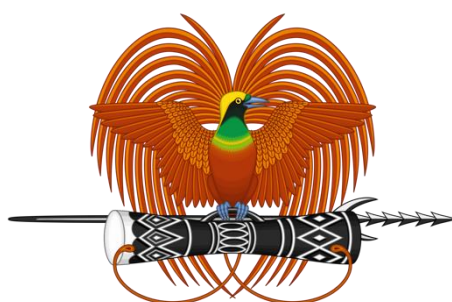


Independent State of Papua New Guinea
Department of Provincial and Local Government
Affairs



**Rural Service Delivery Project Phase
2 (P508616)**

**Environmental and Social
Management Framework**

DRAFT

Version 4, June 2025

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Acronyms and Abbreviations

Abbreviation	Full Form
CDD	Community Driven Development
CDD-SC	Community Driven Development Subcommittee
CDW	Community Development Worker
CEPA	Conservation and Environment Protection Authority
CLUA	Clan Land Use Agreement
DA	District Administration
DLIR	Department of Labour and Industrial Relations
DLPP	Department of Lands and Physical Planning
DoE	Department of Education
DoWH	Department of Works and Highways
DPLGA	Department of Provincial & Local Government Affairs
DSIP	District Services Improvement Program
EHS	Environmental, Health, and Safety
EOI	expressions of interest
ERD	External Relations Division
E&S	Environmental and Social
ESCoP	Environmental and Social Code of Practice
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESHS	environmental, social, health and safety
ESMF	Environmental and Social Framework
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standards
GBV	Gender-based Violence
GDP	gross domestic product
GIIP	Good International Industry Practice
GRM	grievance redress mechanism
JHA	Job Hazard Analysis
LAP	Land Access Procedure
LLG	Local-level Government
LMP	Labour Management Procedures
NDoH	National Department of Health
NEA	National Energy Authority
OHS	occupational health and safety
OWC	Office of Workers Compensation
PA	Provincial Authority
PG	Provincial Government
PGK	PNG Kina
PMU	Project Management Unit
PNG	Papua New Guinea
POM	Project Operations Manual
POPs	persistent organic pollutants
PPE	Personal Protective Equipment
PPO	Provincial Project Office
PSC	Project Steering Committee
PSIP	Provincial Services Improvement Program
RISS	Rural Infrastructure and Safeguards Specialist
RSDP	Rural Service Delivery Project
RSDP-2	Rural Service Delivery Project 2
SEP	Stakeholder Engagement Plan
SIG	Special Interest Group
TF	Technical Facilitator
WB	World Bank

Executive Summary

Background

The Government of Papua New Guinea (PNG) has requested support from the World Bank (WB) for the Rural Service Delivery Project Phase 2 (RSDP-2) ('the Project') following successful implementation of the WB-funded Rural Service Delivery Project (RSDP). The objective of RSDP-2 is to improve access to resilient basic infrastructure and services and strengthen participatory local governance in targeted communities including those affected by violence.

This Environmental and Social Management Framework (ESMF) will serve as the project's umbrella environmental and social management document and will be incorporated into the Project Operations Manual (POM). The purpose of this ESMF is to guide DPLGA on the environmental and social screening of the Project activities (including community-led sub-projects) and subsequent environmental and social assessment and management of these activities during project preparation, design and implementation in a manner that meets the requirements of the WB Environmental and Social Framework (ESF) and relevant PNG regulations.

This ESMF includes information on:

- Project activities and anticipated subproject types
- Applicable PNG regulations and World Bank standards/guidelines
- Environment and social risks, potential impacts and mitigation
- Screening processes for the various sub-projects
- Incident management
- Implementation responsibilities, resources and capacity building
- Detailed protocols, procedures and templates to support the implementation of the ESMF (provided as annexes).

The ESMF is one of several instruments developed to manage the environmental and social risks and impacts of the Project and is supported by:

- Stakeholder Engagement Plan (SEP)
- Environmental and Social Commitment Plan (ESCP).

Project Description

The Project comprises of three components:

- Component 1: Preparation and implementation of community sub-projects
- Component 2: Strengthening community and local government capacity
- Component 3: Project management, monitoring and learning

The main focus of the Project is the continuation of providing grants to wards and special interest groups (under component 1) for developing small-scale community sub-projects using a community driven development model that seeks to empower communities to take the lead in their own development. It involves participatory planning and implementation procedures, and direct management of investment resources that support basic community services and infrastructure.

The RSDP-2 will be implemented in approximately 11 provinces, covering around 44 local-level governments (LLGs). The beneficiaries will be the population of the target LLGs and wards in which the Project will be implemented.

The RSDP-2 will be implemented by the Department of Provincial and Local Government Affairs (DPLGA) under the Ministry of Provincial and Local Level Government Affairs. DPLGA will collaborate with national government agencies who have mandates on education, health, energy, water and sustainable livelihoods as well as other sectors overseeing climate change,

disasters and women's empowerment. For subnational authorities, DPLGA will partner with the provincial governments (PGs), district administrations (DAs) and LLGs through different levels of agreement and oversight arrangements.

Key Risks and Potential Impacts

The risks linked to small-scale community infrastructure projects are typically temporary, predictable, and manageable through design and mitigation measures. However, this Project is more complex because of its extensive geographic area, the isolation of many participating wards, and ongoing social conflict, tension, and violence in some sub-project locations. The risks and impacts from small-scale community sub-projects will be screened for excluded activities, subject to a rapid E&S assessment and then managed using an Environmental and Social Code of Practice. Larger projects will need to prepare an Environmental and Social Management Plan.

Specific impacts/risks include:

- **generation of construction waste**, which will be managed through selection (where practicable) of non-hazardous waste types and use of qualified contractors to remove asbestos waste at sites to be renovated/demolished.
- **sourcing of natural resources** (e.g., aggregate, timber, etc) for construction and ongoing use (e.g., water for water supply subprojects), which will be managed through community agreement for sourcing of timber and aggregate and assessment of potential impacts from water supply.
- **erosion and sedimentation** associated with clearing, which will be managed using typical mitigations (e.g., limiting clearing to area required, prompt revegetation, sediment control measures, etc).
- **labour and working condition risks** for a large and diverse project workforce including community workers, safety risks of working in remote areas, and limited supervision, will be managed through provision of personal protective equipment (where required) to all workers, use of a Job Hazard Analysis to identify and mitigate specific risks, provided clear terms and conditions of work to individual contract and community workers and implementation of a specific remote work procedure.
- **land access** for community and inter-ward infrastructure-misunderstanding and/or misinformation on land access and use rights for investments benefiting broader community than individual landowners, which will be mitigated through implementation of a detailed Land Access Procedure.
- **ensuring equitable project benefits** for diverse indigenous peoples' groups and vulnerable social groups, which will be mitigated through inclusive engagement and criteria for community agreement on sub-projects as part of the sub-project selection process.
- **the risk exacerbating existing social tensions, conflict and civil unrest** within or between diverse indigenous communities, which will be reduced through undertaking a Social Conflict Analysis as part of project entry to the provinces and local-level government areas to understand the conflict context and develop mitigation strategies.
- **community health and safety risks** associated with small-scale infrastructure and the presence of outside workforce, which will be managed through implementation of a code of conduct for workers.

Implementation

The key groups responsible for implementation of the Project are:

- Project Management Unit formed under DPLGA – responsible for overall management of the Project

- Provincial Project Offices in each participating province – responsible for providing technical support in the planning (including community engagement), assessment and construction of the sub-projects
- Local-level Government (LLG) administrations in each participating LLG – will provide staff to provide hands-on support to the wards in their role
- Ward Development Committees (and Community Development Subcommittees) in each participating ward – responsible for planning, assessment and construction of the sub-projects

Capacity development to support the effective implementation of the ESMF and the Project in general is critical, given the remoteness of the wards and community involvement in the construction of the sub-projects. The Project will roll out four capacity building modules each sub-project cycle to provide support to all key groups responsible for project implementation.

1 Introduction

The Government of Papua New Guinea (PNG) has requested support from the World Bank (WB) for the Rural Service Delivery Project Phase 2 (RSDP-2) ('the Project') following successful implementation of the WB-funded Rural Service Delivery Project (RSDP). The objective of RSDP-2 is to improve access to resilient basic infrastructure and services and strengthen participatory local governance in targeted communities including those affected by violence.

The Project will be implemented by the Department of Provincial and Local Government Affairs (DPLGA) with significant input from other government agencies at national and subnational levels.

This Environmental and Social Management Framework (ESMF) will serve as the project's umbrella environmental and social management document and will be incorporated into the Project Operations Manual (POM). The purpose of this ESMF is to guide DPLGA on the environmental and social screening of the Project activities (including community-led sub-projects) and subsequent environmental and social assessment and management of these activities during project preparation, design and implementation in a manner that meets the requirements of the WB Environmental and Social Framework (ESF) and relevant PNG regulations.

This ESMF includes information on:

- Project activities and anticipated subproject types
- Applicable PNG regulations and World Bank standards/guidelines
- Environment and social risks, potential impacts and mitigation
- Screening processes for the various sub-projects
- Incident management
- Implementation responsibilities, resources and capacity building
- Detailed protocols, procedures and templates to support the implementation of the ESMF (provided as annexes).

The ESMF is one of several instruments developed to manage the environmental and social risks and impacts of the Project and is supported by:

- Stakeholder Engagement Plan (SEP)
- Environmental and Social Commitment Plan (ESCP).

This ESMF will be disclosed on the DPLGA website.

2 Project Description

2.1 Background

Papua New Guinea is one of the most rural countries in the world, with 87% of the population living in rural areas, many of which are isolated due to mountains, rivers, dense forests, and seas. The majority (75%) of the rural population survives off subsistence agriculture and an estimated 40% live on less than US\$2.15 per day.

Access to a range of basic services is extremely limited in most areas of PNG and especially in rural areas, with 61% of the population lacking access to improved water, 85% to improved sanitation, and 83% to electricity¹. Education measures are also quite low in comparison to other countries with similar rates of per capita gross domestic product (GPD) and economic growth.

Public service is delivered at several levels in PNG, including Provincial Government (PG), District Administration (DA), and Local-level Government (LLG). Since the passing of the 1995 Organic Law for Provincial and Local-level Government, the Government has strived to:

- reduce administrative costs of service provision at sub-national levels
- strengthen the ability to make technical and financial decisions regarding development priorities
- better align public expenditures and priority public services.

For this purpose, fiscal transfers to sub-national governments for development investments have increased substantially over the years. The annual capital funding to each Province includes PGK10 million under the Provincial Services Improvement Program (PSIP), and PGK10 million to each District under the District Services Improvement Program (DSIP). National Government transfers to LLGs and wards to support investments (i.e., capital projects), however, have been less generous.

Provinces and Districts now play a greater role, and have greater flexibility, in utilizing public funds to address local development needs. Such needs, however, are not always informed by bottom-up considerations of the population nor through coordinated planning by local government authorities and line departments responsible for key local-level services such as health, education, or agriculture. This requires an effective mechanism and capacity at sub-national levels for consolidating and prioritizing local needs, and for utilizing available public resources in a transparent manner. Communities need a platform and instruments to voice their needs and formulate their demands in concrete proposals to seek district or provincial funding; and Provinces, Districts, and LLGs need a platform that systematically collects the demand of communities, prioritize them in a fair and transparent manner, coordinates across various resource flows, and responds to them.

The LLG is an important local government entity for the delivery of basic services to their respective wards. The 1995 Organic Law provided LLGs with a very wide range of law-making and executing (implementation) powers, but did not specify how these areas would be translated into functions of LLGs or, beyond very basic administrative grants, how they would be funded. After almost 30 years since their creation, LLGs struggle to fulfill their service delivery mandates with little financial or human resources at their disposal.

The RSDP attempted to bridge some of these planning, financing and downward accountability gaps at local level. Specifically, the RSDP enabled participating wards and LLGs in five provinces (Western, Central, East New Britain, Simbu and West Sepik) to prepare or

¹ Baxi, Paripoorna; Naidoo, Darian; Tandon, Sharad Alan. *How Much of Economic Growth Trickles Down to the Population in Resource-Rich Countries? Evidence from Papua New Guinea*. Policy Research working paper; no. WPS 10798 (2024).

update Ward Development Plans (WDPs) and to finance the highest priority ward-level investments based on participatory bottom-up planning and prioritization processes. Some of the results achieved under the RSDP (as of November 2024) are:

- 55 sub-projects completed
- 338,832 beneficiaries (41% above target)
- 91% of wards introducing a new public service through the sub-projects (81% above target)
- 44.5% of women participants in ward development meetings (10% below target)
- 92.4% of provincial, district and LLG staff trained that report usefulness of project provided training (23% above target)
- 39% of community members receiving training who are women (18% above target).

The RSDP-2 proposes to continue implementation of the systems established under the RSDP (which will close on 31 May 2025) with some updates based on lessons learned, including:

- strengthening of the role and responsibilities Ward Development Committees (WDCs) in local development
- enhancing social accountability by communities
- improving the capacity of LLGs to support ward development
- engaging key line departments to help ensure basic services.

Other key recommendations for RSDP-2 design ensuing from the RSDP are:

- importance of engaging more closely with the Ward Development Councillors to ensure better community mobilization and follow-through on project commitments
- closer linkages with DPLGA structures at national level (for analytical work, capacity building, and monitoring and evaluation) to ensure better sustainability of RSDP interventions
- strengthen sub-national government linkages at provincial and district levels to ensure synergies with other government efforts (e.g., climate resilience and disaster risk management) and enhance technical input and collaboration with line departments (especially health and education)
- enhance use of technology to simplify and accelerate reporting particularly for progress monitoring and financial management acquittals
- considering willingness on the part of provincial, district authorities and political stakeholders to co-finance aspects of the project based on need and performance.

