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**ADB Transport Forum**  
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# Peace Building through Road Maintenance

Case Study  
Autonomous  
Region of  
Bougainville,  
PNG



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# This Presentation

*Is There a Role for Road Maintenance in Peace Building?*

Background & Data

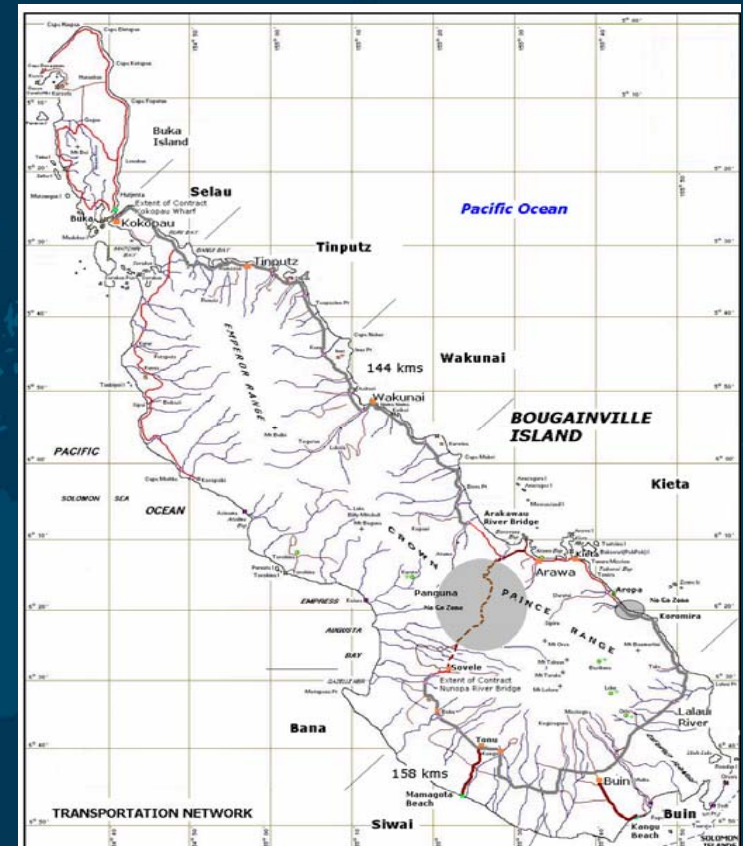
Bougainville Context

Approach Features

Outcomes

Feature Outcomes

Lessons : Post Conflict





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# Background

- > Australian support for post conflict recovery
- > Part of loosely co-ordinated multi donor program to rehab
  - agricultural exports – cocoa, copra
  - Supply chain – roads & wharves
- > Series of Road Rehabilitation and Maintenance Projects 1999-2007



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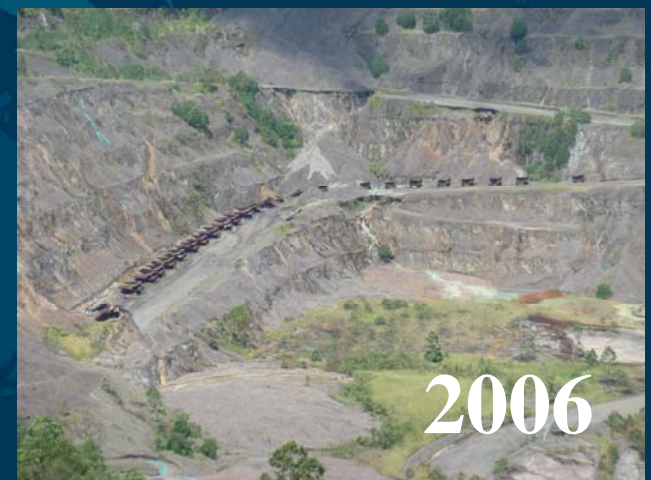
# Road Program Data

- > **Value:** \$45m -3 road projects 1999-2007
- > **Model:** Managing Contractor
- > **Contracting:** Local Contractors & Community Agreements
- > **Local Contractors:** 3 principal, 13 small, 6 micro
- > **Scope:** Rehab & Maint: 637kms unsealed
- > **Standards:** (near) all weather unsealed surface : wet crossings
- > **Training:** Formal and 'On the Job' - works & business mngt



