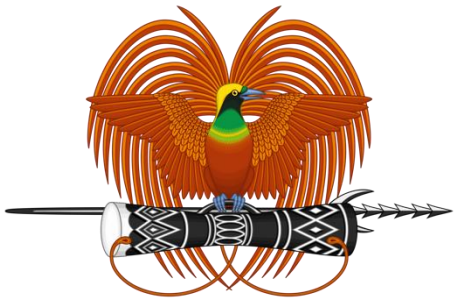
PAPUA NEW GUINEA URBAN YOUTH EMPLOYMENT PROJECT III (UYEP III)

(P518905)

ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK (ESMF)

October 2026



Department of Provincial and Local Government Affairs

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Acronyms and Abbreviations

Abbreviation	Full form
ACLED	Armed Conflict Location and Event Data
ADB	Asian Development Bank
BEST	Breakthrough Employment Skills Training
BLST	Basic Life Skills Training (UYEP II)
CEPA	Conservation and Environment Protection Authority
C-ESMP	Contractor's Environmental and Social Management Plan
CEFI	Centre for Excellence in Financial Inclusion
CES	Community Engagement Survey
CoC	Code of Conduct
CPF	Country Partnership Framework
DFAT	Australian Department of Foreign Affairs and Trade
DLIR	Department of Labour and Industrial Relations
DLPP	Department of Lands and Physical Planning
DNPM	Department of National Planning and Monitoring
DoE	Department of Education
DPLGA	Department of Provincial and Local Government Affairs
E&S	Environmental and Social
EHS	Environmental, health and safety
ESCoP	Environmental and Social Code of Practice
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework (World Bank)
ESHS	environmental, social, health and safety
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESMS	environmental and social management system
ESS	Environmental and Social Standard
FM	Financial management
FODE	Flexible, Open and Distance Education
FSVU	Family and Sexual Violence Unit (Royal PNG Constabulary)

Abbreviation	Full form
GBV	Gender-based violence
GESI	Gender equality and social inclusion
GEWE	Gender Equality and Women's Empowerment (NCDC), formerly the Family and Sexual Violence Secretariat
GIIP	Good International Industry Practice
GRM	Grievance redress mechanism
GRMC	Grievance Redress Mechanism Committee
GRS	Grievance Redress Service (World Bank)
HCA	Mt Hagen City Authority
ICR	Implementation Completion and Results Report
IDA	International Development Association
IFC	International Finance Corporation
ILO	International Labour Organization
JHA	Job Hazard Analysis
KCA	Kokopo City Authority
LAP	Land Access Procedure
LCA	Lae City Authority
LFPS	Labour Force Phone Survey
LLG	Local-level Government
LMIP	Labour Market Information Policy 2022-2032
LMIS	Labour Market Information System
LMP	Labour Management Procedure
LMU	Labour Mobility Unit
M&E	monitoring and evaluation
MIS	Management Information System
MSME	Micro,Small and Medium Enterprise
MTDP IV	Medium-Term Development Plan IV 2023-2027
NC-1	National Certificate Level 1
NCD	National Capital District
NCDC	National Capital District Commission
NDoE	National Department of Education
NDoH	National Department of Health
NGO	non-government organisation
NID	National Identification (card)

Abbreviation	Full form
NTC	National Training Council
NTTB	National Trade Testing Board
NYDA	National Youth Development Authority
O&M	Operations and Maintenance
OHS	Occupational health and safety
OPE	Outcome Person Employability
OWC	Office of Workers Compensation
PACD	PNG Agriculture Commercialization and Diversification Project
PCU	Project Coordination Unit
PGK	PNG Kina
PIU	Project Implementation Unit
PNGCIR	PNG Civil and Identity Registry
PLR	Performance and Learning Review
PMU	Project Management Unit
PNG	Papua New Guinea
POM	Project Operations Manual
PPE	Personal Protective Equipment
PSC	Project Steering Committee
SEA/SH	Sexual Exploitation and Abuse / Sexual Harassment
SEP	Stakeholder Engagement Plan
TA	Technical Assistance
ToR	Terms of Reference
TVET	Technical and Vocational Education and Training
UWS	Urban Works and Services
UYEP	Urban Youth Employment Project
UYEP III	Urban Youth Employment Project III
WB	World Bank

Executive Summary

Background

The Urban Youth Employment Project III (UYEP III) that commenced in 2021 is an initiative of the Government of Papua New Guinea (PNG) in partnership with the World Bank (WB). Building on UYEP I and UYEP II, in the NCD and Lae, UYEP III will expand to an additional six urban centres across all four regions of PNG.

The UYEPIII aims to provide disadvantaged youth aged between 18 to 29 who are out of school and out of work with a sequenced pathway: foundational work-readiness training; paid, practical experience on urban works and services; employer-led internships; and referral to wage employment, labour mobility, vocational training and microenterprise support. It also invests in labour market information, monitoring and policy analysis, with particular attention to young women and to youth in high-risk communities.

The Department of Provincial and Local Government Affairs (DPLGA) is the lead national implementing agency and hosts the Project Coordinating Unit (PCU) in Port Moresby. The National Capital District Commission and the Lae City Authority, which are implementing agencies in their own right, will each establish a Project Management Unit (PMU). The six new urban centres will each establish a Project Implementation Unit (PIU), operating under a franchise model in which the PCU provides financial management and procurement support. Where a requirement in this ESMF applies equally to both, the term PMU/PIU is used.

This Environmental and Social Management Framework (ESMF) is the Project's umbrella environmental and social (E&S) management document and will be incorporated into the Project Operations Manual (POM). Its purpose is to guide DPLGA and the participating city authorities on the E&S screening of Project activities and the subsequent assessment and management of those activities, in a manner that meets the requirements of the World Bank Environmental and Social Framework (ESF) and relevant PNG regulations.

The ESMF is one of several instruments developed to manage the E&S risks and impacts of the Project and is supported by a Labour Management Plan (Annex 6), Stakeholder Engagement Plan (SEP), and an Environmental and Social Commitment Plan (ESCP).

Project description

The Project comprises four components:

- Component 1: skills training and work placements, delivered through the five-stage Breakthrough Employment Skills Training (BEST) model.
- Component 2: referral and support services, comprising an employment referral desk, an MSME referral desk and a training referral desk.
- Component 3: labour market information system and monitoring and evaluation.
- Component 4: project management.

The activity with the most direct E&S footprint is Subcomponent 1c, Urban Works and Services, under which youth undertake up to 20 paid labour days on labour-based urban works aligned with each city's urban development plans. The eligible works menu has broadened from earlier phases and now includes footpaths, steps and parking areas; road and drainage maintenance; park upgrades and landscaping; recreational and sports facilities; rehabilitation of public buildings including schools and health facilities; market facility upgrades; boat landings and shoreline erosion protection; waste management; fencing; and street lighting.

Subcomponent 1d places youth in subsidized internships of up to 50 days. Subcomponent 2a provides employment referral, work-readiness training for youth interested in labour mobility, and a possible labour-hire pilot. Subcomponent 2b refers youth to commercial banks for loans, and to MSME and financial management training. The Project does not provide, channel, or guarantee finance.

Key risks and potential impacts

The environmental risks of small-scale, labour-based urban works are temporary, predictable, site-specific, and readily managed through design and standard mitigation. These social risks are more significant. They arise from the scale and characteristics of the participating workforce, from the urban settings in which they work, from the Project's reach into private workplaces and enterprises, and from delivery through eight city authorities of widely differing capacity.

Specific risks and impacts include:

- **Occupational health and safety.** Youth undertake manual work with hand tools, near live traffic, in drains and around waste, at occupied schools and health facilities, on foreshores and in water, and in connection with street lighting installation. OHS practice in PNG workplaces is generally weak. This is managed through mandatory OHS content in foundational training, a Job Hazard Analysis for every task, PPE at no cost to the worker, specified supervision ratios, exclusion of participants from specialist trades such as electrical work, and workers compensation cover.
- **SEA/SH.** Large mixed-sex cohorts of young people work and train together, supervised by adults who exercise real power over access to stipends, internships, referrals and accreditation. Risks arise between participants, from supervisors and trainers, from participants towards community members, and in internship and referral host workplaces. This is managed through the SEA/SH Action Plan (Annex 5), a mandatory Code of Conduct, a survivor-centered grievance pathway with referral to service providers, and SEA/SH clauses in all employers, provider and partner agreements.
- **Labour and working conditions across several employment relationships.** Participants on stipends, interns hosted by private employers, workers referred to employers, and workers placed through any labour-hire pilot each sit in a different legal relationship. Terms of engagement, pay, insurance and grievance access are set out in the Labour Management Procedure (Annex 6), which reaches third parties through written agreements.
- **Placement of youth in unsuitable or unsafe workplaces.** Internships and training referrals and employment referrals all expose the Project to the conduct of third parties. This is managed through due diligence on every host employer, training provider and referral partner

before placement, an exclusion list of activities and sectors (Annex 1), and periodic re-verification.

- **Works in and near water.** Boat landings and shoreline erosion protection bring drowning risk, in-water work, sediment release, and impacts on mangroves, seagrass and coral into scope for the first time.
- **Works at occupied schools and health facilities.** Rehabilitation of public buildings raises asbestos, healthcare waste, and child safeguarding considerations where works occur on school grounds during term.
- **Community health and safety.** Works on live roads, in markets and in dense settlements are managed through the ESCoPs (Annex 3), traffic and pedestrian management requirements, and site-specific ESMPs for moderate or substantial risk works.
- **Land access and disturbance to informal users.** Works are confined to public land and existing alignments, but urban road reserves, verges, foreshores and market areas are intensively used by informal traders and settlers. Involuntary acquisition and displacement are excluded; the Land Access Procedure (Annex 7) governs how sites are secured.
- **Social tension and conflict.** Perceived inequity in who is selected, where works are located and which groups benefit can inflame tensions. A Social Conflict Analysis (Annex 8) is undertaken for each centre before Project activities commence there, led by a qualified social or conflict specialist, and repeated periodically.
- **Exclusion of women, youth with disability and Indigenous youth.** Participation targets, an expanded and deliberately inclusive works menu, safe transport, targeted communications and disaggregated monitoring are applied.
- **Personal data.** Registration, the MIS, the LMIS surveys and the proposed Worker and Job Seeker Registry hold sensitive personal information about young people at scale, and the Project contemplates commercial access arrangements for the LMIS. Data protection, consent and controls on automated matching are addressed in Section 6.8.
- **Downstream risks technical assistance.** These are managed through terms of reference that require consistency with the ESSs.

Risk classification

The Project is classified as **Moderate** for environmental risk and **Substantial** for social risk, according to the World Bank risk classification. The environmental rating reflects the small scale and urban location of the works. The social rating reflects the size and vulnerability of the participating workforce, the SEA/SH risk profile, the urban conflict and crime context, the reach into third-party workplaces and into enterprise finance, and delivery through eight city authorities, six of which have no prior experience of World Bank operations.

Implementation

The key entities responsible for implementation are:

- **DPLGA**, the lead national implementing agency, hosting the PCU responsible for coordination, oversight, reporting, fiduciary and technical support, M&E and quality assurance, and holding overall accountability for E&S performance under the ESCP

- **NCDC and the Lae City Authority**, implementing agencies with their own designated accounts and their own fiduciary systems
- PIUs in the six new urban centres, each led by a Project Manager and focused on technical delivery, with fiduciary management provided centrally by the PCU under a franchise model
- **A multi-agency Project Steering Committee**, providing policy guidance and strategic direction and approving civil work plans, annual workplans and budgets
- **National Youth Development Authority,** receiving targeted capacity building and contributing to national youth policy coordination.

Capacity development is critical. Six of the eight centres have not previously implemented a World Bank financed project, and UYEP III introduces requirements that did not apply under the Operational Policies used for the earlier phases. The Project will deliver a structured E&S capacity building program, and the phased readiness criteria that govern when a centre may commence should include E&S readiness as an explicit condition (Section 6.10).

1 Introduction

The Government of PNG has requested support from the World Bank for the Urban Youth Employment Project III. The Project builds on UYEP I (2011–2019, NCD) and UYEP II (2021–2026, NCD and Lae), and scales the delivery model to up to eight urban centres across the four regions of PNG. It is to be implemented over six years from 2027 to 2033.

The Project will be implemented by DPLGA as lead national implementing agency, with NCDC and the Lae City Authority as implementing agencies in their own right, each hosting a PMU, and PIUs established in each of the six new urban centres.

An ESMF was selected as the instrument for UYEP III because the specific activities that will generate E&S risk are not known at appraisal. The purpose of this ESMF is to guide DPLGA and other implementing parties on the environmental and social screening of the Project activities and subsequent environmental and social assessment and management of these activities during project preparation, design and implementation in a manner that meets the requirements of the WB Environmental and Social Framework (ESF) and relevant PNG regulations.

This ESMF includes information on:

- Project activities and anticipated subproject, placement and enterprise types
- applicable PNG regulation and WB standards and guidelines
- the E&S context of the participating urban centres
- E&S risks, potential impacts and mitigation
- screening and assessment processes for each activity type
- labour management
- stakeholder engagement and grievance redress
- incident management
- implementation responsibilities, resources, budget and capacity building
- monitoring and reporting
- detailed protocols, procedures and templates (provided as annexes).

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

- **Environmental and Social Commitment Plan (ESCP)** – the legally binding summary of the material measures and actions the Borrower will implement, and the timeframes for doing so. Where this ESMF and the ESCP differ, the ESCP prevails.
- **Stakeholder Engagement Plan (SEP)** – stakeholder identification and analysis, engagement and disclosure during preparation and implementation, and the Project grievance redress mechanism (GRM).
- **Labour Management Procedure (LMP)** – provided as Annex 6 to this ESMF.
- **SEA/SH Action Plan** – to be provided as Annex 5 to this ESMF.

- **Project Operations Manual (POM)** – the day-to-day operating document. Key E&S processes from this ESMF will be extracted into the POM so that E&S requirements are embedded in routine operations.
- **Field, training and supervisor manuals** – practical guidance for works supervisors, community mobilisers, youth facilitators and trainers.

This ESMF will be disclosed on the DPLGA website.

2 Project Description

2.1 Background and Rationale

Papua New Guinea faces a jobs challenge that is structural rather than cyclical. Most workers are engaged in subsistence agriculture and other small-scale activities, while the formal sector is dominated by extractive industries, which account for almost one-third of gross domestic product but only two per cent of employment.[1] The formal economy therefore creates an estimated 10,000 jobs each year for around 80,000 school leavers,[2] and youth unemployment exceeds 80 per cent.[3] This means that most young people entering the labour market in any given year will not find formal work.

Weaknesses in education and skills development compound the shortage of jobs. Only 18 per cent of 20–24-year-olds have completed secondary or tertiary education, and many leave school without basic literacy and numeracy.[4] Technical and vocational training is under-resourced, uneven in quality, and weakly linked to labour-market demand.[5,6] The consequences are felt on both sides of the market. Employers struggle to recruit and retain entry-level workers with the required literacy, numeracy, workplace behaviours and practical experience,[7] and business survey data show that 71 per cent of firms cite human factors – staff productivity, attendance and punctuality – as barriers to hiring.[8] The labour market is therefore constrained both by a shortage of jobs and by a mismatch between what jobseekers can offer and what employers need.[9]

Exclusion from the labour market falls hardest on disadvantaged youth and on young women. Nearly a quarter of young people are not in education, employment or training, and more than 80 per cent of those who do work are in informal employment.[10] Labour force participation among women is 27 per cent, against 52 per cent among men.[11] Young women face compounding barriers – care responsibilities, restrictive social norms, concerns about personal safety, gender-based violence

[1] World Bank, *Papua New Guinea: Country Economic Memorandum — Pathways to Faster and More Inclusive Growth* (2023), pp. 24–25.

[2] Kanaparo, P., Rayel, N., Imbun, B., and Jacka, J. (2014). Cited in World Bank (2018) *PNG Systematic Country Diagnostic*.

[3] Department of National Planning and Monitoring (2024), National Youth Baseline Study Report.

[4] World Bank (2024), *PNG Economic Update: Invest in Your Children*

[5] World Bank (2023), *CEM,* p. 83.

[6] Human Development Monitoring and Evaluation Services. (2024). *Strategic review of the Papua New Guinea–Australia partnership in TVET*. Australian Government Department of Foreign Affairs and Trade.

[7] World Bank, *PNG Economic Update: Macroeconomic Stability and Growth — Unlocking the Potential of Agriculture* (2025), pp. 47–52.

[8] Based on the survey of over 230 businesses across Port Moresby, Madang, Mt. Hagen, and Lae, in Deloitte Touche Tohmatsu and United Nations Development Program (2017), *Fulfilling the Land of Opportunity: How to Grow Employment in Papua New Guinea*.

[9] Pacific Private Sector Development Initiative (2021).

[10] World Bank (2025), *Economic Update,* p. 49.

[11] World Bank (2023), *CEM,* p. 75.

and occupational segregation – that limit their access to training and work and raise the risk of long-term economic exclusion.[12]

The challenge is concentrated in urban centres. Formal employment and training opportunities cluster in towns, but migration and natural population growth have outpaced job creation and placed pressure on infrastructure and services that were already weak. Many young people in Port Moresby, Lae, and other growing centres live in informal settlements with limited services and high exposure to crime and violence.[13] Prolonged unemployment erodes skills, weakens social networks and deepens intergenerational poverty, while urban insecurity raises business costs, discourages investment and further constrains job creation. Each constraint reinforces the others, and without stronger institutions and credible pathways into productive work, they will continue to undermine human-capital formation, private sector development, safer cities and inclusive growth.

UYEP III responds by scaling a delivery model that has produced measurable results and by strengthening the wider employment system. Its theory of change is that equipping urban youth with foundational work-readiness skills, practical industry experience and referral support through training and internship programs will improve their employability, their access to income-generating opportunities and their employment outcomes; and that these in turn contribute to longer-term economic inclusion, higher earnings and workforce participation, safer communities, and stronger national systems for youth employment.

2.2 Experience of UYEP I and II

UYEP I (2011–2019). This Project was operated in the NCD and it engaged 18,497 young people – 79 per cent of screened applicants and well above the target of 15,500. Overall, 41 per cent of participants were women and 11 per cent were Motu-Koitabu, both above target.

UYEP II (2021–2026) This Project extended the program to Lae. By March 2026 it had reached close to 7,400 young people, of whom 45 per cent were women. In the NCD, close to 80 per cent of participants were earning an income or studying six months after completion, and formal employment reached 33 per cent; in Lae regular formal employment reached 21 per cent. Among interns who secured regular formal jobs, 71 per cent were hired by their internship employer – evidence that subsidised placement reduces recruitment risk for employers and provides a direct route into work. UYEP II also built implementation capacity within city authorities, established links with employers and communities, and generated systems for beneficiary outreach, training, payments, safeguards and monitoring.

2.3 Lessons Reflected in Project Design

The Project Description records five lessons from UYEP I and II and the PNG Performance and Learning Review that shape the design:

[12] World Bank (2020). *PNG Country Gender Assessment*.

[13] Two cities—Lae and Port Moresby—were responsible for 24% of conflict incidents and almost 14% of fatalities in 2024 (Armed Conflict Localization and Event Data).

- **a common, modular platform for scale and local adaptation** – scaling the systems and delivery model to six new urban centres while tailoring sectors, works and training to each city's economy and development plans, with separate city budgets and phased readiness criteria so that centres can proceed at different speeds
- **delivery integrated with communities and local institutions** – engagement with community, church and ward leaders improves outreach to vulnerable youth, strengthens trust and retention, and supports local accountability; locating works in participants' own communities reduces transport and safety barriers and delivers visible improvements
- **a longer-term pathway toward full-time employment** – the UYEP I ICR found that short-term training and work experience were not sufficient for all participants, hence the sequenced pathway and post-program referral
- **partnerships and institutional capacity for sustainability** – simple implementation arrangements and partnerships with firms, communities, churches and capable service providers to mitigate public-sector capacity constraints
- **data and flexible, risk-informed implementation** – the PLR identified lack of data and data sharing as key constraints, hence the investment in the LMIS and in beneficiary tracking and results monitoring.

The following lessons relate to environmental and social management and are reflected throughout this ESMF.

- **Environmental requirements are modest but must be addressed before works begin.** Pre-screening under earlier phases identified issues and, in several cases, led to relocation of subprojects – usually where land ownership was unclear. Screening at the point of subproject identification is retained and strengthened (Annex 2).
- **On-site grievance resolution works and prevents escalation.** UYEP I grievances were largely resolved by works supervisors and team leaders on site. This remains the first tier of the UYEP III GRM.
- **Data systems must be designed with privacy and ethics in mind.** The UYEP I MIS design, which envisaged tracking a non-participating control group, was dropped during implementation because of the ethical problem of excluding that group from benefits. UYEP III contemplates preserving the option of randomized allocation where applicants exceed places; the ethical and conflict-sensitivity implications are addressed in Sections 6.1 and 6.8.
- **Inclusion requires specific, funded strategies.** Participation targets for women and for Motu-Koitabu youth were met because they were tracked and actively pursued. Disability inclusion was not: only one person with a disability participated in UYEP I, and their involvement was short-lived because their needs could not be accommodated. UYEP III expands the works menu specifically to create suitable tasks and requires accommodations to be planned and budgeted before intake.
- **Training changes attitudes to GBV; income alone does not.** UYEP I assumed that financial independence would allow women experiencing family violence to leave. It did not. Education and coaching delivered as part of foundational training did shift attitudes, for both women and men. This content is retained and expanded.

- **Safe transport enabled women's participation**, and locating works in participants' own communities reduces the need for it.
- **Expectations must be managed from the outset.** Elevated expectations of payment and benefit were a recurring source of friction in both UYEP and RSDP. Communications will present UYEP III as a Government of PNG program delivered by DPLGA and the city authorities.
- **Capacity varies markedly between city authorities**, and now across eight centres rather than two. E&S staffing, budget and supervision are weighted towards the new centres.

2.4 Project Development Objective

The Project Development Objective is 'to enhance work-readiness and employment outcomes of participating young men and women in project centres.'

