

Resettlement Framework

Resilient Transport Project (P166991)

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Key definitions

'Project Affected Persons' (PAPs) are persons impacted by involuntary resettlement

'Land Acquisition' refers to all methods of obtaining land for project purposes, which may include outright purchase, expropriation of property, and acquisition of access rights, such as easements or rights of way. Land acquisition may also include: (a) acquisition of unoccupied or unutilized land whether or not the landholder relies upon such land for income or livelihood purposes; (b) repossession of public land that is used or occupied by individuals or households; and (c) project impacts that result in land being submerged or otherwise rendered unusable or inaccessible.

'Restrictions on land use' refers to limitations or prohibitions on the use of agricultural, residential, commercial, or other land that is directly introduced and put into effect as part of the Project. These may include restrictions on access to common property resources, restrictions on land use within utility easements, or safety zones.

'Physical Displacement' refers to relocation, loss of residential land or loss of shelter.

'Economic Displacement' refers to loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood.

'Involuntary Resettlement' refers to physical and/or economic displacement as a result of Project-related land acquisition or restrictions on land use. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse (land acquisition or restrictions on land use that result in displacement).

'Negotiated Settlement' refers to situations where the Borrower needs to acquire specific land or restrict its use for project purposes, but rather than doing so through an expropriation proceeding, the Borrower first tries to arrive at a mutually agreeable negotiated settlement with the landowner/user.

'Road Corridor' refers to the gazetted road reserve that has been acquired, by agreement or by compulsory process, and is recognised at the community level.

1 INTRODUCTION

1.1 Introduction to this Plan

This Resettlement Framework (RF) has been prepared by the Department of Works and Highways (DOWH) for the Resilient Transportation Project (RT). This RF was developed during the initial design phase of the project and will be implemented in accordance with Government of PNG (GoPNG) legislation and the World Bank's requirements set out in *Environmental and Social Standard 5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement and Environmental and Social Standard 7- Indigenous Peoples*.

1.2 Project Description

The proposed project aims to improve the quality of the road network and provide road users the benefit of a better and safer network.

Components and activities include:

- **Component 1: Improvement and Sustainable Maintenance of Ramu and Hiritano Highways -**
This component will finance rehabilitation of a combined 64-69 kms of the Ramu and Hiritano Highways and finance maintenance of approximately 200kms of road.
 - Component 1.1: Ramu Highway (US\$73million). This subcomponent will finance a single contract for design and reconstruction of 40-45km of the road and performance-based maintenance over a five-year period covering the full length – approximately 175km – of the Ramu Highway, from Waterais junction in Morobe province to Madang airport junction in Madang province.
 - Component 1.2: Hiritano Highway (US\$23.0 million). This subcomponent will finance the design, supervision, and rehabilitation of the heavily trafficked 22.5km section between Laloki River on the boundary of the National Capital District) and Brown River under a design, build and performance-based maintenance contract, which will complete and extend the work under the ongoing RMRP2 on the Hiritano Highway.
 - Component 1.3: Road safety and community facilities (US\$2 million). The subcomponent will finance countermeasures to reduce road traffic crashes injuries, and fatalities on the Ramu and Hiritano highways, including better enforcement of regulations (speed limits, vehicle inspections, etc.). It will also support a road safety management capacity review to map out the situation, identify key stakeholders, and propose actions to improve road safety outcomes in the country. Activities under the safe system approach encompassing safe road users, safe vehicles, safe speeds, safe roads and roadsides, and post-crash care will be further developed during the project implementation. The project would also contribute to improving the quality and safety of pedestrian facilities along both the roads and bridges, and implement targeted traffic safety campaigns and awareness measures, prioritizing the needs of women traders working in roadside markets and school children who use the roads as pedestrians. As part of broader COVID19 protection measures, opportunities will be identified to install Water Sanitation and Hygiene (WASH) facilities whose broad health and hygiene impacts also include protection against COVID-19 and other infectious diseases.
- **Component 2: Project Management and Institutional Strengthening (US\$12.5 million).** This component would finance: (i) the establishment and operating costs of an Employer's Project Manager (EPM) within DOWH, including specialists in the area of project management,

safeguards, procurement, contract management and financial management and M&E; (ii) a range of institutional strengthening initiatives to support management and technical skills development in the road sector, including support to OPBRC contracting. As part of the institutional strengthening initiatives, the project would support the GoPNG to implement, in close coordination with other development partners, the sector reform agenda embodied in the Road Fund and Management Act, 2020, especially for reliable funding for multi-year road maintenance contracts. This TA program will be formulated and implemented alongside the institutional restructuring of DOWH. This support would be further discussed with DOWH and may include technical assistance (TA) for: (i) preparation of a OPBRC for the preservation and maintenance of the entire Hiritano Highway corridor and other national highways in the Southern region; (ii) Road Asset Management System enhancements and strengthening of Quality Assurance/Quality Control for construction and maintenance works; (iii) strengthening environmental and social risk management; and (iv) other training and capacity building opportunities to strengthen the capacity of DOWH and the Road Fund to manage PNGs road network.

- **Component 3:** Contingency emergency response component (CERC) to support post-disaster recovery such as impacts from extreme weather events, earthquakes or pandemics.