The RSDP-2 would be a first step in the Government's plan, as outlined in the Ward Development Strategy, to scale-up nationally the local level planning and implementation of basic services through wards and LLGs. The Project is planned to demonstrate the value of deepened institutional support at ward and LLG levels to take the lead in this process and enhance linkages with technical departments and sub-national governments for sectoral support and co-financing.

2.2 Project Overview

The design of Project is based on a community driven development model that seeks to empower communities to take the lead in their own development. This is accomplished through the application of participatory planning and implementation procedures, and direct management of investment resources that support basic community services and infrastructure such as water, sanitation, education, health and electrification.

The specific objective of RSDP-2 is to increase access to improved basic infrastructure and services in target communities through participatory planning and implementation arrangements, which will be measured through:

- number of people with increased access to basic infrastructure and services (disaggregated by sex, youth and disabled)
- percentage of sub-projects financed by the project that are climate and disaster resilient
- percentage of participatory ward activity plans approved by the LLG assembly
- percentage of sampled beneficiaries that report that they had a say in community decision-making (disaggregated by sex, youth and disabled).

The RSDP-2 will be implemented in approximately 11 provinces, covering around 44 LLGs. The provinces will be selected based on the following criteria: relative well-being as measured by the multidimensional poverty measure for PNG, conflict vulnerability, and climate vulnerability. Government will also consider provincial readiness and willingness to co-finance the project, financial management capacity, and regional equity in finalizing the list of participating provinces.

The beneficiaries will be the population of the target LLGs and wards in which the Project will be implemented.

The RSDP-2 will be implemented by DPLGA under the Ministry of Provincial and Local Level Government Affairs. DPLGA will collaborate with national government agencies who have mandates on education, health, energy, water and sustainable livelihoods as well as other sectors overseeing climate change, disasters and women's empowerment. For subnational authorities, DPLGA will partner with the PGs, DAs and LLGs through different levels of agreement and oversight arrangements.

The proposed Project consist of three components:

- Component 1: Preparation and implementation of community sub-projects
- Component 2: Strengthening community and local government capacity
- Component 3: Project management, monitoring and learning

A summary of the Project activities under each component is provided in Table 1 and a detailed description of the Project will be provided in the Project Operations Manul (POM). Further details about Component 1.1a/b are provided in the following section.

Table 1: Summary of Project activities under each component

Activity	Description
Component 1.1	Community grants
a) Ward Development Grants (WDG) to wards	Ward/ special interest group (SIG) will use sub-grants to identify prioritize and implement basic services or infrastructure and/or livelihood activities.
b) Special Interest Group Grants, (SIGG) to women or youth groups/ associations	Each ward/ SIG will form a CDD-Subcommittee (CDD-SCs) to implement the sub-project.
a) Disaster response mechanism	In the case of a natural disaster, unused WDG or SIGG funds can be redirected to respond to the disaster. Additional funds e.g. from the GoPNG or additional financing, can be channelled through the bank accounts set up for the WDGs and SIGGs that are managed by the CDD-SCs (and can be replenished later after the disaster). Use of institutions and mechanisms established under the project to rapidly assess damages, identify priority needs for assistance, channel funds to local communities and monitor and account for the use of disaster response funding.
Component 1.2	LLG Support Grant
a) LLG Start up grant	LLG Administrations will receive <u>Start-up Grant</u> financing to support the electrification of targeted administrative buildings, procurement of basic ITC
b) LLG Facilitation Grant	

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	<p>equipment, and other costs associated with establishing workstations for field staff. (e.g. office furniture, laptops; generator).</p> <p>LLG Administrations will receive a <u>Facilitation Grant</u> intended to finance regular field-based implementation support to targeted communities (e.g. travel cost for project recruited staff to support communities).</p>
Component 1.3	Technical assistance/ studies for pilot initiatives
	<p>Finance technical assistance/ assessments/ studies to inform the design and implementation of pilot initiatives in specific provinces/districts/ LLGs.</p> <p>Pilot initiatives can be implemented subject to the mobilization of additional funds (e.g. private sector, government counterpart funding, global climate funds, etc)</p> <p>The pilots will include (but is not limited to) the following:</p>
a) Inter ward development (and special interest group) grants Inter-ward development (and special interest group) grants for shared services and infrastructure and possibly livelihood development	<p>Technical Assistance to develop activity for inter ward development (and SIG) grants including shared services and infrastructure, livelihood support facilities for processing or warehousing, larger service infrastructure (i.e. school dormitories), or disaster/climate resilient investments (i.e. multi-functional community centre / evacuation centre, boreholes to ensure water supply, seawalls, small scale flood management).</p> <p>Possible livelihood activities for SIG, such as climate smart agriculture, agroforestry, sustainable livestock production. among others) and encourage livelihood diversification to cope with extreme weather events</p>
b) Climate resilience pilots	Climate resilience pilots (climate vulnerability risk assessment; climate grant top ups to WDG/SIGGs)
c) Climate-smart livelihood activities	e.g. climate smart agriculture, agroforestry, sustainable livestock production. among others) and encourage livelihood diversification to cope with extreme weather events
d) Benefit sharing pilot	Technical assistance to develop and pilot a mechanism for leveraging the RSDP-2 local development platform as a means of transparently programming funds that have been allocated for community development
e) Fragile, conflict-affected and vulnerable (FVC) modifications	FCV modifications for provinces with high conflict risk, which will include exploring entitlement grant allocation modality (all wards eligible; only one grant per ward); all others – competitive with 50% financing of target wards per cycle; minimum requirements for eligibility (e.g. no outstanding/ unresolved conflict with other tribes; minimum access to response services in event of conflict) etc.
Component 2:	Strengthening community and local government capacity
Training and capacity building	<p>Hands on-training and facilitation support of community groups (including members WDC and CDD-Sub committees</p> <p>Capacity building of local authorities and relevant line agencies and village courts</p> <p>Intensive training of project staff, particularly of the CDWs and TFs who provide direct hands support to communities to implement the sub-projects</p> <p>Opportunities to extend informal and formal GBV services through capacity building (of village court magistrates, CDWs and community health workers).</p>
Component 3:	Project management, monitoring and learning
a) Project Management, Monitoring and Learning	Project management support, monitoring and learning, including enhancements to the Management Information System (MIS) and data collection devices (e.g. tablets/ phones), conducting surveys and preparing reports (including mid-term and endline/ project completion), and analytical work and learning activities to assist DPLGA on undertaking research, reviewing other country experiences, formulating relevant policies and developing related procedures to support its sub-national governance objectives;
b) Support for the National Prevention Strategy (NPS)	Support to the secretariat of the Inter-Government Technical Working Group (under the Department of Prime Minister and National Executive Council, PMNEC) implementing the NPS

2.3 Community sub-projects

Subcomponent 1.1 will finance the sub-grants for wards and special interest groups (SIG) (that would target investments for basic services or infrastructure and possible livelihoods activities, such as:

- Education: classrooms, libraries, teacher's houses
- Health: aid posts, maternity wards, patient wards, health worker houses
- Water: water tanks, boreholes, gravity fed water supply, water pumps, well upgrading
- Electrification: solar street lighting, solar electrification of houses/public services
- Community: markets, multi-purpose hall, safe houses, village courts
- Climate hazard prevention: sea/retaining walls, road drainage
- Mobility/Road: access roads/footpath, footbridges
- Livelihood activities (with related skills training)

There will be up to three sub-project cycles, and each sub-project grant is expected to range from around PGK 100,000 to 140,000. A sub-project cycle is expected to last about 18 months will consist of five key stages:

- **Stage 1 Start up and Project Entry:** selected target LLGs sign partnership agreements with DPLGA, Provincial Administration, and District Administration. The PMU will contract and assign two Community Development Workers (CDWs) and a Technical Facilitator (TF) to each target LLG.
- **Stage 2 Community Mobilization and Planning:** the CDWs and TF will conduct outreach activities in wards and facilitate the mobilization or reactivation of ward development committees (WDCs) and Community Driven Development Subcommittees (CDD-SCs). The CDWs will facilitate the organization of a ward development planning meeting, through which ward development priorities and plans will be developed or validated through participatory processes. They will also provide support to CDD-SC in preparing expressions of interest (EOI) for sub-projects (each ward will submit one EOI in each cycle), as well as a summary of validated ward development priorities. At this stage, CDWs will also identify the existence of SIGs in the LLG. SIGs will also be made aware of the grants that can be made available to them and receive assistance from CDWs and TFs in preparing EOIs.
- **Stage 3 Subproject Selection and Proposal Preparation:** the LLG Development Committee, consisting of LLG administration, as well as provincial and District Administration's representatives, will review and screen EOIs using a standard set of criteria. The groups whose EOIs were selected by the LLG committee will prepare a full subproject proposal including technical designs. The full sub-project proposal will be reviewed again by LLG administration for final approval.
- **Stage 4 Subproject Implementation and Monitoring:** once the full proposal is approved, the WDCs and SIGs will receive Ward Development Grants and the CDD-SC and the women's groups will implement their sub-projects.
- **Stage 5 Sub-Project Completion:** upon completion of physical work of a sub-project, PMU, with the support of a PPO, will conduct technical and financial audits. With satisfactory results of these audits and the validation of an Operations and Maintenance (O&M) Plan acceptable to the PMU/PPO, the sub-project will be declared complete.

3 Policy, Legislation and Regulatory Framework

3.1 Papua New Guinea

3.1.1 Institutional Framework

This section presents information on the PNG government agencies and departments that will most likely play a role in implementation of the project, including DPLGA.

3.1.1.1 Department for Provincial and Local Government Affairs

The Department of Provincial and Local Government Affairs is the national government agency mandated to provide the vital link for coordination and partnership between all stakeholders to mobilize and provide the necessary support to strengthen the provincial and Local-level Government their administrations.

3.1.1.2 Provincial Governments

The Organic Law on Provincial Governments and LLGs provides certain powers with respect to local government in accordance with section 187B of the Constitution. The Organic Law defines the system, structure and composition of government, requirements for compliance with the PNG constitution, the roles, responsibilities and administrative functions of elected and appointed officials, law making powers, taxation policies, and monitoring and auditing functions for provincial and local-level governments.

3.1.1.3 Local-Level Governments

There are over 300 LLGs in PNG, made up of over 6,000 wards. Wards participate in LLG planning, which in turn contributes to provincial planning, which contributes to national planning. Each LLG is headed by a directly elected LLG President, along with Councillors and an employed LLG Manager. Most LLGs are currently under-resourced and/or have limited management and administrative capacity.

3.1.1.4 Conservation and Environment Protection Authority

The Conservation and Environment Protection Authority (CEPA) was established in 2014. CEPA takes over from the former Department of Environment and Conservation that was established in 1985, and continues the Department of Environment and Conservation's former mandate by being vested with the powers to protect the environmental values of air, water, soil and biodiversity and the sustainable use of natural resources as mandated by the Fourth Goal of the National Constitution: "*Papua New Guinea's natural resources and environment to be conserved and used for the collective benefit of all and are replenished for the benefit of future generations*".

CEPA is the key agency responsible for assessing, monitoring and mitigating the environmental and social impacts of developments in PNG and will play an oversight role to ensure that DPLGA implement the Project according to the directions set by the government, and the environmental acts and regulations. CEPA regulate the environmental permitting process. Subprojects that require an environment permit are not eligible for funding by the Project, however, CEPA may still be interested in the impacts of the subprojects.

3.1.1.5 Department of Labour and Industrial Relations

The Department of Labour and Industrial Relations (DLIR) is tasked with the responsibility of promoting labour employment opportunities at a national level, to furnish employees with information on their rights through the Office of Labour Administration. It is entrusted with the responsibility of administering labour employment and industrial relations services of the country as outlined in various pieces of legislation and international conventions (e.g., International Labour Organisation [ILO]). Through the *Industrial Safety, Health and Welfare*

Act 1961, DLIR is also responsible for providing occupational health and safety protection of workers.

DLIR is also responsible for ensuring that employers have no difficulty in recruiting qualified, skilled and experienced non-citizen workers where these skills cannot be found locally. Overall, DLIR has an obligation to ensure that the work permit system looks after the interests of Papua New Guineans.

Office of Workers Compensation

The Office of Workers Compensation (OWC) sits under DLIR has two primary functions/roles:

- Occupational Health and Safety – ensure employers adhere to OHS protection measures for its workers.
- Receive and assess compensation claims.

Public Sector employees automatically qualify for Workers Compensation Cover. The State is a self-insuring entity. It does not purchase Workers Compensation cover from insurance companies. Workers Compensation cover is a statutory requirement under Workers Compensation Act 1978.

Process for making Workers Compensation claims differs for Public Sector employees and Private Sector Employees.

Assessment of claims for public sector employees is made by the OWC, Office of the State Solicitor, and Finance Department. The respective officers from OWC, Office of State Solicitor, and the OWC representative from Finance meet twice a year to make assessment on claims. The representatives from these three agencies constitutes the Workers Compensation Tribunal that makes the determination on whether a claim is genuine and the amount to be paid.

Private Sector Claims Process is through the insurance company Insurance Company and OWC. The payment is made directly by the Insurance Company or Trust Fund to the claimant. OWC role in the process largely involves directing moneys from the from Insurer or Trust Fund to the claimant.

3.1.1.6 National Department of Health

The National Department of Health (NDoH) has responsibility for setting policies, developing standards and guidelines, procuring pharmaceuticals and medical supplies, surveillance, and managing public hospitals and provincial hospitals. Provincial and local governments are responsible for funding and delivery of rural health services and implementing all policies and programs according to the set goal and vision of the national government. Health advisors coordinate the health planning process within the provincial government planning framework.

