

Esso Highlands Limited



Papua New Guinea LNG Project

**KAIAM TO OMATI (KP 227-292)
Communal Resource Plan**

PGHU-EH-SPZZZ-490007

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ACRONYMS

Acronym	Definition
CRP	Communal Resource Plan
EHL	Esso Highlands Limited
EIS	Environmental Impact Statement
ELC	Environmental Law Centre
FRV	Full Replacement Value
HGCP	Hides Gas Conditioning Plant
IFC	International Finance Corporation
ILG	Incorporated Land Group
IPCA	In-Principle Compensation Agreement
KP	Km point (Hides to landfall at Omati)
Lanco	Landowner Company
LNG	Liquefied Natural Gas
LR	Livelihood Restoration
M&E	Monitoring and Evaluation
O&GA	Oil and Gas Act
OIMS	Operations Integrity Management System
OSL	Oil Search Limited
PIA	Project Impacted Area
PNG	Papua New Guinea
PNG LNG	Papua New Guinea Liquefied Natural Gas Project
PS	Performance Standard
RAP	Resettlement Action Plan
RIT	Resettlement Implementation Team
ROW	Right of Way
RPF	Resettlement Policy Framework
RTC	Resettlement Team Coordinator
SIA	Social Impact Assessment
SMLI	Social Mapping and Landowner Identification

EXECUTIVE SUMMARY

Introduction

Esso Highlands Limited (Company) proposes to develop the Papua New Guinea Liquefied Natural Gas (PNG LNG) Project (Project) to commercialize gas reserves within the PNG Southern Highlands and Western Provinces. This Communal Resource Plan (CRP) focuses on economic displacement resulting from:

- Pipeline construction between Kaiam and Omati in the Kikori region;
- Construction of a temporary transit camp at Kaiam; and
- The clearing of the Scraper station and access road at Kopi.

The Kaiam to Omati pipeline forms the southernmost part of the Project pipeline right-of-way (30 m ROW) that extends from Hides to Omati River Landfall. The Kaiam transit camp will be used for logistic support and vehicle movements between the main camps at Kopi and Gobe. The total area required for the Kaiam to Omati pipeline section and associated infrastructure is approximately 232 ha.

Resettlement Goal

The Project's overall resettlement goal is to design and implement resettlement in a manner that gives physically and economically displaced persons the opportunity to at least restore their livelihoods and standards of living.

This Kaiam-Omati CRP is consistent with goals, principles, and processes described in the Project's October 2009 Resettlement Policy Framework (RPF). The loss of only communal resource (economic displacement) on clan land is expected, there being no private assets in the ROW.

Institutional and Legal Framework

The resettlement process complies with legal requirements and criteria, such as: those specified in the PNG Oil and Gas Act (O&GA); key PNG National Government institution guidelines; legislation governing both provincial and local governments; and the International Finance Corporation's (IFC) Performance Standards (PS) on Social and Environmental Sustainability.

Social, Economic and Cultural Environment

The Kikori region, in the Gulf Province, occupies about 13,500 km² on the south coast of mainland Papua New Guinea. The Province has two districts: Kerema and Kikori, with an estimated population of 106,898. Population densities range from 25 to 35 persons/km² in the most densely settled areas to less than 10 persons/km² in other areas.

Most of the province west of Kerema is unoccupied with small scattered settlements along rivers and coast. The impacted area is inhabited by a number of ethnic groups, including the Rumu (Kairi), Ikobi (Kasere, Omati, Ikobi Kairi), Porome (Kibiri), and Kerewo.

The Gulf is a relatively poor province with only minor marketing of fish, betel nut and coffee. Royalty payments from oil and logging are the major sources of non-agricultural income. Sago is the most important food in the Kikori catchment supplemented by low intensity sweet potato and mixed staple cultivation.

The rainforest and waterways abound in diverse species, providing a primary reservoir of regularly consumed protein. There are three distinct forms of subsistence land use including:

- Hunting, gathering and fishing, the main activity;

- Sago-palm cultivation; and
- Fallow gardening.

Village out-migration for purposes of education and labor has been prominent since the earliest days of colonial presence.

As a result of the historical diaspora, land disputes associated with damage and deprivation compensation payments can be expected to continue. To date In-Principle Compensation Agreements (IPCAs) have been signed by landowners from Km point (KP) 190-278 but no agreements had been reached for the area between KP278-292.

In particular, ownership in the area KP260-78 is contested between a number of clans, as is the scraper station site and much of the landfall pipeline route. The landowning entities have all agreed to allow the Project work to continue and understand that all disputed compensation will be held in escrow until the parties resolve their differences.

Consultation and Disclosure for the Kaiam-Omati ROW

Initial resettlement public consultations were conducted in Kaiam 1 and Kaiam 2, Kopi, Babeio, Omati, Bisi, Kikori, and Goare (held at Kikori) through November to December 2010. Communication mediums included oral presentations, flip charts, booklets and flyers in English, Pidgin and Motu.

The Company Lands and Community Affairs (L&CA) team conducted land access consultations and IPCAs with affected landowners in June 2009. The Environmental Law Centre (ELC) played an active monitoring and review role as an impartial observer. A process of disclosure of documents is in place and will include public dissemination and distribution of the Kaiam-Omati CRP.

Project Impacts

The ROW, Kaiam and scraper camps, scraper station and access roads in Kopi will all be situated in unoccupied forest and swamp forest areas. Principal impacts likely to be experienced by Kaiam-Omati area landowners include the following:

- Clearing of forests within the development areas. Landowners will be able to use the land after construction for annual and shallow rooting crops, but this is expected to be limited as cultivation is not commonly undertaken in the area;
- Traffic impact on Omati Village residents from contractors and loggers who use the roads. This is expected to have low levels of impact;
- No businesses or employment are lost as a result of the Project but Omati village residents expect that the development activity will be beneficial for start-up businesses in the area;
- Approximately 20 cultural heritage sites identified, including some graves;
- Some population influx but this is considered unlikely along the pipeline ROW or associated facilities such as the camp or scraper station. Squatter settlements will be difficult to establish in this area as most of the land is verdant, brackish mangrove swamp;
- Impacts on water sources include some impact to doline pools, and ephemeral streams, but the sparse population unlikely to be adversely affected; and
- A new access road will be constructed to the Scraper station and temporary camp which will replace an old logging access track. This will benefit local landowners.

Eligibility and Entitlements

Those households subject to economic displacement due to loss of economic trees or gardens are eligible to receive damage and deprivation compensation as well as livelihood

restoration. Landowners will also be entitled to once off and rental payments for damage and deprivation, including loss of access to traditional hunting grounds. This will be paid out through clan representatives as per IPCA agreements.

Livelihood Restoration Program

Loss of individual gardens or other livelihoods is not expected within the Kaiam-Omati Project area but should this circumstance arise then a livelihoods restoration program will be implemented for affected landowners.

Grievance Management Framework

The objective of the Project Grievance Mechanism is to receive, respond, and address any grievances made to the Project. Grievances will be responded to as quickly and efficiently as possible, avoiding escalation of the issue, reducing negative impacts on the local population and assisting to maintain a positive attitude towards the Project amongst stakeholders.

Organizational Roles and Responsibilities

Overall responsibility for the planning, implementation, and monitoring of economic displacement rests with the Company as specified in the RPF. The L&CA team of the Company will be undertaking these activities.

Monitoring and Evaluation (M&E)

Monitoring and evaluation will provide information on whether clan and individual compensation (if required), resettlement and development investments are providing positive inputs, and to indicate the need for corrective action that may be required to achieve Project goals. An independent third party will conduct the final completion audit to determine whether the Project's undertakings to give physically and economically displaced persons the opportunity to at least restore their livelihoods and standards of living were properly conceived and executed.

Resettlement Implementation Schedule

A schedule of tasks has been developed to implement the major components of clan payments and resettlement (if required) over an expected three-month period, with livelihood restoration and monitoring continuing for two years.

Cost and Budget Estimate

Clan payments will be made according to the IPCA agreements. No direct impacts on individually owned structures, gardens or trees are expected, but provision of US\$ 0.3 million has been made should changes be required during implementation.

1.0 INTRODUCTION

This Communal Resource Plan (CRP) focuses on economic displacement resulting from construction of a:

- 66 km section of LNG pipeline between Kaiam and Omati;
- Temporary transit camp at Kaiam; and
- Scraper station¹ at Kopi.

This 66 km section is part of the Project's 292 km pipeline right-of-way (ROW) extending from Hides to Moro, bypassing the Kutubu Central Processing Facility and then running adjacent to the easement of the existing Kutubu Crude Oil Export Pipeline.

The ROW extends beyond Gobe to the Kikori River north of Kaiam, before deviating south through forested terrain, west of Kopi, directly to the Omati landfall.

The 30 m ROW width is constituted as 15 m either side of a notional centre pipeline. The ROW allows for the pipeline construction spread, including construction equipment, storage of trench spoil and vehicle traffic. The area of forest that may be cleared for construction is estimated to be approximately 200ha.

Construction will require a temporary Kaiam transit camp to be used for logistic support and movements between the main camps at Kopi and Gobe. The camp will accommodate the upstream pipeline construction contractor workers (estimated at 300 to 500 workers), and a lay down and storage area. The total area required is approximately 4 ha.

A scraper station (KP266) and 10 m wide access road from Kopi shore to the scraper² station will also be required. This logistics track follows an old logging road built and used between the years 1990 and 2000.

The scraper station will include a helipad, cathodic protection area, and temporary main camp. These are located close to the pipeline ROW; the scraper station will occupy an area of about 0.6 ha and lie some 20 km from Kikori. The station is required to clean gas pipelines and monitor their physical integrity. The temporary Kopi main camp will house 800–1000 workers and occupy an area of approximately 9.6 ha.

Figure 1-1 depicts the scraper station and Kaiam to Omati pipeline ROW which passes through the station area.

¹ Pipeline ROW CRPs will be prepared to reflect the:

- Range of ethnic and social circumstances of the communities;
- Extent of physical or economic displacement;
- Timing of pre-construction surveys required to define the final route and thereby resettlement impact; and
- Priority schedule for construction.

