

**INTEGRATED SAFEGUARDS DATA SHEET
ADVANCE AGREEMENT (AA) ACTIVITIES**

Date ISDS Prepared/Updated: 12-Feb-15

I. BASIC INFORMATION

1. Basic Project Data

Country:	Vanuatu	Project ID:	P154149
Project Name:	Vanuatu Aviation Investment Project (P154149) – Advance Agreement (AA)		
Task Team Leader(s):	Christopher R. Bennett		
Estimated Board Date:	NA		
Managing Unit:	GTIDR		
Sector(s):	Aviation (100%)		
Theme(s):	Trade facilitation and market access (100%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies) ?		No. The preparatory activities are processed under Paragraph 12 of OP 10.00 Because of a situation of Urgent Need of Assistance or Capacity Constraints	
Project Financing Data (in USD Million)			
Total Project Cost:	55.50	Total Bank Financing:	48.25
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			7.25
International Development Association (IDA)			48.25
Total			55.50
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		
Is this a Transferred project?	No		

2. Project Development Objective(s)

The project development objective is to facilitate the preparation of the proposed Vanuatu Aviation Investment Project by immediately commencing final design and procurement of project activities. .

3. Project Description

Airports Vanuatu Ltd. (AVL) is a State Owned Enterprise which is responsible for the management and operation of Vanuatu's three international (Bauerfield, Pekoa and Whitegrass) airports. Safety and regulatory oversight is provided by the Civil Aviation Authority (CAA). Bauerfield International Airport (VLI) is the international gateway to Vanuatu, processing some 500,000 passengers per year. A 2012 IFC analysis suggests that the demand could be as much as 1 million per year by 2030.

As long ago as 2011, the paving of Bauerfield's runway was identified as an issue that needed to be addressed, along with the preparation of a master plan. With the runway deterioration accelerating rapidly, the repair of Bauerfield has become critical to ensuring continuity of jet operations—the major source of international tourists.

The Vanuatu Aviation Investment Project (VAIP) will address emergency remedial works on the Bauerfield International Airport (VLI) runway and apron pavements to ensure the continuation of international flights. The project will be presented to the World Bank's 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 600 meters of runway would result in the cessation of all jet operations, which would have a major detrimental impact on the national economy which relies heavily on tourism. The specific activities under VAIP include:

- a. Invest in key aviation infrastructure (repaving of runway, apron and turning bays), navigation aids and communications equipment at Bauerfield International Airport;
- b. Review the rescue fire service capabilities and address any major issues;
- c. Prepare an aviation strategy and international airports master plan to support the long term strategic development of the sector; and,
- d. Support capacity development for regulatory oversight, and operations and management of Vanuatu aerodromes.

The aviation strategy and master plan could lead to a future follow on project to support investments in the other international airports, and increased private sector participation. The program also foresees investments into strengthening Vanuatu's regulatory oversight capacity through targeted training and funding for support services from PASO.

The VAIP represents a third phase of the Pacific Aviation Investment Program (PAIP), an on-going Series of Projects with the overarching objective of improving international aviation safety and security in the region. Phase I included work in Kiribati, Tonga and Tuvalu; Phase II includes work in Samoa, as well as reform of the 'Pacific Aviation Safety Office' (PASO) in Vanuatu. Unlike the other PAIP projects, the proposed project does not have any institutional strengthening or policy activities beyond the preparation of the master plan which will be a roadmap for potential future investment programs and sector reform.

This ISDS applies only to preparatory activities of the VAIP that will be financed by a Project Preparation Advance (PPA). A separate Appraisal Stage ISDS for the VAIP activities proper will be prepared and submitted to RSS prior to appraisal. The PPA activities comprise:

- 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 under the VAIP, including support during bidding;
- e. procurement, financial management and Project coordination support provided by the PAIP Technical and Fiduciary Services Unit (TFSU).

The PPA may also finance temporary emergency patching to the runway in the intervening period before the main contractor can mobilize to undertake the civil works under the VAIP, as well as navigation aids. Initial pavement investigations will determine the need or otherwise for any civil works. Based on the Bank's assessment these may include minor patch work on the pavements, sealing of cracks and the renewal of runway markings. No substantial civil works are envisaged.

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 it is located in the "ring of fire" and at the centre 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 air¹. 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 2024². 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

¹ Statistics from Vanuatu Hotels and Resorts Association.

² World Travel and Tourism Council. 2013. Travel and Tourism. Economic Impact 2014 Vanuatu. Available at: <http://www.wttc.org/focus/research-for-action/economic-impact-analysis/country-reports/>

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.

The activities proposed under the PPA (including potential minor patch work on the pavements, sealing of cracks and the renewal of runway markings) will be undertaken within the existing airport boundaries, hence no new land or asset acquisition will be required. Should minor civil works be required, materials would be sourced from existing commercial operations within Vanuatu. Minor noise, dust and vibration impacts could potentially be experienced by those living and working on or near the airport and the transport route. The impacts during the PPA period are expected to be site-specific and none of them irreversible.