1.3 Other Financiers

Various financiers, including the Asian Development Bank, Australian Government, European Investment Bank, European Union and the Overseas Economic Cooperation Fund of Japan, have financed infrastructure and road rehabilitation programs associated with these roads in the past. The most recent ADB financed bridge work on both Ramu and Hiritano was completed in 2017. Only small scale maintenance work financed by DFAT is currently ongoing and is due to be completed in 2022. As outlined in the ESIA, these works are not considered ‘associated facilities’ as they are not necessary for the project to be viable and have been conducted regardless of whether the project moves forward. However given this, it is recognised that there is a need to ensure consistency in the approach to environmental and social management, and the project is committed to standardising methods and procedures as outlined in the Pacific Region Infrastructure Facility (PRIF)’s ‘Shared Approach for Managing Environmental and Social Risks and Impacts (refer Section 3).

1.4 Land Acquisition and Resettlement for the Project

Under Component 1: Improvement and Sustainable Maintenance of Ramu and Hiritano Highways, the Project involves the reconstruction, rehabilitation and maintenance of existing national highways. Works are expected to be confined to the established road corridor.

The Preliminary ESIA has conducted an initial assessment of potential land and resettlement impacts for targeted sections of the Ramu and Hiritano highways.

Corridors for both highways are understood to have been acquired by the Government during road construction / rehabilitation exercises in the 1990s and 2000s financed by the European Union, DFAT and JICA. However complete coverage of this acquisition needs to be confirmed.

The project will not involve significant economic and physical displacement. Minor land acquisition maybe required during reconstruction of the Ramu range section, including potential widening for passing lanes. No land acquisition is anticipated on other sections of the Ramu highway or the Hiritano Highway. It is possible that some residential structures may be impacted and will require to be moved back/re-established outside the corridor. Reconstruction and rehabilitation works may also impact

small structures, economic crops and trees and other assets that are present within the established road corridor. A number of market areas may be temporarily affected by works, and small stalls and market vendors may experience temporary disruptions to business.

1.5 Purpose and Justification for Preparing a Resettlement Framework

While the Project has identified the Ramu and Hiritano Highways, at the time of project appraisal, the detailed design – including any realignment requirements in the Ramu Range section of the Ramu highway is yet to be determined.

This RF has been prepared to clarify resettlement principles, organisational arrangements and design criteria to be applied to subprojects during project implementation.

Potential resettlement impacts will be assessed during the sub-project design phase. If land acquisition and physical and/or economic displacement is required, a resettlement plan (RP) will be developed. A Resettlement Plan template is provided in Annex 1. The scope of requirements and level of detail of the RP will be commensurate with the magnitude and complexity of resettlement. The RP will form part of the agreement between the Government of PNG and the World Bank.

2 PRINCIPLES AND OBJECTIVES OF RESETTLEMENT AND LAND ACQUISITION

The Project will be implemented in accordance with relevant PNG laws and the World Bank's Environmental and Social Framework (ESF). The ESF requires all World Bank Borrowers to comply with the Environmental and Social Standards (ESSs) for identifying, assessing and managing potential environmental and social risks and impacts associated with investment projects.

ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement outlines the following objectives, which have been adopted in the preparation of the RF:

- Avoid or minimise involuntary resettlement where feasible;
- To avoid forced eviction;
- Assist Project Affected Persons (APs) in their efforts to improve, or at least restore their livelihoods and living standards;
- To design and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant; and
- To ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.

The underlying principle of this Resettlement Policy Framework is that Project Affected Persons (APs) regardless of tenure status, who are unavoidably affected by any activity of the Project, should be compensated or assisted where appropriate, so as to improve, or at least restore their living conditions, incomes, earnings and or production capacity to pre-project levels.

The Project will ensure the overarching aims of **meaningful consultations** and **free prior and informed consent (FPIC)** with Affected People are applied. This will involve:

- a two-way process of early and ongoing engagement, in a culturally appropriate manner that enables stakeholders to express their views on project risks, impacts and mitigation measures, and for Borrowers to consider and respond to them
- documentation prepared by DOWH (the Borrower) to record the process and outcomes of good faith negotiations, agreed by DOWH and Affected Peoples (including Indigenous Peoples). Documentation will include all agreements¹ reached as well as any disagreements or dissenting views.

These objectives and principles are outlined further in the context of the Project in Section 3.3.

¹ The record of agreements is a key part of the process, noting that 'consent' refers to the collective support of Affected Peoples (including Indigenous Peoples), for the project activities that affect them, reached through a culturally appropriate process. It may exist even if some individuals or groups object to such project activities.

3 National Context and Legal Framework

3.1 National Context

3.1.1 Land in PNG

For the majority of the population of Papua New Guinea, land is a significant resource. Over ninety percent of land in Papua New Guinea is held under customary systems of land ownership. A very large proportion of the rural population depends on subsistence food production based on this land resource. With a high population growth rate, land is likely to become an increasingly scarce resource for many rural communities.

In the vast majority of cases, the sale of land represents the loss of the patrimony of future generations. Accordingly, future generations may be vigorous in their pursuit of redress of what they see as the inadequate land sales settlements of past generations. Moreover, the alienation of customary land from rural landowners, under Special Agricultural and Business Lease (SABL) arrangements has been a historically fraught issue in Papua New Guinea, resulting in lengthy court proceedings and NGO campaigns².

Land ownership in Papua New Guinea is culturally variable and is particularly complex due to number of inter-related factors, summarised below.

