

Porgera Joint Venture (PJV) off-lease resettlement pilot

Independent Panel of Observers: Annual monitoring report

Monitoring period: March 2016 – 2017

Panel of observers

Prof. Deanna Kemp, Director, Centre for Social Responsibility in Mining (CSRM) (Panel Chair)

Dr. John Owen, Principal Social Scientist, Insitu Development Consulting Pty Ltd (IDC) and Associate Professor, CSRM

Rhonda Gwale, Senior Lecturer, Papua New Guinea University of Technology

Authors

Prof. Deanna Kemp, Director, Centre for Social Responsibility in Mining (CSRM)

Dr. John Owen, Principal Social Scientist, Insitu Development Consulting Pty Ltd (IDC) and Associate Professor, CSRM

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Peer review

Rhonda Gwale, Senior Lecturer, Papua New Guinea University of Technology

The Centre for Social Responsibility in Mining (CSR) is a leading research centre, committed to improving the social performance of the resources industry globally.

We are part of the Sustainable Minerals Institute (SMI) at the University of Queensland, one of Australia's premier universities. SMI has a long track record of working to understand and apply the principles of sustainable development within the global resources industry.

At CSR, our focus is on the social, economic and political challenges that occur when change is brought about by resource extraction and development. We work with companies, communities and governments in mining regions all over the world to improve social performance and deliver better outcomes for companies and communities. Since 2001, we have contributed to industry change through our research, teaching and consulting.

Key terms

Displacement	Physical displacement occurs when there is loss of residence or assets resulting from project-related land acquisition and/or land use that require affected persons to move to another location. Economic displacement occurs where there is a loss of assets or access to assets that leads to loss of income sources or other means of a livelihood as a result of project-related land acquisition or land use.
Relocation	Relocation is a process through which physically displaced households are assisted to move from their place of origin to an alternative place of residence. Households may receive compensation for loss of assets or may be provided with replacement land or housing structures at the destination site.
Resettlement	Resettlement is the comprehensive process of planning, displacement, relocation, livelihood restoration and support for social integration. Involuntary resettlement occurs without the informed consent of the displaced persons or if they give their consent without having the power to refuse resettlement
Vacant possession	Vacant possession will result in a company being the exclusive occupant of the lease. This will require residents and visitors to leave the lease area, and not return until either the mine has closed, or areas of the lease have been relinquished.
Vulnerable person	An individual who is at risk of abuse or harm. A person's vulnerability status may relate to race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other social status as it relates to the local context being considered. Factors such as gender, age, ethnicity, culture, literacy, illness, physical or mental disability, poverty or economic disadvantage and dependence on unique natural resources must also be taken in account. ¹

¹ Key terms adapted from the IFC's "Handbook for Preparing a Resettlement Action Plan, Environment and Social Development Department". See: <http://www.ifc.org/wps/wcm/connect/22ad720048855b25880cda6a6515bb18/ResettlementHandbook.PDF?MOD=AJPERES>

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1. Introduction

The Porgera mine is located in the Enga Province of Papua New Guinea (“PNG”), one of the most complex, remote and undeveloped regions in the country. Porgera is a combined open pit-underground gold and silver mine owned by the Porgera Joint Venture (“PJV”) and operated by Barrick Niugini Limited (“BNL”). Between 2008 and September 2015, BNL was a wholly-owned subsidiary of Canada’s Barrick Gold Corporation (“Barrick”), one of the world’s largest gold producers. In September 2015, Zijin Mining Group (“Zijin”) acquired a 50 percent share and joint control of BNL.² State-owned Zijin is headquartered in Xiamen, China. Mineral Resources Enga, a company jointly owned by the Enga Provincial Government and the landowners of Porgera, maintains a five percent share in the PJV.³

Since the Special Mining Lease (“SML”) was granted in 1989, the mine has operated under a shared occupancy arrangement where both the mine and the local population actively use mining lease areas. The size of the SML has not changed since the project was permitted 28 years ago, however the total land area of the mining complex has almost doubled – largely through the use of Leases for Mining Purposes (LMPs).⁴ In establishing the mine, and with each successive development, the PJV negotiated relocation packages with landowners and their representative “agents”. Given the risks associated with moving away from kin groups, and in order to access economic opportunities from the mine and stay on, or close to, their traditional lands, the vast majority of landowners opted to relocate within the lease area. As the Porgera area is prone to landslides and earthquakes, the mine has also conducted “emergency relocations” of households impacted by unstable land within the lease area. Destination sites for these households have largely been based on existing customary land within the lease area. More recent relocation agreements have encouraged households to relocate off the lease area.

Over the life of mine, there has been an exponential increase in the on-lease population through in-migration and natural population increase. The current level of congestion is a result of the inherent topographic and climatic conditions of the Porgera Valley, the mine’s expanding footprint and the practice of on-lease relocation. On-lease relocation has contributed to a difficult and precarious set of living conditions for the resident population, where the local population and the mine compete for land and access to resources. This situation can impact the mine’s ability to operate in a safe manner. A range of parties, including some landowners and international non-government organizations (“NGOs”)

² Zijin is the 13th largest mining company in the world by market capitalisation.

³ Mineral Resources Enga and the landowners of the mine’s Special Mining Lease (“SML”) each own a two-and-a-half percent share of the PJV.

⁴ In this report, the term “lease area” is an encompassing term that includes the SML and LMPs. LMPs are areas where mine-related impacts have occurred, or may occur in the future, and a lease for mining purpose is granted by the State. No mining can occur on an LMP.

advocate for off-lease resettlement as the solution to the population pressures and problems on the lease area.

The operation has in the past attempted to incentivise off-lease relocation. This has been largely ineffectual as the majority of people who were incentivised to settle elsewhere eventually returned to the lease to reside with relatives. While there is no site-based longitudinal monitoring data available to track off-lease relocation outcomes, a recent PJV review of relocation houses constructed off the lease between 2013-2015 found that of the 39 houses surveyed, 33 had been on sold by the house owners before the completion of construction and 31 of the 39 house owners continue to reside in the SML and LMP areas. The review demonstrates both the importance of maintaining records and the difficulties with managing ad-hoc, household level settlement projects outside the lease.

In 2007, while under the management of Placer Dome, the PJV embarked on a major mine expansion feasibility study known as 'Stage Six' and in doing so assessed the feasibility of a whole-of-lease resettlement project. At that time, the proposal was to resettle the entire on-lease population to land off the SML and LMPs. In 2008, the expansion study was considered unfeasible and was subsequently abandoned, along with full SML resettlement. Barrick continued to explore options for addressing issues affecting the on-lease population, and in May 2011 began negotiations with landowners from Panandaka Ridge about off-lease relocation.⁵ In 2013, following an internal review of relocation, the PJV commissioned an external resettlement consultant to assist in developing a framework for off-lease resettlement with a view to achieving broad alignment with the International Finance Corporation's ("IFC") Performance Standard 5 on Involuntary Land Acquisition and Resettlement.⁶ The framework identified Pakien and Panandaka Ridge as the two pilot settlements.

Figures 1 and 2 show the geographic boundaries being used by the PJV to demarcate the pilot settlement areas at the time of writing.