3.1.1.7 Department of Education

The Department of Education (DoE) is the executive and inspectorial branch of the National Education System and determines national policies and standards; and supports their implementation by the provinces with services such as planning, research, training and staff development.

The DoE is responsible for teacher in-service, inspection and registration; the national curriculum; curriculum materials; and examinations. It is also responsible for national institutions, namely national high schools, special education resource centres, flexible, open and distance education centres and schools in the National Capital District.

Provincial Governments, through the provincial and district administrations and provincial education boards, have the responsibility for establishing, building and maintaining schools.

3.1.1.8 *National Energy Authority*

The National Energy Authority (NEA) was established by the National Energy Authority Act and the Electricity Industry (Amendment) Act enacted in April 2021. The NEA is the economic and technical regulator of the energy industry in PNG and is based on the former Energy Wing of the Department of Petroleum and Energy, and the policy maker and the energy market regulator, including electricity and downstream gas industry, under the energy laws in PNG.

3.1.1.9 *Department of Works and Highways*

The Department of Works and Highways (DoWH) is the national government agency responsible for developing, managing, and maintaining the national road network infrastructure. The DoWH comprises of four divisions: Corporate Service; Network Planning, Design, and Standards; Highways Management; and Field Operations.

3.1.1.10 *Department of Lands and Physical Planning*

The complex task of administering land lies with the Department of Lands and Physical Planning (DLPP). Within DLPP there are eleven divisions that are responsible for various planning and land management issues. Those of greatest relevance to the Project include:

- **Physical Planning Division** - responsible for the spatial expression of the desired form of social and economic development. The purpose of physical planning is to establish and maintain a framework of physical planning nationwide, which aligns the ongoing conversion of land uses and spatial development with long term government objectives for sustainable economic and social development.
- **Customary Land Acquisition Division** – the Division is responsible for administering the process by which the State acquires land from its owners, following one of two possible modes of acquisition provided for under the *Land Act 1996* by which the Minister may acquire land on behalf of the State – Acquisition by Agreement and Compulsory Acquisition. Acquisition by Agreement can apply to Customary Land and Alienated Land for public purposes, reservation, wildlife and conservation, church and non-government organisations activities, economic and resource development, and business and private purposes.
- **Incorporated Land Groups Division** – the Division is under the Customary Land Services within the DLPP. The core function of the Division is to register customary landowning units, giving them legal recognition under the *Land Groups Incorporation Act*, which empowers customary groups for greater participation in the national economy.
- **Land Administration (Alienated Land) Division** – efficient management of the State Land Leases with probity and ensures that State Land is required for approval purposes. It also ensures effective and efficient management of the Division's corporate goals ensure identified and made available to stakeholders through lease arrangements as and when State Land to ensure compliance as required under all land related legislation. The Division also facilitates the process of equitable allocation of land by the Land Board and ensures that State Land is made available when required for approved purposes by controlling squatting and unauthorised settlements. It also administers State Leases and ensures that lease covenants and conditions are observed.
- **Office of Registrar of Titles** – the Office's major function is to administer and provide reliable and accurate land information in PNG. It is also tasked with effectively and efficiently supporting services to provide an orderly process for land transactions. Further, the Office ensures that land rights are guaranteed, and titles registered and issued are indefeasible. The Office of the Registrar of Titles was established under the *Land Registration Act 1981*, (Chapter 191).
- **Office of the Surveyor General** – the Office of the Surveyor General is one of the core divisions of the Department of Lands and Physical Planning that looks after all

land survey matters in PNG. The Office of the Surveyor General also oversees the functioning of the Surveyors Board, which deals with the registration of all the surveyors practicing land surveying in PNG and regulates all laws affecting the surveyors and the survey profession.

- **Office of the Valuer General** – The Office forms a division within the Department of Lands and Physical Planning. The functions of the office are defined in part, by the *Valuation Act* (and associated regulations), which establishes the Valuer General as a statutory position, with responsibility for administering Valuer registrations, the Valuer Registration Board, regulations for practice and maintenance of standards of valuing and valuation of properties for local government rating purposes. Overall, the Office of the Valuer General is to provide an effective and impartial valuation service and to conduct quality rating and taxing valuations for the DLPP and specific stakeholders throughout the assessment of current unimproved values and ensure there is consistency and integrity across all valuation in the Declared Valuation Areas.

3.1.1.11 Department of Treasury

The role of the Department of Treasury is to undertake research and provide advice to GoPNG on economic issues; provide advice on financial issues that arise from the National Budget; prepare and monitor the National Budget; and provide policy advice on the finance and resource management of national government departments, provincial and local level government and state-owned enterprises. The Department of Treasury will be active in structuring and sourcing the financing for the Project.

3.1.1.12 Department of National Planning and Monitoring

The Department of National Planning and Monitoring plays a critical role in guiding PNG's development trajectory and ensuring that its economic and social development is sustainable and inclusive. The department is responsible for:

- Developing and coordinating policies, plans, and programs for sustainable economic and social development.
- Coordinating development assistance from international donors, including managing and disbursing aid funds.
- Conducting research and analysis to inform policy and decision-making.
- Monitoring and evaluating development programs and projects to ensure they are meeting their intended goals and objectives.
- Providing technical assistance and capacity building to government agencies and other stakeholders involved in development planning and implementation.
- Ensuring that development efforts are aligned with PNG's long-term development vision and goals, as outlined in the Vision 2050 strategic plan.

3.1.1.13 Public Solicitors Office

The Public Solicitor and his Office were established as a branch of the then Law Department on 14 April 1958. At Independence, on the advice of the Constitutional Planning Committee, the Office of the Public Solicitor was established as an independent constitutional office.

The Public Solicitor and his Office have the mandate to provide legal assistance so that everybody in PNG has access to the Law Court. Presumably, this includes legal assistance and representation with free legal advice sessions and formal representation to landowners across the country.

3.1.2 Legislation and Guidelines

This section provides an overview of relevant legislation and guidelines pertaining to the Project.

3.1.2.1 Sub-national

The 1995 Organic Law empowers each PG and LLG, public authority or agent to carry out specific duties or functions. This includes ensuring the proper use and care of all public properties; accountability in the use of public finances, properties and as public power; recognising human rights as recognised and enforced by PNG law; and striving to achieve the Fourth National Goal (Natural Resources and Environment) of the National Goals and Directive Principles of the Constitution.

Further the 1995 Organic Law directs that the wealth generated by lawful exploitation of any natural resources be equitably distributed by the National Government, the PGs and LLGs for the benefit of resource owners and all levels of governments, and that all levels of government and governmental bodies recognise traditional land rights and other rights and ensure that adequate compensation is made for the loss of such rights.

The *Provincial Governments Administration Act 1997*, *Local-Level Governments Administration Act 1997* and *District Development Authority Act 2014* set out how the 1995 Organic Law is administrated with respect to sub-national governments.

3.1.2.2 Environment

The *Environment Act 2000* outlines responsibilities for protection of the environment while allowing development in ways that improve quality of life but also maintain ecological processes on which life depends. According to Section 6 (d) in Part 2 of the Act, an Environmental Impact Assessment study needs to be carried out on activities specified in the second schedule of the Act that are likely to have a significant impact on the environment (i.e., Level 2 and Level 3 activities). The Environment (Prescribed Activities) Regulation 2002 sets out the prescribed activities that require development consent to be obtained from CEPA. Subprojects that are categorised as Level 2 or Level 3 are ineligible for funding and will not be developed under RSDP-2.

3.1.2.1 Climate and disaster resilience

Key legislation and documents relating to climate change management and adaption, and disaster management include:

- *Climate Change Management Act 2015*
- *Disaster Management Act 1984*
- National Adaptation Plan 2023
- National Disaster Risk Reduction Framework 2017

3.1.2.2 Education

The DoE has published an extensive range of policies, guidelines and manuals. Those most likely to be relevant to the project include:

- National Education Plan 2020-2029
- WaSH In Schools Guideline
- WaSH In Schools Infrastructure Manual
- GESI In Schools Policy Guidelines

These cover requirements for gender equity, social inclusion, water, sanitation and hygiene in schools and may be relevant to the Project if sub-projects relating to modification or construction of school infrastructure are proposed.

3.1.2.3 Health

The NDoH has published guidelines and minimum requirements for health facilities. Those most likely to be relevant to the project include:

- National Guidelines for WaSH in Healthcare Facilities

- Minimum requirements for Community Health Posts, which includes staff housing, waste disposal facilities and access to reliable and sustainable energy and water supplies

These may be relevant to the Project if sub-projects relating to modification or construction of healthcare facilities are proposed.

3.1.2.4 Energy

The regulations regarding energy and electricity generation and supply primarily relate to larger-scale development that are beyond that scale of the sub-projects proposed under Component 1. There are licensing requirements for solar power system installers that may be relevant if sub-projects under Component 1 include solar power system installation.

3.1.2.5 Roads

The regulations regarding standards for roads relate to gazetted roads (Road Design Manual April 2017; and Highway Maintenance Specifications October 2017), which are beyond the scale of the sub-projects proposed under Component 1.

3.1.2.6 Water and sanitation

The Public Health (Drinking Water) Regulation 1984 contains water quality standards for drinking water based on the 1971 World Health Organization International Standards for Drinking Water. This regulation provides the minimum standards for drinking water in PNG that is supplied through a distribution system. Although sub-projects proposed under Component 1 are unlikely to include piped distribution systems, these standards could be used as a guide to inform the suitability of proposed water supplies from a health perspective.

3.1.2.7 Building standards

Building standards in Papua New Guinea are regulated under the Building Regulation 1994 and approvals are administered by the applicable Provincial Building Board. The regulations do not apply to all types of buildings and its applicability will be determined on a case-by-case basis for each sub-project.

3.1.2.8 Health and safety

This *Industrial Safety, Health and Welfare Act 1961* is the main legal framework for occupational health and safety (OHS) and is administered by the Department of Labour and Industrial Relations. As the act was established over 50 years ago, it is no longer in alignment with Good International Industry Practice (GIIP).

3.1.3 Regional and International Agreements

Papua New Guinea is a signatory to various regional and international agreements that may be relevant to the Project, and these are summarized in

Environmental and Social Management Framework
Papua New Guinea Rural Service Delivery Project Phase 2 (P508616)

Table 6.

Environmental and Social Management Framework

Papua New Guinea Rural Service Delivery Project Phase 2 (P508616)

Table 2: Potentially relevant regional and international agreements

Agreement	Purpose
Waigani Convention on Hazardous & Radioactive Wastes 1995	Bans the importation of hazardous and radioactive wastes into Forum Island countries and to control the trans-boundary movement and management of hazardous wastes within the South Pacific region.
Basel Convention on the Control of Trans- boundary Movements of Hazardous Wastes and Their Disposal	Reduce the movements of hazardous wastes between nations and specifically prevent transfer of hazardous wastes from developed to less developed countries.
Pacific Regional Solid Waste Management Strategy 2016-2025	PNG was one of several Pacific island countries to adopt the Pacific Regional Solid Waste Management Strategy, initiated by SPREP.
Stockholm Convention for Persistent Organic Pollutants	The Stockholm Convention on Persistent Organic Pollutants is an international environmental treaty, signed in 2001 and effective from May 2004, that aims to eliminate or restrict the production and use of persistent organic pollutants (POPs). This convention entered into force in PNG in May 2004.
United Nations Framework Convention on Climate Change	Its purpose / aim is to set an overall framework for intergovernmental efforts to tackle the challenges posed by climate change. It is administered by the Climate Change Development Authority
Paris Agreement	It deals with GHG emissions mitigation, adaptation and finance, starting in 2020. It is administered by the Climate Change Development Authority
UN Convention on Biological Diversity	Its purpose is to conserve biological diversity through the sustainable use of its components and the fair and equitable sharing of the benefits arising out of utilizing genetic resources.
Ramsar Convention on Wetlands of International Importance	Its purpose is to ensure conservation and sustainable use of wetlands, especially as waterfowl habitat.
International Plant Protection Convention	Its aim is to prevent and control introduction and spread of pests of plants and plant products.
United Nations Declaration on the Rights of Indigenous Peoples	Enshrines the rights that “constitute the minimum standards for the survival, dignity and well-being of the indigenous peoples of the world.” The declaration protects collective rights that may not be addressed in other human rights charters that emphasize individual rights, and it also safeguards the individual rights of Indigenous people.
Convention on the Elimination of All Forms of Discrimination against Women	Its primary purpose is to ensure that women enjoy equal rights and freedoms in all areas of life, eliminating discrimination based on sex. PNG ratified CEDAW in 1995.

3.2 World Bank

3.2.1 Environmental and Social Framework

The World Bank Environmental and Social Framework sets out the ‘World Bank’s commitment to sustainable development, through a Bank Policy and a set of Environmental and Social Standards (ESS) that are designed to support Borrowers’ projects, with the aim of ending extreme poverty and promoting shared prosperity’. The framework was effective on 1 October 2018 and applies to all Investment Project Financing initiated after this date. The framework consists of three parts:

1. A Vision for Sustainable Development - the Bank’s aspirations regarding environmental and social sustainability.
2. The World Bank Environmental and Social Policy for Investment Project Financing - requirements that apply to the Bank.
3. The ESS requirements that apply to the Borrower and projects. The ESS are comprised of ten standards covering various topics:
 - ESS1 Assessment and Management of Environmental and Social Risks and Impacts
 - ESS2 Labor and Working Conditions
 - ESS3 Resource Efficiency and Pollution Prevention and Management
 - ESS4 Community Health and Safety

- ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
- ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources
- ESS7 Indigenous Peoples
- ESS8 Cultural Heritage
- ESS9 Financial Intermediaries
- ESS10 Stakeholder Engagement and Information Disclosure

3.2.2 Environment and Social Risk Classification

As part of the WB's requirements for project financing (as per the Environmental and Social Policy for Investment Project Financing) projects must be assessed and classified according to their level of environment and social risk. The classifications are: High Risk, Substantial Risk, Moderate Risk and Low Risk. This classification considers:

- Type, location, sensitivity, and scale of the project
- The nature and magnitude of the potential environmental and social risks and impacts
- The capacity and commitment of the Borrower to manage the environmental and social risks and impacts.