The same resettlement principles and overall objectives apply to all CRPs and RAPs.

² Sometimes referred to by Project personnel as Kopi Scraper Station.

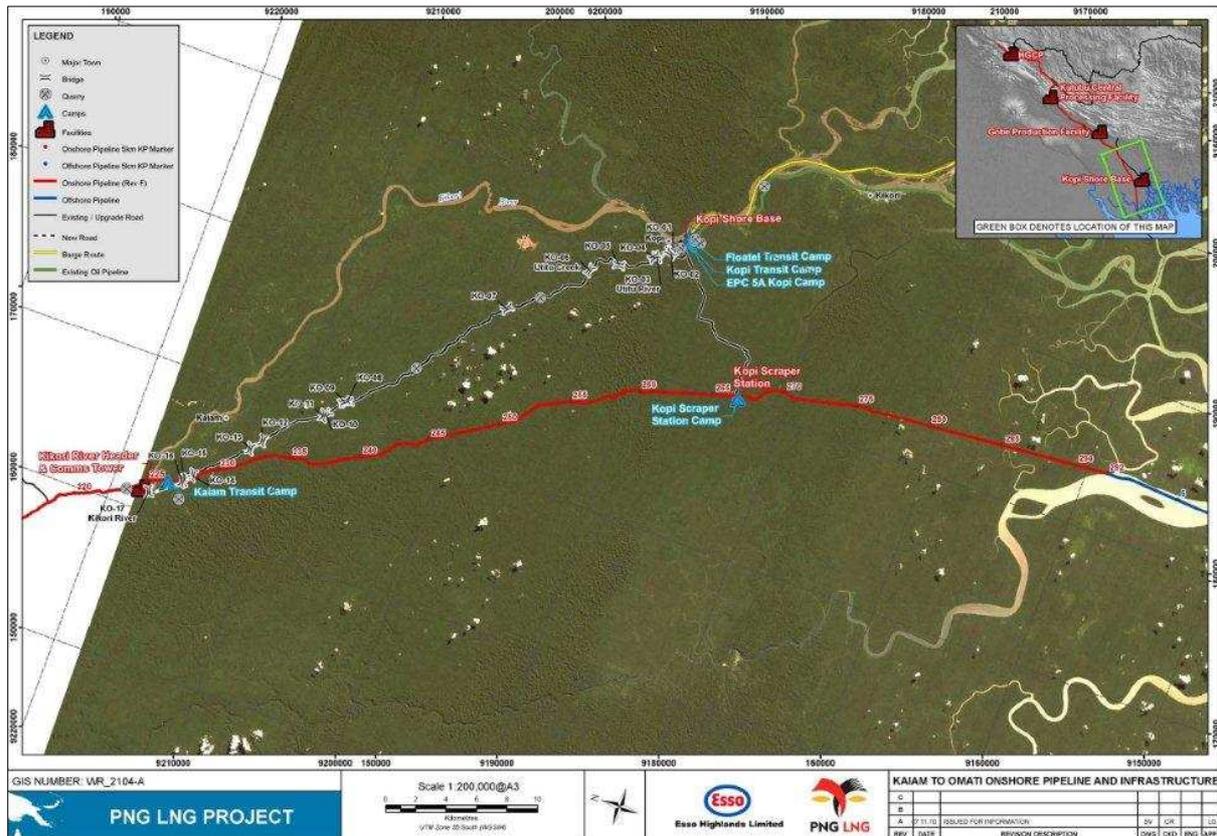


Figure 1-1: Kaiam-Omati ROW, Kaiam transit camp and Scrapper Station

This CRP outlines measures that will be undertaken to address impacts on communal resource. All of the identified impacted areas consist of forest with no local gardening or settlement activity. The CRP covers all of the above intervention areas inclusive of the Kaiam to Omati pipeline ROW which extends for approximately 66 km.

1.1 Project Description

The Project will commercialize gas reserves in the Southern Highlands and Western Provinces. Natural gas will be produced from:

- Gas fields at Hides, Angore, and Juha; and
- Existing oil fields feeding production facilities at Kutubu, Agogo, and Gobe.

It will be processed and then transported via pipeline from these provinces through Gulf Province and the Gulf of Papua to LNG producing and transporting facilities in Central Province.

1.2 Resettlement Goal

The Project's overall resettlement goal is to design and implement resettlement in a manner that gives physically and economically displaced persons the opportunity to at least restore their livelihoods and standards of living. This Resettlement Action Plan (CRP) (referred to as the Kaiam-Omati CRP) is consistent with the goals, principles and processes set out in the Resettlement Policy Framework (RPF) developed for the Project (October 2009).

1.3 Sources of Information

Key sources of CRP information include:

- IFC PS 5 Land Acquisition and Involuntary Resettlement, PS 4 Community Health and Safety and Security, and PS 7 Indigenous People;
- Papua New Guinea Liquefied Natural Gas Project Environmental Impact Statement (EIS) and Social Impact Assessment (EIS SIA Appendix 26) (2009);
- Pre-construction surveys for the affected area;
- Social Mapping and Landowner Identification studies (SMLIs);
- National Content Plan (outlines workforce development, local business development, investment in strategic community programs);
- Assimilation of lessons learnt in other resource developments in PNG and especially adjacent to the Project - e.g., petroleum hubs of Moran, Mananda, Gobe and Kutubu, gold at Kare and Porgera, mining at Lihir³; and
- Company Corporate Elements (Best Practices in External Affairs, Company Land Use Standard, Community Awareness element of Operations Integrity Management System (OIMS) on Property Rights and Resettlement, the Company's Policy on Human Rights).

1.4 Site Selection and Avoiding/Minimizing Resettlement

The Kaiam-Omati Landfall pipeline section does not traverse any gardens or villages. The initial route of the Project pipeline brought it close to Kopi station. In response to a number of adverse factors — including the presence of a large cluster of archaeological and cultural heritage sites around Kopi — the Kopi bypass (

Figure 1-2) route (i.e. the first part of the Kaiam-Omati pipeline ROW) was planned to minimize the impact on these sites and associated populations.⁴

³ PNG Chamber of Mines & Petroleum (2000), Landowner Compensation in PNG Mining & Petroleum Sectors, which includes comparison of resettlement packages and history for Ok Tedi, Porgera, Lihir, Misima and Panguna.

⁴ "We strongly recommend that the section of the proposed gas pipeline route to the south-southwest of the Kopi base camp be re-routed northwards" (EIS SIA p.396).

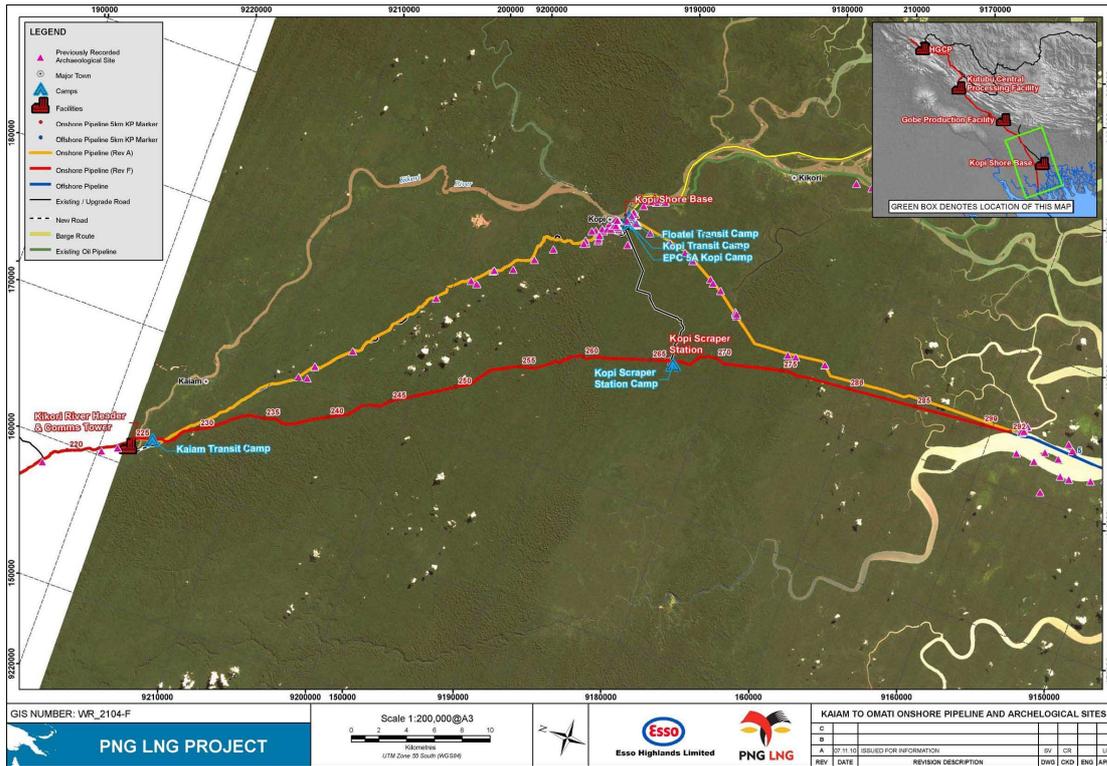


Figure 1-2: Revised alignment to minimize impact

For much the same reasons, the original Kaiam Transit camp location (Figure 1-3), initially surveyed in 2009 and located southeast of the present locale, was rejected because of significant cultural heritage finds. The proposed site is an old hunting ground and source of building timber for landowners.