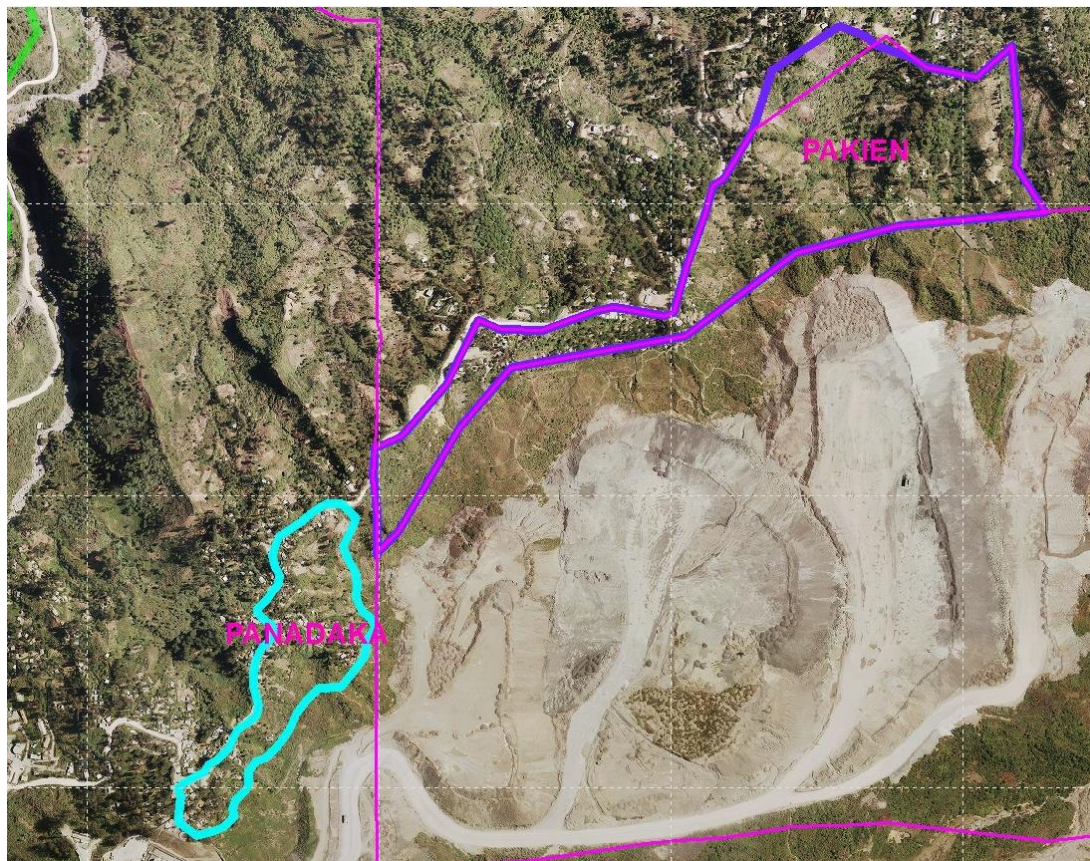
⁵ The Panel sighted the document titled: Initial Steering Meeting, Panandaka Relocation, Suyan Haus Win 10am, Friday 6th May, 2011.

⁶ Gerrits, R. (2013) Resettlement Framework for Progressive Off-SML Resettlement, PJV/Barrick. Unpublished consultancy report for Barrick PJV.

Figure 1: Main settlement areas with boundaries for Panandaka Ridge and Pakien (to the east)



Figure 2: Panandaka Ridge and Pakien



2. Panel of observers

In March 2015, Barrick PJV approached the Centre for Social Responsibility (“CSR”), part of the Sustainable Minerals Institute (“SMI”) at The University of Queensland in Australia, about the possibility of partnering with a PNG-based entity to serve as an independent observer for the pilot project. The company stated that it was cognisant of the difficulties involved in moving people off the lease area, and wanted to document lessons drawn from the pilot’s activities.

As a preliminary step towards appointing independent observers, Barrick PJV agreed to fund CSR to conduct a rapid review of relocation at Porgera, and to understand the parameters of the off-lease resettlement pilot framework. The agreed scope of work for this review required CSR to (i) provide a brief history of relocation at Porgera and (ii) offer an opinion on the ‘suitability’ of the off-lease resettlement pilot framework. In the interests of transparency, Barrick PJV and CSR agreed, from the outset, to make the report available in the public domain.⁷

After conducting the initial review, an Independent Panel of Observers (“the Panel”) was formed in March 2016, chaired by CSR. The Panel’s primary function is to observe project activities, engage with project stakeholders, and to report on key developments as the company, government and landowner stakeholders attempt to progress the pilot project. Panel members are not involved in planning or implementation of activities, and do not hold decision-making power. The three Panel members include:

- Professor Deanna Kemp, CSR, Centre Director (Chair)
- Associate Professor John Owen, CSR and resettlement specialist
- Rhonda Gwale, Senior Lecturer, PNG University of Technology.

Following an extensive search for a national Panel representative, Ms Gwale was appointed in February 2017, and accompanied the Panel to Porgera in March 2017.⁸

The Panel reports to the project Committees. Observer reports are due quarterly and are tabled at Committee meetings. The Panel has agreed to produce an annual public report. These reports are intended to document where progress is being made and to identify critical issues that arise throughout the process. In each annual report, the Panel is also required to reflect and comment on the opinions provided in the 2015 Third Party Review

⁷ Kemp, D. and J.R. Owen (2015) *Third Party Review of the Barrick/Porgera Joint Venture Off-lease Resettlement Pilot: Operating context and opinion on suitability*. Centre for Social Responsibility in Mining (CSR), The University of Queensland: Brisbane. See <https://www.csr.uq.edu.au/publications/a-third-party-review-of-the-barrick-porgera-joint-venture-off-lease-resettlement-pilot-operating-context-and-opinion-on-suitability>.

⁸ Given the term of her appointment, Ms Gwale peer reviewed this annual report, and is not listed as an author.

report, which should be read in conjunction with this annual report. PJV is responsible for covering the costs associated with the Panel's engagement.

This report constitutes the Panel's first public report following one year of engagement from March 2016 to 2017. Members of the Local Resettlement Committee ("LRC"), including the PJV, were provided with an opportunity to review the report and to provide feedback to the Panel before its public release. Editorial control over the report sits with the Panel.

During the 12 month period, the Panel's activities included:

- interviews with PJV pilot project staff, members of the LRC, and local stakeholders
- observations at four LRC meetings, on-site at the Porgera mine
- observations of a risk workshop with PJV staff and members of the LRC
- visits to the health centre at Porgera station (off-lease) and local primary school at Mungalep used by communities residing on the lease
- site visits to Panandaka Ridge and Pakien
- interviews, meetings and telephone calls with representatives from the Porgera NRC, Barrick Niugini, Barrick corporate and Zijin
- observation of one NRC meeting at the Mineral Resources Authority ("MRA") in Port Moresby, the second official meeting of this committee
- review of agendas, minutes and actions arising from LRC and NRC meetings, PowerPoint presentations, and other documents developed and presented to committees (e.g. Committee Charters)
- review of studies produced for the pilot project (e.g. land study and risk assessment)
- review of project documentation, such as implementation schedules and reports, scopes of work (e.g. household survey) and job descriptions for new team members.

3. About the pilot project

There are several stated drivers of off-lease resettlement. First, the PJV is seeking vacant possession of its lease area. PJV is working on the understanding that maintaining vacant possession over land will be the shared responsibility of government, PJV and landowners. The company's expectation is that vacant possession involves residents and visitors leaving the lease, and not returning until either the mine has closed, or areas of the lease are relinquished. Second, the living conditions on the lease area are extremely poor. There are problems associated with chronic overcrowding, and access to basic infrastructure and services, such as health, education, water and sanitation is extremely limited. Residents do not have access to an adequate supply of potable water, and land for gardening has been made increasingly scarce by in-migration, landslips and project activities. Food security for the on-lease population has been identified as a pressing and long standing issue. While the mine has been the principal cause of the displacement over the life of the operation, the Panel notes that the company's decision to proceed with an off-lease resettlement pilot

project is driven by ongoing demands from local communities to be resettled away from mining impacts.

