



# Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

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Concept Stage | Date Prepared/Updated: 13-Nov-2018 | Report No: PIDISDSC24856



**BASIC INFORMATION**

**A. Basic Project Data**

Country Vanuatu	Project ID P167382	Parent Project ID (if any)	Project Name Vanuatu Climate Resilient Transport Project (P167382)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date Jul 08, 2019	Estimated Board Date Oct 10, 2019	Practice Area (Lead) Transport & Digital Development
Financing Instrument Investment Project Financing	Borrower(s) Republic of Vanuatu	Implementing Agency Ministry of Infrastructure and Public Utilities	

**Proposed Development Objective(s)**

To strengthen the climate resilience of the project roads on Santo Island and in the event of an Eligible Crisis or Emergency, to provide an immediate response to the Eligible Crisis or Emergency.

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	62.00
<b>Total Financing</b>	62.00
<b>of which IBRD/IDA</b>	62.00
<b>Financing Gap</b>	0.00

**DETAILS**

**World Bank Group Financing**

International Development Association (IDA)	62.00
IDA Credit	31.00
IDA Grant	31.00

Environmental Assessment Category

Concept Review Decision



B - Partial Assessment

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

## B. Introduction and Context

### Country Context

- 1. Geography and Demography.** The Republic of Vanuatu is a small nation located in the South Pacific about 2,000 km to the east of Australia. Comprised of 83 islands, the country's land area is some 12,200 km<sup>2</sup>. With an almost entirely Melanesian population of 272,459<sup>1</sup>, it is one of the most populated Pacific Island Countries (PICs). Santo Island (also known as Espiritu Santo) in Sanma Province is the largest island with the city of Luganville, the second largest city after the capital Port Vila. With international ports and airports, these two cities are the gateway for most visitors to Vanuatu.
- 2. Economy.** Vanuatu's per capita gross domestic product (GDP) in 2017 was US\$3,094. Small-scale agriculture provides for over 65 percent of the population while fishing, offshore financial services and tourism also contribute to the government revenues.<sup>2</sup> The World Travel and Tourism Council calculates that the direct contribution of travel and tourism represented 17.2 percent of GDP in 2016. In the coming years, the economy in Vanuatu is expected to grow relatively rapidly, on the back of heightened public investments in large infrastructure and reconstruction projects. According to the October 2018 forecast by the International Monetary Fund (IMF), the GDP is expected to increase at an annualized average rate of 3.2 percent in 2018-2023.<sup>3</sup> Due to small markets and logistical challenges of a dispersed population, the cost of basic infrastructure service provision is high and affects the business environment in the country. Thus, the GDP growth is not evenly spread over the country.
- 3. Vulnerability to Climate Change and Natural Disasters<sup>4</sup>.** Vanuatu is one of the most vulnerable countries in the world to climate change and natural disaster risks. The island nation suffers from cyclones, drought, extreme precipitation and flooding, and subsequent landslides. These climatic risks are likely to become more intense as a result of climate change. Around Vanuatu the rate of sea level rise has been on average 6mm annually over the last two decades based on satellite observations (PCCSP 2013:4). This has made storm surge, cyclone, strong wind, and tsunami more damaging than ever before. Among countries who suffer very high economic losses when extreme events strike, with average annual losses ranging between 1 and 10 percent of gross domestic product, Vanuatu ranks second with almost 7 percent. In 2015, Cyclone Pam caused economic damage equivalent to 64 percent of the country's GDP. In addition, Vanuatu's reliance on small-scale rain-fed agriculture and ecosystem based tourism indicates the vulnerability of the country's economy towards changing climatic norms. In terms of other natural disasters, located in the "Pacific Ring of Fire" and the center of the Pacific "cyclone belt", Vanuatu is also highly exposed to geophysical threats such as volcanic eruptions, earthquakes and tsunamis. In May 2018, the Government of Vanuatu (GOV) was forced to consider permanently evacuating the entire Ambae island due to volcanic eruptions.

<sup>1</sup> As of the 2016 mini census

<sup>2</sup> Vanuatu National Adaptation Programme for Action (NAPA)

<sup>3</sup> IMF, World Economic Outlook, October 2018.

<sup>4</sup> This project has been screened for climate change and disaster risks.



