

PNG Tourism Promotion Authority

Environmental and Social Management Framework

Papua New Guinea Tourism Sector Development Project

Incorporating Indigenous Peoples' Planning Framework and Resettlement Policy Framework

November 17, 2016

Abbreviations

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|-----------|--|
| ARAP | Abbreviated Resettlement Action Plan |
| BP | Bank Procedure |
| CESMP | Contractor's Environmental and Social Management Plan |
| ESIA | Environmental and Social Impact Assessment |
| ESMF | Environmental and Social Management Framework |
| ESMP | Environmental and Social Management Plan |
| ENB | East New Britain |
| GoPNG | Government of Papua New Guinea |
| GRM | Grievance Redress Mechanism |
| GRS | Grievance Redress Service |
| IDA | International Development Association |
| IFC | International Finance Corporation |
| IP | Indigenous Peoples |
| IPP | Indigenous Peoples' Plan |
| IPPF | Indigenous Peoples' Planning Framework |
| LLG | Local Level Government |
| K | Papua New Guinea Kina (currency) |
| MTAC | Ministry of Tourism, Art and Culture |
| M&E | Monitoring and Evaluation |
| NGO | Non-Government Organisation |
| OM | Project Operations Manual |
| OP | Operational Policy |
| PAD | Project Appraisal Document |
| PCR | Physical Cultural Resources |
| PG | Provincial Government |
| PMC | Project Management Company |
| PNG | Papua New Guinea |
| PIE | Project Implementing Entity |
| SAR | Subproject Appraisal Report |
| SESCHA | Strategic Environmental, Social and Cultural Heritage Assessment |
| SPREP | Secretariat of the Pacific Regional Environment Programme |
| RAP | Resettlement Action Plan |
| RPF | Resettlement Policy Framework |
| TA | Technical assistance |
| TPA | PNG Tourism Promotion Authority |
| TSDP | Tourism Sector Development Project |
| USD | United States Dollar (currency) |
| UXO | Unexploded ordinances |
| VLD | Voluntary Land Donation |
| VLDP | Voluntary Land Donation Protocol |
| WB | World Bank |
| WW / WWII | World War / World War 2 |

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1 Introduction

Background

The World Bank is supporting the Papua New Guinea (PNG) Tourism Promotion Authority (TPA) to deliver the PNG Tourism Sector Development Project (TSDP). This Environmental and Social Management Framework, or 'ESMF', which incorporates an Indigenous Peoples Planning Framework (IPPF) and Resettlement Policy Framework (RPF), provides tools to help TPA to integrate environmental and social stewardship into the project and meet the Environmental and Social Safeguards Policies of the World Bank.

Purpose and Scope of the ESMF

This ESMF has been prepared as the specific locations and detailed information about the TSDP subprojects will not be known until implementation. National and Provincial Strategy to be undertaken during project implementation, will provide a number of projects which could be considered for funding under the TSDP.

The purpose of these framework documents is to guide the TPA on the environmental and social screening and subsequent environmental and social assessment of technical assistance and subprojects during project implementation. The TSDP has been classified as Category B under World Bank Safeguard Policy OP4.01 Environmental Assessment.

The procedures outlined in the ESMF serve to ensure that stakeholders are involved in the project, potential adverse environmental and social impacts that may be generated as a result of each subproject activity are identified early, and appropriate safeguard instruments are prepared prior to implementation to avoid, minimize, mitigate and, in cases where there are residual impacts, offset or minimize adverse environmental and social impacts. The ESMF outlines the requirements for the application of the various WB Safeguard Policies so that environmental and social safeguard instruments consistent with the WB and national requirements are produced.

The ESMF outlines the environmental and social screening requirements to determine the project category, defines the potential environmental and social issues associated with specific sub-projects, and guides the preparation of the relevant safeguards instruments.

Within the ESMF is the following:

- Brief details on the project description and subproject typologies.
- Screening process for each investment or project – to determine the type of environmental assessment required to satisfy the PNG laws and World Bank safeguard policies (including the integration of the requirements of the Indigenous Peoples).
- Processes for implementation of safeguards during project implementation.
- The integration of policy into the project screening and implementation.
- Description of the implementation arrangements, including the roles and responsibilities of TPA, the Project Management Company (PMC), and consultants
- Stakeholder engagement plan and grievance redress mechanism (GRM).
- Indicative budget for key safeguards activities.

- An IPPF detailing how the requirements of World Bank Safeguard Policy 4.10 Indigenous People will be integrated into project design.
- A RPF detailing how the requirements of World Bank Safeguard Policy 4.12 Involuntary Resettlement will be implemented for subprojects requiring land.

2 Project Description

The project development objective is to improve tourism services in targeted destinations. The Project will leverage opportunities for tourism development in the high-potential provinces of East New Britain and Milne Bay, and target key constraints currently impeding sustainable growth of the sector in these locations. The Project introduces an integrated approach that meets the need for: (i) stronger and more coordinated institutional and policy frameworks for tourism development across national, provincial and local levels; and (ii) improved/rehabilitated small-scale infrastructure for compelling tourism sites, products and experiences in the destination's tourism hubs and connected spokes (e.g., cultural and natural heritage sites around each hub). Consequently, the improved institutional and policy environment will be more conducive to designing and implementing realistic tourism development strategies at national and provincial level. The provincial tourism strategies will be aligned with the current tourism product offering, which does not require massive investments during the next five years, but rather improvement and rehabilitation of existing tourism attractions. This will be achieved by supporting complementary small-scale infrastructure and product-support investments that can lead to a rise in tourist visits. The consequent rise in tourism spending will then increase the tourism income captured by Project beneficiaries, especially women. This will, in turn, fuel inclusive local economic growth.

2.1 Component 1: Institutional and Policy Frameworks

This component will seek to raise the standard of government entities integral to establishing and growing an effective tourism sector. Institutional strengthening and integrated planning at the national level, the provincial level (in East New Britain and Milne Bay), and the local level (in Kokopo, Rabaul and Alotau), will enable entities to carry out key priorities such as: improved destination planning and management; marketing and promotion; skilled workforce development and capacity building; product development; sustainable site management of tourism assets; and performance monitoring and evaluation activities. Support will ensure that all planning, design, implementation and monitoring activities are done in an inclusive and gender-sensitive manner.

2.1.1 Subcomponent 1.1. Strengthening the national and provincial tourism development framework

This subcomponent will support the Ministry of Tourism, Arts and Culture (MTAC) and Provincial Administrations and tourism stakeholders in East New Britain and Milne Bay to improve the national and provincial environments for tourism planning and development. In doing so, the subcomponent will initially support the preparation of Papua New Guinea's 2018-2022 national tourism strategy. Similarly, the project will support the preparation of provincial tourism strategies for East New Britain and Milne Bay, which will be informed by a detailed demand assessment to be implemented by IFC. These five-year provincial tourism strategies will focus on improving the current tourism offering through small scale developments with high yield potential and low environmental and social impacts. Subsequently this subcomponent will finance priority TA activities identified as part of the strategies, including: guidance for the establishment of effective and sustainable provincial tourism / destination management offices; the implementation of a targeted marketing strategy for each province; the delivery of workforce development and capacity building priorities at national and provincial level; facilitation of business support services to tourism-related MSMEs; and overall

monitoring and evaluation activities. Lastly, this subcomponent will assist MTAC in the prioritization of other provinces that can benefit from the implementation of potential subsequent investments.

2.1.1.1 Activity 1. Assessment of the Tourism Sector in PNG

Before developing tourism strategies it is critical to understand learnings from previous ones and the current state of play of the sector. Therefore, this activity will involve extensive stakeholder consultation and desk study to inform:

- A review of the current national Tourism Strategy, including an analysis of challenges faced in progressing the agreed strategies and actions, to identify lessons to be considered in developing the new strategies. This will supplement the 2011 review of the Model Province Tourism Plans as an additional input;
- A 'Situational Analysis' (diagnostic) of the tourism sector to identify the institutional landscape for tourism development, analyze supply, and determine constraints to sector development. This will be complemented by a market demand study to be conducted in parallel by IFC;
- A Tourism Supply Inventory/Audit to list and map tourism supply including infrastructure, products, services, sites and experiences (broadly across the country, but with more detail for East New Britain and Milne Bay). Existing audits are available to facilitate this task.

2.1.1.2 Activity 2. Preparation of a new 2018-2022 Tourism Strategy for PNG

With PNG's 2007-2017 Tourism Strategy approaching its final year, this activity will provide a national framework to guide the development and promotion of tourism in PNG for the next five years. The development of the new tourism strategy will be informed by the preceding Sector Assessment and entail:

- Consultations with key private sector, community, government, training, and development partner stakeholders to identify a shared vision for tourism, and gather input on tourism development needs and opportunities;
- Documentation of Strategic objectives, strategies and priorities for the following aspects of the tourism value chain:
 - Policy and institutional framework. This section will recommend institutional arrangements that can better support tourism development, within the regulatory framework of the new Tourism Act. For example, this section will identify:
 - Policies for optimizing tourism development coordination across the Government institutions under Tourism, Arts and Culture, namely the Tourism Promotion Authority (TPA), the National Cultural Commission (NCC) and National Museums and Galleries (NMAG);
 - Policies for optimizing tourism development coordination between the TPA and other national government institutions involved in tourism including agencies responsible for investment promotion, transport, airports, ports, small business development, internal revenue, commerce and trade, customs, foreign affairs, quarantine and immigration, the environment and conservation.

- Policies for optimizing tourism development coordination vertically between the TPA, and the provincial administrations and local authorities;
- Policies for optimizing tourism development coordination between the public and private sector nationally;
- Policies for optimizing tourism development coordination with development partners.
- Market analysis and marketing. This section will validate and/or enhance the TPA's Marketing Strategy 2016-2020 which is currently in development;
- Product and experience development priorities. This section will:
 - Identify at a broad (national) level, the needs and opportunities for investment in accommodation, tours, attractions, niche experiences (e.g. culture, marine, adventure, war heritage), events, and ancillary tourism offerings e.g. artisan items, retail outlets, restaurants etc.;
 - Include recommendations for advancing tourism quality standards and accreditation to enhance and extend the program initiated by TPA for guest houses so far;
 - Profile the market gaps/needs, and proposed interventions for developing community-based enterprises, MSMEs and large tourism investments. This will inform what will be progressed under this project or facilitated through development partner programs. (Note: Based on consultations and research to date, there is a clear need to develop competitive cultural tourism products and experiences, and an opportunity to mobilize community enterprise programs to do this, using the World Bank's Community Driven Development CDD model in PNG, overlaid with an enterprise development support program. This will be mobilized under Sub-Component 2.2 of this project. The needs of the private micro, small, medium and large businesses will be the subject of further scoping under the Tourism Strategy consultations).
- Workforce Development. This section will identify training and capacity building priorities for employees of tourism businesses, self-employed business owners and OTAC institution staff.
- Development of an Action Plan to detail how set objectives in the national strategy will be achieved and to document specific activities, timelines, resource requirements and KPIs. This will include:
 - An 'Immediate Action Plan' with highest priority activities that can be delivered under this Tourism Sector Development Project; and
 - A 'Medium to Long-Term Action Plan' with activities recommended for subsequent Government and development partner support.

It is proposed that this National Tourism Strategy be developed concurrently with Provincial Tourism Strategies for East New Britain and Milne Bay (see Activity 2) in order to: mitigate the risk of duplicating stakeholder consultations; ensure relevant research is leveraged across both activities; achieve cost savings from a combined exercise; and optimize the sequencing of activities in developing and implementing the plans.

2.1.1.3 Activity 3: Preparation of provincial tourism strategies

The preparation of a comprehensive and actionable tourism strategies for East New Britain and Milne Bay (each) will provide a framework and detailed guidance on how tourism development should take place in the respective provinces, based on inputs from all stakeholders and insights from international best-practice. The strategies will be informed by findings from the Sector Assessment (Activity 1) as well as the impending IFC-funded support to TPA for an International Visitor Survey and Market Demand Study. Furthermore, the provincial strategies will inform, and be informed by, the national tourism strategy that is to be developed in parallel. They will adopt a similar framework, but the provincial strategies will detail province-specific needs and opportunities, together with an implementable action plan. This will help to ensure that there is a systematic and coordinated approach to tourism development in these demonstration provinces. This is essential if tourism development is to be sustainable; promoting development that protects fragile ecologies and respects local cultures. Important too is the opportunity that such a strategy provides for communities to be involved at the start, and not just brought in as an afterthought. The preparation of each strategy will build on the considerable amount of work that has already been undertaken in the provinces, including the 2006 Model Province Plans (which although 10 years old, feature much information that is still relevant), and the more recent documentation of tourism development vision, principles and ideas in each province. The (brief and high-level) 'ENB Tourism Master Plan 2017-2022' developed the following vision with tourism stakeholders: "ENB to have an educated, healthy and wealthy population living in a socially peaceful and wise community", but government and industry have indicated a need to strengthen the plan's direction for implementation. Similarly, in Section 4.5 of the Milne Bay 'Integrated Provincial Development Plan 2016-2020', the tourism vision for the province is identified as: "A vibrant, sustainable and community driven eco-tourism industry in Milne Bay". Such visions and principles for provincial tourism development that have recently been agreed amongst stakeholders will form the foundations for the more comprehensive tourism strategies proposed under this project, which are needed to take this work forward to a stage where many components can be implemented.

The five-year provincial tourism strategies will focus on improving the current tourism offering through small scale developments with high yield potential and low environmental and social impacts. Therefore, they will entail the following tasks in each Province:

- **Tourism Hubs and Spokes Resource Mapping.** This will build on the tourism supply inventory for ENB and Milne Bay and situation analysis (both conducted under Activity 1), the IFC-support Market Demand Study (to be provided in 2017), and ongoing consultations to canvas local market/industry insights. It will identify and visually map the tourism hubs, spokes and connecting circuits in each province to visually present tourism resources including tourism infrastructure, sites, products and intangible experiences that are currently available, and those resources with the potential to enhance/develop tourism sites, products and intangible experiences. This activity will: (i) identify gaps in current supply of tourism infrastructure and products in identified hubs and spokes; (ii) describe the nature of and rationale for the development of new infrastructure, sites and products; and (iii) specify product/experience development opportunities that host communities/businesses want to progress.
- **Infrastructure priorities.** As the tourism strategies envision tourism development with low environmental and social impacts, this will only require small-scale/site-specific

improvements or rehabilitations that do not affect areas broader than the sites. Therefore, a list of priorities for small-scale infrastructure and services will be determined through the tourism supply inventory/ audit, and related hub and spoke mapping exercise. The business case, objectives, activities, timelines, budget and sources, responsibilities and KPIs will be identified in the strategies implementation plan.

- **Product, experience and facility development priorities.** Similar to infrastructure above, a list of priorities for product development and investment in accommodation, tours, attractions, niche experiences (e.g. culture, marine, adventure, war heritage), event and ancillary tourism offerings e.g. artisan/souvenir items, retail outlets, restaurants etc., will be identified through the tourism supply inventory/audit and mapping of these according to hubs and spokes. The business case, objectives, activities, timelines, budget and sources, responsibilities and KPIs will be identified implementation plan. Those with high priority will be addressed under this Tourism Sector Development Project (private MSMEs via subcomponent 2.1 and interested community-based enterprises via subcomponent 2.2). They will include feasibility assessment and will be based on maximizing community involvement.
- **Heritage Site Development Plans.** Site development plans will be produced for agreed high priority sites identified through the resource audit and mapping. These plans will determine the economic feasibility of each site and be based on maximizing community involvement within an appropriate legislative framework. They will be formatted as an investment portfolio, which should speed up the rate at which the proposed developments will be implemented. Development partners will be identified, especially at heritage sites. Guidelines on the natural and cultural sustainability of these sites will be included. Primary sites will receive detailed development plans specifying who will be involved, when the development will take place, what land tenure exists and how much it will cost. Secondary sites will have less detail. The site development plans will take into account ongoing events (e.g. new attractions being established).
- **Institutional Arrangements for Provincial Tourism Development and Marketing.** An institutional structure for managing tourism development and marketing in each province will be recommended, in alignment with the National Tourism Strategy. This will detail (i) the structure and accountabilities of the body/ies responsible for tourism development and marketing each province; (ii) a Terms of Reference, accountabilities, and staffing structure; (iii) mechanisms for tourism coordination with this body/these bodies, the TPA, other relevant agencies, industry and community; (iv) a resourcing plan including itemized budget (income and expenditure) through the short to long term; and (iv) capacity building needs and solutions for staff to mobilize tourism development and marketing plans. The potential to transition the respective provincial tourism bureaus into a Destination Management Office (DMO) that can generate income from value added activities in the future, will be scoped. Priority recommendations will subsequently be addressed under this Tourism Development Project. (See Activity 4).
- **Provincial Marketing Strategy and Annual Plan.** A medium-term Marketing Strategy will be developed for each province with the objectives of: (i) identifying target markets using available market analysis; (ii) creating a distinct brand image and identity that resonates with target markets; (iii) identifying communications and tactical marketing opportunities via optimal channels for reaching and converting target markets (e.g.,

social media, advertising, travel industry and media relations) and (iv) developing a local community awareness marketing campaign. This Strategy will be informed by the Market Demand Study and TPA Marketing Strategy. A Marketing Plan for the first year will also be developed to enable operationalization of the Marketing Strategy and provide a framework for annual marketing activity. This will detail proposed marketing activities that complement and/or supplement the broader TPA marketing activities. It will also feature timelines, responsibilities, budget amounts and sources, and KPIs. It is proposed that the medium term Marketing Strategy, and the first three years of the Annual Marketing Plans be funded under the Tourism Development Project, with a view to developing a public/private cooperative marketing model under a Destination Management Organization model (see Activity 5).

- **Workforce Development Priorities.** Tourism workforce development priorities for each province will be recommended, in alignment with that developed under the national Tourism Strategy, and with a specific focus on skills gaps within each province. Each plan will identify province-specific needs and opportunities for skills development for tourism employees and self-employed MSMEs in the respective provinces. It will also consider skills development needs for staff of provincial tourism bodies. These plans will include numbers of individuals to be trained in specific skills and knowledge, and propose how and where this training could be provided. Key objectives, activities, timelines, budgets and sources, responsibilities and KPIs will be detailed in the Provincial Plan's 'Immediate Action Plan' or 'Medium to Long Term Action Plan', depending upon the level of priority. Those in the former will be addressed under this Tourism Development Project. (See Activity 6).
- **Economic base and forecast.** A forecast will be made of the value of tourism for each province, including a provincial breakdown. The possible development scenarios and their underlying assumptions will be outlined.

The remaining activities represent the implementation of high-priority initiatives identified under the National or Provincial Tourism Strategies:

2.1.1.4 Activity 4. Setting up tourism destination offices in two provinces

This activity will be informed by the recommendations under the 'Institutional Arrangements for Provincial Tourism Development and Marketing' in the Provincial Tourism Strategies. It will propose an institutional framework to ensure proper destination management, public-private partnership at the TPA level, as well as and sustainability of investments made in provinces. Based on consultations and research to date, the assignment is likely to include the following activities:

- Provide institutional and legal advice to define the best organization for the proposed establishment of destination management offices in the two provinces;
- Design and implement a destination management network linking TPA to provincial and local level management and promotional activities;
- Help establish the Destination Management Office (DMO) in each province (attached to tourism information center), define institutional and work arrangements, draft staff jobs descriptions including scope of work and minimum qualifications, assist TPA in interviewing and appointing qualified staff, and offer on-the-job training to appointed staff;

- Determine a short and medium term funding model, with targets to generate income from industry stakeholders based on value provided by the office;
- Equipping the office to implement the Marketing Strategy and Annual Marketing Plan for the first year, and development of plans for each subsequent year (see Activity 5); and
- Provide training, equipment and software so the new offices can pursue their mandate effectively.

2.1.1.5 Activity 5. Marketing and promotion

This activity will mobilize the Marketing Strategy and Annual Plan developed as part of the Provincial Tourism Strategy. In doing so it will:

- Develop the brand identify for each province that resonates with target markets as recommended in the Marketing Strategy. This will include developing a tagline, logos, images and video footage, and the destination 'look and feel' for online and print materials, etc.;
- Develop online marketing tools (website and social media presence) and launch the online and social media marketing campaign as recommended in the Marketing Strategy;
- Develop print marketing / visitor information materials (e.g. brochures, guidebooks, maps) and mobilize a distribution plan (e.g. local channels for visitors, trade shows for clients etc.);
- Implement trade and media marketing activities as outlined in the Marketing Strategy and Annual Plan;
- Undertake local outreach campaign to engage local communities in tourism development;

2.1.1.6 Activity 6. Workforce development and capacity building

This activity will mobilize 'Immediate Action Plan' priorities from the Workforce Development section of the National Tourism Strategy and Provincial Tourism Strategies. Therefore, the specific activities will need to be informed by the proposed Skills Gap Analysis. Based on consultations and research to date however, the assignment is likely to include the following early implementation activity:

- A capacity building program for officials at the key Tourism Arts and Culture institutions (TPA, the National Culture Commission and the National Museum and Gallery), and officers in the proposed new provincial Destination Management Office.

2.1.1.7 Activity 7. Business start-up/expansion advisory service to tourism MSMEs

This activity will mobilize / facilitate connections to business development support initiative where relevant gaps are identified through the situational analysis and plans' development. A small number of business development support programs are already serving micro, small and/or medium enterprises (MSMEs) are available in PNG. DFAT's Market Development Facility serves MSEs with business advice and grant funding, whilst ADB's Pacific Business Investment Facility (BIF) serves SMEs with business advice to access commercial funding. The government-funded Small Business Enterprise Centre (SBEC), and Business Advisors in the provincial government commerce departments are an intended source of business development advisory support for emerging

business owners; however, there are reported shortcomings with these services. The situational analysis will help understand the local entrepreneurship development needs this project should address for MSMEs, if indeed any gaps exist. In the least this project – through the proposed establishment of Destination Management Offices in each province - will be able to facilitate linkages between new business opportunities and existing business support programs, micro finance providers and related resources. Any larger tourism businesses seeking investment and advisory services will be referred to IFC.

(Note: The identified need and opportunity for community-based enterprises to access technical, business and community governance support is being addressed through sub component 2.2. Growing demand from cruise passengers and the niche culture-based travel segment travelers for arts and cultural heritage products and experiences offers potential for communities to develop businesses; however, this calls for a tailored community development / entrepreneurship development hybrid which will be develop under this project).

2.1.1.8 Activity 8. Performance monitoring and evaluation activities

The activity will monitor the Project's results indicators from the baseline, annually and cumulatively at the end of the Project implementation. Monitoring will not only cover the Project's results framework, but also monitor overall change in tourism statistics, satisfaction and volume of private sector investments in the two provinces By measuring tourist arrivals/numbers, spending, satisfaction, occupancy rates, increases in tourism-related investments, and gender aspects, the Government will be better able to make adjustments when needed, and allocate resources for infrastructure, marketing, human resources, and policy reforms. At present, TPA and provinces have difficulty assessing the tourism activities in the provinces, as staff lack the expertise and financial resources to conduct surveys. Software available to date cannot accurately measure the accommodation statistics, and data are not reliable. However, as a parallel intervention to support TPA and this project, IFC is funding a new International Visitors Survey (IVS) initiative which will equip TPA with the resources needed to collect more reliable data from tourists in the future.

This activity will therefore involve (a) utilizing new IVS data , and (b) gathering baseline data from both formal and informal tourism enterprises about the length of tourist stays, as well as employment rates (by gender), tax revenues, estimates of tourism income, expenditures, rates of profitability, and other variables through surveys, interviews and questionnaires. The Government would learn the amount that tourism enterprises spend on local goods and services and thus be able to measure the indirect/direct impacts of the sector on the provincial and national economy. Also, the survey will collect and monitor relevant gender data to better understand the roles of males and females in tourism, the potential impact of the Project by gender, and the constraints these entrepreneurs face in each of the two provinces.

In addition, as part of the Project's results assessment and beneficiaries' feedback, a baseline household survey is to be conducted to establish socioeconomic baseline data at the household level and solicit beneficiary's aspiration feedback about the project. The survey will cover the main beneficiary's settlements in each province. A follow up annual survey will be conducted to measure changes in household socioeconomic data and community feedback on the Project's progress and results.

2.1.2 Subcomponent 1.2. Strengthening provincial urban, cultural and community development frameworks

This subcomponent would support the underpinnings required to develop integrated tourism destinations. In doing so, this subcomponent would support (i) the preparation of a vision for Alotau; (ii) the preparation of site management plans for a selected cultural heritage sites; (iii) the provision of cultural heritage advisory services; (iv) the mapping of tangible and intangible cultural heritage in each province; and (v) the preparation of Strategic Environmental, Social and Cultural Heritage Assessment (SESCHA). . This component would strengthen the capacity of the provincial institutions to support stakeholder engagement through public-private dialogue and increased awareness.

2.1.2.1 Activity 1: Preparation of Alotau's city vision

The activity will help the city of Alotau to diagnose the existing situation, city development patterns, infrastructure audit and define, in consultation with the stakeholders, the city development vision and directions. The activity will not define an investment action plan or identify any large scale infrastructure projects that might be classified as environment category A.

In doing so, the activity will begin to support Alotau development vision 2032: "Alotau will become nationally competitive and the first choice in Business, Tourism and Investment City in Papua New Guinea characterized by an attractive urban environment for all to live, enjoy and do business in a safe and secure environment; and that the government and customary landowners will fully participate together vision in urban development initiatives through the utilization of their urban customary land."

2.1.2.2 Activity 2. Preparation of sustainable site management plans for selected cultural and natural heritage sites.

This activity will support the preparation of site and visitor management plans for key cultural and natural heritage sites. In each province, sites will be prioritized for Site Management Plans through the urban and/or provincial tourism development planning process. This activity will entail the following:

- Mapping sites and institutional responsibilities of O&M;
- Aligned with the SESCHA (see Activity 4), define and apply methods to assess each sites' carrying capacity, based on local conditions and design a visitor management plan;
- Design guidelines for each site and a tool-kit for operating the visitor programs;
- Define and illustrate visitor trails, infrastructure, locations of service units, access and exits, and the nature of each site;
- Describe visitor flows and projections, needed infrastructure capacity, required staff and qualifications, parking, public toilets, O&M guidelines, translation aids and techniques, monitoring, research and conservation measures; and
- Design needed signage and interpretation panels.

This activity will be undertaken with staff from provincial and local level institutions in order to provide on-the job training.

2.1.2.3 Activity 3. Cultural heritage advisory service

The objective of this activity is to (i) establish advisory service on the World Heritage Sites Tentative List for PNG (e.g., Milne Bay Seascape - The Pacific Jewels of Marine Biodiversity) and provide assistance to MTAC in preparing nomination files for new inscription of unique tangible heritage (e.g., WWII tunnels system in ENB) and intangible heritage (e.g., PNG traditional costume, masks, kenu and music) as World Heritage; and (ii) provide on-the-job capacity building to national and local institutions on cultural heritage preservation and site management plans. This activity will be implemented by the UNESCO's World Heritage Center on a cost recovery basis under a direct contract arrangement.

2.1.2.4 Activity 4. Mapping of tangible and intangible cultural heritage in each province.

This activity will extend the tourism resource mapping under sub component 1.1, to delve into more detailed mapping of tangible and intangible cultural heritage resources across each of the provinces, including and assessment of (i) cultural and tourism potential of the various resources; (ii) development needs and potential of various forms of artisanship; and (iii) the preservation and protection needs of different resources in relation to tourism development in each province.

2.1.2.5 Activity 5. Preparation of Strategic Environmental, Social and Cultural Heritage Assessment (SESCHA).

The SESCHA will assess the preparation of the new National Tourism Strategy and two Provincial Tourism Strategies. It will analyse cumulative, direct and indirect implications of implementing the draft plan's strategies on natural environment, social structure and for cultural heritage. The SECHSA will also provide recommendations on how to amplify positive impacts and avoid or minimize any risks that these plans may carry. The findings of the SESCHA will be integrated into the final tourism strategies.

2.2 Component 2: Infrastructure and Community/Product Development

This component will support the development of integrated tourism destinations in Milne Bay and East New Britain, as identified in the provincial tourism strategies. The implementation of the vision laid out in the tourism strategies will require small-scale/site-specific improvements or rehabilitations that do not affect areas broader than the sites, and direct support to community-led enterprises. The small-scale improvements will benefit the tourism hubs of Rabaul and Kokopo (East New Britain) and Alotau (Milne Bay), which are the main entrances to these provinces for tourists, by air (Tokua/Rabaul and Gurney airports) and sea (cruise ships and super yachts). Moreover, the project will also support the improvement of products in 'spokes' (attractions around the hubs), that are already accessible and where communities are willing to participate, by improving existing products and/or experiences (or clusters of such), based on niche themes (e.g., arts, culture, nature, WWII history) and/or geographic locations. This component will also provide targeted support for the development of community-led enterprises, through a grants and advisory program for communities that wish to supply products for tourists based around their cultural or natural heritage. This approach will provide more compelling reasons for visitors to spend more time and money, thereby helping to share the prosperity generated by tourism growth.

2.2.1 Subcomponent 2.1. Upgrading tourism infrastructure and heritage sites in urban and rural centers

This subcomponent will support small-scale infrastructure rehabilitation to enhance key tourism assets. It will improve the overall quality of each hub destination in Rabaul, Kokopo and Alotau, and selected tourism spokes. Support would be aligned with the provincial tourism strategies. Support would include, for example, upgrading of parks, the development of provincial arts and cultural centers, museums, historical sites/walkways, markets and natural areas as determined by public and private sector prioritization. Upgrading activities would include improved signage, sitting areas, walkways, street lighting, water supply and sanitation facilities, small sized waste collection and access roads.

The general principles to identify eligible subproject investments include that they should:

- Serve the purpose of improving the quality of life; helping meet basic social, environmental, and public health standards; and promoting local economic development.
- Be identified primarily on the basis of locally determined needs, with particular attention to the needs and preferences of women.
- Represent a technically feasible, least cost approach to addressing a specific problem or need, that when developed, makes the destination viable (i.e. not requiring complementary investments). Costs of subproject alternatives, including the cost of doing nothing, must be evaluated, and their economic and financial feasibility assessed.
- Be consistent with the development objectives of tourism sector development strategies, and fall within the geographic coverage of the project.
- Be supported by financial projections, demonstrating that the incremental financial impact of the subproject (including incremental costs for operation and maintenance) can be met by the local and rural governments from overall increased revenues and/or reductions in other expenditures.
- Include a clear and complete financing plan, including evidence that the required counterpart contribution has been, or will be, secured on time and that debt service payments, together with other incremental operating and maintenance expenditures have been approved for inclusion in future budgets.
- Be in full compliance with all relevant provisions of Papua New Guinea legislation and regulations, including environmental legislation. It must fall under environmental Category B or C, according to the World Bank's OP/BP 4.01 Environmental Assessment, and documentation prepared for the subproject must meet requirements of all safeguard policies triggered by this subproject.

This subcomponent would also support the development of two provincial arts and cultural centers, linked to the National Museum and Gallery. The centers will be developed based on a range of global models and will be linked into the vibrant network of Aboriginal Art Centers and their related fairs and markets in Australia. As cultural hubs, the centers will provide training, quality enhancement, product development, curatorial input and training, and market access and linkages. The focus of the centers will be on protecting and promoting the distinct cultural heritage and wide diversity of art practices in PNG, which in turn will serve to promote the image of PNG more generally as a tourist

destination. The province based centers will also provide support to arts and hand-crafts initiatives supported under subcomponent 2.2.

2.2.1.1.1 Proposed Subproject Investments in Milne Bay (subject to screening and appraisal on a rolling basis during project implementation).

The following list of proposed subproject investments for this component have been identified for the development of Alotau as a tourism hub and its connected spokes in the province. These are based on contributions from stakeholders during workshops in 2016, as well as the Provincial's Government's 'Master Program and Projects' matrix which includes priorities documented in the 'Integrated Provincial Development Plan 2016-2020', and identified by the Milne Bay Tourism Bureau. The airport and port provide adequate infrastructure for tourists to access the hub of Alotau, with only the Gravel Pit bridge, which connects the airport with Alotau, requiring rehabilitation. Tourist attractions in the spokes outside Alotau are mainly reachable by boat, with Alotau having the necessary jetties. However, access to the East Cape, which is the main point of entrance to Esa'ala and Kiriwina-Goodenough Islands requires a rehabilitation of the main road. This is being done by the World Bank's Road Maintenance and Rehabilitation Project II, which is currently sealing the full length of the road between Alotau and East Cape, together with improving six existing bridges, shoulders, and drainage systems. The small jetty in East Cape requires upgrading to provide proper access to boats transporting passengers and cargo.

The proposed investments are subject to screening and appraisal on a rolling basis during project implementation, taking into account the findings of the demand assessments and Provincial Tourism Strategies. Therefore, this list may be updated during the development of the urban and Provincial Tourism Strategies. A small number of subprojects are identified below for 'early implementation' (e.g. commencing architectural and engineering design, economic assessment and safeguards documents), given their high priority and 'ready-to-go' status.

- **Alotau foreshore facelift and development.** With the growth of the cruise ship industry, and the increasing number of cruise ships bringing thousands of tourists to the shores of Alotau and several other locations in the province, there has surfaced a need to put in place facilities and initiatives to allow for more tourists to come ashore and also to spend the tourists dollars on local activities and sightseeing. This investment will also benefit the people of Alotau.
Note: This is identified as a possible 'early implementation' project.
- **Alotau streetscape.** The beautification of the streets from the port to Massim Cultural Center has also been identified as a priority infrastructure need. It will create a more welcoming environment for tourists and locals.
Note: This is identified as a possible 'early implementation' project.
- **War memorial facelift.** Alotau is historic in terms of World War II. There are two war memorial sites located in the vicinity of Alotau town which are in need of rehabilitation.
- **Upgrade of water line to Alotau port.** When cruise ships arrive to Alotau, the water line to the town is disconnected in order to serve the cruise ship. The subproject will finance the construction of a dedicated water pipeline (1.2 km) from the water reservoir to the port.
- **Upgrade of central foreshore park in Alotau.** Alotau's main public gathering space is centrally located, including large dilapidated green areas and markets. There have been

plans to upgrade this area for many years to increase the attractiveness of Alotau, but it has not been possible due to lack of financing. Local vendors will be provided by an alternative nearby location to avoid any negative impact on their economic livelihood during the upgrading period.

- **Sanderson Bay waterfront improvements and park beautification.** This to upgrade the park used for the Kenu and Kundu Festival site. Semi-permanent craft huts could be established, and sitting benches placed along the walk way. This would also include the construction of toilet facilities and landscaping.
- **Deidei Hot Springs Attraction Development.** The Deidei Hot Springs located in East Fergusson Island has become an international tourist attraction, drawing visitors from all over the world to watch the amazing actions of nature as it shoots boiling geysers up to 20 meters at the call of the village elders.
- **Small-scale water and sanitation facilities at Kaibola/Kitava cruise tourism landing site.** With the growing number of tourists visiting on the cruise ships, there is an urgent need to build water and sanitation facilities at the Kaibola/Kitava jetty site.
- **Restoration of Cultural Heritage Villages.** There is an opportunity to restore a selected number of cultural villages in surrounding villages where the local people can display their rich cultures through dance, arts and crafts and folklore when tourists visit. Opportunities for such developments will be identified in the Provincial Tourism Strategies, and projects selected for infrastructure development could be tied to TA and funding under component 2.2
- **Eco-Tourism Developments.** Developing ecotourism products and experiences is one option for ordinary village people to benefit from tourism. Milne Bay boasts of some of the most beautiful, unique and rich environments, from the mountainous to the seas, islands and atolls to the reefs and sea ways. Esa'ala is leading the way in re-introducing eco-tourism programs with village guest houses, home-stay, bush-tracking, diving and fishing. The initiative has the potential to be spread to all districts and LLGs. Opportunities for such developments will be identified in the Provincial Tourism Strategies, and projects selected for infrastructure development could be tied to TA and funding under component 2.2.
- **Development of Cultural Festivals.** Cultural Festivals and events could be encouraged and held in the districts to promote and highlight the unique cultures of the various districts. In Esa'ala the Kula Festival has been revived. In Misima the Haptomwa Festival, and in the past Samarai has the Giniuba Kaiheya. Opportunities for such events will be identified in the Provincial Tourism Strategies, and projects selected for infrastructure development could be tied to TA and funding under component 2.2

2.2.1.1.2 Proposed Subproject Investments in East New Britain (subject to screening and appraisal on a rolling basis during project implementation).

The following list of proposed subproject investments have been identified for the development of Rabaul and Kokopo as tourism hubs and connected spokes across the province. These are based on contributions during stakeholders workshops held in 2016, and consultations with the Provincial's Administration and industry. The main access infrastructure is in place, with the airport and port providing adequate access to the hubs of Rabaul and Kokopo. The main road network also provides access to the major tourism attractions. Nonetheless, the road connecting the Rabaul port to the

Rabaul-Kokopo road requires rehabilitation, especially given the heavy traffic when cruise ships are visiting. While the Vulcan section of the Rabaul-Kokopo road also requires rehabilitation, this is not technically feasible at the moment, requiring longer travel times between Rabaul and tourism attractions located in Kokopo.

The proposed investments are subject to screening and appraisal on a rolling basis during project implementation, taking into account the findings of the demand assessments and Provincial Tourism Strategies. Therefore, this list may be updated during the development of the urban and Provincial Tourism Strategies. A small number of subprojects are identified below for ‘early implementation’ (e.g. commencing architectural and engineering design, economic assessment and safeguards documents), given their high priority and ‘ready-to-go’ status.

- **Rehabilitation of road from the Rabaul port and construction of a hand-crafts local market.** This road is used by about 200 passenger minibuses bimonthly to take tourists from the cruise ships around Rabaul, Kokopo, and attractions in the province. The road has several potholes and is temporarily fixed the day before a cruise ship arrives. The proposed subproject will also include the construction of an open-air hand-crafts market using local traditional construction materials (timber and sago leaves), similar to the Kokopo market.
Note: This is identified as a possible ‘early implementation’ project
- **Rehabilitation of Bita Paka War Cemetery.** The Rabaul (Bita Paka) War Cemetery, established in 1945, is currently one of the most important and unique site visits in ENB. The cemetery contains 1,120 Commonwealth burials of the Second World War, 500 of them unidentified. The cemetery contains the Australian and Commonwealth graves of those killed during operations in New Britain and New Ireland during World War II, or who died while prisoners of war. The cemetery also contains First World War graves brought in from Rabaul Cemetery in 1950 and from Kokopo Old German Cemetery in 1961. In all, 32 First World War servicemen are now buried or commemorated in the cemetery. The cemetery is managed by the Commonwealth War Graves Commission. The subproject would rehabilitate the access road and improve project site management, including street lights, hand-craft kiosks for local community to sell their products, public toilets, and signage and interpretation panels.
Note: This is identified as a possible ‘early implementation’ project
- **Mask Festival Showground Facilities upgrade and site improvement.** ENB’s Mask Festival attracts visitors from all over the world and across PNG. However the showground site does not have adequate facilities to host such an event. Improving the site and facilities will benefit both tourists and the local population. This infrastructure project could be tied to TA and funding under component 2.2.
Note: This is identified as a possible ‘early implementation’ project
- **Rehabilitation of Museum and Art Gallery.** The objective of this investment is to physically rehabilitate ENB’s two museums/art galleries and improve exhibits display visitor management and experience. Kokopo War Museum (Kokopo Museum) began in the early 1980s as a small museum at the so called “Yamamoto Bunker” in Rabaul. It was moved to Kokopo to accommodate a growing collection, and in anticipation of any possible volcanic eruption. This museum contains a large collection of WWII artifacts from the Rabaul related to the history of the area, including local art & culture, German

colonial period, prewar and WWII Japanese occupation. The New Guinea Club & Rabaul Museum was established in 1933. It was originally a businessmen's club with strict guidelines for membership. It was badly damaged in WWII and rebuilt in the 1940s to its former glory, only to be destroyed again by fire in 1993. It has been partly restored and is now home to a small and interesting art items and unique WWII collection.

- **Rehabilitation of access road to Kokopo/Rabaul Japanese Barge Tunnels site and improved site management.** At Karavia Bay, between Raluana Point and Vulcan, are a network of tunnels and tracks connecting barges and buildings dating back to the war. In the main tunnel are five barges lined up end to end. Visitors are advised to take a torch. The subproject would rehabilitate the access road and improve project site management, including parking, simple hand-craft kiosks for local community to sell their products, public toilets and interpretation panels.
- **Rabaul Observatory site management improvement.** The observatory overlooking Simpson Harbour, Rabaul and the volcanoes is a popular tourist attraction, but parking and traffic congestion has become a major issue for buses transporting large numbers of cruise passengers.
- **Underground Hospital site management improvement.** This war heritage site is overgrown and in need of site management.
- **Omorong Recreational Park Facilities.** This public park area warrants a beautification investment.

