

## **Social Monitoring Report**

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Semi-annual Report

February 2016

# **Highlands Region Road Improvement Investment Program – Tranche 1.**

Laiagam – Pogera Road Sub-project.

Prepared by Department of Works for the Asian Development Bank.

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# **HIGHLANDS REGION ROAD IMPROVEMENT INVESTMENT PROGRAM – TRANCHE 1**

## **Laiagama to Porgera ROAD SUB-PROJECT SOCIAL SAFEGUARDS MONITORING REPORT (July to December, 2016)**

**Project Implementation Unit**

**Department of Works**

**National Capital District**

**Papua New Guinea**

**February 2017**

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## Abbreviations

ADB	- Asian Development Bank
AP	- Affected People
CRO	- Community Relations Officer
CSC	- Construction Supervision Consultant
DA	- District Administrator
DC	- Design Consultant
DHA	- District Health Authority
DMS	- Detailed Measurement Survey
DOW	- Department of Work
EA	- Executive Agency
ESSU	- Environment and Social Safeguards Unit
GoPNG	- Government of Papua New Guinea
GR	- Grievance Redress
GRC	- Grievance Redress Committee
GRM	- Grievance Redress Mechanism
GRP	- Grievance Redress Process
HCRN	- Highland Region Core Road Network
HIV	- Human Immunodeficiency Virus
HRMG	- Highland Road Maintenance Group
HRRIP	- Highland Region Road Improvement Investment Program
IA	- Implementation Agency
IMO	- Independent Monitoring Agency
ISS	- International Safeguards Specialist
LLG	- Local Level Government
MFF	- Multi-tranche Financial Facility
MOA	- Memorandum of Agreement
NRA	- National Road Authority
PA	- Provincial Administrator
PNG	- Papua New Guinea
PGK	- Papua New Guinea Kina
PRO	- Public Relations Officer
PWM	- Provincial Works Manager
RP	- Resettlement Plan
RAP	- Resettlement Action Plan
RCR	- Resettlement Completion Report
SHP	- Southern Highland Province
SIS	- Socio-economic Impact Study
SPS	- Safeguard Policy Statement
STDs	- Sexual Transmitted Diseases
TOR	- Terms of Reference
VG	- Valuer General

## 1. Introduction

### 1.1 Background

01. The Highlands Region of Papua New Guinea (PNG), comprising of the Provinces of Western Highlands, Jiwaka, Southern Highlands, Hela, Eastern Highlands, Enga and Simbu, is a major contributor to the PNG economy through its agricultural production and mineral resources. A well maintained road network is essential to facilitate the movement of goods and people. The Government of PNG (GoPNG) has made significant investment in improving the road network but a lack of maintenance has resulted in deterioration of the roads such an extent that the Highlands Core Road Network (HCRN) is now in poor condition.

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

03. The GoPNG has negotiated a Multi-tranche Financing Facility (MFF) loan with the Asian Development Bank (ADB) to implement the Highlands Region Road Improvement Investment Program (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 Road Maintenance Group (HRMG) is the Implementation Agency (IA) for road improvement works. The National Road Authority (NRA) is the IA for road maintenance works.

04. The Project 1 (Tranche 1) included improvement to two road sections namely, Mendi-Kandep and Laiagam-Porgera in the Southern Highlands to Enga<sup>1</sup> and Enga provinces, respectively.

05. The rehabilitation of the Laiagam-Porgera road is one of the 13 projects supported through the above loan. The civil works commenced in 2012 with the mobilization of the contractor<sup>2</sup>. The contract for construction has been awarded to COVEC (PNG) Limited. The construction period of the project was 30 months that completed on 30<sup>th</sup> July 2015. The road now provides an effective link with Laiagam and Porgera districts in the Enga province.