## Sectoral and Institutional Context

4. **Road Sector Overview.** The 2,048-km road network in Vanuatu is made up of 261 km (13 percent) sealed, 764 km (37 percent) gravel, and 1,023 km (50 percent) earth roads. Over 43 percent of the road network (including almost all the sealed roads) are located in Sanma province (with Santo island) and Shefa province (with Efate island), which are Vanuatu's two largest provinces. In Sanma, there is a total of 524 km of roads, of which 124 km (24 percent) are sealed, 298 km (57 percent) are gravel, and 102 km (19 percent) are earth roads. Santo accounts for 20 percent of the national population and 26 percent of the country's road network, but only 24 percent of Sanma's roads are sealed compared to 37 percent for Shefa. Road infrastructure is inadequately maintained, and in need of both rehabilitation and more routine maintenance. Poor road conditions are driving up transport costs, hindering access to services and markets, and restricting economic growth in rural areas.
5. **Vulnerability of Road Network.** Due to the overall climatic and geographic features of Vanuatu as described in the previous section, road infrastructure in Vanuatu is heavily exposed to climate and natural disasters. This is compounded with the high sensitivity of the road network in Vanuatu towards extreme hazards such as heavy rainfall, flooding, and landslides due to poor structural characteristics and inadequate road maintenance - out of 2,048 km road network, nearly 90 percent is not sealed, making it easily impassable during heavy rains. Once damaged, gravel roads often do not get timely and sufficient maintenance or rehabilitation due to budgetary constraints. In addition, much of the road network is situated on the perimeter of the islands and is only a few meters above the sea level, hence extremely vulnerable to cyclone and storm surges with even small increases in sea levels.
6. **Institutional Context.** The Ministry of Infrastructure and Public Utilities (MIPU) is responsible for developing, maintaining, and managing most transport infrastructure in Vanuatu.<sup>5</sup> It has three main departments: Public Works, Ports and Maritime, and the Civil Aviation Authority. There are also four statutory bodies attached to the ministry.<sup>6</sup> The Public Works Department (PWD) is responsible for the road network and outer island air strips. While there are 161 established positions (of which approximately 120 are provincial staff), the vacancy rate within PWD is presently 30 percent with a high vacancy rate in the Public Services as a whole. Since 2017, transport sector reform has been underway with the assistance of the Australia Department of Foreign Affairs and Trade (DFAT) with a focus on transitioning MIPU/PWD towards a network manager (i.e., an increase in outsourcing maintenance and improvement works). MIPU is currently implementing two ongoing World Bank-funded projects – the Vanuatu Aviation Investment Project (VAIP) and the Vanuatu Infrastructure Reconstruction and Improvement Project (VIRIP).
7. **Road Maintenance.** Effective road maintenance is crucial to reduce vulnerability to climate and natural disasters, and prevent heavy costs for rehabilitation and reconstruction. Road maintenance in Vanuatu is currently insufficient. Traditionally, PWD conducted routine and periodic maintenance through forced account (FA). The FA share of works has been reducing over time and currently only about 30 percent of the work value is carried out through FA. Roadside maintenance is now procured through community contracting, some small spot improvements are undertaken by island-based contractors, while some routine and periodic maintenance is done with the PWD's own heavy equipment. This equipment is outdated and shared among different provinces. Combined with lack of funding for fuel and spare parts, this results in low productivity and limited output.
8. **Road Safety.** Vanuatu's poor road infrastructure condition as well as high exposure to frequent natural and climate change disasters make road safety measures paramount for the well-being of road users. The World Health

<sup>5</sup> Urban roads in Port Vila and Luganville are managed by the respective municipalities.

<sup>6</sup> These include: Airports Vanuatu Limited (AVL), Office of the Maritime Regulator (OMR), Ifira Wharf and Stevedoring (IWS), and Northern Islands Stevedoring Limited (NISCOL).



Organization (WHO) ranks Vanuatu among the world's most dangerous roads in its latest road safety status assessment<sup>7</sup>, highlighting the absence of key national road safety policies and strategies. According to the Vanuatu Policy Force, the primary cause of road accidents in Vanuatu is over speeding, even though the 2007 Traffic Control Act limits vehicle speed to 40km/hr in build-up areas.

9. **Sectoral Policies and Strategies.** Currently there is no dedicated road transport policy or strategy in Vanuatu except for a Public Road Act dated 2013, which gives mandate to MIPU/PWD as Road Administrator for public roads. The MIPU Sector Strategy and Corporate Plan 2015-2017 identifies climate change and disaster risk management as one of five objectives driving planning and operations; however, it is somewhat silent on infrastructure policy, construction, maintenance and services. The Vanuatu Infrastructure Strategic Investment Plan 2015-2024 lays out key challenges and investment priorities across infrastructure related sectors, including the road transport sector. It sets 'Contribution to climate resilience and disaster risk reduction' as one of the investment criteria, but also recognizes the lack of a road asset management policy that covers road maintenance aspects. In terms of climate change policy, the newly established Ministry of Climate Change and Disaster Reduction Management (MCCDRM) published a Climate Change and Disaster Reduction Management Policy 2006-2030. It contains general reference to infrastructure resilience and disaster readiness and recovery cycle without specific guidance on road transport and asset management.
10. **Vanuatu Rural Roads Access Framework (RRAF).** The Vanuatu RRAF consists of the Policy, Strategy, and Work Plans. Whilst MIPU owns the Framework pursuant to the Public Roads Act 2013, PWD administers the implementation and periodic review of the Strategy. MIPU/PWD is currently seeking GOV approval for the use of RRAF for a period of 12 months, after which it would be reviewed. It is noted that the Strategy covers rural arterial and feeder roads (i.e., not urban arterial roads). The target in the Strategy includes: (i) 82 percent of all rural Ni-Vanuatu will have basic road access by 2030; (ii) upgrade all impassable roads to passable; and, (iii) maintain all roads to their defined standards and levels-of-service.
11. **Need for Coordinated Investments and Assistance by Other Donors.** The poor quality, unreliability and high cost of basic transport infrastructure in Vanuatu are major constraints to broad-based economic growth, poverty reduction, and service delivery. Because of its small size, the country has difficulty generating sufficient internal revenue to finance the construction and maintenance of the infrastructure necessary to support the delivery of basic services, and underpin its growth. Delivering a sustainable and climate resilient road network will require long-term coordinated investment by the government and donors. DFAT is preparing to continue their 5-year (2018-2022) program called Roads for Development Phase 2 (R4D2) to complete and consolidate the previous R4D activities under Phase 1 of the program which ran from 2009 to 2018, and provide technical assistance to help PWD transition to a road network manager. The Asian Development Bank (ADB) has recently started Luganville Urban Development Project, which will improve the road network, and drainage and sanitation system. ADB has also supported the preparation of Vanuatu Transport Plan 2030 and is providing capacity training for institutional reform. The Japan International Cooperation Agency (JICA) has historically assisted with bridge infrastructure in Efate Island, and is currently conducting a preparatory survey for reconstructing Teouma Bridge in Efate. The proposed World Bank financed project would complement these donor initiatives, ensuring that the South Santo Road will provide all-weather access to basic services. Targeted institutional strengthening activities—particularly related to climate adaptation—will reinforce the ongoing institutional reform.