2.2.2 Subcomponent 2.2. Supporting partnerships for inclusive tourism destinations

This subcomponent aims at improving the economic livelihood of selected communities which can create or expand a tourism product. It supports start-up or expansion of community-led enterprises that contribute to improved livelihood of the bottom forty percent through sustainable and inclusive tourism development.

The sub-component draws on the experience of a range of different Community Driven Development (CDD) projects, small grants, micro-finance and micro-entrepreneurship programs in PNG and other parts of the globe. The resultant design is a hybrid approach that encompasses CDD principles, the principles of sustainability and cultural heritage protection, and the entrepreneurship principles of competitiveness, market development and performance based disbursement. Activities supported under this sub-component will also be informed by the resource audit being conducted under the Provincial Tourism Strategies (subcomponent 1.1), and the complementary mapping of tangible and intangible cultural heritage in each province (subcomponent 1.2). Both activities will enable more targeted outreach and support to communities, which have already demonstrated some capacity to work collectively to develop innovative tourism and cultural heritage products. At the same time, a more general community outreach campaign will be undertaken to ensure that all eligible groups are adequately informed about the opportunities provided under the project.

Specifically, the subcomponent will provide Community Grants (CG) in support of a range of local initiatives selected on various principles such as sustainability, the promotion of cultural heritage, and a well-founded business case. Particular attention and support will be given to activities initiated by women and youth; at least 50 percent of community grants will be given to women led initiatives. CDD principles will be used to solicit demand from local communities and engage them through participatory tools to identify local priorities. Activities to be supported must meet a set of criteria

that promote sustainability and cultural heritage in the local context and communities will be required to submit proposal through a competitive process, with criteria that are clearly articulated and adhered to by a Project Small Grant Committee (PSCG). The PSCG will be made up of representatives from TPA, the Provincial Government and the private sector.

To facilitate the submission of quality proposals from communities and to guide their market relevance, a package of advisory support services will be provided by a non-government service provider entity, such as an NGO or private firm, selected on a competitive basis. The package of support will include community outreach and education, community mobilization, business proposal development, costings, market assessments and links to market opportunities, implementation support, and monitoring and evaluation. The service provider (SP) is expected to work closely with the relevant provincial agencies, including the Provincial Tourism Office/Destination Management Office, and collaborate with the local and national Museums, Galleries or cultural institutes where appropriate. The SP will also be responsible to provide monitoring and progress information to the project PMU. Selection of successful applications for the community grants will be made by the PSGC.

2.2.2.1 Activity 1: Advisory Support Services

A non-government entity (NGO, firm, or selected individuals) will be competitively selected as Service Providers (SP) to provide a package of ongoing support for the community grants program.

The package of support will include training and advisory services related to:

- Community outreach and awareness raising about the community grants program;
- Social mobilization, and support for the formation of community groups and associations, including support to improve the participation and inclusion of traditionally marginalized groups in planning and decision making processes (including women, youth, and persons with disabilities);
- Business planning, project planning proposal development;
- Banking and accounting support;
- Sustainable tourism and maintaining, preserving and promoting cultural heritage training;
- Product development and quality control;
- Linkages to private sector tourist operators and related markets;
- Implementation support;
- Monitoring and Evaluation.

Through a single contract with the SP, the Project will be able to provide different types of support to be provided on a rolling basis throughout the project's lifecycle. Community outreach and awareness about the grants program will be undertaken intensively in the first year of the program, in conjunction with TPA and the provincial tourism bureau. It is expected that potential communities for this component will be identified during the resource audit being conducted under the Provincial Tourism Strategies, however a dedicated community engagement task will be undertaken for this activity to ensure a fair chance to all. Interested community groups will be invited to prepare expressions of interest to participate in the first phase of the program in which they will be provided with a range of start up support, including the development of business plans, project costing and proposals. The PSGC will vet and select the program participants at each stage of support.

Community groups will compete for grants in three rounds throughout the project. Groups selected by the PSGC will sign an agreement with TPA and receive the financial support directly into community bank accounts (once these are set up and/or confirmed to be aligned with criteria elaborated on in the POM).

It is estimated that advisory support services in each province will cost about US\$250,000. Multi-year funding will be possible where the service provider has demonstrated a high level of capacity and performance based on the contract criteria and deliverables in the first phased of the project. A performance review will be carried out by TPA/PMC after the first round of grants are disbursed.

2.2.2.2 Activity 2: Community Grants

Community grants (CG) are intended to support economic and sustainable livelihoods development in target communities and will be provided directly to community groups through community bank accounts.

Community groups can include formal or informal associations (such as groups of artisans or cultural groups), family groups, village associations, women's groups, or any other local group that has come together for the purpose of developing a specific sustainable tourism product, and is able to open a Bank Account in line with the requirements set out in the OM. The group will need to demonstrate a commitment to work together for the purpose of the proposed sub-project through the submission of the proposal and identify a group coordinator, secretary and treasurer. Both existing groups and activities and start-ups are eligible for support. Startups will be subject to more intense monitoring, and will receive payments in smaller tranches over the project cycle.

Groups and their proposals will be screened and selected competitively for each phase of support under the program. Selection will be based on a set of sustainability principles, and positive list of types of support, and evidence of prior effort and/or in-kind contribution by the group.

Sustainability principles will include activities that:

- Are community initiated, owned and supported;
- Target the bottom 40%;
- Support the preservation and protection of unique natural and cultural environments, resources or practices;
- Do no harm to the natural environment, local cultural practices or to local community relationships;
- Are financially sustainable.

As such, CG's will support a range of activities including:

- Micro-infrastructure, where these investments will contribute to a specific sustainable tourism or cultural heritage product (such as erecting or rehabilitating community owned cultural assets or infrastructure, establishing or extending a local guest house, local amenities that enhance the attractiveness/appeal of a natural or cultural site, such as sign boards, local market stalls, cultural performance areas, providing toilets on site etc)

- Specific assets, materials or resources to enhance the quality and development of tourism, arts and cultural products (e.g. quality art supplies, transport for specific nature or culture based tours etc);
- Achieving product quality standards / accreditation /certification processes;
- Marketing, design support and promotion materials and activities (such as certification processes, various forms of advertising etc);
- Training (e.g. governance, business management, customer service)

It is envisaged to provide a minimum of 125 grants in amounts ranging between US\$5,000- 20,000. Finance will be provided in cash, in minimum of 2 tranches paid on a performance basis. The advisory support service organization will monitor the implementation of the various activities and verify performance. Three rounds of grants will be implemented during the life of the project, starting with a smaller number of grants in the first year of the program, leading to two larger rounds in the 2second and third years of the project.

The grants will be implemented in accordance with the definitions and procedures set out in the Project's Operations Manual (POM), and will include the following processes supported by the SP, as well as TPA, the Provincial Tourism Bureau/Destination Management Organizations, Cultural Centers and Arts Galleries, supported under component 2.1. The following steps will be followed and elaborated on in the POM:

- Awareness Raising, 'Demand' Mapping and Community identification (SP);
- Selection of groups for phase 1 SP support;
- Participatory planning, prioritization and development of project plans (SP with community groups);
- Selection of 'winning' projects (by PSGC);
- Implementation and monitoring of grant activities (SP, community groups).

The TPA supported by the PMC will be responsible for the overall functioning of the small grants program and a grants officer will be identified within the PMC to be the nodal officer for the program.

2.3 Component 3: Project Management

This component will support the Project implementation, including procurement, financial management, safeguards compliance, preparation of feasibility studies and details design, and construction supervision. In doing so, this component will support the establishment of a project implementing entity in TPA, headed by a project manager, together with two provincial coordinators. As this will be the first World Bank project to be implemented by TPA in multiple locations that do not have TPA presence, a project management company will be hired to support implementation, safeguard compliance and timely disbursement. The component will also finance the operating cost of the Project implementing and coordinating entities at the national and provincial levels.

3 Environmental Legislation and Safeguard Policies

3.1 PNG Legislation

3.1.1 The Constitution of the Independent State of Papua New Guinea 1975

The Constitution has three relevant goals for the TSDP:

The Second Goal of the Constitution of the Independent State of Papua New Guinea is Equality and Participation, and states that *'all citizens to have an equal opportunity to participate in, and benefit from, the development of our country'*. It lays the legal foundations for an equitable and fair society.

The Fourth Goal of the Constitution is for *'Papua New Guinea's natural resources and environment to be conserved and used for the collective benefit of us all, and be replenished for the benefit of future generations....'*

(1) wise use to be made of our natural resources and the environment in and on the land or seabed, in the sea, under the land, and in the air, in the interests of our development and in trust for future generations; and

(2) the conservation and replenishment, for the benefit of ourselves and posterity, of the environment and its sacred, scenic, and historical qualities; and

(3) all necessary steps to be taken to give adequate protection to our valued birds, animals, fish, insects, plants and trees.'

The Fifth Goal is 'Papua New Guinean Ways', to *'achieve development primarily through the use of Papua New Guinean forms of social, political and economic organization'*. It calls for:

(1) a fundamental re-orientation of our attitudes and the institutions of government, commerce, education and religion towards Papua New Guinean forms of participation, consultation, and consensus, and a continuous renewal of the responsiveness of these institutions to the needs and attitudes of the People; and

(2) particular emphasis in our economic development to be placed on small-scale artisan, service and business activity; and

(3) recognition that the cultural, commercial and ethnic diversity of our people is a positive strength, and for the fostering of a respect for, and appreciation of, traditional ways of life and culture, including language, in all their richness and variety, as well as for a willingness to apply these ways dynamically and creatively for the tasks of development; and

(4) traditional villages and communities to remain as viable units of Papua New Guinean society, and for active steps to be taken to improve their cultural, social, economic and ethical quality.

3.1.2 The Environment Act 2000

The key environmental legislation in Papua New Guinea is the *Environment Act 2000* and the associated *Environment (Prescribed Activities) Regulation 2002*. The Act is administered by the

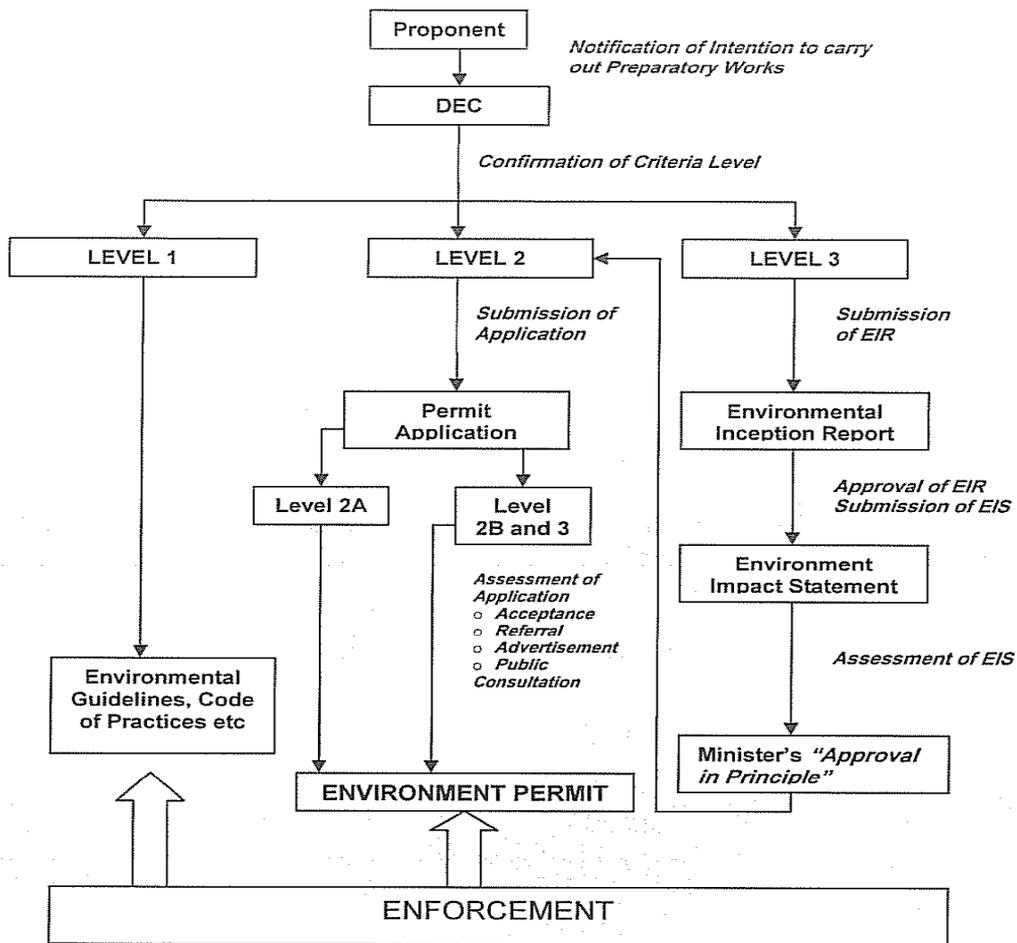
Department of Environment and Conservation and covers any activity that ‘results or is likely to result in a change in the environment.’

The Act has three levels of activity, Level 1, Level 2 (Category A and Category B) and Level 3. Schedule 1 and 2 of the Environment (Prescribed Activities) Regulation 2002 prescribes the activities under each of the Levels. Level 3 cover those activities with the potential of major environmental impact and are projects of national significance or of large scale. Level 1 activities are those that require a minimum amount of environmental protection.

Level 2 and Level 3 activities require an Environmental Permit. Level 1 activities only require an Environmental Permit at the request of the Director of Environment. If one project has numerous prescribed activities, they will be amalgamated into a single Environmental Permit and be considered in one application.

Level 3 activities are subject to a process of detailed appraisal of environmental impacts and public consultation through an environmental impact assessment process, prior to the application for an Environmental Permit. The application process for each level is provided in Figure 1.

Figure 1 Environmental Permit Process for Level 1, 2 and 3 Activities under Environment (Prescribed Activities) Regulation 2002



Relevant Examples of the Activity Levels are:

| Level 1 | Level 2 | Level 3 |
|--|--|--|
| Any activity not listed under Level 2 or 3. It assumes that these activities are 'minor' in nature and scale of impacts. | Gravel extraction operating continuously for more than 6 months and involving the extraction of more than 10,000 tonnes per year | Activities involving investment of a capital cost of more than K50 million, except where such investment is made in pursuing an activity otherwise dealt with in this Regulation in which case that category of activity will apply to the investment. |
| | Food processing and plant processing (various types, above a certain production rate) | Construction of sea ports and ship repair facilities serving ships of an individual tonnage of more than 500 tonnes. |
| | Septic tank sludge disposal systems intended to serve an equivalent population of greater than 500 people. | Infrastructure construction that requires the reclamation of more than 5 hectares of land below the high water mark. |
| | Operation of potable water treatment plants with a design capacity of greater than 1 million litres per day. | |
| | Damming or diversion of rivers or streams. | |

3.1.3 The Land Act 1996

The Land Act 1996 is the fundamental legislation to manage land issues in Papua New Guinea. The country has only 3% of the land that is under the State. 97% of the land is still under customary land tenure. Under the Act, all land that is not in customary ownership is State land. The State can acquire land by agreement or by compulsory process (Section 7). Land acquisition includes easement, right, power, privilege or other interest. The Act also sets out the process for determining compensation.

3.1.4 Land Disputes Settlement Act 1965

The Land Disputes Settlement Act is an Act to provide for the settlement of disputes in relation to interests in customary land, and for related purposes. It provides for Land Courts and Magistrates and processes for mediation.

3.1.5 Cultural Development Act 1986

An Act to foster, promote, encourage and assist the preservation of national and local indigenous cultures; and to provide for the management and maintenance of various cultural institutions, and for related purposes.

3.1.6 Other Legislation and Policy

Subprojects may also require consideration of other policy, beyond the two primary Acts (Environment Act and Land Act). Each subproject will screen for the relevant legislation, and the corresponding permits or approval processes. The SESCHA will undertake a detailed legislative review. The list below identifies the main legislation that may be relevant for infrastructure or tourism activity subprojects.

Table 1 Sub-project specific legislation and policy

| Subproject Activity | Relevant PNG legislation and policy |
|--|--|
| Water Supply and Sanitation | <p>Public Health (Drinking Water) Regulation 1984 The <i>Public Health (Drinking Water) Regulation 1984</i> provides for the construction of water supply and treatment installations, prescribe standards for “raw water”, i.e. untreated water and standards for “drinking water, i.e. treated water that is supplied for use by consumers, and regulate inspections, sampling and analysis for water supplied under these Regulations.</p> <p>National WaSH Policy 2015. Sector-wide national policy on the development, management and implementation of the water supply and sanitation sector development and service provision plans. Goal is to contribute towards improving the quality of life, specifically:</p> <ol style="list-style-type: none"> 1. Reduction in morbidity and mortality caused by water-related diseases. 2. Improved livelihood opportunities and economic growth through improved health and reduced economic and financial losses. 3. Increased equity of services between rural, peri-urban and urban areas, and to disadvantaged groups. <p>This will be achieved through the objective of “<i>providing equitable access to safe, convenient and sustainable water supply and sanitation, and to promote improved hygiene practices and long term hygiene behaviour change at the personal, household, community and institutional level, particular to rural and urban settlement areas that are currently under-served</i>”.</p> |
| Any activity in a Conservation Area, or creating a Conservation Area | <p>Conservation Areas Act 1978 (a) to provide for the preservation of the environment and of the national cultural inheritance by– (i) the conservation of sites and areas having particular biological, topographical, geological, historic, scientific or social importance; and (ii) the management of those sites and areas. Area includes site, place, building, region.</p> <p>Any development or use of land within a Conservation Area requires the application of a permit from the Minister, and must be an activity that is in accordance with the conservation area management plan.</p> <p>An application can be made to the Minister to create a Conservation Area.</p> |
| Any activity in a | National Parks Act 1982 |

| | |
|--|---|
| National Park, or creating a Park | <p>to provide for the preservation of the environment and of the national cultural inheritance by–</p> <p>(i) the conservation of sites and areas having particular biological, topographical, geological, historical, scientific or social importance; and</p> <p>(ii) the management of those sites and areas,...</p> <p>Area includes site, place, building, region.</p> <p>The Director of National Parks has the authority to allow developments within a reserve consistent with the Act. No developments are required that is inconsistent with the purpose for which the reserve has been reserved.</p> |
| Construction or renovation of structures | <p>Building Act 1971 and Regulations</p> <p>An Act to relate and control construction. Includes controls on demolition, construction, excavations, sanitary facilities, fire controls, etc. relating to the safety of buildings and other structures.</p> |
| <p>New land uses</p> <p>Alotau City Vision</p> <p>Site development plans</p> | <p>Physical Planning Act 1989 and Regulation 1990</p> <p>Purpose is to provide comprehensive mechanism for physical planning at national and provincial levels of government and to provide powers for the planning and regulation of physical development. Any new land uses or developments must be developed in accordance with the existing development plans. Alotau City Vision must be informed by the legislation.</p> <p>Land Act 1996</p> <p>Provides for various aspects of land acquisition, leasing etc.</p> |
| <p>Cultural Heritage / PCR site / facility / enhancement, protection, development, damage or removal.</p> <p>Strategies, Alotau City Vision, Site Development plans.</p> | <p>National Cultural Property (Preservation) Act</p> <p>An Act relating to the preservation and protection of objects of cultural or historical importance to Papua New Guinea, and for other purposes.</p> |

3.2 World Bank Safeguard Policies

The World Bank's environmental and social safeguard policies are a cornerstone of its support to sustainable poverty reduction. The objective of these policies is to prevent and mitigate undue harm to people, their livelihoods and their environment in the development process. The safeguard policies that apply to this project are described below.

3.2.1 OP/BP4.01 Environmental Assessment

The purpose of Environmental Assessment is to improve decision making, to ensure that project options under consideration are environmentally and socially sound and sustainable, and that potentially affected people have been properly consulted. The policy defines procedures to screen and assess potential impacts and mitigation, prepare safeguard instruments, ensure public consultation and transparency and that there are implementation and supervision of commitments relating to findings and recommendations of the environmental assessment.

Environmental assessment has been undertaken in accordance with this policy and this ESMF is the safeguard instrument for the TSDP. For the subprojects to be developed during project implementation, the screening checklists will determine which environmental safeguard instrument is relevant for the specific project.

3.2.2 OP4.04 Natural Habitats

The conservation of natural habitats is essential for long-term sustainable development. The Bank therefore supports the protection, maintenance, and rehabilitation of natural habitats and their functions. The Bank does not support projects involving the significant conversion of natural habitats unless there are no feasible alternatives for the project and its siting, and comprehensive analysis demonstrates that overall benefits from the project substantially outweigh the environmental costs.

In the environmental assessment for the ESMF, no specific threats to natural habitats were identified. However the screening and environmental assessment for each of the separate subprojects under the TDSP will require an assessment of the potential impacts on natural habitats in accordance with this policy. It is possible that some tourism sites, activities and / or related infrastructure will have natural habitats in the project area of influence and may have negative impacts that require assessment and mitigation.

3.2.3 OP 4.10 Indigenous Peoples

OP 4.10 ensures that the development process fully respects the dignity, human rights, economies, and cultures of Indigenous Peoples. The World Bank recognizes that the identities and cultures of Indigenous Peoples are inextricably linked to the lands on which they live and the natural resources on which they depend. These distinct circumstances expose Indigenous Peoples to different types of risks and levels of impacts from development projects, including loss of identity, culture, and customary livelihoods, as well as exposure to disease.

Indigenous Peoples (IP) are defined under OP 4.10 as distinct, vulnerable, social and cultural groups possessing the following characteristics in varying degrees:

- self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;
- collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories;
- customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and
- an indigenous language, often different from the official language of the country or region.

Country-level social analysis undertaken by the World Bank¹ suggests that groups meeting the four defining characteristics of OP 4.10 are likely to be found in PNG, which is recognized as being highly heterogeneous, with numerous groups exhibiting distinctive institutions, maintaining self-identification, and speaking more than 600 separate languages or dialects.

When Indigenous Peoples are the sole or the overwhelming majority of direct project beneficiaries, the elements of an Indigenous Peoples' Plan (IPP) should be included in the overall project design,

¹ World Bank. 2014. Environmental and Social Safeguards Instruments for the Pacific Islands Countries. Operations Policy and Country Services, Regional Safeguards Secretariat, East Asia and Pacific Region.

and a separate IPP is not required. Indigenous Peoples are considered to be the overwhelming majority of direct project beneficiaries and therefore the Indigenous Peoples' Planning Framework (Section 6) outlines how the requirements of the policy will be integrated into subproject design.

3.2.4 OP 4.11 Physical Cultural Resources

This policy refers to the protection of physical cultural resources (PCR) (including archaeological, paleontological, historical, cultural or spiritual artefacts and places, whether immovable or moveable). When the project is likely to have adverse impacts on physical cultural resources, the borrower identifies appropriate measures for avoiding or mitigating these impacts as part of the environmental assessment process. These measures may range from full site protection to selective mitigation, including salvage and documentation, in cases where a portion or all of the physical cultural resources may be lost.

Cultural resources and historic sites are a key part of the unique tourism experience in PNG, and will be central to the Tourism Strategies. It is likely that subprojects under Component 2 will involve the protection and enhancement of PCR to encourage more visitors and improve visitor experience. PCR can be negatively impacted by unsympathetic developments or overexploitation. If required, PCR Management Plans will be developed as part of the ESMP for subprojects.

3.2.5 OP/BP4.12 Involuntary Resettlement

Involuntary resettlement refers to management of adverse impacts of loss of, or damage to, land, assets or livelihoods, where the affected person has no choice.

A Resettlement Policy Framework (RPF) has been prepared and publicly disclosed as the safeguard instrument under this policy. Involuntary land acquisition and resettlement will be avoided, but there may be instances where involuntary resettlement is required. The RPF provides a process for developing action plans to mitigate impacts and ensure that no person is left worse off because of the project.

3.3 Gap Analysis

Table 2 OP Requirement

| OP Requirement | PNG Equivalent | Equivalence |
|--|---|--|
| Environmental Screening. Projects categorised as A, B or C. | Projects are screened and categorised as Level 1, 2A, 2B and 3 based on activity type. | Categories 3, 2 and 1 are broadly equivalent to the WB Cat A, B and C projects respectively. (Although WB categorisation is based on scale of environmental impact whereas PNG Environment Act screening is based on scale of activity). |
| Cat B projects require the preparation of either an ESIA if the sub-projects are not known or an ESMP if the sub-projects impacts are similar and not likely to involve serious impacts. | Level 2B projects require a Permit Application which includes the same requirements for baseline environmental assessment and an EMP. | Fully equivalent. |
| An EMP that includes mitigation measures, allocation of | Level 2B activities require an EMP that includes mitigation | Fully equivalent |

| | | |
|---|---|--|
| responsibilities, costs and reporting requirements. | measures, allocation of responsibilities, costs and reporting requirements. | |
| Monitoring is required that includes a monitoring framework that allocates location, frequency, costs and responsibilities. | Monitoring is required but there is no specified framework provided. | Partially equivalent. OP will be followed. |
| Public consultation required for Category B projects | Level 2B only require consultation under special circumstances. | Partially equivalent. OP will be followed. |
| Disclosure is required | Disclosure is not required. | Not equivalent. OP will be followed. |
| Institutional capacity and training requirements are assessed. | Not required. | Not equivalent. OP will be followed. |
| IPP or IPPF is a requirement | No equivalent legislation. | Not equivalent. OP will be followed. |
| Disclosure to IP | No equivalent legislation. | Not equivalent. OP will be followed. |

Table 3 OP4.12 Involuntary Resettlement Gap Analysis

| PNG Laws | World Bank Safeguard Policies | Gap-Filling Measures |
|--|---|---|
| There are no provisions to prepare Resettlement Plan based on meaningful consultations with Affected People, including special consideration of the poor, the landless, elderly, women, and other vulnerable groups. | OP 4.12 requires that Resettlement Plans must be prepared based on consultations with Affected People, and ensure poor and vulnerable people are also consulted on entitlements and resettlement options. | RAP/ARAPs will be prepared in consultation with Affected People, including vulnerable groups, and disclosed by TPA; translated or summary versions will be available at the provincial, district and local level. Local clan leaders whose members are affected will also receive a copy of the RAP/ARAP. |
| There are no provisions to improve or at least restore the livelihoods of all Displaced Persons. | It is necessary to improve or at least restore livelihoods of Displaced Persons by a range of strategies targeted at Affected People. Nobody is to be worse off as a result of the development project. | Where such impacts will be experienced, RAP/ARAPs will include measures for improvement or at least restoration in living standards of Affected People to pre-project levels. |
| Very limited provisions to provide assistance/compensation to Displaced Persons who lose access to non land assets (e.g. Valuer General has 2008 Schedule for valuation). | Requires that Displaced Persons are compensated for all losses, including non-land assets, at full replacement cost. | The project will follow the principle of replacement cost for compensation of affected assets. Valuer-General will provide updated schedule for valuation of project affected assets. Where schedules are more than 12 months old, these rates will be verified and updated. |
| There is no requirement for the monitoring and assessment of resettlement outcomes. | OP 4.12 requires that resettlement outcomes be monitored and assessed. | RAP/ARAPs will include indicators and baseline data to monitor impacts on living standards of Affected People. The monitoring reports will also be disclosed including to Affected People. |

4 Significant Potential Environmental and Social Impacts and Mitigation Measures

4.1 Tourism Strategies and SESCHA

Tourism Strategies can have direct, indirect, cumulative and short or long term impacts on the economy, infrastructure development, cultural heritage, community institutions and social networks, dislocate people from their lands and natural resources, and the use and exploitation of people and natural resources. These impacts may be beneficial or negative, and may amplify existing positive and negative community and environmental impacts.

The benefits are many. Tourism brings in direct and indirect revenue for the country, Province and local centres. It provides jobs and business opportunities. Tourism can stimulate investments in infrastructure and service industries that the communities also benefit from (roads, improved transportation, restaurants, etc.). Ecotourism can provide a lever to encourage the protection of natural areas and endangered species (e.g. coral reefs, whales, turtles) because of the increased income potential of protection vs. exploitation. Tourism can provide a demand for cultural experiences and artefacts that encourage the use and transfer of traditional skills and knowledge.

Negative impacts from tourism can arise when visitor use is greater than the environment (or community's) ability to cope. Natural habitats can become degraded, particularly fragile ecosystems such as coral reefs and geothermal areas. Induced development can overwhelm local communities, deplete natural resources and create conflicts between resource users. Visitors can put a strain on local infrastructure and resources (water supply, energy, sewerage systems, waste management systems), which can force local populations to carry the cost, or compete with visitors for scarce resources.

Increases in air, sea and land transport can add to pollution, congestion, noise and the risks to health and safety of host communities. Cultural tourism can be exploitative, encouraging commodification of cultural identity, or changing of traditional ways as craftspeople and artists 'adapt' to the market. Cultural clashes can occur when visitors and locals are disrespectful to each other's cultures, which can lead to conflict, stereotyping and impacts on social wellbeing. Traditional land and resource uses can be compromised through increased visitors, and subsistence activities (such as fisheries) may compete with tourism. Impacts may be experienced by indigenous people, or vulnerable people disproportionately, compared to urban populations or dominant cultural groups in an area, as they may be less resilient to the pressures of development or be left out of decision making.

Furthermore, an increase in visitors can lead to the demand for unethical and destructive behaviour such as human trafficking, prostitution and sex tourism, child labor and 'endangered species tourism' (where rare species fetch high prices for the novelty of hunting, eating or collecting). Growth of mass tourism is often accompanied by increased crime. Large numbers of tourists, carrying cash and valuables, are seen as profitable targets.

The project will seek to understand the potential benefits and impacts of tourism at the national and Provincial scale, particularly with regard to Indigenous Peoples and groups of vulnerable people. The project will seek to avoid potentially significant negative social and environmental impacts, and

facilitate the beneficial impacts through the SESCHA, which will inform the Tourism Strategy process. A draft TOR for the SESCHA is provided in Annex 10:.

4.2 Alotau City Vision and Cultural Heritage Site Management Plans

The purpose of good urban design and site planning is to maximise or enhance efficiencies, aesthetics, economic activity, social interaction, physical and mental wellbeing, and environmental aspects of a place. The interactions of people, culture, buildings, landscape, transport, energy and infrastructure are mapped out in a cohesive way. The City Vision process is to provide goals and objectives for future development, based on good urban design. The purpose is to enable the city to avoid some of the negative impacts of greater visitor numbers, and enhance the benefits, as discussed in the Section above.

Social, cultural and environmental impacts and benefits will be integrated into the design ethos and outputs for the City Vision, through the TOR for the consultants.

Cultural Heritage Site Management Plans will address and integrate the components of a tourist area / attraction, such as transportation, parking, facilities, aesthetics, signage, operational agreements and land leases with land owners and other aspects. It will take into account the needs and desires of the tourists and the opportunities for commerce and other benefits by locals. The developments should be designed to have overarching social, environmental and economic benefits, such as increased income from increased visitor spending, job opportunities, improved local infrastructure and appropriate protection of natural resources and physical cultural resources. However, if not managed appropriately, potential impacts could include: inequitable access to benefits leading to conflict, issues over land ownership or other rights to land or resources, involuntary resettlement, deterioration of cultural identify or cultural appropriation, exploitation of people, exploitation or unsustainable use of natural resources, damages to physical cultural resources, increases in traffic and noise, and induced development. The potential impacts from site specific management plans will be assessed through ESIA and mitigation will be integrated into the management plans and / or separate ESMP will be prepared (depending on the type of project). The requirements of safeguard policy OP4.11 Physical Cultural Resources will be integrated into the Cultural Heritage Site Management Plan. A RAP/ARAP may be required where there is a restriction of access to resources (such as geothermal resources, forests). These instruments will be included in the TOR for Site Management Plans.

4.3 Investments in Infrastructure

The most significant potential impacts, from the types of infrastructure that could be funded under Components 2.1 and 2.2 (as listed in Section **Error! Reference source not found.**) are provided in the table below. This is a generic list. Each subproject will be screened and assessed based on the nature and scale of the activities and impacts, and the sensitivity of the environment and community. The mitigation measures will be project-specific. Annex 1: includes a list of potential subprojects identified at the time of project appraisal, and an initial screening of risks for these subprojects.

Table 4 Summary of significant potential impacts and key mitigation measures for potential investments in infrastructure

| Activity | Potential Significant Negative Impacts | Key mitigation measures |
|-------------|---|---|
| Civil works | Hazardous substances and waste management | Early and ongoing stakeholder engagement. |

| Activity | Potential Significant Negative Impacts | Key mitigation measures |
|--|--|---|
| (including works near or in waterways) – roads, bridges, buildings, water supplies, sanitation, landscaping, wharves, jetties, | Source of aggregates for construction Solid waste management Removal of vegetation / disturbances to natural habitats Sediment discharges and erosion Noise and dust, and disruption to building occupiers / road users / neighbours Disruption / damage to graves and physical cultural resources Imported workers causing disruption to traditional lifestyles Occupational injuries or loss of life. | Safe storage of hazardous materials, and training of all personnel. Use aggregates from permitted quarries, and follow a Quarry Environmental Management Plan. Removal of all solid and hazardous waste to permitted landfills. This may require the export of waste, or transport to Port Moresby. Minimise vegetation removal and avoid natural habitats. Constrain working hours and provide adequate warning of works to affected people. Avoid graves and physical cultural resources in design. Worker training in HIV / AIDs, cultural awareness. Employ locals where possible. Contractors are required to prepare and implement Contractors ESMP, which includes a Safety Manual. All staff must be adequately trained and resourced for the job. Provide barriers to exclude the public from work sites. Minimise work within waterways and avoid discharges to water of sediment, waste and wastewater. |
| | Unexploded ordinances (UXO) cause actual or potential harm to workers, bystanders or property. | UXO risks will be assessed early in project design. Trained explosives experts will survey sites likely to contain UXO and clear any UXO for offsite disposal/destruction. |
| | Involuntary resettlement or loss of assets or loss of access to resources leading to a loss of income or other impacts on livelihoods. Conflicts within land owning group. Conflicts between land owners and Govt. | Early and ongoing engagement with all land owners and other affected people (tenants, squatters, resource users). Identify land requirements early. Avoid new land requirements where possible (ie road alignments) Prioritise the negotiation of agreements for all land access (and avoid compulsory acquisition wherever possible). Provide entitlements and assistance as per the RPF |
| Providing new or upgraded markets, art and craft centres, kiosks | Conflicts over access to stalls, location of market. Impacts on the viability of other markets and commercial activities nearby Safety risks for young people / women, tourists | Early and ongoing stakeholder engagement Involve beneficiaries in the design process. Undertake a socio-economic assessment to identify equity / inequity issues. Incorporate safety-in-design approaches (lighting, lockable facilities, safe toilets, security posts) |
| | Involuntary resettlement or loss of assets or loss of access to resources leading to a loss of income or other impacts on livelihoods. Conflicts within land owning group. Conflicts between land owners and Govt. | Early and ongoing engagement with all land owners and other affected people (tenants, squatters, resource users). Identify land requirements early. Prioritise the negotiation of agreements for all land access (and avoid compulsory acquisition wherever possible). Provide entitlements and assistance as per the RPF |
| Developing natural areas (forests, hot springs, reefs, beaches, national parks) or historic or cultural sites for tourism purposes | Destruction of natural habitat from overexploitation Induced development along access routes (kiosks, farms, housing, accommodation) Destruction or desecration of historic sites | Develop codes of practice or management plans for managing natural resources within their carrying capacity (limit visitor numbers, seasonal limits, training for guides/ concessionaires, develop ecotourism principles) |
| | Involuntary resettlement or loss of assets or loss of access to resources leading to a loss of | Early and ongoing engagement with all land owners and other affected people (tenants, |

| Activity | Potential Significant Negative Impacts | Key mitigation measures |
|-------------------------|---|--|
| | <p>income or other impacts on livelihoods. Conflicts within land owning group. Conflicts between land owners and Govt. Conflicts over 'resource rents' or appropriate 'payments' for natural or cultural sites on custom land.</p> | <p>squatters, resource users). Identify land requirements early. Prioritise the negotiation of agreements for all land access (and avoid compulsory acquisition wherever possible). Develop benefit sharing options with land owners. Provide entitlements and assistance as per the RPF</p> |
| Sanitation facilities | <p>Contamination of water bodies Public exposure to untreated sewage</p> | <p>Provide sewerage treatment Connect facilities to reticulated sewerage systems where available. Provide discharges to land or water in a manner that does not affect human health or ecosystem function (eg. Discharge septic tank effluent to land via buried irrigation, at least 100m from water bodies and at least 3m above groundwater level)</p> |
| Food / plant processing | <p>Untreated discharge of wastewater and sludges, contaminating water bodies Inappropriate disposal of wastes Noisy operations Odours</p> | <p>Treat all wastewater prior to discharge. Discharge treated wastewater to land where possible. Compost vegetative wastes, or dispose at the nearest permitted landfill. Enclose noisy machinery within buildings and locate as far as possible from sensitive receptors. Provide adequate ventilation and exhausts for odours. Locate facilities away from sensitive receptors.</p> |
| Removal of sunken boats | <p>Discharges of fuel, oil, etc. into the sea Inappropriate disposal of waste materials (dumping elsewhere) Occupational injuries or loss of life.</p> | <p>Employ qualified and competent salvage operators. Remove oil, fuel etc. in situ before salvage and return the waste to a recycling or treatment facility. This may require the export of waste, or transport to Port Moresby. Removal of all solid to recycling facilities or permitted landfills. This may require the export of waste, or transport to Port Moresby. Contractors are required to prepare and implement Contractors ESMP, which includes a Safety Manual.</p> |

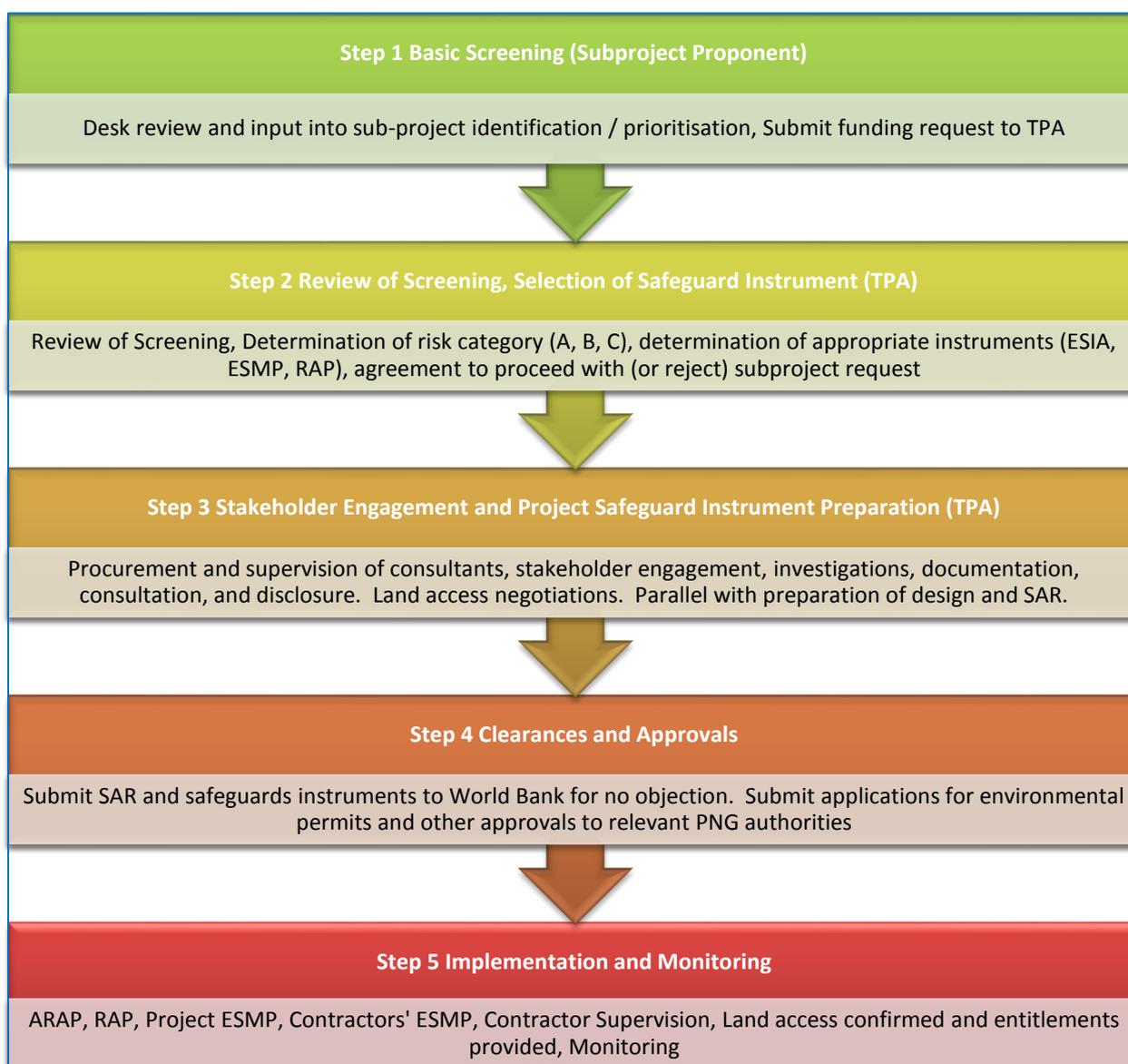
5 Environmental and Social Management Process

This process takes into account the PNG legislative processes and the World Bank Safeguards Policies.