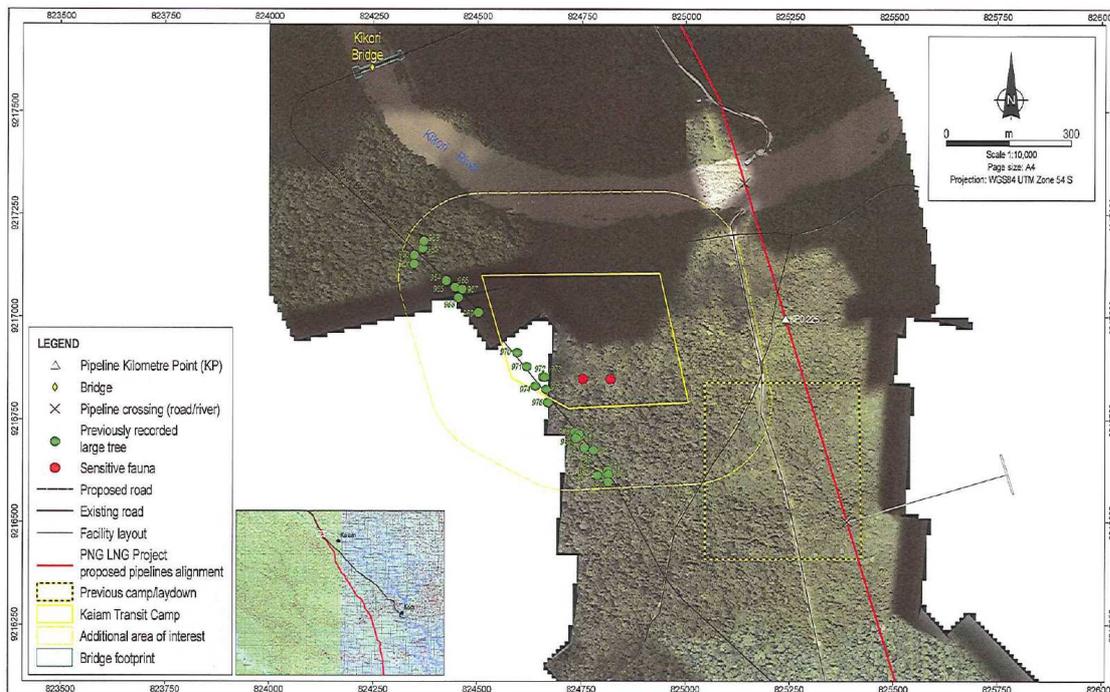


Figure 1-3: Kaiam Transit Camp - Previous and Present Locales

2.0 INSTITUTIONAL AND LEGAL FRAMEWORK

The principal PNG legislation relating to land and compensation are the 1996 Land Act and 1998 O&GA. PNG has no formal resettlement policy or statute.

The resource planning process will comply with all legal requirements and criteria, such as those specified in the O&GA, key PNG National Government institution guidelines, legislation governing both provincial and local governments and the IFC Performance Standards on Social and Environmental Sustainability⁵.

⁵ Further details are available in Section 2 of the Esso Highlands Limited PNG LNG Project Komo Airstrip Resettlement Action Plan, November 2009 (revised November 2010).

3.0 SOCIAL, ECONOMIC AND CULTURAL ENVIRONMENT

3.1 Physical Environment

The Kikori region is within Gulf Province which occupies some 13,500 km² on the south coast of mainland Papua New Guinea, where the estuaries of six major rivers converge into one large delta of islands, swamps and channels. Average annual rainfall varies from 1,300 mm near Kerema, to over 5,000 mm in the upper Kikori Valley. Altitude varies from sea level to over 2,700 m on the Morton Peaks north of Kaintiba.

The region lies within the southern margin of the Papuan Fold Belt. Volcanic informs are prominent and comprise eroded volcano remnants and associated low-lying knolls. Coverage of the area largely consists of mixed swamp forest. Canopy includes *Campnosperma*, *Terminalia*, *Nauclea*, *Syzygium* and *Alstonia* trees.

In the southern most reaches of the region are isolated patches of brackish swamp containing mostly *Nypa* palms. At the lower reaches of the proposed gas pipeline are the deltas of the Kikori and Omati Rivers — a vast mosaic of verdant swamps and plains transacted by the muddy waters of rivers draining the central cordillera.

3.2 Population

The Gulf has only two districts: Kerema and Kikori, with an estimated population of 106,898. Its rural population constitutes some 2% of the national rural population.

Population densities range from 25–35 persons/km² in the most densely settled areas to less than 10 persons/km² in other areas. Most of the province west of Kerema is unoccupied with small scattered settlements along rivers and coast. Outboard motor boat and canoe are the major forms of transport around river areas.

The impacted area is inhabited by a number of ethnic groups, including the Rumu (Kairi), Ikobi (Kasere, Omati, Ikobi Kairi), Porome (Kibiri), and Kerewo (Appendix 1).

Relevant to the current Project context are the deep-rooted divisions resulting from a population split between two Kerewo sub-groups, Pai'a Kerewo, now living at Bisi, and the dispersed Otoia Kerewo. Kerewo who remained in the southerly villages did not receive benefits from the existing oil pipeline; those who migrated northwards to Kikori and took up land given by relatives currently receive oil pipeline benefits.

Figure 3-1 provides an approximate estimation of Kikori cultural populations in the context of other Project ethnic groups. The Kikori catchment has about 10% of the overall Project landowner constituency.

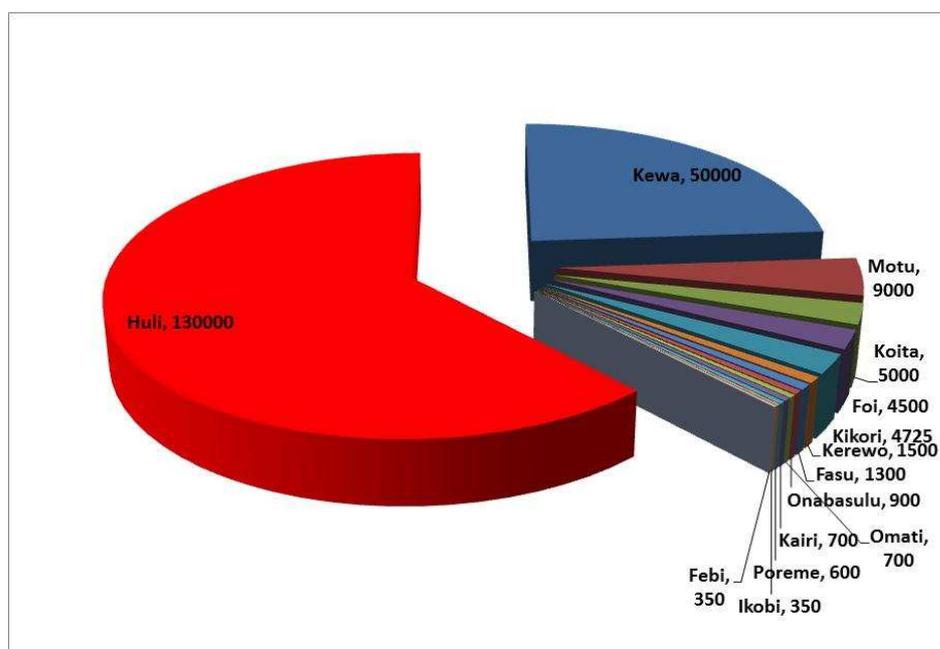


Figure 3-1: PNG LNG Project Populations

Table 3-1 provides demographic data for immediately impacted and surrounding villages within the catchment area covered by this CRP.

Table 3-1: Project Impact Area Households, Population, Incorporated Land Group (ILG) and Survey Status

No	Ethnic Groups – Census Units	POP. 1990 Gov Census	No. of HHS 1990 Census	POP. 1994 Census Chevron Niutaini	Pop. 2000 Gov Census	No. of HHS 2000 Census	No. of ILGs 2005	HHS Surveyed—SIA 1998–2007				
								1998	2001	2004	2005	2007/2008
KIKORI CATCHMENT												
5	Kaiam 1&2	183	45	345	245	41	26	14	15	-	16	48
IKOBI (Kasere)												
5	Kaiam 1&2	183	45	345	245	41	26	14	15	-	16	48
RUMU (Kairi)												80
7	Kopi	191	32	286	314	88	16	10	10	-	29	60
10	Kikori	195	30	-	587	69	-	-	9	-	12	151
KEREWOW												84
18	Bisi	125	29	498	219	45	15	20	25	-	9	28
20	Goare	133	19	96	62	12	6	11	3	-	5	19
23	Dopima	27	12	89	38	9	7	1	5	-	3	-
24	Ai'ido	18	6	51	47	10	2	5	15	-	1	9

3.3 Cultural Context

3.3.1 Migration History

The Gulf area pre-contact history suggests the region was initially settled between 2,000 to 4,000 years ago, the result of possible migration from the northern Sepik region. Although there is no consensus about where or when the Gulf populations actually arrived, oral history accounts and village migration patterns suggest a gradual movement from inland north and north-western communities southwards along the major rivers of the Newberry, Omati and Kikori.

Rumu and Kibiri settlements in the pre-contact era were situated along inland creeks, on top of karst hills or nestled in the karst escarpment. This was before government induced resettlement after which village populations clustered in communities along the Kikori River bank areas. Kerewo settlements were never inland but always along the Omati or Goaribari coastline.

Out-migration from villages for purposes of education and labor has been a component of Lower Kikori social life since the earliest days of colonial presence. Goldman and Tauka (1998) observed that this has led to a division between:

- Primary residential locations — those villages located close to Kikori Station; and
- Peripheral residences — those located for the most part in pre-colonial locations on traditional land, such as Dopima, Goare, Ai'idio, Kemei, Bebei and Mubagowa which now have only skeletal populations of around 30 to 80 people.

These depleted populations are too small to warrant infrastructure development and unable to sustain any meaningful village business development.

Figure 3-2 depicts the scattered nature of villages surrounding the Kaiam-Omati ROW.