The risk ratings for RSDP-2 are assessed as moderate for environmental risks and substantial for social risks.

3.2.3 Applicable Environmental and Social Standards

Screening of the ESS that apply to the Project was undertaken by the WB team as part of project planning. The ESSs applicable to the Project are outlined in Table 3.

Table 3: Applicable Environmental and Social Standards

Standard	Topic
ESS1 Assessment and Management of Environmental and Social Risks and Impacts:	This standard sets out the Borrower's responsibilities ² for assessing, managing and monitoring environmental and social risks and impacts associated with each stage of a project supported by the WB through Investment Project Financing, in order to achieve environmental and social outcomes consistent with the ESSs.
ESS2 Labor and Working Conditions:	This standard recognizes the importance of employment creation and income generation in the pursuit of poverty reduction and inclusive economic growth. Borrowers can promote sound worker-management relationships and enhance the development benefits of a project by treating workers in the project fairly and providing safe and healthy working conditions.
ESS3 Resource Efficiency and Pollution Prevention and Management:	This standard recognizes that economic activity and urbanization often generate pollution to air, water, and land, and consume finite resources that may threaten people, ecosystem services and the environment at the local, regional, and global levels.
ESS4 Community Health and Safety	This standard recognizes that project activities, equipment, and infrastructure can increase community exposure to risks and impacts.
ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	This standard recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons. It may cause physical displacement (relocation, loss of residential land or loss of shelter) economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood) or both.
ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources	This standard recognizes that protecting and conserving biodiversity and sustainably managing living natural resources are fundamental to sustainable development. Biodiversity is defined as the variability among

² Although these are the ultimate responsibility of the Borrower, they are typically delegated to the IA (e.g., DPLGA in the case of RSDP-2)

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	living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species, and of ecosystems.
ESS7 Indigenous Peoples	This standard recognizes that Indigenous Peoples have identities and aspirations that are distinct from mainstream groups in national societies and often are disadvantaged by traditional models of development.
ESS8 Cultural Heritage	ESS8 recognizes that cultural heritage provides continuity in tangible and intangible forms between the past, present, and future. People identify with cultural heritage as a reflection and expression of their constantly evolving values, beliefs, knowledge, and traditions. Cultural heritage is important as a source of valuable scientific and historical information, as an economic and social asset for development, and as an integral part of people's cultural identity and practice.
ESS10 Stakeholder Engagement and Information Disclosure	This standard recognizes the importance of open and transparent engagement between the Borrower (and implementing agency) and project stakeholders as an essential element of good international practice. Effective stakeholder engagement can improve the environmental and social sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation.

3.2.4 Environmental, Health and Safety Guidelines

The WB Group's Environmental, Health, and Safety (EHS) Guidelines are technical reference documents with general and industry-specific examples of GIIP. They contain the performance levels and measures that are normally acceptable to the WB Group and are generally considered to be achievable in new facilities at reasonable costs by existing technology. The EHS Guidelines are comprised of General Guidelines which are organised by themes (environmental; occupational health and safety; community health and safety; construction and decommissioning) and industry-specific guidelines.

The following EHS guidelines may be relevant to the Project:

- General EHS Guidelines: Environmental (including management air quality, water quality, noise, waste and hazardous materials)
- General EHS Guidelines: Occupational Health and Safety
- General EHS Guidelines: Community Health and Safety
- General EHS Guidelines: Construction and Decommissioning
- EHS Guidelines for Water and Sanitation
- EHS Guidelines for Electric Power Transmission and Distribution.
- EHS Guidelines for Health Care Facilities

3.3 Gap Analysis of Papua New Guinea and World Bank Requirements

PNG's legislative system for environmental and social assessment and permitting (which includes consultation and disclosure) is limited to projects that are classified as Level 2 or 3 activities under the Environment (Prescribed Activities) Regulation 2002. Such projects are not eligible for financing under RSDP-2 and therefore these national requirements do not apply to RSDP-2. Therefore, the Project will implement the WB requirements for environmental and social assessment, consultation, and disclosure. An overview of the national requirements compared to the WB ESF and ESSs is provided in Table 4 for background.

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Table 4: Gap analysis of Papua New Guinea and World Bank Requirements - environmental and social assessment

Assessment Stage	WB ESF and ESSs	National Legislation	Equivalence
Screening	The WB will classify all projects into one of four classifications: high risk, substantial risk, moderate risk or low risk. The screening takes into account relevant issues, such as the type, location, sensitivity, and scale of the project; the nature and magnitude of the potential E&S risks and impacts; and the capacity and commitment of the Borrower to manage the E&S risks and impacts in a manner consistent with the ESSs.	Projects are screened and categorised as Level 1, 2A, 2B and 3 depending on the type and scale of the activity. These categories do not necessarily align with the WB risk categories.	Partially equivalent.
E&S instrument and scope	Depending on the project risks and impact, a range of instruments and procedures required to meet the ESSs' objectives, these include ESIA; ESMF; ESMPs, sectoral & regional ESIA; a hazard or risk assessment; environmental and social audit; cumulative impacts assessment; and social and conflict analysis. The WB provides general guidance for the implementation of each instrument.	Level 2A, Level 2B and Level 3 projects require a Permit Application, which requires an Environmental Management Plan and/or ESIA. The scope the Environmental Management Plan / ESIA is similar to that required by the WB for environmental aspects. The social aspects are less detailed than that required by the WB.	Partially equivalent.
Monitoring	Monitoring is required that includes a monitoring framework that allocates location, frequency, costs and responsibilities,	Monitoring is required but there is no specified framework provided.	Partially equivalent.
Institutional capacity and training	Institutional capacity and training requirements are assessed.	Institutional capacity and training requirements are not assessed.	Not equivalent.
Public consultation, stakeholder engagement, grievance redress mechanism (GRM) and Disclosure	During the environmental and social assessment process, the Borrower consults project-affected groups and local NGOs about the project's environmental aspects and takes their views into account. In line with ESS10, preparation of a Stakeholder Engagement Plan (SEP), information disclosure, and establishment and operations of a GRM are required to ensure adequate consultation and transparency. ESS2 also require the preparation of the labour management procedures (LMP) and an establishment and operation of a GRM for project workers. For meaningful consultations, the Borrower provides relevant project documents promptly before the consultation in a form and language that are	Consultation is only required for Level 2B and Level 3 projects. Disclosure is not required.	Partially equivalent.

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Assessment Stage	WB ESF and ESSs	National Legislation	Equivalence
	understandable and accessible to the group being consulted. Minutes of the public meetings are included in the reports. The WB will disclose documentation relating to the E&S risks and impacts of high risks and substantial risks projects before project appraisal. Once the WB officially receives the report, it will make the EA report in English available to the public through the WB website.		
Supervision	During project implementation, the WB supervises the project's environmental aspects based on the environmental provisions, and the Borrower's reporting arrangement agreed in the loan agreement and described in the other project documentation, to determine whether the Borrower's compliance with the environmental covenant (primarily with ESMP) is satisfactory. If compliance is not satisfactory, the WB will discuss with the Borrower action necessary to comply.	CEPA has the authority to undertake audits. Regular reporting on the implementation of the conditions in the Environment Permit (e.g., for Project classified under PNG legislation as Level 2 or 3) by the proponent to CEPA is required.	Partially equivalent (as PNG requirements only apply to projects with an Environment Permit)

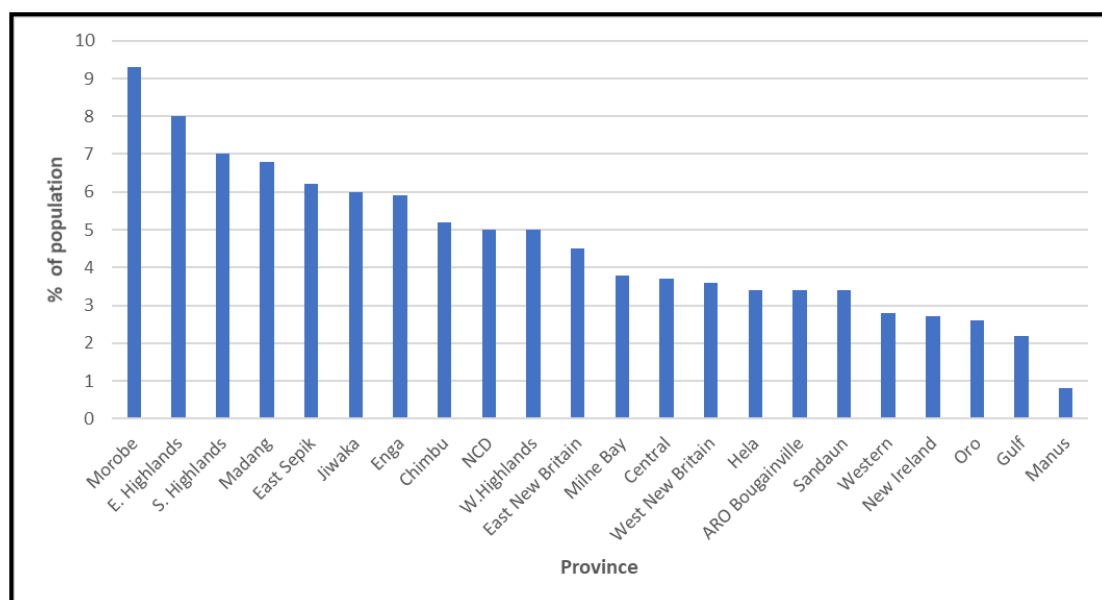
4 Environmental and Social Context

The Project will be implemented in around 11 provinces across the country. The provinces are yet to be selected, however, each of the four regions (Highlands, Southern, Islands and Momase) will be represented. This section therefore provides an overview of the socio-economic and environmental context of PNG in general. When subprojects are confirmed, more detail on the specific socio-economic and environmental context and impacts will be captured in respective instruments prepared.

4.1 Population

The population of PNG was estimated at 11.8 million in 2021, with 42% of the population being under 18, and only 2.7% of the population being over 64³. The population is strongly ruralised, with 85% of people living in rural areas⁴. The population distribution across the 22 province-level divisions: 20 provinces, the Autonomous Region of Bougainville and the National Capital District is shown on Figure 1.

Figure 1: PNG Population Distribution by Province (Source: 2021 Census Data)



4.2 Economy, Income and Employment

The economy of PNG is dominated by two sectors:

- the agricultural, forestry, and fishing sector that engages most of PNG's labour force (the majority informally), and
- the minerals and energy extraction sector that accounts for most export earnings and GDP.

An economic update provided by the WB in September 2022 concluded that⁵:

³ National Statistics Office – NSO, <https://www.nso.gov.pg/statistics/population/>, accessed on 21 March 2025.

⁴ Department of Foreign Affairs and Trade (DFAT) 2017. DFAT Country Information Report Papua New Guinea. DFAT, Canberra

⁵<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099020009142275189/p1793220e4e59d0e08ebb05316324bc183>

- The economy is back to growth following a sharp contraction in 2020, with a 1% growth rate recorded in 2021.
- Higher commodity prices have contributed to higher inflation.
- The modest headline economic growth in PNG has translated in meagre per capita income growth in the past four decades.
- The considerable natural resources wealth has not been channelled into broad-based and sustained productivity growth.
- PNG's future growth and quality of life hinge on improving human capital, given the growing young population.

From the mid-2000s, Papua New Guinea (PNG) experienced strong economic growth, with real GDP per capita increasing by 3% per annum. Economic growth peaked in 2014 with the commencement of exports from ExxonMobil's PNG LNG Project. The extractive industries have been the primary driver of economic growth, accounting for an increasing share of exports and output. In 2015, natural resources were estimated to constitute 47 percent of GDP, while mining and petroleum represented 24 percent of GDP—almost equal to all other primary sectors combined. However, the mining and petroleum sector only accounts for seven percent of total employment. The 'informal economy' is likely supporting more than 80% of the population. Given the high rural population, the agricultural, forestry, and fishing sector engages most of the labour force, with subsistence livelihoods accounting for at least 75% of the population. Women are, on average, half as likely as men to hold a job in the formal sector and earn less than half of the pay reported by men.⁶

The poverty rate stands at approximately 40 percent for rural populations and 27 percent for urban populations⁷, though strong subsistence food production mitigates the impact of poverty in rural areas. Despite this, high levels of malnutrition and stunting are prevalent in rural PNG.⁸ There is often a general assumption that access to land equates to the availability of subsistence food crops and the ability to generate a cash income.⁹ However, the vulnerability of PNG's households becomes apparent during disaster events that lead to food shortages and starvation. Additionally, the lack of roads in many areas prevents people from selling their surplus food crops to generate a cash income. Remoteness and road inaccessibility are primary determinants of village income levels and poverty. Communities over an hour's travel time to the nearest roads are found to have double the poverty rate compared to those immediately adjacent to roads, after adjusting for other income determinants.¹⁰

4.3 Access to Electricity

Access to on-grid electricity in Papua New Guinea remains below 15 percent, making it one of the lowest rates globally. Electricity access is primarily concentrated in the main urban centres of PNG, while rural areas continue to experience limited access, especially to grid-electricity. Approximately 55 percent of households have access to some form of off-grid electricity, predominantly solar lanterns. Households led by women are twice as likely to lack access to electricity compared to those headed by men.¹¹

⁶ Pryke, J and Barker, P (2017). A bumpy road: societal trends in Papua New Guinea - PNG Country Assessment. Lowy Institute for International Policy, Sydney

⁷ World Bank 2021. World Bank Open Data. World Bank Group.