- **Land acquisition implies a transaction that has no equivalent in customary title.** For traditional landowners in PNG, the terms and conditions of sale may be subject to review by future generations, descendants of the original sellers, who may seek to renegotiate the sale and impose new conditions not envisaged by either the original sellers or buyers.
- **Land ownership in PNG implies not only ownership of land but also ownership of plants and trees.** Ownership of land is usually vested in a group while ownership of plants and trees may be vested in an individual or a group. The owner/s of plants and trees may not be the landowners.
- **The existence of complex systems of usufruct rights.** The details of customary land and of many generations of land use are an integral part of the memory of the land-owning group.
- Both patrilineal and matrilineal societies exist in PNG whereby land is passed down through the male line and female line respectively. Patrilineal societies make up about three-quarters of PNG.

Since the 1970s, Papua New Guinean legislation, covering many aspects of land use, compulsory purchase, customary land dealing, customary land group incorporation, land dispute mediation, land lease and land titles has been enacted. There are now well recognised legal and policy procedures in place that conform to the requirements of the Constitution of Papua New Guinea and respect customary law and customary rights in land. The policy consistently followed in land matters in Papua New Guinea is that all transactions relating to land should first be conducted within the framework of a custom based mediation. Land acquisition must begin with an inquiry which establishes the facts as they are understood by landowners in terms of their customary concepts of ownership and usage rights. After agreement has been reached the agreement may be ratified by a Land Court Magistrate and made

² Filer, C. 2017. The Formation of a Land Grab Policy Network in Papua New Guinea. Accessed from: <http://press-files.anu.edu.au/downloads/press/n2414/pdf/ch06.pdf>

an order of the court. Where agreement is not reached then the matter should be referred to the Provincial Lands Officer. In addition to the Land Mediators appointed by the Courts, each provincial administration has a Department of Lands and several customary lands officers.

3.2 PNG Legal Framework

The legal framework in PNG provides adequate safeguards against misuse of land acquisition and the inappropriate use of force for resettlement purposes.

The Constitution of the Independent State of Papua New Guinea

The GoPNG Constitution adopts the customary law as part of the underlying law of the country and recognizes the property rights attached to customary land. According to the 2000 Underlying Act, the customary law comprises the rules, rights and obligations pertaining to an individual or group by custom and tradition. The Constitution also guarantees the right of the citizens to protection from unjust deprivation of property. No land or interest in land may be acquired compulsorily by the government except as it is required for public purposes or other justifiable reasons. In the event of acquisition, just compensation must be paid.

The Land Act (1996)

The Land Act deals with ownership and use rights of customary land and sets out the procedures the Government must follow to acquire customary land required for public purposes. The key provisions of the Act are:

- The Government may acquire land, including improvements on land. Land can be compulsorily acquired for public purposes.
- The Minister may acquire land compulsorily or by agreement with customary landowners and customary landowner may be compensated monetarily upon agreement or application.
- Usually the Government negotiates with the customary landowners for purchase of required land, but it can also compulsory acquire the land.
- The acquisition process involves several steps, including land survey, investigation report, determination of compensation value of land and improvements, payment of compensation, and transfer of title;

Land Disputes Settlements Act (2000)

The Land Disputes Settlement Act sets out the procedures for resolution of disputes involving customary land. The Act provides for a land disputes committee at provincial level and land courts at local, district and provincial levels. The committee can appoint land mediators. The Act promotes resolution of disputes through mediation based on the principles of traditional dispute settlement. If mediation fails, it is followed by appeal to the courts.

Village Courts Act

Provides for a system of Village Courts and Village Peace Officers, their jurisdiction, powers, duties, practice and procedure, and for other purposes.

Road Management and Fund Act 2020

The Road Management and Fund Act 2020 supersedes the National Road Authority Act 2003 and covers the management of public roads in PNG. The law outlines procedures for declaring, decommissioning and classification of roads; the register of public roads and regulating carrying out of works and associated activities on public roads.

Article 7 covers the Declaration of Public Roads and states that a public road can be declared over any land owned by a road authority ... and if land managed by a road authority is owned by a public authority or any other person, or unreserved state land, a declaration can only be made if consent in writing is given and/or acquired under the Land Act 1996. Land that is acquired under the Land Act 1996 or otherwise for the purpose of widening an existing public road becomes part of the public road without the need for any separate or additional declaration.

With regards to the road boundaries (or the 'established corridor') under the Act, the responsible road authority shall, after consulting the Minister, by notice published in the National Gazette, fix the boundaries of the public road. Where the land affected by fixing the boundary is not owned by the responsible road authority, the responsible road authority may only fix the boundaries of the public road after obtaining the approval of the Secretary of the department responsible for land, after the Secretary has consulted with the office of the Surveyor General. The boundaries of a public road shall be fixed by inclusion in a declaration of the Minister under Section 7.

Note: While there are reportedly standard widths for national and provincial road corridors, the full acquisition of these corridors may not have been carried out on the ground and particularly in customary land areas. The width of the established road corridor requires confirmation customary landowners at the earliest possible point in road rehabilitation planning. Any additional land needed for road reconstruction/rehabilitation will need to be acquired through a consultative process, and the above process for road boundary fixing followed.

Protection of Transportation Infrastructure Act 2010

The **Protection of Transportation Infrastructure Act 2010** outlines provisions to manage damage to or encroachment on a road reserve and transport infrastructure.

3.3 World Bank Environmental and Social Standards

The World Bank's Environmental and Social Framework (ESF) **ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement and ESS7 Indigenous Peoples** outlines the following objectives which have been adopted in the preparation of this document and will govern project implementation:

- Avoid or minimize involuntary resettlement where feasible;
- Assist affected persons in improving their former living standards, earning capacity and production levels or at least restoring them;
- Improve living conditions of poor or vulnerable persons who are physically displaced, through provision of access to services and facilities, and *security of tenure*.³
- To ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.

