

Resettlement Framework

May 2013

PNG: Civil Aviation Development Investment Program - Tranche 2

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EXECUTIVE SUMMARY

1. The Resettlement Framework (RF) had been prepared originally in line with the ADB involuntary Resettlement Policy 1995 during the processing of the overall MFF and the Tranche 1. The RF is currently updated in line with ADB's Safeguard Policy Statement (SPS) and applicable laws of Papua New Guinea (PNG). The RF provides policies and procedures for preparation of a land acquisition/resettlement plan (RP) and payment of compensation to affected people for affected assets for projects under the Civil Aviation Development Investment Program (Investment Program).

2. The Investment Program is an MFF with an outcome that hopes to result in (i) improved safety, (ii) accessibility to markets, natural and mineral sites, tourism, and livelihood opportunities, and (iii) reduced air travel costs. Actual works proposed will upgrade, rehabilitate and maintain several national airports in PNG. At the completion of the program: (i) national airports will be in compliance with the International Civil Aviation Organization Security and Safety Conventions, (ii) modern communications and navigational equipment will provide enhanced services and generate additional revenue, (iii) capacity of National Airports Corporation (NAC) and its subsidiary will be improved, and (iv) civil aviation sector wide policies associate with cost recoveries will be implemented and (v) a new National Transport Development Plan will be finalized. The National Transport Plan specifies the sequential development and linkages between different sectors (land, air and sea) of transportation in PNG.

3. Airports identified for improvement are currently on state land. To all extent possible, civil works proposed under the investment Program including upgrading and extension of runway will be undertaken within existing airport boundary (NAC/state owned land). It is anticipated that there will be no or very limited land acquisition required for the Program. While the Tranche 1 and 2 projects didn't require land acquisition/resettlement, any permanent and temporary resettlement issues under subsequent tranches will be assessed at the time of their preparation and design.

4. In the case of where additional land is required to upgrade and extend airport runways under this Investment Program, the land acquisition will be done following the 1996 Land Act in coordination with the Department of Lands and Physical Planning (DOL) and ADB's SPS. Affected people (APs) will be compensated for affected land and other assets (crops, trees, structures, etc.) in accordance with the Entitlement Matrix in the RF. Compensation will be paid in cash at replacement cost. In addition to compensation, APs are entitled to assistance, for example, to shift temporary informal market structures and for disruption of businesses. APs will also receive priority for employment for the Program civil works and ongoing maintenance. All costs related to land acquisition, compensation and allowances, operation and administration costs, surveys, monitoring and reporting will be financed by NAC using counterpart funds.

5. Consultations will be carried out at different points in the preparation and implementation of tranches/projects. With support from NAC, Local-Level Government Ward Councilors and relevant local authorities, the project implementation unit will organize consultations with each affected community. The key consultations will occur prior to and/or as part of all project works. There will be (i) screening and preparation of the sub-projects within each tranche; (ii) MOA negotiation and conducting land survey, investigation, and social surveys; and (iii) disclosure and review of the draft RP. The investment Program with the help of Community and Lands Officer (CLO) and Social Safeguards and Gender Specialist will consult with communities and

APs on related issues, as required, throughout the process of the preparation and implementation of tranche projects.

6. A grievance redress mechanism will be established to ensure that all APs grievances on any aspect of land acquisition, and/or compensation for affected assets are resolved in a timely and satisfactory manner. The CLO will be the focal point to address grievances for the Investment Program. The mechanisms will be based on the provisions of the Land Disputes Settlement Act, using the CLO as a first step on the tradition of local mediation that is used throughout PNG.

7. The NAC, as the executing agency for the Investment Program, has overall responsibility to manage the planning, implementation and monitoring of land acquisition/resettlement as well as overall program activities.

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ACRONYMS AND ABBREVIATIONS

ADB	- Asian Development Bank
AP	- affected people
APP	- Airport Project Profile
CADIP	- Civil Aviation Development Investment Program
CLO	- Community and Lands Officer
COA	- Certificate of Alienability
CRP	- Community Relations Program
DLO	- District Lands Officer
DLPP	- Department of Lands and Physical Planning
EA	- Executing Agency
GoPNG	- Government of Papua New Guinea
IA	- Implementing Agency
ICAO	- International Civil Aviation Organization
ILGs	- Incorporated Land Groups
ISS	- Independent Social Safeguards Specialist
LIR	- Land Investigation Report
LLCM	- Local Land Court Magistrate
LLG	- Local-Level Government
MFF	- Multi-Tranche Financing Facility
MOA	- Memorandum of Agreement
NAC	- National Airport Corporation
NGO	- non-governmental organization
PA	- Provincial Administrator
PIB	- public information booklet
PIU	- project implementation unit
PLO	- Provincial Land Officer
PNG	- Papua New Guinea
RF	- Resettlement Framework
RP	- Resettlement Plan
SPS	- ADB Safeguards Policy Statement 2009

GLOSSARY

- Affected person (AP) - means any person or persons, household, firm, private or public institution that, on account of changes resulting from the Project, will have its (i) standard of living adversely affected; (ii) right, title or interest in any house, land (including residential, commercial, agricultural, forest, salt mining and/or grazing land), water resources or any other moveable or fixed assets acquired, possessed, restricted or otherwise adversely affected, in full or in part, permanently or temporarily; and/or (iii) business, occupation, place of work or residence or habitat adversely affected, with or without displacement. In the case of a household, the term AP includes all members residing under one roof and operating as a single economic unit, who are adversely affected by a project or any of its components.
- Squatters - people who have no formal title for the land they have built houses and are living on. This includes settlements of indigenous groups and ethnic minorities who live on state land without formal legal rights, and other resources.
- Encroachers - people who are illegally extending his/her legal holding onto public land for residence, agriculture, or business or any other thing. He/she is an encroacher for occupation of the illegal portion of land.
- Compensation - means payment in cash or in kind to replace losses of land, housing, income and other assets caused by the Project. All compensation is based on the principle of replacement cost, which is the method of valuing assets to replace the loss at current market rates, plus any transaction costs such as administrative charges, taxes, registration and titling costs.
- Entitlement - means a range of measures comprising compensation, income restoration support, transfer assistance, income substitution and relocation support which are due to affected people, depending on the nature of their losses, to restore their economic and social base.
- Land acquisition - means the process whereby an individual, household, firm or private institution is compelled by a public agency to alienate all or part of the land it owns or possesses to the ownership and possession of that agency for public purposes in return for compensation equivalent to the replacement costs of affected assets.
- Rehabilitation - means assistance provided to project affected persons due to the loss of productive assets, incomes, employment or sources of living, to supplement payment of compensation for acquired assets, in order to achieve, at a minimum, full restoration of living standards and quality of life.
- Relocation - means the physical relocation of an AP from her/his pre-project place of residence.
- Replacement cost - means the method of valuing land, structures and other assets as follows:
(i) Agricultural land: The replacement cost of agricultural land will be based on a) the pre-project or pre-displacement market value, whichever is higher, of land of equal productive potential or use located in the vicinity of the affected land; plus b) the cost of preparing the land to levels similar to those

of the affected land; and, c) the costs of any registration and transfer taxes.

(ii) Residential land: The replacement cost equals a) the pre-displacement market prices for land of equal size and use, with similar or improved public infrastructure and services in the vicinity of the affected land; and b) the costs of any registration and transfer taxes.

(iii) Houses and other structures: The replacement cost equals a) the current market prices for new building materials to build a replacement structure with an area and quality similar to or better than the affected structure, or to repair a partially affected structure; plus b) the costs of transporting building materials to the construction site; c) the costs of any labor or contractors' fees; and, d) the costs of any registration and transfer taxes. In determining the replacement cost of structures, no deductions are to be made for a) depreciation of the asset; b) the value of salvage materials; or, c) the value of benefits to be derived from the project.

(iv) Annual crops: The replacement cost for annual crops is equivalent to the average production over the last three years multiplied by the current market prices for agricultural products at the time of compensation.

(v) Perennial plants and trees: The replacement cost for perennial plants and trees is equivalent to current market prices given the type, age and productive value of the plants and/or trees, including lost future productivity.

(vi) Other assets (community, cultural, aesthetic): Compensation will be calculated on the basis of the current market prices at time of compensation for repairing and/or replacing assets; or, the costs of mitigation measures. For example, compensation for the relocation of a gravesite will include all expenditures for excavation and construction of a new grave of similar type; exhumation and transport of remains to new grave; and, other reasonable costs.