5.1 Overview

Each infrastructure or site management plan sub-project funded by the TSDP will go through the same safeguards screening and implementation process, as shown in Figure 2, and described in the sections below.

Figure 2 Sub-project Screening and Safeguard Implementation Process



5.2 Step 1: Basic Subproject Screening

A subproject proponent, such as a Government agency, local government, private operator or community-based organisation will submit a request for financing to TPA. As part of the request process, safeguards screening will be undertaken and provided in the documentation. The safeguards screening form is provided in Annex 3:

The screening form will guide the subproject proponent to identify any potential issues that may mean that the project is ineligible, or that there are potentially significant impacts to manage.

There is an emphasis on early engagement with land owners, land occupiers, resource users and other stakeholders who may benefit or suffer impacts from the proposed subproject.

5.3 Step 2: Screening Review and Determination of Safeguard Instrument

Once TPA has received a funding request they will evaluate the safeguards screening information. TPA (or PMC on their behalf) may request further information from subproject proponents on safeguards, or they may perform their own, more detailed screening, to provide assurances that the subproject screening is complete and accurate. Specialist consultants may be engaged where there are specific social or environmental risks that require expertise to screen.

TPA (Or PMC on their behalf) will use the screening checklist to determine:

1. Whether a project is eligible, based on criteria
2. Category of risk (A, B, C, based on OP4.01 criteria)
3. Level of activity under the Environment Act (Prescribed Activities) Regulations 2002 (1, 2, 3) and approval process
4. Type of safeguards instrument(s) that is/are required – ESIA, ESMP, RAP/ARAP, PCR Management Plan, Codes of Practice
5. Timeframe and terms of reference for consultants to prepare the instruments

The TPA will submit the proposal concept and the results of the safeguards screening review to the World Bank for approval. Category A projects will not be eligible for funding. Implementing a project with significant, irreversible and unprecedented social or environmental impacts would be contrary to the project development objective and to the GoPNG objectives for a sustainable tourism sector that is based on the country's unique natural habitats and culture.

For small / repeatable subprojects with minor impacts to manage, Codes of Practice will be sufficient. For more complex projects, an ESMP may be required on its own. ESIA and ESMP will be required for projects with potentially significant environmental and / or social impacts. For any activity not on Government owned land, a RAP/ARAP will be required to document the land requirements, negotiated agreements, or in exceptional cases, compulsory acquisition and / or involuntary resettlement. A RAP/ARAP may be required where the use of Government land may cause involuntary resettlement of tenants or informal land users.

Where the subproject will involve a Cultural Heritage Site Management Plan as an output, the requirements of OP4.11 will be integrated into the Cultural Heritage Site Management Plan. Otherwise, a PCR Management Plan will be prepared as a subplan to the ESMP if the policy is triggered for any particular subproject.

No separate Indigenous Peoples' Plans will be prepared for subprojects; rather the elements of the Indigenous Peoples' Planning Framework (Section 6) will be integrated into project design because it is anticipated that the majority of beneficiaries will be Indigenous People. Refer to Section 6 for further discussion.

5.4 Step 3: Stakeholder Engagement and Preparation of Safeguard Instrument

In parallel with the subproject development and design processes, the subproject proponent will continue to engage with the land owners and key stakeholders. TPA will work with the subproject proponent to ensure engagement is consistent with the ESMF, IPPF and RPF. TPA shall be able to determine whether there is broad community support for the subproject by the end of Step 3.

TPA will be responsible for engaging consultants to undertake social assessment, environmental assessment, and the preparation of ESIA, ESMP and RAP to comply with the ESMF, IPPF, RPF and relevant laws and policies of PNG (most notably the Environment Act 2000 and Land Act 1996). The consultants will work with TPA and the subproject proponent to gather data, consult with affected persons and stakeholders and complete the baseline and impact assessments. The outputs of the ESIA/ESMP and RAP will be integrated into the final project design that is submitted in the Subproject Appraisal Report for World Bank no objection (Step 4).

Land negotiations will occur during Step 3. As discussed in Section 5.8, access to land will be on a negotiated basis wherever possible, and compulsory land acquisition will only be used in exceptional circumstances and in compliance with the PNG Land Act 1996. Any compulsory land acquisition, or any involuntary resettlement of land occupiers or users, will require a RAP or ARAP and will be carried out in accordance with the RPF (Annex 1:). Any land negotiations, and in particular compulsory land acquisition or involuntary resettlement will take a long time and will require intensive management to avoid conflict and social impacts from the process.

5.5 Step 4: Approvals and Clearances

All safeguards instruments will be publicly disclosed in country and on the World Bank website (refer Section 8).

TPA will submit a Subproject Appraisal Report to the World Bank for no objection before signing an Investment Subproject Agreement with the subproject proponent. The SAR will include the safeguards instrument(s), and confirmation of public disclosure and consultation of the instruments.

TPA will submit the environmental permit application to the Director of Environmental Protection for processing and approval, using the ESIA/ESMP as supporting information.

No work will start on site until the relevant permits and no objections are received.

5.6 Step 5: Implementation and Monitoring

The ESMP and RAP/ARAP will be implemented during subproject implementation. The PMC, on TPA's behalf, will be responsible for coordinating safeguards requirements as part of overall subproject management.

During the implementation phase, and prior to any works occurring on the ground, land access will be confirmed and land transfers, leases, easements and other rights or privileges will be finalised.

For involuntary land acquisition and / or resettlement, the RAP/ARAP will be implemented and all entitlements and assistance finalised before works start.

The Contractor will be required to implement much of the ESMP. The PMC will ensure that Contract documents include the requirement for contractors to prepare a Contractor's ESMP. The PMC will supervise the implementation of the CESMP as part of overall construction supervision.

TPA may retain consultants to assist with safeguards implementation, particularly where community and stakeholder engagement is ongoing and requires specific expertise or resource. There may also be a requirement to retain consultants for impact monitoring during implementation (water quality, natural habitats, visitor experiences, social impacts, livelihood restoration success).

Monitoring of implementation efficacy and compliance with safeguards instruments will be ongoing during project implementation. TPA will employ a Monitoring and Evaluation (M&E) specialist to integrate safeguards monitoring and evaluation into the project M&E system.

5.7 Technical Advisory Operational Procedures

Terms of Reference for Technical Advisory components will require:

- a. Safeguards specialists to be part of the team, where necessary (such as the PMC, Alotau City Vision etc.), and / or shall interact with the SESCHA team where appropriate;
- b. Advice and outputs to comply with the ESMF, RPF and IPPF;
- c. Advice and outputs to be consistent with World Bank Safeguards Policies and policies on Gender and Disclosure;
- d. Broad consultation with relevant stakeholders, and the public, is integrated into project design; and
- e. Disclosure of technical documents.

TPA (supported by consultants if necessary), will review technical advisory outputs and provide comment and input to ensure consistency with TSDP framework documents. The World Bank safeguards specialists will review and comment on technical advisory outputs to ensure consistency with policies and TSDP framework documents.

5.8 Land Acquisition and Involuntary Resettlement

Land will be required for a wide range of subprojects under Component 2.1 and 2.2. Most projects will involve renovations or upgrades to existing assets, sites or facilities, and therefore no new land is required. Where new land is required, negotiated agreement (such as a lease, or voluntary land donations) between land owners and the relevant government agency will be prioritised.

Involuntary land acquisition in PNG is extremely time consuming and can lead to social unrest and substantial project delays. It may be required in some instances, and the RPF principles and processes will be used to comply with PNG legislation and WB OP4.12. In all situations, land owner and building owner engagement will be required prior to any works taking place.

The matrix in Annex A2.7 identifies the preferred methods for access to land for subproject types.

6 Indigenous Peoples Planning Framework

6.1 Introduction

An Indigenous Peoples Policy Framework (IPPF) has been prepared to set out specifically how the requirements of OP4.10 Indigenous Peoples will be integrated into project design. Screening has identified that communities meeting the definition of Indigenous Peoples in OP4.10 are likely to be present within the project area of influence (both for the National and Provincial Strategies and Alotau City Vision, and for the subproject areas) and are also likely to be the majority of beneficiaries of the project.

6.2 Potential Issues and Impacts Relating to Indigenous Peoples Communities

The potential impacts on indigenous communities are the same as those identified in Section 4, such as loss of land or access to land, impacts on physical cultural resources and exploitation of cultural or natural resources to the detriment of social cohesion and human rights. On the other hand, the benefits for IP communities are the same as those identified in Section 4, including economic and livelihood benefits, improved infrastructure, maintenance of cultural traditions and the protection of intangible cultural values and assets.

The elements of an Indigenous Peoples Plan (IPP) will be incorporated into overall subproject design, because in most cases the majority of beneficiaries will be Indigenous Peoples. These elements include:

- identifying issues relating to the particular IP community via a social assessment process;
- undertaking free, prior and informed consultations and reviewing outcomes to determine broad community support;
- actions to ensure equitable access to culturally-appropriate benefits for the IP community;
- actions to avoid, minimize or otherwise mitigate any adverse impacts affecting the IP community;
- accessible and culturally appropriate means to address grievances; and
- monitoring and information disclosure arrangements.

6.3 Legal, Policy and Institutional Framework

The Second Goal of the Constitution of the Independent State of Papua New Guinea is Equality and Participation, and states that 'all citizens to have an equal opportunity to participate in, and benefit from, the development of our country'. It lays the legal foundations for an equitable and fair society.

There is no relevant legislation in PNG relating to the separate identification or treatment of IP. The relevant subprojects will be planned and implemented in a manner consistent with the principles and procedures of OP 4.10 and the human rights enshrined in the Constitution.

6.4 Implementation Arrangements

The TPA will be responsible for the screening of issues relating to IP during subproject selection, and the PMC will be responsible for selecting and designing subprojects consistent with OP4.10. If particular consultation or social assessment expertise is required for a subproject a technical consultant (anthropologist, social impact specialist or similar) will be engaged by TPA to assist the PMC in developing and delivering the project. Further details on general implementation arrangements are provided in Section 10.

6.5 Consultation Arrangements

Initial consultations will be undertaken at the subproject screening stage to establish if IP communities are present with the respective area of influence, and confirm that they will be the majority of beneficiaries. All consultations, regardless of location or project type, will be undertaken in a free, prior and informed manner that results in a collective expression by all community members, including IP communities, and results in broad community support for the project. The consultation process is provided in Section 8.

6.6 Arrangements for Social Assessment

A social assessment will be undertaken for all subprojects, with the scope, level of detail, and methodological aspects of the assessment commensurate with the nature and extent of subproject-related impacts and risks.

For infrastructure projects, the social assessment will be incorporated in the ESIA. For the Tourism Strategy the social assessment will be incorporated into the SESCHA². In all cases, the social assessment will include the following elements (as relevant):

- description of the subproject and potential issues or impacts relating to communities (and identifying where some communities or subgroups may be affected differently);
- identification of relevant communities and other key stakeholders to be consulted;
- baseline information on the demographic, social, cultural, economic and political characteristics of relevant communities;
- assessment of the potential adverse impacts and benefits likely to be associated with the project based on consultation; and
- summary of preferences and concerns of communities relating to project objectives, access and cultural appropriateness of project benefits, mitigation of any adverse impacts, and project implementation arrangements.

6.7 Broad Community Support

Based on results of consultations and the social assessment process, the TPA will determine whether there is broad community support for the project among relevant communities. This determination generally is based upon collective and often informal expression of supportive views regarding project purposes, plans, and implementation arrangements. This determination does not require unanimity; broad community support may exist even when there is internal disagreement within the

² Refer to the Draft TOR in Annex 10:

community or when there is limited opposition to project purposes or proposed arrangements. The relevant subproject documentation (ESIA, Tourism Strategy, Alotau City Vision, etc.) will explain the basis upon which the determination has been made.

6.8 Incorporating OP4.10 into Project Design

The scope and level of detail required in project design to take account of OP4.10 is commensurate with the nature and extent of subproject-related impacts and risks. The relevant subproject documents (ESIA, Strategies, Alotau City Vision etc.) will include a framework for free, prior and informed consultation during subproject preparation and implementation, as well as including the following (where relevant):

- summary description of specific issues relating to Indigenous Peoples (if any), including findings of the social assessment process;
- a summary of results from consultations and review of determination of broad community support;
- actions to ensure equitable access to culturally appropriate benefits for Indigenous Peoples communities;
- actions to avoid, minimize or otherwise mitigate any adverse impacts affecting Indigenous Peoples communities;
- cost estimates, budget and financial responsibilities for any specific measures to address the issues not captured elsewhere in project budgeting;
- accessible and culturally appropriate means to address grievances raised by Indigenous Peoples (individually or collectively);
- monitoring arrangements; and
- arrangements for information disclosure.

6.9 Disclosure Arrangements

The Government of PNG, through TPA, agrees to disclose relevant information regarding project design and implementation arrangements to Indigenous Peoples communities and to the broader public. Specifically, this ESMF and IPPF, any ESIA (which will include the social assessment and mitigation measures), and the project deliverables such as the Strategies and Alotau City Vision that will have IP issues integrated.

Disclosure of documents will be facilitated through the World Bank's InfoShop, the TPA website and in hard copy at a location accessible to the relevant communities.

6.10 Monitoring Arrangements

If subproject designs or deliverables contains any specific actions to benefit Indigenous Peoples communities, or measures to mitigate any adverse impacts upon them, a monitoring process will be developed under the subproject and will be implemented under the M&E framework of the project. Monitoring plans will be developed to assess the effectiveness of actions or mitigation measures,

and to provide a means for ongoing consultation with those communities throughout the implementation period.

6.11 Grievance Procedure

Indigenous Peoples may use the grievance redress mechanism detailed in Section **Error! Reference source not found.**. Specific arrangements for raising and addressing grievances will be defined and described within the relevant subproject documentation.

7 Resettlement Policy Framework

The Resettlement Policy Framework is appended in Annex 1. It provides the processes and documentation that the TPA will follow where there will be involuntary land acquisition and / or involuntary resettlement, as a result of land requirements of infrastructure projects. Subproject identification, detailed design and location of infrastructure works or facilities for the subprojects has not been determined, and will be decided largely based on the Tourism Strategy process and the prioritisation process by local stakeholders during project implementation. The requirements for land, and land tenure arrangements, will vary by subproject. Negotiated agreements will be prioritised, as will developments on government owned or leased land (particularly for public assets). However there may be instances where compulsory land acquisition cannot be avoided. A Resettlement Policy Framework (RPF) therefore is the appropriate social safeguard instrument based on project architecture and the nature of potential subprojects. No physical displacement is envisaged, but there may be loss of assets, loss of access to resources, or livelihood impacts from land acquisition.

The Annex provides the key principles, legal arrangement, approaches to land access based on project typology and the nature of land ownership (customary or government land ownership), and the approaches and processes for engaging affected people, developing resettlement instruments and consulting and disclosing the documents.

As described in the Annex, a resettlement instrument (either a Resettlement Action Plan (RAP) or Abbreviated Resettlement Plan (ARAP), depending on the scale of affected people) will be developed as per Operational Policy 4.12, Annex A paragraph 22. The RAP/ARAP will form part of the agreement between the GoPNG and the World Bank.

8 Consultation

8.1 Introduction

Stakeholder engagement and consultation must ensure that the project contributes to sustainable development, that individuals and their environment are not harmed by any project activity, and that if there are adverse impacts, they are identified, avoided, minimised and mitigated to the maximum possible extent. Essential to this process is the informed participation in the project of all stakeholders, especially the potential beneficiaries and any affected persons. Consultation is planned to be open, accessible and inclusive so that all sectors of the community can contribute to Strategies, Alotau City Vision, SESCHA, Site Management Plans and subproject investments.

8.2 Consultation and Disclosure on the TSDP and Safeguard Framework Documents

This version of the ESMF (incorporating the IPPF and RPF) will be disclosed in electronic and hard copy in country, and on the World Bank website.

Project consultations during TSDP preparation were held in Alotau, Milne Bay on the 24th of June and 21st of September and Kokopo, East New Britain on 26th of June and 23rd of September 2016.

Basic concepts of the project were discussed in June. There was general support for the project at the time, and support for continued engagement and consultation. No significant issues were raised. In September 2016, the TPA and World Bank presented to the stakeholder groups on the detailed project description and the potential safeguards issues of both the sector master planning process and of the types of subprojects that could be funded under the project. The World Bank policies were presented and the safeguards instruments were introduced, including the frameworks, the SESCHA and GRM. Citizen and stakeholder engagement was emphasised as a key approach to project design and implementation. The feedback from the stakeholders was positive.

Community consultations will be undertaken at the subproject level, once the host communities, beneficiaries and potentially affected people can be identified.

8.3 Stakeholder Engagement

8.3.1 Stakeholder Engagement Plan

A Stakeholder Engagement Plan will be prepared by TPA early in project implementation that will:

- Identify institutional, Governmental, non-governmental, commercial and community stakeholders at the National, Provincial and urban levels. Stakeholders include beneficiaries and negatively affected parties.
- Identify the ways to engage the stakeholders in the key outputs of the project:
 - National and Provincial Tourism Strategies
 - SESCHA
 - Alotau City Vision
 - Site Management Plans
 - Prioritisation, selection and implementation of subproject investments

- Identify the roles and responsibilities for stakeholder engagement for TPA, PMC, Consultants and subproject proponents.
- Principles for engagement and consultation. These should be based on principles for meaningful engagement and encourage participation, not just communication. Such as:
 - Allowing people / communities to openly express their preferences or concerns without intimidation or trepidation;
 - Consulting with people on ‘their terms’ (language, time, location, methods, etc.)
 - Engaging women and vulnerable community members who may not be able to engage through the usual methods of communications with villager and land owners.
 - In a timely manner – allowing enough time for stakeholders to prepare and participate, and their contributions can be integrated into project design and other outputs.
- Keeping accurate records of attendance and information shared. (Date, location, list of participant (including gender, role/title), summary of issues discussed and outcomes agreed).
- How stakeholder contributions will be integrated into plans and designs.
- Budget for staff/ consultants, venue hire and catering, materials etc.
- Programme for implementation.

8.3.2 Subproject Stakeholder Engagement and Consultation

For any subprojects that will be developed during the project implementation phase, consultation will be specific to the subproject design, safeguards issues and the community(ies) where the project will be located. A subproject specific consultation plan will be prepared and implemented.

The mode of consultation will vary according to the subproject and the participants, but in all cases will promote participation by ensuring that the venue is accessible, the timing convenient and the manner of conduct of the consultation socially and culturally appropriate. Consultations will be announced to give sufficient notice for participants to prepare and provide input to project design.

Consultations will be tailored to the needs of the participants, gender sensitivities with regards to consultations, be in the local language, and will avoid technical and bureaucratic jargon. All sectors of the public should be invited and encouraged to contribute, including representatives of vulnerable groups. To get maximum input from women, their meetings should be held separately from men’s meetings. Facilitators of meetings should engage with these participants at the conclusion of public meetings to ensure that their opinions on discussions and decisions are recorded if they have not spoken up out of respect for custom and seniority. Groups such as kiosk operators, stallholders or artists may also have particular needs should be specifically invited to participate and contribute.

TPA will support the subproject proponent to conduct consultations. Following consultation, the following will be documented and disclosed with the safeguard instrument:

- Manner in which notification of the consultation was announced: media(s) used, date(s), description or copy of the announcement
- Date(s) consultation(s) was (were) held

- Location(s) consultation(s) was (were) held
- Measures taken to ensure participation of vulnerable groups/women
- Materials presented at consultations, e.g. information bulletins, maps, plans, photographs
- Who was invited and who attended: Name, gender, Organization or Occupation, Telephone/e-mail /address (home and/or office)
- Meeting Program/Schedule
- Summary Meeting Minutes (Comments by gender, Questions by gender and Response by Presenters by gender)
- List of decisions reached, and any actions agreed upon with schedules and deadlines and responsibilities.
- How the project design, ESMP or other documentation was amended to take into account the issues raised during the consultation.

9 Grievance Redress Mechanism

This section provides guidance for complaints management. The purpose is to provide a 'grievance redress mechanism' (GRM) system for the Project which can also be applied to meet the Bank's safeguard requirements.

The GRM outlines a process for documenting and addressing project grievances (complaints) that may be raised by affected persons or community members regarding specific project activities, environmental and social performance, the engagement process, and/or unanticipated social impacts resulting from project activities. It describes the scope and procedural steps and specifies roles and responsibilities of the parties involved. The GRM is subject to revision based on experience and feedback from stakeholders.

The GRM process applies to any subproject that is implemented under the TSDP. All feedback on the project is welcomed by TPA and the Government of PNG.

The availability of redress, and information about how to access it, will be publicly disclosed in the Project Information Bulletins for the media, on TPA's website, and during consultations for subprojects. Project stakeholders and affected communities will be made aware of:

- how they can access the GRM;
- who to lodge a formal complaint to and how;
- timeframes for response;
- that the process must be confidential, responsive and transparent; and
- alternative avenues where conflicts of interest occur.

The grievance process is based upon the premise that stakeholders are free to raise their concerns to relevant representatives at no cost or threat of any negative repercussions; that concerns arising from project implementation are adequately addressed in a timely and respectful manner; and that participation in the grievance process does not preclude pursuit of legal remedies under the laws of the country. The process will offer remedies appropriate to the scale of the grievance.

TPA will operate the following complaints process:

1. Feedback, complaints and grievances may be received by the Contractor, subproject proponent, TPA or PMC. There will be different ways for people to complain: telephone number, webpage / email, the subproject proponent's office, and a site office during construction. It will be accessible by all community members, in a suitable language and in an inclusive, non-threatening way.
2. All feedback, grievances and complaints will be recorded by the recipient and shared with TPA. TPA will keep records of all complaints received, which will include details of the complaint (what, when, date(s), time(s) of day, gender, other observations), contact details of complainant, remedy/remedies, and date of close out.
3. Complaints or feedback that can be resolved by contractors or the subproject proponent during normal working operations will be undertaken immediately. The complaint will be recorded, along with the resolution.

4. Other subproject-related complaints that cannot be resolved immediately, or by contractors or the subproject proponent, will in the first instance be notified to the PMC for resolution within ten working days.
5. The PMC's Safeguards Officer will follow traditional grievance procedures in the first instance, where any grievance is related to land, livelihoods, cultural identity, loss of assets or loss of access to resources (so long as they are not directly affiliated with leaders who are party). Land transaction grievances that are not resolved will be notified to the Provincial Land Officers for assistance with resolution under the Land Disputes Resolution Act 1975.
6. The PMC will otherwise arrange mediation hearings in open forum close to the place of residence of the affected person(s) or affected group. The complainant will be entitled to independent representation by a mediator of their choice, and will be encouraged to be accompanied by supporters during the process. TPA will attend and will ensure that such negotiations are transparent. Mediation will be arranged, including independent representation, at no cost to the complainant.
7. If customary measures or mediation is unsuccessful, or if the matter is substantive, there will be a review by a Project Grievance Committee, chaired by the Director of TPA, within three weeks of the outcome of the previous stage;
8. If all avenues within the project are unsuccessful, affected parties can file written or verbal grievances at the High Court.

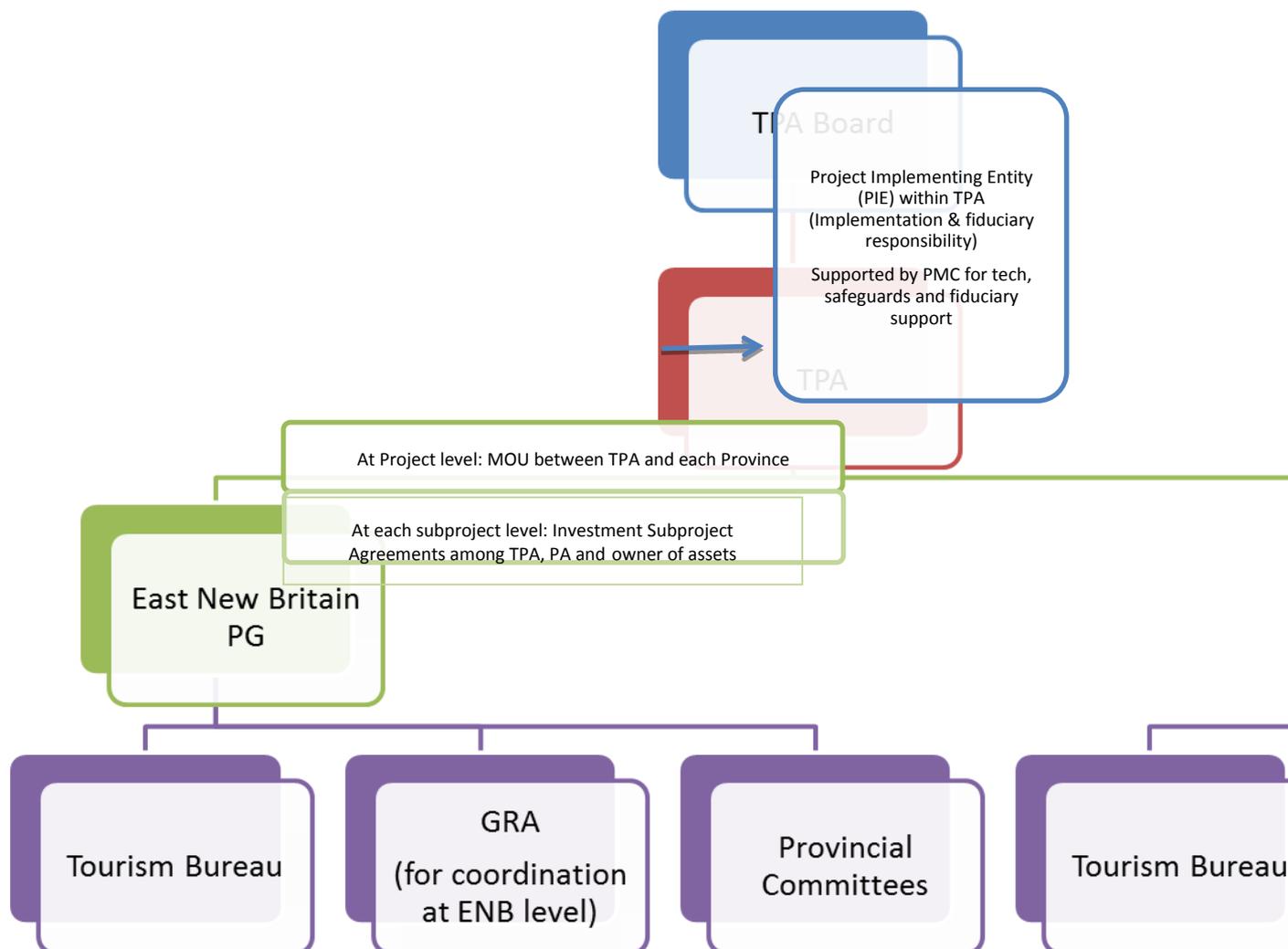
Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate GRS, please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

10 Institutional Arrangements

10.1 Overview of TSDP Project Implementation Arrangements

The MTAC will be the main government counterpart responsible for the TSDP. The TPA, will be the Project Implementing Entity (PIE), responsible for all aspects of Project implementation, including fiduciary and safeguards responsibilities, as well as monitoring & evaluation and reporting results. The TPA is a Statutory Body established under Section 8 of the Public Financial Management Act and governed by its own act, the Tourism Promotion Authority Act 1993, reporting to the MTAC. Given the complexity of tourism development projects and the overall challenging project implementation realities in PNG, TPA will hire a Project Management Company (PMC) to provide technical, fiduciary, safeguards and monitoring and evaluation support during project implementation.

Figure 3 Project Implementation Arrangements



10.2 Safeguards Implementation Arrangements

TPA is responsible for the implementation of the safeguards frameworks and compliance with World Bank safeguards policies, as per the legal agreement between the World Bank and the GoPNG. This

includes responsibility for managing stakeholder engagement for the TSDP, the GRM, monitoring and reporting.

For Component 1 Plans and SESCHA, the TPA will recruit and supervise the consultants and ensure the integration of the SESCHA with the various planning outputs. TPA will coordinate with the Provincial and Local Governments and other stakeholders through MOU, since the plans will influence urban design and infrastructure investments.

For Component 2, the subproject concepts will be developed by a government agency or local or Provincial Government, as the 'project proponent'. The PMC, on behalf of TPA, will manage the detailed design and delivery of the subproject, and will then hand the assets / facilities to the project proponent. This arrangement will be managed through an Investment Subproject Agreements, which will define the specific roles and responsibilities for each party for each subproject.

The PMC will provide safeguards specialists to ensure safeguards compliance for subprojects as follows: receive and screen subproject proposals from subproject proponents, determine the safeguards instruments required for subprojects, prepare TOR, recruit specialist consultants to prepare safeguards instruments, assist with consultations, review consultants outputs, prepare safeguards clauses for contractors, supervise the contractors implementation of the ESMP, and provide regular reporting to TPA.

The subproject proponent will be responsible for negotiating land access and securing land for infrastructure/assets/facilities or tourism ventures in accordance with the ESMF/RPF. Where a RAP, ARAP or Process Framework is required, the PMC will prepare these and assist the subproject proponent to implement them. The TPA is responsible for monitoring that the RAP/ARAP or Process Framework are implemented correctly.

TPA will be responsible for grievance management and recruiting and managing the independent monitoring team.

10.3 Monitoring, Evaluation and Reporting

TPC will contract Monitoring and Evaluation consultants to collect and report data against the results framework. The results framework forms the basis to track the progress of activities and their outcomes towards meeting the TSDP objectives. This team will also develop a monitoring plan and monitor the application of the framework documents. An example of a monitoring plan for the framework documents is as follows:

| Compliance Issue | Key Performance Indicator and Target <i>parameter is to be monitored</i> | How <i>is the parameter to be monitored/ type of monitoring equipment</i> | When <i>is the parameter to be monitored-frequency of measurement or continuous</i> |
|---|--|---|---|
| Compliance with Screening Steps 1 for subprojects | Percentage of subprojects accurately screened by project using the screening checklist | Check screening records against subproject records. | Annually |

| | | | |
|----------------------------------|---|--|----------|
| | Targets: 100% of subprojects screened, 100% of issues are accurately screened | | |
| Compliance with Screening Step 2 | Percentage of subprojects are screened using the screening checklist Targets: 100% of subprojects screened, 100% of issues accurately screened | Check screening records against subproject records. | Annually |
| Grievance Redress | Percentage of complaints that are resolved within the time period Target: 100% of complaints are resolved within the time period | Review GRM records | Annually |
| Capacity Building | Percentage of capacity building Target: 100% completed on time | Check capacity building records against capacity building plan | Annually |

For each subproject there will be a monitoring plan that will be implemented by the PMC as part of subproject supervision. Independent monitoring team will be recruited to monitor the implementation of the RAP / ARAP.

The PMC will provide monthly reports to TPA of safeguards implementation progress for Component 2 subprojects. TPA will submit to the World Bank semi-annual reports that would provide an overview of the safeguards progress, and highlight issues that need attention.

10.4 Capacity Building

TPC does not have any dedicated safeguards staff. The PMC will therefore provide TPC with safeguards capacity for the supervision of Component 2 Subprojects. Other consultants will be used to fill specific roles: prepare safeguards instruments for subprojects, monitoring and evaluation, independent monitoring of RAP/ARAP implementation. The TOR for the PMC will require a full time safeguards specialist for the duration of their contract, with the ability to add resources as required.

The specialist will need to have experience with World Bank safeguards policy implementation and stakeholder engagement in PNG.

TPC staff have experience in stakeholder engagement within the tourism sector. They will require additional support from the PMC to manage stakeholder engagement with local communities and the engagement of vulnerable community members for the planning components and the subproject investments. This is particularly the case to ensure that all engagement and consultations with communities are consistent with the 'free, prior and informed consultation' as per OP4.10.

TPC will need training and support from an independent safeguards consultant and World Bank safeguards team to confidently undertake their safeguards roles for the supervision of consultant's outputs under Component 1 and to supervise the performance of the PMC under Component 2. This will include the following, starting within three months of project effectiveness:

- Training on how to implement the ESMF, IPPF and RPF
- Support to develop detailed procedures under the Project Operations Manual
- Training on how to prepare TOR, review consultants proposals, and manage consultant's outputs

Ongoing support will be provided by the World Bank safeguards team for the duration of the project to develop the safeguards supervision and project management skills within TPA, including work planning and monitoring and reporting progress and outcomes. Technical environmental and social resources will continue to be provided by the PMC and specialist consultants.

The project proponents, Provincial and Local Governments and government agencies, will require safeguards training as part of their broader inductions into the project. The capacity of the agencies will be assessed during this induction process. They will need to understand their roles and responsibilities under the framework documents. They will require training on the safeguards screening for the SAR, and how land acquisition and involuntary resettlement will be managed under the RPF. This capacity assessment and training will be carried out by the PMC and will be supported and augmented by the World Bank safeguards team and TPA throughout the project.

11 Budget

The budgets for safeguards is indicative only, and based on best estimates of the project typologies in the two Provinces and the technical advisory subprojects planned at project appraisal. Detailed budgets will be developed for each subproject safeguard instrument.

| Budget Item | Detail | Cost Estimate (USD) |
|---|--|---|
| Component 1 Institutional and Policy Framework | | |
| Sub component 1.1 Strengthening the national and provincial tourism development framework | | |
| SESCHA | Team of consultants to prepare the SESCHA and interact with the Strategy Process | 150,000 |
| Stakeholder Engagement | Catering, venue hire, media, materials, | 1,000 |
| Subcomponent 1.2 Strengthening provincial urban, cultural and community development frameworks | | |
| ESIA/ESMP/RAP/ARAP | Safeguards instruments required for the Site Management Plans. | 0 (included in TOR) |
| Stakeholder Engagement | Catering, venue hire, media, materials, | 1,000 |
| Component 2 Infrastructure and Community / Product Development Projects | | |
| Subcomponent 2.1 Upgrading Tourism Infrastructure and heritage sites in Urban and Rural Centres of Milne Bay provinces and East New Britain | | |
| Stakeholder Engagement | Catering, venue hire, media, materials | 20,000 |
| Land acquisition (lease, purchase) and entitlements for involuntary resettlement | Estimate for entitlements and compensation as per the RPF for subprojects. | 400,000 (to be funded by the subproject proponent) |
| Component 3 Project Management | | |
| Sub component 1.1 Strengthening the national and provincial tourism development framework | | |
| PMC Safeguards implementation resources | Environmental Specialist Social Safeguard Specialist Senior cultural heritage conservation specialist To ensure the implementation of the ESMF, IPPF and RPF on behalf of the TPC, including screening, preparation of safeguards instruments and supervision of Contractors. | 500,000 (allocated within PMC budget) |
| TPA part time safeguards consultant | To review / supervise the work by the PMC. To assist with stakeholder engagement. To assist with M&E and reporting for safeguards. | 20,000 |
| TPC safeguards training | WB safeguards team provide training in the implementation and supervision of PMC and reporting of safeguards progress to the WB, and the supervision of the SESCHA consultants and other technical outputs. | 0 (included as part of safeguards supervision) |
| RAP/ARAP Monitoring | Independent consultant for monitoring of entitlements and livelihood restoration. Intermittent commitment. | 80,000 |

Annex 1: Potential Subprojects and Preliminary Screening

The table below includes a list of potential subprojects and an initial screening of potential impacts, classification of safeguards risk and likely safeguards instruments required.