# Bougainville Context

- > Autonomous Region
  - govt. inexperienced
  - Little revenue base
- > 200,000 pop, 80% rural
- > 10 yrs conflict, Peace in 2000
- > Panguna Mine closed 89
  - source of conflict
  - hardliners still control
- > Conflict toll 20,000
  - community traumatised
  - reconciliation ongoing
- > Enduring suspicion of outsiders





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# Approach Features

- > Managing Contractor's Role
  - Create and equitably distribute work opportunity
  - Transparently bid or direct award contracts
    - Depending upon location sensitivities
  - Implement awareness campaign and consult widely
- > Team success features
  - Small team – retained over 8 years - included local expertise
  - Familiarity and respect led to local acceptance



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# Approach Features

## Community Agreements

- > equitably distribute paid work to community groups
- > Typically menial routine maintenance eg, drain clearance
- > item pay rates standard across regions— average contract value \$500
- > Model developed over program life
  - Day labor to outputs based
  - Cash to cheque payment
  - Now managed by Local Contractor





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# Outcomes

- > Mobility
  - Travel times halved, Cocoa back to pre-crisis production
  - Access to critical services restored, eg schools, hospital
- > Feature Outcomes
  - Cash injection into rural economy
  - Local contractors re-established
  - Strengthening community capital & peace process
  - Reduction of rent seeking from roadwork's
- > Impact uneven
  - More positive in NE where agriculture strongest
  - Less positive in South where access & agriculture limited





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## Feature Outcome – Income Generation & Employment

- > Large cash injection
  - Local Contractors work \$25m
  - 10,000+ Community contracts -\$7.5m
- > Optny. for disadvantaged groups
  - Male youth < 24yo – 16% participants
  - Women- 19% participants
  - ex-combatants
- > Impacts evident
  - School fee payments > increased attendance
  - Household income available > better diets
  - Open air morning markets flourishing





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## Feature Outcome – Rebuilding Community

- Population traumatised & suspicious of new activity
  - Lot of unresolved conflict : personal & community level
- Mobility enabled travel outside clan areas for participation
  - Political, social and sporting activities
  - NGO's congregating, Church activity recommenced
- Mobility enabled peacekeeping & monitoring extension
- Community road work brought pressure on leaders to lift No Go Zone's
- Vulnerable ex-militants given gainful work – alternative to 'rascal' activity



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## Feature Outcome – Rebuilding Contractor Base

- > PNG mainland contractors not feasible
- > Initially small number of enterprises
  - mostly individuals with old plant acquired from Panguna mine
- > Today 22 established businesses
- > Model developed from plant hire to perf. based over 8 yrs (inputs to outputs)
- > Lots of training – formal & ‘on the job’
  - Plant operation & Road making
  - Bidding and contract admin.
  - Business management
- > Managing Contractor in mentoring role





## Feature Outcome – Reduction of Rent Seeking

- > Conflict brought unofficial change in land tenure
- > Roadworks largely free of local closures/ vexatious claims
  - Relative to other areas PNG
- > Community engagement in works created vested interest in progress
- > Indirectly appears to be increased public equity in roads
  - Exception is area in and around Panguna mine





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## Lessons : Post-Conflict

- > **Economic Stimulus:** community contracting is equitable & transparent cash transfer
- > **Local Capacity Building:** intense mngt inputs req'd but builds local base < reduces future costs.
- > **Community Integration:** use of community lowers cost and potential for rent seeking – creates vested interest in progress
- > **Peace Facilitation:** improved mobility increased community activities and builds social capital. Networks extend beyond clan association.
- > **Management Selection:** expats need broad skills particularly communication and cultural sensitivity.



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## Lessons : Post-Conflict

- > **Sustained Support:** weak institutions demand long term support for better outcomes
- > **Social Marginalization:** exclusion of feeder roads left more remote groups marginalised
- > **Donor Harmonisation:** opportunity to better integrate assistance missed



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## Case Study Reference

- > 2007 Study commissioned by AusAID
  - Multi-sector SEI study without baseline
  - Copies available
- > Site visits
- > Project documentation

### Market chain development in peace building

Australia's roads, wharves and agriculture projects in post-conflict Bougainville



Ian Scales and Raoul Craemer  
with Indra Thappa



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# Thank You

## Market chain development in peace building

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