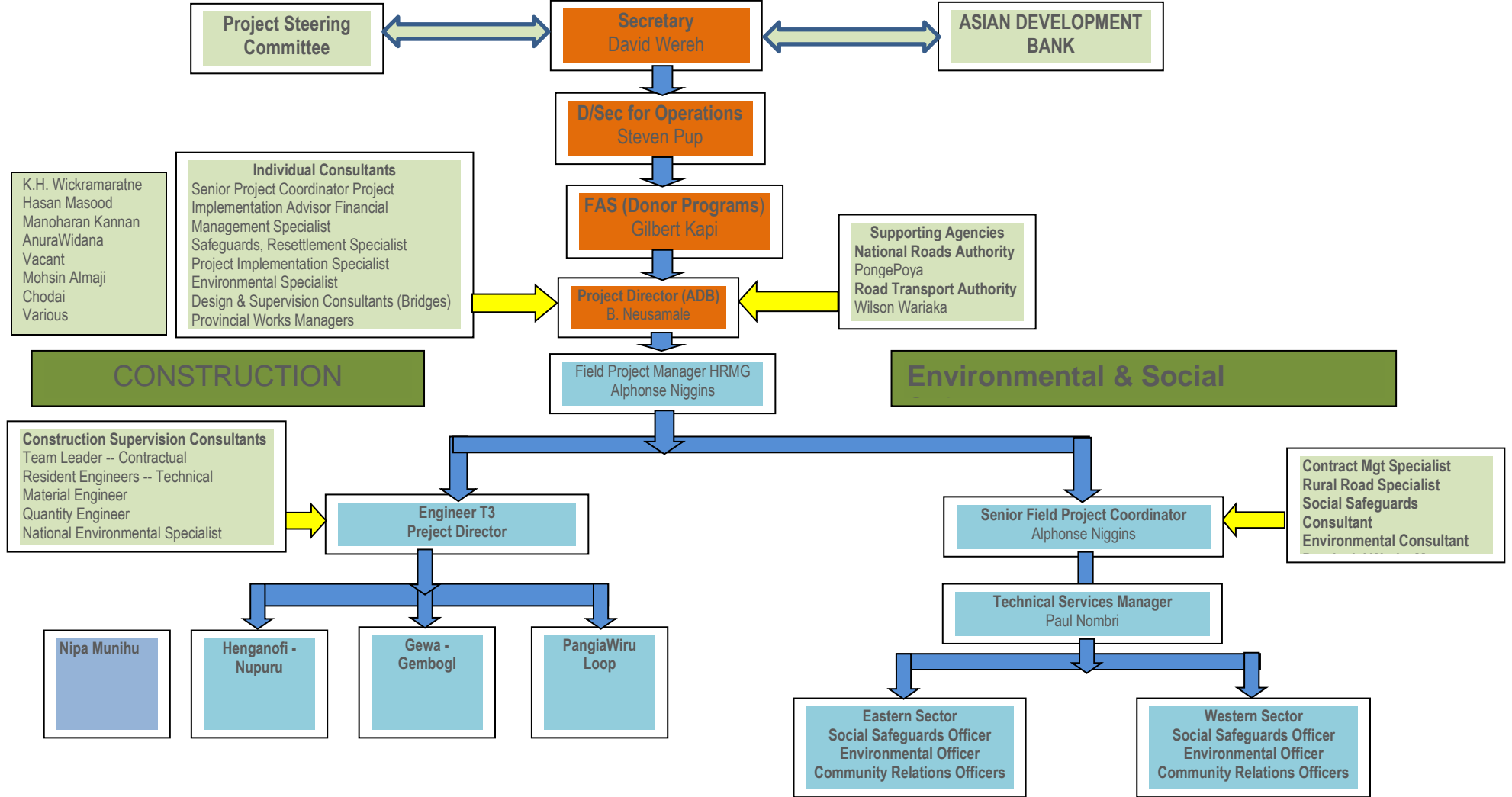
Image 7: HRMG Social and Environmental Safeguards Officers during one of the Seminar workshop on ADB's Reporting format that was held at Kuri Lodge-Mt.Hagen,WHP.The seminar workshop was facilitated by both International Environmental and Social/Resettlement Safeguards Specialist. Participants were trained on how to write a report as per ADB's reporting format and required standards.