Proposed Subproject Investments in Milne Bay (subject to screening and appraisal on a rolling basis during project implementation). The following list of proposed subproject investments for this component has been identified for the development of Alotau as a tourism hub and its connected spokes in the province. The proposed investments are subject to screening and appraisal on a rolling basis during project implementation, taking into account the findings of the demand assessments and provincial tourism development plans. Therefore, this list may be updated during the development of the urban and provincial tourism development plans.

| Subproject Description | Safeguards Screening | Environmental Category | Likely Safeguards Instruments |
|--|---|-----------------------------------|---|
| <p>Alotau foreshore facelift and development. With the growth of the cruise ship industry, and the increasing number of cruise ships bringing thousands of tourists to the shores of Alotau and several other locations in the province, there has surfaced a need to put in place facilities and initiatives to allow for more tourists to come ashore and also to spend the tourists dollars on local activities and sightseeing. This investment will also benefit the people of Alotau.</p> | <p>Local stakeholder engagement required. Civil works mitigation required avoid discharges of sediment to the marine environment, health and safety issues and nuisances (dust, noise, traffic). Potential social impacts from changes to markets, stalls and other retail / commercial operations.</p> | <p>Category B</p> | <p>ESIA and or ESMP (depending on nature and scale of civil works and works in or near marine environment). Due diligence of land ownership and acquisition requirement. (RAP may be required).</p> |
| <p>Alotau streetscape. The beautification of the streets from the port to Massim Cultural Center has also been identified as a priority infrastructure need. It will create a more welcoming environment</p> | <p>Local stakeholder engagement required. Civil works requires management of vegetation</p> | <p>Category B – minor impacts</p> | <p>ESMP. Due diligence on land ownership.</p> |

| Subproject Description | Safeguards Screening | Environmental Category | Likely Safeguards Instruments |
|---|--|----------------------------|--|
| for tourists and locals. | clearance, sediment and erosion control and other nuisances (dust, noise, heavy traffic). Land ownership likely to be government. | | |
| War memorial facelift. Alotau is historic in terms of World War II. There are two war memorial sites located in the vicinity of Alotau town which are in need of rehabilitation. | Stakeholder engagement required (offshore and local). Civil works requires management of vegetation clearance, sediment and erosion control and other nuisances (dust, noise, heavy traffic). | Category B – minor impacts | ESMP. Due diligence of land ownership |
| Upgrade of water line to Alotau port. When cruise ships arrive to Alotau, the water line to the town is disconnected in order to serve the cruise ship. The subproject will finance the construction of a dedicated water pipeline (1.2 km) from the water reservoir to the port. | Community consultation. Due diligence on water rights and impacts on other rightful users. Civil works requires management of vegetation clearance, sediment and erosion control and other nuisances (dust, noise, heavy traffic). | Category B – minor impacts | ESMP. Due diligence of land ownership. |
| Upgrade of central foreshore park in Alotau. Alotau’s main public gathering space is centrally located, including large dilapidated green areas and markets. There have been plans to upgrade this area for many years to increase the attractiveness of Alotau, but it has not been possible due to lack of financing. Local vendors will be provided by an | Local stakeholder engagement required. Civil works mitigation required avoid discharges of sediment to the marine environment, health and safety issues and nuisances (dust, noise, | Category B | ESIA and or ESMP (depending on nature and scale of changes to markets). Due diligence of land ownership. |

| Subproject Description | Safeguards Screening | Environmental Category | Likely Safeguards Instruments |
|---|---|---|--|
| <p>alternative nearby location to avoid any negative impact on their economic livelihood during the upgrading period.</p> | <p>traffic). Potential social impacts from changes to markets, stalls and other retail / commercial operations.</p> | | |
| <p>Sanderson Bay improvements and park beautification. This proposes a seawall to extend along the Sanderson Bay and along the beachfront to the national Kenu and Kundu Festival site. This would also include dredging the bay and removing sunken boats that are eyesores. Semi-permanent craft huts could be erected, and sitting benches placed along the walk way. This would also include the construction of toilet facilities and landscaping.</p> | <p>Stakeholder engagement required. Potential impacts on marine environment from seawall and dredging and sunken boats (sediment discharges, disturbances to benthic habitat). Works will require mitigation to minimize disturbances and avoid sensitive habitats (if any). Adequate treatment and disposal of sewerage.</p> | <p>Category B – potentially significant impacts</p> | <p>ESIA and ESMP. Due diligence on land ownership.</p> |
| <p>Gravel Pit Bridge. With the introduction of the new Tourism Zone Initiative of direct flights between Australia ports and Gurney in November, again as part of the tourism development drive, the road network between Alotau and Gurney needs to be adequate. Of particular concern is the Gravel Pit Bridge, about two kilometers outside Alotau town. There is a wet crossing there but during heavy rains, which are constant in Alotau, the bridge become flooded and un-crossable by vehicles. This bridge needs to be fixed or rebuilt as a matter of urgency.</p> | <p>Consultation required. Potential impacts on river environment from temporary works and / or permanent diversions or alterations. Civil works mitigation required avoid discharges of sediment to the marine environment, health and safety issues and nuisances (dust, noise, waste, traffic).</p> | | <p>ESIA and / or ESMP depending on nature and scale of impacts. Due diligence on land ownership.</p> |

| Subproject Description | Safeguards Screening | Environmental Category | Likely Safeguards Instruments |
|--|---|--|---|
| <p>Deidei Hot Springs Attraction Development. The Deidei Hot Springs located in East Fergusson Island has become an international tourist attraction, drawing visitors from all over the world to watch the amazing actions of nature as it shoots boiling geysers up to 20 meters at the call of the village elders. However, the facilities at the site need to be improved. The first consideration is for a jetty, where support boats coming from off the cruise ships can land tourists. The second is for a form of transportation from the beach to the site, which is about two kilometers. It is proposed that buggies or bicycles that can pull carts behind them to be used to transport the elderly tourists. There also needs to be benches and huts and kiosk, which could be run by villages.</p> | <p>Stakeholder engagement required.</p> <p>Potential impacts on marine environment from jetty construction and use (sediment discharges, disturbances to benthic habitat).</p> <p>Works will require mitigation to minimize disturbances and avoid sensitive habitats (if any).</p> <p>Land acquisition may be required for jetty.</p> <p>Social impact assessment required on increase in visitors, including screening and assessing IP issues.</p> | <p>Category B – moderate to significant impacts.</p> | <p>ESIA, ESMP, integrating IP requirements if necessary.</p> <p>Due diligence on land acquisition and ARAP/RAP may be required.</p> |
| <p>Water and sanitation facilities at Kaibola/Kitava cruise tourism landing site. With the growing number of tourists visiting on the cruise ships, there is an urgent need to build water and sanitation facilities at the Kaibola/Kitava jetty site.</p> | <p>Consultation required. Due diligence on water rights and impacts on other users.</p> <p>Adequate treatment and discharge of sewerage.</p> | <p>Category B – minor impacts</p> | <p>ESMP. Due diligence on land ownership.</p> |
| <p>East Cape Jetty. East Cape is the main entry and landing point for people coming from the populated districts of Esa'ala and Kiriwina-Goodenough Islands. It is also major tourism destination, being the eastern-most tip of the PNG mainland. The World Bank has also announced to fund the upgrade and sealing of the Alotau-East Cape road</p> | <p>Stakeholder engagement required.</p> <p>Potential impacts on marine environment from jetty construction and use (sediment discharges, disturbances to benthic</p> | <p>Category B – moderate to significant impacts.</p> | <p>ESIA, ESMP, integrating IP requirements if necessary.</p> <p>Due diligence on land acquisition and ARAP/RAP may be required.</p> |

| Subproject Description | Safeguards Screening | Environmental Category | Likely Safeguards Instruments |
|---|--|--|--|
| <p>and future plans to open up the islands of Normandy, Fergusson and Goodenough through a road network, will also lift the profile of East Cape as a tourist thoroughfare to those islands. Kiriwina, known for their beautiful wood carvings, will also utilize this road network to get to Alotau to sell. Currently there is no proper jetty or wharf at East Cape to facilitate these traffic of people and dinghies carrying cargo and passengers.</p> | <p>habitat). Works will require mitigation to minimize disturbances and avoid sensitive habitats (if any). Land acquisition may be required for jetty. Social impact assessment required on increase in visitors, including screening and assessing IP issues.</p> | | |
| <p>Restoration of Cultural Heritage Villages. There is an opportunity to restore a selected number of cultural villages in surrounding villages where the local people can display their rich cultures through dance, arts and crafts and folklore when tourists visit. Opportunities for such developments will be identified in the Provincial Tourism Development Plans, and projects selected for infrastructure development could be tied to TA and funding under component 2.2</p> | <p>Stakeholder engagement required. Social assessment, including IP, to determine the impacts and benefits to host community and beneficiaries. Potential benefits to cultural heritage if developments done sympathetic to cultural needs of stakeholders. Minor civil works will require mitigation to minimize disturbances and nuisances (noise, dust, waste, traffic, health and safety).</p> | <p>Category B – minor to moderate impacts</p> | <p>ESIA and / or ESMP (focused on social impacts/benefits) depending on nature and scale of impacts, integrating IP requirements as necessary. PCR Management Plan to be integrated into the Cultural Heritage Site Management Plans if they will be prepared, otherwise they will be subplans to the ESMP. Due diligence on land ownership. ARAP/RAP to be prepared if necessary.</p> |
| <p>Eco-Tourism Developments. Developing ecotourism products and experiences is one option for ordinary village people to benefit from tourism. Milne Bay boasts of some of the most beautiful,</p> | <p>Stakeholder engagement required. Social assessment, including IP, to determine the impacts</p> | <p>Category B – minor to significant impacts</p> | <p>ESIA, ESMP. Due diligence on land / resource ownership. ARAP/RAP may be required. Process</p> |

| Subproject Description | Safeguards Screening | Environmental Category | Likely Safeguards Instruments |
|--|--|--|--|
| <p>unique and rich environments, from the mountainous to the seas, islands and atolls to the reefs and sea ways. Esa'ala is leading the way in re-introducing eco-tourism programs with village guest houses, home-stay, bush-tracking, diving and fishing. The initiative has the potential to be spread to all districts and LLGs. Opportunities for such developments will be identified in the Provincial Tourism Development Plans, and projects selected for infrastructure development could be tied to TA and funding under component 2.2.</p> | <p>and benefits to host community and beneficiaries. Potential benefits to host communities if developments done sympathetic to their needs. Potential impacts on other resource users not associated with tourism ventures. Ecological impact assessment required to identify potential impacts from increased visitor numbers on natural habitats and resource users. Minor civil works will require mitigation to minimize disturbances and nuisances (noise, dust, waste, traffic, health and safety). Due diligence on land ownership and appropriate land acquisition methods. Possible for voluntary land donations where beneficiaries are also land owners.</p> | | <p>framework may be required.</p> |
| <p>Development of Cultural Festivals. Cultural Festivals and events could be encouraged and held in the districts to promote and highlight the unique</p> | <p>Stakeholder engagement required. Minor civil works will require</p> | <p>Category B – minor to moderate impacts.</p> | <p>ESMP, incorporating IP requirements where necessary. PCR Management</p> |

| Subproject Description | Safeguards Screening | Environmental Category | Likely Safeguards Instruments |
|---|---|--------------------------------------|---|
| <p>cultures of the various districts. In Esa’ala the Kula Festival has been revived. In Misima the Haptomwa Festival, and in the past Samarai has the Giniuba Kaiheya. Opportunities for such events will be identified in the Provincial Tourism Development Plans, and projects selected for infrastructure development could be tied to TA and funding under component 2.2</p> | <p>mitigation to minimize disturbances and nuisances (noise, dust, waste, traffic, health and safety). Due diligence on land ownership and appropriate land acquisition methods. Possible for voluntary land donations where beneficiaries are also land owners. Social assessment required, incorporating IP assessment where necessary.</p> | | <p>Plan may be required depending on the nature and scale of activities. Due diligence on land ownership. ARAP/RAP may be required.</p> |
| <p>Development of Yachting/Sports Tourism/Game Fishing. The Louisiade and Yeleyamba LLG in particular have potential for development of this niche segment, due to the annual international yachting regattas. On-shore facilities need to be developed so that the people can benefit from these activities when the international visitors visit. The two LLGs also hold reefs and shorelines that can host game fishing competitions and sports tourism such as kayaking and surfing.</p> | <p>Stakeholder engagement required. Civil works in and near marine environment will require mitigation to minimize ecological disturbances and nuisances (noise, dust, waste, traffic, health and safety). Due diligence on land ownership and appropriate land acquisition methods. Ecological impact assessment may be required to determine long term impacts of development of sports</p> | <p>Category B – moderate impacts</p> | <p>ESIA and / or ESMP depending on the nature and scale of impacts, incorporating IP where necessary. Due diligence on land</p> |

| Subproject Description | Safeguards Screening | Environmental Category | Likely Safeguards Instruments |
|------------------------|--|------------------------|-------------------------------|
| | fishing / increase in visitor numbers. Social assessment, including assessment of IP where necessary. Potential benefits and impacts on host communities. | | |

Proposed Subproject Investments in East New Britain (subject to screening and appraisal on a rolling basis during project implementation). The following list of proposed subproject investments has been identified for the development of Rabaul and Kokopo as tourism hubs and connected spokes across the province. The proposed investments are subject to screening and appraisal on a rolling basis during project implementation, taking into account the findings of the demand assessments and provincial tourism development plans. Therefore, this list may be updated during the development of the urban and provincial tourism development plans.

| Subproject Description | Safeguards Screening | Environmental Category | Likely Safeguards Instruments |
|---|--|-------------------------------|--|
| Rehabilitation of road from the Rabaul port and construction of a hand-crafts local market. This road is used by about 200 passenger minibuses bimonthly to take tourists from the cruise ships around Rabaul, Kokopo, and attractions in the province. The road has several potholes and is temporarily fixed the day before a cruise ship arrives. The proposed subproject will also include the construction of an open-air hand-crafts market using local traditional construction materials (timber and sago leaves), similar to the Kokopo market. | Stakeholder engagement required. Civil will require mitigation to minimize ecological disturbances, sediment discharges to waterways and nuisances (noise, dust, waste, traffic management, health and safety). Due diligence on land ownership and appropriate land acquisition methods (if | Category B – moderate impacts | ESIA, ESMP, integrating IP where necessary. Due diligence on land ownership and ARAP/RAP if necessary. |

| Subproject Description | Safeguards Screening | Environmental Category | Likely Safeguards Instruments |
|---|---|---|--|
| | <p>necessary). Social assessment, including assessment of IP where necessary. Potential benefits and impacts on host communities and market stall owners (current and potential).</p> | | |
| <p>Rehabilitation of Bita Paka War Cemetery. The Rabaul (Bita Paka) War Cemetery, established in 1945, is currently one of the most important and unique site visits in ENB. The cemetery contains 1,120 Commonwealth burials of the Second World War, 500 of them unidentified. The cemetery contains the Australian and Commonwealth graves of those killed during operations in New Britain and New Ireland during World War II, or who died while prisoners of war. The cemetery also contains First World War graves brought in from Rabaul Cemetery in 1950 and from Kokopo Old German Cemetery in 1961. In all, 32 First World War servicemen are now buried or commemorated in the cemetery. The cemetery is managed by the Commonwealth War Graves Commission. The subproject would rehabilitate the access road and improve project site management, including street lights, hand-craft kiosks for local community to sell their products, public toilets, and signage and interpretation panels.</p> | <p>Stakeholder engagement required (offshore and local). Civil works requires management of vegetation clearance, sediment and erosion control and other nuisances (dust, noise, heavy traffic). Expected to benefit the physical cultural resources but there may be unintended impacts on artefacts or grave sites. Social assessment to include IP issues. Due diligence on land ownership required.</p> | <p>Category B – minor to moderate impacts</p> | <p>ESMP, including PCR Management Plan and IP requirements if necessary. Due diligence of land ownership</p> |
| <p>Mask Festival Showground Facilities upgrade and</p> | <p>Stakeholder engagement</p> | <p>Category B – minor to</p> | <p>ESMP, including IP</p> |

| Subproject Description | Safeguards Screening | Environmental Category | Likely Safeguards Instruments |
|--|--|---|--|
| <p>site improvement. ENB’s Mask Festival attracts visitors from all over the world and across PNG. However the showground site does not have adequate facilities to host such an event. Improving the site and facilities will benefit both tourists and the local population. This infrastructure project could be tied to TA and funding under component 2.2.</p> | <p>required (offshore and local). Civil works requires management of vegetation clearance, sediment and erosion control and other nuisances (dust, noise, heavy traffic). Social assessment to include IP issues and impacts and benefits for beneficiaries and host communities. Due diligence on land ownership required.</p> | <p>moderate impacts</p> | <p>requirements if necessary. Due diligence of land ownership.</p> |
| <p>Rehabilitation of Museum and Art Gallery. The objective of this investment is to physically rehabilitate ENB’s two museums/art galleries and improve exhibits display visitor management and experience. Kokopo War Museum (Kokopo Museum) began in the early 1980s as a small museum at the so called “Yamamoto Bunker” in Rabaul. It was moved to Kokopo to accommodate a growing collection, and in anticipation of any possible volcanic eruption. This museum contains a large collection of WW II artifacts from the Rabaul related to the history of the area, including local art & culture, German colonial period, prewar and WWII Japanese occupation. The New Guinea Club & Rabaul Museum was established in 1933. It was originally a businessmen’s club with strict guidelines for membership. It was badly damaged in WWII and rebuilt in the 1940s to its former glory, only to be</p> | <p>Stakeholder engagement required (offshore and local). Civil works requires management of nuisances (dust, noise, heavy traffic). Expected to benefit the physical cultural resources but there may be unintended impacts if restoration not well managed. Social assessment to include IP issues. Due diligence on land ownership required.</p> | <p>Category B – minor to moderate impacts</p> | <p>ESMP, including PCR Management Plan and IP requirements if necessary. Due diligence of land ownership</p> |

| Subproject Description | Safeguards Screening | Environmental Category | Likely Safeguards Instruments |
|---|--|-------------------------------------|---|
| destroyed again by fire in 1993. It has been partly restored and is now home to a small and interesting art items and unique WWII collection. | | | |
| <p>Rehabilitation of access road to Kokopo/Rabaul Japanese Barge Tunnels site and improved site management. At Karavia Bay, between Raluana Point and Vulcan, are a network of tunnels and tracks connecting barges and buildings dating back to the war. In the main tunnel are five barges lined up end to end. Visitors are advised to take a torch. The subproject would rehabilitate the access road and improve project site management, including parking, simple hand-craft kiosks for local community to sell their products, public toilets and interpretation panels.</p> | <p>Stakeholder engagement required (offshore and local). Civil works requires management of sediment discharges, land clearances, nuisances (dust, noise, heavy traffic). Expected to benefit the physical cultural resources but there may be unintended impacts if restoration not well managed. Social assessment to include IP issues. Due diligence on land ownership required.</p> | <p>Category B –moderate impacts</p> | <p>ESIA and / or ESMP, depending on nature and scale of impacts, and including PCR Management Plan and IP requirements if necessary. Due diligence of land ownership. ARAP/RAP may be required.</p> |
| <p>Duke of York Islands Ferry. A fast ferry to the Duke of York islands would open this appealing destination up to more tourists and improve access for the local population.</p> | <p>Wharf facilities in place. No civil works proposed. Purchase of vessel only. Stakeholder engagement required. Social assessment to include the impacts and benefits to beneficiaries and host communities, and should include IP issues. Due diligence of land ownership of supporting</p> | <p>Category B – minor impacts</p> | <p>ESMP focusing on any mitigation required to manage social and IP impacts. Due diligence of land ownership.</p> |

| Subproject Description | Safeguards Screening | Environmental Category | Likely Safeguards Instruments |
|---|--|----------------------------------|--|
| | infrastructure. | | |
| <p>Rabaul Observatory site management improvement. The observatory overlooking Simpson Harbour, Rabaul and the volcanoes is a popular tourist attraction, but parking and traffic congestion has become a major issue for buses transporting large numbers of cruise passengers.</p> | <p>Stakeholder engagement required. Minor civil works requires management of sediment discharges, land clearances, nuisances (dust, noise, heavy traffic). Social assessment to include the impacts and benefits to beneficiaries and host communities, and should include IP issues. Due diligence of land ownership.</p> | | <p>ESMP. Due diligence of land ownership. ARAP/RAP may be required.</p> |
| <p>Underground Hospital site management improvement. This war heritage site is overgrown and in need of site management.</p> | <p>Stakeholder engagement required (offshore and local). Civil and landscaping works requires management of sediment discharges, land clearances, nuisances (dust, noise, heavy traffic). Expected to benefit the physical cultural resources but there may be unintended impacts if restoration not well managed. Social assessment to include IP issues. Due diligence on land ownership required.</p> | <p>Category B –minor impacts</p> | <p>ESIA and / or ESMP, depending on nature and scale of impacts, and including PCR Management Plan and IP requirements if necessary. PCR Management may be integrated into the cultural heritage site management plan if one is going to be prepared for this site. Due diligence of land ownership.</p> |

| Subproject Description | Safeguards Screening | Environmental Category | Likely Safeguards Instruments |
|---|--|----------------------------------|---|
| <p>Omorong Recreational Park Facilities. This public park area warrants a beautification investment.</p> | <p>Stakeholder engagement required (offshore and local). Landscaping works requires management of sediment discharges, land clearances, nuisances (dust, noise, heavy traffic). Social assessment to include IP issues. Due diligence on land ownership required.</p> | <p>Category B –minor impacts</p> | <p>ESIA and / or ESMP, depending on nature and scale of impacts, and including IP requirements if necessary. Due diligence of land ownership.</p> |

Annex 2: Resettlement Policy Framework

A2.1 Introduction

Under the PNG Tourism Sector Development Project, this Resettlement Policy Framework (RPF) provides guidance on resettlement screening, assessment, institutional arrangements, and processes regarding Involuntary Resettlement to be complied with. The RPF will guide the preparation of Resettlement Action Plan (RAP) or Abbreviated Resettlement Action Plan (ARAP) for sub-project. The World Bank OP 4.12 on Involuntary Resettlement sets the standards on addressing and mitigating risks resulting from involuntary resettlement, including any case of involuntary land taking.

The World Bank recognizes that land acquisition and land use restrictions induced by the project can have adverse impacts on land users and communities. Here “involuntary resettlement” refers both to physical displacement (relocation or loss of shelter) and economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood) as a result of the project activities. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement.

A2.2 Project Description

The project development objective is to improve tourism services in targeted destinations. The Project will leverage opportunities for tourism development in the high-potential provinces of East New Britain and Milne Bay, and target key constraints currently impeding sustainable growth of the sector in these locations. The Project introduces an integrated approach that meets the need for: (i) stronger and more coordinated institutional and policy frameworks for tourism development across national, provincial and local levels; and (ii) improved/rehabilitated small-scale infrastructure for compelling tourism sites, products and experiences in the destination’s tourism hubs and connected spokes (e.g., cultural and natural heritage sites around each hub). Consequently, the improved institutional and policy environment will be more conducive to designing and implementing realistic tourism development strategies at national and provincial level. The provincial tourism strategies will be aligned with the current tourism product offering, which does not require massive investments during the next five years, but rather improvement and rehabilitation of existing tourism attractions. This will be achieved by supporting complementary small-scale infrastructure and product-support investments that can lead to a rise in tourist visits. The consequent rise in tourism spending will then increase the tourism income captured by Project beneficiaries, especially women. This will, in turn, fuel inclusive local economic growth.

A2.2.1 Component 1: Institutional and Policy Frameworks

This component will seek to raise the standard of government entities integral to establishing and growing an effective tourism sector. Institutional strengthening and integrated planning at the national level, the provincial level (in East New Britain and Milne Bay), and the local level (in Kokopo, Rabaul and Alotau), will enable entities to carry out key priorities such as: improved destination planning and management; marketing and promotion; skilled workforce development and capacity

building; product development; sustainable site management of tourism assets; and performance monitoring and evaluation activities. Support will ensure that all planning, design, implementation and monitoring activities are done in an inclusive and gender-sensitive manner.

Subcomponent 1.1. Strengthening the national and provincial tourism development framework

This subcomponent will support the Ministry of Tourism, Arts and Culture (MTAC) and Provincial Administrations and tourism stakeholders in East New Britain and Milne Bay to improve the national and provincial environments for tourism planning and development. In doing so, the subcomponent will initially support the preparation of Papua New Guinea's 2018-2022 national tourism strategy. Similarly, the project will support the preparation of provincial tourism strategies for East New Britain and Milne Bay, which will be informed by a detailed demand assessment to be implemented by IFC. These five-year provincial tourism strategies will focus on improving the current tourism offering through small scale developments with high yield potential and low environmental and social impacts. Subsequently this subcomponent will finance priority TA activities identified as part of the strategies, including: guidance for the establishment of effective and sustainable provincial tourism / destination management offices; the implementation of a targeted marketing strategy for each province; the delivery of workforce development and capacity building priorities at national and provincial level; facilitation of business support services to tourism-related MSMEs; and overall monitoring and evaluation activities. Lastly, this subcomponent will assist MTAC in the prioritization of other provinces that can benefit from the implementation of potential subsequent investments.

Activity 1. Assessment of the Tourism Sector in PNG

Before developing tourism strategies it is critical to understand learnings from previous ones and the current state of play of the sector. Therefore, this activity will involve extensive stakeholder consultation and desk study to inform:

- A review of the current national Tourism Strategy, including an analysis of challenges faced in progressing the agreed strategies and actions, to identify lessons to be considered in developing the new strategies. This will supplement the 2011 review of the Model Province Tourism Plans as an additional input;
- A 'Situational Analysis' (diagnostic) of the tourism sector to identify the institutional landscape for tourism development, analyze supply, and determine constraints to sector development. This will be complemented by a market demand study to be conducted in parallel by IFC;
- A Tourism Supply Inventory/Audit to list and map tourism supply including infrastructure, products, services, sites and experiences (broadly across the country, but with more detail for East New Britain and Milne Bay). Existing audits are available to facilitate this task.

Activity 2. Preparation of a new 2018-2022 Tourism Strategy for PNG

With PNG's 2007-2017 Tourism Strategy approaching its final year, this activity will provide a national framework to guide the development and promotion of tourism in PNG for the next five years. The development of the new tourism strategy will be informed by the preceding Sector Assessment and entail:

- Consultations with key private sector, community, government, training, and development partner stakeholders to identify a shared vision for tourism, and gather input on tourism development needs and opportunities;
- Documentation of Strategic objectives, strategies and priorities for the following aspects of the tourism value chain:
 - Policy and institutional framework. This section will recommend institutional arrangements that can better support tourism development, within the regulatory framework of the new Tourism Act. For example, this section will identify:
 - Policies for optimizing tourism development coordination across the Government institutions under Tourism, Arts and Culture, namely the Tourism Promotion Authority (TPA), the National Cultural Commission (NCC) and National Museums and Galleries (NMAG);
 - Policies for optimizing tourism development coordination between the TPA and other national government institutions involved in tourism including agencies responsible for investment promotion, transport, airports, ports, small business development, internal revenue, commerce and trade, customs, foreign affairs, quarantine and immigration, the environment and conservation.
 - Policies for optimizing tourism development coordination vertically between the TPA, and the provincial administrations and local authorities;
 - Policies for optimizing tourism development coordination between the public and private sector nationally;
 - Policies for optimizing tourism development coordination with development partners.
 - Market analysis and marketing. This section will validate and/or enhance the TPA's Marketing Strategy 2016-2020 which is currently in development;
 - Product and experience development priorities. This section will:
 - Identify at a broad (national) level, the needs and opportunities for investment in accommodation, tours, attractions, niche experiences (e.g. culture, marine, adventure, war heritage), events, and ancillary tourism offerings e.g. artisan items, retail outlets, restaurants etc.;
 - Include recommendations for advancing tourism quality standards and accreditation to enhance and extend the program initiated by TPA for guest houses so far;
 - Profile the market gaps/needs, and proposed interventions for developing community-based enterprises, MSMEs and large tourism investments. This will inform what will be progressed under this project or facilitated through development partner programs. (Note: Based on consultations and research to date, there is a clear need to develop competitive cultural tourism products and experiences, and an opportunity to mobilize community enterprise programs to do this, using the World Bank's Community Driven Development CDD model in PNG, overlaid with an enterprise development support program. This will be mobilized under Sub-Component 2.2 of this project. The needs of

the private micro, small, medium and large businesses will be the subject of further scoping under the Tourism Strategy consultations).

- Workforce Development. This section will identify training and capacity building priorities for employees of tourism businesses, self-employed business owners and OTAC institution staff.
- Development of an Action Plan to detail how set objectives in the national strategy will be achieved and to document specific activities, timelines, resource requirements and KPIs. This will include:
 - An 'Immediate Action Plan' with highest priority activities that can be delivered under this Tourism Sector Development Project; and
 - A 'Medium to Long-Term Action Plan' with activities recommended for subsequent Government and development partner support.

It is proposed that this National Tourism Strategy be developed concurrently with Provincial Tourism Strategies for East New Britain and Milne Bay (see Activity 2) in order to: mitigate the risk of duplicating stakeholder consultations; ensure relevant research is leveraged across both activities; achieve cost savings from a combined exercise; and optimize the sequencing of activities in developing and implementing the plans.

Activity 3: Preparation of provincial tourism strategies

The preparation of a comprehensive and actionable tourism strategies for East New Britain and Milne Bay (each) will provide a framework and detailed guidance on how tourism development should take place in the respective provinces, based on inputs from all stakeholders and insights from international best-practice. The strategies will be informed by findings from the Sector Assessment (Activity 1) as well as the impending IFC-funded support to TPA for an International Visitor Survey and Market Demand Study. Furthermore, the provincial strategies will inform, and be informed by, the national tourism strategy that is to be developed in parallel. They will adopt a similar framework, but the provincial strategies will detail province-specific needs and opportunities, together with an implementable action plan. This will help to ensure that there is a systematic and coordinated approach to tourism development in these demonstration provinces. This is essential if tourism development is to be sustainable; promoting development that protects fragile ecologies and respects local cultures. Important too is the opportunity that such a strategy provides for communities to be involved at the start, and not just brought in as an afterthought. The preparation of each strategy will build on the considerable amount of work that has already been undertaken in the provinces, including the 2006 Model Province Plans (which although 10 years old, feature much information that is still relevant), and the more recent documentation of tourism development vision, principles and ideas in each province. The (brief and high-level) 'ENB Tourism Master Plan 2017-2022' developed the following vision with tourism stakeholders: "ENB to have an educated, healthy and wealthy population living in a socially peaceful and wise community", but government and industry have indicated a need to strengthen the plan's direction for implementation. Similarly, in Section 4.5 of the Milne Bay 'Integrated Provincial Development Plan 2016-2020', the tourism vision for the province is identified as: "A vibrant, sustainable and community driven eco-tourism industry in Milne Bay". Such visions and principles for provincial tourism development that have recently been agreed amongst stakeholders will form the foundations for the more comprehensive tourism strategies proposed under this project, which are needed to take this work forward to a stage where many components can be implemented.

The five-year provincial tourism strategies will focus on improving the current tourism offering through small scale developments with high yield potential and low environmental and social impacts. Therefore, they will entail the following tasks in each Province:

- **Tourism Hubs and Spokes Resource Mapping.** This will build on the tourism supply inventory for ENB and Milne Bay and situation analysis (both conducted under Activity 1), the IFC-support Market Demand Study (to be provided in 2017), and ongoing consultations to canvas local market/industry insights. It will identify and visually map the tourism hubs, spokes and connecting circuits in each province to visually present tourism resources including tourism infrastructure, sites, products and intangible experiences that are currently available, and those resources with the potential to enhance/develop tourism sites, products and intangible experiences. This activity will: (i) identify gaps in current supply of tourism infrastructure and products in identified hubs and spokes; (ii) describe the nature of and rationale for the development of new infrastructure, sites and products; and (iii) specify product/experience development opportunities that host communities/businesses want to progress.
- **Infrastructure priorities.** As the tourism strategies envision tourism development with low environmental and social impacts, this will only require small-scale/site-specific improvements or rehabilitations that do not affect areas broader than the sites. Therefore, a list of priorities for small-scale infrastructure and services will be determined through the tourism supply inventory/ audit, and related hub and spoke mapping exercise. The business case, objectives, activities, timelines, budget and sources, responsibilities and KPIs will be identified in the strategies implementation plan.
- **Product, experience and facility development priorities.** Similar to infrastructure above, a list of priorities for product development and investment in accommodation, tours, attractions, niche experiences (e.g. culture, marine, adventure, war heritage), event and ancillary tourism offerings e.g. artisan/souvenir items, retail outlets, restaurants etc., will be identified through the tourism supply inventory/audit and mapping of these according to hubs and spokes. The business case, objectives, activities, timelines, budget and sources, responsibilities and KPIs will be identified implementation plan. Those with high priority will be addressed under this Tourism Sector Development Project (private MSMEs via subcomponent 2.1 and interested community-based enterprises via subcomponent 2.2). They will include feasibility assessment and will be based on maximizing community involvement.
- **Heritage Site Development Plans.** Site development plans will be produced for agreed high priority sites identified through the resource audit and mapping. These plans will determine the economic feasibility of each site and be based on maximizing community involvement within an appropriate legislative framework. They will be formatted as an investment portfolio, which should speed up the rate at which the proposed developments will be implemented. Development partners will be identified, especially at heritage sites. Guidelines on the natural and cultural sustainability of these sites will be included. Primary sites will receive detailed development plans specifying who will be involved, when the development will take place, what land tenure exists and how much it will cost. Secondary sites will have less detail. The site development plans will take into account ongoing events (e.g. new attractions being established).

- **Institutional Arrangements for Provincial Tourism Development and Marketing.** An institutional structure for managing tourism development and marketing in each province will be recommended, in alignment with the National Tourism Strategy. This will detail (i) the structure and accountabilities of the body/ies responsible for tourism development and marketing each province; (ii) a Terms of Reference, accountabilities, and staffing structure; (iii) mechanisms for tourism coordination with this body/these bodies, the TPA, other relevant agencies, industry and community; (iv) a resourcing plan including itemized budget (income and expenditure) through the short to long term; and (iv) capacity building needs and solutions for staff to mobilize tourism development and marketing plans. The potential to transition the respective provincial tourism bureaus into a Destination Management Office (DMO) that can generate income from value added activities in the future, will be scoped. Priority recommendations will subsequently be addressed under this Tourism Development Project. (See Activity 4).
- **Provincial Marketing Strategy and Annual Plan.** A medium-term Marketing Strategy will be developed for each province with the objectives of: (i) identifying target markets using available market analysis; (ii) creating a distinct brand image and identity that resonates with target markets; (iii) identifying communications and tactical marketing opportunities via optimal channels for reaching and converting target markets (e.g., social media, advertising, travel industry and media relations) and (iv) developing a local community awareness marketing campaign. This Strategy will be informed by the Market Demand Study and TPA Marketing Strategy. A Marketing Plan for the first year will also be developed to enable operationalization of the Marketing Strategy and provide a framework for annual marketing activity. This will detail proposed marketing activities that complement and/or supplement the broader TPA marketing activities. It will also feature timelines, responsibilities, budget amounts and sources, and KPIs. It is proposed that the medium term Marketing Strategy, and the first three years of the Annual Marketing Plans be funded under the Tourism Development Project, with a view to developing a public/private cooperative marketing model under a Destination Management Organization model (see Activity 5).
- **Workforce Development Priorities.** Tourism workforce development priorities for each province will be recommended, in alignment with that developed under the national Tourism Strategy, and with a specific focus on skills gaps within each province. Each plan will identify province-specific needs and opportunities for skills development for tourism employees and self-employed MSMEs in the respective provinces. It will also consider skills development needs for staff of provincial tourism bodies. These plans will include numbers of individuals to be trained in specific skills and knowledge, and propose how and where this training could be provided. Key objectives, activities, timelines, budgets and sources, responsibilities and KPIs will be detailed in the Provincial Plan's 'Immediate Action Plan' or 'Medium to Long Term Action Plan', depending upon the level of priority. Those in the former will be addressed under this Tourism Development Project. (See Activity 6).
- **Economic base and forecast.** A forecast will be made of the value of tourism for each province, including a provincial breakdown. The possible development scenarios and their underlying assumptions will be outlined.

The remaining activities represent the implementation of high-priority initiatives identified under the National or Provincial Tourism Strategies:

Activity 4. Setting up tourism destination offices in two provinces

This activity will be informed by the recommendations under the 'Institutional Arrangements for Provincial Tourism Development and Marketing' in the Provincial Tourism Strategies. It will propose an institutional framework to ensure proper destination management, public-private partnership at the TPA level, as well as and sustainability of investments made in provinces. Based on consultations and research to date, the assignment is likely to include the following activities:

- Provide institutional and legal advice to define the best organization for the proposed establishment of destination management offices in the two provinces;
- Design and implement a destination management network linking TPA to provincial and local level management and promotional activities;
- Help establish the Destination Management Office (DMO) in each province (attached to tourism information center), define institutional and work arrangements, draft staff jobs descriptions including scope of work and minimum qualifications, assist TPA in interviewing and appointing qualified staff, and offer on-the-job training to appointed staff;
- Determine a short and medium term funding model, with targets to generate income from industry stakeholders based on value provided by the office;
- Equipping the office to implement the Marketing Strategy and Annual Marketing Plan for the first year, and development of plans for each subsequent year (see Activity 5); and
- Provide training, equipment and software so the new offices can pursue their mandate effectively.

Activity 5. Marketing and promotion

This activity will mobilize the Marketing Strategy and Annual Plan developed as part of the Provincial Tourism Strategy. In doing so it will:

- Develop the brand identify for each province that resonates with target markets as recommended in the Marketing Strategy. This will include developing a tagline, logos, images and video footage, and the destination 'look and feel' for online and print materials, etc.;
- Develop online marketing tools (website and social media presence) and launch the online and social media marketing campaign as recommended in the Marketing Strategy;
- Develop print marketing / visitor information materials (e.g. brochures, guidebooks, maps) and mobilize a distribution plan (e.g. local channels for visitors, trade shows for clients etc.);
- Implement trade and media marketing activities as outlined in the Marketing Strategy and Annual Plan;
- Undertake local outreach campaign to engage local communities in tourism development;

Activity 6. Workforce development and capacity building

This activity will mobilize 'Immediate Action Plan' priorities from the Workforce Development section of the National Tourism Strategy and Provincial Tourism Strategies. Therefore, the specific activities will need to be informed by the proposed Skills Gap Analysis. Based on consultations and research to date however, the assignment is likely to include the following early implementation activity:

- A capacity building program for officials at the key Tourism Arts and Culture institutions (TPA, the National Culture Commission and the National Museum and Gallery), and officers in the proposed new provincial Destination Management Office.

Activity 7. Business start-up/expansion advisory service to tourism MSMEs

This activity will mobilize / facilitate connections to business development support initiative where relevant gaps are identified through the situational analysis and plans' development. A small number of business development support programs are already serving micro, small and/or medium enterprises (MSMEs) are available in PNG. DFAT's Market Development Facility serves MSEs with business advice and grant funding, whilst ADB's Pacific Business Investment Facility (BIF) serves SMEs with business advice to access commercial funding. The government-funded Small Business Enterprise Centre (SBEC), and Business Advisors in the provincial government commerce departments are an intended source of business development advisory support for emerging business owners; however, there are reported shortcomings with these services. The situational analysis will help understand the local entrepreneurship development needs this project should address for MSMEs, if indeed any gaps exist. In the least this project – through the proposed establishment of Destination Management Offices in each province - will be able to facilitate linkages between new business opportunities and existing business support programs, micro finance providers and related resources. Any larger tourism businesses seeking investment and advisory services will be referred to IFC.

(Note: The identified need and opportunity for community-based enterprises to access technical, business and community governance support is being addressed through sub component 2.2. Growing demand from cruise passengers and the niche culture-based travel segment travelers for arts and cultural heritage products and experiences offers potential for communities to develop businesses; however, this calls for a tailored community development / entrepreneurship development hybrid which will be developed under this project).

Activity 8. Performance monitoring and evaluation activities

The activity will monitor the Project's results indicators from the baseline, annually and cumulatively at the end of the Project implementation. Monitoring will not only cover the Project's results framework, but also monitor overall change in tourism statistics, satisfaction and volume of private sector investments in the two provinces. By measuring tourist arrivals/numbers, spending, satisfaction, occupancy rates, increases in tourism-related investments, and gender aspects, the Government will be better able to make adjustments when needed, and allocate resources for infrastructure, marketing, human resources, and policy reforms. At present, TPA and provinces have difficulty assessing the tourism activities in the provinces, as staff lack the expertise and financial resources to conduct surveys. Software available to date cannot accurately measure the accommodation statistics, and data are not reliable. However, as a parallel intervention to support

TPA and this project, IFC is funding a new International Visitors Survey (IVS) initiative which will equip TPA with the resources needed to collect more reliable data from tourists in the future.

This activity will therefore involve (a) utilizing new IVS data , and (b) gathering baseline data from both formal and informal tourism enterprises about the length of tourist stays, as well as employment rates (by gender), tax revenues, estimates of tourism income, expenditures, rates of profitability, and other variables through surveys, interviews and questionnaires. The Government would learn the amount that tourism enterprises spend on local goods and services and thus be able to measure the indirect/direct impacts of the sector on the provincial and national economy. Also, the survey will collect and monitor relevant gender data to better understand the roles of males and females in tourism, the potential impact of the Project by gender, and the constraints these entrepreneurs face in each of the two provinces.

In addition, as part of the Project's results assessment and beneficiaries' feedback, a baseline household survey is to be conducted to establish socioeconomic baseline data at the household level and solicit beneficiary's aspiration feedback about the project. The survey will cover the main beneficiary's settlements in each province. A follow up annual survey will be conducted to measure changes in household socioeconomic data and community feedback on the Project's progress and results.

Subcomponent 1.2. Strengthening provincial urban, cultural and community development frameworks

This subcomponent would support the underpinnings required to develop integrated tourism destinations. In doing so, this subcomponent would support (i) the preparation of a vision for Alotau; (ii) the preparation of site management plans for a selected cultural heritage sites; (iii) the provision of cultural heritage advisory services; (iv) the mapping of tangible and intangible cultural heritage in each province; and (iv) the preparation of Strategic Environmental, Social and Cultural Heritage Assessment (SESCHA). . This component would strengthen the capacity of the provincial institutions to support stakeholder engagement through public-private dialogue and increased awareness.

Activity 1: Preparation of Alotau's city vision

The activity will help the city of Alotau to diagnose the existing situation, city development patterns, infrastructure audit and define, in consultation with the stakeholders, the city development vision and directions. The activity will not define an investment action plan or identify any large scale infrastructure projects that might be classified as environment category A.

In doing so, the activity will begin to support Alotau development vision 2032: "Alotau will become nationally competitive and the first choice in Business, Tourism and Investment City in Papua New Guinea characterized by an attractive urban environment for all to live, enjoy and do business in a safe and secure environment; and that the government and customary landowners will fully participate together vision in urban development initiatives through the utilization of their urban customary land."

Activity 2. Preparation of sustainable site management plans for selected cultural and natural heritage sites.

This activity will support the preparation of site and visitor management plans for key cultural and natural heritage sites. In each province, sites will be prioritized for Site Management Plans through

the urban and/or provincial tourism development planning process. This activity will entail the following:

- Mapping sites and institutional responsibilities of O&M;
- Aligned with the SESCHA (see Activity 4), define and apply methods to assess each sites' carrying capacity, based on local conditions and design a visitor management plan;
- Design guidelines for each site and a tool-kit for operating the visitor programs;
- Define and illustrate visitor trails, infrastructure, locations of service units, access and exits, and the nature of each site;
- Describe visitor flows and projections, needed infrastructure capacity, required staff and qualifications, parking, public toilets, O&M guidelines, translation aids and techniques, monitoring, research and conservation measures; and
- Design needed signage and interpretation panels.

This activity will be undertaken with staff from provincial and local level institutions in order to provide on-the job training.

Activity 3. Cultural heritage advisory service

The objective of this activity is to (i) establish advisory service on the World Heritage Sites Tentative List for PNG (e.g., Milne Bay Seascape - The Pacific Jewels of Marine Biodiversity) and provide assistance to MTAC in preparing nomination files for new inscription of unique tangible heritage (e.g., WWII tunnels system in ENB) and intangible heritage (e.g., PNG traditional costume, masks, kenu and music) as World Heritage; and (ii) provide on-the-job capacity building to national and local institutions on cultural heritage preservation and site management plans. This activity will be implemented by the UNESCO's World Heritage Center on a cost recovery basis under a direct contract arrangement.

Activity 4. Mapping of tangible and intangible cultural heritage in each province.

This activity will extend the tourism resource mapping under sub component 1.1, to delve into more detailed mapping of tangible and intangible cultural heritage resources across each of the provinces, including and assessment of (i) cultural and tourism potential of the various resources; (ii) development needs and potential of various forms of artisanship; and (iii) the preservation and protection needs of different resources in relation to tourism development in each province.

Activity 5. Preparation of Strategic Environmental, Social and Cultural Heritage Assessment (SESCHA).

The SESCHA will assess the preparation of the new National Tourism Master P and two Provincial Tourism Strategies. It will analyse cumulative, direct and indirect implications of implementing the draft plan's strategies on natural environment, social structure and for cultural heritage. The SECHSA will also provide recommendations on how to amplify positive impacts and avoid or minimize any risks that these plans may carry. The findings of the SESCHA will be integrated into the final tourism strategies.