06. It was expected that the road maintenance program is implemented after road improvement works. However, the maintenance work has not started due to lack of resources for the NRA to fund this works. Most of the resettlement work has been completed as per the resettlement completion report of 2015. The payment of in-kind materials (representing 19% rate adjustment<sup>3</sup>) has been completed earlier this year. The assessment of grievances has been completed and the GRC's decision to pay the genuine APs has been

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<sup>1</sup> A section of this road is in SHP whilst the other section is in the Enga province

<sup>2</sup> Compensation works commenced after construction works began. This was due to tribal fighting that did not permit the completion of resettlement assessment works for several sections of the road

<sup>3</sup> The RP was based on rates listed by the Valuer General for 2008 whilst compensation was paid out in 2013. The increase of rates from 2008 to 2013 represents 19% of an increase of the rates presented in the RP

announced. The verification of all genuine and eligible grievances has been completed in the previous reporting period.

## 1.2 Project Description

07. Laiagam-Porgera road section is 64.194 km long that connects Laiagam district with the Porgera district in the Enga province. The construction work of this road section included up-grading of the tract that existed in the past.

08. The road consists of 8.0 meter sealed carriageway with 0.25 meter gravel shoulders on either side together with all road furniture as per the design. The subproject work has taken place within the existing road corridor and direct impacts were 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 land via memoranda of agreement (MOAs) permitting the use of customary land for public infrastructure.

09. The resettlement impacts assessed at the time of project preparation categorised the project as Category B based on resettlement impacts analysed for the first 18.2 km of the road section. The involuntary resettlement category up-graded to Category A after the completion of the final Detailed Measurement Survey (DMS) on June 7, 2013 where the number of APs was assessed as 22,145. The DMS itself was undertaken in three phases dictated by the field conditions that prevailed at the time of 2012 where tribal wars dominated the subproject area. The number of AP who had registered a greater than 10% of loss of their productive assets were found to be 756 (6,479 APs). The increase of AP over the 200 threshold re-classified the project as Category A. The RP was approved in November 2013, disclosed in the ADB web site and executed between April 2013 and December 2014. The delay in implementing the RP prior to approval was caused by the security situation on the site that was unsafe for work. The RP reveals that resettlement impacts are relating to the displacement of houses, businesses, huts, crops, trees, etc. as summarised in paragraph 8 of the RP. The resettlement completion report produced in 2015 contains all relevant information on compensation payment which is not repeated in here.

10. Apart from compensation payment, the RP consisted of the establishment of institutional arrangements for implementation including monitoring, grievance redress mechanism and consultations with the APs during and until all resettlement activities are completed. The RP included a budget of Kina<sup>4</sup> 8,579,845.82 (inclusive of administrative expenses). This budget amount has already been spent on compensation. As reported in the previous monitoring report, all rates adjustment has been fully paid in-kind.

11. Internal monitoring has been undertaken by HRMG with further advice from Environment and Social Safeguards Unit (ESSU) based in Port Moresby whilst external monitoring has been assigned to an Independent Monitoring Organisation (IMO). A Finland-based consultancy firm called FinnOC has been recruited as the IMO which submitted its progress report on resettlement performance during the reporting period.

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<sup>4</sup> Kina is the local currency for Papua New Guinea. US\$ 1 = 0.322 Kina (28 February 2017)

### **1.3 Purpose**

12. This report presents the status of social safeguards including the compliance with approved RP in respect of the Laiagama-Porgera road section covering July to December 2016. Bi-annual safeguards monitoring report is a requirement under the SPS. A few of resettlement activities are pending even though the sub-project has been completed. The SMR will continue until all resettlement activities in accordance with the disclosed RP are completed.

13. The purpose of the current report is to provide an up-date on the progress of resettlement activities especially the management of grievances. The report serves the client, ADB and other organisations to understand the resettlement process, its outcome and corrective actions that are necessary.

### **1.4 Methodology**

14. This safeguards monitoring report utilizes data gathered from several sources. The primary data was gathered through discussions with project staff including contractor staff and HRMG officials. There were limited field works undertaken to collect first-hand information on resettlement impacts. The RP was implemented in a manner that has resulted in the minimization of social impacts as well as the improvement of AP's living standards. It is a requirement that AP's socio-economic well-being and living standards such as housing, income level, assets ownership, etc. are expected to be better or at least equivalent to pre-settlement. The primary data collection methods include community discussions, meetings with contractor and other agency staff. The secondary data sources utilized include monitoring reports produced by the HRMG, contractor reports, reports produced by the Construction Supervision Consultant (CSC), district administrator on the matter of grievances and data collected by the SIS.