- Resettlement - means all measures taken to mitigate any and all adverse impacts of a project on AP property and/or livelihoods, including compensation, relocation (where relevant), and rehabilitation as needed.
- Resettlement plan (RP) - is a time-bound action plan with budget setting out compensation and resettlement strategies, objectives, entitlement, actions, responsibilities, monitoring and evaluation. The RP must be prepared and approved prior to loan appraisal for the Project.
- Severely affected APs - means APs that (i) lose 10% or more of their total productive land, assets and/or income sources due to the Project; and/or (ii) relocate due to insufficient remaining residential land to rebuild.
- Significant resettlement effects - occur when 200 or more people experience major resettlement effects, that is, they are physically displaced and/or lose 10% or more of their productive, income-generating assets.
- Vulnerable groups - mean distinct groups of people who might suffer disproportionately or face the risk of being marginalized by the effects of resettlement and specifically include: (i) female headed households with dependents, (ii) disabled household heads, (iii) households falling under the generally accepted indicator for poverty, (iv) landless households, (v) elderly households with no means of support and landlessness, and (vi) indigenous minorities.

I. INTRODUCTION

1. There are 21 National airports which carries the bulk of international and domestic passenger and freight traffic throughout the country. Ten of these airports are located along coastal provinces, 6 of them are in the Highlands while 5 of them are found on the Niugini islands. In PNG, most of the major airports and terminal facilities are owned and operated by the Government through the PNG National Airport Corporation (NAC). Most of the proposed scope of airport upgrading in 21 airport sites will be undertaken within existing airport boundary.

2. The Resettlement Framework (RF) for the Civil Aviation Development Investment Program (CADIP) had been prepared originally in line with the ADB Involuntary Resettlement Policy 1995 at the time of processing of the overall Multi-Tranche Financing Facility (MFF) and Tranche 1 to guide the preparation of tranches or projects, especially where compensation of crops and trees or land acquisition is required. The RF is currently updated in line with ADB's Safeguard Policy Statement 2009 (SPS) and applicable laws of PNG. While the Tranche 1 and 2 projects didn't require land acquisition/resettlement, any permanent and temporary resettlement issues under subsequent tranches will be assessed at the time of their preparation and Resettlement Plan (RP) will be prepared for projects that involve resettlement issues.

3. All 21 national airports are situated on State owned or NAC land. To all extent possible, civil works proposed under the investment Program including upgrading and extension of runway will be undertaken within existing airport boundary (NAC/state owned land). Where additional land is required for airport extension, the land acquisition will be done following the 1996 Land Act in coordination with the Department of Lands and Physical Planning (DLPP) and ADB's SPS. The required portions of land will be negotiated with clans and communities and a Memorandum of Agreement (MOA) will be signed.¹ Affected people (APs) will be compensated for land and other assets (crops, structures, trees, etc.) in accordance with the RF.

A. Project Description

1. Overview of the Civil Aviation Development Investment Program for Papua New Guinea

4. The CADIP is a comprehensive program to upgrade, rehabilitate and maintain 21 national airports in Papua New Guinea (PNG). The Government of Papua New Guinea (GoPNG) will undertake this program with assistance from the Asian Development Bank (ADB) in the form of an MFF of approximately \$480 million.

5. The Investment Program will include (i) projects to enhance the safety and security requirements in compliance with the International Civil Aviation Organization (ICAO) Safety and Security conventions through four or more tranches under this multi-tranche financing facility; (ii) design and supervision of airport improvement works, preparation and administration of long-term airport maintenance contracts for the entire national airports, (iii) monitoring the socioeconomic benefits of the improved and maintained national airports. CADIP will also work closely with the capacity building program of NAC financed by the Australian Agency for International Development under their sponsored Transport Sector Support Program.

6. Improved airport facilities will increase mobility and accessibility of people to markets and natural resources. Market producers will have more buyers and spend less days traveling to

¹ There is community ownership of land in PNG and the usual practice for acquiring land for a public purpose is through negotiations with the affected community/clan, culminating in a Memorandum of Agreement.

sell their products, thus leading to more productivity. People living in project areas will directly benefit from job opportunities through the required civil works, marketplace upgrading, and increase of various business (in particular, tourism) opportunities. The primary beneficiaries of the Program will be airport users and local communities at each project site including airport market vendors (especially women selling vegetables, food and handicrafts) from market upgrading activities. The secondary beneficiaries would include public transport service industries and tourism associated industries.

7. The executing agency for the CADIP is the NAC.

2. Eligibility Criteria for Inclusion of Airports in CADIP

8. The Investment Program will follow MFF implementation procedures. The PIU will assist NAC in detailed engineering, bid documents, environment and land acquisition/resettlement, tendering and contract awards. Any resettlement activities will be completed before civil works begin. NAC with the assistance of the consultants will select subprojects based on the program's selection criteria, including:

- (i) There will be no or minimal requirement for land acquisition.
- (ii) The proposed project has full support for the upgrading and rehabilitation of the airport from the local communities as well as district and provincial administrators. This should be expressed in community consultations with written support.
- (iii) The proposed civil works avoid the displacement of residential structures or other permanent structures.
- (iv) The airport is on State-owned land (as per the Land Act), or there is a negotiated agreement with affected communities to use customary land.
- (v) The airport scope of works to upgrade, rehabilitate and maintain do not have any other significant adverse social impacts.

9. These criteria will be used for screening latter tranches of airport works in order to identify eligible national airport. With specific reference to potential impacts resulting from the acquisition of land, the screening process will identify the types and nature of potential impacts and provide adequate mitigation measures to address them so as to ensure that APs are (i) informed about their options and rights; (ii) included in a consultation process and given the opportunity to participate in the selection of eligible airports; and, (iii) provided with prompt and effective compensation at replacement cost for loss of or damage to affected assets.

10. In the event that the proposed airport does not comply with these criteria, NAC engineers working with the local social specialist will review the proposed works and modify project design to ensure acceptability of the airport in question to be included in the CADIP.

B. Scope of CADIP Land Acquisition and Impacts

11. A key objective of the CADIP is to avoid any acquisition of land to upgrade and rehabilitate national airports; and, where that is not possible, to minimize the impacts of land acquisition on the people.

12. Although it was classified as category B in view of potential minor resettlement impacts, the Tranche 1 did not involve such impacts during implementation. All civil works under the Tranche 1 including upgrading and extension of runway have been undertaken within existing airport boundary.

13. Tranche 2 is also not expected to involve land acquisition and resettlement impacts, as all subproject works will be undertaken within NAC or state owned land and the engineering design has been revised, such as realignment of the fencing at Buka, to avoid resettlement impacts. In case any unanticipated impacts are identified during construction, an RP will be prepared according to the RF.

14. It is expected that subsequent tranches will also be implemented without requiring land acquisition and resettlement. However, they will be assessed for any potential land acquisition/resettlement issues at the time of their feasibility. If any projects involved such issues, an RP will be prepared following the RF.

II. POLICY AND LEGAL FRAMEWORK

15. The policy framework and entitlements for land acquisition/resettlement are based on the laws, regulations and policies of the GoPNG and the ADB SPS. The principal PNG laws include: (i) the 1975 Constitution; (ii) the 1996 Land Act; (iii) the 2000 Land Disputes Settlement Act; (iv) Land Groups Incorporation (Amendment) Act 2009; and (v) Customary Land Registration Act 2009.

A. PNG Legal Framework

16. In PNG, the majority of land is customary land where ownership of specific territorial areas is vested in descent groups, clans or tribes. All tribe members are co-owners, with rights to use but are not allowed to alienate land. Trustees are appointed by tribes to represent them where there is such a need. Land ownership and use is an integral part of the identity, the sustenance and the social relations of tribes; property rights are inherited from ancestors and maintained in trust for future generations.

17. The State has no authority over customary land other than the provisions of the Land Act to acquire customary land for public purposes. The GoPNG has acquired most land for the main national airports following this Act.

1. PNG Constitution

18. The 1975 Constitution explicitly provides for the adoption of custom as part of the underlying law of PNG (Schedule 2), thus recognizing the property rights attached to customary land. During the colonial administration, the 1963 Customs Recognition Act stated that “custom shall be recognized and enforced by, and may be pleaded in, all courts...” (Art. 3(1)(a)). Following independence, these principles were reaffirmed in the Constitution and, subsequently, in the 2000 Underlying Act. Customary law is defined as the rules, rights and obligations pertaining to an individual or group by custom and tradition; and, according to the 2000 legislation, shall apply and be recognized by the courts where written and underlying laws do not apply and except as it is inconsistent with written law.

19. The Constitution also guarantees the right of PNG citizens to protection from unjust deprivation of property (Art. 53). No land or interest in land may be acquired compulsorily by the

State except as it is required for public purposes or other justifiable reasons. Moreover, in the event of expropriation of land, “just compensation must be made on just terms by the expropriating authority” (53(2)).

2. Land Act

20. The Land Act (No. 45 of 1996) sets out the conditions and procedures for the State to acquire customary land required for public purposes such as airports, tracks, bridges, culverts and quarries. The key provisions of the Act are in Appendix 1: Salient Provisions of 1996 Land Act.