The pilot concept has two features that differentiate it from the PJV's current practice of relocation. First, the pilot proposes to support communities in moving out of their existing settlements and resettling permanently on an agreed area of land away from the lease (i.e. it will not include on-lease relocation). To support resettlement, the PJV has proposed to:

- support households to identify and move into a settlement off the lease area
- share responsibility between government, company and landowners
- replace land with residential plots and areas for small-scale agriculture
- provide a livelihood restoration and improvement component
- provide provisions for housing, physical infrastructure and social services
- move households as a group rather than on an individual basis
- include household heads in the negotiation process, as well as agents⁹
- conduct broad-based engagement that includes a diverse group of stakeholders
- develop a comprehensive social monitoring program
- improve knowledge management systems
- identify and support vulnerable persons.¹⁰

The second main feature that differentiates the pilot from the PJV's practice of relocation is that the project aims to broadly align with IFC Performance Standard 5. This involves a departure from relocation compensation as a one off "transaction", to an approach that will require PJV to facilitate a process that secures land tenure, minimises harms, and restores the livelihoods of resettled people. This latter approach will mean that in addition to completing its basic due diligence studies and developing a Resettlement Action Plan (RAP), the PJV will need to develop and resource the implementation of a Livelihood Restoration Plan (LRP).

The project is referred to as a "pilot" because the PJV is looking to test the "do-ability" of off-lease resettlement at Porgera. The term is also being used to differentiate the current project from the previous whole-of-lease resettlement initiative from 2007. In the context of draft mining law and a draft resettlement policy that aligns more closely with the IFC Performance Standards, Porgera's off-lease resettlement pilot project also represents a

⁹ As the process evolves, the PJV intends for the Community Resettlement Committee (CRC) to play a more central role in the negotiations process. The CRC will be comprised for household heads, women and agents from the two settlement communities.

¹⁰ Gerrits, R. (2013) Resettlement Framework for Progressive Off-SML Resettlement, PJV/Barrick. Unpublished consultancy report for Barrick PJV.

“test case” for the country and the sector as a whole.¹¹ While the number of households that will be involved in the pilot has not yet been confirmed, it is safe to say that a resettlement project involving the Pakien and Panandaka Ridge settlements will represent the largest mining-induced resettlement project ever attempted in PNG.

In lieu of reading the Third Party Review (2015) cited above, readers should be aware that:

- The pilot project involves significant risks for all parties. The continuing presence of tribal conflict in the Porgera Valley makes the proposition of relocating people off lease areas particularly high risk from a safety and security perspective. Law and order issues in the PNG Highlands, and in particular in the Enga Province, have been widely documented.¹² While the presence of local police around the mine site is contentious, once people move off the lease area, the company has no formal authority and a limited ability to safeguard the safety and security of resettled people, or the host community.
- Transacting in customary land is a difficult exercise in any country. A large percentage of PNG’s total land area is held under customary tenure, and the legal instruments for purchasing (i.e. alienating) or leasing land from customary owners are uncertain and difficult to implement. State based mechanisms for leasing or permanently acquiring land are also challenging. Once a viable set of options is agreed to by the various parties, the transaction pathway for securing land tenure for the resettling population will also need to be determined and agreed.
- The pilot resettlement at Porgera is being attempted against the backdrop of 30 years of company incentivised relocation, and in a context where some relocation agreements (from many years ago) are yet to be completed, and where emergency compensation for houses affected by landslides and slump areas are being struck (see below). These activities are conducted in parallel with the pilot project.

Other relevant matters for readers to note include:

- In June 2016, a sink hole opened up in Yarik, a settlement located on the SML, affecting approximately 85 households. This emergency situation is being coordinated by a team

¹¹ Papua New Guinea’s prime minister has ruled out making changes to the *Mining Act (1992)* before the 2017 National Election. See: <http://www.radionz.co.nz/international/pacific-news/319791/png-govt-rules-out-changes-to-mining-act-before-2017-polls>

¹² See various chapters from Filer, C [ed] (1999) *Dilemmas of Development: the social and economic impact of the Porgera gold mine, 1984-1994*. Asia Pacific Press; Wiessner, P (2006) *From Spears to M-16s: Testing the Imbalance of Power Hypothesis among the Enga*. *Journal of Anthropological Research*. Vol. 62, No.2; Wiessner, P (2010) *Youths, Elders and the Wages of War in Enga Province, Papua New Guinea*. State, Society and Governance in Melanesia. Discussion Paper, Australian National University, Canberra; Whayman, J (2015) *A public-private partnership tackling law and order in PNG*. *Devpolicy Blog* from the Development Policy Centre. Available at: <http://devpolicy.org/a-public-private-partnership-tackling-law-and-order-in-png-20150605/>

that reports to the PJV Executive Managing Director and does not form part of the pilot. The PJV maintains that including Yarik in the pilot would increase the scale and complexity of the pilot, rendering it unworkable. While this explanation is generally accepted by the landowner representatives, the situation at Yarik is putting pressure on the company and the LRC to progress quickly so that other highly affected communities on-lease areas can be resettled.

- External pressure to address on-lease living conditions continued during the monitoring period. International NGOs allege that violent “sweeps” of lease areas were conducted by police personnel to remove illegal miners from the lease. The involvement of police personnel, with logistical support from the army, in removing illegal miners is highly contentious.
- Living conditions on the lease were also mentioned in the context of high profile advocacy campaigns during the monitoring period. For example, at Barrick’s most recent annual general meeting in 2017, two local women who had accused the company of complicity in rape and sexual assault travelled to Toronto to voice their concerns. In media interviews, the women are quoted as describing their living conditions as “slum-like”, and that the lack of gardening land had made panning for gold in the dumps essential to their survival. Panning in dump sites inevitably brings vulnerable women into contact with security personnel.
- The extension of the SML is due in 2019. Most stakeholders familiar with the history of relocation at Porgera agree that living conditions on the lease area, and progress on the pilot, will have a bearing on-lease renewal negotiations. From the company’s perspective, the pilot demonstrates their commitment to addressing the issue in an orderly and consultative fashion.

More generally, PNG is entering a period of political uncertainty. National and local-level government elections will be held in mid-2017, which, as with previous elections, is likely to raise safety and security concerns across the country. Police at the Porgera Station have been dispersed across the Porgera Valley in anticipation of increased conflict in the lead up to elections.

PNG also suffers from endemic corruption and ranks poorly on international corruption indices.¹³ The government’s failure to leave a discernible positive impact from a 20-year mining and extractive industries boom has been linked to corruption and mismanagement of national revenues. Future projections on the state of the national budget are concerning, particularly if the viability of the pilot will be determined by the government’s ability to finance components of the project.

¹³ See: http://www.transparency.org/news/feature/corruption_perceptions_index_2016.

4. Status of the pilot project

From the Panel's perspective, the pilot is currently in a design phase. There are numerous design elements that need to be considered, agreed to, and finalised before the pilot can progress to the planning stage. The Panel accepts that the design parameters for this pilot are highly complex and are genuinely difficult for all of the stakeholders involved. While it may not be possible to completely settle all of the design elements at this time, the Panel expects to see progress on these items. These are the elements that the various stakeholders are expected to agree to in order to go forward.

Table 1 lists the design elements as defined by the pilot project's resettlement framework and Panel observations about progress made against those parameters.

Table 1: Panel observations of pilot project design elements

Design elements	Panel observation
Supporting households to identify and move into a settlement off the lease area.	The basis on which PJV will be able to offer support is still being determined. Numbers of eligible households have not yet been confirmed, and the process that households would follow in identifying land has not been agreed.
Shared responsibility between government, company and landowners.	A government committee has been established to engage on the question of resources, roles and responsibilities for implementing the pilot. At this stage, roles, resources and responsibilities between these parties have not been formally agreed. A capacity assessment has not been undertaken by the PJV to establish the resources that other parties can contribute to this project, and what support or timing will be required in order to access or release those resources.
Replacement land with residential plots and areas for small-scale agriculture.	Parties agree that replacement land is critical. Discussions within the LRC to date have included options ranging from urban to rather remote locations. The parties understand that replacement land must be suitable for small-scale agriculture.