2.5 Beneficiaries

The Project targets youth aged 18 to 29 who are out of school and out of work and who have limited realistic prospects of formal employment without structured support. These youth are the Project beneficiaries. Indirect benefits are expected for household members of participating youth through income transfers and increased lifetime earnings.

2.6 Project Components

The Project comprises four components. A summary of the activities under each, and of the principal E&S considerations they raise, is provided in Table 1. A detailed description is provided in the POM.

Table 1: Summary of Project activities and principal environmental and social considerations

Subcomponent	Description	Principal E&S considerations
Component 1: Skills Training and Work Placements		
1a. Youth awareness and mobilisation	Community awareness and mobilisation campaigns in the targeted urban centres to identify eligible youth, supported by local government, community leaders and church leaders. Baseline socio-economic data collected at screening and registration. Participation of young women, Indigenous youth and youth with disabilities actively encouraged.	• Exclusion of young women, Indigenous youth and youth with disability • Personal data protection and consent at registration • Raised expectations and perceived inequity in selection • Fairness and acceptability of any randomised allocation of places • Safety of mobilisation teams and PMU/PIU staff in high-risk settlements
1b. Foundational work readiness training (BEST Stage 1)	10-day classroom program on the attributes of a work-ready Outcome Person: teamwork, punctuality, hygiene, workplace safety, gender respect, communication, conflict resolution and basic financial literacy. Partnerships with	• Duty of care to participants and handling of disclosures • Referral pathways for GBV and health disclosures

Subcomponent	Description	Principal E&S considerations
	providers and NGOs for specialised modules on character development, family planning, and GBV awareness and prevention. Orientation on referral services and support to obtain bank accounts, NID cards, curricula vitae, and police or medical clearances.	• Handling of identity documents and police and medical clearances • Quality, safeguarding and conduct of NGO and provider partners • Accessibility of delivery for low literacy and for youth with disability
1c. Urban Works and Services (BEST Stage 2)	Capital works and stipends for up to 20 paid labour days in labour-based urban works aligned with urban development plans and local priorities. Eligible works include footpaths, steps and parking areas; road and drainage maintenance and repair; park upgrades and public-area landscaping; recreational and sports facilities; rehabilitation or upgrading of public buildings including schools and health facilities; rehabilitation or upgrading of market facilities; construction or rehabilitation of boat landings and shoreline erosion protection; waste management; fencing; and street lighting. Climate-resilient design and construction practices incorporated.	• OHS of a large, inexperienced workforce • Community health and safety, traffic and public access • Waste, dust, noise, sediment and spills • Works in and near water: boat landings, shoreline protection, marine habitat • Works at occupied schools and health facilities: asbestos, healthcare waste, child safeguarding • Electrical work associated with street lighting • Land access and disturbance to informal users • SEA/SH between workers and towards the community • Conflict over site selection and crew composition
1d. Internships (BEST Stages 3 and 4)	BEST Stage 3: five-day workplace preparation program covering work ethic, professionalism and communication, industry-specific skills for employment-intensive sectors such as retail and tourism, and job-search skills. BEST Stage 4: subsidised internships with employers across multiple sectors for up to 50 days, with stipends financed by the Project, supervision and accreditation support. Assessment and accreditation with NC-1 in Work Readiness on completion.	• Host employer labour, OHS and workers compensation arrangements • SEA/SH and discrimination in host workplaces • Placement in excluded or high-risk sectors • Unpaid, under-paid or diverted stipends; unclear terms • Equitable access to assessment and accreditation
Component 2: Referral and Support Services		
2a. Employment referral desk	Referral and support services to increase participants' access to formal employment locally and overseas. Locally: job-search assistance; proactive engagement with private-sector clients, leveraging relationships with internship employers, to service entry-level recruitment needs and provide access to job postings including exclusive listings. Feasibility assessment of expanding beyond referral to pilot	• Referral into workplaces that do not meet labour and OHS standards • Discrimination in referral and placement • Full ESS2 obligations if the Talent Hub proceeds and the Project or a Project-supported entity becomes employer of record

Subcomponent	Description	Principal E&S considerations
	commercial labour-hire services - a 'Talent Hub' matching youth to short- and long-term contracts for low- and semi-skilled positions and managing payroll, insurance and associated costs for client firms, with service lines in contracted civil works, managed labour supply, domestic and hospitality services and MSME support - or recruitment-firm partnerships, in suitable centres such as Lae. Labour mobility: additional work-readiness training for a subset of youth with strong prospects for overseas employment, to prepare them for selection into the work-ready pool. The Project does not refer, recruit, select or place youth for overseas employment. Workers who have returned from overseas employment may be channelled back into the Project's domestic referral services.	• Domestic service placements in private households - isolated workplaces with elevated SEA/SH, working-hours and pay risk and no practicable site supervision
2b. Micro, Small, and Medium Enterprises (MSME) referral desk	Assistance to youth in identifying and pursuing viable self-employment options, including referrals to microloans with commercial banks (for example the Women's Micro Bank) and to MSME and financial management training (for example through the Centre for Excellence in Financial Inclusion).	• Referral of young, often low-literacy borrowers to a commercial credit product carrying the Project's implied endorsement • Over-indebtedness, default and hardship where a business fails • Lender collection practices • Standards and conduct of MSME and financial management training providers
2c. Training referral desk	Referral services connecting youth to targeted training: TVET programs, private technical courses, scholarship opportunities, and Flexible Open Distance Education (FODE) for school completion. Subject to available financing and partnerships, the Project may also subsidise short-term vocational training for competitively selected well-performing youth with a clear pathway to employment. City-specific and industry-led training streams identified with local industry associations, employers and vetted quality training providers.	• OHS during practical training, particularly heavy equipment operation • Provider standards, facilities, accreditation and conduct including SEA/SH • Perceived inequity where training subsidies are competitively allocated • Referral into extractive and industrial sectors with elevated risk profiles
Component 3: Labour Market Information System (LMIS) and M&E		
3a. Labour Market Information System (pilot)	Development of a pilot LMIS, building on administrative, MIS and employer survey data from the Project and its earlier phases, with a view to establishing a foundational system and framework for a future national LMIS under government stewardship, operationalising the Government's Labour Market Information Policy 2022-2032. Activities could include labour market surveys (a Labour Force Phone Survey	• Personal data protection, consent and re-identification risk across surveys, the registry and the MIS • Informed consent and interviewer and respondent safety in surveys

	and an Enterprise Labour Demand Survey); an LMIS digital portal and dashboard with potential features including a Worker and Job Seeker Registry and AI-powered job matching tools; and technical assistance and capacity building for city authorities and DLIR. Piloted for UYEP participants and participating firms in NCD and Lae, with a view to replication in other centres.	
3b. M&E and technical assistance	The Project MIS, tracking beneficiary registration, work placements, electronic stipend payments and trainee profiles (skills, certifications, attendance and performance), and integrating E&S performance data for consolidated project risk management. Project surveys and evaluations integrated into the MIS: beneficiary baseline and post-program follow-up surveys, employer surveys, community surveys, infrastructure use monitoring, and impact evaluations. Technical assistance and analytical work with DLIR and other agencies on labour market intermediation and labour standards, legislative and policy reviews on institutionalising the UYEP model, and policy and regulatory reform.	• Personal data held in the MIS, including payment and performance data • Research ethics for surveys and evaluations • Downstream E&S risks of technical assistance and policy advice, particularly advice on labour standards and intermediation
Component 4: Project Management		
4. Project management	Staffing, office goods and equipment, consulting services and operating costs for financial management, procurement, E&S standards and grievance management, communications and media support, training, monitoring and evaluation, reporting and information systems, and short-term technical assistance, for the national-level PCU attached to DPLGA and the PMUs and PIUs in each targeted urban centre.	• OHS and security of Project staff during field work • Adequacy and retention of E&S staffing across up to eight centres • Consistency of E&S performance between centres of very different capacity

2.7 Urban Works and Services Subproject Typologies

Subcomponent 1c finances up to 20 paid labour days per participant on labour-based urban works and services and is the activity with the most direct environmental risks. Works are aligned with each city's urban development plans and local priorities. Eligible works and services include:

- **Pedestrian and access infrastructure** – footpaths, steps, parking areas
- **Roads and drainage** – maintenance and repair of roads and drainage, including culvert clearing and repair
- **Parks and public space** – park upgrades, public-area landscaping, tree planting
- **Recreation** – construction of recreational and sports facilities
- **Public buildings** – rehabilitation or upgrading of public buildings, including schools and health facilities
- **Markets** – rehabilitation or upgrading of market facilities

- **Waterfront** – construction or rehabilitation of boat landings, and shoreline erosion protection
- **Waste management** – collection, clearing and transfer
- **Fencing**
- **Street lighting**.

Through this work participants reinforce workplace behaviours – teamwork, safety, punctuality – and develop marketable technical skills in footpath construction, road and drainage maintenance, landscaping and tree planting, concrete mixing and laying, painting and fencing. The Project Description identifies painting, debris clearing, weeding, planting and paving as tasks particularly suitable for supporting the inclusion of young women and youth with disabilities.

Consistent with lessons from UWS implementation in Lae under UYEP II, sites are to be prioritised in or near the home communities of participating youth. This maximises local impact and fosters community ownership, and it also reduces the travel and safety burden on participants – particularly young women – and the risk of a crew being seen as an outside group working in another community's area.

2.8 Participating Urban Centres

UYEP III will be implemented in up to eight urban centres spanning all four regions of PNG. Selection was guided by regional equity, population size, the prevalence of crime and youth unemployment, and the concentration of employment opportunities.

Table 2: Participating urban centres

Urban centre	Province	Region	Implementing entity
National Capital District	National Capital District	Southern	NCDC
Lae	Morobe	Momase	Lae City Authority
Mt Hagen	Western Highlands	Highlands	Mt Hagen City Authority
Kokopo	East New Britain	Islands	Kokopo City Authority
Alotau	Milne Bay	Southern	Alotau LLG
Madang	Madang	Momase	Madang LLG
Wabag	Enga	Highlands	Wabag LLG
Kavieng	New Ireland	Islands	Kavieng LLG

3 Policy, Legislation and Regulatory Framework

3.1 Papua New Guinea

3.1.1 National Policy Framework

The Project is aligned with a policy framework that gives high priority to employment, skills and youth empowerment: PNG Vision 2050; the Reset@50 Roadmap; the Medium-Term Development Plan IV 2023–2027, which emphasises human-capital development, economic diversification and the Government's 'one million jobs' target; the National Employment Policy 2021–2030, which promotes decent work, self-employment and active labour-market measures including support for informal enterprises to transition into small and medium enterprises; and the National Youth Policy 2020–2030, which identifies skills development, employment and entrepreneurship as central to youth participation.

The **National Prevention Strategy 2025** is relevantto this ESMF. It recognises the relationship between unequal access to opportunities, youth exclusion and urban insecurity, and calls for improved services and economic opportunities for young people and women in conflict-affected communities together with greater investment in violence prevention. The Social Conflict Analysis (Annex 8) should draw on the Strategy's identification of conflict-vulnerable areas.

The Project is also aligned with the World Bank Group Country Partnership Framework for PNG for FY26–FY31, supporting Pillar 1 (Improved Human Capital Outcomes) and Pillar 4 (Increased Private Sector-Led Diversification).

3.1.2 Institutional Framework

This section describes the PNG agencies and authorities likely to play a role in implementation.

3.1.2.1 Department of Provincial and Local Government Affairs

DPLGA is the national agency mandated to coordinate and monitor city authorities and urban local-level governments, and is the lead implementing agency for UYEP III. It hosts the PCU in Port Moresby and holds overall accountability for the Project's E&S performance under the ESCP. DPLGA also leads the LMIS surveys and system development in close coordination with DLIR.

3.1.2.2 City authorities and urban local-level governments

The National Capital District Commission is the local-level authority for the NCD, responsible for city services including roads, drainage, waste, parks and markets. NCDC hosted the PMU for UYEP I and II, has established civil works and community development functions, and is an implementing agency for UYEP III.

The Lae City Authority, established under the *Lae City Authority Act 2015*, covers the Lae Urban Local-level Government area and parts of the Wampar and Ahi Rural Local-level Governments. LCA hosted a PMU under UYEP II and is an implementing agency for UYEP III.

The Mt Hagen City Authority, established under the *Mt Hagen City Authority Act 2015*, is responsible for city services in Mt Hagen, Western Highlands Province. The Kokopo City Authority, established under the *Kokopo City Authority Act 2015,* is the responsible authority in Kokopo, East New Britain Province, which is administered through the Kokopo/Vunamami Urban Local-level Government within Kokopo District.

The responsible authorities in Alotau, Madang, Wabag and Kavieng will likely be the LLGs and are to be confirmed as those centres are brought into the Project. For each, the establishing instrument, the authority's powers over public land and works, and its E&S capacity should be confirmed and reflected in the agreement between DPLGA and the authority.

3.1.2.3 Department of Labour and Industrial Relations and the Office of Workers Compensation

DLIR administers labour employment and industrial relations services and, through the *Industrial Safety, Health and Welfare Act 1961*, is responsible for occupational health and safety protection of workers. DLIR is the counterpart for the LMIS and hosts the Labour Mobility Unit, and is a key partner given the scale of the Project workforce and the internship and referral arrangements. The Labour Mobility Unit administers the overseas labour mobility pathway; the Project's involvement is limited to work-readiness training for youth who may later seek selection into it. Through its Labour Inspection Division and the Provincial Labour Inspection Offices in each participating province, DLIR is also the statutory authority for inspecting labour and working conditions. The Project coordinates with DLIR at national and centre level on managing labour and working condition risks (Section 8.1 and Annex 6).

The Office of Workers Compensation sits under DLIR, ensuring employers adhere to OHS protection measures and receiving and assessing compensation claims. Workers' compensation cover is a statutory requirement under the *Workers Compensation Act 1978*. Public sector employees qualify automatically, and the State is a self-insuring entity; private sector claims are processed through the employer's insurer with OWC directing payment to the claimant. The Project's arrangements for cover for participants, interns and referred workers are set out in the LMP (Annex 6).

3.1.2.4 National Youth Development Authority

NYDA is the national agency responsible for youth development policy and coordination. It may co-chair the Project Steering Committee with DNPM and receives targeted capacity building under Subcomponent 3b to strengthen its ability to lead youth policy formulation and coordinate and monitor youth development initiatives nationally.

3.1.2.5 Conservation and Environment Protection Authority

CEPA is vested with powers to protect the environmental values of air, water, soil and biodiversity and the sustainable use of natural resources and regulates environmental permitting under the *Environment Act 2000*. Subprojects requiring an environment permit are not eligible for funding; CEPA nonetheless has an oversight interest and will be notified of the scale and scope of the works program in each centre. CEPA's interest is heightened where foreshore and near-shore works are proposed.

3.1.2.6 National Department of Education, National Training Council and National Trade Testing Board

The National Department of Education has granted in-principle approval to certify the UYEP program with NC-1 in Work Readiness, with evaluation and assessment processes still being worked out. The NTC and NTTB set standards for training and trade testing and issue national certification. Training providers and TVET institutions to which the Project refers youth under Subcomponent 2c are expected to be registered and their trainers appropriately certified.

3.1.2.7 Department of Education, National Department of Health

The Department of Education determines national policies and standards for the National Education System and is relevant to referrals to FODE and to works at schools. Its GESI in Schools Policy Guidelines and WaSH in Schools guidance inform subproject design. NDoH sets out health policies and standards, and its guidance is relevant to the health content of foundational training, referral pathways, and to works at health facilities, including clinical waste and infection control.

3.1.2.8 Department of Lands and Physical Planning

DLPP administers land through divisions responsible for physical planning, customary land acquisition, incorporated land groups, alienated land administration, titles, survey and valuation. DLPP is relevant to confirming the tenure of proposed works sites, particularly where customary land lies within or adjoining urban boundaries and on foreshores.

3.1.2.9 PNG Civil and Identity Registry

The PNG Civil and Identity Registry issues National Identification cards. The Project works with PNGCIR to support participants to obtain NID cards, which help them access government services and are needed to open a business bank account, register a business with the Investment Promotion Authority, obtain a Tax Identification Number and access microloans. This involves collecting and sharing identity documents and personal data on a large scale and is addressed in Section 6.2.

3.1.2.10 Bank of Papua New Guinea and financial institutions

The Bank of Papua New Guinea is the prudential regulator of financial institutions. Commercial banks and microfinance institutions are relevant to Subcomponent 2b, as providers of loans to which the Project refers youth, for example the Women's Micro Bank. The Project does not place, on-lend, guarantee or manage funds with any lender, so no lender is a financial intermediary of the Project, and ESS9 is not engaged. Referral nonetheless engages the Project's responsibility for whom it sends young borrowers to. The Centre for Excellence in Financial Inclusion is identified as a possible provider of MSME and financial management training.

3.1.2.11 Department of National Planning and Monitoring, and Department of Treasury

DNPM develops and coordinates policies, plans and programs for sustainable development and coordinates development assistance; it may co-chair the Project Steering Committee. The

Department of Treasury prepares and monitors the national budget and is active in structuring and sourcing Project financing.

3.1.2.12 Public Solicitor's Office and the Royal Papua New Guinea Constabulary

The Public Solicitor's Office is an independent constitutional office providing legal assistance, and is a potential referral point for participants and community members. Police, and in particular the Family and Sexual Violence Units at police stations in each host province, are the principal formal service for family and sexual violence and a key referral partner under the SEA/SH Action Plan. Police are also relevant to the security of work sites and to referral of criminal matters arising from grievances.

3.1.3 Legislation, Regulation and Guidelines

3.1.3.1 Environment

The *Environment Act 2000* sets out responsibilities for protection of the environment while allowing development. Section 6(d) requires an environmental impact assessment for activities specified in the second schedule that are likely to have a significant impact – Level 2 and Level 3 activities. The *Environment (Prescribed Activities) Regulation 2026* sets out the activities requiring development consent from CEPA.

3.1.3.2 Employment and occupational health and safety

The Constitution guarantees the equality of citizens, freedom of assembly and association, and protection from inhuman treatment and forced labour. The *Employment Act 1978*, implemented through the *Employment Regulation 1980* (amended 2006), is the primary labour legislation. The *Industrial Relations Act 1962* addresses freedom of association and collective bargaining. The *Industrial Safety, Health and Welfare Act 1961* (amended 2016) provides basic OHS requirements, and the *Workers Compensation Act 1978* makes workers compensation cover a statutory requirement. The minimum wage is set by determination of the Minimum Wages Board. PNG's labour legislation is an outdated framework not aligned with a number of ILO conventions the country has ratified.

The minimum age for admission to work under the *Employment Act is 16*, and PNG ratified ILO Conventions 138 and 182 in 2000. Project participants must be aged 18 and over. The minimum age and hazardous work provisions of the LMP nonetheless apply to contractors, training providers and host employers.

3.1.3.3 Family protection, gender and child safeguarding

The *Family Protection Act 2013* criminalises domestic violence and provides for protection orders. The *Criminal Code (Sexual Offences and Crimes Against Children) Act 2002* addresses sexual offences including against children. The *Lukautim Pikinini Act 2015* provides for the protection and welfare of children and establishes reporting and referral duties – relevant to the Project not because participants are children, but because works occur at schools and in communities where children are present, and because participants may disclose concerns about children in their households.

3.1.3.4 Disability and social inclusion

The National Policy on Disability and PNG's ratification of the Convention on the Rights of Persons with Disabilities provide the framework for disability inclusion, reflected in the Project's commitment to encourage the participation of youth with disabilities and in the expanded works menu.

3.1.3.5 Building, roads, water, sanitation and waste

Building standards are regulated under the *Building Regulation 1994* and administered by the applicable Provincial Building Board. Standards for gazetted roads are set out in the Road Design Manual (April 2017) and Highway Maintenance Specifications (October 2017); their traffic management and safety provisions are useful references for works on urban roads. The *Public Health (Drinking Water) Regulation 1984* contains drinking water quality standards. City authorities administer public health, sanitation and solid waste under their by-laws and the *Public Health Act*; waste collected under the Project must be disposed of at authorised sites with access arranged in advance.

3.1.3.6 Electrical work

Electrical installation is a licensed work in PNG. Street lighting and any electrical component of building rehabilitation must be carried out by a licensed electrician; Project participants are prohibited from undertaking electrical work.

3.1.3.7 Data protection

PNG does not have comprehensive data protection legislation. The *National Information and Communications Technology Act 2009* and the *Cybercrime Code Act 2016* address aspects of data security and misuse. In the absence of a comprehensive framework, the Project applies good international practice to the collection, storage, use and sharing of personal data through registration, the MIS and the LMIS (Section 6.8).

3.1.4 Regional and International Agreements

PNG is a signatory to regional and international agreements relevant to the Project, summarised in Table 3.

Table 3: Potentially relevant regional and international agreements

Agreement	Purpose and relevance
Waigani Convention on Hazardous and Radioactive Wastes 1995	Bans importation of hazardous and radioactive wastes into Forum Island countries and controls transboundary movement and management within the South Pacific. Relevant to hazardous waste from rehabilitation works.
Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal	Reduces movements of hazardous wastes between nations.
Stockholm Convention on Persistent Organic Pollutants	Eliminates or restricts production and use of persistent organic pollutants. In force in PNG since May 2004.

Agreement	Purpose and relevance
Pacific Regional Solid Waste Management Strategy	Regional strategy adopted by PNG, relevant to waste management works.
United Nations Framework Convention on Climate Change, and the Paris Agreement	Frameworks for mitigation, adaptation, and finance. Relevant to the climate-resilient design commitments in Subcomponent 1c.
UN Convention on Biological Diversity	Conservation of biological diversity through sustainable use and equitable benefit sharing.
Ramsar Convention on Wetlands of International Importance	Conservation and sustainable use of wetlands. Relevant to drainage and foreshore works near coastal wetlands.
Convention on Biological Diversity and regional marine agreements, including the SPREP conventions	Relevant to boat landing and shoreline works affecting mangroves, seagrass and coral.
United Nations Declaration on the Rights of Indigenous Peoples	Minimum standards for the survival, dignity and well-being of indigenous peoples, protecting collective as well as individual rights.
Convention on the Elimination of All Forms of Discrimination against Women	Ratified by PNG in 1995.
Convention on the Rights of the Child	Protects persons under 18. Relevant to works at schools and to the conduct of the workforce towards children in the community.
Convention on the Rights of Persons with Disabilities	Requires equal access to work and employment and reasonable accommodation.
ILO Conventions ratified by PNG, including Convention 138 (Minimum Age) and Convention 182 (Worst Forms of Child Labour), ratified in 2000	Set the international framework for minimum age of employment and prohibition of hazardous work by persons under 18, applying to contractors and partners.