3. Land Groups Incorporation Act and Voluntary Customary Registration Act

21. The Land Groups Incorporation (Amendment) Act 2009 and the Voluntary Customary Land Registration Act 2009 were brought into effect in 2011, following recommendations from the National Land Development Taskforce. These Acts facilitates the voluntary registration of customary land, to be known as “registered clan land”, and makes that land available for development through the use of Incorporated Land Groups (ILGs). The intention is to allow landowners who wish to use their land for development purpose.

4. Land Disputes Settlement Act

22. The Land Disputes Settlement Act (No. 10 of 2000) was initially adopted in 1975. It sets out rights and procedures related to the resolution of disputes involving customary land. It recognizes as parties to these disputes, customary kinship groups, customary descent groups and customary local groups or communities (S2). It also requires that proceedings take into account relevant customs (S35(1)(d)). The Act provides for the establishment of a Provincial Land Disputes Committee, as well as Land Courts at the local level government (LLG), district and provincial levels. The Committee can appoint land mediators for specified land mediation areas where disputes occur; a mediator may be the Local Land Court Magistrate (LLCM), a Village Magistrate, a Local Councilor or other senior person of good standing with the litigants. The Act promotes a process for resolution of land disputes through (i) a first step of mediation; if mediation fails, it is followed by (ii) appeal to the designated courts. The mediation process is based on the principles of traditional dispute settlement in PNG.

B. ADB Safeguard Policy Statement

23. The aim of the ADB SPS on Involuntary Resettlement is to avoid or minimize and mitigate the impacts on people, households, businesses and others affected by the land acquisition required by a project. The scope of the policy includes physical and economic displacement as a result of (i) involuntary acquisition of land, (ii) involuntary restriction on land use and (iii) involuntary restriction of access to legally protected areas. The objectives are:

- Avoid involuntary resettlement wherever feasible, and minimize involuntary resettlement through assessing project alternatives and alternative project designs.
- Enhance or at least restore the livelihoods of all APs in real terms relative to pre-project levels and improve the standards of living of the affected poor and other vulnerable groups.

24. The SPS's key policy principles are: (1) Screen early and assess resettlement impacts; (2) Carry out consultations with APs and develop a grievance redress mechanism; (3) Improve/restore livelihoods of APs through land-based strategies, replacement of lost assets, compensation at replacement cost, and additional benefits, as appropriate; (4) Provide appropriate assistance to physically displaced APs; (5) Improve living standards of poor APs and other vulnerable groups; (6) develop transparent procedures for negotiations; (7) provide assistance and compensation to non-titled APs for loss of non-land assets; (8) Prepare Resettlement Plans (RPs); (9) disclose RPs to APs and other stakeholders and document the consultation process; (10) conceive and execute resettlement as part of the project; (11) deliver entitlements to APs before their physical or economic displacement; and (12) monitor and assess resettlement outcomes.

25. GoPNG laws and ADB policies on Involuntary Resettlement are similar in several aspects such as principles of avoiding/minimizing impacts, consultations with APs, negotiations, and providing compensation. However, they are not fully aligned in some aspects, including: (i) compensation/assistance to non-titled settlers or squatters; (ii) preparation and disclosure of RP; and (iii) compensation at replacement cost. To ensure that the Program meets SPS requirements, necessary measures are included in this RF and the next section describes CADIP's resettlement objectives and principles. Where there is an existing gap between GoPNG laws and ADB SPS, the principles adopted in the RF and SPS will take precedence while implementing CADIP projects involving land acquisition and resettlement.

III. CADIP ENTITLEMENT AND COMPENSATION POLICIES

26. The CADIP will comply with both ADB's safeguard requirements and PNG's laws and regulations applicable to land acquisition and resettlement. The resettlement objectives and policy principles for CADIP are as follows:

- Land acquisition and resettlement will be avoided or minimized through careful engineering design.
- APs will be consulted meaningfully and effective mechanisms will be established for hearing and resolving grievances.
- Social assessment will be undertaken and RPs will be prepared for airports involving land acquisition/resettlement, if any.
- APs will receive compensation at replacement cost for their loss of assets and necessary assistance to ensure that they will be as well off as without the project.
- Such compensation will be paid to APs prior to commencement of civil works.
- Absence of formal title will not be a bar to compensation or assistance. Particular attention will be paid to women, the elderly and other vulnerable people.
- Land acquisition and resettlement will be conceived of as part of the project and related costs will be included in and financed out of the project cost.
- Resettlement impacts (if any), including any unforeseen losses that may occur during construction will be monitored and remedial steps taken as required.

27. The following section elaborates on key aspects of CADIP policies, including: a) measures to avoid/minimize land acquisition/resettlement; b) entitlements to compensation; c) entitlements to rehabilitation assistance; d) eligibility for compensation and rehabilitation assistance; e) financing and payment of compensation and allowances; and, f) coordination of land acquisition activities and civil works.

A. Avoiding or Minimizing Land Requirements

28. In order to avoid/minimize land acquisition/resettlement and associated impacts, the inclusion of a candidate airport for upgrade under CADIP is contingent on compliance with the agreed eligibility criteria (Section I.A.2, above). Through careful engineering design for airport upgrading and rehabilitation the project will avoid/minimize land acquisition/resettlement.

B. Compensation Entitlements

29. The Table in Section III. D (see below) summarizes the compensation entitlements in an Entitlement Matrix. The following section describes entitlements, the process for negotiation and calculation of compensation costs.

1. Negotiation for Use of Customary Lands

30. For most public works in PNG, the government authorities often consult with landowners who claim an interest in the land and obtain land through negotiation. The project will continue this tradition of negotiation as appropriate. Any land required for the airports will be fully acquired following the Land Act, and may be either purchased outright or leased. When upgrading of an airport requires additional area that is located on customary land, the NAC will coordinate with the Provincial Land Officer (PLO) and/or the District Land Officer (DLO) in order to enter into negotiations with land owners to acquire the right to use additional land required to upgrade and rehabilitate the airport or on a temporary basis to accommodate other activities related to the CADIP.

31. The use of customary land needed to upgrade or rehabilitate the airport will follow relevant PNG laws and ADB SPS. An MOA will document the agreements reached with the community leaders and affected land owners regarding the land use. Appendix 2 provides an outline of the MOA, which will be finalized with DLPP during implementation.

2. Compensation for Land, Crops, Trees and Structures

32. APs who have land, crops, trees and/or structures that are damaged or lost are entitled to compensation to replace these assets. In addition to the compensation for land, crops and assets, there will be compensation for the loss of income as well. The compensation rates and amounts shall be determined in the following manner:

a. Land

33. Affected landowners will be provided compensation. A (private) registered Land Valuer will be hired by NAC to do land valuation at replacement cost. The Provincial Lands Officer and the District Lands Officer will assist in the process.

b. Annual Crops

34. In the first instance, APs will be encouraged to harvest annual crops. In this case, no compensation will be paid for crops because APs will be able to use the crops to meet household consumption needs and/or to generate cash income.

35. If APs are unable to harvest prior to clearance of the land, compensation will be paid at replacement cost based on current market prices.

c. Perennial Crops and Trees

36. For perennial crops and fruit trees, APs will be encouraged to harvest the current year's crop.
37. For timber trees, APs will be required to cut the trees prior to clearance of the additional land; they will be permitted to harvest the trees and sell the timber.
38. Compensation for lost plants and/or trees will be paid at replacement cost based on current market prices. The CADIP will also pay an additional grant equal to the lost income for the period of time until new perennial plants or fruit trees produce a yield similar to the lost plants and trees.

d. Structures

39. For semi-permanent or temporary structures, APs will be assisted to shift or reinstate structures nearby and provided with a shifting allowance to cover the costs of this activity. If structures cannot be reinstated nearby, they will be provided compensation at replacement cost. They will also be provided an allowance for disruption of their businesses (see below, Section III.C.1 and 2).
40. The project is not expected to affect residential structures or other permanent structures. Nonetheless, if such structures are affected, APs are entitled to compensation at replacement cost for the materials and labor to repair or reconstruct a similar structure. In addition, these APs are entitled to a moving allowance to relocate their possessions (see below, Section III.C.1).

3. Calculation of Compensation

41. The initial assessment of affected assets will be made at the time of the detailed engineering designs. NAC will recruit a valuation specialist to calculate compensation rates and amounts at replacement cost based on market price of affected land and assets.
42. All compensation rates and the amount of the compensation for damaged crops, trees and structures will be verified and approved by the office of the Valuer General.
43. APs are entitled to payment of all compensation based on surveys prior to clearance of land and start of civil works. PIU will ensure that all procedures are followed to facilitate payment of APs prior to the start of civil works.
44. In the case of affected crops, trees and structures, the compensation owed will be paid directly to the person who owns these assets. For example, if women cultivate affected gardens, the compensation will be paid to the affected women.
45. In the event that the losses or damages incurred during civil works are different from those assessed during the DMS, PIU will make appropriate adjustments in the compensation amounts, seek verification and approval from the Valuer General and ensure that APs are paid promptly.