A livelihood restoration and improvement component.	Discussions about livelihoods have taken place on a preliminary basis. During a facilitated workshop with landowner representatives about what they considered to be major risks, most participants identified moving away from a cash economy as a key livelihood risk. Livelihood studies are expected to commence following the analysis of the household survey data. ¹⁴
Provisions for housing, physical infrastructure and social services.	Within the membership of the LRC, these general items have been agreed to in principle. Given that the project is still at the design stage, the value of these items have not been negotiated by the parties, and have not yet been presented to the two pilot communities for their consideration and input.
Moving households as a group rather than on an individual basis.	PJV has developed their framework based on this principle. It is a principle that is also of high importance to the LRC members. The pilot has identified impacted households by geographic area, rather than by clan or family connection. This has been raised in LRC meetings as a practical concern (see below). The PJV has explained the rationale as maintaining the scale and “do-ability” of the pilot. The PJV considers that landowners in the two pilot settlements agree, in principle, with the geographic areas identified. The Panel has not cited evidence of agreement at this stage.
Including household heads in the negotiation process, as well as agents.	To date, the PJV’s primary activity has been to present information to the LRC about the pilot and the ways in which it will differ from on-lease relocation. The PJV plans to negotiate packages with the two community resettlement committees (“CRC”). PJV maintains that it will engage through the CRC, once established, and with household heads. The PJV has stated a clear preference for household level agreements as a means to ensuring households receive their entitlements.
Broad-based engagement that includes a diverse group of stakeholders.	Structured community-level awareness raising has commenced, supported by a Resettlement Stakeholder Engagement and Communication Plan.

¹⁴ The PJV recently secured the services of a consultant to work on livelihood components of the pilot. This will be reported on in the next monitoring period.

Developing a comprehensive social monitoring program.	PJV is in the process of purchasing a software package that will allow it to better integrate its existing records with its GIS systems. How this software package will be used for monitoring of the pilot program is to be determined.
Improvements to systems and knowledge management systems.	Improvements to systems underway (all studies stored centrally, and improvements in record-keeping observed).
Support for vulnerable persons.	A vulnerability framework has been drafted. The framework will need to be further developed and finalised in consultation with the LRC before the household survey commences. One of the objectives of the household survey will be to identify numbers and types of vulnerable persons.

The Panel notes that the PJV pilot project team is actively tracking progress against defined tasks in a detailed project Gantt chart. However, as so many components are dependent on progress in other areas, the ordering of tasks is not straightforward, and it is therefore difficult to determine levels of progress overall.

5. Panel observations of project activities

Part of the Panel's role is to observe and report on project activities, and efforts made by the various parties to progress the pilot. This section describes those activities that the Panel observed during the monitoring period.

5.1 PJV project structure

The approved team structure for the pilot includes two resettlement managers and dedicated positions for livelihood restoration, community development, community engagement, and building and construction. To date, the pilot project has appointed one Resettlement Manager, two Community Relations Officers who will work on back-to-back rosters, and an Administrative Support Officer. In addition, a Senior Manager who had initially worked on the pilot project, and who had been redeployed to work on the SML extension project, has returned to oversee the project. This position has dual carriage of lease extension and the resettlement pilot project for BNL. The PJV has committed to appoint additional positions as further progress is made. The PJV has finalised a role description for a resettlement specialist, and is in the process of recruiting for the role.

Noting that the project is not yet in the planning phase, the Panel makes the following observations in relation to resources:

- The PJV recognises that they do not have all the in-house expertise required to design the pilot, and has sought specialist advice from external parties on a subject by subject basis. In terms of external consultants, there is a small pool of experts with PNG resettlement experience, and expertise has proven difficult to secure.¹⁵
- The Panel observes a conscientious effort being made by the pilot project team to build their knowledge of resettlement. The PJV has continued to implement changes in their organisational structure. The original project Steering Committee, which provided oversight of the pilot, has since been replaced by a sub-committee of the BNL Board reflecting the new joint venture partnership with Zijin. A three-member sub-committee is required to report to the full BNL Board on the pilot project and lease renewal, at every meeting.¹⁶ The Panel sighted documentation from the October BNL Board meeting indicating that BNL continues to support the pilot project.

Members of the sub-committee and management team were interviewed separately by the Panel during the monitoring period. This included three representatives from Barrick and one representative from Zijin. Interview participants explained that they were not across the detail of the pilot, and indicated that the level of complexity, and their limited resettlement expertise, made understanding all of the project's dimensions difficult. Each of the sub-committee members expressed confidence in the PJV project team. These sub-committee members also identified two areas of activity that they viewed as having the highest priority: (i) engagement of the national government; and (ii) community-level engagement to test the framework and define design principles. In addition, some members of the sub-committee expressed reservation about the likelihood of finding safe and suitable land in the Porgera Valley to accommodate a large resettling population.

5.2 Planned project activities

During the monitoring period, the PJV project team completed a desktop risk assessment of risks to the pilot project. The team also initiated discussions about resettlement risks with the LRC, and convened a one-day workshop in November 2016. The workshop was facilitated by a PNG national with experience in mining and in designing and implementing resettlement projects elsewhere in PNG. A number of risks were identified during this session, and captured in a risk register by PJV staff. While the process with the LRC surfaced

¹⁵ Some of these experts are already engaged on other extractive projects in PNG, such as the Exxon-Mobil gas pipeline, Pan Aust's Frieda River project and Newcrest's Wafi Golpu, being developed in joint venture with Harmony Gold.

¹⁶ The PJV's General Manager and a representative of Barrick's corporate office also participate in sub-committee discussions.

important issues, further work is required before the company can be confident it has a comprehensive assessment of resettlement risks.

The risk assessments did not, for example, assess the gender dimensions and associated risks for women involved in the pilot. Given the recent issues surrounding corporate complicity in rape and sexual assault by security guards, the safety and security of women and girls should be considered as a high risk issue. Food security risks will need to be more thoroughly understood as the project develops, as will the risks to visitors or “epo arene”. Visitors are considered “short-term” if they arrived after 1998. Short-term visitors are likely to comprise the majority of people displaced by the pilot. Based on the current eligibility framework these visitors would be provided with relocation assistance but would not be entitled to a resettlement package. On the current design parameters, all other people not relocated or resettled by PJV, would be required to leave the lease without assistance. The assumption, as read by the Panel, is that landowner households would determine whether to incorporate these visitors into their households as part of their move.¹⁷

The PJV project team is aware of the need for up-to-date and accurate information about the populations living in the two pilot settlement areas. The most recent household survey was conducted in 2010. This data is out of date, and not available in a format that will allow the team to update or directly compare records. During the monitoring period, the pilot project team invited two specialist consultants to site in September 2016 to develop a scope of work for a new household survey. The scope was finalised in October 2016, and a public call for Expressions of Interest (“EOI”) was issued by the PJV. Following an assessment of responses to the EOI, the site issued a Request for Proposals (“RFP”). A preferred supplier was identified and discussions were held to confirm their suitability in undertaking the assignment. The Panel understands that a provider has since been selected and is working with the PJV to further develop the survey instrument. LRC members have expressed an interest in being involved in the implementation of the survey. PJV recognises that LRC support is necessary if the enumerator teams are to have access to the affected communities. At this stage, final roles and responsibilities have not been determined.

It is assumed that once this survey is completed, the PJV project team will be in a position to establish how many eligible households are in each of the two settlements, how many people will be involved in the pilot, how many vulnerable households will require additional support, and how many resettlement packages will be required. The survey will also be used to model future infrastructure requirements for the resettlement and host populations, the

¹⁷ If this is the case, there is a risk that this will dilute the household level value of the entitlements package. This point is made on the basis that packages would then need to support a larger number of people than they were designed for. Similarly, if livelihood programs are designed to support a certain number of people, and a larger number of people seek to access the program in the new location, program resources would be diluted.

level of government input for health and education services, as well as the level of likely support needed for livelihood restoration.

In the Panel's view, the household survey is pivotal to progressing the pilot project. The Panel is concerned about the project team's lack of experience in designing and implementing survey instrument of this nature. From its preliminary discussions with the Panel, the project team has not been clear about specific information it needs to generate, and in what form, to service the pilot. This had made commissioning and overseeing the development of the survey challenging. Following Panel observations, the project team has since commissioned specialist consultants to address capacity gaps.