3.2 World Bank

3.2.1 Environmental and Social Framework

The World Bank Environmental and Social Framework sets out the World Bank's commitment to sustainable development through a Bank Policy and a set of Environmental and Social Standards (ESS). It took effect on 1 October 2018 and applies to all Investment Project Financing initiated after that date. It comprises a Vision for Sustainable Development; the Environmental and Social Policy for Investment Project Financing, which applies to the Bank; and the ten Environmental and Social Standards, which apply to the Borrower.

3.2.2 Environmental and Social Risk Classification

Projects financed by the World Bank are classified as High, Substantial, Moderate or Low risk, taking account of type, location, sensitivity and scale; the nature and magnitude of potential risks and impacts; and the capacity and commitment of the Borrower.

UYEP III is classified as **Moderate for environmental risk** and **Substantial for social risk**.

The environmental rating reflects works that are small in scale, labour-based, confined to modified urban environments and largely maintenance or rehabilitation, with impacts that are temporary, localised and reversible.

The social rating reflects:

- the scale of the participating workforce and the vulnerability of participants – disadvantaged young people aged 18 to 29, many with low literacy, no formal work experience and prior exposure to violence
- a Substantial SEA/SH risk profile arising from mixed-sex cohorts, adult supervisors holding power over access to benefits, and placements into third-party workplaces
- high rates of crime, violence and GBV in the participating centres
- ethnic, settlement-based and clan tensions that selection and siting decisions can inflame, and the concentration of recorded conflict in Port Moresby and Lae
- the Project's reach into private workplaces and enterprise finance, where the implementing agency has limited direct control
- the handling of sensitive personal data at scale and contemplated commercial access to the LMIS.

3.2.3 Applicable Environmental and Social Standards

Nine of the ten ESS apply to UYEP III, and the basis for their application, are set out in Table 4.

Table 4: Applicable Environmental and Social Standards

Standard	Status	Relevance to UYEP III
ESS1 Assessment and Management of Environmental and Social Risks and Impacts	Applicable	Sets out the Borrower's responsibilities for assessing, managing and monitoring E&S risks and impacts at each stage of a project. This ESMF, with the ESCP, is the principal instrument through which ESS1 is met, because the individual works subprojects, internship hosts, training providers and MSME beneficiaries are not known at appraisal and the participating urban centres are phased in over the life of the Project.
ESS2 Labor and Working Conditions	Applicable	Central to the Project. UYEP III engages project workers in every category recognised by ESS2 and its principal workforce is its beneficiaries - disadvantaged young people aged 18 to 29 engaged as paid participants in labour-based urban works and in internships. Requirements are elaborated in the Labour Management Procedure (Annex 6), covering terms of engagement, non-discrimination, minimum age, OHS and a worker grievance mechanism. ESS2 also attaches to any labour-hire arrangement piloted under Subcomponent 2a in which the Project becomes the employer of record.
ESS3 Resource Efficiency and Pollution Prevention and Management	Applicable	Relevant to the urban works: construction, demolition and green waste; municipal solid waste handled during waste management works; dust; spills of fuel, bitumen, cement and paint; and healthcare waste encountered during rehabilitation of public buildings, including schools and health facilities.
ESS4 Community Health and Safety	Applicable	Works occur in busy urban settings - on and beside live roads, in markets, at occupied schools and health facilities, on foreshores, and in settlements. Risks include traffic and pedestrian safety, open excavations, electrical work associated with street lighting, water safety at

Standard	Status	Relevance to UYEP III
		boat landings and shoreline works, disruption of access and services, and the conduct of the workforce towards the community, including SEA/SH.
ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Applicable	The Project will not finance activities requiring involuntary land acquisition or causing physical or economic displacement; these are excluded (Annex 1). ESS5 remains applicable because works occur in urban settings where informal use of road reserves, verges, foreshores and market spaces is common, and because the Land Access Procedure (Annex 7) governs how sites are secured and how disturbance to informal users is avoided or remedied.
ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources	Applicable	Works are confined to modified urban environments, but the addition of boat landings and shoreline erosion protection brings the coastal and near-shore environment into scope: mangroves, seagrass, coral and intertidal habitat, and the sourcing of rock, sand and coral. Also relevant to vegetation clearing, tree planting and landscaping, avoidance of invasive species, protection of significant trees, and sourcing of aggregate and timber.
ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Applicable	Consistent with UYEP I and II, the Project will not prepare a stand-alone Indigenous Peoples Plan. Elements of such a plan - informed consultation, culturally appropriate engagement, and participation targets for the customary landowning groups of each centre - are embedded in Project design, the SEP and this ESMF. The Project Description expressly commits to encouraging the participation of Indigenous youth.
ESS8 Cultural Heritage	Applicable	Relevant to ground disturbance in urban areas with known burial grounds, war-era remains and unexploded ordnance - a particular consideration in Lae, Kokopo, Madang, Kavieng and Alotau - and to sites of customary significance within urban boundaries. Managed through screening (including UXO risk screening and avoidance of sites with a credible UXO risk), exclusion and the Chance Find Procedure (Annex 11).
ESS9 Financial Intermediaries	Not currently applicable	Subcomponent 2b refers youth to commercial banks for loans and to MSME and financial management training. No Project funds are provided to, on-lent through, guaranteed by or managed by any financial institution, so no institution is a financial intermediary of the Project. ESS9 would be engaged, and this ESMF updated, if the Project were later to finance enterprises directly or through an intermediary - for example through seed financing, a revolving fund, a credit guarantee or an interest subsidy.
ESS10 Stakeholder Engagement and Information Disclosure	Applicable	Given effect by a stand-alone Stakeholder Engagement Plan, which includes the Project grievance redress mechanism. Engagement is required with youth and their families, ward, settlement, community and church leaders, customary landowning groups, city authorities, employers, training providers and financial institutions.

3.2.4 Environmental, Health and Safety Guidelines and Good Practice Notes

The World Bank Group Environmental, Health, and Safety Guidelines are technical reference documents containing examples of Good International Industry Practice. The following are relevant:

- General EHS Guidelines (2007): Environmental; Occupational Health and Safety; Community Health and Safety; and Construction and Decommissioning
- EHS Guidelines for Water and Sanitation (2007)
- EHS Guidelines for Waste Management Facilities (2007)
- EHS Guidelines for Health Care Facilities (2007), where works occur at health facilities

- EHS Guidelines for Ports, Harbors and Terminals (2017), for the limited purposes of boat landing works
- EHS Guidelines for Electric Power Transmission and Distribution (2007), for street lighting works.

The versions of the EHS Guidelines listed above are those in effect at Project appraisal, and they apply to the Project. The EHS Guidelines are currently being updated; revised Guidelines are applied prospectively and will not be applied retrospectively to the Project.

The following guidance notes also inform this ESMF:

- Good Practice Note on Addressing Sexual Exploitation and Abuse and Sexual Harassment in Investment Project Financing involving Major Civil Works
- Good Practice Note on Assessing and Managing the Risks and Impacts of the Use of Security Personnel
- Good Practice Note on Non-Discrimination and Disability
- Good Practice Note on Road Safety
- ESF Guidance Notes for Borrowers, in particular for ESS2 (Labor and Working Conditions).

3.3 Gap Analysis of Papua New Guinea and World Bank Requirements

PNG's legislative system for environmental assessment and permitting applies only to activities classified as Level 2 or 3 under the Environment (Prescribed Activities) Regulation 2026. Such activities are not eligible for financing under UYEP III, and so these national requirements do not apply. The gaps of greatest practical significance are not in environmental assessment but in labour, occupational health and safety, SEA/SH, land, financial intermediation and stakeholder engagement, where national requirements are materially less demanding than the ESS or do not extend to the categories of worker and activity the Project engages.

Where national requirements and World Bank requirements differ, the Project applies to the more stringent. An overview is provided in Table 5.

Table 5: Gap analysis of Papua New Guinea and World Bank requirements

Aspect	World Bank ESF and ESS	PNG legislation	Equivalence and Project approach
Screening and risk classification	The World Bank classifies projects as High, Substantial, Moderate or Low risk, taking account of type, location, sensitivity and scale; the nature and magnitude of risks and impacts; and the capacity and commitment of the Borrower. Subprojects are screened by the Borrower against an agreed framework.	Activities are screened and categorised as Level 1, Level 2 or Level 3 under the Environment (Prescribed Activities) Regulation 2026. These categories do not align with the World Bank risk categories. Labour-intensive urban maintenance works of the scale financed by UYEP III fall below Level 2 thresholds and therefore attract no screening requirement at all.	Partially equivalent. The ESMF screening process (Annex 2) applies.
E&S instrument and scope	A range of instruments may be required to meet the	Level 2A, 2B and Level 3 activities require a permit application	Partially equivalent. World Bank requirements apply.

Aspect	World Bank ESF and ESS	PNG legislation	Equivalence and Project approach
	objectives of the ESS, including ESIA, ESMF, ESMP, labour management procedures, social and conflict analysis, and stakeholder engagement plans. Social risks are addressed in comparable depth to environmental risks.	supported by an environmental management plan and/or environmental impact assessment. The scope for environmental aspects is broadly similar to World Bank requirements; social aspects are markedly less developed, and labour management is not addressed.	
Labour and working conditions	ESS2 requires written labour management procedures covering all worker categories; written terms of engagement; non-discrimination and equal opportunity; a minimum age of 14 with hazardous-work protections to 18; OHS measures consistent with the EHS Guidelines; and a worker grievance mechanism.	The *Employment Act 1978* and *Employment Regulation 1980* (as amended) govern terms and conditions but predate and do not align with several ILO conventions PNG has ratified. The *Industrial Safety, Health and Welfare Act 1961* provides only basic OHS requirements. National legislation permits work from age 11 in defined circumstances and does not require a workplace grievance mechanism. Labour laws do not extend to the informal sector.	Not equivalent. The Labour Management Procedure (Annex 6) applies. Project eligibility is restricted to youth aged 18 to 29, and no person under 18 is engaged in hazardous work by any party working on the Project.
Occupational health and safety	The World Bank Group General EHS Guidelines set performance levels for OHS, including hazard identification, PPE at no cost to workers, training, incident reporting and the right to remove oneself from unsafe work.	The *Industrial Safety, Health and Welfare Act 1961* (amended 2016) sets basic duties, administered by DLIR and the Office of Workers Compensation. It is no longer consistent with GIIP.	Not equivalent. EHS Guidelines apply, operationalised through the Job Hazard Analysis (Annex 9) and the ESCoPs (Annex 3).
Land and involuntary resettlement	ESS5 applies to land acquisition and restrictions on land use, including temporary impacts and impacts on people without formal title. Voluntary land donation is permitted only under strict conditions.	The *Land Act 1996* provides for acquisition by agreement and compulsory acquisition; the *Land Disputes Settlement Act 1975* governs customary land disputes. There is no framework for livelihood restoration or for people without recognisable legal rights.	Not equivalent. Involuntary acquisition and displacement are excluded from the Project; the Land Access Procedure (Annex 7) applies.
SEA/SH and gender-based violence	The World Bank Good Practice Note on Addressing SEA/SH in Investment Project Financing involving Major Civil Works requires SEA/SH risk assessment, a prevention and response action plan, codes of conduct, survivor-centred grievance handling and referral to service providers.	The *Family Protection Act 2013* criminalises domestic violence and provides for protection orders. There is no legislated requirement for project-level SEA/SH prevention or response, and specialist services are limited and unevenly distributed.	Not equivalent. The SEA/SH Action Plan (Annex 5) applies.
Financial intermediaries and enterprise finance	ESS9 requires a financial intermediary to have an environmental and social management system	There is no equivalent national requirement for E&S management by lenders. Financial institutions are regulated prudentially by the	6.6Not applicable on the current design. The Project neither lends nor channels funds through a lender, so

Aspect	World Bank ESF and ESS	PNG legislation	Equivalence and Project approach
	commensurate with the risk of its portfolio, to apply an exclusion list, to have organisational capacity and competency for E&S management, and to report to the Bank.	Bank of Papua New Guinea; consumer credit protection and responsible lending obligations are limited.	ESS9 is not engaged. The gap in national responsible-lending protection nonetheless matters to the Project, because it refers young borrowers into that market; the controls are in Section 6.6.
Stakeholder engagement, disclosure and grievance redress	ESS10 requires a Stakeholder Engagement Plan, meaningful consultation with affected and interested parties including disadvantaged groups, disclosure of documents in accessible form and language, and an accessible grievance mechanism.	Consultation is required only for Level 2B and Level 3 activities. Disclosure is not required. There is no general statutory grievance mechanism for project-affected people.	Not equivalent. The SEP and Project GRM apply.
Personal data protection	The ESF requires that projects handling personal data apply appropriate measures for its collection, processing and protection, proportionate to the sensitivity of the data and the vulnerability of the data subjects.	PNG has no comprehensive data protection legislation. The *National Information and Communications Technology Act 2009* and the *Cybercrime Code Act 2016* address aspects of data security and misuse only.	Not equivalent. The Project applies good international practice through a data protection protocol (Section 6.8).
Monitoring, reporting and supervision	Monitoring arrangements must specify indicators, location, frequency, cost, and responsibility. The Borrower reports regularly to the World Bank; incidents with significant adverse effects must be notified promptly. The Bank supervises throughout implementation.	Monitoring is required under environment permits, but no framework is prescribed. CEPA has audit powers. Reporting obligations attach only to permitted activities.	Partially equivalent (national requirements apply only to permitted activities). World Bank monitoring and reporting requirements apply (Section 8.5).
Institutional capacity and training	Institutional capacity for E&S management is assessed, and capacity-building measures agreed, typically through the ESCP.	Institutional capacity and training requirements are not assessed.	Not equivalent. Capacity building is set out in Section 8.3.

4 Environmental and Social Context

The Project will operate in up to eight urban centres across the four regions of PNG. This section provides an overview of the national context and, in Section 4.11, of each participating centres.

4.1 Population and Urbanisation

Papua New Guinea's population was estimated at 8.8 million in 2019, growing at between 2 and 2.4 per cent a year over the preceding 25 years[14]. Forty-one per cent of the population is under 15 years of age, 56 per cent is of working age, and 2.9 per cent is over 64[15]. The population remains strongly rural, with around 85 per cent of people living outside urban centres, although migration to towns for economic opportunity, combined with natural population growth, has placed increasing pressure on urban infrastructure and services, as described in Section 2.1[16].

PNG is administratively divided into 22 province-level units – 20 provinces, the Autonomous Region of Bougainville and the National Capital District – with population fairly evenly distributed across them and a national sex ratio of 108 males to 100 females, ranging from 101 in East Sepik to 118 in Enga. Government operates at national, provincial and local levels; there are more than 300 Local Level Governments made up of over 6,000 wards, most of which are under-resourced and rely heavily on provincial administrations to deliver services. Administrative weakness and corruption remain significant constraints: PNG ranked 142nd of 179 countries on the 2020 Corruption Perceptions Index[17].

PNG has one of the most linguistically and culturally diverse populations in the world, with more than 850 distinct languages spoken across four broad regions – Highlands (40 per cent of the population), Momase (25 per cent), Southern (20 per cent) and Islands (15 per cent). Tok Pisin, Hiri Motu and English are the common languages that bridge this diversity: Tok Pisin is the principal language of business in the Highlands, Momase and Islands regions, and Hiri Motu serves the same role in the Southern region. Around 98 per cent of the population identifies as Christian, most commonly Roman Catholic, Evangelical Lutheran, United Church, Seventh Day Adventist and Pentecostal, and it is common for Christian faith to be practiced alongside traditional beliefs and customary practice. This diversity, and the strength of clan and language-group identity underpinning it, is a key consideration for a Project that mobilises participants from across multiple urban centres and their surrounding catchments (Section 4.8).

4.2 Youth, Economy and Employment

Section 2.1 sets out the youth-specific dimensions of PNG's labour market constraints; this section describes the wider economic context in which they arise. Agriculture, forestry and fishing; oil and

[14] World Bank, *World Bank Open Data*, World Bank Group (2021).

[15] National Statistics Office (Papua New Guinea), *Household Income and Expenditure Survey (HIES) 2009–10* (2011).

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

[17] Transparency International, *Corruption Perceptions Index 2020* (2020).

gas extraction; wholesale and retail trade; and mining and quarrying together contribute more than half of PNG's Gross Domestic Product[18]. Real GDP per capita grew by around 3 per cent a year from the mid-2000s to 2014, driven substantially by the start of exports from the PNG LNG Project, with more variable performance since. Despite this formal-sector activity, the informal economy is estimated to support more than 80 per cent of the population, and subsistence livelihoods account for at least three-quarters of the population.

Poverty has remained high and largely stagnant, at around 40 per cent of the population, since the late 1990s[19]. Applying the international poverty line, the rate is around 40 per cent in rural areas and 27 per cent in urban areas; this urban-rural gap is narrowed by strong subsistence food production, which also masks high levels of rural malnutrition and stunting[20]. GDP per capita was around US$2,829 in 2019, compared with US$55,060 in Australia and US$42,084 in New Zealand. A lack of roads and market access is a key constraint on rural incomes: communities more than an hour's travel from the nearest road have been found to have double the poverty rate of those adjacent to roads, after controlling for other factors.

Only around 15 per cent of PNG's working-age population is employed in the formal sector, with particularly low participation among people under 20; the public sector provides just under a quarter of this employment[21]. Formal employment grew by 66 per cent between 2002 and 2016, against population growth of 42 per cent over the same period, but this growth has not kept pace with the number of young people entering the labour market each year. There has been a long history of migration from rural to urban areas in search of economic opportunity, offset in recent years by rising urban living costs, which have slowed the rate of urban growth. These dynamics are most acute in the urban centres in which UYEP III operates, where population growth continues to outstrip the availability of formal jobs and services (Section 2.1).

4.3 Crime, Violence and Urban Safety

Crime and violence are widely regarded as a major constraint on development in PNG, although national-level data is limited and existing studies have an urban bias[22]. Robbery, assault and domestic violence are the most frequently reported offences, and some estimates place PNG's violence victimisation rate among the highest in the world. Contributing factors include a growing youth population combined with a lack of formal employment and productive activities, low cash incomes for most of the population, and the increasing availability of firearms – factors directly relevant to UYEP III's own theory of change (Section 2.1).

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[18] World Bank, *Reinforcing Resilience: Papua New Guinea Economic Update*, World Bank Group, Washington DC (2017).

[19] Asian Development Bank, *Poverty Analysis Summary, Country Partnership Strategy: Papua New Guinea 2016–2020* (2016).

[20] World Bank, *World Bank Open Data*, World Bank Group (2021).

[21] Pryke, J. and Barker, P., *A Bumpy Road: Societal Trends in Papua New Guinea – PNG Country Assessment*, Lowy Institute for International Policy, Sydney (2017).

[22] Lakhani, S. and Willman, A.M., *Trends in Crime and Violence in Papua New Guinea*, World Bank, Washington DC (2014).

The business impact of crime is significant: 84 per cent of PNG companies used private security services in 2014, and 67 per cent of firms identified crime as a constraint on business development – more than four times the East Asia and Pacific regional average[23]. Tribal conflict is also common, typically linked to land disputes and addressed outside the formal legal system through talking, fighting or the payment of compensation; such conflicts can persist, without full resolution, over long periods.

Crime and violence are unevenly distributed. Based on 2010 police data, recognised crime 'hot spots' included Port Moresby, Lae, Madang, East New Britain, West New Britain, Western Highlands and Enga, with Lae and the National Capital District recording the highest homicide rates in the country – between three and nine times the global average. More recent conflict-event data corroborate this concentration: Lae and Port Moresby together accounted for 24 per cent of recorded conflict incidents and almost 14 per cent of fatalities nationally in 2024[24]. Crime is also often concentrated within particular settlement areas of individual towns and cities. Gender-based violence and crimes against children are common and are likely to be significantly under-reported, with women who experience violence often facing substantial barriers to legal redress[25]; this is addressed further in Section 4.4.

4.4 Gender and Gender-Based Violence

Gender inequality is a major development issue in PNG, reflected in the country's ranking of 161st of 189 countries on the UNDP Gender Inequality Index, which measures inequality in reproductive health, empowerment and economic status[26]. Women experience inequality across education participation and attainment, employment participation and wages, financial inclusion, political participation, health outcomes, and personal safety and mobility (see also Sections 4.2, 4.5 and 4.6)[27].

While the Constitution provides for gender equity, customary law – itself recognised under the Constitution – can discriminate against women in relation to rights and property, particularly in patrilineal societies (Section 4.8)[28]. Women's political representation is very low: no women were elected to the National Parliament in 2017, making PNG one of only five countries in the world with no female members of parliament at that time, and only seven women have ever been elected to the national parliament[29]. Barriers to women's political participation include a predominant 'big man'

[23] Hayward-Jones, J., *The Future of Papua New Guinea: Old Challenges for New Leaders*, Lowy Institute for International Policy, Sydney (2016).

[24] Armed Conflict Location & Event Data Project (ACLED), 2024 data, cited in World Bank, *Papua New Guinea Economic Update: Macroeconomic Stability and Growth – Unlocking the Potential of Agriculture* (2025).

[25] Department of Foreign Affairs and Trade (Australia), *DFAT Country Information Report: Papua New Guinea*, DFAT, Canberra (2017).

[26] UNDP, *Human Development Data Center* (2020).

[27] Department of Foreign Affairs and Trade (Australia), *DFAT Country Information Report: Papua New Guinea*, DFAT, Canberra (2017).