⁸ Pryke, J and Barker, P (2017). A bumpy road: societal trends in Papua New Guinea - PNG Country Assessment. Lowy Institute for International Policy, Sydney

⁹ Government of Papua New Guinea (GoPNG) (2015) Draft National Food Security Policy (NFSP) 2016-2025, Department of Agriculture and Livestock.

¹⁰ ADB (2016). Poverty Analysis Summary. Country Partnership Strategy: Papua New Guinea 2016-2020.

¹¹ Koo and Rahman (2021). Multi-Tier Framework Survey Results. Presentation prepared for the World Bank Group.

4.4 Health

Life expectancy in Papua New Guinea has been increasing, but at 67 years (64.8 for males and 69.3 for females), is still the lowest in the region¹² and simple-to-manage conditions such as tuberculosis, pneumonia, and diarrhoea dominate morbidity¹³

Poor water supply and sanitation and hygiene practices contribute to the prevalence of communicable diseases such as diarrhoea and cholera which are major causes of illness and death, especially in young children. Malnutrition is a problem with around 28% of children underweight and 5-15% are wasted (have low weight-for-height). Maternal mortality is also very high.

Papua New Guinea has the highest HIV positive rate, and among the highest rates of sexually transmitted infections in the Pacific.¹⁴ The rate of tuberculosis is also the highest in the Pacific and multi-drug-resistant tuberculosis is also prevalent. tuberculosis is a leading cause of death in PNG. The use of tobacco and alcohol are also problems.¹⁵

Access to health services is low with the health sector facing several major challenges. These include a critical shortage of medical staff, frequent shortages of essential medicines and supplies, and leadership and management capacity limitations at all levels of the health system¹⁶. The health delivery system is decentralised, with health services fragmented between national and provincial authorities - bottlenecks persist.

Papua New Guinea has less than 400 doctors in total and only 51 doctors work outside Port Moresby.¹⁷ Health facilities are scarcer and access to healthcare is much worse in rural areas than urban areas. UNDP reports that 40% of health/sub-health centres and rural health posts have no electricity or essential medical equipment. Transportation to medical facilities in remote areas is a major challenge.

4.5 Education

The estimated literacy rate in Papua New Guinea is 62.9 percent for adults over 15 (2014 data). Men (68.9%) had a markedly higher rate than women (57.3%) – this gender disparity also applies to children. Girls have lower participation in education than boys, particularly at higher levels of education and the drop-out rates are higher. Because girls and young women are less likely to complete basic or secondary schooling, they are less likely to qualify and be selected for post-school training. There is also a huge disparity in literacy rates between urban (86%) and rural (52%) areas and in school enrolment.¹⁸

¹² Pryke, J and Barker, P (2017). A bumpy road: societal trends in Papua New Guinea - PNG Country Assessment. Lowy Institute for International Policy, Sydney.

¹³ Department of Foreign Affairs and Trade (DFAT) 2017. DFAT Country Information Report Papua New Guinea. DFAT, Canberra.

¹⁴ Department of Foreign Affairs and Trade (DFAT) 2017. DFAT Country Information Report Papua New Guinea. DFAT, Canberra.

¹⁵ World Vision 2013. Papua New Guinea Health and Human Wellbeing. World Vision Australia.

¹⁶ Department of Foreign Affairs and Trade (DFAT) 2017. DFAT Country Information Report Papua New Guinea. DFAT, Canberra.

¹⁷ Anker Research Network 2020. Anker Living Income Reference Value for Rural Papua New Guinea. <https://globallivingwage.org/wp-content/uploads/2021/01/Rural-PNG-LI-Reference-Value-1.pdf>.

¹⁸ Department of Foreign Affairs and Trade (DFAT) 2017. DFAT Country Information Report Papua New Guinea. DFAT, Canberra.

Only half of the current adults have had a basic school education - the average number of years of schooling achieved by adults is 4.7.¹⁹ Free tuition was introduced for primary school students in 2012, which boosted the enrolment rate. However, education is not compulsory and about half of all primary school-aged children are still out of school, with fewer girls going to school than boys.

Several factors influence the retention rates of school students. Household and community-related factors include limited parental support, insufficient community involvement in children's education, security concerns, and tribal conflicts. In-school factors include expenses, inadequate educational materials and infrastructure, teacher attitude and attendance issues, school remoteness, and pupil behaviour. When children live far from schools, their options are to walk long distances, stay with relatives, or not attend school.

4.6 Gender Issues

Gender inequality is a major issue in PNG as indicated by the country's ranking of 169 out of 170 countries on the UNDP's Gender Inequality Index.²⁰ This index measures gender inequalities in three key areas of human development - reproductive health (e.g., maternal mortality ratio), empowerment (e.g., secondary education levels); and economic status (e.g., labour market participation rate).

Women throughout the country have a high risk of community discrimination due to long-standing traditional values and gender roles that limit their ability to fully participate in a wide range of activities. Areas of gender inequality include:

- Education participation and attainment
- Employment participation, wage levels, and financial literacy (e.g., bank account ownership)
- Political participation
- Health outcomes
- Travel, security, and likelihood to experience violence.

While the constitution provides for gender equity and equality customary law, recognised by the constitution, discriminates against women in relation to rights and property. Most elected officials in PNG are male and only nine women have ever been elected to the PNG parliament.²¹ There were no women in the National Parliament from 2017 to 2022. There are currently two women in parliament.

This situation is characteristic of most tribes being patrilineal and of the culture in PNG. Barriers to boosting female participation in politics include a predominant 'big man' culture; widespread family and sexual violence; the absence of a unified, national women's movement; and a lack of campaign finance, mentoring, internships, and media experience.²²

Women and girls are more vulnerable to HIV infection and other sexually transmitted infections. Women's lack of power and rights in sexual relations and the high risk of gender-based violence increases the likelihood of HIV transmission.²³

¹⁹ UNDP 2020. Human Development Report 2020 The Next Frontier: Human Development and the Anthropocene. Briefing note for countries on the 2020 Human Development Report. <http://hdr.undp.org/sites/default/files/hdr2020.pdf>.

²⁰ UN Data. Gender Inequality Index. <http://data.un.org/DocumentData.aspx?q=Gender+inequality+index&id=471>

²¹ Pryke, J and Barker, P (2017). A bumpy road: societal trends in Papua New Guinea - PNG Country Assessment. Lowy Institute for International Policy, Sydney

²² Department of Foreign Affairs and Trade (DFAT) 2017. DFAT Country Information Report Papua New Guinea. DFAT, Canberra

²³ World Vision 2013. Papua New Guinea Health and Human Wellbeing. World Vision Australia.

There is a social stigma against lesbian, gay, bisexual, trans- or intersex (LGBTI) people in PNG.

Rates of men's violence against women and children are high in PNG. In the most recent Demographic Health Survey (DHS), 56 percent of women aged 15-49 reported experiencing physical violence since aged 15, and 28 percent reported sexual violence.²⁴ 62.9 percent of women report experiencing physical, sexual or emotional intimate-partner violence. Social norms that accept and excuse men's violence against women and children remain strong, reinforced by attitudes that excuse, accept and perpetuate GBV and impunity toward most cases of GBV. 70 percent of women and 72 of men agreed that wife beating is justified under specific circumstances.²⁵ Most survivors of GBV have limited, or no, access to support services and justice. 39.7 percent of women who reported experiencing violence did not seek help and where women sought help, only 16.4 percent went to a formal service (police, health, social, justice).²⁶ Availability of specialist services for victims of GBV varies across the country. For most women in PNG, Village Courts are the most accessible service.

Despite their vital contribution to the household, women generally have restricted control over household decisions. Women take an increased responsibility of earning money, but men often make the decisions about spending family income. Men also typically make decisions about the use of household assets and land resources.

4.7 Indigenous People, Culture and Land

Papua New Guinea has a rich cultural diversity, with one of the most heterogenous indigenous populations in the world with at least 850 languages and hundreds of cultural and language groups. PNG has four regions: Highlands (40% of the population), Islands (15%), Momase (25%), and Southern (20%). Regions are often seen as secondary administrative divisions to the province-level divisions – although each is diverse. Ethnic geographical identities in PNG include:

- Highlanders (Highlands region)
- Coastal or Papuans (Southern Region)
- Tolais (Islands Region)
- Bukas (Island Region)
- Niugini Islanders (Islands Region)
- Sepiks (Momase Region)
- Madangs (Momase Region)
- Morobeans (Momase Region)

Tok Pisin and Hiri Motu have developed as common languages along with English. Tok Pisin is mostly used as a business language in the Highlands, Momase, and Islands regions while Hiri Motu is more common in some areas of in the Southern region.

Both patrilineal and matrilineal societies exist whereby land (the most important asset) is passed down through the male line and female line respectively. In matrilineal societies, mainly in the Islands region and Milne Bay Province, land is transferred through female lineage and women have responsibilities for land decisions in their clans. This transfer of land through female lineage can increase women's status.²⁷

²⁴ National Statistical Office (NSO) [PNG] and ICF (2019). Papua New Guinea Demographic and Health Survey 2016-18. Port Moresby, PNG, and Rockville, Maryland, USA: NSO and ICF.

²⁵ NSO [PNG] and ICF (2019).

²⁶ NSO [PNG] and ICF (2019).

²⁷ Koian 2020. Women in patrilineal and matrilineal societies in Melanesia.

<http://milda.aidwatch.org.au/sites/default/files/Rosa%20Koian.%20Women%20in%20patrilineal%20and%20matrilineal%20societies%20in%20Melanesia.pdf>.

In patrilineal societies, which make up about three-quarters of PNG, land is transferred through male lineage and men make decisions about land. In matrilineal societies, land is only transferred through a woman if there are no male children. In this situation, she will be the custodian of the land while there are no male family members alive.²⁸

Customary land makes up 97 percent of all land in PNG. It is not possible to buy customary land and the process for use of customary land by non-landowners is complicated. Land ownership is understood to be one of the greatest barriers to large-scale infrastructure development across all sectors in PNG²⁹.

4.8 Biophysical Environment

PNG comprises of the eastern half of the island of New Guinea, as well as numerous smaller islands, mainly to the north-east of New Guinea. The country is characterized by rugged terrain, with steep mountains, dense forests, and fast-flowing rivers.

A series of high mountain ranges run along the centre of PNG, including the Owen Stanley Range and the Bismarck Range. The highest peak in Papua New Guinea, Mount Wilhelm, is located in the Bismarck Range and stands at 4,509 meters tall³⁰. In addition to mountains, PNG has a varied landscape that includes low-lying coastal plains, coral reefs, and volcanic islands.

There are numerous rivers in PNG, many of which are fast-flowing and turbulent due to the rugged terrain and high rainfall. The major rivers in PNG include Sepik River, Fly River, Ramu River and Purari River.

The dense tropical forest that covers much of the country is home to a diverse range of flora and fauna, including over 200 species of mammals, more than 700 species of birds, and countless species of insects and other invertebrates. PNG also has extensive coral reefs, which support a vast array of marine life.

A summary of the protected areas in PNG is provided in

²⁸ Koian 2020. Women in patrilineal and matrilineal societies in Melanesia.

<http://milda.aidwatch.org.au/sites/default/files/Rosa%20Koian.%20Women%20in%20patrilineal%20and%20matrilineal%20societies%20in%20Melanesia.pdf>.

²⁹ USAID (2022). PNG Electrification Project. Off-grid market assessment.

³⁰ <https://www.pngtrekkingadventures.com/mount-wilhelm-climb>

Table 5 and includes 55 designated and 2 proposed protected areas. These areas are also shown on Figure 1.

Table 5: Summary of the protected areas in Papua New Guinea³¹

Type of protected area	Designated areas	Proposed protected areas
Conservation Area	2	-
Locally Managed Marine Area	6	-
Marine Managed Area	1	-
National Park	4	-
Natural Reserve	1	-
Natural Reserve - National Park	1	-
Protected Area	2	-
Provincial Park	1	-
Ramsar Site, Wetland of International Importance	2	-
Reserve	1	-
Wildlife Management Area	31	2
Wildlife Sanctuary	3	-

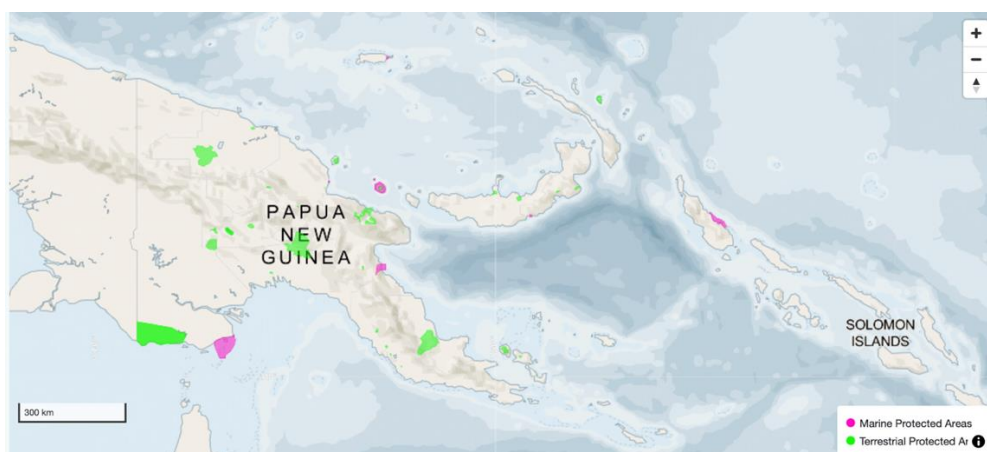


Figure 1: Protected areas in Papua New Guinea

4.9 Natural Hazards and Climate Change

Papua New Guinea is one of the most at-risk countries to natural disasters and climate change. It is vulnerable to several hazards, including floods, droughts, earthquakes, landslides, and volcanic activity. Some of these are expected to increase in frequency, magnitude, and intensity due to climate change. Most areas of PNG experience flooding during the monsoon season. The highlands in particular have a long history of severe floods. In the coastal plains, floods cause erosion and heavy sedimentation that impact agricultural productivity and downstream settlements. In the lowlands, coastal ecosystems such as mangroves, estuaries, and coral reefs endure damage due to heavy silt loads and debris brought in by flood events. About 18 percent of total landmass is permanently inundated or regularly flooded.