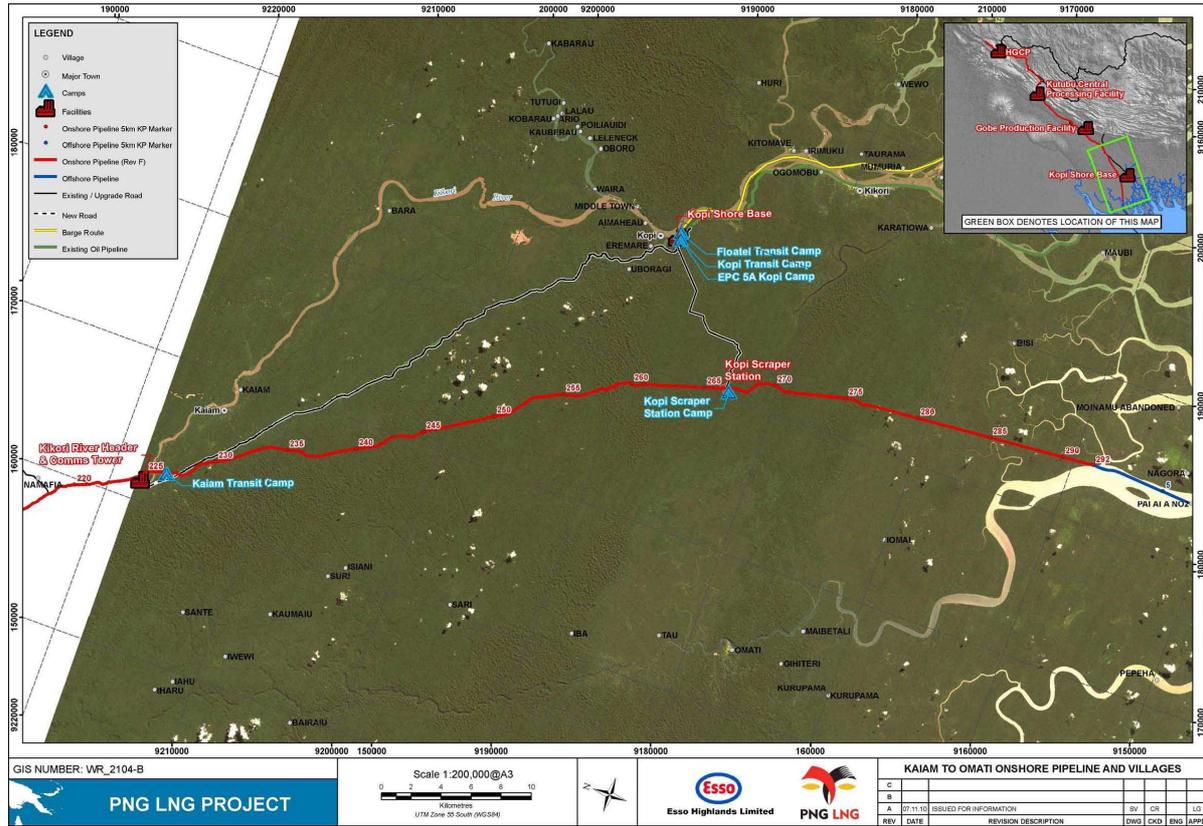


Figure 3-2: Villages surrounding the Kaiam-Omati ROW

Significant changes occurred in post-contact history settlement patterns. There were less frequent settlements shifts between riverine and inland hamlets; instead, people clustered near the Kikori government station. The period witnessed a migration reversal northwards up the Kikori River. This is illustrated in Figure 3-3 which shows some settlement history and migration for the Omati basin area around the proposed Project pipeline. Most, if not all, contemporary villages were established during the last 100 years by people resettled from other parts of the study region and beyond.

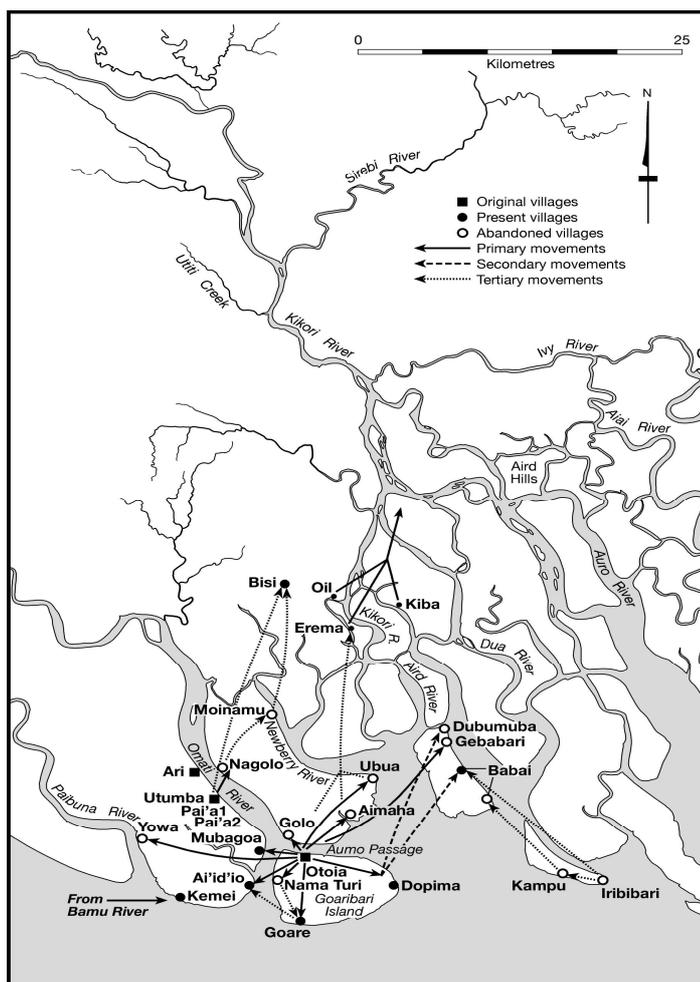


Figure 3-3: Traditional Omati villages and migration history (after Goldman and Tauka, 1998 p. 63)

The immediate relevance of understanding this contemporary migration history is that the landowners with interests in the pipeline ROW are not clustered in discrete villages, but rather spread across the region. Owing to this historical diaspora, it is likely compensation claimants will emerge with arguments indicating their genealogical footprint in the area, and contest other groups' versions of the history of settlement.

3.3.2 Principles of Social Organization

Detailed SMLI data has been compiled over the years by Community Affairs agencies of Chevron Niugini, Oil Search and the Company. The following reports concerning the Kaiam-Omati region provide the most comprehensive information:

- Omati Social Mapping Report (1998) Dr L Goldman & R Tauka
- SMLI Kaiam, Kopi, Omati & Goare (2006) Dr J Weiner
- SMLI Kopi Pipeline Deviation (2009) Dr M Schubert
- PNG LNG EIS SIA – Appendix 26 (Goldman 2009)

Traditionally, most Kikori communities had longhouse (*dubu*) villages, often varying from 100 m to 300 m in length, in which married men lived. These were surrounded by young men's houses and women's houses (Appendix 1).

Like the entire delta region, temporary encampments (*kombati*) are utilized for fishing, gardening, and activities such as collecting turtle eggs.

Social organization is based on patrilineal descent with a settlement pattern of villages divided into numerous agnatic descent groups. The generic term for these social groupings is Gu (Kerewo), Gunu (Rumu Kairi) or Imai (Kibiri) respectively and used for any level of inclusiveness from family to tribe.⁶

The contemporary social system is more fragmented than was traditionally the case. However, people retain clan names, indicative of the enduring nature of descent line affiliation.

3.3.3 Land Ownership

Having sustained contact for over a century, longhouse communities are now a rarity with most villages comprised of co-residential units. These communities have a multi-clan composition and in some cases multi-tribal constituency.

Although the local clan holds underlying communal title to land in the Kopi-Omati catchment, as is the case in the Kutubu Project area, individuals within the clan exercise exclusive rights over certain areas during their lifetimes and have the right to pass on such exclusive rights to their sons. Although 'in theory' there may be 'unallocated clan land' within a local clan's territory, in practice, with the possible exception of hunting areas, most land is appropriated by individual men and their sons and these smaller lineages become the effective thread of transmission of rights in land over time.

Sago palm stands are subject to individual ownership outside the family area — both males and females inherit rights in any clan land to particular trees, plots or groves. Usufructuary rights are granted for specified durations (rights to canoe trees, game, bush pond, etc.). Further discussion on clan or individual ownership is included in Appendix 1.

Relevant to this CRP is that now money and resource benefits have arrived, people desire to assert individual prerogatives and property ownership.

Waterways are not owned by any clan and are considered common space for people of the tribal area, though trespasses by foreigners into home waters were vigorously and actively policed.

3.3.3.1 Pipeline Right-of-Way Land

The Kaiam to Omati landfall pipeline route traverses non-residential areas.

There will be economic displacement through either direct loss of income streams or means of livelihood resulting from Project land acquisition or obstructed access to resources (land, water, or forest). It is important to indicate that whilst there will be some permanent loss of trees, landowners will be allowed to plant crops (but not trees) over the buried pipeline, so in effect some economic displacement is of a temporary nature. Given that the ROW does not traverse any existing gardens and is well away from any residential sites, the likelihood that such re-use of land will eventuate is considered low.

As noted above, the 'group-to-ground grid' is complex and contested. The following remarks provide background understandings to the mosaic of land title claims and disputes:

- This area has a long contact history with British and Australian colonials and this has had a significant effect on the social, territorial and political organization of the local people. The religious activity of this area was central to their relation to land and territory and was linked to headhunting and warfare. When warfare and headhunting were stopped, and with the decline of the traditional religious life, a

⁶ Appendix 1 provides more details on the use place name to indicate a differentiated line of descent.

significant dimension of local people's ties to and knowledge of country became altered in an important way. Undoubtedly, this facilitated the great movement and migration of peoples in the Lower Kikori throughout the 20th century;

- The Kerewo have a markedly different colonial history than do the other Project area groups in the Gulf Province. They have undergone what amounts to a wholesale dispersion from their original core home area of Goaribari Island/Omati River mouth (see Figure 3-3) and many now live on land that is not traditionally Kerewo tribal land — some have been doing so for over 70 years. However, Kerewo have not relinquished ownership or control of their ancestral lands;
- Dispersion of population towards Kikori has led to an increase in inter-tribal marriages. While these have not eroded the distinctness of claims to ancestral land, it has created multiplicities in landowner status across tribal boundaries; and
- Four villages—Goare, Ai'idio, Kopi and Waira—are actually located within the 10 km corridor of the ROW. One of these villages, Waira, is not the home of traditional ROW landowners. There are also Project landowners who claim land within the buffer zone and who reside in villages such as Omati that are outside the 10 km buffer zone. These villages may raise concerns if they think they will miss out on benefits or social program development.

