

Semi-annual Report

September 2016

PNG: Highlands Region Road Improvement Investment Program (Tranche 2)

Ialibu to Kagua Road Sub-project.

Prepared by Department of Works for the Asian Development Bank.

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

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

Loan Number: 3076/3077 PNG.

Project Number: 40173-043.

Report : Semi-annual.

HIGHLAND REGION ROAD IMPROVEMENT INVESTMENT PROGRAM – TRANCHE 2

Ialibu to Kagua ROAD SUB-PROJECT

SOCIAL SAFEGUARD MONITORING REPORT No. 1 (January to June, 2016)

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

September 2016

Table of Contents

Abbreviations	3
1. Introduction	4
1.1 Background.....	4
1.2 Project Description.....	4
1.3 Purpose.....	5
1.4 Methodology.....	5
2. Monitoring results and findings	6
2.1 Compensation payment.....	6
2.2 Consultation activities.....	6
2.3 Grievance Redress.....	7
2.4 Training and skills development.....	8
2.5 Employment.....	8
2.6 Land use by contractor.....	8
2.7 Other benefits.....	9
2.8 Women associations.....	9
2.9 Income and livelihood restoration.....	9
3 Conclusions and Recommendations	9
3.1 Conclusions.....	9
3.2 Recommended actions.....	10
Appendices	11
Appendix 1 : List of References.....	11
Appendix 2 : List of People Interviewed.....	11

Tables and Figures

Tables

Table 1: Members of Grievance Redress Committee.....	7
Table 2 : Recommendation for Action items.....	10

Figures

Figure 1 : Unaffected Asset registered as Grievance to receive compensation.	7
---	---

Abbreviations

ADB	- Asian Development Bank
AP	- Affected People
COVEC	- China Overseas Engineering Co. Ltd
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
HRRIIP	- 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
PNG	- Papua New Guinea
PRO	- Public Relations Officer
PWM	- Provincial Works Manager
RAP	- Resettlement Action Plan
RCR	- Resettlement Completion Report
ROW	- Right-of-Way
RP	- Resettlement Plan
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
WHP	- Western Highlands Province

1. Introduction

1.1 Background

01. The Highlands Region of Papua New Guinea (PNG), comprising of seven (7) Provinces which includes Western Highlands, Jiwaka, Southern Highlands, Hela, Eastern Highlands, Enga and Simbu. The highlands region 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) loan¹ with the Asian Development Bank (ADB) to implement the Highlands Region Road Improvement Investment Program (HRRRIIP). The HRRRIIP 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 HRRRIIP Project 2 (Tranche 2) includes improvement to three road sections namely, Mendi-Tambul, Kotna-Lampramp and Ialibu-Kagua 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 road sub-projects supported through the above loan. The contract has been awarded to China Overseas Engineering Co. Limited (COVEC) 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 early 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, the use of which has been agreed to, by the clan leaders and communities that jointly own the

¹ Loan 3076/3077 PNG: Highlands Region Road Improvement Investment Program – Project 2

land via memoranda of agreement (MOAs) permitting DOW the use of customary land for public infrastructure.

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 and executed between January to December 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. 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 1.80m representing some unpaid compensation work. The land owners agreed to settle down with Kina 900,000 worth of in-kind assistance. This has been fully delivered in March 2016, (refer to lalibu-Kagua Resettlement Completion Report). The due diligence report completed for the first road section from lalibu to Kagua stated that previous dues to Aps were still outstanding. This too was fully settled in March 2016. Internal monitoring has been undertaken by HRMG with further advice from ESSU based in Port Moresby whilst external monitoring has been assigned to an Independent Monitoring Organisation (IMO). The IMO is expected to review activities in respect of Tranche 2 (Project 2) road projects 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 January to June 2016. The comprehensive semi-annual monitoring (safeguards monitoring) reports (SMR) is a requirement under the Safeguards Policy Statement 2009 (SPS 2009).

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 recommendations for corrective actions to be executed during 2016.

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 cases of grievance were 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 ground verification. The team worked with the relevant ward councillor and community representatives in their respective ward areas to conduct verification. The process was completed where and cases were found to be genuine. The GRC approved the payment for Aps.

19. It has been agreed by the GRC members and the affected people that the missed out APs should receive cash-payments. The total amount inclusive of rate adjustment using a factor of 6.4% per annum and the administrative costs we included. The funds have been requested from DOW aimed at disbursement for all eligible APs in the second half of this year.

2.2 Consultation activities

20. The consultations undertaken during the review period were relating to grievances of which almost all were dealing with missed-out payment. The consultations were conducted in groups, large meetings and individually with the APs. Two teams carried out consultations, one from lalibu side and the other from Kagua side. On the former, consultations were

conducted involving Aps and community groups. The team which worked from lalibu side conducted consultations at Tambul Junction, Laiakam, Ande, Malke and Minabel. The LLG Councillor accompanied the team on the consultations.

