

**ExxonMobil**

ExxonMobil PNG Limited



Papua New Guinea LNG Project

**Land Access, Resettlement and Livelihood  
Restoration Management Plan - Production**

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## ACRONYMS

ACRONYM	DESCRIPTION
CA	Community Affairs
CAA	Clan Agency Agreement
EMPNG	ExxonMobil Papua New Guinea
IESC	Lender Group's Independent Environmental and Social Consultant
IFC	International Finance Corporation
IPCA	In-Principle Compensation Agreement
LNG	Liquefied Natural Gas
P&GA	Public and Government Affairs
PNG	Papua New Guinea
RAP	Resettlement Action Plan
ROW	Right of Way

## DEFINITIONS

TERM	DEFINITION
Absentee landowners	Absentee landowners are landowners who are not resident on the land they own. This may have resulted from a conflict that has caused people to leave their land temporarily or may result from individuals moving to larger population centres. It does not cover situations where individuals or families own multiple houses and only reside in each one for a period of the year (as is common in Huli culture)
Buffer zone	A 'buffer zone', in relation to a petroleum project, is the area around the dedicated project facilities of that petroleum project determined by the relevant Minister to be the buffer zone for that petroleum project, but does not include land within a petroleum development licence pursuant to which the petroleum project is conducted or any land not within five kilometres of a dedicated project facility
Customary landowners	The term 'customary landowner' means a person who has an interest in customary land. Under customary principles in Papua New Guinea, land is held at the clan entity level, not an individual level, therefore, the term customary landowners is typically referencing a communal group
Economic displacement*	Involves the loss of income streams or means of livelihood resulting from land acquisition or obstructed access to economic resources owned or associated at the household level (land, water, forest) resulting from the construction or operation of a project or its associated facilities
Full replacement cost *	<p>Is defined as market value of the assets plus transaction costs.</p> <p>With regard to land and structures, replacement costs are defined as follows:</p> <ul style="list-style-type: none"> <li>• Agricultural land – The market value of land of equal productive use or potential located in the vicinity of the affected land, plus the cost of preparation to levels similar to or better than those of the affected land, and transaction costs such as registration and transfer taxes</li> <li>• Land in urban areas – The market value of land of equivalent area and use, with similar or improved infrastructure and services preferably located in the vicinity of the affected land, plus transaction costs such as registration and transfer taxes</li> <li>• Houses and other structures – The cost of purchasing or building a new structure, with an area and quality similar to or better than those of the affected structure, or of repairing a partially affected structure, including labour and contractors' fee and transaction costs such as registration and transfer taxes</li> </ul> <p>With regard to annual and perennial crops, the replacement should take into consideration the preparatory and maintenance costs, the average annual yield, the production duration, and the in-season market value of the particular crop. For perennials, replacement cost</p>

TERM	DEFINITION
	should consider also lost production/income during the period between loss and replacement plants/trees becoming productive For all other items, including but not limited to timber and non-timber forestry products (wild nuts, medicinal plants, etc.) market values should be quantified (and updated regularly) with regard for sales in the relevant locality
Host communities	Host communities are those communities who receive relocatees. They are not physically displaced themselves; however, they can experience some impacts from resettlement activities as their community changes
Involuntary resettlement	Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition that will result in displacement. This occurs in cases of: (i) lawful expropriation or restrictions on land use based on eminent domain, and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail
Physical displacement*	Involves the loss of shelter and assets resulting from acquisition of land associated with a project that requires the affected persons to move to another location
PNG LNG area	For the purposes of the ESMP, and this Plan, the term PNG LNG area refers to the Project Impact Area as defined in the PNG LNG Project Environmental Impact Statement (EMPNG as Esso Highlands Limited, 2009).
Resettlement construction footprint	Construction footprint defined during the pre-construction survey, which will be the baseline used for resettlement activities. Any changes from this footprint will be treated as a change
Voluntary resettlement	Resettlement is considered voluntary when the land acquisition and displacement process is a market transaction in which the seller is not obliged to sell and the buyer cannot resort to expropriation or other compulsory procedures if negotiations fail
* Definitions taken from the International Finance Corporation's Performance Standards on Social and Environmental Sustainability (International Finance Corporation, 2006)	

### Corporate Separateness Notice

Nothing in this material is intended to override the corporate separateness of local entities. Working relationships discussed in this material do not necessarily represent a reporting connection, but may reflect a functional guidance, stewardship, or service relationship. Where shareholder consideration of a local entity matter is contemplated by this material, responsibility for action remains with the local entity. The terms corporation, company, affiliate, ExxonMobil, Exxon, Mobil, Esso, our, we and its, as used in this material may refer to Exxon Mobil Corporation, to one of its divisions, or to the companies affiliated with Exxon Mobil Corporation, or to any one or more of the foregoing. The shorter terms are used merely for convenience and simplicity.

PNG LNG is an integrated development that includes gas production and processing facilities, onshore and offshore pipelines and liquefaction facilities. Participating interests are affiliates of Exxon Mobil Corporation (including ExxonMobil PNG Limited as operator), Oil Search Limited, Kumul Petroleum Holdings Limited, Santos Limited, JX Nippon Oil and Gas Exploration, Mineral Resources Development Company and Petromin PNG Holdings Limited.

## 1.0 INTRODUCTION

This Plan describes how ExxonMobil PNG Limited (EMPNG) and its contractors will manage land access, resettlement and livelihood restoration activities during the production phase of the Papua New Guinea Liquefied Natural Gas (PNG LNG) Project. This Plan has been developed, and will be implemented, in accordance with Papua New Guinean legislation, EMPNG policy and International Finance Institution standards.

This Plan is one component of, and should be read in conjunction with, a series of documents that together comprise the Environmental and Social Management Plan.

This Plan supersedes the Resettlement Policy Framework, which was developed for the construction phase.

### 1.1 Scope

EMPNG is responsible for obtaining access to land needed for its exploration, construction, production and maintenance activities. EMPNG is also responsible for the management of any displacement, physical or economic, which is generated by the land access requirements, as well as the associated livelihood restoration activities resulting from this displacement.

Most of the land required for PNG LNG was obtained during the construction phase.

This Plan will apply to any new land access required during the production phase and for managing the commitments for land that was obtained during the construction phase.

Livelihood restoration obligations for displacement that occurred during the construction phase are also covered by this Plan as they will be concluded in the production phase.

### 1.2 Objectives

This Plan incorporates three inter-linked activities, with each having specific objectives:

- land access:
  - all land access will be conducted using procedures that promote transparency and the fair treatment of customary landowners in Papua New Guinea
- resettlement:
  - avoid and minimise the need for physical and/or economic displacement through alternatives analysis and siting, re-alignment and other design modifications
  - conduct appropriate consultation processes that achieve the free, prior and informed participation of affected people and communities in decision-making related to resettlement. Endeavour to ensure their continuing participation during implementation and monitoring/evaluation
  - design and implement resettlement in a manner that gives physically and economically displaced people the opportunity to at least restore their livelihoods and standards of living
  - compensate people affected by displacement, both economic and physical, for loss of assets at full replacement cost
  - identify and provide special assistance to people who are especially vulnerable to displacement impacts
  - provide measures to support the physical relocation and re-establishment of communities
  - improve the living conditions of physically displaced households
  - carefully monitor and evaluate activities to ensure that resettlement measures are meeting the needs of affected people and to identify the need for corrective measures. Implement corrective measures as required

- livelihood restoration
  - design and implement culturally sensitive and economically sustainable livelihood<sup>1</sup> restoration measures for economically displaced individuals/households.