C. Entitlements to Rehabilitation Assistance

46. The CADIP will support APs to restore their living conditions and standards in the most efficient, effective manner possible; and will provide assistance in the following situations:

1. Shifting Allowance

47. APs that own a structure that is used for business and needs to be shifted temporarily or permanently are entitled to an allowance to cover the loss of business income until the structure is reinstated. The cost of shifting will be covered by the program. The value of the allowance will be calculated by a valuation specialist. The loss of income could be put under "Transitional Allowance."

48. At the time that the shifting allowance is paid, the structure owner will sign an agreement with PIU and/or DLO regarding the date by which the structure will be removed from the land required to upgrade/rehabilitate the airport.

2. Project Employment

49. People affected by permanent or temporary loss of land or by damage or loss of crops, trees or structures will be given priority for casual and long term employment by contractors for civil works and/or maintenance works on the airport, in accordance with their qualifications to do the work.

3. Income Restoration Measures

50. No airports are expected to involve significant impacts on APs livelihoods. If any airports require land acquisition/resettlement, impacts are expected to be limited to temporary shifting of market stalls and clearance of trees. In case any subproject involves significant impacts, income restoration measures will be included in the RP.

D. Entitlement Matrix

51. The following Entitlement Matrix summarizes the entitlements to compensation and rehabilitation assistance for the CADIP.

CADIP Entitlement Matrix				
Type of Impact	Entitled Person	Entitlements	Expected Results	Implementation Issues
Affected Land				
Temporary use of land	Customary land: Land users as recognized by clan leaders	Use of the land will be acquired through negotiated lease with landowners. Rent as negotiated under the lease. Cash compensation at replacement cost will be paid for any damaged crops, fences or other structures located on project-affected land. In the case of construction camps, the civil works	Compensation (in form of land lease) for use of land. Compensation for damaged crops, trees, fences or other structures.	The agreement to use customary land whether temporarily or permanently will be negotiated based on the following conditions: a) landowners agree to and support the upgrading and rehabilitation of the airport; b) landowners are

CADIP Entitlement Matrix				
Type of Impact	Entitled Person	Entitlements	Expected Results	Implementation Issues
		contractor will negotiate directly with the landowner to reach agreement regarding the payment of royalties.		consulted and make informed decisions regarding agreements to use land; and
	State-owned land: Encroachers or squatters settlements	No compensation will be paid for use of the land. Cash compensation at replacement cost will be paid for any damaged crops, trees, fences or other structures on project-affected land.	Compensation for damaged crops, trees, fences or other structures.	c) they guarantee on behalf of all clan members that they will not disrupt the project in other ways. NAC will engage a valuation specialist to determine compensation rates at replacement cost based on market prices.
Permanent use of land (including garden and residential land)	Customary land: Land users as recognized by clan leaders	Replacement land or cash compensation at replacement cost will be provided for affected land. Cash compensation at replacement cost will be paid for any damaged crops, fences or other structures on project-affected land (see below).	Replacement land or cash compensation for value of affected land. Compensation for damaged crops, trees, fences or other structures.	
	State-owned land: Users or occupants	No compensation will be paid for use of the land. Cash compensation at replacement cost will be paid for any damaged crops, trees, fences or other structures on project-affected land (see below).	Compensation for damaged crops, trees, fences or other structures.	
Affected Assets				
Annual crops	Owners of the crops	Compensation for loss of or damage to annual crops on project-affected land as follows: a) APs given notice to harvest crops before clearance or removal from required land; OR, if APs are not able to harvest b) cash compensation at replacement cost based on market prices.	Compensation for damage to or loss of standing crops to ensure income restoration.	NAC will engage a valuation specialist to determine compensation rates at replacement cost based on market prices. All compensation rates and amounts will be verified and approved by the office of the Valuer General.
Perennial crops and trees, including coffee shade and timber trees	Owners of crops and trees	Compensation for losses or damages as follows: a) APs given notice to harvest crops before clearance or removal from required land; b) cash compensation for lost	Compensation for damage to or loss of perennial crops and trees to ensure income restoration.	All compensation assessed prior to damage or removal shall be paid in full prior to the beginning

CADIP Entitlement Matrix				
Type of Impact	Entitled Person	Entitlements	Expected Results	Implementation Issues
		<p>plant or tree calculated at replacement cost based on market prices.;</p> <p>c) in the case of perennial crops and trees, the valuation will also take into account the lost income for the period of time until new plants or trees produce a yield similar to the lost plants/trees;</p> <p>d) in the case of timber trees, APs will be permitted to harvest trees and sell the timber.</p>		<p>of civil works.</p> <p>If further damage or loss occurs during civil works, CADIP PIU will carry out supplementary assessments and take steps to get approvals for and payment of additional compensation to which APs are entitled as rapidly as possible.</p>
Allowances				
Shifting back of semi-permanent and temporary structures	Owners of structures	A shifting allowance to compensate for lost business revenues until the structure is reinstated.	Restoration of livelihood / economic activities.	<p>The allowances for shifting structures and loss of business income will be assessed by a valuation specialist based on actual time required, e.g., to shift a structure and the loss of income.</p> <p>At the time that the shifting allowance is paid, the trade store owner will sign an agreement with CADIP PIU regarding the date of removal from the land required for upgrading the Airport facilities.</p>
Disruption of business activities due to civil works	Owners of trade stores and other roadside businesses, including airport market and handicraft vendors	A disruption allowance for the number of days that business is disrupted due to lack of access or other consequences of civil works.	Restoration of livelihood / economic activities.	
Relocation of permanent structures	Owners of structures	A moving allowance to cover the costs of moving personal possessions, paid in cash or in kind (e.g., provision of transport).	Restoration of conditions.	
Vulnerable APs	APs that are female household heads, handicapped and/or elderly, as determined during social surveys	Additional cash grant to head of AP household. The value of the cash grant will be calculated based on the provincial minimum wage as established by the Minimum Wage Board for a period equal to number of days that livelihood is disrupted	Poverty reduction measure and development	
Airport-affected people	APs including vulnerable APs	Priority for paid work for civil works and/or ongoing maintenance for airport road, assuming qualifications to do the work.	Poverty reduction measure and development	
Unforeseen or	Concerned affected	These will be determined as per the principles of this RF		

CADIP Entitlement Matrix				
Type of Impact	Entitled Person	Entitlements	Expected Results	Implementation Issues
unintended impacts	people	and ADB's safeguard policy.		

E. Eligibility for Compensation and Rehabilitation Assistance and Cut-off Date

52. In order to minimize the incidence of encroachment onto land required for upgrading and rehabilitation of airports, the identification of APs and affected assets and the negotiation of entitlements to compensation and/or rehabilitation assistance will occur following detailed engineering design and immediately prior to the initiation of civil works. Where indigenous people or a linguistic group requires translation assistance, CADIP will ensure that translators and translation of information materials will be available. This will be done in a manner to ensure full consultation with and disclosure to APs and communities regarding the requirements for land acquisition, as well as the policies and procedures of the CADIP. The date of community consultations to address land acquisition will be deemed, for the community in question, to be the "cut off" date for eligibility for compensation and rehabilitation assistance:

- (i) Land owners and/or users that have documented claims to affected land, crops, trees and/or structures as of the cut-off date will be eligible for compensation and/or rehabilitation assistance as per the project policy.
- (ii) Any person or group that occupies or uses land required for upgrading and rehabilitation of the airport after the cut-off date will not be eligible for any compensation and/or rehabilitation assistance; they will be required to remove from the land as per the provisions of the Land Act.

F. Payment of Compensation and Relocation Activities

53. The CADIP adopts the principle that all compensation for affected land and assets will be paid at replacement cost based on current market prices. NAC will coordinate with DLPP and local authorities for effective and efficient implementation of compensation payment and relocation activities. The RP will describe detailed activities and schedule on implementation.

54. Where indigenous people or a linguistic group requires translation assistance, CADIP will ensure that a translator is provided to ensure the particular group has full understanding of the compensation matters.

55. If payment of compensation is delayed, compensation rates will be updated regularly based on inflation rates to ensure that APs receive compensation at replacement cost at the time of compensation payment. Changes to compensation amounts will be verified and approved by the office of the Valuer General.

G. Coordination of Land Acquisition Activities with Civil Works

56. All land acquisition activities will be coordinated with the civil works schedule. Civil works contractors will not be issued a notice of possession of the site until (i) compensation and relocation of APs have been satisfactorily completed; (ii) agreed rehabilitation assistance is in place; and, (iii) the site is free of all possible issues.