Relationship to CPF

12. The Systematic Country Diagnostic (SCD) for eight small PICs including Vanuatu was published in January 2016. It

<sup>7</sup> WHO, 2015, [http://www.who.int/violence\\_injury\\_prevention/road\\_safety\\_status/2015/country\\_profiles/Vanuatu.pdf](http://www.who.int/violence_injury_prevention/road_safety_status/2015/country_profiles/Vanuatu.pdf)



identified the key focus areas for the PICs as: (i) fully exploiting the limited set of economic opportunities; (ii) fostering access to economic opportunities and public services; (iii) protecting incomes, assets and services for the poor; and, (iv) selectively addressing weaknesses in economic governance. The SCD particularly focuses on the need for interventions that will strengthen preparedness and resilience to natural disasters and climate change, in response to Vanuatu's Nationally Determined Contributions (NDCs) and National Action Plan for Adaptation (NAPA). The diagnostic also highlights the key role that internal connectivity (and shipping) plays in trade in basic goods in the eight PICs. It recognizes that in Vanuatu, land transport infrastructure on larger outer islands (and outer-island shipping services) needs to meet basic standards and gaps need to be addressed, noting that there are almost no navigable roads, severing communities' access to essential services like schools and hospitals as well as economic opportunities, and significant public investment and maintenance is required to ensure that they serve the communities' needs. The proposed VCRTP aligns well with the SCD's focus in the area of connectivity and enhancing infrastructure resiliency to climate change.

13. VCRTP will be included within the larger Pacific Climate Resilient Transport Program (PCRTP) Series of Projects (SOP). The overall concept of the PCRTP SOP is also in line with the Small Islands States Resilience Initiative (SISRI) that draws on the experiences from the World Bank and others in supporting climate and disaster resilience in small island states (see <https://www.gfdrr.org/small-island-states-resilience-initiative>). The proposed components of PCRTP also follow the four-pillared strategic framework for enhancing transport resilience designed in the Transport and Digital Developments Global Practice's 2015 Connections Series Note on Enhancing Road Resilience in Pacific Island Countries (World Bank, 2015), which was subsequently incorporated into the Global Practice's flagship report on Moving Toward Climate Resilient Transport (World Bank, 2015) that was delivered at the Conference of Parties (COP) 21 in December 2015.

### C. Proposed Development Objective(s)

To strengthen the climate resilience of the project roads on Santo Island and in the event of an Eligible Crisis or Emergency, to provide an immediate response to the Eligible Crisis or Emergency.

#### Key Results (From PCN)

14. Progress will be measured against the following PDO-level results indicators:

- (i) Identified planning tools being used to improve climate resilience of roads;
- (ii) Identified climate resilient investments constructed and in use;
- (iii) Identified enabling environment solutions implemented;
- (iv) Roads upgraded with climate resilience measures;
- (v) Wet crossings/bridges constructed or rehabilitated with climate resilience measures; and
- (vi) Coastal protection constructed or rehabilitated with climate resilience measures.

### D. Concept Description

15. **South Santo Road.** The South Santo Road plays an important role for Santo, linking its east to its west, while also serving transit traffic between its northwest via Tasiriki and Luganville, which functions as a gateway for the northern part of the country (i.e., Torba, Penama, and Sanma Provinces). Agricultural activities are evident all along the South Santo Road. The level of activity is higher closer to Luganville. Cash crops produced along the road include cattle (South Santo is reputed to produce the finest beef in Vanuatu), copra, cocoa, kava, and sandalwood. Tasiriki is a fishing village



and fish are sent to Luganville from the village. The village serves as the transshipment point for produce and goods from and to boats. There is a daily coastal boat service. It is anticipated that the proposed project will generate traffic associated with agricultural productivity in response to access improvements. Furthermore, better road access provided to the farms would help reduce road transportation costs, thus create a higher value for the farm products and as a result bring higher income to the farmers.