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<sup>1</sup> The term 'livelihood' refers to the full range of means that individuals, families and communities utilise to make a living, such as wage-based income, agriculture, fishing, foraging, other natural resource based livelihoods, petty trade and bartering. This definition is taken from the International Finance Corporation's Performance Standards on Social and Environmental Sustainability (International Finance Corporation, 2006).

## 2.0 LEGAL AND OTHER REQUIREMENTS

With regard to land access, resettlement and livelihood restoration activities, EMPNG will comply with applicable Papua New Guinean laws and regulations, treaties and conventions International Finance Institution requirements, and company policies.

The following requirements form the basis of this Plan, however, they should not be assumed to be an exhaustive list of all legal and regulatory requirements.

### 2.1 Papua New Guinean laws and regulations

The most relevant Papua New Guinean statutes include the *Oil and Gas Act 1998*, the *Land Act 1996*, the *Land Dispute Settlement Act 1975* and the *Environment Act 2000*.

#### 2.1.1 Oil and Gas Act 1998

EMPNG acquires interests in land that enables construction of infrastructure and occupation by virtue of licenses issued under the *Oil and Gas Act 1998* (the Act). The Act prescribes in Sections 110 to 120 the rights of the licensees, which are subject to obligations to pay compensation to customary landowners who are impacted. With respect to compensation for land access, Section 118 (2) of the Act states that, subject to this Section, compensation shall be paid for:

- “The deprivation of the use and enjoyment of the surface of the land or any part of it or of any rights customarily associated with it, except where there has been a reservation in favour of the State of the right to such use and enjoyment
- Damage:
  - to the surface of the land or any part of it, or any improvements on it
  - to any trees, fish or animals, caused by the carrying on of operations by the licensee
- Severance of the land from other land of any owner, occupier or *person interested* in the land
- Rights of Way (ROW) and easements
- Any other damage consequential on the licensee's use or occupation of the land.”

Under Section 118 of the Act, the following types of compensation will potentially be paid depending on each site that requires land access:

- Damages:
  - initial damage:
    - initial damage refers to damage to non-cultivated, naturally growing vegetation. This covers all damage to the original flora
    - one-time payment
  - surface damage:
    - compensation for surface damage is paid for irreversible damage to the landscape
    - one-time payment
- Deprivation (“rental”):
  - compensation paid to customary landowners for use of customary land
  - the deprivation of the use and enjoyment of the surface of the land or any part of it
  - rates are adjusted for increases in the Consumer Price Index per Papua New Guinean precedence set by prior extractive projects
  - annual payment during EMPNG’s use of customary land.

The Act also stipulates the need for preliminary and full-scale social mapping and landowner identification studies for Petroleum Prospecting Licenses, Petroleum Retention Licenses, Pipeline Licences, and Petroleum Development Licenses.

#### 2.1.2 Land Act 1996

Papua New Guinea has enacted various laws in which a type of tenure called 'customary land' gives legal basis to the inalienable tenure of traditional lands to the Indigenous Peoples. Customary land notionally covers most of the usable land in the country (about 97 percent of the total land area).

Under the *Land Act 1996*, a private entity cannot purchase customary land. It is possible for a private entity to obtain a lease over land either through: lease/lease back arrangement with customary landowners whereby the land is released to the State, which in turn issues a State lease to those customary owners who in turn may sub-lease the land to a private entity; or by receiving a State lease directly from the State where the State has compulsorily acquired customary interests under the *Land Act 1996* with compensation paid to customary landowners.

#### 2.1.3 Land Dispute Settlement Act 1975

When a dispute occurs over land ownership between two or more parties and cannot be resolved through normal customary practices; legal processes to resolve such disputes are detailed in the *Land Dispute Settlement Act 1975* Chapter 45.

#### 2.1.4 Environment Act 2000

EMPNG holds a license issued under the *Environment Act 2000* for PNG LNG. Compliance with this legislation and the licence will be covered under separate Environmental Management Plans. In regards to compensating customary landowners for access to land, it is noted here that the *Environment Act 2000* states that:

- Section 79: Rights to water in Papua New Guinea are vested in the State but customary rights to use it are recognised
- Section 80: Apart from domestic use, watering of stock and fire fighting, permits are required for the use of water.
- Section 82: Rights conferred by a permit
- Section 87: Compensation is payable by a permit holder to customary landowners for damage.

## 2.2 International treaties and conventions

Typically, international treaties and conventions mandate actions that signatory countries must undertake and do not require direct action by private companies.

There are no international treaties and conventions relevant to the production phase of PNG LNG from a land access, resettlement and livelihood restoration perspective.

## 2.3 International Finance Institution requirements

The International Finance Institution standards relevant to land access, resettlement and livelihood restoration planning and implementation include the International Finance Corporation's Performance Standards on Social and Environmental Sustainability (International Finance Corporation, 2006), referred to as the 'Performance Standards'; specifically:

- Performance Standard 1: Social and Environmental Assessment and Management Systems
- Performance Standard 5: Land Acquisition and Involuntary Resettlement
- Performance Standard 7: Indigenous Peoples
- Performance Standard 8: Cultural Heritage.

Performance Standard 5: Land Acquisition and Involuntary Resettlement is the core Performance Standard applicable to land access and displacement. The objectives of this Standard include:

- to avoid or at least minimise involuntary resettlement wherever feasible by exploring alternative project designs
- to mitigate adverse social and economic impacts from land acquisition or restrictions on affected persons' use of land by: providing compensation for loss of assets at replacement cost; and ensuring the resettlement activities are implemented with appropriate disclosure of information, consultation and the informed participation of those affected
- to improve or at least restore the livelihoods and standards of living of displaced persons
- to improve the living conditions among displaced persons through provision of adequate housing with security of tenure at resettlement sites.

These objectives are expanded in the requirements described within the Performance Standard, with key aspects being:

- Project design – Consider feasible alternative project designs to avoid or at least minimise physical or economic displacement, while balancing environmental, social and financial costs and benefits.
- Compensation and benefits for displaced persons – When displacement cannot be avoided, displaced persons and communities will be offered compensation for loss of assets at full replacement cost and other assistance to help them improve or at least restore their standards of living or livelihoods. Project standards for compensation will be transparent and consistent within the project. The project will provide opportunities to displaced persons and communities to derive appropriate development benefits from the project.
- Consultation and engagement – Informed participation and consultation with affected persons and communities, including host communities, will be facilitated by the project in decision-making processes related to resettlement. This consultation will continue through the implementation, monitoring and evaluation of compensation payment and resettlement to achieve outcomes that are consistent with the objectives outlined above.
- Grievance mechanism – A grievance mechanism to receive and address specific concerns about compensation and relocation that are raised by displaced persons or members of host communities, including a recourse mechanism designed to resolve disputes in an impartial manner will be developed.
- Resettlement planning and implementation – Where involuntary resettlement is unavoidable, a census with appropriate socioeconomic baseline data to identify the persons who will be displaced by the project will be conducted, to determine who will be eligible for compensation and assistance, and to discourage the inflow of people who are ineligible for these benefits. Cut-off dates for eligibility will be established and will be well documented and communicated throughout the affected area.
- Where physical displacement occurs, under either acquisition of land rights under eminent domain or through negotiated settlement, a resettlement action plan or framework will be developed. The plan or framework will be designed to mitigate the negative impacts of displacement, identify development opportunities and establish the entitlements of all categories of affected persons, with particular attention paid to the needs of the poor and the vulnerable. All transactions to acquire land rights, as well as compensation measures and relocation activities will be fully documented. Procedures to monitor and evaluate the implementation of resettlement plans and take corrective actions where necessary will be developed. Resettlement is only

considered complete when the adverse impacts of resettlement have been addressed in a manner that is consistent with the objectives identified above.