A2.2.2 Component 2: Infrastructure and Community / Product Development

This component will support the development of integrated tourism destinations in Milne Bay and East New Britain, as identified in the provincial tourism strategies. The implementation of the vision laid out in the tourism strategies will require small-scale/site-specific improvements or

rehabilitations that do not affect areas broader than the sites, and direct support to community-led enterprises. The small-scale improvements will benefit the tourism hubs of Rabaul and Kokopo (East New Britain) and Alotau (Milne Bay), which are the main entrances to these provinces for tourists, by air (Tokua/Rabaul and Gurney airports) and sea (cruise ships and super yachts). Moreover, the project will also support the improvement of products in ‘spokes’ (attractions around the hubs), that are already accessible and where communities are willing to participate, by improving existing products and/or experiences (or clusters of such), based on niche themes (e.g., arts, culture, nature, WWII history) and/or geographic locations. This component will also provide targeted support for the development of community-led enterprises, through a grants and advisory program for communities that wish to supply products for tourists based around their cultural or natural heritage. This approach will provide more compelling reasons for visitors to spend more time and money, thereby helping to share the prosperity generated by tourism growth.

Subcomponent 2.1. Upgrading tourism infrastructure and heritage sites in urban and rural centers

This subcomponent will support small-scale infrastructure rehabilitation to enhance key tourism assets. It will improve the overall quality of each hub destination in Rabaul, Kokopo and Alotau, and selected tourism spokes. Support would be aligned with the provincial tourism strategies. Support would include, for example, upgrading of parks, the development of provincial arts and cultural centers, museums, historical sites/walkways, markets and natural areas as determined by public and private sector prioritization. Upgrading activities would include improved signage, sitting areas, walkways, street lighting, water supply and sanitation facilities, waste collection and access road.

The general principles to identify eligible subproject investments include that they should:

- Serve the purpose of improving the quality of life; helping meet basic social, environmental, and public health standards; and promoting local economic development.
- Be identified primarily on the basis of locally determined needs, with particular attention to the needs and preferences of women.
- Represent a technically feasible, least cost approach to addressing a specific problem or need, that when developed, makes the destination viable (i.e. not requiring complementary investments). Costs of subproject alternatives, including the cost of doing nothing, must be evaluated, and their economic and financial feasibility assessed.
- Be consistent with the development objectives of tourism sector development strategies, and fall within the geographic coverage of the project.
- Be supported by financial projections, demonstrating that the incremental financial impact of the subproject (including incremental costs for operation and maintenance) can be met by the local and rural governments from overall increased revenues and/or reductions in other expenditures.
- Include a clear and complete financing plan, including evidence that the required counterpart contribution has been, or will be, secured on time and that debt service payments, together with other incremental operating and maintenance expenditures have been approved for inclusion in future budgets.
- Be in full compliance with all relevant provisions of Papua New Guinea legislation and regulations, including environmental legislation. It must fall under environmental

Category B or C, according to the World Bank's OP/BP 4.01 Environmental Assessment, and documentation prepared for the subproject must meet requirements of all safeguard policies triggered by this subproject.

This subcomponent would also support the development of two provincial arts and cultural centers, linked to the National Museum and Gallery. The centers will be developed based on a range of global models and will be linked into the vibrant network of Aboriginal Art Centers and their related fairs and markets in Australia. As cultural hubs, the centers will provide training, quality enhancement, product development, curatorial input and training, and market access and linkages. The focus of the centers will be on protecting and promoting the distinct cultural heritage and wide diversity of art practices in PNG, which in turn will serve to promote the image of PNG more generally as a tourist destination. The province based centers will also provide support to arts and hand-crafts initiatives supported under subcomponent 2.2.

Proposed Subproject Investments in Milne Bay (subject to screening and appraisal on a rolling basis during project implementation).

The following list of proposed subproject investments for this component have been identified for the development of Alotau as a tourism hub and its connected spokes in the province. These are based on contributions from stakeholders during workshops in 2016, as well as the Provincial's Government's 'Master Program and Projects' matrix which includes priorities documented in the 'Integrated Provincial Development Plan 2016-2020', and identified by the Milne Bay Tourism Bureau. The airport and port provide adequate infrastructure for tourists to access the hub of Alotau, with only the Gravel Pit bridge, which connects the airport with Alotau, requiring rehabilitation. Tourist attractions in the spokes outside Alotau are mainly reachable by boat, with Alotau having the necessary jetties. However, access to the East Cape, which is the main point of entrance to Esa'ala and Kiriwina-Goodenough Islands requires a rehabilitation of the main road. This is being done by the World Bank's Road Maintenance and Rehabilitation Project II, which is currently sealing the full length of the road between Alotau and East Cape, together with improving six existing bridges, shoulders, and drainage systems. The small jetty in East Cape requires upgrading to provide proper access to boats transporting passengers and cargo.

The proposed investments are subject to screening and appraisal on a rolling basis during project implementation, taking into account the findings of the demand assessments and Provincial Tourism Strategies. Therefore, this list may be updated during the development of the urban and Provincial Tourism Strategies. A small number of subprojects are identified below for 'early implementation' (e.g. commencing architectural and engineering design, economic assessment and safeguards documents), given their high priority and 'ready-to-go' status.

- **Alotau foreshore facelift and development.** With the growth of the cruise ship industry, and the increasing number of cruise ships bringing thousands of tourists to the shores of Alotau and several other locations in the province, there has surfaced a need to put in place facilities and initiatives to allow for more tourists to come ashore and also to spend the tourists dollars on local activities and sightseeing. This investment will also benefit the people of Alotau.

Note: This is identified as a possible 'early implementation' project.

- **Alotau streetscape.** The beautification of the streets from the port to Massim Cultural Center has also been identified as a priority infrastructure need. It will create a more welcoming environment for tourists and locals.
Note: This is identified as a possible 'early implementation' project.
- **War memorial facelift.** Alotau is historic in terms of World War II. There are two war memorial sites located in the vicinity of Alotau town which are in need of rehabilitation.
- **Upgrade of water line to Alotau port.** When cruise ships arrive to Alotau, the water line to the town is disconnected in order to serve the cruise ship. The subproject will finance the construction of a dedicated water pipeline (1.2 km) from the water reservoir to the port.
- **Upgrade of central foreshore park in Alotau.** Alotau's main public gathering space is centrally located, including large dilapidated green areas and markets. There have been plans to upgrade this area for many years to increase the attractiveness of Alotau, but it has not been possible due to lack of financing. Local vendors will be provided by an alternative nearby location to avoid any negative impact on their economic livelihood during the upgrading period.
- **Sanderson Bay waterfront improvements and park beautification.** This to upgrade the park used for the Kenu and Kundu Festival site. Semi-permanent craft huts could be established, and sitting benches placed along the walk way. This would also include the construction of toilet facilities and landscaping.
- **Deidei Hot Springs Attraction Development.** The Deidei Hot Springs located in East Fergusson Island has become an international tourist attraction, drawing visitors from all over the world to watch the amazing actions of nature as it shoots boiling geysers up to 20 meters at the call of the village elders.
- **Small-scale water and sanitation facilities at Kaibola/Kitava cruise tourism landing site.** With the growing number of tourists visiting on the cruise ships, there is an urgent need to build water and sanitation facilities at the Kaibola/Kitava jetty site.
- **Restoration of Cultural Heritage Villages.** There is an opportunity to restore a selected number of cultural villages in surrounding villages where the local people can display their rich cultures through dance, arts and crafts and folklore when tourists visit. Opportunities for such developments will be identified in the Provincial Tourism Strategies, and projects selected for infrastructure development could be tied to TA and funding under component 2.2
- **Eco-Tourism Developments.** Developing ecotourism products and experiences is one option for ordinary village people to benefit from tourism. Milne Bay boasts of some of the most beautiful, unique and rich environments, from the mountainous to the seas, islands and atolls to the reefs and sea ways. Esa'ala is leading the way in re-introducing eco-tourism programs with village guest houses, home-stay, bush-tracking, diving and fishing. The initiative has the potential to be spread to all districts and LLGs. Opportunities for such developments will be identified in the Provincial Tourism Strategies, and projects selected for infrastructure development could be tied to TA and funding under component 2.2.
- **Development of Cultural Festivals.** Cultural Festivals and events could be encouraged and held in the districts to promote and highlight the unique cultures of the various districts. In Esa'ala the Kula Festival has been revived. In Misima the Haptomwa Festival,

and in the past Samarai has the Giniuba Kaiheya. Opportunities for such events will be identified in the Provincial Tourism Strategies, and projects selected for infrastructure development could be tied to TA and funding under component 2.2

Proposed Subproject Investments in East New Britain (subject to screening and appraisal on a rolling basis during project implementation).

The following list of proposed subproject investments have been identified for the development of Rabaul and Kokopo as tourism hubs and connected spokes across the province. These are based on contributions during stakeholders workshops held in 2016, and consultations with the Provincial's Administration and industry. The main access infrastructure is in place, with the airport and port providing adequate access to the hubs of Rabaul and Kokopo. The main road network also provides access to the major tourism attractions. Nonetheless, the road connecting the Rabaul port to the Rabaul-Kokopo road requires rehabilitation, especially given the heavy traffic when cruise ships are visiting. While the Vulcan section of the Rabaul-Kokopo road also requires rehabilitation, this is not technically feasible at the moment, requiring longer travel times between Rabaul and tourism attractions located in Kokopo.

The proposed investments are subject to screening and appraisal on a rolling basis during project implementation, taking into account the findings of the demand assessments and Provincial Tourism Strategies. Therefore, this list may be updated during the development of the urban and Provincial Tourism Strategies. A small number of subprojects are identified below for 'early implementation' (e.g. commencing architectural and engineering design, economic assessment and safeguards documents), given their high priority and 'ready-to-go' status.

- **Rehabilitation of road from the Rabaul port and construction of a hand-crafts local market.** This road is used by about 200 passenger minibuses bimonthly to take tourists from the cruise ships around Rabaul, Kokopo, and attractions in the province. The road has several potholes and is temporarily fixed the day before a cruise ship arrives. The proposed subproject will also include the construction of an open-air hand-crafts market using local traditional construction materials (timber and sago leaves), similar to the Kokopo market.

Note: This is identified as a possible 'early implementation' project

- **Rehabilitation of Bita Paka War Cemetery.** The Rabaul (Bita Paka) War Cemetery, established in 1945, is currently one of the most important and unique site visits in ENB. The cemetery contains 1,120 Commonwealth burials of the Second World War, 500 of them unidentified. The cemetery contains the Australian and Commonwealth graves of those killed during operations in New Britain and New Ireland during World War II, or who died while prisoners of war. The cemetery also contains First World War graves brought in from Rabaul Cemetery in 1950 and from Kokopo Old German Cemetery in 1961. In all, 32 First World War servicemen are now buried or commemorated in the cemetery. The cemetery is managed by the Commonwealth War Graves Commission. The subproject would rehabilitate the access road and improve project site management, including street lights, hand-craft kiosks for local community to sell their products, public toilets, and signage and interpretation panels.

Note: This is identified as a possible 'early implementation' project

- **Mask Festival Showground Facilities upgrade and site improvement.** ENB's Mask Festival attracts visitors from all over the world and across PNG. However the showground site does not have adequate facilities to host such an event. Improving the site and facilities will benefit both tourists and the local population. This infrastructure project could be tied to TA and funding under component 2.2.
Note: This is identified as a possible 'early implementation' project
- **Rehabilitation of Museum and Art Gallery.** The objective of this investment is to physically rehabilitate ENB's two museums/art galleries and improve exhibits display visitor management and experience. Kokopo War Museum (Kokopo Museum) began in the early 1980s as a small museum at the so called "Yamamoto Bunker" in Rabaul. It was moved to Kokopo to accommodate a growing collection, and in anticipation of any possible volcanic eruption. This museum contains a large collection of WWII artifacts from the Rabaul related to the history of the area, including local art & culture, German colonial period, prewar and WWII Japanese occupation. The New Guinea Club & Rabaul Museum was established in 1933. It was originally a businessmen's club with strict guidelines for membership. It was badly damaged in WWII and rebuilt in the 1940s to its former glory, only to be destroyed again by fire in 1993. It has been partly restored and is now home to a small and interesting art items and unique WWII collection.
- **Rehabilitation of access road to Kokopo/Rabaul Japanese Barge Tunnels site and improved site management.** At Karavia Bay, between Raluana Point and Vulcan, are a network of tunnels and tracks connecting barges and buildings dating back to the war. In the main tunnel are five barges lined up end to end. Visitors are advised to take a torch. The subproject would rehabilitate the access road and improve project site management, including parking, simple hand-craft kiosks for local community to sell their products, public toilets and interpretation panels.
- **Rabaul Observatory site management improvement.** The observatory overlooking Simpson Harbour, Rabaul and the volcanoes is a popular tourist attraction, but parking and traffic congestion has become a major issue for buses transporting large numbers of cruise passengers.
- **Underground Hospital site management improvement.** This war heritage site is overgrown and in need of site management.
- **Omorong Recreational Park Facilities.** This public park area warrants a beautification investment.

[Subcomponent 2.2. Supporting partnerships for inclusive tourism destinations](#)

This subcomponent aims at improving the economic livelihood of selected communities which can create or expand a tourism product. It supports start-up or expansion of community-led enterprises that contribute to improved livelihood of the bottom forty percent through sustainable and inclusive tourism development.

The sub-component draws on the experience of a range of different Community Driven Development (CDD) projects, small grants, micro-finance and micro-entrepreneurship programs in PNG and other parts of the globe. The resultant design is a hybrid approach that encompasses CDD principles, the principles of sustainability and cultural heritage protection, and the entrepreneurship principles of competitiveness, market development and performance based disbursement. Activities supported under this sub-component will also be informed by the resource audit being conducted

under the Provincial Tourism Strategies (subcomponent 1.1), and the complementary mapping of tangible and intangible cultural heritage in each province (subcomponent 1.2). Both activities will enable more targeted outreach and support to communities, which have already demonstrated some capacity to work collectively to develop innovative tourism and cultural heritage products. At the same time, a more general community outreach campaign will be undertaken to ensure that all eligible groups are adequately informed about the opportunities provided under the project.

Specifically, the subcomponent will provide Community Grants (CG) in support of a range of local initiatives selected on various principles such as sustainability, the promotion of cultural heritage, and a well-founded business case. Particular attention and support will be given to activities initiated by women and youth; at least 50 percent of community grants will be given to women led initiatives. CDD principles will be used to solicit demand from local communities and engage them through participatory tools to identify local priorities. Activities to be supported must meet a set of criteria that promote sustainability and cultural heritage in the local context and communities will be required to submit proposal through a competitive process, with criteria that are clearly articulated and adhered to by a Project Small Grant Committee (PSCG). The PSCG will be made up of representatives from TPA, the Provincial Government and the private sector.

To facilitate the submission of quality proposals from communities and to guide their market relevance, a package of advisory support services will be provided by a non-government service provider entity, such as an NGO or private firm, selected on a competitive basis. The package of support will include community outreach and education, community mobilization, business proposal development, costings, market assessments and links to market opportunities, implementation support, and monitoring and evaluation. The service provider (SP) is expected to work closely with the relevant provincial agencies, including the Provincial Tourism Office/Destination Management Office, and collaborate with the local and national Museums, Galleries or cultural institutes where appropriate. The SP will also be responsible to provide monitoring and progress information to the project PMU. Selection of successful applications for the community grants will be made by the PSGC.

Activity 1: Advisory Support Services

A non-government entity (NGO, firm, or selected individuals) will be competitively selected as Service Providers (SP) to provide a package of ongoing support for the community grants program.

The package of support will include training and advisory services related to:

- Community outreach and awareness raising about the community grants program;
- Social mobilization, and support for the formation of community groups and associations, including support to improve the participation and inclusion of traditionally marginalized groups in planning and decision making processes (including women, youth, and persons with disabilities);
- Business planning, project planning proposal development;
- Banking and accounting support;
- Sustainable tourism and maintaining, preserving and promoting cultural heritage training;
- Product development and quality control;
- Linkages to private sector tourist operators and related markets;

- Implementation support;
- Monitoring and Evaluation.

Through a single contract with the SP, the Project will be able to provide different types of support to be provided on a rolling basis throughout the project's lifecycle. Community outreach and awareness about the grants program will be undertaken intensively in the first year of the program, in conjunction with TPA and the provincial tourism bureau. It is expected that potential communities for this component will be identified during the resource audit being conducted under the Provincial Tourism Strategies, however a dedicated community engagement task will be undertaken for this activity to ensure a fair chance to all. Interested community groups will be invited to prepare expressions of interest to participate in the first phase of the program in which they will be provided with a range of start up support, including the development of business plans, project costing and proposals. The PSGC will vet and select the program participants at each stage of support. Community groups will compete for grants in three rounds throughout the project. Groups selected by the PSGC will sign an agreement with TPA and receive the financial support directly into community bank accounts (once these are set up and/or confirmed to be aligned with criteria elaborated on in the POM).

It is estimated that advisory support services in each province will cost about US\$250,000. Multi-year funding will be possible where the service provider has demonstrated a high level of capacity and performance based on the contract criteria and deliverables in the first phased of the project. A performance review will be carried out by TPA/PMC after the first round of grants are disbursed.

Activity 2: Community Grants

Community grants (CG) are intended to support economic and sustainable livelihoods development in target communities and will be provided directly to community groups through community bank accounts.

Community groups can include formal or informal associations (such as groups of artisans or cultural groups), family groups, village associations, women's groups, or any other local group that has come together for the purpose of developing a specific sustainable tourism product, and is able to open a Bank Account in line with the requirements set out in the OM. The group will need to demonstrate a commitment to work together for the purpose of the proposed sub-project through the submission of the proposal and identify a group coordinator, secretary and treasurer. Both existing groups and activities and start-ups are eligible for support. Startups will be subject to more intense monitoring, and will receive payments in smaller tranches over the project cycle.

Groups and their proposals will be screened and selected competitively for each phase of support under the program. Selection will be based on a set of sustainability principles, and positive list of types of support, and evidence of prior effort and/or in-kind contribution by the group.

Sustainability principles will include activities that:

- Are community initiated, owned and supported;
- Target the bottom 40%;
- Support the preservation and protection of unique natural and cultural environments, resources or practices;

- Do no harm to the natural environment, local cultural practices or to local community relationships;
- Are financially sustainable.

As such, CG's will support a range of activities including:

- Micro-infrastructure, where these investments will contribute to a specific sustainable tourism or cultural heritage product (such as erecting or rehabilitating community owned cultural assets or infrastructure, establishing or extending a local guest house, local amenities that enhance the attractiveness/appeal of a natural or cultural site, such as sign boards, local market stalls, cultural performance areas, providing toilets on site etc)
- Specific assets, materials or resources to enhance the quality and development of tourism, arts and cultural products (e.g. quality art supplies, transport for specific nature or culture based tours etc);
- Achieving product quality standards / accreditation /certification processes;
- Marketing, design support and promotion materials and activities (such as certification processes, various forms of advertising etc);
- Training (e.g. governance, business management, customer service)

It is envisaged to provide a minimum of 125 grants in amounts ranging between US\$5,000- 20,000. Finance will be provided in cash, in minimum of 2 tranches paid on a performance basis. The advisory support service organization will monitor the implementation of the various activities and verify performance. Three rounds of grants will be implemented during the life of the project, starting with a smaller number of grants in the first year of the program, leading to two larger rounds in the 2second and third years of the project.

The grants will be implemented in accordance with the definitions and procedures set out in the Project's Operations Manual (POM), and will include the following processes supported by the SP, as well as TPA, the Provincial Tourism Bureau/Destination Management Organizations, Cultural Centers and Arts Galleries, supported under component 2.1. The following steps will be followed and elaborated on in the POM:

- Awareness Raising, 'Demand' Mapping and Community identification (SP);
- Selection of groups for phase 1 SP support;
- Participatory planning, prioritization and development of project plans (SP with community groups);
- Selection of 'winning' projects (by PSGC);
- Implementation and monitoring of grant activities (SP, community groups).

The TPA supported by the PMC will be responsible for the overall functioning of the small grants program and a grants officer will be identified within the PMC to be the nodal officer for the program.

A2.2.3 Component 3: Project Management

This component will support the Project implementation, including procurement, financial management, safeguards compliance, preparation of feasibility studies and details design, and

construction supervision. In doing so, this component will support the establishment of a project implementing entity in TPA, headed by a project manager, together with two provincial coordinators. As this will be the first World Bank project to be implemented by TPA in multiple locations that do not have TPA presence, a project management company will be hired to support implementation, safeguard compliance and timely disbursement. The component will also finance the operating cost of the Project implementing and coordinating entities at the national and provincial levels.

A2.3 Land Acquisition in PNG

Since the 1970s, Papua New Guinean legislation covering many aspects of land use, compulsory purchase, customary land dealing, customary land group incorporation, land dispute mediation, land lease and land titles has been enacted. There are now well recognised legal and policy procedures in place that conform to the requirements of the Constitution of Papua New Guinea and respect customary law and customary rights in land. The policy consistently followed in land matters in Papua New Guinea is that all transactions relating to land should first be conducted within the framework of a custom based mediation.

Land acquisition and resettlement is made unusually difficult in Papua New Guinea by a number of inter related factors. These include:

- The existence of complex systems of customary land tenure, customary leasehold rights, and usufruct rights
- Land ownership is vested in primary corporate groups, such as clans, usually organized according to local kinship principles
- Diffuse or secondary ownership rights vested in kin groups linked by horizontal ties with corporate landowning groups
- Complex systems of individual usage rights within corporate land owning groups
- Kin-linked methods of traditional ownership transmission which join land to past, present and future generations
- Inheritance patterns which embody the concept of future generations trust

Land ownership in Papua New Guinea combines, in a complex and culturally variable way, principles that are largely absent from modern systems of land ownership. Ninety seven percent of land in Papua New Guinea is still held under customary systems of land ownership. The intimate details of customary land and of many generations of land use are an integral part of the memory of the land owning group. At the core of these difficulties attendant to land acquisition lie the legal and moral differences between customary ownership and modern ownership. Land acquisition implies a transaction that has no equivalent in customary title. In the modern system a sale is once and for all. For traditional landowners in Papua New Guinea the terms and conditions of sale may be subject to review by future generations, descendants of the original sellers, who may seek to renegotiate the sale and impose new conditions not envisaged by either the original sellers or buyers.

For the majority of the population in Papua New Guinea land is their only significant resource and a very large proportion of the rural population depend on subsistence food production based on this land resource. This situation is unlikely to change for many decades into the future. With a high population growth rate, land is likely to become an increasingly scarce resource for many rural

communities. The sale of land represents, in the vast majority of cases, the loss of the patrimony of future generations. Accordingly, future generations may be vigorous in their pursuit of redress of what they see as the inadequate land sales settlements of past generations.

A2.4 Justification for Preparing a Resettlement Policy Framework

Subproject identification, detailed design and location of infrastructure works or facilities for the subprojects has not been determined, and will be decided largely based on the Tourism Strategy process and the prioritisation process by local stakeholders during project implementation. The requirements for land, and land tenure arrangements, will vary by subproject. Negotiated agreements will be prioritised, as will developments on government owned or leased land (particularly for public assets). Negotiated agreements will be leases, easements and / or voluntary land donation. Negotiated agreements will include the process of free, prior and informed consultation for land owned by Indigenous Peoples, and land owners will not be coerced or pressured to give up their land. The guiding principles will be 1) informed consent, so that people involved are fully knowledgeable about the project and its implications and consequences and freely agree to participate in the project, and 2) power of choice, so that people involved have the option to agree or disagree with the land acquisition, without adverse consequences.

There may be instances where compulsory land acquisition cannot be avoided. A Resettlement Policy Framework (RPF) therefore is the appropriate social safeguard instrument based on project architecture and the nature of potential subprojects. No physical displacement is envisaged, but there may be loss of assets, loss of access to resources, or livelihood impacts from land acquisition.

As described in further detail below, a resettlement instrument (either a Resettlement Action Plan (RAP) or Abbreviated Resettlement Plan (ARAP), depending on the scale of affected people) will be developed as per Operational Policy 4.12, Annex A paragraph 22. The RAP/ARAP will form part of the agreement between the GoPNG and the World Bank.

A2.5 Objectives, Definitions and Key Principles

The guiding principles for the project are that involuntary resettlement is to be avoided or minimised. Affected people should be better off or at least as well off as before the project. All persons affected by the project are to be consulted throughout the project, have the opportunity to participate in planning, and to share in project benefits. The project should contribute to sustainable development.

These principles entrain a process of early identification of stakeholders, and in particular of Affected People; frank and effective public disclosure of any known impacts; consultation and participation to avoid or mitigate negative impacts identified, and to ensure that no person or impact is overlooked; fair, transparent and timely intervention to support Affected People during implementation, resettlement and restoration of livelihoods; and commitment where possible to improve upon the status quo, particularly for those who may be vulnerable by reason of poverty, ethnicity, gender, age, disability, or social status.

The over-riding objective is to avoid any resettlement impacts via subproject identification, stakeholder engagement and effective infrastructure design. To ensure that the projects contribute to the objective of sustainable development, TPA will adopt a comprehensive disclosure and consultation process that includes all stakeholders. The consultation process will reveal all

foreseeable impacts, and will elicit Affected People's concepts of how mitigation options and resettlement planning can contribute to their aspirations for sustainable restoration or improvement of their livelihoods. In the unlikely event of loss of land, and land-based assets, the aim will be to replace like for like, and if this is not possible, to compensate for lost land, assets and income, and meet the costs of relocation and restoration of livelihoods. Restoration includes not only physical assets, but also social and cultural assets. If there is a risk of disruption of these values, which are often disproportionately encountered by women, the Affected People will contribute to selection of mitigation and resettlement options to ensure policy objectives are met.

A2.6 Legal and Regulatory Framework

A2.6.1 The Constitution of the Independent State of Papua New Guinea 1975

The Constitution has three relevant goals for the TSDP:

The Second Goal of the Constitution of the Independent State of Papua New Guinea is Equality and Participation, and states that 'all citizens to have an equal opportunity to participate in, and benefit from, the development of our country'. It lays the legal foundations for an equitable and fair society.

The Fourth Goal of the Constitution is for 'Papua New Guinea's natural resources and environment to be conserved and used for the collective benefit of us all, and be replenished for the benefit of future generations....

(1) wise use to be made of our natural resources and the environment in and on the land or seabed, in the sea, under the land, and in the air, in the interests of our development and in trust for future generations; and

(2) the conservation and replenishment, for the benefit of ourselves and posterity, of the environment and its sacred, scenic, and historical qualities; and

(3) all necessary steps to be taken to give adequate protection to our valued birds, animals, fish, insects, plants and trees.'

The Fifth Goal is 'Papua New Guinean Ways', to 'achieve development primarily through the use of Papua New Guinean forms of social, political and economic organization'. It calls for:

(1) a fundamental re-orientation of our attitudes and the institutions of government, commerce, education and religion towards Papua New Guinean forms of participation, consultation, and consensus, and a continuous renewal of the responsiveness of these institutions to the needs and attitudes of the People; and

(2) particular emphasis in our economic development to be placed on small-scale artisan, service and business activity; and

(3) recognition that the cultural, commercial and ethnic diversity of our people is a positive strength, and for the fostering of a respect for, and appreciation of, traditional ways of life and culture,

including language, in all their richness and variety, as well as for a willingness to apply these ways dynamically and creatively for the tasks of development; and

(4) traditional villages and communities to remain as viable units of Papua New Guinean society, and for active steps to be taken to improve their cultural, social, economic and ethical quality.

A2.6.2 The Land Act 1996

The Land Act 1996 is the fundamental legislation to manage land issues in Papua New Guinea. The country has only 3% of the land that is under the State. 97% of the land is still under customary land tenure. Under the Act, all land that is not in customary ownership is State land. The State can acquire land by agreement or by compulsory process (Section 7). Land acquisition includes easement, right, power, privilege or other interest. The Act also sets out the process for determining compensation.

A2.6.3 Land Disputes Settlement Act 195

The Land Disputes Settlement Act is an Act to provide for the settlement of disputes in relation to interests in customary land, and for related purposes. It provides for Land Courts and Magistrates and processes for mediation.

Table A1.2 Legal Gap Analysis

| PNG Laws | World Bank Safeguard Policies | Gap-Filling Measures |
|--|--|---|
| There are no provisions to prepare Resettlement Plan based on meaningful consultations with Affected People, including special consideration of the poor, the landless, elderly, women, and other vulnerable groups. | OP 4.12 requires that Resettlement Plans must be prepared based on consultations with Affected People, and that poorer and vulnerable people are also consulted and informed of their entitlements and resettlement options. | RAP/ARAPs will be prepared in consultation with Affected People, including vulnerable groups, and disclosed by TPA; translated or summary versions will be available at the provincial, district and local level. Local clan leaders whose members are affected will also receive a copy of the RAP/ARAP. Summary versions will include full details on eligibility and entitlements for affected people. |
| There are no provisions to improve or at least restore the livelihoods of all Displaced Persons. | It is necessary to improve or at least restore livelihoods of Displaced Persons by a range of strategies targeted at Affected People. Nobody is to be worse off as a result of the development project. | Where such impacts will be experienced, RAP/ARAPs will include measures for improvement or at least restoration in living standards of Affected People to pre-project levels. |
| Very limited provisions to provide assistance/compensation to Displaced Persons who lose access to non land assets (e.g. Valuer General has 2008 Schedule for valuation). | Requires that Displaced Persons are compensated for all losses, including non-land assets, at full replacement cost. | The project will follow the principle of replacement cost for compensation of affected assets. Valuer-General will provide updated schedule for valuation of project affected assets. Where schedules are more than 12 months old, these rates will be verified and updated. |

| | | |
|---|--|--|
| There is no requirement for the monitoring and assessment of resettlement outcomes. | OP 4.12 requires that resettlement outcomes be monitored and assessed. | RAP/ARAPs will include indicators and baseline data to monitor impacts on living standards of Affected People. The monitoring reports will also be disclosed including to Affected People. |
|---|--|--|

A2.7 Approach to Land Acquisition

The approach adopted by each subproject will depend on the needs of the project and the tenure of the required land. These approaches and their key characteristics are shown in Table 2 below.

Table A2.3 Land access approaches

| Project typology | Land access arrangement | Comments / criteria | Documentation required |
|---|--|---|--|
| <p>Existing asset renovation or upgrade within existing boundaries.</p> <p>e.g. road resealing, terminal upgrades, museum upgrades</p> | <p>No land transfers or acquisition required. Update of leases if necessary.</p> | <p>Land ownership and rights to use or occupy land are clearly established. No existing conflicts or disputes. Land owners / leases are consulted and informed. No new land required.</p> <p>Entitlements to land occupiers or other affected people who may lose assets or access to resources (such as crops or trees) as a result of activities, will be negotiated through the stakeholder engagement process.</p> | <p>Confirmation of existing land ownership / lease arrangements in the SAR. Confirmation of entitlements agreed and provided in the biannual project reports to the WB.</p> |
| <p>New tourism assets or renovation of existing tourism assets owned and managed by the community on custom land.</p> <p>e.g. nature reserve, walkway, hot springs, accommodation facilities.</p> | <p>Voluntary Land Donation.</p> | <p>Land owners are beneficiaries (or the majority of beneficiaries). Minor impacts <10% impact on any individual household or land user ARAP to be prepared to document compliance with VLD protocol (see Appendix 1 of this RPF): Establish informed consent of the person(s) donating the land. Power of choice is a fundamental foundation of VLD Land owner(s) donate the land for the purposes of the project which would benefit the community.</p> <p>Entitlements or compensation not paid as the landowner is providing the land for their own benefit or the benefit of their community.</p> | <p>Determine and document the appropriateness of VLD in the context of Project in the SAR. Due diligence on owners and users of land donated. Full consultation and disclosure of the ARAP. Document the legal transfer of land donated. Grievance Redress Procedure and Mechanism. Any differential impacts (where negative impacts are unequally shared) would not exist, or would be very minor and could be compensated.</p> |
| <p>New government or public assets requiring land.</p> <p>Museum, arts centre, market</p> | <p>Prioritise existing government owned / leased land.</p> | <p>Confirm land ownership / lease.</p> <p>Entitlements to land occupiers or other affected people who may lose assets or access to resources (such as crops or trees) as a result of activities, will be negotiated through the stakeholder engagement process.</p> | <p>ARAP documenting: Establish informed consent of the person(s) donating the land. Power of choice is important Land owner(s) provide a legally binding agreement such as a lease or right of way over the land for the purposes of the project. May be accompanied by one-off or ongoing payment or other compensation for the provision</p> |

| Project typology | Land access arrangement | Comments / criteria | Documentation required |
|---|--|--|--|
| | | | <p>Due diligence on owners and users of land to ensure correct parties are a part of the negotiated agreement</p> <p>Full consultation and disclosure (possibly without financial terms)</p> <p>Documentation of negotiated arrangement required.</p> <p>Grievance Redress Procedure and Mechanism.</p> <p>Confirmation of entitlements agreed and provided in the biannual project reports to the WB.</p> |
| <p>New government or public assets requiring land in custom ownership, or existing assets upgraded / expanded requiring additional custom land.</p> <p>e.g. new road alignment, extension of a wharf or sea wall, upgrading of a local road to a state road to improve site access.</p> | <p>Negotiated agreements and transfer of rights under PNG law – generally long term leases, but could be land acquisition, or easement or other form of right or privilege.</p> <p>Compulsory acquisition of custom land by the Government of PNG under the Land Act 1996 and OP4.12 Involuntary Resettlement.</p> | <p>All impacts are able to be satisfactorily mitigated. Early and ongoing stakeholder engagement.</p> <p>Entitlements to land occupiers or other affected people who may lose assets or access to resources (such as crops or trees) as a result of activities, will be negotiated through the stakeholder engagement process.</p> <p>Significant resettlement (and associated social impacts) will be screened as ‘ Category A’ and will not be eligible for funding under the TSDP (since it is a Category B project).</p> <p>May be used where:</p> <ul style="list-style-type: none"> - small area of land required for comparatively large community / public benefit. Broader benefits would clearly outweigh the losses incurred by the land owners. Eg. A small parcel of land for a safer road alignment, or sea wall. <p>Must not create conflict or other significant social impacts as a result. Land ownership must be clear (no disputes). Negotiations must have</p> | <p>Confirmation of existing land ownership arrangements and proposed negotiated agreement in the SAR.</p> <p>Confirmation of lease, easement or land purchase along with any entitlements paid and provided in the biannual project reports to the WB.</p> <p>Detailed RAP/ARAP to be prepared which documents:</p> <ul style="list-style-type: none"> Description of the project activity causing involuntary resettlement and explanation of efforts to avoid or minimize involuntary resettlement associated with the project (alternative project designs considered). Document which Government agency will secure the land access rights. Range and scope of potential adverse resettlement impacts. Socioeconomic survey and baseline census survey information. Review of relevant laws and regulations relating to land acquisition and involuntary resettlement (see section above on legal and regulatory framework for more details). |

| Project typology | Land access arrangement | Comments / criteria | Documentation required |
|--|-------------------------------|--|---|
| | | <p>been thorough and entered in good faith, but which have not been successful. Full entitlements are paid / granted to ensure no person is worse off, as per OP4.12.</p> <p>- land access had been negotiated and agreed but then the land owners rescind this agreement once the sub project has commenced; thereby compromising project outcomes for the broader community.</p> <p>Early and ongoing stakeholder engagement required. Consultants required to gather baseline data and prepare documentation.</p> | <p>Description of asset valuation procedures and specific compensation rates (or alternative measures) for all categories of affected assets. Other assistance measures, if any, necessary to provide opportunities for livelihood restoration for displaced persons.</p> <p>Assistance to affected commercial enterprises. Eligibility criteria for compensation and all other forms of assistance.</p> <p>Relocation arrangements, if necessary, including transitional support.</p> <p>Resettlement site selection, site preparation, and measures to mitigate impacts on host communities, if necessary.</p> <p>Restoration or replacement of community infrastructure and other services.</p> <p>Land donation arrangements and documentation requirements, if relevant.</p> <p>Organizational arrangements for implementation.</p> <p>Consultation and disclosure requirements and arrangements.</p> <p>Resettlement implementation schedule.</p> <p>Costs and budget.</p> <p>Monitoring arrangements.</p> <p>Grievance procedures.</p> <p>Summary entitlements matrix.</p> |
| <p>Any other type of land access arrangement where the beneficiaries are not the land owners.</p> <p>Use and development of historic, cultural, or natural areas for tourism. Eg. Geothermal features, coral reefs, forests, WWII sites.</p> | <p>Negotiated agreements.</p> | <p>The majority of land access arrangements and operational lease will be negotiated agreements between the tourism entity (private, community, government) and the land owner (government, private, community), facilitated by TPA.</p> <p>Early and ongoing stakeholder engagement. All impacts are able to be satisfactorily mitigated.</p> <p>Consideration of standard leases for access to tourism sites.</p> | <p>Confirmation of existing land ownership arrangements and proposed negotiated agreement in the SAR.</p> <p>Confirmation of lease, easement or land purchase along with any entitlements paid and provided in the biannual project reports to the WB.</p> |

| Project typology | Land access arrangement | Comments / criteria | Documentation required |
|------------------|-------------------------|--|------------------------|
| | | Entitlements to land occupiers or other affected people who may lose assets or access to resources (such as crops, trees, fisheries) as a result of activities, will be negotiated through the stakeholder engagement process and social assessment. | |

A2.8 Preparing RAP / ARAP

Wherever non-Government land is required by the project, an ARAP will be prepared which documents the method used to either acquire the land or acquire access to the land or resources to facilitate the project. An ARAP, will document the matters identified in Table 2 above. A Voluntary Land Donation (VLD) protocol is held at Appendix 1 of this RPF; where VLD is applied, the RAP/ARAP will need to fully document compliance with the VLD protocol.

- The RAP/ARAP(s) will be prepared having regard to the following: Responsibility for preparation, implementation and monitoring of RAP/ARAPs (including responsibility for meeting all associated costs with their implementation), in accordance with this RPF. The relevant Government agency (National Roads Authority, Water PNG, TPA (Ministry of Tourism, Arts and Culture), PNG Ports Ltd) will be the implementing party for the RAP/ARAP and be responsible for purchasing or leasing the land or pay other such entitlements for land access.
- As necessary, TPA will coordinate actions with any other agencies involved to ensure timely and effective RAP/ARAP implementation.
- Preparation of the RAP/ARAP begins as soon as it is determined that non-government land is essential to complete any of the project activities and shall be finalized prior to the commencement of any works to carry out said project activities. TPA (or their consultants) will carry out, or cause to be carried out, a census survey to identify and enumerate Displaced Persons and to identify and inventory land and other assets to be acquired. The census survey must cover 100% of the displaced persons. The census survey also establishes whether any displaced persons are significantly affected by loss of productive land, whether any commercial enterprises are affected, or whether any households will be required to physically relocate.
- The RAP/ARAP will be prepared in accordance with the policy, principles and planning and implementation arrangements set forth in this RPF. The RAP/ARAP is to be based on accurate baseline census and socioeconomic survey information, and establishes appropriate mitigation measures (e.g., compensation at full replacement cost for loss assets, transitional assistance for relocation, and transitional assistance for livelihood restoration, and transitional assistance for commercial enterprises) for all relevant categories of adverse impacts.

A2.8.1 Communal Land Acquisition – Guiding Principles

Given the prevalence of customary (communal land) in PNG, the following guidance is provided for the preparation for RAP/ ARAPs for this project:

- a) Alternatives to the use of communal and, and the acquisition of land are prioritised. Especially where replacement land is scarce or non-existent, or where customary land tenure is deemed inalienable, negotiated agreements for long-term lease, even for alternative infrastructure siting, will be considered.
- b) Where communal land must be compulsorily acquired, collective compensation may be appropriate, or some form of collective benefit sharing. Under such conditions, compensation is used solely for appropriate community purposes, or is distributed equitably among community members. The RAP/ARAP will describe arrangements for usage of collective compensation.

c) Individual users and occupants of acquired communal land are identified in the census prepared for the RAP/ARAP and the RAP/ARAP describes mitigation measures or negotiated agreements providing for restoration of their livelihoods or living standards.

d) Valuation consists of physical and non-physical components. Physical components that will be compensated at replacement value include: land, buildings, amenities and facilities supporting the building, crops and agroforestry and other plants that produce income or contribute to subsistence living. Non physical components will include:

- Substitution or money relating to loss of employment or loss of business, including change of profession
- Cost of transaction including moving expenses, taxes, administrative charges, legal fees.
- Compensation for the time difference between the valuation date and the estimated payment date, if necessary.
- Loss of value of any remaining land, if it can no longer be used as intended.
- Physical damage and repair costs to land, buildings and structures, if any, as a result of land acquisition.

e) If relevant, the RAP/ARAP describes any changes that may occur regarding land use and tenurial arrangements for remaining communal land in project-affected areas. The RAP/ARAP describes a process by which conflicting claims to ownership or use rights will be addressed.

A2.8.2 Entitlements

Criteria Defining Displaced Persons

Eligibility of an individual's entitlements under this RPF will relate to their:

- Loss of land, whether an owner, lessee or informal occupant.
- Loss of crops, trees or other plants, whether on owned, leased or informally accessed land.
- Loss of land-based improvements – houses, shelters, business buildings, also irrespective of the ownership status of the land.
- Loss of access to commons and reserves (whether or not legally encroached), and restricted areas.