[28] World Bank, *Papua New Guinea Country Gender Assessment 2011–12*, World Bank, Washington DC (2012).

[29] Pryke, J. and Barker, P., *A Bumpy Road: Societal Trends in Papua New Guinea – PNG Country Assessment*, Lowy Institute for International Policy, Sydney (2017).

culture, the prevalence of family and sexual violence, the absence of a unified national women's movement, and limited access to campaign finance, mentoring and relevant experience.

Family and sexual violence is endemic in PNG, with some of the highest reported rates of violence against women and children in the world; a 1992 national survey found that domestic violence occurred in around two-thirds of households. Gender-based violence is widely, if not universally, culturally accepted, and structural drivers include the practices of polygamy and bride price, alongside the consumption of alcohol and drugs by men and boys. Bride price in particular can function to treat women as property and can create a strong disincentive to leaving a violent relationship, since payment must typically be repaid on separation regardless of the level of abuse experienced. Despite carrying an increasing share of income-earning responsibility, women generally have restricted control over household decisions, spending and the use of land and other household assets.

Women and girls also face a higher risk of HIV infection and other sexually transmitted infections, reflecting unequal power in sexual relationships and the high prevalence of gender-based violence. These risks are central to the Project's SEA/SH Action Plan (Annex 5) and Gender Equality and Social Inclusion approach.

4.5 Health

PNG's human capital and labour productivity are constrained by longstanding deficiencies in nutrition, health and education. Life expectancy, at 67 years overall (64.8 for men and 69.3 for women), is the lowest in the region, and simple-to-manage conditions such as tuberculosis, pneumonia and diarrhoea dominate morbidity[30]. Only around 7 per cent of the population has access to the electricity grid and a reticulated water supply, and only 8 per cent of rural people have access to proper sanitation; poor water, sanitation and hygiene contribute to high rates of diarrhoeal disease and cholera, which are leading causes of illness and death among young children[31]. Around 28 per cent of children are underweight and 5 to 15 per cent show wasting, and maternal mortality is around 80 times the rate in Australia[32].

PNG has the highest HIV prevalence and among the highest rates of sexually transmitted infection in the Pacific, and also the region's highest tuberculosis burden, with an incidence of 432 per 100,000 people, multidrug/rifampicin-resistant tuberculosis incidence of 23 per 100,000, and tuberculosis mortality of 53 per 100,000. Tobacco and alcohol use are also significant causes for public health problems.

Access to health services is low. The health sector faces a critical shortage of medical staff, frequent shortages of essential medicines and supplies, and capacity constraints in leadership and management at all levels of a decentralized and fragmented health system. PNG has fewer than 400 doctors nationally, only 51 of whom work outside Port Moresby – equivalent to one doctor per 17,000

[30] Department of Foreign Affairs and Trade (Australia), *DFAT Country Information Report: Papua New Guinea*, DFAT, Canberra (2017).

[31] Anker Research Network, *Anker Living Income Reference Value for Rural Papua New Guinea* (2020).

[32] World Vision Australia, *Papua New Guinea Health and Human Wellbeing* (2013).

people, against one per 302 in Australia – and one nurse per 2,270 people, against one per 100 in Australia. Around 40 per cent of health centres, sub-health centres and rural health posts have no electricity or essential medical equipment, and transport to health facilities remains a major barrier in remote areas[33]. Access to health services, including survivors of SEA/SH, is addressed further in the SEA/SH Action Plan (Annex 5) and the Project's grievance redress arrangements (Section 7).

4.6 Education, Literacy and Skills

PNG's adult literacy rate is estimated at 62.9 per cent, with a marked gender gap – 68.9 per cent for men against 57.3 per cent for women – that is also apparent among children[34]. There is a similarly wide urban-rural gap in literacy (86 per cent in urban areas against 52 per cent in rural areas) and in school enrolment. Only around half of current adults have completed a basic school education, and the average number of years of schooling is just 4.7 – among the lowest in the Asia-Pacific region[35].

Free primary tuition, introduced in 2012, boosted enrolment, but education remains non-compulsory, and around half of primary-school-aged children remain out of school, with fewer girls attending than boys. Because girls are less likely to complete basic or secondary schooling, they are also less likely to qualify for post-school training. Primary completion rates vary widely by province, from 28.9 per cent in Enga to over 90 per cent in some provinces, and only around 10 per cent of women and 15 per cent of men have completed at least some secondary education.

Table 6: Education enrolments (2014) and proportion of female students[36]

Level of education	Enrolments (2014)	Proportion of female students
Elementary (preparatory to grade 2)	855,608	47%
Primary (grade 3 to 8)	909,473	44%
Secondary (grade 9 to 12)	155,348	39%
Vocational	41,331	30%

Poor student retention reflects factors on both the household and school side: limited parental support, community security and tribal conflict on one hand, and cost, inadequate materials and infrastructure, teacher attendance and remoteness on the other. Around 37 per cent of elementary classrooms are built from bush materials, only 15 per cent of schools have a library, and half lack sanitation facilities; children who live far from school must walk long distances, board with relatives, or forgo schooling altogether[37].

[33] UNDP, *About Papua New Guinea* (2021).

[34] Department of Foreign Affairs and Trade (Australia), *DFAT Country Information Report: Papua New Guinea*, DFAT, Canberra (2017).

[35] UNDP, *Human Development Report 2020: The Next Frontier – Human Development and the Anthropocene*, briefing note for Papua New Guinea (2020).

[36] Papua New Guinea Department of Education, *National Education Plan 2015–2019*, Department of Education, Port Moresby (2016).

[37] UNICEF and WHO, *Drinking Water, Sanitation and Hygiene in Schools: Global Baseline Report 2018*, United Nations Children's Fund and World Health Organization, New York (2018).

Technical and vocational training capacity is similarly constrained: in 2014 there were 60 government, 52 church-run and 2 private vocational training institutions nationally[38]. Tertiary participation is very low, with under 1 per cent of the population completing university education, and the country continues to graduate more university students than the formal sector can absorb[39]. A more recent, UYEP III-specific assessment of technical and vocational training capacity and quality is set out in Section 2.1.

4.7 Disability and Social Inclusion

In addition to the disadvantaged urban youth who are UYEP III's primary beneficiaries (Section 2.5), several other groups warrant particular attention in Project design and delivery. People with disabilities in PNG are frequently unable to participate fully in community life, education, or employment because of physical inaccessibility, stigma, and other barriers[40]. Women (Section 4.4) and people from outside traditional wantok and community structures – who may have little or no access to land or subsistence livelihoods and more limited exposure to urban, modern life (Section 4.8) – are also more likely to be excluded from mainstream economic opportunity.

Given the geographic breadth from which UYEP III draws participants, people from remote or rural backgrounds are a further group warranting attention: they are typically less well placed to participate in the formal economy, and their families may have comparatively limited access to communications and banking services to support them once engaged[41]. These considerations inform the Project's Gender Equality and Social Inclusion approach and the accessibility and outreach requirements set out elsewhere in this ESMF.

4.8 Indigenous Peoples, Culture and Land

Consistent with the treatment of ESS7 set out in Section 3.2.3, PNG's population is overwhelmingly indigenous Melanesian, organised into hundreds of distinct customary landowning clans, tribal groups and language groups, rather than a minority indigenous population distinct from a majority (Section 4.1). The large majority of land in PNG is held under customary tenure, passed down through either the male line, in patrilineal societies, or the female line, in matrilineal societies[42].

Patrilineal systems, which cover around three-quarters of the country, vest land ownership and decision-making authority in men; women in these societies rarely speak on land matters in public and generally only hold land as custodians in the absence of male heirs. In matrilineal societies – concentrated in the Islands region and Milne Bay Province – women own land and hold primary

[38] Papua New Guinea Department of Education, *National Education Plan 2015–2019*, Department of Education, Port Moresby (2016).

[39] Anker Research Network, *Anker Living Income Reference Value for Rural Papua New Guinea* (2020).

[40] Human Rights Watch, *Papua New Guinea: Events of 2019*, World Report 2020 country chapter (2021).

[41] World Bank, *Financial Services Sector Development Strategy – Financial Inclusion in Papua New Guinea: Status Report* (2015).

[42] Koian, R., *Women in Patrilineal and Matrilineal Societies in Melanesia* (2020).

responsibility for land decisions within their clans, which affords them relatively higher social standing than women in patrilineal societies.

A further defining social characteristic is the Wantok system: a system of kinship, welfare and reciprocal obligation between kin and community members ('wantoks') that developed from PNG's traditional clan-based society. The term derives from the Tok Pisin for 'one talk' – the language of the clan or tribe to which a person belongs. It has been defined as the practice whereby relatives and close personal associates of an individual are preferenced for goods, services or opportunities outside a transparent selection process – a form of nepotism that can undermine the integrity of formal systems[43].

The Wantok system provides an important support and protection mechanism for people who would otherwise struggle to look after themselves[44]. However, it can also produce a misallocation of resources, conflicts of interest, and bias toward particular families or localities in processes that are meant to be open and merit-based. This is a material consideration for UYEP III's youth awareness, mobilisation and registration process (Subcomponent 1a), which relies in part on community-level engagement and referral, and reinforces the need for transparent, monitored selection criteria and community-level oversight.

Christianity is near-universal in PNG and is commonly practiced alongside traditional beliefs and customary practice, including the attribution of events, behaviour and ill health to non-Christian, spiritual forces (Section 4.1). Reconciling traditional ways of life with the demands of a modern, urban economy is an ongoing challenge for many Papua New Guineans, and one directly relevant to youth transitioning from village or settlement life into structured, urban employment through UYEP III[45].

4.9 Biophysical Environment

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

A series of high mountain ranges run along the centre of PNG, including the Owen Stanley Range and the Bismarck Range. The highest peak in Papua New Guinea, Mount Wilhelm, is located in the Bismarck Range and stands at 4,509 meters tall[46]. In addition to mountains, PNG has a varied landscape that includes low-lying coastal plains, coral reefs, and volcanic islands.

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

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[43] Papua New Guinea Labour Mobility Unit, *Labour Mobility Unit Operational Policy* (2021).

[44] Department of Foreign Affairs and Trade (Australia), *DFAT Country Information Report: Papua New Guinea*, DFAT, Canberra (2017).

[45] World Vision Australia, *Papua New Guinea Health and Human Wellbeing* (2013).

[46] https://www.pngtrekkingadventures.com/mount-wilhelm-climb

The dense tropical forest that covers much of the country is home to a diverse range of flora and fauna, including over 200 species of mammals, more than 700 species of birds, and countless species of insects and other invertebrates. PNG also has extensive coral reefs, which form part of the globally significant Coral Triangle.

PNG has 57 formally designated protected areas[47] covering a range of ecosystem types along with numerous internationally recognised areas of conservation significance.

4.10 Natural Hazards and Climate Change

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

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

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

4.11 Urban Centre Profiles

Table 2 (Section 3.1.1) lists the eight urban centres in which UYEP III will be implemented. This section profiles each centre: its province and population, the customary landowners and institutional authorities with an interest in Project land and works, the local economy, and the main issues facing youth. National Capital District and Lae have direct delivery experience under UYEP I and/or UYEP II; the other six centres are new to the Project and to World Bank financing, and profiles for them should be refined as local engagement deepens.

4.11.1 National Capital District

Population (province): 756,000[48]

[47] https://pipap.sprep.org/country/pg

[48] National Statistical Office of Papua New Guinea (2025), *2024 National Population Census -- Final Figures*.

The National Capital District (NCD) is the incorporated area around Port Moresby, administered by the National Capital District Commission (NCDC) under the *National Capital District Commission Act 2001*. The Motu-Koitabu are the customary landowners of the Port Moresby area and are represented by the Motu Koita Assembly, constituted under the *Motu Koita Assembly Act 2007*.

NCDC is the strongest institutional base among the participating centres: it hosted the PMU for both UYEP I and UYEP II, both of which were delivered successfully in NCD, and has established civil works and community development functions (Section 3.1.2).

As the national capital and largest urban economy, NCD's main industries are public administration, wholesale and retail trade, construction, transport and logistics, and finance and business services, alongside a substantial informal settlement-based economy. The main issues facing youth are the same structural constraints set out for PNG as a whole in Sections 2.1 and 4.2 - a shortage of formal jobs relative to school leavers, weak literacy and numeracy outcomes, and high youth unemployment, which is compounded in NCD by the scale of informal settlements, urban crime and gender-based violence risks described in Sections 4.3 and 4.4.

4.11.2 Lae, Morobe Province

Population (province): 997,545[49]

Lae is PNG's second-largest city and its main industrial port, administered by the Lae City Authority (LCA) under the *Lae City Authority Act 2015*, covering the Lae Urban Local-level Government area and parts of the Wampar and Ahi Rural Local-level Governments.

LCA hosted a PMU under UYEP II (though not UYEP I, which operated in NCD only) and is an implementing agency for UYEP III, giving Lae the second-strongest institutional base among the participating centres.

Lae's economy is built on manufacturing, shipping and port logistics, wholesale trade and agri-processing serving the Momase and Highlands regions, alongside a significant informal settlement economy. Consistent with the business-survey evidence already cited in Section 2.1 (which covered Lae among other centres), employers in Lae report difficulty recruiting entry-level workers with the required literacy, numeracy and workplace behaviours. The main issues facing youth mirror those in NCD - a shortage of formal jobs, high informal employment, and elevated exposure to urban crime and settlement-related risks (Section 4.3). Lae is also known to have WWII-era unexploded ordnance, which is a consideration for site selection and ground-disturbing works (Section 3.2.2).

4.11.3 Mt Hagen, Western Highlands Province

Population (province): 362,580[50]

Mt Hagen is PNG's largest Highlands city, administered by the Mt Hagen City Authority under the Mt *Hagen City Authority Act 2015*. Land in and around the city is held under customary tenure by Melpa

[49] National Statistical Office of Papua New Guinea (2025), *2024 National Population Census -- Final Figures*.

[50] National Statistical Office of Papua New Guinea (2014), *2011 National Population and Housing Census -- Final Figures*.

(Hagen) clans organized on patrilineal lines, consistent with the clan-based land tenure typical of the Highlands region described in Section 4.8; clan boundaries in peri-urban areas are frequently contested and should be clarified early wherever Project activities may involve land.

Unlike NCD and Lae, Mt Hagen has not previously hosted a World Bank-financed project and has no prior UYEP delivery history; institutional and E&S capacity building for the City Authority will be a priority as the centre is brought into the Project (Section 3.1.2).

The local economy is centered on the coffee trade (Mt Hagen is PNG's principal coffee marketing centre), fresh produce markets serving the Highlands region, and public administration and services; as in Lae, employer surveys (Section 2.1) point to gaps in entry-level workplace readiness among jobseekers. The main issues facing youth include the structural labour-market constraints described in Section 4.2, together with exposure to tribal and clan-based conflict, which is a more prominent driver of insecurity in the Highlands than in the other participating centres and a factor the Social Conflict Analysis (Annex 8) should examine specifically for Mt Hagen.

4.11.4 Kokopo, East New Britain Province

Population (province): 328,369[51]

Kokopo has been the provincial capital of East New Britain since 1994, when Rabaul, the former capital, was largely destroyed by a volcanic eruption; the city is administered by the Kokopo City Authority under the *Kokopo City Authority Act 2015*, through the Kokopo/Vunamami Urban Local-level Government. Land on the Gazelle Peninsula is held under the customary tenure of the Tolai people, whose land tenure and inheritance follow matrilineal descent[52] - a contrast with the predominantly patrilineal systems of the mainland centres, and one that has implications for who must be consulted and who may benefit from any land-related Project activity.

Kokopo has not previously hosted a World Bank-financed project and has no prior UYEP delivery history.

Kokopo's economy is built on cocoa and copra production and processing from the agricultural hinterland, together with retail, tourism and its role as East New Britain's main administrative and educational centre. The main issues facing youth reflect the general PNG constraints described in Section 4.2.

WWII-era unexploded ordnance and war remains a consideration for site selection and ground-disturbing works, given the province's wartime history.

[51] National Statistical Office of Papua New Guinea (2014), *2011 National Population and Housing Census -- Final Figures*.

[52] Errington, F. and Gewertz, D., *The Tolai (Gazelle Peninsula, East New Britain)*, in *Encyclopedia of World Cultures*, Oceania volume.

4.11.5 Alotau, Milne Bay Province

Population (province): 412,158[53]

Alotau has been the provincial capital of Milne Bay since 1969. The implementing entity is the Alotau Local-level Government. Milne Bay's societies are predominantly matrilineal, with land, and often leadership, passed through the maternal line[54] - as with Kokopo, this has direct implications for identifying the right customary landowners and beneficiaries for any land-related Project activity.

Alotau has not previously hosted a World Bank-financed project and has no prior UYEP delivery history.

The local economy centres on the provincial administration, the port (Alotau is a gateway for shipping and cruise tourism to Milne Bay's islands), copra and oil palm from the surrounding agricultural areas, and fisheries. The main issues facing youth reflect the general constraints described in Section 4.2.

Milne Bay was the site of major fighting in 1942 and WWII-era unexploded ordnance and war remains as a consideration for site selection and ground-disturbing works (Section 3.2.2).

4.11.6 Madang, Madang Province

Population (province): 761,154[55]

Madang town is the provincial capital. The implementing entity is the Madang Urban Local-level Government. Madang Province is PNG's most linguistically diverse, with well over 100 distinct languages spoken across it, reflecting a correspondingly large number of separate customary landowning groups in and around the town[56].

Madang has not previously hosted a World Bank-financed project and has no prior UYEP delivery history.

Madang's economy is built on tourism (it is widely regarded as one of PNG's most attractive coastal towns), fisheries, and agricultural processing - including cocoa and copra from Karkar Island and the surrounding coast - together with a significant NGO and development-partner presence. As in Lae and Mt Hagen, employer surveys (Section 2.1) point to gaps in entry-level workplace readiness among jobseekers. The main issues facing youth reflect the general constraints described in Section 4.2.

WWII-era unexploded ordnance and war remains as a consideration for site selection and ground-disturbing works.

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[53] National Statistical Office of Papua New Guinea (2025), *2024 National Population Census -- Final Figures*.

[54] Koian, R., *Women in Patrilineal and Matrilineal Societies in Melanesia* (2020).

[55] National Statistical Office of Papua New Guinea (2025), *2024 National Population Census -- Final Figures*.

[56] Papua New Guinea National Statistical Office, *Madang Province Population and Language Profile* (2021).

4.11.7 Wabag, Enga Province

Population (province): 571,060[57]

Wabag is the provincial capital of Enga. The implementing entity is the Wabag Local-level Government. Land is held under customary tenure by Enga clans organised on patrilineal lines, consistent with the clan-based land tenure typical of the Highlands region described in Section 4.8.

Wabag has not recently hosted a World Bank-financed project and has no prior UYEP delivery history. Enga has experienced serious, recurrent inter-clan tribal fighting in recent years, driven by land and mining-related disputes and worsened by the circulation of illegal firearms, with periodic states of emergency declared in affected districts [58]; while this violence has been concentrated outside Wabag itself (notably around Porgera), the town has its own history of law-and-order problems, including break-ins and periodic destruction of government property[59]. This is a heightened security and conflict-sensitivity consideration for Wabag relative to the other participating centres, and one the Social Conflict Analysis (Annex 8) and Project security arrangements should address specifically.

The local economy is based on smallholder coffee and vegetable production for Highlands' markets and public administration; commercial agriculture has been constrained by the law-and-order issues noted above and by the town's limited market access. The main issues facing youth include the structural labour-market constraints described in Section 4.2, compounded by exposure to tribal conflict and by weaker service and market infrastructure than in the other participating centres.

4.11.8 Kavieng, New Ireland Province

Population (province): 237,780[60]

Kavieng is the provincial capital of New Ireland and the province's main port. The implementing entity is the Kavieng Local-level Government. As in Milne Bay and East New Britain, customary land tenure across much of New Ireland follows matrilineal descent, and the relevant landowning clans should be identified directly rather than assumed from mainland patrilineal norms.

Kavieng has not previously hosted a World Bank-financed project and has no prior UYEP delivery history.

The local economy centres on the port (copra and other agricultural exports), fisheries, and a growing dive and surf tourism sector that depends on customary landowners' and reef owners' cooperation for access. The main issues facing youth reflect the general constraints described in Section 4.2.

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[57] National Statistical Office of Papua New Guinea (2021), *Enga Province Population Projections*.

[58] Kabuni, M., *Enga Tribal Violence: PNG's Top Security Threat Comes from Within*, Development Policy Centre, Devpolicy Blog (2024).

[59] PNG Institute of National Affairs, *Provincial profile: Enga* (2018).

[60] National Statistical Office of Papua New Guinea (2025), *2024 National Population Census -- Final Figures*.

Kavieng was a major Japanese base in WWII and unexploded ordnance, and war remains are a consideration for site selection and ground-disturbing works (Section 3.2.2).

5 Potential Environmental and Social Risks, Impacts and Management

This section identifies the potential E&S risks and impacts associated with the Project; describes the E&S risk management tools that have been or will be developed; and summarises how those tools and other measures will be used to manage risks and enhance Project benefits.

5.1 Overview of Potential Risks and Impacts

The Project's environmental risks are expected to be Moderate and largely associated with technical assistance activities and labor-intensive public works, rehabilitation of community infrastructure, drainage and urban improvement activities, waste generation, occupational health and safety hazards, community health and safety concerns, traffic-related risks, management of small quantities of fuels and chemicals, erosion and sedimentation, and localized impacts on urban vegetation and drainage systems. These impacts are expected to be site-specific, temporary, reversible, and manageable through implementation of this ESMF, site-specific Environmental and Social Management Plans (ESMPs), Environmental and Social Codes of Practice (ESCoPs), and contractor management procedures. No major infrastructure is anticipated in environmentally sensitive areas. Subprojects will be selected during implementation from a defined menu of small-scale urban works; Key potential risks include: OHS hazards for youth in civil works, internships, or referral to domestic/international employment; improper handling of hazardous materials from trades training; disturbance of asbestos-containing materials during rehabilitation of existing urban infrastructure; fuel/oil spill risk from construction equipment; community health and safety impacts from dust, noise, and traffic disruption; construction waste management; surface runoff and erosion from earthworks; potential soil contamination; and subsurface archaeological disturbance. All target cities face climate-related hazards; infrastructure design incorporates climate resilience.