The Panel assumes that other stakeholders, such as government departments, will also have data requirements that will inform their future involvement and support of the pilot.

5.3 Committee activities

One of the project's design principles is that responsibility for various elements of the pilot are to be shared between the PJV, the government and landowners. Towards this end, in 2015, the PJV initiated the establishment of three committees at the national, local and community levels. These committees provide formal mechanisms for engaging multiple stakeholders about the pilot project about a range of topics areas (e.g. project risks, roles and responsibilities) on a regular basis.

The Panel confirms that a Porgera NRC has been established and, according to the minutes sighted, met twice during the monitoring period.¹⁸ The full Panel observed the March 2017 meeting at which the PJV presented information about the pilot and sought clarification about the involvement of government in resettlement planning and implementation. At this stage, there is no agreement about the roles and responsibilities of the different government agencies, or the process or mechanisms through which the government would commit financial resources to the pilot.

The 2015 Third Party Review reported that the PJV had established an LRC, and convened one meeting. The Panel observed three LRC meetings during the reporting period and cited documentation to confirm that, during the monitoring period, meetings were held on a regular monthly basis. Membership of the LRC includes the PJV, landowners and agents from across the various settlements on the lease area, the Porgera Landowners Association ("PLOA"), the MRA, youth representatives and representatives of women's groups. LRC meetings are scheduled monthly, and follow standard meeting protocols with agendas, minutes and actions systematically recorded.

¹⁸ Company representatives said that a number of bilateral discussions were also held with various government departments, outside of the formal committee process.

Feedback contained within the Panel's interim monitoring reports about issues identified during monitoring visits was responded to by the LRC. For instance, the Panel observed a lack of understanding among LRC members about the difference between on-lease relocation and off-lease resettlement. The Panel also reported that some LRC members sought additional clarity on the options outlined in the specialist consultant's land acquisition study. Several follow up workshops on these topics were convened by PJV during the monitoring period.

A Charter outlining the committee's purpose and responsibilities and the group's membership was finalised during the monitoring period. The LRC Charter states that: "[T]he overall purpose of the committee is to collaboratively explore and advocate solutions to the various challenges identified as part of the resettlement review and to ensure stakeholders are clear on their responsibilities and commitments to progress the pilot. The committee will need to consider the challenges in the interests of all stakeholders and explore various solutions aimed at ensuring the pilot program has the highest likelihood of success."

In light of the LRC's stated purpose, the Panel makes the following observations about the three LRC meetings that they attended:

- In the context of the formal meeting, some LRC members defer to community leaders. This deference is seen by the Panel as having a pronounced effect on dynamics within LRC meetings. These dynamics often result in participants deferring to, or confirming, the perspectives of community leaders. This represents a challenge in terms of the project's expressed commitment to supporting inclusive participation, both from a gender perspective, and from the perspective of the broader composition of the LRC.
- LRC meetings are conducted in three languages: English, Tok Pisin and Ipili. This allows for the fact that not all of the company and community members of the LRC share a single common language. The majority of the company representatives, for example, do not have Ipili. Expatriate representatives listen to Tok Pisin, but communicate in English. Community members operate with varying degrees of confidence in Tok Pisin and English, often returning to Ipili for clarification and side conversations. Much of the English and Ipili language conversation is not translated. Given the linguistic diversity and challenges in this meeting it is the Panel's strong view that more time is needed to allow members to speak and for translations to take place.

The degree to which the LRC provides a forum for open consultation between its membership, and the degree to which the membership represents its constituent groups, is unclear to the Panel at this stage. Meetings follow a clear pattern whereby the meeting agenda is set, and followed by the PJV Chair, decisions are tabled, seconded and minuted as

per standard protocols. However, the meeting process does not currently have a mechanism for canvassing views from across the LRC membership. Presently, there are no resources in place to support LRC members in their preparations between meetings. The PJV maintains that it has offered support to the LRC on a number of occasions, and that these offers have not been taken up. The process of prioritising issues and canvassing views will become increasingly important as decisions are made about critical design elements.

Towards the end of the monitoring period, the PJV initiated the establishment of community-level resettlement committees (“CRC”) in the two pilot settlements: Pakien and Panandaka Ridge. Membership of these committees had been agreed with the LRC and the next step is to convene a meeting of these committees. The Panel has encouraged the project team to expedite their community engagement activities. The Panel understands that the PJV has commenced a series of “community awareness” sessions in the two pilot communities. These activities will be reported on in the next monitoring period.

6. Priority design issues

The previous sections of this report describe the pilot project’s activities and progress associated with the three committees: Community Resettlement Committee (CRC), Local Resettlement Committee (LRC) and the Porgera National Resettlement Committee (NRC). The Panel acknowledges the overall complexity of the project, and the multiple dependencies attached to each of the project's individual components. Against this backdrop, there are priority issues that influence project design and the ability of the various parties to proceed to the planning phase. The Panel identifies eight (8) issues, as discussed below:

6.1 Capacity and capability

In the Panel’s view, the absence of in-house resettlement expertise is limiting the PJVs ability to diagnose and formulate responses on key design issues.¹⁹ Many of the project’s design components require the PJV to develop scopes of work that reflect the project’s present and future challenges. Additional in-house expertise is needed to strategise and operationalise the inputs that the pilot project team receives from external specialists. Furthermore, in the Panel’s view, the size of project team is not commensurate with the scope and complexity of the pilot. The size and composition of the team is also limiting progress on basic design elements.

Members of the LRC are learning about the project’s design as the engagement process goes along. The resettlement concept that is being suggested by PJV is fundamentally different to the on-lease relocation packages that landowners have received over three

¹⁹ The Panel acknowledges that the PJV sought to recruit a specialist 12 months ago, and was not able fill the position with a suitable candidate.

decades. The committee meetings are the primary avenue through which LRC members are receiving information about what resettlement will involve. In the Panel's view, the LRC needs a higher level of support than they are currently receiving. The PJV should consider providing additional resources to assist the members of the LRC in understanding the key project elements and to explore the various risks and opportunities associated with project processes. Once constituted, the CRCs will likewise require intensive levels of support if they are to understand the scope of the resettlement process, and be able to meaningfully contribute to the design and, eventually, the planning process.

Members of the NRC are also learning about the differences between relocation and resettlement. Given that the pilot represents the largest mining-induced *resettlement* project attempted in PNG, it is important that government agencies clearly understand what the process will involve, and what the implications will be from a budgetary and service provision perspective.

6.2 Boundaries and eligibility

The PJV's position is that Pakien and Panandaka Ridge will be the two communities piloted for resettlement. The selection of these settlements for "piloting" is generally accepted by the LRC members. A household survey of the two pilot settlements is being planned as a means of building an understanding of the size and characteristics of the population residing within the proposed geographic area of the two pilot settlements. The Panel expects that the data collected from this survey will assist PJV to determine how many people will be eligible for compensation and support under their proposed entitlements framework, and the nature of infrastructure and services that will be required to support people in the new location.

An important step in this process is to agree on what will be used to demarcate the affected population within the pilot settlement areas. This step is common in all resettlement projects: to determine which areas and people are considered "affected". The Panel recognises that this is an evolving conversation. What is noted below reflects our observations captured during the monitoring period. PJV personnel believe that they have been clear with the LRC about settlement boundaries and where people need to be residing to qualify for inclusion in the pilot resettlement project. For Panandaka Ridge this includes households living between the dump site on the lower side and the road on the upper side. It does not include people residing on the non-dump side of the ridge. For Pakien, the boundary cut off includes the dump site and road on the lower and upper sides of the settlement. As with Panandaka Ridge, it does not include people residing on the non-dump side, and outside the demarcated boundary.