IV. CONSULTATION, DISCLOSURE AND GRIEVANCE REDRESS

57. In compliance with GoPNG and ADB policies and priorities, the CADIP will ensure a transparent and accountable process for land acquisition/resettlement as required to upgrade, rehabilitate, and maintain airports. This section outlines the CADIP procedures for stakeholder consultations, disclosure and grievance redress.

A. Consultations and Information Dissemination

58. Dissemination of information and consultation with stakeholders will occur at different points in the preparation and implementation of tranches/projects to ensure that APs and other stakeholders have timely information about land acquisition/resettlement and compensation. The PIU working in collaboration with the DLPP, Provincial Administrations (PA) and local level government will organize the information and consultation activities.

59. The updated RF and any subsequent RPs will be posted on the ADB website and properly disclosed to all levels of stakeholders from the concerned national, provincial and local level government agencies, to the directly affected persons. Community consultations which may be facilitated by government and non-governmental organization (NGO) representatives, popular media and/or written materials such as a public information booklet (PIB) in the local language (*tok ples*) or *tok pisin* shall be used as means for disclosure.

1. Consultations with Provincial and District Stakeholders

60. During implementation of the CADIP, consultations will be carried out with provincial and district and local level administrations and other stakeholders during the work to conduct the initial screening of candidate airports and to prepare projects under different tranches. During these consultations, the project implementation unit (PIU) will disclose information regarding the scope and objectives of the CADIP and the airport; the policies, principles and procedures for land acquisition/resettlement; and, preliminary estimates of land acquisition/resettlement requirements and impacts.

1. Consultations with Affected People/Communities

61. As part of the development of CADIP projects to ensure safeguards planning, PIU will employ a full time Community and Lands Officer (CLO) to implement a Community Relations Program (CRP) with local communities at relevant airports. The CRP will be organized with the collaboration of provincial, district and LLG authorities; and, will involve consultations and other activities related to any land acquisition/resettlement, enhancement of benefits for communities and mitigation of adverse environmental and social impacts. PIU will prepare a stakeholder consultation, participation and communication plan to ensure the involvement of other stakeholders in the CRP as appropriate including, among others, channels for APs for contacting the DLPP and NAC where required.

62. An important component of the CRP is community consultations when there is a requirement to prepare a RP². Following detailed engineering design for airport works, PIU will organize consultations with those communities affected by land acquisition/resettlement. Participants will include appointed and traditional leaders in the village, affected land owners/persons and all other interested members of the community. Village leaders will encourage all community members to attend including women, elderly people and young

² Other components of the CRP are discussed in the SPRSS for the CADIP tranches.

people. Because women are often reluctant to speak in general community meetings, separate meetings may be held with them to understand and discuss their preferences and concerns. PIU will be joined by the PLO and/or DLO and representatives of the office of the Valuer General, LLG Ward Councilors and local police where appropriate.

63. The summary brochure containing relevant information including the entitlement matrix, grievance procedures, and timing of payments will be disclosed to APs at each subproject site involving land acquisition. The full RP will be made available in English, the official administrative language in PNG, in accessible public locations, such as the LLG office. Village leaders and AP households will be provided with a summary RP or brochure prepared in *Tok Pisin* (the official local language of PNG).

B. Grievance Redress

64. A grievance redress process will be established to ensure that all AP grievances on any aspect of land acquisition/resettlement are resolved in a timely and satisfactory manner. APs will be made fully aware of their rights (both verbally and in writing) and informed how they can access to the grievance redress mechanism. Other than disputes relating to land ownership rights, it is anticipated that all grievances related to benefits and other assistance will be resolved at the project or PIU level.

65. APs can lodge a project-related complaint with the PIU office in a variety of ways, including by contacting the project team at the subproject site or at one of the NAC offices. The Community and Lands Officer (CLO) and/or safeguard consultant(s) will assist APs in registering their complaints with PIU, NAC office or subproject site office, and preparing their specific grievance. The PIU Manager will consider the complaint and within 15 working days will convey a decision to the APs. The safeguard staff, along with local government officials, will assist the PIU Manager in reviewing and addressing the complaint. The CLOs/safeguards staff will facilitate communication between the APs and the PIU in this process. If the APs are not satisfied with the PIU's decision, they may then take the grievance to the PNG judicial system.

66. The Land Disputes Settlement Act establishes judicial procedures for resolution of landownership disputes on customary land. It has a mediation process whereby a designated mediator meets with the disputing parties to resolve grievances. This process is closely allied with the village court system and traditional mediation procedures that draw on the skills of recognized local leaders and elders. If mediation fails, parties can appeal to the designated courts following the steps set out in the Act. The steps in the dispute resolution process include:

- (i) Local Land Mediation: The District Land Officer (DLO) brings together the disputing parties with the mediator. If this fails, the matter can be referred to the Local Land Court.
- (ii) Local Land Court: The case is heard before the Local Land Court Magistrate for determination. If the litigants are not successful, they may appeal to a higher court.
- (iii) District Land Court: The case is heard before a District Land Court Magistrate. If the litigants are not successful, they may appear to a higher court.
- (iv) Provincial Land Court: The case is heard before the Provincial Land Court whose decision is final.

67. PIU in collaboration with the PLO and/or DLO will institute a process to resolve disputes and grievances based on the accepted procedures of mediation. As required, the participation

of appointed and traditional leaders will be promoted to achieve satisfactory resolution of issues at the local level. In general, customary mediation will yield satisfactory results to most complaints. However, if that is not possible, the CADIP will adopt procedures to refer matters to the system of land courts as set out in the Land Disputes Settlement Act (see Section II.A.3, above).

68. In the event of grievances that cannot be resolved through mediation at the local level, the PIU and DLO will hold the compensation amounts in trust. Compensation will be paid in full upon final resolution of the case in the courts or other forum, in accordance with the entitlements of the affected person.

V. CADIP PROCEDURES FOR ASSESSMENT OF IMPACTS AND PREPARATION OF RESETTLEMENT PLAN

69. For each CADIP tranche, the PIU will supervise and manage the preparation of airport project profiles that summarizes the engineering design and feasibility assessments for the proposed upgrading and rehabilitation works, including issues of any additional land requirements. The steps in this process include an initial airport screening, preparation of the airport project profile and, as required, preparation of RP.

A. Airport Screening for Eligibility

70. During the initial stage of the preparation of CADIP projects, NAC and the CADIP PIU will assess the compliance of the candidate airport with the agreed eligibility criteria

71. The screening process will identify the types and nature of potential impacts associated with the land acquisition/resettlement and identify measures to avoid or minimize impacts.

72. In the event that the candidate airport does not comply with the selection criteria, NAC and PIU will further review the proposed works and modify project design to minimize land acquisition/resettlement impacts.

B. Airport Project Profile – Scope of Land Acquisition and Compensation

73. The PIU (or its engineering consultant) is responsible for preparation of the Airport Project Profile (APP). The scope of the APP includes (i) preliminary engineering design for works to upgrade and rehabilitate the airport; and, based on that, (ii) assessments of economic, environmental, social and land acquisition impacts and (iii) estimates for the costs for civil works and mitigation of impacts.

74. With respect to any anticipated requirements for land acquisition/resettlement to upgrade the airport, PIU and/or its consultant will assess the scope of these requirements and their impacts by completing an Airports Screening Form as found in Appendix 3. On the basis of the screening, PIU (and/or its consultant) will recommend one of the following approaches to the further development of the airport:

- (i) Further redesign of the airport to minimize the extent and the costs associated with requirements for land acquisition/resettlement.
- (ii) The preparation of a RP for the airport if there are land acquisition/resettlement impacts including losses of or damage to crops, trees, fences and other structures. In the event of no physical or economic displacement, this will be

reported in the APP along with a Due Diligence Report confirming that there is no need to prepare the RP. The Due Diligence Report will include:

- a brief description of the site including a location map and pictures;
- a description of proposed works and type of activities;
- confirmation of land status, ownership, and usage (supported by deeds of title/records);
- findings of the field visit and observations on the subproject site;
- process and outcome of consultations with land owners/users and other relevant; stakeholders. Records of meetings (attendance, minutes etc); and
- confirmation whether there are any land issues and whether a RP is needed.

75. The APP will be submitted to NAC and ADB for approval for funding under the MFF; the Airport Screening Form and all other relevant information about land acquisition requirements and impacts will be included in the APP.

C. Resettlement Plan

76. A RP (See Appendix 4: Outline of a Resettlement Plan) will be prepared for each CADIP airport that, based on detailed engineering design, will involve land acquisition/resettlement impacts to upgrade and rehabilitate the airport. The RP will be prepared by the PIU (and/or its consultants) with assistance from provincial, district or LLG authorities in the airport area, and with close consultation with village leaders, land owners and other APs. The RP must be submitted to and approved by ADB prior to NAC and/or PIU awarding a contract for civil works for the airport.

