

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA1187

Date ISDS Prepared/Updated: 28-Mar-2015

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I. BASIC INFORMATION

1. Basic Project Data

Country:	Vanuatu	Project ID:	P154149
Project Name:	Vanuatu Aviation Investment Project (P154149)		
Task Team Leader(s):	Christopher R. Bennett		
Estimated Appraisal Date:	18-Mar-2015	Estimated Board Date:	07-May-2015
Managing Unit:	GTIDR	Lending Instrument:	Investment Project Financing
Sector(s):	Aviation (100%)		
Theme(s):	Administrative and civil service reform (15%), Trade facilitation and market access (85%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			Yes
Financing (In USD Million)			
Total Project Cost:	59.80	Total Bank Financing:	59.50
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			59.50
Pacific Regional Infrastructure Facility Trust Fund			0.30
Total			59.80
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

2. Project Development Objective(s)

The project development objective is to improve operational safety and oversight of international air transport and associated infrastructure in Vanuatu.

3. Project Description

The project is part of the Pacific Aviation Investment Program (PAIP), an on-going Series of Projects with the overarching objective of improving regional aviation safety and security. Phase I (2011) of PAIP included Kiribati, Tonga and Tuvalu, and Phase II (2014) Samoa. Vanuatu was identified from the onset as a potential participant in PAIP. The project finances the second phase of the Vanuatu Aviation Investment Program (VAIP).

VAIP is being presented to the World Bank Board as an Emergency Operation under paragraph 12 of OP/BP10.00 on the premise that the immediate risk of complete pavement failure on some 600m of Bauerfield International Airport (VLI) runway would result in the cessation of all jet operations, which would have a detrimental impact on the national economy which relies heavily on tourism. A Project Preparation Advance (PPA) of US\$ 1 million was mobilized in early 2015 to address emergency remedial works on the runway and apron pavements to ensure the continuation of international flights.

This first set of activities financed under the PPA include: (a) conducting core sampling and pavement strength and deflection testing, including preparing an engineering design brief, for the Bauerfield International Airport's main runway and apron areas; (b) finalizing, publishing, and holding consultations on Project safeguard instruments; (c) undertaking an independent assessment of the condition of fire tenders and preparing bid documents for their repair, refurbishment and/or replacement; (d) preparing detailed engineering designs and bid documents for civil works to rehabilitate the Bauerfield International Airport's main runway and apron areas, including support during bidding; (e) carrying out emergency civil works for maintaining the Bauerfield International Airport's main runway and apron areas, and supervision of civil works; (f) provision of critical goods for navigation, aviation safety and security; (g) technical assistance in prioritization of aviation investments; and (h) procurement, financial management and Project coordination support provided by the Pacific Aviation Investment Project (PAIP) Technical and Fiduciary Services Unit (TFSU).

VAIP will finance implementation of investments in aviation infrastructure to meet and maintain minimum international safety and security standards (ICAO standards) and include investments in key international aviation infrastructure, navigational and communication equipment as well as the development of an Airport Master Plan and an Aviation Sector Strategy to identify long-term needs of the sector. The project involves activities at Vanuatu's three international airports – Bauerfield, Santo-Pekoa (Espiritu Santo) and Whitegrass (Tanna Island) – and has five components:

- **Component A: International Airport Infrastructure Investments.** The component will invest in international aviation infrastructure to meet and maintain minimum ICAO safety and security standards. The focus will be on international airports, including: (i) rehabilitation and/or resurfacing of airport runway, apron and taxiway pavements at Bauerfield International Airport; (ii) extension of the apron area at Bauerfield International Airport; (iii) construction of new taxiways and widening of the existing taxiway at Bauerfield International Airport; (iv) upgrading of airport runway lighting and cabling at Bauerfield International Airport and Whitegrass International Airport; (v) construction of a new domestic terminal, and demolition of the existing domestic terminal, at Bauerfield International Airport; (vi) provision of air traffic control equipment at Bauerfield International Airport and Pekoa International Airport; (vii) provision and installation of aviation navigation aids; (viii) provision and installation of weather monitoring equipment at Bauerfield International Airport and Whitegrass International Airport; (ix) upgrading of communications equipment and systems; (x) provision and installation of a VSAT communications system at Bauerfield International Airport; (xi) provision of equipment for improved power supply for Bauerfield International Airport and Whitegrass