The social risks are more significant and are the reason for the proposed Substantial social risk rating. They arise from:

- **The workforce.** The Project deliberately recruits disadvantaged young people aged 18 to 29 – many with low literacy and no formal work experience. They are placed in manual work in a country where occupational safety practices are generally weak.

- **SEA/SH risk profile.** Large mixed-sex cohorts of young people train and work together under the supervision of adults who control access to stipends, internships, referrals and accreditation. The Project also places young people, including young women, into private workplaces it does not control. This combination of youth, power asymmetry, and dispersed placement is a significant social risk.

- **Third party involvement.** Internships, vocational training, employment referral and enterprise finance all involve the Project directing young people towards, or financing activity by, entities over which the implementing agency has no line authority. Risk in these relationships can only be managed through due diligence before engagement, binding contractual terms, monitoring during placement, and a credible ability to withdraw.

- **Referral to commercial credit.** The Project refers young people to commercial banks for loans. It does not lend, and does not finance enterprise activity, so the downstream risk of what financed enterprises do does not arise. What remains is the risk of over-indebtedness and hardship for young borrowers with little credit experience, taking on a commercial obligation the Project cannot write off, on the strength of a referral they may read as an endorsement.

- **Urban conflict environment.** Decisions about who participates, where works are located and which groups benefit are made in cities marked by ethnic and settlement-based tension, high rates of crime, and tribal conflict.

Additional risks common to the Project include potential for exclusion of women, youth with disability and Indigenous youth; land access in contested urban and foreshore space; protection of large volumes of sensitive personal data, including under contemplated commercial access arrangements for the LMIS; and the downstream consequences of technical assistance and policy advice.

5.2 Environmental and Social Risk Management Tools

The following tools have been or will be prepared to manage the E&S risks associated with the Project. Additional site-specific instruments will be prepared during implementation.

- **Environmental and Social Commitment Plan (ESCP)** – the legally binding summary of material E&S measures and actions and the timeframes for delivering them.
- **Environmental and Social Management Framework (ESMF)** – this document. Its annexes are:
    1. Exclusion List – activities, subprojects, sectors, workplaces and enterprises not eligible for Project support.
    2. Environmental and Social Screening Form – applied to every proposed urban works and services subproject.
    3. Environmental and Social Codes of Practice (ESCoPs) – standard mitigation measures establish the management requirements for most small-scale urban works and services subprojects, being those screened under Annex 2 as having low environmental and social risks.
    4. ESMP Template – for subprojects where screening under Annex 2 identifies moderate E&S risks that are not adequately addressed by the ESCoPs.
    5. SEA/SH Action Plan
    6. Labour Management Procedure – including the Project Worker Code of Conduct and the Trainee Code of Conduct.
    7. Land Access Procedure
    8. Social Conflict Analysis Tool
    9. Job Hazard Analysis Template
    10. Incident Reporting Procedure
    11. Chance Find Procedure

12. **Terms of Reference for E&S roles**

- **Stakeholder Engagement Plan (SEP)** – including the Project grievance redress mechanism
- **Project Occupational Health and Safety (OHS) Plan** – prepared early in implementation, incorporating and building on the OHS requirements of the Labour Management Procedure in order to operationalise them across all Project worksites, training venues and placements.
- **Project Operations Manual (POM)** – into which key E&S processes from this ESMF are extracted.
- **Field, training, and supervisor manuals**.
- **Due diligence checklists and standard agreements** – the Internship Employer Due Diligence Checklist, training provider and TVET institution agreements, NGO partner agreements, referral employer agreements, any labour-hire client agreement, and contractor bidding documents, each incorporating E&S obligations, the Code of Conduct and SEA/SH provisions.
- **Trainee Letter of Engagement and UWS Terms of Engagement** – the instruments through which the LMP is given effect for participants.
- **Data protection protocol and research ethics protocol** – governing the MIS, the LMIS, the surveys and the impact evaluation.
- Subproject ESMPs, Contractor ESMPs and contractor OHS plans.

5.3 Summary of Potential Risks and Mitigations

Table 7 summarises the potential E&S risks and impacts of Project activities, the key management measures, and the tools through which those measures are delivered.

Table 7: Summary of potential environmental and social risks and mitigations

Risk / impact	Management measures	Key tools
Urban Works and Services (Subcomponent 1c)		
Occupational health and safety. Crews use hand tools and light equipment, work near live traffic, in and around drains and waste, on slopes, in heat, at occupied buildings and beside water. Most participants have no prior work experience and OHS practice in PNG workplaces is generally weak. Risks include cuts, crush and strike injuries, falls, manual handling injury, heat stress, needle-stick and biological exposure during waste and drain work, drowning during foreshore work, electrical contact, and vehicle strike.	• OHS content delivered in BEST Stage 1 before any participant is placed on works and reinforced at daily toolbox talks. • A Job Hazard Analysis (Annex 9) completed for every task before work starts and explained to the crew in Tok Pisin each day. JHAs do not need to be rewritten each day, as they can be reused for the same task. • PPE appropriate to the task provided free of charge, use enforced by group leaders, and budgeted in every subproject. • Participants excluded from specialist and high-risk trades: electrical work, hot work, work at height above two metres, plant operation and confined space entry. Asbestos-containing material is not disturbed, removed or disposed of by any party on the Project (Annex 1). • Water safety measures for foreshore and boat landing works: buoyancy aids, safety lines, no lone working in or over water, emergency process established and work only at low flow and favourable tide. • Supervision ratios and first aid provision specified in the POM; a stocked first aid kit and a trained first aider at every site. • Immunization and hygiene provisions for waste and drain work, including gloves, boots, hand washing and hepatitis B vaccination offer. • Workers' compensation cover arranged for all participants on works placements. • Right to refuse unsafe work, communicated and protected from retaliation. • Interfaces with other contractors engaged under UYEP III, and with contractors of other programs working on or adjacent to the site, managed through designated site control, task sequencing, separation of work areas and agreed interface arrangements (Section 6.3).	LMP; JHA; ESCoPs; ESMP; POM
Community health and safety. Works occur on live roads, footpaths, market areas, at occupied schools and health facilities and in dense settlements. Risks include vehicle and pedestrian conflict, open excavations, obstruction of access, damage to buried services, dust and noise nuisance, exposure of patients and school children to works, and injury to children attracted to work sites.	• Traffic and pedestrian management measures specified in the ESCoPs and applied at every roadside site. • Excavations barricaded and covered outside working hours; no open trenches left overnight in residential, market or school areas. • Access to homes, shops, stalls, classrooms and clinics maintained at all times. • Buried services identified with the responsible utility before excavation. • Works at schools coordinated with the school, fenced, and scheduled outside class times where practicable.	ESCoPs; ESMP; SEP; E&S Screening Form

Risk / impact	Management measures	Key tools
	• Works at health facilities coordinated with facility management, with infection control and continuity of service maintained. • Advance notification to affected residents, traders, schools and facilities through the SEP. • Works restricted to normal daytime working hours.	
SEA/SH and GBV. Mixed-sex crews of young people are supervised by adults who control access to stipends, placements, referrals and accreditation. Risks arise between participants, from supervisors, trainers, contractors and drivers towards participants, and from the workforce towards community members. Participants may also disclose family violence occurring outside the Project.	• SEA/SH Action Plan (Annex 5) is implemented across all activities. • Project Worker Code of Conduct signed by every supervisor, trainer, contractor and driver, and Trainee Code of Conduct signed by every participant, with SEA/SH prohibitions explicit in both. • Survivor-centered GRM pathway with confidential intake, female intake officers available in every centre, and warm referral to service providers regardless of whether the incident is Project-related. • Mapping of GBV and SEA/SH service providers in each centre completed before intake begins and maintained. • Separate, lockable and lit sanitation facilities for women at works and training sites. • Safe transport arrangements for women and for youth with disability; works located in participants' own communities where practicable. • Minimum proportion of female supervisors, facilitators and trainers. • Mandatory SEA/SH induction and refresher training for all Project personnel.	SEA/SH Action Plan; Code of Conduct; LMP; SEP/GRM
Works in and beside water: boat landings and shoreline erosion protection. A new category of works for UYEP. Risks include drowning; in-water working; sediment release into near-shore waters; damage to mangroves, seagrass, coral and intertidal habitat; obstruction of customary access to fishing grounds and landing places; and unauthorised sourcing of rock, sand and coral.	• Marine and intertidal habitat identified at screening; works avoiding mangroves, seagrass and coral; subprojects requiring their removal are not eligible. • Land reclamation, coral extraction, and beach sand extraction are excluded (Annex 1). • Rock and fill sourced only from permitted quarries with documented authorization. • Sediment controls, work at low flow and favourable tide, and isolation of the work area. • Customary marine tenure and access rights identified through consultation and the Land Access Procedure; access to landing places and fishing grounds maintained. • Water safety measures as set out above; no participant works in or over water without buoyancy aid and supervision. • Shoreline erosion protection limited to new nature-based (living shoreline) protection and repair of existing hard shoreline protection structures; new seawalls and other new hard shoreline structures are excluded (Annex 1).	ESMP; ESCoPs; Exclusion List; Land Access Procedure; E&S Screening Form

Risk / impact	Management measures	Key tools
Works at occupied public buildings, including schools and health facilities. Asbestos is likely in older structures. Health facilities generate clinical waste. Works on school grounds bring the workforce into daily contact with children.	• Pre-1990 buildings inspected for asbestos-containing materials (ACM) at screening. Removal and disposal of ACM requires a Level 2 environment permit and is excluded (Annex 1), so works are scoped to leave ACM in place undisturbed. Where works cannot proceed without disturbing ACM, or ACM is damaged or friable, the affected component is not eligible. Suspected ACM encountered during works is a stop-work trigger. • Clinical and sharps waste at health facilities handled only by facility staff or trained personnel; participants do not handle clinical waste. • Child safeguarding measures where works occur at schools: the work area fenced and separated from children, no unsupervised contact, and Code of Conduct provisions on conduct towards children reinforced at induction. • Works coordinated with the school or facility, scheduled to minimise disruption, and notified to parents through the school. • Life and fire safety requirements (WBG General EHS Guidelines, Section 3.3) applied in the design of substantive rehabilitation of public buildings and reviewed by qualified engineers.	E&S Screening Form; ESMP; ESCoPs; Code of Conduct; LMP
Street lighting and electrical work. Electrical installation is a licensed work and presents electrocution risk.	• Electrical work carried out only by a licensed electrician engaged as a contractor; participants do not undertake electrical work. Participant involvement is limited to civil tasks: excavation, pole footings, backfill, and reinstatement. • Lighting design considered for personal safety benefit, particularly on routes used by women and girls.	ESCoPs; JHA; LMP; contractor scope
Land access and impacts on informal users. Works are confined to public land and existing alignments, but urban road reserves, verges, drains, foreshores and market areas are intensively used by informal traders, and settlement and some land may be subject to customary claims.	• Involuntary land acquisition, and physical or economic displacement, are excluded from the Project (Annex 1). • Land tenure and existing use confirmed at screening (Annex 2) before a subproject is approved. • Land Access Procedure (Annex 7) followed for all sites, including protocols for state land, freehold land, customary land and customary marine tenure. • Where informal users would be temporarily affected, works are scheduled, staged or relocated; where minor disturbance is unavoidable, it is agreed in advance and documented. • Sites with disputed or unclear ownership are not used. • Any damage to, or loss of, private or community property or assets caused by the works is recorded, and the asset is repaired or replaced in full, or compensated at full replacement cost, promptly and at no cost to the owner (Annex 7, Step 5).	Exclusion List; E&S Screening Form; Land Access Procedure

Risk / impact	Management measures	Key tools
Waste generation and disposal. Construction and demolition waste, green waste from vegetation control, and municipal solid waste and silt collected during waste management and drain works. Clinical waste at rehabilitated buildings.	• Waste minimised and reusable material recovered; no burning of waste. • Collected waste transported to authorised disposal sites, with access arrangements confirmed with the city authority before works begin. • Sharps and clinical waste handled by trained personnel with appropriate equipment; participants are not to handle sharps.	ESCoPs; E&S Screening Form; ESMP
Pollution, erosion, and sedimentation. Spills of fuel, oil, bitumen, cement, lime and paint; dust from disturbed surfaces; sediment entering urban drains, watercourses and near-shore waters.	• Materials handled, stored and mixed at designated locations; spill kits and drip trays provided. • Sediment controls installed where works discharge to drains, watercourses or the sea; stockpiles covered and located away from drainage lines and the foreshore. • Dust suppression by damping disturbed surfaces. • Clearing limited to the area required, with prompt revegetation. • Herbicides and pesticides are not used by the Project.	ESCoPs; ESMP
Cultural heritage and chance finds. Ground disturbance in urban areas with known burial grounds, war-era remains and unexploded ordnance - a particular consideration in Lae, Kokopo, Madang, Kavieng and Alotau - and sites of customary significance within urban boundaries and on foreshores.	• Sites with known cultural heritage significance are excluded (Annex 1) and screened out (Annex 2). • Chance Find Procedure (Annex 11) applied to all ground-disturbing works and explained to crews before excavation begins. • UXO risk screening, based on local knowledge from ward councillors, community, church and customary landowner leaders, and long-term residents, completed for every subproject in Lae, Kokopo, Madang, Kavieng and Alotau (Annex 2). Sites where local knowledge indicates a credible UXO risk are not used; the Project does not finance UXO survey or clearance. • UXO awareness included in the toolbox talk before works begin at every site in these centres, because ordinance may lie on the ground surface, in vegetation, drains or shallow water, not only below ground. The Chance Find Procedure includes a UXO-specific protocol – stop work, evacuate, and notify the police and PNGDF – distinct from the cultural heritage protocol.	Exclusion List; E&S Screening Form; Chance Find Procedure
Social tension and conflict. Perceived inequity in which wards, settlements or groups receive works or places; crew composition drawn from groups in conflict; theft and vandalism of tools, materials and completed assets; risk to staff and participants from unrelated urban unrest.	• Social Conflict Analysis (Annex 8) completed for each centre before Project activities commence there (Section 6.10), led by a qualified social or conflict specialist, and updated at least annually and after any significant incident. • Conflict questions built into the E&S Screening Form so that siting and crew composition decisions are informed. • Transparent, published selection criteria for both participants and works locations, and clear explanation to unsuccessful applicants and wards.	Social Conflict Analysis; E&S Screening Form; SEP; POM

Risk / impact	Management measures	Key tools
	• Works located in participants' own communities where practicable, which reduces both travel risk and the perception of outsiders working in an area. • Staff security protocols, including confirmation of local conditions before field visits and stop-work triggers.	
Assets not fit for purpose, not climate resilient, or not maintained. Poor siting or design, vulnerability to flooding, storm surge and other hazards, or absence of a maintenance owner, leaving assets unusable or unsafe.	• Natural hazard exposure assessed at screening against the climate and natural hazard triggers in the E&S Screening Form (Annex 2, Question 5); sitting adjusted or the subproject relocated where exposure is material. • Climate-resilient design considerations, materials and standards applied as committed in the Project Description, in accordance with the Climate-Resilient Construction Standards in the ESCoPs (Annex 3, Section A) and the PNG Building Regulation 1994, and recorded on the subproject file. • Standard designs used where available; designs reviewed by a qualified engineer; relevant building standards applied. • Universal access and personal safety (lighting, sightlines, separate facilities) considered in design. • Every subproject has an identified asset owner, and a maintenance arrangement confirmed before approval, consistent with the city's urban development plan.	E&S Screening Form; Subproject proposal; O&M arrangement
Youth mobilisation, registration and foundational training (Subcomponents 1a, 1b)		
Exclusion of vulnerable youth. Young women, youth with disability, youth with very low literacy, and Indigenous youth may be less able to hear about, apply for or complete the program. The Project Description commits to actively encouraging their participation.	• Participation targets set and monitored for women, for Indigenous youth and customary landowning groups in each centre, and for youth with disability. • Accommodations planned and budgeted before intake: accessible venues, materials in accessible formats, interpreters where required, and the inclusive tasks identified in the Project Description available in every city's works program. • Outreach through local government, community, church and ward leaders, women's groups and disability organisations, in Tok Pisin and local languages. • Registration and screening designed for applicants with low literacy. • Monitoring disaggregated by sex, age, disability and ethnicity at every stage of the pathway, not only at intake.	SEP; POM; Communications materials
Perceived unfairness of selection, including any randomised allocation. The Project contemplates preserving the option of randomised allocation where eligible applicants exceed available places. Randomisation is defensible but is not self-explanatory, and in a conflict-sensitive setting	• Selection criteria and the allocation method published before registration opens and explained in Tok Pisin at community level. • Where randomised allocation is used, the draw is conducted transparently, witnessed by community representatives, and its rationale explained. • Unsuccessful applicants told the outcome and the reason and informed of the GRM.	POM; SEP/GRM; Social Conflict Analysis; Research ethics protocol

Risk / impact	Management measures	Key tools
an unexplained lottery can be read as favouritism.	• Approach tested through the Social Conflict Analysis before use in any centre assessed as high conflict risk. • Any evaluation design using randomization reviewed under the research ethics protocol.	
Duty of care and disclosure. Foundational training covers GBV awareness and prevention, family planning, and personal health. Participants may disclose violence, abuse, or distress.	• Trainers and facilitators trained in receiving disclosures and in referral and are not expected to counsel. • Referral pathways to health, counselling, police FSV Units, legal and child protection services mapped in each centre before training begins and reviewed annually. • Consent and confidentiality protocols for sensitive information, with restricted access to the MIS. • Where a participant discloses a concern about a child in their household, the reporting duties under the *Lukautim Pikinini Act 2015* are followed.	SEA/SH Action Plan; LMP; POM
Conduct and quality of NGO and training partners. Specialised modules on character development, family planning, and GBV are delivered by third parties interacting directly with young people.	• Due diligence on every partner before engagement, covering registration, safeguarding policy, staff vetting and OHS. • Code of Conduct signed by all partner personnel working with participants. • Partner agreements include E&S obligations, GRM access for participants, and the Project's right to suspend the partner. • Periodic monitoring visits and participant feedback collected on partners.	Exclusion List; LMP; Code of Conduct; Partner agreements
Personal data and identity documents. Registration collects socio-economic baseline data on thousands of young people. Support to obtain bank accounts, NID cards, curricula vitae and police and medical clearances involve handling identity and health documents.	• Informed consent obtained at registration, explained verbally, covering what data is collected, how it is used, who can see it, whether it will be shared with employers or the LMIS, and how long it is kept. • Participation not conditional on consenting to secondary uses such as research or the job seeker registry. • Role-based access controls in the MIS; sensitive fields, including medical and police clearance information, restricted. • Identity documents not retained beyond the period required and never held as security. • Retention and deletion policy documented in the POM.	POM; MIS data protection protocol
Fraud, favouritism and misuse of Project benefits. Selection, allocation of placements and internships, and payment of stipends are all points at which favouritism, solicitation of payment or diversion of funds can occur.	• Published selection criteria applied consistently, with decisions recorded and auditable in the MIS. • Stipends paid directly to the participant's own bank account wherever possible, never through an intermediary. • Code of Conduct expressly prohibits offering or providing any Project benefit in exchange for any personal or financial favour.	POM; Code of Conduct; SEP/GRM; MIS

Risk / impact	Management measures	Key tools
	• Corruption, fraud, collusion, and misappropriation are defined categories in the grievance mechanism, with a confidential reporting route. • Periodic verification of participant registers against payment records.	
Internships (Subcomponent 1d)		
Host employer labour, OHS and conduct. Interns work in private workplaces outside the Project's direct control for up to 50 days. Risks include unsafe conditions, excessive hours, non-payment or diversion of stipends, discrimination, SEA/SH by supervisors or co-workers, and placement in prohibited or high-risk sectors.	• Due diligence on every host employer before placement using the Internship Employer Due Diligence Checklist, covering registration and TIN, labour and OHS compliance, workers compensation cover, HR and SEA/SH policies, code of conduct and grievance arrangements. • Placement in sectors on the exclusion list (Annex 1) prohibited. • Written placement agreement with each host setting out E&S obligations, Code of Conduct, stipend and hours, supervision, insurance, and the Project's right to withdraw the intern. • Host supervisors sign the Code of Conduct and receive an induction provided by the Project. • Interns briefed before placement on their rights, the Code of Conduct and how to raise a grievance confidentially and from outside the workplace. • Stipends paid by the Project directly to the intern, not through the host. • Scheduled monitoring visits and check-ins during the placement, at least one away from the host's premises. • Insurance arrangements for interns confirmed before any placement.	Exclusion List; LMP; Code of Conduct; Placement agreement; Employer due diligence checklist
Employment referral desk (Subcomponent 2a)		
Referral into workplaces, the Project does not control. Referral carries lighter obligations than placement, but the Project's endorsement carries weight with young jobseekers who have few alternatives.	• Referral only to employers that have passed due diligence and are not in an excluded sector. • Jobseekers informed of their rights and of how to contact the Project if problems arise after placement.	Exclusion List; Employer due diligence; LMP
Talent Hub labour-hire pilot, if it proceeds. The Talent Hub would match youth to short- and long-term contracts for low- and semi-skilled positions and manage payroll, insurance and associated costs for client firms. That makes the Project or a Project-supported entity the employer of record, attracting the full range of ESS2 obligations	• Design of the Talent Hub, including the identity of the employer of record, confirmed with the World Bank and reflected in an updated LMP and this ESMF before the service operates. • Written contracts for every placed worker: pay at or above the minimum wage, hours, leave, notice, termination and grievance arrangements. • Workers' compensation and public liability insurance in place before any placement.	LMP; Exclusion List; Code of Conduct; Client agreement; Worker GRM