77. The preparation of an airport RP will include the following steps and activities:

- (i) The PIU will organize consultations with communities potentially affected by land acquisition (see also Section IV.A.3, above) and other loss of property. The purpose of the consultations is to inform the community about the scope of works to upgrade and rehabilitate the airport; and, the land acquisition/resettlement requirements, if any. In the presence of village leaders, land owners and other stakeholders, PIU will identify the affected land and assets on the ground.
- (ii) As part of the community consultation process, the PIU will conduct a census and assets survey based on detailed engineering design and demarcation of land to be acquired³. The census and assets survey will cover 100% of APs, and include an inventory of affected land, crops and other structures. The purpose of the census and assets inventory exercise is to determine who the affected people are, what they do for a livelihood, and what they are likely to lose due to the project. Socio-economic data will be collected from at least 10% of all APs and 20% of severely affected APs. All survey data will be entered into computerized databases or spreadsheets to facilitate analysis and presentation of the results.

³ The detailed measurement survey (DMS) is the term used in the ADB involuntary resettlement policy. The DMS objective and scope are similar to the Land Investigation Report (LIR) as set out in the 1996 Land Law, namely, to document land and other assets (or land and improvements on land) that are affected by the additional land required to upgrade and rehabilitate airports.

- (iii) A draft RP will report of the types and amounts of additional land that will be required; and, the agreements negotiated for use of this land. In accordance with agreed policies and entitlements for the CADIP, it will also summarize the numbers of APs; how they are affected by the loss of and damage to structures, crops and trees; other assistance to which they are entitled; and, the amounts of compensation and allowances. The RP will include an implementation schedule linked with the civil works ensuring that civil works will not commence until compensation and/or assistance has been paid to APs.
- (iv) The draft RP will be presented to APs and other stakeholders in a public meeting. APs will be encouraged to express concerns and make suggestions about compensation and land acquisition activities. Copies of the draft RP and/or summary brochures will be available during these consultations.
- (v) The RP will be finalized, incorporating the comments and suggestions of APs. The final RP will be produced in English, with summaries in Tok Pisin; and, as appropriate, local languages (*tok ples*).
- (vi) The final RP will be submitted for approval to NAC and ADB. It will be disclosed in accordance with ADB's Public Communications Policy⁴ to the affected communities and on ADB's website after it has been approved.

VI. INSTITUTIONAL ARRANGEMENTS AND RESPONSIBILITIES

A. National Airport Corporation

78. As executing agency (EA) for the CADIP, NAC has overall responsibility to manage the planning, implementation and monitoring related to acquiring additional land to implement airport upgrading, as well as compensation for damages on affected land.

a. CADIP PIU

79. The PIU, as the EA for CADIP to upgrade and rehabilitate airports, has the responsibility delegated by the NAC to carry out the planning, implementation and monitoring of land acquisition/resettlement activities, as required. These include but may not be limited to the following:

- (i) collaborate with and assist PLO and/or DLO to carry out their work in compliance with the CADIP policies and ADB requirements;
- (ii) provide qualified personnel to conduct and/or assist PLO and/or DLO to carry out surveys including fieldwork to support the airport screening and preliminary assessment of additional land requirements; and, as required, a census of affected people, the assets surveys and socio-economic baseline survey;
- (iii) collaborate with PLO and/or DLO for negotiations regarding MOA and leases for use of land;
- (iv) coordinate and carry out consultations with affected communities, including leaders, affected people and other interested community members; and, ensure that all stakeholders are informed in a timely manner about the project, its policies and procedures; ensure that all requirements are carried out concerning public disclosure of the provisions for land acquisition and compensation; and, oversee and monitor the grievance redress process;

⁴ ADB, 2011, Public Communications Policy. Manila.

- (v) review and endorse the draft RP as prepared by PIU and/or its consultant prior to submitting it to NAC and, subsequently, to ADB for approval, making sure that all matters related to land acquisition/resettlement are complete and properly reported;
- (vi) monitor the process of allocation and disbursement of funds for compensation at both the national and provincial levels, and ensure that funds are available and compensation is paid in a timely manner as per the provisions of the RF;
- (vii) carry out all other activities related to internal monitoring of land acquisition/resettlement activities and collaborate with and support the work of the independent monitoring expert;
- (viii) coordinate with civil works contractors to ensure that required land is cleared in a timely manner, that unforeseen damages and losses are recorded and compensation paid and that all other steps and measures are taken to complete the civil works in an efficient manner.

B. Provincial Administrations

80. The PLO will collaborate with PIU to plan, implement and monitor land activities for CADIP airports in the province and/or delegate responsibility to the relevant DLOs. The PLO responsibilities include:

- (i) conducting surveys of land required permanently or temporarily for the airport;
- (ii) negotiating and signing a Memorandum of Agreement for use of customary land with the leaders and affected land owners in communities;
- (iii) negotiating and signing leases for temporary use of land required for the airport; and,
- (iv) consulting with and advising affected communities about the CADIP, the policies and procedures and the rights and responsibilities of affected people and other stakeholders when additional land is required.
- (i) The Provincial Governor and/or PA are responsible to ensure that funds are allocated and disbursed to pay compensation and allowances for provincial (and/or district) airports that are included in the CADIP.

C. District and LLG Administrations

81. The DLO, as delegated by the PLO, will collaborate with PIU to plan, implement and monitor land activities for CADIP airports in the district, including:

- (i) conducting surveys of land required permanently or temporarily for the airport, and preparing LIR;
- (ii) negotiating and signing a Memorandum of Agreement for use of customary land with the leaders and affected land owners in communities will land is affected;
- (iii) negotiating and signing leases for temporary use of land required for the airport; and,
- (iv) consulting with and advising affected communities about the CADIP, the policies and procedures and the rights and responsibilities of affected people and other stakeholders.

82. LLG Ward Councilors will be effective participants in all consultations with local communities, affected people and other stakeholders. They will be responsible for collaborating with PIU to organize and carry out these consultations.

VII. CAPACITY BUILDING AND SUPPORT FOR LAND ACQUISITION/RESETTLEMENT

83. The Department of Lands and Physical Planning is well-organized to assist the EA to oversee and manage the land acquisition and compensation process; and, in particular, to support the work of the EA and others with respect to identification of land tenure, review and endorsement of procedures and plans, as well as facilitation of requests for allocation and disbursement of funds to pay compensation.

84. NAC and DLPP have good experience in dealing with issues related to community consultations and negotiation of MOA for additional land required to upgrade and rehabilitate national and provincial airports, as well as other aspects of compensation for lost and damaged assets as per the GoPNG procedures. Similarly, the personnel of the PLO and DLO in most jurisdictions also have experience with MOA and compensation issues.

85. However, the key issues related to the effectiveness of these agencies relate to insufficient personnel and incomplete understanding of ADB policies and procedures. The CADIP will train and provide other assistance for NAC, PIU and DLPP including PLO and DLO staff in airport areas to carry out the work necessary to acquire the additional land necessary to upgrade CADIP airports.

86. The training will target people from NAC and PIU, provincial and district lands officers in CADIP airport areas, relevant staff of the Valuer General and any other organizations involved in land acquisition and compensation activities. Training will include familiarization on ADB SPS on Involuntary Settlement as well as government land acquisition procedures. The value in this training is to enable NAC to facilitate land acquisition for other tranches of the investment program.

87. CADIP will finance a part-time international consultant Social Safeguards and Gender Specialist and a full time Community and Lands Officer for the entire program period. They will (i) develop and implement a training program on land acquisition policies and procedures for CADIP; and, (ii) provide technical support to PIU and/or its consultant for the preparation of RPs for tranches involving land acquisition/resettlement. The terms of reference are included in the facility administration manual (FAM).

VIII. BUDGET AND FINANCING

A. Sources of Funding for Land Acquisition and Compensation

88. All costs for the CADIP related to land acquisition, compensation and allowances, operation and administration costs, surveys, monitoring and reporting will be financed by GoPNG using counterpart funds. The government and NAC will release sufficient budget for implementation of compensation, resettlement (should it be required), and rehabilitation activities in an appropriate and timely manner. However, costs for monitoring and evaluation of the processes can be sourced from the loan component.

B. Costs to Acquire Additional Land to Upgrade Airports

89. The costs related to additional land requirements for airports cannot be calculated at this stage, because airports for subsequent tranches have not selected yet. The actual budget for such activities under each subproject will be prepared and incorporated in each RP after

detailed discussions with APs on impacts, and following detailed survey and valuation of affected assets.

90. If the designated airports involve land acquisition/resettlement, NAC will request the Department of Treasury through the Ministry of Transport and Civil Aviation to allocate and disburse funds for compensation and allowances related to land acquisition/resettlement required to upgrade and rehabilitate CADIP airports.