International Airport; (xii) provision and/or upgrading of fire safety equipment, including fire tender vehicles; (xiii) provision of safety and security equipment, including x-ray machines for passenger baggage and cargo screening, at Bauerfield International Airport and Pekoa International Airport; and, (xiv) provision of design and supervision consulting services required for implementation of the infrastructure investments.

- Component B: Aviation Sector Reform and Training. This component will help strengthen the Civil Aviation Authority of Vanuatu (CAAV), Ministry of Infrastructure and Public Utilities (MIPU) and other line ministries' technical capacity through targeted technical assistance to strengthen institutional capacity and dedicated training. Specific activities include: (i) development of an Aviation Sector Strategy; (ii) provision of advisory services to assist the CAAV to: (a) review and update Vanuatu's legislative framework applicable to the aviation sector; (b) address national and international regulatory requirements for the aviation sector; and (c) implement the Aviation Sector Strategy; (iii) provision of advisory services to assist MIPU with its management and oversight of Vanuatu's aviation sector; and, (iv) training for capacity-building.
- Component C: Strengthening Airport Operations and Management Capacity: This component will strengthen AVL's airport operations and management capacity through: (i) development of an Airport Master Plan; (ii) provision of technical assistance to improve the planning, financial viability, efficiency, safety and security of airport operations; and, (iii) training on aviation policy, operations and management.
- Component D: Emergency Reconstruction After Cyclone PAM. During project preparation Cyclone Pam devastated Vanuatu, including damaging all three international airports. Damage assessments are still underway. This component is to provide support to the GoV with emergency reconstruction activities in the form of goods and works.
- Component E: Project Support. This component covers: (i) project management, advisory and administrative support for the Vanuatu Project Management Unit (VPMU) and AVL; (ii) costs for the support services provided to the VPMU and AVL by the PAIP Technical and Fiduciary Services Unit (TFSU); (iii) incremental operating costs of the VPMU and TFSU; (iv) Very Small Aperture Terminal (VSAT) subscription costs; and, (v) project financial audits.

4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The Republic of Vanuatu is a small Pacific Island nation located in the South Pacific. Comprising of about 80 islands, the country's 12,336 sq. km of land spread over 1,300 km. Vanuatu's population of approximately 266,000 are 98.5% Melanesians. The largest island, Efate, hosts the country's capital Port Vila and is home to a quarter of its population. Vanuatu is located in the "ring of fire" and at the center of the Pacific "cyclone belt". This results in a relatively high frequency of volcanic eruptions, cyclones, earthquakes, tsunamis, storm surges, coastal and river flooding and landslides.

Tourism and travel make a significant contribution to Vanuatu's economy representing about 23.2% of GDP in 2013. Tourist arrivals have been steadily increasing, recording around 330'000 visitors in 2013. A quarter of these tourists arrive by air. In 2013, tourism and travel services directly engaged 12,500 workers representing around 18.2% of total employment. The direct contribution of Travel & Tourism to GDP is expected to grow by 4.3% per annum to 25.0% by 2024. To accommodate this projected growth, efficient and functional aviation services are critical.

Tourism activities provide significant opportunities for women in Vanuatu, where gender inequality remains a development challenge. Women have poorer access to health care, particularly in rural areas, and prevalence of gender-based violence (GBV) is reportedly very high, affecting up to 60% of women aged 15-49. Lower levels of secondary school attainment and literacy pose barriers to

women's equal participation in economic activity with half as many women active in formal employment as men. With no formal national private sector organization to represent their interests, ni-Vanuatu women continue to operate informally or semi-formally as micro-enterprises.