Risk / impact	Management measures	Key tools
even though day-to-day direction sits with the client.	• Client firm due diligence equivalent to that applied to internship hosts, including an OHS assessment of the workplace; excluded sectors not eligible. • Client agreements incorporate the Code of Conduct, OHS obligations, incident reporting, right of access for monitoring, and the right to withdraw workers. • Grievance routes are independent of the client firm, with protection against retaliation and against loss of future placements. • Continuous intake means a continuous obligation: monitoring, re-verification and grievance handling must be resourced for the life of the service, not only at set-up.	
Domestic service placements in private households. One of the Talent Hub's proposed service lines is domestic and hospitality services. Domestic work in private homes is the highest-risk placement type the Project contemplates: the workplace is a private dwelling, there is no site supervision, the worker is often alone with the client, and hours, pay and conduct are unobserved. Young women are the likely majority of such placements.	• The Project should not place workers into private households unless it can meet the controls below; if it cannot, this service line should be dropped from the Talent Hub design. • Written contract specifying duties, hours, rest breaks, pay and what the worker is not required to do; no live-in arrangements. • Household client screening and a signed client code of conduct, with the household treated as a client firm for due diligence purposes. • Scheduled, unannounced check-ins with the worker away from the household, and a direct confidential contact number held by the worker. • A no-questions-asked withdrawal right: a worker may leave a placement at any time without losing access to future placements or other Project benefits. • Placements not made to a household where a prior complaint is unresolved. • Alignment with ILO Convention 189 principles on decent work for domestic workers.	LMP; SEA/SH Action Plan; Client agreement; Worker GRM
Labour mobility work-readiness training - scope note. The Project finances additional work-readiness training for a subset of youth interested in labour mobility, to prepare them for possible selection into the work-ready pool. The Project does not refer, recruit, select, organise or place youth for overseas employment.	• The training itself is delivered under the same requirements as other classroom training under Subcomponent 1b: safe and accessible venue, trainer standards, Code of Conduct, and access to the grievance mechanism. • Selection of the subset of youth invited into the training is a Project decision and is subject to the transparency and equity requirements applying to all Project selection. • Workers who have returned from overseas employment may be channeled back into the Project's domestic referral services; from that point they are treated as any other referral client. • Should the Project's role later extend to referring, selecting or placing youth for overseas employment, this ESMF and the LMP must be updated before that activity begins.	POM; LMP; SEP/GRM
MSME referral desk (Subcomponent 2b)		

Risk / impact	Management measures	Key tools
Referral to commercial lenders. The core of the subcomponent is referral to microloans with commercial banks and to MSME and financial management training. Referral does not make the Project a lender, but it does put the Project's endorsement behind a credit product taken up by young, low-literacy borrowers.	• Referral only to lenders and training providers that have been assessed, and not to any lender known to use coercive or abusive collection practices. • Loan terms, repayment obligations and the consequences of default explained to the participant before referral, and comprehension confirmed. • Participants told clearly that the loan is a commercial obligation to the bank, not a Project grant, and that the Project cannot write it off. • Referral outcomes and any pattern of default monitored, and referral to a lender suspended where borrowers are systematically ending up in hardship.	Lender and provider assessment; POM; SEP/GRM
Training referral desk (Subcomponent 2c)		
Provider standards, OHS during practical training, and perceived inequity where training is subsidised competitively. Practical training in trades such as plumbing, carpentry and heavy equipment operation carries real OHS risk, and the Project Description contemplates channelling youth into extractive and industrial sectors.	• Provider verification covering registration and accreditation, trainer certification, facility, equipment and plant safety, OHS procedures, SEA/SH policy and accessibility; re-verified at least annually. • PPE and safety induction provided for practical training; heavy plant operation only under licensed instruction. • Where youth are channeled into extractive, construction or logistics sectors, the receiving employer is subject to the same due diligence as an internship host. • Where short-term vocational training is subsidized, selection criteria published in advance, applied consistently, and explained to unsuccessful applicants. • Referrals made only to TVET institutions, private course providers and FODE centres that have been verified. • Selection outcomes monitored for equity across sex, disability and ethnicity.	LMP; Provider verification checklist; Exclusion List; SEP/GRM
Personal data protection and consent. The pilot LMIS, the phone and enterprise surveys, and the Worker and Job Seeker Registry hold identifiable data on large numbers of young people and firms. The pilot is explicitly intended as the foundation for a national system under government stewardship, so the protections built in now will be inherited at national scale.	• Data protection protocol adopted before the registry or portal is built, covering lawful basis, consent, minimization, retention, access control, security and breach response, and reflected in the LMIS terms of reference. • Inclusion in the job seeker registry on specific, informed and revocable consent, and not a condition of participating in the Project. • Any commercial or preferential access arrangement, if contemplated in future, assessed against the consent given by jobseekers; personal data is not sold, and preferential access does not extend to data a jobseeker has not agreed to share. • Data protection provisions carried into the handover arrangements for any future national system, so that consent given to a pilot is not treated as consent to a national registry. • Published labour market data aggregated and de-identified, with re-identification risk assessed before release.	POM; Data protection protocol; ToR review

Risk / impact	Management measures	Key tools
	• Extension of the registry to non-UYEP youth subject to the same consent and protection standards.	
Survey ethics and interviewer safety. The Labour Force Phone Survey and Enterprise Labour Demand Survey, and the Project's own beneficiary and community surveys, involve contact with households and individuals including in high-risk settlements.	• Informed consent, including the right to decline and to withdraw. • Interviewers trained in receiving disclosures and in referral. • Field movement protocols for face-to-face survey work, informed by the Social Conflict Analysis. • Research ethics protocol applied to all evaluation activity, including any randomised allocation design.	Research ethics protocol; POM; Social Conflict Analysis
M&E and technical assistance (Subcomponent 3b)		
Personal data in the MIS; downstream E&S risks of technical assistance and policy advice; adequacy of the MIS as the consolidated ESHS tracking platform. The MIS holds beneficiary registration, work placements, electronic stipend payment records and trainee profiles, and is designated to integrate E&S performance data for consolidated risk management.	• MIS specification includes the E&S data model in Section 8.5 and the access controls in the data protection protocol, designed in rather than retrofitted. • Payment and performance records held under role-based access; stipend payment data not shared with employers or third parties. • Terms of reference for all technical assistance reviewed by the PCU E&S and Inclusion Specialist to ensure outputs are consistent with the ESSs, and final outputs reviewed against the ToR. • Further pilot centres complete the E&S entry steps in Section 6.10 before any activity begins. • MIS specification includes the E&S data model set out in Section 8.5, so that ESHS tracking is designed in rather than retrofitted.	ToR review; MIS specification
Project management (Component 4)		
Staff OHS and security; adequacy and consistency of E&S management across up to eight centres of very different capacity.	• Field movement protocols including confirmation of local conditions, communications, and authority to stop or withdraw. • Vehicle safety, driver standards and journey management for staff and participant transport. • Dedicated E&S positions funded in the PCU and in every PMU/PIU, filled before activities commence in that centre. • E&S readiness, an explicit element of the phased readiness criteria governing when a centre may start.	LMP; POM; ESCP; Section 8

6 Processes to Manage Environmental and Social Issues

This section sets out how E&S risks are managed for each Project activity. The level of process is proportionate to risk: urban works and services subprojects follow a full screening, assessment and supervision cycle; activities that place or refer young people to third parties follow a due diligence, contracting and monitoring cycle; and technical assistance is managed through terms of reference and output review.

Two requirements apply across all activities. First, no activity commences in an urban centre until the E&S entry steps for that centre are complete (Section 6.10). Second, every person engaged by the Project or working with Project participants signs and is inducted on the Project Worker Code of Conduct, and every participant signs the Trainee Code of Conduct, before starting work.

6.1 Youth Awareness, Mobilisation and Registration (Subcomponent 1a)

Awareness and mobilisation campaigns are conducted in accordance with the SEP and the community mobilisation process, with support from local government, community leaders and church leaders. The E&S requirements are:

- **Inclusive outreach.** Campaigns are delivered in Tok Pisin and relevant local languages, using visual and verbal formats, and distributed through channels that reach young women, youth with disability, out-of-school youth and Indigenous youth, including settlement leaders, churches, women's groups, youth groups and disability organisations. The Project Description's commitment to actively encourage the participation of young women, Indigenous youth and youth with disabilities is given effect through participation targets and through the availability of suitable tasks in the works program.
- **Realistic messaging.** Materials state clearly that the Project is a Government of PNG program delivered by DPLGA and the city authority, what the Project provides, the number of places available, the selection criteria and the allocation method, and what the Project does not provide.
- **Transparent selection.** Eligibility and selection criteria are published before registration opens and applied consistently. Unsuccessful applicants are told the outcome and the reason and informed of the GRM.
- **Randomized allocation, where used.** The Project contemplates preserving the option of randomized allocation where eligible applicants exceed available places. Where it is used, the method is published in advance and explained in Tok Pisin at community level; the draw is conducted transparently and witnessed by community representatives; and the approach is tested through the Social Conflict Analysis before use in any centre assessed as high conflict risk.
- **Age and eligibility verification.** Age is verified at registration against the 18–29 eligibility range, together with the out-of-school and out-of-work criteria. Verification methods are set out in the LMP (Annex 6).

- **Safety of mobilisation teams.** Field movement follows the security protocols in the POM, informed by the Social Conflict Analysis.
- **Personal data.** Registration obtains informed consent, explained verbally, covering what data is collected, how it is used, who can access it, whether it will be shared with employers or the LMIS, and how long it is retained. Participation is not conditional on consenting to secondary uses such as research or inclusion in the job seeker registry.
- **Disaggregated monitoring.** Registration, selection, progression and completion are monitored by sex, age band, disability and self-identified ethnicity, and reported against participation targets.

6.2 Foundational Work Readiness Training (Subcomponent 1b)

- **Venue and delivery.** Training venues are safe, accessible and reachable, with separate sanitation facilities for women, drinking water and first aid. Where movement is unsafe, transport is provided.
- **Mandatory E&S content.** BEST Stage 1 includes workplace safety, the Trainee Code of Conduct, the grievance mechanism, gender respect, conflict resolution, and GBV and SEA/SH awareness. No participant proceeds to a works placement without completing the OHS and Code of Conduct content.
- **Accessible delivery.** Instructional design accommodates low literacy, and adjustments are made for participants with disability. Comprehension of the Code of Conduct and the GRM is confirmed, not assumed.
- **Trainer standards.** Trainers and youth facilitators are certified where required, sign the Code of Conduct, and are trained in receiving disclosures and in referral. They are not expected to provide counselling.
- **Referral pathways.** Health, counselling, GBV and Family and Sexual Violence Unit, police, child protection and legal referral pathways are mapped in each centre before training begins, documented in the POM, and reviewed at least annually.
- **Disclosures.** Procedures for handling disclosures of violence or abuse are set out in the SEA/SH Action Plan and the POM. Where a participant discloses a concern about a child, the reporting duties under the *Lukautim Pikinini Act 2015* are followed.
- **Partner due diligence.** NGO and specialist training partners delivering modules on character development, family planning and GBV are subject to due diligence before engagement covering registration, safeguarding policy, staff vetting and OHS, and their agreements incorporate E&S obligations and participant access to the Project GRM.
- **Work-related documentation.** Support to obtain bank accounts, NID cards, curricula vitae and police and medical clearances involves collecting and sharing identity and health documents. Sharing is limited to what is necessary, with participant consent; documents are not retained beyond the period required and are never held as security; and medical and police clearance information is a restricted field in the MIS.

6.3 Urban Works and Services (Subcomponent 1c)

Every urban works and services subproject follows the eight-stage cycle in Table 8. The cycle applies in every participating centre.

Table 8: Environmental and social management through the subproject cycle

Process	Environmental and social requirements	Responsibility
Stage 1. Subproject identification		
The PMU/PIU identifies candidate subprojects with ward councillors, community, church and settlement leaders, drawing on the city's urban development plan and maintenance priorities. Candidates are recorded on a long list with location, description, indicative scale and proposed asset owner.	• Candidate checked against the Exclusion List (Annex 1). • Findings of the Social Conflict Analysis (Annex 8) applied to siting. • Preference given to sites in participants' own communities, consistent with the design lesson on community-integrated delivery. • Availability of tasks suitable for young women and youth with disability considered when composing the works program. • Community consultation recorded in accordance with the SEP.	PMU/PIU works and E&S officers, with ward, community and church leaders
Stage 2. Subproject Screening		
The E&S Screening Form (Annex 2) is completed for every candidate subproject before approval. Screening covers eligibility, land tenure and existing use, hazard exposure, marine and intertidal habitat, cultural heritage, conflict and personal safety, hazardous materials, occupied buildings, services and utilities, waste disposal arrangements, accessibility, climate resilience and the maintenance owner.	• Site visit required; screening is not a desk exercise. • Screening determines whether the subproject is rejected, proceeds under the applicable ESCoPs, or requires a site-specific ESMP. • Subprojects that are excluded, that would require involuntary acquisition or displacement, or that would need a level 2 or level 3 environment permit, are rejected. • Completed form signed by the PMU/PIU E&S Risk Management Officer and countersigned by the Project Manager.	PMU/PIU E&S Risk Management Officer; reviewed by the PCU E&S and Inclusion Specialist for the first three subprojects in each centre and thereafter on a documented sample
Stage 3. Land access		
Site tenure and existing use are confirmed and access secured in accordance with the Land Access Procedure (Annex 7), before design is finalised.	• State or city land: written confirmation of availability from the responsible authority. • Freehold or leasehold land: memorandum of understanding with the titleholder. • Customary land: documented consent of the customary landowning group under the voluntary land access protocol; land with disputed ownership is not used. • Foreshore and near-shore sites: customary marine tenure and access rights identified and addressed.	PMU/PIU E&S Risk Management Officer, supported by the PCU E&S and Inclusion Specialist and, where required, DLPP and the city authority

Process	Environmental and social requirements	Responsibility
	• Informal users identified and arrangements agreed to avoid disruption; no subproject proceeds where an informal user would lose livelihood or shelter.	
Stage 4. Design and E&S instrument preparation		
The subproject is designed, using standard designs where available. The applicable ESCoPs for low E&S risk works (Annex 3) are identified and attached. Where screening determines that a site-specific plan is required, an ESMP (Annex 4) is prepared.	• Design reviewed by a qualified engineer; relevant building and road standards applied, including life and fire safety requirements for substantive rehabilitation of public buildings. • Climate-resilient design considerations, materials and standards applied (Annex 3, Section A) and recorded on the subproject file. • Universal access and personal safety incorporated into design. • Costs of E&S measures - PPE, first aid, traffic management, waste disposal, sanitation, water safety equipment - included in the subproject budget. • ESMPs cleared by the PCU E&S and Inclusion Specialist and, for the first ESMP in each centre and any subproject of substantial risk, by the World Bank, and disclosed before works begin.	PMU/PIU works and E&S officers; PCU E&S and Inclusion Specialist; World Bank where required
Stage 5. Procurement and contracting		
Contractors are procured by the PMU/PIU, or by the PCU on its behalf under the franchise model. E&S requirements are incorporated into bidding documents and contracts in accordance with the World Bank Procurement Framework.	• Bidding documents include the applicable ESCoPs and any subproject ESMP, the Code of Conduct, OHS requirements and the obligation to provide PPE. • Contract price includes measurable E&S items in the bill of quantities. • Specialist scopes - electrical work, in-water works - are contracted to appropriately licensed or qualified contractors, and participants are excluded from them. • Where the works require a site-specific ESMP, the contractor prepares a Contractor ESMP for its scope of work, for approval before mobilisation. • Contractor personnel sign the Code of Conduct and complete induction before starting work.	PMU/PIU procurement and E&S officers; PCU procurement specialist
Stage 6. Pre-mobilisation		
Before any crew is placed on site, the site is set up, and the crew is inducted.	• Job Hazard Analysis (Annex 9) prepared for each task and explained to the crew in Tok Pisin.	Works supervisor and group leaders, overseen by the

Process	Environmental and social requirements	Responsibility
	• PPE issued and fitted; first aid kit and trained first aider on site; water safety equipment where relevant. • Traffic and pedestrian management measures installed. • Sanitation and drinking water provided, including separate, lockable facilities for women. • Code of Conduct summary explained verbally with visual aids and displayed on site. • GRM entry points explained and the Grievance Redress Form available on site. • Affected residents, traders, schools, health facilities and ward leaders notified.	PMU/PIU E&S Risk Management Officer
Stage 7. Implementation and supervision		
Works are carried out by crews under group leaders and works supervisors, with youth facilitators providing coaching and support.	• Daily toolbox talk covering the JHA and one Code of Conduct point. • Daily attendance and payment register maintained (Annex 6, Attachment 1). • Compliance with the ESCoPs, ESMP and C-ESMP monitored and recorded by the PMU/PIU E&S Risk Management Officer, with a documented site inspection at least fortnightly per active site. • Incidents reported and investigated in accordance with Annex 10. • Grievances received on site resolved and recorded in the grievance register. • Stop-work authority exercised where an unsafe condition, a conflict risk or a chance find arises.	Works supervisor; group leaders; PMU/PIU E&S Risk Management Officer
Stage 8. Completion and handover		
On completion, the site is restored, the asset is handed to its owner, and the subproject is closed out.	• Site cleared of surplus material and waste; disturbed ground reinstated and revegetated. • E&S completion check recorded against the screening form, ESCoPs and ESMP. • Asset formally handed to the city authority or other identified owner, with maintenance responsibility and funding confirmed in writing. • Any outstanding grievances resolved or transferred with a named owner. • Subproject E&S record filed in the MIS.	PMU/PIU works and E&S officers; receiving asset owner

6.3.1 Determining the level of assessment

Screening determines which of three pathways a subproject follows:

1. **Rejected.** The subproject appears on the exclusion list, would require an environment permit, would require involuntary land acquisition or cause physical or economic displacement, is on land with disputed ownership, would require removal of mangroves, seagrass or coral, or is exposed to natural hazards that cannot be addressed through siting or design.
2. **ESCoPs only.** The subproject is screened under Annex 2 as having low environmental and social risks and its risks are adequately addressed by the applicable codes of practice. The ESCoPs are then the complete set of management requirements for the subproject, and no further instrument is prepared. This is expected to cover the large majority of subprojects. The relevant ESCoPs are identified on the screening form, attached to the subproject record, and incorporated into the contract.
3. **Site-specific ESMP required.** Where screening under Annex 2 identifies E&S risks as moderate and not adequately addressed by the ESCoPs, a site-specific Environmental and Social Management Plan is prepared using the template at Annex 4. Boat landings and shoreline erosion protection works are the clearest example, and an ESMP is prepared for every subproject in that category. The ESMP supplements the ESCoPs rather than replacing them: the applicable codes continue to apply, and the ESMP addresses the risks they do not reach.

   Contractor ESMP. Where a contractor is engaged for works requiring an ESMP, the contractor prepares a Contractor ESMP setting out how it will deliver the requirements of the subproject ESMP and the applicable ESCoPs for its own scope of work. The C-ESMP is approved by the PMU/PIU E&S Risk Management Officer, with the PCU E&S and Inclusion Specialist, before the contractor mobilises to site. Where no ESMP is required, the contractor's obligations are the ESCoPs and the other E&S requirements incorporated into its contract, and no separate C-ESMP is prepared.

6.3.2 Works in and beside water

Boat landing and shoreline erosion protection works are the highest-risk category in the works menu. A site-specific ESMP is prepared for every such subproject; these works are not managed under the ESCoPs alone. They are managed as follows:

- Marine and intertidal habitats are identified at screening. Subprojects requiring removal of mangroves, seagrass or coral are not eligible.
- Customary marine tenure and access rights, including access to landing places and fishing grounds, are identified through consultation and addressed under the Land Access Procedure.
- Rock and fill are sourced only from permitted quarries; beach sand and coral extraction are excluded.

- Water safety measures apply: buoyancy aids, throw lines, no lone working in or over water, work only at low flow and favourable tide, and a documented emergency response for a person in the water.
- Participants do not undertake diving, work from unstable craft, or in-water work beyond wading depth.
- Prior to assignment to any task in or directly beside water, participants shall be assessed for basic swimming ability. Participants who cannot swim shall not be assigned to in-water tasks and shall maintain a minimum safe distance from the water's edge as specified in the Job Hazard Analysis for that task.

6.3.3 Works at occupied public buildings

- Any building constructed before 1990, or of unknown age, is inspected by a competent person for asbestos-containing materials (ACM) – such as fibre-cement sheeting, roofing, pipe lagging and vinyl floor tiles – at screening. Removal and disposal of ACM requires a Level 2 environment permit and is therefore excluded (Annex 1). Works are scoped so that ACM is left in place and is not drilled, cut, broken, sanded, water-blasted or removed. Where the works cannot be completed without disturbing ACM, or ACM is damaged or friable, the affected component (or the subproject) is not eligible. If suspected ACM is encountered or damaged during the works, work stops in that area, the area is closed to all persons, and the matter is reported under Annex 10. Because ACM is not disturbed, air monitoring is not required.
- At health facilities, works are coordinated with facility management; infection control and continuity of service are maintained, and participants do not handle clinical or sharps waste.
- At schools, the work area is fenced and separated from children, works are scheduled outside class times where practicable, there is no unsupervised contact between the workforce and children, and Code of Conduct provisions on conduct towards children are reinforced at induction and at daily toolbox talks.
- Where rehabilitation is substantive – that is, it alters the layout, means of egress, structure, occupancy or electrical systems of a building used by the public, such as a school, health facility or market building – the design applies life and fire safety (L&FS) requirements consistent with Section 3.3 of the WBG General EHS Guidelines (2007) and the PNG Building Regulation 1994. These cover, as relevant to the building: adequate and unobstructed means of egress; fire detection and alarm; portable fire-fighting equipment; emergency lighting and exit signage; and use of fire-resistant materials. L&FS provisions are reviewed by the qualified engineer at Stage 4 and recorded on the subproject file.

6.3.4 Specialist works and the limits of participant involvement

Participants are engaged to gain practical experience in labour-based civil tasks. They do not undertake specialist or high-risk work. Electrical installation for street lighting, hot work, work at height above two metres, plant operation and confined space entry are contracted to appropriately licensed or qualified contractors. Participant involvement in a street lighting subproject, for example, is limited to excavation, pole footings, backfill and reinstatement. Asbestos removal is not undertaken under the Project (Annex 1).