16. **Project Beneficiaries.** The main beneficiaries of the proposed project will be the nearly 29,700 people (male: 15,300, female: 14,400) living in the three area councils (Luganville, Canal-Fanafo, and South Santo) connected by the South Santo Road, as well as up to 9,100 (male: 4,600, female: 4,500) in four additional area councils (West Santo, North West Santo, East Malo, and West Malo) that connect to the project road by boat.<sup>8</sup> These people will benefit from improved road access to markets and services in Luganville and onward connections to Port Vila, with better road conditions resulting in reduced travel times and lower transport costs. In some cases, the public transport options will also be improved, with closed vans and buses complementing the open trucks on some routes, thereby increasing the safety and comfort of passengers using these services. Upgrading of the South Santo Road has therefore been given a high priority in the government's Vanuatu Infrastructure Strategic Investment Plan (VISIP) 2015-2024.

17. **Project Scope.** The focus of the investments will be: (i) to provide a sustainable climate resilient road infrastructure along the 60-km South Santo Road corridor; and (ii) to develop a sectoral policy in mainstreaming climate resilience into the road asset management, including road network maintenance. The potential infrastructure investments under the project will include: (i) construction of wet crossings/bridges to improve connectivity – which are usually lost in the rainy season; (ii) coastal protection near Luganville to protect the road; and, (iii) upgrading of gravel to paved road along the corridor including upgrading of the existing vented fords to larger culverts or bridges with adequate capacity to pass storm flows. The latter would essentially be as many kilometers of road as the World Bank can finance having done (i) and (ii) which are the critical priorities. It is noted that all these works will include strong climate resilience elements to provide resilient infrastructure solutions that are fit-for-purpose and potentially adopting relatively new technologies. The project scope will be finalized in subsequent missions and is subject to confirmation of available financing.

18. **Pacific Climate Resilient Transport Program (PC RTP) Series of Projects (SOP).** VC RTP will be included within PC RTP, which has four broad pillars that focus on increasing resilience of the transport sector through: (i) utilizing spatial planning and risk based tools; (ii) investing in climate resilient infrastructure; (iii) strengthening the enabling environment; and, (iv) supporting post-disaster recovery. The activities proposed under VC RTP will be aligned with these four broad pillars of support.

19. **Project Components.** The proposed PDO is to be achieved through the following components:

- (i) Component 1: Sectoral and Spatial Planning Tools (approximately US\$1 million);
  - (ii) Component 2: Climate Resilient Infrastructure Solutions (approximately US\$57 million);
  - (iii) Component 3: Strengthening the Enabling Environment (approximately US\$4 million); and
  - (iv) Component 4: Contingent Emergency Response (US\$0 million).
- Details of each component are described below.

20. **Component 1: Sectoral Spatial Planning Tools (approx. US\$1 million).** This component involves technical assistance that will improve the way the climate change challenges are addressed in Vanuatu's road sector. Financing will be

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<sup>8</sup> These are based on the 2016 mini census. The number will be updated during project preparation, assuming the recent population growth in the project area.





provided to update the analytical and sectoral planning tools to enable the policymakers to make informed decisions based on the most accurate and up-to-date information. Activities designed to improve analytical and planning tools and strategies for the road sector are proposed, including: (i) undertaking of Light Detection and Ranging (LiDAR) Survey/data collection for rapid assessments and designs, and (ii) improving the existing Road Inventory Management System (RIMS) to account for climate change risks in investment planning and prioritization.

21. **Component 2: Climate Resilient Infrastructure Solutions (approx. US\$57 million).** This component involves design and construction of the South Santo Road to improve its resilience to climate-related hazards and/or events. The integration of climate change considerations into infrastructure activities will help strengthen the resilience of the road assets and improve functionality of the transportation network. Potential investments may include: (i) construction of five wet crossings/bridges to address connectivity issues along South Santo Road – which are exacerbated in the rainy season; (ii) coastal protection near Luganville to protect the road; and, (iii) upgrading of gravel to paved road along the corridor and the feeder roads network. Road safety will be thoroughly considered to be incorporated into the road design, construction and operations to ensure that the road will be operated safely. The component will also include assisting Vanuatu to establish an accredited material testing laboratory and consultancy services for design and construction supervision of road and wet crossings/bridges works.
22. **Component 3: Strengthening the Enabling Environment (approx. US\$4 million).** This component will include measures to strengthen the enabling environment for the Vanuatu road sector. These activities will help develop a policy to manage Vanuatu’s road network toward climate resilience, provide capacity building programs and project implementation support. Capacity building programs will encourage women’s participation, and address the barriers that women face in this regard in Vanuatu. Potential activities associated with this component include:
  - i. **Sector Policy Development.** A recent World Bank study has proposed a holistic framework for Small Island Developing States (SIDS), which includes Vanuatu, to integrate climate and disaster risk considerations into transport asset lifecycle management. What is needed now is to “turn into action” by providing a resilient transport path that fits their country, context, and population specific needs. This sub-component will help MIPU develop a sectoral policy in mainstreaming climate resilience into the road asset management in Vanuatu, which covers the whole infrastructure lifecycle, including planning, budgeting, financing, designing, implementing, operations and maintenance. Linkage to the national-level Vanuatu Climate Change and Disaster Reduction Action Policy 2016-2030 into a specific sectoral policy will be provided under this activity. The policy on maintenance could be further studied focusing on the financing options and budgeting process for a sustainable road network management. Furthermore, this sub-component will also support GOV to develop a road safety policy, which would include an action plan to improve traffic safety in the short-, medium- and long-term.
  - ii. **Capacity Building Program.** The potential activities will include: (i) technical and operational assistance to MIPU/PWD on project management and implementation; (ii) capacity building for local contracting industry; (iii) specific project activities to create opportunities for women and address the barriers that prevent their participation; (iv) activities to address gender based violence; (v) improving MIPU/PWD staff and contractors understanding and application of occupational health and safety (OHS) measures; and, (vi) abroad study tour for governmental staff to gain knowledge from other countries who have been successful in mainstreaming climate resilience into the road asset management, road maintenance financing and road safety.
  - iii. **Project Implementation Support.** The executing agency for VC RTP will be the Ministry of Finance and Economic Management (MFEM), while the implementing agency will be MIPU. The existing VIRIP Project