Bauerfield International Airport (IATA code: VLI) is located approximately 3km north of Port Vila and is the main international gateway for Vanuatu and the Air Vanuatu hub. The airport is relatively small in size, but its runway has the capability and length to accept jets up to the Airbus A330. Santo-Pekoa International Airport (IATA code: SON) is situated at Luganville, in the south-east corner of Espiritu Santo and services predominantly domestic locations, with international services to Brisbane, Australia. Whitegrass Airport (IATA code: TAH) is situated on Tanna Island in the southern part of the Vanuatu archipelago. The land of the airports is owned by, or under long-term lease to, Airports Vanuatu Limited (AVL).

Materials required for the infrastructure investments at Bauerfield Airport (mainly basalt aggregate) will be sourced locally. The preferred aggregate source is the Malarua Quarry (the only basalt quarry on Efate) situated approximately 50 km from Port Vila on the northern side of Efate. The ownership of the quarry site is currently in dispute, so there is the potential that other existing quarries may be utilized or that a new basalt quarry will need to be established in the Malarua vicinity. Several established coronous aggregate quarries are situated on Efate, with the Orangorango Quarry the most convenient being situated less than 1 km north-east of the Airport.

The recent devastation caused by Cyclone Pam in March 2015—the full extent of which is not yet known—has included reported deaths, widespread displacement of communities, destruction of houses and buildings, damage to Bauerfield Airport, roads and wharves, communications systems, and other critical infrastructure. This event has implications for the project scope and damage at the airport caused by Cyclone Pam has increased the need for urgent repairs.

5. Environmental and Social Safeguards Specialists

Julie Babinard (GTIDR)

Nicholas John Valentine (GSURR)

Ross James Butler (GSURR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>Project impacts primarily relate to the transport and construction impacts of runway, terminal building and apron re-surfacing at Bauerfield, and the transport of materials from the quarry to site. Impacts will be mitigated through the use of the Environmental and Social Management Plan (ESMP) consistent with the PAIP Environmental and Social Management Framework (ESMF). An ESMP was prepared and disclosed.</p> <p>Environment and social impacts from two other airports are expected to be minimal as the project activities will involve mainly upgrading of airport runway lighting, provision of air traffic control equipment, weather monitoring equipment, improved power supply equipment</p>

		<p>and safety and security equipment, including x-ray machines for passenger baggage and cargo screening.</p> <p>Potential impacts associated with any downstream activities identified through the master planning/strategy process will be considered through the Terms of Reference for the consultant undertaking this work. This will allow due consideration of the potential safeguard implications of activities under the Master Plan.</p>
Natural Habitats OP/BP 4.04	No	<p>No impacts on natural habitats will result from works on any of the three airport sites as works will be carried out in existing airports. Construction materials will be either sourced from existing quarries or new quarry that does not have presence of natural habitats.</p> <p>The Terms of Reference for consultants preparing the master plan will require consideration of the Natural Habitats policy as it relates to any potential downstream physical works.</p>
Forests OP/BP 4.36	No	<p>No impacts on natural forests will result from works on any of the three airport sites as works will be carried out in existing airports. Construction materials will be either sourced from existing quarries or a new quarry site that is not located in forest areas.</p> <p>The Terms of Reference for consultants preparing the master plan will require consideration of the Forests policy as it relates to any potential downstream physical works.</p>
Pest Management OP 4.09	No	<p>The project will not require the use of pesticides. Accordingly this OP is not triggered.</p>
Physical Cultural Resources OP/BP 4.11	No	<p>No impacts on Physical Cultural Resources will result from works on the airport sites as works will be carried out in existing airports. Construction materials will be either be sourced from existing quarries or new quarry that does not have presence of PCRs.</p> <p>The Terms of Reference for consultants preparing the master plan will require consideration of the Physical Cultural Resources policy as it relates to any potential downstream physical works.</p>
Indigenous Peoples OP/ BP 4.10	No	<p>Based on analytical work completed by the Bank, OP 4.10 is not triggered in Vanuatu. The master plan consultants will be required to undertake a social analysis to assess potential issues, risks and impacts related to customary land tenure.</p>