³ "Security of tenure" means that resettled individuals or communities are resettled to a site that they can legally occupy, where they are protected from the risk of eviction and where the tenure rights provided to them are socially and culturally appropriate. In no event will resettled persons be provided tenure rights that are in effect weaker than the rights they had to the land or assets from which they have been displaced.

- To obtain the Free, Prior, and Informed Consent (FPIC) of affected Indigenous Peoples, where there are adverse impacts on land and natural resources subject to customary use, ownership or occupation.
- Ensure that the resettlement design and implementation process is undertaken with respect for the human rights, dignity, aspirations, identity, culture, and natural resource-based livelihoods of Indigenous Peoples.

As outlined above, the Borrower is expected to take all necessary measures to avoid, minimise, mitigate and compensate for adverse social impacts, including, but not limited to, those impacts associated with involuntary resettlement. If involuntary resettlement cannot be avoided altogether, sufficient resources should be made available to conceive and implement resettlement activities as sustainable development programs, in close consultation with affected persons - ensuring that this is undertaken in a manner that is accessible, culturally appropriate, and inclusive for indigenous peoples.

Affected persons should be assisted in their efforts to improve, or at least restore, their livelihoods and living standards to pre-displacement levels or levels prevailing prior to project implementation. This is achieved mainly through: (a) compensation at full replacement cost for losses of assets (for example, land, unharvested crops, improvements on the land to be acquired, etc); and (b) provision of other forms of assistance for livelihood restoration or physical relocation, as necessary in accordance with ESS5. Where PNG law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by the additional measures set out in this Resettlement Framework.

3.4 Gap Analysis

A gap analysis between national laws covering involuntary resettlement, World Bank safeguard policies and measures to bridge gaps is detailed in Table 3-1 below.

Table 3-1 Involuntary Resettlement Gap Analysis

No.	PNG Laws	World Bank Standards	Gap-Filling Measures
1	PNG has no formal resettlement policy or statute. As such, there are no provisions to prepare Resettlement Plans based on meaningful consultations with Affected People, nor special consideration of the poor, those using land without formal title, elderly, women, and other vulnerable groups.	ESS5 requires that Resettlement Plans must be prepared based on meaningful consultations with Affected People, ensuring that vulnerable groups are also consulted and informed of their entitlements, procedures and resettlement options. ESS7 requires the Free, Prior, and Informed Consent (FPIC) of affected Indigenous Peoples, where there are adverse impacts on land and natural resources subject to	Resettlement Plans will be drafted in consultation with Affected People, including vulnerable PAPs – including those using land without formal title. DOWH will engage with stakeholders throughout the project life cycle, commencing such engagement as early as possible, with early public disclosure on draft resettlement plans and budgets. Translated or summary versions of the RP will be available at the provincial, district and local level. Local clan leaders whose members are affected will also receive a copy. Negotiation documentation will be prepared by DOWH, including all

		customary use, ownership or occupation.	agreements, disagreements or dissenting views.
2	There are no specific provisions for consideration of transaction costs associated with land acquisition or resettlement.	ESS5 defines replacement costs as a method of valuation yielding compensation sufficient to replace assets plus necessary transaction costs associated with asset replacement (including administrative charges, registration or title fees, reasonable moving expenses and similar costs imposed on affected persons.	Resettlement plans will include transition costs in entitlements for impacts on land and non-land assets.
3	There are no provisions to improve or at least restore the livelihoods of all Displaced Persons.	It is necessary to improve or at least restore living standards and livelihoods of Displaced Persons in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.	Where such impacts will be experienced, Resettlement Plans will include measures for improvement or at least restoration in living standards and livelihoods of Affected People to pre-project levels.
4	Limited provisions to provide assistance/compensation to Displaced Persons who lose access to non-land assets. Valuer General has 2013 Schedule for Valuation.	Requires that Displaced Persons are compensated for all losses, including non-land assets, at full replacement cost.	The project will follow the principle of replacement cost for compensation of affected assets. The most up to date Valuer-General schedule for valuation of project affected assets will be used. Where schedules are more than 12 months old, these rates will be verified and updated.
5	No specific provisions for treatment of people without formal, traditional or recognisable use rights. National legislation does not explicitly recognize the rights of non-landowners to compensation –	Physical displaced persons without legally recognised claims to land will be provided with arrangements to allow them to obtain adequate housing with security of tenure	Resettlement Plans will include entitlements for persons who are without legally recognised claims to land in accordance with ESS5.

	and traditionally, nor do the landowners.	Economically displaced persons who are without legally recognizable claims to land will be compensated for lost assets other than land at replacement cost.	
6	There are no safeguards in national legislation to ensure that vulnerable groups are given special consideration, although equitable development is enshrined in the Constitution	ESS5 requires vulnerable persons to be identified and consulted and special provisions be made to mitigate disproportionate impacts.	Resettlement Plans will include identification and consultation with vulnerable groups. Special provisions to ensure impacts on vulnerable groups are adequately mitigated.
7	There is no requirement for the monitoring and assessment of resettlement outcomes.	ESS5 requires that resettlement outcomes be monitored and assessed.	Resettlement Plans will include indicators and baseline data to monitor impacts on living standards of Affected People. Monitoring reports will also be disclosed to Affected People.