6.3.5 Youth crews and works contractors

Where a contractor is engaged alongside participant crews, the allocation of responsibility must be explicit in the contract: the contractor is responsible for the safety of the works, for supervision of tasks, and for compliance with the ESCoPs, any subproject ESMP and its own C-ESMP, while the Project retains responsibility for the terms of engagement, welfare and stipends of participants. Contractors do not direct participants to tasks outside the approved scope, and do not engage participants directly.

Interface with other contractors engaged under UYEP III. Where more than one contractor engaged under the Project – for example a civil works contractor and a specialist electrical or in-water contractor – works on the same site as a participant crew, the contracts designate a single party in control of the site, and the works supervisor sequences tasks so that specialist scopes are carried out in a separate area, or at a separate time, from participant tasks. Interface hazards – shared access routes, plant and vehicle movements, excavations, overhead work and energised equipment – are identified in the JHA of each party, exclusion zones are marked, and all personnel on site attend a joint induction covering the Code of Conduct, site rules and emergency arrangements.

Contractors working under other programs on or adjacent to the site. Urban works sites may be shared with, or immediately adjacent to, works by contractors engaged through other government or development partner infrastructure programs. Such co-location is identified at screening (Annex 2, Question 9d) and confirmed before mobilisation. Where it arises, the PMU/PIU, with the city authority, agrees interface arrangements with the other program and its contractor before Project works begin, covering: physical separation of work areas and exclusion of participants from the other contractor's work area; coordination of traffic and pedestrian management, access and plant movements; advance notice of hazardous activities such as excavation, lifting, hot work or energised electrical work; emergency and incident reporting arrangements; and the conduct of the other workforce towards participants, including SEA/SH risk. Participants do not take instruction from, or perform work for, contractors of other programs. Where safe separation cannot be achieved, the Project works are rescheduled or relocated. The interface arrangements are recorded on the subproject file and reflected in the JHA.

6.3.6 Works undertaken without a contractor

Where a subproject is delivered by the PMU/PIU with participant crews and no external contractor, the PMU/PIU carries the full set of contractor obligations, including provision of PPE, first aid, sanitation, traffic management, waste disposal and supervision. This must be reflected in the subproject budget.

6.4 Internships (Subcomponent 1d)

The Project places young people into private workplaces it does not control for up to 50 days. The controls are due diligence before placement, binding terms, monitoring during placement, and the ability to withdraw.

Before placement:

- Every prospective host employer completes an E&S due diligence assessment using the Internship Employer Due Diligence Checklist, covering legal registration and TIN; sector (checked against the exclusion list at Annex 1); labour practices and compliance with the *Employment Act*; workers compensation cover; OHS arrangements and a walk-through of the workplace; HR policies including a SEA/SH policy and reporting procedure; the employer's own code of conduct and grievance arrangements; and any history of relevant incidents.
- Employers in sectors on the exclusion list are not eligible.
- A written placement agreement is executed with each host, incorporating the Project Worker Code of Conduct, OHS obligations, stipend and hours, supervision arrangements, insurance, the Project's right of access for monitoring, the obligation to report incidents, and the Project's right to withdraw the intern at any time.
- Host supervisors sign the Code of Conduct and complete an induction covering the Project's expectations, the circumstances of participants, SEA/SH prohibitions, and the grievance mechanism.
- Interns are briefed before placement on the work, their entitlements, the Code of Conduct, and how to raise a grievance – including confidentially and from outside the workplace.
- Insurance arrangements for interns are confirmed before any placement. Whether cover is provided by the host's workers' compensation policy, by a Project-arranged policy, or by a combination, is an open question in implementing agency drafting and must be settled and recorded before the first placement.

During placement:

- The PMU/PIU conducts scheduled monitoring visits to each host, and check-ins with each intern, at least one of which takes place away from the host's premises so that the intern can speak freely.
- Stipends are paid by the Project directly to the intern, not through the host, so that payment cannot be used as leverage.
- Any incident is reported under Annex 10. Allegations of SEA/SH trigger the SEA/SH Action Plan response, including immediate consideration of withdrawal of the intern and suspension of the host.
- Placements are suspended and reviewed where the host is found to be in breach of the placement agreement.

Records. Host due diligence assessments, placement agreements, signed codes of conduct, monitoring visit records and incident records are held in the MIS and reported to the PCU quarterly.

6.5 Employment Referral Desk (Subcomponent 2a)

6.5.1 Local employment referral

Referral is a lighter relationship than placement – the Project introduces a jobseeker to an employer who then engages them directly – but the Project's endorsement carries weight with young jobseekers who have few alternatives, and the Project actively cultivates employer relationships and exclusive listings. Accordingly:

- Referral is only to employers that have passed due diligence equivalent to that applied to internship hosts and are not in an excluded sector.
- Employers receiving exclusive listings or other preferential access are subject to the same due diligence and to periodic re-verification. Preferential access is a benefit the Project confers, and it should not be conferred on an employer whose workplace has not been checked.
- Jobseekers are informed of their rights, of what the Project can and cannot do once they are employed, and of how to contact the Project if problems arise.
- Referral outcomes are monitored disaggregated by sex and disability so that discrimination in placement is detected rather than assumed absent.

6.5.2 The Talent Hub labour-hire pilot

The Project will assess the feasibility of expanding beyond referral to pilot commercial labour-hire services in suitable centres such as Lae. The Project Description describes this as a Talent Hub matching youth to short- and long-term contracts for low- and semi-skilled positions and managing payroll, insurance and associated costs on behalf of client firms for an all-inclusive fee, operating as a one-stop shop with service lines in contracted civil works, managed labour supply, domestic and hospitality services and MSME support, on a continuous intake model.

This is a materially different undertaking from referrals. If the Project or a Project-supported entity is the legal employer of placed workers – and managing payroll and insurance strongly suggests it would be – the full range of ESS2 obligations attaches to the Project, even though day-to-day direction sits with the client firm. A continuous intake model means a continuous obligation. Accordingly:

- The legal structure, and the identity of the employer of record, will be confirmed with the World Bank and reflected in an updated LMP and this ESMF before the service begins operating. The feasibility assessment should treat the E&S obligations, and the cost of discharging them, as part of the feasibility question rather than as an implementation detail.
- Every placed worker receives a written contract stating pay (at or above the statutory minimum wage), hours, leave, notice and termination provisions, and grievance arrangements, explained verbally before signing.
- Workers' compensation and public liability insurance are in place before any placement.

- Client firms are subject to due diligence equivalent to that applied to internship hosts, including an OHS assessment of the workplace, and firms in excluded sectors are not eligible.
- Client agreements incorporate the Code of Conduct, OHS obligations, incident reporting, the Project's right of access for monitoring, and the right to withdraw workers.
- Placed workers can raise grievances through the Project GRM independently of the client firm, with protection against retaliation and against loss of future placement opportunities.
- Monitoring, re-verification, and grievance handling are resourced for the life of the service.

6.5.3 Domestic service placements

Domestic and hospitality services are one of the proposed Talent Hub service lines. Hospitality placements are conventional workplaces and are handled like any other client firm. Domestic work in private households is not, and it requires separate treatment.

Domestic work is the highest-risk placement type the Project contemplates. The workplace is a private dwelling; there is no site supervision; the worker is frequently alone with the client; and hours, pay, duties and conduct are unobserved. Young women are the likely majority of such placements. The conditions that make the Project's other controls work – a supervisor on site, a crew around the worker, a workplace that can be inspected – are all absent.

The Project will not place workers into private households unless all of the following are in place:

1. a written contract specifying duties, hours, rest breaks, pay and what the worker is not required to do, explained verbally before signing
2. no live-in arrangements
3. screening of the household client and a signed client code of conduct, with the household treated as a client firm for due diligence purposes
4. scheduled and unannounced check-ins with the worker away from the household, and a direct confidential contact number held by the worker
5. a no-questions-asked withdrawal right: a worker may leave a placement at any time without losing access to future placements or any other Project benefit
6. no placement to a household where a prior complaint is unresolved
7. arrangements consistent with the principles of ILO Convention 189 on decent work for domestic workers.

If these controls cannot be delivered and sustained, the domestic service line should be removed from the Talent Hub design. This should be settled during the feasibility assessment, and this ESMF updated to record the decision.

6.5.4 Labour mobility work-readiness training

The Project finances work-readiness training for a subset of youth who have shown early interest in labour mobility and have strong prospects for overseas employment, to prepare them for possible selection into the work-ready pool[61]. This is managed through the various activities as follows:

- **Training.** Delivered under the same requirements as other classroom training under Subcomponent 1b – a safe and accessible venue, trainer standards and Code of Conduct, accessible delivery for low literacy, and access to the grievance mechanism.
- **Selection of participants for the training.** Deciding which youth are invited into a training stream that may improve their prospects overseas is a Project decision and a Project benefit. It is subject to the same transparency, published criteria and equity requirements that apply to all Project selection (Section 6.1), and to the same grievance route for those not selected.
- **Returning workers.** Workers who have returned from overseas employment may be channelled back into the Project's domestic referral services. From that point they are treated as any other referral client.

Should the Project at any point extend beyond training – to referring, selecting, organising or placing youth for overseas employment, or to acting for an overseas employer or scheme – that would introduce a materially different risk profile, including risks arising outside PNG jurisdiction. This ESMF and the Labour Management Procedure must be updated, and the change agreed with the World Bank, before any such activity begins.

6.6 MSME Referral Desk (Subcomponent 2b)

The core activity is assisting youth to identify viable self-employment options and referring them to microloans with commercial banks and to MSME and financial management training. Referral does not make the Project a lender and does not engage ESS9. It does engage the Project's responsibility for whom it sends young, low-literacy borrowers to. Accordingly, the Project refers only to lenders and training providers it has assessed; it does not refer to any lender known to use coercive or abusive collection practices; loan terms, repayment obligations and the consequences of default are explained before referral and comprehension confirmed; participants are told plainly that the loan is a commercial obligation to the bank and not a Project grant that can be written off; and referral outcomes and patterns of default are monitored, with referral to a lender suspended where borrowers are systematically ending up in hardship.

6.6.1 Assessment of lenders and training providers before any referral

No participant is referred to a lender or an MSME training provider that has not been assessed and recorded on the approved referral list for that centre. The assessment is carried out by the PMU/PIU

[61] The Project does not refer, recruit, select, organise or place youth for overseas employment, and does not act as an agent or intermediary for any overseas employer or scheme. Selection into the work-ready pool, recruitment, placement, pre-departure processing and the terms and conditions of overseas employment are administered by others under the relevant national arrangements.

E&S Risk Management Officer with the MSME referral desk officer, cleared by the PCU E&S and Inclusion Specialist, and repeated at least annually or whenever the lender changes its product terms. It covers:

- Legal status – licensed or registered to lend in PNG, and regulated by the Bank of Papua New Guinea where applicable. Unlicensed or informal lenders are not referred to in any circumstances.
- Product terms – the interest rate, fees and charges, the total cost of credit over the term, and whether terms are disclosed in writing before signing.
- Collateral practice – whether the lender takes security over essential household assets, family land or customary land. A lender that does so is not referred to.
- Collection practice – written collection and arrears policy, and no record or credible report of coercive, abusive, public-shaming or violent collection practices, or of confiscation of identity documents.
- Complaints – an accessible complaints process for borrowers, and willingness to receive and respond to matters raised through the Project GRM.
- Conduct – no substantiated and unremedied finding of sexual exploitation, abuse or harassment, and willingness to accept the Project Worker Code of Conduct in dealings with participants.
- For training providers – registration, trainer competence, a safeguarding policy, and accessible delivery for participants with low literacy and for participants with disability.

The assessment is documented on a short standard form held in the MIS. Where a centre has only one lender and it fails the assessment, the desk does not refer: the response is to raise the issue with the lender and with the Bank of Papua New Guinea if warranted, not to refer anyway for want of an alternative.

6.6.2 Information and comprehension before referral

Referral carries the Project's implied endorsement to a young person with little or no credit experience, and the credit decision is theirs alone. Before a referral is made the desk officer explains, verbally and in Tok Pisin or the local language where that is the participant's stronger language, and provides a one-page written summary in the same language:

- that the loan would be a commercial obligation to the bank, not a Project grant, and that neither the Project nor the city authority can write it off, pay it, or intervene in collection;
- the amount, the interest rate and fees, the repayment amount and frequency, and the total amount repayable;
- what happens on default, including any security the lender would take;
- that taking the loan is entirely the participant's choice, that declining it affects nothing else in the Project, and that the participant may ask to be referred elsewhere or not at all;
- that the Project receives no payment, commission, or benefit of any kind from the lender.

6.7 Training Referral Desk (Subcomponent 2c)

This subcomponent refers youth to TVET programs, private technical courses, scholarship opportunities and FODE for school completion, and may, subject to financing and partnerships, subsidise short-term vocational training for competitively selected youth.

Training providers and TVET institutions are subject to verification before any participant is enrolled, covering registration and accreditation with the NTC or relevant authority; trainer qualification and certification; safety of facilities, equipment and plant used in practical training; OHS procedures and provision of PPE; SEA/SH and harassment policy; accessibility for participants with disability; and the provider's own grievance arrangements. Verification is repeated at least annually.

Provider agreements incorporate the Code of Conduct, OHS obligations, participant access to the Project GRM, incident reporting obligations and the Project's right to suspend enrolments.

Practical training in high-risk trades – including crane and forklift operation, work at height, hot work and electrical work – is delivered under licensed instruction and supported by task-specific PPE and safety induction. Where the Project channels youth into extractive, construction, logistics or industrial sectors, as the Project Description contemplates for Lae, the receiving employer is subject to the same due diligence as an internship host, and the elevated OHS risk profile of those sectors is explained to participants before they commit to the training stream.

Where short-term vocational training is subsidised, selection criteria are published in advance, applied consistently, and the outcome explained to unsuccessful applicants, who are informed of the GRM. Selection is monitored for equitable outcomes across sex, disability and ethnicity, and adjusted if patterns of exclusion emerge – competitive selection on merit can systematically disadvantage participants who started with less, which is the population the Project exists to serve.

Referrals to FODE, TVET institutions, private course providers and scholarship opportunities are made only to institutions that have been verified.

6.8 LMIS, M&E and Technical Assistance (Component 3)

6.8.1 Personal data, the pilot LMIS and the Worker and Job Seeker Registry

A data protection protocol will be adopted before the registry or the LMIS portal is developed, covering the basis and scope of collection, consent, data minimization, retention and deletion, access control, security, third-party sharing, and breach notification and response. The protocol will be incorporated into the POM and reflected in the terms of reference for LMIS development.

The LMIS is a pilot, but it is explicitly intended to establish the foundational system and framework for a future national system under government stewardship, operationalizing the Labour Market Information Policy 2022–2032. The protections built into the pilot are therefore the protections a national system is likely to inherit and should be designed on that understanding rather than as pilot-scale expedients. In particular, consent obtained for inclusion in a pilot registry of UYEP participants is not consent to inclusion in a national registry; the arrangements for any transition to national

coverage, or for extension to non-UYEP youth or other centres, must address how consent is re-obtained.

Specific requirements:

- Inclusion in the job seeker registry is on the basis of specific, informed and revocable consent, and is not a condition of participating in the Project.
- Data shared with employers is limited to what is necessary for the purpose and is shared with the participant's consent.
- Published labour market data is aggregated and de-identified, and re-identification risk is assessed before release.
- Survey participants, including in the Labour Force Phone Survey and the Enterprise Labour Demand Survey, are informed of the purpose that participation is voluntary, and that they may decline or withdraw.
- Extension of the registry to non-UYEP youth, which the Project Description contemplates, is subject to the same consent and protection standards, and requires the data protection protocol to be updated before extension.

Responsibility for data protection. The PCU MIS/M&E Specialist is designated as the Project's data protection focal point, and a focal point is designated in each PMU/PIU (normally the officer responsible for the MIS). The data protection protocol is prepared by a qualified data protection or information security specialist engaged by the PCU and reviewed by the PCU E&S and Inclusion Specialist and the World Bank before the MIS, registry or LMIS portal holds personal data. The focal points are responsible for: role-based access control and keeping a register of who holds access to which data; training all staff who handle personal data before they are given access; secure handling and storage of paper records, including registration forms and identity, medical and police clearance documents; receiving and acting on requests by participants to see, correct or withdraw their data; and managing and reporting any data breach as an incident under Annex 10. Compliance with the protocol is reviewed annually and as part of the independent E&S review (Section 8.5).

6.8.2 Research ethics

Surveys, impact evaluation and studies involving participants follow an ethics protocol covering informed consent; confidentiality; safety of participants and interviewers, including field movement protocols in high-risk settlements; special provisions for respondents under 18 encountered in household surveys; and avoidance of questions likely to cause distress without a referral pathway in place. Interviewers are trained in receiving disclosures and in referral.

Where the impact evaluation uses randomized allocation – which the Project Description contemplates preserving as an option where applicants exceed places – the design is reviewed under the ethics protocol. The relevant considerations are that no eligible applicant is denied a benefit they would otherwise have received (randomization allocates scarcity, it does not create it); that the method is explained and seen to be fair; and that the UYEP I experience, where a control-group design was abandoned because of the ethics of excluding that group from benefits, is not repeated in a different form.

6.8.3 Technical assistance and studies

Terms of reference for all technical assistance, studies and policy support are reviewed by the PCU E&S and Inclusion Specialist before issue, to ensure that the scope requires outputs consistent with the ESSs and that any downstream E&S implications of the advice are considered – in particular for advice on labour standards, labour market intermediation and trade accreditation, where the advice itself shapes worker protection. Final outputs are reviewed against the terms of reference by the PCU E&S and Inclusion Specialist and the World Bank.

6.9 Project Management (Component 4)

E&S management within Component 4 comprises: funding and filling the E&S positions set out in Section 8.2; delivery of the capacity building program in Section 8.3; operation of the grievance mechanism; E&S monitoring and reporting; and the health, safety and security of Project personnel.

Personnel safety measures include field movement protocols requiring confirmation of local conditions before travel, communications arrangements and clear authority to postpone or withdraw; vehicle safety and driver standards for Project and hired vehicles used to transport staff and participants; and first aid provision and emergency contact arrangements at every Project site.

6.10 Entry of New Urban Centres

Six of the eight participating urban centres are new to the Project, and the design allows centres to proceed at different speeds against phased readiness criteria. Before any Project activity commences in a new centre, the following E&S entry steps must be completed and recorded, and the PCU E&S and Inclusion Specialist must confirm completion to the World Bank:

1. A Social Conflict Analysis (Annex 8) is undertaken for the centre by a qualified social or conflict specialist engaged by the PCU, supported by the PMU/PIU E&S Risk Management Officer.
2. GBV, SEA/SH, health, disability, child protection and legal service providers are mapped, and referral pathways agreed and documented.
3. The implementing authority is assessed for E&S capacity, and the PMU/PIU E&S Risk Management Officer position is funded and filled.
4. The Provincial Labour Inspection Office has been briefed on the Project, and a labour inspector focal point and coordination arrangements have been agreed with the PMU/PIU (Annex 6).
5. The grievance mechanism is established and publicized locally, including entry points accessible to women and to youth with disability, and the Grievance Redress Form is available at PMU/PIU and work sites.
6. All personnel who will work with participants are trained and have signed the Code of Conduct.

E&S readiness must be an explicit element of the phased readiness criteria that govern when a centre may commence.

7 Stakeholder Engagement, Consultation and Grievance Redress

7.1 Stakeholder Engagement Plan

A stand-alone SEP has been prepared describing the Project's program for stakeholder engagement, information disclosure and consultation. It sets out how the Project team communicates with stakeholders and provides the mechanism through which people can raise concerns, provide feedback, or make complaints. The SEP includes stakeholder identification and analysis; engagement principles; a summary of engagement during preparation; proposed engagement during implementation; engagement channels, materials, language and record keeping; a strategy for incorporating the views of vulnerable groups; disclosure strategies; and the Project grievance redress mechanism.

Stakeholders of particular relevance to this ESMF include: participating and prospective youth and their families; ward councilors, community, church and settlement leaders; customary landowning groups in each centre, including holders of customary marine tenure in coastal centres; women's organisations, GBV service providers and disability organisations; city authorities and provincial administrations; DLIR and the Labour Mobility Unit, NYDA, NTC, CEPA and other national agencies; internship host employers, referral employers, training providers and TVET institutions; commercial banks and MSME training providers to which youth are referred; contractors; schools and health facilities at which works occur; residents, traders, road users and foreshore users affected by works.

7.2 Consultation During Preparation

A summary of stakeholder engagement undertaken during Project preparation is provided below, with the full record maintained in the SEP.

Stakeholder engagement during Project preparation built on lessons from UYEP II implementation in Port Moresby and Lae. Initial consultations on the design of UYEP III were held in August 2025 with NCDC, the Lae City Authority, DPLGA, DNPM, PMU staff and other key stakeholders. Scoping missions were subsequently undertaken in each of the proposed new urban centres – Mount Hagen and Kokopo in October 2025, and Port Moresby, Kavieng and Alotau in September 2026 – consulting more than 150 stakeholders in total, including provincial and city authorities, ward councilors and community representatives, TVET institutions, private sector employers, youth leaders and groups, women's organisations, and GBV, disability and social service providers. Additional consultation is planned for the remaining centres.

Discussions covered the Project's relevance and design, institutional and implementation capacity, potential labor-intensive public works, and TVET and employer linkages, and surfaced E&S risks and considerations for the Project to address. These included the risk of exclusion of young women and persons living with disability, GBV and safety concerns, the risk that an urban focus could exclude youth in peri-urban and surrounding communities, and the importance of aligning targeting with the NYDA Youth Engagement Strategy and youth profiling initiative. This feedback has directly informed

the Project's design, including its geographic scope and eligibility criteria and the targeting of vulnerable groups, and has been reflected in the E&S risk management measures set out in this ESMF.