Support Team (PST), with augmented resources, will assist during project preparation. During project implementation, it is proposed that a small PST, composed of an internationally-experienced Team Leader, Procurement Specialist, Financial Management Specialist, and Safeguards Specialists will be established to provide MIPU/PWD with the key necessary support.

23. **Component 4: Contingent Emergency Response (US\$0 million).** Since Vanuatu will remain vulnerable to climate change and severe weather events, even with the successful implementation of the first three components, supporting post-disaster recovery is an important feature of VCRT. This zero-dollar component is designed to provide a swift response in the event of an Eligible Crisis or Emergency<sup>9</sup>, by enabling the government to request the World Bank to reallocate project funds to support emergency response and reconstruction.
24. **Project Financing.** The total envelope of IDA financing for the proposed project is still to be confirmed, but an indicative amount of US\$62 million is anticipated.
25. **Project Preparation Advance (PPA).** GOV represented by MFEM has requested the Bank to provide PPA in an amount of US\$1.1 million to allow detailed preparatory work to be undertaken. Among other specialists, a consulting firm will be procured to support GOV with conducting the Feasibility Study and Detailed Engineering Design.
26. **Technical Considerations for the Roads Investments.** The project plans on undertaking a terrestrial LiDAR survey of the road corridor and from this, establishing the pavement and drainage needs. As a minimum, this would see the existing drainage restored to its original capacities. Where necessary, the drainage will be supplemented. In addition, all wet crossings (e.g., fords, bridges) and culverts to be constructed, rehabilitated, improved or replaced under the project will be checked and if necessary redesigned for larger hydraulic openings to account for increased storm intensity and duration including storm surges related to extreme weather events. Road sections subject to bank cutting from river erosion will be repaired and reinforced as needed. The project will also look at options for more climate resilient pavement types, such as cement concrete pavements.<sup>10</sup>
27. **Climate Co-Benefits.** As described in Country and Sectoral Context, Vanuatu's road transport sector is extremely vulnerable to climate change induced risks such as sea level rise, intensified storm surges, extreme precipitation and flooding. The Climate and Disaster Risk Screening for this project shows that the road sector overall and the targeted infrastructure is highly exposed and sensitive to climatic hazards. Due to the limited institutional capacity and budgetary resources, MIPU/PWD's adaptive capacities to these risks are constrained. VCRT aims to improve the physical resilience of road infrastructure along the South Santo Road corridor and support MIPU/PWD to develop a long-term climate resilient road asset management policy that will trigger transformative changes to the road sector. Climate Co-Benefits from this project are expected to be significant – Component 1 will strengthen GOV's technical capacity of utilizing spatial planning tools to detect climate vulnerability of road asset, and informing adaptive sectoral planning. Component 2 will strengthen coastal resilience to prevent disruptive erosion from damaging road infrastructure along the coast, and upgrade gravel to paved road along the corridor with adaptive engineering measures such as raising road elevations and installing drainages to enhance road resilience to extreme precipitation and flooding. To adapt to the loss of road connectivity during the rainy season, Component 2 will also finance the construction of five wet crossings/bridges, which will benefit rural agriculture to access to markets. Lastly, Component 3 aims to help MIPU/PWD to develop Vanuatu's first road asset management policy with climate resilience lens. This component will profoundly change the way road networks are currently maintained and managed. Furthermore,

<sup>9</sup> Defined as "an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact associated with natural or man-made crises or disasters", OP/BP 8.00, *Rapid Response to Crises and Emergencies*.

<sup>10</sup> With funding from GFDRR the Task Team is currently investigating options for concrete pavements for climate resiliency.



through the inclusion of the zero-dollar disaster recovery contingency fund, this will help to reduce the impacts of future extreme weather related and disaster events through making available a mechanism to gain rapid access to financing to respond to a crisis or emergency that can provide for immediate rehabilitation or reconstruction needs.