3.5 Shared Approach

In relation to land and livelihoods, the Pacific Region Infrastructure Facility (PRIF)'s 'Shared Approach for Managing Environmental and Social Risks and Impacts recognises that:

- *project related land acquisition and restrictions on land use and natural resources can have adverse impacts on communities and persons. Land and livelihood implications should be fully considered at the project's concept stage. "Land" includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements, water bodies (for e.g. lagoons) and the seabed".*
- *Alternative approaches/options for land access will require documentation of the due diligence undertaken during the arrangements. This includes third party verification of the process to enable transparency and appropriate information disclosure. Formal expropriation procedures, exercise of eminent domain or compulsory acquisition powers may be used but with caution, so as not to amount to forced eviction. This means that the exercise of such powers by the Government will comply with national law and the relevant policies of the PRIF development partners policies, and the process should be conducted in accordance with applicable law and procedural protections, which will include principles of due process. Formal expropriation procedures, exercise of eminent domain or compulsory acquisition powers may be used but with caution, so as not to amount to forced eviction. This means that the exercise of such powers by the Government will comply with national law and the relevant policies of the PRIF development partners policies, and the process should be conducted in accordance with applicable law and procedural protections, which will include principles of due process*

4 PROCESS FOR PREPARING AND IMPLEMENTING RESETTLEMENT PLANS

During early project preparation, screening and due diligence will be undertaken to determine estimated displacement impacts and estimated numbers and categories of displaced persons. Key considerations are summarised below.

4.1 Resettlement Plan preparation

Step 1. Early consultations

Once the concept design and scope of works is known for Component 1 sub-projects (Ramu and Hiritano Highways), the Borrower (DOWH) will initiate community consultations to confirm community support for the Project and identify potential concerns. During these consultations DOWH will confirm the width of the established road corridor with customary landowners and preliminary assess resettlement impacts.

The design team in consultation with the community, will seek to avoid or minimise involuntary resettlement where feasible. Significant economic and physical displacement will be avoided.

Consultations will be ongoing throughout the development process.

Step 2. Census Survey and initial land and asset inventory

Following early consultations, a census survey and initial land and asset survey will be undertaken to identify and enumerate affected persons and inventory residential or productive land and other assets to be affected. A list of affected persons and associated assets will be compiled. Where possible, DOWH/EPM2 will utilise technology such as GoPro, drone or high resolution satellite imagery.

The census survey should: Identify characteristics of displaced households; Provide Information on vulnerable groups or persons for whom special provisions have been made; Identify public or community infrastructure, property, or services that may be affected

The census survey and land and asset survey will establish the 'cut-off date' to avoid ongoing compensation claims and encroachment issues from outsiders. The cut-off date will be the date the census begins unless otherwise notified by the DOWH. Any persons encroaching on the area after the cut-off date are not entitled to compensation or assistance (at the discretion of the DOWH) as long as adequate information on the cut-off date has been disseminated throughout the project area at regular intervals in written and (as appropriate) non written forms and in relevant local languages.

Step 3. Preparation of Resettlement Plan

The Resettlement Plan will be prepared in consultation with potentially affected communities, describing negotiated settlements regarding any project impacts.

The RP will be prepared in accordance with the policy, principles, planning and implementation arrangements set forth in this RF. The RP will be based on accurate baseline information and will establish appropriate mitigation measures (e.g., compensation at full replacement cost for loss assets, transitional assistance for relocation/livelihood restoration/commercial enterprises) for all relevant categories of adverse impacts.

A Resettlement Plan template is provided in Annex 1.

Minimum requirements of the RP as per ESS5 include:

- Potential resettlement impacts;
- Objectives of the resettlement program as outlined in this RF;
- Census survey and baseline socioeconomic studies;
- Legal and institutional framework as outlined in this RF;
- Eligibility as per this RF;
- Valuation of and compensation for losses;
- Community participation;
- Implementation schedule;
- Costs and budget;
- Grievance and redress mechanism as outlined in this RF;
- Monitoring and evaluation; and
- Arrangements for adaptive management

Additional requirements for sub-projects involving Physical Displacement as per ESS5 include:

- Transitional assistance
- Site selection, housing, infrastructure and social services (as relevant)
- Environmental protection and management (as relevant)
- Consultation on relocation arrangements.

Step 4. Resettlement Plan Approval

DOWH will submit a draft Resettlement Plan to the World Bank for review. Following the World Bank review process, DOWH will submit a revised Resettlement Plan to the World Bank for 'no objection'. Once a 'no objection' is provided by the World Bank, DOWH will proceed to implementing the Resettlement Plan (refer Section 4.2).

Step 5. Statutory Approvals and Financing

If land acquisition is required for the widening of the corridor, DOWH will initiate statutory processes as per the Road Management and Fund Act 2020 and Land Act 1996.

Based on the initial land and asset inventory, DOWH will obtain approval and source finances required to compensate for all affected lands and assets. Evidence of available finance will be provided to the World Bank.

Step 6. Disclosure, GRM consultations and awareness

A summary of the Resettlement Plan will be translated into local language (Tok Pisin and/or Motu where necessary) and disseminated to stakeholders/ or made available at an accessible location. The Cut-off date will be clearly disseminated throughout the project area.

Provincial DOWH staff will also be appointed at this time, with Grievance Redress Mechanism (GRM) implementation training conducted for provincial staff and community representatives. On-ground

consultation and dissemination of notices (in Tok Pisin) about the project's GRM will be undertaken in affected wards and villages.