2.3 Grievance Redress

21. The Grievance Redress Committee (GRC) consists of six members (Table 1) have met twice during the review period to resolve all grievances. There are no women representatives in the GRC. However, women were included in consultations relating to grievances and their concerns were noted and submitted to the GRC. The chairman of GRC is the provincial administrator (or his delegate) whiles the DA or his delegate is the deputy chair.

Table 1: Members of Grievance Redress Committee

Serial No.	Member Name	Position in GRC	Designation
1		Chairman	District Administrator
2		Member	President, Karinz LLG
3		Member	President, Lai Valley LLG
4		Member	Community Leader
5		Ex-officio	Provincial Civil Engineer (Mendi)
6	Mathias Awi	Technical Advisor	HRMG

22. The HRMG staff presented to the GRC that grievances have been received. The committee, following guidelines on resettlement compensation, have approved payments for APs. The committee unanimously declined to pursue 492 grievances as there was evidence that such grievances were not genuine. Most of not-genuine grievances were concerning assets built after the cut-off date whilst about 25% were outside the construction limits and were found to be unaffected. All APs including the unsuccessful applicants have been informed by HRMG about the decision of GRC. The reasons for the large number of grievances are explained later in this section. The Photo 1 shows a road-side house unaffected by registered as a grievance asking for compensation.



Asset unaffected by road works

Figure 1 : Unaffected Asset registered as Grievance to receive compensation.

23. It was noted that APs have made out their grievances without providing all relevant details. As a result, many grievances do not contain information such as date, clan, relevant village (and sometime chainage for losses), unclear explanation or grievance itself, etc. Based on this lesson, the HRMG has agreed to design a grievance form to be used in all future road projects.

24. The higher number of grievances for missed-out payment has occurred due to two reasons. First, many have built their assets after the cut-off date was announced which were declined to honour by GRC. Second, many who have built assets outside of the construction limit of 20 M. This was also rejected by the GRC. Both these reasons suggest that APs have not been educated properly about resettlement and their entitlements especially on the cut-off-date. This is a weakness on the part of the Design Consultants.

25. As part of grievance redress process, awareness was conducted to enhance the APs understanding of the GRP during the review period. The main role of the two community relations officers (CRO) of HRMG were 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.

26. The work on listing of all grievances and the establishment of a database begun during the previous period was completed. The review of the grievances received, detailed assessment and disbursement of payment to APs cleared by GRC have been completed too, during the reporting period.

2.4 Training and skills development

27. The APs had received trainings covering two main areas. Firstly, the contractor organised training for APs on HIV/STDs prevention. The APs were supplied with condoms and individual attended consultation on AIDS prevention as required. Secondly, the community members (that include some APs) were given training on semi-skills jobs such as concrete mixing, line drain work and other construction activities². Third, skilled community members were given further on-the-job training by the contractor on various aspects of construction work. Those community members were employed by the contractor. Finally, few members also received training on office management whom have been subsequently employed by the contractor in their offices.

2.5 Employment

28. Together with the completion of construction works last year, the camp at Mopa was closed down until February this year. The camp was re-opened to house contractor's staff deployed for the construction of lalibu - Kagua road which intersects Mendi-Kandep road at the beginning. The Mopa Camp is currently employing 52 staff of which 45 are from the lalibu-Kagua road catchment. The community members are employed as camp helpers, cleaners, office and laboratory workers and as CROs. The average income for a male worker is about Kina 500-600 whereas the wages for a woman worker is less (Kina 400-500) as the latter is employed in unskilled tasks such as cleaner, cook, etc. With regard to women employment, the contractor has already employed 10 women. The six CROs (all men) have been instructed to explore ways by which more women are employed in construction work. At the suggestion of PIU, contractor was requested to recruit one woman CRO to facilitate more women engagement in construction work. The results of this engagement will be reported in the next SMR.

2.6 Land use by contractor

29. The contractor had made arrangements to use land for quarry operations, storage of construction materials and for the construction of two camps. In addition, contractor has also paid out to community members for construction damages. All such activities have been undertaken with the necessary agreements of the land owners in place. The relevant land is customary owned by specific community members who may or may not be APs. The

² The relevant data and photos cannot be located as the officer who kept such records are no longer in service

temporary use of customary land has been compensated for in accordance with the agreement. However, all such cases have been with community members where APs may or may not be included. This aspect will be further investigated and reported in the future.

2.7 Other benefits

30. The contractor purchased food items (fresh garden produce, fish and animals) from the community members, inclusive of APs. About 30% of requirement of fresh garden produce of the camp is met through purchases from community members. This is paid to the community of which how many APs are benefitted is unknown. The field staffs have been requested to collect data to show benefits to APs in particular for future reporting.