Landslides are a common occurrence in the high mountainous regions of PNG (due to steep mountain ranges, high seismicity, and high annual rainfall) and frequently damage vital infrastructure (which is a cost burden for the country to repair), upland forests, and the homes and gardens of thousands of residents.

As PNG is located in the 'Ring of Fire', earthquakes are also a high-risk hazard and Disaster Risk Index 2017 is seven (the highest is ten), indicating that PNG is highly exposed to earthquakes, while both tropical cyclone and drought are 2.5, indicating that PNG is less vulnerable to those natural hazards compared with other countries in the Pacific region.

³¹ <https://pipap.sprep.org/country/pg>

5 Potential Environmental and Social Issues and Management

This section identifies potential E&S risks and impacts associated with the Project; outlines the E&S risk management tools that have been or will be developed for the Project; and describes how these tools (along with other mitigations) will be used to manage the E&S risks and impacts and enhance the Project benefits.

5.1 Potential Environmental and Social Risks and Impacts

This Project involves significant social risks due to the challenges posed by implementation across a large geographic area, the remoteness of many participating wards, and existing social conflict, tension, and violence in some subproject locations. The social risks are exacerbated due to limited government authorizing policy and legal mandate for timely and effective oversight. The community subprojects (such as water, sanitation, household and community electrification, renovation or repair of education or health structures, etc.) and potentially larger inter-ward investments (e.g., access infrastructure, larger social service structures, disaster risk management or climate-related investments) typically pose environmental risks that are temporary, predictable, and readily managed through project design and standard mitigation measures.

The key potential environmental and social impacts/risks include:

- **generation of construction waste** such as leftover wood treatment chemicals and plastic packaging
- **sourcing of natural resources** (e.g., aggregate, timber, etc) for construction and ongoing use (e.g., water for water supply subprojects)
- **erosion and sedimentation** associated with clearing
- **labour and working condition risks** for a large and diverse project workforce including community workers, safety risks of working in remote areas, and limited supervision
- **potential downstream** (i.e., future) environmental risks and impacts associated with technical assistance activities.
- **land access** for community and inter-ward infrastructure-misunderstanding and/or misinformation on land access and use rights for investments benefiting broader community than individual landowners
- **engaging and ensuring equitable project benefits** for diverse indigenous peoples' groups and vulnerable social groups (women, poor, disabled, elderly, isolated groups); cultural norms and practices that can present barriers to inclusivity; and chieftaincy systems influence choices and location of investments and can contribute to real or perceived inequities
- **community health and safety risks** associated with small-scale infrastructure and the presence of outside workforce in communities - including SEA/SH risks; and GBV risks associated with promoting gender equity
- **potential downstream** (i.e., future) social risks and impacts associated with technical assistance activities.

5.2 Environmental and Social Risk Management Tools

The following tools have been prepared during Project planning to manage the E&S risks associated with the Project. Additional and site-specific instruments will be prepared during Project implementation. The E&S risk management tools are:

- **Project Operations Manual (POM):** the POM details institutional, financial management, disbursement, procurement, environmental and social arrangements, and procedures for

day-to-day execution of the Project. Key E&S management processes from the ESMF and other E&S instruments will be incorporated into the POM.

- **Field Manual:** a manual for the CDWs and TFs to use on a day-to-day basis that explains their roles and elaborates on the processes described in the POM (as they relate to the CDWs and TFs role), including E&S risk management.
- **Environmental and Social Management Framework (ESMF):** the ESMF (i.e., this document) is the Project's umbrella environmental and social management framework that sets out the strategy for screening the sub-projects to ensure that project-related environmental and social issues are captured. The key aspects for day-to-day management of E&S risks and impacts will be extracted from the ESMF and incorporated into the POM. Annexes to the ESMF include:
 - **Exclusion List (Annex 1):** list of the activity types that are not eligible for funding by the Project.
 - **E&S Screening Form (Annex 2):** this tool is a template for screening E&S risks and site selection considerations for community and interward sub-projects.
 - **E&S Rapid Assessment (Annex 3):** this tool is a template for determining the need for sub-project specific mitigations for community sub-projects.
 - **Environmental and Social Codes of Practice (ESCoP) (Annex 4):** the ESCoPs describe the types of measures to be taken to prevent or minimise environmental or social harm. The ESCoPs will apply to community sub-projects.
 - **Environmental and Social Management Plan (ESMP) Template (Annex 5):** for inter-ward subprojects, an ESMP will need to be prepared, and a template has been provided to guide its preparation. The ESMPs will be prepared by the E&S Officers, supported by the PMU E&S Specialists or external consultants. They will require clearance by the WB before the grant funds can be dispersed.
 - **GBV Prevention and Response Action Plan (Annex 6):** this plan outlines the strategies that Project will adopt to mitigate and respond to risks of GBV and SEA/SH related to the Project.
 - **Labour Management Procedure (LMP) (Annex 7):** procedure that identifies categories of workers that will be employed during the Project and provides guidelines on how these workers will be managed. The LMP includes a Code of Conduct that sets out the obligations to address potential issues that may be caused by workers conduct, such as OHS, discrimination, cultural respect, SEA/SH, conflict of interest, etc.
 - **Land Access Procedure (LAP) (Annex 8):** procedure that establishes the principles and procedures to manage land access. It includes processes for voluntary land donation and provision of government land for community use through a memorandum of understanding.
 - **Social and Conflict Analysis (Annex 9):** tool to identify existing social tensions, conflict and civil unrest in the participating provinces and LLGs and develop mitigations to avoid the project exacerbating such issues
 - **Job Hazard Analysis Template (Annex 10):** simple procedure to identify occupational health and safety (OHS) risks associated with a task and measures to reduce the risk.
 - **Remote and Isolated Worker Procedure (Annex 11):** procedure to manage the risk of working in remote locations.
 - **Incident Reporting Procedure (Annex 12):** procedure for the PMU to follow to report and investigate incidents.
 - **Chance Find Procedures (Annex 13):** a procedure to follow in the event a site of cultural value or UXO is found during construction works.
 - **Abestos Management Guide (Annex 14):** a guide for the management of contractors to be engaged to remove and dispose of asbestos at existing sites that require demolition or renovation as part of a sub-project.

- **Stakeholder Engagement Plan (SEP):** this document identifies and analyses key project stakeholders; describes the process and modalities for sharing information on the project activities and seeking and incorporating stakeholder feedback into project design and during implementation; outlines specific strategies for consultation and information dissemination; and outlines approaches for reporting and disclosure of project documents. The SEP includes the Project GRM, which sets out the process for stakeholders to raise Project-related concerns and grievances.
- **Communications Plan:** this plan will detail the communications and advocacy strategy for engagement with all stakeholders (with a focus on community engagement) will be developed early in Project implementation.
- **Operations and Maintenance Plan (O&M Plan):** O&M plans will be prepared for each community and interward subproject and details the community-based O&M committee, O&M fund (methods of fund raising to support costs of repairs and maintenance) and a schedule of maintenance repairs / activities. For sub-projects with operational E&S risks (such as management of waste at health care facilities), details of who this will be managed will be included in the O&M Plan.

5.3 Summary of Potential Risks and Mitigations

A summary of the potential social and environmental risks and impacts that may result from proposed Project activities, key mitigations, and E&S risk management tools that have been or will be developed is provided in Table 6.

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Table 6: Summary of potential environmental and social risks/impacts and risk management tools

Component / Subcomponent	Risk/Impact	Management Methods	Key Management Tools
Community sub-projects, including top-up grants (Subcomponents 1.1 a; 1.1 b; 1.3 b) Inter-ward sub-projects (Subcomponent 1.3 a)	<u>Exacerbation of existing social tensions, conflict and civil unrest</u> The Project may not understand the existing social tensions, conflict and civil unrest in the ward, and therefore not consider these issues as part of the consultation and sub-project planning process.	The PMU E&S Specialist and PPO E&S Officers to undertake a Rapid Social and Conflict Analysis through engagement with the PPOs, LLG administrators. Action plan (with mitigations) to be developed and implemented through the sub-project cycle. Risk of social tensions, conflict and civil unrest to be considered during sub-project planning and selection.	Social and Conflict Analysis and successive action plan E&S Screening Tool
	<u>Engaging and ensuring equitable project benefits</u> There is a risk that sub-projects are not based on community needs and/or some stakeholders are not represented in consultation activities.	The participatory planning process (as described in the POM) to be followed to identify community needs and prioritize sub-projects.	POM SEP Communications Plan
	<u>Land and livelihood impacts</u> Sub-project will require land and natural resources (e.g., timber) donated by the community (or government in some instances). This could lead to issues if the landowner/s do not fully understand the implications of donating their land or resources or feel pressured by their community to donate.	The LAP describes the process for consultation and consent for land donation, including the situations where land donation is and is not appropriate. Land and livelihood impact to be assessed as part of the sub-project screening process. Involuntary land acquisition and resettlement will be screened out.	LAP SEP Communications Plan
	<u>Impacts on environment and other resource users</u> Sub-projects may impact surrounding communities. For instance, the extraction of water could affect the usability of the water source downstream.	Consider the potential wider geographical impacts of the proposed infrastructure, for example, impact of water collection on downstream users. Implement mitigations (e.g., sedimentation and erosion control) as described in the ESCoP and E&S Rapid Assessment or ESMP.	E&S Rapid Assessment ESCoP E&S Rapid Assessment ESMP
	<u>Funding of Ineligible Activities</u> The sub-projects are small-scale and are not expected to have significant environmental or social impacts. However, each sub-project requires confirmation of this.	A list of sub-project types that will not be funded by the Project (based on their potential for environmental or social impact) are to be provided to the community to avoid such projects being proposed. Sub-projects will be screened as part of EOI preparation to confirm they are not an excluded activity, and this will be re-confirmed/verified as part of the EOI selection.	Exclusion List POM E&S Screening Tool EOI
	<u>Generation of waste</u> Construction of the sub-projects will generate waste. While most of this waste can be reused by the community, there are limited options for disposal of hazardous waste.	Selection of building materials/methods to avoid generation of hazardous waste, where practicable (for example, use hardwoods or traditional methods for wood treatment to avoid need for chemicals, where practicable).	E&S Rapid Assessment ESCoP or ESMP Asbestos Management Procedure

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Component / Subcomponent	Risk/Impact	Management Methods	Key Management Tools
	Some sub-projects may generate hazardous waste as part of their operation, for example, health care facilities.	Identification of potential for generation of asbestos waste (e.g. through renovation or demolition of existing buildings) to be undertaken as part of the screening process and budget for a qualified contractor to undertake the removal/disposal (following provided procedure) to be included in the sub-project budget. Where required, include waste disposal infrastructure in sub-project design and include procedure in O&M Plan.	Sub-project proposal O&M Plan
	<u>Labour-related risks to community and contracted workers</u> Labour-related risks include unclear conditions of employment or volunteering, as well as volunteers expecting payment. (Refer to LMP for further detail)	Community consultation to set clear expectations for community workers and the 'in-kind' contribution expected as part of sub-project construction. Employment/Volunteer T&Cs to be provided to workers. No workers (volunteers or contractors) under 18 years old to be engaged.	SEP Communications Plan LMP Employment/Volunteer T&Cs (annex to LMP)
	<u>Occupational Health and Safety (OHS) risks</u> The construction of the sub-projects presents OHS risks, as they will largely involve volunteers who may lack experience.	Construction workers to be provided with Personal Protective Equipment appropriate to the risks associated with the workers' role and the budget for this included in the sub-project proposal. Construction workers to complete Job Hazard Analysis (JHA) prior to commencing construction activities and follow any OHS measures described in the ESCoP or ESMP. CDD-SC to oversee implementation of ESCoP/ESMP and JHA.	Sub-project proposal JHA ESCoP or ESMP
	<u>Gender-based Violence (GBV)</u> The rate of gender-based violence in PNG is high. Project risks include sexual exploitation, abuse, or harassment involving Project Workers during activities towards other Project Workers or members of the community. Sub-project design may overlook ways to reduce GBV risk for users. (Refer to GBV Prevention and Response Action Plan for further detail)	A comprehensive GBV Prevention and Response Action Plan has been developed for the Project. This plan encompasses mitigation measures related to training, a minimum quota of women in specific roles, inclusive consultation, sub-project selection, etc. Mitigations that connect to the E&S instruments are as follows: <ul style="list-style-type: none"> all Workers to sign a Code of Conduct that specifically prohibits SEA / SH personnel safety considered in the design and siting of the sub-projects 	GBV Prevention and Response Action Plan Code of Conduct (annex to LMP) E&S Screening Form
	<u>Sub-project not fit-for-purpose</u> Siting and/or design of sub-project is not fit-for-purpose and/or does not consider natural hazards, impacting the viability and sustainability of the sub-project.	The siting of the infrastructure to consider natural hazards (including climate change risks), such as floods, landslides, earthquakes, storm surge, sea level rise. Design to meet relevant building code, where relevant.	E&S Screening Form & Sub-project Proposal