It is not anticipated that the project will have an impact on people's lands, assets, access to assets or livelihoods. Investments are taking place on existing airport grounds, and therefore no land acquisition or resettlement is envisioned. These lands are not used in any way by any persons outside the airports, as all airports are fenced and secure and are used for aviation operations only. No businesses will be affected in any way by the project.

Should civil works be required to be funded through the PPA, a brief Environmental and Social Management Plan (ESMP) will be prepared addressing these works. This ESMP will include mitigation measures for any potential environmental or social impacts and will be approved by the World Bank and disclosed prior to works commencing. Similar works have been undertaken previously in Kiribati, Tuvalu and Tonga with satisfactory environmental and social outcomes. A separate, more detailed, ESMP will be prepared for the VAIP activities.

5. Environmental and Social Safeguards Specialists on the Team

Julie Babinard, Senior Transport Specialist, GTIDR, Nicholas John Valentine, Consultant, GSURR, Ross James Butler, Extended Term Consultant, GSURR.

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The activities to be supported by the PPA are associated with the preparation of Vanuatu Aviation Investment Project (VAIP), which will address emergency remedial works on the Bauerfield International Airport (VLI) runway and apron pavements to ensure the continuation of international flights.</p> <p>An Environmental and Social Management Plan (ESMP) will be prepared by the contractor – using guidance from the PAIP Environmental and Social Management Framework (ESMF) – should emergency civil works</p>

		be required..
Natural Habitats OP/BP 4.04	No	The project activities under the PPA are within the existing footprint of the airport and do not trigger this policy.
Forests OP/BP 4.36	No	The project activities under the PPA are within the existing footprint of the airport and do not trigger this policy.
Pest Management OP 4.09	No	The activities under the PPA do not involve pest management.
Physical Cultural Resources OP/BP 4.11	No	The project activities under the PPA are within the existing footprint of the airport and do not trigger this policy..
Indigenous Peoples OP/BP 4.10	No	Based on the institutional stocktaking conducted by the World Bank for the Pacific Island Countries, including Vanuatu, the four defining characteristics of indigenous peoples per OP 4.10 are not met; hence the policy is not deemed triggered in Vanuatu.
Involuntary Resettlement OP/BP 4.12	No	The project activities under the PPA are within the existing boundaries of the airport and do not trigger this policy. During the pre-identification mission the Bank was advised by AVL that there are no land claims or issues related to the existing airport footprint. All civil works, including equipment and materials storage, are envisaged to only be on the existing airport boundaries.
Safety of Dams OP/BP 4.37	No	The project activities do not involve construction of dams.
Projects on International Waterways OP/BP 7.50	No	The project activities are terrestrial.
Projects in Disputed Areas OP/BP 7.60	No	The project activities under the PPA are not in Disputed Areas

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The activities proposed under the PPA (including potential minor patch work on the pavements, sealing of cracks and the renewal of runway markings) will be undertaken within the existing airport

boundaries, hence no new land or asset acquisition will be required. Should minor civil works be required, materials would be sourced from existing commercial operations within Vanuatu. Minor noise, dust and vibration impacts could potentially be experienced by those living and working on or near the airport and the transport route. The impacts during the PPA period are expected to be site-specific and none of them irreversible.

All issues can be managed within standard good practices for civil construction and transport-related impacts (traffic management, limits to noisy work, waste management etc.) based on the screening criteria provided in ESMF prepared for the PAIP. Issue management will be documented in an ESMP.

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

No long term environmental or social impacts are anticipated as a result of any works carried out under the PPA stage of the project to which this ISDS relates. Improved safety and security will be beneficial to both travelers and residents in the vicinity of the airports.

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

There are no feasible alternatives to rehabilitating the runway.

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 client may have low capacity to supervise implementation of any ESMP. This potential risk will be mitigated by having the project's Supervision Consultant to monitor and report on safeguard compliance as part of their project supervision activities. Furthermore, any ESMP will have a very short life-span (until the main project is approved) and will cover a very restricted scope of works. The Bank and the Supervision Consultant will also provide training to the Airports Vanuatu Ltd. (AVL) operational staff and the environmental staff in Vanuatu.

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 (VPMU) and AVL. Local stakeholders are the communities surrounding the Government owned buffer zones around the airports. Local stakeholders will be informed and consulted at the time of the preparation of the draft ESMP, and at a meeting coordinated by the AVL to consult airport neighbors. Stakeholders will continue to be consulted at other times during implementation (for example to announce the start of works,). Neighboring communities will be made aware through various media of the procedure for registering any complaints or grievances in relation to the project.

B. Disclosure Requirements

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:

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C. Compliance Monitoring Indicators at the Corporate Level

The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop? Safeguard documents will be prepared as part of the project preparation. The instruments will be disclosed prior to the appraisal of the project (VAIP).	Yes [] No [X] NA []
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 [] No [X] NA []
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [X] No [] NA []
Have costs related to safeguard policy measures been included in the project cost?	Yes [X] No [] NA []
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [X] No [] NA []
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [X] No [] NA []

III. APPROVALS

Task Team Leader(s):	Name: Christopher R. Bennett	
Approved By:		
Regional Safeguards Advisor:	Name: JOSEFO NYOR	Date: 02/07/2015
Practice Manager/Manager:	Name: Michel Kerf	Date: 2/15/2015