28. **Safeguards.** An environmental category B operation is proposed as its potential environmental impacts can be mitigated. As part of the project preparation, a comprehensive Environmental and Social Impact Assessment (ESIA) on the 60km road network will be prepared. The ESIA will (a) screen, identify and assess the potential environmental and social impacts and/or risks, (b) evaluate alternatives, and (c) design appropriate mitigation, management and monitoring measures. The screening will flag sensitive environmental and social receptors along the Right-of-Way (ROW). The ESIA will include an Environmental and Social Management Plan (ESMP) that focuses on avoidance and mitigation measures on the potential impacts and risks. A Traffic Management Plan will be included in the ESMP to ensure safety of villagers from the fishing village and farmers alongside of the proposed road, during and after construction. The ESMP will be used to guide the preparation of appropriate outcome-based specifications in accordance with the Bank's procurement policy. It will also serve as the basis for the Contractors' ESMPs. OP/BP 4.04 (Natural Habitats) may be triggered as the proposed project is located near coastal area and there are several creeks and rivers to be affected by bridges. A biodiversity specialist will be included in the ESIA team. The ESIA and ESMP will include risks of Gender-Based Violence and Violence against Children, mitigation measures and response mechanisms.
29. Accessing land for infrastructure projects in Vanuatu, as with other Pacific Island nations, is complex. In Vanuatu, all public infrastructure works, including associated resource extraction and use, take into account the fundamental right that under the nation's constitution all land in Vanuatu belongs to the indigenous custom owners and their descendants. In practice, this has led to a system of compensatory instruments (both legal and by convention) developed over time in order to supplement the more formal regulatory processes while at the same time acknowledging fundamental land rights. These have been established in order to ensure that resource owners are suitably compensated for loss of natural resources, including crops and forest products, quarried materials etc. As a result, accessing land for infrastructure is a complex mixture of systems. Roads are covered by the Land Reform Act 31 (1980) and subsequent amendments which states under Section 17 "Public roads" that: (1) Public roads in existence or under construction on the Day of Independence shall vest on that Day in the Government on behalf of the people; (2) No person other than the Minister may close a public road or take a toll from persons using a public road.
30. Roads often also sit within a complex social structure and environment as they run through villages and provide access to shared natural resources, which in turn can generate conflict and social unrest caused by inequitable benefits. This is particularly the situation in Melanesia more generally including in Vanuatu. The key to managing these risks is meaningful consultation and citizen engagement throughout the project cycle. This consultation will need to be undertaken in a manner and timeframe suitable to the communities along the road. A Resettlement Plan (RP) will be prepared during project preparation based on preliminary design. The RP will be updated when the detailed design becomes available.
31. Vanuatu is an ethnically diverse country with 113 indigenous languages being used. Relevant elements of OP4.10 will be integrated into project design. During project preparation, a social assessment will be undertaken covering potential risks and benefits as well as views of local indigenous people and required measures to be incorporated in to project design and communication strategies. The results of these assessments, consultations and required actions will be incorporated in the ESIA.
32. **Gender inequalities.** The World Bank Gender Strategy (FY16–FY23) and the Transport & Digital Development Global Practice Note (FY17–FY20) seek to enhance women's agency and reduce gender gaps. This project will support women



through the development and implementation of a Gender-based Violence (GBV) and Violence Against Children (VAC) strategy, as well as through enhancing access to economic opportunities.

33. Gender constraints in Vanuatu are wide-ranging and entrenched in cultural and historical factors. Vanuatu is a traditionally male dominated and largely patriarchal society. In terms of total population, the sex ratio is 105 males to 100 females. Women have low representation in Parliament and in other decision-making bodies. Traditional customary law administered by Chiefs and recognized by Vanuatu's Constitution can operate to discriminate against women. Despite ratification of the Convention Against all Forms of Discrimination against Women, a number of Vanuatu's laws continue to discriminate against women, for example in relation to matrimonial property, inheritance, and citizenship. Women's political representation in Vanuatu is low, with no women currently represented in national parliament. Only 1.4 percent of members ever elected to parliament have been women.<sup>11</sup> Women and girls do much of the country's agricultural work, representing 96 percent of open-air market vendors,<sup>12</sup> but are under-represented in formal sector employment (36 percent).<sup>13</sup>

34. In addition to recognizing the existing gender inequalities, VCRTP will address two gender-focused issues that have been identified:

(i) **Economic opportunities:** An existing gap between males and females has been identified with regards to labor force participation rate. In Vanuatu, the participation rate in 2013 for the percentage of the population ages 15 and above was 80 percent for males and 62 percent for females.<sup>14</sup> Furthermore, there are considerable coordination challenges and limited financial support towards programs that target gender equality.<sup>15</sup>

The project will include a thorough gender analysis to identify specific gender gaps that could be addressed and monitored through the project with regards to economic opportunities. The project will meet the following three criteria: (i) Analysis to identify project-relevant gaps between males and females, especially in light of country gaps identified in the SCD and CPF; (ii) Specific action(s) to address the gender gap identified in (i) and/or to improve women's empowerment; and, (iii) Indicators in the Results Framework to monitor outcomes from actions identified in (ii). From available baseline information, it can be assumed that the project should address gender gaps in formal employment and the barriers that women face in accessing employment opportunities – including education levels, discriminatory social norms and barriers to employment such as insufficient child care options and higher burdens in household responsibilities. The gender gaps will be addressed in the project design by articulating a results chain, demonstrating the links between the identified gaps and the planned project activities, and monitoring progress in addressing the gaps in the Results Framework.

(ii) **GBV and VAC:** Furthermore, current statistics in Vanuatu estimate that 60 percent of Ni-Vanuatu women have experienced physical and/or sexual abused in their lives.<sup>16</sup> The child sexual abuse rate stands at 30 percent and about 40 percent of young people report that they have exchanged sex for money or gifts.<sup>17</sup> The main service provider to women experiencing or fleeing situations of violence is the Vanuatu Women's Centre (VWC), but challenges remain in terms of access for women and girls in remote areas.