4.2 Resettlement Plan implementation

The approved RP (including all impact mitigation measures) is required to be implemented before the commencement of civil works. DOWH will ensure the works procurement documents adequately reflect this requirement - and in particular provisions regarding the timing for the contractor to obtain possession of site.

There are often long delays between the preparation of the RP and its implementation. During this period, DOWH/EPM2 will ensure that communities are regularly informed and the cut-off date is disseminated at regular intervals.

Step 7. Land and asset inventory validation

DOWH and the Provincial Government will validate the inventory of affected land and assets on-site with project affected people. Records and imagery from the initial asset inventory will be utilised. Pegging of the agreed road corridor will be facilitated by DOWH in consultation with project affected people. If any land acquisition is required, DOWH will complete this process in consultation with landowners and as per the statutory requirements under the Land Act 1996.

Step 8. Implementation of ARAP mitigation measures

DOWH/EPM2 will implement agreed mitigation measures for economic displacement and physical displacement. – refer section 5.2 Entitlements including compensation or assistance where appropriate, so as to improve, or at least restore their living conditions, incomes, earnings and or production capacity to pre-project levels.

Step 9. Prior to Commencement of Civil Works

A report of the payment to the PAPs will be prepared by DOWH/EPM consultants and submitted to the World Bank for "No Objection" prior to commencement of civil works. The report will include documentation of consultations with project affected people – including free, prior and informed consent (where necessary) and documentation regarding mitigation measures being implemented as per the RP.

DOWH and the Contractor will provide adequate notice to the PAPs (at least 4-6 weeks) after the completion of the payment process and prior to site clearing to ensure PAPs have ample time to a) move/rebuild structures and b) harvest crops.

The Contractor will be responsible for payment of damaged assets to PAPs, as required, for unforeseen damages and losses.

5 COMPENSATION AND ENTITLEMENT FRAMEWORK

5.1 Eligibility Criteria

'Affected Persons' are eligible to receive compensation or assistance under the Project and include:

- a) Those who have formal legal rights (including freehold, lease, customary tenure and traditional rights recognised under PNG laws) to land, building or fixed assets on the land and buildings taken by the Project
- b) Those who do not have formal legal rights to land at the time the sub-project is identified but have a claim to such land or assets -- laws provided that such claims are recognized under the of PNG or become recognized through a process identified in the resettlement plan; and
- c) Those who have no formal, traditional or recognisable legal right who are occupying or utilising the land.

5.2 Entitlements and Compensation

Payments of compensation should be negotiated and determined using the following matrix:

Table 5-1 Land use, Types of Losses and Compensation Measures

Type of Loss	Affected Person(s)	Compensation Measure
Loss of land and or access to natural resources	a) Formal/customary land holders; or b) Those who have a claim recognised under PNG Law	Compensation based on market value or replacement costs of assets (including transaction costs)
	c) Informal users	Resettlement assistance (i.e. identification of replacement land with security of tenure) in lieu of compensation for the land they occupy sufficient for them to restore their standard of living at an adequate alternative site.
Damage to, or loss, of trees, crops, and other commodities	Owner of asset, irrespective of whether or not they have legally recognizable rights to the land on which the trees, crops, etc are grown.	Compensation based on Valuer Generals Schedule of Payments for tree, crop and other commodity damage/loss for the current year (including transaction costs)
Loss of ancillary structures (e.g. fences and storage sheds) and semi-permanent commercial structures (e.g. road stalls and stores)	Owner of asset, irrespective of whether or not they have legally recognizable rights to the land on which the structures are located.	Reinstatement to former condition or better; or Compensation based on replacement costs and/or relocation costs (including transaction costs).

Type of Loss	Affected Person(s)	Compensation Measure
Loss of residential structures	Owner of asset, irrespective of whether or not they have legally recognizable rights to the land on which the house is located.	Reinstatement of residential structure loss OR compensation based on replacement cost (market value plus transaction costs)
Disruption to business due to works	Business operator, irrespective of whether or not they have legally recognizable rights to the land on which the business is located.	Compensation for period of disruption/transition based on loss of income/profit (net average during the previous year paid for the period the business is disrupted) up to a maximum of 3 months and/or assistance to find and re-establish at alternative operational sites to avoid/minimise disruption to business.
Government or Community structures (schools, clinics, religious buildings, utilities, etc)	n/a	Restored at no cost to the community in negotiation with the community and/or relevant government agency.

The Borrower (DOWH) bears responsibility for meeting all costs associated with compensation. Any Resettlement Plans prepared in accordance with this Resettlement Framework require a budget with estimated costs for all aspects of their implementation. All Affected Persons are entitled to compensation or other appropriate assistance and mitigation measures. This entitlement is regardless of whether:

- these persons have been identified at the time of resettlement planning
- sufficient mitigation funds have been allocated.

To meet this requirement, and any other unanticipated costs that may arise, the Resettlement Plan budget shall include contingency funds, amounting to at least 10 percent of estimated total costs. Compensation will be executed **promptly and in full** to any Affected Person identified as eligible under the criteria provided in Table 5-1. The Resettlement Plan will describe the procedures by which compensation will be provided to the displaced persons, as outlined above in Section 4.2.

6 PARTICIPATION AND CONSULTATION

Public consultation and disclosure are tools for managing two-way communication between the Project and the public with the goal of improving decision making and building understanding by actively involving stakeholders affected by the Project. Early initiation of meaningful community engagement enables affected individuals, households, communities, and other stakeholders to understand the implications of resettlement and to actively participate in the planning process. It is a core requirement of the World Bank's *ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement*.