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Component / Subcomponent	Risk/Impact	Management Methods	Key Management Tools
		Standard government designs pre-approved by relevant agencies, to be used, where relevant (e.g., for education or healthcare facilities). The CDWs, TF and PMU engineering advisor to provide support with design (as per the process described in the POM).	
	<u>Sub-projects not sustainable due to lack of funds for operations and maintenance (O&M)</u> The sub-grants only cover construction costs, not operations and maintenance. Without secured funds for O&M, the assets may become unsustainable.	Community consultation to set clear expectations that the community and/or government (for government assets) are responsible for O&M of the sub-projects. An overview of how funding will be sourced is to be included in the sub-project proposal. O&M Plans to be prepared as part of project completion process.	SEP Communications Plan Sub-project Proposal O&M Plan
Disaster response mechanism (Subcomponent 1.1 c)	Various environmental and social risks The social and environmental risks will depend on the scope and scale of the response.	A Disaster Response Procedures Manual will be developed during project implementation and include an E&S screening, assessment and management process.	POM Disaster Response Procedures Manual
LLG Start-up Grant (Subcomponent 1.2 a)	<u>General construction risks</u> Works associated with the electrification of administrative buildings poses OHS risks. Various wastes may be generated as part of the electrification of administrative buildings and office fit out. Hazardous waste is not expected to be generated.	The relevant ESCOP is to be implemented for the works. Above requirements to be specified in the LLG Partnership Agreements.	LLG Partnership Agreements ESCOP
Facilitation Grant (Subcomponent 1.2 b)	<u>OHS risks</u> This subcomponent will finance the CDWs and TFs to travel to remote areas, (i.e., participating wards) to perform their duties. This presents several risks, including those related to travel, limited access to medical facilities, and restricted communication.	A Remote and Isolated Work Procedure has been developed to manage the risk of working in remote locations. It includes a checklist of items the workers should carry with them and requirements for use of vehicles and boats.	Remote and Isolated Work Procedure
Climate Smart Livelihood Activities (Subcomponent 1.3 c)	Various environmental and social risks The social and environmental risks will depend on the scope and scale of the activities, which is yet to be defined.	The POM will be updated during project implementation and include an E&S screening, assessment and management process for this activity.	POM
Benefit Sharing Pilot (Subcomponent 1.3 d)	Various environmental and social risks The social and environmental risks will depend on the scope and scale of the activities that maybe be carried out under the benefits sharing pilot design.	The Terms of Reference (ToR) for the technical assistance for benefit sharing pilot design include E&S screening, assessment and management process.	ToR
FVC Modifications (Subcomponent 1.3 e)	<u>Various environmental and social risks</u>	The POM will be updated during project implementation and include an E&S screening, assessment and management process for this activity.	POM

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Component / Subcomponent	Risk/Impact	Management Methods	Key Management Tools
	The social and environmental risks will depend on the scope and scale of the activities, which is yet to be defined.		
Training and capacity building (Component 2)	<u>Labour management risks</u> The risks during training and capacity development activities are limited to labour-related issues such as OHS, SEA/SH, etc.	All Workers to sign a Code of Conduct that specifically prohibits SEA / SH. Travel to remote areas to be managed using the Remote and Isolated Work Procedure.	Code of Conduct (annex to LMP) Remote and Isolated Work Procedure
Subcomponent 3 a (Project Management, Monitoring and Learning)	<u>Various environmental and social risks</u> Technical assistance and support for developing policy, strategy and regulatory instruments may have potential downstream E&S risks.	ToRs for technical assistance need to be reviewed to ensure its compliance with ESSs and the final documents prepared will be reviewed by DPLGA and the WB to ensure it is consistent with the ToR.	ToR

6 Processes to Manage Environmental and Social Issues

6.1 Community Subprojects

A focus of the overall RSDP-2 is the continuation of providing grants to wards and SIGs for developing small-scale community sub-projects. The process to manage E&S issues throughout the sub-project cycle is well-defined as it is a modified/refined version of the process used during RSDP. This process is described in Table 7, and each sub-project cycle is anticipated to take around 18 months to complete. The E&S risk management processes will be integrated into the detailed description of RSDP-2 subproject cycle in the POM and the Field Manual.

Table 7: Processes to manage environmental and social issues throughout the subproject cycle

Sub-project Process	Description	E&S Management Process
Stage 1: Start up and Project Entry	Target LLGs will sign partnership agreements with DPLGA. PMU will contract and assign two CDWs and a TF to each targeted LLG.	E&S requirements to be outlined in Partnership Agreements. Meetings with LLG staff to ensure they understand E&S and participation requirements, including selection criteria and activities not funded (Annex 1). Training for PPO and LLG staff (including CDWs and TFs) on E&S requirements. PMU E&S Specialist and PPO E&S Officer undertake a Social and Conflict Analysis (Annex 9) and prepare mitigation plan.
Stage 2: Community Mobilization and Planning	CDWs and TFs will engage wards and SIG and help mobilize or reactivate ward development committees (WDCs) and CDD-SC. They will facilitate planning meetings to develop or validate ward priorities through participatory processes. Additionally, CDWs will support CDD-SC in preparing expressions of interest (EOI) for sub-projects and summarizing validated ward development priorities.	LLGs, with the assistance of CDWs and TFs, will record all consultation activities. The ward planning process will include representation from a broad range of community members, and attendance will be documented. EOIs will include: <ul style="list-style-type: none"> Completed E&S Screening Form (Annex 2), which includes cross-checking against the Exclusion List (Annex 1). Consultation minutes and Clan Land Use Agreement (CLUA) as confirmation that non-disputed customary land is available for the subproject OR a signed MOU and land due diligence confirming government/freehold land is available for the sub-project (refer to LAP for details).
Stage 3: Sub-project Selection and Preparation	The LLG Development Committee will assess EOIs using standard criteria. Wards with a selected EOI will then prepare detailed sub-project proposals, including technical designs, for final approval.	LLG Development Committee will be training in E&S requirements and how these should be considered in the screening process. LLG Development Committee screens out non-eligible EOIs by checking against Annex 1 and reviewing the Completed E&S Screening Form.

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		<p>CDW conducts due diligence on the CLUA of the selected EOIs.</p> <p>Proposals include a completed E&S Rapid Assessment (Annex 3) and appropriate ESCoP (Annex 4).</p> <p>CDW, TFs, and PMU's Engineering Advisor provide technical support, using standard government designs (when applicable), and taking into consideration user-safety and risk of natural hazards. Relevant agencies may review final designs for large or modified projects to fit the sub-grant budget.</p>
Stage 4: Sub-project Implementation and Monitoring	Once the full proposal is approved, the Ward Development Grants will be dispersed and the CDD-SCs start implementing their sub-projects. Construction may commence.	<p>CDD-SC will be trained in E&S management.</p> <p>Volunteers and individual contractors will be recruited by CDD-SC to construct sub-projects using process described in the LMP.</p> <p>CDD-SC, supported by CDWs and TFs, will oversee construction and implementation of the ESCoP (or ESMP) and JHAs. PPO E&S Officers will provide additional E&S oversight. The PMU E&S team will also provide technical support.</p>
Stage 5: Sub-Project Completion	After construction is completed, the PMU and/or PPO will perform technical and financial audits. If the audits return satisfactory results and the operations and maintenance (O&M) plan is validated by the PMU/PPO, the sub-project will be considered complete.	Technical certification by suitably qualified engineer at completion.

6.2 Interward Subprojects

The process for identification of interward subprojects has yet to be defined, however, the process for managing E&S risks associated with interward subprojects will be similar to that of the community subprojects. Once the interward subproject process is confirmed, it will be integrated into the POM and the Field Manual, including processes to manage E&S risks.

Interward sub-projects will require:

1. **Completion of the E&S Screening From (Annex 2).** This will be completed by the CDWs, TFs and PPO E&S Officers, with input from the community members within the wards. Completion of the E&S Screening From includes cross-checking against the Exclusion List (Annex 1).
2. **Securing land access.** This will be undertaken according to the processes described in the LAP (Annex 8) and managed by the PPO E&S Officers with support from the CDWs, TFs.
3. **Preparation of an ESMP (Annex 5).** This will be prepared by the PPO E&S Officer, with support from the PMU E&S Team. In some instances, external consultants may be engaged to prepare the ESMPs. The ESMPs will need to be reviewed/cleared by the World Bank and disclosed before the grant can be dispersed.

4. **Engaging construction companies.** EHS provisions will be incorporated into bidding documents, in accordance with the WB Procurement Framework. This will include the subproject ESMP. The contractor will need to prepare a C-ESMP or ESCOP for their scope of work, depending on the scale and risks associated with the works. This will be confirmed through the ESMP process.
5. **Construction oversight.** The PPO E&S Officer will oversee implementation of the ESMP and C-ESMP/ESCOP, with the PMU E&S team providing additional technical support where required.
6. **O&M Plan.** An O&M Plan is required to outline how the subproject will be financially sustainable and manage any significant E&S risks associated with operation of the subproject (which will be identified through the ESMP).

6.3 Disaster Response

The process to manage E&S risks associated with disaster response will be incorporated into the Disaster Response Procedures Manual that will be developed during project implementation. It will include an E&S screening, assessment and management process. The Disaster Response Procedures Manual will be prepared by the PMU and reviewed/cleared by the WB.

6.4 Local-level Government Start-up Grant and Facilitation Grant

There will be E&S requirements specified in the agreements with the LLGs, including (but not limited to) requirement for implementation of:

- Relevant measures in the LMP (including those related to OHS and SEA/SH prevention)
- ESCOP for construction/renovation works
- Remote and Isolated Work Procedure.

6.5 Climate Smart Livelihood Activities and Fragile, Conflict-Affected and Vulnerable Modifications

The process to manage E&S risks associated with climate smart livelihood activities and FVC modifications will be incorporated into the POM during project implementation when these activities are more defined. The POM will include an E&S screening, assessment and management process. The updated POM will be reviewed/cleared by the WB.

6.6 Benefit Sharing Pilot

The Terms of Reference (ToR) for the technical assistance for benefit sharing pilot design will include E&S screening, assessment and management process. The ToR and final output from the scope of work will be reviewed by the PMU E&S Specialist to ensure appropriate E&S risk management is captured.

6.7 Training and Capacity Building

Details of the training and capacity building activities will be captured in the POM. In terms of E&S risk management, the LMP will be implemented to manage labour-related risks and OHS risks associated with travel to remote areas will be managed through implementation of the Remote and Isolated Work Procedure.

6.8 Project Management, Monitoring and Learning

The ToRs for any technical assistance will be reviewed to ensure its compliance with ESSs and the final documents prepared will be reviewed by the PMU E&S Specialist and the WB to ensure it is consistent with the ToR.

7 Stakeholder Engagement Overview

A stand-alone SEP has been developed to describe the Project's program for stakeholder engagement, public information disclosure and consultation. The SEP outlines the ways in which the project team will communicate with stakeholders and provides a mechanism through which people can raise concerns, provide feedback, or make complaints about the project or any activities related to the project. The SEP includes:

- Stakeholder Identification and Analysis
- Stakeholder Engagement Principles
- Summary of Stakeholder Engagement during Project Preparation
- Proposed Stakeholder Engagement during Project Implementation
- Stakeholder Engagement Methods and Tools
- Project Grievance Redress Mechanism

The stakeholder consultation was undertaken during Project preparation to assist in the design for RSDP-2 design and E&S instrument preparation. This included:

- September 2024 and April 2025: consultation with the RSDP PMU, CDWs and RISS Officers representing the participating provinces was to understand the challenges and successes of RSDP and suggestions for improvement to support RSDP-2.
- March, April and May 2025: consultation with key government agencies, development partners, private sector and civil society organisations at national and subnational levels.

Details of the lesson learned are included in the SEP.

The E&S instruments will be disclosed on the DPGLA and WB websites.

8 Implementation Arrangements

8.1 Key Organisations

8.1.1 Department of Provincial and Local Government Affairs

DPLGA has overall responsibility for project implementation including: i) managing the Project and reporting on its progress; ii) staffing and overseeing the work program of the PMU; iii) financing the ward grants and ensuring that the grants are implemented in accordance with approved procedures; iv) monitoring and evaluating the performance of the grants and the Project in general; v) mobilizing relevant sections within DPLGA, including Local Government Services, Capacity Building Division, Performance Monitoring Division and the External Relations Division, to provide support to Project implementation; vi) coordinating RSDP-2 policy concerns with the World Bank and other development partners.

DPLGA is responsible for managing E&S risks as per the Project's Environmental and Social Commitment Plan.

8.1.1 Project Management Unit

A Project Management Unit (PMU) in DPLGA will manage the day-to-day project operations with the support of a Provincial Project Office in each of the target provinces. This includes ensuring the day-to-day implementation of the project's E&S measures.

The Deputy Secretary – Performance Monitoring and Implementation, will act as the RSDP Project Director, through the Director of the LLG Services Division, providing technical oversight.

The PMU will consist of a Project Manager, Deputy Project Manager and various technical specialist. Key E&S roles will include an E&S Specialist and 2 x E&S Officers; Gender and GBV Specialist; Communication Specialist and 2 x Communications Officers. Two DPLGA officers will also be assigned for each LLG to work closely with the PMU and PPO staff to support and monitor subproject implementation.