- Where negotiated settlements of economic displacement occur, procedures to offer the affected persons and communities compensation and other assistance that meets the objectives above, will be developed. In cases where affected persons reject compensation offers that meet the objectives outlined above, and as a result expropriation or other legal procedures are initiated, opportunities to collaborate with the responsible government agency will be explored.
- Physical displacement – If people living in the project area must move to another location, the project will: offer displaced persons choices among feasible resettlement options, including adequate replacement housing or cash compensation where appropriate; and provide relocation assistance suited to the needs of each group of displaced persons, with particular attention paid to the needs of the poor and the vulnerable. Alternative housing and/or cash compensation will be made available prior to relocation. New resettlement sites built for displaced persons will offer improved living conditions. Where physically displaced persons have formal legal rights to the land they occupy or have a claim, which is recognised or recognisable under the national laws, they will be offered the choice of replacement property of equal or higher value, equivalent to or better characteristics and advantages of location, or cash compensation at full replacement cost where appropriate. Where physically displaced persons have no recognisable legal right or claim to the land they occupy, they will be offered a choice of options for adequate housing with security of tenure so that they can resettle legally without having to face the risk of forced eviction. Assets will be compensated at full replacement cost. The project is not required to compensate or assist those who encroach on the project area after the cut-off date.
- Economic displacement – If land acquisition for the project causes loss of income or livelihood, regardless of whether the affected people are physically displaced, the project will:
  - promptly compensate economically displaced persons for loss of assets or access to assets at full replacement cost
  - in cases where land acquisition affects commercial structures, compensate the affected business owner for the cost of re-establishing commercial activities elsewhere, for lost net income during the period of transition, and for the costs of the transfer and reinstallation of the plant machinery or other equipment
  - provide replacement property (e.g. agricultural or commercial sites) of equal or greater value, or cash compensation at full replacement cost where appropriate, to persons with legal rights or claims to land which are recognised or recognisable under the national laws
  - compensate economically displaced persons who are without legally recognisable claims to land for lost assets (such as crops, irrigation infrastructure and other improvements made to the land) other than land, at full replacement cost. The project is not required to compensate or assist opportunistic settlers who encroach on the project area after the cut-off date
  - provide additional targeted assistance (e.g. credit facilities, training, or job opportunities) and opportunities to improve or at least restore their income earning capacity, production levels and standards of living to economically displaced persons whose livelihoods or income levels are adversely affected
  - provide transitional support to economically displaced persons, as necessary, based on a reasonable estimate of the time required to restore their income-earning capacity, production levels and standards of living.

Where communities of Indigenous Peoples are economically displaced (but not relocated) as a result of EMPNG-related land acquisition, the requirements of this standard as well as those of Performance Standard 7: Indigenous Peoples are applied.

## 2.4 Company requirements

This Plan is consistent with the ExxonMobil Upstream Standard on Socioeconomic Management with regard to property rights and resettlement. The Standard states that ExxonMobil will minimise involuntary resettlement through project design. When resettlement is unavoidable, ExxonMobil seeks to ensure the appropriate restoration of the livelihoods of displaced people. In all cases when resettlement is unavoidable, such as for PNG LNG, ExxonMobil applies international best practice aligned with the Performance Standards in conjunction with applicable host-country regulatory requirements.

The Upstream Standard on Socioeconomic Management provides additional detail on the expectations linked to land use and resettlement as follows:

- conduct activities in a manner that respects the land, environment, rights, cultures, and traditional knowledge of Indigenous Peoples
- through free, prior and informed consultation, understand the perspectives of indigenous peoples and engage them and their representatives in meaningful consultation
- avoid involuntary resettlement to the maximum extent practicable and minimise the need for resettlement
- where resettlement cannot be avoided:
  - engage appropriate stakeholders
  - establish and implement fair and transparent resettlement and compensation processes that are compliant with host-country regulatory requirements and are consistent with recognised international benchmarks
  - establish and/or use existing programs and resources for the appropriate restoration of livelihoods of displaced persons
  - develop and implement a community grievance mechanism.

To meet these expectations, where possible, EMPNG has committed to:

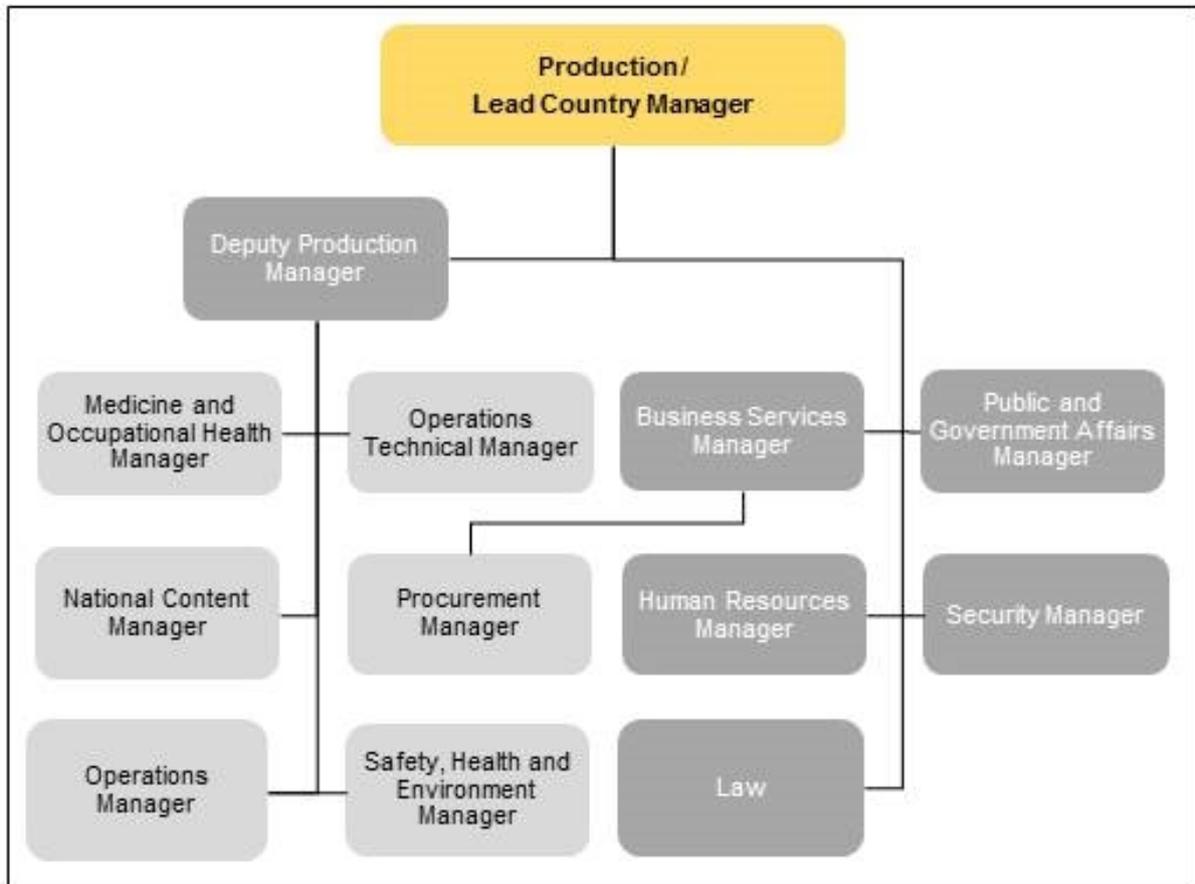
- avoiding voluntary and involuntary resettlement
- seeking free, prior and informed consultation with communities
- establishing and implementing fair and transparent resettlement and compensation systems and processes
- avoiding accessing land until agreements are established
- providing appropriate communications and training for relevant personnel
- where resettlement is resisted, EMPNG will follow its protocols and procedures which incorporate:
  - applicable Papua New Guinean law
  - ExxonMobil's Principles on Security and Human Rights (also known as the 'Framework on Security and Human Rights')
  - Performance Standard 5: Land Acquisition and Involuntary Resettlement
  - Basic Principles and Guidelines on Development-based Evictions and Displacement (United Nations Special Rapporteur, 2007).