C. Training and Capacity Building Costs

91. The CADIP will provide necessary funds for training and capacity building related to land acquisition. The two components of this assistance include:

- (i) An amount of to engage an international and national consultant to support NAC on land acquisition and resettlement aspects, including developing and implementing a training program for PIU and provincial and district land officials.
- (ii) An amount will be allocated to assist DLPP with the costs of preparing the Land Investigation Reports (LIR), MOA, and other land acquisition processes.

92. Exact budget allocations will be specified in the RP.

IX. IMPLEMENTATION AND MONITOING

A. Implementation Schedule

93. The RPs for the airports with resettlement issues will provide detailed implementation schedule and will be disclosed to APs prior to ADB review. Where necessary, an update will be completed upon finalization of project design, and after undertaking a 100% census and assets inventory of the affected population. All activities related to the land acquisition – temporary and/or permanent, will be planned to ensure that compensations are paid prior to displacement and commencement of civil works.

B. Monitoring and Evaluation

1. Internal Monitoring

94. The PIU will monitor all activities associated with land acquisition and payment of compensation to APs. The scope of internal monitoring includes: (i) compliance with the agreed policies and procedures for land acquisition; (ii) prompt approval, allocation and disbursements of funds and payment of compensation to APs, including supplemental compensation for additional and/or unforeseen losses; (iii) the availability of other resources and efficient, effective use of these resources; and, (iv) requirements for remedial actions.

95. During the implementation of the RP, the PIU will prepare and submit six-monthly monitoring reports to ADB. PIU will also submit airport land acquisition completion report to ADB when compensation has been paid and request approval to proceed with civil works.

2. External Monitoring

96. An intermittent international Safeguards Specialist (ISS) will conduct external monitoring for CADIP airports that require land acquisition/resettlement. This position will be supported by

and linked to the work of CLO. External monitoring will focus on the social impacts of the airports and whether APs are able to restore, and preferably improve, their pre-project living standards, incomes, and productive capacity.

97. The ISS will be specialized in social sciences and has experience in resettlement monitoring. It will be recruited and mobilized at the beginning of the tranche involving land acquisition/resettlement impacts; and, will monitor all activities related to land acquisition, community consultations, preparation of RPs and payment of compensation. Specific terms of reference for the ISS for external monitoring will be agreed with ADB.

98. The ISS will prepare bi-annual monitoring reports; and, conduct post-acquisition evaluations twelve (12) months after compensation is completed for each airport. All safeguards monitoring reports will be submitted to PIU and ADB.

APPENDIX 1: SALIENT PROVISIONS OF THE 1996 LAND ACT

- (i) The Minister may acquire land through a) agreement or b) compulsory purchase, including acquisition of developments to or improvements on the land (Art. 7 and 8). Improvements on land include, among others, buildings, fences, wells, reservoirs, gardens, plantations or fixtures constructed to manage or use land and/or to raise livestock.
- (ii) Acquisition of customary land by agreement shall be on the terms and conditions agreed between the Minister and the customary land owners. However, the Minister may not acquire land that is required or likely to be required by the customary land owners. Further, if the land is likely to be required in the future by customary land owners, the Minister may lease the land (Art.10).
- (iii) In the case of compulsory purchase, the date of acquisition is the expiration of a two-month period following the publication of a notice to treat in the National Gazette (Art. 12). The notice to treat must also be served to all land owners or such of them as can, after diligent inquiry, be ascertained; prior to the end of this period, land owners are required to provide particulars regarding their interest in the land, as well as the amount requested to sell their interests to the State (Art. 13). The National Land Commission (NLC) shall hear land owners and shall determine and recommend to the Minister the amounts to be paid.
- (iv) The value of compensation for land acquired under compulsory purchase shall take into consideration a) the value of the land at the date of acquisition, b) the damage (if any) caused by the severance of the land from other land in which the claimant has an interest and c) the enhancement or depreciation in value of the claimant's interest in other land adjoining or severed from the acquired land by virtue of the purpose for which the land is acquired. This enhancement or depreciation in value shall be deducted from or added to, as the case requires, to the amount of compensation otherwise payable (Art. 23).
- (v) The value of compensation to be paid shall be determined a) by agreement between the Minister and the claimant prior to or after the acquisition (Art. 25 and 26) or b) by arbitration as per the procedures of the Arbitration Act, as agreed by the Minister and the claimant (Art. 27).
- (vi) It is an offence punishable by fines and/or imprisonment of persons who trespass on or unlawfully enter, occupy or use State or customary land, or who refuse to leave that land within 14 days of being notified to do so (Art. 144-146).

The procedures for acquisition of land as implemented by the National Airports Corporation (NAC) include:

- (i) When the airport design is complete, NAC through the Department of Lands and Physical Planning (DLPP) commissions a private surveyor to determine the boundaries of the land to be acquired, as well as the location, sizes and areas of affected customary land⁵. The completed surveys are submitted to the Surveyor General for registration.
- (ii) Upon receipt of the registered survey plans, the NAC requests DLPP to issue an instruction to the relevant Provincial Administration (PA) to carry out a land investigation for the proposed acquisition.

⁵ Technically, NAC should submit a land application to the Department of Land and Physical Planning (DLPP) that issues a Survey Instruction. However, this step is often waived, with NAC proceeding directly to commission the survey.

- (iii) The relevant Provincial Land Officer (PLO) (and/or District Land Officer (DLO)) conducts the land investigation and prepares a Land Investigation Report (LIR) including ownership genealogy, rights and interests held in the land; and, an assessment of the value of improvements to land prepared in accordance with the Economic Trees and Plant Price Schedule.
- (iv) Incorporated Land Group (ILG) comprising owners of the customary land is registered.
- (v) The LIR is submitted to the PA for his/her recommendation for alienation of the land. A copy of the LIR is sent to the Office of the Valuer General to conduct a valuation of the land and improvements.
- (vi) A copy of the LIR is also sent to the Department of Provincial Affairs that prepares Certificates of Alienability (COA). The COA certifies that there is no impediment to the acquisition of the customary land; it is signed by the Secretary for Provincial Affairs, as well as representatives of affected Local-Level Governments (LLGs).
- (vii) NAC receives the valuation report and COAs, raises cheques based on the valuation amounts and prepares purchase documents that are forwarded to the Secretary of DLPP for his/her signature. The signed documents and cheques are sent to the PA for execution and payment to land owners.
- (viii) The DLO, with all relevant forms, makes the offer to the land owners. If accepted, the forms are executed and the money is handed over in accordance with the requirements of the land owners.

APPENDIX 2: MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (MOA)⁶ concerns the agreement between the Department of Lands and Physical Planning acting on behalf of the National Airport Corporation and the community of _____ with regards to the use of customary land for purposes of upgrading and rehabilitating works that form part of the National Airports network of Investment program.

1. Identification and Location of Airport

Airport section (name): _____	
Locality: _____	
District: _____	Province: _____

2. Additional Land Requirements

Existing:	Proposed:
Runway Length: _____ m	Runway Length: _____ m
Airstrip Width: _____ m	Airstrip Width: _____ m
Total area: _____ m,	Total area: _____ m,
	Additional area : _____ m
	Area affected: _____ ha

3. Description of Affected Land

Description of affected land (fertility, topography, etc.)
Current use(s) of affected land
Population of clan(s), sub-clan(s) or group(s) affected

4. Agreement

Responsibilities and Commitments of Landowners

We, the undersigned, agree with the Department of Land and Physical Planning (DLPP) to provide land in the amount of _____ hectares to permit the National Airport Corporation (NAC) to upgrade and rehabilitate the _____ (name of airport). In so agreeing, we understand and confirm the following:

- (i) The community of _____ (name of community) agrees with and strongly supports the proposed upgrading and rehabilitation of the airport.
- (ii) We make this agreement on the basis of an informed choice, having been provided with full information by the DLPP and NAC about the upgrading project and the consequences for our community.
- (iii) We agree to sell/lease this land voluntarily and, accordingly, waive any and all customary interest in the land for the public infrastructure.
- (iv) We guarantee on behalf of all members of this community and its clans that no further land claims or grievances and that there will be no disruption or disturbance of the civil works to upgrade and rehabilitate the airport.

⁶ The purpose of this draft MOA is to indicate the scope of information to be included. A final version of the MOA will be agreed between DLPP and NAC and submitted to ADB for no-objection.

Responsibilities and Commitments of the NAC

- (i) NAC will minimize as far as possible additional land requirements for the improvement of the existing airport. However, there may be instances that improvements will result in using more lands than expected which are unavoidable but necessary to improve the safety of the existing airport.
- (ii) NAC will implement the land acquisition and resettlement activities in line with the Resettlement Framework (RF) prepared for the Program. This includes consultation with affected persons and communities, assessment of impacts and preparation of resettlement plans, valuation of affected land and assets, and providing compensation at replacement cost to affected persons. NAC will ensure that compensation is provided before start of the civil works on affected land.