At the most recent LRC meeting observed by the Panel, LRC representatives raised concerns about the boundaries, given that the respective settlements extend beyond defined

boundaries. LRC members noted that the geographic boundaries may not align with the clan boundaries, meaning that family groups may not be moving together as part of the arrangement. PJV personnel have presented the logic of proceeding with a geographically defined resettlement to the LRC; that is, the need to contain the scope and to pilot a relatively smaller resettlement to test viability. Similarly, members of the LRC have presented their reservations about permanently moving off customary land without their relatives. In the Panel's view, a higher degree of mutual understanding must be reached in relation to: (i) why the pilot is geographically defined, and (ii) the social risks associated with the acceptance and application of those boundaries.

A mutual understanding of these issues and concerns provides a basis for managing resettlement-related risks. If the LRC does not understand PJV's concerns with a clan-based resettlement (i.e. from the perspective of increasing cost and reducing "do-ability"), this issue is likely to be raised again, and again. Likewise, if the PJV does not understand the concerns associated with a geographically defined resettlement, their due diligence will be incomplete. Even if geographic demarcation is non-negotiable from the PJV's perspective, it is the Panel's view that the PJV must better engage the LRC's fears and concerns in order to identify, understand and manage resettlement-related risk.

6.3 Risk and vulnerability

The externally facilitated risk workshop conducted in November 2016 began to identify resettlement risks from the perspective of LRC members. LRC members indicated to the Panel that, having participated in the workshop, that there had been no follow up by the PJV on outcomes and actions arising from that workshop exercise. A repeat workshop to identify and assess risk from the perspective of the affected population would be valuable in the Panel's opinion. As the project proceeds, all parties will need to refine their understanding of risk exposure.

The project has begun to develop a vulnerability framework to reflect local conditions and potential risks that might arise from the pilot resettlement. Aside from the broad range of pre-existing vulnerabilities in the project context, there are multiple additional causes of vulnerability that the pilot itself could generate. These include, for example:

- individuals being incorrectly classified under the pilot's eligibility framework
- wives other than the first or primary wife being deemed ineligible
- ineligible people not being able to return or settle successfully in their places of origin. A large number of these non-landowner people were born in Porgera
- understating the level of mine-dependency within the eligible cohort and livelihood restoration activities failing to address those dependencies
- livelihood activities and local services are unsustainable in the new resettlement locations

- the potential for additional displacement due to evictions or violence in the new resettlement locations
- that households will not be able to return in the event of the above
- existing conditions of vulnerability not being identified or supported by the pilot (including those types of vulnerability are uniquely local and not specified in the international guidelines).

The forthcoming household survey questionnaire should support local stakeholders in identifying vulnerable persons and households based on the project’s vulnerability framework. The development of a vulnerability framework is a priority area, and in the context of the Remedy Framework, greater attention will need to be given to the gender dimensions of the resettlement pilot, including risks to women and girls.

The PJV project team and the LRC members will need to revise their understanding of vulnerability due to the evolving nature of these risks as the project progresses and demographic data is collected. For instance, issues relating to eligibility will likely surface either during the collection of household survey data, and levels of mine dependency will become quantitatively clearer once the data is collated. Likewise, vulnerability risks from the perspective of service provision, food security, or tribal fighting will be more easily defined when destination locations are identified and considered by the various parties.

6.4 Records and data

In 2015, the Third Party Review noted a general absence of reliable data and documentation to support the PJV and LRC’s planning efforts. Records management is poor and affects the company’s ability to support key decisions. For example, the PJV states that it has made “prior commitments” to prioritizing the resettlement of households from Panandaka Ridge and Pakien. After several attempts to locate relevant documentation, the PJV has been unable to provide the Panel with clear records demonstrating these prior commitments.²⁰

In LRC meetings when community members explain the need to be relocated or resettled away from their current location, the company refers to its prior commitments to resettle households from Pakien and Panandaka Ridge first. When the discussion continues, the company re-affirms the importance of maintaining a workable sized pilot and that including additional settlements would make the project unfeasible. PJV has stated, in meetings, that if the number of households is too great, the project will not go ahead. In the Panel’s view, there is a general acceptance by the LRC that the pilot must be do-able. This does not represent an “agreement” about what has been recommended by the company. The Panel urges the PJV to exercise caution and not to overstate its commitments (given the absence of records) or to misunderstand what has been “accepted” and what has been “agreed”.

²⁰ The PJV is able to produce minutes of one engagement with Panandaka Ridge from 2011 where the idea of off-lease relocation was discussed, but not agreed.

The absence of reliable population data was identified in the 2015 report as an area of major concern. The PJV has not maintained a register of landowners and does not have a usable set of demographic data for the two settlement areas. At present neither the PJV or the LRC are in a position to produce a workable estimate of eligible households for Pakien or Panandaka Ridge. The most recent dataset was developed using a combination of household surveys and a count of building structures conducted in 2010. The PJV's preliminary budget for the pilot has been modelled based on the 2010 dataset, although it is evident that neither the LRC nor PJV have a high level of confidence in the accuracy of the data. As it stands now, neither party have records that they can refer to should any discrepancies arise from the results of the household survey data.

Interviews with PJV management and with government representatives from the Porgera NRC reinforce the importance of having reliable data to work from. During interviews, PJV representatives recognise that until the household survey is completed, they would not be in a position to estimate the size of the resettlement population, and as a result could not determine how much land would be required, and/or present data that would assist government departments in understanding what the demand for government services and funding would be. There is a concern among all parties that if the size of the population is higher than what the PJV had anticipated, then the company may not proceed with the pilot. The risk of PJV withdrawing from the process is heightened by the fact that there are no clear commitments or formalised agreements in place that landowners or the government can refer to in such an event.²¹

While the results of the household survey will provide the various parties with a more current estimate of the existing population, there is a chance that at least one of the parties will not view the results favourably. Within the landowner population, there will be a simultaneous pressure to both: (i) limit the count of guests/migrants by excluding them, and (ii) maximise the number of eligible kinfolk by including guests and migrations. For PJV, as stated, the pilot must be viable the perspective of do-ability and budget. A larger than anticipated number of eligible households will test that viability. Government agencies may take a similar view.

6.5 Location and land

Each of the parties have ideas about where they might secure destination land. Discussions in this observation period have focused on identifying options for acquiring land, and what the preferred methods of land acquisition are for each of the parties. This is appropriate for the design stage that the various parties are working within. The working understanding, at this stage, is that landowners would need to identify suitable land and, supported by the state and the PJV, secure tenure through either state-based or a customary based land

²¹ The principle that the PJV has established is that agreements will be negotiated with the two CRCs, in the affected communities, with household heads.

acquisition process. Each of the parties have different perspectives for what would make the location suitable, but amongst these differences it is agreed that the location must provide resettled families with a high level of security in terms of land tenure and in terms of safety (i.e. free from tribal fighting). For some landowner representatives in the LRC, the ideal situation is to have the government establish a state lease over the resettlement sites as a third-party guarantor against future land conflicts. Other representatives support the idea of acquiring land through a customary process.

In attempting to align with the IFC Performance Standards, the PJV has stated that its preferred location would also give resettled households improved access to markets and public services. This would ideally mean that the location is close to an existing town centre or an established road. Due to the high cost of road construction, the PJV has indicated that the length of the access road to the new resettlement sites would be a key factor in identifying suitable areas. The PJV has stated a preference for minimising the number of resettlement areas. This is to ensure that the company, the government, and any private enterprises, have a sufficient concentration of people to make service provision viable. It is also believed that larger numbers will reduce safety and security risks for the resettled population.

The PJV's proposal is for the population to move together in large numbers. This will require the parties to identify and secure a large parcel, or several large parcels, of land. Several smaller locations have been identified by LRC representatives, but these are some distance from existing roads and infrastructure, and would not support more than a few families. Finding land within the Porgera Valley that meets even the most basic criteria (i.e. security of land tenure, productive capacity, proximity to infrastructure, free of tribal fighting, etc.) is a major challenge. The risks associated with this challenge cannot be properly determined and evaluated until the PJV, NRC, LRC and CRC understand how many people will need to be resettled and where the proposed land will be located.