There is no specific resettlement aspect in the Operations Integrity Management System, however social risk management is captured as described in the Environmental and Social Management Plan.

### 3.0 ORGANISATION

The requirements of this Plan will be implemented by the Land Group and Public and Government Affairs (P&GA) department. The P&GA Manager will own this Plan from an Operations Integrity Management System functional perspective.

Land access, along with cash management, clan-based compensation activities and In-Principle Compensation Agreements (IPCAs), will be managed by the Land Group while resettlement and livelihood restoration activities will managed by the P&GA department. The P&GA department will oversee the resettlement process by coordinating communication and consultation with the relevant local and regional government departments. The relationship between these different departments is highlighted in Figure 3-1.



**Figure 3-1: ExxonMobil PNG Limited organisation chart**

Some sample job descriptions are provided in Section 7.0 to demonstrate the type of roles that will apply within EMPNG during the production phase. As the needs of EMPNG change over time, some roles may be adjusted accordingly.

## 4.0 IMPACTS AND MITIGATION

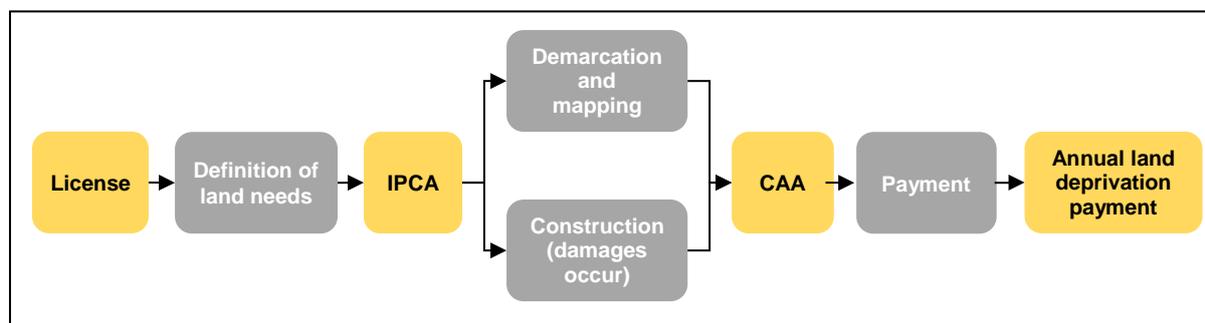
Processes for the three linked activities of land access, resettlement and livelihood restoration each serve a different and specific purpose as summarised here:

- Land access – The process details EMPNG actions required to gain access to communally held land, including the payment of damage and deprivation payments at a clan level for impacts to land.
- Resettlement – The process will be used when physical and/or economic displacement is required, including the payment of compensation to households and individuals for displacement impacts.
- Livelihood restoration – An integral aspect of the management of economic displacement, this process is followed where households and/or individuals have been economically displaced with the objective of restoring their livelihoods. Where physically displaced households have also experienced economic displacement (i.e. where their livelihoods have been affected, potentially through impacts to gardens etc.), they would also be included in the livelihood restoration activities. Where physically displaced households have not experienced economic displacement, livelihood restoration activities would not be applied.

### 4.1 Land access

The land access and compensation process, as shown in Figure 4-1, has five steps: IPCA, demarcation and mapping, Clan Agency Agreement (CAA), initial payment and annual deprivation payment.

This process aims to ensure an open and transparent approach to gaining land access, resulting in agreements, which are satisfactory to customary landowners, are legally enforceable and sustainable. Land access agreements are made at a community level.



**Figure 4-1: Land access and compensation process**

Procedures that comply with EMPNG’s business controls and contracting guidelines are provided in the Land Management Manual.

#### 4.1.1 In-Principle Compensation Agreement

The IPCA is a general agreement between EMPNG and the community within the potential impact area, which establishes recognition of clans on the ground and their rights. It sets rates for actual damages that may be sustained to customary land. An IPCA contains information about: clan and village names; a general description of the subject land, including local names; the type of compensation to be paid; compensation rates based on the standard land access rates; and names of the clan leader.

When an assessment is undertaken to develop an IPCA, the following is taken into consideration:

- social mapping data, pre-construction surveys (to the extent that they have been completed at the time) and other available information to identify clan(s)
- visiting sites and ground truthing to ascertain clans to be involved in the IPCA

- reviewing vegetation in the area and ease of land access for development of compensation rates
- identification of clan leaders who will execute the IPCA.

The IPCA is executed with clan leaders, with compensation terms negotiated in advance of signing the agreement.

#### 4.1.2 Clan demarcation and mapping

Demarcation and mapping are part of the assessment process required for drafting and executing the CAA. Depending on the construction scope and use of the land parcel, demarcation may be completed prior to construction or afterwards.

Once EMPNG land requirements are clearly identified, clan boundaries are identified and surveyed. Where there are multiple clans within a site, EMPNG works with clan leaders of adjoining clans or subclans to complete a boundary survey. From this process, a clan demarcation map is developed which is reviewed with clan leaders for accuracy and acceptance.

Where clans cannot reach an agreement on boundary surveys, EMPNG encourages clans to resolve the dispute voluntarily or seek resolution under the *Land Dispute Settlement Act 1975*. No compensation is paid until the land dispute is resolved. However, EMPNG may continue to work while the disputing clans resolve their conflict if the land parcel is within the boundaries of the project license.

#### 4.1.3 Clan Agency Agreement and payment

The CAA is the standard agreement used for statutory compensation covering EMPNG assets.

Statutory compensation for customary land is payable to clans. Clan members appoint Clan Agents who receive statutory compensation on behalf of clan members and for the benefit of the clan. The Clan Agents accept the funds and distribute them under normal customary practices.

#### 4.1.4 Annual deprivation payments

EMPNG maintains a list of deprivation payment obligations based on existing CAAs or other land agreements that include the provision for continuing payments. Each year payments are made for customary land that is accessed by EMPNG, who conducts operations in accordance with licenses granted through the *Oil and Gas Act 1998*.

#### 4.1.5 Land access consultation

Implementation of the land access process requires consultation with affected communities. Meetings and clan engagements are conducted with the aim of achieving the participation of most of the affected clan members. This is through engagements held in the village and made accessible to clan members. All engagements have a focus on open and clear dialogue between EMPNG representatives and clan members, with respectful consideration of clan members' opinions and concerns.

## 4.2 **Resettlement**

The resettlement process, illustrated in Figure 4-2, involves census and survey activities of the proposed area prior to the commencement of resettlement activities, and the payment of compensation and other entitlements to resettled households.