Eligibility for loss of non-land assets under this RPF, whether temporary or permanent, will be recognised for project-induced impacts on:

- An individual's business or income.
- Soil or water quality changes that impact the individual's livelihood activities in the direct or indirect impact area.
- Air, light or noise pollution, or restrictions on access to social or economic resources that impact property values and amenity.
- Access to resources due to activities such as quarrying operations.

- Any other assets or elements of livelihoods recognised in the PNG law and in WB Operational Policy that may be discovered during disclosure and consultation.

Persons demonstrating that they will suffer losses from any of these causes as at the cut-off date for entitlements will be regarded as eligible for resettlement assistance. Losses from encroachments or activities commenced after the cut-off date for the respective projects will not be eligible.

Table A1.4 summarizes eligibility and entitlements for Displaced Persons.

Table A2.4 Eligibility and entitlements for Displaced Peoples

| Type of Impact | Entitled Person(s) | Entitlements |
|---|--|--|
| Temporary use of land. | Legal/ customary landowners/land users | Will only occur with agreement with landowners/ Displaced Persons. Affected landowners/Affected People will be paid rent on terms negotiated and agreed with them. The land will be returned to respective landowners/Affected People after its restoration. |
| Permanent acquisition of land | Legal owner(s)/customary landowners | Landowners will be provided equivalent size and quality of land, or cash compensation at replacement cost. |
| | Informal settlers (e.g. on land acquired for road right of way) with no legal rights of occupation | Displaced persons will be provided compensation for their damaged non-land assets (e.g. crops, trees, and structures) on project-affected land. |
| Loss of crops and trees | All Displaced Persons irrespective of their legal status | Displaced Persons will be given notice to harvest crops and trees before site clearance or removal from required land. If DPs are not able to harvest, they will be paid cash compensation at replacement cost. In case of perennial crops and trees, the compensation will also include loss of income for a period until new crops or trees produce an equivalent income |
| Loss of structures or other assets (e.g. roadside stall, fence) | All Displaced Persons irrespective of their legal status | Displaced Persons will be provided compensation at replacement cost without deductions for depreciation or salvaged materials and assistance in finding an alternative site if relevant. It will be ensured that replacement structures are ready to move before relocation of existing structures. In case business activities are disrupted, the business owners will be provided disruption allowance for the duration of business being disrupted. |
| Displacement of community structure / asset | Community representatives as identified by the social impact assessment | Affected structures will be restored in consultation with community or the affected community will be provided with cash compensation at replacement value without deductions for any materials salvaged. Community will be assisted in dismantling and relocating structure/property. |

| Type of Impact | Entitled Person(s) | Entitlements |
|---|---|---|
| Restriction of access to assets, protected areas | All Affected Persons irrespective of their legal status | |
| Impacts on vulnerable Displaced Persons | Vulnerable households identified by social assessment. | Vulnerable households will be assessed during social assessment to receive additional or tailored support as required. Actions / entitlements will be included in the RAP/ARAP. |
| Unforeseen impacts that may arise after the RAP/ARAP is prepared, during project implementation | Concerned displaced persons | These will be determined as per the principles of the RPF and the RAP / ARAP will be updated and redisclosed. Entitlements will be as per the matrix. |
| Construction Impacts | All Affected Persons irrespective of their legal status | These will be determined as per the principles of the RPF and the RAP / ARAP will be updated and redisclosed. Entitlements will be as per the matrix. |

A2.8.3 Implementation Arrangements

The relevant government agency who will own / operate the facility or asset will bear the responsibility for implementing the RAP/ARAP. Such as:

| | |
|---|--|
| Asset / facility / infrastructure | Government Agency |
| Water supply or sanitation facilities | Water PNG |
| Foreshore enhancements, including walkways, sea walls | Local Government |
| Upgrading of State roads | National Roads Authority |
| Upgrading of wharves or terminal facilities | PNG Ports Ltd |
| Museum or art centre | TPA (Ministry of Tourism, Art and Culture) |

Implementation arrangements such as key stakeholders and a time-bound implementation schedule of all activities relating to involuntary resettlement shall be included at the development of the RAP/ARAP. Payment of entitlements and any other offers of support should be completed at least one month prior to involuntary resettlement. If there is a delay of one year or more between land or asset valuation and payment of compensation, compensation rates will be adjusted for inflation purposes.

A2.8.4 Budget and Costs

The relevant provincial or local level government agency or entity who will own / operate the facility or asset will bear the responsibility for meeting all costs associated with involuntary resettlement. Any RAP/ARAP prepared in accordance with this RPF requires a budget with estimated costs for all aspects of their implementation. All displaced persons are entitled to compensation or other appropriate assistance and mitigation measures, regardless of whether these persons have been identified at the time of resettlement planning, and regardless of whether sufficient mitigation funds have been allocated. For this reason, and to meet any other unanticipated costs that may arise, the RAP/ARAP budget shall include contingency funds, i.e., at least 10% of estimated total costs. Entitlements must be paid promptly and in full to the displaced person. No deductions from entitlements will occur for any reason. The RAP/ARAP is to describe the procedures by which entitlements will flow from the relevant government agency to the displaced persons.

A2.8.5 Approval of RAP/ARAP by the World Bank

All ARAPs will need to be submitted to the World Bank for its clearance and review – and full entitlements delivered - prior to any project works commencing on the land (or affecting any other aspect such as livelihoods) to which the RAP/ARAP applies.

A2.8.6 Disclosure and consultation on the RAP/ARAP

To ensure that the projects contribute to the objective of sustainable development, TPA will adopt a comprehensive disclosure and consultation process that includes all stakeholders during project implementation. The consultation process with Affected People will reveal all foreseeable impacts, and will elicit their concepts of how mitigation options and resettlement planning can contribute to their aspirations for sustainable restoration or improvement of their livelihoods. In the unlikely event of loss of land, and land-based assets, the aim will be to replace like for like, and if this is not possible, to compensate for lost land, assets and income, and meet the costs of relocation and restoration of livelihoods. Restoration includes not only physical assets, but also social and cultural assets. If there is a risk of disruption of these values, which are often disproportionately encountered by women, the Affected People will contribute to selection of mitigation and resettlement options to ensure policy objectives are met.

The RAP/ARAP will describe measures taken to consult with displaced persons regarding proposed land acquisition, transitional assistance, relocation arrangements, and other arrangements, and summarizes results of those consultations. TPA will also be required to disclose the RAP/ARAP- both the draft and final versions – to the displaced persons and the general public in the project area, in a language and location accessible to them. Disclosure of the draft RAP/ARAP should occur at least one month prior to Bank review. Disclosure of the final RAP/ARAP occurs following WB acceptance.

A2.8.7 Monitoring Arrangements

Monitoring arrangements will be established in the RAP/ARAP to assess the effectiveness of implementation in a timely manner. Monitoring includes review of progress in land acquisition, payment of compensation, provision of transitional assistance, and functioning of project grievance procedures. The RAP/ARAP will establish the frequency of monitoring activities. Monitoring should be conducted by an individual, firm, or community organization not directly affiliated with TPA or the Government entity responsible for acquiring the land or lease. Any issues or problems associated

with RAP/ARAP implementation that are observed in the monitoring process will be reported to TPA and the WB project team.

Prior to project completion, the monitoring process will assess whether livelihoods and living standards of displaced persons have been improved, or at least restored. If these objectives have not been achieved, TPA together with the relevant government entity responsible for acquiring the land or lease, identifies plans and implements supplemental measures necessary to achieve satisfactory outcomes.

A2.9 Restriction of Access to Protected Areas or Legally Designated Parks

Subprojects financed under the TSDP are unlikely to result in involuntary restriction of access to protected areas or legally designated parks. Subprojects are designed to enhance access and tourism experiences in a way that can improve local livelihoods. However, social assessment for subprojects will identify any cases where involuntary restriction cannot be avoided, and whether impacts can be satisfactorily mitigated to avoid adverse impacts on livelihoods for affected people. Where necessary, a Process Framework would be prepared in accordance with O4.12 and cleared by the Bank prior to subproject implementation. The Process Framework will describe specific measures to be undertaken to assist any displaced persons. It take the form of a natural resources management plan or similar that provides for the long term management of the resource for tourism benefits while mitigating the impacts on those who are restricted from access.

A2.10 Grievance Procedures

This section provides guidance for complaints management. The purpose is to provide a centralized 'grievance redress mechanism' (GRM) for the Project which can also be applied to meet the Bank's safeguard requirements.

The GRM outlines a process for documenting and addressing project grievances (complaints) that may be raised by affected persons or community members regarding specific project activities, environmental and social performance, the engagement process, and/or unanticipated social impacts resulting from project activities. It describes the scope and procedural steps and specifies roles and responsibilities of the parties involved. The GRM is subject to revision based on experience and feedback from stakeholders.

The GRM process applies to any subproject that is implemented under the TSDP. All feedback on the project is welcomed by TPA and the Government of PNG.

The availability of redress, and information about how to access it, will be publicly disclosed in the Project Information Bulletins for the media, on TPA's website, and during consultations for subprojects. Project stakeholders and affected communities will be made aware of:

- how they can access the GRM;
- who to lodge a formal complaint too;
- timeframes for response;
- that the process must be confidential, responsive and transparent; and
- alternative avenues where conflicts of interest occur.

The grievance process is based upon the premise that stakeholders are free to raise their concerns to relevant representatives at no cost or threat of any negative repercussions; that concerns arising from project implementation are adequately addressed in a timely and respectful manner; and that participation in the grievance process does not preclude pursuit of legal remedies under the laws of the country. The process will offer remedies appropriate to the scale of the grievance.

TPA will operate the following complaints process:

1. Feedback, complaints and grievances may be received by the Contractor, Subproject Proponent, TPA, PMC or local community leader / representative. There will be different ways for people to complain: telephone number, webpage / email, the subproject proponent's office, and a site office during construction. It will be accessible by all community members, in a suitable language and in an inclusive, non-threatening way.
2. All feedback, grievances and complaints will be recorded by the recipient and shared with TPA. TPA will keep records of all complaints received, which will include details of the complaint (what, when, date(s), time(s) of day, gender, other observations), contact details of complainant, remedy/remedies, and date of close out.
3. Complaints or feedback that can be resolved by contractors or the subproject proponent during normal working operations will be undertaken immediately. The complaint will be recorded, along with the resolution.
4. Other project-related complaints that cannot be resolved immediately, or by contractors or the subproject proponent, will in the first instance be notified to the PMC for resolution within ten working days.
5. The PMC's Safeguards Officer will follow traditional grievance procedures in the first instance, where any grievance is related to land, livelihoods, cultural identity, loss of assets or loss of access to resources (so long as they are not directly affiliated with leaders who are party). Land transaction grievances that are not resolved will be notified to the Provincial Land Officers for assistance with resolution under the Land Disputes Resolution Act 1975.
6. The PMC will otherwise arrange mediation hearings in open forum close to the place of residence of the affected person(s) or affected group. The complainant will be entitled to independent representation by a mediator of their choice, and will be encouraged to be accompanied by supporters during the process. TPA will attend and will ensure that such negotiations are transparent.
7. If customary measures or mediation is unsuccessful, or if the matter is substantive, there will be a review by a Project Grievance Committee, chaired by the Director of TPA, within three weeks of the outcome of the previous stage;
8. If all avenues within the project are unsuccessful, affected parties can file written or verbal grievances at the High Court.

Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether

harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate GRS, please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

A2.11 Disclosure and consultation on the RPF

Extensive consultation with key stakeholders was carried out during the preparation of the project in June 24th and September 21st -23rd in 2016. During these consultations, the TSDP project details were discussed, in terms of likely subprojects, likely geographic area of coverage, how projects will be prioritised and how the Sector Strategies will be prepared. Presentations in September 2016, in Rabaul, included an overview of World Bank safeguards policies and the potential social and environmental benefits and impacts of tourism sector development. Details of consultation events are provided in Annex 10:of the ESMF.

The RPF will be made available on the WB website and TPA websites, and hard copies available at TPA and local government offices in East New Britain and Milne Bay provinces (Alotau, Rabaul).

RPF Appendix 1 – VOLUNTARY LAND PROTOCOL

Voluntary Land Donation Protocol**1. Background**

This Voluntary Land Donation Protocol (VLDP) has been prepared by the World Bank for the purpose of due diligence. For cases where communities and/or individual landholders have offered to donate their land for the project because it is of benefit to the broader community, the World Bank's Voluntary Land Donation Protocol (VLDP) should be followed. The project team is to exercise their best judgment where voluntary land is offered and conduct due diligence to avoid adverse impacts and reputational risks. Donations are based on the premise that the project benefit will offset or outweigh the loss of the land donated.

VLD is only suitable for community driven projects where the landowner and/or community wish to 'gift' land parcels or small areas for small-scale community infrastructure that will be of direct benefit to the donor's community.

2. When VLD is Applicable

Voluntary donation of land by beneficiary households is acceptable where:

- It has been verified the donation did not result from any form of coercion or manipulation and is offered in good faith;
- The donation does not severely affect the living standards of the community and/or individual landholder responsible for the donation (i.e. impacts are marginal based on percentage of loss and minimum size of remaining assets);
- Alternatives and the viability of other locations or sites have been considered;
- The donation does not result in the displacement of households or cause loss of income or livelihood;
- The landholder/s making the donation will directly benefit from the project;
- Consultation has been conducted in an open and transparent manner and to a degree that the landholder/s can make an informed choice;
- The land is free from disputes regarding ownership or tenure;
- Land transactions are supported through the transfer of titles;
- Full and proper documentation of all consultations, meetings, grievances and actions taken to address grievances has been reviewed and made available;
- Where impacts are minor and other alternative sites are not viable.

3. When VLD is NOT Applicable

VLD is not applicable under the following scenarios:

- Medium/large-scale infrastructure particularly in cases where a government agency or entity that has a statutory obligation to provide the infrastructure and/or services for which the land is required

- Where inadequate consultation with donors results in lack of understanding about the terms and conditions of the donation;
- In lieu of formal procedures for land acquisition where these do not exist;
- Where donor property owners, landowners or customary rights holders do not support, or will not directly benefit from, the Project;
- Where conflicts over land exist, including customary collective ownership;
- Conflicting land titling that make it difficult to establish with certainty who has a right to own, donate and use a specific parcel of land;
- Where donors did not provide their informed consent and were subject to political or social pressure and coerced into making the donation.

4. Process for Voluntary Donation

This section provides guidance on the process for VLD, namely on how to:

- Determine and document the appropriateness of VLD in the project context;
- Verify the requirements of the donation and the formalization of the donation;
- Carry out due diligence on the owners and users of land donated;
- Ensure appropriate consultation and disclosure;
- Establish informed consent of the person donating the land; and
- Establish grievance redress mechanism.

This section outlines the process that should be followed once the threshold considerations set out in Section 1 have been considered, and it has been determined that it is appropriate for the land to be provided to the project by voluntary donation.

It is necessary to follow a clear process for the donation, and to prepare and maintain documents that demonstrate such process. Each step set out below should be addressed in the context of the specific project, and fully documented.

(i) Determine and document that VLD is appropriate in the circumstances of the project.

The team should record the reasons why it thinks that the donation of land is appropriate for the project. In certain cases, only some of the land the project requires will be donated or alternatives to land donation exist. The project team should identify (in as much detail as possible):

- What the land will be used for;
- How much land the project will require on both a permanent and temporary basis;
- How much of the land will be donated;
- What alternatives to donation exist (e.g., right of use, right of way);
- The terms of the donation;
- The identities of the parties who intend to donate;
- The beneficiary of the donation; and
- Any details that are relevant to why donation may be appropriate.

(ii) Verify the requirements to transfer, and formalise the transfer of, the land

It is important to understand the process that should be followed to transfer the land, and appropriate ways to formalize the transfer so as to achieve certainty for both the transferee of the land and the project. In many countries this will require consideration of the legal and administrative requirements but also, particularly in the case of customary land, local and community processes. In some cases these will constitute two different but parallel (and overlapping) systems and a process will have to be established to ensure that the requirements of each system are satisfied. An important consideration will be how transparent the process and the decision making process actually is, and what can be done to enhance the process.

(iii) Conduct due diligence on who owns and uses the land

Given the specific issues surrounding land ownership and use in PNG, it is important that the project team carries out careful due diligence to understand the type of land rights that exist in the project area, and to identify any particular issues relating to land ownership and use. Thereafter, a more specific due diligence must be conducted on each parcel of land proposed for donation to identify:

- The owner or owners of the land;
- The users of the land, or any parties that occupy the land (either physically or through ownership of an asset or conduct of livelihood or business activities on the land);
- Any competing claims of ownership or use;
- Structures and assets on the land;
- Any encumbrances on the land.

It is important to: (a) identify the right that is being transferred (an ownership right, a use right, a right of way, etc.); and (ii) check whether the transferee actually has the right s/he claims to have. In many circumstances where careful due diligence has not been carried out, significant conflict has arisen at a later stage when another party claims that they have the same or a competing right. In some circumstances – but not all – the transferee will have documentary evidence of such right. Where no such evidence exists, the due diligence can establish rights by speaking with local community officials and neighbours.

(iv) Disclosure and Consultation

The decision to donate must be taken on the basis of a full understanding of the project and the consequences of agreeing to donate the land. Accordingly, the parties that will be affected by the donation (the owners and users of the land) must be provided with accurate and accessible information regarding what the land will be used for, for how long, and the impact the donation will have on them and their families. It is important that prior written notification indicating the location and amount of land that is sought be provided and that its intended use for the project is disclosed.

Where the intention is to deprive the parties affected by the donation of the land permanently, or for a significant length of time, this must be made clear. It should be noted that in many communities the concept of alienation of land is uncommon and difficult to understand, and care needs to be taken to ensure that the implications of this are fully understood. It is also important to decide who else should be consulted about the proposed donation; for example, spouses and older children.

There should be a clear agreement as to which party will pay the costs associated with the donated land. This could include measurement costs, documentation and notarial fees, transfer taxes, registration fees. It should also include the costs of re-measuring/re-titling the transferee's remaining land and any new documentation relating to it.

(v) Establishing Informed Consent

It is crucial that the project team is confident that the decision to donate was taken in circumstances of *informed consent or power of choice*. As discussed earlier, this means being confident that the owner(s) or user(s) of the land understand:

- What the land is going to be used for, by whom and for how long;
- That they will be deprived of the ownership or right to use the land, and what this really means;
- That they have a right to refuse to donate the land;
- Whether there are alternatives to using this land;
- What they will need to do to donate the land (e.g., execute documents, get spousal consents, pay taxes);
- The effect of the donation on their family, and what they can do if they (or their family or heirs) want the land back.
- The exact demarcation of land boundary for the project's use;
- Whether there are proposals which would allow other land to be used;
- What they will need to do to donate the land;
- The intergenerational effect of the donation on their family, what they can do if they (or their family or heirs) want the land back.

The terms and conditions of the land donation must be mutually agreed upon and detailing in a written agreement.

(vi) Documentation

It is necessary to distinguish between: (a) the agreement to donate the land; and (b) the document that carries out and evidences the legal transfer of the land. While it is important to have evidence of an intention and agreement to donate the land, it is equally important to ensure, where required and appropriate, that the land is legally transferred. While the process relating to the legal transfer of the land is frequently complicated and time consuming, it must be addressed. [In specific circumstances, for example where the land is being transferred to the community, it may not be necessary to legally transfer the land. However, experience indicates that lack of formal transfer can create significant uncertainty in the future, which impacts on the sustainability of the infrastructure and services, and can have a negative effect on community relations.]

To ensure that any land provided for the siting of subprojects is contributed voluntarily, in accordance with the requirements of the ESMF, two representatives of the landowners (family or clan) are asked to sign a Land Commitment Letter (see below). This certifies that the land is voluntarily donated for the purposes of the subproject and for the benefit of the community. The

signature of the Letter is witnessed (as attested by their signature) by a suitable project representative.

The project team should:

- Identify the appropriate documentation, including the agreement to make the transfer and any legal documentation that may be required;
- Ensure that the agreement:
 - Refers to the consultation has taken place;
 - Sets out the terms of the transfer;
 - Confirms that the decision to transfer was freely made, and was not subject to coercion, manipulation, or any form of pressure;
 - Attaches an accurate map of the land being transferred (boundaries, coordinates);
 - Sets out who will bear the costs of the transfer (e.g., notarial fees, taxes, title issues) and documenting the residual land rights.
- Ensure that all necessary parties sign the documents, including obtaining consent from spouses and children over a certain age;
- Ensure that the transfer and title is registered or recorded; and
- Ensure that the land remaining after the donated land is excised is properly titled, registered or recorded.

It is also important to maintain a record of the process that has been followed. Such documents could include the following:

- The notification indicating the location and amount of land that is sought and its intended use for the project, with a record of when and where this was made public;
- Records of the consultations that were held and what was discussed;
- A copy of the due diligence that was conducted;
- Copies of each of the formal statements of donation, establishing informed consent as described above, and signed by each owner or user involved;
- Copies of all documents, registrations or records evidencing the legal transfer of the land; and
- A map, showing each parcel of land.

The Project implementing agency should maintain a record with documentation for each parcel of land donated. Such documentation must be available for World Bank review, and for review in relation to any grievances that may arise.

(vii) Grievance Arrangements

Grievances may be referred to customary conflict mediation arrangements where they are not directly affiliated with traditional leaders who are a party to the donation process.

VOLUNTARY LAND DONATION (OR LAND LEASE³) FORM

This form or an equivalent document is to be used to record the consent of landowners who offer private land for a community good activity. The essentials of voluntary donation are that the donors have been freely consulted prior to the donation, were not pressured or coerced, that the donation will not affect a significant proportion (more than 10%) of their productive assets, and that they have the right to refuse and to lodge a complaint if they have a grievance about the process.

Consent Form for Voluntary Donation

I/We: _____ male household head _____ female household head,
and/or person(s) exercising customary rights over land described as (legal description, GPS
coordinates if available) _____

in

Village _____

Island _____

Province _____

hereby declare that I/we/the group are the owners/users of the land required for (description):

I/we are voluntarily donating the use of land and or/ land-based assets (land area, type of assets
/trees/crops etc) _____

for the purpose of: (specify activity)

We agree to this purpose from (date) _____ for as long as the purpose is served or until
(specify end date, typically the life expectancy of the facility) _____

I/we make this donation of My/Our own free will. I/We are waiving My/Our right to compensation
of any kind for the specified duration of the activity.

I/We affirm that we have been fully and freely consulted and informed about the activity prior to
agreement, have not been subject to any form of coercion, understand that I/we have the right to
refuse, and to seek redress for any grievance concerning this transaction.

Signed:

Male household head _____ /Female household head _____

Chief or Local Custom Authority _____

Representative of concerned Government Agency _____

Date:

³ If leased land is to be used, this form may be adapted to record the agreement of both lessor and lessee

Annex 3: Subproject Safeguards Screening Checklists

A3.1 Subproject Basic Screening Checklist for the SAR (Step 1)

This checklist provides key steps to scoping the environmental and social impacts of a subproject by the Subproject Proponent. The checklist and supporting details will form part of the SAR, submitted to the TPA for potential funding under Component 2.1 or 2.2 the TSDP. This relates to Step 1 of the Safeguards Process (Section 5) of the ESMF.

The Checklist should be able to be filled in by subproject proponents, after consultation with potential project beneficiaries and affected people (including land owners). If in doubt about the likely significance or scale of impacts, consult with the Department of Environment, an independent environmental or social specialist, or the safeguards people on the TPA team. It has been developed to screen the potentially significant risks at a basic or 'high level', and needs limited safeguards capacity. The more detailed screening in Step 2 (see the checklist under b. below) will be completed by TPA.

| INSTITUTIONAL & ADMINISTRATIVE | |
|--|--|
| Province | |
| Subproject title | |
| Description of project (purpose, construction activities and supporting facilities, operation activities and supporting facilities), | |
| Subproject Proponent | |
| Contact Person | |
| Phone number | |
| Email address | |
| Other stakeholder contact details | |
| SITE DESCRIPTION | |

| | | |
|---|--|-------------------|
| Name of site | | |
| Land title and / or coordinates | | |
| Describe site location | | (Attach Site Map) |
| Describe current land uses | | |
| Who owns the land? | | |
| What type of land access is required | Lease / easement / compulsory land acquisition / voluntary donation / purchase / other | |
| Identify the number of people that may require resettlement or types of assets that may be lost. | | |
| Description of key environmental features in the area (land, coast, marine, forest, protected areas). | Attach maps / google earth images to show key features. | |
| Description of historic buildings, cultural heritage sites, attractions, values, etc. | | |
| Which communities / will be involved and / or are in the vicinity. | | |
| How will women be involved in the project? | | |

| | |
|--|--|
| Supporting facilities required (access roads, quarries) | |
| Locations and distance for material sourcing, especially aggregates, water, stones? | |
| Is it possible that unexploded ordinances (UXO) are present? | |
| What types of possible pollution sources: Emissions (air, noise, wastewater) hazardous materials and waste, and solid waste? | |
| LEGISLATION | |
| Identify national & local legislation & permits that apply to project activity | |
| STAKEHOLDER ENGAGEMENT AND PUBLIC CONSULTATION | |
| Identify when / where consultation took place. Which stakeholders were involved. What were the outcomes. | |

PART B: INITIAL SCREENING OF IMPACTS AND IMPACT MANAGEMENT

| ENVIRONMENTAL / SOCIAL / CULTURAL HERITAGE ISSUES | |
|---|--|
| <p>What pollution or waste issues have been identified? How will these be mitigated?</p> | |
| <p>What impacts on forests, coast, lagoon, reef, or other natural habitats have been identified, and how will they be mitigated?</p> | |
| <p>Are there any conflicts over land or resources that may affect the project, or may be affected by the project?</p> | |
| <p>What could be the impacts on local communities, resource users and others and how will they be mitigated? What are the benefits and how will they be managed? How will women be affected by, or benefit from, the project?</p> | |
| <p>How will compulsory land acquisition be avoided?</p> | |

| ENVIRONMENTAL / SOCIAL / CULTURAL HERITAGE ISSUES | |
|---|--|
| <p>If people will be resettled or will lose assets or access to land or natural resources, how will they be compensated?</p> | |
| <p>What are the positive and negative impact on historic buildings, cultural heritage sites and how will they be managed?</p> | |
| <p>What are the potential health and safety issues during construction or operation and how will they be managed?</p> | |
| <p>Other issues as identified:</p> | |

A3.2 Subproject Screening Review and Safeguard Instrument Checklist (Step 2)

This form will be included in the Project Operations Manual and will be used during Step 2 of the Environmental and Social Management Process (Section 5 of the ESMF) to check the details of the SAR provided by the Subproject Proponent. This checklist is for the review of Subproject safeguard screening by the subproject proponent, outputs of further detailed screening by TPA, confirmation of safeguard risk Category (A,B,C), eligibility for funding, and Safeguard Instrument(s) required.

| Section 1 – TSDP Subproject details |
|--|
| Subproject reference no. |
| Subproject name |
| Subproject proponent (developer) |
| Proponent's contact person |
| Contact person's phone number and email address |
| Project location and Province (including coordinates, if available) |
| Type and purpose of project (brief description – include construction activities and operational activities as provided by the SAR. Attach drawings as necessary): |
| Section 2 – Size and scale of the proposed project |

| <i>Questions to be considered</i> | <i>Yes/no/N.A./brief description</i> | <i>Is this likely to result in a significant impact – yes/no? Negative or positive? Long-term, short-term or irreversible?</i> | <i>Does the potential impact need to be further investigated? Will it require management?</i> |
|---|--------------------------------------|---|--|
| 2.1 What area of land and/or sea will be developed? (indicate size of area, in m ² or km ²) List the various components (such as access roads, wharves, site footprint etc.) | | | |
| 2.2 Will a large amount of energy, water or other natural resources be required for project construction or operation? | | | |
| 2.3 Will a large workforce be needed for construction and operation? Is a local and/or external workforce to be employed? | | | |
| 2.4 What is the expected timeframe for the project? (including construction, operation, closure and decommissioning – if appropriate) | | | |
| Section 3 – Character of the proposed project | | | |
| <i>Questions to be considered</i> | <i>Yes/no/N.A./brief description</i> | <i>Is this likely to result in a significant social, environment or cultural heritage related impact – yes/no? Negative or positive? Long-term, short-term or irreversible?</i> | <i>Does the potential impact(s) need to be further investigated? Will it require management?</i> |
| 3.1 What type of construction activities will be undertaken by the project? | | | |
| 3.2 Are the project activities novel (new) or have they been undertaken before within the country, or in the Pacific region? | | | |
| 3.3 Does the project involve development / redevelopment of a historic building, historic site, culturally significant site, or will involve the promotion of art and culture, or have any | | | |

| | | | |
|--|--------------------------------------|---|---|
| other links to cultural heritage? | | | |
| 3.4 Does the project involve the use or exploitation of, or involve experiences with the natural environment (diving, nature tourism, ecotourism, surfing, bush walking/hiking, sanctuaries, fishing tours, etc.). | | | |
| 3.5 Does the project involve new or renovated public infrastructure, such as wastewater, water, roads, bridges, paths, foreshores, seawalls, parks, street scapes, etc.? | | | |
| 3.6 Does the project involve new or renovated market stalls or kiosks? | | | |
| 3.7 Does the project involve local experiences with small communities / families (homestays or small scale accommodation, village experiences, cultural shows, interactive experiences) | | | |
| 3.8 Does the project involve food processing, plant processing or other types of manufacturing or processing? | | | |
| 3.9 Does the project involve the harvesting, farming, hunting or gathering of natural resources (fish, plants, etc.). | | | |
| 3.10 Does the project involve large civil works, requiring heavy machinery and the quarrying of aggregates? | | | |
| 3.11 Does the project require supporting infrastructure or facilities such as: quarrying, access roads, upgraded jetties, kiosks etc. | | | |
| 3.12 Does the project involve one or more tribal groups, land owners or located in an area of potential conflict that may require specific attention? Will it specifically benefit or marginalize women or men? | | | |
| Section 4 – Project Location | | | |
| <i>This includes all aspects of the project (such as quarrying, access roads, port facilities etc. that are required to support construction and operation)</i> | | | |
| <i>Questions to be considered</i> | <i>Yes/no/N.A./brief description</i> | <i>Is this likely to result in a significant environmental,</i> | <i>Does the potential impact need to be further investigated? Will it</i> |

| | | | |
|--|--|---|----------------------------|
| | | <i>social, or cultural heritage-related impact – yes/no? Negative or positive? Long-term, short-term or irreversible?</i> | <i>require management?</i> |
| 4.1 Is the project to be located within or adjacent to an area vulnerable to natural hazards (e.g. low-lying coastal area, waterways, floodplain, wetland, steep sloping land)? | | | |
| 4.2 Is the project to be located adjacent to a sensitive site or facility (e.g. village, historical or archaeological or culturally significant site, conservation reserve, school, hospital/ medical facility)? | | | |
| 4.3 Is the project likely to impact on existing land or sea uses/activities? | | | |
| 4.4 Will the project be located in or near natural habitats (coastal area, conservation areas, protected areas, coral reefs, geothermal or volcanic field, forests etc.) | | | |
| 4.5 Is the proposed project site customary land? Are all customary land/ resource owners aware of the project proposal? Have they been consulted/meaningfully engaged to date? | | | |
| 4.6 Are there special land zoning considerations that need to be taken into account (e.g. will the project be within a conservation reserve, rural, urban or industrial area)? | | | |

Section 5 – Environmental and Social Impacts

| <i>Aspect of the environment</i> | <i>Questions to be considered</i> | <i>Yes/no/N.A./brief description</i> | <i>Is this likely to result in a significant impact – yes/no? Negative or positive? Long-term, short-term, irreversible?</i> | <i>Does the potential impact need to be further investigated? Will it require management?</i> |
|----------------------------------|-----------------------------------|--------------------------------------|--|---|
| | | | | |

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|--|--|--|--|--|
| 5.1 Topography, geology and soils | 5.1.1 Destruction, covering or modification of any unique geological or landscape feature? | | | |
| | 5.1.2 Soil contamination or disturbance of previously contaminated soils? | | | |
| | 5.1.3 Disturbance of soils that are fragile, or susceptible to erosion or compaction? | | | |
| | 5.1.4 Creation of steep slopes or other unstable land conditions? | | | |
| | 5.1.5 Changes in the channel of a stream, a floodplain, or the bed of the ocean or lagoon? | | | |
| 5.2 Water | 5.2.1 Extraction or use of ground, surface or tank water resources, leading to reduction in the volume and quality of water available for the public water supply? | | | |
| | 5.2.2 Pollution of ground, surface, coastal or sea water, via direct or indirect discharges or seepages; or through interception of an aquifer by drilling, cuts or excavations? | | | |
| | 5.2.3 Changes in currents, or the course or direction of marine or fresh water movement? | | | |
| | 5.2.4 Changes in runoff, drainage patterns or absorption rates? | | | |
| | 5.2.5 Coastal, stream or river flooding? | | | |
| 5.3 Air | 5.3.1 Release of dust? | | | |
| | 5.3.2 Release of hazardous, toxic or noxious air pollutants/emissions? | | | |
| | 5.3.3 A significant increase or decrease in local or regional greenhouse gas emissions? | | | |
| 5.4 Noise | 5.4.1 A significant increase in existing (baseline) noise levels that will adversely affect people or animals? | | | |
| 5.5 Plant life | 5.5.1 Damage to or clearing of vegetation communities (e.g. upland forest or mangrove communities)? | | | |
| | 5.5.2 Damage to or destruction of important plant communities (e.g. seagrass beds; plants with medicinal, cultural or commercial value; unique, threatened or endangered plant species)? | | | |

| | | | | |
|------------------------------|--|--|--|--|
| | 5.5.3 A reduction in agricultural crop production? | | | |
| | 5.5.4 The farming or production of an exotic plant species? | | | |
| | 5.5.5 The spread or introduction of an invasive plant | | | |
| 5.6 Animal Life | 5.6.1 Damage to or destruction of coral reef areas? | | | |
| | 5.6.2 Reductions in the numbers of unique, rare or endangered animal species? | | | |
| | 5.6.3 Reductions in animal populations harvested regularly for human consumption (e.g. fisheries)? | | | |
| | 5.6.4 Damage to or destruction of habitat for animal communities on land, in rivers or in the ocean? | | | |
| | 5.6.5 Barriers to the migration or movement of animals? | | | |
| | 5.6.6 The farming or production of an exotic animal species? | | | |
| | 5.6.7 The spread or introduction of an invasive animal species? | | | |
| 5.7 Natural resources | 5.7.1 The extraction, harvest or consumption of natural resources (e.g. timber, minerals, water)? | | | |
| | 5.7.2 A noticeable increase in the rate of use of any natural resource? | | | |
| | 5.7.3 Substantial depletion of non-renewable resources? | | | |
| 5.8 Human communities | 5.8.1 Encroachment into existing settlement areas or customary lands? | | | |
| | 5.8.2 Influx of an external workforce or in-migration to the project area? | | | |
| | 5.8.3 Demand for additional housing to accommodate an external workforce? | | | |
| | 5.8.4 Increased traffic or increased use of roads and the existing transport system; and an increase in associated health risks (dust, noise)? | | | |
| | 5.8.5 Increased demand for and disruption to social services and infrastructure (e.g. water and energy supply, communications, sewage and waste disposal, fire protection, police, schools, medical care)? | | | |

| | | | | |
|---|---|--|--|--|
| | 5.8.6 A reduction in visual amenity? | | | |
| | 5.8.7 Infringement on customs or customary rights? | | | |
| | 5.8.8 Social change or impacts on traditional governance structures, resulting in community dislocation or loss of community cohesion? | | | |
| | 5.8.9 Restrictions in access to customary areas or restrictions in resource use in customary areas? Restrictions to protected areas and / or legally protected areas? | | | |
| | 5.8.10 Changes in access to or the quality of recreational opportunities? | | | |
| | 5.8.11 Change to the way that local communities value and get income and other benefits from cultural heritage and natural environments? | | | |
| | 5.8.12 Is it likely that there will be unexploded ordinances (UXO) in the area? | | | |
| 5.9 Involuntary Resettlement | 5.9.1 Have all sites for physical works under the project been specified? | | | |
| | 5.9.2. Does the project involve physical works that will require any change in land use? | | | |
| | 5.9.3. If any physical works are sited on public land, do any persons use or occupy this land? | | | |
| | 5.9.4. Will any physical works be sited on communal or collective land? (a) If so, do any individuals use the land for their livelihood or residence? (b) Does the project plan to acquire the land through means other than market-based lease or purchase, or through voluntary donation? | | | |
| | 5.9.5. Are any physical works sited on private land? If so, does the project plan to acquire the land through means other than market-based lease or purchase, or through voluntary donation? | | | |

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|--|--|--|--|--|
| | 5.9.6. Will any physical works otherwise restrict access to, or use of, land or natural resources? | | | |
| | 5.9.7. Will any physical works require acquisition of more than 10 percent of a private land plot? | | | |
| | 5.9.8. Will any physical works require demolition of any residential or commercial structure? | | | |
| 5.10 Local and national economy | 5.10.1 Local economic displacement or loss of livelihoods (including subsistence and informal economic activities)? | | | |
| | 5.10.2 Creation of jobs/livelihood opportunities for locals? | | | |
| | 5.10.3 Influx of the cash economy in areas where there was previously a subsistence-based economy? | | | |
| | 5.10.4 Training or educational opportunities for locals? | | | |
| | 5.10.5 Increased tax revenue for the national government? Royalties or benefits for sub-national levels of government? | | | |
| | 5.10.6 Benefits for directly affected people and communities (which may include direct economic benefits, community development programs etc.)? | | | |
| | 5.10.7 Benefits for the broader community (e.g. upgrading of social services or infrastructure)? | | | |
| 5.11 Cultural Heritage | 5.11.1 Will the cultural heritage buildings, sites or attractions be improved or enhanced as a result of the project? | | | |
| | 5.11.2 Will the carrying capacity of the site/building/attraction be evaluated and considered in planning, design and operation? | | | |
| | 5.11.3 Will there be impacts on the intangible values or intellectual property from the project? | | | |
| 5.12 Indigenous Peoples | 5.12.1 Indigenous Peoples (as defined by the TSDP IPPF) are residing in or using resources within the project area. They are the majority of beneficiaries? Or, they are the minority of beneficiaries or will not benefit from the project? | | | |
| | 5.12.2 Indigenous Peoples are land owners in the project footprint. | | | |

| | | | | |
|--|--|--|--|--|
| | 5.12.3 Cultural heritage, intellectual property or self identification of Indigenous People are vulnerable to the project? | | | |
| Section 6: Assessment | | | | |
| 6.1: Classification of Subproject Risk | | | | |
| <input type="checkbox"/> Category A The subproject is likely to have significant adverse environmental and social impacts that are sensitive, diverse (wide ranging), or unprecedented for PNG. <i>This project cannot be funded under the TSDP. Decline the SAR or make recommendations for improvement to reduce the subproject risk to a B.</i> | | | | |
| <input type="checkbox"/> Category B The subproject has potential adverse environmental impacts on human populations or environmentally important areas--including wetlands, forests, grasslands, and other natural habitats--are less adverse than those of Category A projects. These impacts are site-specific; few if any of them are irreversible; and in most cases mitigation measures can be designed more readily than for Category A projects. | | | | |
| <input type="checkbox"/> Category C The subproject has no construction related impacts and no potential social or cultural heritage impacts. | | | | |
| 6.2 Environment Act 2000: Environment (Prescribed Activities) Regulation 2002 | | | | |
| <input type="checkbox"/> Level 3 The subproject has at least one activity on the Level 3 list that may have potentially significant environmental or social impacts, nationally significant or of a large scale. | | | | |
| <input type="checkbox"/> Level 2 The subproject has at least one activity on the Level 2 list that may have potentially moderate environmental or social impacts. | | | | |
| <input type="checkbox"/> Level 1 The subproject is not on the Level 2 or 3 list and is likely to have no or low environmental or social impacts. | | | | |
| 6.2 Safeguard Instruments Required | | | | |
| <input type="checkbox"/> Environmental and Social Impact Assessment (ESIA) The potential impacts require project-specific assessment and measurement. This is required for any subproject where significant impacts are likely (as identified in the screening checklist above) and / or the Activity is Level 3. The nature and scale of assessment and impact mitigation relates to the nature and scale of the project and its potential impacts. All ESIA include an ESMP (check the box below). For this project the ESIA does / does not (delete one) require the inclusion of the following: | | | | |

Consideration of Indigenous Peoples The identification and assessment of the potential impacts on Indigenous Peoples are required and integrated into the ESIA, mitigation measures and project design. This is a requirement where any questions in 5.12 are answered 'YES'. Assessments must be consistent with the Indigenous Peoples Planning Framework for TSDP.