6.6 Shared responsibility

The pilot project assumes "shared responsibility" between the government, the company and the landowner community over different components of the project, and at different points in time. For example, once households have been relocated off the lease area, the long-term responsibility would shift from the company to other parties. Other responsibilities would be shared on an ongoing basis, such as maintaining vacant possession on the lease area. The PJV has attempted to establish the Porgera NRC as a mechanism through which to engage key government agencies about their role in the pilot project. This is an important forum for discussing issues relating to coordination and jurisdiction for specific issues relating to the pilot. This forum is not yet functioning as envisaged by the PJV.

The Panel's view is that opportunities exist for engaging the government in the process of filling information gaps and that these opportunities are not being maximised by PJV. For example, during the monitoring period it was PJV's intention to commence a household survey from June 2017.²² The work package for this activity will include the community awareness sessions, the development of a survey instrument, a fieldwork schedule, and a methodology for data collection and analysis. Each of the agencies represented on the NRC will have data needs that could be serviced by the household survey, including: information about the number of school aged children living in the affected and host populations, the health profile of these populations, the nutritional composition of household diets, maternal and child mortality, and so forth. This information will be needed by government agencies in planning key services, such as for primary education and health centres. The Panel has not cited communications to suggest that PJV intends to engage government agencies for input into the design or utility of the household survey. Similarly, the Panel was unable to identify a strategy for engaging government to discuss how pilot project funding requests will align with the national budgeting process or to determine resourcing capacity among the key government agencies. At the same time, the Panel has no evidence to suggest that the national government is proactively working with the company to address these gaps.

The Panel agrees that convening a national committee is important, and has observed practical difficulties associated with making progress in this forum. The Panel recognises that PJV has made considerable efforts since 2013 to establish the national committee. Observations made by the Panel during the monitoring period suggest that members of the Porgera NRC do not make a distinction between 'relocation' and 'resettlement'. Members of the NRC must be brought up to speed, and be willing to absorb project details, if discussions in this forum are to show signs of progress. Based on discussions with government representatives of the NRC, the Panel believes that the absence of detailed project information is being interpreted by NRC representatives as a lack of commitment on the part of PJV. It is the Panel's view that this situation further contributes to the challenge of bringing government agencies 'on board'.

6.7 Trust between the parties

Mistrust, and a lack of confidence in other parties' commitment to the pilot project, was expressed by each of the various stakeholders. PJV representatives expressed concern about the prospect of people moving back to the lease area, as they have done in the past. Moving back to the lease area will exacerbate congestion if the company is successful in taking exclusive possession of vacated land.

Some members of the LRC do not believe that the company will follow through on its endeavours to resettlement people of the SML. PJV has previously explored off-lease

²² Commencement of the survey has since been delayed to July/August 2017 due to the national elections and to allow for contracting with the successful bidder.

resettlement, as part of a major mine expansion feasibility study. The expansion was considered uneconomical and the proposed resettlement project did not proceed. There is a strong sense amongst some LRC members that the PJV is entertaining the pilot to avoid resettlement becoming a problem for the company during lease renewal negotiations.²³ Several members predict that if the SML is renewed without off-lease resettlement as a condition, the PJV will not proceed with the resettlement pilot. Likewise, some LRC members predict that if Zijin takes a controlling share in BNL, off-lease resettlement will not proceed in an acceptable form, or that it will not proceed at all.

6.8 Project dependencies

The issues listed above highlight the complexities involved in making progress on the pilot. Few of the issues can be examined or resolved in isolation. Making progress on one issues is, in most cases, dependent on making progress in other areas. A critical issue is how the geographically bounded resettlement accounts for landowners' sense of family and safety in those settlement areas. The arrangements under which people move will have a determining effect on the types of vulnerability that will need to be considered. Stakeholders need to thoroughly understand how decisions about eligibility will affect and create conditions of vulnerability.

The vulnerability framework itself must account for: (i) eligible households with vulnerable household members; (ii) people remaining on the lease who are not eligible for resettlement, but who will be affected by the moving of family members away from the lease area; and (iii) vulnerable people within the receiving community.

A household survey should assist PJV in understanding how prevalent different types of vulnerabilities are within the settlement areas. The survey data may also surface alternative types of vulnerability that PJV or other stakeholders had not considered. Data is needed more generally to determine "who", "how many" and "what" people need to move and settle to safe and secure land. Additional surveys will also need to be undertaken in those areas that will eventually receive households from the lease. This information is necessary for calculating how much land is needed and what the level of demand will be in terms of livelihood activities. Demographic data is also necessary for planning public services. There are several government departments that will need to either establish, and resource these services over the long term. Presently there are no viable population estimates available to support government participation or to signal the possible size, cost or timing of the pilot.

²³ Two key stakeholders were willing to meet with the Panel, but only to explain that they were not willing to discuss the pilot until the matter of the lease renewal was resolved.

7. Panel opinion

In each annual report, the Panel is required to offer an opinion on progress based on do-ability and defensibility. Table 2 contains the initial set of opinions provided in the 2015 CSRSM report with additional commentary from the Panel following a year of direct observation and engagement with the various stakeholders involved in the pilot. Readers will note that the Panel has made few substantial changes to the 11 opinions offered in 2015.

The Panel has determined that the pilot project is still in the design phase. This observation informs how the Panel has viewed progress against key issues, and in terms of what level and types of activity should be expected. Investing in expertise is critical and there are a number of important preparatory steps that must be completed before the project and the various stakeholder can proceed to the planning phase. The Panel acknowledges that securing specialist expertise has proven difficult. Nonetheless, it is the Panel's view that the PJV must invest in building internal and external capacity if it expects this project to succeed.

Finally, to align with international standards, the PJV must focus on processes that safeguard those who are most vulnerable. The company must meaningfully engage the risks involved in the pilot project and exercise human rights due diligence across all project components. Harms that may be generated by proceeding with the project must be fully explored. All parties should have had an opportunity to identify risks attached to different design options, discuss whether those risks can be managed, and whether the risks are worth taking. This will involve a program of comprehensive household-level engagement that enables each of the stakeholder groups to freely and knowingly participate in risk assessment and decision-making processes.

Table 2: Panel opinion: 2015-2017

<i>Opinion from Third Party Review report (2015)</i>	<i>Additional Panel commentary (2017)</i>
<p>1. The progressive off-lease resettlement pilot at Porgera is being planned in a context of weak governance, low resourcing and limited capacity. Resourcing and capacity issues are present among all stakeholders. Many stakeholders expect progress to occur immediately and for the project to move at a rapid pace thereafter. The challenges associated with proceeding under these circumstances, where critical dependencies are yet to be defined, should not be under-estimated by the PJV, the government or the community.</p>	<p>The complexities identified by the Panel in 2015 are still present. Critical dependencies are being identified by PJV as they develop their internal project management records. The panel has not been in a position to establish what critical dependencies exist for landowners, LRC committee members or the key government departments. This will need to be prioritised by the PJV if the government and other stakeholders are expected to assume ‘shared responsibility’ for the pilot’s success and failures.</p>
<p>2. Under this proposal, responsibility for off-lease resettlement will be shared between the government, company and community. What that means for each of the stakeholders involved in this process is not yet clear. What is clear is that once people are no longer residing on the lease area, the balance of responsibility will shift from the company to other parties. Under these circumstances, the shared responsibility model must acknowledge that not all responsibilities can be shared. Responsibilities that are particular to specific actors, agencies and specific stages of the planning and implementation process need to be defined. For the model to be considered suitable, parties must:</p>	<p>No change on this opinion. As above, more detailed information about the basic design elements need to be confirmed and presented by the PJV before it can expect other parties to explore areas of shared responsibility.</p>