#### 4.2.2 Compensation and other entitlements

EMPNG compensates and/or assists people who are affected by resettlement in a manner that provides them with the opportunity to at least restore their livelihoods and standards of living.

A resettlement assistance package is offered to eligible households. EMPNG consults with all resettlement impacted communities, households and individuals to identify eligible households/people and develop appropriate compensation and assistance measures.

Eligible households and individuals include all physically and/or economically displaced people, as described in Table 4-2. Eligibility for community compensation is related to land access, and is discussed in Section 4.1.

**Table 4-2: Eligibility and entitlements criteria**

ELIGIBILITY CATEGORY	DAMAGE OR LOSS	REFERENCE	COMPENSATION/ASSISTANCE/SUPPORT
Recognised landowner for garden land <sup>2</sup>	Loss of use of land as a result of deprivation to landowners by PNG LNG	<i>Oil and Gas Act 1998</i> s.118(2)(a)	Compensation paid at agreed intervals directly and publicly to landowner
Recognised owner of construction such as a house	Loss of man-made constructions such as houses and fences	<i>Oil and Gas Act 1998</i> s.118 (2) (b) (i)	Compensation to household for replacement of house, fences etc.
Recognised landowner for garden land	Damage to land surface	<i>Oil and Gas Act 1998</i> s.118(2)(b)(i)	Compensation at full replacement cost for garden contents
Recognised owner of economic trees	Damage to any trees of economic value	<i>Oil and Gas Act 1998</i> s.118 (2)(b)(ii)	Compensation at full replacement cost as and when damage occurs, paid publicly by EMPNG to the owner
Recognised owner	Injury to domestic animals	<i>Oil and Gas Act 1998</i> s.118(2)(b)(ii)	Compensation, as and when damage/injury occurs, to owner by EMPNG
Lawful owners and rightful occupiers (or parties determined to have such interest) of improvements whether landowners or not	Damage to improvements	<i>Oil and Gas Act 1998</i> s.118	Compensation, once-off, by EMPNG to the owner of the improvement
Persons recognised as landowners of land to which access is severed	Severed access to land	<i>Oil and Gas Act 1998</i> s.118 (2)c)	Compensation paid by EMPNG at agreed intervals until severed access ceases
Persons recognised as landowners along easement	Easements.	<i>Oil and Gas Act 1998</i> s.118 (2)(d)	Compensation paid at agreed intervals by EMPNG in public to owner

<sup>2</sup> Houses constructed after the cut-off date will not be eligible.

ELIGIBILITY CATEGORY	DAMAGE OR LOSS	REFERENCE	COMPENSATION/ASSISTANCE/SUPPORT
Households whose water supply is damaged (specific importance of water for sago processing)	Water damage	<i>Environment Act 2000 s.87 (2) (d)</i>	Cash paid by EMPNG as and when damage is deemed to be directly attributable to PNG LNG operations; where damage is continuous, a permanent alternative supply may need to be provided
Householders with house on land (including absentee landowners)	Loss of dwelling and associated assets including agricultural assets where applicable	Performance Standard 5: Land Acquisition and Involuntary Resettlement	<p>Options for:</p> <ul style="list-style-type: none"> <li>• Part A: An amount as agreed by negotiation within 15 days of signing the resettlement agreement; further amount after the household has dismantled their houses/structures and moved to a new location recorded by P&amp;GA; and further amount after the household gardens are well established at the new location</li> <li>• Part B: Deferred payment, if required</li> <li>• Part C: Compensation for replacement housing. Compensation will be made in-kind wherever possible to ensure the new house (including water source) is constructed at the relocated site to the standard of the original structure, or an improved standard, and has established food gardens</li> <li>• Transit assistance, if required</li> <li>• Livelihood restoration measures</li> <li>• Access without financial penalty to old house materials</li> <li>• Provision of garden tools, if required</li> <li>• Provision of specialist advisor to assist and advise on investment and business options, if required</li> </ul>
Households with no houses but gardens inside (including absentee landowners) the resettlement construction footprint	Loss of gardens and associated assets where applicable	Performance Standard 5: Land Acquisition and Involuntary Resettlement	<ul style="list-style-type: none"> <li>• Pay compensation at full replacement cost for loss of crops</li> <li>• Livelihood restoration measures directed at establishing and maintaining subsistence patterns including seeds, two garden cycle assistance and training</li> <li>• Provision of garden tools, if required</li> <li>• Provision of specialist advisor to assist and advise on investment and business options</li> </ul>

ELIGIBILITY CATEGORY	DAMAGE OR LOSS	REFERENCE	COMPENSATION/ASSISTANCE/SUPPORT
Special cases including vulnerable individuals and groups such as aged, young, infirmed and disabled	N/A	Performance Standard 5: Land Acquisition and Involuntary Resettlement	<ul style="list-style-type: none"> <li>Assistance as appropriate to allow people with special vulnerabilities to fully participate in resettlement activities</li> </ul>
Individuals, households, businesses	Loss of income resulting from loss of employment and/or business		<ul style="list-style-type: none"> <li>Loss of business income compensation</li> <li>Loss of employment income compensation</li> <li>Provision for training programs</li> </ul>
Community-based organisation and/or community (where applicable)	Relocation of community structures e.g. churches, schools, etc.	Performance Standard 5: Land Acquisition and Involuntary Resettlement	<ul style="list-style-type: none"> <li>Full replacement and construction by EMPNG or</li> <li>Full replacement compensation and constructed by community</li> </ul>

Eligibility criteria for absentee landowners are:

- households or individuals living outside the affected area who own an existing house or structure within the affected area not utilised at the cut-off date
- households or individuals living outside the affected area who own a garden within the affected area not utilised at the cut-off date.

Statutory compensation is paid to landowners through the process described in Section 4.1. Compensation for resettlement depends on consultation with each household or individual. Options provided by EMPNG include:

- housing:
  - negotiated compensation, as cash or in-kind support, as required
- transit allowance:
  - the household is provided with assistance with the logistics of relocation
  - the household will be compensated to assist in maintaining sustainability during the period required to re-establish gardens and other means of livelihood
- livelihood restoration for economically displaced households/people:
  - EMPNG's schedule for resettlement provides Households with the ability to re-establish of gardens prior to construction activities displacing existing gardens thus providing for a continuation of crops and harvest
  - EMPNG provides the household with targeted sustainable agricultural program assistance
  - EMPNG provides support for cash-based market opportunities.

The following describes the resettlement compensation EMPNG provides individuals, households or businesses, based on eligibility:

- Monetary support for new construction – Determined on the type of structure displaced and therefore the type of structure required to replace the structure to a similar standard or type.
- Loss of business income – Payment for proven loss of reasonable profits due to physical displacement (relocation).
- Loss of employment income – Payment for proven loss of wages due to physical displacement (relocation) to an area that restricts access to employment.

Full details of the resettlement assistance package are documented in a Resettlement Action Plan (RAP) for all people affected by physical displacement. The RAP is reviewed by the Lender Group's Independent Environmental and Social Consultant (IESC) prior to implementation. No displacement is undertaken prior to the approval and sign-off on the RAP by the IESC.

#### 4.2.3 Compensation and assistance advocacy

EMPNG provides access to an independent advocate for all resettled households. The advocate acts as an advisor to PNG LNG-affected households with respect to their rights, responsibilities and options concerning resettlement in the context of both national Papua New Guinean legislation and PNG LNG plans and provisions.