3.3.3.2 Kaiam Pipeline Deviation Section

Clans affected by the Kopi bypass section (Figure 3-4) were resident in villages of Kopi and Kaiam 1 north of Kikori township, and in Omati village, along the upper Omati River.

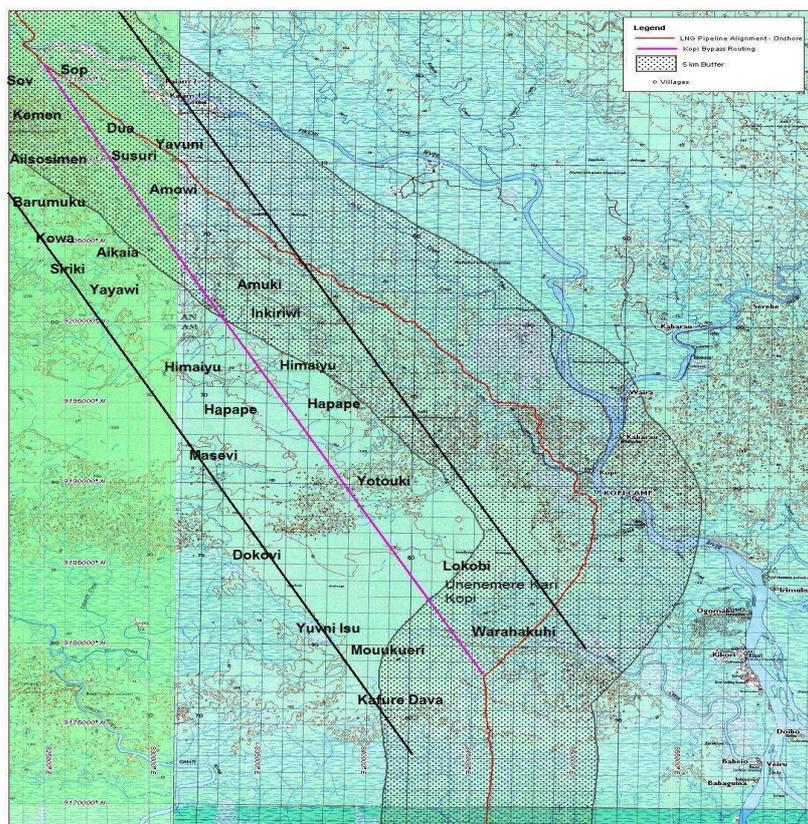


Figure 3-4: Approximate locations of landholdings of clans and sub clans within the 10 km buffer

Kaiam 1 has nine clans affected by the re-routed deviation including the Sop, Aiosisimen, Kemen, Barumuku, Dua, Yavuni, Siriki, Amowi, and Kowa (Appendix 1).

Six clans have land within the 10 km government designated buffer zone. There was one dispute between Amowi and Amuki; both have burned down houses erected by the other within claimed borders.

The people of Omati village on the upper Omati River identify as of the Baregawa tribe. As reported by Goldman and Tauka (1998) Omati provided much of the initial migrant stock for Kaiam 1 village. Knowledge of this migration history explains the complex cross-cutting claims that will be activated within the resettlement catchment.

In Goldman's and Tauka's (1998) report Omati village was of marginal interest and unlike the Omatis' kinfolk at Kaiam 1 village and their neighbors at Kopi, they have not yet been recipients of any pipeline projects' benefits. They (ibid.15) also made the observation, reconfirmed by Schubert (2009), that Omati is a village made-up of three other remnant settlements — Gih Tari, (Omati)-Iba and Papa.

This recent history of three origins places is reflected in the physical layout of residences in the village, with the descendants of the three source villages occupying three distinct areas across a landscape of hills. Of the 27 clans in Omati only seven are impacted by the Kopi bypass route deviation. These include: Barumuku, Kowa, Yayawi, Masevi, Dokovi, Yuvni Isu, and Kafure Dava. Detail on these clans is included in Appendix 1.

3.3.3.3 Omati Landfall to Kopi Bypass

Initial landowner identification was conducted by Goldman and Tauka (1998) as part of the then foreshadowed PNG Gas Project (see Figure 3-5). Landowners predominantly come from Bisi, Goare, Veiru, Goro and Babaguina villages.

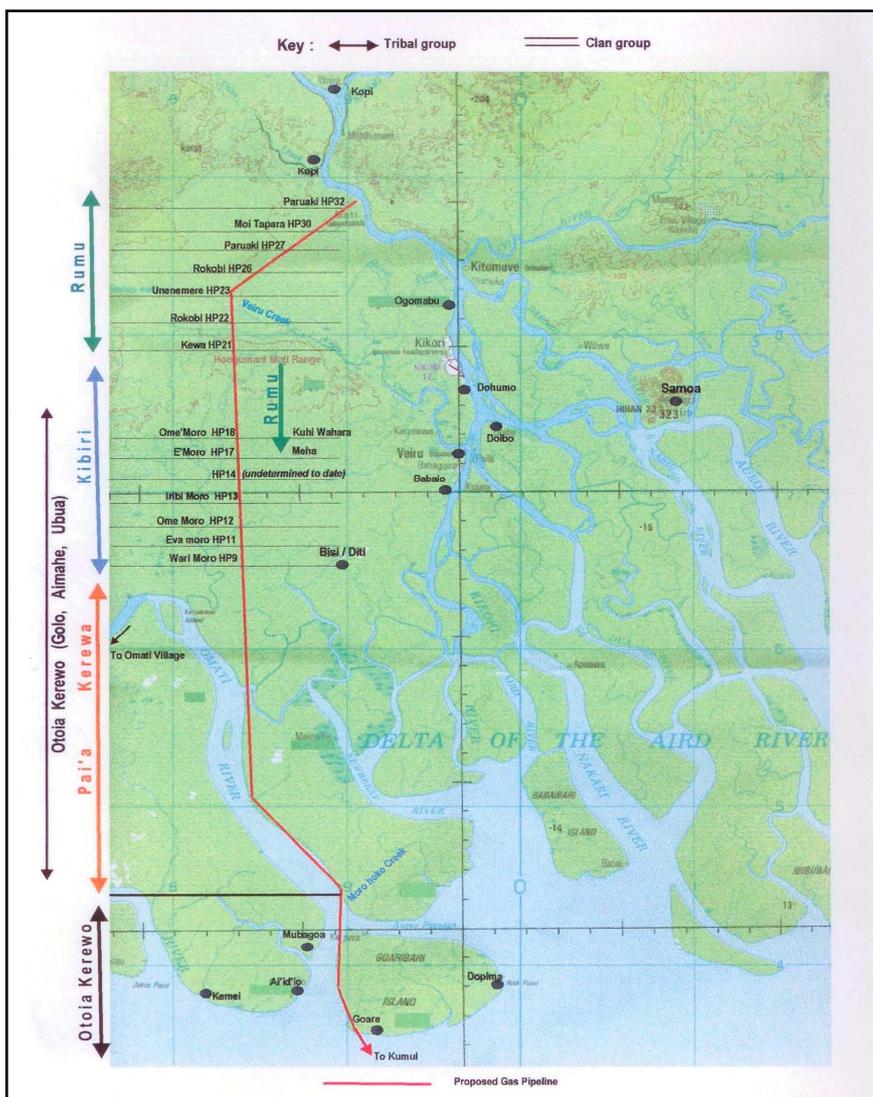


Figure 3-5: PNG Gas Project ROW Land Identification (Goldman and Tauka 1998)

A number of disputed areas were identified along the lower section of the pipeline. IPCAs completed and signed for the Kaiam-Omati route confirm previous findings that portions will be subject to cross-claims by various clans.

The proposed Kaiam transit camp land is owned by Iriusukuni and Kemehi Serevoi clans. The proposed access road to the scraper station is owned by Paruauki, Lokovi and Waharakuhi clans. The scraper station lies along the proposed pipeline ROW and thus land ownership clans are already identified above, and involve the Dokobi and Lokobi clans. Further details on the ROW of landowners from Kopi to Goaribari is included in Appendix 1.

3.3.4 IPCAs and Implications of Socio-Cultural Context for Project

Excellent baseline data are available for pipeline ROW impacted clans. Importantly, as noted above, there are various sections of the ROW, scraper station, and other supporting infrastructure areas that are subject to disputed ownership.

The objective of IPCAs was to obtain agreement with all clans, within a development area, on compensation payments that will be made for losses, damages or deprivations that may arise from Project development.

IPCA's have been signed by landowners from KP 190-278 (Figure 3-6), but not KP 278-292 as of January 2011. Ownership in the area of KP 260-78 is contested between a number of clans, as is the scraper station site and much of the landfall pipeline route. Landowning entities agreed to permit Project work to continue. They understand all disputes compensation will be held in escrow until the parties resolve their differences.