2.8 Women associations

31. The PROs of contractor are exploring the possibility to form women associations and other ways to enrol women in construction activities. Upon suggestion by the PIU, the contractor has recruited a woman PRO in both Lalibu and Kagua road sections to facilitate more women employment in construction work.

2.9 Income and livelihood restoration

32. As mentioned earlier, a small number of community members have received income from employment in camp and office work. They continued to receive income by way of selling food and other items to the contractor and the camp staff. Details of income received by APs are not available as the contractor does not have data for the APs. Arrangements are already in place in order to collect all income and employment statistics for APs for future reporting.

33. The contractor has provided training on crops farming coupled with the distribution of seeds for planting by the community. It has also given training on planting and crop management on new crops such as Chinese Cabbage, not traditionally present in the area. The contractor has agreed to purchase the entire produce of this crop.

34. There are about 20 women who operate their mini-markets in front of the Mopa Camp. This has been an important livelihood support for several households. The vendors are mainly APs. The mini-market had been established ever since the camp began operation in 2012 which is continued now for the construction of Lalibu to Kagua road.

35. The SIS study already implemented in this road section has collected data on housing, employment, ownership of household possessions, income, livelihoods, etc. The data analysis concerning above parameters and comparison with the baseline (as stipulated in studies conducted for RAP) will be prepared later when the relevant data is available from the SIS.

3 Conclusions and Recommendations

3.1 Conclusions

36. The main conclusions arising from the monitoring activities during the review period are:

- The compensation amount to missed-out APs includes 19% rate adjustment has been established and request to DOW for this amount has already been made.

- All grievances have been compiled, assessed and verification conducted. There are grievances of which good numbers of them have been approved by GRC for ground verification. All grievances are dealing with payment issues;
- It is planned to conduct payment to all approved APs during the remaining part of the year;
- It is necessary to compare the socio-economic status of APs before and after resettlement. This analysis is expected to yield information based on which further actions to correct observed gaps, if any could be formulated;
- The community along lalibu to Kagua road continues to receive income from the contractor by way of purchase of food, construction and other items. Several people also continue to receive wages as construction and office workers whilst a few are receiving the payment for the temporary use of their customary land. About 30% of camp's requirement for vegetables and fresh garden produce are purchased from the community; and
- Women employment has been about 10% which is below the expected rate of 30% as per the loan agreement. The staffs are exploring various methods to enrol more women as construction workers.

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

3.2 Recommended actions

38. As stated in the previous paragraphs, the only pending resettlement activity is the payment of compensation for missed out APs of which there are 449. The Table below provides information on the up-dated action plan.

39. Based on above discussion, the only resettlement activity yet to be completed is the missed out AP and genuine grievances. These activities are planned to be completed during the latter part of this year. Work on activity 2 and 3 have already begun where the progress will be reported in the next SMR. Accordingly, it is confirmed that most activities as per the approved RAP have been fully completed except for the payment for missed out APs which is in-progress at the time of writing this report. The resettlement program fully complies with the RAP.

Table 2 : Corrective action to be undertaken.

Items	Item and Corrective Action	Responsibility	Completion Date (Planned)	Remarks
1	Complete all outstanding payments representing missed out APs and aggrieved APs	DOW/HRMG	October 2016	In-progress
2	HRMG staff to identify women groups and undertake other actions to increase women employment on construction works.	HRMG/Contractor	30 th August 2016	Contractor has already recruited a woman CRO to facilitate the process
3	Collect disaggregated data on AP benefits from construction works	HRMG/PIU	30 th November 2016	This will be discussed in CRO training in September

Appendices

Appendix 1 : List of References

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

Appendix 2 : List of People Interviewed

1. Ippio Acceri, the Team Leader, CSC
2. Alphonse Niggins, Senior Field Coordinator, HRMG
3. Paul Nombri, Technical Services manager, HRMG
4. Jerry Yang, Camp Manager, Mopa Camp
5. Patterson Sonali, CRO, Mendi-Tambul (Mendi side)
6. Newman Paraka, Environmental officer, Mendi-kandep
7. Mathias Awi, Social Safeguards Officer, HRMG
8. Jerry Kevin, Safeguards Coordinator and member, resettlement disbursement team
9. Andrew Noria, Team leader, resettlement disbursement team
10. Angeli Lei, Resettlement disbursement team member
11. Jr Kupulu, PWM, SHP
12. Kaison Mai, LLG Councillor Tambul
13. Robin Wang, Engineer, Ande camp, Tambul
14. Walter Liu, translator, Ande camp
15. Michael Pasi, CRO (Tambul side)