7.3 Grievance Redress Mechanism

The Project GRM is set out in the SEP. Its key features for the purposes of this ESMF are as follows.

Scope. The GRM applies to all staff, participants and contractors engaged in UYEP III, and to communities and stakeholders affected by Project activities. It receives not only grievances but also queries, suggestions, and positive feedback. It also receives grievances relating to internship hosts, referral employers, training providers, TVET institutions, lenders to which youth are referred, and contractors. Local disputes unrelated to the Project fall outside the GRM and are for the disputing parties to resolve, although a person raising such a matter is offered referral where a service exists.

Categories of grievance. The GRM records grievances in four categories: inquiries and feedback about the Project; complaints related to agreed Project procedure, covering both work matters (payment, type of work, problems with a contractor, conflict between participants, environmental damage, OHS concerns) and Project design matters (screening, targeting and selection, training, objectives); corruption, including fraud, collusion, theft and misappropriation; and complaints of SEA/SH experienced by any individual associated with the Project.

Entry points. Grievances may be raised: on site with a group leader, works supervisor, community mobiliser, using the Grievance Redress Form held at every work site; at any PMU/PIU office; by toll-free telephone and SMS; by email; through the GRM module of the MIS; in writing; and through ward councillors and community, church and settlement leaders. Anonymous grievances are accepted and acted on. Entry points, and the fact that using them is free and safe, are publicised at every works, training and PMU/PIU site in Tok Pisin and with visual materials, and communicated through community meetings, the Project website, printed materials and community mobilisers.

Tiers and timeframes. Consistent with the experience of UYEP I and II, first-tier resolution on site by supervisors, mobilisers and facilitators is retained because it resolves most matters quickly and prevents escalation. Matters that cannot be resolved on site, and all serious matters, are escalated to the PMU/PIU GRM Committee and, where necessary, to the PCU. Acknowledgement, resolution, and appeal timeframes are specified in the SEP.

Grievance Redress Mechanism Committee. A Grievance Redress Mechanism Committee (GRMC) provides oversight in each centre: reviewing and resolving escalated grievances, reviewing trends including resolution timeframes, and identifying improvements and referrals. The GRMC comprises PMU/PIU staff, with a rotating observer drawn from another part of the Project. Its composition should include at least one woman and should not be drawn exclusively from the stream against which a grievance is made; where a grievance concerns a GRMC member or their stream, that member stands aside.

Record keeping. All grievances, including those resolved on site, are recorded in a single grievance register maintained in the MIS. A designated officer in each PMU/PIU is accountable for the register and reconciles field records against it monthly. This responds directly to the incomplete record

keeping identified in UYEP I. Serious grievances require full written documentation and management involvement.

SEA/SH grievances. SEA/SH grievances follow a separate, survivor-centred pathway set out in the SEA/SH Action Plan (Annex 5), and are not handled through the general grievance process or by the GRMC. The focal reporting point is the PCU E&S and Inclusion Specialist. Key features are confidential intake by a trained officer, availability of a female officer to receive a report in every centre, no requirement for the survivor to identify the perpetrator in order to receive referral, warm referral to service providers regardless of whether the incident is Project-related, restricted access to case records, and survivor control over whether the matter is reported to police.

The Project's role in a SEA/SH grievance is limited to: referring the survivor to relevant service providers with their consent; assessing whether the allegation falls within the World Bank definition of SEA/SH; recording whether the complainant alleges the perpetrator is a person associated with the Project; and applying the disciplinary measures set out in the relevant employment contract, Letter of Engagement, contract or placement agreement. The Project does not investigate the criminal allegation itself.

Established referral relationships differ by centre and this is reflected in the SEA/SH Action Plan.

Worker grievances. Project workers may use the Project GRM for work-related grievances, as set out in the LMP (Annex 6). Public servants engaged on the Project may also use the Public Service Commission complaints process. Workers and interns placed with third parties may raise grievances independently of the host or client firm.

Non-retaliation. Retaliation against a person who raises a grievance in good faith is a breach of the Code of Conduct and grounds for termination or suspension of a contract, agreement or placement.

World Bank Grievance Redress Service. Communities and individuals who believe they are adversely affected by a World Bank supported project may submit complaints to the Project GRM or to the World Bank's Grievance Redress Service and may also submit complaints to the World Bank Inspection Panel. Contact details are provided in the SEP and displayed at Project sites.

7.4 Disclosure

This ESMF and other E&S instruments will be disclosed on the DPLGA website and on the World Bank's external website. Hard copies and a Tok Pisin summary will be available at each PMU/PIU office, and summaries will be displayed at works and training sites. Subproject ESMPs will be disclosed on the DPLGA website and locally before works commence.

8 Implementation Arrangements

8.1 Key Organisations

8.1.1 Department of Provincial and Local Government Affairs

DPLGA is the lead national implementing agency, reflecting its legal mandate to coordinate and monitor city authorities and urban local-level governments. It hosts the PCU in Port Moresby, leads the LMIS surveys and system development in coordination with DLIR, and is responsible for managing E&S risks in accordance with the Project's ESCP.

8.1.2 Project Coordinating Unit

The PCU, hosted by DPLGA in Port Moresby, coordinates and monitors overall Project implementation. It provides oversight, coordinates reporting, delivers technical support in financial management, procurement, M&E, training and quality assurance, and ensures compliance with Project requirements. It includes dedicated E&S positions (Section 8.2). Under the franchise model, the PCU also provides fiduciary management for the six new centres.

8.1.3 Implementing agencies and Project Management Units

NCDC and the Lae City Authority are implementing agencies in their own right, each maintaining its own designated account and fiduciary systems acceptable to the World Bank, consistent with UYEP II arrangements. Each hosts a PMU with dedicated financial management and procurement staff, which is what distinguishes a PMU from the PIUs established in the six new centres.

The six new urban centres each establish a PIU led by a Project Manager, operating under a franchise model in which the PCU provides financial management and procurement support. These centres receive Project funding through DPLGA grants, with fiduciary management undertaken centrally. Their PIUs focus primarily on technical delivery (including E&S management), using established systems, procedures and, where feasible, standardised designs and documentation.

8.1.4 Project Steering Committee

A multi-agency PSC provides policy guidance and strategic direction to the PCU, PMUs and PIUs, and approves civil work plans, annual workplans and budgets. DNPM and NYDA may co-chair. In relation to E&S matters the PSC: approves the annual E&S workplan and budget; reviews E&S performance reporting including grievance and incident data; acts on World Bank supervision findings; and takes decisions on matters escalated by the PCU, including suspension of a partner, contractor, referral lender or centre program where E&S performance is unacceptable. Because the PSC approves civil work plans, it is the point at which E&S screening outcomes should be visible: work plans presented for approval should confirm that screening is complete for the subprojects they contain.

8.1.5 National Youth Development Authority

NYDA receives targeted capacity building under Subcomponent 3b and contributes to national youth policy coordination. Its role in relation to E&S matters is to support consistency between the Project's approach and national youth policy, and to contribute to referral partnerships.

8.1.6 Department of Labour and Industrial Relations

DLIR, through its Labour Inspection Division at national level and the Provincial Labour Inspection Offices, is the statutory authority for labour and occupational health and safety inspection, and the Office of Workers Compensation administers workers compensation. The PCU coordinates with the Labour Inspection Division on the Project's planned work, joint inspection arrangements, notification of serious incidents, and referral of labour complaints. Each PMU/PIU coordinates with the Provincial Labour Inspection Office for its centre. The arrangements are set out in the LMP (Annex 6, Coordination with the Department of Labour and Industrial Relations).

8.2 Key Environmental and Social Roles

8.2.1 National level (PCU)

PCU Environmental and Social and Inclusion Specialist, responsible for:

- leading implementation of the ESCP, this ESMF, the LMP, the Land Access Procedure and the SEP, and ensuring their requirements are integrated into the POM, field manuals and other implementation documents
- the Social Conflict Analyses and their application to selection, siting and crew composition
- the Land Access Procedure and review of land access documentation
- stakeholder engagement and consultation records
- inclusion of Indigenous youth, youth with disability and other vulnerable groups across the participant pathway.
- coordinating and supervising the PMU/PIU E&S Risk Management Officers across all participating centres, and setting common tools, templates and standards
- reviewing screening forms, ESMPs and due diligence assessments – all of them for the first three subprojects, host employers and providers in each centre, and thereafter on a documented sample basis
- confirming E&S readiness before a new centre commences activities
- assessing lenders and MSME training providers before youth are referred to them, and monitoring referral outcomes and patterns of default
- reviewing the MIS specification, the data protection protocol, LMIS terms of reference and technical assistance terms of reference
- coordinating E&S monitoring and reporting, including incident notification
- coordinating with the DLIR Labour Inspection Division on labour and working conditions, in accordance with the coordination arrangements in the LMP (Annex 6)
- leading the E&S capacity building program

- Serving as the Project's primary E&S counterpart to the World Bank.

The E&S and Inclusion Specialist also carries the SEA/SH, gender and inclusion functions, and is responsible for:

- leading implementation of the SEA/SH Action Plan
- overseeing service provider mapping and referral agreements in each centre
- coordinating and delivering SEA/SH and gender training
- managing SEA/SH grievances under the survivor-centred pathway in Annex 5, including receiving reports from any centre, and maintaining the restricted case records
- supporting procurement to ensure codes of conduct are included in all contracts and agreements and that induction and refresher training occur
- advising on gender and inclusion and monitoring participation against targets.

PCU Communications Officer, responsible for:

- operating and maintaining the Project grievance register and GRM channels
- monthly reconciliation of PMU/PIU grievance records against the register
- leading Project communications, including expectation-management messaging, and reviewing centre-level materials for consistency
- supporting implementation of the SEP.

PCU MIS/M&E Specialist, designated as the Project's data protection focal point, responsible for:

- implementing the data protection protocol across the MIS, the registry and the LMIS, including access control, staff training and breach response, and coordinating the PMU/PIU data protection focal points (Section 6.8).

8.2.2 Urban centre level (PMU / PIU)

Engaging party for participants. Participants on Urban Works and Services placements are engaged by the implementing agency for the centre – NCDC and the Lae City Authority through their PMUs, and in the six new centres the city authority or urban LLG hosting the PIU, with stipends paid through the PCU under the franchise model [to be confirmed by DPLGA]. Within each PMU/PIU, the Project Manager is accountable for the engaging party's obligations, which are set out in the LMP (Annex 6): issuing the Letter of Engagement and UWS Terms of Engagement; paying stipends on time and directly to participants; arranging workers compensation cover; providing a safe workplace, PPE, welfare and supervision; operating the worker grievance mechanism; and keeping engagement and payment records. Day-to-day, these obligations are delivered by the works officer and works supervisors (site safety and supervision), the PMU/PIU administration or human resources officer (engagement documents, records and insurance) and the PCU and PMU finance staff (stipend payments).

PMU/PIU Environmental and Social Risk Management Officer (one in each participating centre), whose role is principally to coordinate, quality assure, monitor and report on E&S performance in the centre, and who is responsible for:

- leading implementation of E&S measures in the centre in accordance with this ESMF, the POM and field manuals
- completing E&S screening for every subproject, preparing or commissioning ESMPs, and securing land access under the Land Access Procedure
- conducting due diligence on internship hosts, referral employers, training providers, NGO partners and supported enterprises (in conjunction with the respective team leaders)
- inspecting active works sites at least fortnightly and recording compliance
- supporting the Social Conflict Analysis for the centre, applying its findings, and leading its periodic updates
- managing grievances and incidents at centre level and maintaining the centre grievance record
- coordinating with the Provincial Labour Inspection Office, including joint inspections, notification of serious incidents and referral of labour complaints (Annex 6)
- delivering E&S briefings to supervisors, group leaders, facilitators and contractors.
- delivering SEA/SH prevention activity and Code of Conduct induction
- acting as, or coordinating, the confidential intake point for SEA/SH grievances, and maintaining referral relationships with local service providers
- supporting inclusion of women, youth with disability and Indigenous youth, including planning and budgeting accommodations before intake
- monitoring participation against targets at every stage of the pathway.

Allocation of E&S functions. With one E&S Risk Management Officer per centre, delivery of E&S measures is allocated to the functions that already hold the relevant responsibilities, with the E&S Risk Management Officer coordinating, checking and reporting. Within the PMU/PIU: the works officer and works supervisors are responsible for the technical inputs to screening, design (including climate resilience and life and fire safety), the JHAs, and OHS and ESCoP implementation on site; community mobilisers and youth facilitators for consultation, inclusion, participant welfare and receipt of disclosures; the training coordinator for the OHS, Code of Conduct and SEA/SH content of BEST Stage 1; and the internship, employment and MSME referral officers for due diligence on hosts, employers, providers and lenders. Within the city authority or urban LLG, existing units – for example engineering and works, community development or social services, gender, youth and health and environment (waste) – are identified during the E&S capacity assessment on entry (Section 6.10) and engaged where they already perform the relevant function. The PCU E&S and Inclusion Specialist provides central support, including the engagement of specialists for the Social Conflict Analyses and the data protection protocol.

8.2.3 Site level

Works supervisors are responsible for site set-up, preparation of the Job Hazard Analysis, implementation of the ESCoPs and any ESMP, PPE issue and use, traffic and pedestrian management (with support from E&S Risk Management Officer), first-tier grievance resolution (in conjunction with the E&S Risk Management Officer), incident reporting and stop-work authority.

Group leaders are responsible for on-site compliance with the JHA and E&S requirements for their crew, daily toolbox talks, maintenance of the daily worker register, and recording and escalating grievances.

Community mobilisers and are responsible for community outreach and engagement, coaching and support of participants, receiving and referring disclosures, and supporting participants to access the GRM.

Contractors are responsible for the safety of the works, compliance with the ESCoPs, ESMP and any C-ESMP, ensuring their personnel sign and comply with the Code of Conduct, and reporting incidents.

8.3 Capacity Building

Capacity development is critical as, while DPLGA, NCDC and LCA have implemented World Bank financed projects, UYEP III introduces requirements under the WB ESF – labour management, SEA/SH, land access and conflict analysis – that did not apply under UYEP I and II. DPLGA is implementing Rural Service Delivery Project 2 under the WB ESF; however, this project has only recently commenced. The six new centres have no prior World Bank project experience.

The E&S capacity building program is outlined in Table 9 and comprises:

- **Induction -** for all Project personnel before they commence duties, covering the Code of Conduct, SEA/SH, the GRM and OHS basics. No person works with participants before completing induction.
- **Role-specific training** - as set out in Table 9, delivered before each centre commences activities and repeated for new staff.
- **Regular refreshers** - at the start of each intake cycle, and after any significant incident.
- **Contractor, provider and employer briefings** - before engagement.
- **Participant training** - delivered to every participant through foundational training (BEST Stage 1) before any works placement and reinforced through daily toolbox talks at the work site.

A training and capacity development plan will be prepared for the project early in implementation.

Table 9: Environmental and social training program

E&S training module	Managers	Group leaders, works supervisors, mobilisers, trainers and field officers	Contractors	Employers and providers	Participants (youth)
E&S framework and subproject instruments (ESCoP, ESMP).	X	X	X		

E&S training module	Managers	Group leaders, works supervisors, mobilisers, trainers and field officers	Contractors	Employers and providers	Participants (youth)
Labour management, occupational health and safety (including JHA preparation and implementation).	X	X	X	X	X
Higher-risk work settings. Water safety for foreshore and boat landing works; working at occupied schools and health facilities. Delivered only in centres and on subprojects where these works occur.	X	X	X		X
SEA/SH prevention, Code of Conduct and disclosure.	X	X	X	X	X
Grievance mechanism, record keeping, and personal data.	X	X	X	X	X
Gender equality, disability inclusion, and accessible delivery.	X	X	X	X	X
Conflict sensitivity and staff security.	X	X	X		
Third-party due diligence. Assessment of internship hosts, referral employers, training providers and lenders before a young person is placed with or referred to them.	X			X	

Participants are included in the matrix because they are the largest training audience and because the LMP (Annex 6) requires specific content to be delivered to them before any works placement. Their training is delivered through foundational training, and toolbox talks rather than as a separate course, and is financed under Subcomponent 1b.

8.4 Environmental and Social Risk Management Budget

An indicative annual budget for implementing this ESMF and the other E&S instruments at full roll-out is provided in Table 10. Costs are indicative, and to be confirmed against the final Project cost estimates. Costs will be lower in the early years while centres are phased in. Capacity building delivery costs are captured within Component 4.

Table 10: Indicative annual environmental and social risk management costs at full roll-out

Description	Quantity	Unit cost (USD)	Annual cost (USD)
E&S staffing - PCU			
PCU E&S and Inclusion Specialist	1		
PCU Communications Officer	1		
E&S staffing - urban centres			
PMU/PIU E&S Risk Management Officer (one per participating centre)	8		
Grievance mechanism and communications			
Toll-free number, SMS and email channels	1		
Communications materials, translation and visual aids	1		
Consultation venue hire, catering and transport	1		
SEA/SH prevention and response			
Service provider mapping, referral agreements and support (per centre)	8		
SEA/SH training delivery across all centres	1		
Assessments, studies and instruments			
Social Conflict Analysis by a qualified social or conflict specialist (centres on entry, and updates in higher-risk centres)	8		
Data protection protocol and annual data protection review (specialist)	1		
Joint inspections with Provincial Labour Inspection Offices – transport and allowances (per centre)	8		
Capacity building			
E&S training program delivery and materials	1		
Travel, equipment and field costs for E&S staff			
Domestic flights and inter-centre travel	1		
Vehicle hire, accommodation and field allowances	1		
Computers, phones, tablets, and software	10		
PPE and field equipment for E&S staff	10		
Indicative total per year at full roll-out			

The E&S costs associated with individual subprojects vary with scale and risk and are included in each subproject budget. The costs of implementing the ESCoPs and any site-specific ESMP or C-ESMP are separate from, and additional to, the indicative ESMF implementation costs in Table 10. They are determined for each subproject at Stage 4 of the subproject cycle and included in the subproject budget and, where a contractor is engaged, in the bill of quantities. A guide to the items that must be costed is provided in Table 11.

Table 11: Indicative environmental and social costs per urban works subproject

Description	Quantity	Unit cost (USD)	Total (USD)
Personal protective equipment (per crew member per placement)	25		
First aid kit and replenishment	1		
Drinking water + Lunches	1		
Temporary sanitation, including separate facilities for women	1		
Traffic and pedestrian management (signage, cones, barriers, high-visibility vests)	1		
Waste transport and disposal fees	1		
Spill prevention (drip trays, absorbent material)	1		
Safe transport for women and youth with disability	1		
Reinstatement and revegetation	1		
Subtotal - all subprojects			
Water safety equipment - buoyancy aids, throw lines, rescue craft hire (foreshore and boat landing works only)	1		
Sediment curtain and in-water controls (foreshore works only)	1		
Asbestos inspection (rehabilitation of buildings constructed before 1990 or of unknown age)	1		
Site-specific ESMP preparation (where triggered)	1		

8.5 Environmental and Social Monitoring and Reporting

8.5.1 Monitoring and the Management Information System

Consistent with the Project Description, the MIS is the primary platform for tracking ESHS performance, and E&S monitoring is integrated into it rather than maintained separately. The MIS holds the subproject E&S record (screening form, land access documentation, ESCoPs or ESMP, site inspection records, completion check), the grievance register, the incident register, due diligence assessments and agreements, referral records and outcomes, training and Code of Conduct records, and participation data disaggregated by sex, age band, disability and self-identified ethnicity. Access to sensitive records, including SEA/SH case records and medical and police clearance information, is restricted.

Indicative E&S monitoring indicators include: proportion of active sites inspected at the required frequency; lost-time injury frequency rate and number of incidents by class; proportion of participants who received OHS and Code of Conduct training before placement; proportion of internship hosts, referral employers, providers and intermediaries with current due diligence; number of grievances received, resolved and resolved within the target timeframe, by channel and

category; proportion of grievances raised by women; participation and completion rates against targets for women, youth with disability and Indigenous youth, at each stage of the pathway; proportion of Project personnel with current Code of Conduct and SEA/SH training; and proportion of financed enterprises screened against the exclusion list.

8.5.2 Site and subproject reporting

PMU/PIU E&S Risk Management Officers record a site inspection at least fortnightly for each active works site and prepare a monthly E&S report for the PMU/PIU covering compliance with the ESCoPs and ESMPs, incidents, grievances, training delivered, and participation against targets.

8.5.3 Reporting to the World Bank

The PCU prepares and submits monitoring reports to the World Bank every six months, covering the ESHS performance of the Project, including:

- status of preparation and implementation of the E&S documents required under the ESCP
- status of E&S staffing in the PCU and each PMU/PIU, and E&S readiness of centres yet to commence
- E&S performance of the works program in each centre, including screening coverage, ESMPs prepared and site inspection findings
- due diligence coverage and monitoring findings for internship hosts, referral employers, training providers, NGO partners and supported enterprises
- OHS performance, including incidents, injuries and corrective actions
- SEA/SH prevention activity, and SEA/SH grievances in aggregate, non-identifying form
- grievances received and their resolution, and the grievance log
- stakeholder engagement undertaken in accordance with the SEP
- participation and completion against inclusion targets
- land access documentation completed
- findings of Social Conflict Analyses and any resulting changes to approach
- E&S training delivered
- status of any corrective action plans.

8.5.4 Incident reporting

The PCU will notify the World Bank promptly of any incident or accident relating to the Project which has, or is likely to have, a significant adverse effect on the environment, affected communities, the public or workers. The incident classification in Annex 10 treats any fatality, any serious injury, any allegation of SEA/SH, any drowning or near-drowning, any incident involving a child, and any incident involving violence towards or by participants or staff, as requiring immediate notification. Details are set out in Annex 10.

8.5.5 Review and audit

An independent E&S review will be undertaken at least once during implementation, in advance of the mid-term review, covering compliance with this ESMF, the effectiveness of the grievance mechanism (including whether it is trusted and used by young women), OHS performance, and the adequacy of due diligence over third parties. Findings will be reported to the PSC and to the World Bank and will inform the revision of this ESMF.