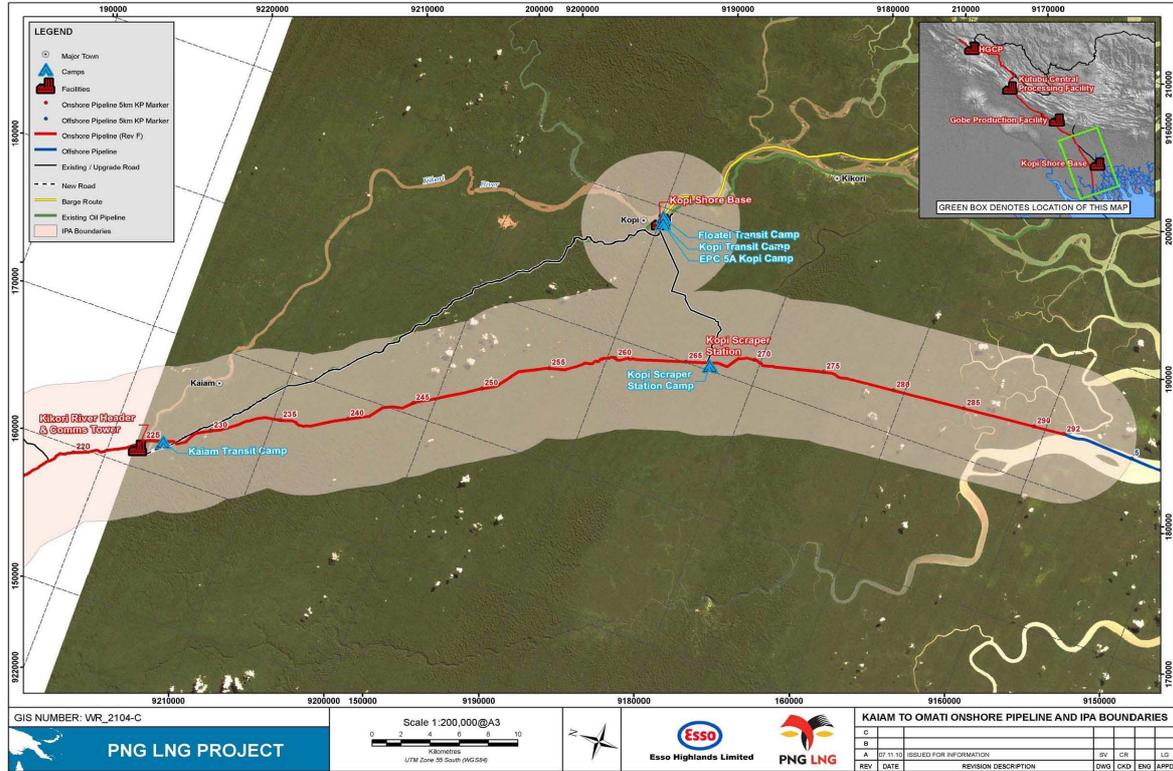


Figure 3-6: IPCA Boundaries

The current status pertaining to IPCA's in the Project area is summarized in Table 3-2 .

Table 3-2: Status of IPCAs

Item	IPCA
Scraper Station Site	A general IPCA has been signed for the area from Kaiam-Omati that covers the area of the pipeline corridor. However, it does not include all the clans concerned along the corridor since some of them are involved in disputes over certain tracts of land. The Scraper Station Site is one of these areas under dispute. However, the disputing clans have agreed to allow work to proceed while their dispute gets resolved.
Kopi Shore Base to Scraper Station Road	An IPCA for the Kopi Shore Base to Scraper Station Road has not been signed yet due to clan disputes. Verbal agreement has been obtained for work to proceed.
Kaiam Transit Camp – KP 226	An IPCA has been signed for an area south of the Kikori River. It includes the Kaiam southern approach site, access road, laydown and camp site.
KP 260 to KP 278	Boundaries of land ownership where the pipeline ROW KP 260 to 278 is located could not be determined at the time of the pre-construction and cultural heritage surveys due to local land disputes between the Dokovi, Lokopi3, Paruauki and Waharakuhi clans. Verbal consent has been given for construction to proceed.
KP250 – KP261	A general IPCA has been signed the area from Kikori River South to Omati landfall, that covers the approximate area of the pipeline corridor. The land within the ROW survey area between KP250 and KP261 is owned by four clans, including Yotuki, Hapape and Himaiyu (all of Kopi village) and Masevi (Omati village).
KP 225.6 to KP 234.5	Land within the survey area (KP225.6-KP234.5) is owned by two clans from Kaiam village, namely; the Erosukuni and Sov clans. No land disputes exist at present.
KP234.5-KP250	Nine clans claim ownership of land within this ROW: Sov, Siriki, Dua, Amouwi, Kowa, Amuki, Himaiyu, Masevi and Yayawi clans. Kopi clans state that they have an agreed border between their clans but several disputes are current.

3.4 Economic Context – Subsistence Livelihoods

The Gulf is a relatively poor province in PNG, with only minor marketing of fish, betel nut, and coffee. Royalty payments from oil and logging are the major sources of non-agricultural income in the area. Sago is the most important food in the Kikori catchment, supplemented by low intensity sweet potato and mixed staple cultivation.

Kikori environs peoples are far more dependent on sago, crabs, and fish than their Kutubu neighbors. Overall, people in Kikori District are moderately disadvantaged relative to people in other districts of PNG.

There is no agricultural pressure, land potential is low, access to services is moderate and cash incomes are moderate” (Hanson, Allen, Bourke and McCarthy, 2001:47).

The rainforest and waterways abound in diverse species, 37 ethno-zoological species are recognized. They provide a primary reservoir of regularly consumed protein. The main limitation is accessibility due to seasonal flooding.

Riverine resources are still used by women and men, providing at least 22 ethno-zoological species of fresh and salt-water fish, eels, turtles, crayfish, and prawns. Commercial nylon nets have largely replaced the old bamboo and bark cord. These nets are set at doline ponds and large and small inlet creeks around the Omati and Goaribari environs.

There are three forms of subsistence land use:

Hunting, gathering and fishing differs according to altitude:

- Terrestrial fauna—pig, cassowary, wallaby, bandicoot, hens, megapodes, rats, frogs;
- Lower canopy—phalangers, snakes; high canopy—flying foxes, birds, hornbills; and
- Stream banks—rats, crocodiles, lizards, mud crabs.

Sago-Palm Cultivation: Average yields vary between 100 to 150 kg per palm; a single palm is usually sufficient for a family for a month. Palm by-products are used for roofing and building.

Palm strands are owned by groups but exploited by individuals or individual families. Both males and females inherit rights to trees. Land ownership can be altered immutably through purchase, and usufruct rights granted for limited periods. In effect, one has communal clan lands within which individuals hold a portfolio of rights to tracts inherited through kinship and/or descent.

Gardening: A shifting cultivation/fallow based gardening system is used to cultivate a wide variety of crops on areas of higher ground: pandanus (*pandanus conioideus*), breadfruit (*artocarpus altilis*), okari (*terminalia* spp.), Malay apple (*syzygium malaccense*) and various leaf greens (*Amaranthid* spp.).

Non-subsistence plants cultivated include Derris sp for fish poison (used to catch fish), Yaemi for canoe logs, *Broussonetia papyrifera* for plaited carrying bags, *Nicotiana* for smoking, and *Bambusa* spp for cooking and water storage vessels.

Attempts to commercialize large-scale agriculture have proved unsustainable. Small landholders have generally focused agricultural activities on subsistence production. Agricultural and livestock opportunities remain largely undeveloped, due in part to lack of communications and transport infrastructure.

3.5 Land-use

Table 3-3 provides an overview of garden status along the proposed pipeline ROW as well as the scraper station and transit camp covered in this CRP, based on information obtained during the pre-construction surveys conducted for the area. From this table it can be seen that the only area in which two gardens were identified was near the Kaiam transit camp, which will be avoided by construction.

Table 3-3: Gardens along the ROW

Item	Gardens
Kopi Scraper Station Site	The land use for the entire Kopi Scraper Station area (station, camp site) is forest land with no local gardening activities observed.
Kopi Shore Base to Kopi Scraper Station Road	No gardens were found within the ROW of the access road.
Kaiam Transit Camp – KP 226	Two garden sites were identified in the survey, one garden had banana, plantain and coconut trees the other an edible bamboo plantation. Both will be avoided and access to the farmland will be maintained around the camp site perimeter fence.
KP 260 to KP 278	No agricultural land was located in the vicinity of the pipeline ROW.
KP250 – KP261	No gardens or individually owned crops were identified within the ROW survey area.
KP 225.6 to KP 234.5	No gardens or crops were identified within the ROW survey. Clan representatives confirmed that the area is rarely accessed due to the nature of the terrain.
KP234.5-KP250	No gardens or crops were identified within the ROW survey. Clan representatives confirmed that the area is rarely accessed due to the nature of the terrain.

Table 3-4 provides an overview of large trees identified in the Project area during pre-construction surveys. A large number of trees were identified, particularly in between KP 260 and KP 278. These have not been claimed as privately owned.

Table 3-4: Trees

Item	Large Trees
Kopi Scrapper Station Site	11
Kopi Shore Base to Kopi Scrapper Station Road	4 12 Pandanus swamps, and a further 4 pandanus swamps with 19 sago palms but not identified as privately owned by the clans.
Kaiam Transit Camp – KP 226	30
KP 260 to KP 278	134
KP250 – KP261	20
KP 225.6 to KP 234.5	6
KP234.5-KP250	15

3.6 Assets and Infrastructure

Table 3-5 summarizes Project-area assets and resources identified during pre-construction surveys. No privately owned assets or resources were identified. Potential impacts of noise and traffic on the Omati logging village, situated about 7 km from the Scrapper Station site will be assessed as part of the environmental assessment.

Table 3-5: Assets along the ROW

Item	Community/ Individual resources/assets
Kopi Scrapper Station Site	The Omati logging village situated about 7km from the Kopi Scrapper Station site represents the nearest community to the site. At the time of the survey the village was comprised of about 20 thatch houses and the Omati logging camp has 5 wooden blocks and 3 thatch houses. Watercourse WAT01 represents a potential source of drinking water for occasional landowner use.
Kopi Shore Base to Kopi Scrapper Station Road	No assets. A traditional hunting track passes through area and will be considered during construction.
Kaiam Transit Camp – KP 226	The closest local community to the Kaiam Transit Camp is Kaiam village located 4km to the northeast of the campsite. A few local houses were located in the vicinity of the pipeline crossing on the north bank of the Kikori River. The Kikori River is a fishery resource and serves as means of transport for communities residing along it. The camp site area was used as a hunting ground and a source of building materials by local clans.
KP 260 to KP 278	The closest local community is the Omati logging village approximately 7 km west of the pipeline ROW. Three houses are located adjacent to the abandoned Omati to Kaiam access road. Other infrastructure included 2 road crossings and 5 logging tracks.
KP250 – KP261	No privately owned resources/assets were identified within the ROW survey area.
KP 225.6 to KP 234.5	No privately owned resources/assets were identified within the ROW survey area. A walking track identified in a previous survey has since been abandoned.
KP234.5-KP250	No privately owned resources/assets were identified within the ROW survey area. A walking track and an abandoned logging track were identified in the survey, which were occasionally used by fishermen to access the lower Kikori River and a walking track by the Yayawi Clan to access hunting and fishing locations.