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

### **1.5 Report Organisation**

16. 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**

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

18. The basis for internal monitoring is the parameters listed in the RAP which are nine types as follows:

- Compensation payment
- Consultations
- Grievance redress
- Training
- Employment

- Skills development
- Land use by contractor
- Women associations formed
- Income and livelihoods restoration
- External monitoring

19. It is to be highlighted that out of above activities except for the first three, all others have been completed in 2016. The construction program itself completed in July by which time activities such as AP training, skills development, etc. have been completed. The remaining activities that were implemented during the review period are the compensation payment for missed-out APs, consultations, grievance redress and external monitoring. Discussed below is the status of performance of these 3 parameters during the reporting period.

## 2.1 Compensation payment

20. The compensation payment according to the RP had been completed on 30 November 2014 (refer to resettlement completion report February 2015). The total verified amount of PGK 5,709,455 has been paid out to the APs as reported in the previous semi-annual monitoring report. The 19% rate adjustments have also been paid out in-full during the previous reporting period. The two on-going issues are the compensation for missed-out APs and grievances. The number of APs who have missed out on payment were <sup>5</sup> compiled during the previous review period. They are in five sections of the road namely, 0+000 to 53+700, 7+000 to 9+000, 34+000 to 37+000, 2+800 to 7+000 and 53+700 to 64+300.

21. It has been agreed by the GRC that missed out APs should receive their adjusted cash-payments<sup>6</sup>. The HRMG engaged a consultant to examine APs whose claims have not been actioned upon in 2013. The APs were unwilling to accept payment at that time as their claim was relating to a wider construction with of 40 M. Hence, there have been many APs who are missed-out. This issue has already been discussed in the previous report. The consultant engaged by HRMG conducted his review and submitted its report where it is reported that 1,287 APs have not been paid for their assets. The report included many cases where assets were either still intact or has been built after the cut-off date (Photo 1). This followed a ground check in July and August 2016 where a team comprising of HRMG, PWM and PIU staff found that only 482 cases were genuine whilst assets owned by all others were still intact. This information was presented to the GRC. After a careful review of all cases, the GRC finally approved the payment for 492 APs (482 missed-out and 10 aggrieved included). Further details on this matter are presented in section 2.3 below.

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<sup>5</sup> The asset types, names and counts of APs who have missed out payment together with the underlying reasons are being gathered during the review period. This information will be reviewed by GRC and actions as appropriate will be proposed to resolve outstanding eligible payment issues

<sup>6</sup> The rates are adjusted by the consumer price index of 6% per year





*Photo 1 Asset built after cut-off date*

22. The staff of HRMG together with PWM commenced the disbursement of compensation to 492 APs in September. During this time, the APs with other community members around Mulitaka, Tipinni and Kera Bridge area of the completed road have staged a protest obstructing the movement of vehicles. The protest brought all traffic down to a complete stoppage for several days. Their claim was that the agreed road corridor is 40 M whilst compensation is calculated for assets located within a 20 M width. The APs also claimed compensation for assets that were still intact even after the road is fully developed. The issues were confirmed by the resettlement disbursement team.

23. The protest resulted in the PA deploying Police force to calm down the situation. Finally, an agreement has been reached between the APs, their leaders and PA to appoint a committee comprising of the provincial administrator, the district administrators, PWM and community representatives to look into their claims. This committee has been in operation during the review period. With the assurances given by the PA, the APs terminated their protest and let the traffic flow through.

## **2.2 Consultation activities**

24. The consultations undertaken during the review period were relating to grievances and missed out payments. The consultations were conducted both with individual APs who have claimed that their payments were missed out. Several community meetings were also conducted to explain APs about compensation procedure. Individual consultations have been carried out to explain APs whose claims were disqualified by the GRC.