A Stakeholder Engagement Plan (SEP) has been prepared, drawing on the experience of DOWH with previous World Bank-financed projects. The SEP defines a programme for stakeholder engagement based on the principles of meaningful consultation and free, prior and informed consent (FPIC).

As outlined in Section 4, consultation and information dissemination will occur throughout resettlement planning and implementation.

A process of meaningful consultation will be followed including:

- Identification and involvement of the representative leaders and bodies from traditional communities/customary land holders such as Ward councillors, clan chiefs/leaders and representative bodies
- Provision of sufficient time for local decision-making processes to engage in the sub-project planning process; and
- Effective participation in the design of project activities or mitigation measures that could potentially affect them either positively or negatively.

Where sub-projects involve adverse impacts to land and or natural resources; cause relocation; or have significant impacts on cultural heritage DOWH will apply the principles of free, prior and informed consent by conducting and documenting 'good faith negotiations' to facilitate consent (i.e. collective support from traditional communities/customary landholders).

Sub-project E&S instruments will document the results of consultation and incorporate feedback into the design of the activity and environmental and social management measures. Sub-project E&S instruments will be disclosed and available in the project area and on the DOWH website.

7 COMPLAINTS AND GRIEVANCES

7.1 Project Grievance Mechanism

In accordance with World Bank requirements, the Project will implement a grievance redress mechanism (GRM) to receive, assess, and facilitate resolution of project related concerns and grievances. The GRM is proportionate to the potential risks and impacts of the project, and is designed to be accessible and inclusive, accounting for the needs of vulnerable groups and customary dispute settlement mechanisms among Indigenous Peoples.

In broad terms, the grievance mechanism is for people seeking satisfactory resolution of their concerns on the environmental and social performance of the Project. The mechanism aims to:

- provide Affected People with an avenue for making a complaint or resolving any dispute that may arise during the implementation of the Project;
- identify and implement appropriate and mutually acceptable redress actions to the satisfaction of complainants; and
- avoid the need to resort to judicial proceedings.

In the early stages of engagement, project stakeholders and affected communities must be made aware of:

- how they can access the GRM;
- who to lodge a formal complaint with;
- anticipated timeframes for response;
- their rights to confidentiality, responsiveness and transparency; and
- alternative avenues where conflicts of interest occur.

The grievance process is based upon the premise that it imposes no cost to those raising the grievances (i.e. complainants); that concerns arising from project implementation are adequately addressed in a timely manner; and that participation in the grievance process does not preclude pursuit of legal remedies under PNG law. Local communities and other interested stakeholders may raise a grievance at any time to DOWH.

The Project's GRM is detailed in the project's Stakeholder Engagement Plan.

The project will seek to address complaints and grievances

7.2 Grievances regarding customary land disputes

Complaints and grievances in respect to **customary owned land** disputes they will be referred to the Provincial Administration Lands Officer for mediation and settlement according to established Papua New Guinea land law procedures and processes. Only persons subject to custom law jurisdiction have the right to appear in informal and formal village courts.

The Project does not have the right to be a party to an action in this context. Legal representation is not allowed in village courts.

8 IMPLEMENTING ARRANGEMENTS

8.1 Institutional Responsibilities

DOWH is the Executing Agency responsible for overall guidance and project implementation, including the the implementation of this RPF.

The DOWH-Project Implementation Unit (PIU), headed by a Director, with the support of the Employer's Project Manager (EPM), is responsible for overall planning, management, coordination, supervision and progress monitoring the implementation of the Project, including the Resettlement Plan preparation and implementation. The DOWH PIU, through its Social specialist/s will ensure compliance with the loan covenant, including preparation and monitoring of the resettlement plan implementation.

The DOWH PIU is also responsible for ensuring any specific measures for vulnerable households are implemented.

The Provincial and District Governments will be responsible for the payment of cash compensation for affected assets.

The works contractor is responsible for providing advance notice prior to works, assisting with in-kind compensation and payment for unforeseen damages and losses (as required). The DOWH PIU will be responsible for monitoring contractor requirements during implementation.

Key tasks and responsibilities are further outlined in Table 8.1.

Table 8-1 Institutional Responsibilities

Task	Stakeholders involved
Subproject design	DOWH PIU / EPM
Public consultation and disclosure	DOWH PIU / EPM supported by Provincial and District Governments
Survey and marking of affected areas/sites	DOWH PIU / EPM, supported by Provincial and District Governments and Contractor
Census of APs	DOWH PIU / EPM
Inventory of losses	DOWH PIU / EPM
Establish compensation rates	DOWH PIU in consultation with relevant agencies
Consultation and agreement on compensation	DOWH PIU / EPM, Provincial and District Governments and Affected Persons
Prepare Resettlement Plan and land acquisition documentation	DOWH PIU / EPM
Review and approve Resettlement Plan	World Bank
Approval and release of funds for compensation	National or Provincial Governments
Verify Affected Persons	DOWH PIU / EPM, Provincial and District Governments
Land acquisition, if required	DOWH PIU / EPM. Provincial and District Governments
Resettlement Completion Report	DOWH PIU / EPM

Review, Approve Resettlement Completion Report	World Bank
Civil works and construction	Contractor
Assistance with in-kind compensation (moving structures, restoring) and payment for unforeseen damages and losses, as required	Contractor
Grievance redress	DOWH PIU / EPM, Provincial and District Governments and Contractor
Monitoring and compliance	DOWH PIU / EPM

8.2 RESETTLEMENT FUNDING ARRANGEMENTS

An estimated budget for compensation will be prepared with the Resettlement Plan. Costs of compensation will be covered by the GoPNG.