3.7 Cultural Heritage Sites

Initial results of the cultural heritage surveys for the Kikori region were published in the PNG Gas Project SIA (EIS Supporting Study 10, 2005) and reproduced with minimal changes in the Project EIS SIA (Appendix 26 2008). A total of 111 cultural heritage sites were recorded for the entire pipeline route from Kaiam-Kopi-Goare including sites within the Omati River south of the landfall.

A subsequent heritage survey was undertaken by David, Muke, Kokents and Ash (2009) for the Kopi bypass route and a further 14 cultural heritage sites were identified.

Following several revisions to minimize social and cultural impacts, the final alignment of the proposed ROW, transit camp and scraper station, is shown in Figure 3-7, in relation to points of cultural sensitivity.

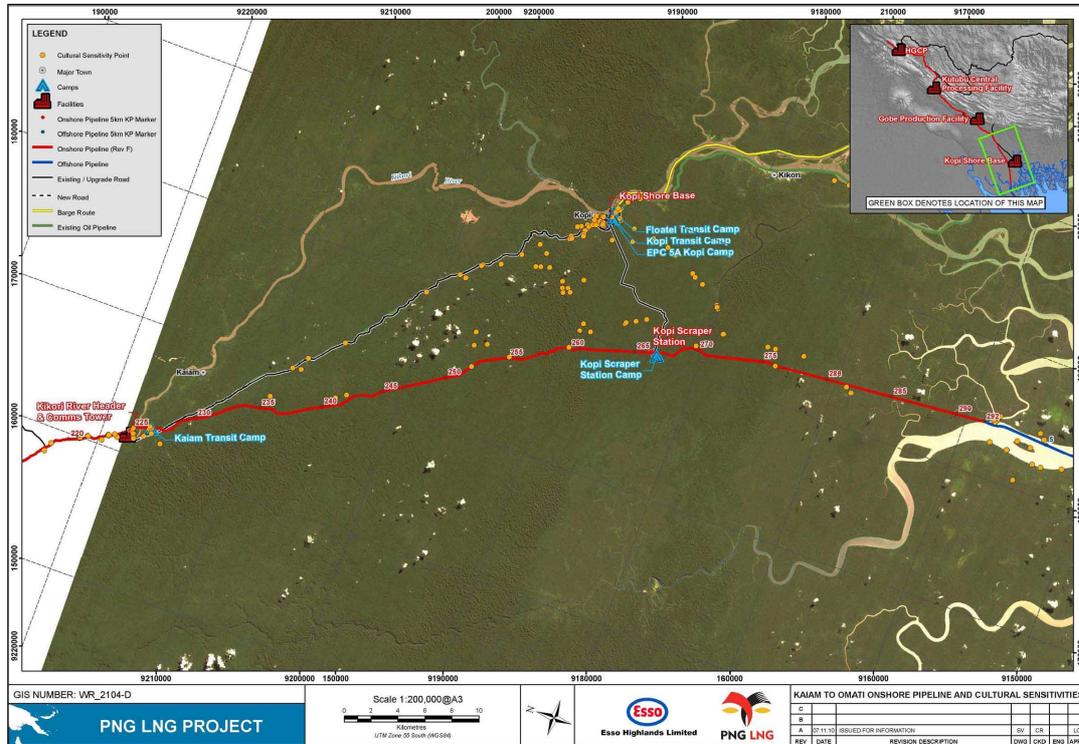


Figure 3-7: Cultural sensitivities

Sites identified during preconstruction surveys for the current alignment and site alternatives are summarized in Table 3-6:

Table 3-6: Cultural Heritage

Item	Spiritual Sites
Kopi Scrapper Station Site	None
Kopi Shore Base to Kopi Scrapper Station Road	None
Kaiam Transit Camp – KP 226	Two burial sites outside the proposed Kaiam Camp survey area.
KP 260 to KP 278	Two spiritual sites were identified in the cultural heritage survey – consultations have been undertaken and mitigation measures agreed as per M235 of Company's Cultural Heritage Management Plan A ancestral village where in the past the entire population was killed is located approximately 260 m east of the pipeline ROW so will be avoided. Two sleeping caves/cultural sites were identified some 100m from the ROW so will be avoided.
KP250 – KP261	A rock shelter was identified as a Masevi spirit site, (Sikarena) located within the construction footprint, at KP 252.1. The ROW will be shifted 20 m northeast of the site. A flying fox hunting cave of cultural significance to the Yotouki Clan of Kopi village is located approximately 47 m from the ROW and will be avoided.
KP 225.6 to KP 234.5	A spirit pool called Dikimbu, was identified approximately 50 m east of the ROW survey area.
KP234.5-KP250	None within ROW.

The Project's cultural heritage programs and protocols have been developed to deal with both archaeological evidence and secondary burials and to ensure that, where appropriate, relocation of ritual items occurs in accordance with local custom. The Project's preferred management approach for known cultural heritage sites is avoidance. For sites that cannot be avoided however, appropriate management measures may include sample salvage-excavation and/or salvage through surface collections.

4.0 KAIAM-OMATI ROW CONSULTATION AND DISCLOSURE

A specialist resettlement team from the Company conducted initial resettlement public consultations in Kaiam 1 and Kaiam 2, Kopi, Babeio, Omati, Bisi, Kikori, and Goare (held at Kikori) during November and December 2010 (Table 4-1).

These include the Company local L&CA teams to ensure uniformity of message and that issues raised by communities could be addressed. Communication mediums included oral presentations, flip charts, booklets and flyers in English, Pidgin and Motu.

L&CA conducted land access consultations and negotiated IPCAs with affected landowners utilizing findings of the SMLI Reports as an initial guide to identify affected stakeholders.

The Environmental Law Centre (ELC) played an active monitoring and review role as an impartial observer. A process of disclosure of documents is in place and will include public dissemination and distribution of the Kaiam-Omati CRP. Copies of this CRP will be available at strategic locations in Kopi and Kikori.

Table 4-1: Summary of Omati-Kaiam Consultation Interactions for Affected Communities

Resettlement Awareness							
No.	Village	Date	Awareness Team*	Number of Attendees			
				Male	Female	Children	Total
1	Omati	20/11/2010	RIT, SE & L&CA	30	37	16	83
2	Kopi	21/11/2010	RIT & L&CA	14	8	7	29
3	Kaiam # 1	22/11/2010	RIT, SE & L&CA	54	43	12	109
4	Babeio	23/11/2010	RIT, SE & L&CA	32	20	14	66
5	Kaiam # 2	24/11/2010	RIT, SE & L&CA	19	12	12	43
10	Goare Village	30/11/2010	RIT & L&CA	77	34	29	140
11	Bisi Village	1/12/2010	RIT & L&CA	14	9	7	30
			Total Attendance:	260	175	113	548

RIT – Resettlement Implementation, SE – Stakeholder Engagement, L&CA – Land & Community Affairs.

4.1 Regional Issues and Resettlement Concerns

There are a number of regional issues which continue to be current in the Omati area and which provide background to understanding the hosts' reception of the resettlement program. All of these were captured and described in the 2009 EIS SIA.

- Project bio-physical environment impacts continue to be a social concern. Landowners in this region have long expressed anxiety about possible impairment to subsistence-based livelihoods like fishing, hunting, and gardening;
- Siltation of rivers and channels—this has been a longstanding complaint by Kikori people that the oil pipeline has increased sedimentation affecting fishing and water transport. Landowners also voice their concern that land-based pipelines alter drainage patterns and cause flooding to gardens, although hydrographic surveys shown that sedimentation is caused by deposited sands brought by the northern headwaters which feed into the Kikori River;
- The existing oil project is perceived to have created large-scale community dissatisfaction by creating a division between pipeline ROW beneficiaries and non-ROW 'have-nots'. In particular the division between Kerewo who:
 - migrated to Kikori established ILGs and obtained benefit streams; and
 - remained in Goare and did not benefit;

- Most proposed pipeline area communities requested the Project to construct roads or tracks—particularly from Omati landfall or Bisi to Veiru;
- The construction sub-contractor will employ local labor through the umbrella Lanco KerKoi JV Ltd. The multi-ethnic composition of the Lanco has resulted in a fragile working relationship in the past;
- On 8 September 2010 the Company entered into a Memorandum of Understanding (MOU) with representatives of the Project barging route and Omati offshore pipeline ROW peoples. This MOU is of indirect relevance to this CRP as the purpose of the MOU was to secure community support for unimpeded access by the Project for the delivery of pipe, camp materials and equipment to Kopi. However, non-ROW people are looking to the MOU to address the temporary impacts of construction activities on their communities. The MOU makes financial provision, for the period 8 September 2010 until first gas, for projects to be identified by communities and in alignment with Company Social Management commitments.

4.2 Summary of Issues by Communities

Concerns raised during resettlement consultation and disclosure sessions covered many of the same issues described above:

Table 4-2: Main Issues Identified by Communities

Issue	Project Response
Degree to which construction activities might impede landowner access to Kikori and associated requests the Project provide assisted passage.	This request was noted and passed on to management. It was also noted that damage and deprivation compensation includes the issue of impacted access.
Fear of construction polluting waterways and Company measures to mitigate this risk.	The company is commissioned not to pollute the water or the environment and if so, they are obligated to pay for damage. There is a regular water testing program in place to ensure safe water quality for people and fish.
Need for local people to be employed during construction. Business opportunities to benefit local people.	L&CA to monitor and engage specialists to assist with technical advice on business and farming.
The request for landowners to walk the ROW prior to compensation so they can indicate the land boundaries and ownership picture.	L&CA to coordinate the boundary demarcation with landowners and identify clan elders who will collect the payment on the clan's behalf.
Need for social services in affected villages.	It was suggested that specific opportunities for such services be identified by communities, and negotiated as part of rental agreements.
Concern game will migrate during construction, impacting hunting practices.	Compensation will be paid for deprivation of rights to hunt and fish during construction, as well as annual rental for use of the land. After laying of the pipes, re-growth will take place and hunting can continue unimpeded.