## **2.3 Grievance Redress**

25. The Grievance Redress Mechanism (GRM) established for the subproject involves resolving of all grievances via several steps. The first tier in the mechanism is the informal resolution of grievances by the actions of community leaders, contractor and project staff. Any losses to property due to contractor's negligence will be compensated for by the contractor. The grievances that cannot be resolved through the informal process are submitted to the GRC which will verify for all valid grievances. The GRC will decide the

course of action for all verified grievances where the outcome will be communicated to APs. Any AP is allowed to resolve their grievances through the formal courts system should they be unhappy about the solution proposed by GRC. All grievances will be recorded and are subject to monitoring. All APs have been informed about the GRM and the method of accessing the process through consultations such as meetings, group discussions and through word of mouth by community leaders who have been thoroughly briefed about the GRM process.

26. The Grievance Redress Committee (GRC) inclusive of 6 members<sup>7</sup> has been established on 28<sup>th</sup> April 2015. Members of the committee for this road section are presented in Table 3.

Table 3: Members of the Grievance Redress Committee

Serial No.	Name	Position	Designation
1	George Puio	Chairman	District Administrator (Laiagama)
2	Tera Tendapu	Member	President (Lagaip LLG)
3	Jaman Yandam	Member	President (Maip-Mulitaka LLG)
4	Daniel Waikel	Member	Community Leader
5	Laim Moses	Member (ex-officio)	PWM (Enga)
6	Mathias Awi	Technical Advisor	HRMG (safeguards Officer)

27. The GRC conducted one meeting during the reporting period to resolve outstanding grievances. After conducting a careful review of grievances, the GRC approved 12 for further review. The grievances that were not subject to further assessment were those relating to assets outside the construction limits or those built after the cut-off date. A team comprising of 2 GRC members, 1 HRMG staff and a representative of PWM conducted field assessment of 84 grievances. The team physically visited and met the aggrieved AP, listened to their grievances and concluded grounds on which AP submitted their grievances. After conducting this verification, the team informed eligible APs that their grievance is genuine and that they will receive the compensation in accordance with HRRIP's policies and procedures. They were also informed at that time an officer will visit them again to conduct an assessment of the lost asset and to discuss with them the value and how this has been established. The team recommended that 10 grievances are genuine and should be compensated. The GRC finally approved the payment for 492 APs (482 missed-out and 10 aggrieved).

Subsequently, HRMG safeguards officer and an officer from PWM's office conducted assets valuation. This was mainly a desk exercise as all information relevant to the genuine grievances was on record. The pair had to conduct site visits to 10 APs (Aggrieved APs) to complete assets value. The values were up-dated to 2016 by using a 6.4% inflation rate per annum. The total payment amount for aggrieved and missed-out APs including the rates adjustment at 6.4% per annum and administrative charges is calculated as Kina 425,665.

<sup>7</sup> It has not been possible to identify a woman member in the GRC due to customary reasons in the Highlands Region of PNG. Moreover, there are no women leaders in civil society organisations

## **2.4 Training and skills development**

28. There were no training or skills development activities carried out during the review period. The construction work has been completed last year and the project activities closed down during this monitoring period.

## **2.5 Employment**

29. As road maintenance work by NRA could not be undertaken due to lack of government funding, the APs were not employed by the contractor during the reporting period. The closure of all camp and quarry sites meant that there are no more of employment opportunities relating to construction or maintenance work either during the reporting period. After the project cease there is reduction in employment opportunity in this part of the roads. However, people went back to cultivate the land and doing other tasks where they use to do before the road works.

## **2.6 Other benefits**

30. With the closure of the camp and completion of construction works, there were no construction activities in this road section. Hence, there were no other benefits to the community resulting from the program of construction during the review period.

## **2.7 External monitoring**

31. There are two aspects to external monitoring. The first is independent monitoring already assigned to a Finish firm by the name FinnOC. Second, the socio-economic impact study (SIS) also assigned to the same firm (a different team) comprises of a baseline survey, a mid-term impact study and a final impact study, the latter 1-2 years after the completion of all road construction works.