#### 4.2.4 Payment process

Cash management procedures have been developed by EMPNG and are described in the Land Management Manual. Electronic payments are used whenever practicable for security and convenience to landowners.

#### 4.2.5 Resettlement consultation

The resettlement and livelihood restoration consultation process aims to achieve free, prior and informed consultation with communities affected by PNG LNG. The process is coordinated by the P&GA department, which includes resettlement specialists.

The objectives of this process are:

- full participation of all affected communities and landowners, and consultation with other stakeholders and government
- consultation commences early in the development process
- culturally appropriate consultation and disclosure activities
- stakeholders provided with access to information at all stages
- consultation throughout the displacement process in a participatory manner with ongoing feedback to stakeholders
- training and support provided to representative community groups as required
- appropriate record keeping of consultation and disclosure activities.

### **4.3 Livelihood restoration**

Livelihood restoration is a critical element of managing the impacts of economic displacement. The PNG LNG area is dominated by people with subsistence livelihoods (both agricultural-based and to a lesser extent, fishing-based). The goal of livelihood restoration activities is to ensure economically displaced households at least restore their livelihoods and standards of living following displacement. Livelihood restoration measures will be self-sustainable where possible.

The land-based component of the Livelihood Restoration Program consists of extension and support activities aimed at: re-establishing gardens and subsistence agricultural practices and promoting rural enterprise through awareness creation and initiatives to generate cash income for individuals.

The non-land based component of the Livelihood Restoration Program focuses on reducing the dependence on subsistence agriculture by training and collaboration for community development activities to benefit the broader community and generate a cash income for individuals. These programs aim to improve social infrastructure in the area and support infrastructure development.

Livelihood restoration activities vary depending on the location of the affected community. Restoration activities are based upon the principle of sharing knowledge to improve productivity or to expand the diversity of income streams.

Where individuals, households and communities are reliant upon fishing resources, which are impacted by PNG LNG, restoration activities focus on fishing. Depending on the ownership/access of the resource, which has been impacted, the restoration activities may be undertaken at a communal level or household level.

Livelihood restoration is intended to sustainably restore the livelihoods of affected households. Further details are included in Section 5.0.

#### **4.4 Documentation**

Where physical or economic displacement is required, a RAP is prepared. The RAP details the potential impact to the affected communities and the programs EMPNG will undertake to meet its obligations.

The RAP is reviewed and approved by the IESC prior to the start of physical displacement activities. The RAP's appendices include details of all social sensitivities that have been identified for displacement associated with a specific area. These appendices are developed once social sensitivities have been identified.

#### **4.5 Risk and impact mitigation**

Table 4-3 summarises the measures used to minimise or compensate for the effects of PNG LNG land access and resettlement.

**Table 4-3: Risks and impact mitigation**

SUB-CATEGORY	RISK/IMPACT TO THE COMMUNITY	RISK/IMPACT TO EMPNG	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY	
Land rights and usage: access to, and use of, physical, economic and cultural resources and institutions, including employment opportunities, ROWs		Illegal access to land caused by failure to recognise customary issues and practices and lack of understanding among personnel of due process	Land access procedure maintained and implemented. Training for new EMPNG personnel	1	Verification	As land is required	EMPNG	
		<ul style="list-style-type: none"> <li>Land access agreements are deemed invalid due to failure to engage with appropriate owner or person capable of representing the clan</li> <li>Land access agreements deemed not applicable or adequate for the production phase (e.g. long-term restrictions on land access and use along pipeline ROW, or buffer zones surrounding permanent EMPNG facilities, or biodiversity offsets), requiring renegotiations with relevant parties</li> </ul>	Land ownership/access system to be managed by competent and knowledgeable personnel using robust processes	2	Verification	As land is required	EMPNG	
			Training to be provided to personnel and contractors on the land clearance processes	3	Training records	As land is required	EMPNG	
			Maintain access to independent legal advice for affected communities	4	Verification	As land is required	EMPNG	
	Trespassers encroaching on the ROW over time with potential to compromise safety of people and safety of pipeline in the event of accident			Develop/implement land use restrictions/pipeline ROW maintenance agreements	5	Verification	Ongoing	EMPNG
				Employment of Village Liaison Officers to assist in monitoring areas around the ROW and educating impacted communities	6	Employment records	Ongoing	EMPNG

SUB-CATEGORY	RISK/IMPACT TO THE COMMUNITY	RISK/IMPACT TO EMPNG	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
			Execution of Clan Caretaking Agreements	7	Verification	Ongoing	EMPNG
			Monitor land use in areas where restrictions apply	8	Field assessments	Annual	EMPNG
Physical displacement - Relocation options: land availability, access and seasonality	Unforeseen impacts or predicted impacts exceeded resulting in adverse community affects and claims for relocation/ compensation	<ul style="list-style-type: none"> <li>Lack of full implementation of this Plan including compensation and livelihood restoration</li> <li>Management of opportunistic attempts to obtain compensation</li> <li>Future activities require access to, and use of, new land</li> </ul>	Development of a RAP as described in this Plan	9	Monthly tracking, development of trending reports and monitoring and evaluation	Ongoing until achievement of maintained or improved livelihood status	EMPNG
			Undertake independent resettlement audits	10	Completion audit	At completion of all resettlement activities	EMPNG
Physical displacement - Compensation (replacement housing, cash, in-kind)	Mis-management and absence of options for management of cash payment where this has formed a significant part of resettlement compensation	<ul style="list-style-type: none"> <li>Standard of living monitoring reveals the need for more support to relocatees and /or vulnerable people</li> </ul>	EMPNG to encourage banks to maintain facilities in the region	11	Verification	Ongoing	EMPNG

SUB-CATEGORY	RISK/IMPACT TO THE COMMUNITY	RISK/IMPACT TO EMPNG	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
Physical displacement - Security of tenure	<ul style="list-style-type: none"> <li>Self-relocation results in poor location outcomes due to: lack of sufficient detail on future PNG LNG developments to inform siting choice; and poor selection in terms of meeting basic needs (shelter, water, security of tenure, access to community facilities such as schools, medical clinics, churches, etc.)</li> <li>Failure to match or exceed livelihood standards at new location resulting in compromised well-being</li> </ul>	<ul style="list-style-type: none"> <li>Failure to plan PNG LNG requirements or avoid late changes to PNG LNG execution such that additional resettlement required</li> <li>Schedule delays due to resettlement approval process</li> </ul>	<p>Wherever possible provide in-kind materials as part of the compensation package to enable new structures to be constructed to the current or improved standard</p> <p>Specialist advisors verify relocation site and advise on consequences (with assistance of independent advocates as required)</p>	12	Completion audit	Evaluation to be completed six months after displacement to assess the standard of living of the household	EMPNG
Economic displacement - Compensation, damage and deprivation, targeted assistance (credit assistance, training, job opportunities)	<ul style="list-style-type: none"> <li>Failure to receive entitlements according to pre-agreed rates and schedule</li> <li>Diminishing community support for PNG LNG</li> </ul>	<ul style="list-style-type: none"> <li>Failure to meet payment schedule</li> <li>Retribution by affected individuals and communities</li> </ul>	Ensure timely annual land deprivation payment	13	Verification	Quarterly	EMPNG
			Meet statutory compensation payment requirements for new access	14	Verification	As needed	EMPNG
			All displacement (both physical and economic) activities need to be managed through approved procedures and monitored according to set plans	15	Stakeholder engagement Key Performance Indicator reporting	Ongoing	EMPNG