Cultural Heritage Impact Assessment Specific impact assessment on Physical Cultural Resources, or cultural heritage (including intangible cultural values and intellectual property) is required as part of the assessment. This is a requirement for any subproject where any questions under 5.11 include a potentially significant impact (or benefit). Integration of impact management into Cultural Heritage Site Management Plan, where one is being proposed as part of subproject design, otherwise, include mitigation in the ESMP (See below).

Environmental and Social Management Plan (ESMP) All subprojects with an ESIA also require an ESMP. A standalone ESMP (without an ESIA) is required where a subproject has potential adverse impacts which are not significant (as determined in the checklist above) but require mitigation and management. In many cases mitigation measures are standardized and can be readily adapted for the subproject (dust control, traffic, land clearance and restoration, disruption to villages, etc.).

It requires the inclusion of the following (tick all that apply):

Consideration of Indigenous Peoples Mitigation measures and project design must specifically address the needs of Indigenous Peoples if significant impacts have been identified in the ESIA and / or where any questions in 5.12 are answered 'YES'.

Physical Cultural Resources Management Plan Specific mitigation measures are required for Physical Cultural Resources, or cultural heritage (including intangible cultural values and intellectual property) where the assessment determines that they may be adversely affected by construction, or by the increase in visitor numbers or visitor activity. The Plan will detail specific management, mitigation and monitoring for key sites/attractions.

Biodiversity Management Plan Specific mitigation measures are required for the protection and enhancement of natural habitats (particularly where there will be ongoing use or exploitation during operation) where the assessment determines that the impacts may be significant without mitigation. The Biodiversity Management Plan will detail specific management, mitigation and monitoring requirements for key species/habitats.

UXO Plan Specific mitigation measures are required where there may be unexploded ordinances (UXO) in the area. The aim of the plan is to reduce the risk of interaction between workers/communities and UXO, and identify the procedures to follow in the event of a "chance" find.

Once the project layout has been finalised, and prior to commencement of construction, trained personnel will be engaged to review the project layout, including access roads, temporary and permanent construction sites, and areas where project-related infrastructure is to be provided to communities. The trained personnel will, if necessary, carry out a site survey and, if UXO is encountered, clear the UXO for offsite disposal or destruction, following best practices for protecting workers and the surrounding communities.

Resettlement Action Plan The subproject requires land to be acquired via lease, easement, purchase or other means. A RAP is required where more than 200 people will be affected.

Abbreviated Resettlement Action Plan The subproject requires land to be acquired via lease, easement, purchase or other means. An ARAP is required where less than 200 people will be affected.

Process Framework / Natural Resource Management Plan The subproject will involuntarily restrict access to protected areas or legally designated parks and will adversely impact livelihoods.

Environmental Permit Application The subproject requires an environmental permit (Level 2 or 3 Activity).

No Instrument Required The subproject is Category C and Level 1. Mitigation measures (if required) will be included in project planning, design and implementation but no separate instrument is required to manage or mitigate adverse impacts.

Name:

Department and title:

Telephone number:

E-Mail address:

Signature:

Date:

Annex 4: Environmental and Social Impact Assessment Guidelines

With reference to Annex B of OP 4.01 - Content of an Environmental Assessment Report for a Category A Project, OP4.10 Indigenous Peoples for Social Assessment guidelines and integration of IP policy in project design, and SPREP Guidelines⁴.

A4.1 Introduction

An ESIA focuses on the significant environmental issues of a project. The report's scope and level of detail should be commensurate with the project's potential impacts. The report submitted to the Bank is prepared in English. An executive summary can be provided in local language for disclosure.

A4.2 Document Format

The ESIA report should include the following items:

- (a) *Executive summary.* Concisely discusses significant findings and recommended actions.
- (b) *Policy, legal, and administrative framework.* Discusses the policy, legal, and administrative framework within which the ESIA is carried out and WB policies. Identifies relevant international environmental agreements to which the country is a party.
- (c) *Project description.* Concisely describes the proposed project and its geographic, ecological, social, and temporal context, including any offsite investments that may be required (e.g., access roads, power plants, water supply, housing, and raw material and product storage facilities). Indicates the need for any land and resettlement plan. Include a map showing the project site and the project's area of influence. It should include the proposed changes to the nature and scale of operations of a site or facility (visitor numbers, hours of operation, additional facilities etc.).
- (d) *Baseline data.* Assesses the dimensions of the study area and describes relevant physical, biological, and socioeconomic conditions, including any changes anticipated before the project commences. Includes identification of indigenous people and their socio-cultural characteristics. Data should be relevant to decisions about project location, design, operation, or mitigation measures. The section indicates the accuracy, reliability, and sources of the data.

⁴ SPREP. 2016. *Strengthening Environmental Impact Assessment. Guidelines for Pacific Island Countries and Territories.* Apia, Samoa. SPREP.

- (e) *Environmental and social impacts*. Predicts and assesses the project's likely positive and negative impacts, in quantitative terms to the extent possible. Identifies mitigation measures and any residual negative impacts that cannot be mitigated. Explores opportunities for environmental enhancement. Identifies and estimates the extent and quality of available data, key data gaps, and uncertainties associated with predictions, and specifies topics that do not require further attention.
- (f) *Social assessment*. Identification of the socio-cultural context and the potential impacts.
- (g) *Analysis of alternatives*. Systematically compares feasible alternatives to the proposed project site, technology, design, and operation-in terms of their potential environmental impacts. States the basis for selecting the particular project design proposed and justifies mitigation measures.
- (h) *Consultation*. Describes stakeholder engagement, consultation effort and outputs.
- (i) *Environmental and social management plan (ESMP)*. Covers mitigation measures, monitoring, and institutional strengthening.
- (j) Appendixes
- List of EA report preparers--individuals and organizations.
 - References--written materials both published and unpublished, used in study preparation.
 - Record of interagency and consultation meetings, including consultations for obtaining the informed views of the affected people and local non-governmental organizations (NGOs). The record specifies any means other than consultations (e.g., surveys) that were used to obtain the views of affected groups and local NGOs.
 - Tables presenting the relevant data referred to or summarized in the main text.
 - List of associated reports (e.g., resettlement plan or indigenous people development plan).

Annex 5: Environmental and Social Management Plan Template

This template is relevant for any subproject under the TSDP that requires a stand-alone ESMP (without an ESIA).

Use this as a guide for preparing a ESMP that will satisfy World Bank safeguards policy OP/BP4.01 Environmental Assessment, and the Environment Act 2000.

A5.1 Introduction

A brief overview of the project, environmental and social context and purpose of the ESMP.

A5.2 Project Description

A description of the investment, the location, the construction works required, what will happen during operation, and any important issues regarding decommissioning. Include project components that may have an environmental or social impact, such as:

- Types of materials required (aggregates, fresh water)
- Transportation of materials during construction
- Waste management
- Hazardous materials
- Demolition of structures, removal of trees
- Proposed improvements or benefits from upgrades to the local economy, culture, community

A5.3 Environmental and Social Baseline

Description of the land ownership and leasing arrangements, description of the locality and land use (fallow land, residential, commercial, adjacent to a school, on the foreshore), physical cultural resources, closest dwelling(s), water body that will receive drainage, natural habitats (bird nesting areas, foreshore environments, etc.), protected areas, significant or relevant ecosystems, flora and /or fauna in the area (coral reef biodiversity, migratory birds etc.).

Describe the community, local social and governance or council structures, describe any unique aspects of culture and language. Describe the existing impacts and benefits of the facility/asset/site. Provide details of current land ownership and leases. The social context should also describe occupations and sources of livelihood, gender roles and issues, land tenure and connections to land, and the socio-economic conditions, including any commentary on poverty, vulnerability due to gender, ethnicity or culture group, age or disability in the community, resource allocation and access and income distribution, where relevant.

A5.4 Legislative Context

Provide an overview of the relevant laws, regulations and policies and how this document provides the relevant information for an environmental permit and other approvals.

Provide an overview of how the ESMP meets the requirements of the World Bank safeguard policies.

Provide commentary on any international environmental agreements that PNG is party to, relevant to the project.

Identify relevant legally protected areas and traditional or customary protected areas.

A5.5 Significant Impacts and Mitigation

Provide a summary of significant environmental and social impacts and how the project will manage them to incorporate applicable safeguards policy and regulatory requirements.

A5.6 Physical Cultural Resources Management Plan

If necessary, include specific measures to identify, protect or otherwise move or alter any physical cultural resources. Consult with the Ministry of Tourism, Art and Culture, and the community for the most appropriate methods of protection and integrate these concepts into project design. A separate PCR Management Plan may be required for complex sites or sites with potentially significant impacts on cultural property or historic sites.

A5.7 Impacts and Mitigation Plan

| Activity | Impact | Mitigating Measure | Residual impact | Responsibility | Cost |
|---|--------|--------------------|-----------------|----------------|------|
| Design and Pre-Construction Phase | | | | | |
| | | | | | |
| General Civil Works and Construction Phase | | | | | |
| | | | | | |
| | | | | | |
| Operational Phase | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Decommissioning Phase | | | | | |
| | | | | | |

A5.8 Monitoring Plan

| Issue | What | Where | How | When | Responsibility | Cost |
|-------|-------------------------------------|-------------------------|--|--|----------------|------|
| | <i>parameter is to be monitored</i> | <i>is the parameter</i> | <i>is the parameter to be monitored/ type of</i> | <i>is the parameter to be monitored-</i> | | |

| | | <i>to be monitored</i> | <i>monitoring equipment</i> | <i>frequency of measurement or continuous</i> | | |
|---|--|------------------------|-----------------------------|---|--|--|
| Design and Pre-Construction Phase | | | | | | |
| | | | | | | |
| | | | | | | |
| General Civil Works and Construction Phase | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Operations Phase | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Decommissioning Phase | | | | | | |
| | | | | | | |

A5.9 Institutional Arrangements

A short narrative discussion supported by organizational charts detailing who is responsible for which task under the ESMP.

| Institution | Responsibility |
|-------------|----------------|
| | |
| | |
| | |
| | |

TPA is responsible for preparing ESMP. TPA is responsible for ensuring that any consultants working for them prepare the ESMP in accordance with the ESMF and the relevant PNG Regulations.

The World Bank task team will be responsible for reviewing the project against their safeguard policies, confirming the risk category, and supervising the implementation of the ESMP.

A5.10 Institutional Strengthening

Describe the tasks and equipment that are required for the project to support TPA, the PMC, contractors and others to implement the environmental and social management measures proposed.

- Equipment purchases (personal protective equipment, monitoring equipment etc.)
- Training (workshops, formal training, tool box training)
- Consultancy fees (workshops, on-the-job training, monitoring services)

A5.11 Stakeholder Engagement and Consultation

Describe the consultation plan and provide records of what was carried out, who participated (men and women) and what the outcomes were, and how the feedback was incorporated into the final ESMP. Refer to consultation guidelines in the ESMF for further details.

A5.12 References

A5.13 Annexes (supporting information, technical reports etc.)

Annex 6: Code of Practice for Construction and Earthworks (including Maintenance Works)

A6.1 Provision of labour

Engage locals in work wherever possible, and prioritise local spending for food and services wherever possible. Ensure equitable access for men and women.

For imported workers: Provide worker awareness training, and workshops with the community to support / encourage assimilation of workers into the communities during construction. Include HIV/Aids and STD issues in the training.

A6.2 Site Access

Ensure all agreements are in place prior to starting works, including agreements to enter sites or buildings, and to install infrastructure and / or modify buildings or sites.

A6.3 Clearing Vegetation

Selectively clear vegetation. Only remove what is absolutely necessary.

Agreement from the owner shall be given, and any compensation agreed to, prior to trees being trimmed or removed.

Whenever possible, land owners and occupiers should be allowed to benefit from cut vegetation for firewood and other uses.

A6.4 Sediment Control

Disturb as little ground area as possible and trap sediment onsite using brush fences or silt fences.

Divert water around construction sites or disturbed areas with ditches.

A6.5 Hazardous Substances, Fuel Storage and Maintenance Activities

Operate a dedicated equipment maintenance and fuel storage areas (>20m from water storage). Hazardous substances should be covered from rain and sun, in locked storage areas, and have concrete floors. Concrete floors should be bunded to capture spills.

Ensure that all equipment maintenance activities, including oil changes, are conducted within demarcated maintenance areas

Never dispose spent oils on the ground or into the sea.

All spills and waste petroleum products shall be treated as hazardous waste (see below).

A6.6 Aggregates

All aggregates required for construction of foundations or platforms shall be from permitted / licensed quarries. New quarries shall have an Environmental Management Plan approved by the PMC and World Bank prior to work commencing.

A6.7 Noise and Operating Hours

Confine operations to between 6am and 6pm, Monday to Saturday, to avoid impacting on home life after work hours.

Negotiate with schools, hospitals and other sensitive sites a schedule of noisy work, taking into account the needs of occupants.

Inform occupants and neighbours when there will be unusual or unavoidable noise.

A6.8 Waste Management

(Refer also aggregates and hazardous substances).

At all times, the Contractor is responsible for the safe and sound storage and recycling or disposal of all solid waste.

Minimize the production of waste:

- Avoid over-ordering of imported materials (don't over specify);
- Prefabricate parts (such as frames) where relevant / practical;
- Train staff to reduce mistakes and wastage of materials;
- Find local uses for left over materials;
- Select materials that are easily reused or recycled at the end of their life.

All workers to use public toilets or mobile toilets provided for the project.

Store waste safely and securely on site. Separate hazardous waste, green waste, recycling, etc. Identify and demarcate storage areas clearly indicating the specific materials that can be stored in each.

Solid waste includes;

- Inorganic non-recyclable waste = waste that cannot decompose / break down easily and which cannot be recycled
- Hazardous waste, examples such as asbestos, waste oil etc.
- Recyclable waste = waste that can be recycled, i.e. plastics, metals, timber, paper.

All solid waste that cannot be reused locally is to be transported for recycling or disposal in permitted / licensed landfills / facilities. This may be in main centres or Port Moresby.

Hazardous wastes such as used oil, batteries, etc. must be stored safely and securely and removed from site prior to the end of the construction period. Hazardous waste must be treated and disposed at licenced facilities. Any export of hazardous waste must be in compliance with the Waigani Convention and any relevant laws enacted by PNG and the recipient country.

Permissions in the form of official documentation must be received for receipt of waste from PNG into another country.

Green (organic) waste (i.e. waste that will decay / break down in a reasonable amount of time, such as plant waste and food waste) may be composted. Land owners and occupiers should have access to any tree trimmings and other materials that may be of use for firewood or other purposes.

No waste is to be left on site after the work is completed.

A6.9 Occupational Safety

The Contractor shall be responsible for complying with all PNG safety laws and regulations and the World Bank Group Environment, Health and Safety Guidelines, and should consider the following as a minimum:

- Carefully and clearly mark pedestrian-safe access routes around the construction areas;
- Conduct safety training for construction workers working at heights and around electricity, and driver safety training for heavy vehicle drivers, prior to beginning work;
- Provide personal protective equipment and clothing (gloves, boots, etc.) for construction workers and enforce their use;
- Post Material Safety Data Sheets for each chemical present on the worksite and ensure workers understand them.
- Ensure that the removal of asbestos-containing materials or other toxic substances be performed and disposed of by specially trained workers with correct protective equipment;

General Health and Safety Awareness for construction and maintenance workers will include:

- Introduction to health and safety issues in construction sites by the Contractor;
- Education on basic hygienic practices to minimize spread of tropical and sexually transmitted diseases, including information on methods of transmission and protection;
- Prohibition of drugs, kava and alcohol on construction sites;
- Assure availability of medical assistance in emergency or non-emergency situations and availability of other health-related assistance.

Further guidance is provided in the World Bank Group EHS Guidelines (in reference list below).

A6.10 Demolition or Alternation of Existing Buildings

The Contractor shall implement adequate measures during demolition of existing infrastructure to protect workers and public from falling debris and flying objects. Among these measures, the Contractor shall:

- Ensure all compensation and / or resettlement has occurred and access is authorized, prior to demolition.
- Set aside a designated and restricted waste drop or discharge zones.
- Conduct sawing, cutting, grinding, sanding, chipping or chiselling with proper guards and anchoring as applicable.
- Maintain clear traffic ways to avoid traffic hazards from loose scrap.
- Provide all workers with safety glasses with side shields, hard hats, and safety shoes.

A6.11 Community Relations

Inform the community about construction and work schedules, and the potential risks and harm from construction sites or maintenance work.

Inform local community as early as possible and repeat at least one day in advance of any interruption to traffic, electricity or water supply etc. Advise through postings at the project site, at public meeting places, and in affected homes/businesses.

Advise people of the complaints mechanism under the EMSF/ESMP that can be used to provide feedback and lodge complaints.

A6.12 Environmental Emergency Procedures

In the event that accidental leakage or spillage of diesel/chemicals takes place, the following response procedures shall be followed:

- The person who has identified the leakage/spillage shall immediately check if anyone is injured and shall then inform the Supervisor.
- In such cases, all personnel shall take immediate action to stop and contain the spillage / leakage;
- The Contractor shall arrange maintenance staff with appropriate protective clothing to clean up the chemicals/chemical waste. This may be achieved through soaking with sawdust (if the quantity of spillage/leakage is small), or sand bags (if the quantity is large); and/or using a shovel to remove the sand / topsoil (if the spillage/leakage occurs on bare ground);
- Contaminated sand and materials must be handled as hazardous waste (see above).

The Contractor shall prepare a report on the incident detailing the accident, clean-up actions taken, any pollution problems and suggested measures to prevent similar accidents from happening again in future. The incident report shall then be submitted to PMC for review and submit to the Department of Environment.

A6.13 Environmental Training and Awareness

The Contractor should ensure that all concerned staff are trained and aware of the requirements of the ESMP, the Codes of Practice and the development consent (if relevant).

A6.14 Roles and Responsibilities

TEC is responsible for ensuring that all works are in compliance with this Code of Practice. TEC is responsible for ensuring that any contractors working for them work in accordance with this Code of Practice.

The ESMF and the Code of Practice should form part of the tender documents for any contractual work, and form part of the contract with Contractors.

A6.15 Monitoring

Visual site inspections on a weekly basis will be carried out by the PMC to ensure compliance with the Code of Practice. Remedies to be discussed and implemented during the site inspections, and records kept.

A6.16 References

IFC. 2007. Environmental, Health and Safety Guidelines 2.0 Occupational Safety.

Annex 7: Code of Practice: Cultural Heritage

Cultural heritage / physical cultural resources (PCR) are the sites, areas, objects, or artefacts that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural, religious or spiritual significance to a village, community, Province and / or to the nation. They may also have international significance. This ‘tangible cultural heritage’ includes movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes, for example:

- Sacred burial sites or sites of human remains
- Spiritual or culturally significant sites, localities, landscapes,
- WWII historic sites
- Fossils
- Places of worship, ceremonies, festivals
- Historic or cultural buildings

Protection, enhancement and development of cultural heritage / PCR is an integral part of the TSDP. Cultural experiences and cultural and historic places are part of the appeal for tourists and will be encouraged by the Strategy and Site Management Plans. There are risks that PCR may be damaged, degraded or vandalised from developments, either from poor design and development of site infrastructure, or from exploitation and increased numbers of visitors over and above the carrying capacity of the site.

A7.1 Project Screening:

Is this project specifically targeting protection, enhancement and development of PCR for tourism purposes? –

Incorporate cultural heritage measures into the project design. Ensure cultural heritage expertise is on the design team and reviews and contributes to the design and operational plans for the site/facility/asset. A separate PCR Management Plan may be required to address specific aspects of the subproject.

Will there be any items or sites that may need to be protected, avoided, relocated, removed, altered or destroyed in order of the subproject to go ahead?

PCR may found in the area of influence of an infrastructure project (such as grave sites on a proposed road easement). Or PCR may need to be moved or altered in order to develop a tourist site/facility. Avoid any damage or desecration to cultural heritage unless absolutely necessary and a PCR Management Plan has been prepared and approved by the National Cultural Commission.

A7.2 PCR Management Plan

To be consistent with the World Bank Safeguard Policy on Physical Cultural Resources OP/BP4.11, a plan for the measures to avoid or mitigate any adverse impacts on physical cultural resources must be prepared and disclosed publicly where there will be significant impacts to a PCR, or where PCR. The plan should be prepared with participation from the National Cultural Commission, local communities, land owners, and consistent with the laws of PNG.

When preparing the plan, provide the following:

- Detailed descriptions and maps of the site / item, and the location.
- Details of the protection, enhancement and / or development of a cultural site, building or other PCR for tourism purposes. Provide a description of the operational requirements of the site as it relates to the PCR.
- Detailed descriptions of the methods for avoidance, protection, removal etc. (such as fencing, signage, dismantling and reconstruction), including which organisations or individuals must be involved, and the timing for works.
- Compensation process and other mitigation measures for damage or loss.

The plan must also include:

- provisions for managing chance finds (see below);
- any necessary measures for strengthening institutional capacity for the management of physical cultural resources; and
- a monitoring system to track the progress of these activities.

The plan can be a chapter in the subproject Environmental and Social Management Plan, prepared as part of Project Design, or a separate report, depending on the nature and scale of the proposed activities (to be decided during project screening).

The plan should form part of the tender documents for Contractors, as part of the contract with Contractors, and part of any training and capacity building for the project.

Annex 8: PCR Chance Find Procedures

In accordance with OP4.11 Physical Cultural Resources and the National Cultural Property (Preservation Act) 1965, person working on the project discovers a cultural heritage site or item the following procedures should be followed:

1. Stop the activities in the area of the chance find;
2. Delineate the discovered site or area (e.g. fencing);
3. Secure the site to prevent any further disturbance, damage or loss. In cases of human remains, arrange for a guard to watch the site until the police, local government and / or National Cultural Commission representative or person with delegated authority take over;
4. Prohibit the collection of objective by any person;
5. Notify the local government and National Cultural Commission within 24 hours (and police if it is human remains);
6. Any objects that are found must be handed over to the National Cultural Commission.
7. Project works can resume only after instruction is provided from the National Cultural Commission.

Note that Section 9 (1) of the National Cultural Property (Preservation) Act, 1965, states '*A person who, without lawful and reasonable excuse (proof of which is on him) wilfully destroys, damages or defaces any national cultural property, is guilty of an offence. Penalty: A fine not exceeding K200.00.*'

Annex 9: Terms of Reference for Technical Advisory Projects

The Terms of Reference for any Technical Advisory projects should contain the following clauses as a minimum:

1. Analysis should include the environmental and social aspects and impacts, consistent with the safeguard policies of the World Bank and the Environmental and Social Management Framework, Indigenous Peoples Planning Framework and Resettlement Policy Framework of the PNG Tourism Sector Development Project.
2. Outcomes and outputs (including, but not limited to, Strategies, Alotau City Vision, technical or policy recommendations, concept design, detailed design, training) should be consistent with the safeguard policies of the Environmental and Social Management Framework, Indigenous Peoples Planning Framework and Resettlement Policy Framework of the PNG Tourism Sector Development Project.

Annex 10: Draft TOR for SESCHA

Draft Terms of Reference

Consultant

Strategic Environmental, Social and Cultural Heritage Assessment (SESCHA)

The objective of this short-term consultancy service is to provide technical assistance to the Tourism Promotion Authority (TPA) under the Ministry of Tourism, Art and Culture (MTAC), to prepare a Strategic Environmental, Social and Cultural Heritage Assessment (SESCHA) related to the WB financed Papua New Guinea (PNG) Tourism Sector Development Project (TSDP). The SESCHA will assess the preparation of a new national 2018-2028 tourism master plan (development strategies) for PNG and two provincial tourism Strategies for Milne Bay and East New Britain. The SECHSA will analyse cumulative, direct and indirect implications of implementing the draft / proposed Strategies / development strategies on natural environment, social structure and for cultural heritage nationally and in the two provinces. The SECHSA will also provide recommendations on how to amplify positive impacts and avoid or minimize any risks that these plans may carry. The findings of the SESCHA will be integrated into the final Strategies / development strategies.

The project development objective is to improve tourism services in targeted destinations. The Project will leverage opportunities for tourism development in the high-potential provinces of East New Britain and Milne Bay, and target key constraints currently impeding sustainable growth of the sector in these locations. The Project introduces an integrated approach that meets the need for: (i) stronger and more coordinated institutional and policy frameworks for tourism development across national, provincial and local levels; and (ii) improved/rehabilitated small-scale infrastructure for compelling tourism sites, products and experiences in the destination's tourism hubs and connected spokes (e.g., cultural and natural heritage sites around each hub). Consequently, the improved institutional and policy environment will be more conducive to designing and implementing realistic tourism development strategies at national and provincial level. The provincial tourism strategies will be aligned with the current tourism product offering, which does not require massive investments during the next five years, but rather improvement and rehabilitation of existing tourism attractions. This will be achieved by supporting complementary small-scale infrastructure and product-support investments that can lead to a rise in tourist visits. The consequent rise in tourism spending will then increase the tourism income captured by Project beneficiaries, especially women. This will, in turn, fuel inclusive local economic growth.

Component 1: Institutional and Policy Frameworks

This component will seek to raise the standard of government entities integral to establishing and growing an effective tourism sector. Institutional strengthening and integrated planning at the national level, the provincial level (in East New Britain and Milne Bay), and the local level (in Kokopo, Rabaul and Alotau), will enable entities to carry out key priorities such as: improved destination planning and management; marketing and promotion; skilled workforce development and capacity building; product development; sustainable site management of tourism assets; and performance monitoring and evaluation activities. Support will ensure that all planning, design, implementation and monitoring activities are done in an inclusive and gender-sensitive manner.

Subcomponent 1.1. Strengthening the national and provincial tourism development framework

This subcomponent will support the Ministry of Tourism, Arts and Culture (MTAC) and Provincial Administrations and tourism stakeholders in East New Britain and Milne Bay to improve the national and provincial environments for tourism planning and development. In doing so, the subcomponent will initially support the preparation of Papua New Guinea's 2018-2022 national tourism strategy. Similarly, the project will support the preparation of provincial tourism strategies for East New Britain and Milne Bay, which will be informed by a detailed demand assessment to be implemented by IFC. These five-year provincial tourism strategies will focus on improving the current tourism offering through small scale developments with high yield potential and low environmental and social impacts. Subsequently this subcomponent will finance priority TA activities identified as part of the strategies, including: guidance for the establishment of effective and sustainable provincial tourism / destination management offices; the implementation of a targeted marketing strategy for each province; the delivery of workforce development and capacity building priorities at national and provincial level; facilitation of business support services to tourism-related MSMEs; and overall monitoring and evaluation activities. Lastly, this subcomponent will assist MTAC in the prioritization of other provinces that can benefit from the implementation of potential subsequent investments.

Activity 1. Assessment of the Tourism Sector in PNG

Before developing tourism strategies it is critical to understand learnings from previous ones and the current state of play of the sector. Therefore, this activity will involve extensive stakeholder consultation and desk study to inform:

- A review of the current national Tourism Strategy, including an analysis of challenges faced in progressing the agreed strategies and actions, to identify lessons to be considered in developing the new strategies. This will supplement the 2011 review of the Model Province Tourism Plans as an additional input;
- A 'Situational Analysis' (diagnostic) of the tourism sector to identify the institutional landscape for tourism development, analyze supply, and determine constraints to sector development. This will be complemented by a market demand study to be conducted in parallel by IFC;
- A Tourism Supply Inventory/Audit to list and map tourism supply including infrastructure, products, services, sites and experiences (broadly across the country, but with more detail for East New Britain and Milne Bay). Existing audits are available to facilitate this task.

Activity 2. Preparation of a new 2018-2022 Tourism Strategy for PNG

With PNG's 2007-2017 Tourism Strategy approaching its final year, this activity will provide a national framework to guide the development and promotion of tourism in PNG for the next five years. The development of the new tourism strategy will be informed by the preceding Sector Assessment and entail:

- Consultations with key private sector, community, government, training, and development partner stakeholders to identify a shared vision for tourism, and gather input on tourism development needs and opportunities;
- Documentation of Strategic objectives, strategies and priorities for the following aspects of the tourism value chain:
 - Policy and institutional framework. This section will recommend institutional arrangements that can better support tourism development, within the regulatory framework of the new Tourism Act. For example, this section will identify:

- Policies for optimizing tourism development coordination across the Government institutions under Tourism, Arts and Culture, namely the Tourism Promotion Authority (TPA), the National Cultural Commission (NCC) and National Museums and Galleries (NMAG);
- Policies for optimizing tourism development coordination between the TPA and other national government institutions involved in tourism including agencies responsible for investment promotion, transport, airports, ports, small business development, internal revenue, commerce and trade, customs, foreign affairs, quarantine and immigration, the environment and conservation.
- Policies for optimizing tourism development coordination vertically between the TPA, and the provincial administrations and local authorities;
- Policies for optimizing tourism development coordination between the public and private sector nationally;
- Policies for optimizing tourism development coordination with development partners.
- Market analysis and marketing. This section will validate and/or enhance the TPA's Marketing Strategy 2016-2020 which is currently in development;
- Product and experience development priorities. This section will:
 - Identify at a broad (national) level, the needs and opportunities for investment in accommodation, tours, attractions, niche experiences (e.g. culture, marine, adventure, war heritage), events, and ancillary tourism offerings e.g. artisan items, retail outlets, restaurants etc.;
 - Include recommendations for advancing tourism quality standards and accreditation to enhance and extend the program initiated by TPA for guest houses so far;
 - Profile the market gaps/needs, and proposed interventions for developing community-based enterprises, MSMEs and large tourism investments. This will inform what will be progressed under this project or facilitated through development partner programs. (Note: Based on consultations and research to date, there is a clear need to develop competitive cultural tourism products and experiences, and an opportunity to mobilize community enterprise programs to do this, using the World Bank's Community Driven Development CDD model in PNG, overlaid with an enterprise development support program. This will be mobilized under Sub-Component 2.2 of this project. The needs of the private micro, small, medium and large businesses will be the subject of further scoping under the Tourism Strategy consultations).
- Workforce Development. This section will identify training and capacity building priorities for employees of tourism businesses, self-employed business owners and OTAC institution staff.
- Development of an Action Plan to detail how set objectives in the national strategy will be achieved and to document specific activities, timelines, resource requirements and KPIs. This will include:
 - An 'Immediate Action Plan' with highest priority activities that can be delivered under this Tourism Sector Development Project; and

- A ‘Medium to Long-Term Action Plan’ with activities recommended for subsequent Government and development partner support.

It is proposed that this National Tourism Strategy be developed concurrently with Provincial Tourism Strategies for East New Britain and Milne Bay (see Activity 2) in order to: mitigate the risk of duplicating stakeholder consultations; ensure relevant research is leveraged across both activities; achieve cost savings from a combined exercise; and optimize the sequencing of activities in developing and implementing the plans.

Activity 3: Preparation of provincial tourism strategies

The preparation of a comprehensive and actionable tourism strategies for East New Britain and Milne Bay (each) will provide a framework and detailed guidance on how tourism development should take place in the respective provinces, based on inputs from all stakeholders and insights from international best-practice. The strategies will be informed by findings from the Sector Assessment (Activity 1) as well as the impending IFC-funded support to TPA for an International Visitor Survey and Market Demand Study. Furthermore, the provincial strategies will inform, and be informed by, the national tourism strategy that is to be developed in parallel. They will adopt a similar framework, but the provincial strategies will detail province-specific needs and opportunities, together with an implementable action plan. This will help to ensure that there is a systematic and coordinated approach to tourism development in these demonstration provinces. This is essential if tourism development is to be sustainable; promoting development that protects fragile ecologies and respects local cultures. Important too is the opportunity that such a strategy provides for communities to be involved at the start, and not just brought in as an afterthought. The preparation of each strategy will build on the considerable amount of work that has already been undertaken in the provinces, including the 2006 Model Province Plans (which although 10 years old, feature much information that is still relevant), and the more recent documentation of tourism development vision, principles and ideas in each province. The (brief and high-level) ‘ENB Tourism Master Plan 2017-2022’ developed the following vision with tourism stakeholders: “ENB to have an educated, healthy and wealthy population living in a socially peaceful and wise community”, but government and industry have indicated a need to strengthen the plan’s direction for implementation. Similarly, in Section 4.5 of the Milne Bay ‘Integrated Provincial Development Plan 2016-2020’, the tourism vision for the province is identified as: “A vibrant, sustainable and community driven eco-tourism industry in Milne Bay”. Such visions and principles for provincial tourism development that have recently been agreed amongst stakeholders will form the foundations for the more comprehensive tourism strategies proposed under this project, which are needed to take this work forward to a stage where many components can be implemented.

The five-year provincial tourism strategies will focus on improving the current tourism offering through small scale developments with high yield potential and low environmental and social impacts. Therefore, they will entail the following tasks in each Province:

- **Tourism Hubs and Spokes Resource Mapping.** This will build on the tourism supply inventory for ENB and Milne Bay and situation analysis (both conducted under Activity 1), the IFC-support Market Demand Study (to be provided in 2017), and ongoing consultations to canvas local market/industry insights. It will identify and visually map the tourism hubs, spokes and connecting circuits in each province to visually present tourism resources including tourism infrastructure, sites, products and intangible experiences that are currently available, and those resources with the potential to enhance/develop tourism sites, products and intangible experiences. This activity will: (i)

identify gaps in current supply of tourism infrastructure and products in identified hubs and spokes; (ii) describe the nature of and rationale for the development of new infrastructure, sites and products; and (iii) specify product/experience development opportunities that host communities/businesses want to progress.

- **Infrastructure priorities.** As the tourism strategies envision tourism development with low environmental and social impacts, this will only require small-scale/site-specific improvements or rehabilitations that do not affect areas broader than the sites. Therefore, a list of priorities for small-scale infrastructure and services will be determined through the tourism supply inventory/ audit, and related hub and spoke mapping exercise. The business case, objectives, activities, timelines, budget and sources, responsibilities and KPIs will be identified in the strategies implementation plan.
- **Product, experience and facility development priorities.** Similar to infrastructure above, a list of priorities for product development and investment in accommodation, tours, attractions, niche experiences (e.g. culture, marine, adventure, war heritage), event and ancillary tourism offerings e.g. artisan/souvenir items, retail outlets, restaurants etc., will be identified through the tourism supply inventory/audit and mapping of these according to hubs and spokes. The business case, objectives, activities, timelines, budget and sources, responsibilities and KPIs will be identified implementation plan. Those with high priority will be addressed under this Tourism Sector Development Project (private MSMEs via subcomponent 2.1 and interested community-based enterprises via subcomponent 2.2). They will include feasibility assessment and will be based on maximizing community involvement.
- **Heritage Site Development Plans.** Site development plans will be produced for agreed high priority sites identified through the resource audit and mapping. These plans will determine the economic feasibility of each site and be based on maximizing community involvement within an appropriate legislative framework. They will be formatted as an investment portfolio, which should speed up the rate at which the proposed developments will be implemented. Development partners will be identified, especially at heritage sites. Guidelines on the natural and cultural sustainability of these sites will be included. Primary sites will receive detailed development plans specifying who will be involved, when the development will take place, what land tenure exists and how much it will cost. Secondary sites will have less detail. The site development plans will take into account ongoing events (e.g. new attractions being established).
- **Institutional Arrangements for Provincial Tourism Development and Marketing.** An institutional structure for managing tourism development and marketing in each province will be recommended, in alignment with the National Tourism Strategy. This will detail (i) the structure and accountabilities of the body/ies responsible for tourism development and marketing each province; (ii) a Terms of Reference, accountabilities, and staffing structure; (iii) mechanisms for tourism coordination with this body/these bodies, the TPA, other relevant agencies, industry and community; (iv) a resourcing plan including itemized budget (income and expenditure) through the short to long term; and (iv) capacity building needs and solutions for staff to mobilize tourism development and marketing plans. The potential to transition the respective provincial tourism bureaus into a Destination Management Office (DMO) that can generate income from value added activities in the future, will be scoped. Priority recommendations will subsequently be addressed under this Tourism Development Project. (See Activity 4).
- **Provincial Marketing Strategy and Annual Plan.** A medium-term Marketing Strategy will be developed for each province with the objectives of: (i) identifying target markets

using available market analysis; (ii) creating a distinct brand image and identity that resonates with target markets; (iii) identifying communications and tactical marketing opportunities via optimal channels for reaching and converting target markets (e.g., social media, advertising, travel industry and media relations) and (iv) developing a local community awareness marketing campaign. This Strategy will be informed by the Market Demand Study and TPA Marketing Strategy. A Marketing Plan for the first year will also be developed to enable operationalization of the Marketing Strategy and provide a framework for annual marketing activity. This will detail proposed marketing activities that complement and/or supplement the broader TPA marketing activities. It will also feature timelines, responsibilities, budget amounts and sources, and KPIs. It is proposed that the medium term Marketing Strategy, and the first three years of the Annual Marketing Plans be funded under the Tourism Development Project, with a view to developing a public/private cooperative marketing model under a Destination Management Organization model (see Activity 5).

- **Workforce Development Priorities.** Tourism workforce development priorities for each province will be recommended, in alignment with that developed under the national Tourism Strategy, and with a specific focus on skills gaps within each province. Each plan will identify province-specific needs and opportunities for skills development for tourism employees and self-employed MSMEs in the respective provinces. It will also consider skills development needs for staff of provincial tourism bodies. These plans will include numbers of individuals to be trained in specific skills and knowledge, and propose how and where this training could be provided. Key objectives, activities, timelines, budgets and sources, responsibilities and KPIs will be detailed in the Provincial Plan's 'Immediate Action Plan' or 'Medium to Long Term Action Plan', depending upon the level of priority. Those in the former will be addressed under this Tourism Development Project. (See Activity 6).
- **Economic base and forecast.** A forecast will be made of the value of tourism for each province, including a provincial breakdown. The possible development scenarios and their underlying assumptions will be outlined.

The remaining activities represent the implementation of high-priority initiatives identified under the National or Provincial Tourism Strategies:

Activity 4. Setting up tourism destination offices in two provinces

This activity will be informed by the recommendations under the 'Institutional Arrangements for Provincial Tourism Development and Marketing' in the Provincial Tourism Strategies. It will propose an institutional framework to ensure proper destination management, public-private partnership at the TPA level, as well as sustainability of investments made in provinces. Based on consultations and research to date, the assignment is likely to include the following activities:

- Provide institutional and legal advice to define the best organization for the proposed establishment of destination management offices in the two provinces;
- Design and implement a destination management network linking TPA to provincial and local level management and promotional activities;
- Help establish the Destination Management Office (DMO) in each province (attached to tourism information center), define institutional and work arrangements, draft staff jobs descriptions including scope of work and minimum qualifications, assist TPA in

interviewing and appointing qualified staff, and offer on-the-job training to appointed staff;

- Determine a short and medium term funding model, with targets to generate income from industry stakeholders based on value provided by the office;
- Equipping the office to implement the Marketing Strategy and Annual Marketing Plan for the first year, and development of plans for each subsequent year (see Activity 5); and
- Provide training, equipment and software so the new offices can pursue their mandate effectively.

Activity 5. Marketing and promotion

This activity will mobilize the Marketing Strategy and Annual Plan developed as part of the Provincial Tourism Strategy. In doing so it will:

- Develop the brand identify for each province that resonates with target markets as recommended in the Marketing Strategy. This will include developing a tagline, logos, images and video footage, and the destination ‘look and feel’ for online and print materials, etc.;
- Develop online marketing tools (website and social media presence) and launch the online and social media marketing campaign as recommended in the Marketing Strategy;
- Develop print marketing / visitor information materials (e.g. brochures, guidebooks, maps) and mobilize a distribution plan (e.g. local channels for visitors, trade shows for clients etc.);
- Implement trade and media marketing activities as outlined in the Marketing Strategy and Annual Plan;
- Undertake local outreach campaign to engage local communities in tourism development;

Activity 6. Workforce development and capacity building

This activity will mobilize ‘Immediate Action Plan’ priorities from the Workforce Development section of the National Tourism Strategy and Provincial Tourism Strategies. Therefore, the specific activities will need to be informed by the proposed Skills Gap Analysis. Based on consultations and research to date however, the assignment is likely to include the following early implementation activity:

- A capacity building program for officials at the key Tourism Arts and Culture institutions (TPA, the National Culture Commission and the National Museum and Gallery), and officers in the proposed new provincial Destination Management Office.

Activity 7. Business start-up/expansion advisory service to tourism MSMEs

This activity will mobilize / facilitate connections to business development support initiative where relevant gaps are identified through the situational analysis and plans’ development. A small number of business development support programs are already serving micro, small and/or medium enterprises (MSMEs) are available in PNG. DFAT’s Market Development Facility serves MSEs with business advice and grant funding, whilst ADB’s Pacific Business Investment Facility (BIF) serves SMEs with business advice to access commercial funding. The government-funded Small Business Enterprise Centre (SBEC), and Business Advisors in the provincial government commerce departments are an intended source of business development advisory support for emerging business owners; however, there are reported shortcomings with these services. The situational analysis will help understand the local entrepreneurship development needs this project should address for MSMEs, if indeed any gaps exist. In the least this project – through the proposed establishment of

Destination Management Offices in each province - will be able to facilitate linkages between new business opportunities and existing business support programs, micro finance providers and related resources. Any larger tourism businesses seeking investment and advisory services will be referred to IFC.