<sup>11</sup> Pacific Women Shaping Pacific Development

<sup>12</sup> Ibid.

<sup>13</sup> Gender-Based Violence in the Pacific: Pacific Island Countries. The World Bank, October 2016.

<sup>14</sup> The Little Data Book on Gender 2016. The World Bank, 2016.

<sup>15</sup> Gender-Based Violence in the Pacific: Pacific Island Countries. The World Bank, October 2016.

<sup>16</sup> Pacific Women Shaping Pacific Development.

<sup>17</sup> Ibid.



A GBV and VAC strategy will be developed for VC RTP, identifying the role that the transport sector can play in helping to build local capacity and structures to help prevent and mitigate instances of GBV and VAC. The strategy will be developed in consultation with relevant government and civil society stakeholders and will focus on three pillars: (i) needs assessment; (ii) prevention; and, (iii) support services, with a range of actions proposed under these three pillars. Specific actions will be finalized through consultation, but may include the utilization of codes of conduct and training for contractors on GBV and VAC; identification and documentation of relevant referral pathways for any disclosed cases of violence; and, the development of a community-based campaign/approach to addressing GBV and VAC. The project will ensure engagement of relevant government and civil society counterparts, and work through community structures such as existing Committees against Violence Against Women (CAVAWs).

35. **Citizen Engagement:** The project will implement specific measures to maximize citizen engagement (CE), specifically through the use of a robust Grievance Redress Mechanism, which builds upon the one already in use under Vanuatu Aviation Investment Project (VAIP). The project will include two CE indicators: (i) Grievances responded and/or resolved within the stipulated service standards; and, (ii) Project-supported organization(s) publishing periodic reports on GRM and how issues were resolved [including resolution rates]. This will be done by implementing the 'Grievance and Complaints Logging System' (GCLS) which will be part of the project's web site.
36. The project also provides an opportunity to engage women as stakeholders during the consultations on the project. Since there is still significant marginalization of women in Vanuatu, particularly from pertinent discussions and decisions on areas of social and economic development, the project will seek to promote the engagement of women during public discussions around the project, making sure that they are well represented and that their inputs and opinions are considered.

## **SAFEGUARDS**

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

The proposed project is located in Santo Island (also known as Espiritu Santo) in Sanma Province, the largest island with the second largest city of Luganville. The project will upgrade the 60km South Santo Road; linking the island's east to its west whilst also serving transit traffic between its northwest via Tasiriki and Luganville. It runs close to the coast, through farmland and villages and across a number of rivers of varying sizes.

### **B. Borrower's Institutional Capacity for Safeguard Policies**

The Bank is working with MIPU on the Vanuatu Aviation Infrastructure Project (VAIP) and the Vanuatu Infrastructure Reconstruction and Improvement Project (VIRIP). There does appear to be limited capacity in terms of project management and oversight, including effective integration of environmental and social risks into the project. There is generally limited specific safeguards capacity in Vanuatu. A more detailed assessment will be carried out during project design.

### **C. Environmental and Social Safeguards Specialists on the Team**

Vivianti Rambe, Environmental Specialist  
Ross James Butler, Social Specialist  
Craig Andrew Clark, Social Specialist



#### D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>Investments and activities included under VCRTTP are focused on strengthening the climate resilience of road infrastructure along the South Santo Road corridor. An environmental category B operation is proposed as its potential environmental impacts can be mitigated. As part of the project preparation, a comprehensive Environmental and Social Impact Assessment (ESIA) on the 60km road network will be prepared. The ESIA will (a) screen, identify and assess the potential environmental and social impacts and/or risks, (b) evaluate alternatives, and (c) design appropriate mitigation, management and monitoring measures. The screening will flag sensitive environmental and social receptors along the Right-of-Way (ROW). The ESIA will include an Environmental and Social Management Plan (ESMP) that focuses on avoidance and mitigation measures on the potential impacts and risks. A Traffic Management Plan (TMP) will be included in the ESMP to ensure safety of villagers from the fishing village and farmers alongside of the proposed road, during and after construction. The ESMP will be used to guide the preparation of appropriate outcome-based specifications in accordance with the Bank's procurement policy. It will also serve as the basis for the Contractors' ESMPs (CESMPs).</p> <p>Considering that the ESMP will serve as the basis for the CESMPs, a compliance framework will be included to ensure contractor's performance as per the ESMP. The framework will include a TOR for environmental supervision of works, frequency of inspections, remedies for non-compliance and reporting requirements.</p> <p>Component 1 (Sectoral Spatial Planning Tools) will involve some Technical Assistance (TA) investments with an objective to enable policymakers to make informed decisions based on the most accurate and up-to-date information available. All TORs of this TA-related activities, where relevant, will be reviewed by the Safeguards Specialist to ensure that the</p>



requirements of the World Bank safeguards policies are effectively integrated.