Involuntary Resettlement OP/BP 4.12	Yes	The majority of the project's activities are expected to be on existing land within airport precincts. However this policy is triggered given the uncertainty around land ownership of a preferred quarry and the location of the construction camp. An RPF is included in the ESMP (based on the PAIP ESMF) to cover this eventuality. Further OP/BP 4.12 is triggered in accordance with Interim Guidelines on the Application of Safeguard Policies to Technical Assistance (TA) Activities in Bank-Financed Projects and Trust Funds Administered by the Bank (January 2014). This is because there is the potential that the Master Plan may lead to involuntary resettlement outcomes. The Terms of Reference for this Master Plan will ensure that the master plan consultants will be required to verify this during their social analysis (where any land issues may be relevant/required in a master plan).
Safety of Dams OP/BP 4.37	No	Not relevant to the project.
Projects on International Waterways OP/BP 7.50	No	Not relevant to the project.
Projects in Disputed Areas OP/BP 7.60	No	Not relevant to the project.

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p> <p>Potential environmental and social safeguard issues are associated with three project activities at Bauerfield Airport: civil works and installation of equipment at airfields; sourcing of materials for runway and apron rehabilitation (i.e.. quarried aggregate); and potential future subprojects arising from the Airport Master Plan and Aviation Sector Strategy (see Section 2 below). The project's area of influence includes the three airfields, quarry sites and truck haul routes for externally-sourced materials.</p> <p>The ESMP focuses on works at Bauerfield International Airport, however applies to the project. The works at the other airports are expected to relate to the installation of technical equipment and so the approach for Bauerfield is expected to be applied. In the event that it does not—or due to Cyclone Pam other investments are required - the ESMP will be updated and redisclosed and/or additional measures will be prepared and disclosed to specifically address these other Project sites. The ESMP may also be updated based on the findings and recommendations of the Aviation Master Plan that is being prepared under the Project.</p> <p>Airfield civil works are not likely to cause significant environmental or social impacts and are limited to minor construction-related impacts such as noise, dust, waste disposal and worker health and safety. No physical cultural resources have been identified within the construction footprint.</p>

These impacts can be readily managed through standard mitigation measures (time limits for noisy works, dust control etc.) which will be incorporated in a contractor's ESMP. The on-site impacts are all site-specific and expected to be reversible. Potential social impacts are likely to be limited to airport concessionaires and small businesses which may experience temporary business impacts.

Aggregates for construction will likely be sourced from an existing quarry located in reasonable proximity to the airport. The quantity of material required will not be known until engineering assessments determine the volume of existing aggregate within the airport pavements that can be reused. Potential impacts associated with quarried resources include on-site quarry operations (dust and noise emissions, water management, slope stability, quarry limits etc.) and transport impacts along haul routes associated with heavy vehicles (noise, dust, road safety, road surface condition etc.). In Vanuatu, quarry operations are regulated by Quarry Permit Regulation Order No. 8 (under the Mines and Minerals Act). A quarry permit requires an OH&S Plan and an Environment Management Plan.

Runway and apron rehabilitation will likely require removal of some existing materials that are no longer to standard. This material will require disposal either within the airfield or at an approved landfill. Potential waste management and transport impacts were assessed and management measures incorporated in the ESMP.

No resettlement is expected and if any resettlement issues emerge, they will be addressed through a resettlement plan developed on the basis of the policies and principles outlined in the RPF in the ESMP for VAIP and the PAIP ESMF.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

Improved safety and security will be beneficial to both travelers and residents in the vicinity of the airports. The investments are not expected to directly increase air operations, but may indirectly change the frequency or timing of flights.

The proposed Airport Master Plan and Aviation Sector Strategy to be developed under the Project will cover all international airports in Vanuatu: Bauerfield Airport, Whitegrass Airport on Tanna Island and Pekoia Airport on Espiritu Santo. The potential subprojects that may be identified through the master planning and strategy development process are unknown; however they may include activities with the potential for environmental and social impacts (eg. runway lengthening, terminal expansion, runway rehabilitation etc.).