SUB-CATEGORY	RISK/IMPACT TO THE COMMUNITY	RISK/IMPACT TO EMPNG	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
Poor and vulnerable people - Well-being, ability to claim or take advantage of assistance and related development benefits	Increased hardship and impoverishment	<ul style="list-style-type: none"> <li>Lack of awareness of emerging or materialised issues due to delayed or ineffective monitoring</li> <li>Breach of fundamental element of involuntary resettlement</li> </ul>	Identify and assess vulnerability as part of the resettlement process and identify measures to reduce the vulnerability on an individual case-by-case basis	16	Monthly status reporting to management of all Vulnerable cases	Case-by-case	EMPNG
			Ensure effective monitoring and grievance processes	17	Weekly grievance status review	Weekly	EMPNG
Livelihood restoration - Land-based, wage-based and enterprise-based livelihoods Production levels (gardens/ agriculture etc.) Standards of living	<ul style="list-style-type: none"> <li>Households have a lower standard of living after displacement, resulting in hardship and impoverishment, including diminished access to social networks (kinship, neighbourly ties, village/community - specific ties, leadership ties, religious/ethnic ties and relationships, etc.</li> <li>Increased number of vulnerable or 'at-risk' household</li> <li>Increased adverse environmental and social impacts in areas where displaced households have moved to</li> </ul>	<ul style="list-style-type: none"> <li>Internal monitoring fails to identify situations where objectives and outcomes of this Plan are not being met</li> <li>Independent completion audit concludes that additional resource and time to ensure that all physical inputs and services defined in the RAP are provided, that the mitigation measures achieve the desired outcome, and that the objective of restoring standards of living of the affected population are properly executed</li> <li>Protracted livelihood restoration process and associated costs</li> </ul>	Maintain internal monitoring and evaluation by appropriately qualified staff to inform progress and initiate follow-up as required	18	Verification	Annual	EMPNG
			Disclosure of relevant project information (nature and timing of anticipated impacts) in a timely manner to affected communities	19	Stakeholder engagement Key Performance Indicator reporting	Monthly	EMPNG
			Undertake independent completion audit	20	Completion audit	At completion of resettlement activities	EMPNG

SUB-CATEGORY	RISK/IMPACT TO THE COMMUNITY	RISK/IMPACT TO EMPNG	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
Speculators and forced eviction - Resettlement process (especially consultation and disclosure of cut-off dates)	People encroaching on a PNG LNG facility after the cut-off date in anticipation of compensation and endangering their own safety	<ul style="list-style-type: none"> <li>Development of situation requiring forced evictions</li> <li>Negative effect on EMPNG reputation</li> </ul>	Maintain regular monitoring	21	ROW field assessments	Bi-annual	EMPNG
			Keep current a management process for forced evictions (including warnings/communication, daylight hour, police implementation, due process/third party monitor, existence of new viable location), and ensure conformance with established international protocols, especially those relating to human rights	22	Verification	Ongoing	EMPNG

## 5.0 MONITORING

Effective monitoring is essential to ensure that displacement activities have not adversely impacted communities and households in the long-term. The goal of monitoring and evaluation analysis is to determine whether an affected household's conditions have improved, been maintained, or declined.

The monitoring and evaluation process includes the following primary components:

- Input monitoring – Looks mainly at progress against inputs in the areas of land access, resettlement and livelihood restoration. Checks progress against schedule and Plan and compliance with applicable policies and EMPNG commitments.
- Outcome evaluation – Can be either internal or external and assesses the outcomes (or results) of the measures to improve or maintain the standard of living of physically displaced households and livelihood strategies for economically displaced households, through an assessment of the mid-term and long-term impacts of the land access, resettlement and the Livelihood Restoration Program on affected households
- Completion audit – Ultimately checks whether the primary commitments made in this Plan and the applicable RAP have been met and determines any corrective actions that need to occur and the timeline for their completion.

### 5.1 Internal monitoring

Monitoring refers to the ongoing, methodical data collection and analysis of land access, resettlement and livelihood restoration mitigation and development activities, which provides EMPNG with early and ongoing indicators of progress and goal achievement. Monitoring allows the opportunity to develop additional or alternative mitigation measures if objectives are not being met.

Monitoring takes place against the activities, entitlements and timeframe set-out in this Plan and the relevant RAP. Monitoring will check the progress against the indicators established in these documents and expected short-term results and will report the data to EMPNG in a timeframe appropriate to the indicator<sup>3</sup>.

The monitoring process measures whether inputs are delivered according to defined schedules (including explanations for any variations) and whether targeted outputs are achieved. Input monitoring includes the following:

- compensation for loss of land or land access
- compensation for loss of crops
- compensation for loss of houses
- confirmation of reconstruction of new houses
- support for vulnerable people
- grievance process
- any schedule variations.

Monitoring will also collect data on changes that may, or may not be, directly related to PNG LNG impacts including:

- changes in households socioeconomic status
- changes to local economy.

The number of input monitoring indicators will reduce over time as the programs complete. Input monitoring indicators are defined in the area-specific RAP appropriate to each situation.

In addition to the input monitoring indicators that address specific mitigation inputs, indicators that cover more general socioeconomic changes may also be collected. These indicators may

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<sup>3</sup> Monitoring will normally continue throughout the life of PNG LNG, even after the period of intensive resettlement activity. Households that have been physically or economically displaced will be assessed over the period after displacement. Once a household has been identified as maintained or improved, it will be considered closed for the purposes of resettlement activities. It is expected that the majority of households will be closed approximately 18 months after displacement.

be collected through a range of tools, including the socioeconomic surveys associated with the Papua New Guinea Institute of Medical Research's integrated Health and Demographic Surveillance System, as described in the Community Health, Safety and Security Management Plan. The applicability of these indicators and the frequency of collection will be reviewed on a regular basis.

For land access activities specifically, the following input monitoring indicators are reported on a weekly, monthly and annual basis:

- total hectares assessed
- total hectares compensated
- percent of total hectares compensated
- estimated total compensation
- total compensation paid.

## 5.2 Outcome evaluation

Outcome evaluation determines the extent to which inputs and outputs are achieving, or are likely to achieve, the overall goal and principles detailed in the appropriate RAP, with particular emphasis on livelihood restoration and standard of living. Outcomes of the evaluation will include identification and recommendations for change or additional measures required to ensure affected peoples' standard of living and livelihood restoration have not declined.

For standard of living (physically displaced households) the evaluation will determine:

- whether post displacement living conditions have improved over pre-displacement conditions; been maintained at pre-displacement conditions, or declined from pre-displacement conditions
- the cause of any decline in current living conditions compared to pre-displacement conditions, including determination on whether the decline is connected to any EMPNG action or activity, and if EMPNG has any outstanding obligations to the household
- recommendation of corrective actions needed for any persons whose post-displacement conditions have declined and the decline can be associated with the impact of displacement
- management review and approval of corrective actions, implementation of approved actions and re-evaluation of household situation to ensure maintained or improved status is achieved.

For livelihood restoration (economically displaced households):

- whether post-displacement livelihood status has improved from pre-displacement status, been maintained at pre-displacement status, or declined as a result of displacement
- the cause of any decline in livelihood status compared to pre-displacement livelihood status, including determination on whether the decline is connected to any EMPNG action or activity, and if EMPNG has any outstanding obligations to the household
- recommendation of corrective actions needed for any persons whose post-displacement livelihood status has declined and the decline can be associated with the displacement
- management review and approval of corrective actions, implementation of approved actions and re-evaluation of household situation to ensure maintained or improved status is achieved.