 (Name and Signature)

 (Designation)
 On behalf of State

 (Name and Signature)

 (Designation)
 On behalf of landowners

[additional signatures in table below]

Witness:

I, _____, of the Provincial Lands Office of the Province of _____, an Officer of the Government of Papua New Guinea, do hereby certify that the contents of this Agreement were read over by _____ in the _____ language that is understood by the signatories to this Agreement and I further certify that to the best of my knowledge and belief the contents of this Agreement are understood by the signatories hereto.

Dated at _____ this _____ day of _____

Signature: _____

Designation: _____

Community Leaders					
Name	Status	Clan	Village	Signature	Date
Land owners					
Name	Status	Clan	Village	Signature	Date

APPENDIX 3: AIRPORT SCREENING FORM

Project Title Project No. Airport Title: Short Airport Description: Location and Impact Area:					
Possible Land Acquisition Impacts	Yes	No	Not Known	Possible	Remarks
Will the project include any physical construction work?					
Does the project include upgrading or rehabilitation of existing physical facilities?					
Is land acquisition likely to be necessary?					
Is the site for land acquisition known?					
Is the ownership status and current usage of the land known?					
Will flight path be part of the existing right-of-way?					
Are there any non-titled people who live or earn their livelihood at the site or within the right-of-way?					
Will there be loss of housing?					
Will there be loss of agricultural plots?					
Will there be losses of crops, trees and fixed assets?					
Will there be loss of businesses or enterprises?					
Will there be loss of incomes and livelihood?					
Will people lose access to facilities, services or natural resources?					
Will any social or economic activities be affected by land use-related changes?					
If involuntary resettlement impacts are expected:					
Are local laws and regulations compatible with the ADB Policy?					
Will coordination between government agencies be required to deal with land acquisition?					
Are there sufficient skilled staff in the Executing Agency for resettlement planning and implementation?					
Are training and capacity-building interventions required prior to resettlement planning and implementation?					
<i>Whenever possible, consider also any future airports or investments.</i>					
Information on Affected Persons (APs):					
Any estimate of the likely number of households that will be affected by the airport? <input type="checkbox"/> No <input type="checkbox"/> Yes If yes, approximately how many? _____					
Are any of them poor, female heads of households or vulnerable to poverty risks? <input type="checkbox"/> No <input type="checkbox"/> Yes If yes, briefly describe their situation: _____					
Are any APs from indigenous or ethnic minority groups? <input type="checkbox"/> No <input type="checkbox"/> Yes If yes, please explain: _____					

Proposed by: _____

PIU Director

Checked by: _____

Date _____

Community and Lands Officer

Date _____

APPENDIX 4: RESETTLEMENT PLAN OUTLINE

A resettlement plan is required for all subprojects involving land acquisition and resettlement impacts. Its level of detail and comprehensiveness will be commensurate with the significance of potential resettlement impacts and risks.

- A. **Executive Summary:** This section provides a concise statement of project scope, key survey findings, entitlements and recommended actions.
- B. **Project Description:** This section provides a general description of the project, discusses projects components that result in land acquisition, involuntary resettlement, or both and identify the projects area. It also describes the alternatives considered to avoid or minimize resettlement include a table with quantified data and provide a rationale for the final decision.
- C. **Scope of Land Acquisition and Resettlement :** This section:
- (i) discusses the project's potential impacts, and includes maps of the areas or zone of the impact of the project components or activities;
 - (ii) describes the scope of land acquisition (provide maps) and explains why it is necessary for the main investment project;
 - (iii) summarizes the key effects in terms of assets acquired and displaced persons; and
 - (iv) provides details of any common property resources that will be acquired.
- D. **Socioeconomic Information and Profile:** The section outlines the results of the social impact assessment, the census survey, and other studies, with information and /or data disaggregated by gender, vulnerability, and other social groupings, including:
- (i) define, identify, and enumerate the people and communities to be affected;
 - (ii) describe the likely impacts of the land and asset acquisition on the people and communities affected taking social, cultural, and economic parameters into account;
 - (iii) discuss the project's impacts on the poor, indigenous and /or ethnic minorities, and other vulnerable groups; and
 - (iv) identify gender and resettlement impacts, and the socioeconomic situation, impacts, needs, and priorities of women.
- E. **Information Disclosure, Consultations, and Participation:** This section:
- (i) identifies project stakeholders, especially primary stakeholders;
 - (ii) describes the consultation and participation mechanisms to be used during the different stages of the project cycle;
 - (iii) describes the activities undertaken to disseminate project and resettlement information during the project design and preparation for engaging stakeholders;
 - (iv) summarizes the results of consultations with displaced persons (including host communities), and discusses how concerns raised and recommendations made were addressed in the resettlement plan;
 - (v) confirms disclosure of the draft resettlement plan to displaced persons and includes arrangements to disclose any subsequent plans; and

- (vi) describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for consultation with displaced persons during project implementation.
- F. **Grievance Redress Mechanisms:** This section describes mechanisms to receive and facilitate the resolution of displaced persons' concerns and grievances. It explains how the procedures are accessible to displaced persons and gender sensitive.
- G. **Legal Framework:** This section:
- (i) describes national and local laws and regulations that apply to the project and identify gaps between local laws and ADB's policy requirement; and discuss how any gaps will be addressed;
 - (ii) describes the legal and policy commitments from the executing agency for all types of displaced person;
 - (iii) outlines the principles and methodologies used for determining valuations and compensation rates at replacement cost of assets, incomes, and livelihoods; and set out the compensation and assistance eligibility criteria and how and when compensation and assistance will be provided; and
 - (iv) describes the land acquisition process and prepare a schedule for meeting key procedural requirements.
- H. **Entitlements, Assistance and Benefits:** This section:
- (i) defines displaced persons' entitlements and eligibility, and describes all resettlement assistance measures (includes an entitlement matrix);
 - (ii) specifies all assistance to vulnerable groups, including women, and other special groups; and
 - (iii) outlines opportunities for displaced persons to derive appropriate development benefits from project.
- I. **Relocation of Housing and Settlement:** This section:
- (i) describes options for relocating housing and other structures, including replacement housing, replacement cash compensation, and /or self-selection (ensure that gender concerns and support to vulnerable groups are identified);
 - (ii) describes alternative relocation sites considered; community consultations conducted; and justification for selected sites, including details about location, environmental assessment of sites, and development needs;
 - (iii) provides timetables for site preparation and transfer;
 - (iv) describes the legal arrangements to regularize tenure and transfers titles to resettled persons;
 - (v) outlines measures to assist displaced persons with their transfer and establishment at new sites;
 - (vi) describes plans to provide civic infrastructure; and
 - (vii) explains how integration with host populations will be carried out.
- J. **Income Restoration and Rehabilitation:** This section:
- (i) identifies livelihood risks and prepare disaggregated tables based on demographic data and livelihood sources;
 - (ii) describes income restoration programs, including multiple options for restoring all types of livelihoods (examples include project benefit sharing, revenue sharing

- arrangements, joint stock for equity contributions such as land, discuss sustainability and safety nets)
- (iii) outlines measures to provide social safety net through social insurance and /or project special funds;
 - (iv) describes special measures to support vulnerable groups; and
 - (v) describes training programs.
- K. **Resettlement Budget and Financial Plan:** This section:
- (i) provides an itemized budget for all resettlement activities, including for the resettlement unit, staff training loan implementation;
 - (ii) describes the flow of funds (the annual resettlement budget should show the budget-scheduled expenditure for key items);
 - (iii) includes a justification for all assumptions made in calculating compensation rates and other cost estimates (taking into account both physical and cost contingencies), plus replacement costs; and
 - (iv) includes information about the source of funding for the resettlement plan budget.
- L. **Institutional Arrangements:** This section:
- (i) describes institutional arrangement responsibilities and mechanisms for carrying out the measures of the resettlement plan;
 - (ii) includes institutional capacity building program, including technical assistance, if required;
 - (iii) describes roles of NGOs, if involved, and organizations of affected persons in resettlement planning and management; and
 - (iv) describes how women's groups will be involved in resettlement planning and management.
- M. **Implementation Schedule:** This section includes a detailed, time bound, implementation schedule for all keys resettlement and rehabilitation activities. The implementation schedule should cover all aspects of resettlement activities synchronized with the project schedule of civil works construction, and provide land acquisition process and timeline.
- N. **Monitoring and Reporting:** This section describes the mechanisms and benchmarks appropriate to the project for monitoring and evaluating the implementation of the resettlement plan. It specifies arrangements for participation of displaced persons in the monitoring process. This section will also describe reporting procedures.