All payments related to unforeseen construction damage (e.g. loss of economic trees and food crops) will be paid for by the Contractor.

Operational budget for resettlement planning, implementation and monitoring will be covered under the project's operational budget.

8.3 MONITORING

Monitoring arrangements will be established in the Resettlement Plan to assess the effectiveness of implementation in a timely manner. For Resettlement Plans, monitoring includes review of progress in land acquisition, payment of compensation, functioning of project grievance procedures and provision of transitional assistance, if required.

The Resettlement Plan should establish the frequency of monitoring activities. It is envisaged that this will be conducted internally by the DOWH PIU, with support from DOWH Provincial and District offices.

The DOWH PIU team will maintain proper documentation of the consultation process and keep relevant records of compensation payments for which it is responsible. DOWH PIU will also prepare and submit quarterly progress/monthly reports to the World Bank as part of the project performance monitoring particularly the process of applicable payment aspects. A project completion report will be submitted to the World Bank upon completion of the payment process.

Any issues or problems associated with the Resettlement Plan implementation that are observed in the monitoring process will be reported to the World Bank project team.

Prior to project completion, the monitoring process will assess whether living standards of displaced persons, with particularly acknowledgement of vulnerable persons, have been improved, or at least restored. If these objectives have not been achieved, DOWH shall identify, plans and implements supplemental measures necessary to achieve satisfactory outcomes.

ANNEXURES

Annex 1. Template for a Resettlement Plan

<p>1. Description of the project</p> <p>Provide a general description of the project and identification of the project area</p>
<p>2. Potential impacts</p> <p>Identify:</p> <ol style="list-style-type: none"> The relevant project components that relate to the displacement (i.e. road corridor, lay down areas, etc) explaining why and when the selected land must be acquired for the Project The extent of land acquisition and impacts on structures and other fixed assets Any project-imposed restrictions on land-use and access to natural resources How displacement will be minimised during project implementation, to the extent possible
<p>3. Objectives</p> <p>Summarise the main objective of the resettlement program</p>
<p>4. Socioeconomic survey and asset inventory</p> <p>The socioeconomic survey and initial asset inventory will identify and enumerate affected persons, surveying land, structures and other fixed assets affected by the project.</p> <p>As the Bank may deem relevant, additional studies on the following subjects may also be required:</p> <ul style="list-style-type: none"> Patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be impacted, both positively and negatively, by the project (e.g. traffic and road safety) Social and cultural characteristics of settler communities, including a description of formal and informal institutions (e.g. church youth groups, nongovernmental organisations, etc) that may be relevant to the consultation strategy and to designing and implementing resettlement strategies
<p>5. Legal framework</p> <p>Provide analysis of the legal framework, including</p> <ul style="list-style-type: none"> The scope of compulsory acquisition and imposition of land use restriction and the nature of compensation associated with it, in terms of both the valuation methodology and the timing of payment; The applicable PNG legal and administrative procedures, including a description of the remedies available to displaced persons in the judicial process and the normal time frame for such procedures, and any available grievance redress mechanisms that may be relevant to the project; Laws and regulations relating to the responsible agencies for implementing resettlement activities; and

- Gaps, if any, between local laws and practices covering compulsory acquisition, imposition of land use restrictions and provision of resettlement measures and ESS5, and the mechanisms to bridge such gaps.

6. Institutional framework

Summarise the findings of an analysis of the institutional framework covering:

- The identification of agencies responsible for resettlement activities and NGOs/CSOs that may have a role in project implementation, including providing support for displaced persons;
- An assessment of the institutional capacity of such agencies and NGOs/CSOs; and
- Any steps that are proposed to enhance the institutional capacity of agencies and NGOs/CSOs responsible for resettlement implementation, where relevant

7. Eligibility

Provide a definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.

8. Valuation of and compensation for losses

Outline the methodology to be used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation for land, natural resources, and other assets under local law and such supplementary measures as are necessary to achieve replacement cost for them.

9. Community participation

Summarise how displaced persons have been engaged, outlining:

- A description of the consultation strategy, including how displaced persons participated in the design and implementation of the resettlement activities;
- A summary of the views expressed and how these views were taken into account in preparing the resettlement plan;
- Institutional arrangements for communicating concerns to project authorities, including measures to ensure that vulnerable groups (Indigenous Peoples, informal settlers and women) are represented.

10. Implementation schedule

Provide an implementation schedule, summarising timeframes for displacement, and estimated start and end dates for all resettlement plan activities. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project.

11. Costs and budget

Provide tables showing cost estimate categories for all resettlement activities. This should include contingencies; timetables for expenditures; sources of funds; and arrangements for timely flow of funds.

12. Grievance redress mechanism

Outline accessible procedures for third party settlement of disputes arising from displacement or resettlement. Procedure should take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms.

13. Monitoring and evaluation

Outline arrangements for monitoring of displacement and resettlement activities by DOWH (the implementing agency). These arrangements should include provision for third-party monitors, as considered appropriate by the Bank.

14. Arrangements for adaptive management

Outline provisions for adapting resettlement implementation in response to unanticipated changes in project conditions, or unanticipated obstacles to achieving satisfactory resettlement outcomes.