8.1.2 Project Steering Committee

A multi-agency Project Steering Committee (PSC) will coordinate, oversee and guide project implementation. The PSC will be chaired by the Secretary of DPLGA and include representatives from relevant government departments.

8.1.3 Provincial Project Office

Implementation of RSDP will be closely coordinated with the concerned provincial and district government offices.

The PPO will work in close cooperation with provincial, district, and LLG administrations. Each PPO will comprise: a Provincial Coordinator; Finance Officer; Procurement Officer; E&S Officer; and Administrative Assistant.

8.1.4 Local-level Government Administrations

Participating Local-level Governments (LLGs) in the target provinces will organize and lead an LLG Development Committee (LLG-DC) which will be the focal point for determining the sub-projects within the LLG as well as for supporting wards with the preparation and implementation of sub-projects. Two Community Development Workers (CDWs) and a Technical Facilitator (TF) will be contracted for each LLG, who will be funded by the Project but work as part of LLG administration with the LLG Manager, Project Officer, and Financial Officer to facilitate and monitor the preparation and implementation of subprojects.

8.1.5 Ward Arrangements

The WDC is an existing committee consisting of the Ward Councillor (Chair) and WDC members. oversee the implementation of the CDD process within the Ward and will recruit members to fill positions within the CDD-SC and oversee their effective implementation of the sub-projects, including implementation of the E&S requirements, which will be the responsibility of a dedicated person within the CDD-SC.

The CDD Subcommittee, organized as part of the WDC, will comprise of a WDC member as Chairperson and members of the community benefitting from the proposed sub-project or special interest groups within the ward. The role of CDD-SC is to: i) prepare EOLs, E&S Screening, E&S Rapid Assessment and subproject proposals; ii) implement sub-projects in accordance with the approved E&S instruments, work and financial plan; iii) execute Project funds in accordance with RSDP-2 policies and the approved work and financial plan (i.e. manage Ward Development transactions); and iv) monitor implementation and submitting reports on the project as per the guidance and templates provided in the POM.

An Operation and Maintenance Committee will also be established, tasked with organizing and managing the operation and maintenance of the sub-project through the implementation of the O&M Plan for the sub-project.

An overview of the management arrangements is provided in Figure 2.

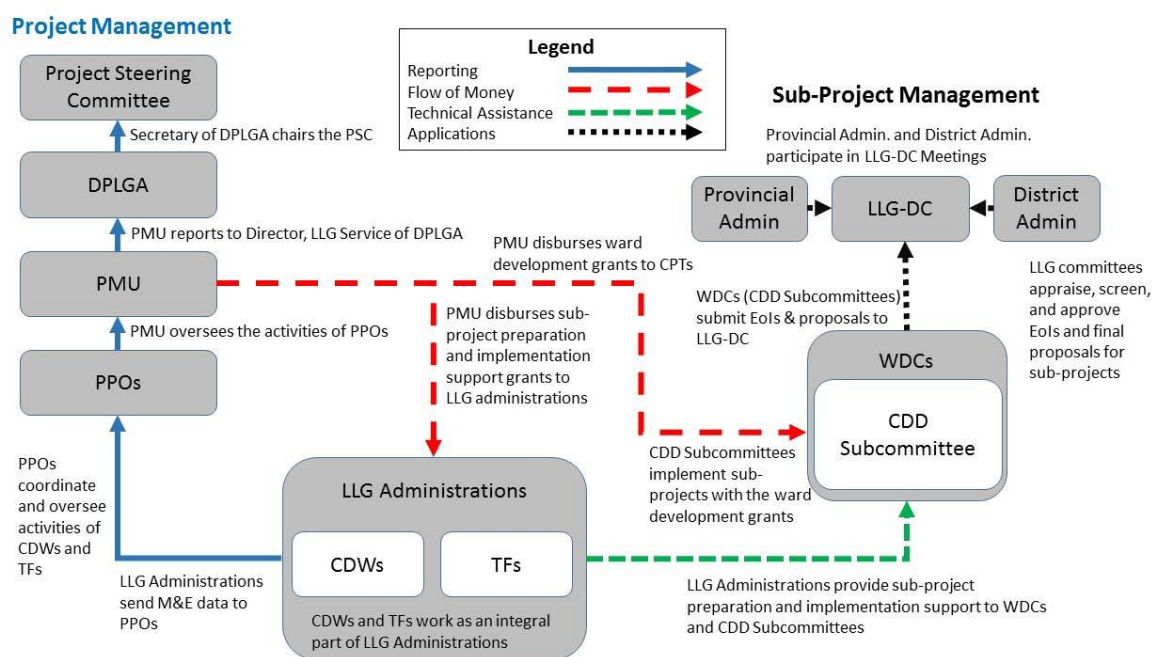


Figure 2: Overview of Project management arrangements

8.1.6 World Bank

The WB will finance RSDP-2 through a financing agreement and other financing instruments entered into between the WB and the Government of PNG. The financing agreement also commits the World Bank to provide support to the Government in the implementation of the Project and specifically undertake together with Government at least semi-annual missions to review the implementation progress under the project and to provide advice on ways to enhance implementation performance.

8.1.7 Key Environmental and Social Roles

Key roles within the Project responsible for implementation of the E&S instruments are:

National-level

- PMU E&S Specialist, responsible for:
 - Leading implementation of the ESCP, ESMF, LAP, LMP and SEP and ensuring these requirements are integrated into the POM, Field Manual and other relevant project implementation documents.
 - Coordinating the PPO E&S Officers' activities
 - Providing technical oversight of the E&S aspects of the CDD subproject process, including review of proposals and E&S instruments and monitoring E&S implementation.
 - Coordinating the management of project grievances
 - Coordinating E&S monitoring and reporting including E&S inputs for Quarterly Progress Reports and incident notification and reporting as required.
 - Leading development and implementation of the Project's E&S capacity building plan – including preparing/delivering E&S related aspect of the training modules
 - Providing E&S-related technical assistance to the Project Team
- PMU Communications Specialist, responsible for:
 - Supporting engagement with national-level stakeholders and potential project partners
 - Supporting the implementation of the effective implementation of the project's SEP including public consultations and information dissemination activities.
 - Leading project communication activities including preparing and distribute project-wide communication materials; and reviewing province/LLG/ward-level communication materials to ensure consistency of messaging
- PMU Gender and GBV Specialist, responsible for:
 - Leading implementation of the GBV Prevention and Response Action Plan
 - Supporting the Project's Procurement Officer to ensure CoC are included in contracts and staff are inducted and provided regular refresher training.
 - Coordinating and facilitating GBV-related training
 - Managing GBV-related grievances
 - Providing GBV-related technical assistance to the Project Team at national, provincial and LLG levels.
 - Engaging with stakeholders (e.g., NGOs) on GBV-related support partnership opportunities

Provincial-level

- PPO E&S Officer (one in each participating province), responsible for:
 - Leading implementation of project E&S management measures in accordance with the ESMF, POM and Field Manual.
 - Ensuring the effective implementation of the project's stakeholder engagement activities in accordance with the SEP.
 - Leading the implementation of the conflict and social analysis at provincial and district levels
 - Coordinating and Supporting CDWs and TFs in undertaking the E&S aspects of their roles, including implementing E&S aspects within the CDD sub-project cycle
 - Supporting the CDW and TF with the implementation of the project's Land Access Procedure
 - Supporting the CDW and TF with oversight on ESCoP implementation during sub-project construction.
 - Coordinating the management of project grievances and/or incidents
 - Providing E&S-related technical assistance to the PPO and LLG administration.

LLG-level

- Although not specifically E&S staff, the CDWs (two in each LLG) and TFs (one in each LLG), will be 'face' of the project within the participating wards and the connection between the communities and the Project, and responsible for:
 - Supporting the WDC and CDD-SCs in preparing EOIs and proposals (including the E&S Screening and land access process)
 - Supporting community engagements and recording minutes
 - Implementation of conflict management measures at Ward level
 - Supporting the CDD-SCs during construction of their sub-projects and implementation of E&S instruments (i.e. ESCoP)
 - Overseeing the implementation of the GRM at the ward level
 - Supporting and recording Ward level E&S reporting.

8.2 Capacity Building

Training and capacity-building activities will include awareness and training on the following E&S-related topics:

- Community participation process and social inclusion
- Voluntary land donation
- GBV and SEA/SH risks, mitigation and response and importance of women and youth involvement in the Project, and the contents of the Code of Conduct
- Committee governance
- Grievance management
- Environmental and social risks and mitigations, including key aspects of the ESMF and implementation of the Field Manual
- Implementation of the ESCoP and/or ESMP, including OHS and labour management
- Implementation of sub-project specific Operations and Maintenance (O&M) Plan

This will be undertaken over the four capacity building modules that are planned for each sub-project cycle. A summary of the E&S-related training topics to be included in each of the capacity building modules is provided as Table 8. In addition to the capacity building modules, the CDW and TFs will provide awareness and training on E&S related topics to the WDC and CDD-SCs as part of the outreach activities in Stage 2 of Component 1.

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Table 8: Environmental and social-related training

E&S Topics Module	Capacity building modules			
	Provincial orientation	Intensive training	Sub-project appraisal	Sub-project implementation
Target participants	provincial, district, and LLG partners	CDW and TF	LLG and district administration	WDC, CDD-SC and contractors (where relevant)
Community participation process and social inclusion	X	X		
Voluntary land donation		X	X	
GBV and SEA/SH	X	X	X	X
Committee governance	X	X		
Grievance management	X	X		
Environmental and social risks and mitigations	X	X	X	
Implementation of the Environmental Code of Practice and/or ESMP		X		X
Implementation of sub-project specific Operations and Maintenance (O&M) Plan				X

8.3 Environmental and Social Risk Management Budget

An indicative budget for implementing the ESMF and other E&S risk management tools is provided in Table 9. The E&S risk management costs associated with construction of the sub-projects will vary depending on the scale and risks specific to the sub-project. A rough guide of items that need to be costed for is provided in Table 10 and a proper cost estimate will be included in the sub-project budget. The costs associated with delivering the capacity building and training are captured in the overall Project budget for Component 2.

Table 9: Indicative implementation costs (USD)

Description	Quantity	Unit cost*	Annual cost
<u>E&S Staff Salary</u>			
PMU E&S Specialist	1	35,000	35,000
PMU Communications Specialist	1	35,000	35,000
PMU Gender and GBV Specialist	1	35,000	35,000
PPO E&S Officer	11	25,000	27,5000
<u>Communications & GRM</u>			
Toll-free number	1	25,000	25,000
Website			
Advertising			
Venue hire & catering			
Printing			
<u>Travel for E&S Staff (per province)</u>			
Flights	11	25,000	275,000
Accommodation & meals			
Hire car/boat			
First aid & other field equipment			
<u>Equipment for E&S Staff</u>			
Computer & software	18	2,000	36,000
PPE			
Phone			
Total (per year)			716,000

*Indicative average cost each year considering inflation (e.g., cost will be lower at the start of the project and higher during the final year)

Table 10: Indicative environmental and social risk management costs for sub-projects (USD)

Description	Quantity	Unit cost	Total cost
PPE	25	100	2,500
First aid kit	1	100	100
Spill prevention (e.g., drip trays)	5	20	100
Asbestos management (applicable to some sub-projects only)	1	5,000	5,000
Total (per sub-project)			7,700

8.4 Environmental and Social Monitoring and Reporting

8.4.1 Monitoring and Evaluation

A monitoring and evaluation system will be established that will build on the Management Information System (MIS) developed during RSDP. Existing tablet-based data collection tools will be retained and enhanced, with upgrades focusing on improved data storage, automated validation, querying, visualization, and reporting functionalities. The MIS will adopt a modular design, allowing new features to be added over time, including specialized modules for real-time reporting on indicators and implementation progress across project phases. The system will also pilot the use of artificial intelligence tools to enhance reporting quality. Field staff will be equipped with tablets for continuous field-level reporting.

8.4.2 Project Management Unit Progress Reports

The PMU will prepare and submit monitoring reports to the WB every 6 months. The reports will include information on the environmental, social, health and safety (ESHS) performance of the Project, including items such as:

- Status of preparation and implementation of E&S documents required under the ESCP, including ESMPs if required for interward sub-projects.
- Status of establishment of the PMU, PPOs and hiring of E&S staff.
- Summary of stakeholder engagement activities carried out as per the Stakeholder Engagement Plan.
- Complaints submitted to the grievance mechanism(s), the grievance log, and progress made in resolving them.
- E&S performance of each sub-project as reported through the CDD-SC reports or contractor reports (if construction contractor firms are engaged to construct sub-projects).
- Number and status of resolution of incidents and accidents.

The report will be prepared based on the CDD-SC progress reports and site visits undertaken by the PPO and PMU.

8.4.3 Sub-project Progress Reports

The CDD-SC will prepare quarterly progress reports on their sub-projects (which will be verified by the CDWs, TFs). The content of the reports will vary depending on the stage of the sub-project, however, will generally include information on:

- summary of engagements undertaken
- status of determining ward development priorities
- status of EOIs and proposals
- any E&S-related issues (including functioning of the E&S management processes and tools) and how they are being addressed

- implementation of the ESCoPs (and ESMPs) during sub-project construction.

The PPOs will consolidate sub-project reports at the provincial level and provide these to the PMU and DPLGA through the engaged DPLGA officers.

8.4.4 Incident Reporting

The PMU will notify the WB of any incident or accident relating to the project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers. Details of the reporting process are included as Annex 12.