<ul style="list-style-type: none"> a. clarify the nature and timing of responsibilities that are to be shared between the state and the developer as the two primary duty bearers b. clarify the resources required for the life of the resettlement project, including how these resources will be secured following mine closure c. develop an engagement plan to incorporate landowning communities and other directly affected parties into the shared responsibility model. 	
<p>3. For the shared responsibility approach to achieve its stated intent and be accepted by all parties, there must be an element of joint decision making. Parties should commit to a joint decision-making process where no single party has ultimate power of veto; that is, no party can decide unilaterally whether to proceed or abandon the pilot. If there are limitations that must be taken into account (e.g. budget and timing constraints etc.), these must be disclosed in good faith so that parties are able to make decisions with complete information.</p>	<p>Decision-making on key design criteria is evolving. Information gaps (i.e. eligibility, vulnerability, government budget planning cycles, etc.) in the design phase, and the capability of the team to fill these information gaps are the main limiting factors.</p>
<p>4. There is a consensus on the need to relieve pressure on the mining lease. At this stage, however, there appears to be limited understanding at the community-level of what off-lease resettlement will involve. One concern is that local demand for resettlement is being driven by the perception of 'benefit' (i.e. a resettlement package) rather than an understanding of the resettlement in its entirety.</p>	<p>Progress has been made during the monitoring period to build a working understanding with LRC members about the difference between relocation and resettlement. In the context of a 30 year pattern of on-lease relocation, and continuing emergency on-lease relocations, it will be important to revisit key concepts on a regular basis. It is also necessary to extend the discussion to other key concepts,</p>

<p>Assessing community-level understanding and testing the demand for off-lease resettlement is a suitable objective for this pilot. This includes:</p> <ul style="list-style-type: none"> a. discussion that moves beyond the drivers for resettlement, to a discussion that examines the full scope of the pilot project b. discussion on key elements: <ul style="list-style-type: none"> i. proposed resettlement package (including how second generation landowners and short-term non-land owners will be treated under the eligibility criteria) ii. identification of destination lands and land tenure options iii. the physical relocation process itself iv. approach to livelihood restoration v. securing vacant possession of the lease areas vi. associated security considerations. 	<p>such as 'vulnerability'. Before the PJV can reliably test local commitment and willingness to resettle off the lease area, all of the design components must be explored in a comprehensive manner.</p>
<p>5. For the pilot to be considered suitable, Barrick PJV would need to further invest in preparatory and planning work. To move the pilot from concept stage to a draft plan that stakeholders can consider and engage with, several key elements will need clarification and development. These are:</p> <ul style="list-style-type: none"> a. A due diligence process on replacement land. Securing land is a critical challenge for all parties involved. Without destination land, the pilot cannot proceed. In terms of suitability, a due diligence process would need to consider the full spectrum of 	<p>Following a year of observation, the Panel has refined its opinion on this point. The Panel takes the view that the pilot is in the design phase. The parties are not in a position to develop an implementation plan. The Panel maintains that PJV needs to invest in further preparatory work to better define the key design parameters. These are the parameters that project affected people are expected to agree upon.</p>

social risks and benefits that would accrue to both resettlement and receiving communities.

- b. A detailed livelihood restoration strategy. Before developing the strategy, PJV will need to understand what level of income is generated by current household livelihood activities. If households agree to resettle, livelihood activities and income levels in the resettlement location must be attractive enough to prevent settlers from moving back on to the lease. Moreover, the suitability of the resettlement pilot will be contingent on ensuring that resettled families are food secure, throughout the physical relocation and post-relocation phases of the resettlement.
- c. Conflict and security assessment. Violent conflict and tribal warfare are a real and present danger for people living within the Porgera Valley. The degree to which different dimensions of resettlement have potential to incite conflict has not yet been explored.

6. Given that the pilot is at a concept stage, the analysis of risks and potential harms associated with the resettlement proposition have not been fully examined. Until the social risks of planning and implementation are better understood, the 'suitability' in terms of social and human rights risk cannot be determined. Over and above the risk areas noted above, the project must also consider:

- a. The impacts and opportunities of the project from a gender perspective. As it stands, the pilot framework does not consider

Some progress has been made during the monitoring period to identify resettlement risks. This includes understanding what some of the resettlement risks look like from the perspective of members of the LRC. The Panel regards these efforts as positive and expects PJV to invest in additional workshops so that these risks can be examined in further detail. The Panel notes that greater attention will need to be

<p>how resettlement activities will intersect with gender issues in the community. Barrick PJV should incorporate lessons from the recent Remedy Framework process, the women's empowerment stream of the Community Development Unit, and prior studies that have documented the gender dimensions of mine-related impacts.</p> <p>b. How vulnerable persons will be identified and supported through the planning, implementation, and post-relocation phases of the pilot. There are vulnerable people residing within and outside of the SML. These people will require special consideration from Barrick PJV and the government to ensure that they are not further disadvantaged by the resettlement process. A vulnerability framework would need to be defined for the pilot to be considered suitable.</p>	<p>given to the gender dimensions of the resettlement pilot, including risks to women and girls.</p>
<p>7. It is estimated that more than half of the population residing in the pilot communities are 'short-term non-landowners'. Under the current pilot framework, short-term non-landowners are not eligible for a resettlement package. It is our opinion that:</p> <p>a. This position is not defensible from the vantage point of the international standards. The eligibility criteria and entitlements package needs to reflect the duration of time residents have lived in the area, the extent to which their livelihoods are tied to their place of residence, and whether other social and economic entitlements will be disrupted by relocation.</p>	<p>No change to this opinion. The Panel continues to see the approach to short-term, non-landowners as an important consideration in ensuring that the pilot project is defensible.</p>

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- b. The framework needs to further explain how Barrick PJV will manage the displacement of short-term non-landowners if they are not considered as eligible persons. Without strong social and economic incentives, there is a risk that short-term non-landowners will return to the lease area. Defining the risk of return is an essential element of the project.

8.	The knowledge and information systems are inadequate and do not form a suitable basis for the pilot project. Genealogy and census data held by the company are out of date and incomplete. This presents a major barrier in terms of determining how many people will need to be resettled, and ensuring that resettlement packages are allocated to the right people. Without accurate information about how many households will be eligible for resettlement, neither PJV or the government will be in a position to effectively determine program and servicing costs.	Efforts have been made during the monitoring period to improve knowledge and information systems. New social management software will be installed at the site with the intent of linking community relations records with the site's cadastral software package. At the end of the next monitoring period, the Panel will be in a position to report on systems for data collection, recording and analysis, and the extent to which these are being actively utilised by the pilot.
9.	Resettlement requires specialist skill sets, with dedicated teams and resources. Brownfield resettlements are known to be both more expensive and difficult than greenfield cases. This is without taking into consideration the complex myriad of factors that are present in Porgera. There is a need to significantly extend the level of resourcing at the operational level even if the pilot is constructed in the most commitment-minimal way – such that the first task is to 'test' whether stakeholders are prepared to accept both the risks and benefits of the proposed resettlement.	No change to this opinion. While the size of pilot project team has increased since the 2015 report, in the Panel's view, the current level of skills and resourcing available to the project are incommensurate with the complexity of the task and the level of risk.

<p>10. While the pilot is being planned and implemented, the remaining communities on the lease will still be exposed to the current set of issues and risks associated with living on the lease. These issues should not be deferred or made contingent on the success of the pilot. For the pilot to be suitable in this context, Barrick PJV would need to demonstrate that remaining settlements would not be de-prioritised as a function of a major project coming on stream.</p>	<p>No change to this opinion. Issues surrounding the Yarik emergency relocation are documented in this report, and the Panel has noted that these emergencies will continue to put pressure on the pilot project to make progress.</p>
<p>11. The proposal is for a brownfield resettlement with 27 years of accumulated legacy. Part of this legacy is that PJV has continued to relocate individual households with few controls over the final destination of families or monitoring to track or learn from the exercise. PJV has indicated that it will only proceed with future resettlements if the pilot activities prove to be successful. For the pilot project to be considered suitable, the PJV will need to lead the establishment of a world-class monitoring, evaluation and review process with regular and transparent reporting on progress, including against agreed 'success' indicators.</p>	<p>No change to this opinion.</p>