Image 8: Participants during the Final Coordination Meeting for HRRIP for winding down the year 2018 that was convened at the Conference Room of Macroyal Hotel-Kagamuga, Mt.Hagen.In attendance were HRMG Principal Field Project Coordinator, Manager-Technical services,HRMG staff including Senior Officers of Project Supervision Consultants (PSCs) and Construction Supervision Consultants(CSCs).Other Senior officers from DoW in the likes of RWM and Senior officers of SHIP were also participated in the meeting .The meeting was facilitated by the Project Director for ADB projects Mr.Barnabas Neusemale.

APPENDIX 4:--ORGANIZATIONAL CHART

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



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

 **DEPARTMENT OF WORKS AND IMPLEMENTATION** 

P O Box 1108
Boroko, NCD

Tel: (675) 324 1471
Fax: (675) 324 1472

DEED OF RELEASE

1. This **DEED OF RELEASE** is made on the 19 Day of DECEMBER 2018

Between

1 ALBERT SOWAL of SOPA 2

In Lai Valley LLG (Mendi-Munihu District) for Nipa-Munihu Road Project, SHP, Papua New Guinea (thereinafter) Referred to as the "Releasee") of the one part.

2 THE INDEPENDENT STATE OF PAPUA NEW GUINEA, Department of Works, P.O Box 1108, Boroko, National Capital District (hereinafter referred to as the "RELEASE" of the one part.

WHEREAS:

(a) The releaser is a citizen of PNG and is the owner of trees, crops and structures identified by Chainage no#: -26+300 situated within the construction limit of the Nipa-Munihu road in SHP that has been assessed and valued for payment under the T3 Projects, HRRIP - Highlands Roads Management Group.

(b) The Releaser and the Releases have entered into an Agreement that the construction limit of the Nipa-Munihu road must be free from encumbrances.

(c) The Releasee had its trees, crops and structures valued at K 350-00 by the Releases during Re-verification Exercise jointly Conducted by Grievance Redress Committees, Ward Councillors and HRMG Officials in 2018.

(d) The Releasee had agreed to accept the valuations shown above as the final processed valuation for payment of its trees, crops and structures.

(e) The Releasee had been paid K 350-00 only with cash/cheque: CASH as final payment by the Independent State of Papua New Guinea through the Department of Works.

(f) The Releasee and the Releases have now agreed as follows;



DEPARTMENT OF WORKS & IMPLEMENTATION



P O Box 1108
Boroko, NCD

Tel: (675) 324 1471
Fax: (675) 324 1472

2. TERMS OF THE RELEASE AGREEMENT

Terms of the release agreement as follows

- (g) The Releasee accept the payment as its final and have agreed not to make any further claims against the State respective of the trees, crops and structures
- (h) The Releasee agreed to voluntarily remove its trees, crops and structures within the construction limit of the road should the Releaser failed to do so after one month of the receipt of the payment.
- (i) The Releasee agrees to cooperate and assist the Releases in any capacity to ensure that the construction limit of the road is free from any encumbrances to give effect to (b) above.

3. EXECUTION OF DEED

Signed for and on behalf of the Releasee: Name: ALBERT SOWAL
 Signed: [Signature]
 Date of the receipt of payment: 19th / 12 / 2018

Signed for and on behalf of the Releases
 Independent State of Papua New Guinea
 Depart of Works, P.O. Box 1108
 Boroko, NCD

Name: MARINA MATHIAS KONGA
 Signed: [Signature]
 Designation: SSGO

Witnessed by: 1.GRC Chairperson

Name: RICHARD KUNDAPEN
 Signed: [Signature]
 Date of the receipt of payment: 19 / 12 / 2018

2. Department of Works –Mendi, SHP

Name: Lynette Tapel
 Signature: [Signature]
 Date of Receipt of payment: 19 / 12 / 2018