Component 2 will include construction of five wet crossings/bridges to address loss of connectivity issues, coastal protection near Luganville to protect the road, and, upgrading of gravel to paved road along the corridor. The following categories of mitigation measures will be addressed in the ESMP:

1. Construction-related activities: noise, dust, waste disposal, hazardous substance and materials, management of storm water and community and workers health and safety. Guidance for the location of ancillary infrastructure for the contractors will be provided. A particular attention will be given to the construction of the coastal protection works near Luganville.
2. The sourcing of construction materials: noise emissions, dust, water management, slope stability, borrow pit and quarry management plans and associated risks in aggregate importation (if applicable). These can be managed through the implementation of Code of Practice for quarry operations, and ensuring materials such as aggregate and equipment meet strict biosecurity precautions and clearance for imported materials. In addition, if materials need to be imported, the ESMP will provide management plans for the transportation system to Santo island, off-loading and transport to project sites.
3. Transport impacts along haul routes associated with heavy vehicles are noise, dust, road safety and road surface condition. These can be managed through the establishment of a robust TMP to ensure safety of villagers from the fishing village and farmers alongside of the proposed road, during and after construction.

Activities and investments included under Component 3 (Strengthening the Enabling Environment) will focus on institutional strengthening, capacity building and provisions for in-country human resources to support the proposed project in meeting its intended objective. Relevant TORs will be reviewed by the Safeguards Specialist to ensure alignment with the ESMP (e.g., TA on road safety and OHS, etc.) and allow due consideration of potential safeguards implications.





Component 4 (Contingent Emergency Response) would ensure that once a disaster, crisis or emergency is triggered, funds can be quickly allocated to this component. It would be implemented in accordance with the rapid response procedures governed by the World Bank OP/BP 10.0 Investment Project Financing (paragraph 12 on deferral of the preparation of safeguards instruments). The project will prepare CERC Manual and will include a CERC-ESMF. This will indicate the kinds of emergency response actions that can proceed with no additional environmental and social assessment, and which ones would require assessment (and at what level) prior to being initiated.

Performance Standards for Private Sector Activities OP/BP 4.03	No	Not relevant to the proposed project.
Natural Habitats OP/BP 4.04	TBD	The proposed project will potentially finance five priority wet crossings/bridges that will be built across five rivers (Nakere, Manniao, Bayolo, Navaka, and Buvo). The project will screen whether OP/BP 4.04 (Natural Habitats) is triggered due to the nature of the mentioned rivers. Natural habitats will include coastal ecosystem downstream from the road. A biodiversity specialist will be included in the ESIA team.
Forests OP/BP 4.36	No	No potential impacts on natural forests will result from the activities under the proposed project. All works will be carried out within the existing boundaries.
Pest Management OP 4.09	No	The project will not require the use of pesticides. Accordingly, this OP is not triggered.
Physical Cultural Resources OP/BP 4.11	No	No potential impacts on Physical Cultural Resource will result from the activities under the proposed project; as works will be carried out within the existing boundaries. The project's ESMP will contain a chance find procedure which requires that should any areas of potential cultural importance be identified during the project, works should stop and the relevant ministry should be contacted. No works should continue until approval has been sought from the above-mentioned agencies.
Indigenous Peoples OP/BP 4.10	Yes	Vanuatu is a very diverse country with many different indigenous peoples groups; accordingly OP4.10 will be triggered. Although this will be confirmed via the citizen engagement and social assessment to be undertaken during project design, it is anticipated that the vast majority of potentially affected population will be indigenous. Accordingly, no separate





instrument will be required. Instead, relevant elements of the policy will be integrated into project design. During project preparation a social assessment will be undertaken covering potential risks and benefits as well as views of local indigenous people and required measures to be incorporated in to project design and communication strategies. Broad Community Support will need to be achieved via extensive Citizen Engagement undertaken during project design. The results of these assessments, consultations and required actions will be incorporated in the ESIA.

The project will mostly utilize the existing road alignment. However, it is likely that some modification to the existing road footprint will result from realignment in some sections and widening of the road formation (e.g., due to raising height or inclusion of drainage). Involuntary resettlement impacts are expected to be marginal losses of agricultural land and trees/crops. Settlement is relatively sparse along the alignment and houses tend to be set well back. Accordingly relocation of housing is not expected to be significant, if required at all.

A Resettlement Plan (RP) will be prepared during project preparation based on preliminary design and subsequently updated based on detailed engineering design once available. The RP will set out community consultation processes and mitigation measures, including modalities for voluntary land donation and land use agreements, if these are to be used.

Community consultations will be facilitated and documented by a PWD's Community Partnership Officer in collaboration with Safeguards Specialists to be employed under the project. Ongoing monitoring and community consultations by such personnel will assess whether broad community support is maintained during implementation. The ongoing community consultation process will be summarized in a community consultation plan in the ESIA. This should ensure that Free, Prior and Informed Consultation is included and that the project will provide benefits that are culturally appropriate to the people. The ESIA will include analysis of social impacts of the project.

Involuntary Resettlement OP/BP 4.12

Yes

Safety of Dams OP/BP 4.37

No

Not relevant to the proposed project



Projects on International Waterways OP/BP 7.50	No	Not relevant to the proposed project
Projects in Disputed Areas OP/BP 7.60	No	Not relevant to the proposed project

### **E. Safeguard Preparation Plan**

Tentative target date for preparing the Appraisal Stage PID/ISDS

Jun 03, 2019

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

The Ministry of Economy and Finance requested in May 2018 a project preparation advance to facilitate the undertaking of relevant safeguard instruments.

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**APPROVAL**

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