It is proposed that potential safeguard implications be incorporated within the Master Plan/Sector Strategy to ensure they are considered in the development of subprojects. The Terms of Reference (ToR) for the Master Plan and the Aviation Sector Strategy consultant will include a requirement to consider World Bank safeguards provisions.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

There are no alternatives to the activities proposed under Component A. In the absence of a safe aviation operating environment at Vanuatu's international airports (particularly Bauerfield) there is the risk that aircraft operations may be cancelled, with significant follow-on issues for Vanuatu's economy.

The ESMP undertook an analysis of alternative aggregate sources, including existing basalt and

coronous quarries on Efate. The preferred basalt aggregate source – Malarua Quarry in northern Efate – is the subject of an ownership dispute, which if unable to be resolved may require the establishment of a new quarry in the vicinity. Five coronous quarries were considered, with the closest proximity site (Orangorango Quarry) the preferred option for minimizing potential adverse impacts.

The Master Plan and the Aviation Sector Strategy are likely to involve consideration of multiple subproject alternatives. Potential environmental and social impacts will be considered under these processes in determining the feasibility of the Master Plan and the Aviation Sector Strategy proposals

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The borrower recruited consultants to prepare the Project ESMP and support disclosure and consultations prior to appraisal. This ESMP will inform the Contractors ESMP and a design consultant will be recruited to oversee the civil works process and will be responsible for ensuring compliance with the ESMP by the contractor.

The project design includes funding for consultants to assist with technical support and the TFSU will be retained to provide support to MIPU, VPMU and AVL in relation to technical, procurement, financial management, safeguards, contract management, reporting, and monitoring and evaluation activities.

Consultants will be procured to prepare the Airport Master Plan and the Aviation Sector Strategy, with ToRs that will follow both the ESSIP and Interim Guidelines on the Application of Safeguard Policies to Technical Assistance (TA) Activities in Bank-Financed Projects and Trust Funds Administered by the Bank (January 2014).

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Institutional stakeholders in safeguards compliance are the implementing agency (MIPU), VPMU, Airports Vanuatu Ltd. (AVL) and the Department of Geology, Mines and Water (Mines and Minerals Section). Local stakeholders are the communities surrounding the airports, quarry sites and transport routes for materials and airport concessionaires. Consultation with these key stakeholders has taken place, is ongoing and will continue including during implementation of the ESMP.

Further public consultation was originally scheduled at the National Council of Chief's Nakamal in Port Vila. However, Cyclone Pam impacted Vanuatu on 13 March creating widespread damage and disruption. Accordingly, these consultations were not able to proceed as planned and have been rescheduled to take place as soon materially possible and will continue take place as needed throughout the implementation of the project. This ESMP will be revised and updated as needed following further public consultations and will be re-disclosed.

Stakeholders will be consulted on a continuous basis during implementation (for example to announce the start of works or to advise of traffic management plans during the construction phase).

This will include communities near the quarry sites and along the transport route for materials. Furthermore, neighboring communities will be made aware through these media of the procedure for registering any complaints or grievances in relation to the project. Where the airport Master Plan process has the potential to impact on communities outside the airports, these communities,

with representatives of both men and women groups, will be engaged in a meaningful way in the master plan process.

In-country disclosure (considering the post-Cyclone Pam circumstances) will involve provision of documents at the AVL offices together with direct discussions with airport concessionaires where possible. Subsequent iterations of the ESMP will be disclosed prior to works commencing following further public consultations with stakeholders. The ESMP was disclosed in-country on 27 March and at the World Bank InfoShop and on 28 March 2015.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	25-Mar-2015
Date of submission to InfoShop	27-Mar-2015
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	////
"In country" Disclosure	
Vanuatu	27-Mar-2015
<i>Comments:</i> At Airports Vanuatu Limited Office	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	////
Date of submission to InfoShop	////
"In country" Disclosure	
<i>Comments:</i>	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
The World Bank Policy on Disclosure of Information	

Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

III. APPROVALS

Task Team Leader(s):	Name: Christopher R. Bennett	
Approved By		
Practice Manager/ Manager:	Name: Michel Kerf (PMGR)	Date: 29-Mar-2015