32. The IMO in its progress report in respect of this sub-project has stated several instances where further improvement to program of resettlement should be made. The perusal of IMO report reveals that several gaps are a result of the design of the RP itself. The report also refers to instances where both implementations as well as monitoring are weak. The inadequate attention to identify monitoring indicators in the RP is also highlighted.

33. On the matter of SIS, the FinnOC has presented the baseline study report that contains both socio-economic and environment information about the sub-project. The report presents relevant information for selected villages under the sub-project (called treatment villages) and for other villages that are not affected by the program of construction (control villages). One key-finding is that there is no difference in socio-economic performance between treatment and control villages. The results of the final impact assessment study will be useful to compare the socio-economic status and living standards of both treatment and control villages that would help establish whether the AP's living standards have improved after resettlement.

## **3. Conclusions and Recommendations**

### **3.1 Conclusions**

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

- The total compensation amount pending payment to APs is PGK 295,377.50 (inclusive of administrative charges). This amount consists of both payment for missed-out as well as aggrieved APs whose cases have been confirmed to be genuine by the GRC;
- Arrangements to pay compensation for 84 aggrieved and 10 missed-out APs were finalised but could not be disbursed during the review period. A major protest by APs interfered with the payment which was forced to be abandoned;
- The IMO report states several instances where RP implementation has not been effective. Many weaknesses are a result of the weak design of the RP itself; and
- The socio-economic status of APs before and after resettlement will be compared when the SIS report on mid-term impact assessment is available earlier next year. This analysis is expected to yield information on the living standards of APs before and after resettlement program. This information will be useful to correct existing gaps as well as to implement similar programs satisfactorily in future.

35. Based on the above conclusions, the corrective action plan is prepared.

### 3.2 Recommended actions

36. An up-dated version of the action plan previously reported is provided in the Table below.

Table 2: Up-dated Corrective Action Plan

Serial No.	Item and Corrective Action	Responsibility	Completion Date (Planned)	Remarks
1	Complete all outstanding AP payments (represents missed out APs and grievances)	DOW/HRMG/DA	June 30, 2017	PA has been assigned to implement disbursement to eligible APs
2	Verify and assess all grievances and inform APs about the process and outcome	GRC/HRMG	30 <sup>th</sup> June 2017	Implementation interfered by AP protest
3	Resolve all grievances approved by GRC	HRMG/GRC	30 <sup>th</sup> June 2017	Assessment completed end of May
4	Collect post-resettlement data on APs (satisfaction, employment, livelihoods, etc.)	ESSU	30 <sup>th</sup> September 2018	Subject to SIS final report availability

37. It is evident from the action plan that all activities as planned before could not be accomplished. The two remaining activities to be undertaken are the completion of payment and the comparison of APs' living standards prior to and after the program of resettlement and road maintenance works. The first activity is expected to be completed after the assessment by PA. It is hoped that all resettlement activities as proposed in the RP are likely to be completed within 2017.

## Appendices

### Appendix 1: List of References

1. Resettlement Plan for Laiagama-Porgera Road section (2013).
2. Resettlement Monitoring Report for Laiagama-Porgera (November, 2014)
3. Resettlement Monitoring Report (Jan 2015)
4. Resettlement Monitoring Report (Feb 2015)
5. Resettlement Plan Monitoring Reports (Monthly, April, May, June and July 2015).
6. James Mara's report on missed out payments (2016)
7. FinnOC (2016). Progress Report by the Independent Monitoring Organisation (September 2016)

### Appendix 2: List of People Interviewed

1. Ippio Acceri, Team leader, Construction Supervision Consultant
2. Alphonse Niggins, Senior Field Coordinator, HRMG
3. James Mara, consultant, Enga Province
4. Mathais Awi, Safeguards officer, HRMG
5. Laiam Moses, PWM Enga
6. Andrew Noria, compensation disbursement team leader
7. Angie Lei, compensation disbursement team member
8. Jerry Kevin, compensation disbursement team member