(Note: The identified need and opportunity for community-based enterprises to access technical, business and community governance support is being addressed through sub component 2.2. Growing demand from cruise passengers and the niche culture-based travel segment travelers for arts and cultural heritage products and experiences offers potential for communities to develop businesses; however, this calls for a tailored community development / entrepreneurship development hybrid which will be develop under this project).

Activity 8. Performance monitoring and evaluation activities

The activity will monitor the Project's results indicators from the baseline, annually and cumulatively at the end of the Project implementation. Monitoring will not only cover the Project's results framework, but also monitor overall change in tourism statistics, satisfaction and volume of private sector investments in the two provinces. By measuring tourist arrivals/numbers, spending, satisfaction, occupancy rates, increases in tourism-related investments, and gender aspects, the Government will be better able to make adjustments when needed, and allocate resources for infrastructure, marketing, human resources, and policy reforms. At present, TPA and provinces have difficulty assessing the tourism activities in the provinces, as staff lack the expertise and financial resources to conduct surveys. Software available to date cannot accurately measure the accommodation statistics, and data are not reliable. However, as a parallel intervention to support TPA and this project, IFC is funding a new International Visitors Survey (IVS) initiative which will equip TPA with the resources needed to collect more reliable data from tourists in the future.

This activity will therefore involve (a) utilizing new IVS data , and (b) gathering baseline data from both formal and informal tourism enterprises about the length of tourist stays, as well as employment rates (by gender), tax revenues, estimates of tourism income, expenditures, rates of profitability, and other variables through surveys, interviews and questionnaires. The Government would learn the amount that tourism enterprises spend on local goods and services and thus be able to measure the indirect/direct impacts of the sector on the provincial and national economy. Also, the survey will collect and monitor relevant gender data to better understand the roles of males and females in tourism, the potential impact of the Project by gender, and the constraints these entrepreneurs face in each of the two provinces.

In addition, as part of the Project's results assessment and beneficiaries' feedback, a baseline household survey is to be conducted to establish socioeconomic baseline data at the household level and solicit beneficiary's aspiration feedback about the project. The survey will cover the main beneficiary's settlements in each province. A follow up annual survey will be conducted to measure changes in household socioeconomic data and community feedback on the Project's progress and results.

Subcomponent 1.2. Strengthening provincial urban, cultural and community development frameworks

This subcomponent would support the underpinnings required to develop integrated tourism destinations. In doing so, this subcomponent would support (i) the preparation of a vision for Alotau; (ii) the preparation of site management plans for a selected cultural heritage sites; (iii) the provision of cultural heritage advisory services; (iv) the mapping of tangible and intangible cultural heritage in each province; and (iv) the preparation of Strategic Environmental, Social and Cultural Heritage

Assessment (SESCHA). . This component would strengthen the capacity of the provincial institutions to support stakeholder engagement through public-private dialogue and increased awareness.

Activity 1: Preparation of Alotau's city vision

The activity will help the city of Alotau to diagnose the existing situation, city development patterns, infrastructure audit and define, in consultation with the stakeholders, the city development vision and directions. The activity will not define an investment action plan or identify any large scale infrastructure projects that might be classified as environment category A.

In doing so, the activity will begin to support Alotau development vision 2032: “Alotau will become nationally competitive and the first choice in Business, Tourism and Investment City in Papua New Guinea characterized by an attractive urban environment for all to live, enjoy and do business in a safe and secure environment; and that the government and customary landowners will fully participate together vision in urban development initiatives through the utilization of their urban customary land.”

Activity 2. Preparation of sustainable site management plans for selected cultural and natural heritage sites.

This activity will support the preparation of site and visitor management plans for key cultural and natural heritage sites. In each province, sites will be prioritized for Site Management Plans through the urban and/or provincial tourism development planning process. This activity will entail the following:

- Mapping sites and institutional responsibilities of O&M;
- Aligned with the SESCHA (see Activity 4), define and apply methods to assess each sites' carrying capacity, based on local conditions and design a visitor management plan;
- Design guidelines for each site and a tool-kit for operating the visitor programs;
- Define and illustrate visitor trails, infrastructure, locations of service units, access and exits, and the nature of each site;
- Describe visitor flows and projections, needed infrastructure capacity, required staff and qualifications, parking, public toilets, O&M guidelines, translation aids and techniques, monitoring, research and conservation measures; and
- Design needed signage and interpretation panels.

This activity will be undertaken with staff from provincial and local level institutions in order to provide on-the job training.

Activity 3. Cultural heritage advisory service

The objective of this activity is to (i) establish advisory service on the World Heritage Sites Tentative List for PNG (e.g., Milne Bay Seascape - The Pacific Jewels of Marine Biodiversity) and provide assistance to MTAC in preparing nomination files for new inscription of unique tangible heritage (e.g., WWII tunnels system in ENB) and intangible heritage (e.g., PNG traditional costume, masks, kenu and music) as World Heritage; and (ii) provide on-the-job capacity building to national and local institutions on cultural heritage preservation and site management plans. This activity will be implemented by the UNESCO's World Heritage Center on a cost recovery basis under a direct contract arrangement.

Activity 4. Mapping of tangible and intangible cultural heritage in each province.

This activity will extend the tourism resource mapping under sub component 1.1, to delve into more detailed mapping of tangible and intangible cultural heritage resources across each of the provinces,

including and assessment of (i) cultural and tourism potential of the various resources; (ii) development needs and potential of various forms of artisanship; and (iii) the preservation and protection needs of different resources in relation to tourism development in each province.

Activity 5. Preparation of Strategic Environmental, Social and Cultural Heritage Assessment (SESCHA).

The SESCHA will assess the preparation of the new National Tourism Master Plan and two Provincial Tourism Strategies. It will analyse cumulative, direct and indirect implications of implementing the draft plan's strategies on natural environment, social structure and for cultural heritage. The SESCHA will also provide recommendations on how to amplify positive impacts and avoid or minimize any risks that these plans may carry. The findings of the SESCHA will be integrated into the final tourism strategies.

Component 2: Infrastructure and Community / Product Development

This component will support the development of integrated tourism destinations in Milne Bay and East New Britain, as identified in the provincial tourism strategies. The implementation of the vision laid out in the tourism strategies will require small-scale/site-specific improvements or rehabilitations that do not affect areas broader than the sites, and direct support to community-led enterprises. The small-scale improvements will benefit the tourism hubs of Rabaul and Kokopo (East New Britain) and Alotau (Milne Bay), which are the main entrances to these provinces for tourists, by air (Tokua/Rabaul and Gurney airports) and sea (cruise ships and super yachts). Moreover, the project will also support the improvement of products in 'spokes' (attractions around the hubs), that are already accessible and where communities are willing to participate, by improving existing products and/or experiences (or clusters of such), based on niche themes (e.g., arts, culture, nature, WWII history) and/or geographic locations. This component will also provide targeted support for the development of community-led enterprises, through a grants and advisory program for communities that wish to supply products for tourists based around their cultural or natural heritage. This approach will provide more compelling reasons for visitors to spend more time and money, thereby helping to share the prosperity generated by tourism growth.

Subcomponent 2.1. Upgrading tourism infrastructure and heritage sites in urban and rural centers

This subcomponent will support small-scale infrastructure rehabilitation to enhance key tourism assets. It will improve the overall quality of each hub destination in Rabaul, Kokopo and Alotau, and selected tourism spokes. Support would be aligned with the provincial tourism strategies. Support would include, for example, upgrading of parks, the development of provincial arts and cultural centers, museums, historical sites/walkways, markets and natural areas as determined by public and private sector prioritization. Upgrading activities would include improved signage, sitting areas, walkways, street lighting, water supply and sanitation facilities, waste collection and access road.

The general principles to identify eligible subproject investments include that they should:

- Serve the purpose of improving the quality of life; helping meet basic social, environmental, and public health standards; and promoting local economic development.
- Be identified primarily on the basis of locally determined needs, with particular attention to the needs and preferences of women.
- Represent a technically feasible, least cost approach to addressing a specific problem or need, that when developed, makes the destination viable (i.e. not requiring complementary investments). Costs of subproject alternatives, including the cost of doing nothing, must be evaluated, and their economic and financial feasibility assessed.

- Be consistent with the development objectives of tourism sector development strategies, and fall within the geographic coverage of the project.
- Be supported by financial projections, demonstrating that the incremental financial impact of the subproject (including incremental costs for operation and maintenance) can be met by the local and rural governments from overall increased revenues and/or reductions in other expenditures.
- Include a clear and complete financing plan, including evidence that the required counterpart contribution has been, or will be, secured on time and that debt service payments, together with other incremental operating and maintenance expenditures have been approved for inclusion in future budgets.
- Be in full compliance with all relevant provisions of Papua New Guinea legislation and regulations, including environmental legislation. It must fall under environmental Category B or C, according to the World Bank's OP/BP 4.01 Environmental Assessment, and documentation prepared for the subproject must meet requirements of all safeguard policies triggered by this subproject.

This subcomponent would also support the development of two provincial arts and cultural centers, linked to the National Museum and Gallery. The centers will be developed based on a range of global models and will be linked into the vibrant network of Aboriginal Art Centers and their related fairs and markets in Australia. As cultural hubs, the centers will provide training, quality enhancement, product development, curatorial input and training, and market access and linkages. The focus of the centers will be on protecting and promoting the distinct cultural heritage and wide diversity of art practices in PNG, which in turn will serve to promote the image of PNG more generally as a tourist destination. The province based centers will also provide support to arts and hand-crafts initiatives supported under subcomponent 2.2.

Proposed Subproject Investments in Milne Bay (subject to screening and appraisal on a rolling basis during project implementation).

The following list of proposed subproject investments for this component have been identified for the development of Alotau as a tourism hub and its connected spokes in the province. These are based on contributions from stakeholders during workshops in 2016, as well as the Provincial's Government's 'Master Program and Projects' matrix which includes priorities documented in the 'Integrated Provincial Development Plan 2016-2020', and identified by the Milne Bay Tourism Bureau. The airport and port provide adequate infrastructure for tourists to access the hub of Alotau, with only the Gravel Pit bridge, which connects the airport with Alotau, requiring rehabilitation. Tourist attractions in the spokes outside Alotau are mainly reachable by boat, with Alotau having the necessary jetties. However, access to the East Cape, which is the main point of entrance to Esa'ala and Kiriwina-Goodenough Islands requires a rehabilitation of the main road. This is being done by the World Bank's Road Maintenance and Rehabilitation Project II, which is currently sealing the full length of the road between Alotau and East Cape, together with improving six existing bridges, shoulders, and drainage systems. The small jetty in East Cape requires upgrading to provide proper access to boats transporting passengers and cargo.

The proposed investments are subject to screening and appraisal on a rolling basis during project implementation, taking into account the findings of the demand assessments and Provincial Tourism Strategies. Therefore, this list may be updated during the development of the urban and Provincial Tourism Strategies. A small number of subprojects are identified below for 'early implementation'

(e.g. commencing architectural and engineering design, economic assessment and safeguards documents), given their high priority and ‘ready-to-go’ status.

- **Alotau foreshore facelift and development.** With the growth of the cruise ship industry, and the increasing number of cruise ships bringing thousands of tourists to the shores of Alotau and several other locations in the province, there has surfaced a need to put in place facilities and initiatives to allow for more tourists to come ashore and also to spend the tourists dollars on local activities and sightseeing. This investment will also benefit the people of Alotau.
Note: This is identified as a possible ‘early implementation’ project.
- **Alotau streetscape.** The beautification of the streets from the port to Massim Cultural Center has also been identified as a priority infrastructure need. It will create a more welcoming environment for tourists and locals.
Note: This is identified as a possible ‘early implementation’ project.
- **War memorial facelift.** Alotau is historic in terms of World War II. There are two war memorial sites located in the vicinity of Alotau town which are in need of rehabilitation.
- **Upgrade of water line to Alotau port.** When cruise ships arrive to Alotau, the water line to the town is disconnected in order to serve the cruise ship. The subproject will finance the construction of a dedicated water pipeline (1.2 km) from the water reservoir to the port.
- **Upgrade of central foreshore park in Alotau.** Alotau’s main public gathering space is centrally located, including large dilapidated green areas and markets. There have been plans to upgrade this area for many years to increase the attractiveness of Alotau, but it has not been possible due to lack of financing. Local vendors will be provided by an alternative nearby location to avoid any negative impact on their economic livelihood during the upgrading period.
- **Sanderson Bay waterfront improvements and park beautification.** This to upgrade the park used for the Kenu and Kundu Festival site. Semi-permanent craft huts could be established, and sitting benches placed along the walk way. This would also include the construction of toilet facilities and landscaping.
- **Deidei Hot Springs Attraction Development.** The Deidei Hot Springs located in East Fergusson Island has become an international tourist attraction, drawing visitors from all over the world to watch the amazing actions of nature as it shoots boiling geysers up to 20 meters at the call of the village elders.
- **Small-scale water and sanitation facilities at Kaibola/Kitava cruise tourism landing site.** With the growing number of tourists visiting on the cruise ships, there is an urgent need to build water and sanitation facilities at the Kaibola/Kitava jetty site.
- **Restoration of Cultural Heritage Villages.** There is an opportunity to restore a selected number of cultural villages in surrounding villages where the local people can display their rich cultures through dance, arts and crafts and folklore when tourists visit. Opportunities for such developments will be identified in the Provincial Tourism Strategies, and projects selected for infrastructure development could be tied to TA and funding under component 2.2
- **Eco-Tourism Developments.** Developing ecotourism products and experiences is one option for ordinary village people to benefit from tourism. Milne Bay boasts of some of the most beautiful, unique and rich environments, from the mountainous to the seas, islands and atolls to the reefs and sea ways. Esa’ala is leading the way in re-introducing eco-tourism programs with village guest houses, home-stay, bush-tracking, diving and

fishing. The initiative has the potential to be spread to all districts and LLGs. Opportunities for such developments will be identified in the Provincial Tourism Strategies, and projects selected for infrastructure development could be tied to TA and funding under component 2.2.

- **Development of Cultural Festivals.** Cultural Festivals and events could be encouraged and held in the districts to promote and highlight the unique cultures of the various districts. In Esa'ala the Kula Festival has been revived. In Misima the Haptomwa Festival, and in the past Samarai has the Giniuba Kaiheya. Opportunities for such events will be identified in the Provincial Tourism Strategies, and projects selected for infrastructure development could be tied to TA and funding under component 2.2

Proposed Subproject Investments in East New Britain (subject to screening and appraisal on a rolling basis during project implementation).

The following list of proposed subproject investments have been identified for the development of Rabaul and Kokopo as tourism hubs and connected spokes across the province. These are based on contributions during stakeholders workshops held in 2016, and consultations with the Provincial's Administration and industry. The main access infrastructure is in place, with the airport and port providing adequate access to the hubs of Rabaul and Kokopo. The main road network also provides access to the major tourism attractions. Nonetheless, the road connecting the Rabaul port to the Rabaul-Kokopo road requires rehabilitation, especially given the heavy traffic when cruise ships are visiting. While the Vulcan section of the Rabaul-Kokopo road also requires rehabilitation, this is not technically feasible at the moment, requiring longer travel times between Rabaul and tourism attractions located in Kokopo.

The proposed investments are subject to screening and appraisal on a rolling basis during project implementation, taking into account the findings of the demand assessments and Provincial Tourism Strategies. Therefore, this list may be updated during the development of the urban and Provincial Tourism Strategies. A small number of subprojects are identified below for 'early implementation' (e.g. commencing architectural and engineering design, economic assessment and safeguards documents), given their high priority and 'ready-to-go' status.

- **Rehabilitation of road from the Rabaul port and construction of a hand-crafts local market.** This road is used by about 200 passenger minibuses bimonthly to take tourists from the cruise ships around Rabaul, Kokopo, and attractions in the province. The road has several potholes and is temporarily fixed the day before a cruise ship arrives. The proposed subproject will also include the construction of an open-air hand-crafts market using local traditional construction materials (timber and sago leaves), similar to the Kokopo market.
Note: This is identified as a possible 'early implementation' project
- **Rehabilitation of Bita Paka War Cemetery.** The Rabaul (Bita Paka) War Cemetery, established in 1945, is currently one of the most important and unique site visits in ENB. The cemetery contains 1,120 Commonwealth burials of the Second World War, 500 of them unidentified. The cemetery contains the Australian and Commonwealth graves of those killed during operations in New Britain and New Ireland during World War II, or who died while prisoners of war. The cemetery also contains First World War graves brought in from Rabaul Cemetery in 1950 and from Kokopo Old German Cemetery in 1961. In all, 32 First World War servicemen are now buried or commemorated in the cemetery. The cemetery is managed by the Commonwealth War Graves Commission. The subproject would rehabilitate the access road and improve project site management,

including street lights, hand-craft kiosks for local community to sell their products, public toilets, and signage and interpretation panels.

Note: This is identified as a possible ‘early implementation’ project

- **Mask Festival Showground Facilities upgrade and site improvement.** ENB’s Mask Festival attracts visitors from all over the world and across PNG. However the showground site does not have adequate facilities to host such an event. Improving the site and facilities will benefit both tourists and the local population. This infrastructure project could be tied to TA and funding under component 2.2.
Note: This is identified as a possible ‘early implementation’ project
- **Rehabilitation of Museum and Art Gallery.** The objective of this investment is to physically rehabilitate ENB’s two museums/art galleries and improve exhibits display visitor management and experience. Kokopo War Museum (Kokopo Museum) began in the early 1980s as a small museum at the so called “Yamamoto Bunker” in Rabaul. It was moved to Kokopo to accommodate a growing collection, and in anticipation of any possible volcanic eruption. This museum contains a large collection of WWII artifacts from the Rabaul related to the history of the area, including local art & culture, German colonial period, prewar and WWII Japanese occupation. The New Guinea Club & Rabaul Museum was established in 1933. It was originally a businessmen’s club with strict guidelines for membership. It was badly damaged in WWII and rebuilt in the 1940s to its former glory, only to be destroyed again by fire in 1993. It has been partly restored and is now home to a small and interesting art items and unique WWII collection.
- **Rehabilitation of access road to Kokopo/Rabaul Japanese Barge Tunnels site and improved site management.** At Karavia Bay, between Raluana Point and Vulcan, are a network of tunnels and tracks connecting barges and buildings dating back to the war. In the main tunnel are five barges lined up end to end. Visitors are advised to take a torch. The subproject would rehabilitate the access road and improve project site management, including parking, simple hand-craft kiosks for local community to sell their products, public toilets and interpretation panels.
- **Rabaul Observatory site management improvement.** The observatory overlooking Simpson Harbour, Rabaul and the volcanoes is a popular tourist attraction, but parking and traffic congestion has become a major issue for buses transporting large numbers of cruise passengers.
- **Underground Hospital site management improvement.** This war heritage site is overgrown and in need of site management.
- **Omorong Recreational Park Facilities.** This public park area warrants a beautification investment.

Subcomponent 2.2. Supporting partnerships for inclusive tourism destinations

This subcomponent aims at improving the economic livelihood of selected communities which can create or expand a tourism product. It supports start-up or expansion of community-led enterprises that contribute to improved livelihood of the bottom forty percent through sustainable and inclusive tourism development.

The sub-component draws on the experience of a range of different Community Driven Development (CDD) projects, small grants, micro-finance and micro-entrepreneurship programs in PNG and other parts of the globe. The resultant design is a hybrid approach that encompasses CDD principles, the principles of sustainability and cultural heritage protection, and the entrepreneurship principles of competitiveness, market development and performance based disbursement. Activities supported

under this sub-component will also be informed by the resource audit being conducted under the Provincial Tourism Strategies (subcomponent 1.1), and the complementary mapping of tangible and intangible cultural heritage in each province (subcomponent 1.2). Both activities will enable more targeted outreach and support to communities, which have already demonstrated some capacity to work collectively to develop innovative tourism and cultural heritage products. At the same time, a more general community outreach campaign will be undertaken to ensure that all eligible groups are adequately informed about the opportunities provided under the project.

Specifically, the subcomponent will provide Community Grants (CG) in support of a range of local initiatives selected on various principles such as sustainability, the promotion of cultural heritage, and a well-founded business case. Particular attention and support will be given to activities initiated by women and youth; at least 50 percent of community grants will be given to women led initiatives. CDD principles will be used to solicit demand from local communities and engage them through participatory tools to identify local priorities. Activities to be supported must meet a set of criteria that promote sustainability and cultural heritage in the local context and communities will be required to submit proposal through a competitive process, with criteria that are clearly articulated and adhered to by a Project Small Grant Committee (PSCG). The PSCG will be made up of representatives from TPA, the Provincial Government and the private sector.

To facilitate the submission of quality proposals from communities and to guide their market relevance, a package of advisory support services will be provided by a non-government service provider entity, such as an NGO or private firm, selected on a competitive basis. The package of support will include community outreach and education, community mobilization, business proposal development, costings, market assessments and links to market opportunities, implementation support, and monitoring and evaluation. The service provider (SP) is expected to work closely with the relevant provincial agencies, including the Provincial Tourism Office/Destination Management Office, and collaborate with the local and national Museums, Galleries or cultural institutes where appropriate. The SP will also be responsible to provide monitoring and progress information to the project PMU. Selection of successful applications for the community grants will be made by the PSGC.

Activity 1: Advisory Support Services

A non-government entity (NGO, firm, or selected individuals) will be competitively selected as Service Providers (SP) to provide a package of ongoing support for the community grants program.

The package of support will include training and advisory services related to:

- Community outreach and awareness raising about the community grants program;
- Social mobilization, and support for the formation of community groups and associations, including support to improve the participation and inclusion of traditionally marginalized groups in planning and decision making processes (including women, youth, and persons with disabilities);
- Business planning, project planning proposal development;
- Banking and accounting support;
- Sustainable tourism and maintaining, preserving and promoting cultural heritage training;
- Product development and quality control;
- Linkages to private sector tourist operators and related markets;
- Implementation support;
- Monitoring and Evaluation.

Through a single contract with the SP, the Project will be able to provide different types of support to be provided on a rolling basis throughout the project's lifecycle. Community outreach and awareness about the grants program will be undertaken intensively in the first year of the program, in conjunction with TPA and the provincial tourism bureau. It is expected that potential communities for this component will be identified during the resource audit being conducted under the Provincial Tourism Strategies, however a dedicated community engagement task will be undertaken for this activity to ensure a fair chance to all. Interested community groups will be invited to prepare expressions of interest to participate in the first phase of the program in which they will be provided with a range of start up support, including the development of business plans, project costing and proposals. The PSGC will vet and select the program participants at each stage of support. Community groups will compete for grants in three rounds throughout the project. Groups selected by the PSGC will sign an agreement with TPA and receive the financial support directly into community bank accounts (once these are set up and/or confirmed to be aligned with criteria elaborated on in the POM).

It is estimated that advisory support services in each province will cost about US\$250,000. Multi-year funding will be possible where the service provider has demonstrated a high level of capacity and performance based on the contract criteria and deliverables in the first phased of the project. A performance review will be carried out by TPA/PMC after the first round of grants are disbursed.

Activity 2: Community Grants

Community grants (CG) are intended to support economic and sustainable livelihoods development in target communities and will be provided directly to community groups through community bank accounts.

Community groups can include formal or informal associations (such as groups of artisans or cultural groups), family groups, village associations, women's groups, or any other local group that has come together for the purpose of developing a specific sustainable tourism product, and is able to open a Bank Account in line with the requirements set out in the OM. The group will need to demonstrate a commitment to work together for the purpose of the proposed sub-project through the submission of the proposal and identify a group coordinator, secretary and treasurer. Both existing groups and activities and start-ups are eligible for support. Startups will be subject to more intense monitoring, and will receive payments in smaller tranches over the project cycle.

Groups and their proposals will be screened and selected competitively for each phase of support under the program. Selection will be based on a set of sustainability principles, and positive list of types of support, and evidence of prior effort and/or in-kind contribution by the group.

Sustainability principles will include activities that:

- Are community initiated, owned and supported;
- Target the bottom 40%;
- Support the preservation and protection of unique natural and cultural environments, resources or practices;
- Do no harm to the natural environment, local cultural practices or to local community relationships;
- Are financially sustainable.

As such, CG's will support a range of activities including:

- Micro-infrastructure, where these investments will contribute to a specific sustainable tourism or cultural heritage product (such as erecting or rehabilitating community owned cultural assets or infrastructure, establishing or extending a local guest house, local amenities that enhance the attractiveness/appeal of a natural or cultural site, such as sign boards, local market stalls, cultural performance areas, providing toilets on site etc)
- Specific assets, materials or resources to enhance the quality and development of tourism, arts and cultural products (e.g. quality art supplies, transport for specific nature or culture based tours etc);
- Achieving product quality standards / accreditation /certification processes;
- Marketing, design support and promotion materials and activities (such as certification processes, various forms of advertising etc);
- Training (e.g. governance, business management, customer service)

It is envisaged to provide a minimum of 125 grants in amounts ranging between US\$5,000- 20,000. Finance will be provided in cash, in minimum of 2 tranches paid on a performance basis. The advisory support service organization will monitor the implementation of the various activities and verify performance. Three rounds of grants will be implemented during the life of the project, starting with a smaller number of grants in the first year of the program, leading to two larger rounds in the 2second and third years of the project.

The grants will be implemented in accordance with the definitions and procedures set out in the Project's Operations Manual (POM), and will include the following processes supported by the SP, as well as TPA, the Provincial Tourism Bureau/Destination Management Organizations, Cultural Centers and Arts Galleries, supported under component 2.1. The following steps will be followed and elaborated on in the POM:

- Awareness Raising, 'Demand' Mapping and Community identification (SP);
- Selection of groups for phase 1 SP support;
- Participatory planning, prioritization and development of project plans (SP with community groups);
- Selection of 'winning' projects (by PSGC);
- Implementation and monitoring of grant activities (SP, community groups).

The TPA supported by the PMC will be responsible for the overall functioning of the small grants program and a grants officer will be identified within the PMC to be the nodal officer for the program.

Component 3: Project Management

This component will support the Project implementation, including procurement, financial management, safeguards compliance, preparation of feasibility studies and details design, and construction supervision. In doing so, this component will support the establishment of a project implementing entity in TPA, headed by a project manager, together with two provincial coordinators. As this will be the first World Bank project to be implemented by TPA in multiple locations that do not have TPA presence, a project management company will be hired to support implementation, safeguard compliance and timely disbursement. The component will also finance the operating cost of the Project implementing and coordinating entities at the national and provincial levels.

OBJECTIVE

The objective of this consultancy service is to provide technical assistance to the TPA, under the PNG TSDP, to prepare a SESCHA so as to integrate environmental, social and cultural heritage considerations into the two provincial tourism strategies (Milne Bay and East New Britain). The assignment includes coaching and on-the-job training, and supporting TPA with a stakeholder engagement and public consultation process. The SESCHA will analyze cumulative, direct and indirect implications of implementing the draft / proposed regional and tourism-related development plans and programs on natural environment, social structure and cultural heritage. The SECHSA will also provide recommendations on how to amplify positive impacts and avoid or minimize any risks that these plans may carry. The findings of the SESCHA will be integrated into the final Strategies / development strategies.

LINKS BETWEEN THE SESCHA AND THE STRATEGIESTOURISM STRATEGIES

The Tourism Strategies (National and Provincial) will inform future produce and service development and infrastructure development activities and therefore will have an enduring impact on the tourism industry and the wider economy. The underpinnings of the tourism industry are PNG's natural environment and unique cultural identity, and therefore the Strategies must address environmental and social impacts and look for opportunities to enhance benefits. For this reason, a SESCHA of the tourism sector will be undertaken concurrently and inform the Strategies. This approach, of integrating the SESCHA and the Strategy process, will mean that the Strategies will be consistent with in-country systems, Bank safeguard policies and the TSDP safeguards instruments⁵.

SCOPE OF WORK

Provide a strategic level assessment of the potential impacts and benefits of the development of the Tourism Sector through the implementation of the draft National and Provincial Tourism Strategies prepared under the TSDP. Provide recommendations to TPA on how to improve the final Strategies to enhance the benefits and mitigate the impacts. The process shall involve interactions with the Strategy team and stakeholder engagement and public consultation. Prepare a SESCHA report, outlining the process, strategic assessment outcomes and recommendations.

The SESCHA process shall involve the following:

- Review relevant sector strategies, reports, data etc. as provided by TPA.
- Determine the relevant baseline environmental, social, socio-economic and cultural heritage conditions as relevant to the tourism sector. Identify the valued components from the baseline, current and potential issues related to the tourism sector, and the environmental, cultural or social significance of key tourist attractions.
- Identify and analyze the relevant legislative, policy and planning frameworks, and the way that they are being implemented by the relevant agencies. Ensure that the

⁵ Environmental and Social Management Framework, Indigenous Peoples Planning Framework, Resettlement Policy Framework

Strategies are consistent with the relevant legislative, policy and planning frameworks and provide recommendations for improvement.

- Develop a stakeholder engagement plan, which includes public consultation, and assist TPA to deliver it. The process shall enable transparency in the development of the Strategies and the SESCHA and allow for meaningful participation. A focus shall be on the engagement of women and those that may be significantly impacted by tourism development.
- Develop relevant environmental, social and cultural heritage objectives for the Strategies and evaluate how the proposed objectives of the Strategies and proposed actions relate to relevant SESCHA objectives.
- Screen and assess potential environmental, social (including gender) and socio-economic and cultural heritage implications (impacts and benefits) from the proposed Strategies. Propose mitigation or management measures for these risks. Recommend changes to the Strategy to accommodate these measures.
- Identify issues (such as gaps, barriers) in the relevant legislative, policy and planning frameworks, and their implementation, and provide recommendations that will benefit the sustainable outcomes of the tourism sector.
- Prepare an interim report to document the issues and recommendations relevant for the Strategies. Work with TPA to ensure the recommendations are incorporated into the Strategies.
- Prepare a draft SESCHA report for consultation, and a final SESCHA report which includes consultation feedback and feedback from TPA and the World Bank.

The Consultant will prepare and submit two reports: Interim Report that contains the analysis and recommendations for the draft Strategies, and SESCHA Report which documents the process, methods and final outcomes and conclusions with respect to the Strategies.

The SESCHA report shall address the following:

- Overview of the tourism sector and Strategies;
- Description of the key environmental, social, cultural values across PNG, and particularly in Milne Bay and East New Britain, that underpin the tourism sector, and a description of the threats and values of significant sites / attractions.
- Summary of the relevant SESCH legislative, policy and planning frameworks and analysis of the compliance of the Strategies;
- Analysis of how the existing legislative and institutional frameworks, system of governance, social context, and availability of human resources may influence implementation of the Strategies to achieve the SESCHA objectives, and recommendations for improvement;
- Overview of implications (positive and negative, short term and long term, direct and indirect) of the Strategies for the natural environment, cultural heritage, and various groups of population of the target areas;

- Identification of significant environmental, social, and cultural heritage-related risks associated with the Strategies and how the significant mitigation measures to minimize these risks;
- Identification of significant environmental, social and cultural heritage-related benefits associated with the Strategies and summarise the significant measures to enhance the benefits;
- Summary of the stakeholder engagement and consultation process, and significant outcomes;
- Proposed structure for ongoing public consultations at the Provincial level to reflect local communities' concerns and aspirations pertaining ongoing development in their Provinces with particular focus on the concerns expressed by women, the poor and vulnerable people.
- Proposed updates to the monitoring and evaluation process for environmental, social and cultural heritage outcomes of the Strategy process under the TSDP, including institutional arrangements and budgets.

The Consultants are also expected to provide mentoring and on-the-job training with TPA to transfer knowledge and skills around assessing and integrating social, environmental and cultural heritage benefits and safeguards into tourism planning, implementation, monitoring and evaluation.

REQUIRED EXPERTISE

This list is indicative of the skills and expertise required. One team member may undertake one or more roles.

- **Team Leader** with demonstrable experience in strategic assessment of policy or sector planning for social, socio-economic, and / or environmental implications. This person may also be one of the specialists listed below. This person will be responsible for liaison with TPA, delivering the SESCHA project as per the TOR and coordinating with the Strategy team. This person will also coordinate the capacity building / mentoring / on-the-job training between TPA and the SESCHA team.

Expected input 20 days.

Environmental Specialist with demonstrable Strategic Environmental Assessment experience and an understanding of the environmental context and issues in PNG. This person will be responsible for the environmental assessment methodologies and techniques, reviewing relevant legislation and capacity of institutions, describing the existing environmental context, developing environmental objectives, assessing the draft Strategies against the environmental objectives and assessing the potential environmental implications at a strategic level from the implementation of the actions and recommending changes (if any) to the Tourism Strategy to mitigate negative impacts and enhance benefits. Contribute to the preparation of the Interim and SESCHA reports and capacity building.

Expected input 15 days.

Social Specialist with demonstrable Strategic Social Assessment experience and an understanding of the social, cultural and gender issues in PNG. Experience in the tourism industry is an advantage. This person will be responsible for the social assessment methodologies and techniques (including gender assessments), reviewing relevant legislation and capacity of institutions, describing the relevant social context, developing social objectives, assessing the draft Strategies against the social objectives and assessing the potential gender, community wellbeing, poverty alleviation and cultural implications from the implementation of the actions and recommending changes (if any) to the Tourism Strategy to mitigate negative impacts and enhance benefits. Contribute to the preparation of the Interim and SESCHA reports and capacity building.

Expected input 15 days.

Public Participation Specialist with demonstrable experience in preparing and implementing stakeholder engagement plans. Experience in PNG or Melanesian cultures is preferable. This person will develop the stakeholder engagement plans and assist TPA and the Strategy team to enable stakeholders to participate in the planning and in the SESCHA. This person will assist with the consultation on the draft documents and capacity building.

Expected input 20 days.

Cultural Heritage Specialist with demonstrable experience in cultural heritage tourism and the protection and enhancement of culturally significant sites and attractions. The person shall have experience in the development of cultural centres that attract and support tourism development. Experience in PNG or elsewhere in Melanesia or the Pacific is an advantage. This person will be responsible for cultural assessment methodologies and techniques, reviewing relevant legislation and capacity of institutions, describing the threats and values of the cultural heritage sites and attractions that underpin tourism in PNG, developing cultural heritage objectives, assessing the draft Strategies against the cultural heritage objectives and assessing the potential implications from the implementation of the actions and recommending changes (if any) to the Tourism Strategy to mitigate negative impacts and enhance benefits. Contribute to the preparation of the Interim and SESCHA reports and capacity building.

Expected input 15 days.

TIMETABLE AND OUTPUTS OF CONSULTANCY SERVICE

The assignment will commence in January, 2017 and will be completed by November, 2017. The level of effort is estimated at 95 days.

Time schedule for delivery of interim and final outputs for each part of assignment:

Inception report: February, 2017

First interim report on the Draft Strategies: June, 2017

Period for integration with the Strategies: August 2017

Draft final report for review and public consultation: October, 2017

Final report: November, 2017

The consultant team is expected to carry out work in Papua New Guinea and at the home office. The proposal shall indicate the level of effort required for each team member, including the estimated number of days in country and at the home office.

Annex 11: Consultation Records 2016

A11.1 September Consultations – Milne Bay Province

Figure 4 Agenda

Tourism Development Priorities Workshop Program – Milne Bay
Venue: Alotau International
Date: Wednesday 20th September 2016

| Time | Program |
|-------------|---|
| 0900 - 0910 | Welcome & Agenda |
| 0910 – 0940 | UPDATE Tourism Project Pre Appraisal - PNGTPA |
| 0940 – 1000 | Feedback & Consultation – Workshop Participants |
| 1000 - 1015 | <i>Morning Tea</i> |
| 1015 - 1030 | Safeguards Consultation – World Bank |
| 1030 - 1100 | Feedback & Consultation – Workshop Participants CONT. |
| 1100 - 1130 | Economic & Community Development Framework – World Bank |
| 1130 - 1200 | Wrap Up & Conclusion – PNGTPA |
| 1200 | <i>Lunch</i> |

Figure A10.2 Consultation Meeting Wednesday 21st September, Alotau International Hotel, Alotau, Milne Bay



Table 5 Attendance List

| | | | |
|----|---------------------|-------------------------------------|-------------------------------|
| 1 | Rhonda CONN | Milne Bay Tourism Association | Milne Bay Tourism Association |
| 2 | Ms. Sharon MUA | Milne Bay Administration | Deputy PA C&DS |
| 3 | James DUKS | Milne Bay Provincial Administration | DPA – Technical |
| 4 | Peter RUIING | PNG Ports - Alotau | Business Manager |
| 5 | Chris GALATIS | Alotau International Hotel | General Manager |
| 6 | Jeff ABEL | Milne Bay Tourism Association | MBTA - Chairperson |
| 7 | Moda KULA | Milne Bay Tourism Bureau | Research & Information |
| 8 | Joe Russel AGAVI | Water PNG - Alotau Branch | Business Centre Manager |
| 9 | Wendy STEIN | Spacim Pikinini | Project Manager |
| 10 | Joan WINTER | Massim Museum - Alotau | Director |
| 11 | Sharon van BOVEN | Clime Commercial | Owner |
| 12 | Samuel AUBOTI | Eco Roads | Director |
| 13 | Didimas EPO | Milne Bay Provincial Administration | Commerce |
| 14 | Lloyd MAIBANI | Milne Bay Provincial Administration | Advisor - Revenue |
| 15 | Ephaim IOGALU | NKKF Organisation | Deputy Chairman |
| 16 | Samuel LAGUNA | Milne Bay Tourism Bureau | Manager |
| 17 | Charles MODE | MBACA | Chairman |
| 18 | Lulu EBENIS | EMB | Guest Services |
| 19 | Nick VALENTINE | World Bank | Safeguards Specialist |
| 20 | Caroline M. SAGE | World Bank | Social Specialist |
| 21 | Jennifer BARTLETT | World Bank | Tourism Consultant |
| 22 | Ahmed A. R. EIWEIDA | World Bank | Task Team Leader |
| 23 | Nathan LATI | PNG Tourism Promotion Authority | Product Development Officer |
| 24 | Alcinda TRAWEN | PNG Tourism Promotion Authority | Director - Policy & Planning |

A11.2 September Consultations – East New Britain Province

Figure 5 Agenda

Tourism Development Priorities Workshop Program – East New Britain
Venue: Rapopo Plantation Resort
Date: Friday 23rd September 2016

| Time | Program |
|-------------|---|
| 0900 - 0910 | Welcome & Agenda |
| 0910 – 0940 | OVERVIEW |
| 0940 – 1000 | Tourism Project Pre Appraisal - PNGTPA Feedback & Consultation – Workshop Participants |
| 1000 - 1015 | <i>Morning Tea</i> |
| 1015 - 1030 | Feedback & Consultation – Workshop Participants |
| 1030 - 1110 | Safeguards Consultation – World Bank Economic & Community Development Framework – World Bank |
| 1110 - 1150 | Implementation Arrangements |
| 1150 - 1200 | Wrap Up & Conclusion – PNGTPA |
| 1200 | <i>Lunch</i> |

Figure 6 Consultation Meeting Friday 23rd September, Rapopo Plantation Resort, Kokopo, East New Britain



Table 6 Attendance list

| | | | |
|----|----------------|-------------------------------|------------------------------|
| 1 | Judith MAINO | PNG Ports - Rabaul | Business Development Manager |
| 2 | Douglas PIDI | ENB Tourism Authority | Chairman |
| 3 | Allan OLIVER | World Bank (PNG) | Operations |
| 4 | Simon YANUM | ENB Air Niugini | Regional Sales Manager |
| 5 | Gard RENSON | ENB Tourism Authority | CEO |
| 6 | Gideon KAKABIN | ENB Culture Association | |
| 7 | Patimos ISIAH | Gazelle Restoration Authority | Project Engineer |
| 8 | Ellis WARAGAT | Kokopo Tours | Manager /Owner |
| 9 | Melly PAIVU | Paivu Tours | Manager/Director |
| 10 | Kuluma PANU | Paivu Tours | Admin Officer |
| 11 | Romana McAL | Kokopo Beach Bungalows Resort | Resort Manager |
| 12 | Kaisa ANTONIO | Kokopo Business College | Lecturer |

| | | | |
|----|-------------------|---------------------------------|------------------------------|
| 13 | Shona MECKLE | Kokopo Business College | Lecturer |
| 14 | David PUA | Rabaul Local Level Government | Assistant Tourism Officer |
| 15 | Caroline M. SAGE | World Bank | Social Specialist |
| 16 | Andres F. GARCIA | World Bank | Economist |
| 17 | Jennifer BARTLETT | World Bank | Tourism Consultant |
| 18 | Ahmed EIWEIDA | World Bank | Task Team Leader |
| 19 | Nathan LATI | PNG Tourism Promotion Authority | Product Development Officer |
| 20 | Alcinda TRAWEN | PNG Tourism Promotion Authority | Director - Policy & Planning |