Outcome evaluation monitoring indicators include analysis of:

- standard of living for households that have been physically displaced
- livelihood restoration for households that have been economically displaced. Some households that have been physically displaced will also have been economically

displaced, but livelihood restoration and standard of living will be analysed separately, with a holistic view of the household's circumstances undertaken to complete all evaluation activities.

Indicators for evaluation of the outcomes of livelihood restoration measures will include quantitative and qualitative data to ensure a full and complete picture is available of each household's circumstances.

A lessons-learned review will be undertaken at completion of each areas resettlement activities. This review will help identify any necessary improvements to processes and procedures for future resettlement activities.

Where data analysis indicates that households have declined, or are very close to a declined state, in either standard of living or livelihood restoration indicators, further analysis will be undertaken to determine the following for each of the declined households:

- specific factors related to the declined conditions
- probable cause of declined condition
- if the cause is associated with displacement or to a factor unrelated to displacement
- if the decline is related to displacement; corrective actions needed including a timeline for implementation.

Internal assessments of a representative sample of displaced households and individuals will be conducted. Internal evaluations for standard of living assessments (applicable to physically displaced households) will be undertaken approximately six months after the time of displacement. Livelihood restoration assessment (applicable to those who have economically displaced) will commence six months after the displacement date and will be undertaken every six months until the household has been determined as achieving maintained or improved livelihood status.

The results of these evaluations will be verified by the IESC, who will review a subset of the cases sampled internally. The IESC will conduct this review at the conclusion of EMPNG's evaluations.

Evaluations will determine the extent to which inputs and outputs have achieved the overall goal and principles of the relevant RAP, with particular emphasis on livelihood restoration and standards of living. The evaluations will also identify and make recommendations for any changes or additional measures required to meet the needs of affected people (including hosts). Additionally, the evaluations will capture lessons learned from each resettlement that will be useful for EMPNG's future resettlement activities.

### **5.3 Completion audit**

An independent third party will be contracted to conduct a completion audit for each RAP. The overall purpose of the completion audit is to determine whether the RAP and its implementation comply with the requirements of Performance Standard 5: Land Acquisition and Involuntary Resettlement. The completion audits for all PNG LNG resettlements will focus on standard of living (physical displacement) and livelihood restoration (economic displacement) measures and effects.

Completion audits will occur as soon as possible after RAP measures have been implemented and completed, but should be no later than six months after completion of livelihood restoration activities.

Livelihood restoration and monitoring will need to continue for those households deemed not to have regained their pre-displacement levels where this can be linked to the activities of EMPNG.

The completion audit will verify:

- that all physical inputs committed to have been delivered in a timely manner and all services are provided in order to meet standard of living requirements for physically displaced households
- that efforts to restore the livelihoods of economically displaced households have been properly conceived and executed and have had the desired effect and, if not, identify the cause of failure to achieve the desired effect
- that resettled landowners are achieving sustainable livelihoods.

The completion audit will bring to a close the resettlement process. However, if the completion audit finds that certain resettlement objectives have not been achieved, the audit will recommend additional actions and a timeframe in which they should be completed.

## **6.0 REPORTING**

Both internal and external reporting requirements apply to land access, resettlement and livelihood restoration activities.

### **6.1 Internal**

Internal reporting will include summaries of issues and challenges encountered while executing the work and remedial actions required to meet the objectives of this Plan. These reports will be prepared on a monthly basis.

Outcome evaluation reports to management will be prepared bi-annually, following each outcome evaluation.

### **6.2 External**

All RAPs will be made accessible to interested stakeholders through the PNG LNG website at [www.pnglng.com](http://www.pnglng.com).

An update on activities related to this Plan will be provided annually in the PNG LNG Environmental and Social Report series, which is also available on the PNG LNG website. Each Report in the series summarises EMPNG's performance and compliance in all material respects with the Environmental and Social Management Plan (including this Plan), applicable Lender Group environmental and social standards and all applicable environmental and social laws. For example, the series provides:

- details of environmental monitoring (sampling and analysis) and social monitoring undertaken during the reporting period
- details of livelihood restoration monitoring, where applicable
- details of additional land acquisition and compensation and resettlement where applicable.

## 7.0 ROLES AND RESPONSIBILITIES

Land access, resettlement and livelihood restoration are technically complex fields. EMPNG will ensure subject matter experts are placed in management positions to ensure these topics are managed effectively. This may be through direct employment or through engaging consultants. Personnel with responsibilities defined in this Plan will possess the appropriate level of skills and experience and appropriate ongoing training will be provided to ensure EMPNG meets all obligations.

The main departments responsible for implementing this Plan are the Land Group and P&GA. Following are examples of the types of roles that will apply during the production phase. Some of these departments and roles may change over time to reflect the changing needs of EMPNG.

### 7.1 P&GA Manager

The P&GA Manager will be responsible for:

- coordinating and verifying implementation of this Plan
- ensuring adequate resources and budget are available to meet the objectives of this Plan
- confirming that personnel have the appropriate expertise to meet the requirements established in this Plan.

### 7.2 Land Manager

The Land Manager will be responsible for:

- ensuring the Land Leads, or other relevant specialist advisors, achieve their responsibilities in relation to this Plan
- stewarding responsibilities associated with cash payments and ensuring compliance with all process controls.

### 7.3 Community Affairs Manager

The Community Affairs Manager reports to the P&GA Manager and will be responsible for:

- ensuring the Community Affairs Officers, or other relevant specialist advisors, achieve their responsibilities in relation to this Plan
- ensuring that programs implemented conform with the objectives and mitigation measures defined in this Plan.

### 7.4 Land Lead

The Land Lead reports to the Land Manager and will be responsible for:

- overseeing the execution of land agreements and ensuring compliance with all corporate contracting standards, delegation of authority guide and process control requirements prior to contract execution
- assisting with implementation and execution of plans for the payment of *Oil and Gas Act 1998* compensation owed to landowners in a timely manner
- monitoring adherence to land management procedures/process and modify/update the Land Management Manual and other processes as necessary.

### 7.5 Community Affairs Officer

The Community Affairs Officer is part of the P&GA department, reporting to the Community Affairs Manager, and will be responsible for:

- working with local community to determine who will be affected by EMPNG's access to the land
- interfacing directly with affected communities to identify clan boundaries and clan agents who will represent the clan and receive compensation
- ensuring that the compensation process is properly witnessed and recorded
- ground-truthing of social mapping data

## **8.0 TRAINING AND AWARENESS**

Training will be provided for teams working in the fields of land access, resettlement and livelihood restoration activities focusing on the following topics:

- stakeholder engagement approaches appropriate to rural Papua New Guinean communities
- specific training on the importance of the avoidance of displacement (economic and physical) where possible, and where not possible, the minimisation of impact, and the restoration of livelihoods
- monitoring and evaluation training, with a focus on analysis skills will be provided for Port Moresby based P&GA team members and managers, as relevant

The PNG LNG induction will include a brief explanation of land ownership and cultural structures for all employees.

## 9.0 REFERENCE LIST

- Esso Highlands Limited. (2009). *PNG LNG Project Environmental Impact Statement*. Report prepared by Coffey Natural Systems Pty Ltd for ExxonMobil. Brisbane: Esso Highlands Limited
- International Finance Corporation. (2006). *International Finance Corporation's Performance Standards on Social and Environmental Sustainability*. Washington, D.C.: International Finance Corporation
- United Nations Special Rapporteur. (2007). *Basic Principles and Guidelines on Development-based Evictions and Displacement*. (A/HRC/4/18, annex I)