5.0 PROJECT IMPACTS

Unlike the Hides-Moran environs where the infrastructure interventions will have some indirect impact on in-migration levels, this is assessed as unlikely in the Omati region. The pipeline does not pass through any residential settlements and there are no major roads or attractions along the pipeline ROW which would attract migrants. The main urban hub is the port of Kikori with the Kaiam and scraper camps, scraper station and ROW will all being situated in unoccupied rural land of marginal subsistence or residential potential for local populations.

Table 5-1 summarizes principal impacts likely to be experienced by Kaiam-Omati area landowners.

Table 5-1: Principal Impacts likely to be experienced by Kaiam-Omati landowners

Impact	Scale	Mitigation – Project Responses
Residential, business or other structures affected	None	None
Loss of trees and crops	No loss of individually owned trees or crops.	As per O&GA section 118 and Eligibility Matrix landowners are entitled to one-off damage compensation payments, should losses arise.
Loss of forest/other natural resources	Forest resources will be lost along the 66 km ROW (; the Kaiam transit camp 4 ha; scraper station 10 ha; and Kopi shore-to-scraper station road, in part an existing logging track (20 ha). A total area of 232ha will be lost.	As per O&GA section 118 and Eligibility Matrix these affected landowners are entitled to damage as well as deprivation compensation (rental). These payments are made to the respective landowning groups (i.e. clans or clan segments) and have to be shared out amongst the respective members in accordance with custom. In the event of disputes the money is held in escrow until the dispute has been resolved either formally through the court system or informally.
Disruption in social networks	No physical relocation. Some impact from contractors' workers operating in the area.	Minimal
Impacts on business/ employment	No existing business.	No loss of employment anticipated and there are no businesses which require relocation or compensation. Omati village residents feel the development activity will be beneficial for start-up businesses in the area.
Community services/facilities	None	None
Cultural Sites	Approximately 20 identified including some graves.	Compensation schedules for range of cultural heritage sites. Skeletal material to be handled by PNG National Museum. Appropriate rituals to be undertaken by local landowners and caretakers of sites. Sacred stones and artifacts to be relocated by people themselves. Other material to be lodged with National Museum and overseen by archaeologists.

Impact	Scale	Mitigation – Project Responses
Influx of migrants	Most unlikely along the pipeline ROW or associated facilities such as the camp or scraper station.	Squatter settlements will be difficult to establish in this area as most of the land is verdant, brackish mangrove swamp. Pipeline ROW is not close to community hubs of Kopi and Kikori. No villages through which it traverses. The scraper station and temporary camp areas previously impacted by logging in 2000 when no settlements were established. Omati logging hamlet is 7km away.
Impact on water sources	Some impact to doline pools, ephemeral streams etc .,but sparse population unlikely to be adversely affected.	Minimal. Scraper station platform has been moved to ensure pools and streams remain unaffected. Water policy management in place to ensure mitigation.
Social Infrastructure and access	Temporary loss of access across the ROW during construction. Bypass track at Kaiam Transit Camp	Minimal loss of access but where this occurs alternative access points will be provided as agreed with affected communities. Construction of new access road to camp will replace old logging access track benefiting local landowners.

6.0 ELIGIBILITY AND ENTITLEMENTS

The RPF provides a full schedule of eligibility criteria for compensation and entitlements that will be adopted for the Project. Table 6-1 summarizes eligibility and entitlements relevant to affected Kaiam-Omati communities for statutory damage and deprivation compensation⁷. Damage and deprivation payments will have regard for the customary classification of landowners, landholders and land users with respect to their tenorial status and portfolio of land rights and responsibilities.

⁷ This excludes royalties paid by the government to communities along the pipeline.

Table 6-1: Eligibility and Entitlements for Kaiam-Omati Landowners

Eligibility	Affected Category	Assistance / Compensation	Considerations for Implementation
1. Land Deprivation			
Recognized landowners	Clans or other groups (e.g. ILOs) with rightful recognized claim to communal land	Payment will be made to clans within the final ROW as provided in Table 3-2. Payment for land deprivation as per guidelines set out in the IPCAs and summarized below:	Clearly inform affected group authorities about site development and land allocation schedules and regulations. Compensation paid at agreed intervals directly and publicly to landowner
		1. Compensation for the use and enjoyment of the surface of the land	The Company will pay Landowners at a rate per year at equivalent market rates for each hectare of land occupied (but not otherwise damaged) by the Company for depriving Landowner(s) of the use of the surface of the land, for cutting Landowner(s) off from other parts of their land, and for any loss or restriction of rights of way, in compliance with Section 118(2).
		2. Compensation for land surface damage	If the surface of any land of the Landowner(s) is damaged by the Company, the Company will make a one-off compensation payment at equivalent market rates to the Landowner(s) for each hectare of the land surface which is damaged by the Company.
		3. Compensation for initial damage to naturally occurring bush, vegetation, birds, animals or fish	The Company will make a single payment to the Landowner(s) for any damage on their land to the natural bush, birds, and fish at equivalent market rates for each hectare of land on which the Company damages the natural bush.
	Individual/ household landowners for garden land	Payment for land deprivation as per above (if land privately owned).	Clearly inform about site development. Compensation paid at agreed intervals directly and publicly to landowner.
2. Damage to Trees and Crops			
Recognized land and resource users and owners	Clans or other groups (e.g. ILOs) with rightful recognized claim to communal land	Cash compensation based FRV for trees naturally seeded in affected area as identified in the IPA, as included above for Land Deprivation	Clearly inform community about site development. One-off compensation to community (landowners group) directly and publicly to landowner

Eligibility	Affected Category	Assistance / Compensation	Considerations for Implementation
	Individual/ household landowners for garden land	Cash or in-kind compensation FRV for affected area for crops and trees planted by individuals (excluding mature crops). Compensation for garden infrastructure improvements (including garden fences and trenches). Assistance to restore livelihoods through economic restoration programs.	Clearly inform community about site development. Cash compensation at FRV. Households will assist with the verification of trees to ensure that full market rates are paid. Cost at replacement of trees considering "lost production" at full replacement value. Once-off compensation or at agreed intervals to individual/household owners directly and publicly. Replacement or market value of trees and crops in the calculation of compensation amounts.
3. Reduced access to Land and Resources			
Persons recognized as landowners of land to which access is reduced	Individual/ household landowners and land users with reduced access to land due to Project activities	Cash or in-kind compensation at agreed intervals until reduction in access ceases.	Clearly inform about site development. Cash compensation at FRV. "Lost production" compensation will be considered for compensation. This means that if there is interrupted access to land during construction for a short time then affected people will be eligible for compensation for lost production – i.e. what they could have grown or done with the land had they had access. One-off payment or compensation at agreed intervals to individual/household owner directly. This will be done publicly

7.0 LIVELIHOOD RESTORATION PROGRAM

Loss of individual gardens or other livelihoods is not expected. If so, a livelihoods restoration program will be implemented as detailed in the Komo RAP.

8.0 GRIEVANCE MANAGEMENT FRAMEWORK

The resettlement process for the Kaiam-Omati landowners will consider grievances through the Grievance Procedure, which will apply across all Project activities. The Grievance Procedure is available to people affected by displacement, other local populations residing in the Project impact area, and other stakeholders directly affected by the Project.

The Grievance Procedure to be adopted for the Kaiam-Omati area is defined in the RFP. The Project will disclose information about the Grievances Mechanism to the affected Kaiam-Omati community, adjoining landowners and interested persons and organizations. The transparency and fairness of the process will be explained through both verbal (via regular stakeholder meetings) and written updates (such as newsletters, website, and posters).

9.0 ORGANIZATIONAL ROLES AND RESPONSIBILITIES

The Company is responsible for overall resettlement planning, implementation, and monitoring as per the RPF. It is implemented by the Company's L&CA team. Organizational details are described in the Komo RAP.

10.0 MONITORING AND EVALUATION

The Management and Evaluation system (M&E) provides Project management, and directly affected persons, households and communities, with timely, concise, indicative information on whether compensation, resettlement and related development investments are on track and achieving Project goals.

That physically and economically displaced persons, as applicable, have had the opportunity to at least restore their livelihoods and standards of living and to indicate the need for any course corrections. The Resettlement Team Coordinator (RTC), supported by the Field Implementation Coordinators, will coordinate M&E internal and external implementation.

Further details of the monitoring process to be implemented can be obtained from the Komo RAP.

11.0 RESETTLEMENT IMPLEMENTATION SCHEDULE

Table 11-1 sets out the tasks required to implement resettlement. It should be noted that this schedule is preliminary until final resettlement planning is completed, after which a more detailed implementation schedule will be developed.

Table 11-1: Implementation Schedule

Activity or Task	Actions	2010	2011						
		D	J	F	M	A	M	J	J+
Planning	Completion of CRP								
Approvals	Internal EHL approval of the CRP								
	CRP approval by Lenders								
	CRP Summary to community								
Land Issues	Confirm resettlement sites and any impacted water sources (provision)								
Confirm and finalise compensation agreements	Verify inventories of affected land and assets (incl. special valuations)								
	Finalize any entitlement contracts								
Compensation payments	IPCA payments and cash payments to individuals (provision – none expected)								
Graves, spiritual & other cultural sites	Relocate / recover (provision)								
Verification and monitoring	Design and implementation of monitoring and evaluation system (ending Dec 2012)								
	Local advocacy & compensation advisors								
	Internal monitoring								
	External evaluation (including completion audit)								

12.0 COST AND BUDGET ESTIMATE

Forest damage and deprivation costs are included under a separate budget allocation to be paid by L&CA. These will be paid according to rates negotiated in the IPCAs and adjusted to reflect equivalent market rates. No direct impacts on individually owned structures, gardens, or trees are expected, but provision of US\$ 0.3 million has been made should changes be required during implementation resulting in limited impact.